



**Canberra Institute
of Technology**

RTO Code 0101 | CRICOS No. 00001K



2019 ANNUAL REPORT

Canberra Institute
of Technology



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2019

Acknowledgement of Country

The ACT Government acknowledges the Ngunnawal people as traditional custodians of the Canberra region and that the region is also an important meeting place and significant to other Aboriginal groups. The ACT Government respects the continuing culture and the contribution that Aboriginal and Torres Strait Islander peoples make to the life of this city and surrounding region.

Canberra Institute of Technology

Annual Report 2019

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Designed by CIT Marketing, Canberra Institute of Technology

RTO: 0101

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Part A

Transmittal
Certificate

Transmittal Certificate

Mr Chris Steel MLA
Minister for Tertiary Education
ACT Legislative Assembly
London Circuit
CANBERRA ACT 2601

Dear Minister

This report has been prepared in accordance with section 7(2) of the *Annual Reports (Government Agencies) Act 2004* and in accordance with the requirements under the Annual Report Directions.

It has been prepared in conformity with other legislation applicable to the preparation of the Annual Report by CIT.

I certify that information in the attached annual report, and information provided for whole of government reporting, is an honest and accurate account and that all material information on the operations of CIT has been included for the period 1 January 2019 to 31 December 2019.

I hereby certify that fraud prevention has been managed in accordance with *Public Sector Management Standards 2006 (repealed)*, Part 2.3 (see section 113, Public Sector Management Standards 2016).

Section 13 of the *Annual Reports (Government Agencies) Act 2004* requires that you present the Report to the Legislative Assembly within 15 weeks after the end of the reporting year.

Yours sincerely



Leanne Cover
Chief Executive Officer
24 March 2020



Craig Sloan
Chair, CIT Board
24 March 2020

FROM THE CIT BOARD CHAIR



Craig Sloan
CIT Board Chair

I am pleased to present the Canberra Institute of Technology (CIT) 2019 Annual Report.

CIT continues to be a key contributor to the prosperity of the ACT economy and community. Through innovative courses and the delivery of quality vocational education and training (VET) we are addressing skill shortages in many vital occupations, supporting advancements in emerging sectors and helping the ACT Government deliver on its key workforce priorities.

CIT has expanded the workforce through its connection with industry and further development of the ACT Governments' key capability areas. In particular, CIT has been critical in developing capability in the service industries in Canberra. We have continued to be the training provider of choice for many small and medium enterprises and have seen increased demand for our courses in cyber security, ICT, aged care and children education and care services, and have remained pivotal to the nation's public sector training.

In 2019 campus renewal was once again a major focus for the CIT Board. The November announcement of a new Woden Campus while retaining a presence in the city reflects the ACT Government's strong commitment to vocational education and skills development for the ACT and region.

This investment of up to \$250 million will deliver a state-of-the-art campus within a refreshed Woden

precinct and include a new Transport Canberra interchange and light rail. The CIT Board is committed to working with government, including Major Projects Canberra, to ensure this facility, together with the existing campus network provides CIT with the physical presence to remain at the forefront of delivering the vocational education and training required by the ACT and region's people, industries and communities now and into the future.

As outlined in the *Evolving Together – Strategic Compass 2020*, in 2019 we continued to focus on opportunities for innovation and collaboration. Collaborating with the Canberra Innovation Network, our staff have had the opportunity to learn new ways of working and thinking to better equip them to tackle the complex challenges the sector continues to face.

In the latter part of the year, I chaired the inaugural CIT/ACT Industry Roundtable with key industry leaders in the ACT. The roundtable along with the re-invigoration of Industry Advisory Groups across the colleges, ensure we have multiple touch points and connections with employers to confirm that our training products remain responsive and relevant to what is happening in the rapidly changing world of work.

In the last twelve months, CIT has strengthened industry relationships and embedded new partnerships across a range of sectors. CIT continues to work with Microsoft to develop and implement

“As we move into a new decade, the CIT Board is committed to refining our offerings, transforming our business by improving the customer experience and ensuring future sustainability in an environment of unprecedented volatility and change.”

a program where our students receive dual accreditation when completing the Certificate IV in ICT. CIT has partnered with Australian Government's Digital Transformation Agency for 13 years and trains between 50 to 80 trainees annually in information, media, technology and cyber security courses.

A further partnership with Accor Hotel Group and the Australian Government has helped address a critical skills gap in the local hospitality industry, delivering a pre-traineeship program to local mature jobseekers with many subsequently securing employment in the sector.

We are working with Vestas (the world leader in wind generated energy) to ensure its workforce has the skills it needs to work across multiple disciplines, including Global Wind Organisation high-risk training, electrotechnology and cyber security. Through these partnerships CIT continues to build its reputation for helping industry with its entire workforce development needs.

I am very proud that CIT was recognised as the 2019 ACT Large Training Provider of the year and as one of three national finalists at the Australian Training awards held in Brisbane in November. This is the second time in three years that CIT has been named one of the top three large vocational education

providers in the nation. We were also recognised with the 2019 ACT Industry Collaboration Award for our cyber security collaboration and as a finalist for this category at the national training awards. These awards recognise CIT is continuing to meet the needs of industry while working collaboratively with industry, the community and students to achieve excellence in the fast paced tertiary education sector.

As we move into a new decade, the CIT Board is committed to refining our offerings, transforming our business by improving the customer experience and ensuring future sustainability in an environment of unprecedented volatility and change.

It has again been a pleasure working with the CEO, Leanne Cover, and staff across CIT during 2019. On behalf of the Board, I thank everyone for their continued hard work and dedication to CIT and our students.

I also wish to thank my fellow Board members (including those who left part way through the year) for their commitment to ensuring the longevity and continued success of CIT, with a special mention to Ms Michelle Melbourne, our Deputy Chair who resigned in August. Michelle was our inaugural Deputy Chair from the Board's commencement in 2015 and I thank her for her enthusiasm, dedication and support.

FROM THE CIT CHIEF EXECUTIVE OFFICER



Leanne Cover
Chief Executive Officer

It has been another exciting and challenging year for CIT as we continue to evolve with all of the workforce sectors we serve in Canberra, and across the region, to support economic growth for the community and meet the challenges of preparing for the jobs of today and those that don't even exist yet.

As career paths are altered by technological innovation and labour market disruptions, we are seeing an increasing demand for vocational education and training. In 2019, CIT continued to adapt and co-evolve with our students and industry. For those already in the workforce, and their employers, CIT has increasingly provided the skills they want and need, for the jobs of today. CIT's unique relationship with industry has been instrumental in providing small and medium businesses with the ability to reskill and upskill their workforce. CIT also continues to strengthen our position as a provider of choice for Australian government agencies.

Workplaces are fundamentally transforming and along with our students and industry partners, CIT is continuing to adapt as an educational institution. Investing in our people ensures our future viability and underpins our commitment to transform our business.

It is essential that CIT continually develops and advances the knowledge and skills of our own workforce in order to provide excellence in VET and deliver on our Strategic Compass promises.

Our approach to organisational transformation in 2019 reflects our commitment to learn as an organisation

along with the dynamic ecosystem we are a part of. This focus is helping CIT to understand and adapt its courses and services for multiple possible futures and not limit CIT's future possibilities. This will ensure CIT remains relevant and sustainable in the long term.

Throughout the year, there have been a number of mechanisms to develop our staff's knowledge of contemporary organisational transformation. A learning series was available for staff to delve into the concepts that underpin the complexity of systems such as CIT. Groups of CIT staff also explored using appropriate tools and approaches that increased our understanding of the context CIT is operating in and built our visibility of the connectivity between the teaching and business functions of the organisation.

CIT continues to develop its leaders at every level. The professional development Mentor and Digital Coach programs provided participants with new skills and the opportunity to reflect on their professional learning journeys. Three hundred staff participated in digital coaching, 52 teachers extended their shared knowledge and networks and 56 CIT leaders upskilled through participation in our mentoring programs.

We have also been experimenting with different ways of analysing the data and insights collected through the student and employer satisfaction surveys. A deep dive into the 2018 results was undertaken with participants from all parts of CIT exploring the themes identified and implementing change that directly related to the feedback provided. I am pleased that our 2019 satisfaction rates for both students and

“In 2019, we have been increasingly working across the organisation to develop a deeper understanding of our business, increase visibility of the ecosystem we are operating within and ensure our staff are equipped with the knowledge, skills and tools required as we move into the future.”

employers continued to be strong with 90% for students and 90% for employers overall, satisfied with the training provided by CIT.

In 2019, enrolments at CIT continued to steadily increase. Areas of growth were in short course enrolments in emerging areas, apprentices and trainees (bucking the national trend) and students wishing to study under the ACT Government's Skilled Capital initiative.

CIT has provided students with a number of unique experiences, including 50 students studying a range of disciplines while visiting industry partners in Singapore, Indonesia and Thailand through the Endeavour Leaderships Program. In visiting

these countries CIT students are exposed to global industry trends, different cultures, diverse learning opportunities and the chance to broaden their horizons in thinking about their future study and career options.

The coming year will bring more changes within the VET environment with policy and funding decisions being made by the Council of Australian Government (COAG) Skills Council, including through the new National Skills Commission and possible new funding arrangements. CIT will continue our efforts and commitment to learning and adapting so that we can be ready for any of the possible changes ahead and continue to provide high quality VET to our students and community.

Part B

Organisational Overview
and Performance

B.1 ORGANISATIONAL OVERVIEW

Canberra has a global reputation as a world-class education and training city. As the ACT's premier vocational education and training (VET) provider, the Canberra Institute of Technology (CIT) is delivering training to meet the future needs of the ACT economy. CIT provides training to over 20,000 students each year and increases access to workforce participation and social inclusion for many in the community. CIT is a dynamic, connected and diverse provider of VET offering quality skills development to individuals, employers and industry in Canberra, Australia and globally.

Roles and Functions

CIT is the largest publically funded Registered Training Organisation (RTO) in the ACT and is a Territory Authority established under the *Canberra Institute of Technology Act 1987*.

CIT is responsible for providing training and education that meets the needs of students, industry, business and the ACT community. In 2019, the ACT Government Minister for Vocational Education and Skills, Ms Meegan Fitzharris MLA, was responsible for CIT until her resignation in June 2019.

From 1 July 2019, CIT became part of the new Tertiary Education portfolio established within the Chief Minister, Treasury and Economic Development Directorate (CMTEDD) encompassing both higher education and vocational education and skills. Mr Andrew Barr MLA, as Minister for Tertiary Education, was responsible for this portfolio for the remainder of 2019.

CIT plays a major role in the development of the ACT's future workforce and in building the skill base of the economy.

CIT's core business is the design and facilitation of high quality vocational programs and services to meet the training needs of a diverse customer base – locally, nationally and internationally.

CIT operations are funded by a combination of direct appropriation from the ACT Government and through additional revenue raised by CIT's commercial and contestable activities.

During 2019, CIT operated across four campuses and two learning centres.

Corporate Objectives

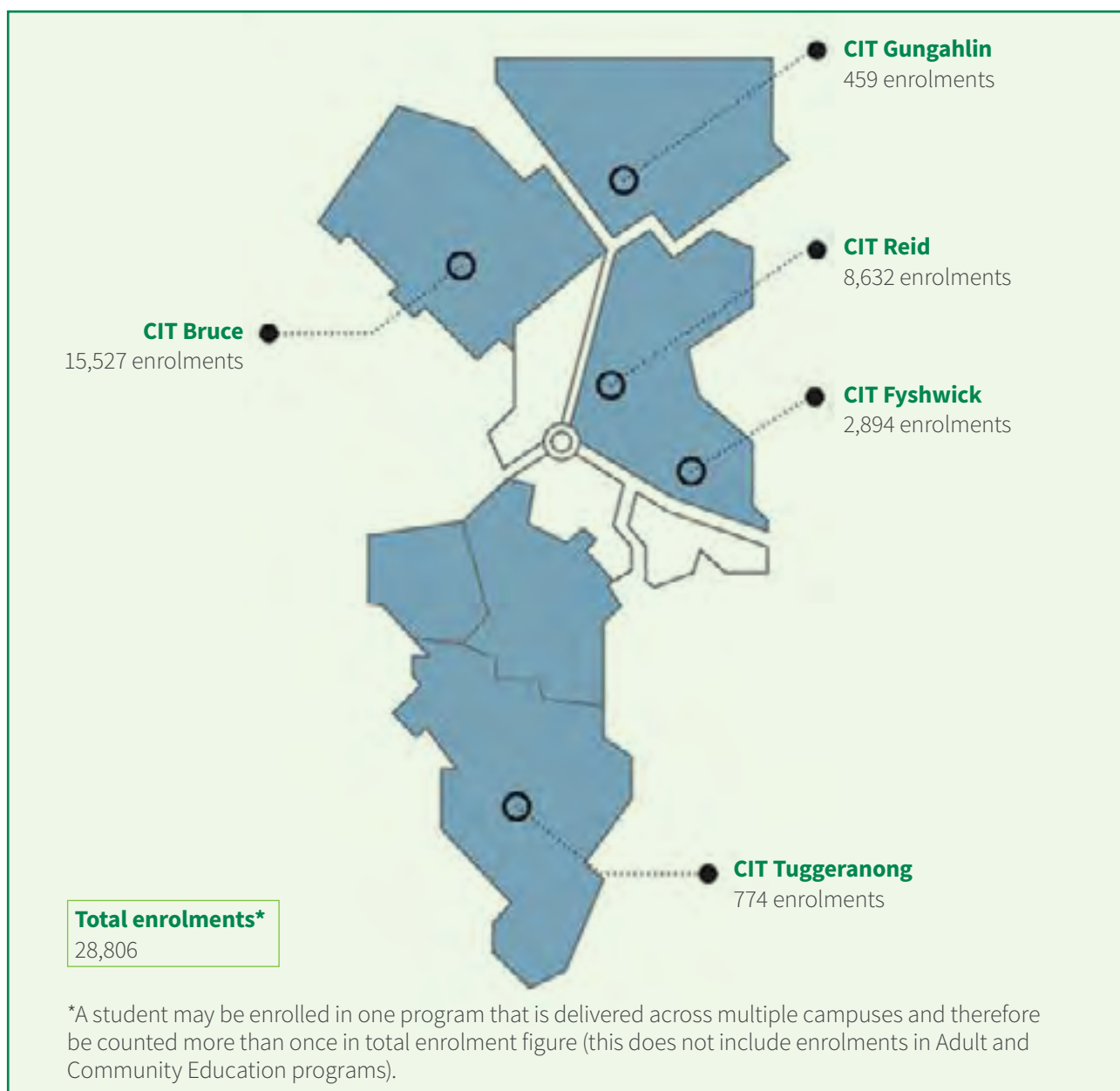
The corporate objectives of CIT for 2019, as outlined in its Statement of Intent, are:

- > create a more agile CIT that is able to effectively respond to the changing VET environment
- > be the provider of choice for students, employers, industry and government
- > improve educational outcomes of disadvantaged groups
- > operate as a customer centric organisation through increased focus on the student experience
- > operate as the public provider of VET in the ACT
- > operate with greater commercial and entrepreneurial focus in the increasingly contestable market place
- > meet industry needs by providing the highest quality, contemporary training in a variety of flexible modes
- > grow the capability and capacity of Canberra's changing workforce for employers and industry
- > contribute to the ACT's growing economy and the ACT's reputation of being one of the world's most liveable cities by attracting high-achieving students and delivering quality training and education that skills the ACT and regional workforce.

Vision and Mission

CIT is committed to excellence in the development and delivery of contemporary VET. The CIT Board launched the *Strategic Compass 2020 – Evolving Together* in 2016 setting the direction of CIT to 2020. The Compass articulates CIT's vision and mission through four promises to the ACT community:

- > **Shaping change** – Raising our ambitions to meet new expectations
- > **Growing our region's economy** – Adapting our offerings to provide skills for the future
- > **Advancing Canberra's workforce** – Contributing to the new economy and positioning for prosperity
- > **Transforming our business** – Investing in our business for viability and value.



CIT massage students



CIT Cultural Traits

Values

In addition to the ACT Government Public Service values of Respect, Integrity, Collaboration and Innovation, CIT has adopted a set of cultural traits to promote a workforce with the highest integrity to deliver a positive environment for work and study. These cultural traits are at the core of everyday operations at CIT:

Customer Centric – Everyone is a customer and I accept that my actions affect the customer experience.

Professionalism – I work with respect, integrity and expertise for our collective success.

Collaborative – We achieve our common goals and use less individual energy by working together.

Trusted – We are knowledgeable, reliable and honest. We work with integrity, transparency, fairness and respect and are supportive of each other.

Adaptable – I respond positively to change. I seek opportunities to continuously improve and grow my capability.

Accountable – I own my actions and take responsibility for the outcomes.

Inspirational – I motivate others to believe they can do it and inspire them to achieve.

Stakeholders

CIT is a Territory Authority tasked with providing vocational education and training to the ACT community. Establishing and maintaining relationships with a wide range of stakeholders is essential to meeting this task. CIT stakeholders include students, employers, industry, governments and the ACT community and regions. CIT also maintains close

partnerships with universities, schools and other education providers.

Environment and Planning Framework

The CIT strategic direction is set by the *Strategic Compass 2020 – Evolving Together*. CIT has fostered productive working relationships within the ACT Government and is a trusted partner on progressing the territory's priorities—specifically in relation to jobs and growth, economic development and skills for emerging key capability areas.

CIT aligns with ACT Government strategies including: *Confident & Business Ready*; *Canberra: Australia's Education Capital*; *Canberra: A Statement of Ambition*; *Future of Education*; *Renewables Strategy*; and *Infrastructure Strategy*.

CIT is represented on the TAFE Director's Australia Board and is also guided by state and commonwealth policy to deliver government commitments on VET. Specifically, CIT is enabling growth in identified demand sectors and supporting the objectives of the National Agreement for Skills and Workforce Development and the National Partnership for the Skilling Australians Fund, signed in 2018 by the ACT Government.

CIT also operates under a number of internal plans and frameworks such as:

- CIT International Strategy
- CIT Teaching and Learning Framework 2017-2020
- CIT Higher Education Strategy
- CIT Digital Strategy 2018-2020.

Organisational Structure

CIT comprises three divisions, five teaching colleges, and the CIT Yurauna Centre which is a service dedicated to Aboriginal and Torres Strait Islander peoples. Each college, led by an experienced College Director and capable management teams, provides quality vocational education in a range of areas. All teaching areas are supported by quality VET practitioners with current industry qualifications and a breadth of experience.

- The **Education and Training Services Division** is responsible for the integrity and delivery of teaching and learning across CIT to meet the needs of students in the ACT and regional community. This includes the oversight of CIT Colleges, CIT Yurauna Centre, CIT Education Services, CIT Student Services, and CIT Library and Learning Services. The Division aims to meet the four promises of the Compass by providing high quality vocational education and training, which is engaging, innovative and provides students with an authentic workplace based learning experience. The Division also has a supporting role in ensuring CIT fulfills the compliance requirements set by vocational training and education regulators, including the Australian Skills Quality Agency (ASQA), the Tertiary Education Quality Skills Authority (TEQSA) and the ACT Board of Secondary Schools Studies (BSSS).
- The **Corporate Services Division** is responsible for a comprehensive range of support services across CIT in the areas of finance, human resources, industrial relations, corporate governance, audit and risk, facilities management, information technology, records management, work health and safety, student administration system and corporate compliance.

Corporate Services also ensures CIT obligations, as a Territory Authority, to the ACT and Australian Governments are met.

- The **Industry Engagement and Strategic Relations Division** is responsible for supporting and coordinating the growth of CIT's business through: broad and effective links with industry; aligning CIT programs with industry expectations and outcomes; ensuring stakeholders and the community are aware of the contribution CIT makes to individuals, employers and the ACT economy. In addition, the Division provides ministerial liaison and support to the CIT Chief Executive Officer (CEO) and CIT Board and liaises with the Economic Development section within CMTEDD regarding the future economic development of the ACT and the region.

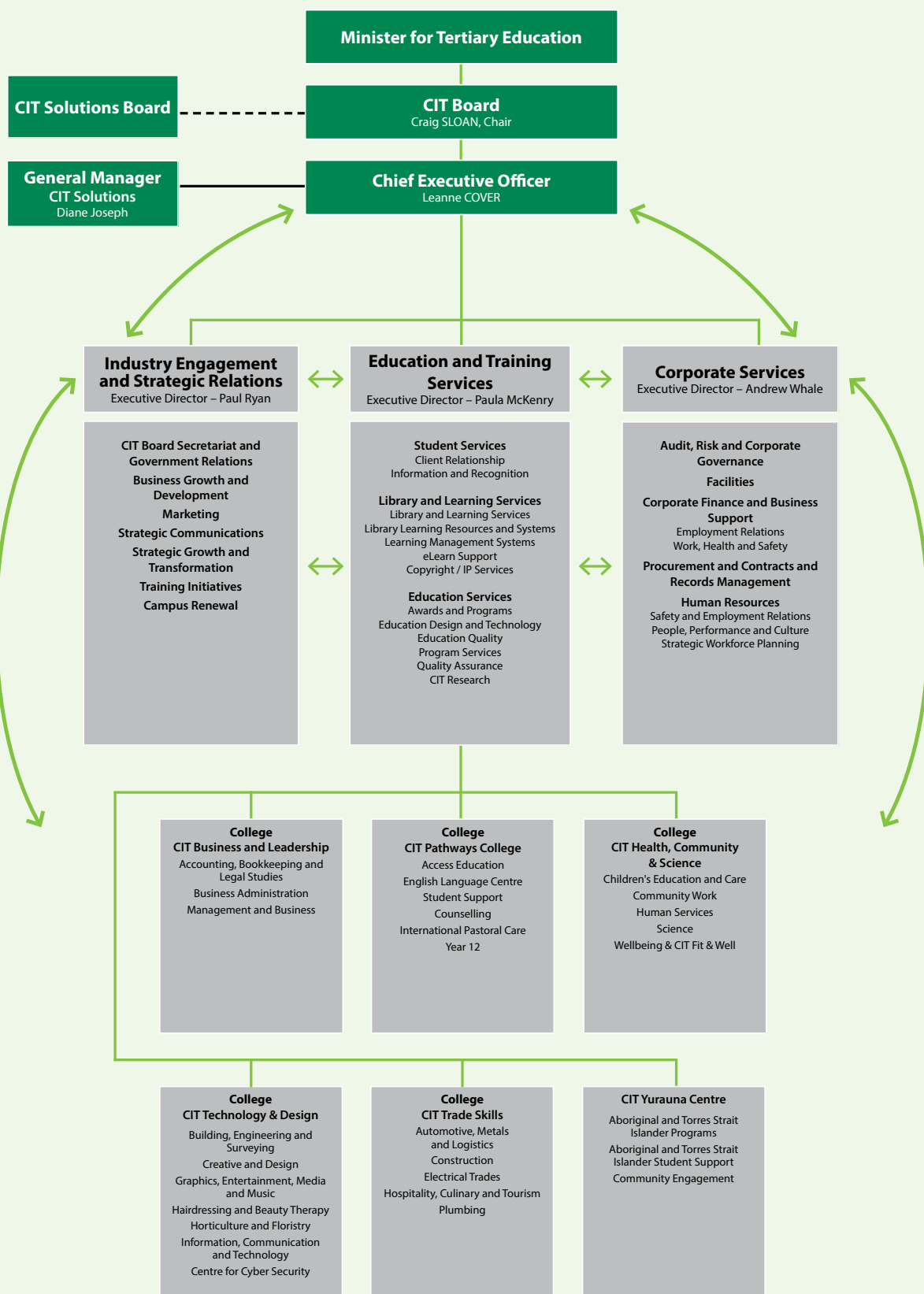
CIT Solutions Pty Ltd

CIT Solutions Pty Ltd is a wholly-owned subsidiary of CIT that reports to the Australian Securities and Investments Commission in accordance with the *Corporations Act 2001*. CIT Solutions remains the training provider of choice for many Australian Government departments and agencies and some ACT Government directorates. CIT Solutions also provides training in a large range of foreign languages as well as marketing services to CIT for the recruitment of international students. Short courses in professional development and recreational interest are available to people in Canberra and provide lifelong learning opportunities. The CIT CEO is also the CEO of CIT Solutions. See section B2 for further information about the performance of CIT Solutions in 2019.



2019 ACT Trainee of the Year and CIT staff member, Amelia Gulliford

CIT Executive and Functional Structure



CIT Senior Executive Team

The Senior Executive Team comprises the CIT CEO; the Executive Director, Education and Training Services; the Executive Director, Industry Engagement and Strategic Relations; the Executive Director, Corporate Services; the Senior Director Finance; and the Senior Director Human Resources. The executive directors work collaboratively and report to the CEO.



CIT CEO, Ms Leanne Cover, reports directly to the CIT Board and provides strategic leadership across CIT. The CEO is responsible for ensuring CIT is continually evolving to a business model able to compete in the rapidly changing VET environment; driving the long term vision of CIT by ensuring effective delivery of programs; and maintaining productive relationships with the Minister, leaders in the ACT public sector, other training providers and educational institutions. The CEO also provides leadership to the Executive team in: quality VET outcomes strategic planning and governance; staff, community and stakeholder engagement; creating a compelling student experience; planning and reporting; financial and operational analysis; policy development; service delivery excellence; and campus modernisation.



Executive Director, Education and Training Services, Ms Paula McKenry

The Executive Director, Education and Training Services provides overall leadership to CIT's educational leaders to ensure consistent and quality

education and training outcomes are achieved and that CIT meets and exceeds student and employer expectations. The position is also responsible for the leadership of CIT Colleges, CIT Yurauna Centre, CIT Education Services, CIT Student Services and CIT Library and Learning Services. The position provides the primary interface with ASQA, TEQSA and BSSS ensuring CIT's educational governance is appropriate as a public provider to meet all regulatory requirements, including those in the international student domain.



Executive Director, Corporate Services, Mr Andrew Whale

The Executive Director, Corporate Services has primary responsibility for ensuring the efficient operations of CIT through appropriate business

and professional services supporting the strategic and operational needs of CIT. This includes overall management of CIT's budget and finances, human

resources, property management, information technology, audit and risk, procurement and corporate compliance. This position is also the key liaison point for other ACT Government services supporting CIT.



Executive Director, Industry Engagement and Strategic Relations, Mr Paul Ryan

The Executive Director, Industry Engagement and Strategic Relations has primary responsibility to ensure

CIT has broad and effective links with industry to grow CIT's business; responsibility for the CIT brand and ensuring stakeholders and the community at large are aware of the contribution CIT makes to individuals, employers and the ACT economy; and responsibility for ministerial liaison and providing support to the CIT CEO and CIT Board. In addition, the position liaises with the Economic Development area of CMTEDD regarding the future economic development of the ACT and the region.



Senior Director, Human Services, Ms Cheryl Steff

The Senior Director, Human Resources is responsible for planning, developing, coordinating and implementing all aspects of human resource

management, workforce development and industrial relations operations for CIT. The CIT HR team supports organisational outcomes and drives transformational change through the provision of timely and effective support, advice and assistance to the leadership team across all areas of CIT in employment policy and practice, employee and industrial relations, workplace safety and injury. The Senior Director, Human Resources works collaboratively with all areas of CIT to meet commitments articulated in the Strategic Compass 2020 and lead the development of a high performance culture and workforce capability.

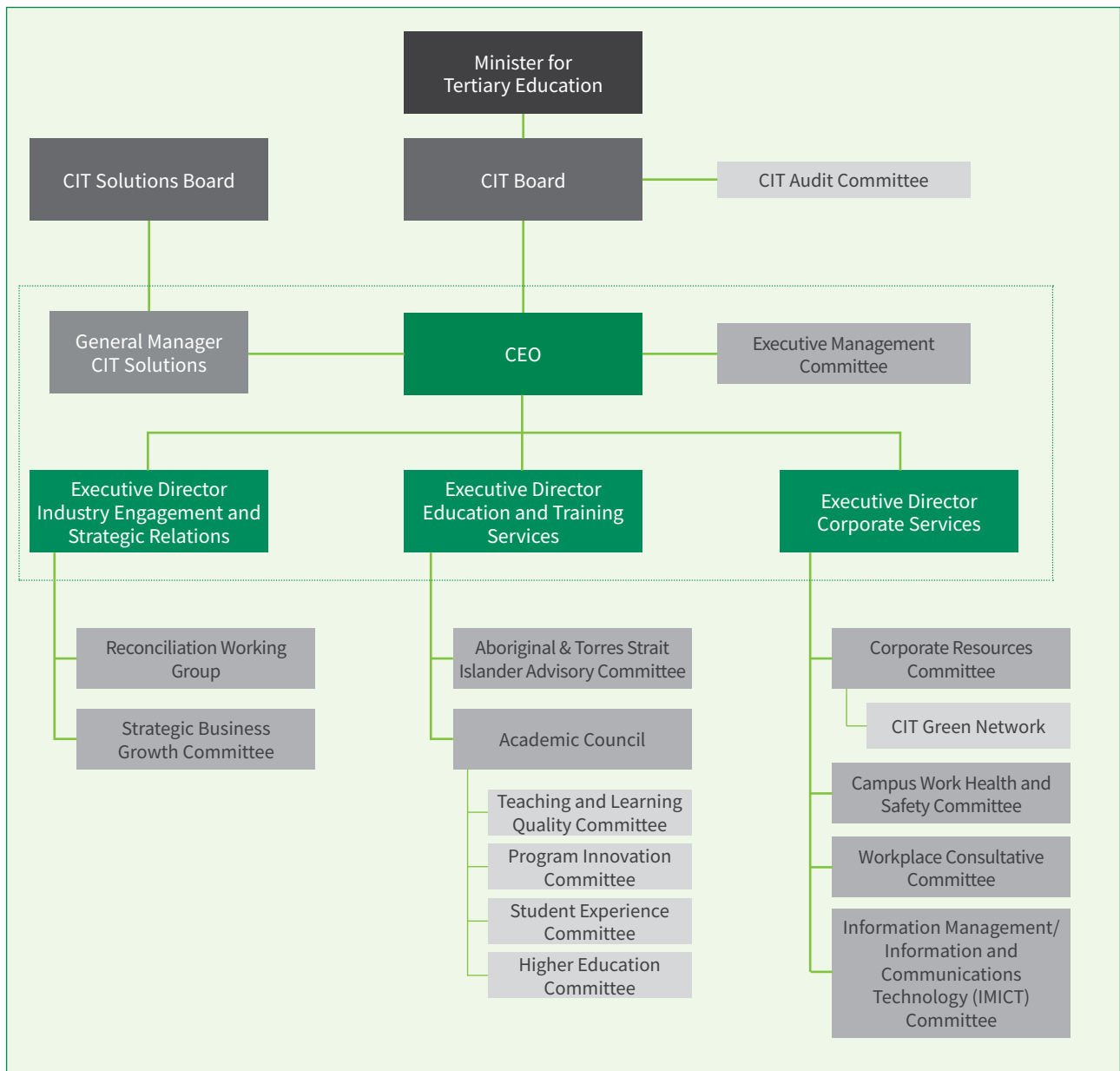


Senior Director, Finance, Mr Greg Tong

The Senior Director Finance is responsible for CIT's financial management functions including reporting, budgeting, cash

management, accounts, costing, capital, projects, records management and a range of other administrative support functions. Key links to other ACT Government bodies include ACT Treasury and CMTEDD. The role directly supports internal governance and external compliance activities including reporting student activity and associated statistics to the ACT and Australian Governments.

CIT Governance Framework



2019 Canberra Region WorldSkills Restaurant Competition

CIT Internal Governance

Under the CIT Internal Governance Framework, CIT committees, advisory groups and working groups are accountable to the CEO through the Executive Management Committee.

Committee Name	Committee Role
Executive Management Committee (EMC)	To support the CIT Board and the CEO by providing timely, professional and informative advice in relation to key strategic direction setting and the efficient and effective operation of CIT. The EMC is accountable for the performance outcomes of CIT through the implementation and monitoring of strategic, operational, educational, people and financial business plans and processes and for ensuring that appropriate frameworks, delegations, policies, procedures and resourcing are in place to support the delivery of CIT strategic and operational objectives.
Academic Council	Academic Council is the principal academic governance body of CIT. Academic governance is the framework of policies, structures, relationships, systems and processes that provide direction and oversight of academic activities (teaching, learning and assessment and research) at CIT. This includes regulation of the quality and standards of performance of CIT VET services. There are four committees (described below) which support and report to the Academic Council: <ol style="list-style-type: none"> 1. Teaching and Learning Quality Committee 2. Program Innovation Committee 3. Student Experience Committee 4. Higher Education Committee Outcomes of meetings are reported to EMC.
Corporate Resources Committee	To provide advice on issues relating to oversight responsibilities relating to financial, human resources and corporate governance matters. This is a subcommittee of EMC.
Aboriginal and Torres Strait Islander Advisory Committee	To provide advice and guidance on training needs from industry and the community for Aboriginal and Torres Strait Islander people as well as input in business planning for the delivery and support of Indigenous education at CIT. The Committee also liaises closely with the Reconciliation Working Group. Outcomes of meetings are reported to EMC.
Reconciliation Working Group	The CIT Reconciliation Working Group engages collaboratively with all areas across CIT to advance reconciliation by implementing and monitoring the CIT Reconciliation Action Plan (RAP) and by gathering support and commitment through encouraging all CIT staff to participate in initiatives and events. Outcomes of meetings are reported to EMC.
Strategic Business Growth Committee	To provide advice to ensure CIT is able to effectively and collaboratively establish and achieve revenue targets to ensure CIT's financial sustainability and competitive market share. The Committee is also responsible for establishing, leading and reviewing the policies, approaches and frameworks around competitive forces such as pricing and funding arrangements.
Campus Work Health and Safety Committee	To facilitate cooperation between staff and management on the development, implementation and review of Work Health and Safety (WHS) policy and procedures. To monitor compliance with WHS legislation, standards, codes of practice, policies and procedures.



CIT Yurauna Student

Committee Name	Committee Role
Workplace Consultative Committee	To facilitate effective consultation with employees and their representatives, including union representatives, on workplace matters.
Information Management / Information and Communication Technology (IMICT) Committee	To develop and maintain CIT's vision and strategy for IMICT and to provide governance to the management of the future of IMICT in CIT. The Committee's primary focus is strategy and tactics.
CIT Green Network	To engage with staff and students to promote sustainable practices across all CIT business activities and implement the ACT Government's Climate Change Action Plan across CIT business activities.
Teaching and Learning Quality Committee	To advise on the development, implementation and review of strategies, policies and initiatives to meet legislative, regulatory and professional requirements and to address quality standards and best practice in teaching and learning.
Program Innovation Committee	To advise on and approve strategies, policies and initiatives to review and enhance current teaching and learning programs and identify new and innovative programs and practices. This committee also identifies and uses innovative practices in program delivery that use technology and work-based models.
Student Experience Committee	To advise on and approve the development, implementation and review of strategies, policies and initiatives to ensure the learning needs and educational experience of students are addressed. This involves analysing key measures of the student experience and identifying actions to improve and enhance students' education experience.
Higher Education Committee	To advise and make recommendations on the review, development and implementation of strategies, policies and initiatives to ensure HEC leads academic enhancements and CIT meets the Higher Education Framework (Threshold Standards) 2015 and other TEQSA requirements.

CIT Board

The CIT Board, established in 2015 under the *Canberra Institute of Technology Act 1987* (CIT Act), consists of a minimum of seven and no more than 11 members appointed by the ACT Minister for Tertiary Education. The CIT CEO is a Board member in accordance with Section 80 (4) of the *Financial Management Act 1996* (FMA).

As required by Section 56 of the FMA, the CIT Board is liable, under the responsible Minister, for the efficient and effective financial management of CIT. The CIT Board Charter outlines the roles and responsibilities of board members, code of conduct, conflict of interest and other information relating to meetings, subcommittees and administration. This information is available on the CIT website.

Prior to April 2019, there were nine members on the CIT Board. On 5 April, the ACT Government introduced changes to the CIT Act to enable CIT to build a more diverse Board to ensure CIT's long-term success. The changes removed the two ACT Government representatives from the CIT Board.

In August 2019, the inaugural Deputy Chair, Ms Michelle Melbourne, resigned from the Board in light of her changed work circumstances. In November 2019, a recruitment process commenced for a replacement Deputy Chair and a new Board member. In December 2019, the Student Member, Giancarlo Cabrales, resigned due to his anticipated changed study requirements for 2020.



Mr Craig Sloan
(Chair)



Ms Michelle Melbourne
(Deputy Chair)
(until August 2019)



Ms Leanne Cover
CIT CEO



Mr Raymond Garrard
Member



Mr Peter McGrath
Member



Mr Nigel Phair
Member



**Professor
Frances Shannon**
Member



Mr Sam Mills
Staff Member
(elected)
(from 1 July 2019)



Mr Giancarlo Cabrales
Student Member
(elected)
(from 1 July 2019)

Board Meeting Attendance in 2019

Name	Position	Meetings
Craig Sloan	Chair	5
Michelle Melbourne	Deputy Chair	3
Leanne Cover	CIT CEO	5
Raymond Garrand	Member	5
Kareena Arthy (until April 2019)	ACT Public Service – Economic Development Directorate	1
Natalie Howson (until April 2019)	ACT Public Service – Education Directorate	0
Peter McGrath	Member	2
Nigel Phair	Member	5
Professor Francis Shannon	Member	4
Anita Wesney (until 30 June 2019)	Staff Member	2
Brendon Moore (until 30 June 2019)	Student Member	2
Sam Mills (appointed 1 July 2019)	Staff Member	3
Giancarlo Cabrales (appointed 1 July 2019)	Student Member	2

CIT Board Subcommittees

Name	Function
Audit Committee Further information on the activities of the Audit Committee is in B.5.	To provide independent, objective assurance and assistance to the CIT Board on CIT's risk, control and compliance framework, and its external accountability responsibilities. Established by the CIT Board in accordance with the ACT Government Internal Audit Framework and Sections 56 and 77 of the <i>Financial Management Act 1996</i> .
Campus Modernisation Subcommittee	As a result of Administrative Arrangements 2019 (No 3) and the establishment of Major Projects Canberra (MPC) responsibility for the delivery of the CIT Campus redevelopment now rests with MPC. The CIT Board Chair and CIT CEO will be members of MPC's Project Advisory Board for the new Woden campus. The Campus Modernisation Subcommittee did not meet during 2019 and no longer has a remit to operate given changes in Administrative Arrangements.

CIT Board Activities

CIT Board members bring a range of skills and expertise to CIT. In 2019, the CIT Board met five times and focussed on a range of priorities including:

- building additional capacity and industry partnerships in emerging industries and areas of government demand (such as cyber, renewables, health and education);
- improving the recognition of CIT as a major economic and social contributor to the ACT and region, now and into the future;
- enhancing contemporary organisational transformation and workforce development at CIT through ongoing investment in our people;
- maintaining focus on transforming our business through people, processes and system changes including fully understanding the costs of service delivery;
- working collaboratively across Government including with CMTEDD on campus renewal and possible sites; and following the announcement of a new CIT Woden campus and CIT's ongoing presence in the city, working with Major Projects Canberra to progress delivery;
- investing in digital infrastructure including as part of CIT's campus renewal and in line with the Chief Minister's ambitions for Canberra;

- enhancing teacher capability (including digital fluency) and reshaping education and training products so students have contemporary learning experiences.

During 2019, the CIT Board also reviewed CIT's approach to higher education and worked collaboratively with CIT Solutions to develop a strategy to attract additional international students from across the globe. Throughout the year the Board maintained a major focus on the budget and explored ways to improve CIT's future financial sustainability.

Remuneration for Executives and Board Members

All CIT executives are paid in accordance with Determinations of the ACT Remuneration Tribunal and relevant laws and instruments, including the *Public Sector Management Act 1994* and the *Public Sector Management Standards 2006*. Under the *Remuneration Tribunal Act 1995* the Remuneration Tribunal determines remuneration for the CIT CEO and members of the CIT Board.

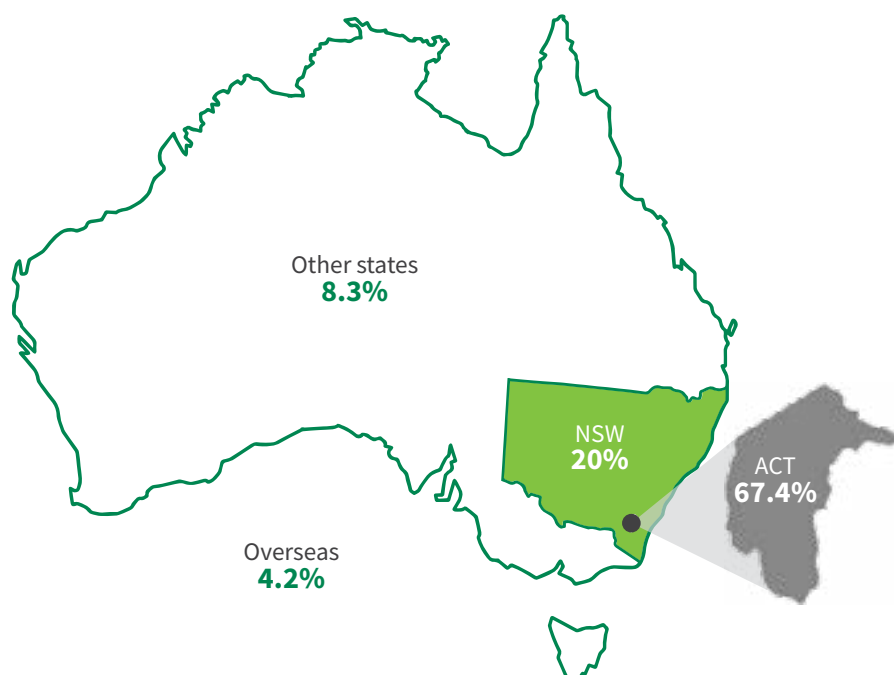
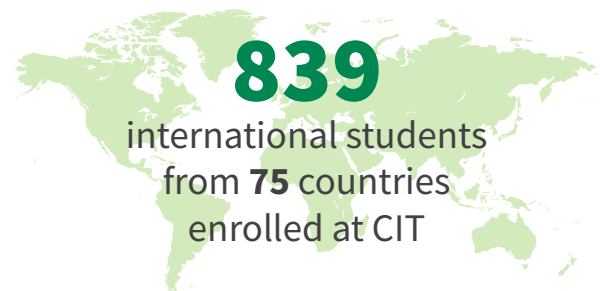
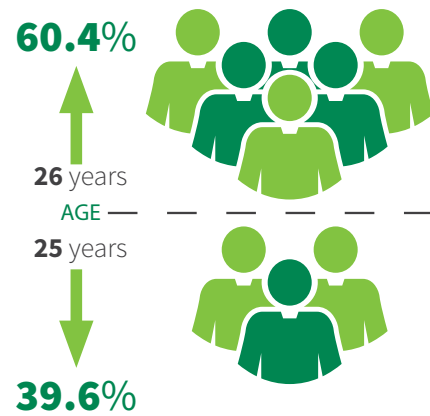


Garments and a satchel made by CIT students from Mycelium, sustainable fabric grown from the root structure of mushrooms.

