

CANBERRA INSTITUTE OF TECHNOLOGY

Objectives

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

CIT is committed to creating a learning community providing practical, relevant and affordable post-secondary education and training where students and staff can reach their full potential for education, work and life.

CIT is operating under a new structure which will help the Institute grow and focus more strategically within the changing vocational education and training environment. Being effective in that role involves flexibility and responsiveness to changing technology, emerging industries and new styles of working and training.

2008-09 Priorities

Strategic and operational issues to be pursued in 2008-09 include:

- growing the business by pursuing commercial training opportunities within the Vocational Education and Training marketplace with the objective of increasing the proportion of CIT's revenues that are derived from sources other than the ACT Government appropriation;
- promoting quality education and learning through developing innovative learning opportunities to improve responsiveness and developing joint strategies with industry that address skill shortage areas and meet industry training requirements;
- expanding organisational capability by developing leadership and management skills, including business management, marketing and contract negotiation skills and maintaining staff expertise and professional currency;
- establishing contemporary client services and facilities by improving CIT's teaching and learning environment to ensure that students and staff have access to contemporary facilities and e-Learning resources. This will include better student support through a student services shopfront on each major campus, a capital works development plan and implementation of CIT's online capability; and
- pursuing industry, community and government partnerships through engagement with stakeholders in CIT's governance arrangements including CIT Advisory Committee and Centre based Advisory Committee membership by industry and community representatives.

Estimated Employment Level

2007-08 Budget¹		2007-08 Est. Outcome	2008-09 Budget
728	Staffing (FTE)	687	719

Note:

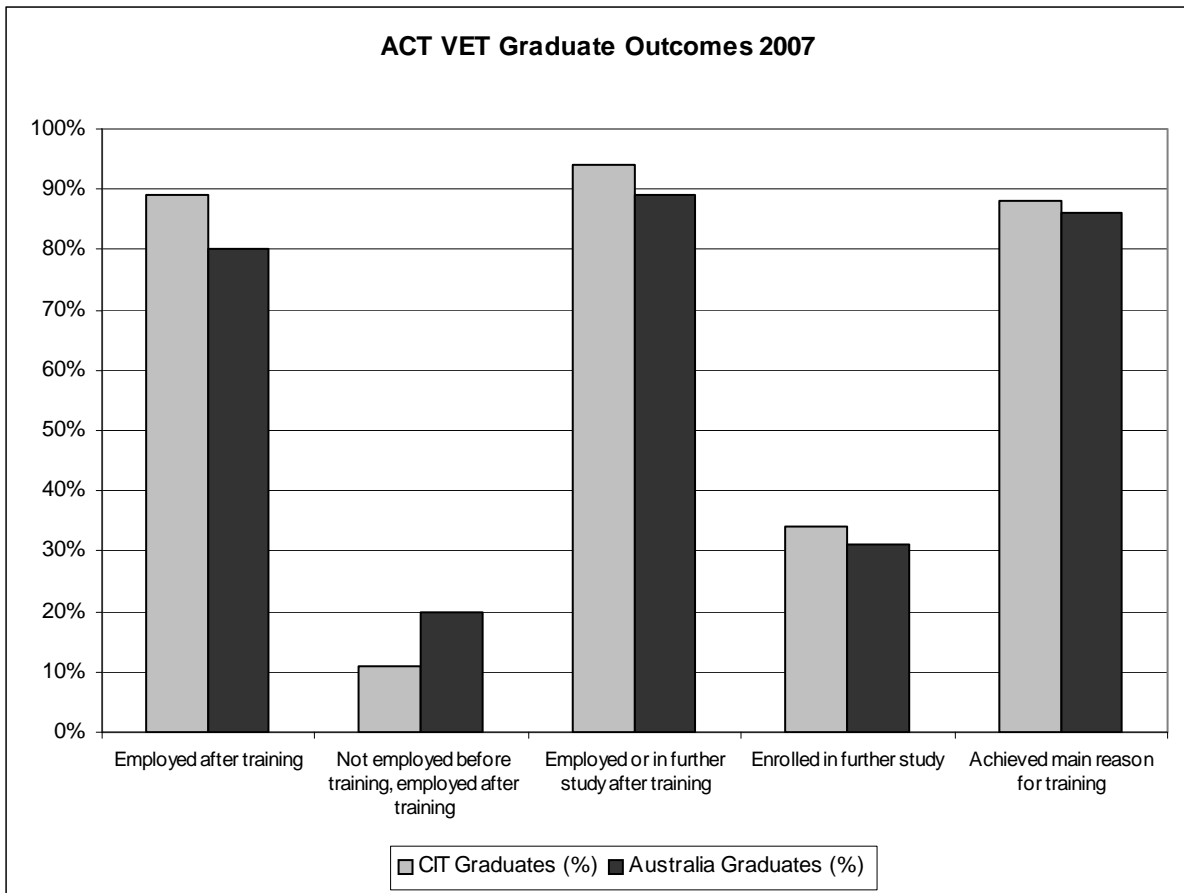
1. The basis for counting CIT casual staff has changed for the 2007-08 estimated outcome and 2008-09 Budget. For comparative purposes the 2007-08 Budget would have been 712 had the current methodology been applied.

