

# CANBERRA INSTITUTE OF TECHNOLOGY

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## 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.

## 2013-14 Priorities

Strategic and operational issues to be pursued in 2013-14 include:

- implementing a new Teaching and Learning Framework for 2013–2015 which is aligned with the objectives of the National Partnership on Skills Reform. The Teaching and Learning Framework 2013–2015 embraces six goals:
  - producing skilled, work-ready graduates;
  - ensuring that assessment in every discipline is validated by industry;
  - achieving high levels of learner satisfaction and attracting students by providing a quality technical and further education experience;
  - achieving growth in both module and qualification completions;
  - embedding foundation skills delivery, including language, literacy, numeracy, information and digital literacy and support in teaching and assessment; and
  - developing and maintaining partnerships that enhance student experience and opportunities.
- expanding and diversifying CIT's revenue base by increasing training and business activities in commercial, contestable and international markets and developing partnerships with industry and other training institutions;
- developing the organisational culture and skills required to successfully manage innovation and business risk in a competitive environment;
- promoting and improving client services including online service options; and
- ensuring changes in the way workplace issues are managed, the values and signature behaviours are embraced, professionalism is embedded and a team-based culture is cemented.

## Estimated Employment Level

2011-12 Actual Outcome		2012-13 Budget	2012-13 Est. Outcome	2013-14 Budget
773	Staffing (FTE)	756	759 <sup>1</sup>	742 <sup>2</sup>

### Notes:

1. The increase of 3 FTE is due to increased casual teachers to deliver increased commercial training activities.
2. The decrease of 17 FTE in the 2013-14 Budget from the 2012-13 estimated outcome is mainly due to operational restructuring and savings initiatives.

## Strategic Objectives and Indicators

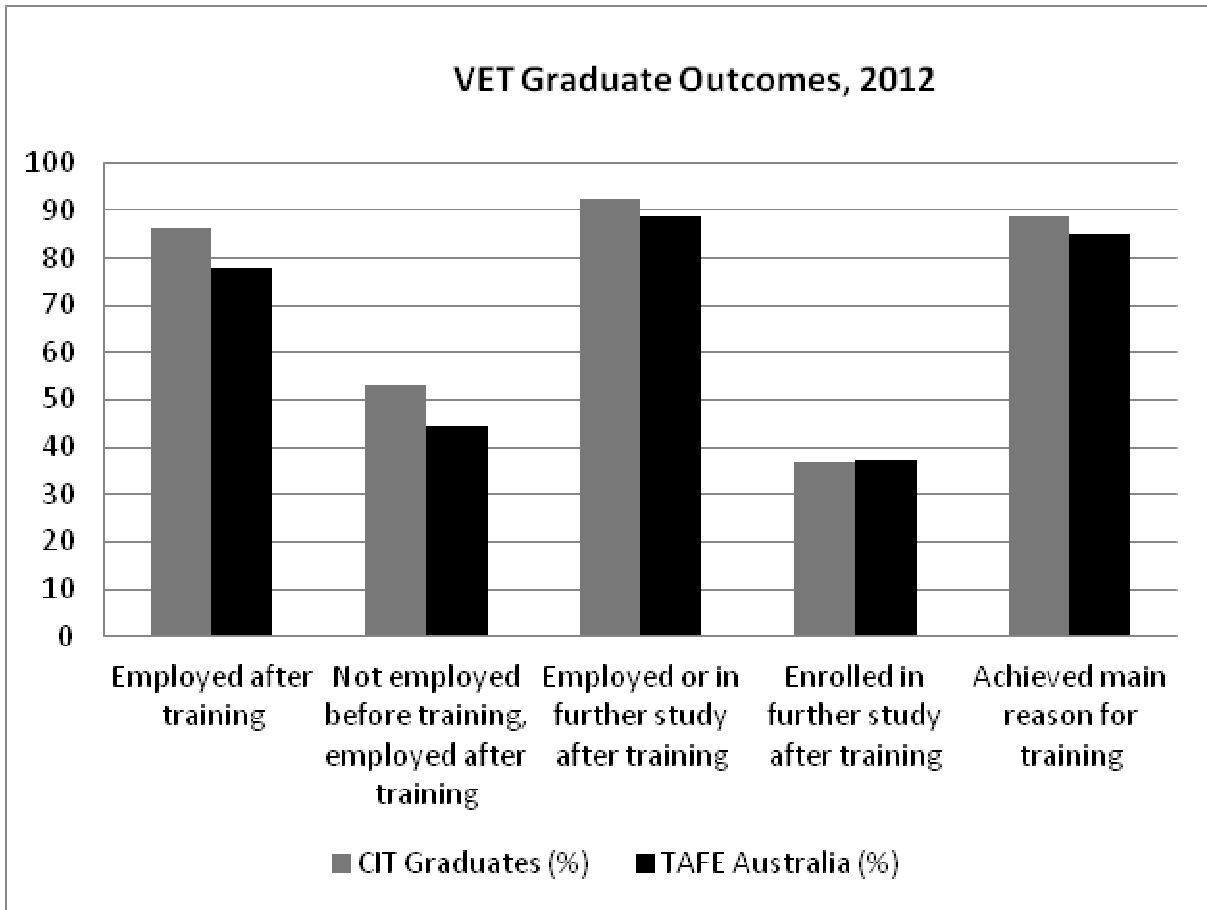
### Strategic Objective 1 Student Outcomes

