



Analysis of Transfer Prices for IT services

Powercor Australia Ltd

21 May 2009

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# 1. Executive Summary

## 1.1 Background

CitiPower Pty ('CitiPower') and Powercor Australia Limited ('Powercor') own and manage the electricity distribution network in Melbourne's CBD and inner suburbs and the Victorian regional and rural towns respectively. Domestic related parties provide a range of related services to CitiPower and Powercor. Electricity retailers sell electricity and send electricity bills to users of the electricity. The retailer pays CitiPower and Powercor directly for transporting electricity to the end user's premises. Both the retailer and the end-user are considered to be customers of CitiPower and Powercor.

The prices charged to the retailer by CitiPower and Powercor as well as standards of service are regulated by the Australian Energy Regulator ('AER'). In determining the prices to be charged by CitiPower and Powercor for the distribution of electricity to its customers, consideration is given to the costs incurred by CitiPower and Powercor in planning, building, operating and maintaining the distribution network (including ancillary services). Ancillary services are provided to CitiPower and Powercor by CKI/HEI Electricity Distribution (Services) Pty Limited ('CHED Services') which is a domestic related party.

## 1.2 Scope of Report

Ernst & Young has been engaged by CitiPower and Powercor to establish the appropriate arm's length transfer prices for IT Services provided by CHED Services applying processes and methodologies that are accepted by the Australian Taxation Office ('ATO') with respect to the pricing of both domestic and international related party services.

This report is an update of the report prepared for the year ended 30 June 2006 ("the 2006 report"). For the purposes of this update, Ernst & Young has relied upon confirmation from CitiPower and Powercor that the facts contained in the 2006 report remain correct for the year ended 30 June 2009. Where facts have changed, we have relied upon CitiPower and Powercor to update these facts. In relation to the selection of method used in the analysis, based on information provided by CitiPower and Powercor, Ernst & Young have confirmed the arm's length method selected in the 2006 report is still an appropriate method. Ernst & Young has updated the benchmarking used to determine the pricing of the IT services provided by CHED. CitiPower and Powercor are responsible for ensuring that the actual pricing put in place is consistent with these benchmarks.

Ernst & Young has requested CitiPower and Powercor to review this report and confirm that there are no material misunderstandings or misrepresentations of the facts gathered during its preparation. CitiPower and Powercor are responsible for the accuracy of the financial data and business descriptions contained within this report.

## 1.3 Summary of Results

### 1.3.1 Comparability Benchmarking Analysis

The Cost Plus approach was used as the most appropriate ATO accepted approach for determining an arm's length transfer price. The resulting weighted average Cost Plus ratio (i.e., mark-up on operating costs) benchmark results are summarised in the table below.

The analysis in this report does not comment on how the IT Services costs and mark-up should be apportioned between CitiPower and Powercor.

**Table 1: Weighted Average Cost Plus Ratio for IT Services by Divisions**

	All IT Services	Strategy, Infrastructure, Application Development, Implementation and Application Support	User Services
Overall Ranking per Figure 2	2	2,1	2,3
Overall Relative Importance per Figure 2.4	M	M-H	L-M
<b>Primary Benchmark<sup>1</sup></b>	17.65%	19.95%	9.63%
<b>Secondary Benchmarks:</b>			
- ABS Data <sup>2</sup>	15.90% to 21.57%	15.90% to 21.57%	15.90% to 21.57%
- ATO Statistics <sup>3</sup>	2.47% to 6.58% <sup>4</sup>	2.47% to 6.58% <sup>5</sup>	3.98% to 6.58% <sup>6</sup>
- ATO TR 1999/1 <sup>7</sup>	7.5% (range of 5%-10%)	7.5% (range of 5%-10%)	7.5% (range of 5%-10%)

Refer to Section 5 of this report for a more detailed discussion of the results of the table above.

The table above sets out the results of the comparable company studies carried out and the data observed from the other available sources being ABS Data, ATO Statistics as well as guidance from TR 1999/1 (an ATO taxation ruling that deals with the pricing of related party services).

Briefly, each of the services provided in each of the 3 categories of services was ranked in terms of a range of 1 to 3 and Low to High i.e., 1H representing highly skilled, strategic personnel providing a high degree of value and 3L representing more supportive business functions that may provide a lesser degree of value relative to 1H types of services. Based on these rankings a company was selected as comparable for each main category if the level of expertise involved with respect to its services personnel (in broad terms) was similar to the level of expertise provided by CHED Services personnel for each category.

## 1.4 Conclusion

It is concluded that the Primary Benchmarks provided the strongest evidence and are therefore viewed to be commercially realistic mark-ups for the groupings of IT Services costs. The Secondary Benchmarks are generally based on a much broader group of service providers. In the case of TR 1999/1, the mark-up range is based on a fairly narrow safe harbour and is viewed as an indicator of a minimum mark-up for purposes of this analysis. We have therefore relied predominantly on the Primary Benchmarks in determining a weighted average mark-up for the IT Services groupings.

<sup>1</sup> Represents the 2004 to 2008 weighted average Cost Plus ratios of selected comparable companies.

<sup>2</sup> Represents the range of weighted average Cost Plus ratios for 2002-03 to 2005-06 for Business Services i.e. the only industry category available for ABS services data is "Business Services", and 2006-07 for Professional, scientific and technical services (for details see appendix E).

<sup>3</sup> Represents the 2002-03 to 2006-07 weighted average Cost Plus ratios.

<sup>4</sup> ATO Statistics categories are "Computer Services" (2.47%), "Computer systems design and related services" (5.23%), "Data processing, web hosting and electronic information storage services" (6.58%), "Other Business Services" (3.98%) and "Other administrative services" (4.06%) (for details see Appendix E).

<sup>5</sup> ATO Statistics categories are "Computer Services" (2.47%), "Computer systems design and related services" (5.23%), "Data processing, web hosting and electronic information storage services" (6.58%), "Other Business Services" (3.98%) and "Other administrative services" (4.06%) (for details see Appendix E).

<sup>6</sup> ATO Statistics categories are "Data processing, web hosting and electronic information storage services" (6.58%), "Other Business Services" (3.98%) and "Other administrative services" (4.06%) (for details see Appendix E).

<sup>7</sup> "Safe harbour" range used in TR1999/1 ATO ruling that deals with pricing of related party services.

Recommended mark-up for non-core or de minimus (\$500,000 or less) services is 7.5% with a range of 5% to 10% accepted to accommodate pricing rules in other countries.

We found that comparable companies providing a range of Strategy, Infrastructure, Application Development, Implementation and Application Support Services had a mark-up of 19.95%, and User Services had a mark-up of 9.63%.

## 2. ATO and OECD guidance in relation to the pricing of related party services

### 2.1 Overview

Many countries, including Australia, have laws and regulations governing the pricing of intercompany transfers of tangible property, intangible property, and services across international boundaries.

Australia follows an “arm's length standard”, consistent with the 1995 OECD Report - *Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations* (‘the 1995 OECD Report’). The basic concepts underlying transfer pricing in Australia are contained in Division 13 of Part III (‘Division 13’) of the *Income Tax Assessment Act 1936* (‘ITAA’).

### 2.2 Key Transfer Pricing Rulings that Impact the Pricing of Related Party Services

Key Australian Taxation Office (‘ATO’) transfer pricing rulings that provide the ATO’s comments on the interpretation and application of the provisions of Division 13 and the arm's length standard that are relevant to the analysis of the IT Services provided by CHED Services include:

- ▶ Taxation Ruling 94/14 Income tax: application of Division 13 of Part III (international profit shifting) - some basic concepts underlying the operation of Division 13 and some circumstances in which section 136AD will be applied (‘TR 94/14’) which as the title suggests, provides guidance regarding basic transfer pricing concepts underlying Division 13;
- ▶ Taxation Ruling TR 97/20 Income tax: arm's length transfer pricing methodologies for international dealings (‘TR97/20’) which explains the application of various transfer pricing methods used to test whether related party dealings are arm's length;
- ▶ Taxation Ruling TR 98/11 Income tax: documentation and practical issues associated with setting and reviewing transfer prices in international dealings (‘TR 98/11’) which sets out the ATO’s views on transfer pricing documentation and other issues; and
- ▶ Taxation Ruling TR 1999/1 Income tax: international transfer pricing for intra-group services (‘TR 1999/1’) which provides more detailed guidance regarding how to test whether the prices for services with related parties conform to the arm's length principle.

Although these rulings generally apply to overseas related party transactions, they have also been used by the ATO and Australian companies to provide guidance with respect to the pricing of domestic related party dealings.

### 2.3 Australian Arm's Length Requirement

The transfer pricing provisions of the ITAA provide that the consideration that passes between two related parties should be an arm's length consideration.

Paragraphs 136AA (3) (c) and (d) of Division 13 provide that arm's length consideration is the consideration that might reasonably be expected to have been received or given or receivable or agreed to be given in respect of the supply or acquisition if the property had been supplied or acquired under an agreement between independent parties dealing at

arm's length with each other in relation to the supply or acquisition. Sub-section 136AA (1) defines "property" as including services.

## 2.4 TR 97/20 - Transfer Pricing Methods

To determine the arm's length consideration, a number of methodologies are available. TR 97/20 provides ATO guidance as to appropriate methodologies. Broadly, the arm's length methodologies are divided into two groups:

- ▶ Traditional transaction methods, being:
  - ▶ comparable uncontrolled price ('CUP') method;
  - ▶ resale price method; and
  - ▶ cost plus ('CP') method.
- ▶ Profit methods, including:
  - ▶ profit split method; and
  - ▶ transactional net margin method.

Note that the CUP and CP methods are the two transfer pricing methods that are generally applied to services. The CUP and CP methods will be discussed in more detail as part of TR 1999/1. Discussion of the other methods is beyond the scope of this report.

## 2.5 TR 98/11 - Documentation

TR 98/11 outlines the ATO's expectations of the processes related parties should follow in preparing transfer pricing documentation as well as the nature of the documentation required.

### 2.5.1 The ATO's Four Step Process

TR 98/11 recommends a four step process to be used in setting or reviewing transfer prices for cross-border dealings between associated enterprises. The four steps are:

- ▶ **Step One** - Accurately characterise the dealings between the associated enterprises in the context of your business and document that characterisation.
- ▶ **Step Two** - Select the most appropriate transfer pricing methodology or methodologies and document your choice.
- ▶ **Step Three** - Apply the most appropriate method, determine the arm's length outcome and document the process.
- ▶ **Step Four** - Implement support processes and a review process to ensure adjustment for material changes. Document these processes.

Refer to **Appendix A** for a table providing more details with respect to the Four Steps.

Steps **One** through **Three** are the most relevant steps for this report.

## 2.6 TR 1999/1

As TR 1999/1 deals specifically with the pricing of related party services, this ruling is discussed in this report in some detail.

TR 1999/1 also follows international consensus with respect to the arm's length principle as it is applied among OECD countries in the 1995 OECD Report. TR 1999/1 acknowledges

that related enterprise groups usually have internal service arrangements for a wide range of services and that these services may be recovered in a variety of ways. TR 1999/1 states that this ruling is also meant to be equally applicable to non-arm's length dealings between unrelated parties and therefore has a relatively broad application. The services covered by this ruling include administrative, management, technical, financial, marketing, sales or distribution, research and development and similar types of services.

TR 1999/1 distinguishes between chargeable services that are considered to be core to the business (i.e. integral to the profit earning activities of the business) and non-chargeable services (i.e. stewardship type costs). The ruling provides guidance regarding when costs associated with providing services should be recovered as well as when the recovery of those costs should include a mark-up on those costs.

The ATO determines whether a service has been provided by an entity by considering whether a benefit has been conferred on the associated enterprise that the services are being provided to. To the extent that a benefit has been received for the service performed, an arm's length charge should reflect the economic and commercial value of that benefit. Fundamental to the determination of the economic and commercial value of the service provided is the concept that in order for the charge for certain valuable services to be considered to be arm's length, a profit element (mark-up on costs) may be required.

In TR 1999/1 the ATO's characterises service activities as follows:

- ▶ Non-chargeable activities - functions undertaken exclusively for the benefit of the service provider i.e. activities undertaken in its capacity as a shareholder, ultimate shareholder or group of companies with no benefit provided to the other related entities. If entities were unrelated and dealing with each other at arm's length they would not be prepared to pay the other party for these activities;
- ▶ Specific benefit activities - services undertaken that meet the specific needs of an associated entity. A charge for the value of the services would normally be made if the entities were dealing with each other at arm's length; and
- ▶ Centralised services - services undertaken that are intended to benefit the related group as a whole or a particular group of related subsidiaries and therefore must be apportioned between members of the group that receive a benefit from these centralised services. A charge for the relevant value of the service costs would normally be made if the entities were dealing with each other at arm's length.

See **Appendix B** for a table providing examples of these three groups of services.

Once the nature and quantum of the services have been identified, TR 1999/1 notes that irrespective of whether the costs are direct or indirect, the following internationally accepted methods may be used to determine an arm's length charge for the services rendered within the related group. Those methods are:

- ▶ *CUP method* - used to calculate an arm's length charge where services of a same or similar nature as those provided to a related party by the taxpayer entity are also provided to an unrelated third party by the taxpayer entity i.e., the unrelated third party charge assists in determining the charge for the comparable related party service; and
- ▶ *CP method* - to achieve a correct profit allocation to the entity providing the services, an arm's length charge for services (including centralised services) would normally be comprised of the direct and indirect costs incurred in providing the service as well as an appropriate mark-up on such costs. The CP method calculates an arm's length



mark-up by analysing the mark-up (i.e., the profit earned on direct and indirect costs) earned by companies that provide “comparable” services to third parties.

In TR 1997/20 the ATO acknowledges that “there is a need to find an answer for all transfer pricing problems” and “absolute precision and certainty is very difficult to achieve”. In the case of “finding an answer” with respect to the correct quantum of the mark-up to be applied to the costs incurred in the provision of services, publicly available data with respect to independent “comparable” service providers is generally used to benchmark the mark-up. However the range of Australian publicly available data on companies’ primary comparable services is often limited. As a result, the comparability criteria used to select independent comparable companies may need to be broadened in order to obtain a larger range of independent comparable service providers. Broad industry data i.e., Australian Bureau of Statistics (‘ABS’) and ATO Taxation Statistics (‘ATO Statistics’) are also frequently considered by the ATO and should therefore be considered by the service provider in determining an arm’s length mark-up.

Regarding the quantum of the mark-up, TR 1999/1 specifically indicates that “where the service provider has special expertise that is made available to the group members (e.g., engineering, legal or financial expertise), and the value of that expertise is not fully reflected in the cost of providing services, one might often find in comparable arm’s length dealings a substantial mark-up is being used. The size of the mark-up would depend on the expected value to the recipient of the high-value services.”

TR 1999/1 also provides administrative practices (a ‘safe harbour’) for services that meet the following criteria:

- ▶ Non-core services - relates to services provided which are not integral to the profit-earning activities of the business and the non-core services provided are not more than 15 per cent of the total accounting expenses of the Australian group of companies; or
- ▶ De minimus services - the total direct and indirect costs of supplying the services to the Australian associated enterprises are not greater than \$500,000.

If the ‘safe harbour’ is met, the general rule is that a mark-up of 7.5 per cent would be charged on services provided with a range of 5 per cent to 10 per cent to allow for varying mark-up requirements in other international tax jurisdictions.

If the ‘safe harbour’ test is not met, an analysis of the functions and benefits provided by the services and service provider are required and the CUP or CP methods as discussed above should be applied in order to determine an arm’s length charge for the services.

## 2.7 Conclusion

Based on TR 1999/1, the ATO has taken a position that a mark-up is required to be charged with respect to a range of specific and centralised services where it can be demonstrated that the services provide a benefit to the associated entity receiving those services. This position is binding on the ATO. Assuming a benefit is derived by the associated entity, the issue therefore is to determine what the quantum of the mark-up is, given the value of the benefit derived.

Section 2 of this report has analysed the IT Services provided by CHED Services and has considered the ranking and relative importance (i.e. benefit) of those services to CitiPower and Powercor. Sections 3 and 4 will further discuss and apply the CP method (in the absence of a CUP method) in order to establish commercially realistic mark-up/mark-ups on specific services using independent company and broad industry data, as well as indicative mark-ups as discussed in TR 1999/1’s ‘safe harbour’.

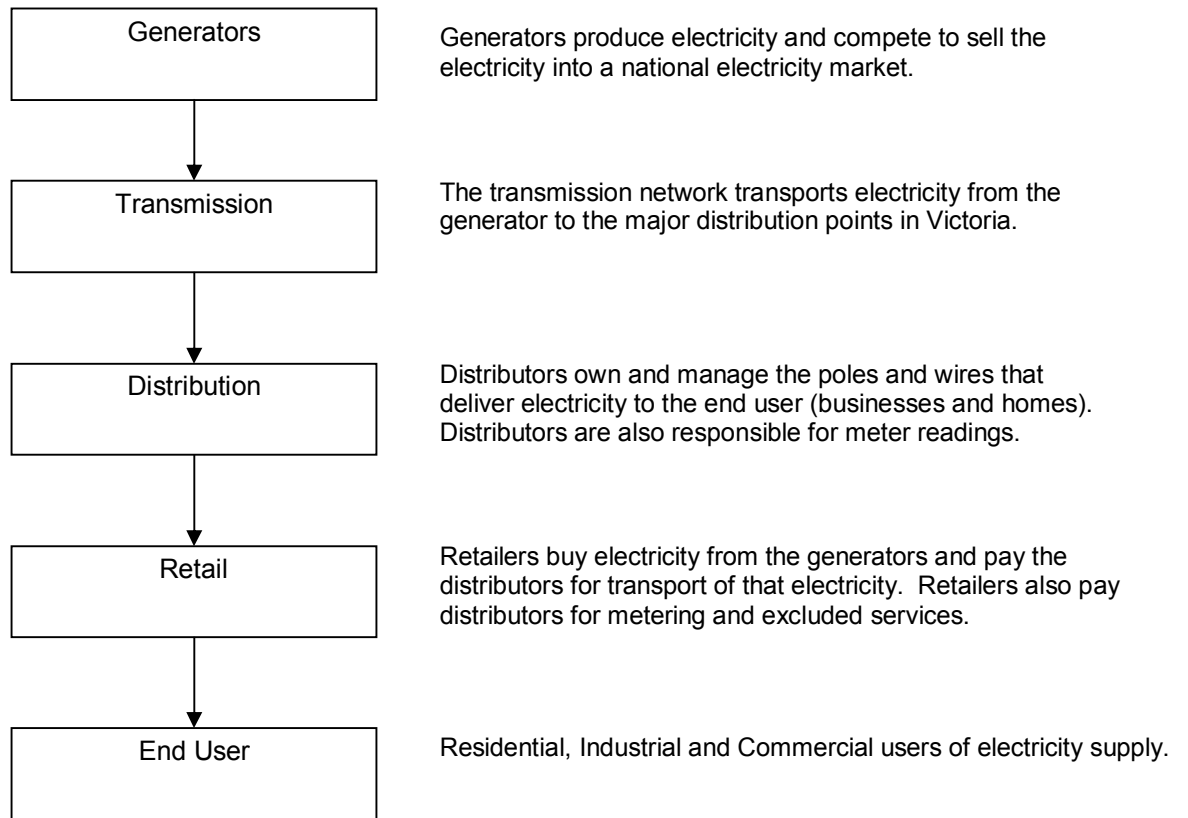
### 3. Step One: Accurately characterise the dealings between the associated enterprises

The Statement of Facts details our understanding of the industry that CitiPower and Powercor operate in. It includes a brief discussion of the relevant functions of CitiPower and Powercor with a particular focus on CHED Services and their provision of IT Services to CitiPower and Powercor.

The purpose of the Statement of Facts is to provide a context for the selection and the application of the pricing methodologies used to establish commercially realistic margins to be applied to costs incurred in providing the specified range of IT Services to CitiPower and Powercor by CHED Services.

#### 3.1 Industry

Electricity in Victoria is delivered through the following structure:



In Victoria, there are five electricity distributors licensed to deliver electricity through their networks in the geographic region for which they are responsible. This is summarised in the following figure.

**Table 2: Electricity distributor by area served in Victoria**

Electricity Distributor	Area Served in Victoria
Powercor	Western suburbs and western Victoria
SP Ausnet	Outer northern and eastern suburbs and eastern Victoria
United Energy Distribution	Southern suburbs and Mornington peninsula
CitiPower	City and inner suburbs
AGL Electricity	Northern and south-western suburbs

## 3.2 Industry Regulation

### 3.2.1 Regulations, Licences, Codes, Rules and Guidelines

CitiPower and Powercor must comply with a range of licences, codes and rules as a participant in the National Electricity Market. These obligations are primarily administered by the Department of Primary Industries, the AER, the National Electricity Market Management Company and Energy Safe Victoria.

A summary of the regulations with respect to CitiPower and Powercor's electricity distribution business is provided in **Appendix C**.

### 3.2.2 Performance Targets

The AER sets and regulates CitiPower and Powercor's network performance targets for its respective geographic regions of network coverage. The reliability targets that were set for 2006 to 2010 by geographic region relate to average frequency of unplanned/planned and momentary interruptions per year and average minutes of planned and unplanned disconnections per year. Performance targets have also been set for call centre grade of service.

### 3.2.3 Guaranteed Service Levels

Also regulated by the AER are Guaranteed Service Levels ('GSL') that demonstrate and enforce CitiPower and Powercor's commitment to reliable and high-quality service. Customers are compensated where GSLs are not met.

## 3.3 Pricing

CitiPower and Powercor have a number of regulated tariffs including network, metering and standard service tariffs.

### 3.3.1 Network Tariffs

Network tariffs are charged on a continuous basis for the general provision of supply and maintenance of the network of poles, wires and equipment that distributes power to customers' premises.

Network tariffs cover the cost to distribute electricity along Victoria's extra high voltage transmission network owned by SPI PowerNet ('transmission tariffs'), and along CitiPower and Powercor's own respective distribution networks ('distribution tariffs') to customers' premises, on behalf of electricity retailers. The network tariff (i.e. the sum of the transmission and distribution tariffs) makes up about half of customers' electricity bills.

### 3.3.2 Metering Tariffs

Since 2006 customers are separately charged for meter provision and meter data services.

### 3.3.3 Standard Service Charges

Standard service charges are "one-off" charges for specific activities regulated by the AER. The costs of specific activities i.e. special customer meter readings, switching on a supply connection and field visits, are charged on a one-off basis as they are incurred. The charges for operating and maintaining public lighting for local governments are also included in this class of charges (but are billed on a quarterly basis). These services remain subject to the scrutiny of the AER.

### 3.3.4 Distribution Tariff Regulation

Distribution tariffs are regulated by the AER, and reviewed in detail every five years. The most recent review for CitiPower and Powercor was completed in 2005, and applies for the years 2006-2010 inclusive. During this period, CitiPower and Powercor operate under an incentive-based framework where average distribution tariff movements are based on a CPI-X formula. CPI represents inflation for any given year. The X factors applying to CitiPower and Powercor for the period 2006 to 2010 are presented below.

Table 3: X factors applying to CitiPower and Powercor for the period 2006 to 2010

Distributor	2006	2007	2008	2009	2010
CitiPower	8.7%	2.5%	2.5%	2.5%	2.5%
Powercor	17.3%	2.5%	2.5%	2.5%	2.5%

## 3.4 Billing

CitiPower and Powercor send details to electricity retailers who bill the end users for network tariffs or standard service fees directly. The retailers then pay CitiPower and Powercor.

## 3.5 Customers

Retailers and end-users of electricity are all customers of CitiPower and Powercor. End-users include all individuals and businesses across the residential, industrial and commercial sectors. This also encompasses government authorities and public amenities.

In Victoria customers can switch retailers not distributors, provided there is no change in geographic area.

Electricity retailers are CitiPower and Powercor's direct customers.

## 3.6 Critical Success Factors

Critical success factors for CitiPower and Powercor are:

- ▶ Asset management;
- ▶ Reliability;
- ▶ Customer service;
- ▶ Efficient IT systems;
- ▶ Effective cost management;
- ▶ Financial and tax management;
- ▶ Pricing.

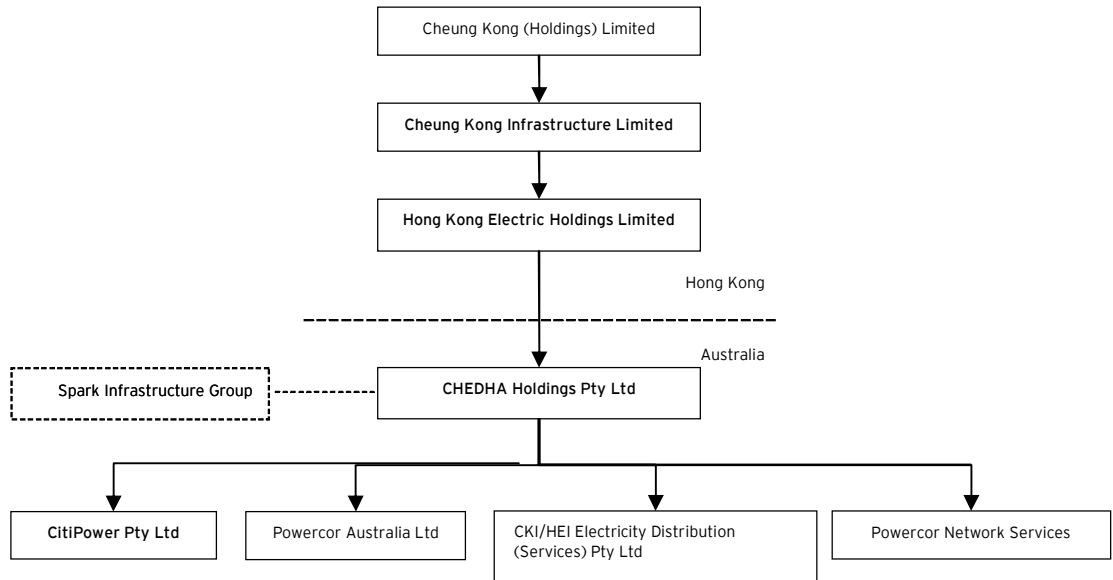
## 3.7 Group Structure

Cheung Kong (Holdings) Limited ('CKH') is the ultimate parent entity of the Cheung Kong Group, a leading Hong Kong based multinational conglomerate.

Cheung Kong Infrastructure Limited ('CKI') and Hong Kong Electric Holdings Limited ('HEH') are listed on the Hong Kong Stock Exchange and members of the Cheung Kong group of companies. Both CKI and HEH together own 51 per cent of CitiPower and Powercor through CHEDHA Holdings Pty Limited ('CHEDHA'). The remaining 49 per cent of CitiPower and Powercor is owned by Spark Infrastructure Group ('Spark'), a utility infrastructure entity listed on the Australian Stock Exchange.

