

CANBERRA INSTITUTE OF TECHNOLOGY

Objectives

The Canberra Institute of Technology (CIT) contributes to the Government's strategic vision and desired outcomes for the ACT community with the specific objective to achieve a work force with skills appropriate to the current and forecast needs of industry and with enhanced career prospects and quality of life.

CIT's three year strategic plan is in accordance with key vocational education and training strategies, especially the ACT Training Profile for 1999 and beyond.

1999-2000 Highlights

Strategic and operational issues to be pursued in 1999-2000 include:

- maximising the capacity of CIT graduates to be competitive;
- providing flexibility in the ways learners can access and successfully progress through learning pathways;
- developing the potential of staff to work with new and innovative learning methodologies;
- developing commercial practices which support and encourage enterprise;
- achieving greater flexibility in work practices;
- developing further and implementing the purchaser provider model;
- continuing to improve communication based on evaluation and performance measurement processes; and
- building strategic links and partnerships in Australia and overseas.

Budget Summary	1999-2000 Planned \$'000
Government Funding	
• Injection for operating requirements	5 443
• Capital injection for capital works	5 070
Revenues	
• User charges ACT Government	50 034
• User charges non-ACT Government	11 002
• Other revenue	3 442
Services Provided	
• Vocational Education and Training	75 718

Canberra Institute of Technology Operating Statement

1998-99 Budget \$'000		1998-99 Est.Outcome \$'000	1999-00 Budget \$'000	Var %	2000-01 Estimate \$'000	2001-02 Estimate \$'000	2002-03 Estimate \$'000
Revenue							
11 958	User Charges - Non ACT Government	11 281	11 002	-2	11 477	11 964	12 363
49 696	User Charges - ACT Government	48 598	50 034	3	49 047	48 413	48 480
557	Interest	359	200	-44	50	13	0
4 035	Other Revenue	3 483	3 162	-9	3 254	3 339	3 427
1 429	Resources Received free of charge	1 939	80	-96	82	84	86
67 675	Total Revenue	65 660	64 478	-2	63 910	63 813	64 356
Expenses							
45 842	Employee Expenses	45 465	40 450	-11	39 887	40 170	40 755
7 051	Superannuation Expenses	7 051	6 716	-5	6 903	7 075	7 090
24 246	Administrative Expenses	24 071	23 340	-3	23 034	22 379	22 215
4 500	Depreciation and Amortisation	3 923	4 120	5	4 213	4 295	4 382
28	Interest	25	23	-8	17	10	3
1 233	Other Expenses	836	1 069	28	1 096	1 124	1 151
82 900	Total Expenses	81 371	75 718	-7	75 150	75 053	75 596
-15 225	Operating Result Before Extraordinary Items	-15 711	-11 240	28	-11 240	-11 240	-11 240
9 627	Injection for Operating Requirements	9 627	5 443	-43	4 198	5 358	5 369
-5 598	Operating Result	-6 084	-5 797	5	-7 042	-5 882	-5 871
124 503	Accumulated Funds - Start of Period	124 975	123 786	-1	123 059	119 347	116 795
5 010	Capital Injections	5 500	5 070	-8	3 330	3 330	3 330
405	Distributions to Government	605	0	-100	0	0	0
123 510	Accumulated Funds - End of Period	123 786	123 059	-1	119 347	116 795	114 254

Canberra Institute of Technology Statement Of Financial Position

Budget as at 30/6/99 \$'000		Est.Outcome as at 30/6/99 \$'000	Planned as at 30/6/00 \$'000	Var %	Planned as at 30/6/01 \$'000	Planned as at 30/6/02 \$'000	Planned as at 30/6/03 \$'000
Current Assets							
768	Cash	334	1 262	278	129	323	86
683	Receivables	2 608	2 609	..	2 609	1 712	1 063
6 237	Investments	4 830	2 818	-42	1 007	0	0
307	Other	856	846	-1	846	846	846
7 995	Total Current Assets	8 628	7 535	-13	4 591	2 881	1 995
Non Current Assets							
20	Investments	20	20	-	20	20	20
133 421	Property, Plant and Equipment	134 769	135 624	1	134 341	133 977	133 526
1 303	Capital Works in Progress	314	114	-64	914	714	514
134 744	Total Non Current Assets	135 103	135 758	..	135 275	134 711	134 060
142 739	TOTAL ASSETS	143 731	143 293	..	139 866	137 592	136 055
Current Liabilities							
346	Creditors	672	672	-	672	672	1 405
54	Finance Leases	55	61	11	68	75	0
6 272	Employee Entitlements	5 281	5 561	5	5 841	6 121	6 401
722	Other	2 609	2 609	-	2 609	2 609	2 609
7 394	Total Current Liabilities	8 617	8 903	3	9 190	9 477	10 415
Non Current Liabilities							
204	Finance Leases	204	143	-30	75	0	0
8 336	Employee Entitlements	7 829	7 893	1	7 959	8 025	8 091
8 540	Total Non Current Liabilities	8 033	8 036	..	8 034	8 025	8 091
15 934	TOTAL LIABILITIES	16 650	16 939	2	17 224	17 502	18 506
126 805	NET ASSETS	127 081	126 354	-1	122 642	120 090	117 549
REPRESENTED BY FUNDS EMPLOYED							
123 510	Accumulated Funds	123 786	123 059	-1	119 347	116 795	114 254
3 295	Reserves	3 295	3 295	-	3 295	3 295	3 295
126 805	TOTAL FUNDS EMPLOYED	127 081	126 354	-1	122 642	120 090	117 549

