

# CANBERRA INSTITUTE OF TECHNOLOGY

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## 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 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.

## 2003-04 Highlights

Strategic and operational issues that will be pursued in 2003-04 include:

- developing closer links with the ACT High School and Secondary College sector to provide alternative vocational education and training opportunities for school leavers;
- achieving quality certification to provide clients with a high level of quality assurance on CIT's training programs;
- 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, Youth and Family Services;
- continuing the development of the Institute's on-line teaching capability;
- maximising the capacity of CIT graduates to be competitive in rapidly growing and changing employment markets;
- 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 including the long term planning of student accommodation for international and regional students.

**Canberra Institute of Technology  
Statement of Financial Performance**

| <b>2002-03<br/>Budget<br/>\$'000</b> |  | <b>2002-03<br/>Est.Outcome<br/>\$'000</b> | <b>2003-04<br/>Budget<br/>\$'000</b> | <b>Var<br/>%</b> | <b>2004-05<br/>Estimate<br/>\$'000</b> | <b>2005-06<br/>Estimate<br/>\$'000</b> | <b>2006-07<br/>Estimate<br/>\$'000</b> |
|--------------------------------------|--|---|--------------------------------------|------------------|--|--|--|
| <b>Revenue</b>                       |  |   |                                      |                  |  |  |  |
| 12 094                               | User Charges - Non ACT Government                | 12 094                                    | 12 193                               | 1                | 12 353                                 | 12 532                                 | 12 845                                 |
| 53 468                               | User Charges - ACT Government                    | 53 915                                    | 55 820                               | 4                | 55 049                                 | 56 050                                 | 57 031                                 |
| 399                                  | Interest   | 365                                       | 311                                  | -15              | 256                                    | 232                                    | 199                                    |
| 213                                  | Dividend Revenue                                 | 400                                       | 218                                  | -46              | 218                                    | 218                                    | 218                                    |
| 3 137                                | Other Revenue                                    | 4 237                                     | 3 213                                | -24              | 3 295                                  | 3 377                                  | 3 461                                  |
| 33                                   | Resources Received free of charge                | 47  | 34                                   | -28              | 35                                     | 35                                     | 35                                     |
| <b>69 344</b>                        | <b>Total Ordinary Revenue</b>                    | <b>71 058</b>                             | <b>71 789</b>                        | <b>1</b>         | <b>71 206</b>                          | <b>72 444</b>                          | <b>73 789</b>                          |
| <b>Expenses</b>                      |  |   |                                      |                  |  |  |  |
| 40 259                               | Employee Expenses                                | 41 140                                    | 42 895                               | 4                | 42 050                                 | 42 558                                 | 43 096                                 |
| 6 360                                | Superannuation Expenses                          | 6 210                                     | 5 934                                | -4               | 5 959                                  | 6 034                                  | 6 109                                  |
| 22 103                               | Supplies and Services                            | 22 503                                    | 22 868                               | 2                | 23 031                                 | 23 596                                 | 24 185                                 |
| 3 220                                | Depreciation and Amortisation                    | 3 220                                     | 3 466                                | 8                | 3 640                                  | 3 690                                  | 3 690                                  |
| 783                                  | Other Expenses                                   | 1 528                                     | 851                                  | -44              | 827                                    | 847                                    | 868                                    |
| <b>72 725</b>                        | <b>Total Ordinary Expenses</b>                   | <b>74 601</b>                             | <b>76 014</b>                        | <b>2</b>         | <b>75 507</b>                          | <b>76 725</b>                          | <b>77 948</b>                          |
| <b>-3 381</b>                        | <b>Operating Result From Ordinary Activities</b> | <b>-3 543</b>                             | <b>-4 225</b>                        | <b>-19</b>       | <b>-4 301</b>                          | <b>-4 281</b>                          | <b>-4 159</b>                          |
| 0                                    | Extraordinary Revenue                            | 129                                       | 0                                    | -100             | 0                                      | 0                                      | 0                                      |
| 0                                    | Extraordinary Expense                            | 100                                       | 0                                    | -100             | 0                                      | 0                                      | 0                                      |
| <b>-3 381</b>                        | <b>Operating Result</b>                          | <b>-3 514</b>                             | <b>-4 225</b>                        | <b>-20</b>       | <b>-4 301</b>                          | <b>-4 281</b>                          | <b>-4 159</b>                          |
| <b>116 348</b>                       | <b>Total Equity From Start of Period</b>         | <b>116 956</b>                            | <b>118 612</b>                       | <b>1</b>         | <b>120 823</b>                         | <b>119 692</b>                         | <b>118 581</b>                         |
| 5 170                                | Capital Injections                               | 5 170                                     | 6 436                                | 24               | 3 170                                  | 3 170                                  | 3 170                                  |
| <b>118 137</b>                       | <b>Total Equity At The End of Period</b>         | <b>118 612</b>                            | <b>120 823</b>                       | <b>2</b>         | <b>119 692</b>                         | <b>118 581</b>                         | <b>117 592</b>                         |

