

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.

2007-08 Priorities

Strategic and operational educational issues to be pursued in 2007-08 include:

- developing innovative learning opportunities and enhancing industry relationships to improve responsiveness and developing joint strategies with industry that address skill shortages and meet industry training requirements;
- improving client service systems including recognition of prior learning for existing and potential students;
- improving the CIT's teaching and learning environment to ensure that students and staff have access to high quality facilities and e-Learning resources in an environment that is conducive to learning;
- minimising the CIT's impact on the environment;
- working with schools and colleges to develop alternative pathways for students and to develop a Year 12 vocational college;
- developing leadership and management skills, including business management, marketing and contract negotiation skills and maintaining staff expertise and professional currency; and
- developing staff so that they can work with private education providers and higher education institutions to strengthen partnerships.

Business and Corporate Strategies

The Institute will employ the following strategies to achieve its objectives, priorities and efficiency measures, and to manage business and financial risks:

- subject to the *Canberra Institute of Technology Act 1987*, operate as a customer service oriented entity along business-like lines;
- use benchmarking to operate at least as efficiently as alternative service providers and to provide quality, value for money services in all aspects of the CIT's operations;
- use financial practices which satisfy the requirements of the *Financial Management Act 1996*, including the associated Accounting Policy Papers modelled on the requirements of Accounting Standards, and which fairly present the Institute's financial position and operational and cashflow results for planning and reporting purposes;

- adopt a high standard of operating practices to safeguard the environment and health and safety of staff; and
- provide a productive and satisfying working environment for staff, and a commitment to high standards of human resource management based on the principles of equal employment opportunity.

Estimated Employment Level

	2006-07 Est. Outcome	2007-08 Budget
Staffing (FTE)	743	728

Output Class

	Total Cost ¹		Government Payment for Outputs	
	2006-07 Est. Outcome \$'000	2007-08 Budget \$'000	2006-07 Est. Outcome \$'000	2007-08 Budget \$'000
Output Class 1: Canberra Institute of Technology	90,944	90,913	60,243	61,072
Output 1.1: Provision of Vocational Education and Training Services	90,944	90,913	60,243	61,072

Note:

1. Total cost includes depreciation of \$3.805 million in 2006-07 and \$3.855 million in 2007-08.

Output Description

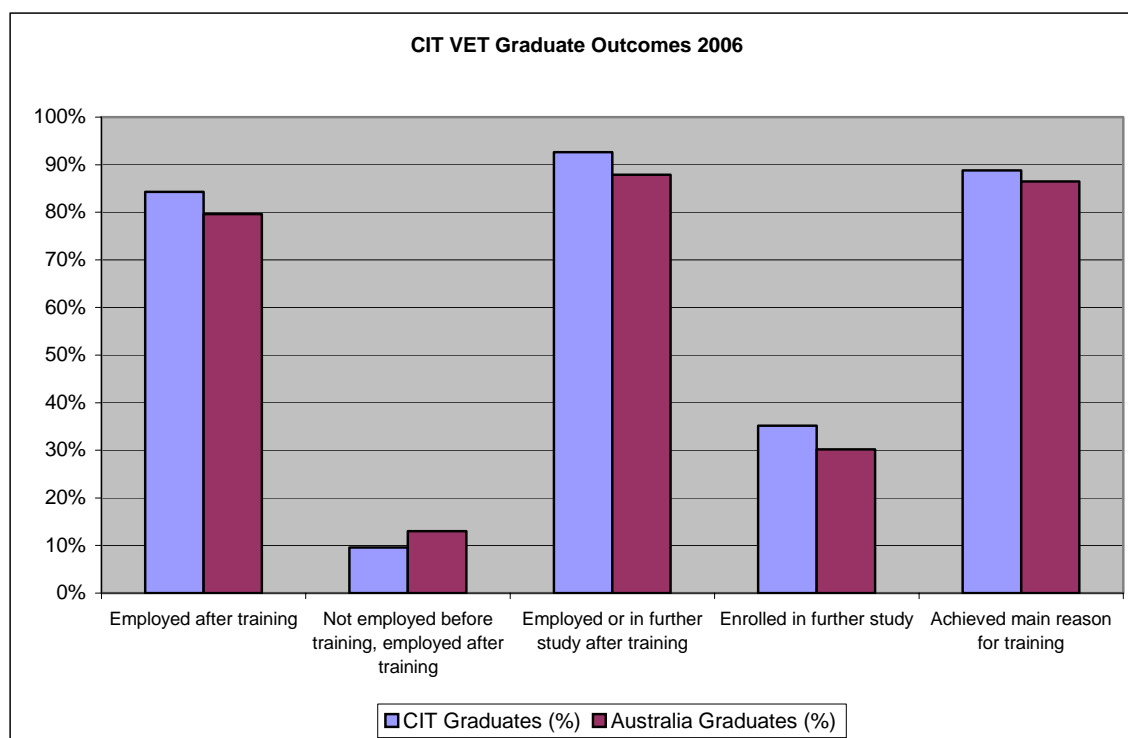
Provision of places in publicly funded programs at the CIT, consistent with training needs identified in the CIT's Statement of Intent.