Summary of Performance

CIT continued to excel in its delivery of government-funded, contestable and commercial training in the increasingly competitive local, national and international markets. CIT and its subsidiary, CIT Solutions, delivered training to 26,793 students across its government-funded, commercial and adult education programs. Of these, 6,013 were non-accredited learners enrolled in recreational courses, professional workshops and foreign language tuition at CIT Solutions.

- > Of the remaining 20,780 students at CIT:
 - 1,022 (4.9%) self-identified as Aboriginal and/or Torres Strait Islander
 - 839 (4.0%) were international students from 75 countries
 - 2,132 (10.3%) students self-identified as having a disability
 - 4,109 (19.8%) students self-identified as speaking another language other than English at home
 - 8,828 (42.3%) students identified as female
 - 3,820 were apprenticeships/traineeships (including 179 Australian School-based Apprenticeship (ASBA) student enrolments)
- > The majority of CIT students (60.4%) were aged 26 years and over and 87% studied part-time.



Key Performance Figures for 2019

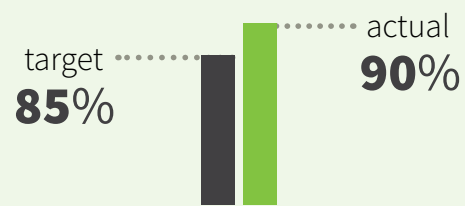
In 2019:

- > 90% of CIT graduates were employed or in further study after training, compared with 85% nationally
- > 82% of CIT graduates were employed after training compared with 72% nationally.

The figures below include all profile funded enrolments (training activities funded directly by the ACT Government) and all contestable funding sources (commercial and apprenticeship enrolments). Further details are in the Statement of Performance at C.6.

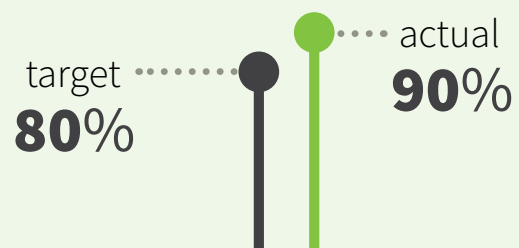
- > CIT delivered 5.6 million training hours in 2019. This included 2,995,634 nominal hours for profile funded programs, slightly below the 2019 target, with the remaining training hours delivered through contestable programs.
- > CIT received 33,305 program enrolments, (including Australian Qualifications Framework (AQF) qualifications, statements of attainment and Adult and Community Education (ACE) programs). This included 11,888 profile enrolments. While this was 2% above the 2019 target of 11,700 overall enrolments at CIT increased by 9.5%.
- > The module (single accredited unit of competency) pass rate was 81%, which was 8% above target and remained consistent with 2018.
- > There were 4,101 AQF program completions. This was 9% below the 2019 target of 4,500.
- > Learner satisfaction with the training at CIT was 90%, 6% above target.
- > Employer satisfaction with the training or apprentices was 90%, 13% above target.

students were satisfied with their training



CIT 2019 Learner Engagement Survey

employers surveyed were satisfied with CIT training



CIT 2019 Employer Satisfaction Survey

2019 Highlights

2019 was another year of achievements for CIT. Highlights include:

- > Australian Training Awards – Top three finalist Large Training Provider of the Year
- > Australian Training Awards – Top three finalist ACT Cyber Security Collaboration
- > ACT Large Training Provider of the Year
- > ACT Trainee of the Year – CIT Student
- > ACT Apprentice of the Year – CIT Student
- > ACT Aboriginal and Torres Strait Islander Student of the Year – CIT Solutions Student
- > ACT VET Teacher/Trainer of the Year
- > Nomination for a national Banksia sustainability award
- > 50% increase in nursing places approved by Australian Nursing and Midwifery Accreditation Council
- > 285% increase in cyber security enrolments
- > 7% increase in apprentices and trainees enrolled across 80 qualifications
- > 13% increase in mature aged students
- > 35 out of 52 students who completed the pre-traineeship program gained employment with industry partners associated with the program
- > 62% increase in Skilled Capital program enrolments
- > 60% of year 12 students received an ATAR over 80 and over 75% received an ATAR over 75 with the top ATAR being 97.90
- > CIT Music and Media Production consolidated to CIT Reid
- > new state-of-the-art allied health training facility opened at CIT Bruce
- > new state-of-the-art purpose built campus announced for the Woden Town Centre.



CIT Executive Director Corporate Service Andrew Whale at the ACT Training Awards



CIT nursing students



CIT Fit and Well

Future Priorities

The CIT Board has set the 2020 priorities for implementation of the CIT Strategic Compass – Evolving Together. These are:

1. A sustainable financial model for the future of CIT.
2. Improving CIT's responsiveness and flexibility to meet the changing VET environment (including changes emanating from the COAG Skills Council).
3. Building additional capacity and industry partnerships in emerging industries and areas of government demand (such as cyber, renewables, health, education and apprenticeships/traineeships).
4. Improving the recognition of CIT as a major economic and social contributor to the ACT and region, now and into the future.
5. Enhancing contemporary organisational transformation and workforce development at CIT through ongoing investment in our people.
6. Enhancing teacher capability (including digital fluency) and reshaping education and training offerings so students have contemporary learning experiences.
7. Maintaining focus on transforming our business through people, processes and system changes including fully understanding the costs of service delivery.
8. Working collaboratively with Major Projects Canberra on campus renewal at CIT Woden campus and a city presence.
9. Investing in digital infrastructure including as part of CIT's campus renewal and in line with the Chief Minister's ambitions for Canberra.

Priorities as defined in the Statement of Intent

CIT will continue to contribute to the ACT Government's agenda of making Canberra more inclusive, progressive and connected through CIT's future priorities.

Inclusive:

- > contributing to the ACT's open and diversified economy by providing critical skills training for the ACT and regional economy in key capability areas such as the renewable energy, cyber security and health sectors;
- > improving access to supportive VET for those experiencing disadvantage and marginalised groups;
- > increasing contemporary teaching and learning practices to improve student experiences; and
- > attracting and retaining talented people with diverse skill sets.

Progressive:

- > continuing CIT's transformation through the CIT Strategic Compass 2020 – Evolving Together;
- > actively contributing to the innovation and entrepreneurial culture in the ACT;
- > maintaining a high performing workforce;
- > targeting funding toward apprenticeships that address areas of priority industry growth; and
- > supporting the Government's efforts to develop our economy's competitive strengths.

Connected:

- > modernising campuses, technology and systems including investing in digital infrastructure and ensuring CIT systems are 'fit for purpose';
- > strengthening our position as a leader of VET to ensure success in an increasingly competitive market;
- > building on CIT's reputation as a trusted and high quality provider of VET for those employers in the ACT seeking skilled workers and learners wishing to gain qualifications;
- > collaborating across Government, including partnership activities with the CBR Innovation Network; and
- > supporting the Government's international engagement agenda.

CIT's Ivan Radic, 2019 ACT Training Awards Norm Fisher Award recipient



Too often, we take for granted the amount of work that happens behind the scenes equipping the CIT buildings and ensuring student education and training spaces are operational and safe. At CIT, the person instrumental in making this happen over many decades has been Ivan Radic, Senior Manager Facilities and recipient of the 2019 Norm Fisher Award at the 2019 ACT Training Awards.

The award is presented in recognition of an outstanding and extensive contribution as an individual to VET in the ACT.

Ivan has ensured students and staff have access to the highly specialised VET training environments at CIT for over 40 years. This includes negotiating complex contracts and managing the design and build of fit-for-purpose teaching spaces such as CIT's industry standard dental clinic, forensic crime scene investigation labs, personal training areas, a cyber security lab and a 100% renewable building, the first in the TAFE sector in Australia.

Ivan has also been instrumental in placing CIT at the forefront of environmental sustainability and in meeting the evolving needs of both industry and students. Ivan's dedication and leadership regarding facilities and services one reason the ACT Commissioner for Sustainability and the Environment relocated to CIT Bruce.

"His team responds to his leadership in a way which is not just a credit to CIT but also a guide to others who might wish to take up some of the aspirations in the ACT Government's new Climate Strategy (2019-2025)," said ACT Commissioner for Sustainability Kate Auty.

Whether it is giving his colleagues confidence that things are ready for a big event, responding to the odd bad weather event or power outage, or going that extra mile for someone in need, Ivan quietly and humbly does it all. Well done and thank you Ivan – CIT salutes you.

B.2 PERFORMANCE ANALYSIS

Output class 1.1 Provision of Vocational Education and Training Services

CIT receives direct funding from the ACT Government to provide vocational education and training (VET) to the ACT and region. CIT is the sole public provider of VET in the ACT and provides places in publicly funded training, consistent with needs identified in the CIT Training Profile. CIT delivers 27 national training packages across the Australian Qualification Framework (AQF), from certificate I to graduate certificate levels. As of December 2019, CIT's scope of registration included 204 current training package qualifications and 13 VET-accredited courses. CIT also specialises in the delivery of the ACT Senior Secondary Certificate from college to mature aged students.

CIT is committed to continuous improvement supported by ongoing monitoring and auditing to ensure delivery of nationally consistent, high-quality training and assessment services required to meet the VET Quality Framework.

CIT has Australian Skills Quality Authority (ASQA) RTO registration until 2024 including delegated authority to amend its scope of registration for VET training products. In 2019, CIT gained an extension of registration with the Tertiary Education Quality and Standards Agency (TEQSA) as a Non-University Higher Education Provider. CIT was also granted the maximum accreditation of five years for its Diploma of Nursing (HLT54115) program through the Australian Nursing and Midwifery Accreditation Council, until 2023.

CIT has established relationships with universities in the ACT, including partnerships with the University of Canberra, Charles Sturt University, the Australian National University, the University of New South Wales and the Australian Catholic University. These

relationships allows CIT students to gain university credits for their CIT training, and for university graduates to gain practical skills that employers value through training at CIT.

CIT has also continued to develop its position as a trusted provider of training to support the Australian Government and provides training to the Department of Veterans Affairs, Department of Foreign Affairs and Trade, Department of Defence and the Digital Transformation Agency.

National Student Outcomes Survey

CIT's key strategic objective is to provide vocational education and training that meets student needs. The annual National Student Outcomes Survey, conducted by the National Centre for Vocational Education Research (NCVER)¹ is used to measure success. By focusing on students' employment outcomes the Student Outcomes Survey gauges how well CIT serves individuals and the community.

NCVER also collects information on VET students' reasons for training, satisfaction with training, and further study outcomes and provides a comparison across other state and territory RTOs. Areas of assessment include:

- > employed after training
- > not employed before training, employed after training
- > employed or in further study after training
- > enrolled in further study after training
- > achieved main reason for training.

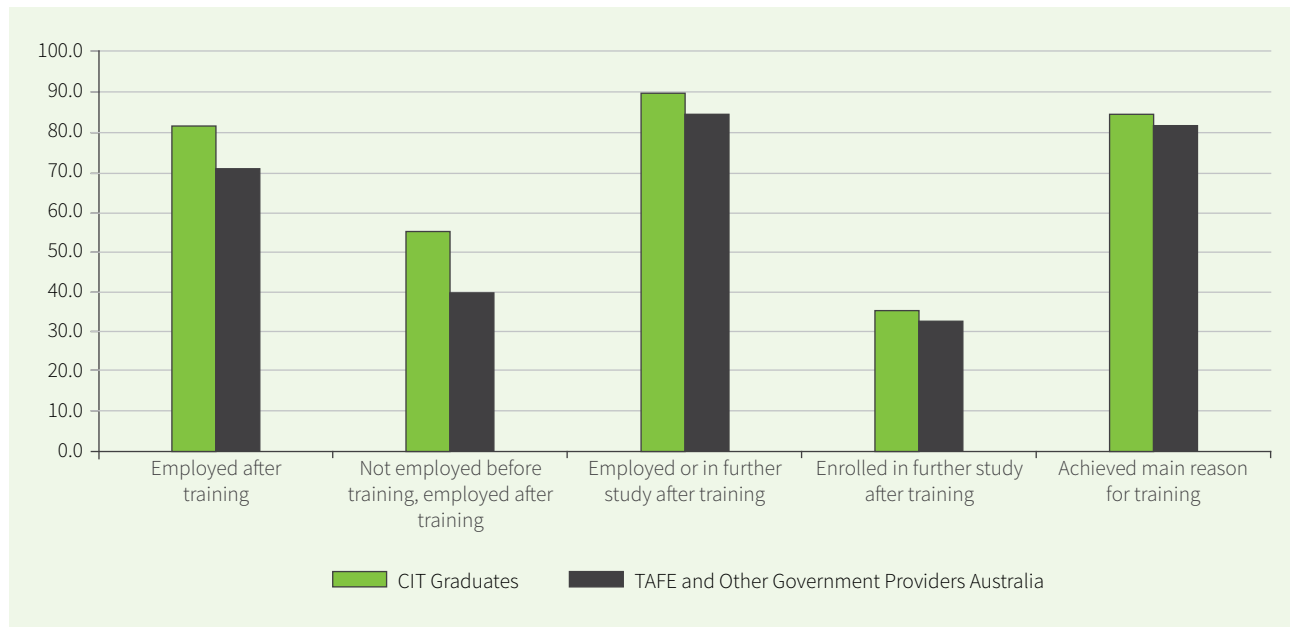
In 2019, 82% of CIT graduates were employed after training compared with 71% nationally. While this reflects little variation on the 2018 results of 82% of CIT graduates employed after training compared with 72% nationally, it is a slight decrease from 2017 when 84% of CIT graduates were employed after training compared with 73% nationally.

¹ The National Centre for Vocational Education Research (NCVER) - a not-for-profit company owned by the State, Territory and Federal ministers responsible for vocational education and training. NCVER collects information on VET students' reasons for training, employment outcomes, satisfaction with training, and further study outcomes. NCVER also provides research on vocational education and training in Australia to governments, the training sector, industry and the community.

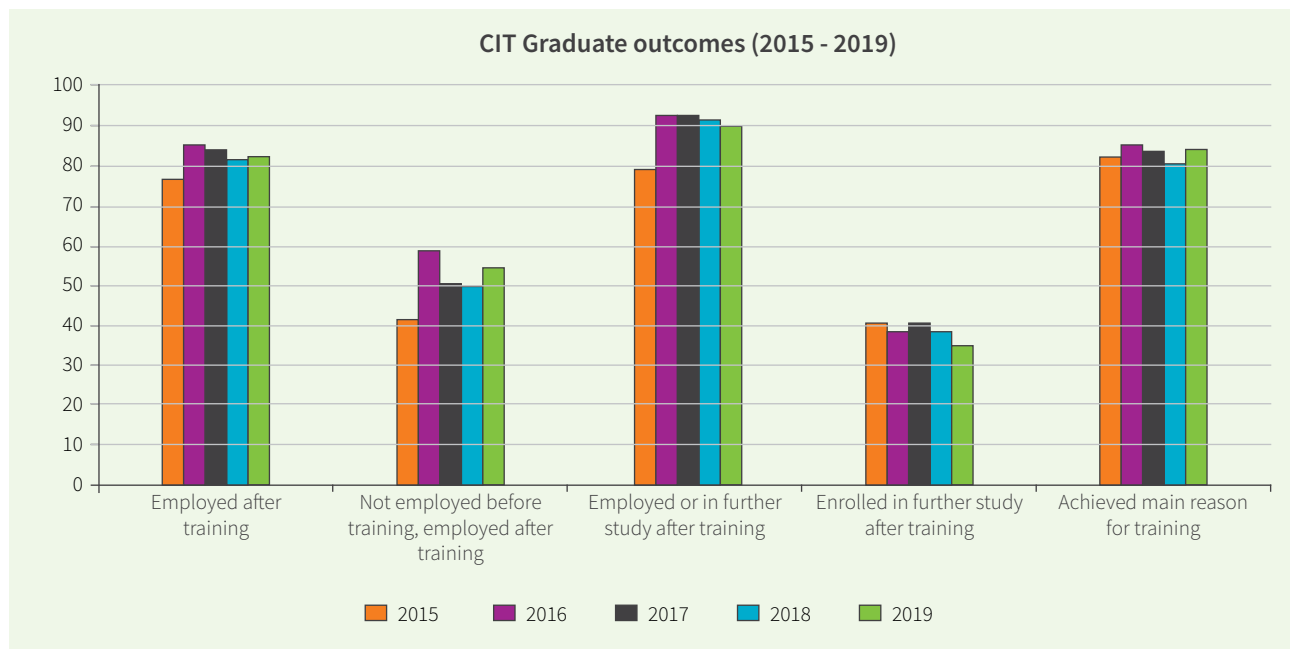
In 2019, 90% of CIT graduates were employed or in further study compared with 85% nationally. This is a slight decrease from 2018, when 91% of CIT graduates were employed or in further study, compared with 84% nationally, representing a slight decrease from 2017 when 93% of CIT graduates were employed or in further study, compared with 84% nationally.

In 2019, 84.4% of CIT graduates achieved the main reason for study compared with the national average of 81.9%. Reasons for studying included getting a job, gaining extra skills for a current job, changing careers, getting a better job and developing or starting a business.

Graph 1 NCVER Student Outcomes Survey 2019



Graph 2 NCVER Student Outcomes Survey 2015 - 2019



2019 Accountability Indicators

CIT has continued to perform well in 2019.

The Learner Engagement Survey (LES) and Employer Satisfaction Survey (ESS) are conducted in line with the ASQA *Data Provision Requirements 2012* and the *National Vocational Education and Training Regulator Act 2011* provisions. All RTOs are required to use mandatory tools to collect learner engagement and employer satisfaction quality indicator data.

- > **Learner Engagement Survey** The result for 2019 was 90 % satisfaction rate with training at CIT, 6% above target. This was a slight increase on the 2018

result of 89% satisfaction rate and slight decrease from the 2017 satisfaction rate of 91%.

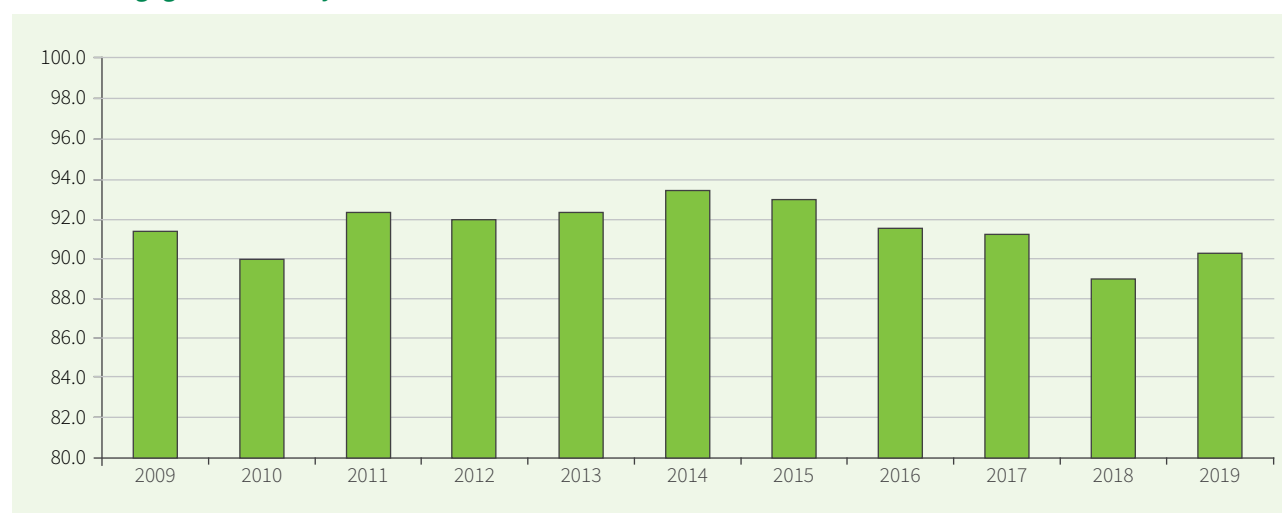
Learner satisfaction rates are based on students enrolled in nationally accredited programs. In 2019, 3,533 students responded to the survey, providing a response rate of 35%. This was an increase from 2,638 (24.6%) students who responded in 2018 and over 1,600 in 2017 and 2016. The survey was conducted from 19 August to 13 September 2019.

- > Learner Satisfaction rates with training at CIT over 10 years have remained above 90%, with the exception of 2018, peaking in 2014 at 93.3%.

CIT Learner Engagement Results 2009-2019

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
91.3%	90.0%	92.3%	92.0%	92.3%	93.3%	93.1%	91.6%	91.4%	89.0%	90.3%

Learner Engagement Survey 2009 to 2019



CIT Fit & Well

- **Employer Satisfaction Survey** Overall 90% of respondents were satisfied with the training at CIT in 2019 (compared to 94.1% in 2018 which was a 10 year high). The target population is employers of enrolled apprentices or trainees at CIT. Four hundred and forty employers responded this year slightly less than previous years because in 2019

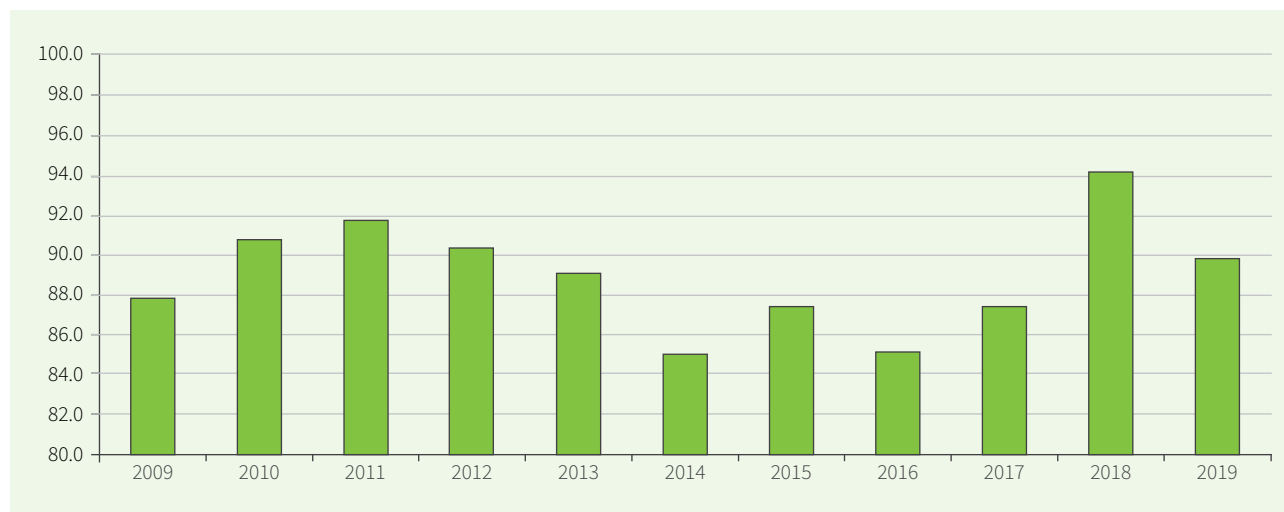
CIT had more large employers (single respondent) with multiple apprentices. The survey was conducted from 19 August to 13 September 2019.

- Employer satisfaction rates over 10 years have remained between 85% and 94% with the lowest recorded in 2014 and the highest in 2018.

CIT Employer Satisfaction Rates 2009-2019

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
87.9%	90.7%	91.8%	90.3%	89.2%	85.0%	87.5%	85.1%	87.4%	94.1%	89.5%

Employer Satisfaction Survey 2009 to 2019



Changing paths led Amelia to ACT Trainee of the Year Award

Amelia Gulliford is the winner of the 2019 ACT Trainee of the Year Award. She seized the opportunities provided by CIT to learn, adapt and reinvent herself through her exciting career journey.

A disciplined dancer, Amelia completed a Diploma of Beauty Therapy (SHB50115), which led to a management position at a prestigious beauty salon. Looking for new challenges, and with an understanding of how her VET qualifications contributed to her previous achievements, Amelia decided to pursue a traineeship through a Certificate III in Business Administration (BSB30415) to build her organisational and liaison skills.

The opportunity to undertake a traineeship allowed Amelia to study and gain experience on the job. After Amelia's traineeship concluded within CIT's Training Initiatives Unit, she had the skills and experience to gain employment as an industry Liaison Officer for Australian Apprentices within ACT Government where she promotes and supports the growth and retention of ACT apprentices and trainees.



- > **Training Hours** In 2019 CIT delivered 5.6 million training hours compared with a total of 5.4 million training hours delivered in 2018. This included 2,995,634 nominal hours for profile-funded programs, slightly below the 2019 target of 3,226,000. The remaining training hours were delivered through contestable programs, which included commercial courses, apprenticeships

and Skilled Capital. Despite being under target for profile hours, CIT was successful in increasing its overall delivery of training hours in 2019.

- > Training hours have been rising since 2017.



CIT Veterinary Nursing students

- > **Program enrolments** include Australian Qualification Frameworks (AQF) qualifications, statement of attainments and non-accredited training such as Adult and Community Education (ACE). In 2019, CIT received 33,305 program enrolments compared to 30,425 program enrolments in 2018. This includes 11,888 profile enrolments, 2% above the 2019 target of 11,700. While profile enrolments remained steady, overall enrolment increased from 2018.
- > Modules include single accredited units of competency. The **module pass rate** for 2019 was 81% which was 8% above target. This was consistent with results for 2018 and slightly lower than the 2017 module pass rate of 82%.
- > **Program completions** include AQF qualifications and does not include skill sets, statement of attainments and non-accredited training such as ACE. There were 4,101 program completions in 2019. This was 9% below the 2019 target of 4,500 and slightly lower than the program completions in 2018.

All activities conducted at CIT are customer focussed aimed to deliver training to meet student's needs and deliver optimal outcomes for business, industry and the ACT community.

The following performance analysis aligns with the promises of the *CIT Strategic Compass 2020 - Evolving Together* and demonstrates CIT's commitment to achieving success for the ACT community through ensuring the best student outcomes.

Promise 1 – Shaping Change – Raising our ambitions to meet new expectations

CIT is a major contributor to the Canberra economy and is the regions most trusted and dedicated VET provider. With advances in technology and the rapidly changing world of work and study, CIT recognised the need to adapt its operations to meet the evolving needs of the fast-paced future. Through a culture of innovation and collaboration and access to technology in the learning environment, CIT staff have embraced new and exciting ways of working across the organisation that have resulted in exceptional learning experiences for CIT students. CIT will continue to provide the skills for now and the future as it transforms into a contemporary learning organisation and responds to ongoing challenges.

CIT Transformation

CIT is a complex learning organisation. Under the leadership of the CIT Board and CIT CEO, CIT adopted a long-term contemporary approach to organisational transformation and has been increasingly working with staff at all levels and workplaces across CIT. CITs' growing responsiveness to industry training needs and its ability to respond to changing training markets, underpinned by this approach, has increased understanding of the ways that large complex people systems, operate, respond and adapt to their environment. This approach has also enabled the development of new ways of working with data, more cross-functional team approaches to solving problems (including with students and industry) and innovative approaches to developing new products and services through the Canberra Innovation Network (CBRIN) partner programs. During 2019, under the banner of Evolving Together, CIT delivered:

- > a learning series for all staff diving deeper into the concepts that underpin large complex people organisations and introducing new data collection and mapping tools for greater visibility about culture and networks
- > intensive knowledge building programs specifically targeted to CIT executive and senior management teams
- > a design team to investigate appropriate tools and approaches to use within the CIT context to test new ideas and ways of working in a 'safe to fail' environment
- > a program for 35 CIT leaders to build understanding of key concepts of network theory and complexity and the interdependencies between the colleges and business units resulting in a dispositional shift to a more collaborative whole of CIT approach to tackling the complex VET environment.

Enhancing Teacher Capabilities

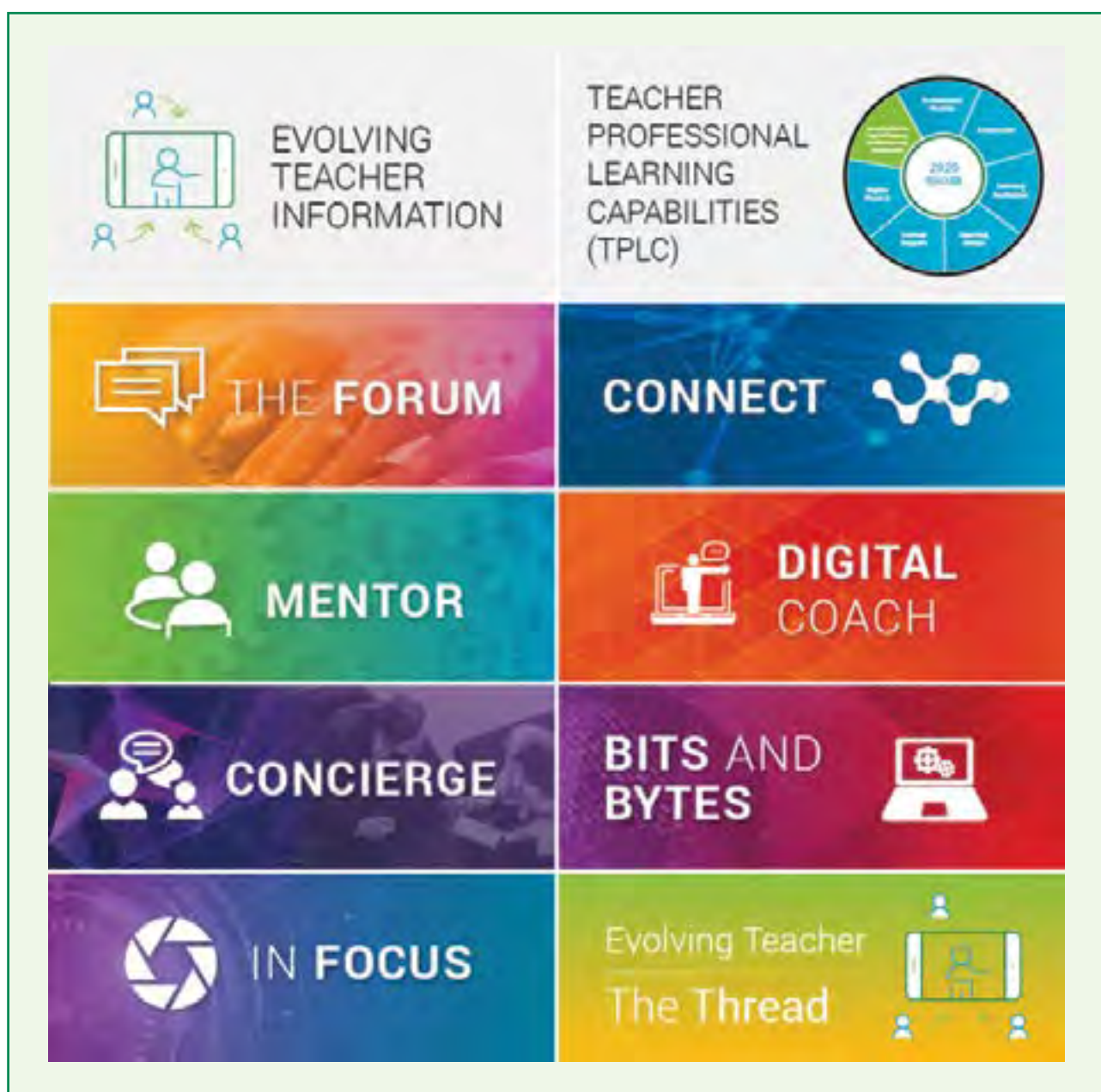
CIT prides itself on the professionalism and quality of its teaching staff that deliver training across a broad range of disciplines. Under Evolving Teacher, CIT has invested heavily in enhancing teacher capability to provide CIT students with exceptional learning experiences for optimal outcomes. In 2019, CIT developed a new approach to professional development to upskill trainers and assessors with pedagogical skills and knowledge to prepare for the challenges of the 21st Century training space.

A dedicated team of teaching and learning professionals have been at the forefront of developing capability-building programs available to CIT teaching staff to equip them with the right skills to meet the demands and expectations of contemporary learners as VET practitioners. Programs delivered through 2019 include:

- > coaching and mentoring for CIT leaders
- > discovery tours to connect staff across CIT
- > individual and group based digital coaching program to enhance computer skills
- > Adobe Creative Cloud forums for contemporary training delivery.

These programs have been well received by staff and included over 300 staff participating in digital coaching, 56 CIT leaders participating in coaching and mentoring programs, 123 connections through CIT discovery tours, over 100 staff attending Adobe workshops to learn about creating and editing engaging video teaching and learning resources and over 1,000 visits to the Evolving Teacher Intranet site.

The success of the overall program has enabled non-teaching staff to access the professional development opportunities in digital coaching and mentorship.



Training and Assessment

To meet legislated changes to national trainer and assessor requirements from 1 July 2019, CIT upskilled over 350 teachers and trained over 80 new teaching staff to gain the Certificate IV in Training and Assessment (TAE40116). To meet this requirement, CIT provided in-house training for its highly valued teaching staff. Using a dedicated expert internal team, CIT delivered the TAE competencies using best-practice, engaging and practical learning methods to build depth of knowledge in the key areas of assessment and Language Literacy and Numeracy (LLN). Additionally in 2019, CIT trained over 60 ACT Government VET teachers to upskill to meet the new requirements or gain the full Certificate.

Innovation and Collaboration

CIT has been leading the ACT VET sector adapting innovative relationships with industry and driving a culture of innovation and collaboration to encourage staff to adopt new thinking to deliver innovative training solutions to meet the evolving expectations of learners, employers and industry. CIT has an established partnership with the Canberra Innovation Network (CBRIN) that has been instrumental in providing staff with new skills, encouraging cross-college collaboration and design and delivery of innovative projects. During 2019, a variety of innovation workshops were offered to CIT staff and students including workshops for the Product Innovation Fund and a two-day renewable energy Hackathon.

Product Innovation Fund

The Product Innovation Fund (PIF), established in 2016, has delivered over 12 innovative projects across CIT. These include implementation of the highly successful 360-degree cameras and the development of a sustainable fabric through a combination of fashion, technology and horticulture (see below). In 2019, in conjunction with CBRIN, the PIF workshops brought together CIT staff, industry professionals, resident innovators and CIT students to address organisation challenges and the impact on stakeholders. The multi-disciplinary teams were provided with practical information, strategies, skills and mentoring to work through the LEAN innovation process.

360 Degree Cameras

CIT has incorporated the use of 360-degree cameras in three industry businesses (Solid Plastering, Wall and Ceiling Lining, and Wall and Floor Tiling). The cameras allow for the capture of evidence for workplace assessment and recognition of prior learning. There is growing interest in progressing this mode of training and assessment in Automotive and Metal fabrication trades. The cost of the cameras and the relatively simple set up and use is set to revolutionise the assessment of on the job training for apprentices.

Sustainable Fabric

In a collaboration between CIT Fashion and Horticultural, under the guidance of teachers, students have grown sustainable fabric out of Mycelium - the root structure of mushrooms. Students from the fashion department have gone on to produce garments and a satchel from the micro-organism material. The garment samples and handbag were exhibited as part of the Orange Wolves event and received an overwhelming response from the public. CIT Fashion will continue to grow the sustainable fabric for students to work with during 2020. This has also resulted in a partnership between CIT and Fungi Co that will continue to develop and experiment with more sustainable options using the mushrooms. CIT students will be ready for the future fashion industry.



Orange Wolves Event

Orange Wolves was a multi-disciplinary three-day immersive experience conceptualised and developed by CIT students, across a range of disciplines launched in 2019, this hands-on learning opportunity exemplifies the significance of vocational education and training. From designing a logo and pitching a concept to displaying their creations and wrapping up when the event concludes, the students were assessed along every stage of the project. Students from fashion, floristry, hairdressing, beauty, visual arts, photography, IT, graphic design, cultural arts, music, media, sound production, interior design, landscape design and building design, were involved. The students brainstormed, sketched and constructed the project through a collaborative process that completely transformed six decommissioned Action buses over a period of four months. The event was open to the public free of charge for three days in the city centre. It would not have been possible without the support of Transport Canberra and the City Renewal Authority which proved a \$50,000 grant for the project. Orange Wolves was not only a masterpiece in creativity but developed critical skills in collaboration, communication, teamwork and creative thinking for the students involved.

“ We had a lot of great applications in the last round of City Grants funding, but our successful applicants really demonstrated how their project would make the city a more fun, welcoming and exciting place to spend time.”

Malcolm Snow
Chief Executive City Renewal Authority



CIT CEO Leanne Cover, CIT Director Fiona Dace-Lynn, and Dr Brooke Thomas with Gordon Ramsay MLA at the launch of Orange Wolves



CIT's 2019 Orange Wolves event in Civic

Promise 2 – Growing Our Region’s Economy – Adapting our offerings to provide skills for the future

CIT delivers training to meet the future needs of the ACT economy, and supports the ACT Government to deliver on its investments and key capability areas including, cyber security, renewable energy, further education partnerships, and healthy and active living. CIT is also growing the region’s talent and economy by developing and delivering innovative skills training for new and emerging industries.

CIT is at the forefront of innovative training delivery ensuring graduating students not only possess the technical skills required for their occupation but are equipped with soft skills transferrable across industries. Through a combination of on-the-job training and national and international experiences, CIT graduates are well prepared to enter the workforce for the first time, transfer to new industries or gain the upskilling required for a promotion. CIT works closely with industry to ensure the integrity of the training and is continuously improving training delivery.

Renewable Energy Training

Demand for training in renewable energies continues to grow. CIT holds Global Wind Organisation (GWO) accreditation (one of only three providers in the southern hemisphere) and delivers a range of qualifications from post-trade skill sets for qualified electricians, solar PV, battery storage and high-risk programs for the wind industry.

In 2019, CIT delivered training in renewable energy in a remote community in NSW (see story below) and was honoured that CIT teacher/trainer, Ken Wilson, was named the 2019 ACT Teacher/Trainer of the Year. Ken provides students with a practical understanding of the risks they will face working in the wind energy industry, ensuring they adhere to global safety standards and technical practices. In 2019, GWO Basic Safety Training and GWO Basic Technical Training increased by 76% across both course and Training in Battery Storage Systems grew by 27%.

Skills required for working in the renewable energy sector cut across a number of disciplines and students are presented with a range of learning experiences to prepare them for working in the industry.

CIT joins forces with Neoen to support future local jobs in Coleambally

CIT partnered with leading renewable energy producer Neoen to help the Indigenous and local community in the remote town of Coleambally NSW. Located in the Riverina Region, Coleambally has recently become home to the largest, fully operational solar photovoltaic facility in Australia. The 189 megawatt peak (MWp) solar farm, owned and operated by Neoen, produces over 390,000 megawatt hour (MWh) of clean, emission-free, renewable energy per annum, enough to power more than 65,000 NSW households.

CIT teachers delivered the week-long training at the Coleambally Central School with Tirkandi Inaburra Cultural and Development Centre Inc. Both organisations jumped at the opportunity to provide their students with entry-level qualifications to work in trades and renewable energy industry awareness.

“The program has been an amazing addition to Tirkandi’s aim of strengthening resilience, re-engaging the boys with an education or vocational pathway, and teaching them life-skills to support their growth,” Tirkandi Centre Manager Matt Watts said.



Coleambally Central School said this exciting initiative delivered work competencies based on the renewable energy industry and was a wonderful opportunity for students.

“Community partnerships play an important role in delivering services and programs to our school community, focusing on improving the opportunities available to our students and their families, fostering greater integration between the school and communities and creating better outcomes for students,” Coleambally Central School Principal Timothy Allen said.

Neoen is proud to partner with CIT to provide this training, as it will increasingly be a source of local employment for the future.

Renewables Domestic Excursion

In 2019, CIT conducted the first domestic excursion for the renewables sector for seven students from the electrical trades, accompanied by two staff. The group attended the All-Energy Conference in Melbourne and then travelled to South Australia where they were exposed to a range of renewable energy businesses. These included: windfarms; a tour to the Tonsley Innovation Park (including the TAFE SA training hub); the only Tesla battery repair centre outside of the USA; an electrical vehicle manufacturing business; a solar thermal tower generating renewable energy; the Sonnen Battery manufacturing plant (formerly the Holden manufacturing plant) and a viewing of the Hornsdale battery.

This was an invaluable experience for students who gained a firsthand understanding of how qualified tradespeople can work across industries and the enormous opportunities for the future of this growing industry. It also provided a picture of what a renewables worker looks like, where the sector is heading and how far it has come in a short time. Students reported feeling inspired to see opportunities beyond just the regular electrician role.

Zero CO₂ Hackathon

The CIT ZeroCO₂ Renewable Energy and Sustainability Hackathon was a collaboration between CIT, CBRIN and Neoen and another example of an innovative learning model. Over 400 people engaged in a variety of activities over the 30 hour-event (including CIT year 12 students), with 49 participants from across Australia registering in the hackathon. The winning team have secured investment from the ACT Government to further develop their 'proof of concept' in solar campuses.

ZeroCO₂ HACKATHON

“Neoen was proud to partner with CIT and CBRIN to deliver the Zero CO₂ Hackathon, which enabled students to rethink renewable energy and how we can improve the sector through innovation.”

Megan Ward
Project Manager, Neoen



CIT CEO Leanne Cover with Petr Adamek CEO CBRIN at the ZeroCO₂ Hackathon

Cyber Security

Demand for training in cyber security continues to grow. In 2019, CIT experienced a 285% increase in enrolments with student numbers growing from 206 in 2018 to 793 in 2019. CIT offers a Certificate IV in Cyber Security (22334Vic), a Graduate Certificate in Networking and Cyber Security (10198NAT) and a Statement of Attainment in Introduction to Organisational Cyber Security (extract from 22334VIC). The statement of attainment was offered free of charge to all CIT staff and current CIT students during 2019.

