

Objectives

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

CIT's strategic plan (1998 – 2001) was developed in accordance with key vocational education and training (VET) strategies, especially the ACT Training Profile for 2000 and beyond. The development in 2001 of CIT's next strategic plan (2002 - 2004) will take into account the many external influences impacting on the delivery of VET in the ACT and region, and provide an opportunity for government, unions, industry and the community to contribute to its development.

2001-02 Highlights

Strategic and operational issues that will be pursued in 2001-02 include:

- developing the Institute's next three year Strategic Plan (2002 - 2004) and associated Faculty/Division business plans, to reflect industry, community, and government needs;
- continuing to refine the CIT program profile to reflect ACT community and regional vocational training and education requirements in conjunction with the Department of Education and Community Services. Priorities in 2001 include information technology, business studies, health and community services and adult preparatory programs;
- maximising the capacity of CIT graduates to be competitive in rapidly growing and changing employment markets;
- maintaining the process of continuous improvement through the use of Process Improvement Working Groups while assessing the appropriate quality framework to be used by CIT as a flow-on from Registered Training Organisation status;
- developing opportunities for increased off-budget revenue in keeping with the purchaser provider approach;
- providing all staff with targeted professional development opportunities and implementing an Institute-wide performance management system in accordance with the new Certified Agreements; and
- continuing to manage CIT properties and assets in a cost-effective manner.

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

2000-01 Budget \$'000		2000-01 Est.Outcome \$'000	2001-02 Budget \$'000	Var %	2002-03 Estimate \$'000	2003-04 Estimate \$'000	2004-05 Estimate \$'000
Revenue							
6 742	User Charges - Non ACT Government	10 354	9 734	-6	10 603	10 830	11 062
51 844	User Charges - ACT Government	49 657	51 691	4	51 634	52 914	53 792
100	Interest	430	228	-47	212	117	24
203	Dividend Revenue	100	208	108	213	218	218
2 994	Other Revenue	3 009	3 060	2	3 129	3 198	3 271
32	Resources Received free of charge	38	33	-13	33	34	35
61 915	Total Ordinary Revenue	63 588	64 954	2	65 824	67 311	68 402
Expenses							
36 351	Employee Expenses	37 210	37 550	1	39 036	40 423	40 955
6 420	Superannuation Expenses	5 929	6 587	11	6 784	6 987	7 071
19 608	Administrative Expenses	20 850	21 580	4	20 256	20 526	20 996
3 292	Depreciation and Amortisation	3 014	3 370	12	3 636	3 747	3 836
1 191	Other Expenses	1 482	1 212	-18	1 236	1 258	1 283
66 862	Total Ordinary Expenses	68 485	70 299	3	70 948	72 941	74 141
-4 947	Operating Result	-4 897	-5 345	-9	-5 124	-5 630	-5 739
109 879	Total Equity From Start of Period	111 736	113 664	2	112 629	110 675	108 215
5 516	Capital Injections	6 825	4 310	-37	3 170	3 170	3 170
110 448	Total Equity At The End of Period	113 664	112 629	-1	110 675	108 215	105 646