A simplified group structure is illustrated in figure 1.

Figure 1: Simplified group structure



### 3.8 CHEDHA

CHEDHA is an Australian holding company and holds the investments in the CitiPower and Powercor Group (collectively 'CHEDHA Group').

CHEDHA Holdings also owns CHED Services in Australia. As noted above, CHED Services provides all ancillary services to CitiPower and Powercor including corporate, IT, metering (excluding metering installation and maintenance) and customer services.

### 3.9 CitiPower

#### 3.9.1 Electricity Distribution

CitiPower owns and operates the electricity distribution network that delivers electricity to Melbourne's CBD and inner suburbs. The inner suburbs covered include Armadale, Balwyn, Brunswick, Camberwell, Carlton, Caulfield, Collingwood, Fitzroy, Hawthorn, Kew, Middle Park, North Balwyn, Northcote, North Melbourne, Port Melbourne, Prahran, Richmond, St Kilda, South Melbourne, South Yarra and Toorak.

Coverage includes major offices of government and the private sector and famous landmarks such as Federation Square, the Melbourne Cricket Ground, the Victorian Arts Centre and Colonial Stadium.

#### 3.9.2 Distribution Network

The network area covers 157 square kilometres and is the most concentrated of the five Victorian distribution networks accounting for 25 per cent of Victoria's employment and 22 per cent of its Gross State Product. The network is made up of approximately 61,000

poles, 4,000 kilometres of electricity lines, 38 zone substations and 3,300 distribution substations to serve more than 300,000 customers. 40 percent of CitiPower's network is underground cable.

## **3.10 Powercor**

### **3.10.1 Electricity Distribution**

Powercor is Victoria's largest electricity distributor, delivering electricity to approximately 680,000 premises across 65 percent of Victoria. Powercor's electricity distribution network covers 150,000 square kilometres and spans from Melbourne's western suburbs to the borders of South Australia and New South Wales.

### **3.10.2 Distribution Network**

The distribution network consists of 528,000 poles, 70 zone substations and 78,500 distribution substations that are planned, built, installed, managed and augmented by Powercor. The network is predominantly overhead, however underground cable network will expand as housing estates are built in Powercor's territories.

## **3.11 CHED Services**

As noted above, this report is limited to the discussion and analysis of IT Services provided by CHED Services.

A more detailed discussion of IT Services follows.

## **3.12 IT Services**

### **3.12.1 CHED Services**

This section of the report focuses on the IT Services provided by CHED Services.

Since the 2006 review, CHED Services has expanded its customer group to include support for Wellington Electricity, Northern Gas Networks and Western Australian Gas Distributor, WestNet Infrastructure. This expansion, along with the ongoing support provided to ETSA, CitiPower & Powercor Australia has increased the level of staff (permanent and contract) and the complexity of systems and infrastructure required within the business. This complexity is realised in meeting multiple utility requirements, differing state and country rules and legislation and differing customer and business requirements. The systems used are no longer required to work a standard business day but are now required to be available 24 hours a day, 7 days a week, offering a new factor to support models and the ability to update systems overnight. This has forced the group look for new and smarter ways to work and manage systems.

In addition to this, the IT systems used by Powercor and CitiPower are currently being revised to meet the introduction of the Victorian Government Advanced Metering Infrastructure (AMI) initiative. The volume of data (30 minute reads per customer 24 hours a day, 7 days a week) and relative simplicity of the pre AMI systems has led to a substantial increase in the required level of skill and specialised staff to support the new and proposed systems. The AMI initiative has also required CHED Services to manage a never before seen level of change and to introduce multiple new technologies, new systems and conduct intricate integration through multiple concurrent projects. This level of concurrent projects has created a need for increased dependency on Project, Programme and Portfolio Management skills and the associated introduction of Prince 2 and ITIL disciplines.

Project Management is the discipline of planning, organizing and managing resources to bring about the successful completion of specific project goals and objectives. For

CitiPower/Powercor the increased dependency on Project management comes from the increased intricacies of the IT systems and deepened industry knowledge required to meet business and industry needs. Previously this function was largely outsourced by CHED Services as the specialisation was only required for large projects. As it is now required for almost all IT projects, the speciality has been brought in house.

Programme Management is the process of managing multiple interdependent projects that lead towards an improvement in our organisation's performance or business benefits. Previously CHED Services did not have multiple large groups of projects running concurrently. Mainly due to AMI the CHED Services is now required to run suites of projects all working together while still meeting business needs. Programme management is required to ensure multiple dependent projects remain on track and are consistent in approach and outcome.

Portfolio Management is a process by which a business unit decides on the mix of active projects, staffing and dollar budget allocated to each project currently being undertaken. For the IT services group, Portfolio Management adds the strategic element covering the entire IT program. This area looks at the prioritisation across all IT work, resource requirement and management, use of external support and staff. It ensures the capital spend is maximised for both dollar value and benefit to customer. The Portfolio management group also set and ensure IT Project management standards, templates and process to ensure consistency across all IT work.

Prince 2 represents Projects IN Controlled Environments (PRINCE). PRINCE is a project management method. It covers the management, control and organisation of a project. "PRINCE2" refers to the second major version of this method. It is internationally recognised as IT best practice and originates from the United Kingdom's Office of Government Commerce (OGC). The Information Technology Infrastructure Library (ITIL) is a set of concepts and policies for managing IT infrastructure, development and operations. ITIL gives a detailed description of a number of important IT practices with comprehensive checklists, tasks and procedures that can be tailored to any IT organization. ITIL is internationally recognised as IT best practice and originates from the United Kingdom's Office of Government Commerce (OGC).

### 3.12.2 IT Services

The various services provided by IT Services are summarised in a table in figure 2.4. Each IT service is categorised by the importance, value created or benefit received to/by the electricity distribution businesses of CitiPower and Powercor and has been ranked in a range of 1 to 3.

The range is defined as follows:

1. Directly relates to the overall performance and strategic direction of the electricity distribution business and the service is provided by tertiary qualified, highly skilled and highly experienced personnel who may be difficult to replace.
2. Essential to the continuation of business operations and performed by professional or registered/qualified tradespeople that are medium to high in skill and experience and may require some consideration to replace.
3. Services that are supportive of the business operations and can be performed by non-professional personnel with lower levels of skills and experience and may be more readily replaced.

The 1 to 3 range is further characterised using a value designation of H' (high), 'M' (medium) to 'L' (low) in order to assist with assessment of the percentage of a potential

mark-up on costs based on the service's relative value to the CitiPower and Powercor business:

**H** - critical to the profit earning activities of the business, therefore attracting the highest mark-up on costs;

**M** - very important to the profit earning activities of the business, therefore attracting a high mark-up on costs;

**L** - important to the profit earning activities of the business but less important than H or M activities, therefore attracting a moderate mark-up on costs.



**Table 4: Summary of IT Services**

IT Services	Description of service provided	Ranking	Relative Importance
IT Services	<i>General description</i> - provides a complete range of required IT services to CitiPower and Powercor. Includes approximately 173 full time internal personnel and 263 external contractors.		
Strategy	<i>General description</i> - develops high level strategic policy with respect to all aspects of CitiPower and Powercor's IT software, hardware and infrastructure. Strategy comprises less than 5% of IT Services.		
	▶ Strategy and policy services leading the development of business linked IT strategies and policies.	1	H
	▶ Project services, monitoring and integrating proposed developments against IT strategy.	1	H
	▶ Communication services, communicating the strategy policy and activity to the business.	1	H
	▶ Development and maintenance of technical infrastructure strategy	1	H
	▶ Development and maintenance of Application Strategy (5-10year view)	1	H
	▶ Support/input to business and regulatory strategies	1	H
	▶ Portfolio Management	1	H
	OVERALL RANKING - STRATEGY	1	H
Infrastructure	<i>General description</i> - maintains CitiPower and Powercor's IT system infrastructure as detailed in bullet points below. Infrastructure comprises approximately 10% - 20% of IT Services.		
	▶ Unix/Windows/relational database management and administration	2	M
	▶ Outage management, backup and restoration	2	M
	▶ Performance measurement and system tuning	2	M - H
	▶ Data Centre Services	2	M - H
	▶ Capacity planning	2	M - H
	▶ LAN Services, including File and Print infrastructure	2	M - H
	▶ Hardware and systems upgrade and maintenance	2	M
	▶ Business Continuity provision	2	M
	▶ Change and Configuration Control	2	M - H
	▶ Disaster Recovery Services	1, 2	H
	OVERALL RANKING - INFRASTRUCTURE	2	M - H

IT Services	Description of service provided	Ranking	Relative Importance
Application support	<i>General description</i> - Application Support generally manages and maintains the specialised commercial software that has been developed to meet the business requirements of CitiPower and Powercor. Application Support comprises approximately 20% - 35% of IT Services. Includes internal personnel and external contractors as required.		
	<ul style="list-style-type: none"> <li>▶ FRC applications for:</li> <li>▶ Customer Billing</li> <li>▶ Market Data Exchange</li> <li>▶ Meter Data Management</li> <li>▶ Meter Reading Management</li> <li>▶ Customer Relationship Management</li> <li>▶ Business Reporting</li> </ul>	2	M - H
	<ul style="list-style-type: none"> <li>▶ Distribution applications for:</li> <li>▶ Enterprise Resource Planning</li> <li>▶ Business reporting</li> <li>▶ Fleet management</li> <li>▶ Treasury management</li> <li>▶ Works management</li> <li>▶ Field mobile computing</li> <li>▶ Content Management</li> </ul>	2	M - H
	<ul style="list-style-type: none"> <li>▶ Spatial applications for:</li> <li>▶ Outage management</li> <li>▶ GSL notifications</li> <li>▶ GIS</li> <li>▶ Public lighting internet access system</li> <li>▶ Public lighting faults management system</li> <li>▶ SCADA</li> </ul>	2	H
	▶ 2nd level application support	2	M
	▶ Vendor management	2	M - H
	▶ Fail and fix / patch	2	M
	▶ Data fix	2	M
	▶ Production schedule support	2	M
	OVERALL RANKING - APPLICATION SUPPORT	2	M - H

IT Services	Description of service provided	Ranking	Relative Importance
Application development	<i>General description</i> - Application Development customises specialised commercial software to meet the business requirements of CitiPower and Powercor. Application Development comprises approximately 25% - 45% of IT Services. Includes internal personnel and external contractors as required.		
	▶ Preparation of development requests and statements of work	2	M
	▶ Assessment of requests including cost estimates	1,2	M
	▶ Liaising with software vendors	2	M
	▶ Application design	1	H
	▶ Application coding	2	M-H
	▶ Acceptance and integration testing	2	M
	▶ Migration	1, 2	M - H
	▶ Project Management	1	H
	▶ Vendor Management	2	M - H
	▶ Change, configuration and risk management procedures	1	H
	OVERALL RANKING - APPLICATION DEVELOPMENT	2	M - H
User services	<i>General description</i> - provides personnel related IT systems to CitiPower and Powercor (software, hardware, Internet). User Services comprises approximately 5% - 15% of IT Services.		
	▶ Electronic Mail System	3	L-M
	▶ Service Desk Services	2,3	M
	▶ On site user support and desktop services	2,3	M
	▶ Internet Services	3	L-M
	▶ Equipment purchase and provisioning	3	M
	▶ Security administration for the infrastructure, the applications and data	2	M
	▶ Telecommunications	1-2	H
	OVERALL RANKING - USER SERVICES	2,3	M

IT Services	Description of service provided	Ranking	Relative Importance
Implementation	General description - Implementation services are required as part of the introduction of Advanced Metering Infrastructure in Victoria. The implementation process involves the activities required to expand or update the existing IT capabilities of Powercor and CitiPower which are required in switching to interval metering. Implementation services comprises approximately 35-55% of IT services		
	▶ Project management	1	H
	▶ Disaster Recovery systems	1	H
	▶ Mobile computing	1	H
	▶ Meter management systems	1-2	M-H
	▶ Systems integration	1	H
	▶ Training	2	M
	▶ Reporting	1-2	M-H
	▶ Project Office Management	2	M
	▶ Organisations Change Management	1-2	M-H
	▶ Programme Management	1	H
	OVERALL RANKING - Implementation	1,2	M-H
	OVERALL RANKING - IT SERVICES	2	M-H
<p>Conclusion - IT Services division is viewed as requiring a range of skill and experience with most personnel being ranked as a 2 i.e., requiring specific certifications as well some ranked as a 3 i.e., on the job training. Exceptions are those personnel involved in high level strategy who have been ranked a 1. IT services is viewed as having a medium level of importance to CitiPower and Powercor.</p>			

## 4. Step Two: Select the most appropriate transfer pricing methodology

The purpose of this section is to identify the transfer pricing method to be used to determine an arm's length charge for the provision of the various IT Services.

### 4.1 Selection of the Transfer Pricing Method

As discussed in Section 1 above, TR 1999/1 provides for two methods to determine an arm's length charge for the IT Services provided by CHED Services. These methods are the:

- ▶ CUP method; and
- ▶ CP method.

Each of these methods and their relevance to the provision of IT Services by CHED Services is discussed below.

#### 4.1.1 CUP Method

The CUP method is used to calculate an arm's length charge where services of a same or similar nature as those provided to a related party by the taxpayer entity are also provided to an unrelated third party by the taxpayer entity i.e., the unrelated third party charge assists in determining the charge for the comparable related party service.

With respect to IT Services, Powercor provides some IT services to third parties Nextgen Networks Pty Ltd ("Nextgen") and Westnet Pty Ltd ("Westnet"). The scope of the services provided is a small subset of those provided by CHED Services to Powercor. Given the differences in the services provided, these transactions are not considered usefully comparable to the services provided by CHED Services to Powercor.

The Westnet transaction required the placement of a CHED Services team to Western Australia for around 9 months to assist with SAP implementation, and included set up, training and implementation. The services provided to Westnet were based on a one-off twelve month contract, for a fixed fee. All services provided to Westnet concluded upon the termination of the contract. This is in contrast to the services provided to Powercor/CitiPower, which are long term services including design, implementation, training and ongoing maintenance of multiple platforms, which are provided depending on the needs of Powercor/CitiPower.

Once again the limited scope of the services provided and the differences in the contractual indicate that these transactions are not considered usefully comparable to the services provided by CHED Services to Powercor/CitiPower.

The transactions with Nextgen and Westnet are not sufficiently comparable to the transaction with CHED Services. The CUP method is therefore rejected.

#### 4.1.2 CP Method

The CP method calculates an arm's length mark-up by analysing the mark-up (i.e., the profit earned on direct and indirect costs) earned by companies that provide "comparable" services to third parties.

The CP method calculates the direct and the indirect costs incurred by the supplier of related party services. A mark-up is added to these costs to arrive at an arm's length net profit giving consideration to the functions performed and the benefits received or provided.

CHED Services provides a range of IT Services as previously described in Section 2. Applying the arm's length principle to the provision of services by CHED Services and taking into account the ATO's comments and recommended approach set out in TR 1999/1, which the ATO is bound to adhere to, a mark-up is appropriate, if not required, for the majority of IT Services provided by CHED Services.

## 5. Step Three: Apply the most appropriate transfer pricing method

The CP method is applied in two ways:

- ▶ **Primary benchmarks** - a search was performed to identify independent Australian “comparable” companies that provide the same or similar functions as the IT Services provided by CHED Services. Due to limitations of publicly available data for independent Australian comparable companies, as well as the variations in the range of services provided within IT Services, broader search criteria was adopted with respect to some of the comparable companies. The financial performance of the comparable companies is analysed to provide a primary benchmark range.
- ▶ **Secondary benchmarks** - broad industry data was analysed to provide a secondary benchmark range. Broad industry data may include ABS Data or ATO Statistics. The application of TR 1999/1 was also considered where appropriate.

### 5.1 Profit Level Indicator ('PLI') Definition

The ratio of earnings before interest, taxes and adjustments ('EBIT'), divided by operating expenses ('Cost Plus ratio') was selected as the profit level indicator ('PLI') to benchmark IT Services. This ratio provides a direct measure of the operating performance of the comparable service providers and excludes the effect of financing and investment decisions.

Adjusted EBIT is calculated by adjusting operating profit before tax to remove the effects of a number of non-operating items. Non-operating expense items include such items as interest expense. These amounts are excluded to calculate earnings that are more representative of the companies' operating functions.

“Operating expenses” is calculated as total expenses less non-operating expenses, including such items as borrowing costs, for the relevant period.

### 5.2 Summary of Results

#### 5.2.1 Comparability Benchmarking Analysis

Refer to **Appendix D** for a detailed discussion of the search performed for comparable company benchmarks and **Appendix E** for ABS Data and ATO Statistics including the weighted average Cost Plus ratio benchmark results. Refer to **Appendix G** for detailed financial information supporting the Cost Plus ratio results of **Appendix D**.

The resulting weighted average Cost Plus ratio benchmark results are summarised at Table 5 below.

The analysis in this report does not comment on how IT Services costs and mark-up should be apportioned between CitiPower and Powercor.

Table 5: Weighted Average Cost Plus Ratio for IT Services by Divisions

	All IT Services	Strategy, Infrastructure, Application Development, Implementation and Application Support	User Services
Overall Ranking per Figure 2.4	2	2,1	2,3
Overall Relative Importance per Figure 2.4	M-H	M-H	L-M
Primary Benchmark <sup>8</sup>	17.65%	19.95%	9.63%
<b>Secondary Benchmarks:</b>			
- ABS Data <sup>9</sup>	15.90% to 21.57%	15.90% to 21.57%	15.90% to 21.57%
- ATO Statistics <sup>10</sup>	2.47% to 6.58% <sup>11</sup>	2.47% to 6.58% <sup>12</sup>	3.98% to 6.58% <sup>13</sup>
- ATO TR 1999/1 <sup>14</sup>	7.5% (range of 5%-10%)	7.5% (range of 5%-10%)	7.5% (range of 5%-10%)

The table above sets out the results of the comparable company studies carried out and the data observed from the other available sources being ABS Data, ATO Statistics as well as guidance from TR 1999/1.

Briefly, each of the services provided in each of the three categories of services were ranked in terms of a range of 1 to 3 and Low to High i.e., 1H representing highly skilled, strategic personnel providing a high degree of value and 3L representing more supportive business functions that may provide a lesser degree of value relative to 1H types of services. Based on these rankings a company was selected as comparable for each main category if the level of expertise involved with respect to its services personnel (in broad terms) was similar to the level of expertise provided by CHED Services personnel for each category.

## 5.2.2 Conclusion

It is concluded that the Primary Benchmarks provided the strongest evidence and are therefore viewed to be commercially realistic mark-ups for the groupings of IT Services costs. The Secondary Benchmarks are generally based on a much broader group of service providers. In the case of TR 1999/1, the mark-up range is based on a fairly narrow safe harbour and is viewed as an indicator of a minimum mark-up for purposes of this analysis. We have therefore relied predominantly on the Primary Benchmarks in determining a weighted average mark-up for the IT Services groupings.

<sup>8</sup> Represents the 2004 to 2008 weighted average Cost Plus ratios of selected comparable companies.

<sup>9</sup> Represents the range of weighted average Cost Plus ratios for 2002-03 to 2005-06 for Business Services i.e. the only industry category available for ABS services data is "Business Services", and 2006-07 for Professional, scientific and technical services (for details see appendix E).

<sup>10</sup> Represents the 2002-03 to 2006-07 weighted average Cost Plus ratios.

<sup>11</sup> ATO Statistics categories are "Computer Services" (2.47%), "Computer systems design and related services" (5.23%), "Data processing, web hosting and electronic information storage services" (6.58%), "Other Business Services" (3.98%) and "Other administrative services" (4.06%) (for details see Appendix E).

<sup>12</sup> ATO Statistics categories are "Computer Services" (2.47%), "Computer systems design and related services" (5.23%), "Data processing, web hosting and electronic information storage services" (6.58%), "Other Business Services" (3.98%) and "Other administrative services" (4.06%) (for details see Appendix E).

<sup>13</sup> ATO Statistics categories are "Data processing, web hosting and electronic information storage services" (6.58%), "Other Business Services" (3.98%) and "Other administrative services" (4.06%) (for details see Appendix E).

<sup>14</sup> "Safe harbour" range used in TR1999/1 ATO ruling that deals with pricing of related party services.

Recommended mark-up for non-core or de minimus (\$500,000 or less) services is 7.5% with a range of 5% to 10% accepted to accommodate pricing rules in other countries.



We found that comparable companies providing a range of Strategy, Infrastructure, Application Development, Implementation and Application Support Services had a mark-up of 19.95%, and User Services had a mark-up of 9.63%.

### **5.2.3 Observations**

#### **5.2.3.1 All IT Services**

Australian companies providing a range of IT related services are used to benchmark the mark-up for the IT Services division. Most of these companies provide a range of end-to-end integrated IT services. As such, most focus on higher value ('2-1') strategy, infrastructure, application Development, implementation and application support and only a limited amount of the companies identified focussed on medium to lower value ('3-2') user services. The objective in including a range of IT companies is to calculate a mark-up range that is reflective of the broad spectrum of IT services provided within the IT division and therefore the varying range of personnel skills and the value of those skills to CitiPower and Powercor. This overall grouping of comparable companies covering a range of IT services results in a weighted average mark-up of 17.65%.

#### **5.2.3.2 Strategy, Infrastructure, Application Development, Implementation and Application Support**

It is noted that there are eight IT service companies that appear to predominantly provide a range of higher value '2-1' strategic, infrastructure, application development, implementation and application support services with some lower value '3' services. It should be noted that two of the companies, Technology One and Bravura Solutions, have significant involvement in the development of their own proprietary software which results in a higher level of assets and risks than CHED Services.

As the strategic, infrastructure, application development, implementation and application support services comprise approximately 85% to 95% of IT Services costs provided by CHED Services, the eight companies that predominantly provide these types of services may be used to benchmark a mark-up for these functions within CHED Services. This results in a weighted average mark-up of 19.95%.

#### **5.2.3.3 User Services**

It is noted that there are two IT services companies that appear to predominantly provide a range of user services that are around the 2 level. As the User Services division comprise approximately 5% to 15% of IT Services costs provided by CHED Services, these two companies that predominantly provide these types of services may be used to benchmark a mark-up for these functions within CHED Services. This results in a weighted average mark-up of 9.63%.

# Appendix A The ATO's four step process

	Data Collection and Organisation	Action/Evaluation
<b>Step 1:</b>		
Accurately characterise the international dealings between the associated enterprises in the context of the taxpayer's business and document that characterisation.	<ul style="list-style-type: none"> <li>▶ Identify the scope, type and timing of the international dealings with associated enterprises in the context of the taxpayer's business.</li> <li>▶ This may require an understanding of the context of the dealings including:                             <ul style="list-style-type: none"> <li>▶ Organisation, decision processes and systems, and incentive structures.</li> <li>▶ The conditions affecting the industry, the nature of the competition experienced, economic and regulatory factors.</li> <li>▶ The business objectives, strategies adopted, and financial performance.</li> <li>▶ Intellectual assets used, their contribution, ownership and reward.</li> <li>▶ The economically important activities undertaken by each of the associated enterprises, resources used and risks assumed in each.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▶ Identify the specific elements of the international dealings that are to be considered.</li> <li>▶ Prepare a preliminary functional analysis. Explain the conditions affecting the industry and the business strategies available to the taxpayer as these affect the functional analysis.</li> <li>▶ A critical part of the analysis is to ascertain which are the most economically important functions, assets and risks and how these might be reflected by a comparable price, margin or profit on the dealings. Determining if intangibles have been appropriately rewarded in light of contribution and ownership.</li> <li>▶ Document the process adopted.</li> </ul>
<b>Step 2:</b>		
Select the most appropriate transfer pricing methodology or methodologies and document the choice.	<ul style="list-style-type: none"> <li>▶ Identify the available data that may establish an arm's length consideration for each of the dealings and for the dealings taken in their entirety.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Determine the most appropriate methodology or methodologies based on the facts and circumstances of the particular case.</li> <li>▶ Document the choice of methodologies.</li> </ul>
<b>Step 3:</b>		
Apply the most appropriate method, determine the arm's length outcome and document the process.	<ul style="list-style-type: none"> <li>▶ Define, examine and organise the rate on comparable dealings or comparable enterprises to enable comparability to be properly assessed.</li> <li>▶ To improve comparability, it may be necessary to:                             <ul style="list-style-type: none"> <li>▶ adjust the data to account for material differences in comparability;</li> <li>▶ group or aggregate data;</li> <li>▶ extend the analysis over a number of years.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▶ If necessary, broaden and refine the preliminary functional analysis. Prepare a comparability analysis.</li> <li>▶ Establish the level of reliability which can be placed in the answers derived from application of the selected method and the conclusions which are drawn.</li> <li>▶ It may be necessary to apply several methods.</li> </ul>
	Data points or a range of results may emerge.	<ul style="list-style-type: none"> <li>▶ Decide on the arm's length outcome.</li> <li>▶ Document practical considerations such as:                             <ul style="list-style-type: none"> <li>▶ assumptions and judgements made;</li> <li>▶ how data points or ranges were interpreted;</li> <li>▶ how results from different methods were used.</li> </ul> </li> </ul>

	Data Collection and Organisation	Action/Evaluation
<b>Step 4:</b>		
Implement support processes, install review processes to ensure adjustment for material changes and document these processes.	<ul style="list-style-type: none"> <li>▶ Monitor international dealings and their economic context to identify any material changes as they occur.</li> <li>▶ Collect data relevant to evaluating the impact of these changes on the arm's length consideration.</li> </ul>	<ul style="list-style-type: none"> <li>▶ If the data used to establish the outcome changes, then the process and the choice of methodology should be reviewed.</li> <li>▶ Put a system in place to support ongoing application of the chosen method in future years.</li> <li>▶ Establish a review mechanism to ensure that if material changes occur, the comparability analysis or methodology is adjusted as appropriate.</li> </ul>

## Appendix B Characterisation of service activity per TR 1999/1

Characterisation of Service Activity	Examples of Service Activity	Comments
Non-chargeable	Functions undertaken exclusively for the benefit of the service provider i.e. activities undertaken in its capacity shareholder, ultimate shareholder or group of companies with no benefit provided to the other related entities	If entities were dealing with each other at arm's length they would not be prepared to pay the other party for these activities
Specific benefit	<p>Examples of services provided with respect to a particular entity:</p> <ul style="list-style-type: none"> <li>▶ Assistance with a specific borrowing proposal</li> <li>▶ Assistance with the planning and raising of funds for an acquisition</li> <li>▶ Undertaking investment analyses</li> <li>▶ Performance of certain accounting functions such as compliance with tax laws</li> <li>▶ Provision of guarantees</li> <li>▶ Training for employees</li> </ul>	Services undertaken that meet the specific needs of an associated entity - a charge would normally be made if the entities were dealing with each other at arm's length
Centralised services	<p>Examples of centralised activities include:</p> <ul style="list-style-type: none"> <li>▶ Administrative service i.e. planning, accounting, auditing, legal and computer services</li> <li>▶ Financial services such as management of cash flows, working capital, deposits, interest and currency exposures</li> <li>▶ Assistance with production, buying, distribution and marketing</li> <li>▶ Advertising</li> <li>▶ Personnel services i.e. recruitment and training</li> <li>▶ Preparation of an environmental policy for general use</li> <li>▶ Installation of new telecommunications equipment for use throughout the group</li> <li>▶ Special training for senior management of the parent co</li> <li>▶ Analysis of markets</li> <li>▶ Administration of intangibles</li> <li>▶ Research and development of manufacturing, warehousing, distribution and marketing technologies</li> </ul>	Services undertaken that are intended to <b>benefit the related group as a whole</b> or a particular group of related subsidiaries and therefore must be pro-rated between members of the group that receive a benefit from these centralised services. A charge for the relevant value of the service costs would normally be made if the entities were dealing with each other at arm's length