Strategic Indicators

Strategic Indicator 1 Student Outcomes

One of the key strategic indicators used by the CIT to measure its success is students' employment outcomes which are 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, industry and the community.

Quality and effectiveness can be measured through student outcomes against national benchmarks. Against national benchmarks, CIT students consistently achieve high levels of employment or are undertaking further study after training.¹



Note:

1. The most recently reported figures are from 26 May 2006, as published in the National Centre for Vocational Education Research report: Student Outcomes 2006.

Accountability Indicators

	2006-07 Targets	2006-07 Est. Outcome	2007-08 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	3,739,907	3,707,885	3,735,000
b. Publicly funded program enrolments ²	15,000	17,926	17,500
c. Module pass rates	75%	78%	75%
d. Program completions by students	5,000	5,209	5,000
e. Graduate satisfaction with programs ³	83%	89%	85%
f. Employer satisfaction with Canberra Institute of Technology trained employees ³	80%	85%	80%
g. Average Government payment per annual curriculum hour	\$16.14	\$16.25	\$16.35

Notes:

1. The 2007-08 target of 3,735,000 includes an amount of 75,000 student contact hours delivered through a recognition of prior learning process. The addition of this figure is consistent with the national VET sector standard of counting all recognition of prior learning by assessment in a manner equivalent to other modes of training delivery.
2. The 2006-07 outcome and 2007-08 target have increased from the 2006-07 target due to the continuing trend of students undertaking shorter duration programs.
3. The greater than target outcome in 2006-07 relates mainly to continuous improvement measures introduced by CIT in response to student and employer feedback of services provided by the Institute.

Changes to Appropriation

Changes to Appropriation - Departmental

	2006-07	2007-08	2008-09	2009-10	2010-11
Government Payment for Outputs	Est. Out.	Budget	Estimate	Estimate	Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
2006-07 Budget	60,359	60,635	62,260	63,285	63,285
2007-08 Budget Policy Adjustments					
Wage Outcome	(116)	489	849	1,055	1,062
2007-08 Budget Technical Adjustments					
Revised Indexation Parameters	-	47	49	50	1,119
Shared Services Centre SLA Adjustment	-	215	282	324	328
Decreased Notional Superannuation Contribution Rates	-	(314)	(358)	(235)	(122)
2007-08 Budget	60,243	61,072	63,082	64,479	65,672

Changes to Appropriation - Departmental

	2006-07	2007-08	2008-09	2009-10	2010-11
Capital Injections	Est. Out.	Budget	Estimate	Estimate	Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
2006-07 Budget	5,170	5,170	5,170	5,170	5,170
2007-08 Budget Policy Adjustments					
Weston Campus Relocation - Feasibility Study and Design	-	1,000	-	-	-
2007-08 Budget Technical Adjustments					
Capital Upgrades Indexation	-	55	106	159	213
2007-08 Budget	5,170	6,225	5,276	5,329	5,383