## Canberra Institute of Technology Statement of Financial Position

| Budget<br>as at 30/6/03<br>\$'000        |                                      | Est.Outcome<br>as at 30/6/03<br>\$'000 | Planned<br>as at 30/6/04<br>\$'000 | Var<br>%  | Planned<br>as at 30/6/05<br>\$'000 | Planned<br>as at 30/6/06<br>\$'000 | Planned<br>as at 30/6/07<br>\$'000 |
|--|--------------------------------------|--|------------------------------------|-----------|------------------------------------|------------------------------------|------------------------------------|
| <b>Current Assets</b>                    |                                      |  |                                    |           |                                    |                                    |                                    |
| 583                                      | Cash                                 | 1 995                                  | 1 983                              | -1        | 1 946                              | 1 933                              | 2 042                              |
| 3 212                                    | Receivables                          | 4 489                                  | 4 489                              | -         | 4 489                              | 4 489                              | 4 489                              |
| 7 401                                    | Investments                          | 7 401                                  | 6 567                              | -11       | 5 889                              | 5 261                              | 4 633                              |
| 512                                      | Other                                | 60                                     | 60                                 | -         | 60                                 | 60                                 | 60                                 |
| <b>11 708</b>                            | <b>Total Current Assets</b>          | <b>13 945</b>                          | <b>13 099</b>                      | <b>-6</b> | <b>12 384</b>                      | <b>11 743</b>                      | <b>11 224</b>                      |
| <b>Non Current Assets</b>                |                                      |  |                                    |           |                                    |                                    |                                    |
| 20                                       | Investments                          | 20                                     | 20                                 | -         | 20                                 | 20                                 | 20                                 |
| 121 749                                  | Property, Plant and Equipment        | 120 923                                | 123 408                            | 2         | 123 708                            | 123 958                            | 124 168                            |
| 23                                       | Intangibles                          | 131                                    | 80                                 | -39       | 40                                 | 0                                  | 0                                  |
| 2 928                                    | Capital Works in Progress            | 2 651                                  | 2 451                              | -8        | 2 251                              | 2 051                              | 1 851                              |
| <b>124 720</b>                           | <b>Total Non Current Assets</b>      | <b>123 725</b>                         | <b>125 959</b>                     | <b>2</b>  | <b>126 019</b>                     | <b>126 029</b>                     | <b>126 039</b>                     |
| <b>136 428</b>                           | <b>TOTAL ASSETS</b>                  | <b>137 670</b>                         | <b>139 058</b>                     | <b>1</b>  | <b>138 403</b>                     | <b>137 772</b>                     | <b>137 263</b>                     |
| <b>Current Liabilities</b>               |                                      |  |                                    |           |                                    |                                    |                                    |
| 2 089                                    | Payables                             | 1 394                                  | 1 394                              | -         | 1 394                              | 1 394                              | 1 394                              |
| 5 673                                    | Employee Benefits                    | 5 066                                  | 4 098                              | -19       | 4 538                              | 4 982                              | 5 426                              |
| 4 079                                    | Other                                | 6 075                                  | 6 075                              | -         | 6 075                              | 6 075                              | 6 075                              |
| <b>11 841</b>                            | <b>Total Current Liabilities</b>     | <b>12 535</b>                          | <b>11 567</b>                      | <b>-8</b> | <b>12 007</b>                      | <b>12 451</b>                      | <b>12 895</b>                      |
| <b>Non Current Liabilities</b>           |                                      |  |                                    |           |                                    |                                    |                                    |
| 6 450                                    | Employee Benefits                    | 6 523                                  | 6 668                              | 2         | 6 704                              | 6 740                              | 6 776                              |
| <b>6 450</b>                             | <b>Total Non Current Liabilities</b> | <b>6 523</b>                           | <b>6 668</b>                       | <b>2</b>  | <b>6 704</b>                       | <b>6 740</b>                       | <b>6 776</b>                       |
| <b>18 291</b>                            | <b>TOTAL LIABILITIES</b>             | <b>19 058</b>                          | <b>18 235</b>                      | <b>-4</b> | <b>18 711</b>                      | <b>19 191</b>                      | <b>19 671</b>                      |
| <b>118 137</b>                           | <b>NET ASSETS</b>                    | <b>118 612</b>                         | <b>120 823</b>                     | <b>2</b>  | <b>119 692</b>                     | <b>118 581</b>                     | <b>117 592</b>                     |
| <b>REPRESENTED BY FUNDS<br/>EMPLOYED</b> |                                      |  |                                    |           |                                    |                                    |                                    |
| 117 247                                  | Accumulated Funds                    | 117 722                                | 119 933                            | 2         | 118 802                            | 117 691                            | 116 702                            |
| 890                                      | Reserves                             | 890                                    | 890                                | -         | 890                                | 890                                | 890                                |
| <b>118 137</b>                           | <b>TOTAL FUNDS<br/>EMPLOYED</b>      | <b>118 612</b>                         | <b>120 823</b>                     | <b>2</b>  | <b>119 692</b>                     | <b>118 581</b>                     | <b>117 592</b>                     |

