

**APPENDIX E**

**ADDITIONAL INFORMATION ON BENCHMARKS**



## **ADDITIONAL INFORMATION ON BENCHMARKS**

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### **Department of Urban Services**

#### **OUTPUT 1.2: Roads and Stormwater**

Previous benchmarking analysis has resulted in an injection for operations of \$0.461m.

ACT Roads and Stormwater has established a detailed benchmarking process and analysis based on AUSTRROADS methodology. Key Result Areas, Key Performance Indicators (KPIs) and partners were determined in consultation with a range of stakeholders. An extensive analysis involving over 50 KPIs was carried out on comparative pricing between partners.

As Roads and Stormwater provides both state and local government functions, partners included two State road authorities and two Local Government Authorities (LGAs).

Additional analysis was also undertaken on the more significant items. Unit rates for territorial road maintenance were compared with five regions of a comparable state road agency. The ACT's unit rates were found to be lower than those of the five regions. Similarly, unit rates for local road maintenance were compared with 23 LGAs. The ACT's unit rates were again lower than their median unit rate.

In brief, the ACT's unit costs were found to be either the lowest, or close to the lowest, for most of the measures used in the comparative pricing study. The exceptions are National Highway maintenance (where the ACT maintains a small proportion of National Highway, and other jurisdictions are able to achieve lower rates given the economy of scale) and the maintenance of stormwater infrastructure.

The LGA partners are responsible for municipal-type stormwater functions only. Other differences, planning policies for example, make a higher level comparison difficult. Further work is therefore required to develop indicators which can facilitate a useful comparison.

The next step is to refine the indicators used, the accuracy of the data supplied and to focus on how other organisations undertake their tasks as part of 'process benchmarking'. This will assist in identifying 'best practice' and in the continuous improvement process of the Roads and Stormwater outputs.

## OUTPUT 1.3: Waste and Recycling

### *Method of Calculation of Benchmark*

| Function/Deliverable                              | 2000-01       | Budget        | Benchmark             | Comparative    |               |
|---|---------------|---------------|-----------------------|----------------|---------------|
|   | Cost          | 2000-01       |                       | Price and Cost |               |
|   | \$000's       | GPO           |                       | \$000's        |               |
|   |               | \$000's       |                       |                |               |
| Household collections <sup>1</sup>                | 7 944         | 7 531         | \$69.65 per household | Cost           | 8 288         |
|   |               |               |                       | Price          | 7 534         |
| Landfill <sup>2</sup>                             | 3 930         | 3 414         | \$23.45/t             | Cost           | 5 745         |
|   |               |               |                       | Price          | 3 414         |
| Green Waste Recycling <sup>3</sup>                | 251           | 251           | N/A                   | Cost           | 251           |
|   |               |               |                       | Price          | 251           |
| Cost of Commissioning <sup>4</sup>                | 1 157         | 891           | \$3.24                | Cost           | 1 012         |
|   |               |               |                       | Price          | 891           |
| Cost of Development Control Measures <sup>5</sup> | 402           | 334           | N/A                   | Cost           | 402           |
|   |               |               |                       | Price          | 334           |
| State and Strategic Waste Management              | 1 286         | 910           | \$4.32                | Cost           | 1 349         |
|   |               |               |                       | Price          | 910           |
| <b>TOTAL (\$'000)</b>                             | <b>14 970</b> | <b>13 331</b> |                       | <b>Cost</b>    | <b>17 047</b> |
|   |               |               |                       | <b>Price</b>   | <b>13 331</b> |

### *Notes*

The above benchmarking analysis is indicative only and further detailed work is to be undertaken in 2000-01.