Canberra Institute of Technology
Cashflow Statement

1998-99 Budget \$'000	1998-99 Est.Outcome \$'000	1999-00 Budget \$'000	Var %	2000-01 Estimate \$'000	2001-02 Estimate \$'000	2002-03 Estimate \$'000
1 206	643	335	-48	1 263	130	324
CASH AT BEGINNING OF REPORTING PERIOD						
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts						
71 285	68 951	66 478	-4	64 724	67 544	68 471
557	359	200	-44	50	13	0
3 972	2 650	3 102	17	3 168	3 248	3 329
75 814	71 960	69 780	-3	67 942	70 805	71 800
Operating Receipts						
Payments						
52 578	52 221	46 821	-10	46 446	46 901	47 501
22 816	21 881	23 261	6	22 952	23 203	23 004
28	25	23	-8	17	10	3
1 236	840	1 069	27	1 096	1 124	1 151
76 658	74 967	71 174	-5	70 511	71 238	71 659
-844	-3 007	-1 394	54	-2 569	-433	141
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES						
CASH FLOWS FROM INVESTING ACTIVITIES						
Receipts						
0	0	695	-	0	0	0
Proceeds from Sale of Property, Plant & Equipment						
1 796	2 573	2 012	-22	1 812	1 005	0
Proceeds from Sale/Maturities of Investments						
60	270	70	-74	85	90	97
Dividends						
1 856	2 843	2 777	-2	1 897	1 095	97
Investing Receipts						
Payments						
6 000	4 966	5 470	10	3 730	3 730	3 730
Purchase of Property, Plant and Equipment						
6 000	4 966	5 470	10	3 730	3 730	3 730
-4 144	-2 123	-2 693	-27	-1 833	-2 635	-3 633
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES						
CASH FLOWS FROM FINANCING ACTIVITIES						
Receipts						
5 010	5 500	5 070	-8	3 330	3 330	3 330
Capital Injection from Government						
5 010	5 500	5 070	-8	3 330	3 330	3 330
Financing Receipts						
Payments						
405	605	0	-100	0	0	0
Distributions to Government						
54	73	55	-25	61	68	75
Repayment of Finance Lease						
459	678	55	-92	61	68	75
Financing Payments						
4 551	4 822	5 015	4	3 269	3 262	3 255
NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES						
-437	-308	928	401	-1 133	194	-237
NET INCREASE/(DECREASE) IN CASH HELD						
769	335	1 263	277	130	324	87
CASH AT THE END OF THE REPORTING PERIOD						

Notes to the Budget Statements

The CIT has benchmarked its delivery costs against vocational education in other states and is in the second year of reducing costs to achieve a benchmarked cost structure. The Learning Services Review identified significant savings over the same three year period. Amalgamations of campuses and identification of potential surplus assets are being undertaken. Electricity, rates and maintenance costs are also being reviewed. These measures will result in savings of \$3m being achieved in 1999-2000 with a further \$2.7m included for 2000-01. The budgeted operating result for CIT in 1999-2000 is a loss of \$5.797m, which is an improvement of \$0.287m from the 1998-99 estimated outcome of \$6.084m. The savings made by CIT are reflected in the reduced operating loss in 1999-2000, and in the reduced level of funding in the user charges ACT Government, and injection for operations. Payments direct from government will decrease by \$5.128m due to efficiency savings and increased contestable funds.

