

CANBERRA INSTITUTE OF TECHNOLOGY

Purpose

The Canberra Institute of Technology (CIT) seeks to develop a skilled community by providing skilled graduates, innovative workforce development solutions for businesses and strong vocational education outcomes for students. CIT is committed to being a leader in sustainable practices.

CIT is committed to creating a learning community providing practical, relevant and affordable tertiary education and training where students and staff can reach their full potential for education, work and life. CIT is an inclusive organisation that provides diverse learning opportunities for all individuals, regardless of their backgrounds.

2012-13 Priorities

Strategic and operational issues to be pursued in 2012-13 include:

- promoting quality education and learning by responding to industry demand for flexibility by integrating workplace learning and the use of e-learning as a core teaching strategy in CIT and expanding organisational capability by developing staff digital literacy skills;
- expanding and diversifying the Institute's revenue base by expanding training activities in productivity places, developing partnerships with industry and increasing business in international and other contestable areas;
- developing the organisational culture and skills required to successfully engage with business risk in a competitive environment;
- establishing and strengthening pathways and partnerships with other educational institutions, in particular with ACT secondary schools and other tertiary education providers;
- promoting and improving client service including online service options;
- implementing Workplace Health and Safety Harmonisation, and Respect, Equity and Diversity; and
- building a team-based culture across CIT.

Estimated Employment Level

| 2010-11 Actual Outcome | | 2011-12 Budget | 2011-12 Est. Outcome | 2012-13 Budget |
|---------------------------|-----------------------------|-------------------|-------------------------|-------------------|
| 826 | Staffing (FTE) ¹ | 761 | 760 | 756 |

Note:

1. The decrease of 4 FTE in the 2012-13 Budget from the 2011-12 estimated outcome is mainly due to whole of government savings initiatives offset by the implementation of new budget initiatives in the 2012-13 financial year.