The comparative information used to determine the above costs is based on data taken from 1998-99 Budget information in a similar jurisdiction:

1. Household collections is the direct cost of the kerbside recycling, kerbside garbage and hopper collection services. The comparative cost is obtained by multiplying the benchmark price by the anticipated average number of households in the ACT for 2000-01 of 119 000.
2. Landfill costs include the direct operational, management and corporate overhead costs. The comparative cost is obtained by multiplying the benchmark price per tonne by the anticipated tonnes (245,000) of waste to landfill. The landfill service is being market tested as part of the ACT Waste Strategy.
3. Green waste services have not been benchmarked at this stage. A trial of green waste services is to be undertaken in the ACT and cost comparison work will be carried out as part of the assessment of the trial.
4. Cost of commissioning includes corporate overheads. The comparative cost is determined by multiplying the benchmark by a population figure for the ACT of 312 300.
5. State and Strategic Waste management comparative information has been taken from the 1998-99 Budget information forwarded from a similar jurisdiction.

## OUTPUT 1.4: Canberra Urban Parks and Places

### *Method of Calculation of Benchmark*

| Function/Deliverable | 2000-01<br>Cost<br>\$000's | Budget<br>2000-01<br>GPO<br>\$000's | Benchmark<br>Cost<br>\$000's |
|----------------------|----------------------------|-------------------------------------|------------------------------|
| Canberra Urban Parks | 32 274                     | 25 904                              | 26 218                       |

### *Notes*

Injection for operations determined for 2000-01 as \$2.030m. The above benchmark cost figure was assessed in 1999-2000, and is to be updated in 2000-01.

A review of benchmarking information collated by the Australian Local Government Association and a preliminary review of literature commissioned by Canberra Urban Parks and Places indicate that no benchmarking activity has been undertaken or published in relation to either the 'purchaser' activities or 'provider' activities in the park industry.

The 'provider' activities have in effect been benchmarked by market testing of horticultural maintenance and cleaning services in the Woden/Weston, Inner South and Inner North regions. Further market testing will occur in 2000-01 to provide the best price available for these services in the Canberra market.

Non routine projects are continuously market tested by obtaining quotes for all projects with an expected value of over \$2,000.

| Function/Deliverable   | 2000-01<br>Cost \$000s |
|--|------------------------|
| <i>Purchaser Activities</i>  |                        |
| Commissioning, asset management, planning, policy, business support              | 3 657                  |
| Precinct and Capital Works Management  | 807                    |
| Redeployees  | 412                    |
| <i>Provider Activities</i>   |                        |
| Routine horticultural and cleaning services - Woden / Weston region <sup>1</sup> | 1 931                  |
| Routine horticultural and cleaning services - Inner South region                 | 1 203                  |
| Routine horticultural and cleaning services - Inner North region <sup>1</sup>    | 1 305                  |
| Routine horticultural and cleaning services – remaining regions <sup>2</sup>     | 5 328                  |
| Arboriculture <sup>2</sup>   | 2 126                  |
| Urban Ranger and Approval Services <sup>3</sup>                                  | 940                    |
| Plant Issue scheme <sup>4</sup>  | 427                    |
| Graffiti <sup>1</sup>  | 788                    |
| Non Routine <sup>5</sup>   | 7 188                  |
| <b>TOTAL <sup>6</sup></b>  | <b>32 274</b>          |

1. Price set by public tender
2. Public tender to be finalised in 2000-01
3. Tied to internal provider
4. Price set by Government decision
5. Government initiatives, firefighting and non-routine priority projects.
6. Total costs include depreciation \$2.933m and departmental overheads \$3.229m

