

A photograph of two young boys playing on a beach. The boy on the left is smiling and has his arms raised. The boy on the right is looking down at something in his hands. The background is a bright, sandy beach with the ocean visible in the distance.

Information Technology

Cesare Tizi, Chief Information Officer



- We are 10 months into a complete re-fresh of the IT department
- We have re-structured around a modern approach to corporate IT
- We have re-balanced our insource/outsource mix
 - 25% reduction in IT staff
- We have gained some strong skills from our acquisition of the United Energy IT and other groups
- We have brought in new people to fill holes in our skill base
- My appointment, 3 months ago, completed the re-fresh

- Blended team of experienced technologist
- AGL + United Energy + New Skills
- We have the strongest body of knowledge and experience in the energy space
- Governance through an IT executive committee (ITEC), made up of the CEO, CFO and Group GM heads
- IT is accountable in the same way as any other business unit within AGL
- IT has been set up to be a cornerstone of our energy industry competitiveness

- Positive
 - We have excellent in-house competencies
 - We have a clearly articulated, business aligned IT Road Map
 - We are focused on efficiency and cost reduction both within IT and the business
 - We have a modern IT infrastructure
 - We have an eye on our competition
- Less Positive
 - Our IT assets are geographically too widely spread
 - We have too many infrastructure and system platforms
 - Our customer information assets are spread across too many systems
 - Too much technical complexity

- It will create the most cost effective retailer in the energy space
- It is clearly focused on creating competitive advantage
- It will extract as much business value as early as possible
- As a result of our M&A activities we have inherited some excellent software platforms
- Unfortunately we have too many - for example 8 billing systems
- There is no big bang replacement of our software assets!
- Stage one is a aggregation from 8 to 4 billing systems
 - This will simplify our business processes -reducing business costs
 - Drive down costs of licenses and hardware maintenance - reducing IT infrastructure costs

- It is a feet on the ground approach
- We are focused to minimise risk on any new initiatives
- 6 key items on the stage one IT Road Map
 - Simplification of infrastructure
 - Reduction in the number of software platforms
 - Aggregation of core applications
 - Out-sourcing non core competencies
 - Competitive sourcing strategy

- Extract value along each step of the way of our IT Road Map
- No big bang development
- Focus on
 - efficiency
 - effectiveness
 - re-use

- My Transurban experience in technology, retail and project management
- Accreditation of project management team and new toolkits
 - PINBOK
 - Fagan inspection
 - Scrum teams
- Alignment to business strategy
- Adjusting the risk profiles of projects and partners
- Re-baseline insource/outsource model

- Partner management is a key competence within IT
- We are re-setting our relationships with key vendors to become strategic partners
- We have identified and engaged partners that complement our competitive capabilities
- We will manage and develop our core IP in house
- We are allocating risks around the party that can best manage it
- We are looking at long term strategic relationships
- Commodity computing
- Competitive tenders

- Also as a result of the M&A activity we currently have 5 Data Centres in 3 states
- In the next 12 months we plan to reduce this to two data centres in one state
- We will be moving our data centres from AGL buildings to tier 1 out-sourced commercial data centres
 - This will drive considerable cost savings in IT operations and real-estate costs
 - Provide tier 1 security and best practice hardening against disasters
- Creation of centres of excellence for IT people

- Computer software is a key to competitive advantage
- Software is a significant business asset and should be managed as such
- The value in these software assets far outstrips our investment in physical computer infrastructure
- We already have a number of significant software assets
- We are looking at an investment oriented approach to these software assets
 - We are retiring low performance software assets
 - We are investing in the high performing software assets that drive future competitive advantage

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