## Appendix C Regulatory Instruments (22 April 2009)

Code or Guideline	Purpose
Electricity Industry Act 2000 (EIA)	The EIA establishes the Essential Service Commission's (ESC) powers in relation to price regulation, licensing, terms and conditions of supply of electricity, load shedding. It also establishes the businesses' powers in terms of easements and land access and includes provisions in relation to electricity supply emergencies. The EIA is also the vehicle by which the Victorian Electricity Supply Industry Tariff Order is created and the mechanism by which the ESC is empowered to regulate the electricity supply industry.
Victorian Electricity Industry Tariff Order (Tariff Order)	What remains of the Tariff Order covers two areas: <ul style="list-style-type: none"> <li>▶ The first sets out the pricing principles that are to be applied by the ESC in making a price determination.</li> </ul> The second area covers the criteria to be applied by the ESC in determining whether particular services are an excluded service and the basis for setting terms and charges for excluded services.
Electricity Safety Act 1998 (ESA)	The ESA establishes Energy Safe Victoria (ESV) and sets out the businesses' obligations as a network operator in terms of safety issues such as vegetation clearance, undergrounding cables, cathodic protection and the rules governing Electricity Safety Management Schemes. The ESA also gives powers to ESV to issue safety regulations such Electricity Safety (Network Asset) Regulations 1998 and the Vegetation Clearance Regulations 2005 to which the business is subject.
Electricity Distribution Code (March 2008) (Code)	The Code regulates the provision of distribution services and connection to the distribution network by embedded generators and end users. The Code prescribes standards for the quality and reliability of supply, information to customers, complaint handling and other matters. The Code is critical to the business in that it sets out customer and business obligation regarding connection (clause 2), planning obligation on the business (clause 3), minimum reliability and quality of supply requirements (clause 4 & 5), GSLs (clause 6), connection requirements in regard to embedded generators (clause 7), requirement for emergency response plans (clause 8), customer and distributor provision of information requirements (clause 9), complaint and dispute resolution procedures (clause 10), actions in the event of Code non compliance (clause 11), circumstances for disconnection (clause 12), conditions for reconnection of supply (clause 13), the obligation to comply with Electricity Customer Metering Code (clause 14), liability and indemnity regarding electricity supply (clause 15 & 16) and provision for contractual force majeure under the Deemed Distribution Contract.
Electricity Distribution Licence (Licence)	The Licence is issued by the ESC under powers conferred upon it under Division 3 of the EIA. The Licence authorises the business to distribute electricity in its franchise area. The Licence also includes a large number of further obligations on the business covering Use of System Agreements, connection obligations, Deemed Distribution Contracts, requirements to provide certain information, requirement to comply with relevant codes, guidelines and orders, regulatory audits, dispute resolution (EWOV), payment of licence fees and assorted provisions for transferring , varying or revoking a licence.
EIG 3 Regulatory Information Requirements Issue 6 (Dec 2006) (EIG3)	EIG3 cover the preparation and submission of the Regulatory Accounts and is issued under the ESC power's to issue Guidelines under the EIA. In particularly it covers the scope and form of financial information that must be provided by the business to the ESC and the relevant audit requirements.
EIG 5 Connection and Use of System Agreement	EIG5 outlines principles against which the ESC may decide whether connection or use of system agreements is fair and reasonable.

Code or Guideline	Purpose
EIG 11 Voltage Variation Compensation	Broadly speaking, EIG11 requires the business to compensate any person whose property is damaged due to an un-authorised voltage variation affecting where the aggregate consumption of electricity which is taken from the relevant customer's point of supply is, or is reasonably expected to be, less than 160 megawatt hours in any year. Formally, this guideline is a relevant guideline for the purposes of clause 4.2.7 of the Electricity Distribution Code.
EIG 14 Provision of Services by Electricity Distributors	The purpose of EIG 14 is detail the ESC's considerations in determining what it considers 'fair and reasonable charges' in the following aspects of electricity distribution: (a) the undergrounding of distribution fixed assets [see clause 2]; (b) the determination of customer contributions to the capital cost of new works and augmentation [see clause 3]; (c) the contestability of connection and augmentation works [clause 4]; and (d) the provision of excluded services [clause 5]. In practice the EIG 14 requires the business to consider the incremental revenue and incremental costs in determining a customer's contribution in relation to a connection offer, the requirement for contestability for certain customer initiated works and the basis by which the ESC will assess excluded service charge applications.
EIG 15 Connection of Embedded Generation	EIG 15 addresses the: (a) the way in which distributors negotiate connection agreements with embedded generators [clause 2]; (b) the charges under, and other terms and conditions of, connection agreements, including principles distributors must observe in setting those charges and other terms and conditions [clause 3]; (c) the payment to embedded generators of a share of distributors' avoided distribution system costs [clause 4]; and (d) the payment to embedded generators of distributors' avoided customer TUOS usage charges [see clause 5]. This guideline is a relevant guideline for the purposes of clauses 10.3 and 11.1 of the businesses' Licences.
EIG 16 Regulatory Audits of Distribution Business	EIG 16 is the relevant guideline for the purposes of clause 24 of the Licence and covers the rights and conduct of the ESC, the business and the auditor in the event of a regulatory audit.
EIG 17 Electricity Ring Fencing	The purpose of EIG 17 is to limit the use of vertical market power by a distributor. It places a number of obligations on the business in terms of its conduct with retailers based on ensuring that conduct is non-discriminatory in nature.
EDPR Final Decision Vol 2 (Oct 2005)	Volume 2 of the 2006-10 EDPR sets out the formal price controls for the next five years including distribution (section 2) and transmission (section 3) tariffs in addition to the arrangements for the service incentive scheme (section 2.3). It also sets out the price control for prescribed metering services (section 4). Volume 2 also addresses 'pass through' arrangements and denies some further excluded service activities.
Electricity Customer Transfer Code (Oct 2007) (Transfer Code)	The Transfer Code specifies the rules associated with the transfer of customers between retailers. The Code deals with such matters as when the transfer may occur in association with a meter reading and whether there can be any objections to the transfer from other market participants.
Electricity Customer Metering Code (March 2007) (Metering Code)	The Metering Code regulates the standards of metering for sale of electricity to customers.

Code or Guideline	Purpose
Victorian Electricity Supply Industry Metrology Procedure (Version 4 Feb 2005) ( <b>Metrology Procedure</b> )	<p>The purpose of this <i>Metrology Procedure</i> is to set out:</p> <ul style="list-style-type: none"> <li>▶ a summary of the obligations of the <i>Responsible Person</i>, in relation to type 5, 6 and 7 <i>metering installations</i> for <i>second tier loads</i>, that are contained in the <i>Code</i>, for ease of reference;</li> <li>▶ the additional obligations of the <i>Responsible Person</i> in relation to the provision, installation and maintenance of type 5, 6 and 7 <i>metering installations</i> for <i>second tier loads</i>, including the measurement of electrical energy and the provision of data to facilitate the efficient operation of the <i>market</i>; and</li> <li>▶ the obligations of NEMMCO in relation to the conversion of consumption energy data into trading interval data to facilitate the efficient operation of the market.</li> </ul> <p>In particular, this <i>Metrology Procedure</i> sets out provisions for type 5, 6 and 7 <i>metering installations</i> relating to:</p> <ul style="list-style-type: none"> <li>▶ the type of <i>metering installation</i> permitted for the measurement of <i>active energy</i>;</li> <li>▶ the collection or calculation, and processing, of <i>energy data</i>;</li> <li>▶ the provision, installation and maintenance of <i>metering installations</i>;</li> <li>▶ the components of each type of <i>metering installation</i>;</li> <li>▶ storage of, and rights of access to, <i>energy data</i> in the <i>metering installation</i>; and</li> <li>▶ testing and auditing of <i>metering installations</i>.</li> </ul> <p>The ESC is Metrology Coordinator for Victoria under the National Electricity Rules clause 7.2.1A (b).</p>
National Metrology Procedure: Part A and B (28 April 2008)	Similar purpose and content as the Victorian Metrology Procedure.
National Electricity Rules (16 April 2009)	The National Electricity Rules govern the operation of the National Electricity Market.
Deemed Distribution Contract	The Deemed Distribution is issued by the business under clause 40A of the EIA by Government Gazette specifying the terms and conditions applying in respect of the distribution of electricity. The terms and conditions largely mirror customer obligations in the Distribution Code however there is also reference to the conditions surrounding demand resets.
Public Lighting Code (Apr 2005)	The Public Lighting Code sets the minimum standards for public lighting services to be provided by the business to public lighting customers.
Electricity System Code (Oct 2000)	Regulates the provision of shared transmission network services and connection to the transmission network generators, distributors and end users.
ESC Information Specification (Service Performance) 2006 ( <b>Information Specification</b> )	The purpose of the Information Specification is to set out the cyclic reporting requirements by the Victorian electricity distributors to the ESC. The Information Specification covers all non-financial reporting requirements. Business compliance with the Information Specification is required under clause 26 of the Licence.
Access Undertaking	<p>The ACCC has accepted access undertakings under s 44ZZA of the TPA from all electricity network service providers including CitiPower and Powercor. The businesses' were required to submit these access undertakings to the ACCC under the National Electricity Code. These requirements have been removed from the National Electricity Rules. However, a network service provider can still submit an access undertaking to the ACCC in connection with access to its network services if it wishes to do so. The ACCC will continue to consider such undertakings in accordance with the requirements of s 44ZZA.</p> <p>The transitional provisions in the new National Electricity Law (Schedule 3, clauses 7 to 9) provide that any reference in a document (however described) to the "National Electricity Code" or to a "code participant" (other than NEMMCO) is to be read as a reference to the "National Electricity Rules" or to a "registered participant" respectively. For the avoidance of doubt, the <i>Australian Energy Market Regulations 2005 (Cth)</i> apply these provisions to access undertakings given in accordance with the requirements of the National Electricity Code. This means that the access undertakings referred to above continue in effect, subject to these modifications.</p>
Default Use of System Agreement ( <b>UoSA</b> )	Clause 4 of the Licence requires the business to have in place a Default Use of System Agreement approved by the ESC. Under

Code or Guideline	Purpose
	their Licences, Retailers are required to either negotiate a Use of System Agreement with the business or accept the Default Use of System Agreement. The UoSA covers all matters involving the relationship between a retailer and distributor including connection, disconnection, billing and payment, credit support, information exchange, communications, force majeure, enforcement of rights against customers and termination of the UoSA.
Advanced Metering Infrastructure Cost Recovery Order in Council (22 Jan 2009)	Sets out how distributors are to recover the costs of metering services.
Minimum AMI Functionality Specification Victoria (Sept 2008)	Sets out the minimum functionality required from advanced metering infrastructure.
Minimum AMI Service Levels Specification Victoria (Sept 2008)	Sets out the minimum service levels for advanced metering infrastructure.



# Appendix D Detailed discussion of search performed for comparable company benchmarks

## Introduction

Australian searches were undertaken to identify comparable data relating primarily to service providers and companies performing IT Services functions. The following section outlines the selection process for comparable companies that perform broadly similar services functions.

## Companies Search

### Search Criteria

The selection criteria employed to identify comparable companies included:

- ▶ *Profit motive:* Service providers with a profit motive as their primary operational driver were considered comparable i.e. mainly companies. Other organisational structures such as trusts, partnerships, associations, not-for-profit-organisations, and government or state-owned bodies are excluded from the entities selected, as it may be difficult to discern or measure commercial returns.
- ▶ *Independent:* Companies with international related party transactions that might impact the commercial realism of operating returns have been excluded, including:
  - ▶ Foreign owned companies.
  - ▶ Domestic companies that have significant dealings with foreign affiliates.
- ▶ *Company type:* Companies considered for this analysis operate as public companies, and those companies that are privately owned were rejected.
- ▶ *Geographical Market:* Companies considered for this analysis operate primarily in Australia, to ensure the business cycles and economic conditions are comparable.
- ▶ *Primarily characterised as IT service companies:* Companies were only considered as comparable if they undertake IT service functions. This was verified by review of the short business descriptions contained in databases and company websites. Companies that provided specialist IT services for specific industries not related to Powercor & CitiPower were excluded based on the premise that companies providing more generalised IT services would be more appropriate comparables. Companies were also excluded if they developed software for commercialisation purposes rather than for service provision.
- ▶ *Financial data availability:* Companies with at least two years of available financial data from five years of data were accepted as comparable for this analysis<sup>15</sup>.
- ▶ *Financial performance and stability:*
  - ▶ Companies that experienced continued losses were excluded as they were not indicative of a commercial return for a service provider. Specifically companies with losses on average over the period of analysis.

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<sup>15</sup> The ASIC Reports Service enables Ernst & Young to determine the availability of the annual financial reports of all companies registered in Australia

- ▶ Companies under external administration and companies that have volatile earnings or have undergone major disruptions to the normal course of business have been excluded i.e. bankruptcy, merger, acquisition etc.

## Databases

The databases accessed to identify potential companies that perform IT Services functions are presented in Figure D.1.

Figure D.1: Source of Information - Electronic Databases

Electronic Database	Description
Business Who's Who	BWW provides business descriptions for over 40,000 Australian operations. It contains information about what major functions the business carries out based on a four-digit US Standard Industrial Classification ('SIC') code system; employee numbers; business address; size of turnover; and, in some cases a listing of the parent company.
IBISWorld	The IBIS database is a commercial database of the top 2,000 public and private Australian companies, classified according to the Australian New Zealand Standard Industrial Classification ('ANZSIC') system.

## Industry Categories Searched

The figure below provides a list of the SIC codes searched via the BWW database to identify a selection of Australian IT Service providers.

Figure D.2: SIC Codes Searched in BWW

SIC Code	Description
7371	<b>Computer Programming Services</b> Establishments primarily engaged in providing computer programming services on a contract or fee basis. Establishments of this industry perform a variety of additional services, such as computer software design and analysis; modifications of custom software; and training in the use of custom software.
7373	<b>Computer Integrated Systems Design</b> Establishments primarily engaged in developing or modifying computer software and packaging or bundling the software with purchased computer hardware (computers and computer peripheral equipment) to create and market an integrated system for specific application. Establishments in this industry must provide each of the following services: <ul style="list-style-type: none"> <li>▶ The development or modification of the computer software</li> <li>▶ The marketing of purchased computer hardware</li> <li>▶ Involvement in all phases of systems development from design through installation.</li> </ul>
7374	<b>Computer Processing and Data Preparation and Processing Services</b> Establishments primarily engaged in providing computer processing and data preparation services. The service may consist of complete processing and preparation of reports from data supplied by the customer or a specialized service, such as data entry or making data processing equipment available on an hourly or time-sharing basis.
7375	<b>Information Retrieval Services</b> Establishments primarily engaged in providing on-line information retrieval services on a contract or fee basis. The information generally involves a range of subjects and is taken from other primary sources. Establishments primarily engaged in performing activities, such as credit reporting, direct mail advertising, stock quotation services, etc., and who also create data bases are classified according to their primary activity.
7376	<b>Computer Facilities Management Services</b> Establishments primarily engaged in providing on-site management and operation of computer and data processing facilities on a contract or fee basis.
7377	<b>Computer Rental and Leasing</b> Establishments primarily engaged in renting or leasing computers and related data processing equipment on the customers' site, whether or not also providing maintenance or support services.
7378	<b>Computer Maintenance and Repair</b> Establishments primarily engaged in the maintenance and repair of computers and computer peripheral equipment.

7379	<p><b>Computer Related Services, Not Elsewhere Classified</b></p> <p>Establishments primarily engaged in supplying computer related services, not elsewhere classified. Computer consultants operating on a contract or fee basis are classified in this industry.</p>
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**Figure D.3: ANZSIC Codes Searched in IBISWorld**

ANZSIC Code	Description
L7831	<p><b>Data Processing Services</b></p> <p>Enterprises engaged in providing data processing services, including computer time sharing services, data entry services, payroll processing, tabulating service and record management.</p>
L7833	<p><b>Computer Maintenance Services</b></p> <p>Establishments in this industry provide services in computer maintenance, computer repair and repair of computer peripheral equipment. Services include network support, on and off site hardware maintenance, help line services, server maintenance, disaster recovery, and mainframe maintenance</p>
L7834	<p><b>Computer Consultancy Services</b></p> <p>Units mainly engaged in providing computer consultancy services, computer systems analysis or computer programming services. The primary activities of this industry are hardware and software consultancy and professional services, systems analysis design and programming, building of custom-designed systems, data processing and preparation services, and, microfiching and microfilming services.</p>

## Search Results

After the application of the elimination criteria, the resulting companies identified from the databases are contained in the following figure below.

**Figure D.4: Business descriptions of service providers identified**

Company	Business Description
<p><b>ASG Group Limited ("ASG")</b></p>	<p>ASG is a publicly-listed Australian Managed IT Services company that has been providing computer infrastructure, application development, systems integration and specialist technical services to clients in Australia and Internationally since 1996. ASG employs over 500 staff with offices throughout Australia, assisting more than 120 clients in both the private and public sectors. ASG works with clients to develop and implement innovative technology solutions.</p> <p>ASG's range of services include:</p> <ul style="list-style-type: none"> <li>▶ Managed services</li> <li>▶ Business solutions</li> <li>▶ Professional services</li> <li>▶ Specialist technical services</li> <li>▶ Architecture consultancy services</li> <li>▶ IT service management</li> </ul>
<p><b>Bravura Solutions Limited ("Bravura Solutions")</b></p>	<p>Bravura Solutions is a global supplier of superannuation and pension, life insurance, investment and portfolio administration software, as well as business and strategic consulting services. Bravura Solutions has been developing and maintaining large scalable financial systems for over 20 years, with over 600 staff operating from fourteen offices around the world. Bravura Solutions assists a range of more than 180 clients in Australia, UK, New Zealand, Hong Kong, South Africa and Europe.</p> <p>Bravura Solutions offers a comprehensive range of professional services designed to define and deliver enhanced capabilities to our clients. These services include:</p> <ul style="list-style-type: none"> <li>▶ Consulting</li> <li>▶ Software development <a href="http://www.bravurasolutions.com.au/content.asp?id=3&amp;t=1">http://www.bravurasolutions.com.au/content.asp?id=3&amp;t=1</a> - Software Development</li> <li>▶ Implementation</li> <li>▶ Data migration</li> <li>▶ Support &amp;</li> </ul>

	<p>maintenance<a href="http://www.bravurasolutions.com.au/content.asp?id=3&amp;t=1">http://www.bravurasolutions.com.au/content.asp?id=3&amp;t=1</a> - Support</p> <ul style="list-style-type: none"> <li>▶ Training<a href="http://www.bravurasolutions.com.au/content.asp?id=3&amp;t=1">http://www.bravurasolutions.com.au/content.asp?id=3&amp;t=1</a> - Training</li> <li>▶ Business Process Outsource partnering</li> </ul>
<b>DWS Advanced Business Solutions Limited ("DWS")</b>	<p>DWS provides information technology services to a number of S&amp;P/ASX 50 corporations and government bodies. Established in 1992, DWS now has in excess of 530 staff with operations in Melbourne, Sydney, Brisbane, Adelaide and Canberra, and is listed on the Australian Securities Exchange (ASX). DWS designs, develops, manages and maintains software solutions and information technology environments.</p> <p>DWS provides high end technical services and solutions including:</p> <ul style="list-style-type: none"> <li>▶ Custom software development for micro to mid range platforms;</li> <li>▶ Maintenance and customisation of large, enterprise resource and core business applications;</li> <li>▶ Designing, developing, implementing and maintaining data warehousing, reporting and business intelligence systems; and</li> <li>▶ Integration, enterprise architecture and a multitude of business to business solutions.</li> </ul>
<b>Empired Limited ("Empired")</b>	<p>Empired is an Australian owned IT services and solutions provider with a broad range of capabilities and experience. Established in 1999, Empired has achieved strong growth in recent years through repeat business with key accounts and through broadening the range of solutions and services provided.</p> <p>Headquartered in Perth, with an office in Melbourne, Empired provides services to clients globally. Empired focuses on providing IT outsourcing services and project and consulting engagements within its areas of specialisation.</p> <p>Empired operates through two complimentary business units:</p> <ul style="list-style-type: none"> <li>▶ Enterprise services - planning, design and implementation of a number of high-end technical capabilities aimed at optimising an organisation's processes and integrate related technology applications and platforms</li> <li>▶ Managed services - day to day operational support and management of a client's IT and communications infrastructure</li> </ul>
<b>Internet Business Corporation Limited ("IBC")</b>	<p>Founded in 1995 and based in Perth, Western Australia, IBC offers a wide range of solutions including a large portfolio of business websites, extranets, intranets and online business software applications.</p> <p>The IBC group comprises:</p> <ul style="list-style-type: none"> <li>▶ IBC Online Solutions - which plans, designs, develops and manages customised and custom-built online business software solutions for the Web, Intranets and Extranets. Typical clients are government, corporate and not-for-profits organisations.</li> <li>▶ Tentacle Digital Marketing - provides highly creative interactive marketing services. Tentacle has its own team of marketing specialists, plus partners from around Australia and the world.</li> <li>▶ IBC Software - this part of the team are the clever developers of our core software products, the Verdi Enterprise Content Management System and the MailMaster Email Campaign Management system.</li> </ul> <p>IBC also works with a number of partner organisations in Australia and around the world, assisting them to deploy online business solutions to their clients.</p>
<b>Oakton Limited ("Oakton")</b>	<p>Oakton is an Australian publicly-listed technology and business consulting services company. For over 20 years Oakton has delivered business-focused IT solutions, as well as business consulting, financial management and assurance services. They also fully manage clients' operational systems. These services are contained in three main business streams: consulting services, delivery services, and, operational services. These are delivered through seven distinct Oakton service lines:</p> <ul style="list-style-type: none"> <li>▶ Business and systems consulting</li> <li>▶ Assurance and risk management services</li> <li>▶ Systems integration and project management</li> <li>▶ Information management</li> <li>▶ Integration and development</li> <li>▶ Package solutions</li> <li>▶ Managed services (applications)</li> </ul> <p>With over 1,300 employees, Oakton has offices in Melbourne, Sydney, Canberra, Brisbane and Hyderabad (India).</p>

<b>SMS Management &amp; Technology Limited (“SMS”)</b>	<p>Founded in 1986, SMS is a publicly listed consulting, technology and systems integration company assisting clients through the implementation of strategy and the delivery of business and technology projects. SMS provides services in a range of industries including financial services, information and communication technology, government, defence, health, utilities, mining, gaming, and infrastructure.</p> <p>SMS specialises in improving operational performance and IT delivery through:</p> <ul style="list-style-type: none"> <li>▶ SMS Consulting: Business performance improvement &amp; architecture, operational learning &amp; change, program &amp; project services</li> <li>▶ SMS Technology Services: application development, systems integration, data management</li> <li>▶ M&amp;T Resources</li> </ul> <p>SMS employs over 1,200 professionals in offices throughout Australia including Adelaide, Brisbane, Canberra, Mackay, Sydney, and Melbourne.</p>
<b>Sonnet Corporation Limited (“Sonnet”)</b>	<p>Sonnet is primarily a service-based company that provides the following information technology services:</p> <ul style="list-style-type: none"> <li>▶ IT Service Management (ITSM)</li> <li>▶ Project Management and Infrastructure Deployment</li> <li>▶ Facilities Management and Service Desk Support</li> <li>▶ Procurement Services</li> </ul>
<b>Technology One Limited (“Technology One”)</b>	<p>Technology One has been providing enterprise business software solutions for more than 20 years, with offices across Australia and internationally, in New Zealand, Malaysia and the United Kingdom. The company develop, market, sell, implement and support its own software solutions that manage business needs in areas such as financials, budgeting, human resource and payroll, supply chain, business intelligence, performance planning, property, student management and assets. Technology One serves clients in a range of industries including local Government, financial services, education, health &amp; community services, utilities, and managed services.</p> <p>Technology One has a project services group to develop unique applications to meet customers’ specific requirements. They also provide application development for customers requiring large scale, purpose built applications.</p>

Additional points of note:

- ▶ Bravura Solutions and Technology One have involvement in the development of their own proprietary software which results in a higher level of assets and risks than CHED Services.
- ▶ A significant proportion of Bravura Solutions operations were outside Australian in the 2007-08 periods.
- ▶ Sonnet Corp was a comparable included in the 2006 report and has been included as part of this analysis update. However, financials have not been updated since 2005 as the company no longer meets the search criteria outlined above. Sonnet Corp was taken over in July 2007 by Commoditel Limited. It now trades as ComTel Corporation, which does not come under the ANSZIC codes used in the search due to its function as a mobile phone services company. As such, it is no longer accepted as functionally comparable to CHED Services.

Refer to **Appendix F** for detailed search matrix of eliminated companies.

### Profitability Measure

The ratio of earnings before interest, taxes and adjustments, divided by operating expenses (‘cost plus’ ratio) was selected as the Profit Level Indicator (‘PLI’). This ratio provides a direct measure of the operating performance of the entity and excludes the effect of financing and investing decisions.

Adjusted earnings are calculated by adjusting operating profit before tax to remove the effects of a number of non-operating items. Non-operating expenses include interest expense and non-operating revenue items include interest income. These amounts are

excluded to calculate earnings that are more representative of the companies' operating functions.

Operating expenses is calculated as total expenses less non-operating expenses including borrowing costs, for the relevant period.

The period used for the comparable company analysis is 2004 to 2008. A five year period is employed to reduce the impact of short-term economic conditions on financial performance. In cases where data is not available for the full period for the comparable companies identified, comparables are not excluded on this basis. However, at least two years of financial data is required for inclusion in the analysis.

### Contemporary ATO approach to financial analysis

Some of the comparables identified in this search process were also analysed in the 2006 report. The financial analysis performed in this report was calculated in line with a contemporary ATO approach and as such may differ from the 2006 financial analysis results. Specifically the contemporary ATO approach does not include adjustments for amortisation and write-off of good-will, or net gain/loss on the disposal of fixed assets and investments.