## Output 1.5: Information Planning and Services

### *Method of Calculation of Benchmark*

| Function/Deliverable                       | 2000-01<br>Cost<br>\$000's | Cost<br>Item                                  | Budget<br>2000-01<br>GPO<br>\$000's | Benchmark<br>Cost<br>\$000's                  | Comparative<br>Price<br>\$000's |
|--|----------------------------|---|-------------------------------------|---|---------------------------------|
| Total Information Planning<br>and Services | 22 803                     |   |                                     | 22 496  |                                 |
| Library Services <sup>1</sup>              | 11 128                     | \$35.63 per<br>capita<br>(\$4.20 per<br>loan) | 10 478                              | \$35.18<br>per capita<br>(\$4.51 per<br>loan) | 10 986                          |
| Assembly Library Services <sup>2</sup>     | 279                        | \$16 440 per<br>elected<br>member             | 268                                 | \$13 929<br>per elected<br>member             | 237                             |
| Publication Sales <sup>3</sup>             | 75                         | \$16.56 per<br>item sold                      | 68                                  | \$8.46<br>per item sold                       | 38                              |
| Austouch <sup>4</sup>                      | 162                        | \$1.16 per<br>transaction                     | 72                                  | \$1.52<br>per transaction                     | 212                             |

### *Notes*

Benchmarking partners in comparable jurisdictions are being established. Initial high level analysis has resulted in an injection for operations of \$0.229m.

1. Library Services have been benchmarked against services in three other states. In addition to the per loan measure a per capita measure is also included for comparison. Costs include public library services \$9.091m public library resources \$1.118m, Internet and CD-ROM access terminals \$0.207m, on-line library services \$0.082m, Heritage Library services \$0.201m, College Library \$0.101m, Government Library services \$0.243m and Assembly, Heritage and Government Library resources \$0.085m.
2. The Assembly Library component of the Assembly and Government Library has been benchmarked against two other states using cost per elected member for comparison. It should be noted that both states have significantly more elected members, which enables greater economies of scale to be achieved.
3. Publication counter sales costs are compared to over-the-counter sales costs.
4. Austouch transaction costs are compared with typical over-the-counter costs.

The following cost items have not been benchmarked due to a lack of suitable benchmarks or benchmark partners. Direct comparison is also difficult due to the different accounting treatments applied to many costs, in particular those relating to indirect costs and accommodation. In 2000-01 it is proposed to undertake more detailed benchmarking of these services where comparable data exists:

| <b>Function/Deliverable</b>               | <b>2000-01 Cost (\$000's)</b> |
|---|-------------------------------|
| Commissioning                             | 884                           |
| Projects and Initiatives                  | 2 980                         |
| Towards Future Communities                | 230                           |
| Electronic Service Delivery               | 2 801                         |
| Women's Information and Referral Services | 330                           |
| Shopfront 'Face of Government' service    | 1 542                         |
| ACT Government Publications               | 296                           |
| Publication sales on-line                 | 230                           |
| Electronic Information Services           | 199                           |
| Transactions on-line                      | 169                           |

## OUTPUT 2.1: Transport Services and Regulation

### *Method of Calculation of Benchmark*

| <b>Function/Deliverable</b> | <b>2000-01<br/>Cost<br/>\$000's</b> | <b>Benchmark<br/>Cost<br/>\$000's</b> |
|-----------------------------|-------------------------------------|---------------------------------------|
| Road Use Management         | 16 706                              | 15 771                                |

### *Notes*

Initial high level analysis has resulted in an injection for operations of \$1.160m (applicable to the Road Use Management functions). The above benchmark cost figure was assessed in 1999-2000, and is to be updated in 2000-01.

In undertaking detailed benchmarking, consideration has to be given to the different ways road user services are delivered the States and Territories. With internal benchmarking, changes have been considered in the provision of road user services in the ACT, from total in-house provision towards more outsourced models.

The ACT is proceeding to benchmark the various components of its services with State / Territory operations that deliver such services in the most comparable way. These arrangements, together with market testing and the consideration of alternative service delivery models, will continue in 2000-01.

