

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.

2011-12 Priorities

Strategic and operational issues to be pursued in 2011-12 include:

- promoting quality education and learning by integrating the use of e-learning as a core teaching strategy in CIT and providing improved online services to clients;
- growing and developing the business by expanding training activities in productivity places, international and other contestable areas;
- pursuing industry, community and government partnerships by enhancing industry representation on CIT advisory committees and program reference groups and further developing and strengthening partnerships with the school sector and partnering with industry to model sustainability training for the ACT community;
- expanding organisational capability by developing staff digital literacy skills and skills in sustainable practices across CIT;
- participating in the implementation of the agreed recommendations of the ACT Tertiary Education Taskforce: “Learning Capital: an integrated tertiary education system for the ACT” and the Hawke Report: “Governing the City State: One ACT Government – One ACT Public Service”, including the strengthening of relationships with other providers;
- working on the progression of the Fyshwick Campus Master Plan to ensure the most efficient and effective utilisation of learning assets into the future;
- continuing the development of the Tuggeranong Flexible Learning Centre through a design phase that will expand the range of learning services and options that CIT provides to the Tuggeranong community; and
- providing locally based vocational training opportunities at the CIT Gungahlin Learning Centre to meet unmet demand in the Gungahlin community.

Estimated Employment Level

2009-10 Actual Outcome	2010-11 Budget	2010-11 Est. Outcome	2011-12 Budget
854 Staffing (FTE) ¹	866	791 ¹	761 ²

Notes:

1. The decrease of 75 FTE's in the 2010-11 estimated outcome from the original budget is mainly due to less casuals being counted on the census date (April 2011) than the previous period (-60) combined with budget strategies implemented to reduce CIT's expenditure.
2. The decrease of 30 FTE's in the 2011-12 Budget from the estimated outcome is mainly due to the whole-of-government savings initiative.

Strategic Objectives and Indicators

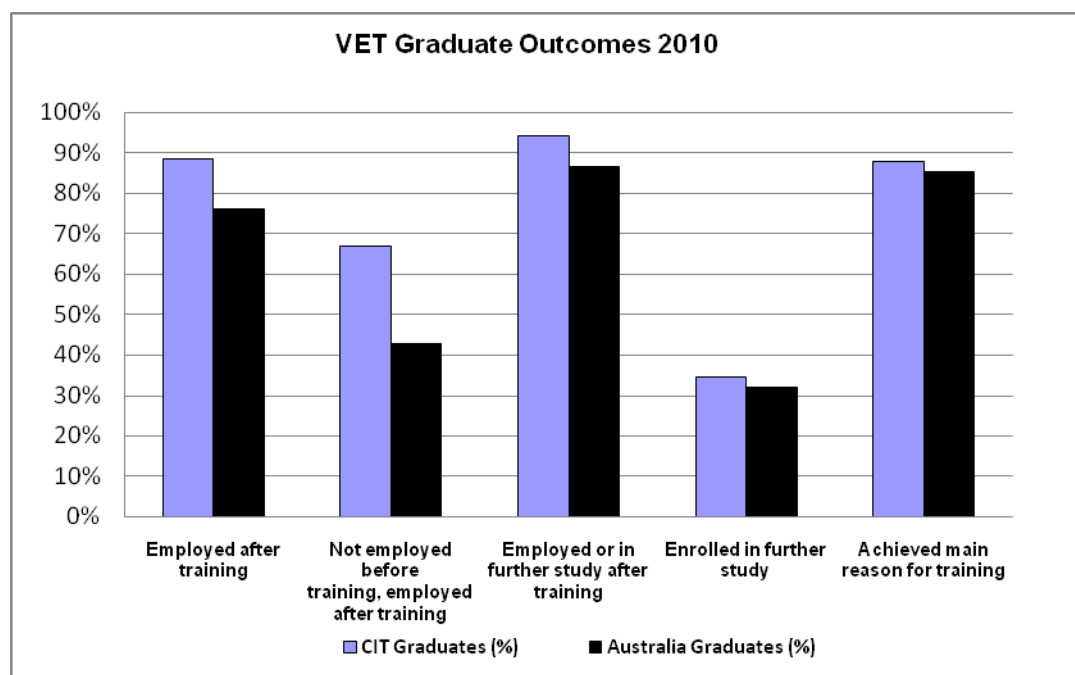
Strategic Objective 1 Student Outcomes

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

Strategic Objective 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 student's employment outcomes and their satisfaction with vocational education and training, 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.¹ The 2010 performance of CIT graduates against national benchmarks for Australian Graduates is highlighted in the chart 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.



