CANBERRA INSTITUTE OF TECHNOLOGY

Objectives

The Canberra Institute of Technology (CIT) has the specific objective 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's new strategic plan (2002 – 2004) was developed as the result of an extensive and comprehensive process of consultation involving staff, students and external stakeholders including Government, unions, industry and the Community. The Plan provides a crucial blueprint for CIT's vision and future directions. Four key performance areas are enunciated in the Plan, and they demonstrate CIT's commitment to provide high quality vocational education to the ACT Community and region through innovation, flexibility and accessibility.

The key performance areas are to:

- be a client focused organisation;
- provide innovative learning opportunities;
- develop capable and valued staff; and
- ensure strategic resource management.

2002-03 Highlights

Strategic and operational issues that will be pursued in 2002-03 include:

- maintaining the process of continuous improvement through the use of Process Improvement Working Groups to support the Institute's quality assessment processes;
- continuing to refine the CIT program profile to reflect ACT Community and regional vocational education and training requirements in conjunction with the Department of Education and Community Services;
- long term campus planning including consideration of student accommodation for international and regional students;
- continuing the development of the Institute's on-line capability;
- maximising the capacity of CIT graduates to be competitive in rapidly growing and changing employment markets;
- developing opportunities to increase off-budget revenue;
- maintaining the Institute-wide performance management system and continuing to provide all staff with targeted professional development opportunities; and
- continuing to manage CIT properties and assets in a cost-effective manner.

Canberra Institute of Technology
Statement of Financial Performance

2001-02 Budget $'000		2001-02 Est.Outcome $'000	2002-03 Budget $'000	Var %	2003-04 Estimate $'000	2004-05 Estimate $'000	2005-06 Estimate $'000
	Revenue						
9 734	User Charges - Non ACT Government	12 762	12 094	-5	12 193	12 353	12 532
51 691	User Charges - ACT Government	51 391	53 468	4	55 218	54 296	55 308
228	Interest	312	399	28	313	284	246
208	Dividend Revenue	200	213	7	218	218	218
3 060	Other Revenue	4 584	3 137	-32	3 213	3 295	3 377
33	Resources Received free of charge	51	33	-35	34	35	35
64 954	**Total Ordinary Revenue**	**69 300**	**69 344**	**..**	**71 189**	**70 481**	**71 716**
	Expenses						
37 550	Employee Expenses	38 706	40 259	4	41 612	40 882	41 390
6 587	Superannuation Expenses	5 695	6 360	12	6 530	6 401	6 485
21 580	Administrative Expenses	22 334	22 103	-1	22 838	23 004	23 571
3 370	Depreciation and Amortisation	3 134	3 220	3	3 451	3 590	3 640
1 212	Other Expenses	1 798	783	-56	851	827	847
70 299	**Total Ordinary Expenses**	**71 667**	**72 725**	**1**	**75 282**	**74 704**	**75 933**
-5 345	**Operating Result**	**-2 367**	**-3 381**	**-43**	**-4 093**	**-4 223**	**-4 217**
0	Increase/(Decrease) in asset revaluation reserve	50	0	-100	0	0	0
0	Transfer to/from Reserves	-50	0	100	0	0	0
113 664	**Total Equity From Start of Period**	**114 405**	**116 348**	**2**	**118 137**	**117 214**	**116 161**
4 310	Capital Injections	4 310	5 170	20	3 170	3 170	3 170
112 629	**Total Equity At The End of Period**	**116 348**	**118 137**	**2**	**117 214**	**116 161**	**115 114**

