

# CANBERRA INSTITUTE OF TECHNOLOGY

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## 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.

## 2006-07 Priorities

Strategic and operational issues to be pursued in 2006-07 include:

- developing innovative learning opportunities and multi-discipline programs to address industry skill requirements in the ACT and region;
- enhancing industry relationships to improve responsiveness and to develop joint strategies that meet industry training requirements;
- improving client service systems for existing and potential students;
- streamlining audit and quality assurance processes to ensure compliance with agency requirements in an efficient manner;
- improving the CIT's teaching and learning environment to ensure that students and staff have access to high quality facilities and 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 and technical education college;
- enhancing national and global education networks to provide staff and students with access to global knowledge and international educational experiences, and to promote CIT as an attractive and desirable destination for international students; and
- developing leadership and management skills, and maintaining staff discipline, expertise and professional currency.

## Output Classes

	Total Cost <sup>1</sup>		Government Payment for Outputs	
	2005-06 Est. Outcome (\$'000)	Budget 2006-07 (\$'000)	2005-06 Est. Outcome (\$'000)	Budget 2006-07 (\$'000)
<b>Output Class 1: Canberra Institute of Technology</b>	n/a	89,104	n/a	60,359
<b>Output 1.1: Provision of Vocational Education and Training Services</b>	n/a	89,104	n/a	60,359

**Note:**

1. Total cost includes depreciation of \$3.805 million in 2006-07.

### *Output Description*

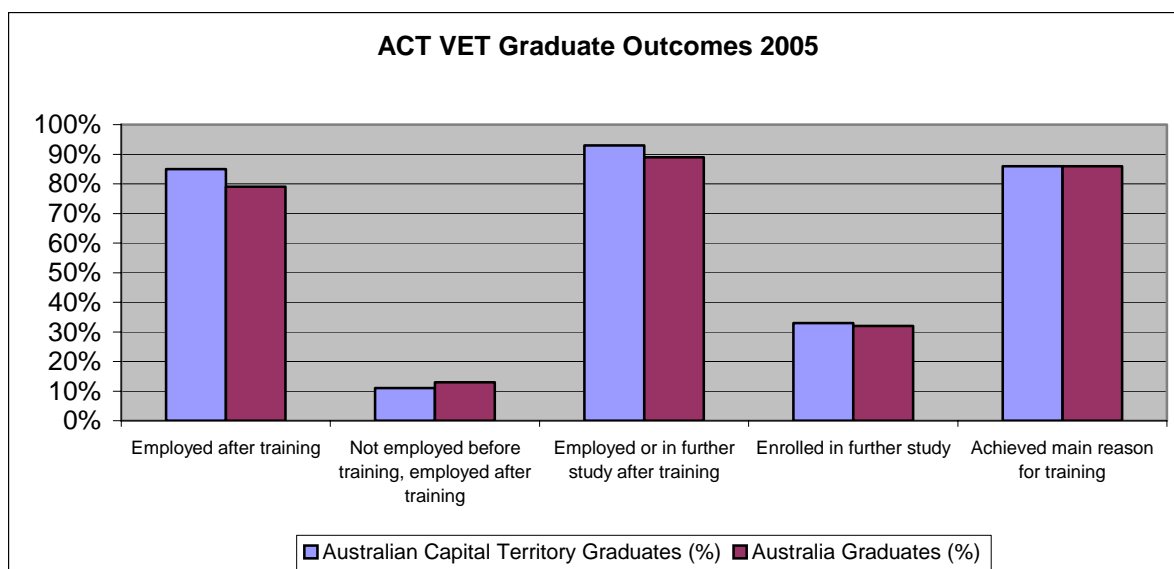
Provision of places in publicly funded courses at the Canberra Institute of Technology, consistent with training needs identified in the ACT Vocational Education and Training Plan.

## Strategic Indicators

### Strategic Indicator 1 Student Outcomes

One of the key strategic indicators used by 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 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.<sup>1</sup>



**Note:**

1. The most recently reported figures are from 2004, as published in the National Centre for Vocational Education Research report: *Student Outcomes 2005*.