Note:

1. The most recently reported figures are from 6 December 2010, as published in the National Centre for Vocational Education Research report: Student Outcomes 2010.

Output Classes

	Total Cost ¹		Government Payment for Outputs	
	2010-11 Est. Outcome (\$'000)	Budget 2011-12 (\$'000)	2010-11 Est. Outcome (\$'000)	Budget 2011-12 (\$'000)
Output Class 1:				
Canberra Institute of Technology	112,923	105,244	67,781	67,979
Output 1.1: Provision of Vocational Education and Training Services	112,923	105,244	67,781	67,979

Note:

- Total cost includes depreciation and amortisation of \$6.238 million in 2010-11 and \$7.679 million in 2011-12 and the \$7.251 million expense impact of the Weston Campus asset transfer to the Department of Territory and Municipal Services Directorate in 2010-11.

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

	2010-11 Target	2010-11 Est. Outcome	2011-12 Target
Output Class 1: Canberra Institute of Technology			
Output 1.1: Provision of Vocational Education and Training Services			
a. Nominal Hours ¹	3,795,000	3,879,384	3,820,000
b. Achieve key output targets.			
– Program Enrolments ¹	19,000	19,500	19,100
– Module Pass Rates	75%	77%	75%
– Program Completions ²	9,000	9,100	9,000
– Graduate Satisfaction Rate ⁵	85%	n/a	n/a
– Learner Satisfaction Rate ³	n/a	n/a	85%
– Employer Satisfaction Rate ³	80%	91%	80%
c. Average Government Payment per Nominal Hour ⁴	\$17.74	\$17.47	\$17.80

Notes:

- Nominal Hours of Training and Program Enrolments are above target for 30 June 2011 due to an increased demand for training from industry and students. Disciplines of high demand include plumbing, building and construction, accounting, business, nursing, children's services and community services.
- The program completions outcome is above target for 30 June 2011 due to a higher number of enrolments and a continued focus on quality support services for CIT's students. In addition, CIT has provided improved pastoral care for students, which has resulted in an increase in program completions and an improvement in module pass rates.
- The 2010 surveys of learner and employer satisfaction showed a satisfaction level of 90 and 91 per cent respectively, reflecting industries' and students' positive view of the relevance of CIT training.
- The decrease in the Average Profile Funding per Nominal Hour occurred as a result of CIT delivering more Profile nominal hours than were funded by the Government Payment for Outputs (GPO) amount. The variance indicates that in 2010-11, CIT internally self-funded the increased demand for training services. The measures relating to CIT's performance against all indicators indicate CIT achieved a very sound performance during 2010-11.
- The Graduate Satisfaction Rate indicator will be replaced by the Learner Satisfaction indicator. This is due to the adoption of a National Survey approach rather than a CIT based approach.

Changes to Appropriation

Changes to Appropriation - Controlled

Government Payment for Outputs	2010-11		2011-12	2012-13	2013-14	2014-15
	Est.	Out.	Budget	Estimate	Estimate	Estimate
	\$'000		\$'000	\$'000	\$'000	\$'000
2010-11 Budget		67,336	67,026	67,456	68,221	68,221
2011-12 Budget Policy Adjustments						
Recurrent Impact of Additional Building Space and Information Technology Investment	-		1,200	-	-	-
Data Population of Building Asset Management System	-		110	112	114	116
Master Plan Fyshwick Trade Skills Centre	-		180	-	-	-
Revised Wage Parameters	100		(26)	340	346	356
Savings Initiative	-		(1,439)	(1,672)	(1,694)	(1,718)
2011-12 Budget Technical Adjustments						
Revised Indexation Parameters	-		110	113	116	1,267
Revised Commonwealth Grants - TAFE Fee Waivers Childcare NP	345		67	69	93	93
Revised Commonwealth Grants - National Skills and Workforce Development SPP	-		113	183	210	490
Revised Superannuation Contribution	-		638	766	486	235
2011-12 Budget		67,781	67,979	67,367	67,892	69,060