Regardless of industry, cyber security training is becoming crucial for any organisation as businesses are increasingly reliant on digital technology. In 2019, CIT welcomed eight technicians from Vestas, a wind turbine solutions and services provider Vestas, for cyber security training. CIT works closely with Vestas providing training across a range of other areas including GWO high-risk training and electrotechnology.

In 2019, CIT Centre of Cyber Security and Games hosted a Cyber Tech Show celebrating one year of cyber security at CIT. The event saw industry and students come together to celebrate and network and two security start-ups were showcased as part of the event at the Training Security Operations Centre at CIT Reid. CIT students were offered unique opportunities to see and get hands on experience with these technologies, understand how they are used in cyber operations, and meet and talk with cyber experts working in the industry.

The ACT Cyber Security Skills Accelerator is a collaboration, between CIT, Fifth Domain and AustCyber to research and build sustainable cyber

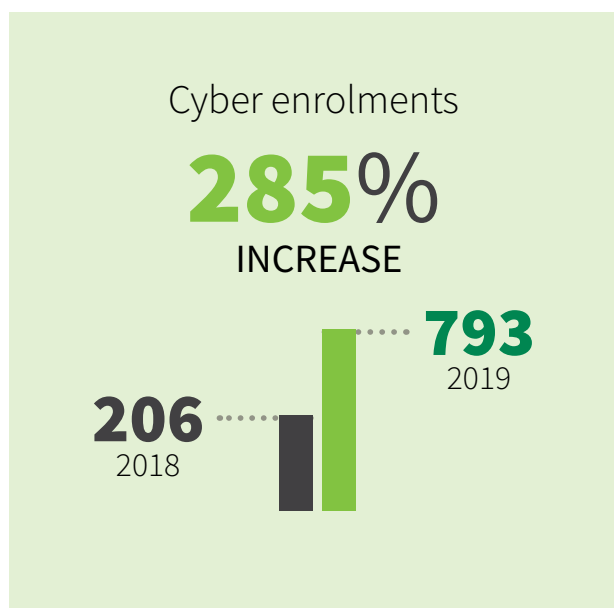


Cyber Tech Show Celebration Cake

training resources, programs and facilities for the Australian workforce. Developing a solution to the cyber security skills shortage, the collaboration now provides the ACT with end-to-end cyber security training, and supports and shares knowledge with TAFE institutions across Australia. The ACT Cyber Security Accelerator was one of three finalists for the Industry Collaboration Award at the Australian Training Awards.

Responding to increasing demand for nurses

Due to an increasing demand for Enrolled Nurses both locally and nationally, CIT approached the local industry for support in clinical placements to increase student numbers in the Diploma of Nursing program. Once support was gained, an application for an 80% increase in student numbers was submitted to the Australian Nursing and Midwifery Accreditation Council. This increase was approved and has been implemented over a period of two years with 50% delivered in 2019.



CIT nursing student

Seeing Machines (ACT Artificial Intelligence Company)

Seeing Machines is a world leader in driver-machine interaction located in Fyshwick, Canberra. The organisation harnesses human factors science to create artificial intelligence technology that observes driver attention and intervenes seamlessly when necessary. This is a new industry partnership for CIT developed through the Business Growth and Development team. In 2019, a cohort of 19 new workers (including 12 students with neurological disabilities and one Aboriginal and Torres Strait Islander student) undertook a pre-apprenticeship in Certificate II in Skills and Vocational Pathways. This involved delivering all core units from the qualification in an intensive delivery style over four weeks with a range of additional support provided to help the students succeed. For these long term unemployed participants, this opportunity helped secure ongoing employment with Seeing Machines through a group training organisation, Australian Training Company. Of the 19 who started training, 18 students have now commenced their Australian Apprenticeship in Certificate III in Customer Engagement.

International students – inbound and outbound

CIT maintains an international focus, attracting international students to the ACT and supporting CIT students to train overseas. CIT has a range of exciting study abroad opportunities, giving students an opportunity to undertake study or placement overseas that is related to their studies.

This year CIT attracted 839 international students from 75 countries. On completion of studies many of these students continue on to further educational pathways in the ACT.

In 2018, *Canberra Institute of Technology: Economic and Social Contribution to the ACT* report estimated that international students studying at CIT and living in the ACT contributed \$15 million of added-value to the ACT economy.

CIT also hosted 25 Singaporean sport students with accompanying teachers to provide a taster for sport fitness and massage qualifications.

In 2019, under the Australian Government Endeavour Leadership Program Grants, over 50 CIT students participated in international study tours. These included tours to Singapore to:

- explore advances and new construction techniques, design concepts, urban planning and environmental and climate change strategies

- extend students' communication skills and provide opportunities to meet and interact with cutting edge cyber security facilities
- expand students' global vision on the accounting industry and establish new networks while experiencing a full cultural immersion (this tour also visited Bangkok)
- research, design and attend makerspace workshops to create flexible, community spaces within CIT (on return these students presented in a 'Shark Tank' styled pitch event that was filmed for a reality TV show produced by CIT media students)
- learn about culture, food, design and service by exploring some of Singapore's finest restaurant and food events, including a three-day workshop at CIT's partner institute Temasek Polytechnic.

A further 10 students visited Singapore and Europe as part of a two-week renewable energy study tour to expand their perspective and consider the range of possibilities available in the renewables sector. As part of the tour, students visited the Solar Energy Research Institute of Singapore at the National University of Singapore, Schneider Electric, a leader in digital transformation of energy management and automation in homes and buildings, and the Paris headquarters of Neoen, one of the world's leading independent producers of renewable energy.



Australian Government Endeavour Leadership Program students in Singapore

Promise 3 – Advancing Canberra’s Workforce – Contributing to the new economy and positioning for prosperity

CIT is a key economic and social enabler, contributing to the ACT economy by providing VET to support the priorities of the ACT Government in making Canberra more inclusive, progressive and connected. CIT provides the skills for an adaptive, modern workforce. CIT is also a leader in providing education in skill shortage areas and developing targeted programs to increase workforce participation for people experiencing disadvantage. This includes helping people from our diverse community to reach their potential.

Connecting students with jobs

CIT has an excellent track-record in students gaining employment on completion of studies with 82% of CIT graduates being employed after training compared with 71% nationally in 2019. CIT works closely with its industry partners to secure employment opportunities for students. In 2019 CIT experienced close to a 50% increase in employment opportunities being providing to CIT graduates at Accenture-New Applied Now consultancy firm specialising in innovation and technological solutions. While Accenture has previously relied on university graduates to fill vacancies the increasing demand on IT and cyber security roles has resulted in greater numbers of VET graduates being employed by the company. Further examples of CIT connecting students with jobs are discussed throughout this report.

Hospitality Pre-traineeship

CIT partnered with local hotel groups (Capital Hotel Group, IHG, Accor), ACT Government, the Department of Jobs and Small Business and JobActive Providers to address a critical skills gap in the local hospitality industry, delivering pre-traineeship programs to local jobseekers. The 10-day tailor-designed program gave participants foundation skills training to successfully prepare them for the hospitality workforce. At the completion of the program successful participants gained employment with their host employers and a pathway to a traineeship. Of the 52 students who completed the program, 35 gained employment with industry partners of the program. This included eight mature age trainees.

Mature Age Workers

CIT’s Mature Workers Support project, delivered under the ACT Government’s Mature Workers Grants Program, was established to enable people aged 45 years or older and Australian Apprentices aged 25 years or older to upskill or reskill. To improve employment outcomes, the cohort, of students were provided with high-quality case management services, access to tailored training opportunities and engagement with potential employers. The program also helped address the needs of local businesses seeking to employ additional workers. During 2019, 4,269 students aged 45 and over (including apprentices) engaged with CIT. This increase of 12.84% in mature aged students compared to 2018 is attributed to the project’s marketing, networking and promotional efforts. The project also supported 1,206 mature apprentices (over the age of 25) studying at CIT, an increase of 8% on 2018.

Industry Pathways

The Industry Pathways Course is a new vocational training program empowering Year 9 and 10 students in the ACT to make informed choices about their future education and employment. This innovative pilot program commenced in February 2019 exposed ACT secondary school students to a range of work environments. The course focuses on a unique student experience and is based on the ‘jobs without genders’ premise that there should be no personal limits or boundaries to a student’s chosen career path. Throughout the program students are provided with three work placement opportunities selected from a range of occupations in high skills need areas for the Canberra region—including STEM, trades, professional services and community services. A total of 80 students from Namadgi School, Wanniasa School, Melba Copland Secondary School and Mount Stromlo High School were part of the first cohort. Up to an additional 80 places will be provided in 2020, including students from four additional schools.

The Toyota Program

CIT has been successfully delivering the Certificate III in Light Vehicle Mechanical Technology (AUR30616) for over 10 years. Under the Toyota Network Training model apprentices attend training for 49 days over the three years, as opposed to the 90 days for mainstream delivery. The completion rate for this program is around 95% and the retention is much the same, far better than the national averages. Toyota Australia provides all resources for the training and assessment of the qualification. CIT, along with QLD TAFE, are leading the way with these statistics and trainee numbers are continuing to grow. The satisfaction

responses from employers and students is also very high and has been stable over the past three years. Due to the success of this program, CIT was selected as the preferred provider by Toyota to deliver the program in NSW in 2020.

Apprenticeships and Traineeships

CIT has a dedicated Training Initiatives Unit focussed on continuously improving the Australian Apprenticeship experience through processes to support:

- enhanced learning engagement for apprentices and trainees
- client engagement and transparency with employers
- ensuring apprentices and trainees have the support they need to successfully complete their chosen qualification.

Apprenticeship numbers at CIT continue to grow, bucking the national trend. There was a 7% increase in 2019 with 3,800 apprentices and trainees enrolled across 80 qualifications, compared with 3,570 in 2018. CIT has shown a steady increase in apprentices and trainees since 2016 (see Table 1) which can be attributed to the support provided through the Training Initiatives Unit which also underpins the increase in Australian Apprenticeship enrolments and completions. Areas with increased enrolments in 2019 were fabrication, glass and glazing, landscape construction, plumbing and electrical.

In late 2018, CIT commenced using the employer support function of My Profiling, an electronic tool to support the learning of apprentices and trainees. The tool has increased employer engagement by almost 50%, improving outcomes for both employers and apprentices.

Apprentices and Trainees 2016 to 2019

	2016	2017	2018	2019
Total Apprentices/Trainees	3,256	3,422	3,570	3,820
Employer Satisfaction Rate	85%	87%	94%	89.5%

CIT carpentry apprentice takes out top ACT award

Constructing model planes as a child and studying woodwork in high school were part of the journey through which James White discovered his passion for precise cutting, shaping and building with his hands. James completed a Certificate III in Carpentry at the Canberra Institute of Technology (CIT) and was named 2019 ACT Apprentice of the Year at the ACT Training Awards.

Since commencing study at CIT, James completed a full renovation of his home, including the design and construction of a 125 square metre deck. "This would not have been possible without the training and experience gained through CIT and my apprenticeship," James said.

The skills critical to carpentry and joinery are developed through mentorship and the teachings of experienced carpenters, but according to James, the training is also about developing the right approach. "Critical to the delivery of quality work is the need for accuracy and attention to detail," he said.



“The skills I have learned both through CIT and on the job have provided the foundation for a long-term, successful and rewarding career.”

James White
ACT Apprentice of the Year

Skilled Capital

The Skilled Capital program is an ACT Government funded training initiative. CIT offers a comprehensive range of services to provide Skilled Capital students the support they need to complete the training that is right for them. Skilled Capital improves access to high quality training in areas of skills needs and maximises improved employment opportunities for students.

Skilled Capital enrolments have increased by 62% over the past 12 months from 499 in 2018 to 808 in 2019. Industry areas where skilled capital enrolments have increased in 2019 included the skills for work and vocational pathways, early childhood education and care, allied health assistance, cyber security, nursing and project management programs.

Improving Student Outcomes

To ensure the best possible student outcomes CIT has a range of programs, activities and services to increase workforce participation and social inclusion for its diverse cohort of students. These included:

- Student Support Services in counselling, careers advice, disability support and financial assistance. Targeted support is also available for international students, mature aged students, women, migrants, refugees and youth.
- working in partnership with the CIT Student Association (CITSA) who provides non-academic support to students including operating bookshops and food and beverage facilities on CIT campuses and an online employment service and accommodation information.
- targeted training and skill development to assist people to enter and re-enter the workforce or further training through the CIT Pathways College.
- CIT delivered Foundation Skills for language, literacy, numeracy and digital to apprentices. CIT Apprentices and trainees are enrolled into a Foundation Skills (FSK20113) qualification and have access to tutorial and mentor support in addition to the student's vocational qualification. Areas that accessed LLND support for students include, electrotechnology, refrigeration, plumbing, carpentry, cabinet making and aged care individual support (ageing).
- English language classes. In 2019, CIT received \$40,000 over four years to waive fees for asylum seekers who hold an ACT Access Card entitling them to two full time semesters or four part-time semesters of English classes.
- providing free English Language conversation groups for international and domestic students to practise their speaking and listening skills were delivered in partnership with CITSA.
- celebrating Harmony Day on 21 March, through a Global Marketplace at CIT Reid. English Language students ran a number of stalls and raised \$1,067.60 for Canberra Refugee Support.
- delivering the ACT Work Experience Support Program (WESP) – an ACT Government initiative designed to help people from culturally and linguistically diverse backgrounds gain office skills and Australian workplace experience. In 2019, CIT delivered the Certificate II in Business (BSB20115) to 40 WESP participants. This included two groups who spent four weeks at CIT undertaking intensive training in computer based office skills, resume writing, interview skills and public sector knowledge relevant to working in a government environment. Following this, students completed an eight week placement in a government agency.

Year 12 Certificate

CIT delivers an alternative Year 12 program. In 2019, 60 students graduated with a Senior Secondary Certificate. Of studying to attain an ATAR, over 60% achieved an ATAR over 80 and over 75% achieved an ATAR over 75. The top ATAR was 97.90. VET study units were included in about 40% of graduating students' Senior Secondary Certificate.

Year 12 continued to deliver the Big Picture program where students participate in project-based and community learning and then have the opportunity to showcase projects in exhibitions. CIT had its first student graduate with a Big Picture Graduation Portfolio, a new parallel pathway to tertiary education for students of Big Picture schools. While the concept of using a portfolio to gain entrance to university is not new, the Big Picture Graduation Portfolio differs in that it is a national, standards-based process that has been negotiated individually with universities around Australia.

Collaborative Community Art Project



In 2019, CIT students from Year 12 Big Picture class and the Certificate in General Education for Adults, alongside other students from the Canberra College Big Picture program engaged in a collaborative community art project, supported by staff from the Tedd Noffs Foundation Take Hold Program. Over 10 weeks students learnt and practiced skills in street art, graffiti art and stencilling, collaborating to design and complete a mural at the Weetangera shops. The theme of the mural was both a social and environmental commentary, featuring images of pollution and devastation leading into rebirth and regeneration.

The Weetangera community welcomed the project with shop owners providing the wall space to work on and food and drinks for the participants.

The ongoing partnership between CIT and Take Hold has been very successful in providing guidance and opportunity for a number of at risk students that were provided with a range of support services and referrals.



Promise 4 – Transforming our Business – Investing in our business for viability and value

CIT operates in a complex and increasingly competitive environment. To remain at the forefront of VET, CIT continues to foster meaningful relationships with industry to ensure training programs provide students with industry relevant, contemporary and job ready skills. CIT offerings provide valuable options for individuals, employers and government.

Business Development and Industry Partnerships

Industry partners are critical to CIT's successful operations. CIT continues to strengthen its industry partners through a dedicated Business Growth and Development team established in 2018. CIT works with ACT industry to deliver training programs that meet the needs of both the ACT economy and community. The model focuses on a centralised point of contact that facilitates greater collaboration across CIT to strengthen strategic partnerships with industry to meet their workforce development needs in areas as diverse as construction, information technology, health and community and business. CIT is also focusing on increasing industry awareness of CIT's extensive service offering and the value of VET in attracting and retaining a highly skilled workforce.

In 2019, the team was successful in securing several industry partnerships through various training activities and projects. Stand out projects included the Seeing Machines, Embrace, multiple SPARK programs, Vestas, Microsoft Traineeships and the CIT Hospitality Pre-traineeship program. These projects involved collaboration with a variety of stakeholders, new and existing, where CIT was able to design and deliver a range of training services to meet industry needs, including customised and tailored accredited and non-accredited training. Overall, the programs have significantly benefitted CIT and ACT and regional industries, and many participants have since received employment and/or undertaken further study at CIT.

Industry Advisory Groups

CIT has a long-standing tradition of engaging with industry and external stakeholders through a number of avenues. One such avenue is Industry Advisory Groups (IAGs) which include a membership base of industry, employer groups, and local and national businesses represented in the ACT. There are approximately seven active IAGs across CIT with up

to 10 members in each supported by the Business Growth and Development team. In 2019, the CIT Board Chair hosted the inaugural CIT/ACT Industry Roundtable with key industry leaders in the ACT. The roundtable, along with the re-invigoration of IAGs across the colleges, gives CIT multiple connections with industry to ensure training products remain responsive and relevant to what is happening in the rapidly changing world of work.

Digitilisation Program

With rapid advances in technology, the CIT Digitilisation Program has been building on the understanding of new and contemporary approaches to ensure learners, employers and industry are equipped with the tools and experiences needed for a skilled ACT workforce and ensuring CIT is sustainable and future ready in the digital world. In 2019, CIT secured \$5.4 million of funding from the ACT Government for Better ICT for Students and Staff.

To be at the forefront of a contemporary learning environment CIT has focused on enhancing its digital capability. The digitalisation program has already delivered major physical infrastructure and device improvements in 2018 and 2019. In 2020, the direction is moving away from physical infrastructure and focusing on contemporary products and applications that will bring CIT in line with current school solutions and industry standards.

Major objectives delivered in 2019 included the modernisation of desktops, networks and applications. Additional accomplishments in 2019 included:

- > rollout of e-Classifier Dissemination Limited Markers (DLM) application
- > upgrade of BIEMS, the CIT facilities management system
- > update of Adobe Connect
- > implementation of Customer Relationship Management system for Business, Growth and Development
- > development and implementation of Fun to Fail gamification (ChefCraft).

Campus Renewal

The ACT Government continues to invest in CIT campus renewal. In 2019, the ACT Government announced up to \$250 million to build a new CIT campus at the Woden Town Centre. This exciting purpose built facility is expected to provide a teaching facility for up to 6,500 students and would focus on cyber, technology qualifications and service skills courses. A new state-of-the-art CIT campus is appropriate for the advancement of VET in Canberra and the region. This investment in new facilities supports CIT's growing student numbers, very high student and employer satisfaction rates and increased employment outcomes for graduates.

A new CIT campus in Woden and a continued presence in the city will strengthen CIT's existing

campuses in Fyshwick, Bruce, Gungahlin and Tuggeranong and open up a range of new collaboration opportunities for CIT students, with local businesses, industry and the broader community.

CIT continues modernise its facilities to provide the best learning opportunities and environments for optimal student outcomes.

Funding was also secured in 2019 to provide more teaching and learning spaces at the CIT Fyshwick campus. In addition, 2019-20 Better Infrastructure Program funding of \$160,000 has been provided for preparatory work for the design and documentation phase to upgrade and construct additional workshop space. Concept design work was completed in 2019.



CIT Music and Media Production

CIT Music and CIT Media Production were relocated to the Reid campus in 2019. Prior to this, the music program was located at CIT Woden and the media program at CIT Bruce. The centralisation of music and media to the Reid campus, brings closer to CIT's other creative industries and facilities including the graphic design, web design, photography, fashion and visual arts programs. The new CIT Media and Music facilities include recording studios, rehearsal rooms and labs for sound production, music performance and music electronica courses as well as dedicated filming spaces and editing labs. Regular weeknight performances at CIT Reid provide music students the opportunity to experience live audiences. Students also travel off-campus to work on client events and projects, ensuring they are learning on the job in modern facilities.

Allied health authentic simulated workplace environment

A new state-of-the-art allied health simulated workplace environment opened in 2019 within CIT's healthcare and community services training hub. The new facility makes an important contribution to the delivery of the Certificate IV in Allied Health Assistance, particularly in the preparation of students to work as allied health assistants in fields such as physiotherapy, occupational therapy, dietetics and social work. The new facility is equipped to support training and assessment across a range of other CIT courses including fitness, nursing, aged care, individual support and community work. The facility is also suited to offering services to the public, including physical activity based rehabilitation for older adults, therapy based sessions for school aged children and adolescents and healthy cooking and eating sessions. Various allied health programs will be run from this facility, complementing existing services delivered through the CIT Fit & Well Gym and Massage Clinic. In 2019, there was a 36% increase in overall enrolments for allied health courses.

CIT Solutions

CIT Solutions Pty Ltd is a wholly owned subsidiary of CIT that reports to the Australian Securities and Investments Commission in accordance with the *Corporations Act 2001*. CIT Solutions' audited financial statements are consolidated within CIT's financial statements in this report (see C.2).

During 2019 learning was delivered to 1,737 students enrolled in CIT accredited programs, and non-accredited training was provided to 3,344 learners in

short courses through both face-to-face and on-line delivery modes.

Financially, the Company returned an operating surplus for the year of \$0.390m and achieved \$18.974m in revenue. This result was achieved with a core workforce of 84 (headcount) supported by a contingent workforce of 224 casual employees.

Revenue in the delivery of the government public sector skills qualifications was significantly higher in 2019 compared to the previous year through the take up of the government's VET traineeship subsidy for the Diploma of Government program offered by CIT Solutions. This program was delivered to 12 corporate client groups in 2019 with three publicly advertised offerings. The Company also delivered the Certificate IV in Training & Assessment. An amendment to the national training standards requiring all trainers and assessors to upgrade to the latest qualification in 2019, saw 238 learners complete this program during the year.

The Company successfully delivered two year-long Diploma of Government programs for Indigenous trainees employed through the Department of Human Services and the Department of Small Jobs and Business. A total of 310 trainees enrolled in these two programs with approximately a 90% completion rate.

The year saw the Company implement the Board's decision to re-structure its operations with a significant refinement of the workforce model. This established a lower cost base to deliver its range of CIT accredited government qualifications with increased profitability using new learning methods and styles to respond to clients' demands.

The Company was successful in winning a number of contracts with the Department of Health in 2019 to identify training needs, develop and deliver training for the Commonwealth's My Aged Care workforce. It also continued to manage the online learning platform for the department through which 1,096 learners achieved a Statement of Attainment in My Aged Care training competencies.

The Company supports CIT through the promotion of its courses and the benefits of studying in the ACT to prospective students worldwide. In 2019, CIT Solutions enrolled 839 international students to study at CIT and processed \$8.150m in tuition fees. As well as attending international exhibitions and other marketing activities, the Company used 152 student recruitment agencies located within Australia and off-shore to secure enrolments.

The Centre for International Language Training continued to deliver tuition in 32 foreign languages

to predominantly government agencies, with Department of Foreign Affairs and Trade being the primary client. Over 40,000 hours of language and culture training was provided by the Centre's 175 casual tutors.

A calendar of professional workshops and recreational courses was offered to the ACT community in a diverse range of subjects throughout the year.

Future Direction

CIT is continuing on its journey of transformation to evolve into a contemporary learning organisation supported by state-of-the-art learning facilities, flexible learning options and enhanced technological capability for staff and students.

The Board will continue to focus on CIT's budget and explore ways to improve its future financial sustainability.

With the *CIT Strategic Compass 2020 – Evolving Together* finishing in 2020, the CIT Board has prioritised the development of new strategic plan for CIT.

CIT will continue to work with the ACT Government to progress the development of the new state-of-the-art campus in Woden. The expected timeframe for completion of the project is 2024.

With an ACT Government investment of \$8.39 million over the next three years from 2019-20 CIT will focus

on two key projects – Providing Better ICT Services for CIT Students and Staff and the More Teaching and Learning Spaces for CIT Fyshwick.

The Digitisation Program will continue to be rolled out with all staff and students receiving Office 365 during 2020, allowing for greater flexibility in learning and flexible work options for CIT staff.

Work on upskilling teachers and general staff will continue to be a priority into the future to ensure CIT is well placed to meet the needs of learners, industry and the ACT community.

Graduation Events

CIT Graduation Celebration events provide a public occasion to acknowledge and celebrate the achievements of our graduates and the expertise and dedication of their teachers. It is also an opportunity to acknowledge the support of family, partners and friends. The CIT graduation is a formal prestigious robed event and students who choose to attend are required to wear academic dress. During 2019, formal CIT graduation events were held in June for domestic students and December for international students. 270 domestic students attended the event in June and over 390 international students from more than 60 countries graduated this year from 30 different CIT programs. The International Student Graduation was live-streamed across the world. CIT also hosts a number of smaller graduation events.



CIT's International Graduation event in December 2019

B.3 SCRUTINY

ACT Legislative Assembly Inquiries

In 2019, CIT participated in three ACT Legislative Assembly Committee inquiries.

- > **Inquiry into Annual and Financial Reports for 2018-2019** – CIT appeared before the Standing Committee on Education, Employment and Youth Affairs public hearing on 8 November 2019. The Standing Committee is due to report in the ACT Legislative Assembly by the last sitting day in March 2020.
- > **Inquiry into Appropriation Bill 2018-2019 and the Appropriation (Office of the Legislative Assembly) Bill 2019-2020** – CIT appeared before the Select Committee on Estimates 2019-20 on 19 June 2019. The Committee tabled its report in the ACT Legislative Assembly on 30 July 2019. Of the 207 recommendations, none related to CIT.
- > **Inquiry into Annual and Financial Reports for 2017-18** – CIT appeared before the Standing Committee on Education, Employment and Youth Affairs public hearing on 6 November 2018. The Chair of the Standing Committee, Michael Pettersson MLA, tabled the Committee's report in the ACT Legislative Assembly on 19 March 2019. The Committee made no recommendations relating to CIT in response to its scrutiny of the 2017 CIT Annual Report.

ACT Auditor-General

There were no ACT Auditor-General reports relating to CIT during the reporting year.

ACT Ombudsman Reports

There were no ACT Ombudsman reports relating to CIT during the reporting year.

B.4 RISK MANAGEMENT

CIT is committed to robust risk management practices, recognising that risk management is an integral part of good management.

CIT risk management is based on the Australian/ New Zealand Standard on Risk Management (ASNZS 4360:2004), and the ASNZ ISO31000 2018 Risk Management Guidelines (the Standard). The Standard is part of CIT's commitment to governance, improvement and implementation of best risk management practice. CIT has adopted the ACT Insurance Authority Risk Management Framework, its risk management policy and implementation guide, in managing all risks.

CIT actively manages risks through systems, processes and strategies designed to respond to the environment, shape CIT activities and improve capability. Risk identification at CIT also includes strategies to manage fraud and corruption, business continuity, emergency management, incident management, information management and security.

The CIT Executive team lead and oversight business risks and work with senior management to implement transformational and cultural change to improve performance. Progress against risk mitigation strategies is dynamic.

During 2019, the CIT Enterprise Risk Management Profile was reviewed by the CIT Board, the Audit Committee and the Executive team. The profile comprises eight categories against which business risks are assessed:

- > value to stakeholders
- > Strategic Compass 2020 projects
- > workforce skills and capability
- > portfolio course offerings
- > financial sustainability
- > CIT infrastructure
- > legislative and regulatory requirements
- > security and protection.

Emerging risks at CIT are identified through:

- > internal and external audits or reviews
- > review of CIT governance, including the maintenance of policies and procedures
- > regular discussions with the CIT Board, the Executive team, directors and managers
- > monitoring the implementation of internal performance reviews and audit recommendations
- > quality assurance assessments and spot checks
- > regular review of risk across CIT including business continuity, fraud and corruption
- > review of key business aspects, such as Work Health and Safety and records management.

CIT's financial risks are managed through a clearly defined financial management framework that includes:

- > quarterly strategic review of financial performance and corrective action as required by the Executive team
- > review of the CIT accountability indicators
- > review of the output targets to ensure they are realistic
- > monthly variance reporting presented by senior management and dashboard reporting
- > clearly established ownership of internal budgets
- > regularly updated financial policy, procedures, delegations and practice documents
- > ACT Auditor-General's office reviews and input into process and procedure
- > provision of targeted training to staff who have financial responsibilities
- > continuous monitoring and review of processes and systems improvement.

The risks around business continuity, emergency management, and personal incidents are also taken into account as part of overall risk management. CIT regularly reviews its emergency management procedures and practice, as well as personal incidents, both of which are supported with general and specialised training of key staff.

B.5 INTERNAL AUDIT

The CIT Audit Committee, a subcommittee of the CIT Board, performs a key corporate governance role. The Audit Committee was established in 2015, through the Audit Committee Charter which is reviewed annually, in line with good practice models documented by the Australian National Audit Office (ANAO).

The CIT Audit, Risk and Corporate Governance team supports the Audit Committee in providing independent, objective advice and assurance, as well as assistance to the CIT Board, on risk and control, compliance and external accountability responsibilities.

The Audit Committee is authorised by the CIT Board to carry out its role and responsibilities under the Audit Committee Charter and through the Audit, Risk and Corporate Governance team to:

- obtain any information it needs from any employee and/or external party (subject to their legal obligation under the *Information Privacy Act 2014* and *Public Sector Management Act 1994* to protect information)
- discuss any matters with internal or external auditors, or other external parties (subject to their legal obligations)
- request the attendance of any employee, including the Chief Executive Officer, at Committee meetings
- obtain legal or other professional advice, as considered necessary to meet its obligations, at CIT expense.

The Audit Committee meeting agendas are based on an annual program of work, derived from the CIT Enterprise Risk Management Profile and responsibilities documented in the Audit Committee Charter. The Audit Committee Chair formally reports to the CIT Board Chair and the CIT CEO on any significant matters that may impact CIT operations. These issues are also reported to the Executive Management Committee.

The annual audit schedule is determined against the CIT strategic business and anti-fraud and corruption risks. Six audits and reviews were undertaken in 2019 to provide assurance of efficiency and effectiveness, compliance with the laws and regulatory requirement, and to promote continual improvements.

To determine the annual program, consultations are held with the Executive team and directors to ensure CIT priority risks are addressed as part of the final program. Actions against audit recommendations are monitored through to completion including those which are relevant to CIT from external audits, such as the ACT Auditor-General's Office. The progress of the program is reviewed at each Audit Committee meeting and the relevant findings and recommendations discussed to ensure they are on track. All audits and reviews were completed within the scheduled timeframe and budget for 2019 and provided valued recommendations for improvements.

To ensure relevance and quality practice, all internal audit and risk policies, procedures and charters are reviewed annually in accordance with the ANAO Better Practice Guides.

In 2019, the Audit Committee comprised three members - two independent members and one member from the CIT Board who was also the Deputy Chair. The Executive Director, Corporate Services and a representative of the ACT Auditor-General's Office, hold observer status. Audit Committee members are appointed for two years while the Chair is appointed for three years. The CEO is an invited guest to each meeting and presents to a standing agenda item.

Seven committee meetings were held during 2019, three of which focussed on financial matters including reviewing the 2020 Budget process. The remainder addressed the annual program of work, including the review of the Audit Committee Charter and the Internal Audit Charter.

Members' attendance at Committee meetings from 1 January – 31 December 2019

Name of Member	Position	Duration	Meetings attended
Mr Bruce Papps	Chair: Independent member	January–December	7
Mr Peter McGrath	Deputy Chair: CIT Board member	January–December	7
Ms Margo Wade	Independent member	January–December	7
Mr Andrew Whale	Executive Director, Corporate Services Observer Status	January–December	7
Mr Chris Huang	Auditor-General's Office Observer status	January–September	5
Mr Saman Mahaarachchi	Auditor-General's Office Observer status	November	1



CIT Year 12 Graduation

B.6 FRAUD PREVENTION

The ACT Government *Public Sector Management Standards 2016* detail the formal responsibilities of agencies to promote integrity and to control fraud and corruption. In accordance with this and the ACT Government Integrity Policy, CIT has a Fraud Control Plan that is comprehensively reviewed every two years and an Anti-Fraud and Corruption Risk Profile that is reviewed every six months.

The Senior Executive Responsible for Business Integrity Risk (SERBIR) is responsible for the management of fraud prevention within CIT.

Fraud Control Plan

The 2018-20 CIT Fraud Control Plan is a robust and systematic approach which aims to detect, prevent, respond to and report on any allegations of fraud. The Plan operates with key elements such as:

- > a policy statement that includes fraud and corruption definitions
- > strategies to raise awareness and guide managers on prevention, detection, and prosecution
- > responsibilities for fraud control within CIT
- > guidance in responding to any Public Interest Disclosures that may be reported.

The Fraud Control Plan will be reviewed in 2020.

Anti-Fraud and Corruption Risk Profile

The Anti-Fraud and Corruption Risk Profile is maintained, monitored and reported to the CIT Board, Executive Management Committee and Audit Committee every six months. CIT's key risks are regularly reviewed and contained in this profile, including both their source and impact with a range of strategies to mitigate the risks. The Anti-Fraud and Corruption Risk Profile is developed as an outcome of the comprehensive biennial review of the Fraud Control Plan.

To raise greater awareness, a set of checklists were developed to assist managers with fraud detection and prevention. Fraud and corruption prevention is part of the CIT Staff on-line Induction Program and face-to-face presentations are provided to staff as required.

In 2019 integrity incidents which required corrective action included: modification of a student's online account without their knowledge; Campus break-ins and theft of a printing machine and chemicals; and theft of assets from the music department.

B.7 FREEDOM OF INFORMATION

CIT ensures compliance with the requirements of the *Freedom of Information Act 2016* (the FOI Act) as informed by the ACT Ombudsman's Guidelines. Summary data for each application is provided below. Details of individual applications and decisions are published by CIT on the FOI Disclosure log.

Open Access Information

Description	Total
Number of decisions to publish Open Access information	37
Number of decisions not to publish Open Access information	0
Number of decisions not to publish a description of Open Access information withheld	0

FOI Application received and decision type

Description	Total
Number of access applications received	1
Number of applications where access to all information requested was given	0
Number of applications where access to only some of the information requested was given (partial release)	1
Number of applications where access to the information was refused	0

FOI Processing Timeframe

Description	Total
Total applications decided within the time to decide under section 40	1
Applications not decided within the time to decide under section 40	0
Number of days taken to decide over the time to decide in section 40 for each application	0



CIT screen and media students

Amendment to Personal Information

Description	Total
Number of requests made to amend personal information, and the decisions made	0

Reviews

Description	Total
Number of applications made to ombudsman under section 74 and the results of the application	0
Number of applications made to ACAT under section 84 and the results of the application	0

Fees

Description	Total
Total charges and application fees collected from access applications	0

Singapore and Europe renewables study tour

In the summer of 2019, ten CIT students travelled to Singapore, France and Spain on an innovative renewable technology-learning journey.

The two-week energising learning experience took students to the Institute of Technical Education in Singapore as part of an educational partnership with CIT that fosters collaboration and educational exchanges to prepare students for the global workforce. While in Singapore learning about renewables, students also visited the Solar Energy Research Institute of Singapore at the National University of Singapore, where they saw world's largest testbed for floating solar photovoltaic systems.

The study abroad experience also included a visit with Schneider Electric (SE) a leader in digital transformation of energy management and automation in homes and buildings. SE exposed students to buildings at the cutting-edge of energy usage and smart technology. Students also had the opportunity to meet with practitioners, suppliers and installers of products and learn about their impact on industry.



In France, the students visited the Paris headquarters of Neoen, one of the world's leading independent producers of renewable energy. Neoen also facilitated the group's visit to Cesta's Solar Park, Europe's largest solar photovoltaic plant near Bordeaux. Whilst hosted by Abengoa-Algonquin Global Energy Solutions in Seville, Spain, a global leader in the socially responsible development of energy and water assets, the group visited PS10 and PS20, power solar plants that produce electricity with heliostats, or movable mirrors.

This academic and cultural immersive international experience including exposure to industry leaders was made possible through the Australian Government's Endeavour Mobility Grants.

B.8 COMMUNITY ENGAGEMENT AND COMMUNITY SUPPORT

CIT has a broad presence in the ACT community and a wide range of partnerships with industry and community organisations. The diversity of these partnerships, including thousands of local and regional businesses, industry and community organisations, demonstrate the central role that CIT plays in the economic, social and cultural aspects of life within the ACT community.

Open Day

CIT held its annual Open Day on Saturday 31 August 2019 at CIT Reid. This is an important event on the CIT annual calendar, promoting career opportunities through VET. The event was promoted through Social Media (Facebook, LinkedIn, Instagram and Twitter), radio advertising on MIX 106.3 and HIT 104.7 (including HIT 104.7 broadcasting live at CIT Reid), road signage around Canberra, letterbox mail out (Open Day postcard sent to over 135,000 Canberra households), large signage with Open Day details displayed across CIT campuses and outside of CIT buildings, a full page advertisement in the Canberra Weekly magazine and a dedicated webpage on the CIT website. An estimated 3,000 people attended this event.

School Liaisons

CIT teachers, along with CIT marketing, visit schools across the ACT to discuss post-school options in VET plus in addition to hosting school visits at CIT campuses for tours of the facilities. In 2019, CIT either attended or /held 52 school events (compared to 48 in 2018 and 39 in 2017), demonstrating a continued

increased engagement with schools. CIT promotes school visits and campus tours through a monthly newsletter to high school and college careers advisors. Any CIT events open to schools students are promoted through Social Media (Facebook, Instagram) and on the dedicated schools webpage on the CIT website.

Careers Expo - Try a Trade

CIT attended the 2019 Canberra Careers Expo hosted by the ACT Government Education Directorate with over 8500 students attending the event over two days. The event aimed at students from Years 9 to 12, provides information about potential careers/pathways and an opportunity to try or talk to someone about that career or pathway. In 2019, CIT had one of the biggest presences at this event with representatives from every CIT area in attendance. CIT had a large stand in the main exhibition area with CIT Yurauna along with an outdoor display outside the EPIC building.

Bridge Challenge

The annual CIT Construction and Engineering Bridge Challenge is a hands-on activity where students compete to create the strongest bridge possible using 12 metres of timber, PVC glue and panel pins. The challenge helps showcase career opportunities in the construction and engineering fields. In 2019, close to 300 students participated from 17 schools across the ACT.



Student from Canberra High School at the CIT 2019 Bridge Challenge

CIT Community Support Initiatives

With its community and industry partners, CIT offers a range of scholarships and prizes to assist CIT students with tuition fees and study costs, and to reward them for outstanding performance in their studies.

Grants and Sponsorship 2019

Recipient(s)	Sponsor	Support Purpose	Amount
1,087 recipients	CIT Fee Assistance	To assist CIT students with fees for courses	\$325,124
85 recipients	CIT Aboriginal and Torres Strait Islander Scholarships	To support Aboriginal and Torres Strait Islander students with their training costs.	\$60,068
3 recipients	Rotary Club of Canberra City Equity Scholarships	This is available to students living in the local community and in their second continuous semester of study or beyond.	\$7,500 (\$2,500 each)
3 recipients	Soroptimist International Canberra		\$3,000 (\$1,000 each)
23 recipients	ACT Mental Health Consumer Scholarship Scheme	This scholarship supports mental health consumers to gain qualifications in human services. The two-stage scholarship cover statement of attainment and Certificate IV in the community work program.	\$10,561
1 recipient	Craig O'Neil Prize for a Graduating Accounting Student sponsored by CITSA	This prize is awarded to a CIT Advanced Diploma of Accounting graduate (who is an Australian citizen or a permanent resident of Australia) who has enrolled into university in a related discipline degree.	\$2,000
1 recipient	The Len Barratt Award	This prize is awarded to an Aboriginal and Torres Strait Islander student graduate who has completed a Certificate III or higher program of study at CIT. Recipients need to have demonstrated a positive work ethic and consistent effort toward their studies and gained the respect of their peers.	\$2,000
2 recipients	Rotary Club of Canberra City Prize	Prizes are awarded to one male and one female student who have completed any trade program. Recipients need to have demonstrated a high standard of craftsmanship and personal conduct.	\$300 each
1 recipient	Rotary Club of Canberra – Weston Creek Prize	This prize is awarded to a student graduating from any CIT program who has made a valuable contribution to the community during their studies (related to their studies at CIT).	\$500
1 recipient	University of Canberra Prize (e publication voucher)	This prize recognises a CIT graduate with the most outstanding result in a program that articulates with the University of Canberra.	\$250
1 recipient	Yass Lodge of Concord No. 27 (Freemasons)	This prize is awarded to the CIT Pathways College graduate that has shown the greatest improvement in English as an additional language study.	\$250
1 recipient	University of Canberra Prize (ACT Year 12 Certificate)	This prize recognises an ACT Year 12 Certificate graduate with either a mature entry pathway or a tertiary rank (e.g. ATAR, UAI, TER, TES etc.) that qualifies them to enrol at UC, and that managed personal challenges so that they participated actively and positively in their studies.	\$250

B.9 ABORIGINAL AND TORRES STRAIT ISLANDER REPORTING

CIT is committed to promoting a culture that strengthens respect, relationships and opportunities for Aboriginal and Torres Strait Islander peoples through positive and inclusive learning and workforce innovation practices. The CIT Reconciliation Action Plan 2016-2019 is a framework that supports the *CIT Strategic Compass 2020 – Evolving Together* and business plans. This framework drives CIT's contribution to reconciliation with the Ngunnawal community and all Aboriginal and Torres Strait Islander peoples' communities to develop relationships with respect and create meaningful opportunities. With the number of Aboriginal & Torres Strait Islander people accessing CIT continues to grow CIT aims to close the gap in educational outcomes through policy and practices to improve vocational training outcomes for Aboriginal and Torres Strait Islander people. CIT has a number of key strategies that focus on the needs of Australia's First Nations.

Aboriginal and Torres Strait Islander Advisory Committee

CIT has a dedicated Aboriginal and Torres Strait Islander Advisory Committee, made up of Aboriginal and Torres Strait Islander leaders from the ACT community. The committee provides advice and guidance on training needs from industry and the community and plays an important role in the governance of CIT and in the planning for the delivery and support of Indigenous education. The CIT Aboriginal and Torres Strait Islander Advisory Committee met twice in 2019.

CIT Yurauna Centre

The CIT Yurauna Centre is a community focused multi-functional Cultural Education Centre that brings individuals together to learn in a culturally safe environment and provides opportunity for people to find real solutions. Yurauna is a centre of educational excellence that provides teaching and support to Aboriginal and Torres Strait Islander peoples across a broad range of programs. Yurauna implements a community engagement model specifically designed to build cultural connections, individual capacity and community networks for education and employment outcomes for Aboriginal and Torres Strait Islander peoples.