Canberra Institute of Technology Statement Of Financial Position

Budget as at 30/6/01 \$'000		Est.Outcome as at 30/6/01 \$'000	Planned as at 30/6/02 \$'000	Var %	Planned as at 30/6/03 \$'000	Planned as at 30/6/04 \$'000	Planned as at 30/6/05 \$'000
Current Assets							
1 074	Cash	1 854	1 086	-41	456	359	120
3 470	Receivables	3 213	2 316	-28	2 316	2 316	2 316
0	Investments	2 888	3 378	17	2 878	1 378	0
419	Other	87	87	-	87	87	87
4 963	Total Current Assets	8 042	6 867	-15	5 737	4 140	2 523
Non Current Assets							
20	Investments	20	20	-	20	20	20
117 350	Property, Plant and Equipment	118 922	119 792	1	119 556	119 209	118 773
4 452	Capital Works in Progress	3 751	3 351	-11	3 151	2 951	2 751
121 822	Total Non Current Assets	122 693	123 163	..	122 727	122 180	121 544
126 785	TOTAL ASSETS	130 735	130 030	-1	128 464	126 320	124 067
Current Liabilities							
1 451	Creditors	2 450	2 450	-	2 450	2 450	2 450
5 680	Employee Entitlements	4 082	4 362	7	4 642	4 922	5 202
2 531	Other	3 785	3 785	-	3 785	3 785	3 785
9 662	Total Current Liabilities	10 317	10 597	3	10 877	11 157	11 437
Non Current Liabilities							
6 675	Employee Entitlements	6 754	6 804	1	6 912	6 948	6 984
6 675	Total Non Current Liabilities	6 754	6 804	1	6 912	6 948	6 984
16 337	TOTAL LIABILITIES	17 071	17 401	2	17 789	18 105	18 421
110 448	NET ASSETS	113 664	112 629	-1	110 675	108 215	105 646
REPRESENTED BY FUNDS							
EMPLOYED							
109 608	Accumulated Funds	112 824	111 789	-1	109 835	107 375	104 806
840	Reserves	840	840	-	840	840	840
110 448	TOTAL FUNDS EMPLOYED	113 664	112 629	-1	110 675	108 215	105 646

Canberra Institute of Technology Cashflow Statement

2000-01 Budget \$'000		2000-01 Est.Outcome \$'000	2001-02 Budget \$'000	Var %	2002-03 Estimate \$'000	2003-04 Estimate \$'000	2004-05 Estimate \$'000
3 016	CASH AT BEGINNING OF REPORTING PERIOD	495	1 854	275	1 086	456	359
	CASH FLOWS FROM OPERATING ACTIVITIES						
	Receipts						
58 586	User Charges	60 441	62 322	3	62 237	63 744	64 854
100	Interest Received	430	228	-47	212	117	24
6 816	Other Revenue	7 528	5 988	-20	6 305	6 446	6 601
65 502	Operating Receipts	68 399	68 538	..	68 754	70 307	71 479
	Payments						
42 436	Related to Employees	44 545	43 807	-2	45 432	47 094	47 710
19 576	Related to Administration	20 286	21 547	6	20 223	20 492	20 961
5 043	Other	6 009	4 170	-31	4 442	4 536	4 643
67 055	Operating Payments	70 840	69 524	-2	70 097	72 122	73 314
-1 553	NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	-2 441	-986	60	-1 343	-1 815	-1 835
	CASH FLOWS FROM INVESTING ACTIVITIES						
	Receipts						
4 905	Proceeds from Sale/Maturities of Investments	6 912	510	-93	1 000	1 500	1 378
203	Dividends	500	208	-58	213	218	218
5 108	Investing Receipts	7 412	718	-90	1 213	1 718	1 596
	Payments						
11 013	Purchase of Property, Plant and Equipment	10 437	3 810	-63	3 170	3 170	3 170
0	Purchase of Investments	0	1 000	#	500	0	0
11 013	Investing Payments	10 437	4 810	-54	3 670	3 170	3 170
-5 905	NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	-3 025	-4 092	-35	-2 457	-1 452	-1 574
	CASH FLOWS FROM FINANCING ACTIVITIES						
	Receipts						
5 516	Capital Injection from Government	6 825	4 310	-37	3 170	3 170	3 170

Canberra Institute of Technology Cashflow Statement

2000-01 Budget \$'000		2000-01 Est.Outcome \$'000	2001-02 Budget \$'000	Var %	2002-03 Estimate \$'000	2003-04 Estimate \$'000	2004-05 Estimate \$'000
5 516	Financing Receipts	6 825	4 310	-37	3 170	3 170	3 170
5 516	NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES	6 825	4 310	-37	3 170	3 170	3 170
-1 942	NET INCREASE/(DECREASE) IN CASH HELD	1 359	-768	-157	-630	-97	-239
1 074	CASH AT THE END OF THE REPORTING PERIOD	1 854	1 086	-41	456	359	120

Notes to the Budget Statements

Statement of Financial Performance

The CIT has benchmarked its delivery costs against vocational education in other states and has provided significant savings to Government over the last three-year period. For 2001-02, the CIT is budgeting to have an operating loss of \$5.345m, which is slightly more than the 2000-01 estimated outcome of \$4.897m. Payments direct from government will increase by \$1.711m due to teachers' salary supplementation, indexation and funding for scholarships for disadvantaged students.