Strategic Indicators

Strategic Indicator 1 Student Outcomes

One of the key strategic indicators used by CIT to measure its success is students' employment outcomes, measured as part of the annual Student Outcomes Survey. By focusing on students' employment outcomes and satisfaction with vocational education and training, the Student Outcomes Survey gauges how well the CIT serves individuals and the community.

Quality and effectiveness can be measured by comparing student outcomes with national benchmarks. Against national benchmarks, CIT students consistently achieve high levels of employment or are undertaking further study after training¹.



Note:

1. The most recently reported figures are from 25 May 2007, as published in the National Centre for Vocational Education Research report: Student Outcomes 2007.

Output Classes

	Total Cost ¹		Government Payment for Outputs	
	2007-08 Est. Outcome (\$'000)	Budget 2008-09 (\$'000)	2007-08 Est. Outcome (\$'000)	Budget 2008-09 (\$'000)
Output Class 1:				
Canberra Institute of Technology	91,924	95,199	60,491	64,195
Output 1.1:				
Provision of Vocational Education and Training Services	91,924	95,199	60,491	64,195

Note:

1. Total cost includes depreciation of \$3.972 million in 2007-08 and \$3.906 million in 2008-09.

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

	2007-08 Target	2007-08 Est. Outcome	2008-09 Target
Output Class 1: Canberra Institute of Technology			
Output 1.1: Provision of Vocational Education and Training Services			
a. Student contact hours delivered by the Canberra Institute of Technology ¹	3,735,000	3,808,284	3,770,000
b. Publicly funded course enrolments	17,500	17,614	17,500
c. Module pass rates	75%	78%	75%
d. Course completions by students ²	5,000	Not Measured	5,000
e. Graduate satisfaction with courses	85%	87%	85%
f. Employer satisfaction with Canberra Institute of Technology trained employees	80%	87%	80%
g. Average Government payment per annual curriculum hour	\$16.35	\$15.88	\$17.03

Notes:

1. The 2008-09 target of 3,770,000 includes an amount of 35,000 student contact hours funded by a new recurrent initiative to increase CIT outputs. This initiative allows for additional training hours to be provided through a combination of traditional classroom, flexible learning, distance and recognition of prior learning (RPL). It will also provide for the growth in demand for the new CIT Vocational College.
2. As a consequence of an upgrade to CIT's Student Administration System the program completions outcome is unable to be accurately measured. CIT estimates that the actual result for the year would have been approximately 5,414 completions based on previous years' data and considering the above - target result for module pass rates.

