



CANBERRA INSTITUTE OF TECHNOLOGY
ANNUAL REPORT 2014



ACT
Government

Canberra Institute
of Technology





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SECTION A

TRANSMITTAL CERTIFICATE

Transmittal Certificate

Ms Joy Burch MLA
Minister for Education and Training
ACT Legislative Assembly
Civic Square, London Circuit
CANBERRA ACT 2601

Dear Minister

I present to you the **Canberra Institute of Technology Annual Report 2014**.

This Report has been prepared under section 6(1) 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 the Canberra Institute of Technology.

I certify that the attached Annual Report is an honest and accurate account and that all material information on the operations of Canberra Institute of Technology during the period 1 January 2014 to 31 December 2014 has been included.

I hereby certify that fraud prevention has been managed in accordance with Public Sector Management Standards, Part 2.

Section 13 of the *Annual Reports (Government Agencies) Act 2004* requires that you cause a copy of the Report to be laid before the Legislative Assembly within 3 months of the end of the reporting period.

Your sincerely



Leanne Cover
Acting Chief Executive
13 March 2015

From the Chief Executive

Adrian Marron
Chief Executive



In 2014 CIT commenced implementing an integrated blueprint for change, CIT Blueprint, continuing work that began in the preceding two years in response to the challenges in the vocational education and training environment. The blueprint for change has 10 elements, including a change to governance through amending the legislation that governs CIT and an extensive Campus Modernisation Strategy. These two fundamental changes have been agreed to in principle by the ACT Government and work is progressing well on these and the other elements.

The ACT Government has publicly reaffirmed the value and role of CIT as the ACT's public provider of vocational education and training. To further develop the capability of CIT, the ACT Government tabled legislation in October 2014 to replace the current CIT Council with a CIT governing board. The passing of the *Canberra Institute of Technology Amendment Bill 2014* in November was a significant and important change for our organisation going forward. Since the Hawke Report *Governing the City State* we have been advocating for the modernisation of governance of CIT. The CIT Council has been resolute in this task and commissioned work in 2013 that was instrumental in achieving this great result.

A governing board will give CIT the autonomy, flexibility and responsiveness to meet its challenges in more innovative and efficient ways. It will enable CIT to better shape the services it utilises. It is expected that these changes will start to take place from the middle of 2015.

If the blueprint is the road map, the destination lies in our aspiration for the year 2020. In that year CIT will:

- **be a business focused, selective organisation that**
 - has determined where it has advantages
 - pursues them relentlessly
 - is networked with peer organisations from VET and higher education
- **be a quality provider of educational products and services that**
 - has a diversity of students nationally and internationally
 - provides a discernable alternative as a **public provider**
 - is working with industry and business that have a more sophisticated view of training and learning
 - delivers higher education in **niche** products
- **be perceived as an entity in and of itself that**
 - has an autonomous governance system
 - is in control of its contemporary facilities and resources
 - has a committed staff in tune with their working environment
 - is a VET self-regulator.

In the meantime, we have confidently engaged in work to prepare for this change.

We all have to think about how we work, how we talk about CIT and how we position ourselves to meet the new environment that lies ahead. I am confident that we can all meet these challenges and our vision to be a leading provider of vocational education and training.

Our blueprint guides the way as we continue to reform the way we do business. It provides the opportunity for all of us at CIT to think about how we work and connect with our clients, community and industry and business.

CIT is a proud organisation and I have been proud to be a part of it for the past five years. We have together achieved much and also weathered storms, but CIT is a place that all Canberrans can be proud of. I have no doubt that we can continue to grow our success well into the future.



SECTION B

PERFORMANCE REPORTING

Role

The Canberra Institute of Technology (CIT) is a Territory Authority established under the *Canberra Institute of Technology Act 1987*. It is a publicly owned technical and further education (TAFE) institute, providing vocational education and training (VET) to the Australian Capital Territory (ACT) and region. CIT is the largest registered training organisation (RTO) in the ACT and is committed to excellence in delivering its statutory functions.

The responsible Minister is Ms Joy Burch MLA, Minister for Education and Training.

Functions

The functions of CIT as set out in the *Canberra Institute of Technology Act 1987* are:

- *“to conduct, mainly in the ACT, an educational institution to foster excellence in study in the fields of technical and further education that the director, with the Minister’s written approval, decides or the Minister requires*
- *to provide courses and programs, and to use the facilities and resources of the institute, to advance and develop knowledge and skills in the field of technical and further education*
- *to support industry and commerce, and to assist the development of industry and commerce and the community in the ACT*
- *to promote the development of community awareness and appreciation of technical and further education*
- *to confer awards to people who have completed courses of studies at the institute*
- *to confer honorary awards*
- *to consult and cooperate with other entities in relation to the provision of technical and further education*

- *to make suitable financial arrangements with industry and commerce for the purposes of its functions.”*

The ACT Government provides CIT with 65% of its funding for agreed outcomes as described in the CIT Annual *Statement of Intent* (SOI) which forms part of the ACT Budget. This is an agreement, co-signed by the ACT Minister for Education and Training, the ACT Treasurer and the CIT Chief Executive.

CIT also receives revenue from contestable sources including user choice (apprenticeship funding), international students and commercial activities. Further revenue is generated through CIT Solutions, a wholly-owned subsidiary.

Strategic Planning

CIT has a three year strategic plan titled *CIT 2014 – 2016*. The vision, mission, strategic drivers and values are described below.

Vision

To be the leading provider of vocational education and training in the ACT and Australia.

Mission

Changing lives through quality education and skills development for individuals, industry and community.

Strategic drivers

CIT’s strategic drivers: *Learners, People and Partners* will enable CIT to strengthen its position as a leader of vocational education and training and to be successful in a more competitive market that will be in place by 2016.

Strategic driver 1: Learners

Enrich CIT learners with skills and knowledge for now and the future.

Strategic driver 2: People

Cultivate CIT's workforce to embody a culture of passion, innovation and high performance.

Strategic driver 3: Partners

Collaborate with industry, community and government to diversify and grow CIT partnerships and revenue sources.

Values

CIT believes quality in education is achieved through the values of: *Respect, Integrity, Collaboration* and *Innovation*.

Respect – a foundation of fundamental decency in our dealings with colleagues, learners, employers, other clients, and the world in which we live.

Integrity – doing what we say we will in an honest and open manner, recognising achievement, not avoiding uncomfortable conversations, and being consistent and accountable.

Collaboration – actively sharing information and resources, engaging and working together towards shared goals and seeking opportunities to work as a team across CIT and with the broader community.

Innovation – empowering colleagues at all levels to raise new ideas and work creatively as teams for new and better ways of doing what we do, and not settling for how it has always been.

Services

CIT provides an extensive range of vocational education programs, including trade and other certificates, diplomas, advanced diplomas and short courses. CIT also provides a small number of niche higher education degrees and has a range of strategic partnerships with universities and other educational organisations to jointly deliver programs and provide pathways to further training.

By cultivating and maintaining strong links with local and regional industries and government, CIT continues to be responsive to local and national workforce development needs.

CIT also offers other accredited courses and fee-for-service programs, often strongly customised to meet the individual requirements of an enterprise or student cohort. Strong industry links have allowed for partnerships leading to customised training delivery in regional and remote areas.

CIT maintains delegation from the Australian Skills Quality Authority (ASQA) to accredit VET courses and to manage CIT's scope of registration. Nationally, only a small numbers of RTOs have been awarded this delegated authority.

At the end of 2014, CIT had the scope to offer 393 vocational education courses. This comprised 360 training package qualifications and 33 VET-accredited courses, the majority of which were developed by CIT with some adopted from other RTOs. CIT delivers from 38 national training packages across the Australian Qualification Framework (AQF) from certificate I up to the graduate certificate.

CIT is also accredited by the Tertiary Education Quality and Standards Agency (TEQSA) to continue as a non-self accrediting, higher education provider (HEP), until 2020. CIT remains one of a limited number of HEPs offered the opportunity to apply for streamlined student visas for its higher education programs. In 2014, CIT had accreditation through TEQSA for four degrees.

CIT is committed to providing a quality learning experience to students through a wide choice of industry-relevant programs, highly qualified staff, excellent support services and strong opportunities for further advancement in studies. The size and scope of CIT allows for comprehensive student support services that reflect the diversity of CIT students and their needs.

Professional support services for students are provided in the areas of:

- counselling
- disability support
- foundation skills (including language, literacy and numeracy (LLN) support)
- financial assistance
- international student support
- migrant support
- peer tutoring
- student equity, including Aboriginal and Torres Strait Islander student support through CIT Yurauna Centre
- youth support.

Clients and stakeholders

A well-educated community is the basis of Canberra's social and economic wellbeing. There is a clear strategic link between VET and economic development in the ACT.

The provision of VET through CIT is an important element in the ACT Government's commitment to assist people of the ACT to be part of a well-trained and highly skilled workforce to promote a strong and vibrant ACT economy. CIT's delivery forms an integral component of the ACT Government's VET commitment.

As the ACT's largest public provider of industry-focused training, CIT has a diverse range of valued stakeholders including students, employers, industry, government and the community.

CIT maintains close links with the University of Canberra (UC), Australian National University (ANU), Australian Catholic University (ACU) and Charles Sturt University (CSU), via regular liaison committees. These committees foster collaboration, articulation and strong partnerships.

Industry relationships

In 2014, CIT nurtured existing and explored new education, community and industry partnerships. CIT has partnerships with industry associations at local, regional, state and national level, along with beneficial and strategic partnerships for skills development with the following organisations:

- ACT Education and Training Directorate
- ACT Community Services Directorate
- ACT Economic Development Directorate (now part of Chief Minister, Treasury and Economic Development Directorate (CMTEDD))
- ACT Health Directorate
- Australian Defence Force Academy (ADFA)
- Australian Government Department of Industry
- Australian Government Department of Immigration and Border Protection
- Australian Government Department of Finance and Deregulation
- Australian Public Service Commission
- NSW Police Force
- Victoria Police
- Serco
- Toyota
- Nissan
- Disability ACT
- Clubs ACT
- Clubs NSW
- ACT Justice of the Peace Association
- ACT Cricket
- AFL NSW/ACT
- Queensland Utilities
- Bega Cheese Co.
- National Institute of Forensic Science
- National Centre for Forensic Studies

- Fire and Rescue NSW
- Metropolitan Fire Brigade (Vic).

Organisational structure

The CIT Chief Executive is responsible to the ACT Minister for Education and Training. High level strategic advice is provided to the Chief Executive and the Minister by the CIT Council, which principally comprises representatives of industry and commerce. (Section C1 provides further detail about the CIT Council.)

The CIT executive management structure is also discussed in Section C1.

The CIT matrix management organisational design is made up of three large colleges, two smaller colleges and four divisions. The colleges have been constructed to bring together disciplines that have links in industry, to create new experiences for students and market opportunities and to meet the objectives of the National Partnership Agreement on Skills Reform. The colleges are:

- CIT Health, Community and Science
- CIT Technology and Design
- CIT Trade Skills and Vocational Learning
- CIT Business, Tourism and Accounting
- CIT Pathways College.

The four divisions provide leadership and support to the teaching colleges. They are:

- CIT Brand and Business Development
- CIT Corporate Services
- CIT People and Organisational Governance
- CIT Student and Academic Services.

The CIT matrix organisational design provides support for staff and stakeholders through the various specialist functions.

Subsidiary

CIT Solutions Pty Ltd is a wholly-owned subsidiary of CIT which 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 on a calendar-year basis. CIT Solutions remains the training provider of choice for many Australian Government departments and agencies, as well as for directorates of the ACT Government.

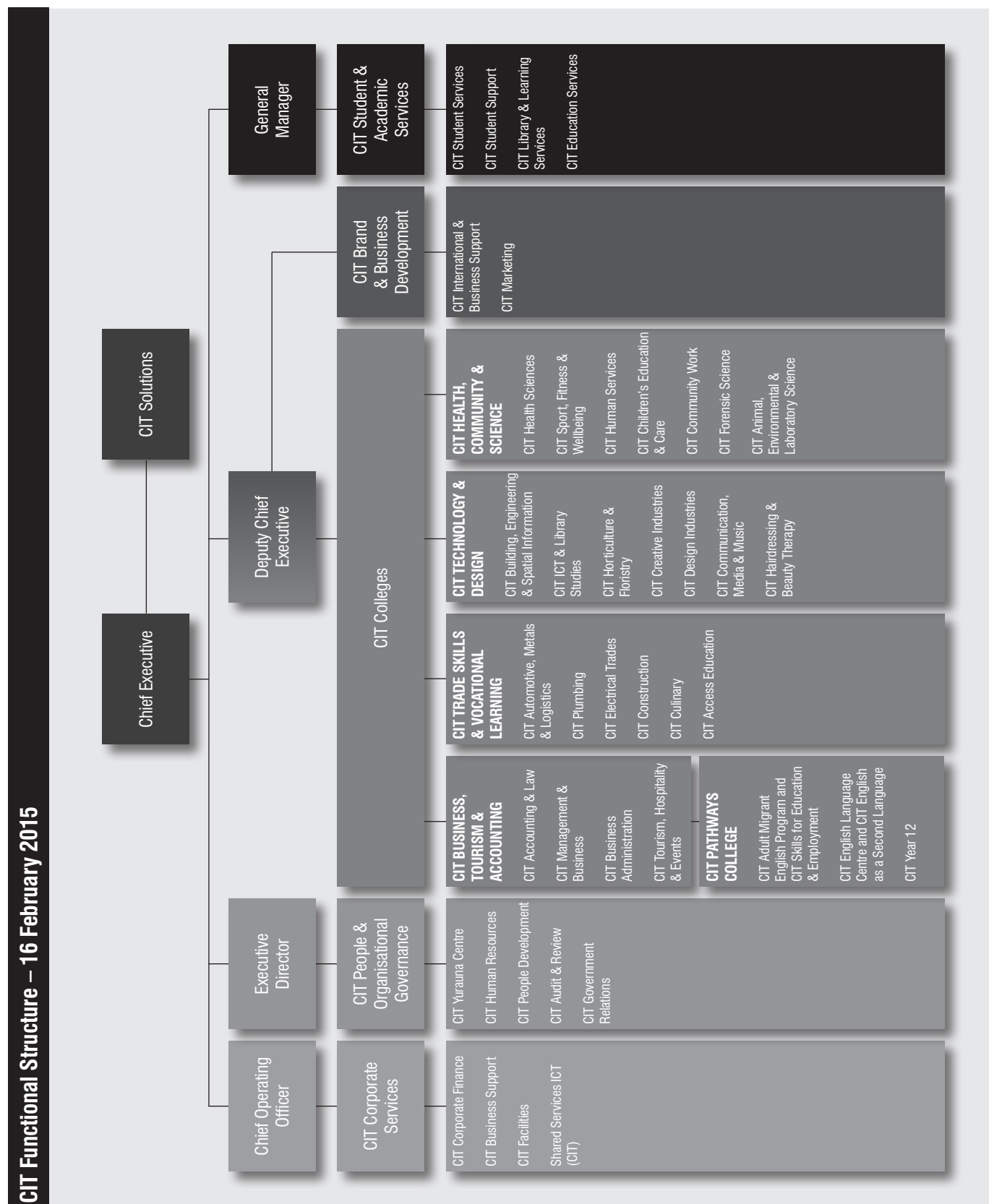
The objectives of CIT Solutions are to undertake activities including customised delivery of accredited training programs for clients and individuals. It also undertakes a range of research, analysis and advice consultancies in the areas of vocational education and capability development.

In 2014, CIT Solutions continued to be responsible for the marketing and recruitment of CIT's international students with a significant number of approved international agent partners.

CIT Solutions provides a range of accredited qualifications and workshops in the areas of public sector, finance, procurement, security and training and assessment. CIT Solutions offers the largest adult and community education (ACE) program in the ACT and region, offering a significant number of professional development and recreation short courses for the public. CIT Solutions also provides foreign language training to Australian Government departments and agencies. CIT Solutions provides assistance in various forms (whether direct or indirect) to CIT.

Environment

The VET and tertiary education landscape is continually evolving, and in a period of substantial reform. CIT is responsive to national and ACT Government goals, plans and priorities for tertiary education, skills development and workforce participation.



CIT Blueprint



Planning framework

In order to strengthen its position in an increasingly competitive environment, CIT's 2014 business plans focused on building a team-based culture and leadership development across the organisation to ensure that all teaching areas aligned with CIT's strategic direction.

CIT's robust and comprehensive planning framework linked the 2014 business plans to the strategic plan's vision, mission, value system and strategic drivers.

An integrated CIT Blueprint has been developed to meet the challenges ahead. There are 10 key elements, several of which have already been established.

CIT-wide plans and strategies such as the CIT Teaching and Learning Framework, CIT People Plan, CIT Capability Framework, CIT Code of Practice, CIT Reconciliation Action Plan (RAP), CIT Foundation Skills Strategy, CIT International Strategy and other annual priorities determined by the CIT Executive and CIT Boards direct the annual business plans for colleges and divisions. Staff members at all levels contribute to planning, through formal annual planning processes.

Summary of the agency's performance

In 2014, CIT met its training targets, developed systems to adjust to the VET reform agenda, and continued to make a strong contribution to the economic and social development of the ACT and region.

The profile of CIT students in 2014 was as follows:

- 73.6% from the ACT, 17.2% from NSW, 3.7% from other states, and 5.5% from overseas
- 43.3% were aged 25 years and under; 56.7% were 26 years of age and over
- approximately 80% of students studied part-time.

Satisfaction rates in 2014:

- 91% learner satisfaction, which is 7% above target (National Centre for Vocational Education Research (NCVER) 2014 Learner Engagement Survey (LES))
- 85% employer satisfaction, which is 5% above target (NCVER 2014 Employer Satisfaction Survey (ESS))
- 87.4% of CIT graduates were employed after training, compared to 77.6% nationally (NCVER 2014 LES)
- 93.5% of CIT graduates were employed or in further study compared to 87.9% nationally, employment rate percentages increased for CIT while the national average decreased between 2013 and 2014 (NCVER 2014 LES)
- CIT ranked 2 out of 47 national institutions by international students for most recommended institutions (2014 i-graduate survey)
- CIT ranked 8 out of 98 global institutions by international students for most recommended institutions (2014 i-graduate survey).

Performance in 2014:

- module pass rate was 82%, which is 7% above target
- 6,818 program completions
- 6.7 million training hours delivered
- 35,535 program enrolments
- 19,886 students enrolled in vocational programs
- 8,549 students enrolled in commercial vocational programs, including international students

- 7,100 recreational learners enrolled in adult and community education programs
- 1,028 international students from 85 countries
- 531 self-identified Aboriginal and Torres Strait Islander students
- 3,429 apprenticeships/traineeships
- 142 Australian School-based Apprenticeship (ASBA) student enrolments.

Awards in 2014:

- winner 2014 National Aboriginal & Torres Strait Islander Student of the Year (Australian Training Awards)
- winner 2014 ACT Large Registered Training Organisation of the Year (ACT Training Excellence Awards)
- winner 2014 ACT Apprentice of the Year (ACT Training Excellence Awards)
- winner 2014 ACT Aboriginal & Torres Strait Islander Student of The Year (ACT Training Excellence Awards)
- winner 2014 ACT Trainee or Apprentice of the Year (ACT Training Excellence Awards)
- gold 2014 plastering (WorldSkills National Competition)
- silver 2014 business services (WorldSkills National Competition)
- bronze 2014 cabinet making (WorldSkills National Competition)
- state/territory winner, category one: wildflower and foliage products (National Student Floristry Competition)
- second place, category one: wildflower and foliage products (National Student Floristry Competition)
- second place, category two: purely Australian (National Student Floristry Competition)
- winner 2014 ACT Tourism Education & Training Award (Canberra & Capital Region Tourism Awards).

Flexible learning achievements in 2014

CIT's e-learning management system, digital learning object repository and a synchronous live virtual classroom are known collectively as 'eLearn'. eLearn is a rich online learning environment which gives students a variety of learning experiences. From January to 20 November 2014 there were 868,548 visits to eLearn. In January 2014, eLearn underwent a major upgrade to Moodle 2.6. In 2014, 85.2% of students were satisfied or very satisfied with eLearn as a tool for study/learning. The feature students indicated they liked the best was the easy access to study materials, timetables and resources. Students also particularly appreciated the flexibility in learning that eLearn provided. The majority (82%) of teachers were satisfied with eLearn as a tool for teaching and learning. Teachers particularly liked the flexibility that eLearn offered to both staff and students, and the increased accessibility to resources and information which in turn enhanced teaching practices. They also indicated that it was easy to use, reliable and convenient.

CIT's e-learning resources repository (eLR) provides for the flexible storage, search, discovery and retrieval of all digital resources used at CIT and is an integral part of eLearn. This repository contains a range of digital resources created by CIT staff and sourced from reputable sources for use in eLearn or in the CIT classroom. In April 2014, eLR was upgraded to EQUILLA 6.1, this process also included new CIT structure changes. In 2014, 14,843 learning resources were contributed to eLR. There were 35,970 'live' learning resources in eLR at the end of 2014. 31,616 resources are linked to multiple eLearn courses, demonstrating that 87% of resources are actively being used. More than 45,000 outdated and discontinued subscription resources were archived during this period.

Outlook

On 21 December 2014, the responsibility at the Australian Government level of skills and training transferred from the Department of Industry to the Department of Education. This portfolio change resulted in a new Assistant Minister for Education and Training, Senator the Hon Simon Birmingham. The machinery of government changes as the new Department of Education and Training forms will take some time to establish. There are a number of significant policies and programs that are due to come into effect in 2015, making 2015 an important year for the VET sector.

At a national level, the *White Paper on the Reform of the Federation*, in particular Paper No 4 *Roles and Responsibilities in Education – Vocational Education and Training and Higher Education*, poses numerous questions on how to make VET more efficient and effective. Inquiries into VET, along with the pending higher education reforms, will further impact the VET environment. The outcomes of national consultations on *Priorities for VET Reform in 2015* and the *Review of Training Packages and Accredited Courses* will further shape the VET environment.

CIT is fortunate in the ACT to enjoy a firm commitment from the ACT Government to the public provision of VET. However, this does not mean CIT is immune to the effects of the rapidly changing VET environment, and these external factors are influencing how CIT operates internally.

Contestability and a competitive market are the reality for CIT on a local, regional, national and global scale; it is no longer somewhere on the horizon. The CIT Blueprint has been driving CIT's preparedness for market changes and challenges ahead.