Canberra Institute of Technology
Statement of Financial Position

Budget as at 30/6/02 $'000		Est.Outcome as at 30/6/02 $'000	Planned as at 30/6/03 $'000	Var %	Planned as at 30/6/04 $'000	Planned as at 30/6/05 $'000	Planned as at 30/6/06 $'000
	Current Assets						
1 086	Cash	568	583	3	573	564	565
2 316	Receivables	3 212	3 212	-	3 212	3 212	3 212
3 378	Investments	7 501	7 401	-1	5 301	4 623	3 995
87	Other	512	512	-	512	512	512
6 867	**Total Current Assets**	**11 793**	**11 708**	**-1**	**9 598**	**8 911**	**8 284**
	Non Current Assets						
20	Investments	20	20	-	20	20	20
119 792	Property, Plant and Equipment	119 042	121 749	2	122 221	122 531	122 791
0	Intangibles	50	23	-54	0	0	0
3 351	Capital Works in Progress	3 128	2 928	-6	2 728	2 528	2 328
123 163	**Total Non Current Assets**	**122 240**	**124 720**	**2**	**124 969**	**125 079**	**125 139**
130 030	**TOTAL ASSETS**	**134 033**	**136 428**	**2**	**134 567**	**133 990**	**133 423**
	Current Liabilities						
2 450	Payables	2 089	2 089	-	2 089	2 089	2 089
4 362	Employee Entitlements	5 175	5 673	10	4 699	5 139	5 583
3 785	Other	4 079	4 079	-	4 079	4 079	4 079
10 597	**Total Current Liabilities**	**11 343**	**11 841**	**4**	**10 867**	**11 307**	**11 751**
	Non Current Liabilities						
6 804	Employee Entitlements	6 342	6 450	2	6 486	6 522	6 558
6 804	**Total Non Current Liabilities**	**6 342**	**6 450**	**2**	**6 486**	**6 522**	**6 558**
17 401	**TOTAL LIABILITIES**	**17 685**	**18 291**	**3**	**17 353**	**17 829**	**18 309**
112 629	**NET ASSETS**	**116 348**	**118 137**	**2**	**117 214**	**116 161**	**115 114**
	REPRESENTED BY FUNDS EMPLOYED						
111 789	Accumulated Funds	115 458	117 247	2	116 324	115 271	114 224
840	Reserves	890	890	-	890	890	890
112 629	**TOTAL FUNDS EMPLOYED**	**116 348**	**118 137**	**2**	**117 214**	**116 161**	**115 114**

Canberra Institute of Technology
Cashflow Statement

2001-02 Budget $'000		2001-02 Est.Outcome $'000	2002-03 Budget $'000	Var %	2003-04 Estimate $'000	2004-05 Estimate $'000	2005-06 Estimate $'000
	CASH FLOWS FROM OPERATING ACTIVITIES						
	Receipts						
62 322	User Charges	64 950	65 562	1	67 411	66 649	67 840
228	Interest Received	312	399	28	313	284	246
5 988	Other Revenue	7 427	6 317	-15	6 474	6 647	6 819
68 538	**Operating Receipts**	**72 689**	**72 278**	**-1**	**74 198**	**73 580**	**74 905**
	Payments						
43 807	Related to Employees	44 079	46 013	4	49 080	46 807	47 395
21 547	Related to Administration	22 243	22 070	-1	22 804	22 969	23 536
4 170	Other	5 638	3 993	-29	4 142	4 209	4 319
69 524	**Operating Payments**	**71 960**	**72 076**	**..**	**76 026**	**73 985**	**75 250**
-986	**NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES**	**729**	**202**	**-72**	**-1 828**	**-405**	**-345**
	CASH FLOWS FROM INVESTING ACTIVITIES						
	Receipts						
0	Proceeds from Sale of Property, Plant & Equipment	1 126	0	-100	0	0	0
510	Proceeds from Sale/Maturities of Investments	0	600	-	2 100	678	628
208	Dividends	200	213	7	218	218	218
718	**Investing Receipts**	**1 326**	**813**	**-39**	**2 318**	**896**	**846**
	Payments						
3 810	Purchase of Property, Plant and Equipment	3 810	5 670	49	3 670	3 670	3 670
1 000	Purchase of Investments	4 100	500	-88	0	0	0
4 810	**Investing Payments**	**7 910**	**6 170**	**-22**	**3 670**	**3 670**	**3 670**
-4 092	**NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES**	**-6 584**	**-5 357**	**19**	**-1 352**	**-2 774**	**-2 824**
	CASH FLOWS FROM FINANCING ACTIVITIES						
	Receipts						
4 310	Capital Injection from Government	4 310	5 170	20	3 170	3 170	3 170
4 310	**Financing Receipts**	**4 310**	**5 170**	**20**	**3 170**	**3 170**	**3 170**