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 students' employment outcomes as measured through the annual Student Outcomes Survey. By focusing on students' employment outcomes and 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 student outcomes against national performance. When compared against national TAFE performance, CIT students consistently achieve high levels of employment or are undertaking further study after training. The 2012 performance of CIT graduates against national performance for Australian TAFE Graduates is highlighted in the table below. CIT graduates are shown in grey and have exceeded the national performance on virtually all measures indicating a strong performance across all strategic indicators.



### Output Class 1 – Canberra Institute of Technology

	Total Cost <sup>1</sup>		Government Payment for Outputs	
	2012-13 Est. Outcome \$'000	2013-14 Budget \$'000	2012-13 Est. Outcome \$'000	2013-14 Budget \$'000
<b>Output Class 1:</b>				
<b>Canberra Institute of Technology</b>	114,347	107,284	67,851	66,054
<b>Output 1.1: Provision of Vocational Education and Training Services</b>	114,347	107,284	67,851	66,054

**Note:**

1. Total cost includes depreciation and amortisation of \$8.656 million in 2012-13 and \$8.669 million in 2013-14.

#### Output Description

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

## Accountability Indicators

	2012-13 Targets <sup>1</sup>	2012-13 Est. Outcome	2013-14 Targets
<b>Output Class 1: Canberra Institute of Technology</b>			
<b>Output 1.1: Provision of Vocational Education and Training Services</b>			
a. Nominal Hours	3,820,000	3,809,000	3,735,000
b. Achieve key output targets:			
– Program Enrolments <sup>1</sup>	18,000	15,600	15,300
– Module Pass Rates	75%	80%	75%
– Program Completions <sup>1</sup>	6,500	6,700	6,300
– Learner Satisfaction Rate	85%	92%	85%
– Employer Satisfaction Rate	80%	90%	80%
c. Average Government Payment per Nominal Hour	\$18.22	\$17.81	\$17.69

**Note:**

1. Reductions in Program Enrolments and Program Completions are a flow-on effect from the reduction in the Nominal Hours delivery target which is a result of savings initiatives.

## Changes to Appropriation

### Changes to Appropriation – Controlled

Government Payment for Outputs	2012-13	2013-14	2014-15	2015-16	2016-17
	Est. Out. \$'000	Budget \$'000	Estimate \$'000	Estimate \$'000	Estimate \$'000
<b>2012-13 Budget</b>	<b>69,592</b>	<b>69,417</b>	<b>70,307</b>	<b>70,449</b>	<b>70,449</b>
<b>2013-14 Budget Policy Adjustments</b>					
Improved VET Provision in South Canberra (Feasibility Study)	-	180	-	-	-
General Saving	-	(500)	(500)	(500)	(500)
Service Reprofiting	-	(1,560)	(1,836)	(2,397)	(3,107)
<b>2013-14 Budget Technical Adjustments</b>					
Revised Indexation Parameters	-	(53)	(54)	(56)	1,112
Revised Superannuation Parameters	(1,454)	(1,574)	(1,600)	(1,628)	(1,813)
Revised Superannuation Guarantee Rate	-	103	215	447	696
Transfer – Carbon Neutral Government Funding to ESDD	-	(70)	-	-	-
Commonwealth Grants – National Skills and Workforce Development SPP	-	198	284	285	651
Commonwealth Grants – TAFE Fee Waivers for Childcare Qualifications NP	(287)	(87)	(381)		
<b>2013-14 Budget</b>	<b>67,851</b>	<b>66,054</b>	<b>66,435</b>	<b>66,600</b>	<b>67,488</b>

