



CNA

Catholic Network Australia



ANNUAL REPORT \ 2016-17

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.

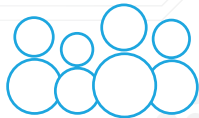
PARTICIPANTS

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
- Marist Brothers
- All Hallows' School.



1,400+
EDUCATION SITES



655,000
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 and sharing of 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 655,000 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. 2016 saw the completion of the rollout of new services with participants being able to access a unique VLAN (Virtual Local Area Network) 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. Nineteen CNA participants representing over 1,100 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 spent 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 Telstra's best in the country at the time.

The price review also delivered other positive benefits, including:

- discounted Data Centre IP Man services (up to 20 GB)
- superior unlimited internet 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 \$120k per site).

In response to this concern Telstra agreed to set up a CNA Installation Works and Service Fund (IWSF) to be held by Telstra. The fund is specifically intended to cover installation works or associated professional services costs where they arise. The fund 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 IWSF available to CNA totals \$1.284 million.

ROUTER REPLACEMENT

When Cisco reported that a problem had been identified with their 4300 series routers that, if not urgently addressed, would result in the failure of the devices within 18 months of deployment, CNA immediately negotiated an effective replacement plan with Telstra. The plan, entitled Project Gigahertz, involved two processes:

1. a proactive like-for-like replacement, under warranty, of all ISR4300 series routers in the CNA network
2. a fix-on-fail procedure operating in parallel.

For WA sites only, a decision was made to replace the ISR4300 with the ISR4400 models.

By November 2017, the project had seen the replacement of 839 routers out of a total of 855 routers, well in advance of the initial estimated timeline.



From the Chair (continued)



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 around the structure's final development and took on 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, or STEM, in Catholic learning contexts as the initiative the Working Group would like to explore and resource in 2017.

The Working Group commissioned one of its sub-groups, 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 work of CNA realising a high-quality research document for the use of all Catholic schools, through the energetic and committed work of the practitioner group the Digital Learning Network (DLN).

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

1. Focusing the work of 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 3 phases:

Phase 1 is designed to fully inform Catholic education leaders of the range of current and emerging Wide Area Networking (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 the final phase will develop an optimal CNA action plan based on the information collected.

Phase 1 has now been completed. A Wide Area Network Technology Assessment Report has been provided to participants. It is targeted at directors, senior staff and principals. The document details the most relevant current technologies and showcases some emerging technologies which may be of interest to CNA. Phases 2 and 3 will be completed in 2018.

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 sub-committees. Those on the Education Standing Committee continue to plan the enhancement of services delivered on the network and coordinate joint procurement activities. 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, who include Telstra, Catholic Education Melbourne, CEO Brisbane and CENet and we thank them for their service to participants.

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



Julie-Anne Schafer

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, a national core network, site connections, 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 (e.g. the Core Network). The CNA Core Network interconnects the five major data centres currently servicing Catholic schools across Australia. These data centres are located in Perth (CathEdnet), Adelaide (CESAnet), Melbourne (CEVN), Brisbane (Lincs) and Sydney (CEnet).

EDUCATION SERVICES

The CNA Contemporary Learning Working Group (CLWG), together with CNA Digital Learning Network (DLN), reconvened in 2017.

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

- initiatives to share experience and to 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
- identify 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 CNADLN repository of resources for DLN members to access and use within their dioceses.

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 CEO 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 continued to operate in 2017. 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 of the order of \$3 million per year.

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

WEB CONTENT FILTERING

Three of the largest Catholic Education networks (GEVN, CENet and CathEdnet) have contracted to use the same enhanced Web Content Filtering solution. The solution has been implemented and is assisting in providing a safe online learning environment for students both inside and outside the classroom. The economies of scale represented by this joint procurement have resulted in significant volume discounts for the participants involved.