A range of benchmarking work will continue, where comparable data exists, in the following areas:

| <b>Function/Deliverable</b>   | <b>2000-01 Cost<br/>\$'000s</b> |
|---|---------------------------------|
| Transport advice, inter-governmental initiatives regulation and purchasing transport services | 4 821 000                       |
| Parking services  | 3 989 000                       |
| Vehicle safety  | 1 828 000                       |
| Driver safety   | 582 000                         |
| Customer services   | 5 486 000                       |

## OUTPUT 5.2: Development Management

### *Method of Calculation of Benchmark*

| Function/Deliverable                         | 2000-01<br>Cost<br>\$000's | Budget<br>2000-01<br>GPO<br>\$000's | Benchmark<br>\$ | Comparative<br>Price<br>\$000's |
|--|----------------------------|-------------------------------------|-----------------|---------------------------------|
| <i>Development Applications</i> <sup>1</sup> |                            |                                     |                 |                                 |
| • single dwelling <sup>2</sup>               |                            |                                     | 773             | 3 478                           |
| • other <sup>2</sup>                         |                            |                                     | 941             | 847                             |
| Total Cost <sup>3</sup>                      | 7 504                      | 6 710                               |                 | 4 321                           |
| <i>Land information</i> <sup>4</sup>         |                            |                                     |                 |                                 |
| • cost per capita                            |                            |                                     | 12.36           | 3 860                           |
| • cost per land parcel                       |                            |                                     | 23.91           | 3 395                           |
| Total cost                                   | 3 852                      | 3 355                               |                 |                                 |

### *Notes*

Benchmarks figures are those used in the 1999-2000 budget. Further work is being undertaken to breakdown costs for specific functions, e.g., separate costs for ACT lease functions contained in development applications. This information will be used to attract benchmarking partners for the more specific ACT functions such as land lease services. This is an initial assessment of an ongoing benchmarking study.

The following information was used to determine the comparative prices:

1. The Government in its submission to the Commonwealth Grants Commission recognised an additional cost of managing the leasehold system, not applicable to other jurisdictions, of \$2m. This is included in the total cost for development applications.
2. The comparison for development applications is with a range of eight councils as provided by the Independent Pricing and Regulatory Tribunal of NSW. The comparative price was based on an estimate of 4 500 single dwelling applications and 900 other applications.
3. The total cost of \$7.504m includes rent and associated costs of \$0.885m being 11.8% of the activity cost which is not included by many of the councils as their premises are frequently owned. Further, the cost also includes \$0.180m being the cost of public notification. The current level of public notification provided is above those of the benchmark partners but in accordance with current legislation. Approximately 60% of the Development Applications will be publicly notified.
4. The cost of Land Information includes maintenance of the Cadastre, the fundamental spatial data information and regulatory survey functions. The comparative information is based on an average of per capita and land parcels as both are considered the major contributors to the workload. The comparative information has been supplied by Western Australia. The comparative price for the ACT is based on a population of 312 300 and 142 000 parcels of land.

5. Benchmarking is continuing in relation to the following other services during 2000-01. The Impact Assessments function is not included at this stage because following the enactment of Commonwealth legislation (Environment Protection Biodiversity), major changes will occur in the role of States and Territories with regard to Impact Assessments. Benchmarking is to be undertaken when this work is completed.

| <b>Function/Deliverable</b>   | <b>2000 -01 Cost<br/>\$000's</b> |
|---|----------------------------------|
| Hydraulic Applications and inspections  | 950                              |
| Compliance services   | 886                              |
| Lease services, area plans and appeals  | 3 000                            |
| File searches and inquires, energy rating/searches, community information and local area planning | 2 717                            |

## OUTPUT 5.3: Licensing and Regulation

### *Method of Calculation of Benchmark*

| Function/Deliverable | 2000-01<br>Cost<br>\$000's | Budget<br>2000-01<br>GPO<br>\$000's | Benchmark<br>\$ | Comparative<br>Price<br>\$000's |
|----------------------|----------------------------|-------------------------------------|-----------------|---------------------------------|
| Audit Services       | 1 191                      | 1 134                               | 188.50          | 1 131                           |

### *Notes*

The benchmark figures are from 1999-2000 benchmarks and are based on the average costs of commercial building applications for eight councils used for development application benchmarking in output 5.2. This was identified as an indicative benchmark only. Audit Services as undertaken by BEPCON in the ACT are a state level function.