Operating Statement

Significant variations are as follows:

- user charges ACT Government: the decrease of \$1.098m in 1998-99 from original budget is due to savings achieved during the year. The increase of \$1.436m in 1999-2000 is mainly a net result of:
 - reclassification of funding from injection for operations following benchmarking, and in recognition of additional delivery of curriculum hours (\$3m);
 - an increase in the 1998-99 forward estimates of \$2.091m; offset by
 - continuation of \$1.1m savings from 1998-99;
 - further savings of \$3m commencing in 1999-2000; and
 - adjustment for superannuation of \$0.3m;
- resources received free of charge: the decrease of \$1.859m in 1999-2000 is due to a change in the treatment of income and expenditure associated with assets transferred to InTACT. In 1998-99 the treatment was to show the depreciation associated with assets transferred to InTACT as part of administration expenses and to offset this expense through resources received free of charge;
- employee expenses: the decrease of \$5.015m in 1999-2000 is due to reduced salaries and associated costs as a result of reductions in staffing numbers attributable to a redundancy program over the last two years; and
- injection for operations: the decrease of \$4.184m in 1999-2000 is mainly due to reclassification of injection in recognition of additional delivery of curriculum hours by CIT (\$3m), and a decrease of \$1.022m in the 1998-99 forward estimates.

Statement of Financial Position

Significant variations are as follows:

- receivables: the increase of \$1.925m in 1998-99 from original budget is due to an increase in the outstanding fees at the end of financial year;

- investments: the decrease of \$1.407m in 1998-99 from original budget, and the further \$2.012m reduction in 1999-2000 and forward years is due to a four year cost reduction program;
- employee entitlements: the decrease of \$1.498m in 1998-99 from original budget is due to the payment of accrued employee entitlements associated with voluntary redundancy payments;
- capital injections: the \$5.070m in 1999-2000 comprises \$1.740m for capital works, \$2.880m in ANTA funding, and \$0.450m base funding for plant and equipment; and
- distributions to Government: the increase of \$0.2m in 1998-99 from original budget relates to a capital distribution from CIT Solutions. The \$0.405m in 1998-99 budget relates to refund of savings on Comcare premium.

Capital Works

Departmental				
	Estimate Total Cost \$m	1999-2000 Estimated Expenditure \$m	1999-2000 Financing \$m	Expected Completion Date
Minor New Works				
Construct storage areas in basement voids - Bruce	0.120	0.120	0.120	June 2000
Convert electric hot water systems to gas - Reid Campus	0.070	0.070	0.070	June 2000
Install Bldg Mgmt System, Fyshwick Campus	0.085	0.085	0.085	June 2000
Install Bldg Mgmt System, Weston Campus	0.080	0.080	0.080	June 2000
Provide cooling to Classrooms G Block, Reid Campus	0.200	0.200	0.200	June 2000
Provide cooling to Classrooms J Block, Reid Campus	0.150	0.150	0.150	June 2000
Provide irrigation storage dam, Weston Campus	0.070	0.070	0.070	June 2000
Provide walkways & roof anchorages, Reid, Bruce, Southside	0.150	0.150	0.150	June 2000
Replace boilers, Reid Campus - Stage 3	0.100	0.100	0.100	June 2000
Replace carpet - Bruce Campus	0.120	0.120	0.120	June 2000
Replace roof sheeting and install ceiling insulation	0.090	0.090	0.090	June 2000
Replace roof sheeting, D Block, Reid Campus	0.100	0.100	0.100	June 2000
Replace water supply main, Reid Campus	0.100	0.100	0.100	June 2000
Upgrade existing and provide additional female toilets	0.090	0.090	0.090	June 2000
Upgrade fire ring main at Bruce Campus	0.120	0.120	0.120	June 2000
Upgrade toilets, Southside Campus	0.095	0.095	0.095	June 2000
Total Minor New Works	1.740	1.740	1.740	
Total Departmental Capital Works	1.740	1.740	1.740	