Strategic Objectives and Indicators

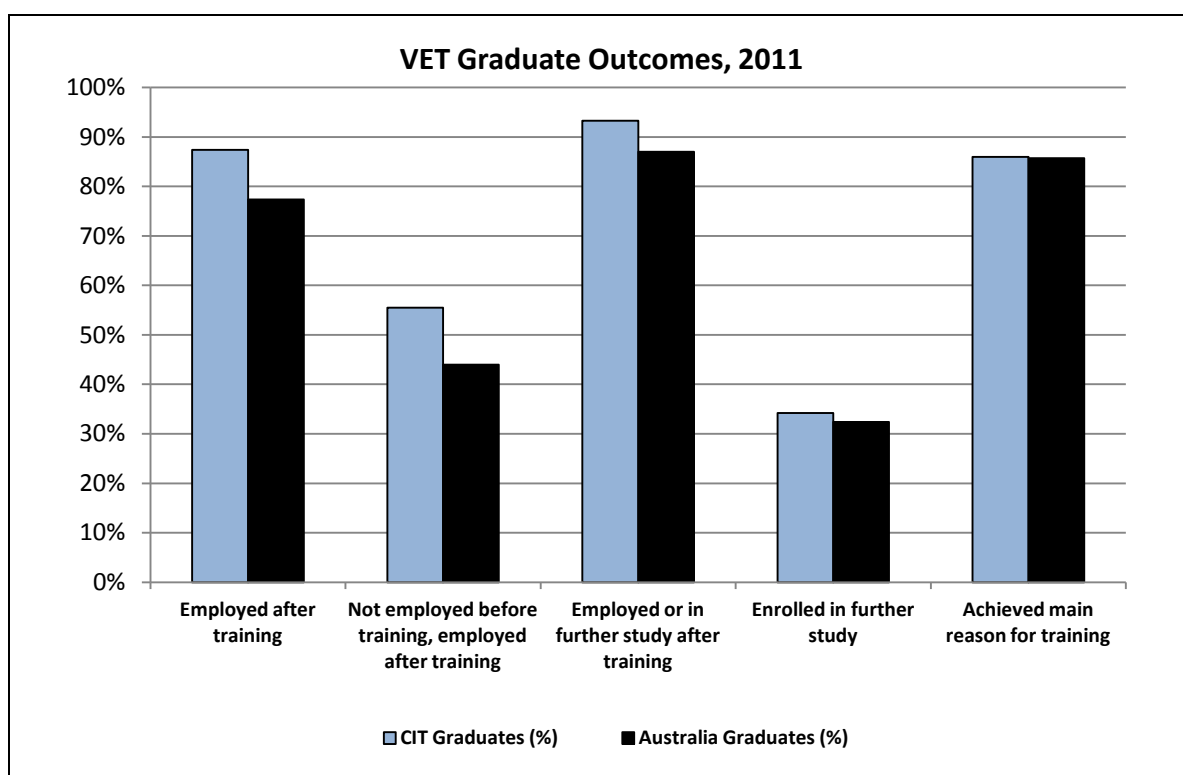
Strategic Objective 1 Student Outcomes

CIT's objective is to provide training that meets student needs.

Strategic Indicator 1: Student Outcomes Survey

The key strategic indicator used by CIT to measure its success is student employment outcomes measured through the annual Student Outcomes Survey. By focusing on students' employment outcomes and their satisfaction with vocational education and training (VET), the Student Outcomes Survey gauges how well CIT serves individuals and the community.

Quality and effectiveness can be measured through comparing student outcomes against national benchmarks. CIT students consistently achieve high levels of employment or are undertaking further study after training. The 2011 performance of CIT graduates against national benchmarks for Australian Graduates is highlighted in the table below. CIT graduates are shown in the grey and have exceeded the national benchmark on all measures indicating a strong performance across all strategic indicators.



Output Class 1 – Canberra Institute of Technology

| | Total Cost ¹ | | Government Payment for Outputs | |
|---|-------------------------|------------------|--------------------------------|------------------|
| | 2011-12 | 2012-13 | 2011-12 | 2012-13 |
| | Est. Outcome \$'000 | Budget \$'000 | Est. Outcome \$'000 | Budget \$'000 |
| Output Class 1 | | | | |
| Canberra Institute of Technology | 109,944 | 108,519 | 69,773 | 69,592 |
| Output 1.1 Provision of Vocational Education and Training Services | 109,944 | 108,519 | 69,773 | 69,592 |

Note:

- Total cost includes depreciation and amortisation of \$8.679 million in 2011-12 and \$8.656 million in 2012-13.

Output Description

Provision of places in publicly funded programs at the CIT, consistent with training needs identified in the CIT's Statement of Intent.

Accountability Indicators

| | 2011-12 Targets | 2011-12 Est. Outcome | 2012-13 Targets |
|---|--------------------|-------------------------|--------------------|
| Output Class 1: Canberra Institute of Technology | | | |
| Output 1.1 Provision of Vocational Education and Training Services | | | |
| a. Nominal Hours | 3,820,000 | 3,822,409 | 3,820,000 |
| b. Achieve key output targets: | | | |
| – Program Enrolments ¹ | 19,100 | 17,861 | 18,000 |
| – Module Pass Rates | 75% | 79% | 75% |
| – Program Completions ² | 9,000 | 9,880 | 6,500 |
| – Learner Satisfaction Rate | 85% | 92% | 85% |
| – Employer Satisfaction Rate | 80% | 92% | 80% |
| c. Average Government Payment per Nominal Hour | \$17.80 | \$18.25 | \$18.22 |

Notes:

- Many of CIT's 2012 training packages have more Nominal Hours per training package compared to previous years. This results in fewer Program Enrolments to achieve the same total of Nominal Hours.
- Education program structures will be revised during 2012 to achieve compliance with national VET regulation and to respond to the streamlining of academic quality processes. These changes mean that fewer students will be enrolled in CIT's short training courses, resulting in a decrease to the number of reported Program Completions from 2012 onwards. As a result, reported Program Completions prior to 2012 will not be directly comparable with reported Program Completions from 2012 onwards. Module completions will remain unaffected by these changes.

