

Objectives

CIT Solutions Pty Ltd (CIT Solutions) is a company owned by the Canberra Institute of Technology (CIT), and which operates under the Canberra Institute of Technology's (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:
 - research and feasibility studies;
 - training and skills needs analyses; and
 - the design and development of customised systems, programs and resources as well as accreditation services.
- 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.

2009-10 Priorities

Strategic and operational issues to be pursued in 2009-10 include:

- growing the core business by strengthening working relationships with key clients;
- becoming the training provider of choice for the ACT Government;
- enhancing online learning capability for clients through the establishment of a new online learning development unit;
- continuing to enhance the capacity to do business by providing high quality facilities; and
- continuing to support 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 2009-10 priorities are to:

- gain a better understanding of clients' motivations and needs through regular networking and positive representation at meetings to market CIT Solutions' capability and be responsive to client preferences;
- implement and optimise the use of the 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 ongoing professional development.

Estimated Employment Levels

2008-09 Budget		2008-09 Est. Outcome	2009-10 Budget
68	Staffing (FTE) ¹	73	74

Note:

1. Staffing levels increased in 2008-09 to manage the increased number of international students.

CIT Solutions Operating Statement

2008-09 Budget \$'000		2008-09 Est.Outcome \$'000	2009-10 Budget \$'000	Var %	2010-11 Estimate \$'000	2011-12 Estimate \$'000	2012-13 Estimate \$'000
Income							
Revenue							
9,343	User Charges - Non ACT Government	11,108	11,408	3	11,591	11,815	12,016
2,569	User Charges - ACT Government	2,886	2,936	2	2,972	3,013	3,056
167	Interest	132	105	-20	106	105	106
160	Other Revenue	140	110	-21	110	111	113
12,239	Total Revenue	14,266	14,559	2	14,779	15,044	15,291
Gains							
0	Total Gains	0	0	-	0	0	0
12,239	Total Income	14,266	14,559	2	14,779	15,044	15,291
Expenses							
5,534	Employee Expenses	5,877	5,967	2	6,026	6,107	6,187
478	Superannuation Expenses	529	540	2	548	556	563
4,603	Supplies and Services	6,163	6,316	2	6,445	6,589	6,738
64	Depreciation and Amortisation	57	88	54	95	112	119
460	Other Expenses	460	436	-5	446	457	468
11,139	Total Ordinary Expenses	13,086	13,347	2	13,560	13,821	14,075
1,100	Operating Result	1,180	1,212	3	1,219	1,223	1,216

CIT Solutions Balance Sheet

Budget as at 30/6/09 \$'000		Est.Outcome as at 30/6/09 \$'000	Planned as at 30/6/10 \$'000	Var %	Planned as at 30/6/11 \$'000	Planned as at 30/6/12 \$'000	Planned as at 30/6/13 \$'000
Current Assets							
2,518	Cash and Cash Equivalents	2,677	2,961	11	3,290	3,640	3,990
1,913	Receivables	1,773	1,820	3	1,868	1,919	1,970
151	Other	117	117	-	117	117	117
4,582	Total Current Assets	4,567	4,898	7	5,275	5,676	6,077
Non Current Assets							
224	Property, Plant and Equipment	204	232	14	233	207	174
224	Total Non Current Assets	204	232	14	233	207	174
4,806	TOTAL ASSETS	4,771	5,130	8	5,508	5,883	6,251
Current Liabilities							
621	Payables	593	640	8	688	739	790
503	Employee Benefits	582	582	-	582	582	582
735	Other	705	705	-	705	705	705
1,859	Total Current Liabilities	1,880	1,927	3	1,975	2,026	2,077
Non Current Liabilities							
31	Employee Benefits	49	49	-	50	51	52
31	Total Non Current Liabilities	49	49	-	50	51	52
1,890	TOTAL LIABILITIES	1,929	1,976	2	2,025	2,077	2,129
2,916	NET ASSETS	2,842	3,154	11	3,483	3,806	4,122
REPRESENTED BY FUNDS EMPLOYED							
2,896	Accumulated Funds	2,822	3,134	11	3,463	3,786	4,102
20	Reserves	20	20	-	20	20	20
2,916	TOTAL FUNDS EMPLOYED	2,842	3,154	11	3,483	3,806	4,122