CIT Solutions Operating Statement

1998-99 Budget \$'000		1998-99 Est.Outcome \$'000	1999-00 Budget \$'000	Var %	2000-01 Estimate \$'000	2001-02 Estimate \$'000	2002-03 Estimate \$'000
Revenue							
4 040	User Charges - Non ACT Government	4 243	4 621	9	5 237	5 250	5 381
1 360	User Charges - ACT Government	1 360	1 405	3	1 380	1 380	1 415
92	Interest	72	94	31	95	95	97
5 492	Total Revenue	5 675	6 120	8	6 712	6 725	6 893
Expenses							
1 366	Employee Expenses	1 489	1 527	3	1 683	1 685	1 727
86	Superannuation Expenses	86	94	9	104	105	108
380	Administrative Expenses	380	419	10	460	462	474
53	Depreciation and Amortisation	53	58	9	64	65	67
3 472	Other Expenses	3 472	3 820	10	4 161	4 118	4 163
5 357	Total Expenses	5 480	5 918	8	6 472	6 435	6 539
135	Operating Result	195	202	4	240	290	354
738	Accumulated Funds - Start of Period	762	687	-10	819	974	1 174
0	Accum Funds Opening Adjustment	0	0	-	0	0	0
200	Distributions to Government	0	0	-	0	0	0
60	Dividend Declared	270	70	-74	85	90	97
613	Accumulated Funds - End of Period	687	819	19	974	1 174	1 431

CIT Solutions
Statement Of Financial Position

Budget as at 30/6/99 \$'000		Est.Outcome as at 30/6/99 \$'000	Planned as at 30/6/00 \$'000	Var %	Planned as at 30/6/01 \$'000	Planned as at 30/6/02 \$'000	Planned as at 30/6/03 \$'000
Current Assets							
560	Cash	106	166	57	209	300	451
700	Receivables	780	825	6	830	835	840
1 150	Investments	825	875	6	925	975	1 025
1 600	Other	1 700	1 795	6	1 889	1 888	1 886
4 010	Total Current Assets	3 411	3 661	7	3 853	3 998	4 202
Non Current Assets							
210	Property, Plant and Equipment	204	215	5	221	238	252
210	Total Non Current Assets	204	215	5	221	238	252
4 220	TOTAL ASSETS	3 615	3 876	7	4 074	4 236	4 454
Current Liabilities							
750	Creditors	908	903	-1	1 027	1 096	1 164
200	Employee Entitlements	203	223	10	243	263	283
75	Other Provisions	15	15	-	35	35	35
2 562	Other	1 782	1 896	6	1 775	1 648	1 521
3 587	Total Current Liabilities	2 908	3 037	4	3 080	3 042	3 003
3 587	TOTAL LIABILITIES	2 908	3 037	4	3 080	3 042	3 003
633	NET ASSETS	707	839	19	994	1 194	1 451
REPRESENTED BY FUNDS EMPLOYED							
613	Accumulated Funds	687	819	19	974	1 174	1 431
20	Reserves	20	20	-	20	20	20
633	TOTAL FUNDS EMPLOYED	707	839	19	994	1 194	1 451

CIT Solutions Cashflow Statement

1998-99 Budget \$'000		1998-99 Est.Outcome \$'000	1999-00 Budget \$'000	Var %	2000-01 Estimate \$'000	2001-02 Estimate \$'000	2002-03 Estimate \$'000
604	CASH AT BEGINNING OF REPORTING PERIOD	516	106	-79	166	209	300
	CASH FLOWS FROM OPERATING ACTIVITIES						
	Receipts						
5 400	User Charges	5 603	6 026	8	6 617	6 630	6 796
92	Interest Received	72	94	31	95	95	97
5 492	Operating Receipts	5 675	6 120	8	6 712	6 725	6 893
	Payments						
1 452	Related to Employees	1 575	1 622	3	1 787	1 790	1 835
380	Related to Administration	380	434	14	460	462	474
3 529	Other	4 266	3 815	-11	4 217	4 160	4 205
5 361	Operating Payments	6 221	5 871	-6	6 464	6 412	6 514
131	NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	-546	249	146	248	313	379
	CASH FLOWS FROM INVESTING ACTIVITIES						
	Receipts						
200	Proceeds from Sale/Maturities of Investments	521	0	-100	0	0	0
200	Investing Receipts	521	0	-100	0	0	0
	Payments						
66	Purchase of Property, Plant and Equipment	66	69	5	70	82	81
49	Purchase of Investments	49	50	2	50	50	50
115	Investing Payments	115	119	3	120	132	131
85	NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	406	-119	-129	-120	-132	-131
	CASH FLOWS FROM FINANCING ACTIVITIES						
	Payments						
200	Distributions to Government	0	0	-	0	0	0
60	Dividends to Government	270	70	-74	85	90	97
260	Financing Payments	270	70	-74	85	90	97
-260	NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES	-270	-70	74	-85	-90	-97
-44	NET INCREASE/(DECREASE) IN CASH HELD	-410	60	115	43	91	151
560	CASH AT THE END OF THE REPORTING PERIOD	106	166	57	209	300	451