Changes to Appropriation

Changes to Appropriation

	2007-08	2008-09	2009-10	2010-11	2011-12
Government Payment for Outputs	Est. Out.	Budget	Estimate	Estimate	Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
2007-08 Budget	61,072	63,082	64,479	65,672	65,672
2008-09 Budget Policy Adjustments					
Increased Outputs - Additional VET Vocational College - Customised Student Support Program	-	600	616	632	647
Disabled Students - Growth in Student Numbers	-	250	256	262	269
CIT Reid Campus Master Plan	-	72	74	76	78
Fyshwick Trade Skills Centre - Feasibility Study and Design	-	400	-	-	-
Savings - New Horticultural Facility	-	500	-	-	-
	-	-	(85)	(170)	(170)
2008-09 Budget Technical Adjustments					
Revised Indexation Parameters	-	75	77	79	862
Decreased Superannuation Contributions	(581)	(784)	(1,054)	(1,294)	(1,509)
2008-09 Budget	60,491	64,195	64,363	65,257	65,849

Changes to Appropriation

	2007-08	2008-09	2009-10	2010-11	2011-12
Capital Injections	Est. Out.	Budget	Estimate	Estimate	Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
2007-08 Budget	6,225	5,276	5,329	5,383	5,383
FMA Section 16B Rollovers from 2006-07					
DEST Infrastructure Program	3,090	-	-	-	-
ACT Govt Funded Infrastructure Projects	341	-	-	-	-
2008-09 Budget Policy Adjustments					
New Horticultural Facility - Bruce	-	5,000	4,000	-	-
Technology and Major Equipment Upgrade	-	1,000	-	-	-
2008-09 Budget Technical Adjustments					
Rollover - New Horticultural Facility - Bruce	(604)	604	-	-	-
Capital Upgrades Program - Revised Indexation Parameters	-	11	11	11	66
2008-09 Budget	9,052	11,891	9,340	5,394	5,449

2008-09 Capital Works Program

	Estimated Total Cost \$'000	Estimated Expenditure Pre 2008-09 \$'000	2008-09 Financing \$'000	2009-10 Financing \$'000	2010-11 Financing \$'000	Expected Completion Date
New Capital Works						
CIT Reid Campus Master Plan	400	-	400	-	-	Mar 2009
New Horticultural Facility - Bruce	9,000	-	5,000	4,000	-	Jan 2010
Fyshwick Trade Skills Centre - Feasibility Study and Design	500	-	500	-	-	Dec 2008
Total New Works	9,900	-	5,900	4,000	-	
Capital Upgrades						
Health and Safety Improvements	721	-	721	-	-	
Energy Management/Educational Improvements	410	-	410	-	-	
Building Improvements	650	-	650	-	-	
Site Improvements	336	-	336	-	-	
Total Capital Upgrades	2,117	-	2,117	-	-	
Total New Capital Works	12,017	-	8,017	4,000	-	
Works in Progress						
New Horticultural Facility - Bruce - Feasibility Study and Design	1,000	396	604	-	-	Feb 2009
Total Works in Progress	1,000	396	604	-	-	
Total Capital Works Program	13,017	396	8,621	4,000	-	

Canberra Institute of Technology Operating Statement

2007-08 Budget \$'000		2007-08 Est.Outcome \$'000	2008-09 Budget \$'000	Var %	2009-10 Estimate \$'000	2010-11 Estimate \$'000	2011-12 Estimate \$'000
Income							
Revenue							
61,072	Government Payment for Outputs	60,491	64,195	6	64,363	65,257	65,849
13,701	User Charges - Non ACT Government	14,201	14,429	2	14,765	15,134	15,134
7,146	User Charges - ACT Government	7,596	7,761	2	7,954	8,153	8,165
270	Interest	420	254	-40	249	249	249
900	Dividend Revenue	900	900	-	900	900	900
3,564	Other Revenue	5,970	3,697	-38	3,813	3,906	3,906
35	Resources Received free of charge	40	35	-13	35	35	35
86,688	Total Revenue	89,618	91,271	2	92,079	93,634	94,238
Gains							
30	Other Gains	30	30	-	30	30	30
30	Total Gains	30	30	-	30	30	30
86,718	Total Income	89,648	91,301	2	92,109	93,664	94,268
Expenses							
49,545	Employee Expenses	48,092	52,039	8	52,531	53,219	53,649
9,539	Superannuation Expenses	8,876	9,239	4	9,257	9,267	9,177
26,411	Supplies and Services	27,729	28,419	2	28,152	28,769	29,033
3,855	Depreciation and Amortisation	3,972	3,906	-2	4,009	4,213	4,213
1,563	Other Expenses	3,255	1,596	-51	1,636	1,677	1,677
90,913	Total Ordinary Expenses	91,924	95,199	4	95,585	97,145	97,749
-4,195	Operating Result	-2,276	-3,898	-71	-3,476	-3,481	-3,481