### Financial Analysis Results - All IT services

As the majority of comparable companies identified from the IT Services search perform more than one sub category of IT Service, Figure D.5 provides the results of all the comparables. The result provides a benchmark for the mark-up of the whole IT Services division, being 17.65%.

Figure D.5: Financial analysis of comparable companies - cost plus ratio

Cost plus ratio	2004	2005	2006	2007	2008	Weighted Average
ASG Group Limited	12.77	7.86	11.08	14.57	14.32	12.75
Bravura Solutions Limited	n/a	17.09	11.60	10.34	6.04	8.52
DWS Advanced Business Solutions Limited	n/a	n/a	-5.74	58.26	41.19	30.78
Empired Limited	n/a	4.58	18.94	6.20	5.46	7.17
Internet Business Corporation Limited	4.83	-4.86	8.64	72.27	n/a	16.18
Oakton Limited	28.55	29.36	36.40	33.98	24.74	29.41
SMS Management & Technology Limited	6.54	8.92	14.39	17.08	17.08	14.08
Sonnet Corporation Limited	13.31	11.23	n/a	n/a	n/a	12.09
Technology One Limited	31.69	32.14	30.11	25.20	25.28	27.90
Mean	16.28	13.29	15.68	29.74	19.16	17.65
Upper quartile	28.55	23.23	24.52	46.12	25.28	27.90
Median	13.04	10.07	13.00	21.14	17.08	14.08
Lower quartile	6.54	6.22	9.86	12.45	6.04	12.09

Note: n/a represents unavailability of financial information for, or exclusion of, that financial year.

### Financial Analysis Results - Strategy, Infrastructure, Application Development, Implementation and Application Support Services

The IT Services comparables that performed broadly similar functions to the Strategy, Infrastructure, Application Development, Implementation and Application Support Services sub-categories are also grouped to provide separate mark up. The weighted average of the eight comparables identified over 2004-2008 is 19.95%.

Figure D.6: Financial analysis of comparable companies - cost plus ratio

Cost plus ratio	2004	2005	2006	2007	2008	Weighted Average
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ASG Group Limited	12.77	7.86	11.08	14.57	14.32	12.75
Bravura Solutions Limited	n/a	17.09	11.60	10.34	6.04	8.52
DWS Advanced Business Solutions Limited	n/a	n/a	-5.74	58.26	41.19	30.78
Internet Business Corporation Limited	4.83	-4.86	8.64	72.27	n/a	16.18
Oakton Limited	28.55	29.36	36.40	33.98	24.74	29.41
SMS Management & Technology Limited	6.54	8.92	14.39	17.08	17.08	14.08
Technology One Limited	31.69	32.14	30.11	25.20	25.28	27.90
Mean	16.88	15.09	15.21	33.10	21.44	19.95
Upper quartile	28.55	29.36	30.11	58.26	25.28	29.41
Median	12.77	13.01	11.60	25.20	20.91	16.18
Lower quartile	6.54	7.86	8.64	14.57	14.32	12.75

Note: n/a represents unavailability of financial information for, or exclusion of, that financial year.

### **Financial Analysis Results - User Services**

Of the ten companies identified, only two performed functions broadly similar to the User Services sub-category. The results are provided below. The weighted average mark-up of these two comparables over 2004-2008 is 9.63%.

**Figure D.7: Financial analysis of comparable companies - cost plus ratio**

Cost plus ratio	2004	2005	2006	2007	2008	Weighted Average
Empired Limited	n/a	4.58	18.94	6.20	5.46	7.17
Sonnet Corporation Limited	13.31	11.23	n/a	n/a	n/a	12.09
Mean	13.31	7.90	18.94	6.20	5.46	9.63
Highest observed value	13.31	11.23	18.94	6.20	5.46	12.09
Median	13.31	7.90	18.94	6.20	5.46	9.63
Lowest observed value	13.31	4.58	18.94	6.20	5.46	7.17

Note: n/a represents unavailability of financial information for, or exclusion of, that financial year

## Appendix E Detailed discussion of ABS data and ATO statistics

### Selection of Industry Benchmarks

Two sources of industry-wide financial performance indicators were analysed: the Australian Bureau of Statistics ('ABS Data'); and the ATO Taxation Statistics ('ATO Statistics').

### ABS Data

The ABS publication, 'Summaries of Industry Performance' contains summary statistics on the financial performance of management units within the industry classifications. The following figures list summary characteristics of the data set.

Figure E.1: ABS Summary of Industry Performance

Attributes	Details
Time series	2002-2003 to 2006-2007
Source	Amalgam of survey and Tax Return data
Coverage	All size operations (includes large and small and medium businesses as defined); large businesses defined as management units which employ over 200 people or have assets greater than A\$200m; small and medium business have less than 200 employees and less than A\$200m in assets.
Data	Number of businesses in industry, people employed, income statement items (not available from statutory reports (i.e. ASIC Annual Returns) such as gross profit, operating expenses as well as operating revenue and interest; balance sheet items; industry averages for key income statement items, balance sheet items and industry statistics; and industry performance ratios
Classification	Two-digit ANZSIC code (2003-2006), one-digit ANZSIC code (2007)

### ATO Statistics

The annual ATO publication, 'Taxation Statistic', presents information collected from the 'Form C' income tax return for companies. For taxation purposes, companies include all bodies or associations, corporate or unincorporated, excluding partnerships. Figure E.3 lists summary characteristics of the data set.

Figure E.2: ATO Taxation Statistics

Attributes	Details
Time series	2002-2003 to 2006-2007
Source	Data considered for benchmarking is sourced from Company Tax Returns i.e. 'Form C' income tax return. (For taxation purposes, companies include all bodies or associations, corporate or unincorporated, excluding partnerships.)
Coverage	Data from the returns of entities which return a Form C to the ATO.
Data	All tax return data fields are available: the preferred time series is industry classification by income, which includes all sources of income such as operating and non-operating revenue; operating and non-operating expenses, including COGS.
Classification	Three-digit ANZSIC code



## Profitability Benchmarks

Categories relevant for benchmarking providers of IT Services include:

- ▶ ABS data: ANZSIC L78 - Business services (2003-2006)
  - ▶ Companies within the L78 subdivision come from a broad range of industries and segments. Due to this, the data can have a significant variance in its range of return. Industries included in this ABS data set comprises of real estate services, architecture services, legal services, accounting services, cleaning services and security services as well as computer services.
- ▶ Division M - Professional, scientific and technical services (2007)
  - ▶ For 2006/07, the statistics released by the ABS presented the industry results by different classifications than those used previously. For the purposes of this analysis we have selected division M as the best alternative to L78. The revised ANZSIC industry code division M also includes industry data for veterinary services.

Companies within the L78 subdivision and Division M come from a broad range of industries and segments. Due to this, the data can have a significant variance in its range of return. Due to these broad service industry classifications included within the ABS data; this data is not necessarily the most appropriate data to benchmark the performance of CitiGroup and Powercor against. Therefore we have examined further industry data below as provided by the ATO to provide a more refined industry classification and performance indication.

- ▶ ATO statistics: ANZSIC L783 - Computer services (2003-2005)
  - ▶ The ATO Taxation Statistics provide an additional layer of segmented industry information that is not available through ABS data. By using the additional layer of data it is possible to eliminate the high value added services such as legal, accounting, architectural and engineering professions that may create a skewed result. The revised ANSZIC code L700 does not cover data processing, web hosting and electronic information storage services that were covered by L783. Data for these services has been provided separately below.
- ▶ ANZSIC L700 - Computer systems design and related services (2006-2007)
  - ▶ For 2005/06 and 2006/07, the ATO classifications were revised. For the purposes of this report we have selected L700 as the best alternative to L783. The revised ANSZIC code L700 does not cover data processing, web hosting and electronic information storage services that were covered by L783. Data for these services has been provided separately.
- ▶ ATO statistics: ANZSIC L592 - Data processing, web hosting and electronic information storage services (2006-2007)
  - ▶ This ANZSIC code data reflects the update in industry codes in 2006, as it used to come under L783 computer services. Since 2006 this industry data has been classified under L593, therefore we have only provided an analysis for 2006-2007.
- ▶ ATO statistics: ANZSIC L786 - Other business services (2003-2005)
  - ▶ The different data sources reflect the update of ANZSIC industry codes in 2006. This industry code is intended to capture services provided by CHED Services that

are not classified under industry codes relating to IT services. Services included in this industry code are very broad, and it is not necessarily the most appropriate data to benchmark against.

- ▶ ANZSIC L729 - Other administrative services (2006-2007)
  - ▶ For 2005/06 and 2006/07, the ATO classifications were revised. For the purposes of this report we have selected L729 as the best alternative to L786. The services covered by this revised industry code remain very broad, and is still not necessarily the most appropriate data to benchmark against.

The revised ANZSIC codes used by the ATO to classify industries are not inconsistent with the ANZSIC codes used to search for comparable companies in the IBISWorld database, as these have not been updated.

ATO industry data provides a more reliable measure of performance than ABS data. However, the data still only measures industry performance at a very broad level, as there are a large variety of entities included under such broad industry classifications.

## Profitability Measure

The ratio of earnings before interest, taxes and adjustments, divided by operating expenses ('cost plus' ratio) was selected as the PLI. In calculating this ratio less expense breakdown was available and adjustments were only made where amounts could be identified.

## Benchmarking Results

The summary tables below are detailed in Appendix H.

**Figure E.3: Australian Bureau of Statistics - Summary Of Industry Performance L78 Business Services**

Years		2002-03	2003-04	2004-05	2005-06	Weighted Average
<b>Ratio Analysis</b>						
EBIT	\$m	13,959	26,487	21,326	30,582	23,089
Costs	\$m	121,150	133,420	154,173	171,995	145,185
<b>Mark-up on costs</b>		<b>11.52%</b>	<b>19.85%</b>	<b>13.83%</b>	<b>17.78%</b>	<b>15.90%</b>

**Definitions:**

EBIT = Earnings before interest and tax

Costs = Cost of sales + Labour costs + Depreciation and amortisation + Other operating expenses + Changes in inventory

**Figure E.4: Australian Bureau of Statistics - Summary Of Industry Performance Division M - Professional, scientific and technical services**

Year		2006-07
<b>Ratio Analysis</b>		
EBIT	\$m	26,683
Costs	\$m	123,684
<b>Mark-up on costs</b>		<b>21.57%</b>

**Definitions:**

EBIT = Earnings before interest and tax

Costs = Cost of sales + Labour costs + Depreciation and amortisation + Other operating expenses + Changes in inventory

**Figure E.5: ATO Statistics - Summary Of Industry Performance**  
L783 Computer services

Years	2002-2003	2003-2004	2004-2005	Weighted Average
<b>Ratio Analysis</b>				
EBIT	42,902,310	781,628,456	442,841,161	422,457,309
Costs	17,021,990,204	16,246,437,298	18,006,614,308	17,091,680,603
<b>Mark-up on costs</b>	<b>0.25%</b>	<b>4.81%</b>	<b>2.46%</b>	<b>2.47%</b>

**Definitions:**

EBIT = Operating profit or loss - Gross interest + Interest expenses-Australia + Interest expenses-overseas - Gross dividends - Gross rents, leasing & hiring

Costs = Cost of sales + External labour costs + Superannuation + Bad debts + Lease expenses-Australia + Lease expenses-Overseas + Depreciation expenses + Motor vehicle expenses + Repairs and maintenance + All other expenses

**Figure E.6: ATO Statistics - Summary Of Industry Performance**  
L700 Computer systems design and related services

Years	2005-2006	2006-2007	Weighted Average
<b>Ratio Analysis</b>			
EBIT	627,509,503	914,997,423	771,253,463
Costs	13,049,987,415	16,449,796,396	14,749,891,906
<b>Mark-up on costs</b>	<b>4.81%</b>	<b>5.56%</b>	<b>5.23%</b>

**Definitions**

EBIT = Operating profit or loss - Gross interest + Interest expenses-Australia + Interest expenses-overseas - Gross dividends - Gross rents, leasing & hiring

Costs = Cost of sales + External labour costs + Superannuation + Bad debts + Lease expenses-Australia + Lease expenses-Overseas + Depreciation expenses + Motor vehicle expenses + Repairs and maintenance + All other expenses

**Figure E.7: ATO Statistics - Summary Of Industry Performance**  
L592 Data processing, web hosting and electronic information storage services

Years	2005-2006	2006-2007	Weighted Average
<b>Ratio Analysis</b>			
EBIT	118,401,004	60,436,718	89,418,861
Costs	1,749,812,288	968,160,655	1,358,986,472
<b>Mark-up on costs</b>	<b>6.77%</b>	<b>6.24%</b>	<b>6.58%</b>

**Definitions**

EBIT = Operating profit or loss - Gross interest + Interest expenses-Australia + Interest expenses-overseas - Gross dividends - Gross rents, leasing & hiring

Costs = Cost of sales + External labour costs + Superannuation + Bad debts + Lease expenses-Australia + Lease expenses-Overseas + Depreciation expenses + Motor vehicle expenses + Repairs and maintenance + All other expenses

**Figure E.8: ATO Statistics - SUMMARY OF INDUSTRY PERFORMANCE**  
L786 Other business services

Years	2002-2003	2003-2004	2004-2005	Weighted Average
<b>Ratio Analysis</b>				
EBIT	802,076,610	916,558,871	1,135,816,293	951,483,925
Costs	24,800,318,598	23,704,904,874	23,272,064,047	23,925,762,506
<b>Mark-up on costs</b>	<b>3.23%</b>	<b>3.87%</b>	<b>4.88%</b>	<b>3.98%</b>

**Definitions:**

EBIT = Operating profit or loss - Gross interest + Interest expenses-Australia + Interest expenses-overseas - Gross dividends - Gross rents, leasing & hiring

Costs = Cost of sales + External labour costs + Superannuation + Bad debts + Lease expenses-Australia + Lease expenses-Overseas + Depreciation expenses + Motor vehicle expenses + Repairs and maintenance + All other expenses

**Figure E.9: ATO Statistics - Summary Of Industry Performance**  
**L729 Other administrative services**

Years	2005-2006	2006-2007	Weighted Average
<b>Ratio Analysis</b>			
EBIT	349,467,884	278,162,094	313,814,989
Costs	7,268,906,449	8,171,501,135	7,720,203,792
<b>Mark-up on costs</b>	<b>4.81%</b>	<b>3.40%</b>	<b>4.06%</b>

**Definitions:**

EBIT = Operating profit or loss - Gross interest + Interest expenses-Australia + Interest expenses-overseas - Gross dividends - Gross rents, leasing & hiring

Costs = Cost of sales + External labour costs + Superannuation + Bad debts + Lease expenses-Australia + Lease expenses-Overseas + Depreciation expenses + Motor vehicle expenses + Repairs and maintenance + All other expenses

## Appendix F Search matrix for Australian comparable companies

Powercor  
 Australian IT services provider elimination chart  
 US SIC codes: 7371, 7373, 7374, 7375, 7376, 7377, 7378, 7379  
 ANZSIC codes: L7823  
 Keywords: n/a

No.	Company name	Insufficient financial information	Losses on average	Controlled transactions, foreign or state owned	Function differences	Product differences	Private company	Comments
1	ASG Group Limited							ACCEPTED
2	Bravura Solutions Limited							ACCEPTED
3	DWS Advanced Business Solutions Limited							ACCEPTED
4	Empired Limited							ACCEPTED
5	Internet Business Corporation Limited							ACCEPTED
6	Oakton Limited							ACCEPTED
7	SMS Management & Technology Limited							ACCEPTED
8	Technology One Limited							ACCEPTED
9	ACI World Wide (Pacific) Pty Ltd	x						
10	First Software Pty Ltd	x						
11	Sungard Systems Pty Ltd	x						
12	@ WWW Pty Ltd	x						
13	1ST Element Pty Ltd	x						
14	3D3.Com Pty Ltd	x						
15	3H Group Pty Ltd	x						
16	888 Wealth Creation Pty Ltd	x						
17	A.C.N. 071 510 195 Pty Ltd	x						
18	A.C.N. 075 603 306 PTY LIMITED	x						
19	Able Systems Development Pty Ltd	x						
20	ABM Electronic Engineering (Aust) Pty Ltd	x						
21	ABN 79 051 787 529 PTY LIMITED	x						
22	Academic Systems Pty Ltd	x						
23	Access Communications Asia Pacific Pty Ltd	x						
24	Access Gaming Systems Pty Ltd	x						
25	Accord Technologies (WA) Pty Ltd	x						
26	Accord Technologies Pty Ltd	x						
27	Acis Pty Ltd	x						
28	ACN 090 857 560 Pty Ltd	x						
29	Activ Australia Pty Ltd	x						
30	Acumentum Pty Ltd	x						
31	Axiom Pty Ltd	x						
32	Adam Internet Pty Ltd	x						
33	ADB Computer Systems Pty Ltd	x						
34	ADB Pty Ltd	x						
35	Ad-Cell Print Group Pty Ltd	x						
36	Adept Business Systems Pty Ltd	x						
37	Adept Electronic Solutions Pty Ltd	x						
38	Adnet Technology Australia Pty Ltd	x						
39	ADP Whitehills Pty Ltd	x						
40	Advance Vision Technology (Aust) Pty Ltd	x						
41	Advanced Computer Software Supplies Pty Ltd	x						
42	Advanced Design & Manufacturing Pty Ltd	x						
43	Advanced Professional Solutions Pty Ltd	x						
44	Advitech Pty Ltd	x						
45	Adweb Pty Ltd	x						
46	AIMS-STM Pty Ltd	x						
47	Aitch20 Pty Ltd	x						
48	Ajilon Australia Pty Ltd	x						
49	AJS Computing Services Pty Ltd	x						

No.	Company name	Insufficient financial information	Losses on average	Controlled transactions, foreign or state owned	Function differences	Product differences	Private company	Comments
50	ALFA COMPUTERS PTY LTD	x						
51	Alinta Software Pty Ltd	x						
52	All Hours Pty Ltd	x						
53	Allaw Pty Ltd	x						
54	Allcom Networks Pty Ltd	x						
55	Allen Gillespie Electrical Pty Ltd	x						
56	Allette Systems (Australia) Pty. Ltd.	x						
57	Allteq Pty Ltd	x						
58	Alpha Computer (Aust) Pty Ltd	x						
59	ALPHALINK (AUSTRALIA) PTY LTD	x						
60	Alphawest Services Pty Ltd	x						
61	AMC Enterprises Pty Ltd	x						
62	AMLINK TECHNOLOGIES PTY LTD	x						
63	AMR Interactive Pty Ltd	x						
64	Analog Devices Australia Pty Ltd	x						
65	Analytical Models Pty Ltd	x						
66	Andersons' Electrical Service Pty Ltd	x						
67	Andor Systems (Aust) Pty Ltd	x						
68	Animal Logic Film Pty Ltd	x						
69	Ann Wood & Associates	x						
70	Anstat Pty Ltd	x						
71	Apnic Pty Ltd	x						
72	Apple Computer Australia Pty Ltd	x						
73	Applied Business Technology Pty Ltd	x						
74	Applied Data Control Pty Ltd	x						
75	ARDEC INTERNATIONAL PTY LTD	x						
76	Areeba Solutions Pty Ltd	x						
77	AREL AUSTRALIA PTY LIMITED	x						
78	ARGENT NETWORKS PTY LTD	x						
79	Aristocrat Technologies Australia Pty Ltd	x						
80	Arrow Business Systems Pty Ltd	x						
81	ASG Limited	x						
82	Asian Pacific Limited	x						
83	ASP - Australian Software Professionals (NSW) Pty Ltd	x						
84	Aspect Software (Australia) Pty Ltd	x						
85	Astron Technology Pty Ltd	x						
86	Asymex Pty Ltd	x						
87	Atac Pty Ltd	x						
88	ATI GROUP PTY LTD	x						
89	Atrix Business Products Pty Ltd	x						
90	ATTAIN IT PTY LTD	x						
91	Attsoft Business Systems Pty Ltd	x						
92	Auran Developments Pty Ltd	x						
93	Auran Games Pty Ltd	x						
94	AUS IT Support Pty Ltd	x						
95	Austar United Broadband Pty Ltd	x						
96	Australia Wide Computer Resources Pty Ltd	x						
97	Australian Cataloguing Services Pty Ltd	x						
98	Australian Centre for Advanced Computing and Communication Pty Ltd	x						
99	Australian Computer Response Pty Ltd	x						
100	Australian Creative Computing Pty Ltd	x						
101	AUSTRALIAN IT SERVICES PTY LTD	x						
102	Australian Tourism Data Warehouse Pty Ltd	x						
103	Australian Windows Publishing Pty Ltd	x						
104	Auto-IT Pty Ltd	x						
105	Automation IT (Old) Pty Ltd	x						

No.	Company name	Insufficient financial information	Losses on average	Controlled transactions, foreign or state owned	Function differences	Product differences	Private company	Comments
106	Autores Pty Ltd	x						
107	Auto-Trol Technology Corporation	x						
108	AVA Systems Pty Ltd	x						
109	Avante IT Pty Ltd	x						
110	Avoga Pty Ltd	x						
111	Away Voice and Data Pty Ltd	x						
112	AWS (Aussie Weighbridge Systems) Pty Ltd	x						
113	AXE Group Pty Ltd	x						
114	Axent Holdings Pty Ltd	x						
115	Axis Technology Pty Ltd	x						
116	B 2 B (Australia) Pty Ltd	x						
117	B2BE Pty Ltd	x						
118	Balance Design Pty Ltd	x						
119	Balmoral Technologies Pty Ltd	x						
120	Barlow Jonker Pty Ltd	x						
121	Barra International Limited	x						
122	Barwon Computer Solutions Pty Ltd	x						
123	Base 2 International Pty Ltd	x						
124	BASEPLAN SOFTWARE PTY. LIMITED	x						
125	Bay Technologies Pty Ltd	x						
126	BCT Group Pty Ltd	x						
127	BDO Kendalls Technology (Qld) Pty Ltd	x						
128	BDP Computer Systems Pty Ltd	x						
129	BEACON TECHNOLOGY PTY LTD	x						
130	Beethoven Computer Services Pty Ltd	x						
131	Bendjade Pty Ltd	x						
132	Benon Technologies Pty Ltd	x						
133	Bentleys MRI (Qld) Pty Ltd	x						
134	Bentos Pty Ltd	x						
135	BGL Corporate Solutions Pty Ltd	x						
136	BHL Axiom Pty Ltd	x						
137	Big Bridge Pty Ltd	x						
138	Big Time Media Pty Ltd	x						
139	Bitech Group Pty Ltd	x						
140	Biz.Com Pty Ltd	x						
141	Biztel Products Pty Ltd	x						
142	BKW Investments Pty Ltd	x						
143	BLACKROCK IT SOLUTIONS PTY LTD	x						
144	Blacksheep Productions Pty Ltd	x						
145	Bloomberg LP	x						
146	BLR Investments Pty Ltd	x						
147	BlueCentral Pty Ltd	x						
148	BLUEFIRE CORPORATION PTY LIMITED	x						
149	BMM Australia Pty Ltd	x						
150	BMS Solutions Pty Ltd	x						
151	Boss Exports Pty Ltd	x						
152	Bowen & Groves Pty Ltd	x						
153	Braintree Communications Pty Ltd	x						
154	Brennan IT Pty Ltd	x						
155	BRIDGE POINT COMMUNICATIONS PTY LTD	x						
156	Bridgehead Australia Pty Ltd	x						
157	Broadbandnet Pty Ltd	x						
158	Brookstone Technologies Pty Ltd	x						
159	BSR Pty Ltd	x						
160	BT Tech Pty Ltd	x						
161	Bucan Holdings Pty Ltd	x						
162	Bullseye Internet Solutions Pty Ltd	x						



No.	Company name	Insufficient financial information	Losses on average	Controlled transactions, foreign or state owned	Function differences	Product differences	Private company	Comments
163	Business and Project Solutions Australia Pty Ltd	x						
164	Business Computer Centre Advertising Systems Pty Ltd	x						
165	Business Information Services (NSW) Pty Ltd	x						
166	Business Integration Solutions Pty Ltd	x						
167	Business Machine Specialists Pty Ltd	x						
168	Business Professionals Pty Ltd	x						
169	Byte Information Technology Pty Ltd	x						
170	C P Moore Pty Ltd	x						
171	C P S SYSTEMS PTY LTD	x						
172	C. & G. Sovereign Pty Ltd	x						
173	C3 Plus Pty Ltd	x						
174	Cabbiexpress International Pty Ltd	x						
175	Cable Labels-Cabel Labels Pty Ltd	x						
176	CADGROUP AUSTRALIA PTY. LIMITED	x						
177	CALL DESIGN PTY LTD	x						
178	Calyptech Pty Ltd	x						
179	Calytrix Technologies Pty Ltd	x						
180	Camplex Pty Ltd	x						
181	CANSTAR CANNEX PTY LIMITED	x						
182	Capital Networks Pty Ltd	x						
183	Captaris International Pty Ltd	x						
184	CCK Financial Solutions (Consulting) Pty Ltd	x						
185	CD-Rom Services Pty Ltd	x						
186	Cedar Creek Company Pty Ltd	x						
187	Cegedim Dendrite Australia Pty Ltd	x						
188	Central Coast Internet Pty Ltd	x						
189	CENTRAL DATA NETWORKS PTY. LTD	x						
190	Central Data Pty Ltd	x						
191	Centrex Technologies Pty Ltd	x						
192	Cerulean Solutions Limited	x						
193	Change Corporation Pty Ltd	x						
194	Channel E Pty Ltd	x						
195	Channel Marketing Decisions Australasia Pty Ltd	x						
196	Charlwood Design Pty Ltd	x						
197	Chimo Pty Ltd	x						
198	Chip Application Technologies Pty Ltd	x						
199	Chris Humphrey Office Systems Pty Ltd	x						
200	CHW Consulting Pty Ltd	x						
201	CINCOM SYSTEMS OF AUSTRALIA PTY LTD	x						
202	CIO Consultants Pty Ltd	x						
203	CIRRUS TECHNOLOGIES PTY LTD	x						
204	CIT Professionals Pty Ltd	x						
205	Citadel Computer Systems Pty Ltd	x						
206	Citect Pty Ltd	x						
207	City Business Machines Pty Ltd	x						
208	City Software Pty. Ltd.	x						
209	Citypak Pty Ltd	x						
210	Cityscope Publications Pty Ltd	x						
211	Citywest Solutions Pty Ltd	x						
212	Clarenston Pty Ltd	x						
213	Clariti Pty Ltd	x						
214	Clarity Consulting Group Pty Ltd	x						
215	CLARITY INTERNATIONAL PTY. LTD	x						
216	Classic Solutions Pty Ltd	x						
217	Clayko Computing Pty Ltd	x						
218	CLEAR TECHNOLOGY PTY LIMITED	x						
219	Clear2Pay Apac Pty Ltd	x						