### Changes to Appropriation – Controlled

Capital Injections	2012-13	2013-14	2014-15	2015-16	2016-17
	Est. Out. \$'000	Budget \$'000	Estimate \$'000	Estimate \$'000	Estimate \$'000
<b>2012-13 Budget</b>	<b>4,843</b>	<b>3,651</b>	<b>3,711</b>	<b>3,772</b>	<b>3,772</b>
<b>FMA Section 16B Rollovers from 2011-12</b>					
Asbestos Removal and Remediation of Watson Campus	443	-	-	-	-
New CIT Learning Centre Tuggeranong (Design)	378	-	-	-	-
Building Improvements	258	-	-	-	-
<b>2013-14 Budget Technical Adjustments</b>					
Revised Indexation Parameters	-	-	-	-	63
Revised Funding Profile – Health and Safety Improvements	(106)	106	-	-	-
<b>2013-14 Budget</b>	<b>5,816</b>	<b>3,757</b>	<b>3,711</b>	<b>3,772</b>	<b>3,835</b>

## 2013-14 Capital Works Program

	Estimated Total Cost \$'000	Estimated Expenditure Pre 2013-14 \$'000	2013-14 Financing \$'000	2014-15 Financing \$'000	2015-16 Financing \$'000	Physical Completion Date
<b>New Capital Works</b>						
Improved VET Provision in South Canberra (Feasibility Study)	180	-	180	-	-	Jun 2014
<b>Total New Capital Works</b>	<b>180</b>	<b>-</b>	<b>180</b>	<b>-</b>	<b>-</b>	
<b>Capital Upgrades</b>						
Health and Safety Improvements	1,034	-	1,034	-	-	Jun 2014
Energy Management/Educational Improvements	660	-	660	-	-	Jun 2014
Building Improvements	700	-	700	-	-	Jun 2014
<b>Total Capital Upgrades</b>	<b>2,394</b>	<b>-</b>	<b>2,394</b>	<b>-</b>	<b>-</b>	
<b>Total New Works</b>	<b>2,574</b>	<b>-</b>	<b>2,574</b>	<b>-</b>	<b>-</b>	
<b>Total Capital Works Program</b>	<b>2,574</b>	<b>-</b>	<b>2,574</b>	<b>-</b>	<b>-</b>	

## Canberra Institute of Technology Operating Statement

2012-13 Budget \$'000		2012-13 Est. Outcome \$'000	2013-14 Budget \$'000	Var %	2014-15 Estimate \$'000	2015-16 Estimate \$'000	2016-17 Estimate \$'000
<b>Income</b>							
<b>Revenue</b>							
69,592	Government Payment for Outputs	67,851	66,054	-3	66,435	66,600	67,488
17,661	User Charges — Non ACT Government	19,161	20,800	9	21,290	21,952	22,533
8,165	User Charges — ACT Government	8,210	7,481	-9	7,679	7,732	7,925
231	Interest	231	263	14	263	263	263
800	Dividend Revenue	250	500	100	500	500	500
3,850	Other Revenue	3,850	3,865	..	3,880	3,895	3,985
35	Resources Received Free of Charge	35	35	-	35	35	35
<b>100,334</b>	<b>Total Revenue</b>	<b>99,588</b>	<b>98,998</b>	<b>-1</b>	<b>100,082</b>	<b>100,977</b>	<b>102,729</b>
<b>Gains</b>							
64	Other Gains	64	64	-	64	64	64
<b>64</b>	<b>Total Gains</b>	<b>64</b>	<b>64</b>	<b>-</b>	<b>64</b>	<b>64</b>	<b>64</b>
<b>100,398</b>	<b>Total Income</b>	<b>99,652</b>	<b>99,062</b>	<b>-1</b>	<b>100,146</b>	<b>101,041</b>	<b>102,793</b>
<b>Expenses</b>							
59,953	Employee Expenses	59,745	59,297	-1	59,935	60,393	60,763
9,024	Superannuation Expenses	7,570	7,283	-4	7,283	7,387	7,507
30,540	Supplies and Services	32,026	31,689	-1	32,010	32,121	33,117
8,656	Depreciation and Amortisation	8,656	8,669	..	8,690	8,707	8,691
346	Other Expenses	6,350	346	-95	350	355	360
<b>108,519</b>	<b>Total Ordinary Expenses</b>	<b>114,347</b>	<b>107,284</b>	<b>-6</b>	<b>108,268</b>	<b>108,963</b>	<b>110,438</b>
<b>-8,121</b>	<b>Operating Result</b>	<b>-14,695</b>	<b>-8,222</b>	<b>44</b>	<b>-8,122</b>	<b>-7,922</b>	<b>-7,645</b>
<b>Other Comprehensive Income</b> <i>Items that will not be reclassified subsequently to profit or loss</i>							
1,614	Inc/Dec in Asset Revaluation Reserve Surpluses	1,614	1,632	1	1,648	1,666	1,666
<b>1,614</b>	<b>Total Other Comprehensive Income</b>	<b>1,614</b>	<b>1,632</b>	<b>1</b>	<b>1,648</b>	<b>1,666</b>	<b>1,666</b>
<b>-6,507</b>	<b>Total Comprehensive Income</b>	<b>-13,081</b>	<b>-6,590</b>	<b>50</b>	<b>-6,474</b>	<b>-6,256</b>	<b>-5,979</b>