## Accountability Indicators

	2005-06 Targets <sup>1</sup>	2005-06 Est. Outcome <sup>1</sup>	2006-07 Target
<b>Output Class 1: Canberra Institute of Technology</b>			
<b>Output 1.1: Provision of Vocational Education and Training Services</b>			
a. Student contact hours delivered by the Canberra Institute of Technology	3,735,000	3,765,750	3,739,907
b. Publicly funded course enrolments <sup>2</sup>	15,000	15,757	15,000
c. Module pass rates	75%	78%	75%
d. Course completions by students <sup>2</sup>	5,500	5,025	5,000
e. Graduate satisfaction with courses	83%	88%	83%
f. Employer satisfaction with Canberra Institute of Technology trained employees	80%	80%	80%
g. Average Government payment per annual curriculum hour	\$15.5	\$15.4	\$16.14

### Notes:

1. In the 2005-06 Budget Papers these measures were previously reported under the Department of Education and Training's Output, Planning and Coordination of Vocational Education and Training Services. The 2005-06 targets and estimated outcome results are identified here for comparative purposes.
2. The 2005-06 targets were amended by a notifiable instrument under *Financial Management Act 1996* (NI2006-110).

## Changes to Appropriation

### Changes to Appropriation - Departmental

	2005-06	2006-07	2007-08	2008-09	2009-10
Government Payment for Outputs	Est. Outc.	Budget	Estimate	Estimate	Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2005-06 Budget</b>	-	-	-	-	-
<b>2006-07 Budget Policy Adjustments</b>					
Teachers' Wage Supplement to 3%	-	1,057	1,675	2,310	2,310
Consolidating Information Technology Services	-	(97)	(98)	(98)	(99)
Reducing General Procurement	-	(177)	(365)	(374)	(384)
Consolidating Procurement Services	-	(327)	(491)	(491)	(491)
Consolidating Human Resources and Finance Functions	-	(170)	(409)	(409)	(409)
Efficiency Savings	-	(750)	(1,500)	(1,500)	(1,500)
<b>2006-07 Budget Technical Adjustments</b>					
Direct Appropriation	-	58,689	59,656	60,624	61,632
Increased Notional Superannuation Contribution Rates	-	2,134	2,167	2,198	2,226
<b>2006-07 Budget</b>	-	<b>60,359</b>	<b>60,635</b>	<b>62,260</b>	<b>63,285</b>

### Changes to Appropriation - Departmental

	2005-06	2006-07	2007-08	2008-09	2009-10
Capital Injections	Est. Outc.	Budget	Estimate	Estimate	Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2005-06 Budget</b>	-	-	-	-	-
<b>2006-07 Budget Technical Adjustments</b>					
Direct Appropriation	-	5,170	5,170	5,170	5,170
<b>2006-07 Budget</b>	-	<b>5,170</b>	<b>5,170</b>	<b>5,170</b>	<b>5,170</b>

## 2006-07 Capital Works Program

### Departmental

	Estimated Total Cost \$'000	Estimated Expenditure Pre 2006-07 \$'000	2006-07 Financing \$'000	2007-08 Financing \$'000	2008-09 Financing \$'000	Expected Completion Date
<b>New Capital Works</b>						
Capital Upgrades	2,000	-	2,000			
<b>Total New Capital Works</b>	<b>2,000</b>	<b>-</b>	<b>2,000</b>			
<b>Total Departmental Capital Works</b>	<b>2,000</b>		<b>2,000</b>			

## Canberra Institute of Technology Operating Statement

2005-06 Budget \$'000		2005-06 Est.Outcome \$'000	2006-07 Budget \$'000	Var %	2007-08 Estimate \$'000	2008-09 Estimate \$'000	2009-10 Estimate \$'000
<b>Income</b>							
<b>Revenue</b>							
0	Government Payment for Outputs	0	60,359	#	60,635	62,260	63,285
12,470	User Charges - Non ACT Government	12,470	13,082	5	13,701	14,429	14,765
64,777	User Charges - ACT Government	63,977	6,996	-89	7,146	7,299	7,481
292	Interest	302	273	-10	250	235	230
218	Dividend Revenue	800	400	-50	400	400	400
3,361	Other Revenue	4,561	3,445	-24	3,532	3,619	3,708
35	Resources Received free of charge	60	35	-42	35	35	35
<b>81,153</b>	<b>Total Revenue</b>	<b>82,170</b>	<b>84,590</b>	<b>3</b>	<b>85,699</b>	<b>88,277</b>	<b>89,904</b>
<b>Gains</b>							
<b>0</b>	<b>Total Gains</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>81,153</b>	<b>Total Income</b>	<b>82,170</b>	<b>84,590</b>	<b>3</b>	<b>85,699</b>	<b>88,277</b>	<b>89,904</b>
<b>Expenses</b>							
50,270	Employee Expenses	50,882	48,748	-4	48,812	50,087	50,549
7,618	Superannuation Expenses	7,618	9,650	27	9,759	10,079	10,202
22,737	Supplies and Services	22,519	25,519	13	26,307	26,986	27,655
3,755	Depreciation and Amortisation	3,455	3,805	10	3,855	3,905	3,905
1,360	Other Expenses	2,385	1,382	-42	1,405	1,428	1,464
<b>85,740</b>	<b>Total Ordinary Expenses</b>	<b>86,859</b>	<b>89,104</b>	<b>3</b>	<b>90,138</b>	<b>92,485</b>	<b>93,775</b>
<b>-4,587</b>	<b>Operating Result</b>	<b>-4,689</b>	<b>-4,514</b>	<b>4</b>	<b>-4,439</b>	<b>-4,208</b>	<b>-3,871</b>