No.	Company name	Insufficient financial information	Losses on average	Controlled transactions, foreign or state owned	Function differences	Product differences	Private company	Comments
220	Clubnet International Pty Ltd	x						
221	Codarra Advanced Systems Pty Ltd	x						
222	Coin Software Pty Ltd	x						
223	Combined Technical Services Pty Ltd	x						
224	Commander (NSW) Pty Ltd	x						
225	Commander Communications Limited	x						
226	Commander Integrated Networks Pty Ltd	x						
227	Commerce Australia Pty Ltd	x						
228	Commercial Interactive Media Pty Ltd	x						
229	Commscraft Limited	x						
230	CommTel Network Solutions Pty Ltd	x						
231	Communications Design & Management Pty Ltd	x						
232	Communicator Interactive Pty Ltd	x						
233	COMOPS AUSTRALIA PTY LTD	x						
234	ComOps Limited	x						
235	COMPAS PTY. LTD.	x						
236	Compucat Research Pty Limited	x						
237	CompuSoft Australia Pty Ltd	x						
238	Compusphere Pty Ltd	x						
239	Computer Applications Pty Ltd	x						
240	Computer Discounts Erina Pty Ltd	x						
241	Computer Maintenance Australia Pty Ltd	x						
242	Computer Manufacturing and Integration Pty Ltd	x						
243	Computer Needs & Associates Pty Ltd	x						
244	Computer Repair Centre Pty Ltd	x						
245	Computer Site Solutions Pty Ltd	x						
246	Computers Now Pty Ltd	x						
247	Computershare Technology Services Pty Ltd	x						
248	Computing Directions Australia Pty Ltd	x						
249	Comunet Pty Ltd	x						
250	Concept Controls Pty Ltd	x						
251	Conceptual Internet Australia Pty Ltd	x						
252	Confertel Communications Group Pty Ltd	x						
253	Congruent Professional Service Pty Ltd	x						
254	Console Australia Pty Ltd	x						
255	CONSTRAINT TECHNOLOGIES INTERNATIONAL PTY. LIMITED	x						
256	Consulcad Pty Ltd	x						
257	Contentkeeper Technologies Pty Ltd	x						
258	Contract Computer Services Pty Ltd	x						
259	CONVERGENCY SERVICES PTY. LTD.	x						
260	Convergent Resources Pty Ltd	x						
261	Coresoft Pty Ltd	x						
262	Corporate Information Systems Pty Ltd	x						
263	Corporate Internet Business Information Systems Pty Ltd	x						
264	Corum eCommerce Pty Ltd	x						
265	Corvette Holdings Pty Ltd	x						
266	Cosmos 21 + Pty Ltd	x						
267	Cougar Software Pty Ltd	x						
268	CPA SOFTWARE SOLUTIONS (AUSTRALIA) PTY LIMITED	x						
269	Cray Australia Pty Ltd	x						
270	CrimTrac Agency	x						
271	Crossecom Pty Ltd	x						
272	Crystalaid Pty Ltd	x						
273	CTO Services Pty Ltd	x						
274	Cube Consulting Pty Ltd	x						
275	CUSTCARE PTY LTD	x						
276	Customer Management Technologies Pty. Ltd.	x						

No.	Company name	Insufficient financial information	Losses on average	Controlled transactions, foreign or state owned	Function differences	Product differences	Private company	Comments
277	CustomSoft Australia Pty Limited	x						
278	Customware Asia Pacific Pty Ltd	x						
279	CVW Technologies Pty Ltd	x						
280	CW Supplies Pty Ltd	x						
281	Cyber Pty Ltd	x						
282	Cybernet Pty Ltd	x						
283	Cyberone Pty Ltd	x						
284	Cyberscience Corporation Pty Ltd	x						
285	CYBERSOURCE PTY. LTD.	x						
286	D & C Dunlop Investments Pty Ltd	x						
287	Daemon Pty Ltd	x						
288	Dancrai Pty Ltd	x						
289	Data #3 Business Systems Pty Ltd	x						
290	Data Agility Pty Ltd	x						
291	Data Fx Online Pty Ltd	x						
292	DATA TOOLS PTY. LTD.	x						
293	Data Transfer Services Pty Ltd	x						
294	Databank Technologies Pty Ltd	x						
295	DATABASE CONNECTIONS PTY LTD	x						
296	Databuild Pty Ltd	x						
297	Datacare Pty Ltd	x						
298	Datacord (SA) Pty Ltd	x						
299	Datalex Australasia Pty Ltd	x						
300	Datasol Pty Ltd	x						
301	Datastream Systems Pty Ltd	x						
302	DATATASK PTY. LTD.	x						
303	Datavision Services Pty Ltd	x						
304	Datavision Gis Pty Ltd	x						
305	Datawatch Pty Ltd	x						
306	DB Developments Pty Ltd	x						
307	DDSN Interactive Pty Ltd	x						
308	De Simone Consulting Pty Ltd	x						
309	Decideware Pty Ltd	x						
310	Decision Systems Australia Pty Ltd	x						
311	Decisions Made Easy Pty Ltd	x						
312	Deepend Sydney Pty Ltd	x						
313	DENVER TECHNOLOGY (AUSTRALIA) PTY LTD	x						
314	Design Resource Australia Pty Ltd	x						
315	DesignAvenue Software Pty Ltd	x						
316	Destra Corporation Limited	x						
317	Dialect Payment Technologies Pty Ltd	x						
318	Dialog Pty Ltd	x						
319	DIGITAL (DIGEST) DATA DESIGN PTY LIMITED	x						
320	Digital Media Research & Design Pty Ltd	x						
321	Digital Quay Pty Ltd	x						
322	Digitaldm Pty Ltd	x						
323	Digitus Computer Systems Pty Ltd	x						
324	Dingo Software Pty Ltd	x						
325	Disc International Pty Ltd	x						
326	Dovetail Distribution Pty Ltd	x						
327	Downs Microsystems Pty Ltd	x						
328	Dspace Pty Ltd	x						
329	Dycom Business Systems Pty Ltd	x						
330	Dynamic Hearing Pty Ltd	x						
331	E Law Australia Pty Ltd	x						
332	Eastern Studios Graphics Pty Ltd	x						
333	Ebet Gaming Systems Pty Ltd	x						

No.	Company name	Insufficient financial information	Losses on average	Controlled transactions, foreign or state owned	Function differences	Product differences	Private company	Comments
334	E-Centricinnovations Pty Ltd	x						
335	Eclipse Computing (Australia) Pty Ltd	x						
336	ECLIPSE EONE PTY LTD	x						
337	Ecn Pty Ltd	x						
338	Eda Solutions Pty Ltd	x						
339	EDEN TECHNOLOGY PTY LTD	x						
340	EFEX Productions Pty Ltd	x						
341	eFunds International Limited	x						
342	Elcom Technology Pty Ltd	x						
343	Electron Flow Pty Ltd	x						
344	Electronic Resources (Sales) Pty Ltd	x						
345	Electronics For Imaging Australia Pty Ltd	x						
346	Electrosec Systems Pty Ltd	x						
347	Elk Consultants Pty Ltd	x						
348	eLoyalty Corporation (Australia) Pty Ltd	x						
349	Emerging IT Pty Ltd	x						
350	EMPOWER MASTERPAY PTY LTD	x						
351	EMS Solutions Pty Ltd	x						
352	Emtec Communications Australia Pty Ltd	x						
353	Enabling Pty Ltd	x						
354	Endurance Cycling Pty Ltd	x						
355	Engineering Surveys Pty Ltd	x						
356	ENSTOR PTY LIMITED	x						
357	Entech Electronics Pty Ltd	x						
358	E-Orders Pty Ltd	x						
359	EOS Solutions Pty Ltd	x						
360	e-PayDay Pty Ltd	x						
361	Equitech Finance Pty Ltd	x						
362	Erabona Pty Ltd	x						
363	ERDAS PTY LTD	x						
364	ERG Card Systems (Aust) Ltd	x						
365	Erinzan Pty Ltd	x						
366	E-Secure Pty Ltd	x						
367	E-Sharp Technology Pty Ltd	x						
368	Essential Software Australia Pty Ltd	x						
369	Essential Software Pty Ltd	x						
370	eTeam Software Pty Ltd	x						
371	Eucalypt Software Partners Pty Ltd	x						
372	Eurofield Information Solutions Pty Ltd	x						
373	Evision Pty. Limited	x						
374	EVOLUTION FUTURE SOLUTIONS PTY LTD	x						
375	Exa-Min Technologies Pty Ltd	x						
376	Exari Systems Pty Ltd	x						
377	EXASITES PTY LTD	x						
378	Excelerated Consulting Pty Ltd	x						
379	Exchange Printers	x						
380	Export Mission Information Systems Pty Ltd	x						
381	Expressapps Pty Ltd	x						
382	Extreme Networks Pty Ltd	x						
383	Eye Media Pty Ltd	x						
384	Ezy Systems Pty Ltd	x						
385	EZYPAY Pty Ltd	x						
386	Fasttrack Pty Ltd	x						
387	Fastwire Pty Ltd	x						
388	Fenwick Software Pty Ltd	x						
389	Fibrelink Communications Pty Ltd	x						
390	FIGTREE SYSTEMS PTY LIMITED	x						

No.	Company name	Insufficient financial information	Losses on average	Controlled transactions, foreign or state owned	Function differences	Product differences	Private company	Comments
391	Financial IQ Pty Ltd	x						
392	Fineos Australia Pty Ltd	x						
393	Fintechnix Pty Ltd	x						
394	Finware Australia Pty Ltd	x						
395	Focal Point Technology Pty Ltd	x						
396	Forefront Software Services Pty Ltd	x						
397	Forge Information Technology Pty Ltd	x						
398	FORSYTHES IT & TRAINING PTY LIMITED	x						
399	Forward Consulting Pty Ltd	x						
400	Fox Technology Pty Ltd	x						
401	FOXWORTH PTY. LTD.	x						
402	Frontline Systems Australia Pty Ltd	x						
403	FTI Ringtail (AUST) Pty Ltd	x						
404	Fundi Software Pty Ltd	x						
405	Fusion Enterprises Pty Ltd	x						
406	Future Logic Pty Ltd	x						
407	GEMCOM ASIA PACIFIC PTY LTD	x						
408	Generate Group Pty Ltd	x						
409	Geocad (WA) Pty Ltd	x						
410	Geomatic Technologies Pty Ltd	x						
411	Geometry Pty Ltd	x						
412	Gestetner Office Technology Pty Ltd	x						
413	Gibo JL Nominees Pty Ltd	x						
414	GL D'Arcy Pty Ltd	x						
415	GL TRADE AUSTRALIA PTY LIMITED	x						
416	Glass Onion Multimedia Pty Ltd	x						
417	Global Connect Communications Pty Ltd	x						
418	Global Consulting Services Pty Ltd	x						
419	Global Technology Solutions Pty Ltd	x						
420	Global Vision Media Pty Ltd	x						
421	Globalhost Pty Ltd	x						
422	Globalnet Solutions Australia Pty Ltd	x						
423	Glopro Network Pty Ltd	x						
424	Good Business Technology Pty Ltd	x						
425	Gotein Pty Ltd	x						
426	Grace Records Management (Australia) Pty Ltd	x						
427	Graham Technology Pty Ltd	x						
428	Graphics Plus Pty Ltd	x						
429	Graphisoft Pty Ltd	x						
430	Gresham Computing Pty Ltd	x						
431	Greymatter Computing Systems Pty Ltd	x						
432	Groupware Consulting Pty Ltd	x						
433	Gtech Australasia Corporation	x						
434	Hammond Street Developments Pty Ltd	x						
435	Handfield & Bell Pty Ltd	x						
436	Handisoft Software Pty Ltd	x						
437	Hands On Computer Training International Pty Ltd	x						
438	Hands-on Management Pty Ltd	x						
439	Hansen Corporation Pty Ltd	x						
440	Harbour Data Document Imaging Services Pty Ltd	x						
441	Harbour Data Services Pty Limited	x						
442	HARBOURIT PTY LIMITED	x						
443	Harold Abrahams & Associates Pty Ltd	x						
444	Harris Technology Pty Ltd	x						
445	Harrison Systems Integration Pty Ltd	x						
446	Haxton Pty Ltd	x						
447	Haymarket Pty Ltd	x						

No.	Company name	Insufficient financial information	Losses on average	Controlled transactions, foreign or state owned	Function differences	Product differences	Private company	Comments
448	Headstrong Australia Pty Ltd	x						
449	Hearne Scientific Software Pty Ltd	x						
450	Helken Nominees Pty Ltd	x						
451	Hewlett-Packard Australia Finance Limited	x						
452	Highway 1 (Aust) Pty Ltd	x						
453	Hi-Intelli Pty Ltd	x						
454	Hinton Information Services Pty Ltd	x						
455	Holly Australia Pty Ltd	x						
456	Holocentric Pty Ltd	x						
457	Hostworks Central Pty Ltd	x						
458	HOTHOUSE INTERACTIVE PTY LTD	x						
459	Hotline IT Pty Ltd	x						
460	Housley Computer Communications Pty Ltd	x						
461	HR Outsource Pty Ltd	x						
462	HSA SYSTEMS PTY LIMITED	x						
463	Htc Global Services (Australia) Pty Limited	x						
464	Human Solutions Pty Ltd	x						
465	Hume Business Solutions Pty Ltd	x						
466	Hummingbird Australia Pty Ltd	x						
467	Huon Associates Pty Ltd	x						
468	HWW Pty Ltd	x						
469	Hypec Information Technology Services Pty Ltd	x						
470	HyperWrite Pty Ltd	x						
471	HYRO SERVICES PTY LIMITED	x						
472	I.C. Resources Pty Limited	x						
473	I2 Technologies Pty Ltd	x						
474	Ian Merker & Co Pty Ltd	x						
475	IBM Global Services Australia Limited	x						
476	I-Case International Pty Ltd	x						
477	ICE Interactive Limited	x						
478	Icefire Technologies Pty Ltd	x						
479	ICG Pty Ltd	x						
480	Icon Art Pty Ltd	x						
481	Icon Global Solutions Pty Ltd	x						
482	ICP Holdings Pty Ltd	x						
483	ICS Multimedia Pty Ltd	x						
484	Ideas International Limited	x						
485	IEMEDIA PTY LTD	x						
486	IFMA Pty Ltd	x						
487	IFocus Pty Ltd	x						
488	IGATECH CONSULTING PTY LTD	x						
489	IGT SYSTEMS (AUSTRALIA) PTY LIMITED	x						
490	IHS Australia Pty Ltd	x						
491	IIMAC PTY LTD	x						
492	Iiisys Web Hosting Pty Ltd	x						
493	Imagemation Pty Ltd	x						
494	Imagescan Pty Ltd	x						
495	Imagetec Solutions Australia Pty Ltd	x						
496	Imagineering Technologies Pty Ltd	x						
497	Impact Investing Pty Ltd	x						
498	IMX SOFTWARE GROUP PTY LTD	x						
499	Independent Systems Integrators Pty Ltd	x						
500	Index Computers Solutions Pty Ltd	x						
501	Industrial Automation Services Pty Ltd	x						
502	INECOM PTY LTD	x						
503	Ineedhits.com Pty Ltd	x						
504	Infinite Systems Group Pty Ltd	x						

No.	Company name	Insufficient financial information	Losses on average	Controlled transactions, foreign or state owned	Function differences	Product differences	Private company	Comments
505	INFINITY CONSULTING PTY LIMITED	x						
506	Infocomp Pty Ltd	x						
507	Info-Onscreen Newmedia (2003) Pty Ltd	x						
508	Infor Global Solutions Pty Ltd	x						
509	Information Gateways Pty Ltd	x						
510	Information Management Integration Pty Ltd	x						
511	Information Sources Australia Pty Ltd	x						
512	Information Synergy Pty Ltd	x						
513	Info-Salons Australia Pty Ltd	x						
514	Infosphere Pty Ltd	x						
515	Infosys Technologies Limited	x						
516	Infotec Communications Pty Ltd	x						
517	Infotech Associates Pty Ltd	x						
518	Infrastructure Management Solutions Pty Ltd	x						
519	INFRONT SYSTEMS PTY LIMITED	x						
520	Ingena Group Limited	x						
521	Ingena Pty Ltd	x						
522	Ingenico International (Pacific) Pty Ltd	x						
523	Ingres Australia Pty Ltd	x						
524	Ingwe Traders Pty Ltd	x						
525	Inlogik Pty Ltd	x						
526	Insight Informatics Pty Ltd	x						
527	Instrumentation & Computer Rentals Pty Ltd	x						
528	Integ Communication Solutions Pty Ltd	x						
529	Integ Queensland Pty Ltd	x						
530	Integrated Analytical Systems Pty Ltd	x						
531	Integrated Business Technologies Pty Ltd	x						
532	Intek Pty Ltd	x						
533	INTELLEDOX PTY LTD	x						
534	Intellicorp (Australia) Pty Ltd	x						
535	Intellisys Technology (Aust) Pty Ltd	x						
536	Interactive Maintenance Services Pty Ltd	x						
537	Intergraph Corporation Pty Ltd	x						
538	Interlink Technology Pty Ltd	x						
539	International Business Systems Pty Ltd	x						
540	International Decision Systems Pty Ltd	x						
541	Internet Traffic Solutions Management Pty Ltd	x						
542	Interpro Australia Pty Ltd	x						
543	Intersoft Solutions Pty Ltd	x						
544	Intology Pty Ltd	x						
545	Intrafin Systems Pty Ltd	x						
546	Intrapower Pty Ltd	x						
547	Investmentlink Pty Ltd	x						
548	Invizage Pty Ltd	x						
549	IPP TECHNOLOGIES PTY LTD	x						
550	iPROsoft Pty Ltd	x						
551	IQT Systems Pty Ltd	x						
552	Irrational Games Australia Pty Ltd	x						
553	isoft Ehealth Pty Ltd	x						
554	iSoft Healthcare Systems Pty Ltd	x						
555	ISS Group Australia Pty Ltd	x						
556	ISYS SEARCH SOFTWARE PTY LTD	x						
557	IT Global (UK) Pty Ltd	x						
558	ITC Australasia Pty Ltd	x						
559	ITD Group Pty Ltd	x						
560	Ittec Solutions Pty Ltd	x						
561	ITPM Pty Ltd	x						

No.	Company name	Insufficient financial information	Losses on average	Controlled transactions, foreign or state owned	Function differences	Product differences	Private company	Comments
562	ITPMG Pty Ltd	x						
563	IV & V Australia Pty Ltd	x						
564	IVS Telecommunications Pty Ltd	x						
565	Ixos Software Australia Pty Ltd	x						
566	Jade Direct Australia Pty Ltd	x						
567	Jadeliquid Software Pty Ltd	x						
568	Jed Microprocessors Pty Ltd	x						
569	JEMIDON PTY LTD	x						
570	Jennings Computers Pty Ltd	x						
571	Jigsaw Technology Pty Ltd	x						
572	Join Internet Corporation Pty Limited	x						
573	Just Oneplace Pty Ltd	x						
574	K - Dec Pty Ltd	x						
575	KARMET PTY LTD	x						
576	KAZ Group Pty Ltd	x						
577	Keane Australia Pty Ltd	x						
578	KESEM International Pty Ltd	x						
579	Kestral Computing Pty Ltd	x						
580	Kestrel Information Management Pty Ltd	x						
581	Kevin R Sheather (Queensland) Pty Ltd	x						
582	Key Software Pty Ltd	x						
583	Keycorp Limited	x						
584	KIANDRA SYSTEM SOLUTIONS PTY. LIMITED	x						
585	KJ Enterprise Solutions Pty Ltd	x						
586	KLIKON SOLUTIONS PTY LTD	x						
587	Knet Technology Pty Ltd	x						
588	Knowledge by Design Pty Ltd	x						
589	Knowledge Partners Pty Ltd	x						
590	KNOWLEDGEONE CORPORATION PTY LIMITED	x						
591	Koee Communications Pty Ltd	x						
592	Kreston Dormers Accountants & Business Advisers Pty Ltd	x						
593	KWIKTRON COMPUTER SERVICES PTY. LIMITED	x						
594	L7 Solutions Pty Ltd	x						
595	Labware Australia Pty Ltd	x						
596	Lacima Group Pty Ltd	x						
597	Lan 1 Pty Ltd	x						
598	Lane Technical Services Pty Ltd	x						
599	Lanrex Consulting Services Pty Ltd	x						
600	Laser Computer Services Pty Ltd	x						
601	Laser Exchange Pty Ltd	x						
602	Laser Technologies Pty Ltd	x						
603	Laser VTA Pty Ltd	x						
604	Lateral (WA) Pty Ltd	x						
605	Lateral Sands Pty Ltd	x						
606	Leading Edge Information Pty Ltd	x						
607	Leap Pty Ltd	x						
608	Learning Curve Pty Ltd	x						
609	Learning Information Systems Pty Ltd	x						
610	Leopard Systems Pty Ltd	x						
611	Lightning Bolt Co Pty Ltd	x						
612	Lincoln Computer Centre Pty Ltd	x						
613	Liquid Vision Pty Ltd	x						
614	LISASOFT PTY LTD	x						
615	List Brokers Australia Pty Ltd	x						
616	Loftus Computing Services Pty Ltd	x						
617	Logical Technologies Pty Ltd	x						
618	Logi-Tech Pty Ltd	x						



No.	Company name	Insufficient financial information	Losses on average	Controlled transactions, foreign or state owned	Function differences	Product differences	Private company	Comments
619	LOOK SOFTWARE PTY. LTD.	x						
620	LOOP TECHNOLOGY PTY LIMITED	x						
621	Loyalty Magic Pty Ltd	x						
622	LUCID IT PTY LIMITED	x						
623	Lynx Financial Systems Pty Ltd	x						
624	Mac Rent Computer Hire Pty Ltd	x						
625	Mackay Business Machines Pty Ltd	x						
626	Macrae Rentals Pty Ltd	x						
627	MAESTROSUITE PTY LTD	x						
628	Magenta Technologies Pty Ltd	x						
629	MAINTENANCE SYSTEMS SOLUTIONS PTY LTD	x						
630	Majitek Pty Ltd	x						
631	Managed Solutions Pty Ltd	x						
632	Management and Executive Software Pty Ltd	x						
633	MANAGEMENT SOLUTIONS PTY. LIMITED	x						
634	Managing Systems Pty Ltd	x						
635	Manchester Holdings Pty Ltd	x						
636	MAPTEK PTY. LIMITED	x						
637	Marapana Pty Ltd	x						
638	MARKET DATA SERVICES PTY LTD	x						
639	Market Facts (Qld) Pty Ltd	x						
640	MARKETBOOMER PTY LTD	x						
641	Marketsoft Services Pty Ltd	x						
642	MARKINSON NOMINEES PTY LTD	x						
643	Mastersoft Research Pty Limited	x						
644	Mastersoft Systems Pty Ltd	x						
645	Max E-Commerce Pty Ltd	x						
646	Maxus Australia Pty Ltd	x						
647	Maxwell Resources Pty Ltd	x						
648	Mazur Business Systems Pty Ltd	x						
649	Mcdonagh Computer Services Pty Ltd	x						
650	MCGIRR INFORMATION TECHNOLOGY PTY LIMITED	x						
651	McPherson Media Pty Ltd	x						
652	MDSNews Australia Pty Ltd	x						
653	MEDIA MONITORS PTY LTD	x						
654	Media Technology Pty Ltd	x						
655	Mediware International Pty Ltd	x						
656	Memetrics Pty Ltd	x						
657	Mercury Computer Systems (Aust) Pty Ltd	x						
658	Merit Associates Pty Ltd	x						
659	Metiri Mensus Pty Ltd	x						
660	Metro Computers & Supplies Pty Ltd	x						
661	MG Bryant & Sons Pty Ltd	x						
662	Microcom Pty Ltd	x						
663	MICROELECTRONIC (AUST) PTY LTD	x						
664	Microgenx Pty Ltd	x						
665	Micro-Knox Pty Ltd	x						
666	Microlistics Pty Ltd	x						
667	MICROMINE PTY LTD	x						
668	MICRONET SYSTEMS (AUSTRALIA) PTY. LIMITED	x						
669	Micropower Pty Ltd	x						
670	Microprocessor Consultants Pty Ltd	x						
671	Microsell Pty Ltd	x						
672	Microtech (Aust) Pty Ltd	x						
673	Milestone Group Pty Ltd	x						
674	Millennium IT Pty Ltd	x						
675	Milura Pty Ltd	x						

No.	Company name	Insufficient financial information	Losses on average	Controlled transactions, foreign or state owned	Function differences	Product differences	Private company	Comments
676	Mimp Computer Cable Pty Ltd	x						
677	Mindsystems Pty Ltd	x						
678	Minerva Micro Pty Ltd	x						
679	Minmet Australia Pty Ltd	x						
680	Minorplanet Asia Pacific Pty Ltd	x						
681	MINTEC SYSTEMS PTY. LTD.	x						
682	Mirrabooka Systems Pty Ltd	x						
683	MISYS International Banking Systems Pty Ltd	x						
684	MKM Consulting Pty Ltd	x						
685	Mobilesoft (Aust) Pty Ltd	x						
686	Mode Computers Pty Ltd	x						
687	Modelware International Pty Ltd	x						
688	Momentum Systems (Aust) Pty Ltd	x						
689	Momentum Utilities Pty Ltd	x						
690	Mondelio Pty Ltd	x						
691	Monet Technologies Pty Ltd	x						
692	Moore Stephens Sydney Pty Ltd	x						
693	MOS Data Assembly Specialists Pty Ltd	x						Not in ASIC database.
694	Movielink Pty Ltd	x						
695	MSC. SOFTWARE AUSTRALIA PTY LIMITED	x						
696	MTWD PTY LTD	x						
697	Muli Management Pty Ltd	x						
698	Multibase Webaustralis Pty Ltd	x						
699	Murchison Productions Pty Ltd	x						
700	Murray Computer & Office Shop Pty Ltd	x						
701	Museum Business Centre Pty Ltd	x						
702	Mutual Resource Management Pty Ltd	x						
703	MXL Consolidated Pty Ltd	x						
704	My Net Fone Australia Pty Ltd	x						
705	MyVoice Australia Pty Ltd	x						
706	N3VRF41L Publishing Pty Ltd	x						
707	National Payroll Systems Pty Ltd	x						
708	Naughtsncrosses Pty Ltd	x						
709	Navigate Pty Ltd	x						
710	Navyshire Pty Ltd	x						
711	NCS Pearson Pty Ltd	x						
712	NCSS MAINTENANCE SERVICES PTY. LIMITED	x						
713	NDA Computing Pty Ltd	x						
714	Neoteck Business Solutions Pty Ltd	x						
715	Net Strategy Pty Ltd	x						
716	Netcat.Biz Pty Ltd	x						
717	Netlor Computer Systems Pty Ltd	x						
718	Netmap Analytics Pty Ltd	x						
719	NetPriva Pty Ltd	x						
720	NETREGISTRY PTY LTD	x						
721	Netspot Pty Ltd	x						
722	Network Data Solutions Pty Ltd	x						
723	Network Systems Integration Pty Ltd	x						
724	Networkers Pty Ltd	x						
725	Neurocom Pty Ltd	x						
726	Newbase Computer Services Pty Ltd	x						
727	News Digital Media Pty Ltd	x						
728	NEXON ASIA PACIFIC PTY. LTD.	x						
729	Nextgen Gaming Pty Ltd	x						
730	NGA.NET Pty Ltd	x						
731	Noble Systems Australia Pty Ltd	x						
732	Noggin Pty Ltd	x						

