

### Objectives

CIT Solutions Pty Ltd (CIT Solutions) is a company owned by the Canberra Institute of Technology (CIT), and which operates under CIT's status as a Registered Training Organisation (RTO). CIT Solutions is focussed on providing customised training, education and consultancy services in the ACT, Australia and internationally. To provide these services it draws on the expertise of the academic staff of CIT, as well as carefully selected contractors and consultants from industry and academia.

CIT Solutions provides most of the CIT's commercial activities through a range of services that include:

- delivering a wide range of nationally accredited qualifications, short accredited programs and personal development and leisure programs;
- providing a wide range of consultancy services including:
  - the design and development of customised systems, programs and resources as well as accreditation services; and
  - training and skills needs analyses.
- providing individualised training in more than 80 languages; and
- coordinating CIT's international activities including marketing, student recruitment, student pastoral care, student accommodation and off-shore educational activities.

### 2010-11 Priorities

Strategic and operational issues to be pursued in 2010-11 include:

- continuing to grow the core business by strengthening working relationships with key clients;
- striving to become the training provider of choice for the ACT Government;
- enhancing the online learning capability for clients through the development of new online training programs;
- continuing to enhance the capacity to do business by providing high quality facilities; and
- continuing to support our staff and contractors to optimise their job satisfaction, work outputs and capability to interact with clients through professional development activities.

## Business and Corporate Strategies

The strategies to be employed to achieve the 2010-11 priorities are to:

- gain a better understanding of client's motivations and needs through regular networking and positive representation at meetings to market CIT Solutions' capability and be responsive to client preferences;
- optimise the use of a client relationship database in order to establish and maintain an internal culture of sharing intelligence and collaboration to better meet the needs of clients;
- research new learning and development trends and apply 'good practice' models in order to develop innovative training programs to grow CIT Solutions' capability;
- conduct regular evaluations of programs, resources and delivery strategies and make improvements based on the information gathered;
- enhance the flexibility of products and services through appropriate use of e-learning and online administration;
- invest sufficiently to provide well maintained facilities and equipment to support current and projected business needs;
- improve recruitment strategies to attract and retain staff and contractors by providing competitive remuneration and attractive conditions of service; and
- provide a work environment that respects all staff and contractors and enables them to perform their roles effectively through job rotation, coaching, mentoring and on-going professional development.

## Estimated Employment Levels

<b>2008-09 Actual Outcome</b>	<b>2009-10 Budget</b>	<b>2009-10 Est. Outcome</b>	<b>2010-11 Budget</b>
82 Staffing (FTE) <sup>1</sup>	74	83	83

**Note:**

1. The increase of 9 FTEs in the 2009-10 estimated outcome from the original budget is due to increased staffing required for the management of increased numbers of CIT international students and increased activity in international language training.

**CIT Solutions Pty Ltd**  
**Operating Statement**

2009-10 Budget \$'000		2009-10 Est.Outcome \$'000	2010-11 Budget \$'000	Var %	2011-12 Estimate \$'000	2012-13 Estimate \$'000	2013-14 Estimate \$'000
<b>Income</b>							
<b>Revenue</b>							
11,408	User Charges - Non ACT Government	12,119	12,338	2	12,607	12,809	13,023
2,936	User Charges - ACT Government	4,036	4,069	1	4,110	4,153	4,207
105	Interest	125	126	1	125	126	126
110	Other Revenue	130	130	-	131	133	135
<b>14,559</b>	<b>Total Revenue</b>	<b>16,410</b>	<b>16,663</b>	<b>2</b>	<b>16,973</b>	<b>17,221</b>	<b>17,491</b>
<b>Gains</b>							
<b>0</b>	<b>Total Gains</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>14,559</b>	<b>Total Income</b>	<b>16,410</b>	<b>16,663</b>	<b>2</b>	<b>16,973</b>	<b>17,221</b>	<b>17,491</b>
<b>Expenses</b>							
5,967	Employee Expenses	6,982	6,994	..	7,112	7,193	7,275
540	Superannuation Expenses	601	614	2	626	633	641
6,316	Supplies and Services	6,896	7,010	2	7,154	7,303	7,471
88	Depreciation and Amortisation	120	127	6	144	151	151
436	Other Expenses	638	647	1	658	669	681
<b>13,347</b>	<b>Total Ordinary Expenses</b>	<b>15,237</b>	<b>15,392</b>	<b>1</b>	<b>15,694</b>	<b>15,949</b>	<b>16,219</b>
<b>1,212</b>	<b>Operating Result</b>	<b>1,173</b>	<b>1,271</b>	<b>8</b>	<b>1,279</b>	<b>1,272</b>	<b>1,272</b>
<b>1,212</b>	<b>Total Comprehensive Income</b>	<b>1,173</b>	<b>1,271</b>	<b>8</b>	<b>1,279</b>	<b>1,272</b>	<b>1,272</b>