2007-08 Capital Works Program

	Estimated Total Cost \$'000	Estimated Expenditure Pre 2007-08 \$'000	2007-08 Financing \$'000	2008-09 Financing \$'000	2009-10 Financing \$'000	Expected Completion Date
New Capital Works						
Capital Upgrades	2,055	-	2,055			
Weston Campus Relocation - Feasibility Study and Design	1,000	-	1,000			28 Feb 2008
Total New Capital Works	3,055	-	3,055			
Total Departmental Capital Works	3,055		3,055			

Canberra Institute of Technology Operating Statement

2006-07 Budget \$'000		2006-07 Est.Outcome \$'000	2007-08 Budget \$'000	Var %	2008-09 Estimate \$'000	2009-10 Estimate \$'000	2010-11 Estimate \$'000
Income							
Revenue							
60,359	Government Payment for Outputs	60,243	61,072	1	63,082	64,479	65,672
13,082	User Charges - Non ACT Government	13,082	13,701	5	14,429	14,765	15,134
6,996	User Charges - ACT Government	6,996	7,146	2	7,299	7,481	7,668
273	Interest	273	270	-1	254	249	249
400	Dividend Revenue	900	900	-	900	900	900
3,415	Other Revenue	5,014	3,564	-29	3,697	3,813	3,906
35	Resources Received free of charge	35	35	-	35	35	35
84,560	Total Revenue	86,543	86,688	..	89,696	91,722	93,564
Gains							
30	Other Gains	30	30	-	30	30	30
30	Total Gains	30	30	-	30	30	30
84,590	Total Income	86,573	86,718	..	89,726	91,752	93,594
Expenses							
48,748	Employee Expenses	50,652	49,545	-2	51,090	51,558	52,220
9,650	Superannuation Expenses	9,673	9,539	-1	9,883	10,168	10,415
25,519	Supplies and Services	24,280	26,411	9	27,155	27,863	28,556
3,805	Depreciation and Amortisation	3,805	3,855	1	3,906	3,909	3,913
1,382	Other Expenses	2,534	1,563	-38	1,590	1,630	1,671
89,104	Total Ordinary Expenses	90,944	90,913	..	93,624	95,128	96,775
-4,514	Operating Result	-4,371	-4,195	4	-3,898	-3,376	-3,181

Canberra Institute of Technology Balance Sheet

Budget as at 30/6/07 \$'000		Est.Outcome as at 30/6/07 \$'000	Planned as at 30/6/08 \$'000	Var %	Planned as at 30/6/09 \$'000	Planned as at 30/6/10 \$'000	Planned as at 30/6/11 \$'000
Current Assets							
7,440	Cash and Cash Equivalents	4,829	5,044	4	5,409	5,959	6,707
4,787	Receivables	5,766	5,766	-	5,766	5,766	5,766
55	Other	332	332	-	332	332	332
12,282	Total Current Assets	10,927	11,142	2	11,507	12,057	12,805
Non Current Assets							
20	Investments	20	20	-	20	20	20
127,220	Property, Plant and Equipment	126,000	128,190	2	131,272	133,222	135,222
472	Intangibles	568	278	-51	96	96	96
2,954	Capital Works in Progress	3,246	4,246	31	3,246	3,246	3,246
130,666	Total Non Current Assets	129,834	132,734	2	134,634	136,584	138,584
142,948	TOTAL ASSETS	140,761	143,876	2	146,141	148,641	151,389
Current Liabilities							
1,435	Payables	1,741	1,741	-	1,741	1,741	1,741
6,219	Employee Benefits	12,450	13,290	7	13,918	14,424	14,930
6,607	Other	6,530	6,530	-	6,530	6,530	6,530
14,261	Total Current Liabilities	20,721	21,561	4	22,189	22,695	23,201
Non Current Liabilities							
6,877	Employee Benefits	209	454	117	713	754	794
6,877	Total Non Current Liabilities	209	454	117	713	754	794
21,138	TOTAL LIABILITIES	20,930	22,015	5	22,902	23,449	23,995
121,810	NET ASSETS	119,831	121,861	2	123,239	125,192	127,394
REPRESENTED BY FUNDS EMPLOYED							
120,920	Accumulated Funds	118,941	120,971	2	122,349	124,302	126,504
890	Reserves	890	890	-	890	890	890
121,810	TOTAL FUNDS EMPLOYED	119,831	121,861	2	123,239	125,192	127,394