No.	Company name	Insufficient financial information	Losses on average	Controlled transactions, foreign or state owned	Function differences	Product differences	Private company	Comments
733	Norris Technology Pty Ltd	x						
734	Northbridge Network Systems Pty Ltd	x						
735	Nova 96 Pty Ltd	x						
736	NOWLEY PTY. LTD.	x						
737	NSC Enterprise Solutions Pty Ltd	x						
738	NT SOLUTIONS PTY. LTD.	x						
739	NT Technology Pty Ltd	x						
740	Nu Solutions Pty Ltd	x						
741	NX2000 Pty Ltd	x						
742	Object Consulting Pty Ltd	x						
743	Ocean Software Pty Ltd	x						
744	Office Productivity Centre (Canberra) Pty Ltd	x						
745	Office Project Services Pty Ltd	x						
746	OLR AUSTRALIA PTY LTD	x						
747	OMC International Pty Ltd	x						
748	OMNI Media Group Pty Ltd	x						
749	OMT Australia Pty Ltd	x						
750	One Stop Computer Shop Pty Ltd	x						
751	Onerail Pty Ltd	x						
752	Online Connect Pty Ltd	x						
753	Opal Software Pty Ltd	x						
754	Open Office Pty Ltd	x						
755	Open Systems Pty Ltd	x						
756	Open Systems Support (Australia) Pty Ltd	x						
757	Open Systems Technology Pty Ltd	x						
758	Optical Data Services Pty Ltd	x						
759	Optus Broadband Pty Ltd	x						
760	Optus Systems Pty Ltd	x						
761	Ordys Pty Ltd	x						
762	Oriel Technologies Pty Ltd	x						
763	Orlii-Tech Pty Ltd	x						
764	Osmotion Pty Ltd	x						
765	OSS Infotech Pty Ltd	x						
766	Otracom Pty Ltd	x						
767	Ots (Australia) Pty Ltd	x						
768	Our Community Pty Ltd	x						
769	Ozdocs International Pty Ltd	x						
770	P J A Computer Consultants Pty Ltd	x						
771	P S R Group Pty Limited	x						
772	PACIFIC PAPER INDUSTRIES PTY LTD	x						
773	Pacific Software Pty Ltd	x						
774	Paclink Communications Pty Ltd	x						
775	Pacstar The Computer Doctor Pty Ltd	x						
776	Pageup Pty Ltd	x						
777	Palinx Corporation (Australia) Pty Ltd	x						
778	Paperless Warehousing Pty Ltd	x						
779	Paradigm One Pty Ltd	x						
780	Paradigm X National Pty Ltd	x						
781	Paritech Pty Ltd	x						
782	Park Lane Information Technology Pty Ltd	x						
783	Parrimark Technology Pty Ltd	x						
784	Pathfinder Holdings Pty Ltd	x						
785	Payglobal Pty Ltd	x						
786	Paywell Australia Pty Ltd	x						
787	PC Rentals Pty Ltd	x						
788	PCM Computers Pty Ltd	x						
789	Peace Software Australia Pty Ltd	x						

No.	Company name	Insufficient financial information	Losses on average	Controlled transactions, foreign or state owned	Function differences	Product differences	Private company	Comments
790	Pearl Computer Pty Ltd	x						
791	Pearson Trueman and Associates Pty Ltd	x						
792	PELION GROUP PTY LIMITED	x						
793	Pen Computer Systems Pty Ltd	x						
794	Performance Solutions Australia Pty Ltd	x						
795	Pericomm Pty Ltd	x						
796	Peripheral Computer Industries Pty Ltd	x						
797	Personal Broadband Australia Pty Ltd	x						
798	Personnel Perception Pty Ltd	x						
799	Perth Professional Sales & Service Pty Ltd	x						
800	Perthweb Pty Ltd	x						
801	PETROSYS PTY. LTD.	x						
802	Phocas Pty Ltd	x						
803	Photo Technica Pty Ltd	x						
804	Pinnacle Software Pty Ltd	x						
805	Pitt & Sherry Services Pty Ltd	x						
806	Pivod Technologies Pty Ltd	x						
807	Plaut IT (Australia) Pty Ltd	x						
808	PMP Software Australia Pty Ltd	x						
809	Pongrass Australia Pty Ltd	x						
810	Portacom Pty Ltd	x						
811	Power Accounting Pty Ltd	x						
812	Power In Numbers Pty Ltd	x						
813	Powertechnic Pty Ltd	x						
814	PR Network Australia Pty Ltd	x						
815	Practical Computer Services Pty Ltd	x						
816	Precision Scientific Technology Pty Ltd	x						
817	Premier Technologies Pty Ltd	x						
818	Presence of IT Pty Ltd	x						
819	Presys Group Pty Ltd	x						
820	Pretzel Logic Pty Ltd	x						
821	Preview Services	x						
822	PRIMUR SYSTEMS AND RESOURCES PTY. LIMITED	x						
823	Priority One Solutions Pty Ltd	x						
824	PRISMAC PTY LTD	x						
825	PROACTIVE SERVICES PTY. LTD.	x						
826	Procon Construction Systems	x						
827	Prodata Solutions Pty Ltd	x						
828	Prodocom Pty Ltd	x						
829	Professional Advantage Pty Ltd	x						
830	Progmatix Pty Ltd	x						
831	Prologic Pty Ltd	x						
832	PROMAX APPLICATIONS GROUP PTY LTD	x						
833	Propensity International Pty Ltd	x						
834	Prophecy International Pty Ltd	x						
835	Prosper Business Solutions Pty Ltd	x						
836	Pro-Technology Pty Ltd	x						
837	Provenco Communication Technologies Pty Ltd	x						
838	Provida Pty Ltd	x						
839	PROWESS DEVELOPMENT PTY LIMITED	x						
840	Pulse Logistics Systems Pty Ltd	x						
841	QikDraw Systems Pty Ltd	x						
842	Q-Net Australia Pty Ltd	x						
843	OSP Asia Pacific Pty Ltd	x						
844	Qtech Business Systems Pty Ltd	x						
845	Quadramed International Pty Ltd	x						
846	QUEST RETAIL TECHNOLOGY PTY LTD	x						

No.	Company name	Insufficient financial information	Losses on average	Controlled transactions, foreign or state owned	Function differences	Product differences	Private company	Comments
847	Quickcomm Pty Ltd	x						
848	Quickcut Pty Ltd	x						
849	R & R Holdings Asia Pacific Pty Ltd	x						
850	R M S (Aust) Pty Ltd	x						
851	Radar Computer Software Pty Ltd	x						
852	Ramkey Consulting Pty Ltd	x						
853	RAPID MAP GLOBAL PTY LTD	x						
854	RAZOR RISK TECHNOLOGIES SERVICES PTY LTD	x						
855	Reactive Media Pty Ltd	x						
856	READ TECHNOLOGIES PTY LTD	x						
857	Realtime Business Solutions Pty Ltd	x						
858	Records Solutions Pty Ltd	x						
859	Reculver Technology Pty Ltd	x						
860	Redcoal Pty Ltd	x						
861	Redmap Networks Pty Ltd	x						
862	Reed International Books Australia Pty Ltd	x						
863	Reflex Technology Group Pty Ltd	x						
864	RELIGARE TECHNOVA GLOBAL SOLUTIONS (ASIA PACIFIC) PTY LIMITED	x						
865	Religare Technova Global Solutions (Australia) Pty Limited	x						
866	RESEARCH PLUS PTY. LTD	x						
867	Researcher Pty Ltd	x						
868	Resolute Information Technology Pty Ltd	x						
869	Retail Management Systems Pty Ltd	x						
870	Retail Systems Pty Ltd	x						
871	Retech Global Pty Ltd	x						
872	Retriever Communications Australia Pty Ltd	x						
873	REVEAL GROUP PTY LTD	x						
874	REVOLUTION IT PTY LTD	x						
875	Risk Management Technologies Pty Ltd	x						
876	RM ASIA-PACIFIC PTY. LTD.	x						
877	Roadhouse Technologies Pty Ltd	x						
878	Rockend Technology Pty Ltd	x						
879	Romteck Pty Ltd	x						
880	Roshtech Pty Ltd	x						
881	Ross Human Directions Group Limited	x						
882	Rosser Communications Pty Ltd	x						
883	Rufunsa Technology Services Pty Ltd	x						
884	Ryde Nominees Pty Ltd	x						
885	Rydex Consulting Pty Ltd	x						
886	S & H Investments Pty Ltd	x						
887	S Central Pty Ltd	x						
888	Sabre (Australia) Pty Ltd	x						
889	Safecom Solutions Pty Ltd	x						
890	SAGE COMPUTER SUPPORT PTY. LIMITED	x						
891	SAPPHIREONE PTY LTD	x						
892	Sarb Management Group Pty Ltd	x						
893	Satori Australia Pty Ltd	x						
894	Satyam Computer Services Limited	x						
895	Scalable Data Systems Pty Ltd	x						
896	SCAN CONVERSION SERVICES PTY LIMITED	x						
897	Scientific Business Software Systems Pty Ltd	x						
898	SDS DATA INSIGHTS PTY. LIMITED	x						
899	Seccom Networks Pty Ltd	x						
900	Sectra Pty Ltd	x						
901	Secure Agility Pty Ltd	x						
902	Secure Computing Australia Pty Ltd	x						

No.	Company name	Insufficient financial information	Losses on average	Controlled transactions, foreign or state owned	Function differences	Product differences	Private company	Comments
903	Securelink Pty Ltd	x						
904	SELECT SOFTWARE R&D PTY LIMITED	x						
905	Select Software Solutions Pty Ltd	x						
906	Sensis Pty Ltd	x						
907	Sententia Pty Ltd	x						
908	Service Corp It Pty Ltd	x						
909	Service Solutions Technologies Pty Ltd	x						
910	SERVICEPOINT AUSTRALIA PTY LIMITED	x						
911	Shaw Enterprise Holdings Pty Ltd	x						
912	Shine Corporate Services Pty Ltd	x						
913	SHINE TECHNOLOGIES PTY LTD	x						
914	Shortcuts Software Australia Pty Ltd	x						
915	Sigtec Pty Ltd	x						
916	SILICON CRAFTS PTY LTD	x						
917	Simbient Pty Ltd	x						
918	Simple Retail Pty Ltd	x						
919	Simply Technology Pty Limited	x						
920	Simulation Modelling Services Pty Ltd	x						
921	Sinnott Bros Pty Ltd	x						
922	SITESUITE AUSTRALASIA PTY LTD	x						
923	Slides 35 Pty Ltd	x						
924	SMART GROUP AUSTRALASIA PTY LTD	x						
925	SMARTS GROUP INTERNATIONAL PTY LTD	x						
926	Smartstream Technologies Australia Pty Ltd	x						
927	Softel Solutions Pty Ltd	x						
928	Softgen Australia Pty Ltd	x						
929	Software Improvements Pty Ltd	x						
930	Software Integrators Pty Ltd	x						
931	Software Plus (Aust) Pty Ltd	x						
932	Software Project Assist Pty Ltd	x						
933	Softworks Australia Pty Ltd	x						
934	Solar City Office Equipment Pty Ltd	x						
935	Solutions for Broadcasting Pty Ltd	x						
936	Solutions Group Australia Pty Ltd	x						
937	Solutions IT Asia Pacific Pty Ltd	x						
938	Solutionware Pty Ltd	x						
939	Soprano Design Pty Ltd	x						
940	Sound Thinking Pty Ltd	x						
941	Source Integrated Networks Pty Ltd	x						
942	South Side Data Group Pty Ltd	x						
943	SOUTHERN CROSS COMPUTING PTY LIMITED	x						
944	Southside Computers Sales & Service Pty Ltd	x						
945	Space-Time Research Pty Ltd	x						
946	Sparx Systems Pty Ltd	x						
947	Spatial Vision Innovations Pty Ltd	x						
948	SPATIALINFO PTY LIMITED	x						
949	Specialised Technical Services Pty Ltd	x						
950	Spec-Net Pty Ltd	x						
951	Spectrum Technology Services Pty Ltd	x						
952	Speyer Pty Ltd	x						
953	SPL WorldGroup (Australia) Pty Ltd	x						
954	Sportal Australia Pty Ltd	x						
955	Sporting Pulse Pty Ltd	x						
956	Sprint Electronics Pty Ltd	x						
957	SQL Star International Pty Ltd	x						
958	Squiz Pty Ltd	x						
959	Sra Information Technology Pty Ltd	x						

No.	Company name	Insufficient financial information	Losses on average	Controlled transactions, foreign or state owned	Function differences	Product differences	Private company	Comments
960	Star Accounting Solutions Pty Ltd	x						
961	STARCOM GROUP PTY LIMITED	x						
962	Starcourt Pty Ltd	x						
963	STARGATE TECHNOLOGIES PTY LTD	x						
964	STARNET SYSTEMS PTY. LTD.	x						
965	State Automation Pty Ltd	x						
966	Statseeker Holdings Pty Ltd	x						
967	Statseeker Pty Ltd	x						
968	Stellar Systems Pty Ltd	x						
969	Stephen James Enterprises Pty Ltd	x						
970	Sterling I T (Information Technology) Pty Ltd	x						
971	Sterling Systems Pty Ltd	x						
972	Strategic Ecommerce Pty Ltd	x						
973	Strategic Ecommerce SA Pty Ltd	x						
974	Strategic Information Technologies Pty Ltd	x						
975	Streamline Solutions Pty Ltd	x						
976	Sundata Pty Ltd	x						
977	Superior Software for Windows Pty Ltd	x						
978	Support Solutions (Technologies) Pty Ltd	x						
979	Support Solutions Pty Ltd	x						
980	Swift Call Pty Ltd	x						
981	Switched on Knowledge Pty Ltd	x						
982	Swood Financial Solutions Pty Ltd	x						
983	Sybiz West Pty Ltd	x						
984	SYM-PAC Solutions Pty Ltd	x						
985	SYNCHRONISED SOFTWARE PTY. LIMITED	x						
986	Syncomp (Australia) Pty Ltd	x						
987	Synect Pty Ltd	x						
988	Synectic Systems Pty Ltd	x						
989	Sysnet Associates International Pty Ltd	x						
990	SYSPRO Software Pty Ltd	x						
991	Systec International Pty Ltd	x						
992	Systemcraft Pty Ltd	x						
993	Systems of the Future (Australia) Pty Ltd	x						
994	Systems Practice Pty Ltd	x						
995	Sysygy Computer Networks Pty Ltd	x						
996	T W Group Pty Ltd	x						
997	Tactics Consulting Pty Ltd	x						
998	TAFMO AUSTRALIA PTY LTD	x						
999	Takapana Investments Pty Ltd	x						
1000	Talent International Pty Ltd	x						
1001	Talgentra Pty Ltd	x						
1002	Talman Pty Ltd	x						
1003	Taten Pty Ltd	x						
1004	Team Bondi Pty Ltd	x						
1005	Tech Emporium Pty Ltd	x						
1006	TECH KNOWLEDGES PTY LIMITED	x						
1007	Tech Mates Pty Ltd	x						
1008	Tech.com Corporation Pty Ltd	x						
1009	Techeng Pty Ltd	x						
1010	Techne-Ventures Pty Ltd	x						
1011	Technical Software Services Pty. Limited	x						
1012	Technology Business Holdings Pty Ltd	x						
1013	TECHNOLOGY BUSINESS SYSTEMS PTY LTD	x						
1014	Tech-Precision Pty Ltd	x						
1015	Techware Corporation (Australia) Pty Ltd	x						
1016	Teethware Pty Ltd	x						

No.	Company name	Insufficient financial information	Losses on average	Controlled transactions, foreign or state owned	Function differences	Product differences	Private company	Comments
1017	Teklogik Pty Ltd	x						
1018	Tellurian Pty Ltd	x						
1019	Telsis Pty Ltd	x						
1020	Temp Computer Systems Pty Ltd	x						
1021	Tenement Administration Services Pty Ltd	x						
1022	Territory Technology Solutions Pty Ltd	x						
1023	TFX Pty Ltd	x						
1024	The Amnesia Group Pty Ltd	x						
1025	The Australian Internet Company Pty. Ltd.	x						
1026	The BPA Group Pty Ltd	x						
1027	THE DATA CENTRE PTY. LIMITED	x						
1028	The Digital Media Group Pty Ltd	x						
1029	THE DISTILLERY PTY LIMITED	x						
1030	The Eagle Group of Companies Pty Ltd	x						
1031	The ECN Group Pty Ltd	x						
1032	The Hiser Group Pty Ltd	x						
1033	The Hubb Organisation Pty Ltd	x						
1034	The Internet Operations Group Pty Ltd	x						
1035	THE LEARNING GROUP PTY. LIMITED	x						
1036	The Mailing House Pty Ltd	x						
1037	The Net Effect Pty Ltd	x						
1038	The Optimise Group Pty Ltd	x						
1039	The Pay Office Australia Pty Ltd	x						
1040	THE PERFORMANCE TECHNOLOGIES GROUP PTY LTD	x						
1041	The Personal Trading Post Pty Ltd	x						
1042	The Quill Consultancy Pty Ltd	x						
1043	The System Works Pty Ltd	x						
1044	The Westbourne Group Pty Ltd	x						
1045	Think Solutions Pty Ltd	x						
1046	Think Technology Pty Ltd	x						
1047	Thomson Financial Services Pty Ltd	x						
1048	Thorn Australia Pty Ltd	x						
1049	Thoughtweb Systems Pty Ltd	x						
1050	Tias Technology Pty Ltd	x						
1051	TIBCO SOFTWARE AUSTRALIA PTY LTD	x						
1052	Tigerex Operations Pty Ltd	x						
1053	TOP STAR COMPUTER INTERNATIONAL PTY. LTD.	x						
1054	Total Computer Technology Pty Ltd	x						
1055	Total Exact Solutions Australia Pty Ltd	x						
1056	Total Network Support Pty Ltd	x						
1057	Total Peripheral Supplies Pty Ltd	x						
1058	TOTAL RISC TECHNOLOGY PTY. LIMITED	x						
1059	Total Systems for Management Pty Ltd	x						
1060	Touchbase Australia Pty Ltd	x						
1061	Tourism Technology Pty Ltd	x						
1062	TOWER SYSTEMS INTERNATIONAL (AUST) PTY. LTD.	x						
1063	TPG Network Pty Ltd	x						
1064	TPG Research Pty Ltd	x						
1065	Trade Press Australia Pty Ltd	x						
1066	Trading Post Group Pty Ltd	x						
1067	Trans Data Communications Pty Ltd	x						
1068	Trans Knowledge Associates Pty Ltd	x						
1069	Trans Lock Industries Pty Ltd	x						
1070	Transit Computer Systems Pty Ltd	x						
1071	Translogix Systems Pty Ltd	x						
1072	Trellian Pty Ltd	x						
1073	TridentGLOBAL Pty Ltd	x						



No.	Company name	Insufficient financial information	Losses on average	Controlled transactions, foreign or state owned	Function differences	Product differences	Private company	Comments
1074	Trilogy Resources Pty Ltd	x						
1075	Trimagic Software Pty Ltd	x						
1076	Triplicate Pty Ltd	x						
1077	Tripoint Corporation Pty Ltd	x						
1078	Tristate Computer Services Pty Ltd	x						
1079	Triveni Infotech Pty Ltd	x						
1080	Trumpet Software Pty Ltd	x						
1081	TRYLLIUM SOLUTIONS PTY. LTD.	x						
1082	Tullnet Pty Ltd	x						
1083	Turn Key Computer Services Pty Ltd	x						
1084	Turn-Key Systems Pty Ltd	x						
1085	Twenty4 Pty Ltd	x						
1086	UBIUBI Pty Ltd	x						
1087	Uncharted Worlds Pty Ltd	x						
1088	Unico Computer Systems Pty Ltd	x						
1089	Unique Micro Design Pty Ltd	x						
1090	Unique World Pty Ltd	x						
1091	Unisoft Pty Ltd	x						
1092	United Electrical Engineering Pty Ltd	x						
1093	UNIWARE PTY. LTD.	x						
1094	Unixpac Pty Ltd	x						
1095	Unwired Australia Pty Ltd	x						
1096	Ups Logistics Group Pty Ltd	x						
1097	Upstream Technology Pty Ltd	x						
1098	Utility Services Corporation Limited	x						
1099	Valmy Holdings Pty Ltd	x						
1100	Vanco Australasia Pty Ltd	x						
1101	Vanoco Pty Ltd	x						
1102	Vantage Systems Pty Ltd	x						
1103	Vcubed Pty Ltd	x						
1104	VECOMMERCE LIMITED	x						
1105	Verdant Pty Ltd	x						
1106	VERIFONE AUSTRALIA PTY LTD	x						
1107	Viator Systems Pty Ltd	x						
1108	Vip Tone Australia Pty Ltd	x						
1109	Virtual Innovations	x						
1110	Visionbytes Pty Ltd	x						
1111	Visual Reality (Australia) Pty Ltd	x						
1112	Visual Risk Pty Ltd	x						
1113	Visual Technologies Australia Pty. Ltd.	x						
1114	VIVID GROUP PTY LTD	x						
1115	Vodafone Network Pty Limited	x						
1116	Voip Pty Ltd	x						
1117	Vpisystems Pty Ltd	x						
1118	VPN Solutions Pty Ltd	x						
1119	W. J. MONCRIEFF PTY LTD	x						
1120	Wall to Wall Computer Services Pty Ltd	x						
1121	Wandalan Pty Ltd	x						
1122	Watershed Systems Pty Ltd	x						
1123	Web Development Group Pty Ltd	x						
1124	WebSense (Australia) Pty Ltd	x						
1125	Webz Pty Ltd	x						
1126	West-Net Systems Pty Ltd	x						
1127	WESTWAY NOMINEES PTY LTD	x						
1128	Whelan Electrical Services Pty Ltd	x						
1129	WHITE DIGITAL PTY LTD	x						
1130	WHITECH PTY LTD	x						

No.	Company name	Insufficient financial information	Losses on average	Controlled transactions, foreign or state owned	Function differences	Product differences	Private company	Comments
1131	Whitesmiths Pty Ltd	x						
1132	Wholesale Communications Group Pty Ltd	x						
1133	Wholesale DSL Buying Group Pty Ltd	x						Not in ASIC database.
1134	WILCOM INTERNATIONAL PTY LIMITED	x						
1135	Witness Systems Pty Ltd	x						
1136	Wizard Information Services Pty Ltd	x						
1137	Worldhosting.org Pty Ltd	x						
1138	Worldwidewine Network Pty Ltd	x						
1139	Wyndata Pty Ltd	x						
1140	XAA (Act) Pty Ltd	x						
1141	Xintian Pty Ltd	x						
1142	Xpedite Professional Services Pty Ltd	x						
1143	Yamakhosi Computer Industries Pty Ltd	x						
1144	Yambay Technologies Pty Ltd	x						
1145	Yulan International Pty Ltd	x						
1146	Zavanti Holdings Pty Ltd	x						
1147	Zeacom Pty Ltd	x						
1148	Zedlynx Pty Ltd	x						
1149	Zircon Systems Pty Ltd	x						
1150	3D Networks (Australia) Pty Ltd			x				Foreign-owned
1151	Accenture Australia Limited			x				Foreign company
1152	ACISION AUSTRALIA PTY LTD			x				Parent Company: CMG Wireless Data Solutions (Uk) Ltd
1153	ACTIVITY (AUSTRALIA) PTY LTD			x				As per ASIC, controlled by a foreign company
1154	ADERANT LEGAL HOLDINGS (AUS) PTY. LTD.			x				As per ASIC, controlled by a foreign company
1155	Advanced Solutions International (Asia-Pacific) Pty Ltd			x				As per ASIC, controlled by a foreign company
1156	Alliance Data FHC Incorporated			x				Foreign company
1157	AMADEUS IT PACIFIC PTY LTD			x				Parent: Amadeus IT Group SA
1158	Amadeus Services Asia-Pacific Pty Ltd			x				Parent: Amadeus IT Group SA
1159	Animal Logic Pty Ltd			x				Parent Company: Optix Pty Ltd
1160	ARCADIA CORPORATION PTY LTD			x				As per ASIC, controlled by a foreign company
1161	Arnold Travel Technology Pty Ltd			x				As per ASIC, controlled by a foreign company
1162	ASC Computer Software Pty Ltd			x				As per ASIC, controlled by a foreign company
1163	Asia Netcom Australia Pty Ltd			x				As per ASIC, controlled by a foreign company
1164	ATEX PTY LTD			x				As per ASIC, controlled by a foreign company
1165	Atlas Hydrographic Holdings Pty Ltd			x				As per ASIC, controlled by a foreign company
1166	Avanade Australia Pty Ltd			x				As per ASIC, controlled by a foreign company
1167	AVAND PTY LTD			x				Parent: Technology One Limited
1168	AXS-ONE PTY LTD			x				As per ASIC, controlled by a foreign company
1169	BAE Systems Australia Holdings Limited			x				Ultimate Parent: British Aerospace plc
1170	Bearingpoint Australia Pty Ltd			x				Parent: BearingPoint, Inc.
1171	BENTLEY SYSTEMS PTY. LIMITED			x				As per ASIC, controlled by a foreign company
1172	Blaze International Limited			x				Parent Company: Freekick Pty Ltd
1173	BMC Software (Australia) Pty Ltd			x				Parent company: BMC Software, Inc
1174	Boeing Australia Limited			x				Parent Company: Boeing Australia Holdings Pty Ltd
1175	Booz Allen Hamilton (Australia) Limited			x				Parent company: Booz Allen Hamilton Inc
1176	Borland Australia Pty Ltd			x				As per ASIC, controlled by a foreign company
1177	Business Objects Australia Pty Ltd			x				Parent Company: Business Objects S A
1178	CAE Australia Pty Ltd			x				Subsidiary of Canada-based CAE
1179	Calscan Australia Pty Ltd			x				As per ASIC, controlled by a foreign company
1180	Canon Australia Pty Ltd			x				Ultimate Parent: Canon Inc - Japan
1181	CANON INFORMATION SYSTEMS RESEARCH AUSTRALIA PTY. LTD.			x				Ultimate Parent: Canon Inc - Japan
1182	Capgemini Australia Pty Ltd			x				Parent Company: Cap Gemini SA
1183	Capgemini Financial Services Australia Pty Ltd			x				As per ASIC, controlled by a foreign company
1184	CISCO SYSTEMS AUSTRALIA PTY LIMITED			x				Subsidiary of US-based IT group Cisco Systems
1185	CISCO SYSTEMS WIRELESS NETWORKING (AUSTRALIA) PTY LIMITED			x				As per ASIC, controlled by a foreign company
1186	CIT Group (Australia) Limited			x				Wholly-owned subsidiary of US based CIT Group

