

CHAIRMAN'S REPORT 2010

2009 was certainly a challenging year for businesses around the globe with the Global Financial Crisis rippling across the world. Inevitably this situation knocked on the doors of itSMF Australia with challenging conditions for members and sponsors.

Conference numbers were down around the globe and Australia not immune with a substantial fall in projected conference revenues impacting heavily on our bottom line. Corporate cost cutting and travel bans resulted in a 40% drop in numbers. Despite this over 200 delegates participated in the 2009 conference and while the conference did not make the targeted contributions we were still able to return a modest profit.

Membership numbers were down from 599 in December 2008 to 507 in December 2009 as organizations cut expenses but we have been able to arrest the trend and are now seeing slow but steady growth in 2010

During the year almost 2000 members participated in State Seminars developing and sharing ideas on ITSM.

ITSMFA has participated in ensuring ISO20000 is relevant to Australian industry needs working on the International Standards review and having Erin Casteel elected to the editorial board for Part II of ISO20000 dealing with Guidance on the Application of Service Management systems. This is considered to be the essential companion to the standard itself.

Upgrades to the national office IT infrastructure made during the year will provide a solid base for delivering growth and services to members in 2010 and beyond.

The Forum has also commenced the collation of industry contacts with over 500 Guest contacts now identified.

Finally, in partnership with RMIT, the Forum has secured Australian Research Council funding to research what is a successful leadership culture within itSMF.

The Forum would not operate without the support of its many members, sponsors and volunteers.

In particular we would like to thank the outgoing Chairman, Peter Cross – For his contribution as Chair throughout 2009 and his ongoing work on itSMF International.

We also extend our gratitude to Retiring Directors - Martin Hale, Michael Nyhuis and Nevine Iskandar and all the hard working volunteers who run the state branches and assist in many varied ways to make itSMF the true forum that it is.

Mike Webb
Chairman itSMF Australia

May 2010

TREASURER'S REPORT

It is with pleasure that I present the Financial Report for the itSMFA for the year ended 31 December 2009

In accordance with the relevant provisions of the Associations Incorporation Act 1981, the figures for the 2009 financial year have been audited. Mr. Dennis Clark FCPA, a Registered Company Auditor, has conducted the audit. In his opinion, "the Financial Report presents fairly, in accordance with applicable Accounting Standards and other mandatory professional reporting requirements, the financial position of the itSMFA, as at 31 December 2009, its financial performance and cash flows for the year then ended".

The itSMFA financial year 2009 was closed with a loss of \$407,995 against a projected loss of \$159,790, a further loss of \$248,205.

This overall position is set against a substantial decrease in turnover from \$1,970,897 in 2008 to \$1,355,646 a decrease of \$615,251 (31%).

As I outlined at last year's AGM, the Board had intended to invest substantially in new technology and staff in order to improve the Forum's delivery of value to the members and to move our main source of revenue away from the National Conference – an attempt to make our BAU activities eventually pay their own way, allowing the Conference to fund extra projects to improve our services.

Unfortunately, last year's downturn and associated loss of confidence was manifested in a substantial loss of revenue from the National Conference due to lower than anticipated sponsorship and delegate attendance.

The overall shortfall in projected revenue from the Conference was \$226,000 which when added to our agreed deficit budget of \$150,000 accounts for the substantial decrease in our income, especially when coupled with a decrease in membership revenues of \$38,092 and publications of \$30,764.

This reduction on cash-flow when projected to the end of the year indicated a serious shortfall in working capital, bringing the possibility of being unable to pay our way.

Clearly this position could not be allowed to jeopardise the Forum's continued existence and the Board had to make some hard decisions in order to ensure the Forum's survival.

All substantive projects have been put on hold and a thorough going review of staffing was undertaken in late August 2009. The conclusion of that review was that in order to continue trading we would need to save as much as possible in salary costs while at the same time continuing to operate on a day to day basis. On advice from our Auditors we decided to concentrate entirely on one project - the 2010 National Conference.

To enable this strategy we unfortunately, had to retrench both our General Manager and Marketing Manager and move to managing our finances on day to day basis.

This decisive action from the Board resulted in a net cash flow position of \$307,318 (down from \$749,117 in 2008) which was in our Auditor's view sufficient to continue trading and to fund this year's conference.

This cash position is a substantial improvement on the projections of the previous August and has allowed us to step up our planning for the Conference and to employ our new Business Operations Manager in order to lead our team in the National Office to success in this financial year.

Garry Long
Treasurer itSMF Australia