Priorities and challenges

Current and future priorities and challenges for CIT include:

- **implementing the provisions of the *Canberra Institute of Technology Amendment Act 2014* including the new CIT governance arrangements** – This will drive significant change internally with the transition of the CIT Advisory Council to a governing board. This work has commenced and will be completed by July 2015. Under the new Act, the way CIT undertakes business will be guided by a team of people with extensive business and industry experience in both the public and private sectors. A governing board will give CIT greater autonomy, flexibility and responsiveness to meet its challenges in more innovative and efficient ways. It will also enable CIT to better shape the services it utilises.
- **playing a key role in supporting economic growth in the ACT** – through the provision of job-ready graduates and the upskilling and reskilling of existing workers. In 2015 Australian Government workforce contraction will create opportunities for skills development of both redundant staff and continuing staff to further support the ACT economy.
- **the transition to new unique student identifier (USI) and VET FEE-HELP arrangements** – The introduction and requirement of a unique student identifier (USI) for CIT students in 2015 coupled with the availability of VET FEE-HELP for CIT students studying a diploma or higher will test CIT's preparatory work and planning from 2014. These changes are likely to influence changes in learner expectations and characteristics of the student experience; emphasising the increased importance of quality teaching and learning and customer service across all aspects of the student experience.
- **Skilled Capital** – Locally, the ACT Government's release of the Skilled Capital initiative will enable more Canberrans to access high quality training in areas of identified skills need in the ACT. This contestable model is a possible indicator of future public subsidised training.
- **Pathways from school to CIT and further education** – CIT plays a vital role in improving and promoting student pathways from school to CIT, and then on to further VET training or higher education, and also from higher education to VET training. CIT continues to offer 'taster' opportunities for students in schools to assist them in making informed choices about areas of training they may be considering. For students that have completed CIT programs, formal articulation arrangements have been established with a number of universities.
- **Industry relevance** – CIT needs to be prepared to meet industry requirements for new skills and increasing training needs in particular sectors. 2015 will see CIT expanding its training portfolio into cutting-edge technologies for maintaining and operating renewable wind technologies and meeting the challenges of the National Disability Insurance Scheme (NDIS).
- **Innovation through seed funding** – CIT continues to foster innovation through the provision of seed funding to facilitate great ideas becoming reality across the organisation. Three projects were supported in 2014: developing a free CIT App for students and staff, piloting a massive open online course (MOOC) and developing a second course that can be offered fully online. These projects demonstrate CIT's commitment to *Digital Canberra*. The CIT Innovation Working Group coordinates this work and will continue to operate in 2015.

- **Improving the student experience** – Further improving the student experience is at the core of the CIT Vision 2020. This will be achieved through the development of innovative and creative learning options for students that promote accessibility and cater to individual learning styles. Key strategies include customisation of training to particular workplace environments; delivery in the workplace; and provision of flexible or blended modes of delivery including quality online training and the use of simulated work environments to provide authentic learning.
- **Campus modernisation** – A key component of the CIT Blueprint is to implement CIT’s campus modernisation strategy. This aims to reduce the CIT footprint by divesting and reinvesting in CIT assets over the next 15-20 years as part of a gradual change and extensive campus modernisation. This work will continue in 2015. The planning phase for a new Tuggeranong campus, as per the 2012 ACT Government election commitment, is underway. The proposed new campus will enable a fourfold increase in flexible learning opportunities together with full scheduled course delivery.
- **Growing the international market** – This continues to be a challenge for CIT and across Australia. In recent times international student numbers have been impacted by several factors including policy decisions. CIT has been approved for streamlined visa processing and this should assist in maximising international opportunities within CIT and in partnerships with universities.

It is hoped that the decrease of the value of the Australian dollar will increase CIT’s international competitiveness. Delivering a high quality educational experience for international students is still the best indicator of long term success in growing the number of international students studying at CIT.

For more information:

Executive Director, CIT People and Organisational Governance
(02) 6207 3133

The CIT mission is to change lives through quality education and skills development for individuals, industry and community. Continued strong graduate outcomes, module pass rates, program completions and learner and employer satisfaction rates all indicate progress in achieving this mission. Students and employers alike are happy with the quality of education and training that CIT provides, and CIT graduate outcomes show that CIT students are readily able to use their new skills to contribute to the local economy and community.

The financial results for CIT, and in particular the below-target cost to government per nominal hour of training delivered, show that CIT provides quality outcomes efficiently and effectively. By continually seeking to refine and improve its training delivery, and by evaluating and adopting new technologies, CIT continues to provide excellent value-for-money education and training options to the local community.

For more information:

Chief Operating Officer
(02) 6207 3114

As the only public provider of VET in the ACT, CIT plays a vital role in community development by providing pathways and access into education for members of the community, as well as providing a wide range of support services for students. CIT supports the ACT economy to grow through producing skilled job ready graduates.

To meet its functions effectively, CIT maintains close links with industry in its governance structure through program reference groups, industry advisory groups, and through the CIT Council. The planning process is further informed by the ACT Skills Needs List, published annually by the ACT Government Education and Training Directorate (ETD), other ACT Government plans and CIT's Program Review and Improvement cycle.

CIT contributes to the social capital of the ACT through:

- general education including 'second chance' Year 12 programs, English language programs, and Access 10 (an alternative Year 10 program to traditional schooling)

- CIT Yurauna Centre provides dedicated Aboriginal and Torres Strait Islander teaching and support, which enhances employment opportunities for Aboriginal and Torres Strait Islanders through pastoral assistance and culturally appropriate courses to improve literacy, numeracy, communication and other vocational skills
- access and opportunity for disadvantaged members of the community, including provision of training for young parents through a partnership with ETD and Canberra College Cares (CCCares) initiative, as well as the Street Chops program partnership with the Canberra Ted Noffs Foundation aimed at engaging youth at risk
- adult and community education (ACE) courses
- the Return to Work for Women program.

A key aspect of the role of CIT is to support industry and the community and to promote awareness of the value of VET. Community assistance, sponsorship, scholarships and grants are important in this regard. Following is a table highlighting financial support CIT provided or managed in 2014.

Financial support to the community and students in 2014

No.	Organisation/Recipient	Project	Project purpose	Amount (\$)
1.	999 CIT students	ACT Government Fee Assistance	To provide financial support towards the payment of fees and/or course materials for students experiencing financial hardship	371,233
2.	Australian National University (ANU)	Canberra Tertiary Open Day 2014 – CIT Sponsorship	Sponsorship	13,000
3.	ACT Government, Education and Training Directorate	2014 ACT Training Excellence Awards	Sponsorship	5,500
4.	ACT Government, Health Directorate	Australian Capital Region Nursing and Midwifery Research Centre Biennial Conference	Sponsorship	5,000

B3 – Community Engagement and Support

Financial support to the community and students in 2014 – continued

No.	Organisation/Recipient	Project	Project purpose	Amount (\$)
5.	CIT – Student Managed Project	Return to Work for Women, Semester 1	Sponsorship	300
6.	CIT – Student Managed Project	Charity Stall for the Terry Campese Foundation	Sponsorship	300
7.	CIT – Student Managed Project	Return to Work for Women, Semester 2	Sponsorship	300
8.	CIT – Student Managed Project	Forensic Research Showcase	Sponsorship	300
9.	CIT – Student Managed Project	Access10 Mini Graduation	Sponsorship	300
10.	Indigenous Business Chamber of Australia	2014 ACT and Region Indigenous Excellence Awards	Sponsorship	660
11.	Australian Computer Society (ACS)	Silver Sponsorship: ACS Canberra 2014 Annual Conference 22-24 September 2014	Sponsorship	2,700
12.	University of Canberra (UC)	UC/CIT Equity Scholarships 2014 – 1 recipient	Scholarship	3,000
13.	2 recipients	CIT Equity Scholarship 2014	Scholarship	800
14.	112 Indigenous CIT students	Indigenous Scholarships – CIT Yurauna Centre	Scholarship	68,747
15.	St John the Baptist Inc.	Donation	Community support	100
TOTAL				472,240

Following is a table highlighting partnerships between CIT, the tertiary sector and community to support students at CIT.

Partnerships with the community and industry to support CIT students in 2014 (scholarships and prizes)

No.	Recipient(s)	Sponsor	Support purpose
1.	5 recipients	TAFE Directors Australia (TDA) Mick Young Scholarships	Equity scholarships
2.	1 recipient	ANU Prize	Outstanding student who has completed a qualification at diploma level or higher
3.	1 recipient	Regional Group Training (RGT) – Australian Apprenticeships Centre Prize	Outstanding trade apprentice of the year who has completed off-the-job training
4.	2 recipients	Rotary Club of Canberra – City Prizes	Students who have completed any trade course and demonstrated a high standard of craftsmanship and personal conduct

Partnerships with the community and industry to support CIT students in 2014 (scholarships and prizes)
– continued

No.	Recipient(s)	Sponsor	Support purpose
5.	1 recipient	Rotary Club of Canberra – Weston Creek Prize	Student graduating from any CIT course who has made a valuable contribution to the community during their studies in a field relevant to their studies
6.	2 recipients	University of Canberra Prizes	Recognition of pathways which students were able to access in pursuit of their educational needs
7.	1 recipient	Yass Lodge of Concord no. 27 (Freemasons) Prize	CIT Vocational College student who has shown the greatest improvement in the study of English as a Second Language
8.	4 recipients	Canberra Refugee Support Scholarships	Asylum seekers or refugees studying or seeking to study in Canberra
9.	Various mental health consumers	ACT Health	Scholarship scheme to increase employment opportunities for mental health consumers
10.	10 recipients	VET Outbound Mobility study opportunity overseas sponsored through the Department of Education	Photography/cultural arts study in Indonesia
11.	5 recipients	VET Outbound Mobility study opportunity overseas sponsored through the Department of Education	Volunteer veterinarian nursing with elephants in Thailand
12.	3 recipients	VET Outbound Mobility study opportunity overseas sponsored through the Department of Education	CIT teachers undertaking teacher education training staff attended a skills conference in India

In-kind support offered by CIT staff and students in 2014 include:

- judging the bread competition at the Canberra Royal Show
- creating boutonnieres for distinguished guests attending Anzac Day services at the Australian War Memorial
- catering for the St John's Care Free Community Lunch
- hosting and providing cupcakes for Cupcake Day for the RSPCA
- donating gifts for the Barnados Christmas Appeal
- providing perishable food to Communities@Work Yellow Van food rescue service
- baking goods, donating books, providing entertainment, purchasing books for the Great Book Swap Fundraiser for the Indigenous Literacy Foundation
- sponsoring FASHFEST which includes coordinating student and staff volunteers from creative disciplines
- provision of facilities at CIT Bruce for the Canberra Raiders to train
- provision of facilities at Watson campus for the Canberra City Band to rehearse.

For more information:

Executive Director, CIT People and Organisational Governance
(02) 6207 3133

CIT continues to pursue initiatives aimed at meeting the ACT Government targets to develop policies and programs to promote ecologically sustainable development (ESD) through the *Climate Change and Greenhouse Gas Reduction Act 2010* (CCGGRA) and the *Environment Protection Act 1997* (EPA). CIT supports a range of strategies to address climate change and reduce greenhouse gas emissions. CIT is implementing initiatives to improve energy efficiency and water conservation through building upgrades, refurbishment and maintenance programs. This includes installation of LED lighting, waterless urinals, improvements to building management systems, improvements to space heating and the co-generation system at CIT Fyshwick which is now operational after development in 2013.

CIT plays an active role in educating staff and the public about climate change and sustainable technologies through:

- (a) the CIT website and CIT intranet, which provide information and resources for staff and students on environmental sustainability within CIT. It is a means of increasing staff awareness of the environmental impacts associated with daily work practices and provides environmentally friendly alternatives. The CIT website and CIT intranet are updated regularly with features on what environmental initiatives are being investigated and implemented, how each staff can help, competitions and posters that can be downloaded.
- (b) developing, implementing and monitoring sustainable practices through a dedicated environmental reference group, CIT Green. CIT Green held seven meetings throughout 2014 and actioned environmental initiatives in relation to education of CIT staff.

- (c) holding a CIT Sustainability Tour on 6 November 2014, in partnership with the Environment and Planning Directorate (EPD). The event was a tour of the emerging sustainable technologies in the construction sector featured in CIT Bruce's Sustainability Skills Training Hub. The key speaker at the event was Mr Kevin Miller, principal architect for CIT Sustainable Skills Training Hub.

- (d) active participation in ACTSmart Business Sustainability Expo including providing a panel expert from CIT on sustainable government buildings for the ACTSmart seminar on the day

- (e) promotion of activities around national environmental events, such as Earth Hour.

In order to reduce greenhouse gas emissions, CIT has a strategy to reduce the overall consumption of electricity and switch to natural gas and solar energy. CIT has operational policies in place for the monitoring of energy usage. Each campus has building monitoring systems and metering equipment in place to monitor energy usage and make savings where possible.

In 2013/14, the quantity of paper consumption (reams purchased) decreased by 14% and fuel consumption for petrol cars reduced by 34% with an overall fuel reduction of 20%. Total kilometres travelled over this time reduced by 13%. The average fuel consumed per 100km decreased from 9.2 litres/100km travelled to 8.44 litres/100km travelled demonstrating an increase in fuel efficient vehicles across the CIT fleet.

CIT has ongoing eco-workplace recycling schemes for paper, cardboard, comingled waste, organic waste (organic recycling is through CITSA), concrete, bricks, metals, print cartridges, mobile phones and small electronic devices.

Indicator as at 30 June 2014	Unit	2012-13	2013-14	Percentage change
Agency staff and area				
Agency staff	FTE	724.5	761.7	6
Workplace floor area	Area (m ²)	122,345.9	139,535.19	14
Stationary Energy				
Electricity use	Kilowatt hours	9,564,592	9,945,681	4
Renewable electricity use	Kilowatt hours	48,128	50,044	4
Natural gas use	Megajoules	37,162,812	34,408,616	-7
Transport fuel usage				
Total number of vehicles	Number	31	31	0
Total kilometres travelled	Kilometres	588,478	512,388	-13
Fuel use – Petrol	Kilolitres	35.92	23.44	-34
Fuel use – Diesel	Kilolitres	18.22	19.77	9
Fuel use – Liquid Petroleum Gas (LPG)	Kilolitres	0	0	0
Fuel use – Compressed Natural Gas (CNG)	Kilolitres	0	0	0
Water usage				
Water use	Kilolitres	34,577	34,885	1
Resource efficiency and waste				
Reams of paper purchased	Reams	19,131	16,351	-14
Recycled content of paper purchased	Percentage	50	50	0
Waste to landfill	Litres	46,617	45,453	-2
Co-mingled material recycled	Litres	11,216	11,216	0
Paper & cardboard recycled (incl. secure paper)	Litres	455,407	455,407	0
Organic material recycled	Litres	391	150	-61
Greenhouse gas emissions				
Emissions from stationary energy use	Tonnes CO ₂ -e	17,771	12,405	-30
Emissions from transport	Tonnes CO ₂ -e	130.09	113.10	-13
Total emissions	Tonnes CO ₂ -e	17,901.09	12,518.10	-30

For more information:

Chief Operating Officer
(02) 6207 3114



SECTION C

GOVERNANCE AND ACCOUNTABILITY REPORTING

The Executive Management Team for 2014 comprised:

Chief Executive, Mr Adrian Marron

The Chief Executive is responsible for the efficient administration of CIT and establishing its corporate and strategic directions. The Chief Executive is supported by an executive team described below.

Deputy Chief Executive, Ms Carolyn Grayson (Ms Jenny Dodd resigned from this position in June 2014)

The Deputy Chief Executive is responsible for ensuring CIT priorities in quality education and training are achieved and also has a collective strategic responsibility as part of the CIT Executive for the overall success of CIT. The Deputy Chief Executive is responsible for CIT colleges and CIT Brand and Business Development, which includes CIT International and Business Support and CIT Marketing.

Chief Operating Officer, Mr Shane Kay

The Chief Operating Officer reports to the Chief Executive and provides strategic leadership and financial management and oversight of whole of CIT operational matters. The Chief Operating Officer is also responsible for CIT Corporate Services, which includes CIT Business Support, CIT Corporate Finance, CIT Facilities and Shared Services ICT (CIT).

Executive Director, CIT People and Organisational Governance, Dr Nicole Stenlake

The Executive Director, CIT People and Organisational Governance is responsible for CIT Audit and Review, CIT Government Relations, CIT Human Resources, CIT Teacher Education and CIT Yurauna Centre. This position acknowledges the importance of people in the organisation and the drive for organisational learning and improvement.

General Manager, CIT Student and Academic Services, Ms Sue Maslen (Acting) (Ms Carolyn Grayson

was in this role from January to June 2014)

CIT Student and Academic Services provides a broad range of services to lead, monitor and support educational performance for students and staff at CIT. The General Manager, CIT Student and Academic Services is responsible for CIT Education Services, CIT Student Services, CIT Student Support and CIT Library and Learning Services.

General Manager, CIT Solutions, Mr Paul Ryan

The General Manager, CIT Solutions is responsible for the efficient administration of CIT Solutions and establishing its corporate and strategic directions.

CIT Internal Governance

The internal governance of CIT is made up of boards, committees, advisory groups and networks. Boards hold decision making powers and take advice from committees and advisory groups, and networks are for sharing information across CIT. The three CIT decision making boards and the CIT Audit Committee are described below.

Board of Management

The Board of Management sets the strategic direction for CIT and supports the Chief Executive to discharge their duties. The Board of Management is accountable for ensuring that appropriate frameworks, delegations, policies and procedures are in place to support the delivery of CIT objectives. The Board of Management receives recommendations and advice from the Academic Board and Finance and Performance Board as well as the various CIT committees and advisory groups to inform decision making and planning. The Board of Management is chaired by the CIT Chief Executive.

Finance and Performance Board

The Finance and Performance Board is the decision making board within CIT for providing financial and resource management leadership and advice and has

responsibility for monitoring overall CIT performance and making decisions in regard to financial and resource management in accordance with CIT need and regulatory frameworks. The Finance and Performance Board also provides advice on other matters referred to it by the Chief Executive or Board of Management. The Finance and Performance Board is chaired by the Chief Operating Officer.

Academic Board

The Academic Board is the decision making board within CIT for providing educational leadership and advice relating to educational direction, regulation, risk, governance, quality and standards, and educational performance. The Academic Board also provides advice on other matters referred to it by the Chief Executive and the Board of Management. The Academic Board is chaired by the Deputy Chief Executive.

CIT Audit Committee

The CIT Audit Committee comprises three independent members, two of which are appointed by the Minister for Education and Training (chair and deputy chair) and three CIT staff members. The CIT Audit Committee works through a charter of activities, modelled on best practice and approved annually by the Chief Executive. More information about the CIT Audit Committee is included in Section C2.

Remuneration for executives

Section 10 of the *Remuneration Tribunal Act 1995* requires the tribunal to inquire into and determine the remuneration, allowances and other entitlements of those persons who are executives within the meaning of the *Public Sector Management Act 1994*, which includes all members of the CIT Executive Group.

CIT Council

The Canberra Institute of Technology Advisory Council (the CIT Council) is established under the *Canberra Institute of Technology Act 1987* (CIT Act). The role of the CIT Council is to provide advice to the Chief Executive on educational and financial policies, planning and programming of educational services, the welfare of students, management of CIT and relationship development between CIT and the community.

The CIT Council may also provide advice directly to the Minister. All members are appointed by the Minister for Education and Training for up to three years.

The CIT Council does not have its own budget, but has access to funding through CIT, and can request independent professional or legal advice.

Membership

The CIT Council is made up of 12 members. Section 31 of the CIT Act sets out the criteria for membership as follows:

- (a) 1 member who represents an organisation that represents the teaching staff; and
- (b) 1 member who represents the student body; and
- (c) 7 members who represent the interests of industry and commerce; and
- (d) 2 members, not representing the interests of industry or commerce, who have experience and knowledge relevant to the functions of the council; and
- (e) 1 member who has skills in and knowledge of vocational education and training.

In making appointments, the CIT Act requires the Minister to have regard to the balance of skills, expertise and gender among council members. The appointment and retirement of council members is set out in the CIT Act and the *Legislation Act 2001*.

Before appointment, members are required to sign a Code of Conduct and Conflict of Interest declaration.

Council members are not remunerated.

Details of members for 2014 are as follows:

Ms Christine Magner (Chair) appointed as a member who represents the interests of industry and commerce.

Mr Peter McGrath (Deputy Chair) appointed as a member who represents the interests of industry and commerce.

Ms Lucy Baranovsky appointed as a member who represents the student body.

Mr Phil Butler appointed as a member who represents the interests of industry and commerce.

Ms Veronica Croome appointed as a member who represents the interests of industry and commerce.

Associate Professor Paul Dugdale (appointment expired on 12 March 2014) was appointed as a member who represents the interests of industry and commerce.

Ms Mary Hicks (appointment expired 31 August 2014) was appointed as a member with skills in and knowledge of vocational education and training.

Ms Andrea Ho appointed as a member who represents the interests of industry and commerce.

Mr Ken Hogg (appointment expired on 28 February 2014) was appointed as a member who represents the interests of industry and commerce.

Ms Kathy Kostyrko appointed as a member who represents the interests of industry and commerce.

Ms Karen Noble appointed as a member who represents an organisation that represents the teaching staff.

Mr Kevin Patchell (appointment expired on 12 March 2014) was appointed as a member who represents the interests of industry and commerce.

Dr Peter Radoll (resigned on 5 August to take up a position at Newcastle University) was appointed as a member who has experience and knowledge relevant to the functions of the council.

Mr Craig Robertson appointed as a member who has experience and knowledge relevant to the functions of the council.

Ms Cindy Young appointed as a member who represents the interests of industry and commerce.

Biographical details of current CIT Council members are available on the CIT website.

Meeting attendance

Council members' attendance at meetings during 2014 is shown in the following table:

	18 Feb	8 April	17 June	5 Aug	14 Oct	2 Dec
Lucy Baranovsky	Y	Y	Y	Y	A	Y
Phil Butler		Y	Y	Y	A	A
Veronica Croome		Y	A	Y	A	A
Paul Dugdale	Y					
Andrea Ho		Y	Y	A	Y	A
Mary Hicks	A	A	A	A		
Ken Hogg	A					
Kathy Kostyrko	A	Y	Y	Y	Y	Y

	18 Feb	8 April	17 June	5 Aug	14 Oct	2 Dec
Christine Magner	Y	Y	Y	Y	Y	Y
Karen Noble		Y	Y	Y	Y	Y
Peter McGrath	A	A	Y	Y	A	Y
Kevin Patchell	A					
Peter Radoll	Y	Y	Y	Y		
Craig Robertson	A	A	Y	A	Y	Y
Cindy Young	Y	Y	Y	Y	A	A

Y = Attendance

A = Apology / Absent

Shading = Not a member at this time

Activities

The CIT Council held six meetings throughout 2014. Further to this, the council strategic sub-committee met on a number of occasions to continue the work on governance begun in 2013.

Throughout 2014 the CIT Council continued to raise its public profile with a dedicated space on the CIT website and the internal CIT staff information site.

The CIT Council hosted a business workshop on 20 May 2014 to examine the current and future direction of business development and its role in the growth of CIT; provide opportunities for critical thinking and discussion; and identify ways in which the CIT Council could be more proactive to increase industry involvement in business development opportunities for CIT.

The CIT Council also sponsored a breakfast seminar on 30 July 2014 to explore the impacts of the post-

budget(s) world for local industry, business, CIT and VET and to examine the challenges and opportunities of the emerging environment.

The 2014 CIT Council Honoured Friend Award was awarded to Mrs Agnes Shea, Ms Elaine Walls, and students Ms Gloria Davidson and Ms Sara Burke. This was the first time students were in receipt of this award. Details of award recipients are on the CIT website.

Council members continued to be active on CIT Industry Advisory Groups and other internal CIT boards and committees.

The *Canberra Institute of Technology Amendment Bill 2014* passed in the Legislative Assembly on 25 November 2014, paving the way for the CIT Council to be replaced by a governing board, commencing no later than 1 July 2015.