Changes to Appropriation

Changes to Appropriation - Controlled

| | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 |
|--|---------------|---------------|---------------|---------------|---------------|
| Government Payment for Outputs | Est. Out. | Budget | Estimate | Estimate | Estimate |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| 2011-12 Budget | 67,979 | 67,367 | 67,892 | 69,060 | 69,060 |
| FMA Section 16B Rollover from 2010-11 | | | | | |
| Commonwealth Grants - TAFE Fee Waivers for Childcare Qualifications NP | 630 | - | - | - | - |
| 2nd Appropriation | | | | | |
| Revised Wage Parameters | 735 | 2,100 | 2,130 | 2,157 | 2,185 |
| 2012-13 Budget Policy Adjustments | | | | | |
| Support for CIT Year 12 Program and Students with Disabilities | - | 772 | 791 | 811 | 831 |
| Savings Initiatives | - | (1,677) | (2,226) | (2,600) | (2,971) |
| 2012-13 Budget Technical Adjustments | | | | | |
| Revised Indexation Parameters | - | (53) | (55) | (56) | 1,101 |
| Revised Superannuation Parameters | - | 665 | 776 | 882 | 741 |
| Revised Notional Superannuation Contributions | - | 328 | 313 | 298 | 283 |
| Revised Commonwealth Grants - TAFE Fee Waivers for Childcare Qualifications NP | 429 | 90 | (204) | (245) | (781) |
| 2012-13 Budget | 69,773 | 69,592 | 69,417 | 70,307 | 70,449 |

Changes to Appropriation - Controlled

| | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 |
|--|--------------|--------------|--------------|--------------|--------------|
| Capital Injections | Est. Out. | Budget | Estimate | Estimate | Estimate |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| 2011-12 Budget | 6,830 | 4,843 | 3,651 | 3,711 | 3,711 |
| 2012-13 Budget Technical Adjustment | | | | | |
| Revised Indexation Parameters | - | - | - | - | 61 |
| 2012-13 Budget | 6,830 | 4,843 | 3,651 | 3,711 | 3,772 |

2012-13 Capital Works Program

| | Estimated Total Cost \$'000 | Estimated Expenditure Pre 2012-13 \$'000 | 2012-13 Financing \$'000 | 2013-14 Financing \$'000 | 2014-15 Financing \$'000 | Physical Completion Date |
|---|--------------------------------------|---|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Capital Upgrades | | | | | | |
| Health and Safety Improvements | 506 | - | 506 | | | Jun 2013 |
| Energy Management/Educational Improvements | 950 | - | 950 | | | Jun 2013 |
| Building Improvements | 880 | - | 880 | | | Jun 2013 |
| Total Capital Upgrades | 2,336 | - | 2,336 | | | |
| Total Capital Works Program | 2,336 | - | 2,336 | | | |