## Canberra Institute of Technology Balance Sheet

Budget as at 30/6/06 \$'000		Est.Outcome as at 30/6/06 \$'000	Planned as at 30/6/07 \$'000	Var %	Planned as at 30/6/08 \$'000	Planned as at 30/6/09 \$'000	Planned as at 30/6/10 \$'000
<b>Current Assets</b>							
1,941	Cash	2,712	2,722	..	2,749	2,796	2,838
6,113	Receivables	4,787	4,787	-	4,787	4,787	4,787
3,994	Investments	5,172	4,718	-9	4,386	4,185	4,174
42	Other	55	55	-	55	55	55
<b>12,090</b>	<b>Total Current Assets</b>	<b>12,726</b>	<b>12,282</b>	<b>-3</b>	<b>11,977</b>	<b>11,823</b>	<b>11,854</b>
<b>Non Current Assets</b>							
20	Investments	20	20	-	20	20	20
128,013	Property, Plant and Equipment	125,125	127,220	2	129,355	131,332	133,127
532	Intangibles	472	472	-	182	0	0
2,048	Capital Works in Progress	3,154	2,954	-6	2,954	2,954	2,954
<b>130,613</b>	<b>Total Non Current Assets</b>	<b>128,771</b>	<b>130,666</b>	<b>1</b>	<b>132,511</b>	<b>134,306</b>	<b>136,101</b>
<b>142,703</b>	<b>TOTAL ASSETS</b>	<b>141,497</b>	<b>142,948</b>	<b>1</b>	<b>144,488</b>	<b>146,129</b>	<b>147,955</b>
<b>Current Liabilities</b>							
2,280	Payables	1,435	1,435	-	1,435	1,435	1,435
6,373	Employee Benefits	6,067	6,219	3	6,843	7,331	7,819
6,287	Other	6,607	6,607	-	6,607	6,607	6,607
<b>14,940</b>	<b>Total Current Liabilities</b>	<b>14,109</b>	<b>14,261</b>	<b>1</b>	<b>14,885</b>	<b>15,373</b>	<b>15,861</b>
<b>Non Current Liabilities</b>							
7,414	Employee Benefits	7,328	6,877	-6	7,062	7,253	7,292
<b>7,414</b>	<b>Total Non Current Liabilities</b>	<b>7,328</b>	<b>6,877</b>	<b>-6</b>	<b>7,062</b>	<b>7,253</b>	<b>7,292</b>
<b>22,354</b>	<b>TOTAL LIABILITIES</b>	<b>21,437</b>	<b>21,138</b>	<b>-1</b>	<b>21,947</b>	<b>22,626</b>	<b>23,153</b>
<b>120,349</b>	<b>NET ASSETS</b>	<b>120,060</b>	<b>121,810</b>	<b>1</b>	<b>122,541</b>	<b>123,503</b>	<b>124,802</b>
<b>REPRESENTED BY FUNDS EMPLOYED</b>							
119,459	Accumulated Funds	119,170	120,920	1	121,651	122,613	123,912
890	Reserves	890	890	-	890	890	890
<b>120,349</b>	<b>TOTAL FUNDS EMPLOYED</b>	<b>120,060</b>	<b>121,810</b>	<b>1</b>	<b>122,541</b>	<b>123,503</b>	<b>124,802</b>