For more information:

Executive Director, CIT People and Organisational Governance
(02) 6207 3133

Risk management

The CIT Strategic Business Risk Management Profile is developed in accordance with the ACT Government Internal Audit Framework. The CIT risk management policy, guidelines and tools are based on the Australian/New Zealand Standard on Risk Management (ASNZS 4360:2004), and the ASNZS ISO31000: 2009 builds on this for risk management.

Over the past four years the strategic business risk plan has been streamlined to focus on the critical business elements. The identification of significant operational, strategic and financial risk is also informed by both the CIT Environmental Risk Profile and by the review of outcomes of key annual audits and reviews.

Review and revision of the strategic business risk plans occurred in 2014. Strategies and controls have been put in place to manage the identified risks and assigned to key executive members for management, monitoring and review, with critical timelines. These plans are dynamic and as such are presented for quarterly discussion and review to the Board of Management and to the Audit Committee.

Emerging risks at CIT are monitored and reported continually. They are identified through:

- the development and ongoing maintenance of the Risk Management Plans, including fraud and corruption control and reporting
- regular discussions with the Board of Management and individual executive members
- regular reporting as part of the internal Performance Audit and Review Program.

Internal Audit

The CIT Audit Committee works through a charter of activities, modelled on best practice and approved annually by the Chief Executive. The main functions of the Audit Committee defined by the charter are to:

- oversight regular reports of the CIT strategic business risk and fraud and corruption control
- maintain effective internal audit and review capability
- comment on the effective management of strategic and operational and financial risk
- adopt appropriate accounting policies for its business activities
- maintain reliable management reporting systems
- comply with laws, regulations and reporting requirements.

The Audit Committee agendas are based on an annual program of work, falling from responsibilities documented in the Audit Committee Charter. After each meeting the Audit Committee Chair reports to the Chief Executive on significant matters that may affect the operation of CIT.

Internal audits and reviews conducted by CIT aim to promote improved practice, and generate advice as to whether CIT is operating efficiently, effectively and in accordance with the relevant laws and regulations.

All internal audits and reviews are based on risks to CIT, which are mapped against the CIT Environmental Risk Profile.

The CIT Audit Committee comprises three independent members, two of which are appointed by the Minister (Chair and Deputy) and three internal CIT staff members, making a total of six positions. The CIT Chief Operating Officer and a representative of the ACT Auditor-General's Office both hold observer status. Each CIT Audit Committee member is appointed for a period of two years, apart from the Chair who is appointed for three years.

A representative group of CIT Audit Committee members meet annually as a finance sub-committee, to review the CIT financial statements and provide assurance to the Chief Executive on the veracity of the annual financial statements.

During 2014 a total of four meetings were held. In addition, one meeting was held with members of the finance sub-committee to examine the CIT annual financial statements. The membership and attendance of members at meetings as at 31 December 2014 is as follows:

Name of Member	Position	Duration	Meetings attended
Mr Kevin Patchell	Chair: Independent	Full year	5 meetings
Dr Margo Wade	Deputy Chair Independent	Full year	5 meetings
Ms Robyn McClelland	Independent member	Full year	5 meetings
Ms Rhonda Fuzzard	CIT member	Full year	3 meetings
Dr Nicole Stenlake	CIT member	Full year	4 meetings
Ms Carolyn Grayson	CIT member	Full year	4 meetings
Mr Shane Kay	CIT member	Full year	4 meetings
Mr David O'Toole	Observer status	Full year	4 meetings
Mr Tim Larnach Representative from the Auditor- General's Office	Observer status	Full year	2 meetings

For more information:

Executive Director, CIT People and Organisational Governance
(02) 6207 3133

CIT is committed to minimising fraud and corruption through the development, implementation and review of a range of prevention and detection strategies. These strategies aim to build and support a compliance culture that focuses on outcomes and reflects:

- transparency and accountability
- the application of risk-based decision making
- a commitment to best practice.

The CIT Fraud and Corruption Control Framework and Risk Plan work in accordance with the ACT Government Integrity Policy. During 2014 the Fraud and Corruption Framework and Fraud Risk Profile were both reviewed and revised. The framework guides the management of fraud and corruption related activities and includes key elements such as:

- fraud and corruption policy statement and definition
- responsibilities for fraud control in CIT
- strategies to guide managers with prevention, detection, and prosecution
- public interest disclosure.

Strategies have been developed for detection and prevention, against the identified significant risks, mapping key responsibility and critical timelines. Progress against these strategies is reported quarterly to the Board of Management and the Audit Committee.

CIT Audit and Review has also developed a manual which contains checklists to assist managers with fraud detection and prevention and six monthly reminders of fraud prevention and detection strategies are distributed to all staff. Fraud and corruption is also included as part of the CIT induction as well as face-to-face presentations to staff.

There were no instances of fraud and corruption detected or reported at CIT during 2014.

For more information:

Chief Operating Officer
(02) 6207 3114

C4 Legislative Assembly Committee Inquiries and Reports

CIT participated in two Legislative Assembly Committee inquiries that were completed during the reporting year.

Committee	Report title	Dated tabled
Standing Committee on Education and Youth Affairs	Report on Annual and Financial Reports 2012-13	20 March 2014
Select Committee on Estimates 2014-15	Inquiry into Appropriation Bill 2014-15 and the Appropriation (Office of the Legislative Assembly) Bill 2014- 2015	5 August 2014

Inquiry into Appropriation Bill 2014-15 and the Appropriation (Office of the Legislative Assembly) Bill 2014-2015

There were no recommendations relating to CIT in this report.

Report on Annual and Financial Reports 2012-13

The annual and financial reports of all ACT Government agencies are referred to the relevant Standing Committees of the ACT Legislative Assembly

for examination and report. *The Report on Annual and Financial Reports 2012-13* made six recommendations.

CIT had responsibility for two.

Details of the CIT related recommendations, the ACT Government response and implementation are provided in the table below. The ACT Government response was tabled on 7 August 2014.

Recommendation	Government response	Implementation
The Committee recommends that CIT and the Minister ensure that CIT's annual report provides a comprehensive, stand-alone section which provides an updated account on how the steps being taken to resolve any outstanding staffing issues; including all matters considered by the Kefford inquiry process for former and existing staff at CIT; are being implemented and assessed for effectiveness.	Noted Findings from the work of the Commissioner for Public Administration into the management of staff issues will be included in the CIT 2013 annual report. CIT operates within a model of continuous improvement in all aspects of its business operations and accordingly all improvements, including those to the management of staff issues, are reported in the annual report.	Completed The CIT 2013 Annual Report, tabled on 31 March 2014, contains information regarding the findings from the work of the Commissioner for Public Administration.
The Committee again recommends that CIT continue to provide an updated detailed account of its role in vocational education in the ACT in its annual report.	Noted The CIT annual report complies with the Chief Minister's Annual Report Directions and includes comprehensive information regarding the provision of vocational education and training in the ACT.	Completed The CIT annual report provides comprehensive coverage of the role of CIT in the provision of vocational education and training in the ACT.

For more information:

Executive Director, CIT People and Organisational Governance
(02) 6207 3133

During the reporting year the Auditor-General's Office released one report that dealt with matters relating to CIT. Details of this report is provided below. No Ombudsman reports relating to CIT were released.

Office	Report title	Date released
ACT Auditor-General	Report No.7/2014: Report on 2013-14 Financial Audits	19 December 2014

The Audit Office issued an unqualified audit report on the CIT 2013 financial statements and an unqualified report of factual findings on its 2013 statement of performance.

One new audit finding was identified in 2013 relating to approved documented backup policies and procedures for the student information system and its data. CIT is addressing this.

The report also noted that CIT resolved two previously reported audit findings relating to errors or irregularities in revenue records and arrangements with Shared Services for the provision of human resource and finance support services.

Two previously reported audit findings relating to policies and procedures for administering user access to the student information system and the review of salary reports in a timely manner were not resolved. These have now been resolved.

For more information:

Executive Director, CIT People and Organisational Governance
(02) 6207 3133



SECTION D

LEGISLATION BASED REPORTING

The object of the *Public Interest Disclosure Act 2012* is to promote public interest by:

- providing a way for people to make public interest disclosures
- ensuring people who make public interest disclosures are protected and treated respectfully
- ensuring public interest disclosures are properly investigated and managed
- ensuring that appropriate consideration is given to the interests of people who make public interest disclosures and the people who are the subject of the disclosures.

CIT's public interest disclosure (PID) policy outlines the mechanisms for reporting possible wrongdoing at CIT or any ACT Government agency perpetrated by staff or persons engaged by or on behalf of CIT or other ACT Government agencies.

CIT did not receive any public interest disclosures during 2014.

For more information:

Chief Operating Officer
(02) 6207 3114

The object of the *Freedom of Information Act 1989* (the FOI Act) is to extend as far as possible the right of the Australian community and, in particular, the citizens of the ACT, to access information in the possession of the ACT Government.

Section 7 statement

Section 7 of the FOI Act requires CIT to prepare and publish a statement outlining its functions and decision making powers, how members of the public participate in the work of the agency, the categories of documents available and facilities available to the public for accessing the documents. This statement is current at 31 December 2014.

Organisation, functions and decision making powers

CIT is a Territory Authority established under the *Canberra Institute of Technology Act 1987* (CIT Act) to provide vocational education and training services to students, government and organisations in the public and private sectors. The decision making powers at CIT are described in Section C1.

Public participation in the work of CIT

Members of the public contribute to the work of CIT through:

- membership of various boards and committees including the CIT Council, Audit Committee, Academic Board, CIT Solutions Board and Industry Advisory Groups
- participation in consultative groups for program design and review
- participation in a range of client consultative processes such as employer and student surveys, industry specific surveys and other activities such as the CIT Council industry events described in Section C1.

Categories of documents

CIT holds two basic categories of documents:

Documents freely available on request and without charge

Documents within this category include publications produced by CIT on various aspects of its activities such as the CIT Course Guide and Student Information Guide. These are available on request from CIT and may also be available on the CIT website. CIT's annual report and policies are available on the CIT website. Most of these are also available in hard copy free of charge, through CIT Student Services.

Records and documents which may be available under the Freedom of Information (FOI) Act include:

- records of committee and board meetings
- program and policy files
- reports and discussion papers
- details of contracts and tenders
- leases and deeds of agreement.

Facilities for access

Members of the public who wish to obtain information are encouraged to seek access in the first instance by contacting CIT directly rather than seeking formal access under FOI legislation.

The CIT Freedom of Information Coordinator can be contacted on (02) 6207 3104.

Access to documents under the FOI Act can also be requested in person at Reception, Chief Executive's Office, First Floor E Block, CIT Reid between the hours of 9am to 5pm, Monday to Friday.

All CIT campuses have disabled access, are accessible by public transport and have reserved car parking designated for persons with a disability.

Written requests for documents under the FOI Act should be directed to:

Post: FOI Coordinator
CIT People and Organisational Governance
Canberra Institute of Technology
GPO Box 826
CANBERRA ACT 2601

Fax: (02) 6207 3392

Email: CITPeopleandGovernance@cit.edu.au

Section 8 statement

Under Section 8 of the FOI Act CIT is required to make available a list of documents CIT staff use when making decisions, such as policies, guidelines and manuals.

Copies of CIT student policies and associated procedures are available on the CIT website. The Student Information Guide covering responsibilities in the student environment, security, safety and emergencies and an A to Z guide of vital student information is also available on the CIT website. All staff policies and procedures are available on the staff information site.

Hard copies of all documents may be requested though the CIT Chief Executive's Office, (02) 6207 3104.

Section 79 statement

In accordance with Section 79(2) of the FOI Act, CIT provides the following information regarding FOI requests received by CIT during 2014.

Freedom of information requests 2014

Number of applications made	
– where full access to the documents was granted	0
– where access was refused to all documents	1
– where partial access to the documents was granted	4
Number of applications made for the review of decisions under Section 59	0
Number of applications made to the Tribunal for the review of decisions	0
Particulars of the total charges and application fees collected	0
The number of requests received to amend records under Section 48	0

For more information:

Executive Director, CIT People and Organisational Governance
(02) 6207 3133

The ACT was the first jurisdiction in Australia to enact human rights legislation with the *Human Rights Act 2004* taking effect on 1 July 2004. The Act provides an explicit statutory basis for respecting, protecting and promoting civil and political rights. CIT is committed to ensuring the human rights of all its students and staff.

CIT staff positions of an equity officer, migrant and refugee support officers, and three disability education advisors demonstrate CIT's commitment to its responsibilities with regard to human rights and anti-discrimination. Respect, equity and diversity (RED) contact officers are also available to staff to provide information on respect, equity and diversity matters and building a positive workplace culture.

Human rights training for staff and students

CIT Yurauna Centre delivers Aboriginal and Torres Strait Islander cultural awareness training to CIT staff and students. Human rights training for staff and students is also provided by the student support team whose work is underpinned by human rights and anti-discrimination concerns. Training provided by the student support services team during 2014 included workshops on anti-discrimination, gender inclusiveness, and respectful and culturally appropriate behaviours.

The Cultural Diversity Coordinator also provided training seminars on cultural competence and sensitivity to teachers, students and staff on request.

In 2014, CIT appointed a Privacy Contact Officer to advise on the collection, use, storage and disclosure

of personal information. Training workshops have been provided across the organisation and CIT was an official Privacy Awareness Week partner. Privacy Awareness Week is an initiative of the Asia Pacific Privacy Authorities forum to promote awareness of privacy issues and the importance of the protection of personal information.

Internal dissemination of human rights information

CIT policies and procedures are designed to provide staff and students with a learning and work environment which is supportive, respectful, meets diverse needs and protects health and safety. Compliance with the *Human Rights Act 2004* is referenced in many of the CIT student and staff policies. Policy reviews include ensuring that policies are in keeping with the requirements of the *Human Rights Act 2004*.

Access to information on a range of human rights topics is made available to all CIT staff through Conversations with Student Support, an internal online service provide by CIT Student Support. Relevant topics covered in 2014 included celebrating diversity, working with sign language interpreters, reasonable adjustments for students with a disability, and discrimination and the gender spectrum.

Liaison with Human Rights, Coordination and Scrutiny Group

CIT had no need to liaise with the Human Rights, Coordination and Scrutiny Group.

Litigation

A complaint of unlawful discrimination on the grounds of relationship status in the area of employment was lodged with the Human Rights Commission. The ACT Human Rights and Discrimination Commissioner closed the complaint in accordance with subsection 78(2) (f) of the *Human Rights Commission Act 2004* on the grounds that conciliation is unlikely to be successful as a means of resolving the complaint.

For more information:

Executive Director, CIT People and Organisational Governance
(02) 6207 3133

CIT has a recognised records management program (RMP) that has been approved by the agency principal officer and submitted to the Director of Territory Records.

CIT has specific approved procedures in place which are implemented in conjunction with the RMP. Appropriate training and resources are available to staff throughout the agency.

CIT has included in its RMP arrangements for preserving records that contain information that may allow people to establish links with their Aboriginal or Torres Strait Islander heritage.

CIT has responded to the commencement of Part 3 of the *Territory Records Act 2002* – access to records, including details of the assessment of those records to which Section 28 of the Act may apply. CIT continues to develop tools which will help members of the community to interpret CIT's older records which are open for public access.

CIT is currently implementing HP RM 8 with the long term goal for this solution to be rolled out agency wide as an electronic document and records management system (EDRMS) to be used by all staff to capture corporate records.

For more information:

Chief Operating Officer
(02) 6207 3114

Under Section 15 of the *Law Officer Act 2011* agencies are required to report the measures taken to ensure compliance with legal services directions issued under Section 11 of the Act.

The Legal Services Directions 2012 and the Model Litigant Guidelines 2010 outline guidelines that apply to the conduct of civil claims, litigation, arbitration and other alternative dispute resolution processes involving ACT Government agencies. The guidelines also require agencies to act honestly and fairly in handling claims and litigation brought by or against them.

CIT ensured compliance with the guidelines by obtaining legal advice and services of the ACT Government Solicitor for all potential matters of litigation. No breaches of the guidelines were identified in 2014.

The Chief Executive is advised of all legal disputes and is provided with regular updates as necessary.

For more information:

Executive Director, CIT People and Organisational Governance
(02) 6207 3133

D6

Notices of Non-Compliance

Section 200 of the *Dangerous Substances Act 2004* requires agencies to provide a statement on the number of notices of non-compliance served and the matter to which each notice related.

CIT did not receive any notices of non-compliance during 2014.

For more information:

Chief Operating Officer
(02) 6207 3114

D7

Bushfire Risk Management

CIT has an evacuation plan for bushfire management as required by the Emergency Services Agency. This plan is only related to and required for CIT Bruce. The Bushfire/Local Disaster Evacuation Plan can be found on CIT's intranet in the Emergency Procedures – (all campuses) document.

For more information:

Chief Operating Officer
(02) 6207 3114

CIT was not required to provide any information to the Office of the Commissioner for the Environment during 2014.

For more information:

Chief Operating Officer
(02) 6207 3114



SECTION E

HUMAN RESOURCES MANAGEMENT REPORTING

During 2014, several key initiatives were undertaken to guide and inform human resources (HR) strategy across CIT. As a result, the following resources were produced:

People Plan

A new CIT People Plan was developed which identifies the top strategic people priorities for CIT over the next two years. The plan will support people strategy within colleges and divisions and identifies the learning and development priorities for CIT.

Capability Framework

This framework provides a structured approach to connecting people development to the CIT strategic drivers. It provides a common language about leadership expectations and supports all staff in their learning and development needs. It is also used to help employees understand the core skills, knowledge and behaviours expected in their current role and to enable capability development planning for future roles.

Performance Framework

This framework aims to facilitate meaningful working relationships and productivity through regular focused conversations. The framework includes a Statement of Expectation Agreement and a Learning and Development Plan.

Code of Practice

The CIT Code of Practice complements the ACT Public Service (ACTPS) Code of Conduct for CIT employees by establishing clear guidelines on the standards of behaviour and expectations of CIT employees. Launched in January 2014, the document was reviewed late 2014 following staff feedback and a more streamlined version will be released in early 2015.

Acknowledgement and Recognition Framework

This framework is designed to assist managers and leaders within CIT to support and celebrate the efforts, achievements and successes of their teams and team members. The framework incorporates the factors of inclusion, consultation and flexibility and includes regular opportunities for acknowledgment that culminate in an annual Staff Achievement Awards ceremony.

For more information:

Executive Director, CIT People and Organisational Governance
(02) 6207 3133

CIT supports staff capability and skills and knowledge development by providing opportunities and resources for ongoing professional development embedded in a learning organisation framework.

Compulsory learning programs

The ACT Government is increasingly concerned that core information, skills, knowledge and awareness is raised and maintained by all employees in a number of areas to ensure that compliance with government policies is observed. In 2014, Bullying Awareness and Prevention (Working Together @ CIT) online training was completed by over 620 CIT staff members and has been an annual requirement since 2012. In 2014, Work Health and Safety Training was also introduced as a mandatory training requirement for all employees.

CIT management development programs

CIT understands that effective management is the key success of any business operation. Examining the marketplace and its environment and creating opportunities to generate growth and profit for the business is critical for CIT. In 2014, CIT Human Resources ran a series of management programs to assist in the development of our managers. The projects included:

Management Simplified

Management Simplified is a three stepped webinar-based program designed to develop practical skills, tools and techniques to make managing employees easier. Each step focuses on different skills required for managers and emerging leaders. This program was completed by 15 participants in 2014.

Diploma of Management

CIT Human Resources, together with CIT Business, offered this tailored development opportunity for

CIT employees to gain the nationally recognised qualification, Diploma of Management. This qualification covered the management of budgets, financial plans, people performance, projects, continuous improvement, team effectiveness and workplace leadership. 13 participants enrolled in the program with 11 completing in 2014.

CeLAMP

CeLAMP (Canberra Emerging Leaders and Managers Program) is a program offered jointly by ANU, UC, ADFA and CIT. It builds on the program developed by LH Martin Institute as an online resource for new and aspiring managers in the tertiary education sector. CeLAMP provides module workshops and mid-module catch-up to build a learning network of staff across the tertiary institutions. It is reflective of the knowledge and skills necessary for effective institutional management and leadership in challenging times. The program commenced in 2013 with three employees completing the program. In 2014, one participant successfully completed this program.

Professional Development for Managers

Professional Development for Managers was a CIT organised series of workshops combined with one-on-one coaching facilitated by an external provider. The workshops focused on particular management skill sets including communication skills, performance management, management and leadership, presentation and meeting skills, and people support strategies. Ten managers participated in 2014.

Chief Executive Leadership Forums

The Chief Executive Leadership Forums provide authentic opportunities for CIT managers to address learning opportunities in a group. The forums also ensure the CIT management and leadership team is informed of the direction and priorities of CIT, through updates from the CIT Executive Team. There

are four forums per year. The learning components of the forum address strategic issues for CIT and are facilitated by external providers. Approximately 90 participants attend each of the four forums.

CIT teacher development programs

CIT supports the educational development of its teaching workforce through structured formal programs and workshops as well as the opportunity for recognition of prior learning (RPL). In 2014 over 250 teaching staff completed the following teaching qualifications:

- Certificate IV in Training and Assessment
- Diploma of Vocational Education and Training
- Advanced Diploma of Adult Learning and Development.

Learning and Development Programs offered to all employees

Mental Health First Aid

Mental Health First Aid is a two day training session that provides participants with skills in how to recognise the signs and symptoms of mental health illness, provide help and support for people with mental health problems and how to take appropriate action should it be required. 79 CIT employees completed this program in 2014.

Psychological Injury in the Workplace

With increasing legislative implications for psychological injury in the workplace, professional learning in this area has become critical. In 2014 CIT offered four training sessions facilitated by Dr

Cotton on Psychological Injury in the Workplace (two sessions were funded by CMTEDD). The purpose of the learning is to equip managers and supervisors with knowledge, skills and confidence in managing workers who experience psychological ill health. A total of 111 participants completed this program in 2014.

Webinars

CIT Human Resources has offered a number of real time webinars provided by the HR Leadership Council, including:

- Coaching in the New Work Environment
- Building Collaborative Teams.

Shared Services Learning and Development Calendar

Over 50 staff accessed learning and development from Shared Services in topics covering procurement, communication, project management, leading and managing change and other supervisor and management specific topics.

2015 learning and development priorities

2015 learning and development priorities for CIT staff include:

- business development skills
- client service skills
- building high performance
- team development and effectiveness skills
- enhancing leadership and management capability
- change management.

For more information:

Executive Director, CIT People and Organisational Governance
(02) 6207 3133

CIT has adopted and implemented a continuous improvement approach to its workplace health and safety (WHS) management systems.

During 2014, CIT implemented and improved the following in relation to WHS:

- a WHS module was included into the induction program for all students at CIT
- a review of WHS consultation arrangements was undertaken, which has resulted in a streamlined approach to WHS campus-based and WHS policy meetings
- an external WHS audit was conducted and recommendations were progressively implemented
- HSR elections were conducted in February, all positions were filled
- a new Employee Assistance Program (EAP) provider became available to CIT staff
- ‘Riskman’, a new system to manage the reporting of workplace accidents and incidents, was implemented
- the ACT Government WHS management framework, developed by Chief Minister, Treasury and Economic Development Directorate (CMTEDD), was reviewed to incorporate CIT policies, procedures and guidance material.