Canberra Institute of Technology Balance Sheet

Budget as at 30/6/08 \$'000		Est.Outcome as at 30/6/08 \$'000	Planned as at 30/6/09 \$'000	Var %	Planned as at 30/6/10 \$'000	Planned as at 30/6/11 \$'000	Planned as at 30/6/12 \$'000
Current Assets							
5,044	Cash and Cash Equivalents	5,470	5,835	7	6,385	7,133	7,881
5,766	Receivables	5,572	5,572	-	5,572	5,572	5,572
332	Other	187	187	-	187	187	187
11,142	Total Current Assets	11,229	11,594	3	12,144	12,892	13,640
Non Current Assets							
20	Investments	20	20	-	20	20	20
128,190	Property, Plant and Equipment	127,781	131,214	3	133,679	144,390	146,156
278	Intangibles	126	0	-100	0	0	0
4,246	Capital Works in Progress	6,173	11,381	84	14,777	5,777	5,777
132,734	Total Non Current Assets	134,100	142,615	6	148,476	150,187	151,953
143,876	TOTAL ASSETS	145,329	154,209	6	160,620	163,079	165,593
Current Liabilities							
1,741	Payables	3,406	3,406	-	3,406	3,406	3,406
13,290	Employee Benefits	11,558	12,186	5	12,692	13,198	13,704
6,530	Other	5,058	5,058	-	5,058	5,058	5,058
21,561	Total Current Liabilities	20,022	20,650	3	21,156	21,662	22,168
Non Current Liabilities							
454	Employee Benefits	788	1,047	33	1,088	1,128	1,168
454	Total Non Current Liabilities	788	1,047	33	1,088	1,128	1,168
22,015	TOTAL LIABILITIES	20,810	21,697	4	22,244	22,790	23,336
121,861	NET ASSETS	124,519	132,512	6	138,376	140,289	142,257
REPRESENTED BY FUNDS EMPLOYED							
120,971	Accumulated Funds	123,629	131,622	6	137,486	139,399	141,367
890	Reserves	890	890	-	890	890	890
121,861	TOTAL FUNDS EMPLOYED	124,519	132,512	6	138,376	140,289	142,257

**Canberra Institute of Technology
Cash Flow Statement**

2007-08 Budget \$'000		2007-08 Est.Outcome \$'000	2008-09 Budget \$'000	Var %	2009-10 Estimate \$'000	2010-11 Estimate \$'000	2011-12 Estimate \$'000
	CASH FLOWS FROM OPERATING ACTIVITIES						
	Receipts						
61,072	Cash from Government for Outputs	60,491	64,195	6	64,363	65,257	65,849
20,847	User Charges	19,797	22,190	12	22,719	23,287	23,299
270	Interest Received	420	254	-40	249	249	249
7,556	Other Revenue	9,962	7,792	-22	8,011	8,209	8,209
900	Dividends	900	900	-	900	900	900
90,645	Operating Receipts	91,570	95,331	4	96,242	97,902	98,506
	Payments						
57,999	Related to Employees	56,883	60,391	6	61,241	61,940	62,280
26,532	Related to Supplies and Services	27,785	28,482	3	28,218	28,837	28,846
5,399	Other	7,146	5,593	-22	5,733	5,877	6,132
89,930	Operating Payments	91,814	94,466	3	95,192	96,654	97,258
715	NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	-244	865	455	1,050	1,248	1,248
	CASH FLOWS FROM INVESTING ACTIVITIES						
	Payments						
6,725	Purchase of Property, Plant and Equipment	9,552	12,391	30	9,840	5,894	5,949
6,725	Investing Payments	9,552	12,391	30	9,840	5,894	5,949
-6,725	NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	-9,552	-12,391	-30	-9,840	-5,894	-5,949
	CASH FLOWS FROM FINANCING ACTIVITIES						
	Receipts						
6,225	Capital Injection from Government	9,052	11,891	31	9,340	5,394	5,449
6,225	Financing Receipts	9,052	11,891	31	9,340	5,394	5,449
6,225	NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES	9,052	11,891	31	9,340	5,394	5,449
215	NET INCREASE/(DECREASE) IN CASH HELD	-744	365	149	550	748	748
4,829	CASH AT BEGINNING OF REPORTING PERIOD	6,214	5,470	-12	5,835	6,385	7,133
5,044	CASH AT THE END OF THE REPORTING PERIOD	5,470	5,835	7	6,385	7,133	7,881

