

CANBERRA INSTITUTE OF TECHNOLOGY

Objectives

The Canberra Institute of Technology (CIT) has the specific objective to achieve a work force with skills appropriate to the current and forecast needs of industry and with enhanced career prospects and quality of life.

CIT's three year strategic plan is in accordance with key vocational education and training strategies, especially the ACT Training Profile for 2000 and beyond.

2000-01 Highlights

Strategic and operational issues to be pursued in 2000-01 include:

- further refining mechanisms for determining the CIT program profile to meet ACT Community requirements in accordance with the Purchase Agreement with the Department of Education and Community Services;
- maximising the capacity of CIT graduates to be competitive in changing employment markets;
- preparing to achieve Quality Endorsed Training Organisation status as a continuation from Registered Training Organisation status;
- examining approaches and mechanisms which will provide for increased off-budget revenue in keeping with the purchaser provider approach;
- implementing enhanced employment flexibility, a comprehensive Institute-wide performance management system, and targeted professional development through the agreement of new Certified Agreements; and
- optimising the use of CIT properties in keeping with the Institute's mission and training objectives.

**Canberra Institute of Technology
Operating Statement**

1999-00 Budget \$'000		1999-00 Est.Outcome \$'000	2000-01 Budget \$'000	Var %	2001-02 Estimate \$'000	2002-03 Estimate \$'000	2003-04 Estimate \$'000
Revenue							
11 002	User Charges - Non ACT Government	8 175	6 742	-18	6 911	7 084	7 261
50 034	User Charges - ACT Government	48 194	51 844	8	52 862	53 715	55 080
200	Interest	366	100	-73	170	116	38
3 162	Other Revenue	3 536	3 197	-10	3 276	3 357	3 440
80	Resources Received free of charge	31	32	3	33	33	34
64 478	Total Revenue	60 302	61 915	3	63 252	64 305	65 853
Expenses							
40 450	Employee Expenses	40 689	36 351	-11	37 398	38 967	40 416
6 716	Superannuation Expenses	6 538	6 420	-2	6 530	6 641	6 755
23 340	Administrative Expenses	20 720	19 608	-5	19 521	20 265	20 580
4 120	Depreciation and Amortisation	3 608	3 292	-9	3 471	3 723	3 837
23	Interest	20	0	-100	0	0	0
1 069	Other Expenses	1 162	1 191	2	1 220	1 251	1 282
75 718	Total Expenses	72 737	66 862	-8	68 140	70 847	72 870
-11 240	Operating Result Before Abnormal Items	-12 435	-4 947	60	-4 888	-6 542	-7 017
0	Abnormal Expense	16 384	0	-100	0	0	0
-11 240	Operating Result Before Extraordinary Items	-28 819	-4 947	-83	-4 888	-6 542	-7 017
5 443	Injection for Operating Requirements	5 443	0	-100	0	0	0
-5 797	Operating Result	-23 376	-4 947	79	-4 888	-6 542	-7 017
123 786	Accumulated Funds - Start of Period	125 645	109 039	-13	109 608	107 890	104 518
5 070	Capital Injections	6 770	5 516	-19	3 170	3 170	3 170
123 059	Accumulated Funds - End of Period	109 039	109 608	1	107 890	104 518	100 671