Case management

All CIT compensable and non-compensable cases were integrated into the CMTEDD Injury Management and Safety Team for ongoing case management in October 2013.

Worker consultation

CIT currently has a total of 32 trained health and safety representatives (HSRs) across all campuses. Staff were elected in 2014 by employees within each

designated workgroup to undertake this role for a period of three years. All CIT HSRs have access to training and support to undertake their role.

HSRs attended quarterly WHS committee meetings which are based on each of the major campuses. These committees were chaired by CIT directors, ensuring management involvement, understanding and responsibility for WHS matters across CIT.

Two HSRs are nominated by each of the campus-based WHS committees to attend the CIT WHS Policy Committee. The committee is chaired by the Chief Operating Officer and has responsibility for the oversight of workplace health and safety initiatives and policy across CIT. The committee has an advisory role to the Chief Executive and Board of Management and includes representation from management and unions.

Health, safety and wellbeing initiatives/programs

CIT implemented a number of health and safety initiatives during 2014. These included:

- updating, developing and implementing WHS policies and procedures
- initial/refresher training of HSRs
- initial/refresher training of first aid officers
- continuous improvement of WHS Risk Registers
- risk assessments of corporate events – CIT Open Day, graduation ceremonies, CIT Staff Achievement Awards event
- continuing health and wellbeing activities including bootcamp, yoga, walking groups and Weight Watchers at work
- ongoing ergonomic/workstation assessments
- provision of stretch-break and Dragon software for at-risk staff

- ongoing promotion of wellbeing including introduction of healthier options at CIT vending machines and food outlets
- introduction of a short fortnightly newsletter ('Healthy Bytes') to inform staff of upcoming health and wellbeing events
- provision of influenza vaccinations
- provision of mini health checks
- eyesight testing reimbursement
- access to gyms at selected CIT campuses
- ongoing updates ('Safety Bytes') to all staff on WHS matters
- five and ten day away follow up with staff and relevant managers
- improvements to WHS information and resources on the intranet.

Reporting requirements under Work Safety Act

One improvement notice was issued by Worksafe ACT in 2014. This was in relation to an incident where a student sustained an injury from a hand tool that caused a laceration to their finger, requiring medical assistance. An internal investigation identified there were several processes that required improvement which have since been implemented in the teaching area.

Serious events

Under Section 38 of the *Work Safety Act 2011* a serious event at or near the workplace must be reported to Work Safe ACT. During 2014, CIT was required to notify eight incidents under Section 38.

Injury management and prevention targets

The following tables represent CIT's performance against the injury management and prevention targets for the ACTPS.

Target 1 – a reduction of at least 20% in the number of worker fatalities due to injury.

There were no fatalities during the reportable period.

Target 2 – a reduction of at least 30% in the incidence rate of claims resulting in one or more weeks off work

Financial year	# new 5 day claims	Rate per 1,000 employees	Agency target	ACTPS # new	ACTPS rate per 1,000 employees	ACTPS target
2012-13	8	10.70	7.66	365	17.88	16.58
2013-14	6	8.00	7.42	310	15.25	16.07
2014-15	2*	2.70*	7.19	89	4.20	15.55

* data from 1 July to 31 December 2014.

Target 3 – Reduce the incidence rate of claims for musculoskeletal disorders (MSD) resulting in one or more weeks off work by at least 30%

Financial year	# new 5 day MSD claims	Rate per 1,000 employees	Agency target	ACTPS # new 5 day MSD claims	ACTPS rate per 1,000 employees	ACTPS target
2012-13	1	1.34	2.42	165	8.08	7.69
2013-14	3	4.00	2.34	161	7.92	7.46
2014-15	0*	0.00*	2.27	36	1.70	7.22

* data from 1 July to 31 December 2014.

For more information:

Chief Operating Officer
(02) 6207 3114

Workplace Relations

Teaching staff at CIT are covered by the *ACT Public Sector Canberra Institute of Technology (Teaching Staff) Enterprise Agreement 2013-2017*. General staff are covered by the *ACT Public Sector Canberra Institute of Technology Enterprise Agreement 2013-2017*.

The following tables outline Attraction and Retention Initiatives (ARIn) (formally SEAs) and Australian Workplace Agreements (AWAs) that were in place during 2014.

DESCRIPTION	No. of Individual ARIns (SEAs)	No. of Group ARIns (SEAs)*	Total employees covered by Group ARIns (SEAs)*	TOTAL
	A	B	C	(A+C)
SEAs / ARIns				
Number of ARIns at 31 December 2014	2	0	0	2
Number of ARIns entered into during period	2	0	0	2
Number of SEAs terminated during period	2	0	0	2
The number of SEAs providing for privately plated vehicles as at 31 December 2014	0	0	0	0
Number of SEAs for employees who have transferred from AWAs during period	0	0	0	0
AWAs*				
Number of AWAs at 31 December 2014	0	0	0	0
Number of AWAs terminated/lapsed during period (including formal termination and those that have lapsed due to staff departures)	0	0	0	0

	Classification range	Remuneration as at 31 December 2014
Individual and Group ARIns (SEAs)	SOC - SOA	\$106,899 - \$138,317
AWAs (includes AWAs ceased during reporting period)	0	\$0

For more information:

Chief Operating Officer
(02) 6207 3114

The following data reflects CIT staff information as at payday 3 December 2014.

The statistics exclude board members, staff not paid by the ACTPS and people on leave without pay.

Full-time equivalent (FTE) and headcount by gender

	Female	Male	Total
FTE	457.1	304.6	761.7
Headcount	611	374	985
Percentage of workforce (based on headcount)	62%	38%	100%

Headcount by classification and gender

Classification Groups	Female	Male	Total
Administrative Officers	179	52	231
Executive Officers	2	2	4
General Service Officers & equivalent	10	21	31
Professional Officers	21	4	25
Senior Officers	29	13	42
Technical Officers	9	19	28
VET Teacher Managers	31	14	45
VET Teachers	330	249	579
Total	611	374	985

Headcount by employment category and gender

Employment Category	Female	Male	Total
Casual	183	100	283
Permanent Full-time	249	183	432
Permanent Part-time	74	17	91
Temporary Full-time	60	61	121
Temporary Part-time	45	13	58
Total	611	374	985

E5 – Staff Profile

FTE and headcount by division or college

College/Division	FTE	Headcount
CIT Brand and Business Development	17.3	18
CIT Business, Tourism and Accounting	63.7	90
CIT Corporate Services	63.7	70
CIT Executive	3.0	3
CIT Health, Community and Science	126.9	190
CIT Pathways College	67.9	100
CIT People and Organisational Governance	39.8	46
CIT Student and Academic Services	130.7	143
CIT Technology and Design	121.8	177
CIT Trade Skills and Vocational Learning	127.0	148
Total	761.7	985

Headcount by division or college and employment type

College/Division	Permanent	Temporary	Casual
CIT Brand and Business Development	11	7	0
CIT Business, Tourism and Accounting	36	9	45
CIT Corporate Services	56	12	2
CIT Executive	1	2	0
CIT Health, Community and Science	71	37	82
CIT Pathways College	41	13	46
CIT People and Organisational Governance	35	9	2
CIT Student and Academic Services	109	30	4
CIT Technology and Design	94	21	62
CIT Trade Skills and Vocational Learning	69	39	40
Total	523	179	283

Headcount by age group and gender

Age Group	Female	Male	Total
Under 25	16	10	26
25-34	92	50	142
35-44	148	87	235
45-54	207	94	301
55 and over	148	133	281
Total	611	374	985

Headcount by length of service, generation and gender

Length of service (years)	Pre-Baby Boomers		Baby Boomers		Generation X		Generation Y		Total	
	F	M	F	M	F	M	F	M	F	M
0-2	0	0	35	23	59	31	44	30	138	84
2-4	0	0	18	18	43	19	17	11	78	48
4-6	1	2	36	18	29	24	17	8	83	52
6-8	2	1	27	26	44	17	21	7	94	51
8-10	1	0	20	15	24	15	4	3	49	33
10-12	0	1	27	12	15	14	4	1	46	28
12-14	0	0	33	12	13	5	0	0	46	17
14 plus	2	3	57	45	18	13	0	0	77	61
TOTAL	6	7	253	169	245	138	107	60	611	374

Note:

Generation	Birth years covered	Generation	Birth years covered
Pre-Baby Boomers	prior to 1946	Generation X	1965 to 1979 inclusive
Baby Boomers	1946 to 1964 inclusive	Generation Y	from 1980 and onwards

Average length of service by gender (headcount)

	Female	Male	Total
Average years of service	7.8	8.5	8.1

Headcount by diversity group

	Headcount	Percentage of CIT workforce
Aboriginal and Torres Strait Islander	21	2.1%
Culturally and Linguistically Diverse	169	17.2%
People with disability	30	3%

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

For more information:

Executive Director, CIT People and Organisational Governance
(02) 6207 3133



SECTION F

FINANCIAL MANAGEMENT REPORTING

General overview

The year 2014 has been very successful, with CIT continuing to excel in delivering government-funded and commercial training, despite continued uncertainty and challenges at local, national and international levels. All performance targets were met or exceeded with highlights including very high student and employer satisfaction levels and above target achievement of module pass rates. CIT has continued to actively improve its effectiveness and responsiveness in skilling students using contemporary training methods which have been very 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

At the end of the 2014 financial year, CIT had a better than budgeted financial result with an operating deficit of \$7 million against a budgeted deficit of \$16.1 million. The anticipated transfer of the Watson facility back to the ACT Government which, would have resulted in a transfer cost to the operating result of \$8.9 million did not come to fruition. This was the major contributing factor to the variance from the budgeted result. Excluding this item, the operating result was solid with an operating deficit within \$0.2 million of budget.

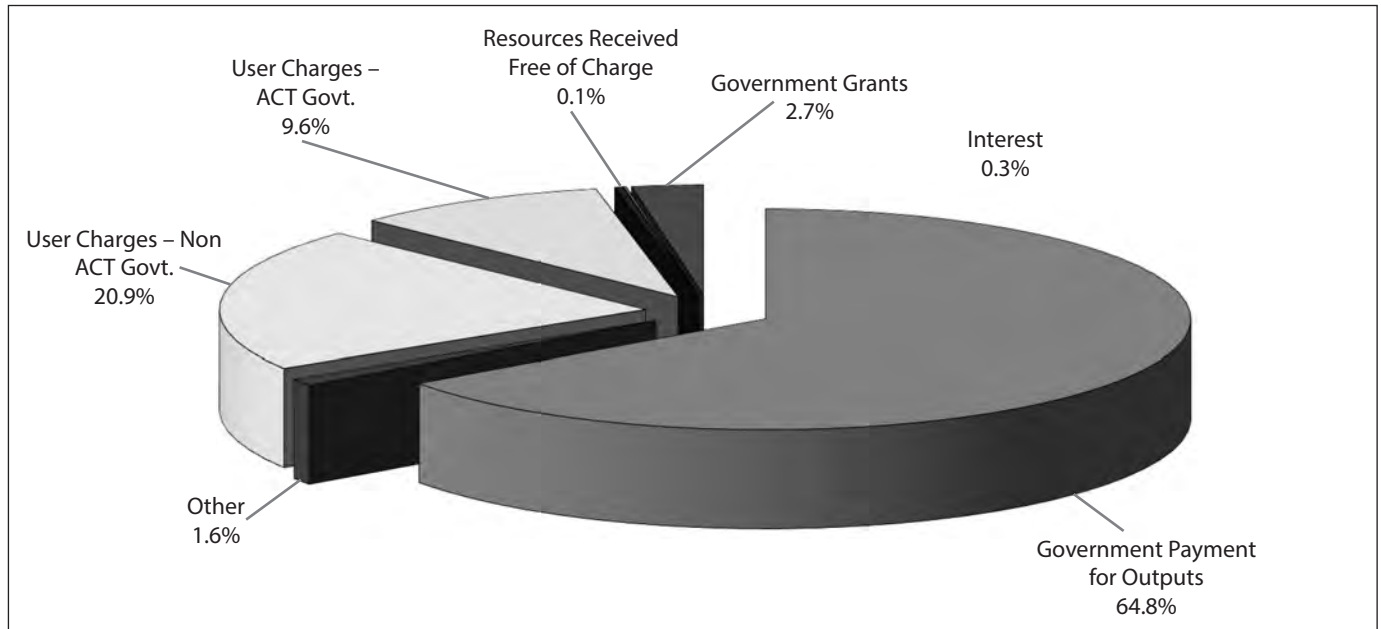
The specific income and expense variances affecting the operating result are detailed in the income and

expense sections of this Financial Management Analysis. The financial information in this Financial Management Analysis is based on audited financial statements for 2013 and 2014, as well as the CIT Statement of Intent 2014 15.

Total income

Components of income

Total revenue (Figure 1) for 2014 was \$103.8 million consisting primarily of \$67.2 million (64.8%) received from the ACT Government as Government Payment for Outputs (GPO) and \$21.7 million (20.9%) generated from Non-ACT Government User-Charges (local and overseas student fees and training course income).

Figure 1: Components of revenue

Source: Canberra Institute of Technology Financial Statements

Comparison to budget

Revenue

Revenue for the year ending 31 December 2014 was \$103.8 million, which was \$1.8 million greater than the 2014 budget, with higher than budgeted ACT Government user charges (\$1.2 million) due to increased training courses for ACT Government Agencies and higher Other Revenue (\$1.6 million) due to funding received for the upgrade of CIT's student information system.

Comparison to 2013 actual

Revenue

Revenue in 2014 was \$1.3 million, (1.3%), greater than the 2013 actual result, due primarily to higher than budgeted non-ACT Government user charges (\$1.8 million) due to increased training courses, together with funding received for the upgrade of CIT's student information system. This increase was offset by a reduction in Commonwealth Government Grants funding of \$1.3 million primarily related to the

National Vocational Education and Training E-learning Strategy program.

Future trends

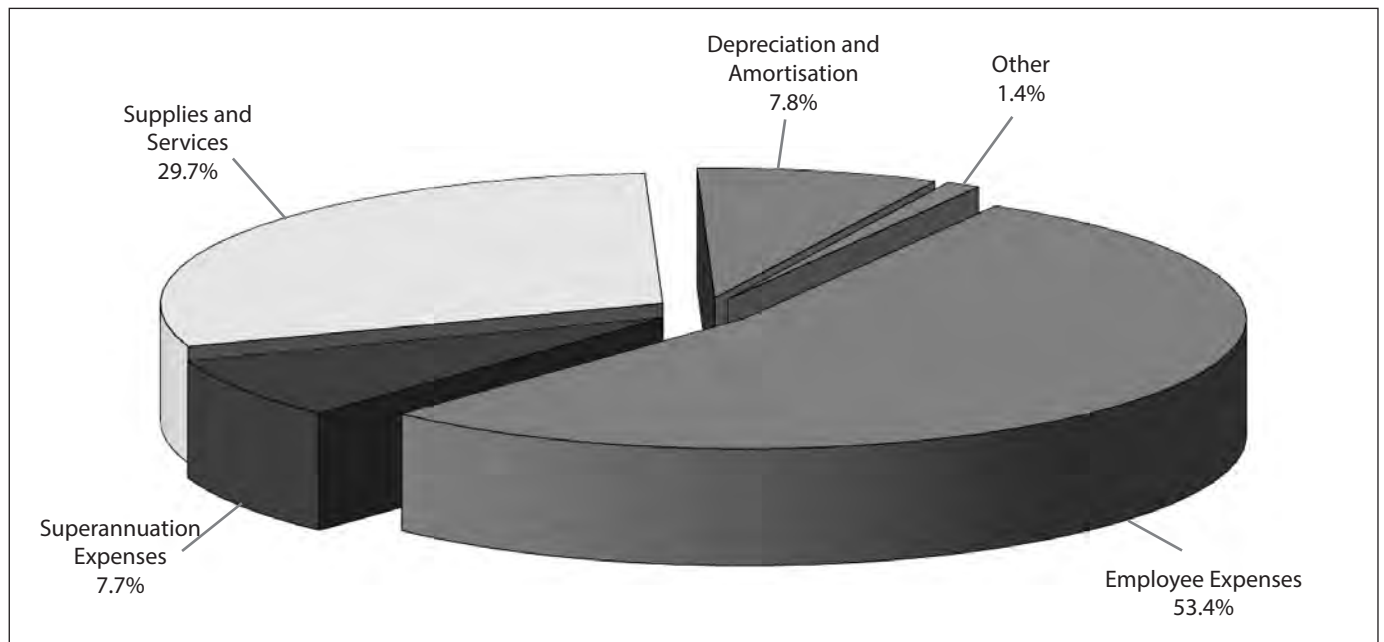
Total income for 2015 is budgeted to remain similar to 2014 levels. Revenue thereafter is anticipated to increase by CPI.

Total expenditure

Components of expenditure

Expenses totalled \$111.0 million in 2014, comprising largely of employee and superannuation expenses of \$67.8 million (61.1%) and supplies and services \$32.9 million or 29.7% (Figure 2).

Figure 2: Components of expenses



Source: Canberra Institute of Technology Financial Statements

Comparison to budget

Expenditure

Total expenditure of \$111.0 million was \$7.2 million, (6.1%) lower than the 2014 Budget of \$118.2 million. The lower than budget expenditure was a combination of expenditure restraint in corporate support and facilities functions and, the result of a planned transfer of the Watson campus back to the ACT Government (\$8.9 million) that did not take place. This was due to delays in finalising future opportunities for the site.

Comparison to 2013 actual

Total expenditure was \$2.6 million, (2.3%), lower than the 2013 actual result. The decrease is primarily due to expenditure restraint in corporate support and facilities functions supplies and services (\$2.9 million lower) partially offset by increased Wages and Salaries expenditure arising from new Industrial Agreements.

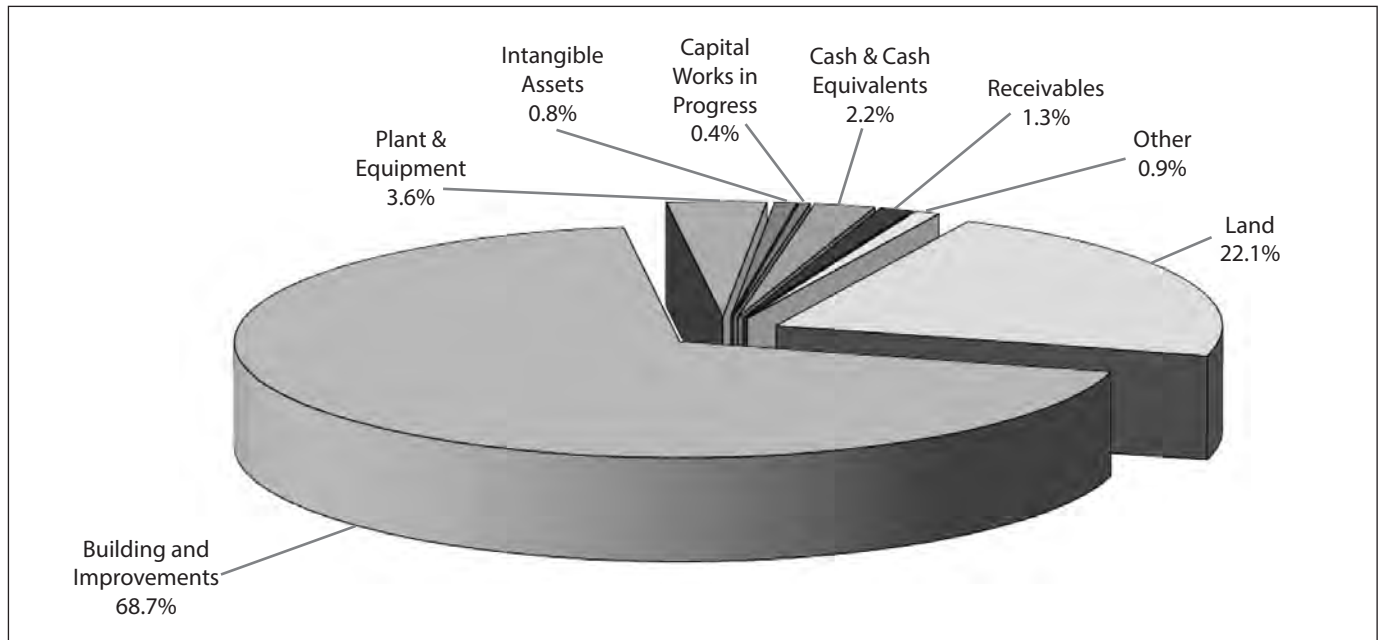
Future trends

Total expenditure for 2015 is budgeted to remain similar to 2014 levels. Expenditure thereafter is anticipated to increase by CPI.

Financial position: Total assets

Components of total assets

Figure 3 indicates that for the financial year ended 31 December 2014, CIT held 95.6% of its assets in property, plant and equipment and works in progress, and 4.4% in cash and cash equivalents, receivables and other current assets.

Figure 3: Total assets

Source: Canberra Institute of Technology Financial Statements

Comparison to budget

The total asset position as at 31 December 2014 is \$197.8 million, \$4.3 million lower than the 2014 budget of \$202.1 million. This is largely due to a planned transfer of the Watson campus back to the ACT Government (\$8.9 million) that did not take place, and a downward revaluation of assets of \$12.5 million following a scheduled revaluation exercise.

Cash and cash equivalents were \$3.6 million above budget at year end due to restraint in corporate support and facilities functions.

Comparison to 2013 actual

CIT's total asset position is \$19.3 million lower than the 2013 actual result of \$217.1 million due largely to the downward revaluation of \$12.5 million of assets and depreciation and amortisation of property, plant and equipment (\$7.8 million).

Financial position: Total liabilities

Figure 4 indicates that the majority of CIT's liabilities relate to employee benefits (82.3%), payables (6.6%) and revenue received in advance (11.1%).

Comparison to budget

CIT's liabilities for the year ended 31 December 2014 of \$22.4 million is \$0.8 million lower than the 2014 budget of \$23.2 million.

