CNA
Catholic Network Australia

ANNUAL REPORT \\ 2017–18

Catholic Network Australia Limited

Catholic Network Australia Limited (CNA) is a subsidiary company of Catholic Resources Ltd. It was created to procure and manage a private telecommunications network and associated technology services for the Catholic Church.

PARTICIPANTS

The following dioceses and religious institutes are currently CNA participants:

- Archdiocese of Adelaide
- Archdiocese of Brisbane
- Archdiocese of Canberra and Goulburn
- Archdiocese of Hobart
- Archdiocese of Melbourne
- Archdiocese of Perth
- Archdiocese of Sydney
- Diocese of Ballarat
- Diocese of Bathurst
- Diocese of Broken Bay
- Diocese of Broome
- Diocese of Bunbury
- Diocese of Cairns
- Diocese of Geraldton
- Diocese of Lismore
- Diocese of Maitland-Newcastle
- Diocese of Parramatta
- Diocese of Port Pirie
- Diocese of Rockhampton
- Diocese of Sale
- Diocese of Sandhurst
- Diocese of Toowoomba
- Diocese of Townsville
- Diocese of Wagga Wagga
- Diocese of Wilcannia-Forbes
- All Hallows' School, Brisbane
- St Augustine's College, Sydney
- Marist Brothers.

1,400+
EDUCATION SITES
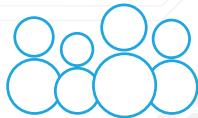
650,000
STUDENTS AND STAFF

Key activity

Since 2009, CNA has aggregated purchasing of network services and software licences to drive down costs for the Catholic education sector. CNA continues to manage the largest national private network for Catholic schools and associated administrative offices across Australia. It has also fostered collaboration, sharing approaches to support Australian Catholic educators and their communities to enhance student learning and school administration through the use of technology.

From the Chair

It is with great pleasure that the CNA Board presents this Annual Report of Catholic Network Australia Limited. CNA provides services to more than 650,000 students and staff at over 1,400 Catholic schools and offices across Australia.

In 2009, CNA established a private online network. This network is still Australia's only truly national education network. The establishment of the network was possible because various entities within the Catholic education sector combined

their energy and resources to participate in a project which delivered mutually beneficial outcomes.

The agreement with Telstra to provide CNA network services was renewed in January 2015 for a further five years.

Whilst 2016 saw the completion of the rollout of new services with participants being able to access a unique virtual local area network (VLAN) bundled configuration for the first time, this configuration enabled them to significantly increase download capacity by being able to distinguish between 'primary' or premium secure traffic and 'secondary' or non-premium regular Internet traffic. This cost-effective solution has resulted in schools doubling or even trebling the capacity of their connections over 2017–18. Nineteen CNA participants representing over 1,400 Catholic schools and offices use CNA network services.

PRICE REVIEW

A third CNA network services price review was triggered in the first-half of 2017, when a new Telstra – government education contract was struck. The price review compared the prices of the 'primary' component of CNA's VLAN bundle with the new connection prices in the government contract. The review resulted in price reductions where the comparison showed the CNA primary connection prices were higher. These price reductions were then applied to the whole CNA VLAN bundle (primary and secondary).

The two most significant outcomes of the review for CNA participants were:

1. a 25.71% discount applied to all CNA connection prices from 22 June 2017
2. a 25.71% reduction in participant minimum-spend commitments, reducing the combined minimum spend for CNA by some $22 million.

These two outcomes represented an outstanding commercial benefit for CNA participants for 2017. Moreover, when combined with discounts already achieved in the previous reporting period, CNA participants are now paying some 30% less for connection services than they were at the start of the contract. Telstra advised that the unique formula used to conduct the price review had resulted in a new CNA price schedule that was one of the most competitive at the time.

The price review also delivered other positive benefits, including:

- discounted Data Centre IP MAN services (up to 20 Gbps)
- superior unlimited Internet services and optic wave services, which are more competitive than market alternatives for these products
- a new Cloud Gateway service
- improved NBN offerings.

CAPITAL WORKS COSTS AT GREENFIELD SITES

In conjunction with the price review negotiation process, CNA raised the issue of the cost of enterprise works to install new connections in greenfield school sites (up to $120,000 per site).

In response to this concern, Telstra agreed to set up a CNA Installation Works and Service Fund (IWSF). Held by Telstra, the fund is specifically intended to cover installation works or associated professional services costs where they arise. It comprises contributions equal to a percentage of the amount spent by participants above their annual minimum spend. The funds are pooled so that they can be transferred to other participants across CNA. The 2017–18 IWSF available to CNA totalled $1.284 million. By the end of June 2018, some $884,000 had been utilised to provide installation works and other associated services. A further $440,000 had also been allocated for services to remote schools in Western Australia.