Canberra Institute of Technology Statement of Changes in Equity

Budget as at 30/6/08 \$'000		Est.Outcome as at 30/6/08 \$'000	Planned as at 30/6/09 \$'000	Var %	Planned as at 30/6/10 \$'000	Planned as at 30/6/11 \$'000	Planned as at 30/6/12 \$'000
119,831	Opening Balance	117,364	124,519	6	132,512	138,376	140,289
	Accumulated Funds						
-4,195	Operating Result for the Period	-2,276	-3,898	-71	-3,476	-3,481	-3,481
	Reserves						
-4,195	Total Income And Expense For The Period	-2,276	-3,898	-71	-3,476	-3,481	-3,481
	Transactions Involving Equity Holders Affecting Accumulated Funds						
6,225	Capital Injections	9,052	11,891	31	9,340	5,394	5,449
0	Inc/Dec in Net Assets due to Admin Restructure	379	0	-100	0	0	0
121,861	Closing Balance	124,519	132,512	6	138,376	140,289	142,257

Notes to the Budget Statements

Significant variations are as follows:

Operating Statement

- government payment for outputs:
 - the decrease of \$0.581 million in the 2007-08 estimated outcome from the original budget outcome is due to decreased superannuation contributions; and
 - the increase of \$3.704 million in the 2008-09 Budget from the 2007-08 estimated outcome is due to:
 - supplementation for wage increases (\$0.995 million);
 - indexation (\$0.970 million); and
 - funding for new initiatives (\$1.822 million);
 - offset by:
 - decreased superannuation contributions (\$0.203 million).
- user charges - non ACT Government:
 - the increase of \$0.5 million in the 2007-08 estimated outcome from the original budget is mainly due to an increase in international student tuition and services fee revenue; and
 - the increase of \$0.228 million in the 2008-09 Budget from the 2007-08 estimated outcome is mainly due to an increase in international student tuition revenue.

- user charges - ACT Government: the increase of \$0.450 million in the 2007-08 estimated outcome from the original budget and the increase of \$0.165 million in the 2008-09 Budget from the 2007-08 estimated outcome is mainly due to increased tendering activity associated with the apprenticeships and traineeships.
- interest:
 - the increase of \$0.150 million in the 2007-08 estimated outcome from the original budget is due to increases in interest rates and higher cash balances; and
 - the decrease of \$0.166 million in the 2008-09 Budget from the 2007-08 estimated outcome is mainly due to less funds anticipated to be held during the financial year.
- other revenue: the increase of \$2.406 million in the 2007-08 estimated outcome from the original budget and the decrease of \$2.273 million in the 2008-09 Budget from the 2007-08 estimated outcome relates to insurance recoveries (\$0.386 million), increased rental revenue from third parties (\$0.210 million), voluntary redundancy supplementation from Government in 2007-08 (\$0.204 million), and one off funding in 2007-08 for the management of the Australian Flexible Learning Framework project (\$1.7 million).
- employee expenses:
 - the decrease of \$1.453 million in the 2007-08 estimated outcome from the original budget is due to staffing vacancies and the transfer of staff to Shared Services. The original budget underestimated the transfer value which corresponds to an increase from budget in supplies and services; and
 - the increase of \$3.947 million in the 2008-09 Budget from the 2007-08 estimated outcome is due to the filling of vacant positions and the full year impact of wage increases for teaching and non-teaching staff and additional staff associated with the increase in CIT outputs.
- superannuation expenses:
 - the decrease of \$0.663 million in the 2007-08 estimated outcome from the original budget is due to reduced superannuation contributions; and
 - the increase of \$0.363 million in the 2008-09 Budget from the 2007-08 estimated outcome is mainly due to staff pay increases, partially offset by decreased superannuation contributions.
- supplies and services:
 - the increase of \$1.318 million in the 2007-08 estimated outcome from the original budget is mainly due to increased contractors and consulting activity, increased costs associated with higher training activity and the transfer of staff to Shared Services; and
 - the increase of \$0.690 million in the 2008-09 Budget from the 2007-08 estimated outcome is due to funding for new initiatives and indexation.
- depreciation: the increase of \$0.117 million in the 2007-08 estimated outcome from the original budget is due to increased depreciation of intangible assets during the year.
- other expenses: the increase of \$1.692 million in the 2007-08 estimated outcome from the original budget and the decrease of \$1.659 million in the 2008-09 Budget from the 2007-08 estimated outcome is due to one-off costs associated with managing the Australian Flexible Learning Framework project in 2007-08.