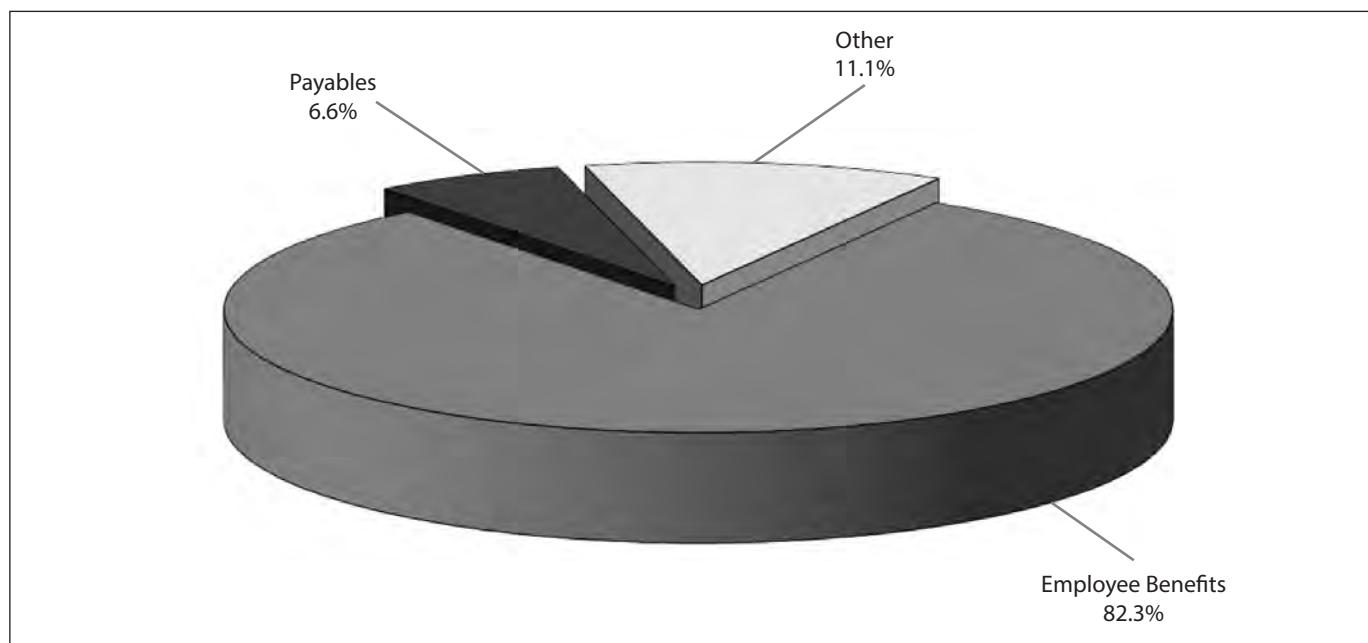
Comparison to 2013 actual

CIT's total liabilities were \$3.4 million lower than the 2013 actual result of \$25.8 million due to accrued 2013 payables being discharged in 2014.

Liquidity

Liquidity is the ability of CIT to meet its short-term obligations as they fall due. The current working

Figure 4: Total liabilities



Source: Canberra Institute of Technology Financial Statements

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 0.41 is higher than the budget target of 0.23 for the year, although lower than the 2013 outcome of 0.43. The decrease from 2013 is mostly a result of reduced cash levels and receivables coupled with increased employee benefits resulting from new Industrial Agreements.

Cash and cash equivalents decreased by \$0.8 million from the previous year to \$4.3 million. This was \$3.6 million above budget at year end due to restraint in corporate support and facilities functions.

Performance measures

The main measures relating to government-funded training services indicate good results in all measures. Module pass rates and program completion rates were above target by 9 and 8 per cent respectively,

due to CIT's continued focus on quality support and pastoral care services for students.

The 2014 satisfaction surveys of learners and employers showed satisfaction levels of 91% and 85% respectively, reflecting the positive views held by industry and students of the relevance of CIT training. CIT has continued to actively improve its effectiveness and responsiveness in skilling students using contemporary training methods which have been very positively received by industry and students alike.

Risk management

Managing CIT risk is a key governance responsibility and comprises the Strategic Business Risk Profile, as well as prevention of fraud and corruption risk. Six categories have been identified for each, one of which includes financial sustainability.

Progress reports continue to show that many of our business risk rankings are being reduced as a result

CIT's Working Capital Ratio

	Actual 2014 \$'000	Budget 2014 \$'000	Actual 2013 \$'000
Current Assets			
Cash and cash equivalents	4,348	653	5,122
Receivables	2,552	2,500	3,146
Other	1,855	1,500	2,117
Total Current Assets	8,755	4,653	10,385
Current Liabilities			
Payables	1,402	1,429	3,897
Employee Benefits	17,454	16,307	17,395
Other	2,348	2,582	2,834
Total Current Liabilities	21,204	20,318	24,126
Working Capital Ratio	0.41	0.23	0.43

of successful mitigating strategies and a focus on continual reporting to the Board of Management and the Audit Committee. The risks identified for both business and fraud and corruption link directly to our Risk Environment Plan, which is continually reviewed to ensure CIT is addressing strategic and any emerging risk. Monitoring of risk is also embedded in all CIT business plans.

CIT undertakes monthly reporting and analysis of its financial performance, both at an institute and cost centre level, which assists in identifying and addressing any financial risks. CIT also undertakes monthly reporting and analysis of its annual performance measures as identified in the Statement of Intent and the ACT Government Budget. This process assists in identifying any performance risks. The financial and performance reporting is communicated to management and the various CIT governance committees on a periodic basis.

For more information:

Chief Operating Officer
(02) 6207 3314



AUDITOR-GENERAL AN OFFICER
OF THE ACT LEGISLATIVE ASSEMBLY



INDEPENDENT AUDIT REPORT CANBERRA INSTITUTE OF TECHNOLOGY

To the Members of the ACT Legislative Assembly

Report on the financial statements

The financial statements of the Canberra Institute of Technology (the Institute) for the year ended 31 December 2014 have been audited. These comprise the operating statement, balance sheet, statement of changes in equity, cash flow statement, statement of appropriation and accompanying notes.

Responsibility for the financial statements

The Chief Executive Officer of the Institute is responsible for the preparation and fair presentation of the financial statements in accordance with the *Financial Management Act 1996*. This includes responsibility for maintaining adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and the accounting policies and estimates used in the preparation of the financial statements.

The auditor's responsibility

Under the *Financial Management Act 1996*, I am responsible for expressing an independent audit opinion on the financial statements of the Institute.

The audit was conducted in accordance with Australian Auditing Standards to provide reasonable assurance that the financial statements are free of material misstatement.

I formed the audit opinion following the use of audit procedures to obtain evidence about the amounts and disclosures in the financial statements. As these procedures are influenced by the use of professional judgement, selective testing of evidence supporting the amounts and other disclosures in the financial statements, inherent limitations of internal control and the availability of persuasive rather than conclusive evidence, an audit cannot guarantee that all material misstatements have been detected.

Although the effectiveness of internal controls is considered when determining the nature and extent of audit procedures, the audit was not designed to provide assurance on internal controls.

The audit is not designed to provide assurance on the appropriateness of budget information included in the financial statements or to evaluate the prudence of decisions made by the Institute.

Electronic presentation of the audited financial statements

Those viewing an electronic presentation of the financial statements should note that the audit does not provide assurance on the integrity of information presented electronically, and does not provide an opinion on any other information which may have been hyperlinked to or from the financial statements. If users of the financial statements are concerned with the inherent risks arising from the electronic presentation of information, they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.

Independence


Applicable independence requirements of Australian professional ethical pronouncements were followed in conducting the audit.

Audit opinion

In my opinion, the financial statements of the Institute for the year ended 31 December 2014:

- (i) are presented in accordance with the *Financial Management Act 1996*, Accounting Standards and other mandatory financial reporting requirements in Australia; and
- (ii) present fairly the financial position of the Institute as at 31 December 2014 and the results of its operations and cash flows for the year then ended.

This audit opinion should be read in conjunction with the other information disclosed in this report.



Dr Maxine Cooper
Auditor-General
18 March 2015

Canberra Institute of Technology
Financial Statements
For the Year Ended 31 December 2014

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 2014 and the financial position of the Canberra Institute of Technology on that date.



Leanne Cover
Acting Chief Executive Officer
Canberra Institute of Technology
11 March 2015

Canberra Institute of Technology
Financial Statements
For the Year Ended 31 December 2014

Statement by the Chief Finance Officer

In my opinion, the financial statements of the Canberra Institute of Technology have been prepared in accordance with generally accepted accounting principles, 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 2014 and the financial position of the Canberra Institute of Technology on that date.



Shane Kay
Chief Finance Officer
Canberra Institute of Technology
11 March 2015

Canberra Institute of Technology

Financial Statements

For the year ended 31 December 2014

Canberra Institute of Technology
Operating Statement
 For the Year Ended 31 December 2014

		Consolidated		Institute		
		Actual 2014 \$'000	Actual 2013 \$'000	Actual 2014 \$'000	Original Budget 2014 \$'000	Actual 2013 \$'000
	Note					
Income						
Revenue						
Government Payments for Outputs	4	67,249	67,101	67,249	67,249	67,101
User Charges – ACT Government	5	10,179	10,989	9,962	8,806	10,504
User Charges – Non-ACT Government	5	34,504	31,300	21,749	21,792	19,992
Government Grants	6	2,834	4,145	2,834	3,820	4,145
Interest	7	392	329	326	200	274
Resources Received Free of Charge	8	68	60	68	35	60
Other Revenue	9	1,901	702	1,652	100	382
Total Revenue		117,127	114,626	103,840	102,002	102,458
Gains						
Contributions from CIT Solutions Pty Limited	10	–	–	150	150	250
Other Gains	10	31	12	31	–	12
Total Gains		31	12	181	150	262
Total Income		117,158	114,638	104,021	102,152	102,720
Expenses						
Employee Expenses	11	68,867	67,906	59,319	57,009	58,552
Superannuation Expenses	12	9,350	9,228	8,520	7,914	8,402
Supplies and Services	13	34,492	36,959	32,918	34,476	35,875
Depreciation and Amortisation	14	8,801	8,731	8,672	8,596	8,570
Other Expenses	15	2,328	2,926	1,545	10,219	2,213
Total Expenses		123,838	125,750	110,974	118,214	113,612
Operating Deficit		(6,680)	(11,112)	(6,953)	(16,062)	(10,892)
Other Comprehensive Income						
<i>Items that will not be reclassified subsequently to profit or loss</i>						
Decrease in the Asset Revaluation Surplus	28	(12,576)	–	(12,574)	–	–
Total Other Comprehensive Income		(12,576)	–	(12,574)	–	–
Total Comprehensive Income		(19,256)	(11,112)	(19,527)	(16,062)	(10,892)

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

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

Canberra Institute of Technology
Balance Sheet
 For the Year Ended 31 December 2014

		Consolidated		Institute		
	Note	Actual 2014 \$'000	Actual 2013 \$'000	Actual 2014 \$'000	Original Budget 2014 \$'000	Actual 2013 \$'000
Current Assets						
Cash and Cash Equivalents	18	6,548	5,932	4,348	653	5,122
Receivables	19	3,980	5,047	2,552	2,500	3,146
Other Assets	20	2,055	2,348	1,855	1,500	2,117
Total Current Assets		12,583	13,327	8,755	4,653	10,385
Non-Current Assets						
Investments	21	–	–	20	20	20
Property, Plant and Equipment	22	186,928	204,538	186,780	194,243	204,267
Intangible Assets	23	1,552	1,436	1,552	1,430	1,436
Capital Works in Progress	24	734	944	734	1,765	944
Total Non-Current Assets		189,214	206,918	189,086	197,458	206,667
Total Assets		201,797	220,245	197,841	202,111	217,052
Current Liabilities						
Payables	25	1,518	3,983	1,402	1,429	3,897
Employee Benefits	26	18,932	18,481	17,454	16,307	17,395
Other Liabilities	27	2,810	3,143	2,348	2,582	2,834
Total Current Liabilities		23,260	25,607	21,204	20,318	24,126
Non-Current Liabilities						
Employee Benefits	26	1,303	1,875	1,184	2,871	1,675
Other Non-Current Liabilities	27	50	51	–	–	–
Total Non-Current Liabilities		1,353	1,926	1,184	2,871	1,675
Total Liabilities		24,613	27,533	22,388	23,189	25,801
Net Assets		177,185	192,712	175,453	178,922	191,251
Equity						
Accumulated Funds		103,950	106,901	102,216	93,111	105,440
Asset Revaluation Surplus	28	73,235	85,811	73,237	85,811	85,811
Total Equity		177,185	192,712	175,453	178,922	191,251

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

The Institute has only one output class and as such the above Balance Sheet is also the Institute'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 2014

		Consolidated			Institute		
		Accumulated Funds Actual 2014 \$'000	Asset Revaluation Surplus Actual 2014 \$'000	Total Equity Actual 2014 \$'000	Accumulated Funds Actual 2014 \$'000	Asset Revaluation Surplus Actual 2014 \$'000	Total Equity Actual 2014 \$'000
	Note						
Balance as at 01 January 2014		106,901	85,811	192,712	105,440	85,811	191,251

Comprehensive Income

Operating Deficit		(6,680)	–	(6,680)	(6,953)	–	(6,953)
Decrease in the Asset Revaluation Reserve Surplus	28	–	(12,576)	(12,576)	–	(12,574)	(12,574)
Total Comprehensive (Deficit)/Income		(6,680)	(12,576)	(19,256)	(6,953)	(12,574)	(19,527)
							(16,062)

Transactions Involving Owners Affecting Accumulated Funds

Capital Injections		3,729	–	3,729	3,729	–	3,729
Total Transactions Involving Owners Affecting Accumulated Funds		3,729	–	3,729	3,729	–	3,729
Balance as at 31 December 2014		103,950	73,235	177,185	102,216	73,237	175,453
							178,922

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

Canberra Institute of Technology
Statement of Changes in Equity – continued
For the Year Ended 31 December 2013

	Consolidated			Institute		
	Accumulated Funds Actual 2013 \$'000	Asset Revaluation Surplus Actual 2013 \$'000	Total Equity Actual 2013 \$'000	Accumulated Funds Actual 2013 \$'000	Asset Revaluation Surplus Actual 2013 \$'000	Total Equity Actual 2013 \$'000
Balance as at 01 January 2013	112,898	85,811	198,710	111,217	85,811	197,028
Comprehensive Income						
Operating (Deficit)	(11,112)	–	(11,112)	(10,892)	–	(10,892)
Total Comprehensive Deficit	(11,112)	–	(11,112)	(10,892)	–	(17,917)
Transactions Involving Owners Affecting Accumulated Funds						
Capital Injections	5,115	–	5,115	5,115	–	5,115
Total Transactions Involving Owners Affecting Accumulated Funds	5,115	–	5,115	5,115	–	4,787
Balance as at 31 December 2013	106,901	85,811	192,712	105,440	85,811	183,898

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 2014

		Consolidated		Institute		
		Actual 2014 \$'000	Actual 2013 \$'000	Actual 2014 \$'000	Original Budget 2014 \$'000	Actual 2013 \$'000
	Note					

Cash Flows from Operating Activities**Receipts**

Government Payments for Outputs		67,249	67,101	67,249	67,249	67,101
User Charges – ACT Government		9,302	10,555	8,933	8,806	9,718
User Charges – Non-ACT Government		35,572	30,241	22,345	22,438	19,913
Interest Received		392	329	325	200	274
Donations/Dividends Received		–	–	400	400	500
Government Grants		2,834	4,064	2,834	3,820	4,064
Goods and Services Tax Input Tax Credits from the Australian Taxation Office		1,309	1,077	1,905	–	1,596
Goods and Services Tax Collected from Customers		2,473	2,561	1,521	–	1,663
Other		1,904	702	1,402	3,800	382
Total Receipts from Operating Activities		121,035	116,630	106,914	106,713	105,211

Payments

Employee		68,988	69,847	59,750	59,758	60,464
Superannuation		9,350	9,228	8,520	7,914	8,402
Supplies and Services		36,597	35,034	35,081	38,394	33,664
Good and Services Tax Paid to Suppliers		3,957	3,783	3,600	–	3,423
Other		1,693	2,258	911	4,803	1,552
Total Payments from Operating Activities		120,585	120,151	107,862	110,869	107,505
Net Cash Inflows/(Outflows) from Operating Activities	32	451	(3,521)	(947)	(4,156)	(2,294)

Cash Flows from Investing Activities**Receipts**

Proceeds from Sale of Property, Plant and Equipment		31	12	31	–	12
Total Receipts from Investing Activities		31	12	31	–	12

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

Canberra Institute of Technology
Cash Flow Statement – Continued
 For the Year Ended 31 December 2014

		Consolidated		Institute		
	Note	Actual 2014 \$'000	Actual 2013 \$'000	Actual 2014 \$'000	Original Budget 2014 \$'000	Actual 2013 \$'000

Payments

Payments for Property, Plant and Equipment		3,593	4,055	3,586	5,098	3,952
Total Payment from Investing Activities		3,593	4,055	3,586	5,098	3,952
Net Cash Outflows from Investing Activities		(3,562)	(4,043)	(3,555)	(5,098)	(3,940)

Cash Flows from Financing Activities**Receipts**

Capital Injections		3,729	5,115	3,729	4,787	5,115
Total Receipts from Financing Activities		3,729	5,115	3,729	4,787	5,115

Payments

Repayment of Borrowings		2	9	–	–	–
Total Payment from Financing Activities		2	9	–	–	–
Net Cash Inflows/(Outflows) from Financing Activities	32	3,728	5,106	3,729	4,787	5,115
Net Increase/(Decrease) in Cash and Cash Equivalents		617	(2,458)	(774)	(4,467)	(1,119)
Cash and Cash Equivalents at the Beginning of the Reporting Period		5,932	8,389	5,122	5,120	6,239
Cash and Cash Equivalents at the End of the Reporting Period	32	6,548	5,932	4,348	653	5,120

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

The budget amounts for Payments for Property, Plant and Equipment and for Capital Injections were incorrectly presented in the Institute's Statement of Intent 2014-15. The figures have not been adjusted here.

Canberra Institute of Technology
Statement of Appropriation
 For the Year Ended 31 December 2014

	Original Budget 2014 \$'000	Total Appropriated 2014 \$'000	Appropriated Drawn 2014 \$'000	Appropriated Drawn 2013 \$'000
Government Payment for Outputs	67,249	67,249	67,249	67,101
Capital Injections	3,733	3,729	3,729	5,115
Total Appropriation	70,982	70,979	70,979	72,216

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 Institute's Statement of Intent. These amounts also appear 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 the Institute during the year. This amount appears in the Cash Flow Statement.

Canberra Institute of Technology
Note Index of the Financial Statements
 For the Year Ended 31 December 2014

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Canberra Institute of Technology Notes to and Forming Part of the Financial Statements For the Year Ended 31 December 2014

NOTE 1 OBJECTIVES OF THE CANBERRA INSTITUTE OF TECHNOLOGY

Operation and Principal Activities

The Canberra Institute of Technology (the Institute) 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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

The Financial Management Act 1996 (FMA) requires the preparation of annual financial statements for ACT Government territory authorities. The Institute is a prescribed territory authority under the FMA, therefore is required to report on its one output class.

The FMA and *Financial Management Guidelines* issued under the Act, require the Institute's financial statements to include:

- (i) an Operating Statement for the year;
- (ii) a Balance Sheet at the end of 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) a summary of the significant accounting policies adopted for the year; and
- (vii) such other statements as are necessary to fairly reflect the financial operations of the Institute during the year and its financial position at the end of the year.

These general-purpose financial statements have been prepared to comply with 'Generally Accepted Accounting Principles' (GAAP) 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.

The financial statements have been prepared using the accrual basis of accounting, which recognises the effects of transactions and events when they occur. The financial statements have also been prepared according to the historical cost convention, except for assets which were valued in accordance with the (re)valuation policies applicable to the Institute during the reporting period.

As at 31 December 2014, the Institute's total current assets (\$12.583 million) are less than its total current liabilities (\$23.26 million) by \$10.677 million. However, this is not considered a liquidity risk as its cash needs are funded through appropriation from the ACT Government on a cash-needs basis. This is consistent with the whole-of-government cash management regime, which requires excess cash balances to be held centrally rather than within individual agency bank accounts.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is measured using the market approach, the cost approach or the income approach valuation techniques as appropriate. In estimating the fairvalue of an asset or liability, the Institute takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at measurement date.

The above approach to fair value measurement does not apply to leasing transactions within the scope of AASB117 *Leases* or measurements that have some similarities to fair value but are not fair value, such as net realisable value in AASB 102 *Inventories* or value in use in AASB 136 *Impairment of Assets*.

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
 For the Year Ended 31 December 2014

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

For disclosure purposes fair value measurements are categorised into Level 1, 2 or 3 based on the extent to which the inputs to the valuation techniques are observable and the significance of the inputs to the fair value measurement in its entirety. 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 for the asset or liability that are not based on observable market data (unobservable inputs) that are unobservable for particular assets or liabilities.

These financial statements are presented in Australian dollars, which is the Institute's functional currency. The Institute is a group reporting entity.

(b) Principles of Consolidation

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

(c) The Reporting Period

These financial statements state the financial performance, changes in equity and cash flows of the Institute for the year ended 31 December 2014, together with the financial position of the Institute as at 31 December 2014.

(d) Comparative Figures

Budget Figures

The *Financial Management Act 1996* requires the statements to facilitate a comparison with the Institute's Statement of Intent. The budget numbers disclosed in the financial statements are consistent with those included in the Statement of Intent.

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.

(e) Rounding

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

(f) Revenue Recognition

Revenue is recognised at the fair value of the consideration received or receivable in the Operating Statement. All revenue is recognised to the extent that it is probable that the economic benefits will flow to the Institute and the revenue can be reliably measured. In addition, the following specific recognition criteria must also be met before revenue is recognised:

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2014

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

(f) Revenue Recognition - continued

Government Payment for Outputs

Government Payment for Outputs is recognised as revenue when the Institute gains control over the funding. Control over appropriated funds is normally obtained upon the receipt of cash.

Sale of Goods

Revenue from the sale of goods is recognised as revenue when the significant risks and rewards of ownership of the goods has transferred to the buyer, the Institute retains neither continuing managerial involvement nor effective control over the goods sold, and the costs incurred in respect of the transaction can be measured reliably.

Grants

Revenue is generally recognised when the Institute controls the revenue.

User-charge revenue is recognised upon delivery of the service to customers, or by reference to the stage of completion of contracts or agreements for the services involved. The stage of completion is estimated on the basis of the ratio of costs incurred to date to the estimated total costs of the contracts or agreement.

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.

Interest

Interest revenue is recognised using the effective interest method.

Dividends

Dividend revenue is recognised when the Institute's right to receive payment is established.

Revenue Received in Advance

Revenue received in advance is recognised as a liability if there is a present obligation to return the funds received, otherwise all amounts are recorded as revenue.

(g) 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 the Institute 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, the Institute 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 \$453,395 in 2014 (2013 \$460,767) for its use of the Institute's accommodation and utilities; and
- (ii) The Canberra City Band was provided with a benefit of rent to the value of \$68,049 in 2014 (2013 \$69,156).

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
 For the Year Ended 31 December 2014

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

(h) Repairs and Maintenance

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

(i) Waivers of Debt

Debts that are waived during the year are expensed in the year in which the right to payment was waived. Further details of waivers are disclosed at Note 16 – *Waivers, Impairment Losses and Write-offs*. The Institute did not have any debts waived under Section 131 of the *Financial Management Act 1996*.

(j) Taxation

The Institute and the Company are exempt organisations under income tax legislation and therefore are not subject to Income Tax. Both the Institute and the Company are liable to pay Goods and Services Tax and Fringe Benefits Tax. Fringe Benefits Tax expense for the year was \$87,456 (2013 \$93,601).

(k) Current and Non-Current Items

Assets and liabilities are classified as current or non-current in the Balance Sheet and in the relevant notes. Assets are classified as current where they are expected to be realised within 12 months after the reporting date. Liabilities are classified as current when they are due to be settled within 12 months after the reporting date or the Institute does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

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

(l) Impairment of Assets

The Institute 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. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's 'fair value less costs to sell' and its 'value in use'. An asset's 'value in use' is its depreciated replacement cost, where the asset would be replaced if the Institute were deprived of it.

Non-financial assets that have previously been impaired are reviewed for possible reversal of impairment at each reporting date.