## Canberra Institute of Technology Balance Sheet

Budget as at 30/6/13 \$'000		Est. Outcome as at 30/6/13 \$'000	Budget as at 30/6/14 \$'000	Var %	Estimate as at 30/6/15 \$'000	Estimate as at 30/6/16 \$'000	Estimate as at 30/6/17 \$'000
<b>Current Assets</b>							
3,676	Cash and Cash Equivalents	8,660	8,899	3	9,511	10,339	11,428
7,479	Receivables	8,507	8,781	3	8,805	8,830	8,855
181	Other Current Assets	500	500	-	500	500	500
<b>11,336</b>	<b>Total Current Assets</b>	<b>17,667</b>	<b>18,180</b>	<b>3</b>	<b>18,816</b>	<b>19,669</b>	<b>20,783</b>
<b>Non Current Assets</b>							
20	Investments	20	20	-	20	20	20
213,370	Property, Plant and Equipment	208,625	207,673	..	205,127	202,642	200,234
1,351	Intangibles	1,474	1,159	-21	844	529	214
9,336	Capital Works in Progress	3,877	2,394	-38	2,454	2,515	2,578
<b>224,077</b>	<b>Total Non Current Assets</b>	<b>213,996</b>	<b>211,246</b>	<b>-1</b>	<b>208,445</b>	<b>205,706</b>	<b>203,046</b>
<b>235,413</b>	<b>TOTAL ASSETS</b>	<b>231,663</b>	<b>229,426</b>	<b>-1</b>	<b>227,261</b>	<b>225,375</b>	<b>223,829</b>
<b>Current Liabilities</b>							
1,783	Payables	1,816	1,850	2	1,885	1,920	1,955
0	Interest-Bearing Liabilities	1	1	-	1	1	1
18,895	Employee Benefits	18,782	19,191	2	19,600	20,007	20,414
7,195	Other Liabilities	8,936	8,988	1	9,041	9,095	9,149
<b>27,873</b>	<b>Total Current Liabilities</b>	<b>29,535</b>	<b>30,030</b>	<b>2</b>	<b>30,527</b>	<b>31,023</b>	<b>31,519</b>
<b>Non Current Liabilities</b>							
2,115	Employee Benefits	2,030	2,131	5	2,232	2,334	2,436
<b>2,115</b>	<b>Total Non Current Liabilities</b>	<b>2,030</b>	<b>2,131</b>	<b>5</b>	<b>2,232</b>	<b>2,334</b>	<b>2,436</b>
<b>29,988</b>	<b>TOTAL LIABILITIES</b>	<b>31,565</b>	<b>32,161</b>	<b>2</b>	<b>32,759</b>	<b>33,357</b>	<b>33,955</b>
<b>205,425</b>	<b>NET ASSETS</b>	<b>200,098</b>	<b>197,265</b>	<b>-1</b>	<b>194,502</b>	<b>192,018</b>	<b>189,874</b>
<b>REPRESENTED BY FUNDS EMPLOYED</b>							
113,873	Accumulated Funds	112,144	107,679	-4	103,268	99,118	95,308
91,552	Reserves	87,954	89,586	2	91,234	92,900	94,566
<b>205,425</b>	<b>TOTAL FUNDS EMPLOYED</b>	<b>200,098</b>	<b>197,265</b>	<b>-1</b>	<b>194,502</b>	<b>192,018</b>	<b>189,874</b>