**CIT Solutions  
Balance Sheet**

<b>Budget as at 30/6/10 \$'000</b>		<b>Est.Outcome as at 30/6/10 \$'000</b>	<b>Planned as at 30/6/11 \$'000</b>	<b>Var %</b>	<b>Planned as at 30/6/12 \$'000</b>	<b>Planned as at 30/6/13 \$'000</b>	<b>Planned as at 30/6/14 \$'000</b>
<b>Current Assets</b>							
2,961	Cash and Cash Equivalents	3,047	3,432	13	3,838	4,244	4,650
1,820	Receivables	2,218	2,256	2	2,307	2,358	2,409
117	Other	95	95	-	95	95	95
<b>4,898</b>	<b>Total Current Assets</b>	<b>5,360</b>	<b>5,783</b>	<b>8</b>	<b>6,240</b>	<b>6,697</b>	<b>7,154</b>
<b>Non Current Assets</b>							
232	Property, Plant and Equipment	410	391	-5	375	348	315
0	Intangibles	13	33	154	23	17	17
<b>232</b>	<b>Total Non Current Assets</b>	<b>423</b>	<b>424</b>	<b>..</b>	<b>398</b>	<b>365</b>	<b>332</b>
<b>5,130</b>	<b>TOTAL ASSETS</b>	<b>5,783</b>	<b>6,207</b>	<b>7</b>	<b>6,638</b>	<b>7,062</b>	<b>7,486</b>
<b>Current Liabilities</b>							
640	Payables	513	561	9	612	663	714
582	Employee Benefits	733	737	1	737	737	737
705	Other	1,117	1,117	-	1,117	1,117	1,117
<b>1,927</b>	<b>Total Current Liabilities</b>	<b>2,363</b>	<b>2,415</b>	<b>2</b>	<b>2,466</b>	<b>2,517</b>	<b>2,568</b>
<b>Non Current Liabilities</b>							
49	Employee Benefits	120	121	1	122	123	124
0	Other Provisions	23	23	-	23	23	23
<b>49</b>	<b>Total Non Current Liabilities</b>	<b>143</b>	<b>144</b>	<b>1</b>	<b>145</b>	<b>146</b>	<b>147</b>
<b>1,976</b>	<b>TOTAL LIABILITIES</b>	<b>2,506</b>	<b>2,559</b>	<b>2</b>	<b>2,611</b>	<b>2,663</b>	<b>2,715</b>
<b>3,154</b>	<b>NET ASSETS</b>	<b>3,277</b>	<b>3,648</b>	<b>11</b>	<b>4,027</b>	<b>4,399</b>	<b>4,771</b>
<b>REPRESENTED BY FUNDS EMPLOYED</b>							
3,134	Accumulated Funds	3,257	3,628	11	4,007	4,379	4,751
20	Reserves	20	20	-	20	20	20
<b>3,154</b>	<b>TOTAL FUNDS EMPLOYED</b>	<b>3,277</b>	<b>3,648</b>	<b>11</b>	<b>4,027</b>	<b>4,399</b>	<b>4,771</b>