Changes to Appropriation - Controlled

Capital Injections	2010-11		2011-12	2012-13	2013-14	2014-15
	Est.	Out.	Budget	Estimate	Estimate	Estimate
	\$'000		\$'000	\$'000	\$'000	\$'000
2010-11 Budget		15,445	5,065	4,843	3,651	3,651
2011-12 Budget Policy Adjustments						
New CIT Learning Centre Tuggeranong – (Design)	-		700	-	-	-
Data Population of Building Asset Management System	-		250	-	-	-
Asbestos Removal and Remediation of Watson Campus	-		815	-	-	-
2011-12 Budget Technical Adjustments						
Upgrades for Canberra Raiders Facility at CIT	1,144		-	-	-	-
2011-12 Budget Technical Adjustment						
Revised Indexation Parameters	-		-	-	-	60
2011-12 Budget		16,589	6,830	4,843	3,651	3,711

2011-12 Capital Works Program

	Estimated Total Cost \$'000	Estimated Expenditure Pre 2011-12 \$'000	2011-12 Financing \$'000	2012-13 Financing \$'000	2013-14 Financing \$'000	Physical Completion Date
New Capital Works						
Master Plan Fyshwick Trade Skills Centre (Feasibility)	180	-	180	-	-	Jun 2012
New CIT Tuggeranong Learning Centre (Design)	700	-	700	-	-	Jun 2012
Asbestos Removal and Remediation at Watson Campus	815	-	815	-	-	Jun 2012
Total New Capital Works	1,695	-	1,695	-	-	
Capital Upgrades						
Health and Safety Improvements	820	-	820			
Energy Management/Educational Improvements	359	-	359			
Building Improvements	1,100	-	1,100			
Total Capital Upgrades	2,279	-	2,279			
Total New Works	3,974	-	3,974	-	-	
Total Capital Works Program	3,974	-	3,974	-	-	

Canberra Institute of Technology Operating Statement

2010-11 Budget \$'000		2010-11 Est.Outcome \$'000	2011-12 Budget \$'000	Var %	2012-13 Estimate \$'000	2013-14 Estimate \$'000	2014-15 Estimate \$'000
Income							
Revenue							
67,336	Government Payment for Outputs	67,781	67,979	..	67,367	67,892	69,060
18,603	User Charges - Non ACT Government	15,703	16,725	7	17,661	18,586	19,038
8,153	User Charges - ACT Government	10,662	8,165	-23	8,165	8,165	8,369
615	Interest	215	247	15	278	310	310
900	Dividend Revenue	2,000	1,300	-35	800	800	800
4,836	Other Revenue	4,582	3,836	-16	3,836	3,836	3,836
35	Resources Received Free of Charge	35	35	-	35	35	35
100,478	Total Revenue	100,978	98,287	-3	98,142	99,624	101,448
Gains							
30	Other Gains	64	64	-	64	64	64
30	Total Gains	64	64	-	64	64	64
100,508	Total Income	101,042	98,351	-3	98,206	99,688	101,512
Expenses							
58,453	Employee Expenses	58,387	56,863	-3	58,305	59,138	59,912
7,781	Superannuation Expenses	7,823	7,858	..	7,720	7,548	7,390
32,375	Supplies and Services	32,853	32,506	-1	30,971	31,760	32,842
6,238	Depreciation and Amortisation	6,238	7,679	23	7,838	7,839	7,839
66	Grants and Purchased Services	66	33	-50	0	0	0
305	Other Expenses	7,556	305	-96	346	346	350
105,218	Total Ordinary Expenses	112,923	105,244	-7	105,180	106,631	108,333
-4,710	Operating Result	-11,881	-6,893	42	-6,974	-6,943	-6,821
-4,710	Total Comprehensive Income	-11,881	-6,893	42	-6,974	-6,943	-6,821