Any resulting impairment losses, for land, buildings and improvements and plant and equipment assets, are recognised as a decrease in the Asset Revaluation Surplus relating to these classes of assets. Where the impairment loss is greater than the balance in the Asset Revaluation Surplus for the relevant class of asset, the difference is expensed in the Operating Statement. Impairment losses for intangible assets and leasehold improvements are recognised in the Operating Statement, as intangible assets and leasehold improvements are carried at cost. The carrying amount of the asset is reduced to its recoverable amount.

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2014

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**(m) Cash and Cash Equivalents**

For the purposes of the Cash Flow Statement and the Balance Sheet, 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. Bank overdrafts are included in cash and cash equivalents in the Cash Flow Statement but not in the cash and cash equivalents line in the Balance Sheet.

(n) Receivables

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

Trade receivables arise in the normal course of selling goods and services to other agencies and to the public. Trade receivables are payable within 30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement.

Student receivables arise in the normal course of providing vocational education and training, the majority of which are payable within two weeks of the enrolment date.

Other trade receivables arise outside the normal course of selling goods and services to other agencies and to the public. Other trade receivables are payable within 30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement.

The allowance for impairment losses represents the amount of trade receivables and student receivables that the Institute estimates will not be repaid. The Institute determines the allowance for impairment losses based on objective evidence and a review of overdue balances. The Institute considers the following is objective evidence of impairment:

- (i) becoming aware of financial difficulties of debtors;
- (ii) default payments; or
- (iii) debts more than 90 days overdue.

The amount of the allowance is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. The amount of the allowance is recognised in the Operating Statement. The allowance for impairment losses is written off against the allowance account when the Institute ceases action to collect the debt as it considers that it will cost more to recover the debt than the debt is worth.

(o) Investments

The Institute holds a long-term investment in CIT Solutions Pty Limited, which is measured at cost. Further details of this investment are provided in Note 21 - *Investments*.

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
 For the Year Ended 31 December 2014

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

(p) Acquisition and Recognition of Property, Plant and Equipment

Property, plant and equipment is initially recorded at cost. Cost includes the purchase price, directly attributable costs and the estimated cost of dismantling and removing the item (where, upon acquisition, there is a present obligation to remove the item) and the estimated cost of restoring the site on which it is located.

Where property, plant and equipment is 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 minimum value of \$2,000 (GST exclusive) is capitalised.

(q) 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 improvements, plant and equipment and heritage assets are measured at fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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 improvements, plant and equipment, 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. Depreciated replacement cost is the current replacement cost of an asset less accumulated depreciation calculated on the basis of such cost to reflect the already consumed economic benefits, expired economic benefits or obsolescence of the asset. Current replacement cost is determined by reference to the cost of a substitute asset of comparable utility, the gross project size specifications or the historical cost, adjusted by relevant indices. For heritage assets, 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.

Leasehold improvements are carried at cost.

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.

Land, buildings and improvements, plant and equipment, and heritage assets are revalued every three years. As these assets were revalued in 2014, the next asset revaluation is scheduled for 2017. 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 and improvements, 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.

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2014

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**(r) Intangible Assets**

The Institute's intangible assets comprise externally acquired software for internal use.

Externally acquired software is recognised and capitalised when:

- (i) it is probable that the expected future economic benefits that are attributable to the software will flow to the Institute;
- (ii) the cost of the software can be measured reliably; and
- (iii) 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. Intangibles are measured at cost.

(s) Depreciation and Amortisation of Non-Current Assets

Non-current assets, with a limited useful life, are systematically depreciated/amortised over their useful lives in a manner that reflects the consumption of their service potential. The useful life commences when an asset is ready for use. When an asset is revalued, it is depreciated/amortised over its newly assessed remaining useful life. Amortisation is used in relation to intangible assets, while depreciation is applied to physical assets such as buildings, and plant and equipment. Land and heritage assets have an unlimited useful life and are therefore not depreciated.

Leasehold improvements are depreciated over the estimated useful life of each asset improvement, or the unexpired period of the relevant lease, whichever is shorter.

All depreciation is calculated after first deducting any residual values which remain for each asset.

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

Class of Asset	Depreciation/Amortisation Method	Useful Life (Years)
Buildings and Improvements	Straight Line	5-100
Leasehold Improvements	Straight Line	2-10
Plant and Equipment	Straight Line	2-20
Externally Purchased Software	Straight Line	2-5

The useful lives of all major assets held are reassessed on an annual basis.

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
 For the Year Ended 31 December 2014

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

(t) Payables

Payables are a financial liability and 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 measured at their nominal amount and are normally settled within 30 days after the invoice date.

Payables include Accounts Payables, Accrued Expenses and Other Payables.

Accounts Payables represent the amounts owing for goods and services received prior to the end of the reporting period and unpaid at the end of the reporting period and relating to the normal operations of the Institute.

Accrued Expenses represent goods and services provided by other parties during the period that are unpaid at the end of the reporting period and where an invoice has not been received by period end.

Other Payables are those unpaid invoices that do not directly relate to the normal operations of the Institute.

(u) Leases

The Institute has entered into operating leases.

Operating Leases

Operating leases do not effectively transfer to the Institute substantially all the risks and rewards incidental to ownership of the asset under an operating lease. Operating lease payments are recognised as an expense in the Operating Statement on a straight-line basis over the term of the lease.

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2014

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

(v) Employee Benefits

Employee benefits include:

- short-term employee benefits, such as wages and salaries, annual leave loading, annual leave, superannuation and applicable on-costs, 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; and
- 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 leave and long service leave.

Wages and Salaries

Accrued wages and salaries 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 before twelve months after the end of the reporting period when the employees render the related service, 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 future 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 2014 the rate used to estimate the present value of future payments is 100.7%.

In 2014, the rate used to estimate the present value of future payments for long service leave is 106.0% (98.1% in 2013).

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 7 years 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.

The significant judgements and assumptions included in the estimation of annual and long service leave liabilities are determined by an actuary. The Australian Government Actuary performed this assessment in May 2014. The assessment by an actuary is performed every 5 years. However it may be performed more frequently if there is a significant contextual change in the parameters underlying the 2014 report. The next actuarial review is expected to be undertaken by May 2019. Further information about this estimate is provided in Note 2 (z) *Significant Accounting Judgements and Estimates*.

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 the Institute has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
 For the Year Ended 31 December 2014

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

(w) Superannuation

The Institute receives funding for superannuation payments as part of the Government Payment for Outputs. The Institute then makes payments on a fortnightly basis to the Territory Banking Account to cover the Institute's superannuation liability for the Commonwealth Superannuation Scheme (CSS) and the Public Sector Superannuation Scheme (PSS). This payment covers the CSS/PSS employer contribution, but does not include the productivity component. The Institute pays the productivity component directly to Comsuper. The CSS and PSS are defined benefit superannuation plans meaning that the defined benefits received by employees are based on the employee's years of service and average final salary.

Superannuation payments have also been made directly to superannuation funds for those members of the Public Sector who are part of superannuation accumulation schemes. This includes the Public Sector Superannuation Scheme Accumulation Plan (PSSAP) and schemes of employee choice.

Superannuation employer contribution payments, for the CSS and PSS, are calculated by taking the salary level, at an employee's anniversary date, and multiplying it by the actuarially assessed nominal CSS or PSS employer contribution rate for each employee. The productivity component payments are calculated by taking the salary level, at an employee's anniversary date, and multiplying it by the employer contribution rate (approximately 3%) for each employee. Superannuation payments for the PSSAP are calculated by taking the salary level, at an employee's anniversary date, and multiplying it by the appropriate employer contribution rate. Superannuation payments for fund of choice arrangements are calculated by taking an employee's salary each pay and multiplying it by the appropriate employer contribution rate.

A superannuation liability is not recognised in the Balance Sheet, as the Superannuation Provision Account recognises the total Territory superannuation liability for the CSS and PSS, and Comsuper and the external schemes recognise the superannuation liability for the PSSAP and other schemes respectively.

The ACT Government is liable for the reimbursement of the emerging costs of benefits paid each year to members of the CSS and PSS, in respect of ACT Government service provided after 1 July 1989. These reimbursement payments are made from the Superannuation Provision Account.

(x) Equity Contributed by the ACT Government

Contributions made by the ACT Government, in its role as owner of the Institute, are treated as contributions to equity. Increases or decreases in net assets as a result of Administrative Restructures are also recognised in equity.

(y) Insurance

The Institute's major risks are insured through the ACT Insurance Authority. The excess, payable under this arrangement, varies depending on each class of insurance held.

(z) Significant Accounting Judgements and Estimates

In the process of applying the accounting policies listed in this note, the Institute has made the following judgements and estimates that have the most significant impact on the amounts recorded in the financial statements:

- (i) *Fair Value of Assets:* The Institute 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 and improvements have been recorded at fair value using depreciated replacement cost and current prices in a market for similar properties in a similar location and condition as determined by an independent valuer. Plant and equipment and heritage assets have been recorded at fair value based on depreciated replacement cost as determined by an independent valuer. This valuation uses significant judgement and estimates to determine fair value, including the appropriate indexation figure and quantum of assets held.

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2014

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

(z) Significant Accounting Judgements and Estimates – continued

- (ii) *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. Further information on this estimate is provided in Note 2 (v) - *Employee Benefits*.
- (iii) *Estimation of the Useful Lives of Property, Plant and Equipment:* In making significant estimates to determine the useful lives of its property, plant and equipment, the Institute has considered the historical experience of similar assets. In some cases, an estimation has been based on valuations provided by an independent valuer. The useful lives are assessed on an annual basis and any adjustments are made when considered necessary.

Further disclosure concerning an asset's useful life can be found at Note 2 (s) - *Depreciation and Amortisation of Non-Current Assets*.
- (iv) *Allowance for Impairment Losses:* The Institute has made a significant estimate in the calculation of the allowance for impairment losses for receivables in the Financial Statements. This significant estimate is based on a number of categorisations of receivables. These categorisations are considered by management to be appropriate and accurate, based upon the pattern demonstrated in collecting receivables in the past financial years. The categorisations are associated with accounts in bankruptcy, unpaid objections and past write-offs.
- (v) *Recoverable Amount of Assets:* Note 2 (l): '*Impairment of Assets*' discloses that plant and equipment is annually assessed for impairment. If this assessment indicates an asset is impaired, then an assessment of the asset's recoverable amount must be estimated to determine whether an impairment loss must be recognised.

(aa) Monies Held on Behalf of Third Parties

The Institute administers these monies on behalf of third parties, independently of Institute funds. They are reported separately in Note 34 – *Third Party Monies*.

(ab) Impact of Accounting Standards Issued but yet to be Applied

The following new and revised accounting standards and interpretations have been issued by the Australian Accounting Standards Board but do not apply to the current period. These standards and interpretations are applicable to future reporting periods. The Institute does not intend to adopt these standards and interpretations early. Where applicable, these Australian Accounting Standards will be adopted from their application date. It is estimated that the effect of adopting the below pronouncements, when applicable, will not have a material financial impact on the Institute's financial results in future reporting periods.

- (i) AASB 9 Financial Instruments (application date 1 January 2018);
- (ii) AASB 1055 Budgetary Reporting (application date 1 July 2014);
- (iii) AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (application date 1 January 2018);
- (iv) AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments (Part C Financial Instruments Application date 1 January 2015).

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
 For the Year Ended 31 December 2014

NOTE 3 CHANGE IN ACCOUNTING POLICY AND ACCOUNTING ESTIMATES AND CORRECTION OF A PRIOR PERIOD ERROR

Change in Accounting Policy

The Institute had no changes in accounting policy during the reporting period.

Change in Accounting Estimate

Revision of the Rate Used to Estimate the Liability for Employee Benefits

As disclosed in Note 2 (v) - *Employee Benefits*, the estimated future payments for annual and long service leave (including applicable on-costs) that do not fall due in the next 12 months, are measured at the present value of estimated future payments to be made in respect of services provided by employees up to the reporting date. The present value of estimated future payments is calculated using the government bond rate.

Last financial year the inflation rate used to calculate the present value was 98.1%, however, due to a change in the government bond rate, the rate is now 106.0%.

As such the estimate of the long service leave liability has changed. This change has resulted in an increase to the estimate of the long service leave liability and expense in the current reporting period of \$940,663.

Correction of Prior Period Errors

The Institute had no correction of prior period errors during the reporting period.

NOTE 4 GOVERNMENT PAYMENT FOR OUTPUTS

Government Payment for Outputs (GPO) is revenue received from the ACT Government to fund the costs of delivering outputs. The ACT Government pays GPO appropriation to the Institute on a fortnightly basis.

	Consolidated		Institute	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Revenue from the ACT Government				
Government Payment for Outputs	67,249	67,101	67,249	67,101
Total Government Payment for Outputs	67,249	67,101	67,249	67,101

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
 For the Year Ended 31 December 2014

NOTE 5 USER CHARGES FOR GOODS AND SERVICES

User charge revenue is derived by providing goods and services to other ACT Government agencies and to the public. User charge revenue is not part of ACT Government appropriation and is paid by the user of the goods or services. This revenue is driven by consumer demand and is commercial in nature.

	Consolidated		Institute	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000

User Charges – ACT Government

Special Purpose Fund Activities ^(a)	10,179	10,989	9,962	10,504
Total User Charges – ACT Government	10,179	10,989	9,962	10,504

User Charges – Non-ACT Government

Commercial Revenue ^(b)	23,849	22,288	11,094	10,980
Student Fees and Charges ^(c)	10,647	9,012	10,647	9,012
Donations	8	–	8	–
Total User Charges – Non-ACT Government	34,504	31,300	21,749	19,992
Total User Charges for Goods and Services	44,683	42,289	31,711	30,496

(a) The decrease in Special Purpose Fund Activities revenue is the result of the winding up of the Productivity Places Program and a decrease in User Choice funding to Australian Apprentices.

(b) The increase in Commercial Revenue is due to increased international student activity.

(c) The increase in Student Fees and Charges is due to increases in student enrolment fees and associated charges such as recognition of prior learning and student material fees.

NOTE 6 GOVERNMENT GRANTS

	Consolidated		Institute	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000

Government Grants

Government Grants – Commonwealth	2,834	4,145	2,834	4,145
Total Government Grants ^(a)	2,834	4,145	2,834	4,145

(a) The decrease in Government Grants is due to cessation of the National Vocational Education and Training E-learning Strategy funding.

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
 For the Year Ended 31 December 2014

NOTE 7 INTEREST

	Consolidated		Institute	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Interest Revenue	392	329	326	274
Total Interest Revenue	392	329	326	274
Total interest revenue from financial assets not at fair value through profit and loss.	392	329	326	274

NOTE 8 RESOURCES RECEIVED FREE OF CHARGE

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

The Institute classifies goods and services received free of charge from entities external to the ACT Government as donations. Donations are shown in 5 - *User Charges for Goods and Services*.

	Consolidated		Institute	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Revenue from ACT Government Entities				
Legal Services	64	57	64	57
Library Reference Materials	4	3	4	3
Total Resources Received Free of Charge	68	60	68	60

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
 For the Year Ended 31 December 2014

NOTE 9 OTHER REVENUE

Other Revenue arises from the core activities of the Institute. Other Revenue is distinct from Other Gains, as Other Gains are unusual items that are not part of the core activities of the Institute.

	Consolidated		Institute	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Revenue from Other Sources				
Insurance Recoveries ^(a)	135	250	135	250
Student Allowances	146	148	–	–
Other Grants ^(b)	983	119	884	–
Other	637	185	633	132
Total Other Revenue from Other Sources	1,901	702	1,652	382
Total Other Revenue	1,901	702	1,652	382

(a) Insurance Recoveries revenue decreased in 2014 as the result of fewer claims to recover against.

(b) Other Grants represent funding received from ACT Government for the upgrade of the student information system.

NOTE 10 GAINS

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

	Consolidated		Institute	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Contributions from CIT Solutions Pty Limited ^(a)	–	–	150	250
Other Gains ^(b)	31	12	31	12
Total Gains	31	12	181	262

(a) Contributions from CIT Solutions Pty Limited are to assist with shared operating and capital costs.

(b) Other Gains comprises gains on sale of assets.

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
 For the Year Ended 31 December 2014

NOTE 11 EMPLOYEE EXPENSES

	Consolidated		Institute	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Wages and Salaries ^(a)	60,815	58,520	52,534	50,459
Annual Leave Expense	5,184	6,315	4,618	5,685
Long Service Leave Expense ^(b)	1,056	1,479	948	1,416
Other Employee Benefits and On-Costs ^(c)	1,812	1,592	1,219	992
Total Employee Expenses	68,867	67,906	59,319	58,552

(a) The increase in Wages and Salaries expenditure is primarily the result of salary increases under new Industrial Agreements and associated backpay.

(b) Long Service Leave Expense reduced as a combination of employees taking long service leave and improved data extraction methods from the payroll system.

(c) The increase in Other Employee Benefits and On-Costs is due to increases in the Workers Compensation Premiums.

NOTE 12 SUPERANNUATION EXPENSES

	Consolidated		Institute	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Superannuation Contributions to the Territory Banking Account	4,511	4,578	4,441	4,500
Superannuation Payments to Comsuper (for the PSSAP)	412	407	412	407
Superannuation to External Providers	4,427	4,243	3,667	3,495
Total Superannuation Expenses	9,350	9,228	8,520	8,402

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2014

NOTE 13 SUPPLIES AND SERVICES

	Consolidated		Institute	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Advertising	951	1,077	700	735
Cleaning Costs	2,663	2,608	2,663	2,608
Consultants and Contractors	6,876	6,485	4,257	4,423
Information and Communication Technology ^(a)	5,003	5,471	4,862	5,352
Insurance	1,360	1,368	1,305	1,313
Materials ^(b)	3,434	4,068	3,077	3,755
Minor Assets Expensed ^(c)	287	470	268	442
Operating Lease Charges ^(d)	699	628	419	348
Other	1,140	1,029	1,079	967
Overseas Student Management Fees ^(e)	–	544	3,063	3,469
Reference and Learning Materials	619	695	485	571
Repairs and Maintenance ^(c)	3,594	4,363	3,431	4,254
Seminars and Conferences	414	451	376	419
Shared Services ICT	3,442	3,436	3,384	3,375
Travel and Transport ^(f)	1,132	1,390	671	965
Utilities	2,878	2,878	2,878	2,878
Total Supplies and Services	34,492	36,959	32,918	35,875

(a) Information and Communication Technology expenditure has reduced due to a reduction in the number of software licencing agreements.

(b) Materials has decreased primarily as a result of a renegotiated printing agreement resulting in reduced printing costs.

(c) Expenditure on Minor Assets and Repairs and Maintenance has decreased mainly as a result of less expenditure incurred on building maintenance.

(d) Operating Lease Charges increased due to property rental costs as a result of the additional rental charges for the Tuggeranong Flexible Learning Centre.

(e) Overseas Student Management Fees have reduced primarily due to the allocation of fee recoveries from Other Expenses in 2014.

(f) Travel and Transport has decreased due to reduced inter campus relocation of furniture and equipment.

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2014

NOTE 14 DEPRECIATION AND AMORTISATION

	Consolidated		Institute	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Depreciation				
Buildings and Improvements	6,994	6,959	6,994	6,959
Plant and Equipment	757	643	745	630
Leasehold Improvements	142	166	25	31
Total Depreciation	7,893	7,768	7,764	7,620
Amortisation				
Externally Purchased Software	908	963	908	950
Total Amortisation	908	963	908	950
Total Depreciation and Amortisation	8,801	8,731	8,672	8,570

NOTE 15 OTHER EXPENSES

	Note	Consolidated		Institute	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Waivers, Impairment Losses and Write-offs	16	547	466	542	459
Bank Charges and Security Services		75	77	52	54
Copyright Charges		75	157	75	157
Grants and Sponsorships ^(a)		433	878	–	878
Sponsorships		453	518	451	517
Other Expenses ^(b)		745	830	426	149
Total Other Expenses		2,328	2,926	1,545	2,213

(a) Grants and Commissions expenditure has reduced due to the cessation of the National Vocational Education and Training E-learning Strategy.

(b) Other Expenses increased due to a the recovery of overseas management fees being included in note13 in this period.

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
 For the Year Ended 31 December 2014

NOTE 16 WAIVERS, IMPAIRMENT LOSSES AND WRITE-OFFS

Under Section 131 of the *Financial Management Act 1996* the Treasurer may, in writing, waive the right to payment of an amount payable to the Territory. A waiver is the relinquishment of a legal claim to a debt over which the Institute has control.

The write-off of a debt is the accounting action taken to remove a debt from the books but does not relinquish the legal right of the Institute to recover the amount. The write-off of debts may occur for reasons other than waivers.

The waivers, impairment losses and write-offs listed below have occurred during the reporting period for the Institute.

The financial impact of Student Fee Waivers is included under 'Waivers, Impairment Losses and Write-offs' in Note 15 - *Other Expenses*.

The number of Student Fee Waivers relates to transactions with 457 students who attracted a waiver during 2014.

The number of Student Fee Irrecoverable Debts relates to transactions with 1,535 students who attracted a write-off during 2014.

	Consolidated			
	2014		2013	
	Number	\$'000	Number	\$'000
Waivers and Write-offs				
Student Fee Waivers	457	130	221	88
Student Fee Irrecoverable Debts ^(a)	1,535	76	2,539	917
Total Waivers and Write-Offs	1,992	206	2,760	1,005
Impairment Losses				
<i>Impairment Loss from Receivables</i>				
Trade Receivables and Other Trade Receivables	–	341	–	(539)
Total Impairment Loss from Receivables	–	341	–	(539)
Total Waivers, Impairment Losses and Write-offs	1,992	547	2,760	466

(a) Student Fee Irrecoverable Debts has decreased progressively due to improved debt recovery activities.

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2014

NOTE 16 WAIVERS, IMPAIRMENT LOSSES AND WRITE-OFFS – CONTINUED

	Institute			
	2014		2013	
	Number	\$'000	Number	\$'000
Waivers and Write-offs				
Student Fee Waivers	457	130	221	88
Student Fee Irrecoverable Debts ^(a)	1,535	76	2,539	907
Total Waivers and Write-Offs	1,992	206	2,760	995
Impairment Losses				
<i>Impairment Loss from Receivables</i>				
Trade Receivables and Other Trade Receivables	–	336	–	(536)
Total Impairment Loss from Receivables	–	336	–	(536)
Total Waivers, Impairment Losses and Write-offs	1,992	542	2,760	459

(a) Student Fee Irrecoverable Debts has decreased progressively due to improved debt recovery activities.

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
 For the Year Ended 31 December 2014

NOTE 17 AUDITOR'S REMUNERATION

Auditor's remuneration consists of financial audit services provided to the Institute by the ACT Auditor General's Office. Auditor's remuneration is included under 'Contractors and Consultants' in Note 13 – *Supplies and Services*. No other services were provided by the ACT Auditor-General's Office.

	Consolidated		Institute	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Audit Services				
Audit Fees Paid to the ACT Auditor-General's Office	152	150	122	118
Total Audit Fees	152	150	122	118
Total Auditor's Remuneration	152	150	122	118

NOTE 18 CASH AND CASH EQUIVALENTS

The Institute holds a number of bank accounts with Westpac Banking Corporation Limited as part of whole-of-government banking arrangements. The Institute earns interest on deposits, at a rate equivalent to 15 basis points below the Reserve Bank's target cash rate.

The Institute's Term Deposits were held with IMB Banking and Financial Services in 2014, earning an interest rate of 3.37%. These funds were able to be withdrawn upon request.