The concerns and challenges faced by Aboriginal and Torres Strait Islander peoples are complex, varied, long- term and generational. These challenges require an individual approach that empowers through respectful relationships and meaningful opportunities. Yurauna enhances skill growth for employment opportunities through pastoral assistance and provision of culturally appropriate courses to improve literacy, numeracy, communication and vocational training outcomes.

Yurauna works across the ACT Aboriginal and Torres Strait Islander community to respectfully engage and collaborate for the benefit of the community. Partnership opportunities include meeting with employment service providers and partnering directly with employers for work placement or real jobs to achieve positive outcomes for students.

In 2019 Yurauna hosted meetings for the United Ngunnawal Elders Council, Our Booris, Our Way Steering Committee for the review into ACT Child Protection, Ngunnawal Bush Health Farm Board, Winangaay Ngunnawal Language Group and other meetings with local community organisations and representative bodies. The Yurauna Director is a member of the ACT Aboriginal Torres Strait Islander Elected Body, Chair of the Dhawura Ngunnawal Committee, Member of Aboriginal and Torres Strait Islander Education Advisory Group, Board member of Everyman, Member of Australian Institute of Aboriginal and Torres Strait Islander Studies (AIATSIS) Research Committee.



CIT Yurauna Director Caroline Hughes, CIT Student Kirby Brandy and CIT Teacher Cyndy Newman at Orange Wolves.

National 2019 Banksia Awards

The Banksia Foundation is a well-established national not-for-profit organisation dedicated to working with industry and community to create an array of platforms to focus attention on the recognition of excellence in sustainability. The 2019 Banksia Sustainability Awards recognised ConnXtions, a CIT Yurauna and Northside Community Service job readiness support program, as a Banksia finalist in the Indigenous Award category. The ConnXtions Program is a holistic approach to the educational needs of Aboriginal and Torres Strait Islander students, recognising both career development needs, as well as the support for culturally aware childcare. CIT Yurauna has become an integral part of CIT and is increasingly successful at supporting Aboriginal and Torres Strait Islander students through their training and into careers.

Reconciliation Action Plan

CIT has been a leading advocate for reconciliation in the ACT since the adoption of a reconciliation statement in 2002, with its commitment formalised through the development of a Reconciliation Action Plan (RAP) in 2012, and a stretch RAP for 2016-2019. CIT is actively working with Reconciliation Australia to develop a new stretch RAP. It is envisaged there will be a period of consultation and co-design throughout the first quarter of 2020 with the vision of having a new approved stretch RAP in place by mid-2020.

To strengthen and maintain relationships between Aboriginal and Torres Strait Islander staff and other CIT staff and students CIT partnered with the CIT Student Association to deliver activities for Reconciliation Day and National Sorry Day. In 2019, these included:

- > National Sorry Day Bridge Walk
- > Reconciliation in the Park event
- > College morning teas at Reid and Bruce
- > CIT Yurauna Director appearing on ABC Radio regarding Reconciliation
- > Screening of “Footprints on Our Land: Aunty Agnes”
- > Official opening of Reconciliation Week BBQ
- > Presenting Elders film screening at the National Museum of Australia
- > CIT Marketing developing a Sorry Book and cards for display in Café Yala and open areas
- > Bruce and Reid Libraries exhibiting Aboriginal and Torres Strait Islander artwork.

NAIDOC Week Celebrations

NAIDOC Week celebrations take place around Australia every year in July, coinciding with CIT’s semester break. CIT celebrates NAIDOC week in October to allow students, teachers and staff to get together to celebrate and learn more about Aboriginal and Torres



Executive Director Education and Training Services, Paula McKenry and CIT Yurauna Director Caroline Hughes with the Yurauna team at the National 2019 Banksia Awards

Strait Islander cultures. In partnership with the CIT Student Association, CIT hosted 2019 NAIDOC Week celebrations on Wednesday 17 October at CIT Reid. The national theme of NAIDOC Week celebrations was “Voice. Treaty. Truth. Let’s work together for a shared future.” Significant to the NAIDOC Week theme, the CIT Yurauna Director, a Ngunnawal Elder, has been engaged in efforts to preserve and increase knowledge of Indigenous languages from around Australia.

Living languages

In 2019, the Director CIT Yurauna, as a Ngunnawal Elder, participated in a professional development opportunity over five days. The workshop delivered by the AIATSIS and Living Languages focused on linguistics and revitalising Indigenous languages. This program, together with CIT support, has been instrumental in the revitalisation of the Ngunnawal language.

Ms Hughes lent her voice to a recording of a Welcome to Country in Ngunnawal language, which is played at the Canberra Airport’s international terminal. In addition, Ms Hughes’ voice is also heard introducing presenters on ABC Radio Canberra in Ngunnawal language.

Cultural Awareness Training

In 2019, the CIT CEO, Executive Team and directors participated in a cultural immersion program that included a guided tour of Tidbinbilla and the sanctuary. This was an opportunity to interact, understand and appreciate traditional cultural practices as well as the importance of fauna and flora for Ngunnawal people and the ACT. CIT also worked to embed Aboriginal and Torres Strait Islander

cultural awareness within Colleges and Divisions and training was offered to teaching and general staff at different times and locations during the year, to maximise attendance. Aboriginal and Torres Strait Islander cultural awareness is also included in all staff induction programs.

CIT Aboriginal and Torres Strait Scholarships

Since 2003, to overcome financial barriers to vocational education and training CIT has provided scholarships for Aboriginal and Torres Strait Islander students to improve access and outcomes. The scholarships cover fees for full-time, part-time and flexible delivery study, as well as Recognition of Prior Learning. In 2019, CIT provided 107 Indigenous scholarships for Aboriginal and Torres Strait Islander students at a total cost of \$71,698.

In addition to these, CIT Building and Construction Management College introduced three CIT Indigenous Construction Scholarships to build the professional and personal development of Aboriginal or Torres Strait Islander building and construction professionals whether in technical, management or policy roles.

Student Achievements

CIT has seen increasing enrolments of Aboriginal and Torres Strait Islander students since 2010, with a slight dip in 2015. In 2019, there were 1,022 Aboriginal and Torres Strait Islander students enrolled in 1,348 programs. CIT has also seen an increase in the number of enrolments with more students completing certificate III and IV and diploma, advanced diploma and degrees (see table below).

Aboriginal and Torres Strait Islander Students 2010 - 2019

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Total (headcount)	338	521	534	663	531	748	906	795	856	1,022
Total Enrolments	602	830	922	1,084	916	1,024	1,080	1,024	1,101	1,348
Enrolments in Non-Awards/ Statement of Attainment	263	395	443	420	129	71	135	178	177	312
Enrolments in Certificate I and Certificate II	126	101	129	158	351	210	112	71	128	154
Enrolments in Certificate III and Certificate IV	124	214	273	413	373	492	703	609	627	528
Enrolments in Diploma, Advanced Diploma and Degrees	89	120	77	93	62	82	130	166	169	354

CIT Yurauna Graduation

2019 delivered another milestone end-of-year celebration for Yurauna students. Over 100 dignitaries, family and friends packed the Yurauna Centre on Friday 6 December 2019 as students celebrated their graduation from a diverse range of programs. With a growth in student numbers reflected by the large cohort graduating, most have already secured work in their chosen fields of study.

Teleeyah Reid and Jae-lee Goolagong, graduates from the Certificate II in General Education, spoke on behalf of the students and thanked teachers and support staff for their guidance and the positive influence in their lives to achieve successful completion. Both students are planning to study Year 12 with Yurauna in 2020.

Former student Leah House, who completed the Certificate IV Alcohol & Other Drugs, was the keynote speaker. Leah spoke of how proud she was to achieve her qualification and how the program changed her life by giving her career options. Leah is working with the Women's Legal Service and continues to work with community for better outcomes – always encouraging others to get an education to improve their career prospects through studying at CIT Yurauna.



CIT NAIDOC Week 2019 at CIT Reid



CIT Yurauna students

B.10 WORK HEALTH AND SAFETY

Given the diversity of the business CIT staff and students face a wide range of hazards and risks. In addition CIT's training role means that it must ensure that students are prepared for industry. This means a robust Work Health and Safety management system and a strong safety culture is required to protect staff students and visitors both now and for the future.

CIT has a comprehensive WHS management system that ensures it complies with the *Work Health and Safety Act 2011*. The curriculum includes substantial focus on work health and safety. The CIT Board, Executive and staff are committed to addressing WHS matters and continuously improving WHS practices.

In 2019, no improvement, prohibition or non-disturbance notices (under Part 10) or any enforceable undertakings (Part 11) of the WHS Act were issued to CIT. There were no findings of a failure to comply with a safety duty under Part 2, Division 2.2, 2.3 or 2.4 of the Act.

Notifiable Incidents

Section 38 of the WHS Act outlines conditions under which a serious workplace incident must be reported to WorkSafe ACT.

During 2019 three incidents occurred that were notified to the regulator. They included:

- > A student suffered an anaphylactic reaction at home after attending a CIT function due to the smell of cinnamon. Prior to the event CIT instructed the caterer not to include cinnamon unfortunately however a mistake was made. In future CIT will provide additional reminders to the caterer. No action was taken by the regulator.
- > A student reported an electric shock from a desk. The desk was checked by a certified electrician who declared the desk safe and that the shock must have been static electricity. The regulator confirmed that no further action was necessary.
- > A student cut their finger whilst using a Stanley knife and severed a tendon. Competency based training was enhanced to prevent a recurrence. The regulator confirmed that no further action was necessary.

Worker Consultation

WHS committee meetings are convened for each campus.

Campus based committees are held quarterly and are chaired by a senior manager with campus based health safety representatives (HSRs) in attendance. These meetings provide the opportunity for consultation on WHS matters directly affecting staff on each campus.

Campus-based committees each nominate two HSRs to attend quarterly CIT Work Health and Safety Committee meetings. The Executive Director of Corporate Services chairs these meetings.

Notes from the WHS campus-based and policy committees are available to all staff on the CIT intranet.

Health, Safety and Wellbeing Initiatives

A number of CIT health, safety and wellbeing initiatives occurred in 2019, including:

- > improved response and reporting processes were implemented for student behavioural incidents
- > WHS spot check program by CIT's WHS Advisor was conducted for workplaces which have higher inherent risk. E.g. construction
- > free influenza vaccinations were offered to all staff
- > implementation of a WHS assessment checklist for home based work
- > manual handling training provided in areas with high levels of manual handling activity
- > a review was conducted of chemical management including purchasing, use, and disposal
- > early intervention support including welfare checks and workplace reasonable adjustments
- > a mental health focus group discussion to identify organisational needs
- > the promotion of ACT Government Mental Health and Wellbeing initiatives such as Mental Health Guru Online Training
- > collaboration with Chief Minister, Treasury and Economic Development Directory (CMTEDD) and Employers Mutual Limited (EML) to better support injured staff.

Case Management

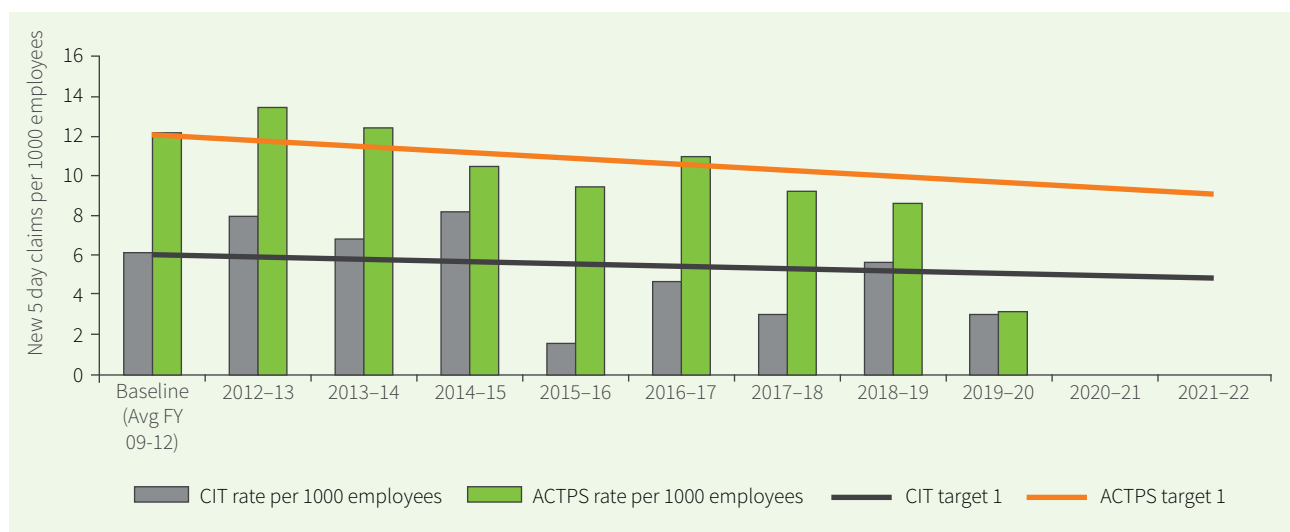
CIT's compensation claims are managed by the Chief Minister, Treasury and Economic Development Directorate.

Australian Work Health and Safety Strategy

The following tables represent CIT's performance against Australian WHS Strategy 2012–22 targets.

Target 1 – Reduce the Incidence Rate of Claims Resulting in One or More Weeks Off Work by at Least 30%

Financial year	CIT # new 5-day claims	Rate per 1,000 employees	CIT Target	ACTPS # new 5-day claims	ACTPS rate per 1,000 employees	ACTPS Target
2013–14	5	6.66	5.86	257	12.20	11.70
2014–15	6	8.19	5.67	228	10.49	11.33
2015–16	1	1.42	5.49	205	9.36	10.96
2016–17	3	4.38	5.30	243	10.83	10.58
2017–18	2	2.94	5.11	202	4.07	10.21
2018–19	4	5.66	4.93	201	8.50	9.84
2019–20	2	2.83	4.74	72	3.05	9.46
2020–21			4.55			9.09
2021–22			4.36			

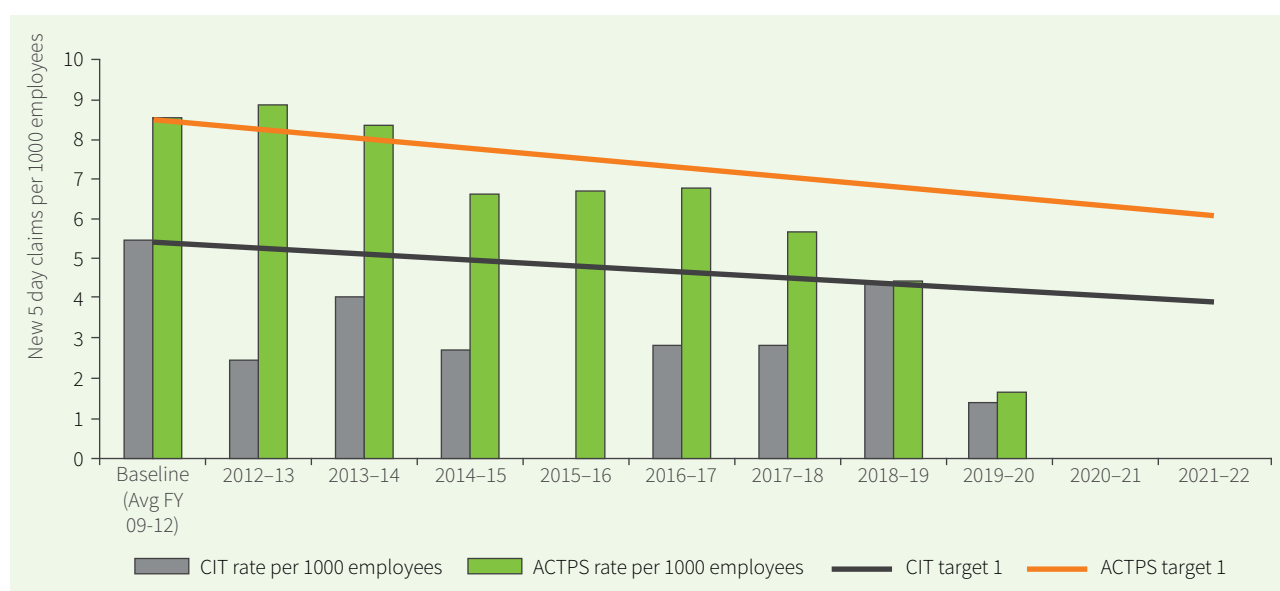


Notes:

1. Dates are based on those claims received by Comcare in each financial year.
2. Data is taken at 30 June in each of the years to allow for direct comparisons to be made between years.
3. The report includes accepted claims that result in one or more weeks off work.
4. Data includes claims up to 30 June 2019.

Target 2 – Reduce the Incidence Rate of Claims for Musculoskeletal Disorders Resulting in One or More Weeks Off Work by at Least 30%

Financial year	CIT # new 5-day MSD claims	Rate per 1,000 employees	CIT Target	ACTPS new 5-day MSD claims	ACTPS MSD rate per 1,000 employees	ACTPS Target
2013–14	3	4.00	5.08	175	8.31	8.03
2014–15	2	2.73	4.92	144	6.63	7.78
2015–16	0	0.00	4.75	146	6.67	7.52
2016–17	2	2.92	4.59	150	6.69	7.26
2017–18	2	2.94	4.43	128	5.66	7.01
2018–19	3	4.25	4.27	102	4.31	6.75
2019–20	1	1.42	4.11	45	1.90	6.49
2020–21			3.94			6.24
2021–22			3.78			5.98



Notes:

1. Dates are based on those claims received by Comcare in each financial year.
2. Data is taken at 30 June in each of the years to allow for direct comparisons to be made between years.
3. The report includes accepted claims that result in one or more weeks off work.
4. Data includes claims up to 30 June 2019.

B.11 HUMAN RESOURCES MANAGEMENT

Workforce Planning

Workforce Planning at CIT is underpinned by regular workforce reports analysed by managers with the support of CIT Human Resources. Six monthly reports are produced in February and August providing comprehensive summaries of CIT's workforce, including: headcount and full-time equivalent (FTE), age profile, nominal teaching hours, Equal Employment Opportunity (EEO) statistics, absenteeism, and teacher professional development fund allocations. The CIT Board is provided with a summary of key results.

Monthly compliance reports are produced for Directors covering teaching load, Cert IV in TAE completions, and mandatory annual training in WHS and workplace culture.

Learning and Development programs and activities

CIT Learning and Development Hub

In May 2019, CIT introduced an internal Learning and Development Hub – a pilot project established to promote training and development opportunities to staff, designed to build organisational capability. 295 staff took advantage of training which covered a variety of categories including Cultural Awareness, Appropriate workplace behaviour, Finances and Budget, Work, Health and Safety, and Electronic filing systems training.

Responses to this initiative were positive with majority of respondents agreeing:

- > *'The training was very informative, interesting and enjoyable to attend'*
- > *'Facilitators were memorable and helped link background information with lived experience.'*
- > *'Group activities were useful'*
- > *'The information provided was important and beneficial'*

Identified opportunities for continuous improvement include:

- > introducing a more user friendly interface when booking into a program, which will integrate with MS Outlook calendars

- > investigating a variety of delivery modes to be offered in future.

As at the end of 2019, CIT had 903 active staff, comprising permanent, temporary and casual workers. 549 staff completed the training, Working Together at CIT and 575 completed Work Health and Safety training.

Preventing and Responding to Sexual Assault and Sexual Harassment

In 2019, CIT reviewed and promoted the sexual assault and sexual harassment policy and procedures. This was accompanied by a comprehensive strategy including class visits by Student Support staff, face-to-face information session for students, and awareness raising through posters, plasma screen displays and information on the CIT website and eLearn. Regular training sessions were also provided to staff on how to respond to reports of sexual assault and sexual harassment.

In 2019:

- > 1642 students attended face-to-face sessions
- > 315 staff attended training through 18 sessions
- > 216 staff attended MATE Bystander training through 12 sessions
- > 60 students attended MATE Bystander training through three sessions.

Whole of Government Training and Development Programs

CIT staff also attended fully funded inclusion training and development initiatives, aimed at supporting and retaining Aboriginal and Torres Strait Islander staff and staff with disability and promoting diversity in the ACT Public Service.

Program categories included:

- > How to be a Mentor for Aboriginal and Torres Strait Islander Staff
- > Leadership Development Program for Aboriginal and Torres Strait Islander staff

- Leadership Development Program for Staff with Disability ASO6, SOG and Equivalent Classifications Staff
- Career Development Program (CDP) for Staff with Disability ASO6, SOG and Equivalent Classifications Staff

Staff Achievement Awards

The annual CIT Staff Achievement Awards recognise the outstanding achievements of CIT employees and the valuable contributions of individuals or teams to our community and/or CIT's operations in aspects that are above and beyond expectations of their role(s). The annual end-of-year event is well attended by staff and streamed live for those that are unable to attend in person.

In 2019, award categories for staff teams and individuals were based on personal attributes, CIT values and the CIT cultural traits: Accountable; Adaptable; Collaborative; Professionalism; Customer Centric; Inspirational; and Trusted. CIT Reconciliation, CIT Board and 25 Years' Service awards were also presented.

In 2019, there were three recipients of the CEO Award. Ella Rossa and Adrian Gibbons were both recognised for both developing new industry connections and experimenting with different ways of working while

showing dedication and commitment to successful student outcomes. The Hospitality, Culinary and Tourism Department was recognised for creating a positive and inclusive learning environment for all students by focusing on incorporating current and emerging industry practices into learning. Ned Jelbart was presented with the CIT Board Award for his exceptional leadership and dedication to implementing innovative ways of working with industry and the successful design and delivery of the new Allied Health Simulated environment and revitalised course offerings.

Respect, Equity and Diversity (RED)

Presently there are seven CIT staff who volunteer as a RED Contact Officer. These dedicated staff members not only play an important role in educating staff with information about their options if they are faced with RED related challenges in the workplace, they are also committed to shaping the culture at CIT.

A strong focus on providing more initiatives around inclusion and diversity, including inviting additional staff to volunteer and become more familiar with this framework and encouraging a gender balance across the RED team have been at the forefront of 2019 and will continue in 2020.



CIT Teacher Libby Bailey, recipient of the CIT Staff Achievement Reconciliation Award, with CIT Yurauna Director, Caroline Hughes and CIT CEO Leanne Cover

Workforce Profile

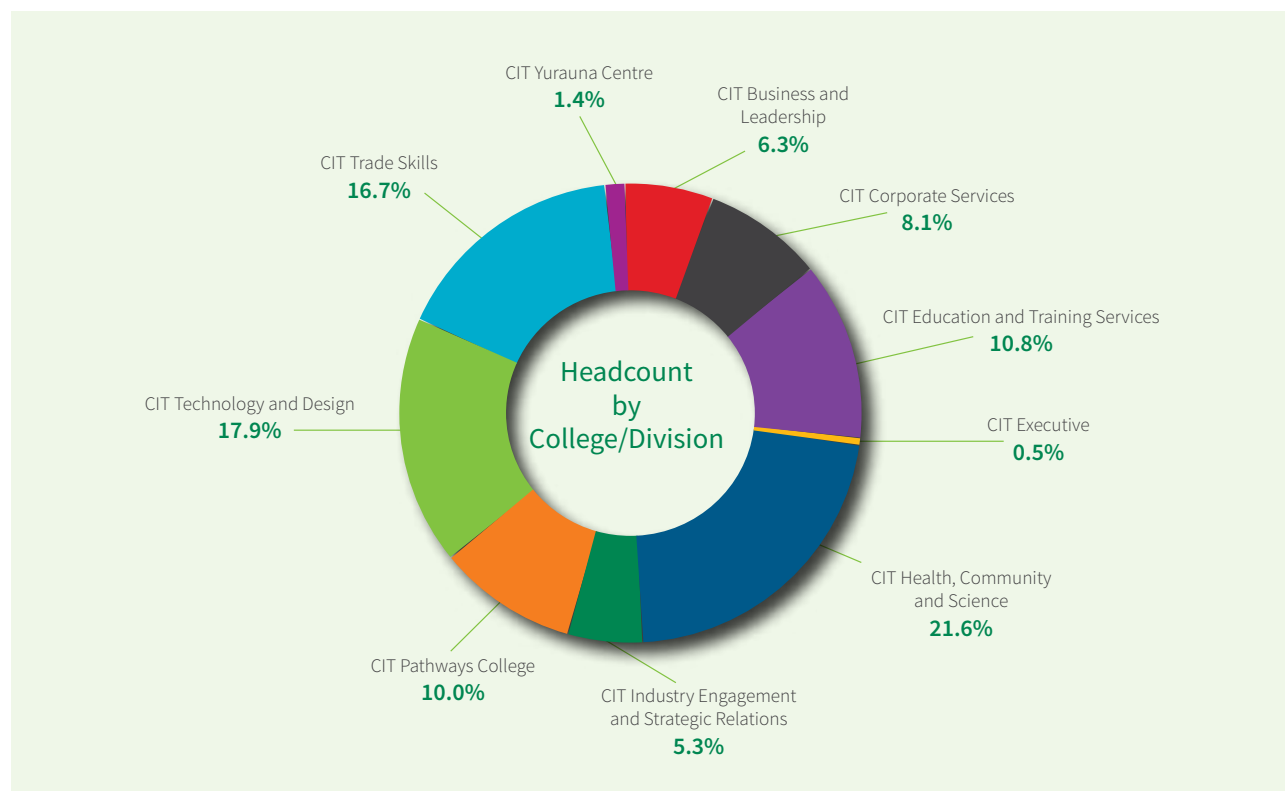
The following data provided by ACT Shared Services reflects CIT staff information as at payday 12 December 2019. The data excludes CIT Board members; staff not paid by the ACT Public Service and staff on leave without pay.

The number of CIT paid staff decreased from 920 (at payday 13 December 2018) to 831 this year.

FTE and Headcount by College/Division

College/Division	FTE	Headcount
CIT Business and Leadership	34.2	52
CIT Corporate Services	65.4	68
CIT Education and Training Services	93.6	101
CIT Executive	3.5	4
CIT Health, Community and Science	120.3	180
CIT Industry Engagement and Strategic Relations	41.1	44
CIT Pathways College	59.3	83
CIT Technology and Design	110.9	149
CIT Trade Skills	121.8	139
CIT Yurauna Centre	9.4	11
Total	659.4	831

FTE and Headcount by College/Division

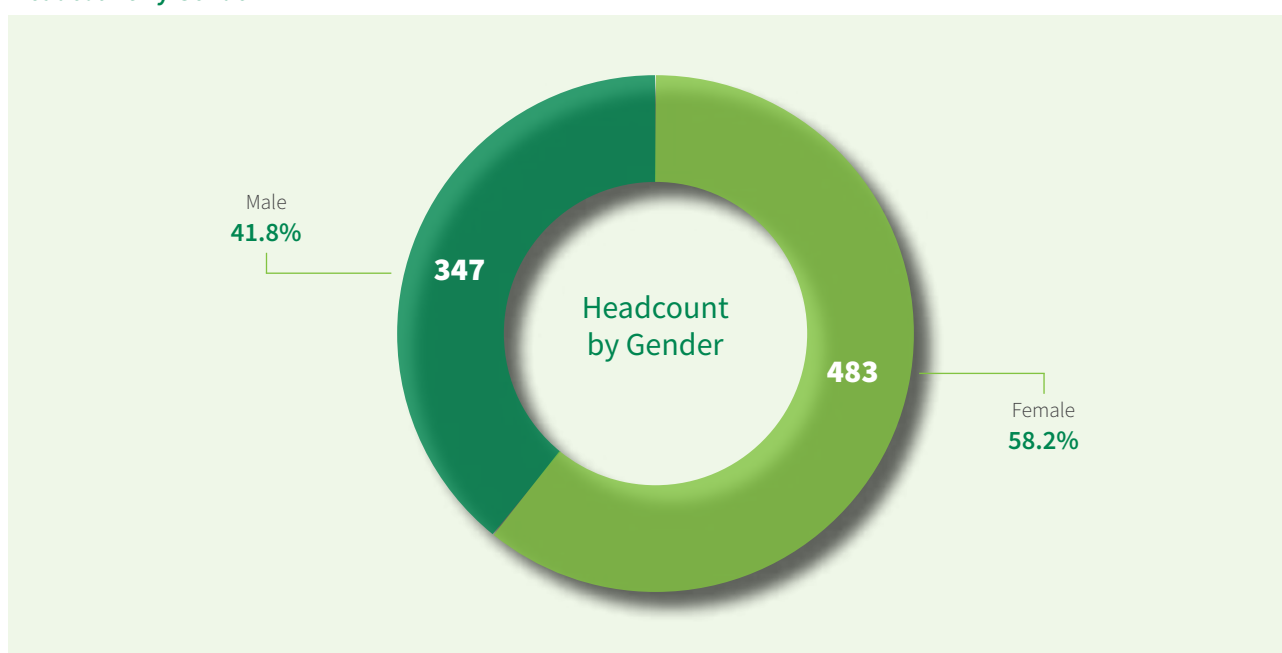


FTE and Headcount by Gender

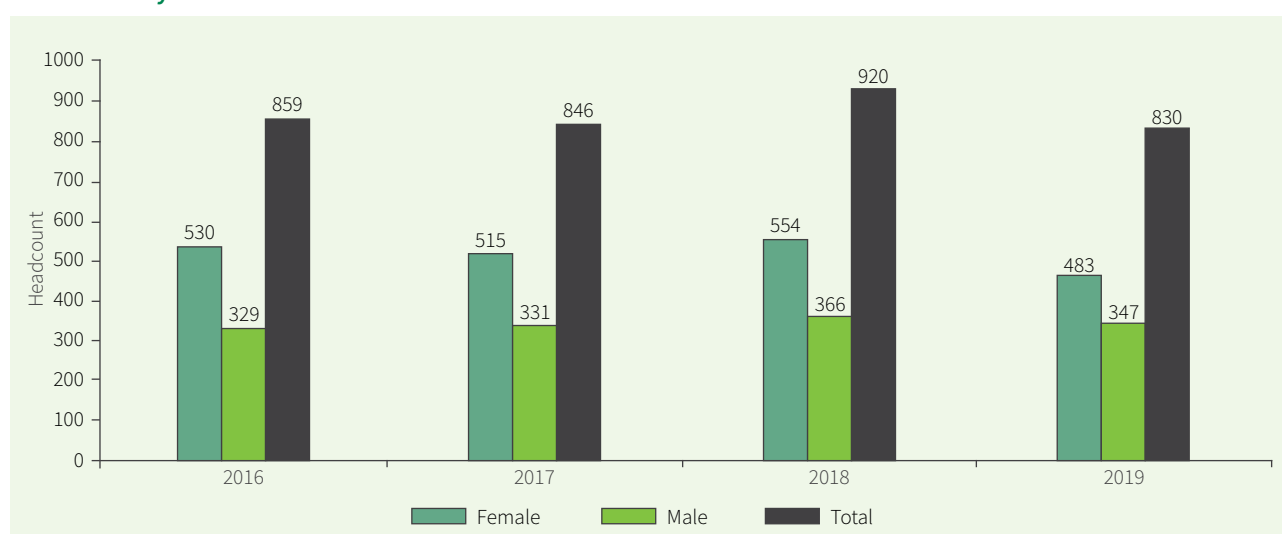
	Female	Male	Total
Full Time Equivalent	376.3	282.3	658.7
Headcount	483	347	830
Percentage of Workforce (Based on Headcount)	58.2%	41.8%	100.0%

Note: There is some inconsistency in the totals by gender in this and following tables. This is due to the exclusion of the Gender flagged as X in the payroll system (Indeterminate, Intersex, Other). These results are specifically excluded, as inclusion may result in people being identifiable when compared against the various categories of employees that are reported.

Headcount By Gender



Headcount By Gender 2016-2019



Headcount by Classification and Gender

	Female	Male	Total
Administrative Officers	140	58	198
Executive Officers	2	3	5
General Service Officers and Equivalent	13	13	26
Professional Officers	14	8	22
Senior Officers	35	15	50
Statutory Office Holders	1	0	1
Technical Officers	7	14	21
VET Teacher Managers	26	11	37
VET Teachers	245	225	470
Total	483	347	830

Headcount by Employment Category and Gender

	Female	Male	Total
Casual	94	84	178
Permanent Full-time	225	172	397
Permanent Part-time	53	13	66
Temporary Full-time	61	61	122
Temporary Part-time	50	17	67
Total	483	347	830

Headcount by Diversity Group

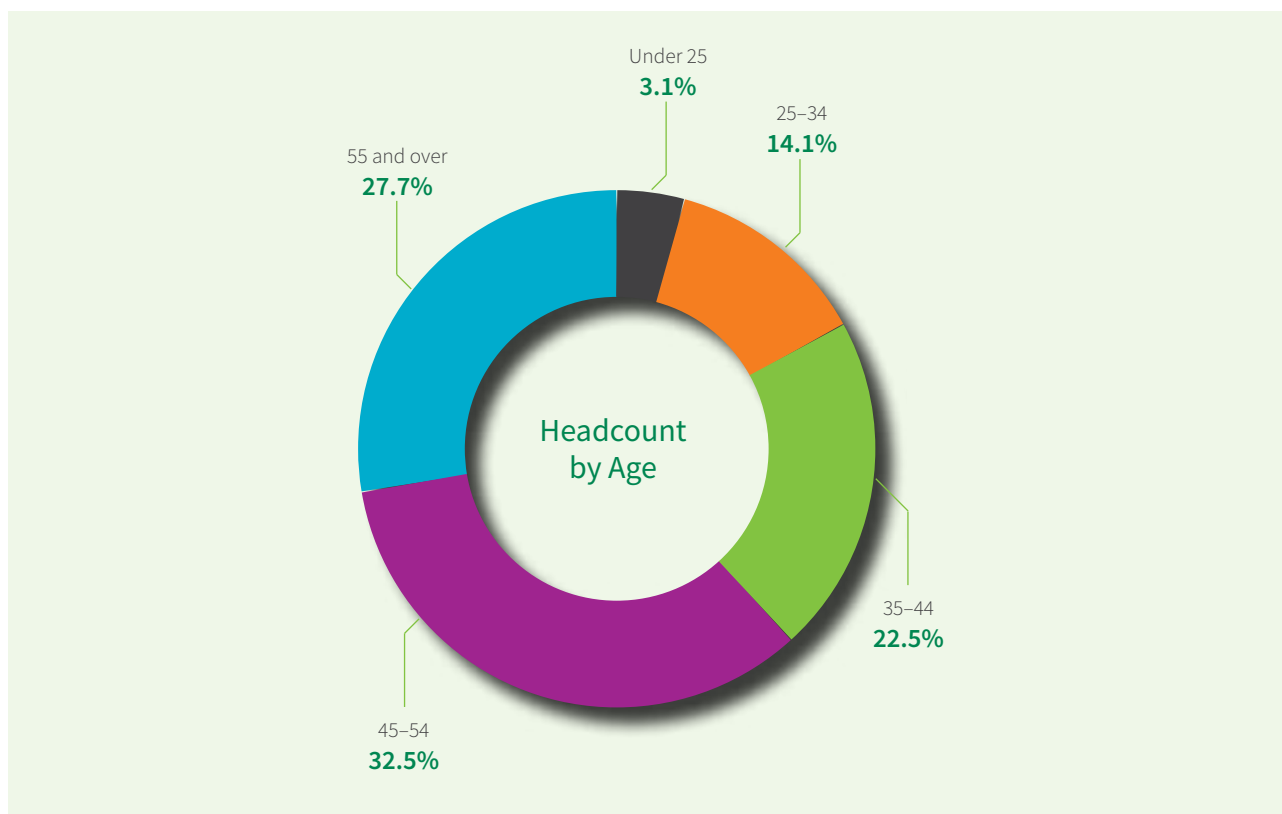
	Headcount	Percentage of CIT workforce
Aboriginal and/or Torres Strait Islander	23	2.8%
Culturally and Linguistically Diverse	142	17.1%
People with a Disability	29	3.5%

Note: Employees may identify with more than one of the diversity groups.

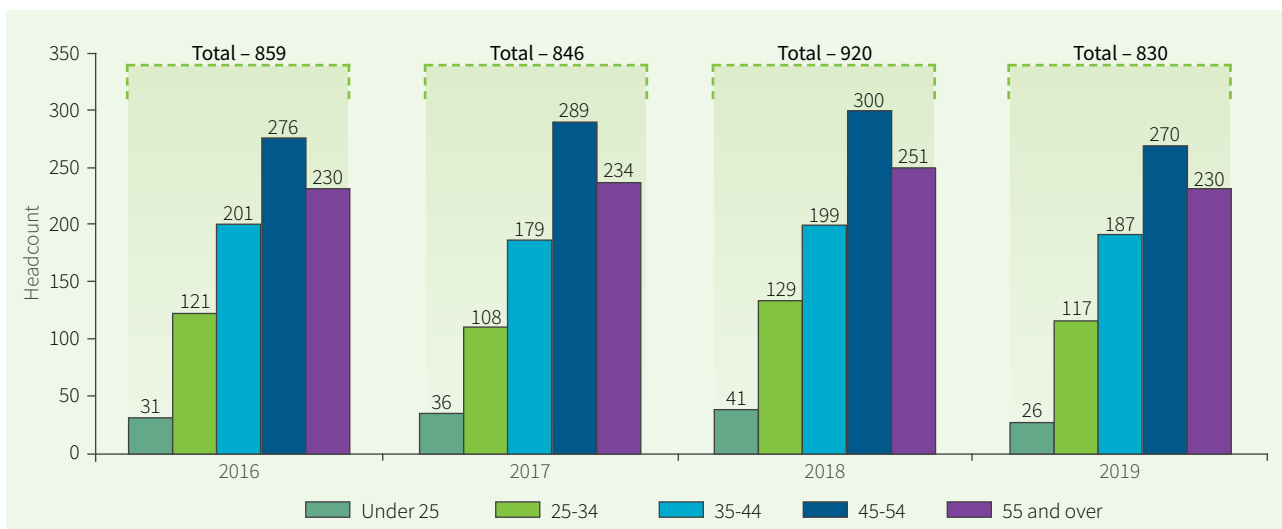
Headcount by Age and Gender

	Female	Male	Total
Under 25	17	9	26
25-34	63	54	117
35-44	113	74	187
45-54	167	103	270
55 and over	123	107	230
Total	483	347	830

Headcount By Age



Headcount By Age 2016-2019



Average Length of Service by Gender

	Female	Male	Total
Average Years	9.2	8.5	8.9

The following data reflects CIT permanent staff turnover for the 2019 calendar year.

Recruitment and Separation Rates

Classification Group	Recruitment Rate	Separation Rate
Total	9.6%	8.3%

Attraction and Retention Incentives (ARIns)

As at December 2019, the ACT Public Sector Canberra Institute of Technology (Teaching Staff) Enterprise Agreement 2018–2021, covered CIT teaching staff. The ACT Public Sector Canberra Institute of Technology Enterprise Agreement 2018–2021 covered general staff.

The Enterprise Agreements (EAs) provide scope for Attraction and Retention Incentives (ARIns) agreed with staff to provide higher levels of remuneration or other benefits above those identified in the EAs.

The following tables outline information pertaining to ARIns in place during 2019.

Attraction and Retention Incentives 2019

Description	No. of Individual ARIns
Number of ARIns at 31 December	9
Number of employees who transferred from SEAs during the period	0
Number of ARIns entered into during period	3
Number of ARIns terminated during period	1
Number of ARIns providing for privately plated vehicles at 31 December	0

	Classification Range	Remuneration as at 31 December 2019
Individual and Group ARIns	SOG A	\$207,929
	SPO C	\$117,687
	PO 2	\$99,732
	TL 1	\$106,582

B.12 ECOLOGICALLY SUSTAINABLE DEVELOPMENT

In 2019, as in past years, CIT continued to work towards ACT Government targets set down through the Climate Change and Greenhouse Gas Reduction Act 2010.

CIT supports ACT Government strategies to address climate change and reduce greenhouse gas emissions. This includes implementing initiatives to improve energy efficiency and water conservation through building upgrades, refurbishment and maintenance programs.

CIT manages, monitors and reports all energy systems across a number of software platforms including: ENVIZI (which is the main ACT Government Energy reporting platform), SMA Solar Technology AG 2019 ©, Schneider Electrical BMS Dashboard, Airtel International © and BEIMS. This range of software applications allows CIT to monitor and in some instance, operate energy systems remotely which provides additional efficiencies on our operations.

In 2019, CIT completed the installation of the Bruce Micro Grid which includes 150kW Solar Array along with 65kWh battery storage capacity, housed onsite in a container at K Block CIT Bruce.

CIT has an ongoing program in place to replace fluorescent tubes. In 2019, 600 LED light fitting were replaced.

CIT supports the ACT Government Renewable Energy Industry Development Strategy to meet renewable energy targets by 2020. This includes continued partnerships in research and industry development in renewable technologies and working to deliver training programs. Companies include NEOEN, IT Power, Evoenergy, Global Wind Organisation, ASPEN, EPC Solar and SIEMENS GAMESA.

CIT Green and Partnerships in Sustainability

CIT Green is the CIT network committed to developing, implementing and monitoring sustainable practices, including the engagement of staff and students to work towards a more sustainable campus. CIT Green held five meetings in 2019 and actioned several environmental initiatives. Some examples include:

- > working with heads of departments to investigate composting solutions for the culinary school including anaerobic and aerobic systems with the target to implement a system in 2020
- > promoting active transport via participation in ride-to-work events, attendance at government events which promote active transport and trialling of electric bikes by CIT Green Committee members to commute to work on a daily basis throughout the year and for transport between campuses
- > actively encouraging WebEx meeting format along with staff choosing to hot-desk at an alternative campus to reduce vehicle transport between campuses
- > monitoring energy usage across CIT
- > representation at the Whole of Government - Carbon Neutral Government Implementation Committee
- > providing online information and resources for staff and students on environmental sustainability within CIT to raise staff awareness of the environmental impacts associated with daily work practices and provide environmentally friendly alternatives and opportunities to save energy through business as usual activity.

Recycling

CIT incorporates reuse and recycling into daily activities to divert waste products from landfill. In 2019, CIT diverted many waste streams from landfill for recycling by authorised facilities including 20.2 tonnes of scrap metal recycled from collection centres across three major campuses. Scrap metal contributions come from lesson delivery, capital works upgrades and facilities maintenance projects, IT equipment including laptops, PCs, monitors and accessories. Other recyclables include:

- > co-mingle waste, paper and cardboard along with secure destruction waste
- > printer cartridges and print accessories
- > mobile phones and batteries

- > grease traps from the culinary school and CIT Student Association cafes
- > fluorescent tube recycling also continued for all campuses with stillage located at CIT Bruce
- > organic waste
- > CIT Hairdressing, beauty and therapy continued their partnership with sustainable salons to divert 95 percent of waste products to recycling including aluminum, plastics and hair from the salons
- > contract with local company Shred-X to capture all secure destruction waste paper diverted an estimated 15.75 tonnes of paper from landfill.