Canberra Institute of Technology Operating Statement

| 2011-12 Budget \$'000 | | 2011-12 Est. Outcome \$'000 | 2012-13 Budget \$'000 | Var % | 2013-14 Estimate \$'000 | 2014-15 Estimate \$'000 | 2015-16 Estimate \$'000 |
|-----------------------------|--|-----------------------------------|-----------------------------|------------|-------------------------------|-------------------------------|-------------------------------|
| Income | | | | | | | |
| Revenue | | | | | | | |
| 67,979 | Government Payment for Outputs | 69,773 | 69,592 | .. | 69,417 | 70,308 | 70,449 |
| 16,725 | User Charges - Non ACT Government | 16,725 | 17,661 | 6 | 18,586 | 19,038 | 19,514 |
| 8,165 | User Charges - ACT Government | 8,165 | 8,165 | - | 8,165 | 8,369 | 8,578 |
| 247 | Interest | 200 | 231 | 16 | 263 | 263 | 263 |
| 1,300 | Dividend Revenue | 500 | 800 | 60 | 800 | 800 | 800 |
| 3,836 | Other Revenue | 3,836 | 3,850 | .. | 3,865 | 3,880 | 3,895 |
| 35 | Resources Received Free of Charge | 35 | 35 | - | 35 | 35 | 35 |
| 98,287 | Total Revenue | 99,234 | 100,334 | 1 | 101,131 | 102,693 | 103,534 |
| Gains | | | | | | | |
| 64 | Other Gains | 64 | 64 | - | 64 | 64 | 64 |
| 64 | Total Gains | 64 | 64 | - | 64 | 64 | 64 |
| 98,351 | Total Income | 99,298 | 100,398 | 1 | 101,195 | 102,757 | 103,598 |
| Expenses | | | | | | | |
| 56,863 | Employee Expenses | 59,385 | 59,953 | 1 | 60,787 | 61,601 | 62,413 |
| 7,858 | Superannuation Expenses | 7,977 | 9,024 | 13 | 8,954 | 8,891 | 8,838 |
| 32,506 | Supplies and Services | 33,565 | 30,540 | -9 | 30,514 | 31,203 | 31,066 |
| 7,679 | Depreciation and Amortisation | 8,679 | 8,656 | .. | 8,673 | 8,690 | 8,707 |
| 33 | Grants and Purchased Services | 33 | 0 | -100 | 0 | 0 | 0 |
| 305 | Other Expenses | 305 | 346 | 13 | 346 | 350 | 355 |
| 105,244 | Total Ordinary Expenses | 109,944 | 108,519 | -1 | 109,274 | 110,735 | 111,379 |
| -6,893 | Operating Result | -10,646 | -8,121 | 24 | -8,079 | -7,978 | -7,781 |
| 0 | Inc/Dec in Asset Revaluation Reserve Surpluses | -152,404 | 1,614 | 101 | 1,632 | 1,648 | 1,666 |
| 0 | Total Other Comprehensive Income | -152,404 | 1,614 | 101 | 1,632 | 1,648 | 1,666 |
| -6,893 | Total Comprehensive Income | -163,050 | -6,507 | 96 | -6,447 | -6,330 | -6,115 |

Canberra Institute of Technology Balance Sheet

| Budget as at 30/6/12 \$'000 | | Est. Outcome as at 30/6/12 \$'000 | Planned as at 30/6/13 \$'000 | Var % | Planned as at 30/6/14 \$'000 | Planned as at 30/6/15 \$'000 | Planned as at 30/6/16 \$'000 |
|-----------------------------------|--|---|------------------------------------|-----------|------------------------------------|------------------------------------|------------------------------------|
| | Current Assets | | | | | | |
| 2,250 | Cash and Cash Equivalents | 3,392 | 3,676 | 8 | 4,312 | 5,068 | 6,037 |
| 7,230 | Receivables | 7,155 | 7,479 | 5 | 7,503 | 7,527 | 7,552 |
| 142 | Other Current Assets | 181 | 181 | - | 181 | 181 | 181 |
| 9,622 | Total Current Assets | 10,728 | 11,336 | 6 | 11,996 | 12,776 | 13,770 |
| | Non Current Assets | | | | | | |
| 20 | Investments | 20 | 20 | - | 20 | 20 | 20 |
| 366,805 | Property, Plant and Equipment | 214,718 | 213,370 | -1 | 209,648 | 205,985 | 202,384 |
| 3,788 | Intangibles | 1,372 | 1,351 | -2 | 1,036 | 721 | 406 |
| 9,636 | Capital Works in Progress | 9,636 | 9,336 | -3 | 10,513 | 11,690 | 12,867 |
| 380,249 | Total Non Current Assets | 225,746 | 224,077 | -1 | 221,217 | 218,416 | 215,677 |
| 389,871 | TOTAL ASSETS | 236,474 | 235,413 | .. | 233,213 | 231,192 | 229,447 |
| | Current Liabilities | | | | | | |
| 4,536 | Payables | 1,749 | 1,783 | 2 | 1,817 | 1,852 | 1,887 |
| 75 | Interest-Bearing Liabilities | 31 | 0 | -100 | 0 | 0 | 0 |
| 16,827 | Employee Benefits | 18,488 | 18,895 | 2 | 19,304 | 19,713 | 20,120 |
| 4,595 | Other Liabilities | 7,144 | 7,195 | 1 | 7,247 | 7,300 | 7,354 |
| 26,033 | Total Current Liabilities | 27,412 | 27,873 | 2 | 28,368 | 28,865 | 29,361 |
| | Non Current Liabilities | | | | | | |
| 1,785 | Employee Benefits | 1,973 | 2,115 | 7 | 2,216 | 2,317 | 2,419 |
| 1,785 | Total Non Current Liabilities | 1,973 | 2,115 | 7 | 2,216 | 2,317 | 2,419 |
| 27,818 | TOTAL LIABILITIES | 29,385 | 29,988 | 2 | 30,584 | 31,182 | 31,780 |
| 362,053 | NET ASSETS | 207,089 | 205,425 | -1 | 202,629 | 200,010 | 197,667 |
| | REPRESENTED BY FUNDS EMPLOYED | | | | | | |
| 119,711 | Accumulated Funds | 117,151 | 113,873 | -3 | 109,445 | 105,178 | 101,169 |
| 242,342 | Reserves | 89,938 | 91,552 | 2 | 93,184 | 94,832 | 96,498 |
| 362,053 | TOTAL FUNDS EMPLOYED | 207,089 | 205,425 | -1 | 202,629 | 200,010 | 197,667 |