Financial accounts

STATEMENT OF COMPREHENSIVE INCOME FOR YEAR ENDED 30 JUNE 2017

Notes

1. The summary of the financial statements of Catholic Network Australia Limited was extracted from the audited 30 June 2017 financial statements. These are available upon request from the Company Secretary or via a company search of the Australian Charities and Not-for-profits Commission (ACNC).
2. The Statement of Comprehensive Income is to be read in conjunction with the notes to and forming part of the financial statements.

	Note	2017 \$	2016 \$
REVENUE			
Revenue from services provided	2	526,330	370,060
Other revenues		22,061	39,712
Total revenue		548,391	409,772
Accounting fees		42,300	41,757
General expenses		17,988	3,233
Audit fee expense		12,050	15,262
CEnet management fees		169,500	201,000
Corporate registrations		6,878	6,878
Seminars and conferences		5,564	–
Legal expenses	3	–	4,435
Consultancy and marketing expenses	4	94,806	179,748
Educational services expenses		31,254	253,777
Subscriptions		10,297	11,189
Total expenditure		390,637	717,279
Other comprehensive income		–	–
Total comprehensive income (loss) for the year		157,754	(307,507)
Retained surplus (deficit) of the company		157,754	(307,507)

**STATEMENT OF CASH FLOWS
FOR YEAR ENDED 30 JUNE 2017**

	Note	2017 \$	2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		549,007	384,188
Interest received		22,247	35,630
Payments to suppliers		(345,103)	(722,443)
Net cash generated by / (used in) operating activities	14(b)	226,152	(302,625)
Net increase / (decrease) cash		226,152	(302,625)
Cash and cash equivalents at the beginning of the financial year		1,123,232	1,425,857
Cash and cash equivalents at the end of the financial year	14(a)	1,349,384	1,123,232

Financial accounts (continued)

STATEMENT OF FINANCIAL POSITION FOR YEAR ENDED 30 JUNE 2017

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 across all Telstra services for all participants was more than \$36 million.

	Note	2017 \$	2016 \$
ASSETS			
Current assets			
Cash and cash equivalents	5	1,349,384	1,123,232
Trade receivables	6	141,710	4,946
Other current assets	7	3,315	3,593
Prepayments	8	1,988	1,960
TOTAL CURRENT ASSETS		1,496,397	1,133,731
TOTAL ASSETS		1,496,397	1,133,731
LIABILITIES			
Current liabilities			
Trade payables	9	–	209
Other creditors	10	469,205	264,084
TOTAL CURRENT LIABILITIES		469,205	264,293
TOTAL LIABILITIES		469,205	264,293
NET ASSETS		1,027,192	869,438
EQUITY			
Member funds			
Retained earnings		1,027,192	869,438
TOTAL MEMBER FUNDS		1,027,192	869,438



Key People

CNA DIRECTORS

Julie-Anne Schafer (CNA Board Chairperson)
Pamela Betts
Peter James Burke
Stephen Elder
Peter Matthey
Tim McDonald (*resigned October 2017*)
Francis Moore

CNA EDUCATION STANDING COMMITTEE

Stephen Elder (Chairperson)
Greg Whitby (CEnet)
Warren Armitage (LinCS)
Doug Ashleigh (LinCS)
Cathy Day (Participant – Diocese of Townsville *resigned November 2017*)
Aiden McCarthy (CEWA)
Tony Panetta (CEWA)
Michael Haigh (NCEC ITC Committee)

CNA NEGOTIATING TEAM

Simon Mackey (LinCS)
Tony Panetta (CEWA)
Greg Whitby (CEnet)
Vin McPhee (Company Secretary)

OFFICE BEARERS

Company Secretary:
Vin McPhee
Simon Mitchell-Wong (*Acting July – December 2017*)

SERVICE DELIVERY TEAM

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

CONTACT

Email: info@cna.catholic.org.au
Mail: PO Box 3
East Melbourne VIC 8002





CATHOLIC NETWORK AUSTRALIA (CNA) LTD
PO Box 3, East Melbourne VIC 8002
Email: info@cna.catholic.org.au