Sustainable Performance Reporting summary

In 2019, CIT electricity consumption reduced a further 10% with natural gas consumption reduced by 8%.

CIT had 10 Hybrid vehicles, making up 47.6% of the total fleet vehicles leased by CIT. Total kilometres travelled reduced by 27.7% correlating with the reduction in total fleet vehicles and reduced fuel consumption.

Water consumption reduced by 13.6%.

2019 ACT Teacher/Trainer of the Year prepares renewables industry leaders

Ken Wilson has been named the 2019 ACT Teacher/Trainer of the Year. Ken provides students at CIT with a practical understanding of the risks they will face working in the Wind Energy Industry, ensuring they adhere to global safety standards and technical practices.

Ken is passionate about vocational education and training. "Training must be inclusive and supportive so that all students reach their potential," Ken said. For Ken, this means getting to know each of his students, tailoring learning methods to their needs, and liaising with employers to support placements for those not currently working within the industry.

CIT delivers courses accredited by the Global Wind Organisation (GWO). Through Ken's diligent instruction, CIT students undertake GWO Certified Technical and Safety training to assess and manage the risks they will face working on wind turbines and ensure an injury-free work environment.

Ken's instructional approach combines 12 years of comprehensive trade training in the Royal Australian Air Force with professional qualifications in Occupational Health and Safety and Risk Psychology and Learning.



Sustainable development performance – current and previous calendar year

Indicator as at 31 December 2019	Unit	Current FY	Previous FY	Percentage change
Directorate/public sector body staff and area				
Directorate/public sector body staff	FTE	659.4	728.6	-9.5
Workplace floor area	Area (m ²)	104,339.57	104,339.57	0
Stationary energy usage				
Electricity use	Kilowatt hours	8,079,252	9,011,205	-10.3
Natural gas use	Megajoules	22,604,091	24,630,998	-8.2
Diesel	Kilolitres	0	0	0
Transport fuel usage				
Electric vehicles	Number	0	0	0
Hybrid vehicles	Number	10	0	1,000
Other vehicles (that are not electric or hybrid)	Number	11	27	-59.2
Total number of vehicles	Number	21	27	-22.2
Total kilometres travelled	Kilometres	233,333	327,239	-27.7
Fuel use – Petrol	Kilolitres	10.38	12.96	-19.9
Fuel use – Diesel	Kilolitres	10.62	16.49	-35.6
Fuel use – Liquefied petroleum gas (LPG)	Kilolitres	0	0	0
Fuel use – Compressed natural gas (CNG)	Cubic Metres (Cm ³)	0	0	0
Water usage				
Water use	Kilolitres	44,054	50,988	-13.6
Resource efficiency and waste				
Reams of paper purchased	Reams	4,465	4,750	-6
Recycled content of paper purchased	Percentage	50	50	0
Waste to landfill	Litres	401,500	401,500	0
Co-mingled material recycled	Litres	21,520	21,520	0
Paper and cardboard recycled (incl. secure paper)	Litres	67,256	67,256	0
Organic material recycled	Litres	48,670	48,670	0
Greenhouse gas emissions ¹				
Emissions from stationary energy use	Tonnes CO ₂ -e	2,340	4,722	-50.4
Emissions from transport	Tonnes CO ₂ -e	24	75	-68
Total emissions	Tonnes CO ₂ -e	2,365	4,797	-50.7

¹ Greenhouse gas emissions

Note: 2019 has recorded a significant reduction in CIT Greenhouse gas emissions. This variation is due to the annual revision of ACT custom emission factor for electricity. In comparison to previous years the emission factor halved following the government changes to calculation in March of 2018 <https://www.environment.act.gov.au/cc/acts-greenhouse-gas-emissions/measuring-act-electricity-emissions>

Part C

Financial Management
Reporting

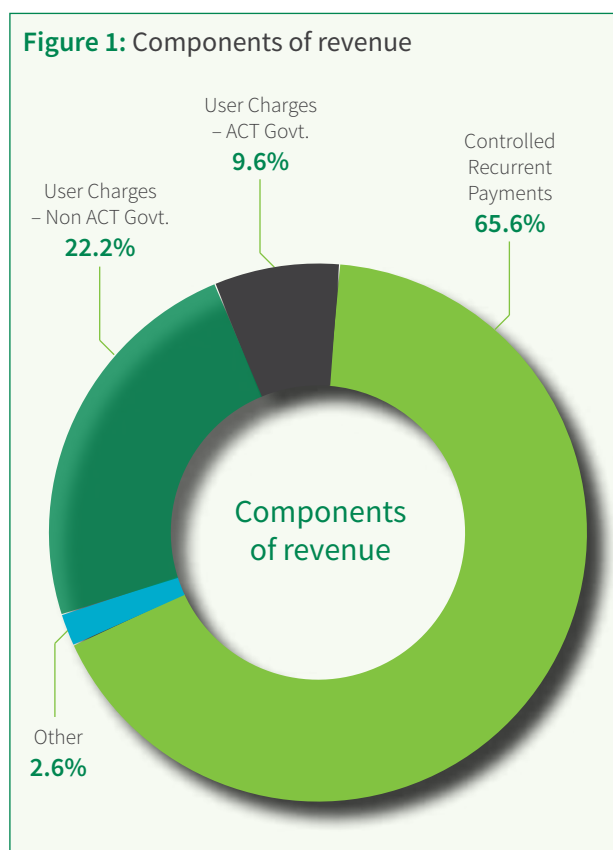
C.1 FINANCIAL MANAGEMENT ANALYSIS

General Overview

Despite a large number of challenges including continued regulatory uncertainty and intense competition, the Canberra Institute of Technology (CIT) continued to deliver quality government-funded and commercial training, maintaining its high student and employer satisfaction levels. CIT has continued to actively improve its effectiveness and responsiveness in skilling students using contemporary training methods which have been positively received by industry and students alike.

Objectives

CIT's mission is 'changing lives through quality education and skills development for individuals, industry and community', supporting its vision 'to be the leading provider of vocational education and training in the ACT and Australia'. CIT is committed to meeting the needs of a diverse range of clients through its responsive and innovative education and business practices.



Financial Performance

In 2019, CIT reported a pre-depreciation and asset disposal operating surplus of \$0.02 million. The post-depreciation result was an operating deficit of \$9.5 million, which compares favourably to the budgeted deficit of \$11.1 million. Revenue exceeded expectations while expenditure was restrained. The end of year cash and cash equivalents balance of \$10.9 million is higher than the ending 2018 balance of \$9.9 million.

The individual income and expense variances affecting the operating result are detailed in the income and expense sections of this Financial Management Analysis. The financial information is based on CIT's audited financial statements for 2019.

Total Revenue

Components of revenue

Total revenue (Figure 1) for 2019 was \$113.4 million, consisting primarily of \$74.4 million (65.6%) received from the ACT Government as Controlled Recurrent Payments and \$25.2 million (22.2%) generated from Non-ACT Government User-Charges (including local and overseas student fees and training course income).

Comparison to budget

Revenue

Income for 2019 was \$113.5 million; \$3.3 million (3.0%) higher than budgeted, due to increased student numbers across multiple categories. Significant above-budget performances were seen in students enrolled under the User Choice (Apprentices and Trainees) and Skilled Capital schemes, and international student numbers were also higher than budgeted as Government changes to Visa processes took effect. Conversely, Domestic Degree program student numbers and revenue were below budget as falling student numbers in an increasingly competitive market have led to the discontinuation of CIT's joint Higher Education offering with Charles Stuart University; no alternate revenue source has been identified at this stage.

Comparison to 2018 Actual

Revenue

Revenue in 2019 was \$5.8 million (5.4%) higher than in 2018, due to an increase in Controlled Recurrent Payments (\$2.6 million, 3.6% greater than 2018), and an increase of \$2.4 million (7.2%) in User Charges as a result of increase in student numbers. Changes to ACT Government arrangements for funding ACT Shared Services operations resulted in a \$0.7 million (671%) increase in Resources Received Free of Charge.

Future trends

Other than steady increases in line with increasing student enrolment numbers, CIT is anticipating that total revenue will remain broadly steady over the short to medium term. However, it should be noted that the Vocational Education and Training (VET) sector regulatory environment remains volatile and continued regulatory change may affect future income levels, especially with regards to International student revenue and funding from the User Choice and Skilled Capital funding schemes.

Total Expenses

Components of expenses

Expenses totalled \$123.0 million in 2019, with the majority (\$76.1 million, 61.9%) comprising employee and superannuation expenses. Supplies and services expenses accounted for an additional 28.6% (\$35.2 million) (Figure 2).

Comparison to budget

Expenses

Total expenses of \$123.0 million in 2019 were \$1.7 million (1.4%) higher than budgeted, due primarily to higher than budgeted depreciation and the write-off of outstanding student debtor amounts from prior years. Employee expenses (including superannuation) finished the year almost exactly on budget.

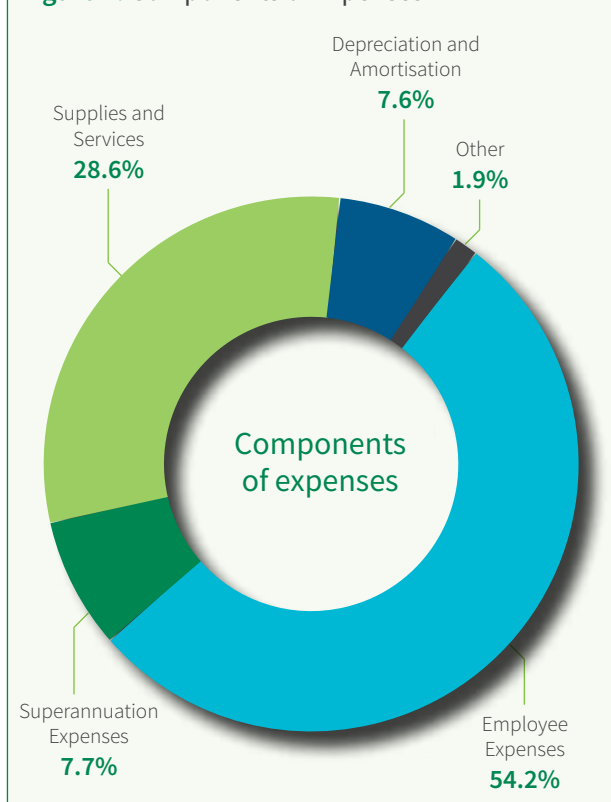
Comparison to 2018 actual

Total expenses in 2019 were \$2.4 million (2.0%) higher than in 2018, primarily due to a 4.0% (\$1.4 million) increase in Supplies and Services expenditure, driven by increased expenditure on maintenance (due to CIT's aging physical infrastructure), ICT (replacing and upgrading legacy systems, and rising electricity costs). Contributing to the increase was a 0.6% (\$0.4 million) increase in non-superannuation employee expenses and a 5.8% (\$0.5 million) increase in superannuation expenses, due to payraises under a new enterprise agreement and an increase to the superannuation rate. Due to a change in accounting standards, depreciation expenses in 2019 includes \$1.0m of depreciation relating to Right of Use assets; this expense was previously classified as rent in prior periods.

Future trends

CIT is anticipating an increase in total expenditure over the short to medium term as student numbers steadily increase and additional funds need to be invested in maintaining and upgrading CIT's aging physical and ICT infrastructure. It should be noted that the Vocational Education and Training (VET) sector regulatory environment remains volatile and that continued regulatory change will impact on future activity levels and ICT system requirements, thereby affecting expenditure.

Figure 2: Components of Expenses



Financial Position: Total Assets

Components of total assets

At 31 December 2019 92.5% of CIT's assets were held in property, plant and equipment, intangible assets, assets held for distribution to owners, and works in progress with the remaining 7.5% represented by cash and cash equivalents, receivables and other current assets (Figure 3).

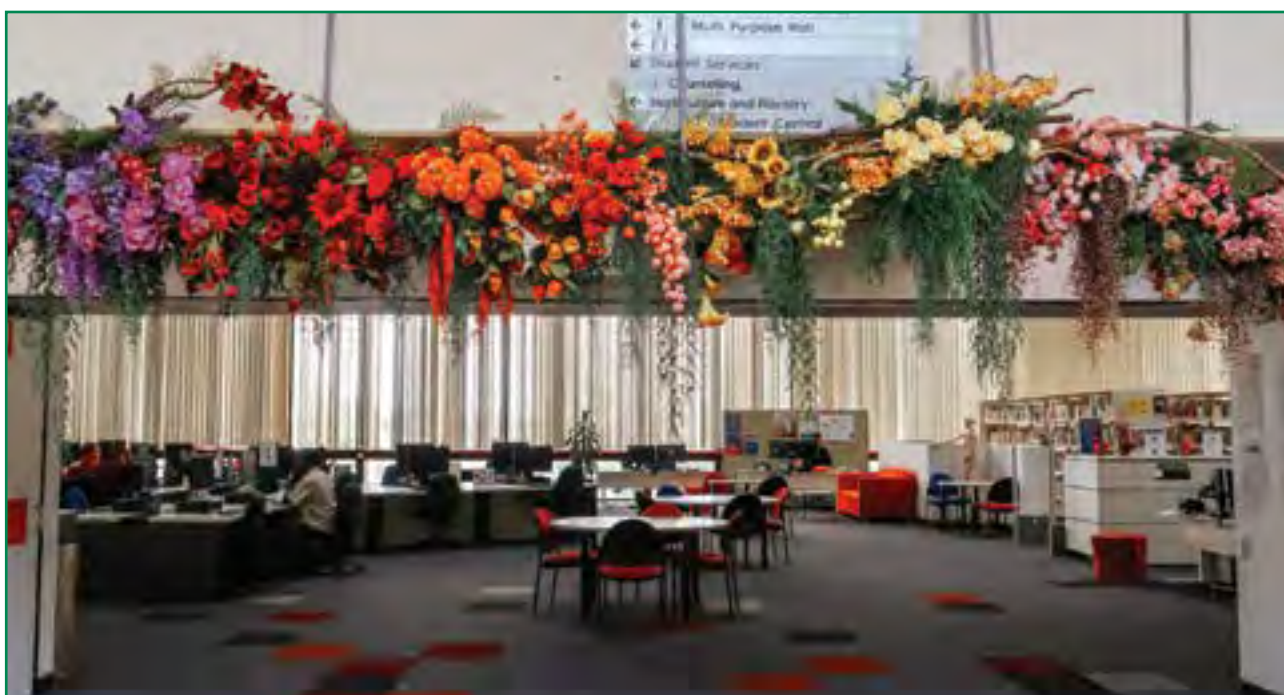
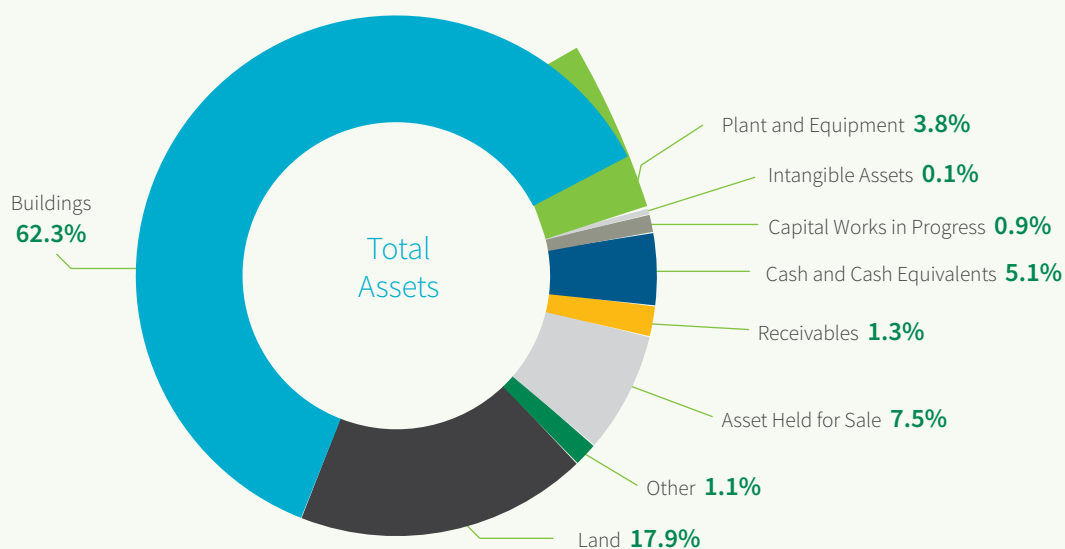
Comparison to budget

The total asset position at 31 December 2019 is \$216.3 million, which is \$8.0 million (3.8%) above budget, primarily due to an above-budget cash position resulting from CIT's higher than budgeted revenue and lower than budgeted expenditure for the year.

Comparison to 2018 actual

CIT's total asset position at 31 December 2019 was consistent with the equivalent 2018 position of \$215.9 million.

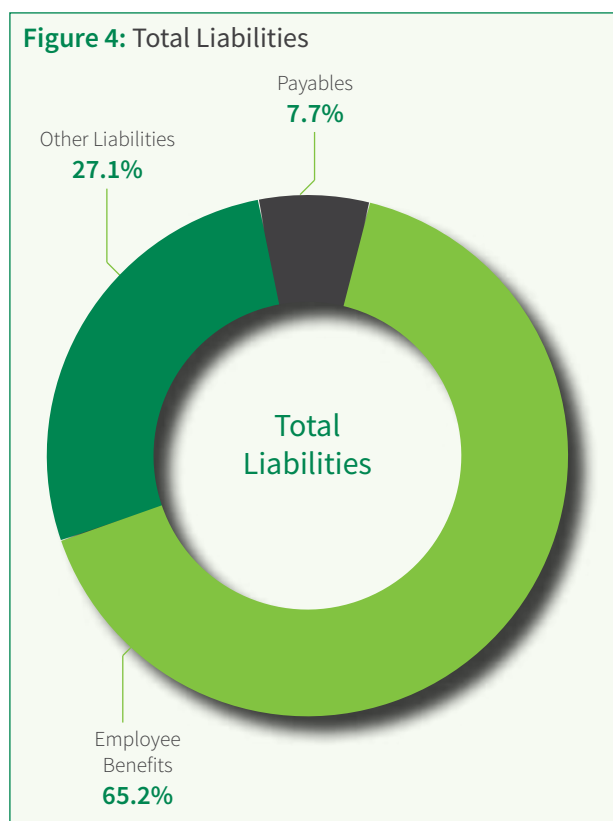
Figure 3: Total Assets



Display by CIT Floristry students at the CIT Bruce Library

Financial Position: Total Liabilities

At 31 December 2019, the majority of CIT's liabilities related to employee benefits (\$22.4 million, 65.9%). Payables made up an additional \$2.6 million (7.7%) of the total. Of the remaining \$9.3 million (27.4%), revenue received in advance and the non-current portion of the ACT Government Carbon Neutral Government Loan together comprised \$4.0 million (11.8%), with an additional \$5.3 million (15.6%) of lease liabilities being recognised for the first time in 2019 due to changes to accounting standards.



Comparison to budget

CIT's liabilities at 31 December 2019 of \$34.3 million were \$9.2 million (36.7%) higher than the 2019 budget of \$25.1 million due primarily to the recognition of an additional \$5.3 million of lease liabilities (due to a change in accounting standards) and an increase in employee entitlement balances (resulting from a combination of pay rises under a new enterprise bargaining agreement and long-service leave increases due to increments in tenure).

Comparison to 2018 Actual

CIT's total liabilities at 31 December 2019 were \$5.6 million (19.3%) higher than the actual result of \$28.8 million at 31 December 2018 due to the recognition of lease liabilities as described above.

Liquidity

Liquidity is a measure of the ability of CIT to meet its short-term financial obligations as they fall due. The current working capital ratio (ratio of current assets to current liabilities) is a common indicator for liquidity and measures the ability to fund short-term liabilities from short-term assets.

The current working capital ratio of 0.59:1 is higher than the budget target of 0.43:1 due to a higher than expected cash balance as discussed above. The working capital ratio was lower than the 2018 outcome of 0.64:1, primarily due to a reduced receivables balance.

At 31 December 2019, CIT's current assets (\$15.9 million) – excluding Assets Held for Distribution to Owners – were less than the total current liabilities (\$26.9 million) by \$11.0 million. This is not considered a liquidity risk as the associated cash needs are funded through appropriation from the ACT Government on a cash-needs basis. Although the Long Service Leave employee benefit liability (\$13.6m) is technically classified as a current liability according to current accounting standards, data from the past three years has shown that, in practice, less than 10% of this liability has been paid out in any one year.

This is consistent with whole-of-government cash management practices, which requires excess cash balances to be held centrally rather than within individual agency bank accounts. CIT does not anticipate any impact on its liquidity through the operations of its wholly owned subsidiary, CIT Solutions Pty Ltd.

Performance Measures

The measures included in the Statement of Performance relate only to the subset of CIT's education delivery traditionally referred to as the 'Profile' student scheme, and do not reflect the totality of CIT's education delivery. CIT's Statement of Performance for 2019 shows that the Nominal Hour metric for the Profile scheme was lower than target as students showed a preference for enrolling at CIT under other student schemes that are not included in these measures, most notably the User Choice (Apprentices and Trainees) and Skilled Capital schemes.

CIT's aggregate student numbers and enrolment counts across all student schemes for the period continued to increase from prior years. CIT has identified updated performance measures that will enable a better assessment of CIT's aggregate performance in future years.

CIT Working Capital

	Actual 2019 \$'000	Budget 2019 \$'000	Actual 2018 \$'000
Current Assets & Current Liabilities			
Cash and Cash Equivalents	10,938	4,899	9,915
Receivables	2,840	2,900	4,039
Other Assets	2,083	1,900	3,125
Total Current Assets ^(a)	15,861	9,699	17,079
Payables	2,642	1,896	2,990
Employee Benefits	21,267	18,893	21,572
Other Liabilities	3,065	2,000	1,991
Total Current Liabilities	26,974	22,789	26,553
Working Capital Ratio	0.59:1	0.43:1	0.64:1

(a) Current Assets exclude Assets Held for Distribution to Owners (2019: \$16.2 million and 2018: \$16.2 million), which represents the carrying amount of properties that CIT intends to hand back to ACT Government.

Module pass rates were above target by 8%, reflecting CIT's strong focus on high-quality training and support for students.

Program Completions were 9% below target due to an increasing trend of students eschewing full qualifications in favour of individual skillsets.

2019 satisfaction surveys of learners (3,533 respondents) and employers (440 respondents) showed satisfaction levels of 90%, indicating the positive views of CIT's training held by both students and industry. CIT continues to strive to improve its effectiveness and responsiveness in skilling students using contemporary industry-relevant training methods.

C.2 FINANCIAL STATEMENTS



AUDITOR-GENERAL AN OFFICER
OF THE ACT LEGISLATIVE ASSEMBLY



INDEPENDENT AUDITOR'S REPORT

To the Members of the ACT Legislative Assembly

Opinion

I have audited the financial statements of the Canberra Institute of Technology for the year ended 31 December 2019 which comprise the operating statement, balance sheet, statement of changes in equity, cash flow statement, statement of appropriation, and notes to the financial statements including a summary of significant accounting policies.

In my opinion, the financial statements:

- (i) present fairly, in all material respects, the Canberra Institute of Technology's financial position as at 31 December 2019, and its financial performance and cash flows for the year then ended; and
- (ii) are presented in accordance with the *Financial Management Act 1996* and comply with Australian Accounting Standards.

Basis for opinion

I conducted the audit in accordance with the Australian Auditing Standards. My responsibilities under the standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of this report.

I am independent of the Canberra Institute of Technology in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code). I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the Canberra Institute of Technology for the financial statements

The Governing Board of the Canberra Institute of Technology is responsible for:

- preparing and fairly presenting the financial statements in accordance with the *Financial Management Act 1996* and relevant Australian Accounting Standards;
- determining the internal controls necessary for the preparation and fair presentation of financial statements so that they are free from material misstatements, whether due to error or fraud; and
- assessing the ability of the Canberra Institute of Technology to continue as a going concern and disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting in preparing the financial statements.

Auditor's responsibilities for the audit of the financial statements

Under the *Financial Management Act 1996*, the Auditor-General is responsible for issuing an auditor's report that includes an independent opinion on the financial statements of the Canberra Institute of Technology.

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the Canberra Institute of Technology's internal controls;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Canberra Institute of Technology;
- conclude on the appropriateness of the Canberra Institute of Technology's use of the going concern basis of accounting and, based on audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Canberra Institute of Technology's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in this report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of this report. However, future events or conditions may cause the Canberra Institute of Technology to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether they represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Governing Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Ajay Sharma
Assistant Auditor-General, Financial Audit
10 March 2020

Canberra Institute of Technology
Financial Statements
For the Year Ended 31 December 2019

Statement of Responsibility

In my opinion, the financial statements are in agreement with the Canberra Institute of Technology's accounts and records and fairly reflect the financial operations of the Canberra Institute of Technology for the year ended 31 December 2019 and the financial position of the Canberra Institute of Technology on that date.



Craig Sloan
Chair
Canberra Institute of Technology Board
18 March 2020

Canberra Institute of Technology
Financial Statements
For the Year Ended 31 December 2019

Statement by the Chief Finance Officer

In my opinion, the financial statements have been prepared in accordance with Australian Accounting Standards, are in agreement with the Canberra Institute of Technology's accounts and records, and fairly reflect the financial operations of the Canberra Institute of Technology for the year ended 31 December 2019 and the financial position of the Canberra Institute of Technology on that date.



Greg Tong
Senior Director/Chief Finance Officer
Canberra Institute of Technology
17 March 2020

Canberra Institute of Technology
Operating Statement
For the Year Ended 31 December 2019

Consolidated				CIT		
	Note No.	Actual 2019 \$'000	Actual 2018 \$'000	Actual 2019 \$'000	Original Budget 2019 \$'000	Actual 2018 \$'000
Income						
Revenue						
Controlled Recurrent Payments	3	74,379	71,779	74,379	74,379	71,779
User Charges	4	51,069	48,385	36,173	33,457	33,743
Government Grants	5	1,217	1,197	1,217	840	1,197
Interest	6	296	360	279	300	327
Resources Received Free of Charge	7	810	105	810	35	105
Other Revenue	8	494	554	582	600	463
Total Revenue		128,265	122,380	113,440	109,611	107,614
Gains						
Other Gains	9	16	23	16	500	23
Total Gains		16	23	16	500	23
Total Income		128,281	122,403	113,456	110,111	107,637
Expenses						
Employee Expenses	10	78,559	78,899	66,653	67,063	66,235
Superannuation Expenses	11	10,484	10,117	9,458	9,054	8,942
Supplies and Services	12	35,701	35,647	35,203	35,359	33,830
Depreciation and Amortisation	13	9,445	9,173	9,349	8,240	9,077
Other Expenses	14	3,320	3,461	2,305	1,535	2,463
Total Expenses		137,509	137,297	122,968	121,251	120,547
Operating Deficit		(9,228)	(14,894)	(9,512)	(11,140)	(12,910)
Total Comprehensive (Deficit)		(9,228)	(14,894)	(9,512)	(11,140)	(12,910)

The above Operating Statement should be read in conjunction with the accompanying notes.

The Canberra Institute of Technology (CIT) has only one output class and as such the above Operating Statement is also CIT's Operating Statement for Output Class 1.1: Provision of Vocational Education and Training Services.

Canberra Institute of Technology

Balance Sheet

At 31 December 2019

Consolidated				CIT		
	Note No.	Actual 2019 \$'000	Actual 2018 \$'000	Actual 2019 \$'000	Original Budget 2019 \$'000	Actual 2018 \$'000
Current Assets						
Cash and Cash Equivalents	16	13,064	12,204	10,938	4,899	9,915
Receivables	17	4,245	5,627	2,840	2,900	4,039
Assets Held for Distribution to Owners	18	16,199	16,199	16,199	-	16,199
Other Assets	19	2,227	1,622	2,083	1,900	3,125
Total Current Assets		35,735	35,652	32,060	9,699	33,278
Non-Current Assets						
Investments	20	-	-	20	20	20
Property, Plant and Equipment	21	182,115	179,762	181,936	193,561	179,539
Intangible Assets	22	297	623	297	878	623
Capital Works in Progress	23	2,019	2,413	2,019	4,170	2,413
Total Non-Current Assets		184,431	182,798	184,272	198,629	182,595
Total Assets		220,166	218,450	216,332	208,328	215,873
Current Liabilities						
Payables	24	2,828	2,829	2,642	1,896	2,990
Employee Benefits	25	22,582	22,986	21,266	18,893	21,572
Lease Liabilities	26	841	-	841	-	-
Other Liabilities	27	3,158	2,184	2,224	2,000	1,991
Total Current Liabilities		29,409	27,999	26,973	22,789	26,553
Non-Current Liabilities						
Employee Benefits	25	1,284	1,171	1,126	1,033	997
Lease Liabilities	26	4,462	-	4,462	-	-
Other Liabilities	27	1,827	1,281	1,777	1,294	1,230
Total Non-Current Liabilities		7,573	2,452	7,365	2,327	2,227
Total Liabilities		36,982	30,451	34,338	25,116	28,780
Net Assets		183,184	187,999	181,994	183,212	187,093
Equity						
Accumulated Funds		65,215	93,088	64,025	88,301	92,182
Asset Revaluation Surplus	28	117,969	94,911	117,969	94,911	94,911
Total Equity		183,184	187,999	181,994	183,212	187,093

The above Balance Sheet should be read in conjunction with the accompanying notes.

CIT has only one output class and as such the above Balance Sheet is also CIT's Balance Sheet for Output Class 1.1: Provision of Vocational Education and Training Services.

Canberra Institute of Technology

Statement of Changes in Equity

For the Year Ended 31 December 2019

		Consolidated				CIT			
	Note No.	Accumulated Funds Actual 2019 \$'000	Revaluation Surplus Actual 2019 \$'000	Asset	Total Equity Actual 2019 \$'000	Accumulated Funds Actual 2019 \$'000	Revaluation Surplus Actual 2019 \$'000	Total Equity Actual 2019 \$'000	Original Budget 2019 \$'000
Balance at 1 January 2019		93,088	94,911		187,999	92,182	94,911	187,093	187,093
Adoption of New Accounting Standard AASB16 ^(a)		(600)	–		(600)	(600)	–	(600)	–
Comprehensive Income									
Operating (Deficit)		(9,228)	–		(9,228)	(9,512)	–	(9,512)	(11,140)
Total Comprehensive (Deficit)		(9,228)	–		(9,228)	(9,512)	–	(9,512)	(11,140)
Transactions Involving Owners Affecting Accumulated Funds									
Transfer (from)/to Asset Revaluation Surplus	28	(23,058)	23,058		–	(23,058)	23,058	–	–
Capital Injections		5,013	–		5,013	5,013	–	5,013	7,259
Total Transactions Involving Owners Affecting Accumulated Funds		(18,045)	23,058		5,013	(18,045)	23,058	5,013	7,259
Balance at 31 December 2019		65,215	117,969		183,184	64,025	117,969	181,994	183,212

(a) Re-measurement of the opening balance Accumulated Funds resulting from the initial adoption of AASB16 (refer to Appendix C). This adjustment to Accumulated Funds is a timing difference and will unwind over the lease term.

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Changes in Equity – continued

For the Year Ended 31 December 2018

Consolidated				CIT		
	Accumulated Funds Actual 2018 \$'000	Asset Revaluation Surplus Actual 2018 \$'000	Total Equity Actual 2018 \$'000	Accumulated Funds Actual 2018 \$'000	Asset Revaluation Surplus Actual 2018 \$'000	Total Equity Actual 2018 \$'000
Balance at 1 January 2018	104,426	93,475	197,901	101,536	93,475	195,011
Comprehensive Income						
Re-measurement under AASB 9	83	–	83	83	–	83
	104,509	93,475	197,984	101,619	93,475	195,094
Operating (Deficit)	(14,894)	–	(14,894)	(12,910)	–	(12,910)
Total Comprehensive (Deficit)	(14,894)	–	(14,894)	(12,910)	–	(12,910)
Transactions Involving Owners Affecting Accumulated Funds						
Transfer (from)/ to Asset Revaluation Surplus	(1,436)	1,436	–	(1,436)	1,436	–
Capital Injections	4,909	–	4,909	4,909	–	4,909
Total Transactions Involving Owners Affecting Accumulated Funds	3,473	1,436	4,909	3,473	1,436	4,909
Balance at 31 December 2018	93,088	94,911	187,999	92,182	94,911	187,093

(a) Re-measurement of the opening balance of allowance for impaired receivables under AASB 9 (refer to Note 17 – Receivables).

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Canberra Institute of Technology
Cash Flow Statement
For the Year Ended 31 December 2019

		Consolidated		CIT		
	Note No.	Actual 2019 \$'000	Actual 2018 \$'000	Actual 2019 \$'000	Original Budget 2019 \$'000	Actual 2018 \$'000

Cash Flows from Operating Activities

Receipts

Controlled Recurrent Payments		74,379	71,779	74,379	74,379	71,779
User Charges		53,073	50,809	37,271	34,595	34,823
Interest Received from Bank		296	359	279	300	327
Goods and Services Tax Input Tax Credits from the Australian Taxation Office		3,714	3,874	3,370	3,030	3,403
Goods and Services Tax Collected from Customers		2,502	2,269	1,578	1,500	1,342
Government Grants		1,568	1,197	1,568	840	1,197
Other		496	556	582	700	463
Contributions		–	–	–	500	–
Total Receipts from Operating Activities		136,028	130,843	119,027	115,844	113,334

Payments

Employee		78,834	75,626	66,849	69,062	62,856
Superannuation		10,453	10,073	9,408	9,054	8,907
Supplies and Services		36,629	35,834	34,884	36,894	33,845
Good and Services Tax Paid to Suppliers		6,265	5,992	4,991	4,150	4,593
Other		2,936	2,596	1,920	1,700	1,603
Total Payments from Operating Activities		135,117	130,121	118,052	120,860	111,804

Net Cash Inflows/(Outflows) from Operating Activities	32	911	722	975	(5,016)	1,530
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Cash Flows from Investing Activities

Receipts

Proceeds from Sale of Property, Plant and Equipment		16	23	16	–	23
Total Receipts from Investing Activities		16	23	16	–	23

Payments

Payments for Property, Plant and Equipment		5,080	6,569	4,981	7,259	6,565
Total Payment from Investing Activities		5,080	6,569	4,981	7,259	6,565
Net Cash (Outflows) from Investing Activities		(5,064)	(6,546)	(4,965)	(7,259)	(6,542)

Canberra Institute of Technology
Cash Flow Statement – Continued
For the Year Ended 31 December 2019

Consolidated				CIT		
	Note No.	Actual 2019 \$'000	Actual 2018 \$'000	Actual 2019 \$'000	Original Budget 2019 \$'000	Actual 2018 \$'000
Cash Flows from Financing Activities						
Receipts						
Capital Injections		5,013	4,909	5,013	7,259	4,909
Total Receipts from Financing Activities		5,013	4,909	5,013	7,259	4,909
Payments						
Repayment of Borrowings		–	–	–	–	–
Total Payments from Financing Activities		–	–	–	–	–
Net Cash Inflows from Financing Activities		5,013	4,909	5,013	7,259	4,909
Net Increase/ (Decrease) in Cash and Cash Equivalents		860	(915)	1,023	(5,016)	(103)
Cash and Cash Equivalents at the Beginning of the Reporting Period		12,204	13,119	9,915	9,915	10,018
Cash and Cash Equivalents at the End of the Reporting Period	32	13,064	12,204	10,938	4,899	9,915

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

Canberra Institute of Technology
Statement of Appropriation
 For the Year Ended 31 December 2019

	Original Budget 2019 \$'000	Total Appropriated 2019 \$'000	Appropriated Drawn 2019 \$'000	Appropriated Drawn 2018 \$'000
Controlled Recurrent Payments	74,379	74,379	74,379	71,779
Capital Injections	7,259	9,785	5,013	4,909
Total Appropriation	81,638	84,164	79,392	76,688

The above Statement of Appropriation should be read in conjunction with the accompanying notes.

Column Heading Explanations

The **Original Budget** column shows the amounts that appear in the Cash Flow Statement in the Australian Capital Territory Budget 2019-2020. This amount also appears in the Cash Flow Statement.

The **Total Appropriated** column is inclusive of all appropriation variations occurring after the Original Budget.

The **Appropriation Drawn** is the total amount of appropriation received by CIT during the year. This amount appears in the Cash Flow Statement.

Variances between 'Original Budget', 'Total Appropriated' and 'Appropriation Drawn':

	Controlled Recurrent Payment \$'000	Capital Injections \$'000
Reconciliation of Appropriation for 2019		
Original Appropriation for 2019	74,379	7,259
Rollover of Undisbursed Appropriation Carried Forward at end of CIT Calendar Year 2018 (FMA s.168)	–	2,526
Total Appropriated	74,379	9,785
Rollover of Undisbursed Appropriation Carried Forward at end of CIT Calendar Year 2019 (FMA s.168)	–	(4,772)
Appropriation Drawn ^(a)	74,379	5,013

(a) The difference between the Capital Injections Original Budget and the amount drawn during 2019 is due mainly to delays relating to the development application and the process of appointing a project manager for the Better Infrastructure Fund project.

Canberra Institute of Technology
For the Year Ended 31 December 2019

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Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2019

NOTE 1 OBJECTIVES OF THE CANBERRA INSTITUTE OF TECHNOLOGY

Operations and Principal Activities

The Canberra Institute of Technology (CIT) is a multi-campus, multi-disciplinary, tertiary education institution in the ACT, providing vocational education and training to the ACT and surrounding region.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

Refer to the following appendices for the notes comprising significant accounting policies and other explanatory information.

Appendix A – Basis of Preparation of the Financial Statements

Appendix B – Significant Accounting Policies

Appendix C – Initial Application of Accounting Standards AASB 16, AASB 15, and AASB 1058.

NOTE 3 CONTROLLED RECURRENT PAYMENTS

Controlled Recurrent Payments (CRP) are revenue received from the ACT Government to fund the costs of delivering outputs. The ACT Government pays CRP appropriation to CIT on a fortnightly basis.

	Consolidated		CIT	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Revenue from the ACT Government				
Controlled Recurrent Payments	74,379	71,779	74,379	71,779
Total Controlled Recurrent Payments	74,379	71,779	74,379	71,779

Canberra Institute of Technology

Notes to and Forming Part of the Financial Statements

For the Year Ended 31 December 2019

NOTE 4 USER CHARGES

User charge revenue is derived by providing goods and services to other ACT Government agencies and to the public. User Charge Revenue – ACT Government is Special Purpose Funding revenue received from the ACT Government for students funded under specific funding arrangements and is also legally retained by CIT. User Charge Revenue – Non-ACT Government is paid by the user of the goods or services and legally retained by CIT and driven by consumer demand.

	Consolidated		CIT	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
User Charges – ACT Government				
Special Purpose Fund Activities ^(a)	14,099	11,090	10,931	10,111
Total User Charges – ACT Government	14,099	11,090	10,931	10,111
User Charges – Non-ACT Government				
Commercial Revenue ^(b)	23,626	25,528	11,898	11,865
Student Fees and Charges ^(c)	13,344	11,767	13,344	11,767
Total User Charges – Non-ACT Government	36,970	37,295	25,242	23,632
Total User Charges	51,069	48,385	36,173	33,743

Revenue has been assessed under the AASB 15 five step model and it has been determined that all revenue should be recognised in the current period as the performance obligations with the customer have been satisfied in the current period.

- (a) The increase in Special Purpose Fund Activities revenue is due primarily to a net increase in students funded under specific funding arrangements (e.g. Apprentices and Trainees).
- (b) Commercial revenue has decreased as a result of CIT Solutions winning less tenders in the marketplace as a result of increased competition.
- (c) The increase in Student Fees and Charges is due to increases in student enrolments.

NOTE 5 GOVERNMENT GRANTS

	Consolidated		CIT	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Government Grants				
Government Grants – ACT Government	1,217	1,197	1,217	1,197
Total Government Grants	1,217	1,197	1,217	1,197

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2019

NOTE 6 INTEREST

	Consolidated		CIT	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Revenue from Non-ACT Government Entities				
Interest Revenue ^(a)	296	360	279	327
Total Interest Revenue	296	360	279	327
Total interest revenue from financial assets measured at amortised cost	296	360	279	327

(a) Interest Received decreased due to lower average interest rates during the year.

NOTE 7 RESOURCES RECEIVED FREE OF CHARGE

Resources received free of charge relate to goods and/or services being provided free of charge by other agencies within the ACT Government.

CIT classifies goods and services received free of charge from entities external to the ACT Government as donations. Donations are shown in **Note 4 – User Charges**.

	Consolidated		CIT	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Revenue from ACT Government Entities				
Legal Services	64	104	64	104
Library Reference Materials	3	1	3	1
Finance and Human Resource Services ^(a)	743	–	743	–
Total Resources Received Free of Charge	810	105	810	105

(a) The Finance and Human Resource Services received free of charge is the result of a change in process across the ACT Government regarding the payment for the provision of these services.

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2019

NOTE 8 OTHER REVENUE

Other Revenue arises from the core activities of CIT.

	Consolidated		CIT	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Revenue from Other Sources ^(a)				
Recoveries ^(b)	351	414	521	416
Student Allowances	76	88	–	–
Other	67	52	61	47
Total Other Revenue from Other Sources	494	554	582	463

(a) Revenue has been assessed under the AASB15 5 step model and it has been determined that all revenue should be recognised in the current period as the performance obligations with the customer have been satisfied in the current period.

(b) Recoveries consist primarily of cost recoveries for Child Care Centre licensing and food expenses from CIT Student Association.

NOTE 9 OTHER GAINS

Gains are unusual transactions that are not part of CIT's core activities. Other gains are distinct from Other Revenue, as Other Revenue arises from the core activities of CIT.