## Canberra Institute of Technology Cash Flow Statement

2005-06 Budget \$'000		2005-06 Est.Outcome \$'000	2006-07 Budget \$'000	Var %	2007-08 Estimate \$'000	2008-09 Estimate \$'000	2009-10 Estimate \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Receipts</b>							
0	Cash from Government for Outputs	0	60,359	#	60,635	62,260	63,285
77,247	User Charges	76,447	20,078	74	20,847	21,728	22,246
292	Interest Received	302	273	-10	250	235	230
6,803	Other Revenue	8,003	7,228	-10	7,472	7,656	7,844
<b>84,342</b>	<b>Operating Receipts</b>	<b>84,752</b>	<b>87,938</b>	<b>4</b>	<b>89,204</b>	<b>91,879</b>	<b>93,605</b>
<b>Payments</b>							
57,106	Related to Employees	57,606	57,603	..	57,762	59,487	60,224
22,702	Related to Supplies and Services	21,784	25,484	17	26,272	26,951	27,620
4,832	Other	5,857	5,195	-11	5,375	5,495	5,630
<b>84,640</b>	<b>Operating Payments</b>	<b>85,247</b>	<b>88,282</b>	<b>4</b>	<b>89,409</b>	<b>91,933</b>	<b>93,474</b>
<b>-298</b>	<b>NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES</b>	<b>-495</b>	<b>-344</b>	<b>31</b>	<b>-205</b>	<b>-54</b>	<b>131</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
<b>Receipts</b>							
628	Proceeds from Sale/Maturities of Investments	628	454	-28	332	201	11
218	Dividends	800	400	-50	400	400	400
<b>846</b>	<b>Investing Receipts</b>	<b>1,428</b>	<b>854</b>	<b>-40</b>	<b>732</b>	<b>601</b>	<b>411</b>
<b>Payments</b>							
5,670	Purchase of Property, Plant and Equipment	5,370	5,670	6	5,670	5,670	5,670
<b>5,670</b>	<b>Investing Payments</b>	<b>5,370</b>	<b>5,670</b>	<b>6</b>	<b>5,670</b>	<b>5,670</b>	<b>5,670</b>
<b>-4,824</b>	<b>NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES</b>	<b>-3,942</b>	<b>-4,816</b>	<b>-22</b>	<b>-4,938</b>	<b>-5,069</b>	<b>-5,259</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>							
<b>Receipts</b>							
5,170	Capital Injection from Government	5,170	5,170	0	5,170	5,170	5,170
<b>5,170</b>	<b>Financing Receipts</b>	<b>5,170</b>	<b>5,170</b>	<b>0</b>	<b>5,170</b>	<b>5,170</b>	<b>5,170</b>

**Canberra Institute of Technology  
Cash Flow Statement**

2005-06 Budget \$'000		2005-06 Est.Outcome \$'000	2006-07 Budget \$'000	Var %	2007-08 Estimate \$'000	2008-09 Estimate \$'000	2009-10 Estimate \$'000
5,170	NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES	5,170	5,170	0	5,170	5,170	5,170
48	NET INCREASE/(DECREASE) IN CASH HELD	733	10	-99	27	47	42
1,893	CASH AT BEGINNING OF REPORTING PERIOD	1,979	2,712	37	2,722	2,749	2,796
1,941	CASH AT THE END OF THE REPORTING PERIOD	2,712	2,722	..	2,749	2,796	2,838

## Canberra Institute of Technology Statement of Changes in Equity

Budget as at 30/6/06 \$'000		Est.Outcome as at 30/6/06 \$'000	Planned as at 30/6/07 \$'000	Var %	Planned as at 30/6/08 \$'000	Planned as at 30/6/09 \$'000	Planned as at 30/6/10 \$'000
119,766	<b>Opening Balance</b>	119,579	120,060	..	121,810	122,541	123,503
	<b>Accumulated Funds</b>						
-4,587	Operating Result for the Period	-4,689	-4,514	4	-4,439	-4,208	-3,871
	<b>Reserves</b>						
-4,587	<b>Total Income And Expense For The Period</b>	-4,689	-4,514	4	-4,439	-4,208	-3,871
	<b>Transactions Involving Equity Holders Affecting Accumulated Funds</b>						
5,170	Capital Injections	5,170	5,170	0	5,170	5,170	5,170
0	Inc/Dec in Net Assets due to Admin Restructure	0	1,094	#	0	0	0
120,349	<b>Closing Balance</b>	120,060	121,810	1	122,541	123,503	124,802