Canberra Institute of Technology Balance Sheet

Budget as at 30/6/11 \$'000		Est.Outcome as at 30/6/11 \$'000	Planned as at 30/6/12 \$'000	Var %	Planned as at 30/6/13 \$'000	Planned as at 30/6/14 \$'000	Planned as at 30/6/15 \$'000
Current Assets							
5,895	Cash and Cash Equivalents	1,339	2,250	68	3,148	4,070	5,114
6,351	Receivables	7,230	7,230	-	7,230	7,230	7,230
65	Other	142	142	-	142	142	142
12,311	Total Current Assets	8,711	9,622	10	10,520	11,442	12,486
Non Current Assets							
20	Investments	20	20	-	20	20	20
363,131	Property, Plant and Equipment	353,930	366,805	4	365,302	361,424	357,606
0	Intangibles	0	3,788	#	2,826	1,863	900
21,900	Capital Works in Progress	26,618	9,636	-64	9,636	10,819	12,002
385,051	Total Non Current Assets	380,568	380,249	..	377,784	374,126	370,528
397,362	TOTAL ASSETS	389,279	389,871	..	388,304	385,568	383,014
Current Liabilities							
697	Payables	4,536	4,536	-	4,536	4,536	4,536
75	Interest Bearing Liabilities	75	75	-	75	75	75
16,275	Employee Benefits	16,279	16,827	3	17,283	17,741	18,199
3,467	Other	4,595	4,595	-	4,595	4,595	4,595
20,514	Total Current Liabilities	25,485	26,033	2	26,489	26,947	27,405
Non Current Liabilities							
1,818	Employee Benefits	1,678	1,785	6	1,893	1,991	2,089
1,818	Total Non Current Liabilities	1,678	1,785	6	1,893	1,991	2,089
22,332	TOTAL LIABILITIES	27,163	27,818	2	28,382	28,938	29,494
375,030	NET ASSETS	362,116	362,053	..	359,922	356,630	353,520
REPRESENTED BY FUNDS EMPLOYED							
132,688	Accumulated Funds	119,774	119,711	..	117,580	114,288	111,178
242,342	Reserves	242,342	242,342	-	242,342	242,342	242,342
375,030	TOTAL FUNDS EMPLOYED	362,116	362,053	..	359,922	356,630	353,520

Canberra Institute of Technology Cash Flow Statement

2010-11 Budget \$'000		2010-11 Est.Outcome \$'000	2011-12 Budget \$'000	Var %	2012-13 Estimate \$'000	2013-14 Estimate \$'000	2014-15 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts							
67,336	Cash from Government for Outputs	67,781	67,979	..	67,367	67,892	69,060
24,101	User Charges	23,710	24,890	5	25,826	26,751	27,407
615	Interest Received	215	247	15	278	310	310
8,139	Other Revenue	7,919	8,173	3	8,173	8,173	8,173
900	Dividends	2,000	1,300	-35	800	800	800
101,091	Operating Receipts	101,625	102,589	1	102,444	103,926	105,750
Payments							
57,813	Related to Employees	58,279	56,209	-4	57,741	58,582	59,356
7,781	Related to Superannuation	7,823	7,857	..	7,720	7,548	7,390
32,443	Related to Supplies and Services	32,921	32,319	-2	30,784	31,573	32,655
66	Grants and Purchased Services	66	33	-50	0	0	0
4,505	Other	4,505	4,760	6	4,801	4,801	4,805
102,608	Operating Payments	103,594	101,178	-2	101,046	102,504	104,206
-1,517	NET CASH INFLOW/ (OUTFLOW) FROM OPERATING ACTIVITIES	-1,969	1,411	172	1,398	1,422	1,544
CASH FLOWS FROM INVESTING ACTIVITIES							
Payments							
13,945	Purchase of Property, Plant and Equipment and Capital Works	15,089	7,330	-51	5,343	4,151	4,211
2,000	Purchase of Land and Intangibles	2,000	0	-100	0	0	0
15,945	Investing Payments	17,089	7,330	-57	5,343	4,151	4,211
-15,945	NET CASH INFLOW/ (OUTFLOW) FROM INVESTING ACTIVITIES	-17,089	-7,330	57	-5,343	-4,151	-4,211
CASH FLOWS FROM FINANCING ACTIVITIES							
Receipts							
15,445	Capital Injection from Government	16,589	6,830	-59	4,843	3,651	3,711
15,445	Financing Receipts	16,589	6,830	-59	4,843	3,651	3,711
15,445	NET CASH INFLOW/ (OUTFLOW) FROM FINANCING ACTIVITIES	16,589	6,830	-59	4,843	3,651	3,711
-2,017	NET INCREASE/ (DECREASE) IN CASH HELD	-2,469	911	137	898	922	1,044
7,912	CASH AT BEGINNING OF REPORTING PERIOD	3,808	1,339	-65	2,250	3,148	4,070
5,895	CASH AT THE END OF THE REPORTING PERIOD	1,339	2,250	68	3,148	4,070	5,114