	Consolidated		CIT	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Gain from the Sale of Assets	16	23	16	23
	16	23	16	23

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2019

NOTE 10 EMPLOYEE EXPENSES

	Consolidated		CIT	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Wages and Salaries ^(a)	68,071	69,477	57,841	58,575
Annual Leave Expense ^(b)	5,677	5,471	5,151	4,786
Long Service Leave Expense ^(c)	2,736	2,009	2,606	1,827
Workers' Compensation Insurance Premium	2,075	1,942	1,055	1,047
Total Employee Expenses	78,559	78,899	66,653	66,235

(a) The decrease in Wages and Salaries Expense is due to a reduction in staffing during the year as a result of CIT's effort to constrain wages expenses.

(b) The Annual Leave Expense consists of the movement in the provision for this expense and the annual leave loading expense.

(c) The Long Service Leave Expense consists of the movement in the provision for this expense. The increase is the result of less long service leave taken, salary increments, and staff moving to a higher probability of receiving long service leave as a result of tenure.

NOTE 11 SUPERANNUATION EXPENSES

	Consolidated		CIT	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Superannuation Contributions to the Territory Banking Account	4,164	3,713	4,150	3,702
Superannuation Payments to Comsuper (for the PSSAP)	451	427	451	427
Superannuation to External Providers ^(a)	5,869	5,977	4,857	4,813
Total Superannuation Expenses	10,484	10,117	9,458	8,942

(a) Superannuation expenses have increased in 2019 despite no increase in salary expense as a result of the superannuation rate increase from 10.5% to 11% in 2019 as per the Enterprise Agreement.

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2019

NOTE 12 SUPPLIES AND SERVICES

	Consolidated		CIT	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Advertising	890	1,053	803	901
Cleaning Costs	1,872	2,093	1,872	2,093
Consultants and Contractors ^(a)	8,641	9,396	6,252	6,130
Information and Communication Technology ^(b)	10,928	8,945	10,950	8,934
Insurance	876	972	829	927
Materials ^(c)	2,085	2,276	1,937	2,107
Minor Assets Expensed	448	550	440	545
Operating Lease Charges ^(d)	201	917	201	917
Overseas Student Management Fees	–	135	3,103	3,142
Reference and Learning Materials	761	997	393	568
Repairs and Maintenance ^(e)	4,282	3,883	4,181	3,809
Seminars and Conferences	229	505	202	483
Travel and Transport	828	952	449	424
Utilities ^(f)	2,851	2,488	2,851	2,488
Other ^(g)	809	485	740	362
Total Supplies and Services	35,701	35,647	35,203	33,830

(a) Consultants and Contractors expense has reduced due to training programs being facilitated by core staff compared to the prior year where more external facilitators were used.

(b) Information and Communication Technology consists of the single-billing agreement with ACT Shared Services along with software, hardware and computing incidentals paid to external providers. The increase in 2019 is due to higher Shared Services Charges along with increase in 3rd party software and web hosting charges.

(c) Materials costs have decreased primarily due to reductions in printing costs due to reduced usage.

(d) Operating Lease Charges have reduced this year due to reclassification under AASB 16. See Appendix C for further details.

(e) Repairs and maintenance costs consists mainly of expenditure undertaken to maintain CIT's buildings and property. Costs have increased due to the escalating maintenance requirements of CIT's aging infrastructure and additional expenses relating to the decommissioning of the Woden campus.

(f) Utilities expenditure has increased primarily due to electricity cost increases during the period.

(g) Other costs include Publication expenses which had previously been classified as Reference and Learning Materials.

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2019

NOTE 13 DEPRECIATION AND AMORTISATION

	Consolidated		CIT	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Depreciation				
Buildings ^(a)	6,535	7,241	6,535	7,241
Plant and Equipment	1,089	1,001	1,073	997
Right-of-Use Asset ^(b)	1,005	–	1,005	–
Leasehold Improvements	419	431	339	339
Total Depreciation	9,048	8,673	8,952	8,577
Amortisation				
Computer Software	397	500	397	500
Total Amortisation	397	500	397	500
Total Depreciation and Amortisation	9,445	9,173	9,349	9,077

(a) Buildings depreciation decreased due to the cessation of depreciation on Woden and Watson properties which were reclassified as Assets Held for Distribution to Owner in 2018.

(b) Right-of-Use Assets have been introduced this year in compliance with AASB 16. See Appendix C for further details.

NOTE 14 OTHER EXPENSES

	Consolidated		CIT	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Waivers, Impairment Losses and Write-offs ^(a)	537	31	502	31
Bank Charges and Security Services	89	88	67	61
Copyright Charges	134	122	134	122
Grants	644	622	–	–
Sponsorships	407	355	405	353
Licences and registrations	68	51	72	51
Student Association Funding	659	671	612	625
Interest Charge on Finance Lease ^(b)	147	–	147	–
Other Expenses ^(c)	635	1,521	366	1,220
Total Other Expenses	3,320	3,461	2,305	2,463

(a) Waivers, Impairment Losses and Write-offs increased this year due to the write-off of amounts that are deemed to be irrecoverable from students relating to current and prior years.

(b) Interest Charge on Finance Lease has arisen in 2019 due to the adoption of the AASB 16 accounting standard.

(c) Other Expenses have decreased in 2019 as the 2018 amount includes one-off expenses relating to the transfer of Sutton Road Buildings to ACT Property Group.

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2019

NOTE 15 AUDITOR'S REMUNERATION

Auditor's remuneration consists of financial audit services provided to CIT by the ACT Audit Office. Auditor's remuneration is included under 'Other' in **Note 12 – Supplies and Services**. No other services were provided by the ACT Audit Office.

	Consolidated		CIT	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Audit Services				
Audit Fees Paid or Payable to the ACT Audit Office	177	172	142	138
Total Audit Fees	177	172	142	138
Total Auditor's Remuneration	177	172	142	138

NOTE 16 CASH AND CASH EQUIVALENTS

CIT holds a number of bank accounts with Westpac Banking Corporation Limited as part of the ACT Government's whole-of-government banking arrangements. CIT earns interest on these deposits, at a rate currently equivalent to 85 basis points above the Reserve Bank's target cash rate.

CIT's Term Deposit has been held with Illawarra Mutual Bank Limited since 2015, and is currently earning an interest rate of 2.00%. These funds are able to be withdrawn upon request.

	Consolidated		CIT	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Cash at Bank ^(a)	10,056	9,196	7,934	6,911
Cash on Hand	8	8	4	4
Cash Equivalent – Term Deposit	3,000	3,000	3,000	3,000
Total Cash and Cash Equivalents	13,064	12,204	10,938	9,915

(a) The Cash at Bank increase is due to normal operational activities.

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2019

NOTE 17 RECEIVABLES

	Consolidated		CIT	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Current Receivables				
Trade Receivables ^(a)	917	3,506	459	1,774
Total Accounts Receivable	917	3,506	459	1,774
Student Receivables				
Student Receivables ^(b)	122	593	122	593
Less: Allowance for Impairment Losses	(54)	(129)	(35)	(120)
Total Student Receivables	68	464	87	473
Other Receivables				
Inter-Entity Receivable	–	–	–	135
Accrued Revenue ^(c)	3,260	1,657	2,294	1,657
Total Other Receivables	3,260	1,657	2,294	1,792
Total Current Receivables	4,245	5,627	2,840	4,039
Total Receivables	4,245	5,627	2,840	4,039

(a) Trade receivables have reduced in 2019 as a result of a concerted effort to monitor and control overdue debts.

(b) Student Receivables have reduced in 2019 as a result of the write off of irrecoverable student debts from current and prior periods.

(c) The increase in Accrued Revenue is a result of higher enrolments in ACT Government funded programs in 2019, hence an increased number of student completions at year end, raising the amount of revenue to be paid to CIT by the ACT Government.

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2019

NOTE 17 RECEIVABLES – CONTINUED

Ageing of Receivables		Days Past Due				
Consolidated	Total \$	Not Overdue \$	1-30 days \$	31-60 days \$	61-90 days \$	>91 days \$
CIT Non-Student Receivables	686	450	136	31	21	48
Student Receivables	122	9	41	31	8	33
Expected credit loss rate – CIT Student Receivables	–	–	10.4%	28.2%	50.9%	56.05
Expected credit losses CIT	35	–	4	9	4	18
CITSOL Receivables	1,157	1,030	19	59	1	48
Expected credit loss rate – CITSOL	–	–	–	–	2.0%	39.9%
Expected credit losses CITSOL	19	–	–	–	–	19
Estimated total gross carrying amount at default	1,911	1,489	192	112	26	92
Expected credit losses	54	–	4	9	4	37

An impairment loss from receivables was recognised prior to 2018 on an incurred loss basis. From 2018, 'Expected Credit Loss Expense' is recognised as the movement in the allowance for expected credit losses. The allowance for expected credit losses of trade receivables is measured at the lifetime expected credit losses at each reporting date. CIT has established a provision matrix based on its historical credit loss experience, adjusted for forward – looking factors specific to the debtors and the economic environment.

Loss rates are calculated separately for groupings of customers with similar loss patterns. CIT has determined there are two material groups for measuring expected credit losses which reflect customer profiles for revenue streams. The calculations reflect observed default rates using credit losses experienced on prior transactions. The calculation was based on 2019 student receivable data which showed consistent patterns to prior years. The default rates are then adjusted by reasonable and forward looking information for expected changes in the macroeconomic indicators that affect the future recovery of those receivables.

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2019

NOTE 17 RECEIVABLES – CONTINUED

	Consolidated		CIT	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000

Reconciliation of the Allowance for Impaired Receivables

Allowance for Impairment Losses at the Beginning of the Reporting Period	120	233	120	233
Remeasurement under AASB 9	–	(83)	–	(83)
Restated Allowance for Impairment Losses at the Beginning of the Reporting Period	120	150	120	150
Net increase in Allowance During the Reporting Period	244	–	244	–
Reduction in Allowance from Amounts Written off During the Reporting Period	(329)	(21)	(329)	(30)
Expected Credit Loss Expense	–	–	–	–
Allowance for Impairment Losses at the End of the Reporting Period	35	129	35	120

Classification of ACT Government/Non-ACT Government Receivables

Receivables with ACT Government Entities

Net Trade Receivable	66	228	64	109
Accrued Revenue	2,268	1,657	2,003	1,657
Inter-entity Receivable	–	–	–	135
Total Receivables with ACT Government Entities	2,334	1,885	2,067	1,901

Receivables with Non-ACT Government Entities

Net Trade Receivable	832	3,269	395	1,665
Net Student Receivable	87	473	87	473
Accrued Revenue	992	–	291	–
Total Receivables with Non-ACT Government Entities	1,911	3,742	773	2,138
Total Receivables	4,245	5,627	2,840	4,039

The maximum exposure to credit risk at the end of the reporting period for Receivables is the carrying amount of the asset inclusive of any allowance for impairment as shown in the table at **Note 29 – Financial Instruments**.

CIT does not hold any collateral as security or other credit enhancements for trade receivables.

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2019

NOTE 18 ASSETS HELD FOR DISTRIBUTION TO OWNERS

CIT has classified the land and buildings at the Woden and Watson Campuses as 'assets held for distribution to owners', as these have been deemed as surplus to requirements under the campus modernisation program. The Woden and Watson Campuses' land and buildings are expected to be disposed of during the next reporting period.

	Consolidated		CIT	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Land Held for Distribution to Owners ^(a)	14,411	14,411	14,411	14,411
Buildings Held for Distribution to Owners ^(a)	1,788	1,788	1,788	1,788
Total Assets Held for Distribution to Owners	16,199	16,199	16,199	16,199

(a) As permitted under AASB 5 - Non-current Assets Held for Sale and Discontinued Operation, the period to dispose of an asset may extend beyond one year from the date of classification due to reasons outside the entity's control. CIT remains committed to the disposal.

Fair Value Hierarchy

Details of CIT's assets held for distribution to owners at fair value and information about the Fair Value Hierarchy as at 31 December 2019 are as follows:

	Classification According to Fair Value Hierarchy			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Assets Held for Distribution to Owners at Fair Value				
Land	–	14,411	–	14,411
Buildings	–	816	972	1,788
Total Assets Held for Distribution to Owners	–	15,227	972	16,199

31 December 2018 are as follows:

	Classification According to Fair Value Hierarchy			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Assets Held for Distribution to Owners at Fair Value				
Land	–	14,411	–	14,411
Buildings	–	816	972	1,788
Total Assets Held for Distribution to Owners	–	15,227	972	16,199

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2019

NOTE 18 ASSETS HELD FOR DISTRIBUTION TO OWNERS – CONTINUED

The Fair Value Hierarchy is discussed in **Note 21 – Property, Plant and Equipment**.

Transfers Between Categories

There were no transfers between Levels 1, 2 and 3 during the current and previous reporting period.

Valuation techniques, inputs and processes

Level 2 fair values of assets held for distribution to owners are derived using the market approach. The valuation technique used to value land and buildings is the market approach that reflects recent transaction prices for similar properties and buildings (comparable in location and size).

Level 3 fair values of assets held for distribution to owners are derived using the cost approach for specialised buildings and depreciated replacement cost of equivalent modern improvements for buildings.

These assets have been written down to fair value less costs to sell. Assets held for distribution to owners represent a non-recurring fair value measurement.

NOTE 19 OTHER ASSETS

	Consolidated		CIT	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Current Other Assets				
Prepayments ^(a)	2,227	1,622	2,083	3,125
Total Current Other Assets	2,227	1,622	2,083	3,125
Total Other Assets	2,227	1,622	2,083	3,125

(a) Prepayments include workers compensation, insurance and software licence prepayments. The increase in Prepayments occurred as a result of upfront payments related to new cloud based system licencing costs.

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2019

NOTE 20 INVESTMENTS

	Consolidated		CIT	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Non-current Investments				
CIT Solutions Pty Limited ^(a)	–	–	20	20
Total Non-Current Investments	–	–	20	20
Total Investments	–	–	20	20

(a) The Canberra Institute of Technology holds \$20,000 of paid-up capital in CIT Solutions Pty Limited. CIT Solutions Pty Limited provides a range of educational activities and services on a commercial basis and is wholly owned by CIT.

NOTE 21 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment includes the following classes of assets

- *Property, plant and equipment* does not include Assets Held for Distribution to Owners or Investment property.
- *Land* includes leasehold land held by CIT.
- *Buildings* include office buildings, teaching spaces, workshops, laboratories, fit-out, carparks, footpaths and street lights as well as Right-of-Use Assets.
- *Leasehold improvements* represent capital expenditure incurred in relation to leased assets. This includes fit-outs of leased buildings.
- *Plant and equipment* includes mobile plant, office and computer equipment, furniture and fittings, motor vehicles, and other mechanical and electronic equipment as well as Right of Use Assets.
- *Heritage assets* are defined as those non-current that the ACT Government intends to preserve indefinitely because of their unique historical, cultural or environmental attributes. A common feature of heritage assets is that they cannot be replaced and they usually available for sale or redeployment. Heritage assets held by CIT include artworks, gemstones, and sculptures.
- *Right-of-Use (ROU) assets* recognised under AASB 16 leases are disclosed under the relevant class of property, plant and equipment.

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2019

NOTE 21 PROPERTY, PLANT AND EQUIPMENT – CONTINUED

	Consolidated		CIT	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Land				
Land at Fair Value	38,824	38,824	38,824	38,824
Total Land Assets	38,824	38,824	38,824	38,824
Buildings				
Buildings at Fair Value	141,706	137,947	141,706	137,947
Less: Accumulated Depreciation	(13,521)	(6,986)	(13,521)	(6,986)
Total Written Down Value of Buildings	128,185	130,961	128,185	130,961
Right-of-Use Asset Buildings	5,153	–	5,153	–
Less: Accumulated Depreciation	(711)	–	(711)	–
Total Right-of-Use Asset Buildings	4,442	–	4,442	–
Total Written Down Value of Land and Buildings	171,451	169,785	171,451	169,785
Leasehold Improvements				
Leasehold Improvements at Cost	3,819	3,923	3,427	3,427
Less: Accumulated Depreciation	(1,506)	(1,191)	(1,252)	(913)
Total Written Down Value of Leasehold Improvements	2,313	2,732	2,175	2,514
Plant and Equipment				
Plant and Equipment at Cost	12,488	11,218	12,423	11,205
Less: Accumulated Depreciation	(4,714)	(4,117)	(4,690)	(4,109)
Total Written-Down Value of Plant and Equipment	7,774	7,101	7,733	7,096
Right-of-Use Asset Plant and Equipment	727	–	727	–
Less: Accumulated Depreciation	(294)	–	(294)	–
Total Written Down Value of ROUA Plant and Equipment	433	–	433	–
Heritage Assets				
Heritage Assets at Fair Value	144	144	144	144
Total Heritage Assets	144	144	144	144
Total Written Down Value of Property, Plant and Equipment	182,115	179,762	181,936	179,539

Valuation of Non-Current Assets

Certified Practising Valuers Knight Frank Valuations Canberra performed an independent revaluation of CIT's Land and Buildings at 31 December 2017. The Director, CIT Technology and Design, performed a revaluation of CIT's Heritage assets at 31 December 2017. The next valuation is scheduled for December 2020.

Canberra Institute of Technology

Notes to and Forming Part of the Financial Statements

For the Year Ended 31 December 2019

NOTE 21 PROPERTY, PLANT AND EQUIPMENT – CONTINUED

Reconciliation of Property, Plant and Equipment

The following table shows the movement of Property, Plant and Equipment during 2019 and 2018.

	Land \$'000	Buildings \$'000	Leasehold Improvements \$'000	Plant and Equipment \$'000	Heritage Assets \$'000	Total \$'000
Consolidated 2019						
Carrying Amount at the Beginning of the Reporting Period	38,824	130,961	2,732	7,101	144	179,762
Additions	-	3,759	-	1,901	-	5,660
Additions Right of Use Assets	-	5,594	-	727	-	6,321
Depreciation	-	(6,535)	(419)	(1,089)	-	(8,043)
Depreciation Right of Use Assets	-	(1,152)	-	(294)	-	(1,446)
Disposals	-	-	(104)	(694)	-	(798)
Depreciation Write-back for Asset Disposals	-	-	104	491	-	595
Other Movements	-	-	-	64	-	64
Carrying Amount at the End of the Reporting Period	38,824	132,627	2,313	8,207	144	182,115
Consolidated 2018						
Carrying Amount at the Beginning of the Reporting Period	53,235	135,718	3,158	6,902	144	199,157
Additions	-	4,272	5	1,297	-	5,574
Depreciation	-	(7,241)	(431)	(1,002)	-	(8,674)
Disposals	-	-	-	(104)	-	(104)
Asset Held for Distribution to Owners	(14,411)	(1,788)	-	-	-	(16,199)
Depreciation Write-back for Asset Disposals	-	-	-	48	-	48
Other Movements	-	-	-	(40)	-	(40)
Carrying Amount at the End of the Reporting Period	38,824	130,961	2,732	7,101	144	179,762

Canberra Institute of Technology

Notes to and Forming Part of the Financial Statements

For the Year Ended 31 December 2019

NOTE 21 PROPERTY, PLANT AND EQUIPMENT – CONTINUED

Reconciliation of Property, Plant and Equipment

The following table shows the movement of Property, Plant and Equipment during 2019 and 2018.

	Land \$'000	Buildings \$'000	Leasehold Improvements \$'000	Plant and Equipment \$'000	Heritage Assets \$'000	Total \$'000
CIT 2019						
Carrying Amount at the Beginning of the Reporting Period	38,824	130,961	2,514	7,096	144	179,539
Additions	–	3,759	–	1,849	–	5,608
Addition Right of Use Assets	–	5,153	–	727	–	5,880
Depreciation	–	(6,535)	(339)	(1,073)	–	(7,947)
Depreciation Right of Use Assets	–	(711)	–	(294)	–	(1,005)
Disposals	–	–	–	(694)	–	(694)
Depreciation Write-back for Asset Disposals	–	–	–	491	–	491
Other Movements	–	–	–	64	–	64
Carrying Amount at the End of the Reporting Period	38,824	132,627	2,175	8,166	144	181,936

CIT 2018

Carrying Amount at the Beginning of the Reporting Period	53,235	135,718	2,853	6,892	144	198,842
Additions	–	4,272	–	1,297	–	5,569
Depreciation	–	(7,241)	(339)	(997)	–	(8,577)
Disposals	–	–	–	(104)	–	(104)
Asset Held for Distribution to Owners	(14,411)	(1,788)	–	–	–	(16,199)
Depreciation Write-back for Asset Disposals	–	–	–	48	–	48
Other Movements	–	–	–	(40)	–	(40)
Carrying Amount at the End of the Reporting Period	38,824	130,961	2,514	7,096	144	179,539

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements

For the Year Ended 31 December 2019

NOTE 21 PROPERTY, PLANT AND EQUIPMENT – CONTINUED

Fair Value Hierarchy

The Fair Value Hierarchy below reflects the significance of the inputs used in determining fair value. The Fair Value Hierarchy is made up of the following three levels:

- **Level 1** – quoted prices (unadjusted) in active markets for identical assets or liabilities that the agency can access at the measurement date;
- **Level 2** – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- **Level 3** – inputs that are unobservable for particular assets or liabilities.

Details of CIT's property, plant and equipment at fair value and information about the Fair Value Hierarchy as at 31 December 2019 are as follows:

Consolidated 2019

Property, Plant and Equipment at Fair Value	Classification According to the Fair Value Hierarchy			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Land	–	38,824	–	38,824
Buildings	–	1,365	126,820	128,185
Heritage Assets	–	135	8	143
	–	40,324	126,828	167,152

Consolidated 2018

Property, Plant and Equipment at Fair Value	Classification According to the Fair Value Hierarchy			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Land	–	38,824	–	38,824
Buildings	–	1,415	129,546	130,961
Heritage Assets	–	136	8	144
	–	40,375	129,554	169,929

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2019

NOTE 21 PROPERTY, PLANT AND EQUIPMENT – CONTINUED

Fair Value Hierarchy – Continued

Transfer Between Categories

Transfers: There have been no transfers between level 1, 2 and 3 during the current or prior reporting periods.

CIT 2019

Property, Plant and Equipment at Fair Value	Classification According to the Fair Value Hierarchy 2019			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Land	–	38,824	–	38,824
Buildings	–	1,365	126,820	128,185
Heritage Assets	–	135	8	143
	–	40,324	126,828	167,152

CIT 2018

Property, Plant and Equipment at Fair Value	Classification According to the Fair Value Hierarchy 2018			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Land	–	38,824	–	38,824
Buildings	–	1,415	129,546	130,961
Heritage Assets	–	136	8	144
	–	40,375	129,554	169,929

Canberra Institute of Technology

Notes to and Forming Part of the Financial Statements

For the Year Ended 31 December 2019

NOTE 21 PROPERTY, PLANT AND EQUIPMENT – CONTINUED

Fair Value Hierarchy – Continued

Transfer Between Categories

Transfers: There have been no transfers between level 1, 2 and 3 during the current or prior reporting periods.

Valuation Techniques, inputs and processes

Level 2 Valuation Techniques and Inputs

Land and Buildings

Valuation Technique: The valuation technique used to value land and buildings is the market approach that reflects recent transaction prices for similar properties and buildings (comparable in location and size).

Inputs: In determining the value of land, prices and other relevant information generated by market transactions involving comparable land and buildings were considered. The following was taken into regard: the Crown Lease terms and tenure, the Australian Capital Territory Plan and the National Capital Plan, where applicable, as well as current zoning. CIT considers that the valuation reflects the highest and best use value.

When assessing the value, the prices adopted from the evidence were on a dollar per square metre basis, subsequently applied to the various land areas to derive the total land value. The Monterey student accommodation was valued on a direct comparison basis, whereby an active and liquid market exists and comparable market evidence can be analysed to assist in deriving a value.

Heritage Assets

Valuation technique: The valuation technique applied to Heritage assets is the market approach. This approach uses sales prices and other relevant information generated by market transactions involving similar assets or works by artists with similar standing/style.

Inputs: Artworks comprise works produced by students and other artists held for permanent exhibition, for which fair value is determined using a market value (comparable sales) where there is a market for the same or a similar item.

Level 3 Valuation Techniques and Inputs

Land and Buildings

Valuation Technique: Most buildings were considered specialised assets by the valuer and measured using the cost approach that reflects the cost to a market participant to construct assets of comparable utility adjusted for obsolescence. For buildings, depreciated replacement cost of equivalent modern improvements per square metre of floor area was also used in measuring fair value.

Inputs: In determining the value of buildings, regard was given to the age of buildings, size of improvements, estimated replacement cost, condition of structures and current use. This required the use of data internal to CIT. When assessing the value, the prices adopted from the evidence were on a dollar per square metre basis, subsequently applied to the various building areas to derive the total building value.

Heritage Assets

Valuation technique: Heritage assets where there is no active market (produced by non-recognised artists) are valued using unobservable inputs.

Inputs: In determining the value of these artworks, unobservable inputs were developed with regard given to aesthetic quality, medium, valuer knowledge of the market, and recent sales of works by artists with similar standing/style to the non-recognised artists.

There have been no changes to the above valuation techniques during the year.

Transfers in and out of a fair value level are recognised at the end of the reporting period in which the assets are revalued or changed in circumstances that cause a revaluation and transfer.

Canberra Institute of Technology

Notes to and Forming Part of the Financial Statements

For the Year Ended 31 December 2019

NOTE 21 PROPERTY, PLANT AND EQUIPMENT – CONTINUED

Fair Value Hierarchy – Continued

Fair value measurements using significant unobservable inputs (Level 3)

Consolidated 2019	Buildings \$'000	Heritage Assets \$'000
Fair Value at the Beginning of the Reporting Period	129,546	8
Additions	3,758	–
Depreciation	(6,484)	–
Fair Value at end of the Reporting Period	126,820	8

Consolidated 2018	Buildings \$'000	Heritage Assets \$'000
Fair Value at the Beginning of the Reporting Period	133,373	8
Additions	4,182	–
Depreciation	(7,190)	–
Disposal	(104)	–
Transfer to Asset Held for Distribution to Owners	(972)	–
Other movements	257	–
Fair Value at end of the Reporting Period	129,546	8

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2019

NOTE 21 PROPERTY, PLANT AND EQUIPMENT – CONTINUED

Fair Value Hierarchy – Continued

Fair value measurements using significant unobservable inputs (Level 3)

CIT 2019	Buildings \$'000	Heritage Assets \$'000
Fair Value at the Beginning of the Reporting Period	129,546	8
Additions	3,758	–
Depreciation	(6,484)	–
Fair Value at end of the Reporting Period	126,820	8

CIT 2018	Buildings \$'000	Heritage Assets \$'000
Fair Value at the Beginning of the Reporting Period	133,373	8
Additions	4,182	–
Depreciation	(7,190)	–
Disposal	(104)	–
Transfer to Assets Held for Distribution to Owners	(972)	–
Other movements	257	–
Fair Value at end of the Reporting Period	129,546	8

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2019

NOTE 22 INTANGIBLE ASSETS

CIT has externally purchased software, comprising five core corporate business systems (off-the-shelf products modified to meet CIT's needs) and software titles.

	Consolidated		CIT	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Computer Software				
<i>Externally Purchased Software</i>				
Computer Software at Cost	6,739	6,668	6,739	6,668
Less: Accumulated Amortisation ^(a)	(6,442)	(6,045)	(6,442)	(6,045)
Total Externally Purchased Software	297	623	297	623
Total Computer Software	297	623	297	623
Total Intangible Assets	297	623	297	623

(a) Computer Software amortisation is included in Depreciation and Amortisation in the Operating Statement.

Reconciliation of Intangible Assets

The following table shows the movements in Intangible Assets from the beginning to the end of 2018 and 2019.

	Consolidated		CIT	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Carrying Amount at the Beginning of the Reporting Period	623	804	623	804
Additions	71	319	71	319
Amortisation	(397)	(500)	(397)	(500)
Carrying Amount at the End of the Reporting Period	297	623	297	623

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2019

NOTE 23 CAPITAL WORKS IN PROGRESS

Assets under construction include infrastructure assets, buildings, leasehold improvements and software.

	Consolidated		CIT	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Buildings Works in Progress	1,549	2,342	1,549	2,342
Software Works in Progress	470	71	470	71
Total Capital Works in Progress	2,019	2,413	2,019	2,413

Reconciliation of Consolidated Capital Works in Progress

The following table shows the movement in the Consolidated Entity's Capital Works in Progress during 2018 and 2019.

	Plant and Equipment Works in Progress \$'000	Buildings Works in Progress \$'000	Software Works in Progress \$'000	Total \$'000
--	--	---	--	-----------------

Consolidated 2019

Carrying Amount at the Beginning of the Reporting Period	–	2,342	71	2,413
Additions	–	5,203	470	5,673
Capital Works in Progress Completed and Transferred to Property, Plant and Equipment	–	(5,290)	–	(5,290)
Capital Works in Progress Completed and Transferred to Intangible Asset	–	–	(71)	(71)
Capital Works in Progress Expensed	–	(706)	–	(706)
Carrying Amount at the End of the Reporting Period	–	1,549	470	2,019

Consolidated 2018

Carrying Amount at the Beginning of the Reporting Period	58	2,064	88	2,210
Additions	–	4,126	71	4,197
Capital Works in Progress Completed and Transferred to Property, Plant and Equipment	(58)	(3,848)	–	(3,906)
Capital Works in Progress Completed and Transferred to Intangible Assets	–	–	(88)	(88)
Carrying Amount at the End of the Reporting Period	–	2,342	71	2,413

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2019

NOTE 23 CAPITAL WORKS IN PROGRESS – CONTINUED

Reconciliation of Capital Works in Progress

The following table shows the movement in CIT's Capital Works in Progress during 2018 and 2019.

	Plant and Equipment Works in Progress \$'000	Buildings Works in Progress \$'000	Software Works in Progress \$'000	Total \$'000
--	--	---	--	-----------------

CIT 2019

Carrying Amount at the Beginning of the Reporting Period	–	2,342	71	2,413
Additions ^(a)	–	5,203	470	5,673
Capital Works in Progress Completed and Transferred to Property, Plant and Equipment ^(b)	–	(5,290)	–	(5,290)
Capital Works in Progress Completed and Transferred to Intangible Assets	–	–	(71)	(71)
Capital Works in Progress Expensed ^(c)	–	(706)	–	(706)
Carrying Amount at the End of the Reporting Period	–	1,549	470	2,019

CIT 2018

Carrying Amount at the Beginning of the Reporting Period	58	2,064	88	2,210
Additions	–	4,126	71	4,197
Capital Works in Progress Completed and Transferred to Property, Plant and Equipment	(58)	(3,848)	–	(3,906)
Capital Works in Progress Completed and Transferred to Intangible Assets	–	–	(88)	(88)
Carrying Amount at the End of the Reporting Period	–	2,342	71	2,413

(a) Capital works additions increased as a result of expenditure relating to the Better Infrastructure Funds 2018-19 and the new ACT Government Budget-funded initiative 'Project Better ICT Services for Students and Staff'.

(b) Capital Works in Progress Completed and Transferred to Property, Plant and Equipment increased primarily due to the capitalisation of Better Infrastructure Funding works for buildings carried over from 2018 and the Training Security Operations Centre for Cyber Security course delivery, the Carbon Neutral Project LED Lighting Upgrade and Microgrid projects and the Allied Health Clinic projects.

(c) Capital Works in Progress Expensed means that costs previously thought to be capital in nature have been expensed due to a change in plans for the site. This relates to the Campus Modernisation Program for the Reid Campus.

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2019

NOTE 24 PAYABLES

	Consolidated		CIT	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Current Payables				
Trade Payables	371	382	371	382
Other Payables	456	126	456	126
	827	508	827	508
Accrued Expenses ^(a)	1,933	2,204	1,787	2,424
GST Payable	68	117	16	58
Inter-Entity Payable	–	–	12	–
Total Current Payables	2,001	2,321	1,815	2,482
Total Payables	2,828	2,829	2,642	2,990
Payables are aged as follows:				
Not Overdue	2,639	2,757	2,453	2,918
Overdue for Less than 30 Days	171	72	171	72
Overdue for 30 to 60 Days	11	–	11	–
Overdue for More than 60 Days	7	–	7	–
Total Payables	2,828	2,829	2,642	2,990
Classification of ACT Government/Non-ACT Government Payables				
Payables with ACT Government Entities				
Inter-Entity Payables	–	–	12	–
Accrued Expenses	894	571	748	790
Total Payables with ACT Government Entities	894	571	760	790
Payables with Non-ACT Government Entities				
Trade Payables	371	382	395	382
Other Payables	456	126	432	127
Accrued Expenses	1,039	1,633	1,039	1,633
GST Payable	68	117	16	58
Total Payables with Non-ACT Government Entities	1,934	2,258	1,882	2,200
Total Payables	2,828	2,829	2,642	2,990

(a) A change to CIT's annual shutdown period in 2019 meant an extra week of pre-shutdown operations compared to 2018. This provided additional time to clear invoices for payment prior to the shutdown, resulting in fewer accrued expenses at year end.

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2019

NOTE 25 EMPLOYEE BENEFITS

	Consolidated		CIT	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000

Current Employee Benefits

Annual Leave	7,048	6,866	6,595	6,340
Long Service Leave	14,100	12,805	13,556	12,200
Accrued Salaries	1,192	3,027	964	2,921
Other Benefits	242	288	151	111
Total Current Employee Benefits	22,582	22,986	21,266	21,572

Non-Current Employee Benefits

Long Service Leave	1,284	1,171	1,126	997
Total Non-Current Employee Benefits	1,284	1,171	1,126	997
Total Employee Benefits	23,866	24,157	22,392	22,569

Estimate of when Leave is Payable

Estimated Amount Payable within 12 Months

Annual Leave	4,840	4,612	4,528	4,238
Long Service Leave	1,437	1,354	1,372	1,278
Accrued Salaries	1,192	3,026	963	2,921
Other Benefits	242	288	151	111
Total Employee Benefits Payable within 12 Months	7,711	9,280	7,014	8,548

Estimated Amount Payable after 12 Months

Long Service Leave	13,947	12,621	13,312	11,919
Annual Leave	2,208	2,278	2,066	2,103
Total Employee Benefits Payable after 12 Months	16,155	14,899	15,378	14,022
Total Employee Benefits	23,866	24,179	22,392	22,570

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2019

NOTE 26 LEASE LIABILITIES

In accordance with AASB16, lease liabilities are disclosed in the financial statements for the first time in this reporting period. See Appendix C for further details.

	Consolidated		CIT	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Lease Liabilities				
Current	841	–	841	–
Non-Current	4,462	–	4,462	–
Total Lease Liabilities	5,303	–	5,303	–

NOTE 27 OTHER LIABILITIES

	Consolidated		CIT	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Current Other Liabilities				
Revenue Received in Advance - Student Fees	1,595	1,688	1,595	1,688
Revenue Received in Advance - Grants ^(a)	373	5	373	5
Other Current Liabilities	1,190	491	256	298
Total Current Other Liabilities	3,158	2,184	2,224	1,991
Non-Current Other Liabilities				
Other ^(b)	1,827	1,281	1,777	1,230
Total Non-Current Other Liabilities	1,827	1,281	1,777	1,230
Total Other Liabilities	4,985	3,465	4,001	3,221

(a) Revenue Received in Advance – Grants has increased in accordance with accounting standards AASB 1058 and AASB 15 which permits deferral of grants received to be recognised in future periods.

(b) Non-Current Other Liabilities – Other have increased due to the recognition of the present value of the Make Good Provision of the property lease and the deferral of grant monies received as permitted under AASB 1058.

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2019

NOTE 28 ASSET REVALUATION SURPLUS

Asset Revaluation Surplus

The Asset Revaluation Surplus is used to record the increments and decrements in the value of the Property, Plant and Equipment.

	Consolidated		CIT	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Balance at the Beginning of the Reporting Period	94,911	93,475	94,911	93,475
Increment in Land due to Revaluation	–	–	–	–
Increment in Buildings due to Revaluation	–	–	–	–
Increment in Plant and Equipment	–	–	–	–
Transfer to/(from) Asset Revaluation Surplus ^(a)	23,058	1,436	23,058	1,436
Total Increase in the Asset Revaluation Surplus	23,058	1,436	23,058	1,436
Balance at the End of the Reporting Period	117,969	94,911	117,969	94,911

- (a) The 2019 amount is the result of the movement of asset reserve amounts from the asset reserve clearing account to accumulated funds due to the retirement of buildings and plant and equipment assets in the prior year, namely the Woden and Watson properties.

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2019

NOTE 29 FINANCIAL INSTRUMENTS

Details of the significant policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial asset and financial liability, are disclosed in **Note 2 – Significant Accounting Policies**.

Interest Rate Risk

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. CIT's financial assets consist of cash and cash equivalents, which are normally exposed to floating interest rate risk. Based on the cash needs of CIT, floating interest rate risk is mitigated by investing cash in term deposits with fixed interest rates.

CIT does not have any financial liabilities held at floating interest rates and is therefore not exposed to movements in the amount of interest payable. There have been no changes in risk exposure or processes for managing risk since the last financial reporting period.

A sensitivity analysis has not been undertaken for the interest rate risk of CIT as it has been determined that the possible impact on income and expenses or total equity from fluctuations in interest rates is immaterial.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

CIT is exposed to credit risk from:

- the amount of the financial assets it holds net of any allowance for impairment
- financial assets that are not past due or impaired
- transactions with students and other commercial entities
- term deposits

CIT mitigates its credit risk by the following processes and procedures:

- the majority of revenue transactions taking place with ACT Government and Australian Government entities hence any receivable generated does not carry a credit risk
- monitoring and collecting all financial assets not past due or impaired
- transactional risks are managed through internal processes which include contacting debtors by phone and email and referring to a debt collection agency. With regard to student debtors, CIT can limit student access to facilities, obtaining of grades and graduating and by deregistering students with outstanding accounts.
- term deposits are held with the Illawarra Mutual Bank Limited, which has a long term credit rating of Baa1 with Moody's Investor Services and BBB+ with Fitch Ratings at November 2019.

There have been no changes in credit risk exposure since the last reporting period.

Trade receivables are measured at lifetime expected credit losses (the simplified approach).

Liquidity Risk

Liquidity risk is the risk that CIT will encounter difficulties in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. CIT manages its exposure to liquidity risk by drawing down appropriations received progressively throughout the year and by progressively invoicing students and other debtors to ensure that it can meet its obligations throughout the year. See the maturity analysis for further details on when financial assets and liabilities mature.

CIT's exposure to liquidity risk and the management of this risk has not changed since the previous reporting period.

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2019

NOTE 29 FINANCIAL INSTRUMENTS – CONTINUED

Price Risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether these changes are caused by factors specific to the individual financial instrument or its issuer, or by factors affecting all similar financial instruments traded in the market. CIT has no exposure to price risk, as it does not hold financial instruments that are exposed to movements in market prices.

Fair Value of Financial Assets and Liabilities

The carrying amounts and fair values of financial assets and liabilities at the end of the reporting period are:

Consolidated				
	Carrying Amount	Fair Value Amount	Carrying Amount	Fair Value Amount
	2019 \$'000	2019 \$'000	2018 \$'000	2018 \$'000

Financial Assets

Cash and Cash Equivalents	13,064	13,064	12,204	12,204
Financial assets at amortised costs	4,245	4,245	5,627	5,627
Total Financial Assets	17,309	17,309	17,831	17,831

Financial Liabilities

Payables	2,760	2,760	2,712	2,712
Lease Liability ^(a)	5,303	5,303	–	–
Total Financial Liabilities	8,063	8,063	2,712	2,712

Fair Value Hierarchy

CIT does not have any financial assets or liabilities measured at fair value. As such, no Fair Value Hierarchy disclosures have been made.

- (a) In accordance with AASB 16, Lease Liabilities have been disclosed for the first time this reporting period. See Appendix C for further information.

Canberra Institute of Technology

Notes to and Forming Part of the Financial Statements

For the Year Ended 31 December 2019

NOTE 29 FINANCIAL INSTRUMENTS – CONTINUED

Consolidated and CIT credit risk exposure

The following table details the credit risk exposure on the Institute's Student trade receivables using a provision matrix.

	Total \$'000	Current \$'000	Days past due			
			<30 days \$'000	31-60 days \$'000	61-90 days \$'000	>91 days \$'000
31 December 2019						
CIT Student Receivables	122	9	41	31	8	33
Expected credit loss rate ^(a)		0%	10.40%	28.20%	50.90%	56.00%
Estimated total gross carrying amount at default	87	9	37	22	3	16
Expected credit losses	35	-	4	9	4	18
CIT Solutions Trade Receivables	1,458	1,297	53	59	1	48
Expected credit loss rate ^(a)		-	-	-	1.96%	39.31%
Estimated total gross carrying amount at default	1,439	1,297	53	59	1	29
Expected credit losses	19	-	-	-	-	19
Total Expected Credit Losses	54	-	4	9	4	37

(a) The expected credit loss is estimated based on historical loss rates using historical monthly debtor aging tables.

Canberra Institute of Technology

Notes to and Forming Part of the Financial Statements

For the Year Ended 31 December 2019

NOTE 29 FINANCIAL INSTRUMENTS – CONTINUED

The following table sets out the maturity analysis for financial assets and liabilities as well as the exposure to interest rates, including the weighted average interest rates by maturity period at 31 December 2019. All financial assets, which have a floating interest rate or are non-interest bearing, will mature in one year or less. Payables will mature within one year and the non-interest bearing loan will mature in 8 years. All amounts appearing in the following maturity analysis are shown on an undiscounted cash flow basis.

CIT does not hold any collateral as security relating to financial assets.

Consolidated 2019	Note No.	Weighted Average Interest Rate	Fixed Interest Maturing In:				Non-Interest Bearing \$'000	Total \$'000
			Floating Interest \$'000	1 Year or Less \$'000	Over 1 Year to 5 Years \$'000	Over 5 Years \$'000		
Financial Instruments								
Financial Assets								
Cash and Cash Equivalents	16	2.00%	10,064	3,000	-	-	-	13,064
Receivables	17		-	-	-	-	-	4,245
Total Financial Assets			10,064	3,000	-	-	-	17,309
Financial Liabilities								
Payables	24	-	-	-	-	-	2,760	2,760
Lease liability	26		-	-	-	-	5,303	5,303
Total Financial Liabilities			-	-	-	-	8,063	8,063
Net Financial Assets/ (Liabilities)			10,064	3,000	-	-	(3,818)	9,246

Canberra Institute of Technology

Notes to and Forming Part of the Financial Statements

For the Year Ended 31 December 2019

NOTE 29 FINANCIAL INSTRUMENTS – CONTINUED

The following table sets out the maturity analysis for financial assets and liabilities as well as the exposure to interest rates, including the weighted average interest rates by maturity period at 31 December 2018. All financial assets and liabilities, which have a floating interest rate or are non-interest bearing, will mature in one year or less. All amounts appearing in the following maturity analysis are shown on an undiscounted cash flow basis.