### Notes to the Budget Statements

#### *Operating Statement*

- government payment for outputs: the increase of \$60.359 million in the 2006-07 Budget from the 2005-06 estimated outcome is due to:
  - CIT being directly appropriated (\$58.689 million);
  - supplementation for notional superannuation contribution rate increases (\$2.134 million); and
  - teachers' wage supplement to 3 per cent (\$1.057 million);
- offset by:
  - efficiency savings (\$0.750 million)
  - decreases associated with consolidating information technology services (\$0.097 million);
  - consolidating human resources and finance functions (\$0.170 million);
  - consolidating procurement services (\$0.327 million); and
  - reducing general procurement (\$0.177 million);
- user charges – non ACT Government: the increase of \$0.612 million in the 2006-07 Budget from the 2005-06 estimated outcome is mainly due to an increase in student materials and services fee revenue;
- user charges – ACT Government:

- the decrease of \$0.8 million in the 2005-06 estimated outcome from the original budget is mainly due to decreased tendering activity associated with the Strategic Priority Programs, and a decrease in trading revenue from CIT Solutions Pty Ltd; and
- the decrease of \$56.981 million in the 2006-07 Budget from the 2005-06 estimated outcome is primarily due to the reclassification of funding to government payment for output;
- dividend revenue: the increase of \$0.582 million in the 2005-06 estimated outcome from the original budget is mainly due to increased profitability by CIT Solutions Pty Ltd. The decrease of \$0.4 million in the 2006-07 Budget from the 2005-06 estimated outcome relates to CIT Solutions' dividend returning to a more modest level;
- other revenue: the increase of \$1.2 million in the 2005-06 estimated outcome from the original budget, and the decrease of \$1.116 million in the 2006-07 Budget from the 2005-06 estimated outcome, relates to one off funding in 2005-06 for the management of the National Communication and Leadership program (under the Australian Flexible Learning Framework agreement with the Department of Education, Science and Training);
- resources received free of charge: the increase of \$0.025 million in the 2005-06 estimated outcome from the original budget is mainly due to increased services received from the Government Solicitor's Office.
- employee expenses:
  - the increase of \$0.612 million in the 2005-06 estimated outcome from the original budget is due to wage increases awarded in 2004-05 under the CIT certified agreements and an increase in staff associated with the management of the National Communication and Leadership program and the delivery of training under the ACT User Choice program; and
  - the decrease of \$2.134 million in the 2006-07 Budget from the 2005-06 estimated outcome relates to the corresponding fee for service arrangement with the Shared Services Centre as a result of consolidating human resources, finance and information technology services, and efficiency savings, offset by a projected increase in certified agreement costs.
- superannuation expenses: the increase of \$2.032 million in the 2006-07 Budget from the 2005-06 estimated outcome is mainly due to increased notional superannuation contribution rates;
- supplies and services:
  - the decrease of \$0.218 million in the 2005-06 estimated outcome from the original budget is mainly due to lower than anticipated information technology costs; and
  - the increase of \$3 million in the 2006-07 Budget from the 2005-06 estimated outcome relates to the corresponding fee for service payment to the Shared Services Centre as a result of the consolidation of information technology, human resources, finance and procurement services.
- depreciation and amortisation: the decrease of \$0.3 million in the 2005-06 estimated outcome from the original budget, and the increase of \$0.350 million in the 2006-07 Budget from the 2005-06 estimated outcome, relates to delayed capital works projects that are expected to be completed in 2006-07;

- other expenses: the increase of \$1.025 million in the 2005-06 estimated outcome from the original budget and the decrease of \$1.003 million in the 2006-07 Budget from the 2005-06 estimated outcome is due to the costs associated with managing the National Communication and Leadership program in 2005-06.

#### *Balance Sheet*

- current assets: the increase of \$0.636 million in the 2005-06 estimated outcome from the original budget and the decrease of \$0.444 million in the 2006-07 Budget from the 2005-06 estimated outcome, relates to variations in revenue received in advance for training programs and national projects;
- non-current assets:
  - the decrease of \$1.842 million in the 2005-06 estimated outcome from the original budget relates to delays in CIT's capital works program; and
  - the increase of \$1.895m in the 2006-07 Budget from the 2005-06 estimated outcome relates to the upgrade of infrastructure under the capital works program.
- total liabilities:
  - the decrease of \$0.917 million in the 2005-06 estimated outcome from the original budget relates to reduced payables flowing from the 2004-05 audited outcome; and
  - the decrease of \$0.299 million in the 2006-07 Budget from the 2005-06 estimated outcome is mainly due to a decreased level of employee benefits due to staff transferring to the Shared Services Centre as part of the consolidation of human resources, finance, and information technology services, and the departure of some long-term senior staff, offset by projected increases under the certified agreement.

