



THE AUSTRALIAN

Date: Tuesday, 10 January 2006
Page Number: 25
Edition: First
Supplement: Business

Market: National
Circulation: 133,841
Published: MON TO FRI
Editorial: [email the editor](mailto:email_the_editor)
Item No: P8889033

Size: 191.46 sq. cm.

Bullish ASG eyes east coast

Chris Jenkins
Acquisitions

PERTH services group ASG is hoping that its \$87.8 million agreement with the Western Australian government will help it secure more government work on the east coast.

The WA deal comes as ASG plans further acquisitions to boost its profile outside its home market.

Signed in December, the 10-year agreement for WA's "shared corporate services project" requires ASG to provide hardware, infrastructure management, hosting and applications support as well as desktop and

service desk functions for 36,000 government users.

WA Treasurer Eric Ripper said the program would save the government \$55 million annually by the time it reached its full potential in 2008.

ASG partner CSC would provide data centre and operational management, comprising about 30 per cent of the contract work, ASG chief executive Geoff Lewis said.

The shared services initiative takes human resources, finance and payroll

systems out of more than 100 government agencies and into three shared service centres running on the Oracle e-Business suite.

About 600 staff will work in the shared services centres. ASG will also supply IBM servers for the project, which will run on a mixture of AIX and Red Hat Linux.

The WA project was being closely watched by other state governments planning similar initiatives, Mr Lewis said. Those plans gave ASG a chance to use knowhow developed for WA to win business in other states.

"We'll have so much intellectual property about a shared services environment in government because we are so much further down the track than anyone else," he said.

Even with the WA agreement, 60 to 70 per cent of ASG's revenue came from east-coast markets, he said.

ASG acquired ACT-based Exceed Systems last year to bolster its presence in Canberra, and more acquisitions may be in the pipeline, particularly in Sydney.

Several options had already been evaluated and rejected, Mr Lewis said.

Any acquisition would have to fit ASG's services-only model, as it would not move into the reseller market, he said.

Despite continuing problems finding suitable people, current workload could result in as many as 100 staff added in the coming year, Mr Lewis

said. "We're bringing in people from overseas. We are recruiting regularly," he said.

Despite management changes to cope with a 400-strong headcount, ASG was not a people-heavy business.

"We are not as people-dependent as other organisations. We use a lot of infrastructure and a lot of automation," he said. "Some multinationals are more dependent on headcount."

ASG has established a strong presence in its home state, last year securing a five-year, \$20 million extension to its agreement with WA Health. It also won work with the federal Department of Finance via Exceed Systems.