**Canberra Institute of Technology
Statement Of Financial Position**

Budget as at 30/6/00 \$'000		Est.Outcome as at 30/6/00 \$'000	Planned as at 30/6/01 \$'000	Var %	Planned as at 30/6/02 \$'000	Planned as at 30/6/03 \$'000	Planned as at 30/6/04 \$'000
Current Assets							
1 262	Cash	3 016	1 074	-64	1 622	43	31
2 609	Receivables	3 470	3 470	-	2 573	1 924	1 275
2 818	Investments	4 905	0	-100	1 000	1 500	0
846	Other	419	419	-	419	419	419
7 535	Total Current Assets	11 810	4 963	-58	5 614	3 886	1 725
Non Current Assets							
20	Investments	20	20	-	20	20	20
135 624	Property, Plant and Equipment	110 776	117 350	6	115 888	115 565	115 128
114	Capital Works in Progress	3 275	4 452	36	3 875	3 675	3 475
135 758	Total Non Current Assets	114 071	121 822	7	119 783	119 260	118 623
143 293	TOTAL ASSETS	125 881	126 785	1	125 397	123 146	120 348
Current Liabilities							
672	Creditors	1 451	1 451	-	1 451	2 184	2 917
61	Finance Leases	0	0	-	0	0	0
5 561	Employee Entitlements	5 250	5 680	8	5 960	6 240	6 520
2 609	Other	2 531	2 531	-	2 531	2 531	2 531
8 903	Total Current Liabilities	9 232	9 662	5	9 942	10 955	11 968
Non Current Liabilities							
143	Finance Leases	0	0	-	0	0	0
7 893	Employee Entitlements	6 770	6 675	-1	6 725	6 833	6 869
8 036	Total Non Current Liabilities	6 770	6 675	-1	6 725	6 833	6 869
16 939	TOTAL LIABILITIES	16 002	16 337	2	16 667	17 788	18 837
126 354	NET ASSETS	109 879	110 448	1	108 730	105 358	101 511
REPRESENTED BY FUNDS EMPLOYED							
123 059	Accumulated Funds	109 039	109 608	1	107 890	104 518	100 671
3 295	Reserves	840	840	-	840	840	840
126 354	TOTAL FUNDS EMPLOYED	109 879	110 448	1	108 730	105 358	101 511

**Canberra Institute of Technology
Cashflow Statement**

1999-00 Budget \$'000		1999-00 Est.Outcome \$'000	2000-01 Budget \$'000	Var %	2001-02 Estimate \$'000	2002-03 Estimate \$'000	2003-04 Estimate \$'000
335	CASH AT BEGINNING OF REPORTING PERIOD	460	3 016	556	1 074	1 622	43
	CASH FLOWS FROM OPERATING ACTIVITIES						
	Receipts						
66 478	User Charges	61 977	58 586	-5	60 670	61 448	62 990
200	Interest Received	366	100	-73	170	116	38
3 102	Other Revenue	3 036	6 816	125	5 996	6 320	6 470
69 780	Operating Receipts	65 379	65 502	..	66 836	67 884	69 498
	Payments						
46 821	Related to Employees	47 933	42 436	-11	43 598	45 220	46 855
23 261	Related to Administration	19 701	19 576	-1	19 488	19 499	19 813
23	Finance Costs	20	0	-100	0	0	0
1 069	Other	1 162	5 043	334	4 178	4 457	4 560
71 174	Operating Payments	68 816	67 055	-3	67 264	69 176	71 228
-1 394	NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	-3 437	-1 553	55	-428	-1 292	-1 730
	CASH FLOWS FROM INVESTING ACTIVITIES						
	Receipts						
695	Proceeds from Sale of Property, Plant & Equipment	868	0	-100	0	0	0
2 012	Proceeds from Sale/Maturities of Investments	2 480	4 905	98	0	0	1 500
70	Dividends	470	203	-57	208	213	218
2 777	Investing Receipts	3 818	5 108	34	208	213	1 718
	Payments						
5 470	Purchase of Property, Plant and Equipment	4 310	11 013	156	1 402	3 170	3 170
0	Purchase of Investments	0	0	-	1 000	500	0
5 470	Investing Payments	4 310	11 013	156	2 402	3 670	3 170
-2 693	NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	-492	-5 905	#	-2 194	-3 457	-1 452
	CASH FLOWS FROM FINANCING ACTIVITIES						
	Receipts						
5 070	Capital Injection from Government	6 770	5 516	-19	3 170	3 170	3 170
5 070	Financing Receipts	6 770	5 516	-19	3 170	3 170	3 170
	Payments						
55	Repayment of Finance Lease	285	0	-100	0	0	0

Canberra Institute of Technology Cashflow Statement

1999-00 Budget \$'000		1999-00 Est.Outcome \$'000	2000-01 Budget \$'000	Var %	2001-02 Estimate \$'000	2002-03 Estimate \$'000	2003-04 Estimate \$'000
55	Financing Payments	285	0	-100	0	0	0
5 015	NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES	6 485	5 516	-15	3 170	3 170	3 170
928	NET INCREASE/(DECREASE) IN CASH HELD	2 556	-1 942	-176	548	-1 579	-12
1 263	CASH AT THE END OF THE REPORTING PERIOD	3 016	1 074	-64	1 622	43	31

Notes to the Budget Statements

Significant variations are as follows:

Operating Statement

The CIT has benchmarked its delivery costs against vocational education in other states and is in its third year of reducing costs to achieve a benchmarked cost structure. The Learning Services Review identified significant savings over the same three-year period. Amalgamations of campuses and identification of potential surplus assets are being undertaken. Electricity, rates and maintenance costs are also being reviewed. These measures will result in savings of \$3m being achieved in 1999-2000 with a further \$2.7m included for 2000-01. The budgeted operating result (before abnormal items) for CIT in 2000-01 is a loss of \$4.947m, which is an improvement of \$7.488m from the 1999-2000 estimated outcome of \$12.435m. The savings made by CIT are reflected in the reduced operating loss in 2000-01, and in the reduced level of funding in user charges ACT Government, and injection for operations.