ROUTER REPLACEMENT

In 2017, Cisco released advice that a component in the 4300 series routers was faulty and these site routers needed to be replaced under warranty. In response, CNA negotiated a replacement plan with Telstra for replacements to be completed with Cisco by December 2017.

By November 2017, the project had seen the replacement of 839 routers out of a total of 855 routers. The remainder were progressively updated by the end of March 2018.

TELSTRA DELIVERY MODEL

In 2017, Telstra adopted a new service support model (in the form of an easy to understand process map) based on state-based service contacts. Telstra consulted with CNA about the structure's final development and incorporated CNA's constructive feedback.

FOCUS ON STEM

In November 2016, the CNA Contemporary Learning Working Group (CLWG), in response to the recommendations of the 2016 Participants Forum, identified Science, Technology, Engineering and Mathematics (STEM) in Catholic learning contexts as the initiative the group would like to explore and resource in 2017.

The CLWG commissioned one of its subgroups, the Digital Learning Network (DLN), to plan and undertake three STEM-focused activities with the support of the Education Standing Committee:

- **Initiative 1:** A research proposal was developed that resulted in the engagement of the University of South Australia to undertake a STEM literature review.
- **Initiative 2:** A survey was developed to ascertain what is currently happening in STEM in Catholic learning contexts.
- **Initiative 3:** A participants forum was held to share the resultant findings.

2017 PARTICIPANTS FORUM

In excess of 50 Catholic educational leaders from all states in Australia attended this STEM-focused event. A highlight of the day was the release of the CNA STEM Literature Review. It was very pleasing to see the realisation of a high-quality research document for the use of all Catholic schools through the energetic and committed work of the DLN.

During the forum, Associate Professor Debra Panizzon from the University of South Australia provided an engaging presentation to introduce the literature review. This was followed by a facilitated session led by the Change Makers team, where opportunities to utilise the research were explored. The final session of the day centred on next steps and identified two key actions:

1. focusing the work of the DLN in 2018 on identifying, harvesting and sharing effective STEM practice across the CNA network of schools

2. designing the 2018 Participants Forum to showcase STEM education across the CNA network.

PLANNING FOR THE FUTURE

In 2017, CNA initiated an important project designed to plan for the options available to CNA participants at the end of the current Telstra contract (which has an end date of 20 January 2020). The project has three phases:

- **Phase 1** is designed to fully inform Catholic education leaders of the range of current and emerging wide area network (WAN) technology options available (or likely to be available) by 2020.

- **Phase 2** will ascertain from CNA participants the preferred pathways they are likely to adopt moving forward.

- **Phase 3** will develop an optimal CNA action plan based on the information collected.

All phases have been completed. The Board has agreed to engage a third party to enumerate the required network technologies and topologies post 2020 in a set of documents, in preparation for the Request for Proposal stage in 2019.

The Board is grateful to the many people who have made CNA the success it is.

Our thanks go to those who serve with dedication on Board subcommittees. Those on the Education Standing Committee continue to plan the enhancement of services delivered on the network and coordinate joint procurement activities. Members of the Negotiation Team have been very successful in negotiating with both Telstra and Microsoft.

Delivery of ICT services to participants requires close cooperation with service partners, including Telstra, Catholic Education Melbourne, Brisbane Catholic Education, Catholic Education Western Australia and CEnet, and we thank them for their service.

I thank my fellow directors for their contribution to this worthwhile platform.

Peter Matthey

Services summary

There is a range of services available for CNA sites belonging to the Catholic education sector.

TELECOMMUNICATION SERVICES

CNA's telecommunication services include Internet access and Internet data, site connections, jurisdiction-based virtual private networks, network-router monitoring and management, and router purchase and maintenance. These are all sourced via CNA's contract with Telstra.

Some of these services are discrete to a participant (e.g. site connections) while some services are shared across numerous or all participants. The CNA Network allows for the interconnection of the five major data centres currently servicing Catholic schools across Australia. These data centres are located in Perth (CEWA), Adelaide (CESA), Melbourne (CEVN), Brisbane (BCE) and Sydney (CEnet).

EDUCATION SERVICES

The CNA CLWG, together with the CNA DLN, reconvened in 2017.

The purpose of the CLWG is to provide advice to CNA on:

- initiatives to share experience, and lead and support Australian Catholic educators and their communities to achieve better student learning outcomes and value for the education sector with the use of enterprise IT systems, web-based applications and resources
- opportunities to aggregate purchasing of ICT services and technologies
- emerging technologies that support contemporary learning.

The purpose of the DLN is to develop/provide resources which support digital pedagogy in member dioceses. This is achieved by:

- networking
- formal creation/curation of resources
- exploration of research into current and emerging agendas
- establishment of a CNA DLN repository of resources for DLN members to access and use within their diocese.

The DLN identified STEM in Catholic learning contexts as the focus for the network in 2017.