**Canberra Institute of Technology  
Statement of Cashflows**

| 2002-03<br>Budget<br>\$'000                 |  | 2002-03<br>Est.Outcome<br>\$'000 | 2003-04<br>Budget<br>\$'000 | Var<br>%    | 2004-05<br>Estimate<br>\$'000 | 2005-06<br>Estimate<br>\$'000 | 2006-07<br>Estimate<br>\$'000 |
|---|--|----------------------------------|-----------------------------|-------------|-------------------------------|-------------------------------|-------------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b> |  |                                  |                             |             |                               |                               |                               |
| <b>Receipts</b>                             |  |                                  |                             |             |                               |                               |                               |
| 65 562                                      | User Charges   | 66 009                           | 68 013                      | 3           | 67 402                        | 68 582                        | 69 876                        |
| 399   | Interest Received  | 365                              | 311                         | -15         | 256                           | 232                           | 199                           |
| 6 317                                       | Other Revenue  | 7 417                            | 6 474                       | -13         | 6 647                         | 6 819                         | 6 987                         |
| 0   | Extraordinary Receipts                                     | 129                              | 0                           | -100        | 0                             | 0                             | 0                             |
| <b>72 278</b>                               | <b>Operating Receipts</b>                                  | <b>73 920</b>                    | <b>74 798</b>               | <b>1</b>    | <b>74 305</b>                 | <b>75 633</b>                 | <b>77 062</b>                 |
| <b>Payments</b>                             |  |                                  |                             |             |                               |                               |                               |
| 46 013                                      | Related to Employees                                       | 46 460                           | 49 652                      | 7           | 47 533                        | 48 112                        | 48 725                        |
| 22 070                                      | Related to Supplies and Services                           | 23 356                           | 22 834                      | -2          | 22 996                        | 23 561                        | 24 150                        |
| 3 993                                       | Other  | 4 723                            | 4 142                       | -12         | 4 209                         | 4 319                         | 4 424                         |
| 0   | Extraordinary Payments                                     | 80                               | 0                           | -100        | 0                             | 0                             | 0                             |
| <b>72 076</b>                               | <b>Operating Payments</b>                                  | <b>74 619</b>                    | <b>76 628</b>               | <b>3</b>    | <b>74 738</b>                 | <b>75 992</b>                 | <b>77 299</b>                 |
| <b>202</b>                                  | <b>NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES</b> | <b>-699</b>                      | <b>-1 830</b>               | <b>-162</b> | <b>-433</b>                   | <b>-359</b>                   | <b>-237</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                             |
| 600   | Proceeds from Sale/Maturities of Investments               | 600                              | 2 100                       | 250         | 678                           | 628                           | 628                           |
| 213   | Dividends  | 400                              | 218                         | -46         | 218                           | 218                           | 218                           |
| <b>813</b>                                  | <b>Investing Receipts</b>                                  | <b>1 010</b>                     | <b>2 318</b>                | <b>130</b>  | <b>896</b>                    | <b>846</b>                    | <b>846</b>                    |
| <b>Payments</b>                             |  |                                  |                             |             |                               |                               |                               |
| 5 670                                       | Purchase of Property, Plant and Equipment                  | 4 875                            | 5 670                       | 16          | 3 670                         | 3 670                         | 3 670                         |
| 500   | Purchase of Investments                                    | 500                              | 1 266                       | 153         | 0                             | 0                             | 0                             |
| <b>6 170</b>                                | <b>Investing Payments</b>                                  | <b>5 375</b>                     | <b>6 936</b>                | <b>29</b>   | <b>3 670</b>                  | <b>3 670</b>                  | <b>3 670</b>                  |
| <b>-5 357</b>                               | <b>NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES</b> | <b>-4 365</b>                    | <b>-4 618</b>               | <b>-6</b>   | <b>-2 774</b>                 | <b>-2 824</b>                 | <b>-2 824</b>                 |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b> |  |                                  |                             |             |                               |                               |                               |
| <b>Receipts</b>                             |  |                                  |                             |             |                               |                               |                               |
| 5 170                                       | Capital Injection from Government                          | 5 170                            | 6 436                       | 24          | 3 170                         | 3 170                         | 3 170                         |
| <b>5 170</b>                                | <b>Financing Receipts</b>                                  | <b>5 170</b>                     | <b>6 436</b>                | <b>24</b>   | <b>3 170</b>                  | <b>3 170</b>                  | <b>3 170</b>                  |