CIT does not hold any collateral as security relating to financial assets.

Consolidated 2018	Note No.	Weighted Average Interest Rate	Fixed Interest Maturing In:				Non-Interest Bearing \$'000	Total \$'000
			Floating Interest \$'000	1 Year or Less \$'000	Over 1 Year to 5 Years \$'000	Over 5 Years \$'000		
Financial Instruments								
Financial Assets								
Cash and Cash Equivalents	16	2.35%	7,544	3,000	-	-	7	10,551
Receivables	17		-	-	-	-	5,627	5,627
Total Financial Assets			7,544	3,000	-	-	5,634	16,178
Financial Liabilities								
Payables	24	-	-	-	-	-	2,712	2,712
Total Financial Liabilities			-	-	-	-	2,712	2,712
Net Financial Assets			7,544	3,000	-	-	2,922	13,466

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2019

NOTE 29 FINANCIAL INSTRUMENTS – CONTINUED

	Consolidated	
	2019	2018
	\$'000	\$'000

Carrying Amount of Each Category of Financial Asset and Financial Liability

Financial Assets

Financial Assets Measured at Amortised Cost ^(a)	17,309	5,627
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Financial Liabilities

Financial Liabilities Measured at Amortised Cost	8,063	2,712
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(a) The 2018 data did not include the bank balances as Financial Assets.

Fair Value

CIT does not have any financial assets classified as subsequently measured at fair value through other comprehensive income or fair value through profit or loss and as such these categories are not included above. CIT does not have any financial liabilities in the 'Financial Liabilities at Fair Value through Profit and Loss' category and, as such, this category is also not included above.

NOTE 30 COMMITMENTS

Capital Commitments

Capital commitments contracted at reporting date that have not been recognised as liabilities, are payable as follows:

	Consolidated		CIT	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Capital Commitments – Property, Plant and Equipment				
Within one year	1,958	3,711	1,958	3,711
Total Capital Commitments – Property, Plant and Equipment	1,958	3,711	1,958	3,711

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2019

NOTE 30 COMMITMENTS – CONTINUED

Other Commitments

Other commitments contracted at reporting date that have not been recognised as liabilities, are payable as follows:

Within one year	747	871	747	842
Later than one year but not later than five years ^(b)	1,245	1,643	1,245	1,591
Later than five years	48	80	48	80
Total Other Commitments	2,040	2,594	2,040	2,513

All amounts shown in the commitment note are inclusive of Goods and Services Tax.

- Although capital works programs are progressing, various delays meant that less capital expenditure was formally committed at year end compared to 2018.
- The decrease in 2019 is due primarily to the adoption of AASB 16. Commitments not previously reported as liabilities are now reported as Lease Liabilities. See Appendix C for further details.

NOTE 31 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Contingent Liabilities

Legal Claims

In December 2019 CIT reviewed pending legal claims from third parties. A public liability insurance policy, held with the ACT Insurance Authority, provides insurance cover for the legal costs that have occurred through defending claims against CIT from a third party. At the reporting date the estimated potential liability as a result of court action is \$243,000 (2018 \$193,000). The estimated contingent liability has not been provided for in CIT's accounts.

Contingent Assets

At the reporting date an estimate of the potential insurance settlement receivable in relation to pending legal claims from third parties is \$228,000 (2018 \$183,000).

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2019

NOTE 32 CASH FLOW RECONCILIATION

(a) Reconciliation of Cash and Cash Equivalents at the End of the Reporting Period in the Cash Flow Statement to the Equivalent Items in the Balance Sheet

	Consolidated		CIT	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Total Cash and Cash Equivalents Recorded in the Balance Sheet	13,064	12,404	10,938	9,915
Cash and Cash Equivalents at the End of the Reporting Period as Recorded in the Cash Flow Statement	13,064	12,404	10,938	9,915

(b) Reconciliation of Net Cash Inflows/(Outflows) from Operating Activities to the Operating Deficit

Operating (Deficit)	(9,228)	(14,894)	(9,512)	(12,910)
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Add/(Less) Non-Cash Items

Depreciation of Property, Plant and Equipment	9,048	8,674	8,952	8,578
Amortisation of Intangibles	397	500	397	500
Right-of-Use asset expense	(1,435)	–	(888)	–

Add/(Less) Items Classified as Investing or Financing

Net (Loss)/ Gain from the Sale of Assets	(16)	23	(16)	23
Cash Outflows Before Changes in Operating Assets and Liabilities	(1,234)	(5,697)	(1,067)	(3,809)

Changes in Operating Assets and Liabilities

Decrease in Receivables	1,378	2,611	1,200	1,337
(Increase)/ Decrease in Other Assets	(609)	240	1,042	220
Increase/ (Decrease) in Payables	444	(197)	(496)	(126)
Increase/(Decrease) in Provisions	(270)	3,136	(175)	3,290
Increase in Other Liabilities	1,202	629	471	618
Net Changes in Operating Assets and Liabilities	2,145	6,419	2,042	5,339
Net Cash Inflows from Operating Activities	911	722	975	1,530

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2019

NOTE 33 EVENTS OCCURRING AFTER BALANCE DATE

There were no events occurring after the balance date which would affect the financial statements at 31 December 2019.

NOTE 34 THIRD PARTY MONIES

CIT holds monies on behalf of third parties which are reported as follows:

Consolidated		CIT	
2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000

Monies Held on Behalf of Third Parties at the End of the Reporting Period:

Overseas Student Health Cover	12	37	12	37
	12	37	12	37

(a) Third party monies are funds received from primarily international students for the payment of Overseas Student Health Cover insurance.

NOTE 35 RELATED PARTY DISCLOSURE

A related party is a person that controls or has significant influence over the reporting entity, or is a member of the Key Management Personnel (KMP) of the reporting entity or its parent entity, and includes their close family members and entities in which the KMP and/or their close family members individually or jointly have controlling interests.

KMP are those persons having authority and responsibility for planning, directing and controlling the activities of CIT, directly or indirectly.

KMP of CIT are the CIT Board Members the Chief Executive and Executive Management of CIT.

The Head of Service and the ACT Executive comprising the Cabinet Ministers are KMP of the ACT Government and therefore related parties of CIT.

There were no related party transactions undertaken directly with CIT by Cabinet Ministers, including the Portfolio Minister, or by the Head of Service during the year ended 31 December 2019.

This note does not include typical citizen transactions between the KMP and CIT that occur on terms and conditions no different to those applying to the general public.

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2019

NOTE 36 RELATED PARTY DISCLOSURE – CONTINUED

(A) CONTROLLING ENTITY

CIT is an ACT Government controlled entity.

(B) KEY MANAGEMENT PERSONNEL

B.1 Compensation of Key Management Personnel

Compensation by CIT to KMP employed by CIT is set out below.

	2019 \$'000	2018 \$'000
Short-term employee benefits	1,857	1,624
Post employment benefits	200	116
Board member fees	105	102
Total Compensation by CIT to KMP ^(a)	2,162	1,842

(a) The increase from 2018 is due mainly to a new CIT Executive staff who commenced in the second half of 2018.

B.2 Transactions with Key Management Personnel

There were no transactions with KMP that were material to the financial statements of CIT.

B.3 Transactions with parties related to Key Management Personnel

There were no transactions with parties related to KMP, including transactions with KMP's close family members or other related entities that were material to the financial statements of CIT.

(C) TRANSACTIONS WITH OTHER ACT GOVERNMENT CONTROLLED ENTITIES

All transactions with ACT Government controlled entities are disclosed in the relevant notes to the financial statements.

(D) TRANSACTIONS WITHIN THE CONSOLIDATED GROUP

During the year CIT reported \$3,103,099 of expenses (\$3,491,000 in 2018) related to CIT Solutions Pty Ltd, mainly for a management fee for the recruitment of international students.

CIT earned \$556,000 of revenue (\$344,000 in 2018) from CIT Solutions Pty Ltd, largely comprising payments for the lease of CIT's facilities and administrative services.

All transactions between CIT and CIT Solutions have been disclosed at arm's length value and normal trading terms and conditions are applied.

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2019

NOTE 36 BUDGETARY REPORTING

Operating Statement Line Items	Actual 2019 \$'000	Original Budget ¹ 2019 \$'000	Variance \$'000	Variance %	Variance Explanation
No items fulfil the variance requirements	–	–	–	–	–

Balance Sheet Line Items	Actual 2019 \$'000	Original Budget ¹ 2019 \$'000	Variance \$'000	Variance %	Variance Explanation
Cash and Cash Equivalents	10,938	4,899	6,039	123%	Student fees and user choice revenues were above target. Also a lower than expected decrease in employee provisions meant less cash paid out to employees. Together these resulted in a higher than expected cash holding.
Assets Held for Distribution to Owners	16,199	–	16,199	100%	The transfer of these properties has been deferred to 2020 for reasons outside the control of CIT. Both parties remain committed to the transfer.
Employee Benefits–Current	21,266	18,893	2,373	13%	Current year provision increased due to increased tenure resulting from the passage of time, salary increments and less than expected leave taken.
Lease Liabilities–Non-Current	4,462	1,294	3,168	245%	The first time adoption of AASB 16 has resulted in the recognition of Lease Liabilities.

¹ Original Budget refers to the amounts presented to the Legislative Assembly in the original budgeted financial statements in respect of the reporting period (Australian Capital Territory Budget 2018-19). These amounts have not been adjusted to reflect supplementary appropriation or appropriation instruments.

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2019

NOTE 36 BUDGETARY REPORTING – CONTINUED

Cash Flow Statement Lines	Actual 2019 \$'000	Original Budget ¹ 2019 \$'000	Variance \$'000	Variance %	Variance Explanation
Payments for Property Plant and Equipment	4,981	7,259	(2,278)	(31%)	Capital works program timings and rescoping resulted in lower amounts of expenditure being capitalised as Property, Plant and Equipment.
Capital Injections	5,013	7,259	(2,246)	(31%)	A lower amount of capital appropriation was drawn down than anticipated due to delays in procurement, appointment of a project manager and obtaining a development application on the Better Infrastructure Program. CIT remains committed to progressing this project.

¹ Original Budget refers to the amounts presented to the Legislative Assembly in the original budgeted financial statements in respect of the reporting period (Australian Capital Territory Budget 2018-19). These amounts have not been adjusted to reflect supplementary appropriation or appropriation instruments.

Explanations for variations from budget for Controlled Recurrent Payments and Capital Injections are provided in the Statement of Appropriation.

Appendix A – Basis of Preparation of the Financial Statements Forms Part of Note 2 of the Financial Statements

For the Year Ended 31 December 2019

APPENDIX A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

LEGISLATIVE REQUIREMENT

The *Financial Management Act 1996* (FMA) requires the preparation of annual financial statements for ACT Government Agencies.

The FMA and the *Financial Management Guidelines* issued under the FMA, requires CIT's financial statements to include:

- i. an Operating Statement for the year;
- ii. a Balance Sheet for the year;
- iii. a Statement of Changes in Equity for the year;
- iv. a Cash Flow Statement for the year;
- v. a Statement of Appropriation for the year;
- vi. an Operating Statement for each class of output for the year;
- vii. significant accounting policies adopted for the year; and
- viii. other statements as are necessary to fairly reflect the financial operations of the Canberra Institute of Technology during the year and its financial position at the end of the year.

These general-purpose financial statements have been prepared to comply with Australian Accounting Standards as required by the FMA. The financial statements have been prepared in accordance with:

- i. Australian Accounting Standards; and
- ii. ACT Accounting and Disclosure Policies.

ACCRUAL ACCOUNTING

The financial statements have been prepared using the accrual basis of accounting. The financial statements have also been prepared according to the historical cost convention, except for assets such as those included in property, plant and equipment and financial instruments which were valued at fair value in accordance with the revaluation policies applicable to CIT during the reporting period.

CURRENCY

These financial statements are presented in Australian dollars.

INDIVIDUAL REPORTING ENTITY

CIT is an individual reporting entity.

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements are for the group comprising CIT and CIT Solutions Pty Limited (CIT Solutions). CIT Solutions is a wholly-owned subsidiary of CIT, formed for the purposes of undertaking entrepreneurial and commercial activities on CIT's behalf. All inter-entity balances, including unrealised profits and losses, have been eliminated on consolidation. The financial statements of CIT Solutions are prepared for the same reporting period as CIT, using accounting policies that are consistent with those of CIT.

Appendix A – Basis of Preparation of the Financial Statements Forms Part of Note 2 of the Financial Statements

For the Year Ended 31 December 2019

APPENDIX A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS – CONTINUED

REPORTING PERIOD

These financial statements state the financial performance, changes in equity and cash flows of CIT for the year ended 31 December 2019 together with the financial position of CIT as at 31 December 2019.

COMPARATIVE FIGURES

Budget Figures

To facilitate a comparison with the Budget Papers, as required by the FMA, budget information for 2019 has been presented in the financial statements. Budget numbers in the financial statements are the original budget numbers that appear in the Budget Papers.

Prior Year Comparatives

Comparative information has been disclosed in respect of the previous period for amounts reported in the financial statements, except where an Australian Accounting Standard does not require comparative information to be disclosed.

Where the presentation or classification of items in the financial statements is amended, the comparative amounts have been reclassified where practical. Where a reclassification has occurred, the nature, amount and reason for the reclassification is provided.

Rounding

All amounts in the financial statements have been rounded to the nearest thousand dollars (\$'000). Use of “-” represents zero amounts or amounts rounded down to zero.

GOING CONCERN

The 2019 financial statements have been prepared on a going concern basis.

Canberra Institute of Technology

Appendix B – Significant Accounting Policies

Forms Part of Note 2 of the Financial Statements

For the Year Ended 31 December 2019

APPENDIX B SIGNIFICANT ACCOUNTING POLICIES

SIGNIFICANT ACCOUNTING POLICIES – INCOME

Where significant accounting policies and other explanatory information is applicable it is provided in this Appendix. Additional information is not provided for all notes in the financial statements.

REVENUE RECOGNITION

Revenue is recognised at the fair value of the consideration received or receivable in the Operating Statement.

NOTE 3 – CONTROLLED RECURRENT PAYMENTS

Controlled Recurrent Payments are recognised as revenues when CIT gains control over the funding. Control over appropriated funds is obtained upon the receipt of cash.

NOTE 4 – USER CHARGES

User charges

User-charges revenue is recognised upon delivery of the service to customers.

Sale of Goods

Revenue from the sale of goods is recognised as revenue when the performance obligations to the customer have been satisfied as required under AASB15.

Rendering of Services

Revenue from the rendering of services is recognised when the stage of completion of the transaction at the reporting date can be measured reliably and the costs of rendering those services can be measured reliably.

NOTE 5 – GOVERNMENT GRANTS

Revenue is recognised when CIT controls the revenue. See Appendix C for further explanations.

NOTE 6 – INTEREST

Interest revenue is recognised in compliance with AASB 15 and AASB 1058. When performance obligations have not been satisfied, revenue is deferred to future periods. Otherwise revenue is recognised in the current period. See Appendix C for further details.

Canberra Institute of Technology

Appendix B – Significant Accounting Policies

Forms Part of Note 2 of the Financial Statements

For the Year Ended 31 December 2019

SIGNIFICANT ACCOUNTING POLICIES – INCOME – CONTINUED

NOTE 7 – RESOURCES RECEIVED AND PROVIDED FREE OF CHARGE

Resources received free of charge are recorded as a revenue and expense in the Operating Statement at fair value. The revenue is separately disclosed under resources received free of charge, with the expense being recorded in the line item to which it relates. Goods and services received free of charge from ACT Government agencies are recorded as resources received free of charge, whereas goods and services received free of charge from entities external to the ACT Government are recorded as donations. Services that are received free of charge are only recorded in the Operating Statement if they can be reliably measured and would have been purchased if not provided to CIT free of charge.

Resources provided free of charge are recorded at their fair value in the expense line items to which they relate.

During the year, CIT provided services and resources to the following organisations on a free of charge basis:

- (i) The CIT Student Association was provided with services and resources free of charge to an amount of \$475,090 in 2019 (2018 \$464,953) for its use of CIT's accommodation and utilities; and
- (ii) The Canberra City Band was provided with a benefit of rent to the value of \$71,306 in 2019 (2018 \$69,752).

SIGNIFICANT ACCOUNTING POLICIES – EXPENSES

NOTE 10 – EMPLOYEE EXPENSES

Employee benefits include:

- short-term employee benefits such as wages and salaries, annual leave loading, annual leave, superannuation and applicable on cost if expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related services;
- other long-term benefits such as long service leave and annual leave; and
- termination benefits.

On-costs include annual leave, long service leave, superannuation and other costs that are incurred when employees take annual and long service leave.

(See Appendix B – Note 25 – *Employee Benefits* for accrued wages and salaries, and annual and long service leave).

Canberra Institute of Technology

Appendix B – Significant Accounting Policies

Forms Part of Note 2 of the Financial Statements

For the Year Ended 31 December 2019

SIGNIFICANT ACCOUNTING POLICIES – EXPENSES – CONTINUED

NOTE 11 – SUPERANNUATION EXPENSES

Employees of CIT will have different superannuation arrangements due to the type of superannuation scheme available at the time of commencing employment, including both defined benefit and defined contribution superannuation scheme arrangements.

For employees who are members of the defined benefit Commonwealth Superannuation Scheme (CSS) and Public Sector Superannuation Scheme (PSS) CIT makes employer superannuation contribution payments to the Territory Banking Account at a rate determined by the Chief Minister, Treasury and Economic Development Directorate. CIT also makes productivity superannuation contribution payments on behalf of these employees to the Commonwealth Superannuation Corporation, which is responsible for administration of the schemes.

For employees who are members of defined contribution superannuation schemes (the Public Sector Superannuation Scheme Accumulation Plan (PSSAP) and schemes of employee choice) CIT makes employer superannuation contribution payments directly to the employees' relevant superannuation fund.

All defined benefit employer superannuation contributions are recognised as expenses on the same basis as the employer superannuation contributions made to defined contribution schemes. The accruing superannuation liability obligations are expensed as they are incurred and extinguished as they are paid.

SUPERANNUATION LIABILITY RECOGNITION

For CIT employees who are members of the defined benefit CSS or PSS the employer superannuation liabilities for superannuation benefits payable upon retirement are recognised in the financial statements of the Superannuation Provision Account.

NOTE 12 – SUPPLIES AND SERVICES

Repairs and Maintenance

CIT undertakes major cyclical maintenance on its assets. Where the maintenance leads to an upgrade of the asset, and increases the service potential of the existing asset, the cost is capitalised. Maintenance expenses which do not increase the service potential of the asset are expensed.

Operating Leases

Lease payments that are not subject to AASB 16 are recorded as an expense in the Operating Statement on a straight-line basis over the term of the lease. Following the adoption of AASB 16, most of the lease commitments have been reclassified as Right-of-Use Assets and Lease Liabilities. The leases not captured by AASB 16 include short term and low value leases. See Appendix C for further explanations.

Canberra Institute of Technology

Appendix B – Significant Accounting Policies
Forms Part of Note 2 of the Financial Statements

For the Year Ended 31 December 2019

SIGNIFICANT ACCOUNTING POLICIES – EXPENSES – CONTINUED

NOTE 13 – DEPRECIATION AND AMORTISATION

Amortisation is used in relation to intangible assets and depreciation is applied to physical assets such as buildings, infrastructure assets, and plant and equipment.

Land has an unlimited useful life and is therefore not depreciated.

Heritage Assets are not depreciated.

Depreciation or amortisation for non-current assets is determined as follows:

Class of Asset	Depreciation/Amortisation	Useful Life (Years)
Buildings	Straight Line	5-100
Leasehold Improvements	Straight Line	2-10
Plant and Equipment	Straight Line	2-20
Externally Acquired Software	Straight Line	2-5
Right-of-Use Assets	Straight Line	Lease Term

The aggregate amount of depreciation allocated for each class of asset during the reporting period is disclosed in **Note 13 – Depreciation and Amortisation**.

Canberra Institute of Technology

Appendix B – Significant Accounting Policies

Forms Part of Note 2 of the Financial Statements

For the Year Ended 31 December 2019

SIGNIFICANT ACCOUNTING POLICIES – ASSETS

ASSETS – CURRENT AND NON-CURRENT

Assets are classified as current where they are expected to be realised within 12 months after the reporting date.

Assets which do not fall within the current classification are classified as non-current.

Significant Accounting Judgements and Estimates – Fair Value of Assets

CIT has made a significant estimate regarding the fair value of its assets. Land has been recorded at the market value of similar properties as determined by an independent valuer. Buildings have been recorded at fair value using depreciated replacement cost for buildings considered specialised and for non-specialised buildings current prices in a market for similar properties in a similar location and condition as determined by an independent valuer. Heritage assets have been recorded at fair value based on current replacement cost and market value as determined by CIT. The valuation uses significant judgements and estimates to determine fair value, including the appropriate indexation figure and quantum of assets held. The fair value of assets is subject to management assessment between formal valuations.

NOTE 16 – CASH AND CASH EQUIVALENTS

Cash includes cash at bank, cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Cash equivalents include amounts invested in negotiable certificates of deposit with less than 120 days to maturity.

NOTE 17 – RECEIVABLES

Accounts Receivables

Accounts receivable (including student receivables and other trade receivables) are measured at amortised cost, with any adjustments to the carrying amount being recorded in the Operating Statement.

Impairment Loss – Receivables

The allowance for expected credit losses represents the amount of trade receivables and student receivables that CIT estimates will not be repaid. CIT determines the allowance for impairment losses is based on Objective evidence and a review of overdue balances. CIT measures expected credit losses of a financial instrument in a way that reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions (AASB 9.5.5.17).

The amount of the expected credit loss is recognised in the Operating Statement. The allowance for impairment losses are written off against the allowance account when CIT ceases action to collect the debt when the cost to recover the debt is more than the debt is worth.

For trade receivables CIT applied the simplified approach under AASB 9, which uses a lifetime expected loss for all trade receivables. A provision matrix is used to calculate the expected credit loss.

Where CIT has no reasonable expectation of recovering an amount owed by a debtor and ceases action to collect the debt, as the cost to recover the debt is more than the debt is worth, the debt is written-off by directly reducing the receivable against the loss allowance.

NOTE 18 – ASSETS HELD FOR DISTRIBUTION TO OWNERS

Assets held for distribution to owners are assets that are available for immediate distribution in their present condition, and their distribution is highly probable. Assets held for distribution to owners are measured at the lower of the carrying amount and fair value less costs to sell. Assets held for distribution to owners are not depreciated.

Canberra Institute of Technology

Appendix B – Significant Accounting Policies

Forms Part of Note 2 of the Financial Statements

For the Year Ended 31 December 2019

SIGNIFICANT ACCOUNTING POLICIES – ASSETS – CONTINUED

NOTE 20 – INVESTMENTS

CIT holds a long-term investment in CIT Solutions Pty Limited, which is measured at cost. Further details of this investment are provided in **Note 20–Investments**.

NOTE 23 – PROPERTY, PLANT AND EQUIPMENT

Acquisition and Recognition of Property, Plant and Equipment

All property, plant and equipment is initially recorded at cost.

Where property, plant and equipment are acquired at no cost, or minimal cost, cost is its fair value as at the date of acquisition.

However property, plant and equipment acquired at no cost or minimal cost as part of a Restructuring of Administrative Arrangements is measured at the transferor's book value.

Where payment for property, plant and equipment is deferred beyond normal credit terms, the difference between its cash price equivalent and the total payment is measured as interest over the period of credit. The discount rate used to calculate the cash price equivalent is an asset specific rate.

Property, plant and equipment with a value above \$2,000 (GST exclusive) is capitalised.

Measurement of Property, Plant and Equipment after Initial Recognition

Property, plant and equipment is valued using the cost or revaluation model of valuation. Land, buildings, and heritage assets are measured at fair value. Leasehold improvements, Right-of-Use assets and plant and equipment are measured at cost.

Fair value for land and non-specialised buildings is measured using the market approach valuation technique. This approach uses prices and other relevant information generated by market transactions involving identical or similar assets.

Fair value for specialised buildings, and some heritage assets is measured by reference to the cost of replacing the remaining future economic benefits embodied in the asset i.e. depreciated replacement cost. This is the cost approach valuation technique. For other heritage assets, the fair value is measured using the market approach valuation technique. This approach uses sales prices and other relevant information generated by market transactions involving similar assets or works by artists with similar standing/style.

Heritage assets artworks comprise works produced by students and held for permanent exhibition, for which fair value is determined using a market price where there is a market for the same or a similar item. Where there is no active market (produced by non-recognised artists) heritage assets are valued using unobservable inputs such as, aesthetic quality, medium and the knowledge and experience of the valuer.

Land, buildings, and heritage assets are revalued every three years. As these assets were revalued in 2017, the next asset revaluation is scheduled for 2020. However, if at any time management considers that the carrying amount of an asset materially differs from its fair value, then the asset will be revalued regardless of when the last valuation took place. Any accumulated depreciation relating to buildings, plant and equipment and heritage assets, at the date of revaluation, is written-back against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset.

Significant Accounting Judgements and Estimates – Fair Value of Assets

CIT has made a significant estimate regarding the fair value of its assets. Land has been recorded at the market value of similar properties as determined by an independent valuer. Buildings have been recorded at fair value using depreciated replacement cost for buildings considered specialised and for non-specialised buildings current prices in a market for similar properties in a similar location and condition as determined by an independent valuer. Heritage assets have been recorded at fair value based on market value as determined by CIT. The valuation uses significant judgements and estimates to determine fair value, including the appropriate indexation figure and quantum of assets held. The fair value of assets is subject to management assessment between formal valuations.

Canberra Institute of Technology

Appendix B – Significant Accounting Policies

Forms Part of Note 2 of the Financial Statements

For the Year Ended 31 December 2019

SIGNIFICANT ACCOUNTING POLICIES – ASSETS – CONTINUED

Significant Accounting Judgements and Estimates – Useful lives of Property Plant and Equipment

CIT has made a significant estimate in determining the useful lives of its property, plant and equipment. The estimation of useful lives of property, plant and equipment is based on the historical experience of similar assets and in some cases has been based on valuations provided by Knight Frank Valuations Canberra as at 31 December 2017. The useful lives are assessed on an annual basis and adjustments are made when necessary.

Refer **Appendix B – Note 13 – Depreciation and Amortisation** for disclosures concerning assets useful life assets.

Impairment of Assets

CIT assesses, at each reporting date, whether there is any indication that an asset may be impaired. Assets are also reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Any resulting impairment losses for land, buildings and improvements are recognised against the relevant class of asset in the Asset Revaluation Surplus with a corresponding reduction to the carrying amount in the Balance Sheet. Where the impairment loss is greater than the balance in the Asset Revaluation Surplus, the difference is expensed in the Operating Statement.

NOTE 22 – INTANGIBLE ASSETS

CIT's intangible assets comprise externally acquired software.

Externally acquired software is recognised and capitalised when:

- it is probable that the expected future economic benefits attributable to the software will flow to CIT;
- the cost of the software can be measured reliably; and
- the acquisition cost is equal to or exceeds \$50,000.

Capitalised software has a finite useful life. Software is amortised on a straight-line basis over its useful life, over a period not exceeding five years. Intangible assets are measured at cost.

SIGNIFICANT ACCOUNTING POLICIES – LIABILITIES

LIABILITIES – CURRENT AND NON-CURRENT

Liabilities are classified as current when they are due to be settled within 12 months after the reporting date or CIT does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Liabilities which do not fall within the current classification are classified as non-current.

NOTE 24 – PAYABLES

Payables are initially recognised at fair value based on the transaction cost and subsequent to initial recognition at amortised cost, with any adjustments to the carrying amount being recorded in the Operating Statement. All amounts are normally settled within 30 days after the invoice date.

Payables include Accounts Payables, Accrued Expenses and Other Payables.

Canberra Institute of Technology

Appendix B – Significant Accounting Policies

Forms Part of Note 2 of the Financial Statements

For the Year Ended 31 December 2019

SIGNIFICANT ACCOUNTING POLICIES – LIABILITIES – CONTINUED

NOTE 25 – EMPLOYEE BENEFITS

Wages and Salaries

Accrued salaries and wages are measured at the amount that remains unpaid to employees at the end of the reporting period.

Annual and Long Service Leave

Annual and long service leave including applicable on-costs that are not expected to be wholly settled within twelve months are measured at the present value of estimated future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to the future wage and salary levels, experience of employee departures and periods of service. At the end of each reporting period, the present value of annual leave and long service leave payments is estimated using market yields on Commonwealth Government bonds with terms to maturity that match, as closely as possible, the estimated future cash flows.

Annual leave liabilities have been estimated on the assumption that they will be wholly settled within three years. In 2019 the rate used to estimate the present value of future

- annual leave payments is 100.7% (99.7% in 2018); and
- payments for long service leave is 109.7% (103.7% in 2018).

The long service leave liability is estimated with reference to the minimum period of qualifying service. For employees with less than the required minimum period of seven years of qualifying service, the probability that employees will reach the required minimum period has been taken into account in estimating the provision for long service leave and applicable on-costs.

The provision for annual leave and long service leave includes estimated on-costs. As these on-costs only become payable if the employee takes annual and long service leave while in-service, the probability that employees will take annual and long service leave while in service has been taken into account in estimating the liability for on-costs.

Annual leave and long service leave liabilities are classified as current liabilities in the Balance Sheet where there are no unconditional rights to defer the settlement of the liability for at least 12 months. Conditional long service leave liabilities are classified as non-current because CIT has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

Significant Accounting Judgements and Estimates – Employee Benefits

Significant judgements have been applied in estimating the liability for employee benefits. The estimated liability for annual and long service leave requires a consideration of the future wage and salary levels, experience of employee departures, probability that leave will be taken in service and periods of service. The estimate also includes an assessment of the probability that employees will meet the minimum service period required to qualify for long service leave and that on-costs will become payable.

The significant judgements and assumptions included in the estimation of annual and long service leave liabilities include an assessment by an actuary. The Australian Government Actuary performed this assessment in April 2019. The next actuarial review is expected to be undertaken by early 2022.

NOTE 27 – OTHER LIABILITIES

Revenue Received in Advance

Revenue received in advance is recognised as a liability if there is a present obligation to return the funds received or if deferral of revenue recognition is permitted or required under AASB 15 and AASB 1058.

Canberra Institute of Technology

Appendix B – Significant Accounting Policies

Forms Part of Note 2 of the Financial Statements

For the Year Ended 31 December 2019

SIGNIFICANT ACCOUNTING POLICIES – OTHER NOTES

NOTE 28 – EQUITY

Contributions made by the ACT Government, through its role as owner of CIT, are treated as contributions of equity.

Increases or decreases in net assets as a result of Administrative Restructures are also recognised in equity.

NOTE 29 – FINANCIAL INSTRUMENTS

Financial assets are classified as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both;

- (a) the business model for managing the financial assets; and
- (b) the contractual cash flow characteristics of the financial assets.

Financial liabilities are measured at amortised cost.

NOTE 29 – BUDGETARY REPORTING

Significant judgements have been applied in determining what variances are considered 'major variances'. Variances are considered major if both of the following criteria are met:

- The line item is a significant line item: where either the line item actual amount accounts for more than 10% of the relevant associated category (Income, Expenses and Equity totals) or more than 10% of the sub-element (e.g. Current Liabilities and Receipts from Operating Activities totals) of the financial statements; and
- The variances (original budget to actual) are greater than plus (+) or minus (-) 10% of the budget for the financial statement line item.

Appendix C – Impact of Accounting Standards Issued But Yet to be Applied Forms Part of Note 2 of the Financial Statements

For the Year Ended 31 December 2019

APPENDIX C INITIAL APPLICATION OF ACCOUNTING STANDARDS

This note explains the impact of the adoption of new Accounting Standards issued and applied for the first time this year on the Financial Statements. It also discloses the new accounting policies that have been applied from 1 January 2019 to comply with each standard.

AASB 16 Leases

The consolidated entity has adopted AASB 16 retrospectively from 1 January 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard. Reclassifications and adjustments arising from the new leasing rules are therefore recognised in the opening Balance Sheet on 1 January 2019.

(a) Adjustments recognised on adoption of AASB 16

On adoption of AASB 16, Lease Liabilities for leases which had previously been classified as 'operating leases' under the principles of AASB 117 Leases were recognised. AASB 16 allows either the full or partial retrospective approach to the recognition of lease liabilities. ACT Treasury has allowed two options under the partial retrospective approach; 2a as if the new rules had always been applied meaning payments from the inception of the lease have been discounted and any adjustments are made to the opening balance of Accumulated Funds, and 2b, the present value of the remaining lease payments to be discounted. Comparatives are not restated under the partial retrospective approach. Motor Vehicle and ICT leases have been calculated using approach 2b and the Property Lease has been calculated using approach 2a which is in compliance with Treasury guidance. The lease liability recognised at 1 January 2019 is the liability outstanding at this date.

The lessee's incremental borrowing rates have been provided by ACT Treasury to be used when the interest rate implicit in the lease cannot be determined.

The associated Right-of-Use assets for the Motor Vehicle and ICT leases have been recognised at the same value as the Lease Liability. The application of Retrospective approach 2a for the property lease has resulted in a downward adjustment of \$600,000 to the opening balance of Accumulated Funds. The Right-of-Use asset is depreciating at a faster rate than the reduction of the liability. This is mainly due to the Make Good provision being a component of the Right-of-Use asset, but not a component of the lease liability.

The Right-of-Use asset represents the economic benefit that will be derived from the asset over the remaining lease term. The recognised Right-of-Use assets relate to the following types of assets:

	31 December 2019 \$'000	1 January 2019 \$'000
Property	4,442	5,153
ICT Equipment	109	234
Motor Vehicles	324	451
Total Right-of-Use Assets	4,876	5,838

Appendix C – Impact of Accounting Standards Issued But Yet to be Applied Forms Part of Note 2 of the Financial Statements

For the Year Ended 31 December 2019

APPENDIX C INITIAL APPLICATION OF ACCOUNTING STANDARDS – CONTINUED

The change in accounting policy affected the following items on the Balance Sheet on 1 January 2019:

- Right-of-Use Assets – increase by \$5.8m
- Lease Liabilities – Current – increase by \$0.8m
- Lease Liabilities – Non-Current – increase by \$5.3m
- Make Good Provision – increase by \$0.3m
- Accumulated Funds – decrease by \$0.60m

The overall effect on Net Assets is a decrease of \$0.6m. The overall effect in 2019 on the Operating Statement is an increase to expenses of \$0.2m.

(i) Practical expedients applied

In applying AASB 16 for the first time, the group has used the practical expedient permitted by the standard: accounting for leases with a remaining lease term of less than 12 months at 1 January 2019 as operating leases.

(b) The Group leasing activities and how these are accounted for:

The leased assets that are subject to AASB 16 are IT Equipment, Motor Vehicles and Property.

Until the 2018 financial year, leases of Property, Plant and Equipment were classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss over the period of the lease.

From 1 January 2019, all leases other than the excepted leases as detailed in the practical expedients section above, are to be recognised as a Right-of-Use asset and a corresponding liability at the date at which the leased asset is available for use by the group. Each lease payment is allocated between the liability and finance cost. Transitional provisions as described in (a) above are applied to leases that were in existence at 1 January 2019.

The finance cost is charged to the Operating Statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The Right-of-Use asset is depreciated over the lease term on a straight-line basis.

The outgoings in relation to the property lease are expensed via the Operating Statement.

Assets and liabilities arising from a lease are initially measured on a present value basis.

Lease liabilities include the net present value of the following lease payments:

- fixed payments less any lease incentives receivable; and
- variable lease payments that are based on an index or a rate.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Payments associated with excepted leases are recognised as an expense in the Operating Statement. For the transitional period, existing leases with a residual term of less than 12 months have been expensed in the Operating Statement.

Appendix C – Impact of Accounting Standards Issued But Yet to be Applied Forms Part of Note 2 of the Financial Statements

For the Year Ended 31 December 2019

APPENDIX C INITIAL APPLICATION OF ACCOUNTING STANDARDS – CONTINUED

AASB 15 - Revenue from Contracts with Customers and AASB 1058- Income of Not for Profit Entities

There has been a significant change in the requirements for recognising certain types of revenue from AASB 1004 to AASB 15 and AASB 1058. These standards should be interpreted in conjunction with each other as revenue not captured by AASB 15 will need to be assessed under AASB 1058. Accounting under AASB 15 or AASB 1058 is not an accounting policy choice by the entity. Both AASB 1058 and AASB 15 have been applied for the first time in the current financial year.

The Group has assessed revenue under the 5 step model which is the foundation for AASB 15.

- 1) Identify the contract with the customer
- 2) Identify the performance obligations in the contract
- 3) Determine the transaction price
- 4) Allocate the transaction price to the performance obligations
- 5) Recognise revenue when (or as) the performance obligations are satisfied

CIT major revenue categories in the 2019 Financial Year are:

- Controlled Recurrent Payments- accounting treatment remains under AASB 1004 Contributions;
- User Charges – captured by AASB 15; and
- Grant and Government Funding – assessed under both AASB 15 and AASB 1058.

CIT has determined that there is no change to revenue recognition for revenue derived from User Charges or from Controlled Recurrent Payments. Due to the nature of CIT operations, the performance obligations under the contract with the customer are satisfied in the current period, hence revenue is recognised in the year of receipt.

A critical issue in accounting for grants and funding arrangements is whether the arrangement is accounted for under AASB 15 or AASB 1058.

(a) Funding to acquire or construct an asset that will be retained by the entity for use to achieve its objectives. AASB 1058 includes specific requirements with respect to grants for construction or acquisition of recognisable non-financial assets

- When a grant is received to construct a building to be controlled by CIT, the funds received are initially recognised as a financial asset (cash) with a corresponding liability (obligation to construct the building). Subsequently, the liability is derecognised as the performance obligation is satisfied (i.e. as the construction of the building is completed).
- Where a grant is received to acquire specific assets, income is recognised when the relevant assets are acquired.

(b) Funding where the grantor directs the benefits to a third party or to the public at large.

- CIT received funding for the tuition of students. The student is deemed to be the customer under the agreement and hence this revenue is subject to AASB 15. The performance obligations are enforceable and sufficiently specific in relation to the provision of services, hence revenue is recognised upon settlement of the performance obligations. When these obligations were not fulfilled in the current financial year, the revenue has been deferred.

CIT has assessed the impact of AASB 15 and AASB 1058 to be not material.

The impact of these standards on the financial statements are as follows:

Amount of Grant Revenue Received Total	\$1.2m
Amount of Grant Revenue recognised in the current financial year	\$0.9m
Amount of Grant Revenue deferred to subsequent financial years	\$0.3m

Under AASB 1004, all of the revenue received would have been recognised in the current period with no deferral to future periods.

C.3 CAPITAL WORKS

In 2019, the CIT capital works program consisted of campus renewal projects and minor capital upgrades to enhance education delivery including equipment replacement and software upgrades.

Completed Projects

The following projects were completed:

- > Upgrade sawdust extraction and ventilation G block - CIT Bruce
- > Upgrade fire detection systems A, B and C block – CIT Fyshwick
- > Refurbishment of first floor A block class rooms – CIT Bruce
- > Refurbishment of ground floor building A – CIT Bruce
- > Allied health training facility – CIT Bruce
- > Refurbishment of toilets J block – CIT Bruce
- > Refurbishment of lower ground floor D block - CIT Bruce
- > Refurbishment of L block for music department – CIT Reid
- > Digitisation Project – Reid Campus
- > Upgrade lighting A and B blocks – CIT Fyshwick
- > Upgrade switchboards – CIT Fyshwick
- > Refurbishment of G block classrooms – CIT Fyshwick
- > Upgrade external paving and stairways – CIT Fyshwick and Bruce
- > Upgrade emergency lighting – All campuses
- > Upgrade air-conditioning systems – CIT Reid

Works still in progress

- > Campus modernisation project early planning
- > More teaching and learning spaces for CIT Fyshwick
- > New lift D block - CIT Fyshwick
- > Replacement of Chiller - CIT Bruce
- > Upgrade sewerage main buildings Y and Z – CIT Bruce
- > Pavement upgrade E block – CIT Fyshwick
- > New Lift A block – CIT Fyshwick
- > Upgrade mechanical ventilation C block – CIT Bruce
- > Upgrade EWIS system – CIT Bruce
- > Upgrade dust extraction in tiling and mortar trades – CIT Bruce
- > Resurfacing of Vowels Crescent – CIT Bruce



CIT Fyshwick

Statement of Capital Works Income and Expenditure

Prior Years			Current Year					Completion Date				
Project	Original Project Value \$'000	Revised Project Value \$'000	Prior Year's Expenditure \$'000	Prior Year's Financing \$'000	Budgeted Financing \$'000	Revised Financing \$'000	Budgeted Expenditure \$'000	Actual Expenditure \$'000	Total Financing to date \$'000	Total Expenditure to Date \$'000	Original	Revised

NEW WORKS and WORKS IN PROGRESS

Better Infrastructure Funds 2019-20	2,616	2,776	0	0	830	703	830	830	703	830	Jun-20	Jun-20
More jobs for our growing city – CIT Campus Modernisation – early planning	350	463	0	0	108	88	108	108	88	108	Jun-20	Jun-20
Better ICT Services for Students & Staff	2,744	2,744	0	0	1,150	897	1,150	1,150	897	1,150	Jun-20	Jun-20
Total New Works	5,710	5,983	0	0	2,088	1,688	2,088	2,088	1,688	2,088		

COMPLETED PROJECTS

Better Infrastructure Funds 2018-19	2,708	2,708	1,461	1,325	1,247	1,383	1,247	1,247	2,708	2,708	Jun-19	Jun-19
CIT Modernisation	1,000	1,000	136	39	401	499	401	402	538	538	Jun-19	Jun-19
Total Completed Projects	3,708	3,708	1,597	1,364	1,648	1,881	1,648	1,649	3,245	3,246		
GRAND TOTAL	9,418	9,691	1,597	1,364	3,736	3,570	3,736	3,737	4,934	5,334		

C.4 ASSET MANAGEMENT

CIT manages land and building assets with a land area of 47.25ha, a total floor area of 138,963m² and a total replacement value of \$664.714 million.