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1187	Citrix Systems Asia Pacific Pty Ltd			x				As per ASIC, controlled by a foreign company
1188	Civica Pty Ltd			x				Ultimate Parent: Sanderson Group Limited - UK
1189	Cogita Business Services Intl Limited			x				Parent: COGITA Holdings Ltd
1190	Cognos Pty Ltd			x				Subsidiary of IBM Australia
1191	Compass Management Consulting Pty Ltd			x				As per ASIC, controlled by a foreign company
1192	ComputerCORP (Operations) Pty Ltd			x				Parent Company: CCP (Equity) Pty Ltd
1193	Compuware Asia-Pacific Pty Ltd			x				Parent: Compuware Corporation
1194	Corvu Australasia Pty Ltd			x				As per ASIC, controlled by a foreign company
1195	CSC Australia Pty Ltd			x				Parent Company: BAE Systems Australia Holdings Limited
1196	Datacom Investments Pty Ltd			x				Ultimate Parent: Datacom Group Limited - New Zealand
1197	Datacom Systems Pty Ltd			x				Ultimate Parent: Datacom Group Limited - New Zealand
1198	Datasquirt Limited			x				Foreign company
1199	DBS Enterprises Pty Ltd			x				Parent: Dark Blue Sea Limited
1200	DenX Limited			x				Foreign-owned
1201	Diamond Key International Pty Ltd			x				Parent Company: Shell Australia Limited
1202	Disclinc Pty Ltd			x				As per ASIC, controlled by a foreign company
1203	DOCOMO INTERTOUCH AUSTRALIA PTY. LTD.			x				As per ASIC, controlled by a foreign company
1204	DST International Pty Ltd			x				Parent Company: DST International Limited
1205	Ebix Australia Pty Ltd			x				As per ASIC, controlled by a foreign company
1206	Edag Australia Pty Ltd			x				As per ASIC, controlled by a foreign company
1207	EDMI Pty Ltd			x				As per ASIC, controlled by a foreign company
1208	EDS (Australia) Pty Ltd			x				Subsidiary of the US-based Electronic Data Systems Corporation
1209	EMC INFRA PTY LIMITED			x				Parent: EMC Corporation
1210	Equinix Australia Pty Ltd			x				As per ASIC, controlled by a foreign company
1211	Esker Australia Pty Ltd			x				As per ASIC, controlled by a foreign company
1212	Esri-Australia Pty Ltd			x				Ultimate Parent: Jack Chia Group
1213	ETT Limited			x				As per ASIC, controlled by a foreign company
1214	FACTIVA (AUSTRALIA) PTY LIMITED			x				As per ASIC, controlled by a foreign company
1215	FEDEX KINKO'S INTERNATIONAL (AUSTRALIA) PTY LTD			x				Parent: FedEx Corporation
1216	FIGTREE SYSTEMS (AUST.) PTY LTD			x				As per ASIC, controlled by a foreign company
1217	Filemaker International Inc			x				Foreign company
1218	FIS Australasia Pty Ltd			x				As per ASIC, controlled by a foreign company
1219	FISERV AUSTRALIA PTY LIMITED			x				As per ASIC, controlled by a foreign company
1220	Fiserv Solutions of Australia Pty Limited			x				Parent Company: Fiserv (Aspac) Pte Ltd
1221	FTR Pty Ltd			x				Parent Company: Melbourne IT Limited
1222	Fujitsu Australia Limited			x				Parent Company: Fujitsu Limited - Japan
1223	Fujitsu Australia Software Technology Pty Ltd			x				As per ASIC, controlled by a foreign company
1224	Gartner Australasia Pty Ltd			x				As per ASIC, controlled by a foreign company
1225	GEMCOM SOFTWARE AUSTRALIA PTY LTD			x				Parent company: Gemcom Software International Inc
1226	GENESYS LABORATORIES AUSTRALASIA PTY. LTD.			x				Ultimate Parent: Alcatel Alsthom SA
1227	Getronics Australia Pty Ltd			x				Ultimate Parent: Getronics NV
1228	Google Australia Pty Ltd			x				As per ASIC, controlled by a foreign company
1229	GXS (ANZ) PTY LIMITED			x				As per ASIC, controlled by a foreign company
1230	Haley (Australia) Limited			x				Parent company: Oracle Corporation
1231	Hansen Professional Services Pty Ltd			x				As per ASIC, controlled by a foreign company
1232	Hatchcos Holdings Pty Ltd			x				Parent Company: Hatch Associates Limited
1233	HCL Australia Services Pty Ltd			x				As per ASIC, controlled by a foreign company
1234	Healthlinks.Net Pty Ltd			x				Parent Company: IMS HEALTH AUSTRALIA PTY LIMITED
1235	Hopewiser Limited			x				Foreign company
1236	Hostworks Group Limited			x				Ultimate parent: Macquarie Communications Infrastructure Group
1237	Hostworks Limited			x				Parent Company: Hostworks Group Limited
1238	Hotkey Internet Services Pty Ltd			x				As per ASIC, controlled by a foreign company
1239	Hugh Symons Wireless Data Services Pty Ltd			x				As per ASIC, controlled by a foreign company
1240	Hyperion Solutions Australia Pty Ltd			x				As per ASIC, controlled by a foreign company
1241	IBM Australia Limited			x				Parent Company: IBM World Trade Corporation
1242	IBS Automotive Pty Ltd			x				As per ASIC, controlled by a foreign company
1243	Identity Systems Pty Ltd			x				As per ASIC, controlled by a foreign company

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1244	Indus International Pty Ltd			x				Develop computerised maintenance management systems
1245	Industrial Supplies Office (Queensland) Limited			x				Division of OMI Solutions Limited
1246	INFOR GLOBAL SOLUTIONS (PACIFIC) PTY LIMITED			x				Parent Company: SSA Global, Inc
1247	Infor Global Solutions (Sydney) Pty Ltd			x				Parent Company: Infor Global Solutions Pty Ltd
1248	Infosys Technologies Australia Pty Ltd			x				As per ASIC, controlled by a foreign company
1249	Infotech Enterprises Limited			x				India-based company
1250	INNOVATION GROUP (AUSTRALIA) PTY LIMITED			x				As per ASIC, controlled by a foreign company
1251	Insight Enterprises Australia Pty Ltd			x				As per ASIC, controlled by a foreign company
1252	Intec Billing Australia Pty Ltd			x				Parent: Intec Telecom Systems PLC
1253	INTER-TOUCH HOLDINGS PTY LTD			x				Parent: DOCOMO interTouch Pte Ltd
1254	IntraPower Limited			x				Parent Company: IP Group Pty Ltd
1255	Ion Trading Australia Pty Ltd			x				As per ASIC, controlled by a foreign company
1256	Ipass Holdings Pty Ltd			x				
1257	Itouch Australia Pty Ltd			x				As per ASIC, controlled by a foreign company
1258	IXLA Limited			x				Parent company: Name Administration Inc
1259	Jacobs Australia Pty Ltd			x				Parent Company: Jacobs Engineering Group Inc
1260	JEPPESSEN AUSTRALIA PTY LTD			x				Subsidiary of Boeing Commercial Aviation Services
1261	KAZ Technology Services Pty Ltd			x				Parent Company: KAZ Group Pty Ltd - t/a KAZ
1262	Keane Australia Micropayment Consortium Pty Ltd			x				As per ASIC, controlled by a foreign company
1263	Kordia Solutions Pty Ltd			x				Parent Company: Australian Associated Press Pty Ltd
1264	Kronos Australia Pty Ltd			x				As per ASIC, controlled by a foreign company
1265	LANSA PTY LIMITED			x				As per ASIC, controlled by a foreign company
1266	Lawson Software Australia Pty Ltd			x				As per ASIC, controlled by a foreign company
1267	Leading Solutions Limited			x				Parent Company: Business Computers of Australia Pty Ltd
1268	Logica Australia Pty Ltd			x				Parent Company: Logica Plc
1269	Macquarie Telecom Pty Ltd			x				Parent Company: Macquarie Telecom Group Limited
1270	Manacomm Corporation Limited			x				Ultimate Parent: Newmont Australia Limited
1271	Managesoft Corporation Pty Ltd			x				As per ASIC, controlled by a foreign company
1272	MANHATTAN ASSOCIATES PTY LTD			x				As per ASIC, controlled by a foreign company
1273	Matrixview Limited			x				Singapore-based company
1274	MDSNews.com Pty Ltd			x				Parent: MDS Financial Group Limited
1275	Medtech Global Limited			x				Foreign-owned
1276	Metso Automation (ANZ) Pty Ltd			x				As per ASIC, controlled by a foreign company
1277	MGE-UPS SYSTEMS AUSTRALIA PTY LIMITED			x				As per ASIC, controlled by a foreign company
1278	Micros-Fidelio Australia Pty Limited			x				Ultimate Parent: Micros Systems Inc
1279	Mincom Limited			x				Controlled by EAM Software Finance Pty Limited
1280	MOLEX PREMISE NETWORKS PTY LTD			x				As per ASIC, controlled by a foreign company
1281	NCR Australia Pty Ltd			x				Parent Company: Ncr Corporation
1282	NCR Australia Pty Ltd			x				
1283	Netstar Australia Pty Ltd			x				Subsidiary of the Netstar Group
1284	NIIT Technologies Pty Ltd			x				As per ASIC, controlled by a foreign company
1285	Nortel Networks Australia Pty Ltd			x				As per ASIC, controlled by a foreign company
1286	Northgate Information Solutions Australia Pty Ltd			x				Ultimate Parent: Rebus Group
1287	Oakton Services Pty Ltd			x				Parent Company: Oakton Limited
1288	OMX Pty Ltd			x				As per ASIC, controlled by a foreign company
1289	Oncard International Limited			x				Foreign-based
1290	Pacnet Internet (A) Pty Ltd			x				Asia-based Pacnet
1291	Partech Inc			x				Foreign company
1292	Pienetworks Limited			x				As per ASIC, controlled by a foreign company
1293	PITNEY BOWES SOFTWARE PTY LTD			x				Parent Company: MapInfo Corporation, New York
1294	Polaris Software Pty Ltd			x				As per ASIC, controlled by a foreign company
1295	Praxa Limited			x				Ultimate Parent: ManTech International Corporation
1296	Premiere Conferencing Pty Limited			x				As per ASIC, controlled by a foreign company
1297	PRESTON AVIATION SOLUTIONS PTY LTD			x				Parent Company: The Boeing Company
1298	Primus Online Pty Ltd			x				Ultimate Parent: AOL Time Warner Inc
1299	Q Limited			x				Division of Project Services Australia
1300	QAD Australia Pty Ltd			x				As per ASIC, controlled by a foreign company

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1301	QANTM Australia CMC Pty Ltd			x				As per ASIC, controlled by a foreign company
1302	QAS Pty Ltd			x				As per ASIC, controlled by a foreign company
1303	QBE IT SERVICES PTY LIMITED			x				Parent company: QBE Insurance Group
1304	QFL Photographics Pty Ltd			x				Parent Company: Quality Corporation Pty Ltd
1305	QinetiQ Consulting Pty Ltd			x				Parent Company: Ball Aerospace & Technologies Corp
1306	Quantm Pty Ltd			x				Parent Company: Trimble Navigation Limited
1307	Quest Software Pty Ltd			x				Parent: Quest Software, Inc
1308	RADIANT SYSTEMS ASIA-PACIFIC PTY LTD			x				As per ASIC, controlled by a foreign company
1309	Rea Group Limited			x				Parent Company: Realestatecomau(Europe)Ltd
1310	Recall Information Management Pty Ltd			x				Parent Company: ABN Amro Capital Investment
1311	RED ROCK CONSULTING PTY LTD			x				Parent Company: UXC Limited - t/a Davnet, Eclipse Computing (Australia) Pty Ltd
1312	RLM Holdings Pty Ltd			x				Parent: Lockheed Martin Australia Electronic Systems
1313	RLM Systems Pty Ltd			x				Parent: Lockheed Martin Australia Electronic Systems
1314	Rubicon Systems Australia Pty Ltd			x				Parent Company: Rubicon systems (holdings) Pty Ltd
1315	Saab Systems Pty Ltd			x				Parent Company: Saab Pacific Pty Ltd
1316	SAFENET AUSTRALIA PTY LIMITED			x				Parent Company: SFNT Germany AG
1317	Sanmina-Sci Australia Pty Ltd			x				Parent: Sanmina-SCI Corporation
1318	SAS Institute Australia Pty Ltd			x				Parent company: SAS Institute Inc.
1319	Sastek Pty Ltd			x				Parent: Cedar Creek Company
1320	SERENA SOFTWARE PTY LIMITED			x				As per ASIC, controlled by a foreign company
1321	Simcorp Asia Pty Ltd			x				As per ASIC, controlled by a foreign company
1322	Singapore Telecom Australia Investments Pty Ltd			x				Parent: Singapore Telecommunications Limited
1323	SONARTECH ATLAS PTY LIMITED			x				Parent Company: Atlas Elektronik GmbH
1324	Southern Phone Company Limited			x				Parent: Orange
1325	Spheritec Limited			x				Wholly owned subsidiary of e-Business Systems Limited
1326	Sun Microsystems Australia Pty Ltd			x				Wholly owned subsidiary of the U.S.-based Sun Microsystems Inc.
1327	SWISSLOG AUSTRALIA PTY. LIMITED			x				Parent Company: Digltron-Owl Service AG
1328	Sybase Australia Pty Ltd			x				As per ASIC, controlled by a foreign company
1329	Synergy Plus Pty Ltd			x				Parent Company: Synergy Software Pty Ltd
1330	Take 2 Interactive Software Pty Ltd			x				Parent: Take-two Interactive Software Inc
1331	Tardis Services Pty Ltd			x				Parent: Meridian Group International Inc
1332	Tata Consultancy Services Limited			x				Foreign company
1333	TCS Financial Solutions Australia (Holdings) Pty Ltd			x				Subsidiary of Tata Consultancy Services Limited
1334	Techcomm Simulation Pty Ltd			x				As per ASIC, controlled by a foreign company
1335	Technological Resources Pty Ltd			x				Parent Company: Rio Tinto Limited
1336	TeleTech International Pty Ltd			x				Parent: TeleTech Holdings, Inc
1337	TELVENT AUSTRALIA PTY LTD			x				Parent Company: Telvent GiT
1338	THE IQ BUSINESS GROUP PTY LTD			x				As per ASIC, controlled by a foreign company
1339	Thermo Informatics Asia Pacific Pty Ltd			x				As per ASIC, controlled by a foreign company
1340	Thoughtworks Australia Pty Ltd			x				As per ASIC, controlled by a foreign company
1341	TMP Worldwide Pty Ltd			x				Ultimate Parent: TMP Worldwide Inc
1342	TR Corporation Pty Ltd			x				Ultimate Parent: Advent Limited
1343	Trakhealth Pty Ltd			x				As per ASIC, controlled by a foreign company
1344	Transtoll Pty Ltd			x				Ultimate Parent: Macquarie Infrastructure Group
1345	UCMS Pty Ltd			x				Ultimate Parent: United Customer Management Solutions plc
1346	Unisys Australia Finance Pty Ltd			x				Parent Company: Unisys Corporation
1347	Unisys Australia Pty Ltd			x				US-based
1348	Unisys Technical Services Australia Pty Ltd			x				As per ASIC, controlled by a foreign company
1349	VaST Systems Technology Pty Ltd			x				As per ASIC, controlled by a foreign company
1350	Veritas DGC Australia Pty Ltd			x				As per ASIC, controlled by a foreign company
1351	ViaGold Capital Limited			x				Foreign company
1352	Vividas Pty Ltd			x				As per ASIC, controlled by a foreign company
1353	Vloidco Australia Pty Ltd			x				As per ASIC, controlled by a foreign company
1354	Webcentral Group Pty Ltd			x				Parent Company: Webcentral Group Pty Ltd
1355	Webcentral Pty Ltd			x				Parent Company: Webcentral Group Pty Ltd
1356	WEBMETHODS AUSTRALIA PTY LIMITED			x				As per ASIC, controlled by a foreign company

No.	Company name	Insufficient financial information	Losses on average	Controlled transactions, foreign or state owned	Function differences	Product differences	Private company	Comments
1357	Wolters Kluwer Australia Pty Ltd			x				As per ASIC, controlled by a foreign company
1358	WORKBRAIN PTY LIMITED			x				As per ASIC, controlled by a foreign company
1359	YOURAMIGO LIMITED			x				Foreign-owned
1359	Automatic Data Processing Inc			x				US company
1360	Dell Australia Pty Limited			x				Wholly-owned subsidiary of US-based Dell Inc
1361	First Data Corporation			x				US company
1362	Oracle Corporation			x				US company
1363	Yahoo!7 Pty Ltd			x				Foreign-owned
1364	Thomson Reuters (Australia) Pty Ltd			x				Foreign-owned
1365	Reuters Australia Holdings Pty Ltd			x				Part of the UK-based Reuters Group PLC
1366	3Q Holdings Limited				x			Developer and retailer of software solutions
1367	AARnet Pty Ltd				x			Not-for-profit
1368	Altium Limited				x			Designer and wholesaler of electronic design automation software
1369	Australian Associated Press Pty Ltd				x			News agency
1370	AWA Limited				x			Computer maintenance and installation services, repairs
1371	BAE Systems Australia Limited				x			Designing, integrating and maintaining military systems for Australian defence
1372	CCK Financial Solutions Limited				x			Develop own software brands
1373	Clear Objective Limited				x			Develop own software brands
1374	ComputerCORP Limited				x			Develop own software brands
1375	Computershare Limited				x			Shares and stock market services
1376	CSG Limited				x			Supply/sell IT software
1377	Desa Australia Pty Ltd				x			Electrical and communications equipment installation and service contractors
1378	Eservglobal Limited				x			Hardware/software supply
1379	Espreon Limited				x			Business to business information provider
1380	FCPB Investments Limited				x			Design and commercialisation of internet payment systems
1381	FINANCIAL SYNERGY PTY. LIMITED				x			SUPERANNUATION AND INVESTMENT SOFTWARE, SERVICES, PRODUCTS AND SOLUTIONS, TRUSTEE COMPANY. FR 2006 report available.
1382	Flexirent Capital Pty Ltd				x			Financing services; technology equipment rental
1383	GBST Holdings Limited				x			Designer and wholesaler of transaction technology software to the financial services industry
1384	Global Health Limited				x			Online store selling medical software products
1385	Guilford Investments Limited				x			Develop own software brands
1386	Hai Data Services Pty Ltd				x			Retailer and leasing of computer hardware equipment
1387	Hamb Systems Limited				x			Not-for-profit
1388	Hansen Technologies Limited				x			Supply/sell IT software
1389	Hire Intelligence International Limited				x			Short term computer rental services; franchisor
1390	Immersive Technologies Pty Ltd				x			Manufacturer and wholesaler of training equipment
1391	Industry Capability Network (Victoria) Limited				x			Not-for-profit
1392	Integrated Research Limited				x			Develop own software brands
1393	Investorinfo Limited				x			Publishing and events management services
1394	IPGA Limited				x			Developer and operator of internet-based real estate property portals
1395	IRESS Market Technology Limited				x			Developer of share market information systems and trading and financial planning systems; support services; holding company
1396	ISS Group Limited				x			Develop own software brands
1397	MiTek Australia Limited				x			Manufacturer and wholesaler of engineered structural and building products for the building industry; designer and developer of software
1398	Mobilesoft Limited				x			Develop own software brands
1399	Objective Corporation Limited				x			Develop own software brands
1400	One Stop Entertainment Pty Ltd				x			Wholesaler of music and entertainment media; online service
1401	Powernet Systems Limited				x			Develop own software brands
1402	Redeemer Baptist Services Limited				x			Supply/sell software products
1403	RR Australia Limited				x			Domestic and commercial furniture and electrical goods hire
1404	Stratatel Limited				x			Designer and developer of proprietary asset and expense management ASP software tools for mobile phone, fixed line phone, credit card, fuel card and cab card
1405	SYNOVATE AZTEC PTY LIMITED				x			Develop own software brands
1406	TAFMO Limited				x			Develop own software brands

No.	Company name	Insufficient financial information	Losses on average	Controlled transactions, foreign or state owned	Function differences	Product differences	Private company	Comments
1407	Takoradi Limited				x			Mineral exploration; mobile telephone communications software; holding company
1408	Talent2 International Limited				x			Holding company with subsidiaries engaged in executive recruitment, the provision of human resources managed service solutions and the development, sale and support of human resources software
1409	Tradegate Australia Limited				x			Not-for-profit
1410	UCMS Group Limited				x			Management consultants
1411	Velseis Pty Ltd				x			Seismic exploration company
1412	Reckon Limited				x			Sells/distributes Quickbooks software
1413	MYOB Limited				x			Sells/distributes Quickbooks software
1414	Australian Bureau of Statistics				x			Government body
1415	Adacel Technologies Limited					x		Holding company with subsidiaries engaged in the supply of advanced simulation, control systems and service for the aviation and defence industries
1416	Ansearch Limited					x		Internet search engine service; holding company
1417	Bluefreeway Limited					x		Web site hosting and digital interactive marketing and communications
1418	Celtex Limited					x		Holding company with subsidiaries engaged in software development, property development, music support association and virtual retailing of music products and tickets
1419	Commsecure Limited					x		Provides e-billing solutions and share trading information systems
1420	Communication Services Australia Limited					x		Customer communication services
1421	Dark Blue Sea Limited					x		Online direct navigation traffic
1422	Data#3 Limited					x		Information and communication technology(ICT) solutions company; employment agency
1423	EFTEL Limited					x		Internet service provider
1424	ICSGlobal Limited					x		Provide online medical banking software
1425	inet Limited					x		Telecommunications & internet service provider
1426	Infochoice Limited					x		Finance comparison website
1427	Infomedia Limited					x		Electronic catalogue publishing
1428	Melbourne IT Limited					x		Internet domain name registration and management
1429	PANORAMA SYNERGY LTD					x		R&D in technology for photonics, too specialised
1430	Practical Systems Limited					x		Computer software developers for farming industry, online sales
1431	Prophecy International Holdings Limited					x		Design, develop and wholesale software; holding company
1432	RP Data Limited					x		Online information services for property industry
1433	SOFTLINK INTERNATIONAL LIMITED					x		Develops medical imaging software
1434	The Swish Group Limited					x		Digital media
1435	Two Way Limited					x		Designer and developer of entertainment software
1436	World.Net Services Limited					x		Provides platform for onward distribution of tourism products
1437	Peoplebank Australia Ltd					x		Provision of information technology and telecommunications contracting and recruitment services
1438	Salmat Limited					x		Largest service entity MediaForce delivers advertising catalogues
1439	IBA Health Group Limited					x		Development and marketing of healthcare information services - services too specialised
1440	Altium Limited					x		Design, development and sale of computer software for the design of electronic products - too specialised
1441	Aconex Pty Ltd						x	Online document management, retrieval and collaboration systems
1442	Ajilon Consulting Group Pty Ltd						x	IT consultants
1443	ALLEASING FINANCE AUSTRALIA PTY LTD						x	Financial and asset management business solutions, equipment rental. Latest financials FR2005.
1444	Anabelle Bits Pty Ltd						x	Information technology infrastructure provision and management service
1445	Callista Software Services Pty Ltd						x	Develop computer software
1446	Computer Systems (Australia) Pty. Limited						x	Retail computer hardware and software; software development services; information technology consultants
1447	Data Action Pty Ltd						x	INFORMATION TECHNOLOGY CONSULTANTS
1448	Data Flex Pty Ltd						x	IT software and solutions
1449	Dexion Intergrated Systems Pty Ltd						x	Software developers and systems integraters
1450	Directory Technology Pty Ltd						x	Designs & manufactures computerised directory software
1451	Equant Australia Pty Ltd						x	Data communications and internet service provider

No.	Company name	Insufficient financial information	Losses on average	Controlled transactions, foreign or state owned	Function differences	Product differences	Private company	Comments
1452	GlobalX Information Services Pty Ltd						x	Online business information services
1453	GRAEME V. JONES & ASSOCIATES PTY. LTD.						x	Information technology consulting
1454	Hitwise Pty Ltd						x	Online competitive intelligence and search marketing services
1455	IBS Australia Pty Ltd						x	Computer software development
1456	Interactive Pty Ltd						x	Computer maintenance and repair
1457	Interad Technology Pty Ltd						x	Developers of software
1458	IP3 Systems Pty Ltd						x	E-commerce software developers
1459	Netwide Solutions Pty Ltd						x	Designer and maintenance of websites for real estate agencies and provides real estate advertising services
1460	NINEMSN PTY LIMITED						x	INTERNET AND OTHER MEDIA CONTENT PROVIDER, HOLDING COMPANY
1461	PLANWELL TECHNOLOGY PTY LIMITED						x	INFORMATION TECHNOLOGY CONSULTANTS
1462	Pronto Software Pty Ltd						x	Developer, wholesaler and implementing of fully integrated enterprise management software
1463	Quipoz Pty Ltd						x	Software application and transforming services
1464	SAAB Pacific Pty Ltd						x	Holding company with subsidiaries engaged in computer systems development
1465	Sabre Pacific Pty Ltd						x	Design and wholesale computer software and innovative products and services for travel agencies
1466	Scientific Management Associates (Victoria) Pty Ltd						x	Systems engineering and project management services
1467	Southern Cross Computer Systems Pty Ltd						x	Information technology and integration services. FR 2008 and FR 2004 available.
1468	The Somerville Group Pty Ltd						x	Computer network integration and installation service
1469	TOWER SOFTWARE ENGINEERING PTY LTD						x	SOFTWARE DEVELOPMENT, HOLDING COMPANY
1470	Transaction Solutions Pty Ltd						x	Data processing service
1471	Ultradata Australia Pty Limited						x	Software development and IT consulting
1472	Vivendi Games Australia Pty Ltd						x	Software design services
1473	Wallis Nominees (Computing) Pty Ltd						x	Information technology consulting and solutions services
1474	D & B Australasia Pty Limited						x	
1475	CPT Global Limited		x					Persistent losses for period under analysis
1476	POWERLAN LIMITED		x					Persistent losses
1477	Raw Capital Partners Limited		x					Large persistent losses 2006-2008
1478	RAZOR RISK TECHNOLOGIES LIMITED		x					Losses in every FY under analysis
1479	Synergy Equities Group Limited		x					Losses in every FY under analysis
1480	VECTRA CORPORATION LIMITED		x					INFORMATION TECHNOLOGY CONSULTANTS, HOLDING COMPANY