Significant variations are as follows:

- user charges - non-ACT Government: the increase of \$3.612m in 2000-01 from the original budget is due to the reclassification of some revenues from user charges ACT Government following changes to CIT's client mix within the year. The decrease of \$0.620m in 2001-02 is mainly due to fewer major contracts expected during the year;
- user charges - ACT Government: the decrease of \$2.187m in 2000-01 from the original budget is mainly due to the reclassification of revenues to non-ACT government user charges following changes to CIT's client mix within the year. The increase of \$2.034m in 2001-02 is mainly a net result of:
 - a salary supplementation for Institute teachers of \$0.610m;
 - an increase in funding to offer scholarships to disadvantaged students of \$0.1m;
 - an increase in the 2001-02 forward estimates of \$1.108m due to indexation of funding from the ACT and Commonwealth Governments; offset by
 - an adjustment for reduced superannuation costs of \$0.066m; and
 - savings from the removal of embedded Wholesale Sales Tax of \$0.147m;

- employee expenses: the increase of \$0.859m in 2000-01 from the original budget is due to a combination of backpayment of staff payrises and a small redundancy program during the year. The increase in 2001-02 relates to increases in salary payments in accordance with the Institute's Certified Agreement; and
- administrative expenses: the increase of \$1.242m in 2000-01 from the original budget is due to increased off budget activity during the year and larger than expected technology costs.

Statement of Financial Position

- current investments: the increase of \$2.888m in 2000-01 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 fully complete by September 2001;
- current creditors: the increase of \$0.999m in 2000-01 from the original budget is due to an expected increase in invoices to be paid in July 2001; and
- current employee entitlements: the decrease of \$1.598m in 2000-01 from the original budget is due to the payment of accrued employee entitlements associated with recreation leave, long service leave and voluntary redundancy payments.

Statement of Cash Flows

- capital injections: the \$4.310m in 2001-02 comprises \$2m for capital works, \$1.360m in ANTA funding, \$0.5m for development of CIT's Virtual Campus, and \$0.450m base funding for plant and equipment. The decrease in 2001-02 from the 2000-01 estimated outcome is due to Commonwealth infrastructure funding being brought forward from 2001-02.

Capital Works

Departmental

	Estimated Total Cost \$'000	Expenditure Previous Years \$'000	2001-02 Estimated Expenditure \$'000	2001-02 Financing \$'000	Expected Completion Date
New Capital Works					
Minor New Works					
Centralise building evacuation alarm systems – Reid campus	100	-	100	100	Feb 2002
Replace emergency power generator – Bruce campus	180	-	180	180	June 2002
Provide visual and textural warnings for visually impaired persons – all campuses	250	-	250	250	June 2002
Upgrade computer network infrastructure – all campuses	250	-	250	250	June 2002
Upgrade exhaust systems – K block Reid campus	250	-	250	250	June 2002
Upgrade toilets – D & G blocks Reid campus	150	-	150	150	Mar 2002
Replace air-conditioning ductwork – D block Bruce campus	100	-	100	100	June 2002
Fitout second floor – A block Bruce campus	200	-	200	200	June 2002
Completion of landscape masterplan for Watson relocation – Reid campus	200	-	200	200	June 2002
Seal carpark – Fyshwick campus	70	-	70	70	Feb 2002
Infill voids – 1 st and 2 nd floor, C block – Bruce campus	150	-	150	150	June 2002
Construct covered walkways – Fyshwick campus	100	-	100	100	June 2002
Total Minor New Works	2 000	-	2 000	2 000	
Total Departmental Capital Works	2 000	-	2 000	2 000	