During 1999-2000, benchmarking partners were sought with State and Territory electrical and building regulatory bodies. The information provided by a state body was regarded as suitable for ongoing benchmarking purposes due to significant differences in audit methodologies between the two organisations.

A further issue that is to be addressed is the inclusion of full overhead costs for benchmark partners. Further work will continue to ensure comparable information is provided.

The following other services are to be benchmarked during 2000-01:

| Function/Deliverable   | 2000-01 Cost<br>\$000's |
|--|-------------------------|
| Maintenance, update and review of Standards, codes and legislation | 700                     |
| Boards, registration and licensing                                 | 530                     |
| Compliance and complaints  | 521                     |
| Electricity safety   | 141                     |

## **ACTION Bus Services**

### *Method of Calculation of Benchmark*

| <b>Function/Deliverable</b>                                      | <b>Costs<br/>2000-01<br/>\$000's</b> | <b>Benchmark<br/>Costs<br/>2000-01<br/>\$000's</b> | <b>Comparison<br/>with<br/>Benchmark<br/>Costs<br/>\$000's</b> |
|--|--------------------------------------|--|--|
| Bus Services <sup>1</sup>  | 66 610                               | 44 344   |  |
| <b>add</b> Allowance for<br>abnormal cost increases <sup>2</sup> |                                      | 5 459  |  |
| <b>less</b> Allowance for Costs Peculiar to ACTION <sup>3</sup>  | 10 731                               |  |  |
| Adjusted total costs showing the<br>Benchmark Loss <sup>4</sup>  | 55 879                               | 49 803   | 6 076  |
| Operating Loss <sup>5</sup>                                      |                                      |  | 2 452  |
| Injection for Operations <sup>6</sup>                            |                                      |  | 3 624  |

### **Notes**

The following information was used to determine the comparative costs:

1. Benchmark costs - total costs calculated by the Indec study in 1996-97 plus allowance for inflation.
2. This amount is made up of: allowance for increased fuel prices; special needs transport; and additional services as a result of the new network.
3. This amount is made up of costs that are considered peculiar to ACTION operating as a Government owned service provider. These costs are capital related cost disability - excess of costs for depreciation, interest and lease rentals over the benchmark; redundancies; redeployees; public sector reporting; accommodation - excess due to public sector ownership, compensation; public service superannuation - the difference between the private sector benchmark and the ACTION budget, taxes and charges and insurance, and removal of one off items of expenditure.
4. The total adjusted above benchmark costs of \$6.026m represents the benchmark loss of ACTION.
5. This result includes the gross amount of revenue that the Government pays for ACTION's Service Purchase Payments, which includes ACTION's Community Service Obligations.
6. The injection for operations represents the residual cash required to fund operations at current expenditure levels and is provided on a cash needs basis. The injection for operations has increased from the forward estimate published in the 1999-2000 budget due to non-achievement of EBA savings.

# Department of Education and Community Services

## Output 1.1: Government Primary School Education

### *Method of Calculation of Benchmark*

| Function/Deliverable              | Total Cost<br>\$'000 | Budget<br>2000-01<br>GPO<br>\$'000 | Benchmark                      | Above<br>Benchmark<br>Price<br>\$'000 |
|-----------------------------------|----------------------|------------------------------------|--------------------------------|---------------------------------------|
| Initial above benchmark price     |                      |                                    | \$658 per student <sup>1</sup> | 13 508.3 <sup>2</sup>                 |
| Less adjustments paid through GPO |                      |                                    | \$177 per student              | 3 634.2                               |
| Final above benchmark price       | 132 816.0            | 113 258.8                          | \$481 per student              | 9 874.1 <sup>3</sup>                  |

### *Notes*

1. The \$658 represents the cost per student for the primary school education component of the initial government school education operating deficit.
2. The primary school proportion of the initial above benchmark price was derived by calculating costs associated with: diseconomies of scale in central office; education services for children from diplomatic families; and surplus space in schools and higher superannuation levels.
3. The \$9.874m is the primary school education component of the final government school education operating deficit.