- user charges - non ACT Government: the decrease in 1999-2000 from original budget is due to the part year effect of the transfer of some commercial activities to the Institute's company, CIT Solutions Pty Ltd. The decrease of \$1.433m in 2000-01 is mainly due to the full year effect of the above mentioned transfer;
- user charges - ACT Government: the decrease of \$1.840m in 1999-2000 from the original budget is due to less activity than anticipated during the year in the contestable training market. The increase of \$3.650m in 2000-01 is mainly a net result of:
 - reclassification of funding from injection for operations following benchmarking of \$4m;
 - enterprise bargaining increase of \$0.6m;
 - an increase in the 2000-01 forward estimates of \$0.930m due to indexation of funding from the ACT and Commonwealth Governments; offset by
 - continuation of \$0.5m savings introduced in the 1998-99 Budget;

- further savings of \$2.7m that commenced in 1999-2000; and
- adjustment for superannuation of \$0.288m;
- savings from the removal of embedded wholesale sales tax of \$0.125m;
- employee expenses: the decrease of \$4.338m in 2000-01 from 1999-2000 is due to reduced salaries and associated costs as a result of reductions in staffing numbers attributable to a redundancy program over the last three years and transfers of some commercial staff costs to CIT Solutions offset by a salary supplementation rise of \$0.600m for Institute teachers;
- administrative expenses: the decrease of \$2.620m in 1999-2000 from the original budget is due to reductions being made in non-essential building works and a general savings strategy for all facilities expenditures and transfers of some commercial activities to CIT Solutions; and
- injection for operating requirements: the decrease of \$5.443m in 2000-01 from 1999-2000 budget is mainly due to the reclassification of injection for operating requirements in recognition of additional delivery of curriculum hours by CIT (\$2m), and efficiencies made by the Institute in relation to the benchmark.

Statement of Financial Position

- current receivables: the increase of \$0.861m in 1999-2000 from the original budget is due to an increase in the outstanding fees at the end of financial year;
- current investments: the increase of \$2.087 in 1999-2000 from the original budget is due to the revised timetable for completion of major Commonwealth funded capital works programs. These works are expected to be almost fully complete by December 2000;
- current employee entitlements: the decrease of \$0.311m in 1999-2000 from the original budget is due to the payment of accrued employee entitlements associated with voluntary redundancy payments; and

Statement of Cashflows

- capital injections: the \$5.516m in 2000-01 comprises \$1.835m for capital works, \$2.720m in ANTA funding, \$0.511m for e-Service projects, and \$0.450m base funding for plant and equipment.

Capital Works

Departmental

	Estimated Total Cost \$'000	Expenditure Previous Years \$'000	2000-01 Estimated Expenditure \$'000	2000-01 Financing \$'000	Expected Completion Date
New Capital Works					
Minor New Works					
Construction of stormwater sediment ponds Weston	80	-	80	80	June 2001
Refurbish/Repartition A Block , Reid Campus	200	-	200	200	June 2001
Provide external lift access to D Block, Reid Campus	250	-	250	250	June 2001
Refurbish C Block, Reid Campus	250	-	250	250	June 2001
Emergency and evacuation system, Fyshwick Campus	85	-	85	85	June 2001
Replace roof membranes on stairwells, Bruce Campus	90	-	90	90	June 2001
Upgrade carpark security/lighting at Bruce Campus	200	-	200	200	June 2001
Provide new campus entry at Reid Campus	250	-	250	250	June 2001
Video surveillance cameras in corridors, Southside	100	-	100	100	June 2001
Connections-computer labs Reid and Bruce	230	-	230	230	June 2001
Seal roads and footpaths, Weston Campus	100	-	100	100	June 2001
Total Minor New Works	1 835	-	1 835	1 835	
Total Departmental Capital Works	1 835	-	1 835	1 835	