Canberra Institute of Technology Statement of Changes in Equity

Budget as at 30/6/11 \$'000		Est.Outcome as at 30/6/11 \$'000	Planned as at 30/6/12 \$'000	Var %	Planned as at 30/6/13 \$'000	Planned as at 30/6/14 \$'000	Planned as at 30/6/15 \$'000
Opening Equity							
121,953	Opening Accumulated Funds	115,066	119,774	4	119,711	117,580	114,288
242,342	Opening Asset Revaluation Reserve	242,342	242,342	-	242,342	242,342	242,342
364,295	Balance at the Start of the Reporting Period	357,408	362,116	1	362,053	359,922	356,630
Comprehensive Income							
-4,710	Operating Result for the Period	-11,881	-6,893	42	-6,974	-6,943	-6,821
-4,710	Total Comprehensive Income	-11,881	-6,893	42	-6,974	-6,943	-6,821
0	Total Movement In Reserves	0	0	-	0	0	0
Transactions Involving Owners Affecting Accumulated Funds							
15,445	Capital Injections	16,589	6,830	-59	4,843	3,651	3,711
15,445	Total Transactions Involving Owners Affecting Accumulated Funds	16,589	6,830	-59	4,843	3,651	3,711
Closing Equity							
132,688	Closing Accumulated Funds	119,774	119,711	..	117,580	114,288	111,178
242,342	Closing Asset Revaluation Reserve	242,342	242,342	-	242,342	242,342	242,342
375,030	Balance at the End of the Reporting Period	362,116	362,053	..	359,922	356,630	353,520

Notes to the Budget Statements

Significant variations are as follows:

Operating Statement

- government payment for outputs:
 - the increase of \$0.445 million in the 2010-11 estimated outcome from the original budget is due to additional funding relating to the 2010-11 Clerical Collective Agreement (\$0.1 million), and from the Commonwealth Government National Partnership Payment (NPP) for Childcare TAFE fee waivers (\$0.345 million); and
 - the increase of \$0.198 million in the 2011-12 Budget from the 2010-11 estimated outcome is mainly due to funding for new initiatives (\$1.490 million) offset by the whole-of-government savings initiative.

- user charges — non ACT Government:
 - the decrease of \$2.9 million in the 2010-11 estimated outcome from the original budget is mainly due to an decrease in international student tuition revenue (\$1.7 million) and the reclassification to User Charges – ACT Government of commercial revenue through CIT Solutions (\$1.2 million); and
 - the increase of \$1.022 million in the 2011-12 Budget from the 2010-11 estimated outcome is due to CIT’s increased expectations for fees and charges.
- user charges — ACT Government:
 - the increase of \$2.509 million in the 2011-12 Budget from the 2010-11 estimated outcome is mainly due to additional revenue for contracted commercial projects (\$0.5 million), the reclassification from User Charges – non ACT Government of commercial revenue through CIT Solutions (\$1.2 million) and the Productivity Places Program (\$0.809 million); and
 - the decrease of \$2.497 million in the 2011-12 Budget from the 2010-11 estimated outcome is mainly due to the cessation of funding for the Productivity Places Program (\$0.809 million), a reduction in funding associated with Grants from ACT Government agencies (\$1 million), and an expected reduction in commercial revenue through CIT Solutions (\$0.6 million).
- interest: the decrease of \$0.4 million in the 2010-11 estimated outcome from the original budget is due to lower cash and investment balances.
- dividend revenue:
 - the increase of \$1.1 million in the 2010-11 estimated outcome from the original budget is mainly due to a special dividend from CIT Solutions to CIT, to contribute to the cost of the Sustainable Skills Building on Bruce Campus.
 - the increase of \$0.4 million in the 2011-12 Budget from the 2010-11 estimated outcome is due to increased dividend returns to be paid to CIT from the investment in CIT Solutions.
- other revenue:
 - the decrease of \$0.254 million in the 2010-11 estimated outcome from the original budget relates decreased expectations for Commonwealth funded grants; and
 - the decrease of \$0.746 million in the 2011-12 Budget from the 2010-11 estimated outcome mainly relates to the cessation of funding received in 2010-11 to deliver the Sustainable Skills Training Centre at Bruce Campus under the Commonwealth Government’s Training Infrastructure Investment For Tomorrow Program.
- employee expenses: the decrease of \$1.524 million in the 2011-12 Budget from the 2010-11 estimated outcome is mainly due to strategies implemented by CIT to reduce expenditure levels and to reduce the over provision of training against government funding for outputs (\$1.386 million) and the impact of long service leave liability present value updates (\$0.555 million), partially offset by Certified Agreement wage increases (\$0.961 million) and additional expenditure associated with the delivery of 2011-12 Budget Initiatives (\$0.083 million).