### *Adjustments paid through GPO*

The initial benchmark price has been adjusted to account for purchases over the average benchmark of which the government is prepared to recognise and pay. The increased costs are due to:

- diseconomies of scale faced by the ACT in relation to central office costs (\$2.312m); and
- the provision of free education services for children from diplomatic families, particularly in respect of those from non English speaking backgrounds requiring English as a Second Language (ESL) tuition (\$1.322m).

### *Factors contributing to final above benchmark price*

Factors influencing the ACT position relative to other jurisdictions are:

- surplus space in schools; and
- higher superannuation levels.

## Output 1.2: Government High School Education

### *Method of Calculation of Benchmark*

| Function/Deliverable              | Total Cost<br>\$'000 | Budget<br>2000-01<br>GPO<br>\$'000 | Benchmark                      | Above<br>Benchmark<br>Price<br>\$'000 |
|-----------------------------------|----------------------|------------------------------------|--------------------------------|---------------------------------------|
| Initial above benchmark price     |                      |                                    | \$771 per student <sup>1</sup> | 7 835.1 <sup>2</sup>                  |
| Less adjustments paid through GPO |                      |                                    | \$138 per student              | 1 400.2                               |
| Final above benchmark price       | 89 323.2             | 77 285.9                           | \$633 per student              | 6 434.9 <sup>3</sup>                  |

### *Notes*

1. The \$771 represents the cost per student for the high school education component of the initial government school education operating deficit.
2. The high school proportion of the initial above benchmark price was derived by calculating costs associated with: diseconomies of scale in central office; education services for children from diplomatic families; surplus space in schools and higher superannuation levels.
3. The \$6.435m is the high school education component of the final government school education operating deficit.

### *Adjustments paid through GPO*

The initial benchmark price has been adjusted to account for purchases over the average benchmark which the government is prepared to recognise and pay. The increased costs are due to:

- diseconomies of scale faced by the ACT in relation to central office costs (\$1.150m); and
- the provision of free education services for children from diplomatic families, particularly in respect of those from non English speaking backgrounds requiring English as a Second Language (ESL) tuition (\$0.250m).

### *Factors contributing to final above benchmark price*

Factors influencing the ACT position relative to other jurisdictions are:

- surplus space in schools; and
- higher superannuation levels.

## Output 1.3: Government Secondary College Education

### *Method of Calculation of Benchmark*

| Function/Deliverable                 | Total Cost<br>\$'000 | Budget<br>2000-01<br>GPO<br>\$'000 | Benchmark                        | Above<br>Benchmark<br>Price<br>\$'000 |
|--------------------------------------|----------------------|------------------------------------|----------------------------------|---------------------------------------|
| Initial above benchmark price        |                      |                                    | \$1 153 per student <sup>1</sup> | 7 732.0                               |
| Less adjustments paid through<br>GPO |                      |                                    | \$373 per student                | 2 504.2                               |
| Final above benchmark price          | 64 354.1             | 54 478.8                           | \$780 per student                | 5 227.8 <sup>3</sup>                  |

### *Notes*

1. The \$1 153 represents the cost per student for the secondary college education component of the initial government school education operating deficit.
2. The secondary college proportion of the initial above benchmark price was derived by calculating costs associated with: diseconomies of scale in central office; provision of a higher level of service in years 11 and 12; education services for children from diplomatic families, surplus space in schools and higher superannuation levels.
3. The \$5.228m is the secondary college education component of the final government school education operating deficit.

### *Adjustments paid through GPO*

The initial benchmark price has been adjusted to account for purchases over the average benchmark which the government is prepared to recognise and pay. The increased costs are due to:

- diseconomies of scale faced by the ACT in relation to central office costs (\$1.024m);
- the provision of a higher level of service, in comparison to other jurisdictions, for senior secondary students (\$1.010m); and
- the provision of free education services for children from diplomatic families, particularly in respect of those from non English speaking backgrounds requiring English as a Second Language (ESL) tuition (\$0.469m).