Appendix G Detailed financial information  
supporting the CP ratio results for  
Australian comparable search results

## Transfer pricing comparables analysis model

## Mark-Up on Total Costs

## Summary results for selected uncontrolled comparable companies

## Profit level indicator: Mark-up on total costs

Data in '000's of local currency			2004			2005			2006			2007			2008			5 year weighted average		
Company name	Currency	Financial year end	Total costs	EBIT	Mark-up on total costs	Total costs	EBIT	Mark-up on total costs	Total costs	EBIT	Mark-up on total costs	Total costs	EBIT	Mark-up on total costs	Total costs	EBIT	Mark-up on total costs	Total costs	EBIT	Mark-up on total costs
ASG Group Limited	AUD	30-Jun	21,563	2,754	12.77%	37,747	2,966	7.86%	53,340	5,908	11.08%	66,102	9,629	14.57%	97,029	13,899	14.32%	55,156	7,031	12.75%
Bravura Solutions Limited	AUD	30-Jun	n/a	n/a	n/a	8,183	1,399	17.09%	26,907	3,120	11.60%	90,869	9,393	10.34%	128,108	7,732	6.04%	63,517	5,411	8.52%
DWS Advanced Business Soluti	AUD	30-Jun	n/a	n/a	n/a	n/a	n/a	n/a	47,939	-2,754	-5.74%	40,019	23,317	58.26%	62,483	25,739	41.19%	50,147	15,434	30.78%
Internet Business Corporation I	AUD	30-Jun	1,809	87	4.83%	1,471	-72	-4.86%	1,399	121	8.64%	1,106	799	72.27%	n/a	n/a	n/a	1,446	234	16.18%
Oakton Limited	AUD	30-Jun	34,757	9,923	28.55%	41,725	12,252	29.36%	56,333	20,504	36.40%	85,717	29,127	33.98%	161,335	39,908	24.74%	75,973	22,343	29.41%
SMS Management & Technoloç	AUD	30-Jun	76,001	4,971	6.54%	100,464	8,963	8.92%	111,554	16,058	14.39%	149,969	25,617	17.08%	203,197	34,696	17.08%	128,237	18,061	14.08%
Technology One Limited	AUD	30-Jun	38,379	12,161	31.69%	41,272	13,266	32.14%	50,145	15,097	30.11%	74,956	18,889	25.20%	86,906	21,968	25.28%	58,332	16,276	27.90%
Sonnet Corporation Ltd	AUD	30-Jun	23,342	3,106	13.31%	33,046	3,709	11.23%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	28,194	3,408	12.09%
Empired Limited	AUD	30-Jun	n/a	n/a	n/a	2,532	116	4.58%	3,765	713	18.94%	6,673	414	6.20%	18,279	998	5.46%	7,812	560	7.17%
<b>Summary statistics</b>																				
Mean					16.28%			13.29%			15.68%			29.74%			19.16%			17.65%
Highest observed value					31.69%			32.14%			36.40%			72.27%			41.19%			30.78%
Upper quartile					28.55%			23.23%			24.52%			46.12%			25.28%			27.90%
Median					13.04%			10.07%			13.00%			21.14%			17.08%			14.08%
Lower quartile					6.54%			6.22%			9.86%			12.45%			6.04%			12.09%
Lowest observed value					4.83%			-4.86%			-5.74%			6.20%			5.46%			7.17%
Observations					6			8			8			8			7			9

## Transfer pricing comparables analysis model

## Mark-Up on Total Costs

## Summary results for selected uncontrolled comparable companies

## Profit level indicator: Mark-up on total costs

Data in '000's of local currency			2004			2005			2006			2007			2008			5 year weighted average		
			Total costs	EBIT	Mark-up on total costs	Total costs	EBIT	Mark-up on total costs	Total costs	EBIT	Mark-up on total costs	Total costs	EBIT	Mark-up on total costs	Total costs	EBIT	Mark-up on total costs	Total costs	EBIT	Mark-up on total costs
ASG Group Limited	AUD	30-Jun	21,563	2,754	12.77%	37,747	2,966	7.86%	53,340	5,908	11.08%	66,102	9,629	14.57%	97,029	13,899	14.32%	55,156	7,031	12.75%
Bravura Solutions Limited	AUD	30-Jun	n/a	n/a	n/a	8,183	1,399	17.09%	26,907	3,120	11.60%	90,869	9,393	10.34%	128,108	7,732	6.04%	63,517	5,411	8.52%
DWS Advanced Business Soluti	AUD	30-Jun	n/a	n/a	n/a	n/a	n/a	n/a	47,939	-2,754	-5.74%	40,019	23,317	58.26%	62,483	25,739	41.19%	50,147	15,434	30.78%
Internet Business Corporation I	AUD	30-Jun	1,809	87	4.83%	1,471	-72	-4.86%	1,399	121	8.64%	1,106	799	72.27%	n/a	n/a	n/a	1,446	234	16.18%
Oakton Limited	AUD	30-Jun	34,757	9,923	28.55%	41,725	12,252	29.36%	56,333	20,504	36.40%	85,717	29,127	33.98%	161,335	39,908	24.74%	75,973	22,343	29.41%
SMS Management & Technolog	AUD	30-Jun	76,001	4,971	6.54%	100,464	8,963	8.92%	111,554	16,058	14.39%	149,969	25,617	17.08%	203,197	34,696	17.08%	128,237	18,061	14.08%
Technology One Limited	AUD	30-Jun	38,379	12,161	31.69%	41,272	13,266	32.14%	50,145	15,097	30.11%	74,956	18,889	25.20%	86,906	21,968	25.28%	58,332	16,276	27.90%
<b>Summary statistics</b>																				
Mean			16.88%			15.09%			15.21%			33.10%			21.44%			19.95%		
Highest observed value			31.69%			32.14%			36.40%			72.27%			41.19%			30.78%		
Upper quartile			28.55%			29.36%			30.11%			58.26%			25.28%			29.41%		
Median			12.77%			13.01%			11.60%			25.20%			20.91%			16.18%		
Lower quartile			6.54%			7.86%			8.64%			14.57%			14.32%			12.75%		
Lowest observed value			4.83%			-4.86%			-5.74%			10.34%			6.04%			8.52%		
Observations			5			6			7			7			6			7		

## Transfer pricing comparables analysis model

## Mark-Up on Total Costs

## Summary results for selected uncontrolled comparable companies

Profit level indicator: Mark-up on total costs

Data in '000's of local currency			2004			2005			2006			2007			2008			5 year weighted average		
			Total costs	EBIT	Mark-up on total costs	Total costs	EBIT	Mark-up on total costs	Total costs	EBIT	Mark-up on total costs	Total costs	EBIT	Mark-up on total costs	Total costs	EBIT	Mark-up on total costs	Total costs	EBIT	Mark-up on total costs
Sonnet Corporation Ltd	AUD	30-Jun	23,342	3,106	13.31%	33,046	3,709	11.23%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	28,194	3,408	12.09%
Empired Limited	AUD	30-Jun	n/a	n/a	n/a	2,532	116	4.58%	3,765	713	18.94%	6,673	414	6.20%	18,279	998	5.46%	7,812	560	7.17%
<b>Summary statistics</b>																				
Mean					13.31%			7.90%			18.94%			6.20%			5.46%			9.63%
Highest observed value					13.31%			11.23%			18.94%			6.20%			5.46%			12.09%
Upper quartile					13.31%			11.23%			18.94%			6.20%			5.46%			12.09%
Median					13.31%			7.90%			18.94%			6.20%			5.46%			9.63%
Lower quartile					13.31%			4.58%			18.94%			6.20%			5.46%			7.17%
Lowest observed value					13.31%			4.58%			18.94%			6.20%			5.46%			7.17%
Observations					1			2			1			1			1			2

Appendix H Detailed financial information  
supporting the CP ratio results for ABS  
and ATO statistics

**Australian Bureau of Statistics**  
**SUMMARY OF INDUSTRY PERFORMANCE**

**L78 Business Services**

Years		2002-03	2003-04	2004-05	2005-06	2003-2006 Weighted Average
<b>Industry structure</b>						
Operating businesses	no.	332,120	355,566	371,203	399,297	364,547
Employment	'000	n/a	n/a	1,084.3	1,164.8	1,125
<b>Income statement</b>						
Sales of goods and services	\$m	128,455	144,946	163,922	186,912	156,059
Sales of goods	\$m	9,207	8,847	12,018	13,065	10,784
Income from services	\$m	119,248	136,099	151,904	173,847	145,275
Less cost of sales	\$m	69,715	76,667	88,243	98,521	83,287
Trading Profit	\$m	58,740	68,279	75,679	88,391	72,772
Plus rent, leasing and hiring income	\$m	592	692	1,098	934	829
Plus funding from government for operational costs	\$m	1,948	2,002	2,132	2,586	2,167
Plus other operating income	\$m	6,062	14,269	10,479	14,731	11,385
Less labour costs	\$m	46,458	50,981	59,336	66,018	55,698
Less depreciation and amortisation	\$m	3,397	3,541	3,975	4,021	3,734
Less other operating expenses	\$m	1,841	2,453	2,692	3,702	2,672
Plus changes in inventory	\$m	261	222	73	267	206
Earnings before interest and tax	\$m	13,959	26,487	21,326	30,582	23,089
Plus interest income	\$m	6,283	5,296	5,295	4,566	5,360
Less interest expenses	\$m	7,035	4,927	4,387	5,099	5,362
Operating profit before tax	\$m	13,207	26,856	22,234	30,049	23,087
<b>Ratio Analysis</b>						
EBIT	\$m	13,959	26,487	21,326	30,582	23,089
Sales	\$m	128,455	144,946	163,922	186,912	156,059
Costs	\$m	121,150	133,420	154,173	171,995	145,185
EBIT/Sales		10.87%	18.27%	13.01%	16.36%	14.79%
<b>Mark-up on costs</b>		<b>11.52%</b>	<b>19.85%</b>	<b>13.83%</b>	<b>17.78%</b>	<b>15.90%</b>

## Definitions

EBIT = Earnings before interest and tax

Sales = Sales of goods + Income from services

Costs = Cost of sales + Labour costs + Depreciation and amortisation + Other operating expenses + Changes in inventory

Australian Bureau of Statistics  
SUMMARY OF INDUSTRY PERFORMANCE

**Division M - Professional, scientific and technical services**

Years 2006-07

**Industry structure**

Operating businesses	no.	n/a
Employment	'000	n/a

**Income statement**

Sales of goods and services	\$m	136,051
Sales of goods	\$m	n/a
Income from services	\$m	n/a
Less cost of sales	\$m	69,841
Trading Profit	\$m	66,210
Plus rent, leasing and hiring income	\$m	n/a
Plus funding from government for operational costs	\$m	2,245
Plus other operating income	\$m	11,451
Less labour costs	\$m	49,847
Less depreciation and amortisation	\$m	2,865
Less other operating expenses	\$m	1,819
Plus changes in inventory	\$m	688
Earnings before interest and tax	\$m	26,683
Plus interest income	\$m	3,352
Less interest expenses	\$m	4,156
Operating profit before tax	\$m	25,879

**Ratio Analysis**

EBIT	\$m	26,683
Sales	\$m	136,051
Costs	\$m	123,684
EBIT/Sales		19.61%
<b>Mark-up on costs</b>		<b>21.57%</b>

**Definitions**

EBIT = Earnings before interest and tax

Sales = Sales of goods + Income from services

Costs = Cost of sales + Labour costs + Depreciation and amortisation + Other

**Notes**

Sale of goods and services (2006-07) includes sales of goods, income from services, and, rent, leasing & hiring income.

Labour costs (2006-07) includes capitalised wages and salaries.

**ATO Statistics**  
**SUMMARY OF INDUSTRY PERFORMANCE**

**L783 Computer services**

Years	2002-2003	2003-2004	2004-2005	2003-2005 Weighted Average
<b>Income Statement</b>				
Other sales of goods & services	14,791,595,535	14,439,718,890	15,268,150,200	14,833,154,875
Distribution from partnerships	23,687,232	4,978,826	4,878,838	11,181,632
Distribution from trusts	29,965,773	27,334,747	29,256,161	28,852,227
Gross interest	100,324,722	112,695,001	119,271,110	110,763,611
Gross rents, leasing & hiring	82,264,593	39,786,008	272,650,612	131,567,071
Gross dividends	136,111,177	267,607,735	24,768,272	142,829,061
Fringe benefit employee contributions	12,557,076	12,050,169	11,772,881	12,126,709
Assessable government industry payment	19,148,884	15,040,455	22,199,140	18,796,160
Other gross income	2,448,737,427	2,913,129,018	3,491,894,700	2,951,253,715
<b>Total income</b>	<b>17,648,693,900</b>	<b>17,833,212,002</b>	<b>19,258,537,691</b>	<b>18,246,814,531</b>
Cost of sales	3,904,278,997	3,651,506,613	4,401,383,566	3,985,723,059
External labour costs	1,188,677,159	1,060,198,096	1,430,213,380	1,226,362,878
Superannuation	557,561,726	569,603,236	561,879,764	563,014,909
Bad debts	29,763,069	29,494,116	25,708,926	28,322,037
Lease expenses - Australia	274,496,148	99,310,540	84,788,760	152,865,149
Lease expenses - Overseas	275,284,884	100,874,551		188,079,718
Rent expenses	409,399,700	404,536,994	460,157,760	424,698,151
Interest expenses - Australia	98,268,801	92,655,027	86,723,091	92,548,973
Interest expenses - Overseas	34,770,423	24,842,565		29,806,494
Royalty expenses - Australia				
Royalty expenses - Overseas				
Depreciation expenses	660,857,743	594,561,714	968,472,063	741,297,173
Motor vehicle expenses	95,127,510	91,118,697	101,183,171	95,809,793
Repairs and maintenance	187,190,233	229,326,360	226,431,346	214,315,980
All other expenses	9,439,353,035	9,415,906,381	9,746,395,572	9,533,884,996
<b>Total expenses</b>	<b>17,420,130,322</b>	<b>16,748,992,394</b>	<b>18,485,729,627</b>	<b>17,551,617,448</b>
Operating profit or loss	228,563,578	1,084,219,608	772,808,064	695,197,083
Extraordinary items		-10,540,568		-10,540,568
<b>Total profit or loss</b>	<b>227,160,093</b>	<b>1,073,679,040</b>	<b>769,547,765</b>	<b>690,128,966</b>
<b>Ratio Analysis</b>				
EBIT	42,902,310	781,628,456	442,841,161	422,457,309
Sales	17,240,332,962	17,352,847,908	18,760,044,900	17,784,408,590
Costs	17,021,990,204	16,246,437,298	18,006,614,308	17,091,680,603
EBIT/Sales	0.25%	4.50%	2.36%	2.38%
<b>Mark-up on costs</b>	<b>0.25%</b>	<b>4.81%</b>	<b>2.46%</b>	<b>2.47%</b>

**Definitions**

EBIT = Operating profit or loss - Gross interest + Interest expenses-Australia + Interest expenses-overseas - Gross dividends - Gross rents, leasing & hiring

Sales = Other sales of goods and services + Other gross income

Costs = Cost of sales + External labour costs + Superannuation + Bad debts + Lease expenses-Australia + Lease expenses-Overseas +

Depreciation expenses



**ATO Statistics**  
**SUMMARY OF INDUSTRY PERFORMANCE**

**L700 Computer systems design and related services**

Years	2005-2006	2006-2007	2006-2007 Weighted Average
<b>Income Statement</b>			
Other sales of goods & services	10,581,632,165	13,873,568,560	12,227,600,363
Distribution from partnerships	11,299,178	9,354,610	10,326,894
Distribution from trusts	56,214,739	77,137,570	66,676,155
Gross interest	115,186,104	132,043,692	123,614,898
Gross rents, leasing & hiring	42,083,855	51,442,581	46,763,218
Gross dividends	72,099,546	515,589,569	293,844,558
Fringe benefit employee contributions	12,331,172	13,424,097	12,877,635
Assessable government industry payment	46,938,126	22,295,969	34,617,048
Other gross income	3,173,405,278	3,587,800,413	3,380,602,846
Total income	14,114,913,002	18,294,467,035	16,204,690,019
Cost of sales	3,644,177,848	4,448,570,277	4,046,374,063
External labour costs	851,622,280	1,302,604,567	1,077,113,424
Superannuation	505,309,344	683,180,838	594,245,091
Bad debts	19,345,715	24,862,274	22,103,995
Lease expenses - Australia	47,600,514	61,060,622	54,330,568
Lease expenses - Overseas			
Rent expenses	294,551,885	345,093,508	319,822,697
Interest expenses - Australia	88,792,709	103,399,951	96,096,330
Interest expenses - Overseas			
Royalty expenses - Australia			
Royalty expenses - Overseas			
Depreciation expenses	301,315,315	469,775,942	385,545,629
Motor vehicle expenses	96,774,481	98,450,261	97,612,371
Repairs and maintenance	57,958,954	248,349,036	153,153,995
All other expenses	7,231,331,079	8,767,849,071	7,999,590,075
Total expenses	13,346,518,269	16,781,932,592	15,064,225,431
Operating profit or loss	768,086,299	1,510,673,314	1,139,379,807
Extraordinary items			
Total profit or loss	768,394,733	1,512,534,443	1,140,464,588
<b>Ratio Analysis</b>			
EBIT	627,509,503	914,997,423	771,253,463
Sales	13,755,037,443	17,461,368,973	15,608,203,208
Costs	13,049,987,415	16,449,796,396	14,749,891,906
EBIT/Sales	4.56%	5.24%	4.94%
Mark-up on costs	4.81%	5.56%	5.23%

**Definitions**

EBIT = Operating profit or loss - Gross interest + Interest expenses-Australia + Interest expenses-overseas - Gross dividends - Gross rents, leasing & hiring

Sales = Other sales of goods and services + Other gross income

Costs = Cost of sales + External labour costs + Superannuation + Bad debts + Lease expenses-Australia + Lease expenses-Overseas + Depreciation expenses

**ATO Statistics**  
**SUMMARY OF INDUSTRY PERFORMANCE**

**L592 Data processing, web hosting and electronic information storage services**

Years	2005-2006	2006-2007	2005-2007 Weighted Average
<b>Income Statement</b>			
Other sales of goods & services	1,771,836,235	899,798,661	1,335,817,448
Distribution from partnerships	1,154,107	676,066	915,087
Distribution from trusts	10,019,447	6,217,039	8,118,243
Gross interest	10,400,202	12,241,806	11,321,004
Gross rents, leasing & hiring	6,271,164	4,820,231	5,545,698
Gross dividends	236,713	752,019	494,366
Fringe benefit employee contributions	356,471	329,714	343,093
Assessable government industry payment	380,688	868,696	624,692
Other gross income	115,987,488	129,735,557	122,861,523
Total income	1,916,642,515	1,055,439,789	1,486,041,152
Cost of sales	290,367,802	305,475,398	297,921,600
External labour costs	303,093,722	35,970,137	169,531,930
Superannuation	71,362,620	33,745,701	52,554,161
Bad debts	2,146,203	918,325	1,532,264
Lease expenses - Australia	8,716,082	5,087,772	6,901,927
Lease expenses - Overseas			
Rent expenses	39,530,201	28,999,594	34,264,898
Interest expenses - Australia	8,636,662	4,930,980	6,783,821
Interest expenses - Overseas			
Royalty expenses - Australia			
Royalty expenses - Overseas			
Depreciation expenses	98,864,712	25,710,516	62,287,614
Motor vehicle expenses	4,810,028	4,544,638	4,677,333
Repairs and maintenance	58,610,895	7,901,582	33,256,239
All other expenses	872,310,023	519,806,992	696,058,508
Total expenses	1,789,953,656	982,117,662	1,386,035,659
Operating profit or loss	126,672,421	73,319,794	99,996,108
Extraordinary items			
Total profit or loss	126,688,859	73,322,127	100,005,493
<b>Ratio Analysis</b>			
EBIT	118,401,004	60,436,718	89,418,861
Sales	1,887,823,723	1,029,534,218	1,458,678,971
Costs	1,749,812,288	968,160,655	1,358,986,472
EBIT/Sales	6.27%	5.87%	6.13%
<b>Mark-up on costs</b>	<b>6.77%</b>	<b>6.24%</b>	<b>6.58%</b>

**Definitions**

EBIT = Operating profit or loss - Gross interest + Interest expenses-Australia + Interest expenses-overseas - Gross dividends -  
Gross rents, leasing & hiring

Sales = Other sales of goods and services + Other gross income

Costs = Cost of sales + External labour costs + Superannuation + Bad debts + Lease expenses-Australia + Lease expenses-  
Overseas + Depreciation expenses

**ATO Statistics**  
**SUMMARY OF INDUSTRY PERFORMANCE**

**L786 Other business services**

Years	2002-2003	2003-2004	2004-2005	2003-2005 Weighted Average
<b>Income Statement</b>				
Other sales of goods & services	18,283,962,980	18,126,821,727	17,671,568,243	18,027,450,983
Distribution from partnerships	22,982,812	23,132,160	187,151,065	77,755,346
Distribution from trusts	270,269,046	292,836,366	282,065,405	281,723,606
Gross interest	198,957,681	158,179,389	145,715,139	167,617,403
Gross rents, leasing & hiring	264,114,949	246,450,865	225,995,572	245,520,462
Gross dividends	262,256,821	185,844,435	82,135,832	176,745,696
Fringe benefit employee contributions	11,370,072	12,837,516	13,401,225	12,536,271
Assessable government industry payment	12,429,970	28,648,623	41,168,990	27,415,861
Other gross income	6,943,600,471	6,116,458,259	6,305,511,552	6,455,190,094
<b>Total income</b>	<b>26,271,302,341</b>	<b>25,191,399,070</b>	<b>24,957,381,922</b>	<b>25,473,361,111</b>
Cost of sales	7,187,907,567	8,178,755,777	7,850,318,299	7,738,993,881
External labour costs	1,654,668,300	1,673,099,584	1,796,945,005	1,708,237,630
Superannuation	835,850,322	812,141,417	848,868,431	832,286,723
Bad debts	30,750,590	27,511,302	29,732,864	29,331,585
Lease expenses - Australia	94,414,759	79,575,982	69,743,734	81,244,825
Lease expenses - Overseas	95,274,847	80,343,654		87,809,251
Rent expenses	357,093,412	371,725,917	370,451,059	366,423,463
Interest expenses - Australia	285,916,578	207,175,320	160848892	217,980,263
Interest expenses - Overseas	26615606	36667624		31,641,615
Royalty expenses - Australia				
Royalty expenses - Overseas				
Depreciation expenses	344,633,542	328,681,303	302,443,710	325,252,852
Motor vehicle expenses	188,602,259	184,220,378	182,509,393	185,110,677
Repairs and maintenance	112,075,699	97,346,869	91,155,784	100,192,784
All other expenses	13,899,047,301	11,871,502,691	11,729,895,768	12,500,148,587
<b>Total expenses</b>	<b>25,056,428,464</b>	<b>23,928,208,454</b>	<b>23,528,567,978</b>	<b>24,171,068,299</b>
Operating profit or loss	1,214,873,877	1,263,190,616	1,428,813,944	1,302,292,812
Extraordinary items		-15,856,076		-15,856,076
<b>Total profit or loss</b>	<b>1,211,415,565</b>	<b>1,247,334,540</b>	<b>1,431,014,249</b>	
<b>Ratio Analysis</b>				
EBIT	802,076,610	916,558,871	1,135,816,293	951,483,925
Sales	25,227,563,451	24,243,279,986	23,977,079,795	24,482,641,077
Costs	24,800,318,598	23,704,904,874	23,272,064,047	23,925,762,506
EBIT/Sales	3.18%	3.78%	4.74%	3.89%
<b>Mark-up on costs</b>	<b>3.23%</b>	<b>3.87%</b>	<b>4.88%</b>	<b>3.98%</b>

## Definitions

EBIT = Operating profit or loss - Gross interest + Interest expenses-Australia + Interest expenses-overseas - Gross dividends - Gross rents, leasing & hiring

Sales = Other sales of goods and services + Other gross income

Costs = Cost of sales + External labour costs + Superannuation + Bad debts + Lease expenses-Australia + Lease expenses-Overseas +

Depreciation expenses

**ATO Statistics**  
**SUMMARY OF INDUSTRY PERFORMANCE**

**L729 Other administrative services**

Years	2005-2006	2006-2007	2006-2007 Weighted Average
<b>Income Statement</b>			
Other sales of goods & services	5,846,743,075	6,382,207,382	6,114,475,229
Distribution from partnerships	8,070,595	12,466,385	10,268,490
Distribution from trusts	88,496,315	132,911,612	110,703,964
Gross interest	67,529,880	86,797,927	77,163,904
Gross rents, leasing & hiring	57,077,765	76,541,314	66,809,540
Gross dividends	26,828,959	53,009,500	39,919,230
Fringe benefit employee contributions	3,610,489	3,912,800	3,761,645
Assessable government industry payment	5,932,113	6,323,445	6,127,779
Other gross income	1,793,770,736	2,125,453,936	1,959,612,336
Total income	7,900,296,680	8,889,419,389	8,394,858,035
Cost of sales	2,979,814,149	3,645,041,605	3,312,427,877
External labour costs	315,363,733	304,634,664	309,999,199
Superannuation	203,357,008	226,526,182	214,941,595
Bad debts	9,136,218	11,939,590	10,537,904
Lease expenses - Australia	43,163,092	37477823	40,320,458
Lease expenses - Overseas			
Rent expenses	164,961,148	176,721,690	170,841,419
Interest expenses - Australia	69,559,886	89762993	79,661,440
Interest expenses - Overseas			
Royalty expenses - Australia			
Royalty expenses - Overseas			
Depreciation expenses	127,768,253	132,967,637	130,367,945
Motor vehicle expenses	44,578,225	45,924,384	45,251,305
Repairs and maintenance	51,368,597	51,483,494	51,426,046
All other expenses	3,329,396,026	3,538,784,066	3,434,090,046
Total expenses	7,468,479,493	8,482,427,052	7,975,453,273
Operating profit or loss	431,344,602	404747842	418,046,222
Extraordinary items			
Total profit or loss	431,817,187	406992337	
<b>Ratio Analysis</b>			
EBIT	349,467,884	278,162,094	313,814,989
Sales	7,640,513,811	8,507,661,318	8,074,087,565
Costs	7,268,906,449	8,171,501,135	7,720,203,792
EBIT/Sales	4.57%	3.27%	3.89%
Mark-up on costs	4.81%	3.40%	4.06%

**Definitions**

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