Canberra Institute of Technology Cash Flow Statement

2006-07 Budget \$'000		2006-07 Est.Outcome \$'000	2007-08 Budget \$'000	Var %	2008-09 Estimate \$'000	2009-10 Estimate \$'000	2010-11 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts							
60,359	Cash from Government for Outputs	60,243	61,072	1	63,082	64,479	65,672
20,078	User Charges	20,078	20,847	4	21,728	22,246	22,802
273	Interest Received	273	270	-1	254	249	249
7,228	Other Revenue	8,827	7,556	-14	7,792	8,011	8,209
400	Dividends	900	900	-	900	900	900
88,338	Operating Receipts	90,321	90,645	..	93,756	95,885	97,832
Payments							
57,603	Related to Employees	59,219	57,999	-2	60,086	61,179	62,089
25,484	Related to Supplies and Services	24,397	26,532	9	27,280	27,992	28,689
5,195	Other	6,195	5,399	-13	5,525	5,664	5,806
88,282	Operating Payments	89,811	89,930	..	92,891	94,835	96,584
56	NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	510	715	40	865	1,050	1,248
CASH FLOWS FROM INVESTING ACTIVITIES							
Receipts							
454	Proceeds from Sale/Maturities of Investments	3,500	0	-100	0	0	0
454	Investing Receipts	3,500	0	-100	0	0	0
Payments							
5,670	Purchase of Property, Plant and Equipment	5,670	6,725	19	5,776	5,829	5,883
5,670	Investing Payments	5,670	6,725	19	5,776	5,829	5,883
-5,216	NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	-2,170	-6,725	-210	-5,776	-5,829	-5,883
CASH FLOWS FROM FINANCING ACTIVITIES							
Receipts							
5,170	Capital Injection from Government	5,170	6,225	20	5,276	5,329	5,383
5,170	Financing Receipts	5,170	6,225	20	5,276	5,329	5,383

**Canberra Institute of Technology
Cash Flow Statement**

2006-07 Budget \$'000		2006-07 Est.Outcome \$'000	2007-08 Budget \$'000	Var %	2008-09 Estimate \$'000	2009-10 Estimate \$'000	2010-11 Estimate \$'000
5,170	NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES	5,170	6,225	20	5,276	5,329	5,383
10	NET INCREASE/(DECREASE) IN CASH HELD	3,510	215	-94	365	550	748
2,712	CASH AT BEGINNING OF REPORTING PERIOD	1,319	4,829	266	5,044	5,409	5,959
2,722	CASH AT THE END OF THE REPORTING PERIOD	4,829	5,044	4	5,409	5,959	6,707

Canberra Institute of Technology Statement of Changes in Equity

Budget as at 30/6/07 \$'000		Est.Outcome as at 30/6/07 \$'000	Planned as at 30/6/08 \$'000	Var %	Planned as at 30/6/09 \$'000	Planned as at 30/6/10 \$'000	Planned as at 30/6/11 \$'000
120,060	Opening Balance	117,938	119,831	2	121,861	123,239	125,192
	Accumulated Funds						
-4,514	Operating Result for the Period	-4,371	-4,195	4	-3,898	-3,376	-3,181
	Reserves						
-4,514	Total Income And Expense For The Period	-4,371	-4,195	4	-3,898	-3,376	-3,181
	Transactions Involving Equity Holders Affecting Accumulated Funds						
5,170	Capital Injections	5,170	6,225	20	5,276	5,329	5,383
1,094	Inc/Dec in Net Assets due to Admin Restructure	1,094	0	-100	0	0	0
121,810	Closing Balance	119,831	121,861	2	123,239	125,192	127,394

Notes to the Budget Statements

Significant variations are as follows:

Operating Statement

- government payment for outputs: the increase of \$0.829 million in the 2007-08 Budget from the 2006-07 estimated outcome is mostly due to:
 - supplementation for wage increases (\$1.223 million);
 - indexation (\$0.917 million); and
 - Shared Services Centre Service Level Agreement (SLA) adjustment to cover increased wage costs (\$0.215 million).