### *Factors contributing to final above benchmark price*

Factors influencing the ACT position relative to other jurisdictions are:

- surplus space in schools; and
- higher superannuation levels.

## Output 1.4: Government Special Education

### *Method of Calculation of Benchmark*

| Function/Deliverable              | Total Cost<br>\$'000 | Budget<br>2000-01<br>GPO<br>\$'000 | Benchmark                        | Above<br>Benchmark<br>Price<br>\$'000 |
|-----------------------------------|----------------------|------------------------------------|----------------------------------|---------------------------------------|
| Initial above benchmark price     |                      |                                    | \$3 838 per student <sup>1</sup> | 5 507.9 <sup>2</sup>                  |
| Less adjustments paid through GPO |                      |                                    | \$2 191 per student              | 3 145.1                               |
| Final above benchmark price       | 32 645.7             | 28 675.5                           | \$1 647 per student              | 2 362.8 <sup>3</sup>                  |

### *Notes*

1. The \$3 838 represents the cost per student for the special education component of the initial government school education operating deficit.
2. The special education proportion of the initial above benchmark price was derived by calculating costs associated with: diseconomies of scale in central office; higher levels of service in special schools and mainstream schools and higher superannuation levels.
3. The \$2.363m is the special education component of the final government school education operating deficit.

### *Adjustments paid through GPO*

The initial benchmark price has been adjusted to account for purchases over the average benchmark which the government is prepared to recognise and pay. The increased costs are due to:

- diseconomies of scale faced by the ACT in relation to central office costs (\$0.236m);
- the provision of a higher level of service, in comparison to other jurisdictions, for students with disabilities in special schools (\$0.562m); and
- the provision of a higher level of service, in comparison to other jurisdictions, for students with disabilities in mainstream schools (\$2.340m).

### *Factors contributing to final above benchmark price*

A factor influencing the ACT position relative to other jurisdictions is higher superannuation levels.

## Output 3.2: Purchase of Vocational Education and Training Services through the Canberra Institute of Technology

### *Method of Calculation of Benchmark*

| Function/Deliverable              | Total Cost<br>\$'000 | Budget 2000-01<br>GPO<br>\$'000 | Benchmark  | Above Benchmark<br>Price<br>\$'000 |
|-----------------------------------|----------------------|---------------------------------|--|------------------------------------|
| Initial above benchmark price     |                      |                                 | \$2.54/ Annual Hour of Curriculum <sup>1</sup>         | 8 954                              |
| Less adjustments paid through GPO |                      |                                 | \$1.14/adjusted Annual Hour of Curriculum <sup>2</sup> | 4 007                              |
| Final above benchmark price       | 44 648.0             | 44 648.0                        | \$1.40/adjusted Annual Hour of Curriculum              | 4 947                              |

### *Notes*

1. This reflects the difference between the CIT cost per Annual Hours of Curriculum (\$15.94) and the Australian average cost per Annual Hours of Curriculum (\$13.40). This difference is applied to the CIT government service purchase payment to obtain the above benchmark price.
2. This reflects the difference between the CIT cost per Annual Hours of Curriculum (\$15.94) and the CIT cost per adjusted Annual Hours of Curriculum (\$14.80). This difference is applied to the CIT government service purchase payment to obtain the reduction in the above benchmark price.

### *Adjustments paid through GPO*

The initial benchmark price has been adjusted to account for purchases over the average benchmark, which the government is prepared to recognise and purchase. The GPO has been adjusted to recognise all annual curriculum hours delivered.

### *Factors contributing to final above benchmark price*

There are a number of factors that have contributed to CIT costs being higher than other jurisdictions. These are:

- higher delivery and learning support costs;
- the comparatively larger number of campuses; and
- the disproportionately high number of small courses.

