CSI has broken the elusive $13m barrier for the first time in 1992/93 and achieved record sales of $13.5m. This represents an increase of 6.3% over 1991/92 and an overall increase of around 34% from the outset of the CSI commercialisation program.

This significant increase in sales has occurred during a period of depressed economic activity within the Australian economy. It has also occurred in a period where many CSI business functions, such as healthcare and furniture manufacture, are in a particularly depressed state.

This result brings great credit on all those involved, staff and inmates, for their commitment in achieving CSI policy and commercial endeavours. Our appreciation and commendation to all involved.

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**OUR LARGEST PRIVATE SECTOR CUSTOMER**

The Ensign Spotless Services Group is the largest CSI private sector customer.

This major Australian company which provides linen and laundry services nationwide, and is based in Melbourne, purchased Cortex products valued at $622,000 in 1992/93.

The Ensign Group support for Cortex evolves from their satisfaction of all aspects of Cortex Services. On time deliveries, quality accredited products and competitive pricing.

Our thanks to the Ensign Spotless Services Group for their continued support over many years.

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CSI sales for the month of June, 1993 were $1.66m. This represented record sales in any one month. It exceeded the previous highest sales level achieved in June, 1992 by some $250,000.

On this occasion however, the result was not achieved simply through end of year public sector spending. Much of the sales growth has been gained through markets developed by CSI over the last 2 years in the private sector.
CORTEX IN STRONG POSITION

Despite the generally difficult funding position for the Healthcare Industry, the performance and development of the Cortex business division has been outstanding.

The contracting out to the private sector organisation, Graham Jowsey & Associates of Cortex Marketing Services has had a significant impact in realigning Cortex within the marketplace. This has been supplemented by the excellent working relationship that exists between the Contract Managers and the Cortex business division team lead by Mick Pendry.

Cortex during the month of June, 1993 set a record sales level of $640,000. This sales growth has been generated through a realignment of the Cortex sales base to embrace a number of private sector customers including interstate markets. This growth is expected to be consolidated during 1993/94 with expanded sales to the Australian Capital Territory and Victorian Healthcare.

PROSPECTS IN 1993/94

A comprehensive CSI Marketing Plan has been developed for the next three financial years. That projects sales in 1993/94 of $14.6m growing to $16.3m in 1995/96.

Throughout CSI business units, the level of production loading is in a healthy position and we confidently expect budget forecasts to be met.

The Marketing Plan provides a clear line of organisational responsibility to achieve five key strategies. These include:

- Maximising the opportunity for sales to our Department
- Consolidating and expanding private sector involvement
- Maintaining and expanding contract opportunities
- Developing block markets which provide production run expectations
- Maintaining where required, but with a diminishing presence, local market sourcing.

1993/94 BUDGETS

The CSI consolidated Regional and Correctional Centre Budget for the 1993/94 financial year has been completed and distributed.

Projected sales of $14.6m are represented by the budgeted financial contribution of $3.8m.

The contribution will enable an investment of $1.5m in capital improvements to sustain CSI competitiveness in the marketplace, to improve technical competence and to enhance Occupational Health & Safety in the workplace. A further $1m will be provided to expand the range of overheads absorbed by CSI.

The table below illustrates the progressive consolidation of CSI financial performance over the last 5 years.

**FINANCIAL INDICATORS 1988/89 to 1992/93**

<table>
<thead>
<tr>
<th>Years</th>
<th>Net Contribution</th>
<th>Gross Contribution</th>
<th>Operating Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>1988/89</td>
<td>0.025</td>
<td>1.063</td>
<td>3.572</td>
</tr>
<tr>
<td>1989/90</td>
<td>0.531</td>
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<td>2.261</td>
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<tr>
<td>1990/91</td>
<td>0.860</td>
<td>3.061</td>
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</tr>
<tr>
<td>1991/92</td>
<td>1.255</td>
<td>3.068</td>
<td>0.951</td>
</tr>
</tbody>
</table>

**Millions**

[Bar chart showing financial indicators for each year from 1988/89 to 1992/93]