CNA FORUMS

A successful CNA forum focusing on STEM research commissioned by CNA was held at the Catholic Leadership Centre in Melbourne. It was attended by Catholic Education Office directors and senior staff from around Australia.

The focus of the forum provided directors and senior education staff with the most up-to-date information on how technology can best support STEM learning in Catholic schools.

AGGREGATED PURCHASING – MICROSOFT LICENSING

As well as collaborating on shared services, the education sector has aggregated its purchasing power under the auspices of CNA to negotiate a special *Microsoft Enrolment for Education Solutions (EES)* agreement. This agreement came into effect at the commencement of 2016 and continues to operate until March 2019. The agreement sees all participants receive the highest level of discount available for Microsoft products and services.

Aggregate savings to participants are conservatively estimated to be in the order of $3 million per year.

The agreement provides different options for Microsoft licence purchases given participants' use of Microsoft products and services varies enormously.

Financial accounts

Notes

1. The summary of the financial statements of Catholic Network Australia Limited was extracted from the audited 30 June 2018 financial statements. These are available upon request from the Company Secretary or via a search on the ACNC Charity Register.

2. The statement of comprehensive income is to be read in conjunction with the notes to and forming part of the financial statements.

	2018 $	2017 $
REVENUE		
Revenue from services provided	701,667	526,330
Other revenue	20,712	22,061
Total revenue	**722,379**	**548,391**
Accounting fees	43,614	42,300
General expenses	23,495	17,988
Audit fee expense	15,000	12,050
CEnet management fees	153,000	169,500
Corporate registrations	6,878	6,878
Seminars and conferences	8,598	5,564
Consultancy and marketing expenses	217,205	94,806
Educational services expenses	45,614	31,254
Subscriptions	9,849	10,297
Total expenditure	**523,253**	**390,637**
Surplus for the year	**199,126**	**157,754**
Total comprehensive income for the year	**199,126**	**157,754**

STATEMENT OF CASH FLOWS
FOR YEAR ENDED 30 JUNE 2018

	2018 $	2017 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	808,027	549,007
Interest received	20,666	22,247
Payments to suppliers	(546,988)	(345,103)
Net cash generated by operating activities	281,705	226,152
Net increase in cash	**281,705**	**226,152**
Cash and cash equivalents at the beginning of the financial year	1,349,384	1,123,232
Cash and cash equivalents at the end of the financial year	**1,631,089**	**1,349,384**

Financial accounts (continued)

STATEMENT OF FINANCIAL POSITION FOR YEAR ENDED 30 JUNE 2018

In addition to the operation of the company itself, the CNA telecommunications contract represents substantial direct financial transactions between Participants and Telstra. The aggregate spend in 2017–18 across all Telstra services for all Participants was more than $29 million.

	2018 $	2017 $
ASSETS		
Current Assets		
Cash and cash equivalents	1,631,089	1,349,384
Trade receivables	49,315	141,710
Other current assets	5,384	3,315
Prepayments	1,567	1,988
TOTAL CURRENT ASSETS	**1,687,355**	**1,496,397**
TOTAL ASSETS	**1,687,355**	**1,496,397**
LIABILITIES		
Current Liabilities		
Other creditors	461,037	469,205
TOTAL CURRENT LIABILITIES	**461,037**	**469,205**
TOTAL LIABILITIES	**461,037**	**469,205**
NET ASSETS	**1,226,318**	**1,027,192**
EQUITY		
Members' Funds		
Retained earnings	1,226,318	1,027,192
TOTAL MEMBERS' FUNDS	**1,226,318**	**1,027,192**

Key People

CNA DIRECTORS
Peter Matthey (CNA Board Chairperson – *appointed June 2018*)
Pamela Betts
Peter James Burke *(resigned June 2018)*
Stephen Elder
Neil McGoran
Francis Moore
Debra Sayce
Julie-Anne Schafer *(resigned June 2018)*

CNA EDUCATION STANDING COMMITTEE
Stephen Elder (Chairperson)
Greg Whitby (CEnet)
Warren Armitage (BCE)
Doug Ashleigh (BCE)
Aiden McCarthy (CEWA)
Michael Haigh (NCEC ITC Committee)
Ben Beaton (CEWA)
Phil Proctor (CESA)
Leesa Jeffcoat (CEnet)
Robyn Finch (CEnet)

CNA NEGOTIATING TEAM
Simon Mackey (LinCS)
Tony Panetta (CEWA)
Greg Whitby (CEnet)
Michael Haigh (Acting Company Secretary)
Vin McPhee *(resigned March 2018)*

OFFICE BEARERS
Company Secretary:
Michael Haigh *(acting April–June 2018)*
Vin McPhee *(resigned April 2018)*

SERVICE DELIVERY TEAM
Service Delivery Team – Chris Burrows and Garry Anderson
Technical Officer – Ian Gregory

CONTACT
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