## Canberra Institute of Technology Statement of Cashflows

| 2002-03<br>Budget<br>\$'000 |  | 2002-03<br>Est.Outcome<br>\$'000 | 2003-04<br>Budget<br>\$'000 | Var<br>% | 2004-05<br>Estimate<br>\$'000 | 2005-06<br>Estimate<br>\$'000 | 2006-07<br>Estimate<br>\$'000 |
|-----------------------------|--|----------------------------------|-----------------------------|----------|-------------------------------|-------------------------------|-------------------------------|
| 5 170                       | NET CASH<br>INFLOW/(OUTFLOW)<br>FROM FINANCING<br>ACTIVITIES | 5 170                            | 6 436                       | 24       | 3 170                         | 3 170                         | 3 170                         |
| 15                          | NET<br>INCREASE/(DECREASE)<br>IN CASH HELD                   | 106                              | -12                         | -111     | -37                           | -13                           | 109                           |
| 568                         | CASH AT BEGINNING OF<br>REPORTING PERIOD                     | 1 889                            | 1 995                       | 6        | 1 983                         | 1 946                         | 1 933                         |
| 583                         | CASH AT THE END OF<br>THE REPORTING<br>PERIOD                | 1 995                            | 1 983                       | -1       | 1 946                         | 1 933                         | 2 042                         |

### Notes to the Budget Statements

#### *Statement of Financial Performance*

For 2003-04, the Institute is budgeting to have an operating loss of \$4.225m which is higher than the 2002-03 estimated outcome of \$3.514m. Significant variations that contribute to the budgeted loss are:

- user charges – ACT Government: the increase of \$0.447m in the 2002-03 estimated outcome from the original budget is due to the supplementation of wage increases. The increase of \$1.905m in the 2003-04 Budget from the 2002-03 estimated outcome is mainly due to the supplementation of wage increases of \$1.188m, ANTA base funding for vocational education and training of \$0.470m and indexation;
- dividend revenue: the increase of \$0.187m in the 2002-03 estimated outcome from the original budget is due to the increase dividend declared by CIT Solutions Pty Ltd based on the operating result for the 2002 calendar year. Since then, the wage increases have had an offsetting impact on the 2002-03 estimated outcome hence the dividend will return to a normal level in 2003-04;
- other revenue: the increase of \$1.100m in the 2002-03 estimated outcome from the original budget is due to the Institute's management in 2002 and 2003 of national ANTA projects under the Flexible Learning Framework. The projects are not currently anticipated to be funded beyond 2003, resulting in the decrease of \$1.024m in 2003-04;
- employee expenses: the increase of \$0.881m in the 2002-03 estimated outcome from the original budget is due to wage increases. The increase of \$1.755m in the 2003-04 Budget from the 2002-03 estimated outcome is due to wage increases in accordance with the Institute's current Certified Agreements (both teaching and non teaching);
- superannuation: the decrease of \$0.150m in the 2002-03 estimated outcome from the original budget and a further decrease of \$0.276m in the 2003-04 Budget is due to a lower

average employer contribution rate through reducing numbers of employees contributing to the CSS;

- supplies and services: the increase of \$0.400m in the 2002-03 estimated outcome from the original budget is a result of increased activity through the national ANTA project funding. A further increase of \$0.365m in the 2003-04 Budget from the 2002-03 estimated outcome is due to an increase in repairs and maintenance costs associated with property and equipment;
- depreciation: the increase of \$0.246 in the 2003-04 Budget from the 2002-03 estimated outcome is due to the expected completion of various capital works projects;
- other expenses: the increase of \$0.745m in the 2002-03 estimated outcome from the original budget is due to the disbursement of ANTA national project funds managed by CIT. The decrease of \$0.677m in the 2003-04 Budget from the 2002-03 estimated outcome is a result of ANTA national projects funded for 2003 only;
- extraordinary revenue and expense: these amounts relates to the revenue from claims under ACT insurance cover relating to the January 2003 bushfire damage at CIT's Weston campus and the expenditure to repair infrastructure and purchase destroyed learning materials; and
- capital injections: the \$6.436m in the 2003-04 comprises \$2m for ACT funded capital works, (\$2.720m) for ANTA funded capital projects, (\$0.450m) base funding for plant and equipment and a 'one-off' cash injection (\$1.266m) to cover the additional pay for employees in 2003-04.