- supplies and services:
 - the increase of \$0.478 million in the 2010-11 estimated outcome from the original budget is mainly due to the additional costs associated with over-delivery of training against government funding for outputs and the increase in expenditure on ICT and facilities management; and
 - the decrease of \$0.347 million in the 2011-12 Budget from the 2010-11 estimated outcome mainly relates to impact of the savings initiative (\$0.722 million) off-set by increased costs associated with core delivery activities.
- depreciation and amortisation: the increase of \$1.441 million in the 2011-12 Budget from the 2010-11 estimated outcome primarily results from the increase in CIT's depreciable asset base.
- other expenses: the increase of \$7.251 million in the 2010-11 estimated outcome from the original budget and the decrease of \$7.251 million in the 2011-12 Budget from the 2010-11 estimated outcome is due to the transfer of the Weston Campus asset from CIT to the Department of Territory and Municipal Services.

Balance Sheet

- cash and cash equivalents:
 - the decrease of \$4.556 million in the 2010-11 estimated outcome from the original budget is due to the impact of increased expenditure associated with the over-delivery of training against government funding for outputs and the increase in expenditure on ICT and facilities management costs; and
 - the increase of \$0.911 million in the 2011-12 Budget from the 2010-11 estimated outcome reflects the positive impact of strategies implemented by CIT to mitigate current expenditure pressures and to increase cash inflows.
- receivables: the increase of \$0.879 million in the 2010-11 estimated outcome from the original budget is mainly due to an increase in services fees revenue and GST credits recoverable from the ATO.
- other current assets: the increase of \$0.077 million in the 2010-11 estimated outcome from the original budget is due to higher levels of prepayments for library resources and insurance fees.
- property, plant and equipment:
 - the decrease of \$9.201 million in the 2010-11 estimated outcome from the original budget is associated with the transfer of the Weston Campus from CIT to the Department of Territory and Municipal Services Directorate (\$7.251 million) combined with the timing of capitalising assets and reflects a higher than anticipated level of capital works in progress; and
 - the increase of \$12.875 million in the 2011-12 Budget from the 2010-11 estimated outcome relates to the completion of projects in the capital works program.
- capital works in progress: the increase of \$4.718 million in the 2010-11 estimated outcome from the original budget and the decrease of \$16.982 million in the 2011-12 Budget from the 2010-11 estimated outcome relate to the timing of the capital works program as well as the Commonwealth Government funded Sustainable Skills Training Centre.

- payables: the increase of \$3.839 million in the 2010-11 estimated outcome from the original budget is due the timing of payments to ACT Government suppliers.
- current and non current employee benefits:
 - the decrease of \$0.136 million in the 2010-11 estimated outcome from the original budget relates to the reduction of CIT's staffing levels; and
 - the increase of \$0.655 million in the 2011-12 Budget from the 2010-11 estimated outcome is due to revised wage parameters.
- other current liabilities:
 - the increase of \$1.128 million in the 2010-11 estimated outcome from the original budget is due to additional revenue held in advance for Commonwealth Government contracts and student fees.

Cash Flow Statement

Variances in the statement are explained in the notes above.

Statement of Changes in Equity

Variances in the statement are explained in the notes above.