## Canberra Institute of Technology Statement of Changes in Equity

Budget as at 30/6/13 \$'000		Est. Outcome as at 30/6/13 \$'000	Budget as at 30/6/14 \$'000	Var %	Estimate as at 30/6/15 \$'000	Estimate as at 30/6/16 \$'000	Estimate as at 30/6/17 \$'000
<b>Opening Equity</b>							
117,151	Opening Accumulated Funds	121,023	112,144	-7	107,679	103,268	99,118
89,938	Opening Asset Revaluation Reserve	86,340	87,954	2	89,586	91,234	92,900
<b>207,089</b>	<b>Balance at the Start of the Reporting Period</b>	<b>207,363</b>	<b>200,098</b>	<b>-4</b>	<b>197,265</b>	<b>194,502</b>	<b>192,018</b>
<b>Comprehensive Income</b>							
-8,121	Operating Result for the Period	-14,695	-8,222	44	-8,122	-7,922	-7,645
1,614	Inc/Dec in Asset Revaluation Reserve Surpluses	1,614	1,632	1	1,648	1,666	1,666
<b>-6,507</b>	<b>Total Comprehensive Income</b>	<b>-13,081</b>	<b>-6,590</b>	<b>50</b>	<b>-6,474</b>	<b>-6,256</b>	<b>-5,979</b>
<b>0</b>	<b>Total Movement in Reserves</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Transactions Involving Owners Affecting Accumulated Funds</b>							
4,843	Capital Injections	5,816	3,757	-35	3,711	3,772	3,835
<b>4,843</b>	<b>Total Transactions Involving Owners Affecting Accumulated Funds</b>	<b>5,816</b>	<b>3,757</b>	<b>-35</b>	<b>3,711</b>	<b>3,772</b>	<b>3,835</b>
<b>Closing Equity</b>							
113,873	Closing Accumulated Funds	112,144	107,679	-4	103,268	99,118	95,308
91,552	Closing Asset Revaluation Reserve	87,954	89,586	2	91,234	92,900	94,566
<b>205,425</b>	<b>Balance at the End of the Reporting Period</b>	<b>200,098</b>	<b>197,265</b>	<b>-1</b>	<b>194,502</b>	<b>192,018</b>	<b>189,874</b>

## Canberra Institute of Technology Cash Flow Statement

2012-13 Budget \$'000		2012-13 Est. Outcome \$'000	2013-14 Budget \$'000	Var %	2014-15 Estimate \$'000	2015-16 Estimate \$'000	2016-17 Estimate \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Receipts</b>							
69,592	Cash from Government for Outputs	67,851	66,054	-3	66,435	66,600	67,488
25,840	User Charges	27,385	28,310	3	29,012	29,743	30,607
231	Interest Received	231	263	14	263	263	263
8,173	Other Receipts	8,173	8,173	-	8,173	8,173	8,173
500	Dividends	500	250	-50	500	500	500
<b>104,336</b>	<b>Operating Receipts</b>	<b>104,140</b>	<b>103,050</b>	<b>-1</b>	<b>104,383</b>	<b>105,279</b>	<b>107,031</b>
<b>Payments</b>							
59,404	Related to Employees	59,404	58,787	-1	59,424	59,884	60,254
9,024	Related to Superannuation	7,570	7,283	-4	7,283	7,387	7,507
30,323	Related to Supplies and Services	31,810	31,440	-1	31,759	31,870	32,866
4,801	Other	4,801	4,801	-	4,805	4,810	4,815
<b>103,552</b>	<b>Operating Payments</b>	<b>103,585</b>	<b>102,311</b>	<b>-1</b>	<b>103,271</b>	<b>103,951</b>	<b>105,442</b>
<b>784</b>	<b>NET CASH INFLOW/ (OUTFLOW) FROM OPERATING ACTIVITIES</b>	<b>555</b>	<b>739</b>	<b>33</b>	<b>1,112</b>	<b>1,328</b>	<b>1,589</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
<b>Payments</b>							
5,343	Purchase of Property, Plant and Equipment and Capital Works	5,938	4,257	-28	4,211	4,272	4,335
<b>5,343</b>	<b>Investing Payments</b>	<b>5,938</b>	<b>4,257</b>	<b>-28</b>	<b>4,211</b>	<b>4,272</b>	<b>4,335</b>
<b>-5,343</b>	<b>NET CASH INFLOW/ (OUTFLOW) FROM INVESTING ACTIVITIES</b>	<b>-5,938</b>	<b>-4,257</b>	<b>28</b>	<b>-4,211</b>	<b>-4,272</b>	<b>-4,335</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>							
<b>Receipts</b>							
4,843	Capital Injections from Government	5,816	3,757	-35	3,711	3,772	3,835
<b>4,843</b>	<b>Financing Receipts</b>	<b>5,816</b>	<b>3,757</b>	<b>-35</b>	<b>3,711</b>	<b>3,772</b>	<b>3,835</b>
<b>4,843</b>	<b>NET CASH INFLOW/ (OUTFLOW) FROM FINANCING ACTIVITIES</b>	<b>5,816</b>	<b>3,757</b>	<b>-35</b>	<b>3,711</b>	<b>3,772</b>	<b>3,835</b>
<b>284</b>	<b>NET INCREASE / (DECREASE) IN CASH HELD</b>	<b>433</b>	<b>239</b>	<b>-45</b>	<b>612</b>	<b>828</b>	<b>1,089</b>
<b>3,392</b>	<b>CASH AT THE BEGINNING OF REPORTING PERIOD</b>	<b>8,227</b>	<b>8,660</b>	<b>5</b>	<b>8,899</b>	<b>9,511</b>	<b>10,339</b>
<b>3,676</b>	<b>CASH AT THE END OF REPORTING PERIOD</b>	<b>8,660</b>	<b>8,899</b>	<b>3</b>	<b>9,511</b>	<b>10,339</b>	<b>11,428</b>