Canberra Institute of Technology
Cashflow Statement

2001-02 Budget $'000		2001-02 Est.Outcome $'000	2002-03 Budget $'000	Var %	2003-04 Estimate $'000	2004-05 Estimate $'000	2005-06 Estimate $'000
4 310	**NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES**	**4 310**	**5 170**	**20**	**3 170**	**3 170**	**3 170**
-768	**NET INCREASE/(DECREASE) IN CASH HELD**	**-1 545**	**15**	**101**	**-10**	**-9**	**1**
1 854	**CASH AT BEGINNING OF REPORTING PERIOD**	**2 113**	**568**	**-73**	**583**	**573**	**564**
1 086	**CASH AT THE END OF THE REPORTING PERIOD**	**568**	**583**	**3**	**573**	**564**	**565**

Notes to the Budget Statements

Statement of Financial Performance

For 2002-03, the Institute is budgeting to have an operating loss of $3.381m which is higher than the 2001-02 estimated outcome of $2.367m, the reasons for this are detailed in the variances provided below. Payment direct from government will increase by $2.244m due to increased ANTA funding, funding for teachers' wage increases and indexation of funding from the ACT and Commonwealth Governments.

Significant variations are as follows:

- user charges – non ACT Government: the increase of $3.028m in 2001-02 from the original budget is due to increased commercial activity and international student numbers. The decrease of $0.668m in the 2003-03 Budget from the 2001-02 estimated outcome reflects the completion of some current contracts;
- user charges – ACT Government: the decrease of $0.3m in 2001-02 from the original budget is due to:
  - lower superannuation expenses funded by Government ($0.9m); and
  - lower training resources provided to CIT Solutions ($0.1m); offset by
  - greater VET training hours purchased by DECS ($0.3m); and
  - higher User Choice training program funding ($0.4m);
- The increase of $2.077m in the 2002-03 Budget from the 2001-02 estimated outcome is due mainly to:
  - additional ANTA funding for vocational education programs ($1.0m);
  - funding for teaching staff EBA wage increases ($0.621m);

- funding towards additional costs relating to the conversion of casual teaching hours to contract and permanent staffing arrangements ($0.175m);
- increase in superannuation contributions ($0.441m); and
- indexation of funding from the ACT and Commonwealth Governments ($0.692m); offset by
- the 1999-00 CIT savings program ($0.7m);

- other revenue: the increase of $1.524m in 2001-02 from the original budget is partly due to the gain of $0.317m from the sale of St Anne's Convent with the remainder largely relating to ANTA funded national projects, such as "Flexible Learning Leaders", being awarded to the Institute in 2001-02. The decrease of $1.447m in the 2002-03 Budget from the 2001-02 estimated outcome reflects the return to a normal level of revenue;
- employee expenses: the increase of $1.156m in 2001-02 from the original budget is due to increased purchased VET hours and commercial activity. The increase of $1.553m in the 2002-03 Budget from the 2001-02 estimated outcome is due to:
  - teaching staff EBA wage increases; and
  - additional salary costs relating to the conversion of a number of casual teaching positions to permanent employment;
- superannuation expenses: the decrease of $0.892m in 2001-02 from the original budget is due to changes in the staffing superannuation profile mix. The increase of $0.665m in the 2002-03 Budget from the 2001-02 estimated outcome relates to wage increases according to the Institute's certified agreement and the conversion of casual teachers' contracts into permanent employment;
- administrative expenses: the increase of $0.754m in 2001-02 from the original budget is due to increased purchased VET hours, commercial activity and the reclassification of insurance costs from other expenses, offset by a discount for IT costs partly refunding previous years' invoices. The decrease of $0.231m in the 2002-03 Budget from the 2001-02 estimated outcome is due to the completion of some contracts, offset by increased IT costs as the discount received in 2001-02 ceases;
- depreciation: the decrease of $0.236m in 2001-02 from the original budget is due to the disposal of assets in 2001-02 and the review of depreciation expenses for buildings previously revalued downwards; and
- other expenses: the increase of $0.586m in 2001-02 from the original budget is due to the disbursement of funds relating to the ANTA national projects mentioned in other revenue above, offset by a reduction for the reclassification of insurance costs to administrative expenses. The decrease of $1.015m in the 2002-03 Budget from the 2001-02 estimated outcome reflects that the ANTA national projects are funded for 2002 only.