Canberra Institute of Technology Statement of Changes in Equity

| Budget as at 30/6/12 \$'000 | | Est. Outcome as at 30/6/12 \$'000 | Planned as at 30/6/13 \$'000 | Var % | Planned as at 30/6/14 \$'000 | Planned as at 30/6/15 \$'000 | Planned as at 30/6/16 \$'000 |
|--|--|---|------------------------------------|------------|------------------------------------|------------------------------------|------------------------------------|
| Opening Equity | | | | | | | |
| 119,774 | Opening Accumulated Funds | 120,967 | 117,151 | -3 | 113,873 | 109,445 | 105,178 |
| 242,342 | Opening Asset Revaluation Reserve | 242,342 | 89,938 | -63 | 91,552 | 93,184 | 94,832 |
| 362,116 | Balance at the Start of the Reporting Period | 363,309 | 207,089 | -43 | 205,425 | 202,629 | 200,010 |
| Comprehensive Income | | | | | | | |
| -6,893 | Operating Result for the Period | -10,646 | -8,121 | 24 | -8,079 | -7,978 | -7,781 |
| 0 | Inc/Dec in Asset Revaluation Reserve Surpluses | -152,404 | 1,614 | 101 | 1,632 | 1,648 | 1,666 |
| -6,893 | Total Comprehensive Income | -163,050 | -6,507 | 96 | -6,447 | -6,330 | -6,115 |
| 0 | Total Movement in Reserves | 0 | 0 | - | 0 | 0 | 0 |
| Transactions Involving Owners Affecting Accumulated Funds | | | | | | | |
| 6,830 | Capital Injections | 6,830 | 4,843 | -29 | 3,651 | 3,711 | 3,772 |
| 6,830 | Total Transactions Involving Owners Affecting Accumulated Funds | 6,830 | 4,843 | -29 | 3,651 | 3,711 | 3,772 |
| Closing Equity | | | | | | | |
| 119,711 | Closing Accumulated Funds | 117,151 | 113,873 | -3 | 109,445 | 105,178 | 101,169 |
| 242,342 | Closing Asset Revaluation Reserve | 89,938 | 91,552 | 2 | 93,184 | 94,832 | 96,498 |
| 362,053 | Balance at the End of the Reporting Period | 207,089 | 205,425 | -1 | 202,629 | 200,010 | 197,667 |