CIT has a range of infrastructure assets comprised of buildings, land/grounds and building services of varying age and condition. These range from the first CIT building constructed in Reid in 1960, to the Learning Centre at Gungahlin Town Centre completed in 2011. The assets are located mainly at three operational campuses:

- > Reid
- > Bruce
- > Fyshwick Trade Skills Centre

Additional assets are located at:

- > Gungahlin Learning Centre (mainly leased assets)
- > Tuggeranong Learning Centre (mainly leased assets)
- > Watson campus (sub-leased to the Academy of Interactive Entertainment)
- > Monterey Student Residences
- > Woden Childcare Centre.

CIT buildings incorporate a range of function types including specialist facilities, workshops, general-purpose classrooms and ancillary office areas. The average age of all CIT buildings is 37 years.

No new buildings were added to the asset register during 2019.

The decommissioned Woden campus remains vacant and demolition is anticipated to occur in 2020 where the site will be utilised by the ACT Government for other purposes.

The CIT vehicle fleet consisted of 21 passenger and light commercial vehicles.

Asset Maintenance and Upgrade

Asset condition audits are undertaken and where identified as needing to be replaced or upgraded, are incorporated into CIT's capital programs. Planned maintenance is included in CIT's operating budgets.

Minor works outside the capital works program totalled \$0.287 million in 2019.

Expenditure on repairs and maintenance including grounds maintenance and cleaning approximated \$4.9 million.

Asset Utilisation

Due to the diverse nature of CIT operations, most buildings are configured for multiple use purposes including as classrooms, specialist teaching rooms (workshops, laboratories etc.), support areas (stores and preparation rooms) and offices.

CIT compares utilisation rates with similar state and territory education institutions annually. The dynamic nature of CIT functions makes it difficult to determine the exact quantum of office space and usage at any one time. Utilisation of office space was close to 100% in 2019, as office space was created or removed subject to demand.

CIT's space allocation rate for office accommodation was estimated to be about 13m² of floor space per office employee.

C.5 GOVERNMENT CONTRACTING

CIT undertakes procurement activities for a range of goods, services and works. Procurement processes within CIT adhere to the *Government Procurement Act 2001* and the *Government Procurement Regulation 2007*. Procurement expenditure, selection and management processes are authorised by the appropriate delegate within CIT.

Procurement ACT continued to provide advice and support on procurement and contract management issues and worked with CIT on high value and/or high risk procurements.

CIT continued to be responsible for the management of contracts and incidents of non-compliance by Contractors were followed up by the nominated CIT Officer.

Contract Information

Details of the contracts on the ACT Government Contracts Register with a value of \$25,000 or more, with an execution date between 1 January 2019 and 31 December 2019, listed against CIT are provided below in Table 1.

Details of the contracts on the ACT Government Contracts Register with a value of \$25,000 or more, that were not executed during 2019, but remain current and are listed against CIT are provided below in Table 2.



CIT Reid

Table 1 – New CIT Contracts

Contract Number	Contract Title	Procurement Methodology	Procurement Type	Exemption from Quotation and Tender Threshold Requirements	Contractor Name	Contract Amount	Execution Date	Expiry Date
CIT2018/2706-1	Provide Electrical Services at CIT Bruce, Reid and Fyshwick Campuses	Select	Services (Non-consultancy)	Yes	A-Line Electrical Solutions Pty Ltd	\$0.00	2/01/19	31/12/19
CIT2018/2706-2	Provide Electrical Services at CIT Bruce, Reid and Fyshwick Campuses	Select	Services (Non-consultancy)	Yes	Simeco Pty Ltd trading as Simeco Electrical	\$0.00	2/01/19	31/12/19
CIT2018/2708	Provision of Cleaning Services to CIT's Monterey Apartments, Gungahlin and Reid Campus	Select	Services (Non-consultancy)	Yes	CANBERRA INSTITUTE OF TECHNOLOGY STUDENT ASSOCIATION	\$1,308,000.00	7/01/19	30/06/20
CIT2018/2707	Provision of Cleaning Services to CIT Bruce Campus	Select	Services (Non-consultancy)	Yes	ROLFE PROPERTY SERVICES PTY LIMITED	\$1,170,000.00	7/01/19	30/06/20
CIT2018/2709	Provision of Cleaning Services to CIT Fyshwick Campus	Select	Services (Non-consultancy)	Yes	ROLFE PROPERTY SERVICES PTY LIMITED	\$324,000.00	7/01/19	30/06/20
2018/2979	Provision of Alarm Monitoring and Response Services	Quotation	Services (Non-consultancy)		SECURITY 1 PTY LIMITED	\$100,000.00	10/01/19	10/01/20
C190182	Electrical Maintenance and Repairs - 2018	Quotation	Services (Non-consultancy)		Simeco Pty Ltd trading as Simeco Electrical	\$350,000.00	17/01/19	31/12/19
C190153	Provision of Carpet laying Services	Quotation	Goods		PARCWEJ PTY LIMITED trading as CARPET ONE CANBERRA	\$180,000.00	21/01/19	31/12/19
C190164	2019 Alarm Monitoring	Quotation	Services (Non-consultancy)		THE TRUSTEE FOR DSN INVESTMENTS & THE TRUSTEE FOR PJN INVESTMENTS trading as Security 1 Partnership	\$55,000.00	21/01/19	31/12/19
C190163	2019 Alarm Response	Quotation	Services (Non-consultancy)		THE TRUSTEE FOR DSN INVESTMENTS & THE TRUSTEE FOR PJN INVESTMENTS trading as Security 1 Partnership	\$100,000.00	21/01/19	9/06/19
C190157	2019 Security Guard Services	Quotation	Services (Non-consultancy)		SECURITY 1 MANPOWER PTY LTD	\$100,000.00	21/01/19	31/12/19

Table 1 – New CIT Contracts– continued

Contract Number	Contract Title	Procurement Methodology	Procurement Type	Exemption from Quotation and Tender Threshold Requirements	Contractor Name	Contract Amount	Execution Date	Expiry Date
C190291	Fire Alarm Monitoring & Maintenance	Quotation	Services (Non-consultancy)		TYCO AUSTRALIA GROUP PTY LIMITED	\$76,500.00	21/01/19	31/12/19
CIT2018/2704	Provide Maintenance Services to CIT's Building Management System and Associated Mechanical and Electrical Controls	Select	Services (Non-consultancy)	Yes	COMPLETE CONTROL PTY LTD	\$199,000.00	22/01/19	31/12/19
C190248	Cyber Security Resource Development	Quotation	Consultancy		FIFTH DOMAIN PTY LTD	\$66,860.20	22/01/19	30/06/19
C190179	2019 Vehicle Hire	Single Select	Services (Non-consultancy)	Yes	CUSTOM SERVICE LEASING PTY LTD	\$194,100.00	23/01/19	31/12/19
C190176	Provision of Business Relocation Services	Quotation	Services (Non-consultancy)		Simeco Pty Ltd trading as Simeco Electrical	\$176,000.00	23/01/19	31/12/19
C190136	2019 Canberra FM Services - Radio Advertising	Single Select	Services (Non-consultancy)	Yes	AUSTERO CAPITAL FM PTY LTD & CAPITAL CITY BROADCASTERS PTY LTD	\$200,000.00	31/01/19	31/12/19
C190134	2019 Print & Digital Advertising	Single Select	Services (Non-consultancy)	Yes	FAIRFAX MEDIA PUBLICATIONS PTY LIMITED	\$100,000.00	31/01/19	31/12/19
C190099	2019 Canberra Weekly – Print Advertising	Single Select	Services (Non-consultancy)	Yes	NEWSTATE MEDIA PTY LTD	\$50,000.00	31/01/19	31/12/19
C190135	2019 PRIME Television – TV Advertising	Single Select	Services (Non-consultancy)	Yes	PRIME MEDIA GROUP LIMITED	\$100,000.00	31/01/19	31/12/19
C190133	2019 NINE Television – TV Advertising	Single Select	Services (Non-consultancy)	Yes	SOUTHERN CROSS AUSTERO PTY LTD	\$100,000.00	31/01/19	31/12/19
C190132	2019 Val Morgan – Cinema Advertising	Single Select	Services (Non-consultancy)	Yes	VAL MORGAN & CO. (AUST.) PTY. LTD.	\$50,000.00	31/01/19	31/12/19
C190131	2019 WIN Television – TV Advertising	Single Select	Services (Non-consultancy)	Yes	WIN TELEVISION NSW PTY LIMITED	\$100,000.00	31/01/19	31/12/19

Table 1 – New CIT Contracts

Contract Number	Contract Title	Procurement Methodology	Procurement Type	Exemption from Quotation and Tender Requirements	Contractor Name	Contract Amount	Execution Date	Expiry Date
CIT2018/2705	Provide Mechanical and General Building Maintenance Services to CIT	Quotation	Services (Non-consultancy)		Air Plant Sales Pty Ltd	\$199,000.00	1/02/19	31/12/19
2018.30276.220	Provision of a Customer Satisfaction Survey Tool	Public	Services (Non-consultancy)		GULANGA GROUP PTY LTD	\$400,000.00	1/02/19	1/02/22
C190304	Purchase 4 Solar Panels	Single Select	Goods	Yes	Solar Juice Pty Ltd	\$26,062.21	1/02/19	31/12/19
C190356	Make-Up Kits & Air-Brush Kits	Quotation	Services (Non-consultancy)		KRYOLAN AUSTRALIA PTY LTD	\$60,000.00	5/02/19	31/12/19
C181069	Nextgen Distribution - Micro Focus License	Quotation	Goods		Nextgen Distribution Pty Ltd	\$98,379.28	22/02/19	31/12/19
ME_156195739_1	Remuneration Agreement between Copyright Agency Limited and Canberra Institute of Technology	Single Select	Services (Non-consultancy)	Yes	COPYRIGHT AGENCY LTD	\$300,000.00	26/03/19	31/12/21
C190419	Red Hat Enterprise Linux Server	Quotation	Goods		RED HAT ASIA-PACIFIC PTY. LTD.	\$25,274.70	2/04/19	24/03/20
CIT19/24866	Purchase Electric Motors, generators and associated equipment	Quotation	Goods		EME (AUST) PTY LTD	\$148,858.60	18/04/19	31/12/19
73038-NCT-002	Internal Building Layout Concept Design for the Redevelopment of CIT Reid	Public	Consultancy		HAYBALL PTY LTD	\$168,591.50	23/04/19	31/12/19
C190449	Purchase Power Tools	Quotation	Goods		SPECIALTY FASTENERS PTY LTD	\$36,745.50	1/05/19	31/12/19
29995.210	Ground Maintenance Services for CIT Campuses	Public	Services (Non-consultancy)		The Trustee for Gehrig Family Trust trading as C.J Gardens & Maintenance	\$860,000.00	9/05/19	8/05/22
C190458	Purchase Mobile Hydraulic Truck Crane	Quotation	Goods		GLEASON CRANES SALES PTY LTD	\$49,995.00	9/05/19	31/12/19
C190456	2019 Security Guard Services	Quotation	Services (Non-consultancy)		SECURITY 1 MANPOWER PTY LTD	\$100,000.00	9/05/19	31/12/19

Table 1 – New CIT Contracts– continued

Contract Number	Contract Title	Procurement Methodology	Procurement Type	Exemption from Quotation and Tender Threshold Requirements	Contractor Name	Contract Amount	Execution Date	Expiry Date
C190464	Purchase Hitachi Software Assurance	Quotation	Goods		HITACHI VANTARA AUSTRALIA PTY LIMITED trading as HITACHI DATA SYSTEMS PTY LTD	\$39,842.75	14/05/19	7/07/20
C190476	Purchase of Creative Cloud ENT	Quotation	Goods		DATA#3 LIMITED	\$201,502.40	28/05/19	22/05/20
C190472	MIMS Online Licences	Single Select	Services (Non-consultancy)	Yes	MIMS AUSTRALIA PTY LTD	\$34,100.00	28/05/19	16/05/20
C190486	Australian Standards Learning Resources	Single Select	Services (Non-consultancy)	Yes	SAI GLOBAL PTY LIMITED	\$49,087.50	4/06/19	31/12/19
C190492	Rehabilitation Gym Equipment for CIT Allied Health Simulated Environment	Quotation	Goods		The Trustee for Axis Trust trading as ASTIR AUSTRALIA	\$51,638.84	11/06/19	31/12/19
CIT2019-708-02	Purchase, Supply and Manage Print and Electronic Serial Subscriptions	Quotation	Goods		ISUBSCRIBE PTY LIMITED	\$0.00	17/06/19	17/06/22
CIT2019/1210	Provision of Digital Learning Resources for CIT Construction	Quotation	Goods		Ammonite Pty Ltd	\$27,637.50	1/07/19	31/12/19
CIT2019/190	Digital Fluency Coaching Program	Quotation	Services (Non-consultancy)		THE JANSZ GROUP PTY LTD trading as Jansz Advisory	\$130,000.00	3/07/19	3/12/19
CIT2019-708-01	Purchase, Supply and Manage Print and Electronic Serial Subscriptions	Quotation	Goods		EBSCO INTERNATIONAL INC.	\$0.00	10/07/19	10/07/22
CIT2019/2022	Provide Early Education Services at CIT Yurauna Centre	Single Select	Services (Non-consultancy)	Yes	Northside Community Service Limited	\$519,750.00	29/07/19	30/06/22
CIT2018/2626	Flexible Allied Trade Delivery, Future Skills for Future Job Grants Program	Single Select	Services (Non-consultancy)	Yes	ELEARNING AUSTRALIA PTY LTD trading as my profiling	\$88,660.00	9/09/19	9/09/20
C190594	Provide Technical Assistance Coverage	Quotation	Services (Non-consultancy)		DATA#3 LIMITED.	\$56,052.37	17/09/19	30/06/20
C190615	Oracle RightNow Licence Renewal	Quotation	Goods		Oracle Corporation	\$171,896.87	26/09/19	31/07/20

Table 1 – New CIT Contracts– continued

Contract Number	Contract Title	Procurement Methodology	Procurement Type	Exemption from Quotation and Tender Requirements	Contractor Name	Contract Amount	Execution Date	Expiry Date
CIT-14082019	EBSCO Discovery Services Subscription	Single Select	Goods & Services	Yes	EBSCO INTERNATIONAL INC.	\$32,598.21	1/10/19	30/11/20
GS001020	Vocational Education and Training (VET) Quality Assurance and Training Activities	Public	Services (Non-consultancy)		BARRACK ST COMPLIANCE CO PTY LTD	\$450,000.00	12/12/19	12/12/22
CIT0776	Provide PIF Session	Quotation	Services (Non-consultancy)		CBR Innovation Network Limited	\$25,718.00	1/6/2019	30/09/2019
C190568	Oracle Linux Premier Limited Support	Quotation	Goods		Oracle Corporation	\$49,766.75	13/09/19	5/11/19
003083	Purchase Cisco Lab Hardware	Quotation	Goods		CIRRUS NETWORKS PTY. LTD.	\$173,118.00	18/12/19	17/12/24
C190676	Microsoft Enrolment for Education Solutions	Quotation	Goods		DATA#3 LIMITED.	\$281,569.35	18/11/19	30/12/22
CIT2019/1814	My eQuals Platform Participation Agreement	Single Select	Services (Non-consultancy)	Yes	HIGHERED SERVICES PTY LTD	\$310,000.00	3/10/19	1/01/23

Table 2 – CIT Contracts Current in 2019

Contract Number	Contract Title	Procurement Methodology	Procurement Type	Exemption from Quotation and Tender Threshold Requirements	Contractor Name	Contract Amount	Execution Date	Expiry Date
2014.19856.240	Panel for the Provision of Plumbing Maintenance Services for the Canberra Institute of Technology	Public	Services (Non-consultancy)		Dalmaso, Adrian D trading as Adrian Dalmaso Plumbing	\$0.00	07/07/14	07/07/19
2014.19856.210	Panel for the Provision of Plumbing Maintenance Services for the Canberra Institute of Technology	Public	Services (Non-consultancy)		DI IULIO ENTERPRISES PTY LTD & Larobina Investments Pty Ltd trading as DL Earthworks and Plumbing	\$0.00	07/07/14	07/07/19
2014.19856.230	Panel for the Provision of Plumbing Maintenance Services for the Canberra Institute of Technology	Public	Services (Non-consultancy)		DONT PANIC PLLUMBING PTY LTD	\$0.00	07/07/14	07/07/19
2014.23446.210	Panel for the Provision of Maintenance and Repairs of Refrigeration Equipment for the Canberra Institute of Technology	Public	Services (Non-consultancy)		BRS COMMERCIAL REFRIGERATION PTY LIMITED	\$80,000.00	17/10/14	17/10/19
2016/1768	Delivery of the Bachelor of Games and Virtual Worlds	Single Select	Services (Non-consultancy)	Yes	THE ACADEMY OF INTERACTIVE ENTERTAINMENT LIMITED	\$3,977,132.00	01/01/15	31/12/19
2015.25059.210	2018 Waste Disposal Services	Public	Services (Non-consultancy)		J.J. RICHARDS & SONS PTY LTD	\$337,500.00	20/02/15	22/04/20
CIT16/19198	VMware ELA License & Financing Agreement	Quotation	Goods		FUJITSU AUSTRALIA LTD	\$595,588.04	13/03/15	31/03/20
07/0074	Provision of ID Card System (Using Mifare Card Technology)	Single Select	Goods	Yes	UNICARD SYSTEMS PTY. LIMITED	\$160,505.40	05/10/15	05/10/19
2015/2669	Procurement of Testing & Tagging Canberra Institute of Technology	Quotation	Services (Non-consultancy)		ELECTRICAL TESTING SERVICES PTY LTD	\$104,535.00	06/11/15	05/11/19
RN2071687	Lease of Block 19, Section 19 Division Greenway	Single Select	Services (Non-consultancy)	Yes	AUSTRALIAGEN OFFICE PORTFOLIO SUB TC PTY LTD	\$7,506,900.00	24/11/15	30/04/26
AP 27.11.2015	Electronic System for the CIT Board	Single Select	Goods	Yes	DILIGENT BOARD SERVICES AUSTRALIA PTY LTD	\$156,992.92	02/12/15	27/11/20

Table 2 – CIT Contracts Current in 2019 – continued

Contract Number	Contract Title	Procurement Methodology	Procurement Type	Exemption from Quotation and Tender Threshold Requirements	Contractor Name	Contract Amount	Execution Date	Expiry Date
2016/1435	Provision of Cleaning Services to CIT Tuggeranong	Public	Services (Non-consultancy)		CANBERRA INSTITUTE OF TECHNOLOGY STUDENT ASSOCIATION	\$147,653.04	01/07/16	30/06/20
27470.210	Canberra Institute of Technology Managed Print Room Services	Public	Services (Non-consultancy)		FUJIXEROX AUSTRALIA PTY. LIMITED	\$0.00	16/01/17	31/12/19
C170395	Purchase Microscopes	Single Select	Goods	Yes	LEICA MICROSYSTEMS PTY LTD	\$32,969.20	14/03/17	07/02/19
CIT17 31303	Provide a Timetabling, Scheduling and Staff Management System for CIT	Quotation	Goods		CYON KNOWLEDGE COMPUTING PTY LTD	\$187,789.00	28/04/17	29/05/20
C170467	Purchase Thermo Scientific Histostar Embedding Centre	Single Select	Goods	Yes	THERMO FISHER SCIENTIFIC AUSTRALIA PTY LTD	\$37,431.90	05/05/17	23/02/19
C170633	Purchase of CIT Fit & Well Gym Equipment	Quotation	Goods		LIFE FITNESS AUSTRALIA PTY. LTD.	\$66,891.00	11/09/17	13/07/19
C170681	Provide Diploma of Nursing Accreditation	Single Select	Consultancy	Yes	Australian Nursing & Midwifery Accreditation Council Limited	\$41,910.00	15/10/17	06/10/19
CIT2017/2353	Provision of Lift Maintenance Services	Quotation	Services (Non-consultancy)		SCHINDLER LIFTS AUSTRALIA PTY. LTD.	\$200,000.00	27/10/17	01/11/20
CIT2017/1856	Provision of Automatic Closing Door Services	Quotation	Services (Non-consultancy)		KONE ELEVATORS PTY LTD	\$200,000.00	29/11/17	01/12/20
CIT 2017/1864	Provision of Security Guard and Patrol Services	Quotation	Services (Non-consultancy)		WILSON SECURITY PTY LTD	\$200,000.00	01/12/17	01/12/20
C170754	Refurbishment for Health Science Block at Bruce	Quotation	Works		The Trustee for ZAKMAN FAMILY TRUST trading as GRIDLINE CONSTRUCTIONS ACT	\$76,714.00	05/12/17	13/10/19
CIT 2017/2143	Provision of Fire Protection Equipment and Services	Quotation	Services (Non-consultancy)		WORMALD AUSTRALIA PTY LTD	\$200,000.00	08/12/17	10/01/20
Q-111287	Marketing Automation Tool	Quotation	Goods		Marketo EMEA Ltd	\$52,076.20	08/02/18	16/02/20
C180472	Red Hat Enterprise Linux Software Assurance	Quotation	Goods		RED HAT ASIA-PACIFIC PTY. LTD.	\$32,760.20	14/03/18	22/03/19

Table 2 – CIT Contracts Current in 2019 – continued

Contract Number	Contract Title	Procurement Methodology	Procurement Type	Exemption from Quotation and Tender Threshold Requirements	Contractor Name	Contract Amount	Execution Date	Expiry Date
C180510	Data#3 Creative Cloud Master Collection	Quotation	Goods		DATA#3 LIMITED.	\$189,288.00	29/03/18	22/05/19
CIT2018/783	VET Quality & Training Activities	Single Select	Services (Non-consultancy)	Yes	BARRACK ST COMPLIANCE CO PTY LTD	\$240,000.00	04/04/18	30/11/19
C180545	Hitachi Software Assurance	Single Select	Goods	Yes	HITACHI VANTARA AUSTRALIA PTY LIMITED trading as HITACHI DATA SYSTEMS PTY LTD	\$34,389.08	12/04/18	31/05/19
C180538	Camera Bodies, Lenses and Accessories	Quotation	Goods		TED'S CAMERA STORES (VIC.) PTY. LIMITED	\$59,180.00	19/04/18	11/04/20
C180555	Support Services for Open Source Software	Quotation	Goods		EDALEX PTY LTD	\$154,660.00	20/04/18	01/04/20
C180585	Assist with Travel Payments and Fees	Single Select	Services (Non-consultancy)	Yes	CANBERRA INSTITUTE OF TECHNOLOGY STUDENT ASSOCIATION	\$189,000.00	09/05/18	01/03/19
C180596	Hire Vixtro CISCO equipment and software	Quotation	Goods		De Lage Landen Pty Limited	\$146,005.80	21/05/18	21/05/23
C180639	Provide a Heavy Vehicle Brake Roller and Shaker	Quotation	Goods		NATIONAL AUTOMOTIVE EQUIPMENT SERVICES PTY LTD	\$60,148.00	13/06/18	13/06/19
CIT 2017/2144	Provision of Cooling Tower and Chiller Maintenance Services	Quotation	Services (Non-consultancy)		CARRIER AUSTRALIA PTY LTD	\$200,000.00	29/06/18	01/01/21
C180791	Oracle Service Support & Maintenance	Quotation	Goods		Oracle Corporation	\$181,395.53	19/08/18	18/08/19
C180832	Commvault Backup and Recovery	Quotation	Goods		DATACOM SYSTEMS (AU) PTY LTD	\$34,386.00	05/09/18	30/09/19
C180830	Linux Premier Support	Quotation	Goods		ORACLE CORPORATION AUSTRALIA PTY LIMITED	\$47,852.64	05/09/18	30/09/19
RFQ2018/61	Provision of Maintenance, Alteration and Installation Services on Intruder Alarm Systems and CIT Card Access System	Quotation	Services (Non-consultancy)		CONTROL BY INTEGRATION (CXI) PTY LTD	\$80,000.00	01/11/18	01/11/19

Table 2 – CIT Contracts Current in 2019 – continued

Contract Number	Contract Title	Procurement Methodology	Procurement Type	Exemption from Quotation and Tender Threshold Requirements	Contractor Name	Contract Amount	Execution Date	Expiry Date
2018.31001.220	Provision of Organisational Transformation Strategic Guidance and Mentoring Services	Public	Consultancy		REDROUGE NOMINEES PTY LTD	\$1,220,000.00	09/11/18	30/04/20
C180990	CIT – Microsoft Open Value Agreement renewal Ref No: 2018-458227	Quotation	Goods		DATA#3 LIMITED.	\$106,818.02	12/11/18	31/12/19
2018.CIT.0211	Software to Support the Co-ordination and Administration of Student Placements	Single Select	Services (Non-consultancy)		QUANTUM INFORMATION TECHNOLOGY PTY. LTD.	\$28,050.00	14/11/18	14/03/20
C181007	Career Central Pilot	Single Select	Goods	Yes	JOBREADY TECH PTY LTD	\$29,700.00	20/11/18	19/11/19
2018.29922.210	Student Information Management System - Banner	Single Select	Goods	Yes	ELLUCIAN AUSTRALIA PTY LIMITED	\$5,000,000.00	01/12/18	01/12/23
C190094	Tutoring Australasia-Studiosity	Quotation	Goods		STUDIOSITY PTY LIMITED trading as Tutoring Australasia Pty Ltd	\$56,650.00	18/12/18	31/12/19

Secure Local Jobs Code

No exemptions from the Secure Local Jobs Code Requirements have been provided to CIT.

Aboriginal and Torres Strait Islander Procurement Policy

The Aboriginal and Torres Strait Islander Procurement Policy has been in place since 31 May 2019.

Responses

In 2019 CIT issued four tender opportunities from the Approved Systems, Tenders ACT and the Goods and Services Simple Procurement Tool.

None of the 11 Tenderers that responded to the four opportunities are identified on the Territories Aboriginal and Torres Strait Islander Enterprise List.

Addressable Spend

The number of unique Aboriginal and Torres Strait Islander Enterprises that attributed to CITs addressable spend was nine.

The target addressable spend with Aboriginal and Torres Strait Islander Enterprises for 2019/20 is 1%. Using the estimated metrics provided by Procurement ACT, CIT has already exceeded the annual target in 2019 with an addressable spend of 1.09%.

C.6 STATEMENT OF PERFORMANCE



INDEPENDENT LIMITED ASSURANCE REPORT

To the Members of the ACT Legislative Assembly

Conclusion

I have undertaken a limited assurance engagement on the statement of performance of the Canberra Institute of Technology for the year ended 31 December 2019.

Based on the procedures performed and evidence obtained, nothing has come to my attention to indicate the results of the accountability indicators reported in the statement of performance for the year ended 31 December 2019 are not in agreement with the Canberra Institute of Technology's records or do not fairly reflect, in all material respects, the performance of the Canberra Institute of Technology, in accordance with the *Financial Management Act 1996*.

Basis for conclusion

I have conducted the engagement in accordance with the Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*. My responsibilities under the standard and legislation are described in the 'Auditor-General's responsibilities' section of this report.

I have complied with the independence and other relevant ethical requirements relating to assurance engagements, and the ACT Audit Office applies Australian Auditing Standard ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, Other Assurance Engagements and Related Services Engagements*.

I believe that sufficient and appropriate evidence was obtained to provide a basis for my conclusion.

Canberra Institute of Technology's responsibilities for the statement of performance

The Governing Board of the Canberra Institute of Technology is responsible for:

- preparing and fairly presenting the statement of performance in accordance with the *Financial Management Act 1996* and *Financial Management (Statement of Performance Scrutiny) Guidelines 2019*; and
- determining the internal controls necessary for the preparation and fair presentation of the statement of performance so that the results of accountability indicators and accompanying information are free from material misstatements, whether due to error or fraud.

Auditor-General's responsibilities

Under the *Financial Management Act 1996* and *Financial Management (Statement of Performance Scrutiny) Guidelines 2019*, the Auditor-General is responsible for issuing a limited assurance report on the statement of performance of the Canberra Institute of Technology.

My objective is to provide limited assurance on whether anything has come to my attention that indicates the results of the accountability indicators reported in the statement of performance are not in agreement with the Canberra Institute of Technology's records or do not fairly reflect, in all material respects, the performance of the Canberra Institute of Technology, in accordance with the *Financial Management Act 1996*.

In a limited assurance engagement, I perform procedures such as making inquiries with representatives of the Canberra Institute of Technology, performing analytical review procedures and examining selected evidence supporting the results of the accountability indicators. The procedures used depend on my judgement, including the assessment of the risks of material misstatement of the results reported for the accountability indicators.

Limitations on the scope

The procedures performed in a limited assurance engagement are less in extent than those required in a reasonable assurance engagement and consequently the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, I do not express a reasonable assurance opinion on the statement of performance.

This limited assurance engagement does not provide assurance on the:

- relevance or appropriateness of the accountability indicators reported in the statement of performance or the related performance targets;
- accuracy of explanations provided for variations between actual and targeted performance due to the often subjective nature of such explanations; or
- adequacy of controls implemented by the Canberra Institute of Technology.



Ajay Sharma
Assistant Auditor-General, Financial Audit
20 March 2020

Canberra Institute of Technology
Statement of Performance
For the Year Ended 31 December 2019

Statement of Responsibility

In my opinion, the Statement of Performance is in agreement with the Canberra Institute of Technology's records and fairly reflects the service performance of the Canberra Institute of Technology for the year ended 31 December 2019 and also fairly reflects the judgements exercised in preparing it.



Craig Sloan
Chair
Canberra Institute of Technology Board
18 March 2020

Canberra Institute of Technology
Statement of Performance
For the Year Ended 31 December 2019

Statement by the Chief Finance Officer

In my opinion, the Statement of Performance is in agreement with the Canberra Institute of Technology's records and fairly reflects the service performance of the Canberra Institute of Technology for the year ended 31 December 2019 and also fairly reflects the judgements exercised in preparing it.



Greg Tong
Senior Director/Chief Finance Officer
Canberra Institute of Technology
17 March 2020

Canberra Institute of Technology
Statement of Performance
 For the Year Ended 31 December 2019

OUTPUT CLASS 1: CANBERRA INSTITUTE OF TECHNOLOGY				
Output 1.1: Provision of Vocational Education and Training Services				
1 January 2019 to 31 December 2019				
	Notes	31 December 2019 Target \$'000	31 December 2019 Actual Result \$'000	Variance %*
Total Cost		121,251	122,968	(1)
Controlled Recurrent Payments		74,379	74,379	0

1 July 2018 to 30 June 2019				
	Notes	30 June 2019 Target \$'000	30 June 2019 Actual Result \$'000	Variance %*
Total Cost	1	114,231	124,981	9
Controlled Recurrent Payments		73,134	73,682	1

The above Statement of Performance should be read in conjunction with the accompanying notes.

*Variance from Target: The percentage variance is calculated by subtracting the target from the outcome and dividing this difference by the target.

Notes – Explanation of Material Variances

- Total Cost to 30 June 2019 exceeded budget due to payraises under a new enterprise agreement, increased maintenance expenditure required for CIT's aging infrastructure, and project expenditure under CIT's Strategic Compass 2020 project plan.

The above Accountability Indicators were examined by the ACT Audit Office in accordance with the *Financial Management Act 1996*. The Total Cost and Controlled Recurrent Payments were not examined by the ACT Audit Office in accordance with the *Financial Management (Statement of Performance Scrutiny) Guidelines 2019*.

Canberra Institute of Technology
Statement of Performance
For the Year Ended 31 December 2019

1 January 2019 to 31 December 2019

Accountability Indicators included in the Institute's 2019-20 Statement of Intent	Notes	31 December 2019 Target	31 December 2019 Actual Result	Variance %*
a) Nominal Hours	1	3,226,000	2,995,634	(7)
b) Achieve key output targets.				
i) Program Enrolments		11,700	11,888	2
ii) Module Pass Rates	2	75%	81%	8
iii) Program Completions	3	4,500	4,101	(9)
iv) Learner Satisfaction Rate	4	85%	90%	6
v) Employer Satisfaction Rate	4	80%	90%	13
c) Average Controlled Recurrent Payments per Nominal Hour	1	\$23.06	\$24.83	8

1 July 2018 to 30 June 2019

Accountability Indicators included in the Institute's 2018-19 Budget	Notes	30 June 2019 Target	30 June 2019 Actual Result	Variance %*
a) Nominal Hours		3,228,000	2,907,865	(10)
b) Achieve key output targets.				
i) Program Enrolments		11,700	11,798	1
ii) Module Pass Rates	2	75%	81%	8
iii) Program Completions	3	5,500	4,716	(14)
iv) Learner Satisfaction Rate	4	85%	90%	6
v) Employer Satisfaction Rate	4	80%	90%	13
c) Average Controlled Recurrent Payments per Nominal Hour	1	\$22.66	\$25.13	11

The above Statement of Performance should be read in conjunction with the accompanying notes.

* Variance from Target: The percentage variance is calculated by subtracting the target from the outcome and dividing this difference by the target.

The above Accountability Indicators were examined by the ACT Audit Office in accordance with the *Financial Management Act 1996*. The Total Cost and Controlled Recurrent Payments were not examined by the ACT Audit Office in accordance with the *Financial Management (Statement of Performance Scrutiny) Guidelines 2019*.

Canberra Institute of Technology
Statement of Performance
For the Year Ended 31 December 2019

NOTES – EXPLANATION OF MATERIAL VARIANCES

- 1 Nominal Hours under the Profile student scheme were lower than target as students showed a preference for enrolling at CIT under other student schemes that are not included in these measures, most notably the User Choice (Apprentices and Trainees) and Skilled Capital schemes.
- 2 Module pass rates were above target due to CIT's continued focus on high-quality and relevant training and support for students, as reflected in its 2019 Learner Engagement Survey results.
- 3 Program Completions were below target due to an increasing trend of students eschewing full qualifications in favour of individual skillsets.
- 4 The 2019 surveys of learner engagement and employer satisfaction showed overall levels of satisfaction of 90% (3,533 responses) and 90% (440 responses) respectively, reflecting employers' and students' positive view of their experience of CIT. Learner Satisfaction Rate results were based on the survey of students enrolled in nationally accredited programs. CIT has continued to improve its responsiveness to customers and effectiveness in skilling students with contemporary training methods which have been positively received by industry and students.

Accountability Indicator Definitions

- a) Student activity data reported here (Nominal Hours, Program Enrolments, Module Pass Rates and Program Completions) only includes the subset of CIT's education delivery traditionally referred to as 'Profile' activity, where 'Profile' refers to training offered with heavily subsidised student fees that is not funded by any source other than ACT Government Controlled Recurrent Payments (CRP). CIT's other student activity, including student activity subsidised through other ACT Government funding mechanisms such as the User Choice (Australasian Apprenticeships) and Skilled Capital programs is not included in these figures. It should be noted that CIT's total student activity, which has continued to increase from prior years, is much greater than the Profile figures alone might suggest.
- b) Nominal Hours is the nationally accepted quantitative output measure for the Vocational Education and Training sector. It measures the anticipated hours of supervised learning or training provided by Registered Training Organisations (RTOs) to adequately present the educational material associated with the delivery and assessment of a program of study. It also includes student contact hours delivered through a Recognition of Prior Learning (RPL) process.
- c) Output targets are as specified below.
 - i. The number of records of students completing program enrolment requirements in accordance with the national Australian Vocational Education and Training Management Information Statistical Standard (AVETMISS).
 - ii. The proportion of successful module (subject) outcomes compared to module enrolments weighted by Nominal Hours in accordance with the national AVETMIS Standard.
 - iii. The number of student records where program completion requirements have been met in accordance with the AVETMIS Standard for students completing study in the previous academic year(s). This measure does not include completions for non-accredited training such as Adult Community Education (ACE) programs.
 - iv. The learner satisfaction rate measures the proportion of current CIT students participating in the Learner Engagement Survey (LES) who indicated that they were satisfied with the training at CIT.
 - v. The employer satisfaction rate measures the proportion of employers with apprentices or trainees at CIT that expressed their satisfaction with the training delivered at CIT.
- d) The Average Government Payment per Nominal Hour is an output target calculated as the Total Controlled Recurrent Payments divided by the Nominal Hours outcome for Profile training programs delivered. A below-target Nominal Hour outcome will result in a higher figure for this target despite CIT not receiving any additional funding.

Part D

Whole of Government
Annual Reporting

D.1 BUSHFIRE RISK MANAGEMENT

CIT has an evacuation plan for bushfire management as required by the Emergency Services Agency. This plan is only required for the CIT Bruce campus. The Bushfire/Local Disaster Evacuation Plan is included in Emergency Procedures available on the CIT Staff Information Site.

The unprecedented bushfire season in 2019 required CIT to review its bushfire management strategies which now include the following:

- > the Security, Emergency Management Senior Officials Group (SEMSOG) has coordinated preparatory information across ACT directorates and CIT to include support for Business Continuity Plans by the ACT Government in the event of an emergency incident.
- > CIT meets regularly with Security Emergency Management Branch (SEMB). In late 2019, CIT received hourly briefs from SEMB relating to fires in our region and the proximity to CIT Campuses.

D.2 TERRITORY RECORDS

Records Management Program

The CIT Records Management Program outlines how CIT manages its records program in accordance with Section 16 of the *Territories Records Act 2002*. The current CIT Records Management Program was approved by the Chief Executive Officer and submitted to the Director of Territory Records in 2017.

The CIT Records Management Program is available on the CIT website.

Aboriginal or Torres Strait Islander Heritage

The CIT records management programs, policies and procedures include specific arrangements for preserving records containing information that may allow people to establish links with their Aboriginal or Torres Strait Islander heritage.

All records identified for disposal are actively reviewed prior to destruction to ensure that records that establish links or should otherwise be retained are properly identified.

Records Management Capabilities

Records management officers work with business areas to assess record values and carry out disposal activities for appropriate records.

CIT staff are responsible for undertaking a range of records management activities and are supported and encouraged to undertake recordkeeping in a way that is consistent and accountable. Records management training continues to be actively promoted across CIT with awareness provided to new staff via induction process and internal tailored training is delivered by records management officers.

CIT uses an electronic document and records management system framework for records management compliance.

Maturity Assessment

CIT has not been asked to complete a recordkeeping maturity assessment by the Territory Records Office during the reporting period.

ACRONYMS AND ABBREVIATIONS

ACE	Adult and Community Education	IAG	Industry Advisory Group
ACT	Australian Capital Territory	ICT	information and communication technology
ACTPS	ACT Public Service	ITE	Institute of Technical Education Singapore
ACU	Australian Catholic University	LES	Learner Engagement Survey
AISTSIS	Australian Institute of Aboriginal and Torres Strait Islander Studies	LLN	Language, Literacy and Numeracy
ANAO	Australian National Audit Office	LLND	Language, Literacy, Numeracy and Digital
ASNZS	Australian/New Zealand Standard	MOU	Memorandum of Understanding
ANU	Australian National University	NCVER	National Centre for Vocational Education Research
AQF	Australian Qualifications Framework	NUHEP	Non-University Higher Education Provider
AC	Academic Council	RAP	Reconciliation Action Plan
ACE	Adult and Community Education	PIF	Product Innovation Fund
ARIn	Attraction and Retention Initiatives	RED	Respect, Equity and Diversity
ASBA	Australian School Based Apprenticeship	REDCO	Respect, Equity Diversity Contact Officer
ASQA	Australian Skills Quality Authority	RMP	records management program
BSSS	Board of Senior Secondary Studies	RTO	Registered Training Organisation
CBRIN	Canberra Innovation Network	SERBIR	Senior Executive Responsible for Business Integrity Risk
CEO	Chief Executive Officer	SEMB	Security Emergency Management Branch
CIT	Canberra Institute of Technology	SEMSOG	Security, Emergency Management Senior Officials Group
CITSA	CIT Student Association	TAE	Training and Education
CMTEDD	Chief Minister, Treasury, Economic Development Directory	TAFE	Technical and Further Education
CRC	Corporate Resources Committee	TEQSA	Tertiary Education Quality and Standards Agency
CSU	Charles Sturt University	UC	University of Canberra
EAP	Employee Assistance Program	UNEC	United Ngunnawal Elders Council
EMC	Executive Management Committee	VET	Vocational Education and Training
EML	Employer Mutual Limited	WESP	Work Experience Support Program
ESS	Employer Satisfaction Survey	WHS	Work Health and Safety
FMA	Financial Management Act 1996		
FTE	full-time equivalent		
GWO	Global Wind Organisation		
HR	human resources		
HSR	health safety representative		

COMPLIANCE INDEX

The CIT 2019 Annual Report must comply with the Annual Report Directions (the Directions) made under section 8 of the Annual Reports Act. The Directions are found at the ACT Legislation Register: www.legislation.act.gov.au

The Compliance Statement indicates the subsections, under Parts 1 to 5 of the Directions, that are applicable to CIT and the location of information that satisfies these requirements.

Part 1 Directions Overview

The requirements under Part 1 of the Directions relate to the purpose, timing and distribution, and records keeping of annual reports. The CIT 2019 Annual Report complies with all subsections of Part 1 under the Directions.

To meet Section 15 Feedback, Part 1 of the Directions, contact details for CIT are provided within the CIT 2019 Annual Report to provide readers with the opportunity to provide feedback.

Part 2 Reporting entity Annual Report Requirements

The requirements within Part 2 of the Directions are mandatory for all reporting entities and CIT complies with all subsections. The information that satisfies the requirements of Part 2 is found in the CIT 2019 Annual Report as follows:

- A. Transmittal Certificate, see page 7.
- B. Organisational Overview and Performance, inclusive of all subsections, see pages 13-77.
- C. Financial Management Reporting, inclusive of all subsections, see pages 79-172.

Part 3 Reporting by Exception

CIT has nil information to report by exception under Part 3 of the Directions for the 2019 reporting year.

Part 4 Directorate and Public Sector Body Specific Annual Report Requirements

CIT is not required to report under Part 4 of the Directions.

Part 5 Whole of Government Annual Reporting

All subsections of Part 5 of the Directions apply to CIT. Consistent with the Directions, the information satisfying these requirements is reported in the one place for all ACT Public Service directorates, as follows:

- > Bushfire Risk Management, see page 174;
- > Human Rights, see the annual report of the Justice and Community Safety Directorate;
- > Legal Services Directions, see the annual report of the Justice and Community Safety Directorate
- > Public Sector Standards and Workforce Profile, see the annual State of the Service Report; and
- > Territory Records, see page 175.

The CIT 2019 Annual Report can be found at <https://cit.edu.au>

CONTACT OFFICER

Andrew Whale

Executive Director, Corporate Services
Canberra Institute of Technology

GPO Box 826
CANBERRA ACT 2601

Email: andrew.whale@cit.edu.au

Telephone: (02) 6207 8960

Website Address

www.cit.edu.au