	Consolidated		Institute	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Cash at Bank	5,534	3,907	3,339	3,102
Cash on Hand	14	25	8	20
Cash Equivalent – Term Deposit	1,000	2,000	1,000	2,000
Total Cash and Cash Equivalents	6,548	5,932	4,348	5,122

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2014

NOTE 19 RECEIVABLES

	Consolidated		Institute	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Current Receivables				
Accounts Receivables	2,999	2,998	1,442	1,252
Less: Allowance for Impaired Receivables	(56)	(119)	(56)	(119)
Total Accounts Receivable	2,943	2,879	1,386	1,133
Student Receivables				
Student Receivables	1,499	2,027	1,499	2,027
Less: Allowance for Impaired Receivables	(938)	(534)	(929)	(529)
Total Student Receivables	561	1,493	570	1,498
Inter-Entity Receivable	–	–	76	(196)
Accrued Revenue	372	478	373	478
GST Receivable	104	196	147	233
Total Accrued Revenue	477	674	596	516
Total Current Receivables	3,980	5,047	2,552	3,146
Total Receivables	3,980	5,047	2,552	3,146
Reconciliation of the Allowance for Impaired Receivables				
Allowance for Impaired Receivables at the Beginning of the Reporting Period	653	1,196	648	1,184
Additional Allowance Recognised During the Reporting Period	341	–	336	–
Reduction in Allowance from Amounts Written off During the Reporting Period	–	(543)	–	(536)
Allowance for Impairment Losses at the End of the Reporting Period	994	653	984	648
Classification of ACT Government/Non-ACT Government Receivables				
Receivables with ACT Government Entities				
Net Accounts Receivable	473	676	254	442
Accrued Revenue	–	83	21	83
Total Receivables with ACT Government Entities	473	759	275	525
Receivables with Non-ACT Government Entities				
Net Accounts Receivable	2,470	2,204	1,208	495
Net Student Receivables	561	1,493	570	1,498
Accrued Revenue	372	395	352	395
GST Receivable	104	196	147	233
Total Receivables with Non-ACT Government Entities	3,507	4,288	2,277	2,621
Total Receivables	3,980	5,047	2,552	3,146

Canberra Institute of Technology
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 For the Year Ended 31 December 2014

NOTE 19 RECEIVABLES – CONTINUED

	Not Overdue	Past Due			Total
Ageing of Receivables Consolidated		Less than 30 Days	30 to 60 Days	Greater than 60 Days	
	\$'000	\$'000	\$'000	\$'000	\$'000

2014**Not Impaired ^(a)**

Receivables	2,556	792	350	282	3,980
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Impaired

Receivables	–	–	–	994	994
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2013**Not Impaired ^(a)**

Receivables	4,002	611	420	14	5,047
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Impaired

Receivables	–	–	–	653	653
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	Not Overdue	Past Due			Total
Institute		Less than 30 Days	30 to 60 Days	Greater than 60 Days	
	\$'000	\$'000	\$'000	\$'000	\$'000

2014**Not Impaired ^(a)**

Receivables	1,572	484	296	200	2,552
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Impaired

Receivables	–	–	–	984	984
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2013**Not Impaired ^(a)**

Receivables	2,522	305	306	13	3,146
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Impaired

Receivables	–	–	–	648	648
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(a) 'Not Impaired' refers to Net Receivables (that is Gross Receivables less Impaired Receivables).

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2014

NOTE 20 OTHER ASSETS

	Consolidated		Institute	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Current Other Assets				
Prepayments ^(a)	2,055	2,348	1,855	2,117
Total Current Other Assets	2,055	2,348	1,855	2,117
Total Other Assets	2,055	2,348	1,855	2,117

(a) Prepayments have reduced due to the reduction in the purchase of software licences and software support.

NOTE 21 INVESTMENTS

	Consolidated		Institute	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Non-current Investments				
CIT Solutions Pty Limited ^(a)	–	–	20	20
Total Current Other Assets	–	–	20	20
Total Other Assets	–	–	20	20

(a) The Chief Executive Officer, on behalf of the Institute, holds \$20,000 of paid-up capital in CIT Solutions Pty Limited. CIT Solutions Pty Limited offers a range of educational activities and services on a commercial basis.

NOTE 22 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment includes the following classes of assets – land, buildings and improvements, leasehold improvements, plant and equipment and heritage assets. Property, plant and equipment does not include assets held for sale or investment property.

- *Land* includes leasehold land held by the Institute, but excludes land under infrastructure.
- *Buildings and Improvements* include office buildings, teaching spaces, workshops, laboratories, infrastructure, fit-out and site works.
- *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.
- *Heritage assets* are defined as those non-current assets 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 are not usually available for sale or redeployment. Heritage assets held by the Institute include artworks, gemstones and sculptures.

Canberra Institute of Technology
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NOTE 22 PROPERTY, PLANT AND EQUIPMENT – CONTINUED

	Consolidated		Institute	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Land				
Land at Fair Value	43,717	46,400	43,717	46,400
Total Land Assets	43,717	46,400	43,717	46,400
Buildings and Improvements				
Buildings and Improvements at Fair Value	136,174	162,872	136,174	162,872
Less: Accumulated Depreciation	(549)	(13,218)	(549)	(13,218)
Total Written-Down Value of Buildings and Improvements	135,625	149,654	135,625	149,654
Total Written-Down Value of Land and Buildings	179,342	196,054	179,342	196,054
Leasehold Improvements				
Leasehold Improvements at Fair Value	1,012	1,127	280	280
Less: Accumulated Depreciation	(643)	(614)	(53)	(29)
Total Written-Down Value of Leasehold Improvements	369	513	227	251
Plant and Equipment				
Plant and Equipment at Fair Value	7,254	8,978	7,203	8,927
Less: Accumulated Depreciation	(175)	(1,127)	(130)	(1,085)
Total Written-Down Value of Plant and Equipment	7,079	7,851	7,073	7,842
Heritage Assets				
Heritage Assets at Fair Value	138	120	138	120
Total Heritage Assets	138	120	138	120
Total Written-Down Value of Property, Plant and Equipment	186,928	204,538	186,780	204,267

Valuation of Non-Current Assets

Certified Practising Valuers Rodney Hyman Asset Services, a division of Aon Risk Services Limited, performed an independent revaluation of the Institute's Plant and Equipment and Heritage assets as at 31 December 2014. Certified Practising Valuers Knight Frank Valuations Canberra performed an independent revaluation of the Institute's Land, Buildings and Improvements as at 31 December 2014. The next valuation is scheduled in 2017.

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2014

NOTE 22 PROPERTY, PLANT AND EQUIPMENT – CONTINUED

The following table shows the movements in Property, Plant and Equipment during 2014 and 2013.

	Land and Improvements \$'000	Buildings and Improvements \$'000	Leasehold Improvements \$'000	Plant and Equipment \$'000	Heritage Assets \$'000	Total \$'000
Consolidated 2014						
Carrying Amount at the Beginning of the Reporting Period	46,400	149,654	513	7,851	120	204,538
Additions	–	2,513	–	495	9	3,017
Depreciation and Amortisation	–	(6,994)	(144)	(757)	–	(7,895)
Disposals	–	–	–	(123)	–	(123)
Revaluation Decrement	(2,683)	(10,139)	–	(2,079)	9	(14,892)
Depreciation Write-back for Asset Disposals	–	–	–	19	–	19
Depreciation Write-back for Revaluation	–	632	–	1,684	–	2,316
Other Movements	–	(41)	–	(11)	–	(52)
Carrying Amount at the End of the Reporting Period	43,717	135,625	369	7,079	138	186,928
Consolidated 2013						
Carrying Amount at the Beginning of the Reporting Period	46,400	154,250	420	7,754	121	208,945
Additions	–	2,362	253	978	–	3,593
Depreciation and Amortisation	–	(6,959)	(166)	(643)	–	(7,768)
Disposals	–	–	(34)	(227)	(1)	(262)
Depreciation Write-back for Asset Disposals	–	–	34	26	–	60
Other Movements	–	–	6	(37)	–	(31)
Carrying Amount at the End of the Reporting Period	46,400	149,654	513	7,851	120	204,538

Canberra Institute of Technology
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For the Year Ended 31 December 2014

NOTE 22 PROPERTY, PLANT AND EQUIPMENT – CONTINUED

The following table shows the movements in Property, Plant and Equipment during 2014 and 2013.

	Land \$'000	Buildings and Improvements \$'000	Leasehold Improvements \$'000	Plant and Equipment \$'000	Heritage Assets \$'000	Total \$'000
Institute 2014						
Carrying Amount at the Beginning of the Reporting Period	46,400	149,654	251	7,842	120	204,267
Additions	–	2,513	–	486	9	3,008
Depreciation and Amortisation	–	(6,994)	(24)	(745)	–	(7,764)
Disposals	–	–	–	(123)	–	(123)
Revaluation Decrement	(2,683)	(10,139)	–	(2,079)	9	(14,892)
Depreciation Write-back for Asset Disposals	–	–	–	19	–	19
Depreciation Write-back for Revaluation	–	632	–	1,686	–	2,318
Other Movements	–	(41)	–	(13)	–	(54)
Carrying Amount at the End of the Reporting Period	43,717	135,625	227	7,073	138	186,780
Institute 2013						
Carrying Amount at the Beginning of the Reporting Period	46,400	154,250	127	7,731	121	208,629
Additions	–	2,363	155	978	–	3,496
Depreciation and Amortisation	–	(6,959)	(31)	(630)	–	(7,620)
Disposals	–	–	(34)	(227)	(1)	(262)
Other Movements	–	–	34	(10)	–	24
Carrying Amount at the End of the Reporting Period	46,400	149,654	251	7,842	120	204,267

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
 For the Year Ended 31 December 2014

NOTE 22 PROPERTY, PLANT AND EQUIPMENT – CONTINUED
Fair Value Hierarchy

The Institute is required to classify property, plant and equipment into a Fair Value Hierarchy that reflects the significance of the inputs used in determining their 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 the Institute's property, plant and equipment at fair value and information about the Fair Value Hierarchy as at 31 December 2014 are as follows:

Consolidated 2014

Property, Plant and Equipment at Fair Value	Classification According to Fair Value Hierarchy			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Land and Improvements	–	43,717	–	43,717
Buildings and Improvements	–	2,738	132,887	135,625
Plant and Equipment	–	806	6,273	7,079
Heritage Assets (including Artworks)	–	130	8	138
	–	47,391	139,168	186,559

Consolidated 2013

Property, Plant and Equipment at Fair Value	Classification According to Fair Value Hierarchy			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Land and Improvements	–	46,400	–	46,400
Buildings and Improvements	–	–	149,654	149,654
Plant and Equipment	–	7,851	–	7,851
Heritage Assets (including Artworks)	–	120	–	120
	–	54,371	149,654	204,025

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2014

NOTE 22 PROPERTY, PLANT AND EQUIPMENT – CONTINUED**Fair Value Hierarchy – continued****Transfer Between Categories****Transfers at 31 December 2014:**

Consolidated 2014	Land \$'000	Buildings and Improvements \$'000	Plant and Equipment \$'000	Heritage Assets \$'000
Transferred to Level 2	–	2,738	–	–
Transferred from Level 2	–	–	(6,273)	(8)
Transferred to Level 3	–	–	6,273	8
Transferred from Level 3	–	(2,738)	–	–

Buildings and Improvements transfer from Level 3 to Level 2 is due to the existence of an active and liquid market resulting from the application of a direct comparison approach for the Monterey student accommodation and Woden Childcare Centre. Heritage Assets transfer from Level 2 to Level 3 is due to artworks for which there is no active market (artwork is produced by non-recognised artists).

Transfers at 31 December 2014: None

Institute 2014

Property, Plant and Equipment at Fair Value	Classification According to Fair Value Hierarchy			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Land and Improvements	–	43,717	–	43,717
Buildings and Improvements	–	2,738	132,887	135,625
Plant and Equipment	–	806	6,267	7,073
Heritage Assets (including Artworks)	–	130	8	138
	–	47,391	139,162	186,553

Institute 2013

Property, Plant and Equipment at Fair Value	Classification According to Fair Value Hierarchy			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Land and Improvements	–	46,400	–	46,400
Buildings and Improvements	–	–	149,654	149,654
Plant and Equipment	–	7,842	–	7,842
Heritage Assets (including Artworks)	–	120	–	120
	–	54,362	149,654	204,016

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
 For the Year Ended 31 December 2014

NOTE 22 PROPERTY, PLANT AND EQUIPMENT – CONTINUED

Fair Value Hierarchy – continued

Transfer Between Categories

Transfers at 31 December 2014:

Institute 2014	Land \$'000	Buildings and Improvements \$'000	Plant and Equipment \$'000	Heritage Assets \$'000
Transferred to Level 2	–	2,738	–	–
Transferred from Level 2	–	–	(6,267)	(8)
Transferred to Level 3	–	–	6,267	8
Transferred from Level 3	–	(2,738)	–	–

Buildings and Improvements transfer from Level 3 to Level 2 is due to the existence of an active and liquid market resulting from the application of a direct comparison approach for the Monterey student accommodation and Woden Childcare Centre. Heritage Assets transfer from Level 2 to Level 3 is due to artworks for which there is no active market (artwork is produced by non-recognised artists).

Transfers at 31 December 2013: None

Valuation Techniques, inputs and processes

Level 2 Valuation Techniques and Inputs

Valuation Technique: The valuation technique adopted by the valuers 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. Regard was taken of the Crown Lease terms and tenure, the Australian Capital Territory Plan and the National Capital Plan, where applicable, as well as current zoning. The Institute 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 and Woden Childcare Centre were 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.

Valuation technique: The valuation technique applied to Artworks and 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.

Valuation technique: Plant and Equipment assets are valued using the market approach whereby, the asset with identical or similar assets for which price information is available.

Inputs: In determining the value of plant and equipment, a comparable sales approach was adopted.

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
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NOTE 22 PROPERTY, PLANT AND EQUIPMENT – CONTINUED

Fair Value Hierarchy – continued

Level 3 Valuation Techniques and Inputs

Valuation Technique: Most of the buildings and improvements were considered specialised assets by the valuers 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 modern equivalent improvements per square metre of floor area was also used in measuring fair value.

Inputs: In determining the value of buildings and improvements, regard was had 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 the Canberra Institute of Technology. When assessing the value, the prices adopted from the evidence were on a dollar per square metre basis, subsequently applied to the various building and improvement areas to derive the total building and improvements value.

Valuation technique: Artworks where there is no active market (produced by non-recognised artists) are valued through the market approach.

Inputs: In determining the value of these artworks, regard was given to aesthetic quality, medium and valuers knowledge of the market, recent sales of works by artists with similar standing/style.

Valuation technique: Plant and Equipment assets, for which comparable sales were not found, were valued using a cost approach that reflects the cost to a market participant to acquire assets of comparable utility, adjusted for obsolescence.

Inputs: In determining the value of plant and equipment, regard was given to estimated replacement cost of new or second hand items, with an allowance for any obsolescence that may exist, were used. Specific observable inputs were replacement and reinstatement values, age and useful life.

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 2014

NOTE 22 PROPERTY, PLANT AND EQUIPMENT – CONTINUED

Fair Value Hierarchy – continued

Fair value measurements using significant unobservable inputs (Level 3)

Consolidated 2014	Buildings and Improvements \$'000	Plant and Equipment \$'000	Heritage Assets \$'000
Fair Value at the Beginning of the Reporting Period	149,654	–	–
Additions	2,513	–	–
Revaluation Decrements recognised in Reserves	(9,506)	–	–
Transfers (from/(to) Level 2)	(2,738)	6,273	8
Depreciation	(6,995)	–	–
Disposal	(41)	–	–
Fair Value at end of the Reporting Period	132,887	6,273	8

Consolidated 2013	Buildings and Improvements \$'000	Plant and Equipment \$'000	Heritage Assets \$'000
Fair Value at the Beginning of the Reporting Period	154,250	–	–
Additions	2,363	–	–
Depreciation	(6,959)	–	–
Fair Value at end of the Reporting Period	149,654	–	–

Fair value measurements using significant unobservable inputs (Level 3)

Institute 2014	Buildings and Improvements \$'000	Plant and Equipment \$'000	Heritage Assets \$'000
Fair Value at the Beginning of the Reporting Period	149,654	–	–
Additions	2,513	–	–
Revaluation Increments/(Decrements) recognised in Reserves	(9,506)	–	–
Transfers (from/(to) Level 2)	(2,738)	6,267	8
Depreciation	(6,995)	–	–
Disposal	(41)	–	–
Fair Value at end of the Reporting Period	132,887	6,267	8

Institute 2013	Buildings and Improvements \$'000	Plant and Equipment \$'000	Heritage Assets \$'000
Fair Value at the Beginning of the Reporting Period	154,250	–	–
Additions	2,363	–	–
Depreciation	(6,959)	–	–
Fair Value at end of the Reporting Period	149,654	–	–

Canberra Institute of Technology
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NOTE 22 PROPERTY, PLANT AND EQUIPMENT – CONTINUED**Fair Value Hierarchy – continued**

Description and Fair Value as at 31 December 2014 \$000	Valuation Technique(s)	Significant Unobservable Inputs	Range of Unobservable Inputs (Weighted Average)	Relationship of Unobservable Inputs to Fair Value
Buildings and Improvements \$132,887	Depreciated Replacement Cost	Consumed economic benefit/obsolescence of asset	55% - 80% per year (4.4% per year)	Greater consumption of economic benefit or increased obsolescence decreases fair value
		Replacement cost per square metre floor area (m ²)	\$1,350 - \$3,050 Cost per m ² (\$2,594 per m ²)	Higher cost per m ² gross floor area increases fair value
Plant and Equipment: \$6,267	Depreciated Replacement Cost	Consumed economic benefit/obsolescence of asset	Effective depreciation rates 2% - 20% (4.3% per year)	Greater consumption of economic benefit or increased obsolescence decreases fair value.
Heritage Assets \$8	Reliance on Level 3 Inputs	Aesthetic qualities, medium, style and standing of artist	\$70 - \$1,500 per artwork	Greater comparability increases fair value

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
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NOTE 23 INTANGIBLE ASSETS

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

	Consolidated		Institute	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Computer Software				
<i>Externally Purchased Software</i>				
Computer Software at Fair Value ^(a)	5,385	4,439	5,385	4,360
Less: Accumulated Amortisation ^(b)	(3,833)	(3,003)	(3,833)	(2,924)
Total Externally Purchased Software	1,552	1,436	1,552	1,436
Total Computer Software	1,552	1,436	1,552	1,436
Total Intangible Assets	1,552	1,436	1,552	1,436

(a) Computer Software has increased due to the upgrade of the student information management system software.

(b) 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 2013 and 2014.

	Consolidated		Institute	
	Externally Purchased Software		Externally Purchased Software	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Carrying Amount at the Beginning of the Reporting Period	1,436	1,955	1,436	1,942
Additions	1,024	444	1,024	444
Amortisation	(908)	(963)	(908)	(950)
Carrying Amount at the End of the Reporting Period	1,552	1,436	1,552	1,436

Canberra Institute of Technology
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NOTE 24 CAPITAL WORKS IN PROGRESS

Capital Works in Progress are assets being constructed over periods of time, in excess of the present reporting period. These assets often require extensive installation work or integration with other assets, and contrast with simpler assets that are ready for use when acquired, such as motor vehicles and equipment. Capital Works in Progress are not depreciated, as the Institute is not currently deriving economic benefits from them.

Building Works In Progress comprise capital upgrades.

	Consolidated		Institute	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Plant and Equipment in Progress	–	–	–	–
Building Works in Progress	734	818	734	819
Information Technology Infrastructure in Progress	–	126	–	126
Total Capital Works in Progress	734	944	734	944

Reconciliation of Capital Works in Progress

The following table shows the movements in the Consolidated Entity's Capital Works in Progress during 2013 and 2014.

	Buildings Works in Progress \$'000	Software Works in Progress \$'000	Total \$'000
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Consolidated 2014

Carrying Amount at the Beginning of the Reporting Period	818	126	944
Additions	734	–	734
Capital Works in Progress Completed and Transferred to Property, Plant and Equipment	(818)	–	(818)
Capital Works in Progress Completed and Transferred to Intangible Assets	–	(126)	(126)
Carrying Amount at the End of the Reporting Period	733	–	734

Consolidated 2013

Carrying Amount at the Beginning of the Reporting Period	500	154	654
Additions	818	126	944
Capital Works in Progress Completed and Transferred to Property, Plant and Equipment	(500)	–	(500)
Capital Works in Progress Completed and Transferred to Intangible Assets	–	(154)	(154)
Carrying Amount at the End of the Reporting Period	818	126	944

Canberra Institute of Technology
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NOTE 24 CAPITAL WORKS IN PROGRESS – CONTINUED
Reconciliation of Capital Works in Progress

The following table shows the movements in the Institute's Capital Works in Progress during 2013 and 2014.

	Buildings Works in Progress \$'000	Software Works in Progress \$'000	Total \$'000
Institute 2014			
Carrying Amount at the Beginning of the Reporting Period	818	126	944
Additions	734	–	734
Capital Works in Progress Completed and Transferred to Property, Plant and Equipment	(818)	–	(818)
Capital Works in Progress Completed and Transferred to Intangible Assets	–	(126)	(126)
Carrying Amount at the End of the Reporting Period	734	–	734
Institute 2013			
Carrying Amount at the Beginning of the Reporting Period	500	154	654
Additions	818	126	944
Capital Works in Progress Completed and Transferred to Property, Plant and Equipment	(500)	–	(500)
Capital Works in Progress Completed and Transferred to Intangible Assets	–	(154)	(154)
Carrying Amount at the End of the Reporting Period	818	126	944

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2014

NOTE 25 PAYABLES

	Consolidated		Institute	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Current Payables				
Accounts Payable	312	177	312	175
Other Payables	44	188	44	188
Sub-Total Payables	356	365	356	363
Accrued Expenses ^(a)	1,162	3,618	1,046	3,534
Total Current Payables	1,518	3,618	1,402	3,897
Total Payables	1,518	3,983	1,402	3,897

Payables are aged as follows:

Not Overdue	1,518	3,900	1,402	3,749
Overdue for Less than 30 Days	–	83	–	125
Overdue for 30 to 60 Days	–	–	–	13
Overdue for more than 60 Days	–	–	–	10
Total Payables	1,518	3,983	1,402	3,897

Classification of ACT Government/Non-ACT Government Payables**Payables with ACT Government Entities**

Accrued Expenses	91	2,246	227	2,550
Total Payables with ACT Government Entities	91	2,246	227	2,550

Payables with Non-ACT Government Entities

Accounts Payable	564	179	312	175
Other Payables	44	187	44	187
Accrued Expenses	819	1,372	819	985
Total Payables with Non-ACT Government Entities	1,427	1,737	1,175	1,347
Total Payables	1,518	3,983	1,402	3,897

(a) Accrued expenses in 2013 primarily relates to ACT Government Shared Services invoices for services provided under the service agreement not having been received by CIT in 2013. These were subsequently received and settled.