## Notes to the Budget Statements

Significant variations are as follows:

### *Operating Statement*

- government payment for outputs:
  - the decrease of \$1.741 million in the 2012-13 estimated outcome from the original budget is due to revised superannuation parameters (\$1.454 million) and a reduction in TAFE Fee Waivers for Childcare Qualifications National Partnership revenue from the Commonwealth Government (\$0.287 million); and
  - the decrease of \$1.797 million in the 2013-14 Budget from the 2012-13 estimated outcome is mainly due to whole of government savings initiatives (\$2.060 million).
- user charges – non ACT Government:
  - the increase of \$1.5 million in the 2012-13 estimated outcome from the original budget is due to CIT's increased commercial training activity; and
  - the increase of \$1.639 million in the 2013-14 Budget from the 2012-13 estimated outcome is due to an expected increase in fees and charges for commercial training activity (\$0.955 million) and the transfer of financial administration process for commercial contracts from CIT Solutions to CIT (\$0.684 million).
- user charges – ACT Government: the decrease of \$0.729 million in the 2013-14 Budget from the 2012-13 estimated outcome is mainly due to the transfer of financial administration responsibilities from CIT Solutions to CIT.
- dividend revenue: the decrease of \$0.550 million in the 2012-13 estimated outcome from the original budget is due to a reduced dividend from CIT Solutions as a result of its revised profit expectations.
- superannuation expenses: the decrease of \$1.454 million in the 2012-13 estimated outcome from the original budget is due to revised superannuation parameters.
- supplies and services: the increase of \$1.486 million in the 2012-13 estimated outcome from the original budget is mainly due to the expenditure associated with CIT's increased commercial training activity (\$1.350 million) and expensing of capital works (\$0.378 million), partially offset by a decrease in expenses associated with the reduction in TAFE Fee Waivers for Childcare Qualifications National Partnership revenue from the Commonwealth Government (\$0.287 million).
- other expenses: the increase of \$6.004 million in the 2012-13 estimated outcome from the original budget and the decrease of \$6.004 million in the 2013-14 Budget from the 2012-13 estimated outcome is a result of the final disposal of CIT Weston campus assets in 2012-13.

### *Balance Sheet*

- cash and cash equivalents: the increase of \$4.984 million in the 2012-13 estimated outcome from the original budget is mainly due to additional revenue received in advance for Commonwealth Government contracts and student fees.
- current receivables: the increase of \$1.028 million in the 2012-13 estimated outcome from the original budget is a result of the timing of debt collections for the increased commercial training activities and student fees.
- property, plant and equipment:
  - the decrease of \$4.745 million in the 2012-13 estimated outcome from the original budget is mainly due to the disposal of CIT Weston campus assets; and
  - the decrease of \$0.952 million in the 2013-14 Budget from the 2012-13 estimated outcome is mainly due to depreciation.
- capital works in progress: the decrease of \$5.459 million in the 2012-13 estimated outcome from the original budget and the decrease of \$1.483 million in the 2013-14 Budget from the 2012-13 estimated outcome is mainly due to the flow-on effects of the 2011-12 audited financial results and the timing of the capital works program.
- other current liabilities: the increase of \$1.741 million in the 2012-13 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 and Cash Flow Statement*

Variations in the statements are explained in the notes above.