partially offset by:

- decreased notional superannuation contribution rate (\$0.314 million); and
- the full year effect of 2006-07 Budget savings (\$1.342 million).
- user charges – non ACT Government: the increase of \$0.619 million in the 2007-08 Budget from the 2006-07 estimated outcome is mainly due to an increase in student tuition and services fee revenue.
- user charges – ACT Government: the increase of \$0.150 million in the 2007-08 Budget from the 2006-07 estimated outcome is mainly due to increased tendering activity associated with the apprenticeships and traineeships.
- dividend revenue: the increase of \$0.5 million in the 2006-07 estimated outcome from the original budget is due to increased profitability by CIT Solutions Pty Ltd.

- other revenue: the increase of \$1.599 million in the 2006-07 estimated outcome from the original budget, and the decrease of \$1.450 million in the 2007-08 Budget from the 2006-07 estimated outcome, relate to voluntary redundancy supplementation from Government in 2006-07 (\$0.580 million), and one off funding in 2006-07 for the management of the National Communication and Leadership program (\$1.0 million).
- employee expenses:
 - the increase of \$1.904 million in the 2006-07 estimated outcome from the original budget is due to wage increases (\$0.208 million), increased voluntary redundancy costs (\$0.660 million), and delays in the transfer of staff to Shared Services in 2006-07 (\$1.036 million); and
 - the decrease of \$1.107 million in the 2007-08 Budget from the 2006-07 estimated outcome is largely due to the full year effect of 2006-07 Budget savings and the transfer of staff to Shared Services in 2006-07 (\$2.146 million) and increased voluntary redundancies in 2006-07 (\$0.660 million), offset by the full year effect of wage increases (\$1.043 million) and indexation (\$0.560 million).
- superannuation expenses: the decrease of \$0.134 million in the 2007-08 Budget from the 2006-07 estimated outcome is mainly due to decreased notional superannuation contribution rates.
- supplies and services:
 - the decrease of \$1.239 million in the 2006-07 estimated outcome from the original budget is mainly due to delays in the transfer of staff to Shared Services in 2006-07 leading to a reduction in the estimated amount of fees paid to Shared Services; and
 - the increase of \$2.131 million in the 2007-08 Budget from the 2006-07 estimated outcome is largely due to the full year effect of fees paid to Shared Services in 2006-07 (\$2.117 million), and indexation (\$0.650 million), partially offset by the full year effect of 2006-07 Budget savings (\$0.853 million).
- other expenses: the increase of \$1.152 million in the 2006-07 estimated outcome from the original budget and the decrease of \$0.971 million in the 2007-08 Budget from the 2006-07 estimated outcome is due to one-off costs associated with managing the National Communication and Leadership program in 2006-07.

Balance Sheet

- current assets: the decrease of \$1.355 million in the 2006-07 estimated outcome from the original budget and the increase of \$0.215 million in the 2007-08 Budget from the 2006-07 estimated outcome, relate to variations in revenue received in advance for training programs and national projects and the payment of long service leave entitlements for redundant and retiring staff.
- non-current assets:
 - the decrease of \$0.832 million in the 2006-07 estimated outcome from the original budget relates to delays in CIT's capital works program; and
 - the increase of \$2.9m in the 2007-08 Budget from the 2006-07 estimated outcome relates to the upgrade of infrastructure under the capital works program and capital funding for the Weston Campus feasibility study and forward design.
- total liabilities:

- the decrease of \$0.208 million in the 2006-07 estimated outcome from the original budget relates mainly to reduced employee entitlements as staff have retired or been made redundant; and
- the increase of \$1.085 million in the 2007-08 Budget from the 2006-07 estimated outcome is mainly due to increases in staff pay rates under the CIT's collective agreements flowing through to increased benefits owing to employees.

Cash Flow Statement

- proceeds from sale/maturities of investments: the increase of \$3.046 million in the 2006-07 estimated outcome from the original budget and the \$3.5 million decrease in the 2007-08 Budget from the 2006-07 estimated outcome represent a change in accounting practices for cash equivalents. The 2007-08 Budget for investments has been reduced to a 'nil' balance.