Balance Sheet

- cash and cash equivalents:
 - the increase of \$0.426 million in the 2007-08 estimated outcome from the original budget relates to a higher opening cash position flowing from the previous financial year; and
 - the increase of \$0.365 million in the 2008-09 Budget from the 2007-08 estimated outcome relates to increases in cash flows from operations.
- receivables: the decrease of \$0.194 million in the 2007-08 estimated outcome from the original budget is due to a reduction in student debtors.
- other current assets: the decrease of \$0.145 million in the 2007-08 estimated outcome from the original budget is due to less prepayments in library resources.
- property, plant and equipment:
 - the decrease of \$0.409 million in the 2007-08 estimated outcome from the original budget relates to delays in the capital works program from previous years; and
 - the increase of \$3.433 million in the 2008-09 Budget from the 2007-08 estimated outcome relates to CIT's capital works program.
- intangibles: the decrease of \$0.152 million in the 2007-08 estimated outcome from the original budget and the decrease of \$0.126 million in the 2008-09 Budget from the 2007-08 estimated outcome relates to depreciation provision for intangible assets.
- capital works in progress:
 - the increase of \$1.927 million in the 2007-08 estimated outcome from the original budget relates to the delay in the capital works program; and
 - the increase of \$5.208 million in 2008-09 Budget from the 2007-08 estimated outcome relates to new construction.
- payables: the increase of \$1.665 million in the 2007-08 estimated outcome from the original budget is due to new contractual arrangements that require project disbursements later in the year than in past years.
- current employee benefits:
 - the decrease of \$1.732 million in the 2007-08 estimated outcome from the original budget relates mainly to reduced employee entitlements as staff have retired or received redundancy payments; and
 - the increase of \$0.628 million in the 2008-09 Budget from the 2007-08 estimated outcome is due to increases in staff pay rates under CIT's certified agreements flowing through to increased benefits owing to employees.
- other current liabilities: the decrease of \$1.472 million in the 2007-08 estimated outcome from the original budget is due to less revenue being held in advance for large Commonwealth contracts.
- non-current employee benefits:
 - the increase of \$0.334 million in the 2007-08 estimated outcome from the original budget relates mainly to more employees being eligible for benefits as they reach the minimum service requirement; and

- the increase of \$0.259 million in the 2008-09 Budget from the 2007-08 estimated outcome is due to increases in staff pay rates under CIT's certified agreements flowing through to increased benefits owing to employees.

Cash Flow Statement

- purchase of property, plant and equipment:
 - the increase of \$2.827 million in the 2007-08 estimated outcome from the original budget relates to the rollover from 2006-07 of DEST infrastructure program projects (\$3.090 million) and ACT Government funded infrastructure projects (\$0.341 million), offset by the rollover to 2008-09 of spending on the New Horticultural Facility project (\$0.604 million); and
 - the increase of \$2.839 million in the 2008-09 Budget from the 2007-08 estimated outcome relates to CIT's 2008-09 capital works program.
- capital injection from government: the increase of \$2.827 million in the 2007-08 estimated outcome from the original budget and the increase of \$2.839 million in the 2008-09 Budget from the 2007-08 estimated outcome is for the reasons as outlined for property, plant and equipment.

Statement of Changes in Equity

Variations in the statement are explained in the notes above.