**CIT Solutions**  
**Cash Flow Statement**

2009-10 Budget \$'000		2009-10 Est.Outcome \$'000	2010-11 Budget \$'000	Var %	2011-12 Estimate \$'000	2012-13 Estimate \$'000	2013-14 Estimate \$'000
	<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
	<b>Receipts</b>						
14,344	User Charges	16,144	16,437	2	16,702	16,946	17,211
105	Interest Received	125	126	1	125	126	126
110	Other Revenue	130	130	-	131	133	135
<b>14,559</b>	<b>Operating Receipts</b>	<b>16,399</b>	<b>16,693</b>	<b>2</b>	<b>16,958</b>	<b>17,205</b>	<b>17,472</b>
	<b>Payments</b>						
5,947	Related to Employees	6,724	6,782	1	6,863	6,943	7,023
540	Related to Superannuation	600	608	1	616	623	630
6,351	Related to Supplies and Services	6,931	7,056	2	7,200	7,349	7,517
436	Other	633	642	1	653	664	676
<b>13,274</b>	<b>Operating Payments</b>	<b>14,888</b>	<b>15,088</b>	<b>1</b>	<b>15,332</b>	<b>15,579</b>	<b>15,846</b>
<b>1,285</b>	<b>NET CASH INFLOW/ (OUTFLOW) FROM OPERATING ACTIVITIES</b>	<b>1,511</b>	<b>1,605</b>	<b>6</b>	<b>1,626</b>	<b>1,626</b>	<b>1,626</b>
	<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
	<b>Receipts</b>						
0	Proceeds from Sale of Property, Plant & Equipment	10	0	-100	0	0	0
<b>0</b>	<b>Investing Receipts</b>	<b>10</b>	<b>0</b>	<b>-100</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Payments</b>						
101	Purchase of Property, Plant and Equipment and Capital Works	326	320	-2	320	320	320
<b>101</b>	<b>Investing Payments</b>	<b>326</b>	<b>320</b>	<b>-2</b>	<b>320</b>	<b>320</b>	<b>320</b>
<b>-101</b>	<b>NET CASH INFLOW/ (OUTFLOW) FROM INVESTING ACTIVITIES</b>	<b>-316</b>	<b>-320</b>	<b>-1</b>	<b>-320</b>	<b>-320</b>	<b>-320</b>
	<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
	<b>Payments</b>						
900	Dividends to Government	900	900	-	900	900	900
<b>900</b>	<b>Financing Payments</b>	<b>900</b>	<b>900</b>	<b>-</b>	<b>900</b>	<b>900</b>	<b>900</b>
<b>-900</b>	<b>NET CASH INFLOW/ (OUTFLOW) FROM FINANCING ACTIVITIES</b>	<b>-900</b>	<b>-900</b>	<b>-</b>	<b>-900</b>	<b>-900</b>	<b>-900</b>
<b>284</b>	<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>295</b>	<b>385</b>	<b>31</b>	<b>406</b>	<b>406</b>	<b>406</b>
<b>2,677</b>	<b>CASH AT BEGINNING OF REPORTING PERIOD</b>	<b>2,752</b>	<b>3,047</b>	<b>11</b>	<b>3,432</b>	<b>3,838</b>	<b>4,244</b>
<b>2,961</b>	<b>CASH AT THE END OF THE REPORTING PERIOD</b>	<b>3,047</b>	<b>3,432</b>	<b>13</b>	<b>3,838</b>	<b>4,244</b>	<b>4,650</b>

**CIT Solutions**  
**Statement of Changes in Equity**

Budget as at 30/6/10 \$'000		Est.Outcome as at 30/6/10 \$'000	Planned as at 30/6/11 \$'000	Var %	Planned as at 30/6/12 \$'000	Planned as at 30/6/13 \$'000	Planned as at 30/6/14 \$'000
<b>Opening Equity</b>							
2,822	Opening Accumulated Funds	2,984	3,257	9	3,628	4,007	4,379
20	Opening Other Reserve	20	20	-	20	20	20
<b>2,842</b>	<b>Balance at the Start of the Reporting Period</b>	<b>3,004</b>	<b>3,277</b>	<b>9</b>	<b>3,648</b>	<b>4,027</b>	<b>4,399</b>
<b>Comprehensive Income</b>							
1,212	Operating Result for the Period	1,173	1,271	8	1,279	1,272	1,272
<b>1,212</b>	<b>Total Comprehensive Income</b>	<b>1,173</b>	<b>1,271</b>	<b>8</b>	<b>1,279</b>	<b>1,272</b>	<b>1,272</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>							
-900	Dividend Approved	-900	-900	-	-900	-900	-900
<b>-900</b>	<b>Total Transactions Involving Owners Affecting Accumulated Funds</b>	<b>-900</b>	<b>-900</b>	<b>-</b>	<b>-900</b>	<b>-900</b>	<b>-900</b>
<b>Closing Equity</b>							
3,134	Closing Accumulated Funds	3,257	3,628	11	4,007	4,379	4,751
20	Closing Other Reserve	20	20	-	20	20	20
<b>3,154</b>	<b>Balance at the End of the Reporting Period</b>	<b>3,277</b>	<b>3,648</b>	<b>11</b>	<b>4,027</b>	<b>4,399</b>	<b>4,771</b>