CIT Solutions Cash Flow Statement

2008-09 Budget \$'000		2008-09 Est.Outcome \$'000	2009-10 Budget \$'000	Var %	2010-11 Estimate \$'000	2011-12 Estimate \$'000	2012-13 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts							
11,912	User Charges	14,094	14,344	2	14,563	14,828	15,072
167	Interest Received	132	105	-20	106	105	106
160	Other Revenue	140	110	-21	110	111	113
12,239	Operating Receipts	14,366	14,559	1	14,779	15,044	15,291
Payments							
5,517	Related to Employees	5,820	5,947	2	6,005	6,086	6,166
478	Related to Superannuation	526	540	3	548	556	563
4,609	Related to Supplies and Services	6,189	6,351	3	6,491	6,635	6,784
460	Other	460	436	-5	446	457	468
11,064	Operating Payments	12,995	13,274	2	13,490	13,734	13,981
1,175	NET CASH INFLOW/ (OUTFLOW) FROM OPERATING ACTIVITIES	1,371	1,285	-6	1,289	1,310	1,310
CASH FLOWS FROM INVESTING ACTIVITIES							
Payments							
111	Purchase of Property, Plant and Equipment and Capital Works	79	101	28	60	60	60
111	Investing Payments	79	101	28	60	60	60
-111	NET CASH INFLOW/ (OUTFLOW) FROM INVESTING ACTIVITIES	-79	-101	-28	-60	-60	-60
CASH FLOWS FROM FINANCING ACTIVITIES							
Payments							
900	Dividends to Government	900	900	-	900	900	900
900	Financing Payments	900	900	-	900	900	900
-900	NET CASH INFLOW/ (OUTFLOW) FROM FINANCING ACTIVITIES	-900	-900	-	-900	-900	-900
164	NET INCREASE/ (DECREASE) IN CASH HELD	392	284	-28	329	350	350
2,354	CASH AT BEGINNING OF REPORTING PERIOD	2,285	2,677	17	2,961	3,290	3,640
2,518	CASH AT THE END OF THE REPORTING PERIOD	2,677	2,961	11	3,290	3,640	3,990

CIT Solutions Statement of Changes in Equity

Budget as at 30/6/09 \$'000		Est.Outcome as at 30/6/09 \$'000	Planned as at 30/6/10 \$'000	Var %	Planned as at 30/6/11 \$'000	Planned as at 30/6/12 \$'000	Planned as at 30/6/13 \$'000
2,716	Opening Balance	2,588	2,842	10	3,154	3,483	3,806
	Accumulated Funds						
0	Net Effect of a Correction of an Error	-26	0	100	10	0	0
1,100	Operating Result for the Period	1,180	1,212	3	1,219	1,223	1,216
	Reserves						
1,100	Total Income And Expense For The Period	1,154	1,212	5	1,229	1,223	1,216
	Transactions Involving Equity Holders Affecting Accumulated Funds						
-900	Dividend Approved	-900	-900	-	-900	-900	-900
2,916	Closing Balance	2,842	3,154	11	3,483	3,806	4,122

Notes to the Budget Statements

Significant variations are as follows:

Operating Statement

- user charges — non ACT Government:
 - the increase of \$1.765 million in the 2008-09 estimated outcome from the original budget relates to an increase in training contracts arranged through the business development unit established in 2007-08 to manage contracted commercial work delivered by Canberra Institute of Technology (CIT), of which CIT Solutions retains a percentage of earnings; and
 - the increase of \$0.3 million in the 2009-10 Budget from the 2008-09 estimated outcome relates to the ongoing development of commercial contracts for CIT.
- user charges — ACT Government: the increase of \$0.317 million in the 2008-09 estimated outcome from the original budget relates to an increase in training programs provided to ACT Government agencies and an increase in international student management fee payments as a result of increased enrolments in 2009.
- interest: the decrease of \$0.035 million in the 2008-09 estimated outcome from the original budget and the decrease of \$0.027 million in the 2009-10 Budget from the 2008-09 estimated outcome is due to lower interest rates applying to cash investments held.
- other revenue: the decrease of \$0.020 million in the 2008-09 estimated outcome from the original budget and the decrease of \$0.030 million in the 2009-10 Budget from the 2008-09 estimated outcome is due to a reduction in room hire revenue.

- employee expenses: the increase of \$0.343 million in the 2008-09 estimated outcome from the original budget relates to increased staffing levels in the international student services unit to manage the increased number of international students.
- supplies and services:
 - the increase of \$1.560 million in the 2008-09 estimated outcome from the original budget is due to increased payments to CIT for the projects contracted through the business development unit and increased costs in managing higher numbers of international students; and
 - the increase of \$0.153 million in the 2009-10 Budget from the 2008-09 estimated outcome relates to the increased activity in the business development unit and international student services unit.
- depreciation and amortisation: the increase of \$0.031 million in the 2009-10 Budget from the 2008-09 estimated outcome is due to leasehold improvements to buildings being carried out in 2009.
- other expenses: the decrease of \$0.024 million in the 2009-10 Budget from the 2008-09 estimated outcome is due to savings in insurance costs.

Balance Sheet

- cash and cash equivalents: the increase of \$0.159 million in the 2008-09 estimated outcome from the original budget and the increase of \$0.284 million in the 2009-10 Budget from the 2008-09 estimated outcome is due to an increase in international student management fee payments received and an increase in training contracts arranged through the business development unit.
- receivables current: the decrease of \$0.140 million in the 2008-09 estimated outcome from the original budget is due to a better than expected recovery of outstanding debts.
- other current: the decrease of \$0.034 million in the 2008-09 estimated outcome from the original budget is due to less prepayments for leases and insurance.
- property, plant and equipment: the increase of \$0.028 million in the 2009-10 Budget from the 2008-09 estimated outcome relates to the expected completion of leasehold improvements.
- payables current: the increase of \$0.047 million in the 2009-10 Budget from the 2008-09 estimated outcome is due to expected increases in agent fees as international student activity increases.
- employee benefits current: the increase of \$0.079 million in the 2008-09 estimated outcome from the original budget is due to less staff utilising long service leave than expected.

Cash Flow Statement

Variations to the statement are explained in the notes above.