#### *Statement of Financial Position*

- current assets: the increase of \$2.237m in the 2002-03 estimated outcome from the original budget is largely due to additional national project activity and semester two student enrolments taking place in June. The decrease of \$0.846m in the 2003-04 Budget from the 2002-03 estimated outcome is largely due to national project activity taking place in 2002-03;
- non current assets: the decrease of \$0.995m in the 2002-03 estimated outcome from the original budget is due to delays in the completion of ANTA funded capital projects in 2002 that will contribute to the increase of \$2.234m in the 2003-04 Budget from the 2002-03 estimated outcome; and
- total liabilities: the \$0.767m increase in the 2002-03 estimated outcome from the original budget is due to a change in the funding process for apprentices and trainees through DEFYS where funding is received in advance. The decrease of \$0.968m in the 2003-04 Budget from the 2002-03 estimated outcome relates to the additional pay in 2003-04.

## Capital Works

### Departmental

|  | Estimated<br>Total<br>Cost<br>\$'000 | Expenditure<br>Previous<br>Years<br>\$'000 | 2003-04<br>Estimated<br>Expenditure<br>\$'000 | 2003-04<br>Financing<br>\$'000 | Expected<br>Completi<br>on<br>Date |
|--|--------------------------------------|--|---|--------------------------------|------------------------------------|
| <b>New Capital Works</b>                                     |                                      |  |   |                                |                                    |
| <b>Minor New Works</b>                                       |                                      |  |   |                                |                                    |
| Replacement of Evacuation Speakers,<br>All Campuses          | 250                                  | -  | 250   | 250                            | June 2004                          |
| Replace vinyl floors and install wall<br>protection, K Block | 200                                  | -  | 200   | 200                            | June 2004                          |
| Upgrade Analogue CCTV system<br>with digital, Reid Campus    | 170                                  | -  | 170   | 170                            | June 2004                          |
| Upgrade disabled toilets, All<br>Campuses                    | 160                                  | -  | 160   | 160                            | June 2004                          |
| Upgrade exhaust and ventilation to<br>A Block, Fyshwick      | 150                                  | -  | 150   | 150                            | June 2004                          |
| Refurbish offices/classrooms,<br>E Block, Fyshwick           | 150                                  | -  | 150   | 150                            | June 2004                          |
| Replace damaged concrete paving,<br>Reid                     | 140                                  | -  | 140   | 140                            | June 2004                          |
| Repartition 1st floor F Block, Bruce                         | 120                                  | -  | 120   | 120                            | June 2004                          |
| Upgrade signage and directory<br>boards, All Campuses        | 110                                  | -  | 110   | 110                            | June 2004                          |
| Install Emergency Warning and<br>Evacuation System, Weston   | 100                                  | -  | 100   | 100                            | June 2004                          |
| Fit sun-shading to north windows,<br>H Block, Bruce.         | 90                                   | -  | 90  | 90                             | June 2004                          |
| Construct covered walkway between<br>A and E Blocks, Weston  | 90                                   | -  | 90  | 90                             | June 2004                          |
| Install WIP phones to Evacuation<br>System, Bruce            | 80                                   | -  | 80  | 80                             | June 2004                          |
| Install bird-proofing mesh to all<br>buildings, Reid         | 70                                   | -  | 70  | 70                             | June 2004                          |
| Replace radiant workshop heaters,<br>Fyshwick                | 60                                   | -  | 60  | 60                             | June 2004                          |
| Reconstruct D/F Link, Reid                                   | 60                                   | -  | 60  | 60                             | June 2004                          |
| <b>Total Minor New Works</b>                                 | <b>2 000</b>                         | <b>-</b>                                   | <b>2 000</b>                                  | <b>2 000</b>                   |                                    |
| <b>Total Departmental Capital Works</b>                      | <b>2 000</b>                         | <b>-</b>                                   | <b>2 000</b>                                  | <b>2 000</b>                   |                                    |