Canberra Institute of Technology Cash Flow Statement

| 2011-12 Budget \$'000 | | 2011-12 Est. Outcome \$'000 | 2012-13 Budget \$'000 | Var % | 2013-14 Estimate \$'000 | 2014-15 Estimate \$'000 | 2015-16 Estimate \$'000 |
|---|---|-----------------------------------|-----------------------------|------------|-------------------------------|-------------------------------|-------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | | |
| Receipts | | | | | | | |
| 67,979 | Cash from Government for Outputs | 69,773 | 69,592 | .. | 69,417 | 70,307 | 70,449 |
| 24,890 | User Charges | 24,890 | 25,840 | 4 | 26,780 | 27,451 | 28,151 |
| 247 | Interest Received | 200 | 231 | 16 | 263 | 263 | 263 |
| 8,173 | Other Receipts | 8,173 | 8,173 | - | 8,173 | 8,173 | 8,173 |
| 1,300 | Dividends | 1,300 | 500 | -62 | 800 | 800 | 800 |
| 102,589 | Operating Receipts | 104,336 | 104,336 | - | 105,433 | 106,994 | 107,836 |
| Payments | | | | | | | |
| 56,209 | Related to Employees | 56,906 | 59,404 | 4 | 60,277 | 61,091 | 61,904 |
| 7,857 | Related to Superannuation | 7,976 | 9,024 | 13 | 8,954 | 8,891 | 8,838 |
| 32,319 | Related to Supplies and Services | 33,474 | 30,323 | -9 | 30,265 | 30,951 | 30,815 |
| 33 | Grants and Purchased Services | 33 | 0 | -100 | 0 | 0 | 0 |
| 4,760 | Other | 4,760 | 4,801 | 1 | 4,801 | 4,805 | 4,810 |
| 101,178 | Operating Payments | 103,149 | 103,552 | .. | 104,297 | 105,738 | 106,367 |
| 1,411 | NET CASH INFLOW/ (OUTFLOW) FROM OPERATING ACTIVITIES | 1,187 | 784 | -34 | 1,136 | 1,256 | 1,469 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | |
| Payments | | | | | | | |
| 7,330 | Purchase of Property, Plant and Equipment and Capital Works | 7,330 | 5,343 | -27 | 4,151 | 4,211 | 4,272 |
| 7,330 | Investing Payments | 7,330 | 5,343 | -27 | 4,151 | 4,211 | 4,272 |
| -7,330 | NET CASH INFLOW/ (OUTFLOW) FROM INVESTING ACTIVITIES | -7,330 | -5,343 | 27 | -4,151 | -4,211 | -4,272 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | |
| Receipts | | | | | | | |
| 6,830 | Capital Injections from Government | 6,830 | 4,843 | -29 | 3,651 | 3,711 | 3,772 |
| 6,830 | Financing Receipts | 6,830 | 4,843 | -29 | 3,651 | 3,711 | 3,772 |
| 6,830 | NET CASH INFLOW/ (OUTFLOW) FROM FINANCING ACTIVITIES | 6,830 | 4,843 | -29 | 3,651 | 3,711 | 3,772 |
| 911 | NET INCREASE / (DECREASE) IN CASH HELD | 687 | 284 | -59 | 636 | 756 | 969 |
| 1,339 | CASH AT THE BEGINNING OF REPORTING PERIOD | 2,705 | 3,392 | 25 | 3,676 | 4,312 | 5,068 |
| 2,250 | CASH AT THE END OF REPORTING PERIOD | 3,392 | 3,676 | 8 | 4,312 | 5,068 | 6,037 |

Notes to the Budget Statements

Significant variations are as follows:

Operating Statement

- government payment for outputs:
 - the increase of \$1.794 million in the 2011-12 estimated outcome from the original budget is due to revised wage parameters (\$0.735 million), higher than budgeted Commonwealth Grants (\$0.429 million), and the rollover of grant funds from the 2010-11 Budget (\$0.630 million); and
 - the decrease of \$0.181 million in the 2012-13 Budget from the 2011-12 estimated outcome is mainly due to a combination of whole of government savings initiatives (\$1.676 million), offset by revised superannuation parameters (\$0.993 million), revised wage parameters (\$1.365 million) and new budget initiatives (\$0.772 million).
- user charges – non ACT Government: the increase of \$0.936 million in the 2012-13 Budget from the 2011-12 estimated outcome is due to an expected increase in fees and charges.
- dividend revenue: the decrease of \$0.8 million in the 2011-12 estimated outcome from the original budget and the increase of \$0.3 million in the 2012-13 Budget from the 2011-12 estimated outcome are due to the dividends paid by CIT Solutions.
- employee expenses:
 - the increase of \$2.522 million in the 2011-12 estimated outcome from the original budget is due to the impact of the discount rate on the long service leave liability (\$1.226 million) and revised wage parameters (\$1.296 million); and
 - the increase of \$0.568 million in the 2012-13 Budget from the 2011-12 estimated outcome is mainly due to revised wage parameters (\$2.042 million) and Budget initiatives (\$0.608 million), partially offset by savings initiatives (\$1.137 million) and Workforce Planning Program (\$0.735 million).
- superannuation expenses:
 - the increase of \$0.119 million in the 2011-12 estimated outcome from the original budget is due to revised wage parameters; and
 - the increase of \$1.047 million in the 2012-13 Budget from the 2011-12 estimated outcome is mainly due to revised superannuation parameters (\$0.993 million) and revised wage parameters (\$0.340 million).
- supplies and services:
 - the increase of \$1.059 million in the 2011-12 estimated outcome from the original budget relates to the expenditure associated with the TAFE Fee Waivers for Childcare Qualifications NP; and

- the decrease of \$3.025 million in the 2012-13 Budget from the 2011-12 estimated outcome is mainly due to savings initiatives (\$0.539 million), CIT expenditure savings and higher expenditure in 2011-12 relating to the TAFE Fee Waivers for Childcare Qualifications NP (\$0.720 million).
- depreciation and amortisation: the increase of \$1 million in the 2011-12 estimated outcome from the original budget is due to the increase in CIT's building asset values after the recent revaluation process.
- decrease in asset revaluation reserve surpluses: the decrease of \$152.404 million in the 2011-12 estimated outcome from the original budget is due to the asset revaluation process.

Balance Sheet

- cash and cash equivalents:
 - the increase of \$1.142 million in the 2011-12 estimated outcome from the original budget is mainly due to additional revenue received in advance for Commonwealth Government contracts and student fees; and
 - the increase of \$0.284 million in the 2012-13 Budget from the 2011-12 estimated outcome is due to reduced expenditure associated with savings initiatives.
- property, plant and equipment: the decrease of \$152.087 million in the 2011-12 estimated outcome from the original budget is mainly due to the asset revaluation process, resulting in the value of land decreasing by \$186.8 million and buildings increasing by \$35.952 million.
- intangibles: the decrease of \$2.416 million in the 2011-12 estimated outcome from the original budget is due to an asset revaluation and the amortisation of software assets.
- capital works in progress: the decrease of \$0.3 million in the 2012-13 Budget from the 2011-12 estimated outcome relates to the anticipated completion of capital works software projects.
- payables: the decrease of \$2.787 million in the 2011-12 estimated outcome from the original budget relates to the timing of payments to ACT Government suppliers.
- current and non current employee benefits:
 - the increase of \$1.849 million in the 2011-12 estimated outcome from the original budget is mainly due to revised wage parameters and employee liabilities; and
 - the increase of \$0.549 million in the 2012-13 Budget from the 2011-12 estimated outcome is due to revised wage parameters.
- other current liabilities: the increase of \$2.549 million in the 2011-12 estimated outcome from the original budget is due to additional revenue held in advance for Commonwealth Government contracts and student fees.

Statement of Changes in Equity

Variations in the statement are explained in the notes above.

Cash Flow Statement

Variations in the statement are explained in the notes above.