Statement of Financial Position

- current assets: the increase of $4.926m in 2001-02 from the original budget is due primarily to an increase of $4.123m in current investments enabled by:
  - proceeds from the sale of St. Anne's Convent during 2001-02;
  - ANTA capital works project funds for 2002 due to delayed commencement of the new project; and

- – international student fee revenue received for future semesters;

- non-current assets: the decrease of $0.923m in 2001-02 from the original budget is due mainly to the disposal of non-current assets, including the above-mentioned St. Anne's Convent. The increase of $2.480m in the 2002-03 Budget from the 2001-02 estimated outcome is the result of new capital works projects ($5.170m) and CIT's own capital investments and donated assets ($0.530m) offset by depreciation ($3.220m); and
- total liabilities: the increase of $0.284m in 2001-02 from the original budget is largely explained by increased employee entitlements for staff recruited by CIT who transferred from other Government agencies. The increase of $0.606m in the 2002-03 Budget from the 2001-02 estimated outcome also largely relates to employee entitlements and reflects the increase in teacher wages and the conversion of casual teachers' contracts.

Cash Flow Statement

- sale of property, plant and equipment: the $1.126m proceeds during 2001-02 largely relate to the sale of St. Anne's Convent; and
- capital injections: the $5.170m in 2002-03 comprises $2.0m for capital works, $2.720m for ANTA funded capital projects and $0.450m base funding for plant and equipment. The increase of $0.860m from the 2001-02 estimated outcome represents a return to the average level of ANTA capital funding to CIT.

Capital Works

Departmental

	Estimated Total Cost $’000	Expenditure Previous Years $’000	2002-03 Estimated Expenditure $’000	2002-03 Financing $’000	Expected Completion Date
New Capital Works					
Minor New Works					
Upgrade emergency lighting – Bruce campus	100	-	100	100	Feb 2003
Upgrade emergency lighting – Reid campus	200	-	200	200	Feb 2003
Install card access system computer laboratories – all campuses	200	-	200	200	June 2003
Install removable covers to glasshouses – Weston campus	100	-	100	100	Mar 2003
Upgrade lighting control system – Bruce campus	100	-	100	100	Apr 2003
Upgrade fire hose reel systems – Reid campus	250	-	250	250	Feb 2003
Upgrade heating and cooling water reticulation to C2 – Bruce campus	100	-	100	100	Dec 2002
Reseal roads & car parks – Bruce Campus	200	-	200	200	June 2003
Infill voids – 1st and 2nd floor, C block – Bruce campus	150	-	150	150	Feb 2003
Refurbish corridors and stairwells, B and D blocks – Reid campus	250	-	250	250	Apr 2003
Replacing boilers serving animal care, E block – Bruce campus	80	-	80	80	Mar 2003
Provide lay-by and directory board at main entrance – Bruce campus	100	-	100	100	June 2003
Upgrade fire detection systems, all buildings – Reid campus	110	-	110	110	June 2003
Refurbish squash courts – Reid campus	60	-	60	60	Feb 2003
Total Minor New Works	**2 000**	**-**	**2 000**	**2 000**	
Total Departmental Capital Works	**2 000**	**-**	**2 000**	**2 000**	