## Notes to the Budget Statements

Significant variations are as follows:

### *Operating Statement*

- user charges — non ACT Government: the increase of \$0.711 million in the 2009-10 estimated outcome from the original budget and the increase of \$0.219 million in the 2010-11 Budget from the 2009-10 estimated outcome relates to an increase in training provided to Commonwealth Government agencies under contracts for international language training and other vocational programs.
- user charges — ACT Government: the increase of \$1.1 million in the 2009-10 estimated outcome from the original budget relates to an increase in international student management fee payments from CIT resulting from increased enrolments in 2010 (\$0.9 million) and revenue from the ACT Department of Education and Training for the delivery of traineeship programs (\$0.2 million).
- interest: the increase of \$0.020 million in the 2009-10 estimated outcome from the original budget is due to an increase in interest rates applying to bank deposits towards the end of the 2009-10 financial year.

- other revenue: the increase of \$0.020 million in the 2009-10 estimated outcome from the original budget is due to scholarship funding for one additional AUSAID sponsored student studying in 2010.
- employee expenses: the increase of \$1.015 million in the 2009-10 estimated outcome from the original budget relates to increased staffing levels in the international student services unit (\$0.4 million) and international language training centre (\$0.525 million), as well as a one-off adjustment to employee leave provisions (\$0.090 million).
- superannuation expenses: the increase of \$0.061 million in the 2009-10 estimated outcome from the original budget is due to increased staffing levels in the international services unit and international language training centre.
- supplies and services:
  - the increase of \$0.580 million in the 2009-10 estimated outcome from the original budget is due to increased contractor payments for language training (\$0.350 million), refurbishment of facilities (\$0.150 million) and increased operating expenses due to high training activity (\$0.080 million); and
  - the increase of \$0.114 million in the 2010-11 Budget from the 2009-10 estimated outcome relates to an increase in payments to CIT for contracted commercial projects delivered by CIT.
- depreciation and amortisation: the increase of \$0.032 million in the 2009-10 estimated outcome from the original budget is due to continued leasehold improvements.
- other expenses: the increase of \$0.202 million in the 2009-10 estimated outcome from the original budget is due to increased commission payments to international agents for recruitment of increased numbers of CIT international students.

#### *Balance Sheet*

- cash and cash equivalents: the increase of \$0.086 million in the 2009-10 estimated outcome from the original budget and the increase of \$0.385 million in the 2010-11 Budget from the 2009-10 estimated outcome reflects retained cash surpluses.
- receivables current: the increase of \$0.398 million in the 2009-10 estimated outcome from the original budget is due to higher than anticipated training activity.
- other current: the decrease of \$0.022 million in the 2009-10 estimated outcome from the original budget is due to less prepaid international agent commissions in 2010.
- property, plant and equipment: the increase of \$0.178 million in the 2009-10 estimated outcome from the original budget is due to leasehold improvements to accommodate the expanded international student services unit.
- intangibles: the increase of \$0.013 million in the 2009-10 estimated outcome from the original budget and the increase of \$0.020 million in the 2010-11 Budget from the 2009-10 estimated outcome is due to the purchase of software used for training purposes.
- payables current:
  - the decrease of \$0.127 million in the 2009-10 estimated outcome from the original budget is due to a decrease in the level of creditors at year end with more timely submission of contractor's claims; and

- the increase of \$0.048 million in the 2010-11 Budget from the 2009-10 estimated outcome is due to increased training activity.
- employee benefits current and non current: the increase of \$0.222 million in the 2009-10 estimated outcome from the original budget is due to increased staffing levels and changed methodology for calculating employee leave provisions.

*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.