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2014

NOTE 26 EMPLOYEE BENEFITS

	Consolidated		Institute	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000

Current Employee Benefits

Annual Leave	6,356	6,107	5,948	5,735
Long Service Leave ^(a)	12,121	12,114	11,485	11,636
Accrued Salaries	271	65	–	–
Other Benefits	184	195	21	24
Total Current Employee Benefits	18,932	18,481	17,454	17,395

Non-Current Employee Benefits

Long Service Leave	1,303	1,875	1,184	1,675
Total Non-Current Employee Benefits	1,303	1,875	1,184	1,675
Total Employee Benefits	20,235	20,356	18,638	19,070

For Disclosure Purposes Only: Estimate of when Leave is Payable**Estimated Amount Payable within 12 Months**

Annual Leave	4,652	4,808	4,243	4,436
Long Service Leave	1,166	1,184	1,166	1,184
Accrued Salaries	271	65	–	–
Other Benefits	184	195	21	24
Total Employee Benefits Payable within 12 Months	6,273	6,252	5,430	5,644

Estimated Amount Payable after 12 Months

Long Service Leave	12,258	12,805	11,503	12,127
Annual Leave	1,704	1,299	1,705	1,299
Total Employee Benefits Payable after 12 Months	13,962	14,104	13,207	13,426
Total Employee Benefits	20,235	20,356	18,638	19,070

As at 31 December 2014, the Institute employed 743 full time equivalent (FTE) staff. There were 717 FTE staff as at 31 December 2013.

(a) Refer to Note 2 (v) - *Employee Benefits*.

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2014

NOTE 27 OTHER LIABILITIES

	Consolidated		Institute	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Current Other Liabilities				
Revenue in Advance - Student Fees ^(a)	2,052	2,442	2,052	2,442
Revenue in Advance - Grants	251	292	251	292
Other Current Liabilities ^(b)	506	409	44	100
Total Current Other Liabilities	2,809	3,143	2,347	2,834
Non-Current Other Liabilities				
Other	50	51	–	–
Total Non-Current Other Liabilities	50	51	–	–
Total Other Liabilities	2,859	3,194	2,347	2,834

(a) The movement in Revenue in Advance - Student Fees is within the normal variability for this item.

(b) Other Current Liabilities decreased primarily due to the cessation of the National Vocational Education and Training E-learning Strategy and the subsequent loss of E-learn co-ordinator expenses due.

NOTE 28 ASSET REVALUATION SURPLUS**Asset Revaluation Surplus**

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

	Consolidated		Institute	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Balance at the Beginning of the Reporting Period	85,811	85,811	85,811	85,811
(Decrement) in Land due to Revaluation	(2,683)	–	(2,683)	–
(Decrement) in Buildings due to Revaluation	(9,506)	–	(9,506)	–
(Decrement) in Plant and Equipment due to Revaluation	(396)	–	(394)	–
Increment in Heritage Assets Including Artworks due to Revaluation	9	–	9	–
Total Movement	(12,576)	–	(12,574)	–
Balance at the End of the Reporting Period	73,235	85,811	73,237	85,811

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
 For the Year Ended 31 December 2014

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 - *Summary of 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. The Institute's financial assets consist of cash and cash equivalents, which are normally exposed to floating interest rate risk. Based on the cash needs of the Institute, floating interest rate risk is mitigated by investing cash in term deposits with fixed interest rates.

The Institute 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 last financial reporting period.

A sensitivity analysis has not been undertaken for the interest rate risk of the Institute 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. The Institute's credit risk is limited to the amount of the financial assets it holds net of any allowance for impairment. This risk is minimised due to a majority of revenue transactions taking place with State and Australian Government entities. Term deposits held are with the Westpac Banking Corporation Limited, which is considered to be a high quality credit financial institution. Therefore, these funds are considered to be subject to an insignificant amount of credit risk. Credit risk is monitored on a regular basis. The Institute expects to collect all financial assets that are not past due or impaired.

The Institute has a large number of transactions with students and other commercial entities. These credit risks are managed through internal processes which include sending reminder letters and referring to a debt collection agency. With regard to student debtors, the Institute can limit their access to facilities, obtaining grades and graduating.

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

Liquidity Risk

Liquidity risk is the risk that the Institute will encounter difficulties in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Institute manages its exposure to liquidity risk by drawing down appropriations received to fund outputs 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.

The Institute'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 2014

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 finance instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Institute 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 year are:

	Consolidated			
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	2014 \$'000	2014 \$'000	2013 \$'000	2013 \$'000
Financial Assets				
Cash and Cash Equivalents	6,548	6,548	5,932	5,932
Receivables	3,504	3,504	4,372	4,372
Total Financial Assets	10,052	10,052	10,303	10,303
Financial Liabilities				
Payables	356	356	365	365
Total Financial Liabilities	356	356	365	365

Fair Value Hierarchy

The Institute does not have any financial assets or liabilities measured at fair value. As such, no fair value hierarchy disclosures have been made.

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2014

NOTE 29 FINANCIAL INSTRUMENTS – CONTINUED

The following table sets out the Institute's maturity analysis for financial assets and liabilities as well as the exposure to interest rates, including the weighted average interest rates by maturity period as at 31 December 2014. 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.

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

Consolidated 2014

	Fixed Interest Maturing in:							
Financial Instruments	Note	Weighted Average Interest Rate	Interest \$'000	1 Year or less \$'000	1 to 5 Years \$'000	Over 5 Years \$'000	Non-Interest Bearing \$'000	Total \$'000
Financial Assets								
Cash and Cash Equivalents	18	3.19%	5,534	1,000	–	–	14	6,548
Receivables	19		–	–	–	–	3,504	3,504
Total Financial Assets			5,534	1,000	–	–	3,518	10,052
Financial Liabilities								
Payables	25		–	–	–	–	(356)	(356)
Total Financial Liabilities			–	–	–	–	(356)	(356)
Net Financial Assets			5,534	1,000	–	–	3,162	9,696

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2014

NOTE 29 FINANCIAL INSTRUMENTS – CONTINUED

The following table sets out the Institute's maturity analysis for financial assets and liabilities as well as the exposure to interest rates, including the weighted average interest rates by maturity period as at 31 December 2013. 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.

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

Consolidated 2013

	Fixed Interest Maturing in:							
Financial Instruments	Note	Weighted Average Interest Rate	Interest \$'000	1 Year or less \$'000	1 to 5 Years \$'000	Over 5 Years \$'000	Non-Interest Bearing \$'000	Total \$'000
Financial Assets								
Cash and Cash Equivalents	18	3.00%	3,907	2,000	–	–	25	5,932
Receivables	19		–	–	–	–	4,372	4,372
Total Financial Assets			3,907	2,000	–	–	4,396	10,303
Financial Liabilities								
Payables	25		–	–	–	–	(365)	(365)
Total Financial Liabilities			–	–	–	–	(365)	(365)
Net Financial Assets			3,907	2,000	–	–	4,031	9,938

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2014

NOTE 29 FINANCIAL INSTRUMENTS – CONTINUED

	Consolidated	
	2014 \$'000	2013 \$'000

Carrying Amount of Each Category of Financial Asset and Financial Liability**Financial Assets**

Loans and Receivables Measured at Amortised Cost	3,504	4,372
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Financial Liabilities

Financial Liabilities Measured at Amortised Cost	356	365
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The Institute does not have any financial assets or liabilities at fair value. As such no fair value hierarchy disclosures have been made.

NOTE 30 COMMITMENTS**Capital Commitments**

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

	Consolidated		Institute	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000

Buildings and Minor New Works

Payable:

Within one year	2,699	2,831	2,699	2,831
<i>Total Capital Commitments - Buildings and Minor New Works</i>	2,699	2,831	2,699	2,831
Total Capital Commitments	2,699	2,831	2,699	2,831

Other Commitments

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

Payable:

Within one year	960	1,034	941	1,003
Later than one year but not later than five years	976	579	975	579
Total Other Commitments	1,936	1,613	1,916	1,582

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

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2014

NOTE 31 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Contingent Liabilities

Pending Legal Claims

In December 2014 the Institute 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 the Institute from a third party. At the reporting date the estimated potential liability as a result of three court actions is \$85,000 (2013 \$205,000).

Asbestos Containing Materials

Significant amounts of Asbestos Containing Materials have been identified at the Watson Facility, which require remediation. Cost estimates provided to CIT range from \$3,000,000 (to terminate existing leases and demolish the buildings to render the site available for sale/redevelopment) to \$6,780,000 (to remediate the buildings one at a time whilst maintaining tenancies in other buildings). ACT Government approval is required prior to undertaking any course of action. No approval had been sought or obtained as at 31 December 2014.

Contingent Assets

At the reporting date an estimate of the potential insurance settlement receivable in relation to pending legal claims from third parties is \$75,000 (2013 \$190,000).

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2014

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		Institute	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Total Cash and Cash Equivalents Recorded in the Balance Sheet	6,548	5,932	4,348	5,122
Cash and Cash Equivalents at the End of the Reporting Period as Recorded in the Cash Flow Statement	6,548	5,932	4,348	5,122

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

Operating (Deficit)	(6,680)	(11,112)	(6,953)	(10,892)
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Add/(Less) Non-Cash Items

Depreciation of Property, Plant and Equipment	7,893	7,768	7,764	7,620
Amortisation of Intangibles	908	963	908	950
Donated Assets	(9)	–	(9)	–

Add/(Less) Items Classified as Investing or Financing

Gain on sale of assets	(31)	(12)	(31)	(12)
Net Loss on Disposal of Non-Current Assets	93	201	93	202
Dividend from CIT Solutions	–	–	–	500
Cash Before Changes in Operating Assets and Liabilities	2,174	(2,192)	1,772	(1,632)

Changes in Operating Assets and Liabilities

Decrease/(Increase) in Receivables	576	(223)	260	324
Increase/(Decrease) in Allowance for Impaired Receivables	341	(543)	336	(536)
(Increase)/Decrease in Other Assets	292	(726)	263	(657)
Increase/(Decrease) in Payables	(2,476)	2,155	(2,661)	2,286
Decrease in Provisions	(121)	(1,615)	(432)	(1,583)
Decrease in Other Liabilities	(335)	(377)	(486)	(496)
Net Changes in Operating Assets and Liabilities	(1,723)	(1,328)	(2,720)	(662)
Net Cash Inflows/(Outflows) from Operating Activities	451	(3,521)	(947)	(2,294)

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
 For the Year Ended 31 December 2014

NOTE 33 EVENTS OCCURRING AFTER BALANCE DATE

There were no events occurring after the balance date, which would affect the financial statements as at 31 December 2014.

NOTE 34 THIRD PARTY MONIES

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

	Consolidated		Institute	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Balance at the Beginning of the Reporting Period	429	455	429	455
Cash Receipts	652	1,111	652	1,111
Cash Payments	(798)	(1,137)	(798)	(1,137)
Balance at the End of the Reporting Period	283	429	283	429

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

	Consolidated		Institute	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
CIT Student Association Fees	103	101	103	101
Contractors' Deposits	200	254	200	254
Other	13	12	13	12
Conference Deposits	(60)	27	(60)	27
Students – Accommodation Bonds	27	34	27	34
Total Third Party Monies	283	429	283	429

For more information:

Chief Operating Officer
 (02) 6207 3114

The CIT capital works program consisted of minor capital upgrades undertaken to enhance education delivery, equipment replacement and software upgrading.

There were no major capital works projects in 2013/14.

Completed projects

The following projects were completed:

- installation of cogeneration plant, CIT Fyshwick
- upgrading of fire panels, CIT Bruce
- upgrading mechanical switchboards, CIT Bruce
- construction of First Aid Room in D Block, CIT Fyshwick
- refurbishment of Hall, CIT Bruce
- refurbishment of A Block, CIT Reid
- upgrading of cooling and heating to D and F Blocks, CIT Reid
- removal of asbestos in fire doors and mechanical plant rooms, CIT Bruce
- upgrading security at Monterey Apartments
- upgrading air-conditioning E block, CIT Bruce
- upgrading G and F Blocks, CIT Reid
- upgrading J Block Classrooms, CIT Reid
- upgrading B Block Classrooms, CIT Reid
- building new freezer and decommissioning of old freezers x 2, CIT Reid

Works still in progress

The following work is still in progress:

- constructing the roof over sand pit contraction classes, CIT Bruce
- upgrading the signage of all campuses
- upgrading curb ramps along Vowels Crescent, CIT Bruce
- installation of new lift B Block, CIT Reid

No outstanding works in progress.

Statement of Capital Works Income and Expenditure

			Prior Years	
Project	Original Project Value	Revised Project Value	Prior Year's Expenditure	Prior Year's Financing
NEW WORKS and WORKS IN PROGRESS				
ACT Capital Upgrades 2014-15	2,454	2,454	0	0
Total New Works	2,454	2,454	0	0
COMPLETED PROJECTS				
ACT Capital Upgrades 2013-14	2,394	2,500	803	645
Total Completed Projects	2,394	2,500	803	645
GRAND TOTAL	4,848	4,954	803	645

Statement of Capital Works Income and Expenditure – continued

Current Year						Completion Date	
Budgeted Financing	Revised Financing	Budgeted Expenditure	Actual Expenditure	Total Financing to date	Total Expenditure to Date	Original	Revised
800	795	800	742	795	742	Jun 15	Jun 15
800	795	800	742	795	742		
1,855	1,855	1,749	1,835	2,500	2,683	Jun 14	Jun 14
1,855	1,855	1,749	1,835	2,500	2,638		
2,655	2,650	2,549	2,577	3,295	3,380		

CIT 2014 Capital Works Program Reconciliations

Reconciliation of Total Current Year Financing	
Total Current Year Capital Works Financing	2,650
Add: Financing of other Assets (outside capital works)	1,079
Capital Injection from Government per Cash Flow Statement	3,729
Reconciliation of Total Current Year Actual Expenditure – against financing	
Total Current Year Capital Works Expenditure	2,577
Add: Current Year Capital Injection committed for expenditure next year	-27
Add: Asset purchases outside of capital works program funded by capital injection	1,079
Add: Previous Year expenditure funded by current year capital injection	100
Capital Injection from Government per Cash Flow Statement	3,729
Reconciliation of Total Current Year Actual Expenditure	
Total Current Year Capital Works Expenditure	2,577
Add: Capital Works Expenditure expensed on the operating statement	29
Add: Asset purchases outside of capital works program	980
Purchase of Property Plant and Equipment as per Cash Flow Statement	3,586

For more information:

Chief Operating Officer
(02) 6207 3114

CIT manages land and building assets with a land area of 47.25ha, a total floor area of 139,535m² and a total value of \$203.985 million.

CIT infrastructure assets are located on four operational campuses:

- CIT Reid
- CIT Bruce
- CIT Woden
- CIT Fyshwick

Additional assets include:

- CIT Gungahlin
- CIT Tuggeranong (leased asset)
- Sutton Road Training Facility
- Watson campus, sub-leased to Academy of Interactive Entertainment
- Monterey student residences
- Woden Childcare Centre

The infrastructure assets comprise a diverse range of buildings, grounds and building services of varying age and condition. They range from the first building on CIT Reid constructed in 1960 to CIT Gungahlin, Gungahlin town centre completed in early 2011. CIT buildings incorporate a mix of function types including specialist facilities, workshops, general-purpose classrooms and ancillary office areas. The average age of all CIT buildings is 33 years.

No new buildings were added to the asset register during 2014. As at 31 December 2014, CIT had only its Watson campus nominated as surplus property.

The CIT vehicle fleet consists of 31 passenger vehicles.

Asset maintenance and upgrade

CIT conducts ongoing condition audits and the results are incorporated in the CIT Capital Upgrades and Minor New Works Programs.

Minor works undertaken outside the capital works program totalled \$85,000. Expenditure on repairs and maintenance was \$2 million. No audits were carried out on CIT properties during 2013.

Asset utilisation

Due to the diverse nature of operations throughout CIT, most buildings have multiple usage including classrooms, specialist teaching rooms (workshops, laboratories, etc), support areas (stores, preparation rooms) and offices.

CIT undertakes comparisons of utilisation rates with similar state and territory educational institutions on an annual basis.

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 is always close to 100 per cent as office space is created or removed, subject to demand.

CIT space allocation rate for office accommodation is estimated to be approximately 13m² of floor space per office employee, which is more efficient than the ACT Government target rate of 15m² per employee.

For more information:

Chief Operating Officer
(02) 6207 3114

Procurement processes within CIT comply with the procurement legislative framework including the *Government Procurement Act 2001*, *Government Procurement Regulation 2007* and subordinate guidelines and circulars. Under whole-of-government procurement arrangements, Shared Services Procurement continues to provide advice and support in relation to procurement and contract management issues, and undertakes higher value procurement activities on behalf of CIT.

CIT engaged external organisations and individuals to undertake a range of services during 2014. The contracting of these external parties occurred for the following reasons: the need for specialist skills and services, the lack of suitable in-house resources, and the need for independent review or facilitation.

Details of individual contracts with expenditure of greater than \$25,000 during 2014 are listed below. Expenditure over \$25,000 for external sources of labour and services was incurred in 25 contracts, totalling \$6,434,165.

The largest expenditure item was for CIT's document and printing solution (\$1,999,280.35) with other large expenditure items including cleaning at CIT Reid (\$1,178,322.37) and CIT Bruce (\$798,208.80) and electrical, mechanical and general building maintenance across all sites (\$577,115.90).

The processes used to select and manage the various consultancies and contractor services were consistent with the ACT Government procurement guidelines and circulars. CIT continues to be responsible for the management of contracts and ensures that these obligations are met and that incidents of non-compliance by contractors are followed up by the nominated agency officer.

External sources of labour and services

No	Contractor	Description of services	Amount	Date	Complied with Government Procurement Procedures
1	A-Line Electrical Solutions	Panel of Contractors for Electrical, Mechanical & General Maintenance Services	\$171,818.88	15/12/2009	Yes
2	A Plus Plumbing & Building Services Pty Ltd	Provision of Plumbing Maintenance Services for Canberra Institute of Technology	\$98,136.09	7/07/2014	Yes
3	Air Plant Sales	Panel of Contractors for Electrical, Mechanical and General Building Maintenance Services	\$577,115.90	15/12/2009	Yes
4	Allied Educational Services PTY LTD Trading as Pivot Point Australia	Hairdressing Products	\$83,478.27	14/01/2013	Yes
5	Blak Box Pty Ltd	CIT Valuation of Land & Buildings Assets: Financial Reporting and Insurance Purposes (Managed in terms of agreed instructions to valuers)	\$55,420.00	1/07/2014	Yes - Exempted from quotation requirements
6	BRS Commercial Refrigeration Pty Ltd	Provision of Maintenance and Repairs of Refrigeration Equipment for Canberra Institute of Technology	\$45,813.01	17/10/2014	Yes
7	Dalmaso, Adrian D trading as Dalmaso Plumbing Drainage & Gas	Provision of Plumbing Maintenance Services for Canberra Institute of Technology	\$81,450.69	7/07/2014	Yes
8	Fuji Xerox Australia Pty Ltd	Production of Document Reproduction Equipment and Services	\$1,999,280.35	25/01/2008	Yes
9	Hirotec Maintenance Pty Ltd	Provision of Fire Protection Equipment Services	\$112,490.79	10/01/2013	Yes
10	Katmatpat Pty Ltd as the trustee for the Shipway Family Trust trading as VAST SECURITY	Maintenance, Alteration and Installation Services on Intruder Alarm Systems, CIT Access Card System and CCTV Systems	\$35,116.59	25/09/2014	Yes
11	Lec Safe Australia Pty Ltd	Provision of Testing and Tagging Services for Canberra Institute of Technology	\$51,393.04	22/10/2012	Yes
12	National Cleaning Services Australia Pty Ltd	Provision of Cleaning Services for CIT Reid	\$1,178,322.37	17/10/2014	Yes
13	National Cleaning Services Australia Pty Ltd	Provision of Cleaning Services to CIT Woden	\$215,023.63	24/07/2013	Yes
14	National Cleaning Services Australia Pty Ltd	Provision of Cleaning Services to CIT Bruce	\$798,208.80	5/04/2012	Yes
15	National Cleaning Services Australia Pty Ltd	Provision of Cleaning Services to CIT Fyshwick Campus	\$278,717.20	10/01/2013	Yes

External sources of labour and services – continued

No	Contractor	Description of services	Amount	Date	Complied with Government Procurement Procedures
16	Rallcom Pty Ltd Trading as Regional Wholesale Fruit Market	Supply and Delivery of Fresh Fruit & Vegetables	\$69,624.05	27/05/2011	Yes
17	Rodney Hyman Asset Services Pty Ltd (RHAS)	Valuation of Plant & Equipment, Artwork & Heritage, Canberra Institute of Technology, 2014 (Managed in terms of agreed instructions to valuers)	\$39,800.00	1/07/2014	Yes - Exempted from quotation requirements
18	Sargent Security (Australia) Pty Ltd	Provision of Security Alarm Responses	\$54,216.45	15/04/2014	Yes
19	Schindler Lifts Australia Pty Ltd	Provision of Lift Maintenance Services to CIT	\$59,377.58	1/11/2014	Yes
20	Security 1 Manpower Pty Ltd	Provision of Security Alarm Responses and Security Guard Services	\$49,557.30	31/07/2014	Yes
21	Security 1 Pty Ltd	Provision of Back to Base Alarm Monitoring Services	\$25,456.22	21/03/2014	Yes
22	Simeco Pty Ltd	Electrical Repairs	\$367,930.59	15/12/2009	Yes
23	Transpacific Cleanaway Ltd	Waste Disposal - CIT	\$126,889.97	12/12/2009	Yes
24	Tribal Group Pty Limited	Performance Benchmarking Review (Managed in terms of agreed scope)	\$37,392.71	25/07/2013	Yes
25	Unicard Systems Pty Ltd	CIT Card Consumables	\$92,089.91	3/12/2014	Yes

Additional information available from the ACT Government Contracts Register.

For more information:

Chief Operating Officer
(02) 6207 3114



AUDITOR-GENERAL AN OFFICER
OF THE ACT LEGISLATIVE ASSEMBLY



REPORT OF FACTUAL FINDINGS CANBERRA INSTITUTE OF TECHNOLOGY

To the Members of the ACT Legislative Assembly

Report on the statement of performance

The statement of performance of the Canberra Institute of Technology (the Institute) for the year ended 31 December 2014 has been reviewed.

Responsibility for the statement of performance

The Chief Executive Officer of the Institute is responsible for the preparation and fair presentation of the statement of performance of the Institute in accordance with the *Financial Management Act 1996*. This includes responsibility for maintaining adequate records and internal controls that are designed to prevent and detect fraud and error, and the systems and procedures to measure the results of the accountability indicators reported in the statement of performance.

The auditor's responsibility

Under the *Financial Management Act 1996* and *Financial Management (Statement of Performance Scrutiny) Guidelines 2011*, I am responsible for providing a report of factual findings on the statement of performance.

The review was conducted in accordance with Australian Auditing Standards applicable to review engagements, to provide assurance that the results of the accountability indicators reported in statement of performance have been fairly presented in accordance with the *Financial Management Act 1996*.

A review is primarily limited to making inquiries with representatives of the Institute, performing analytical and other review procedures and examining other available evidence. These review procedures do not provide all of the evidence that would be required in an audit, therefore, the level of assurance provided is less than that given in an audit. An audit has not been performed and no audit opinion is being expressed on the statement of performance.

The review did not include an assessment of the relevance or appropriateness of the accountability indicators reported in the statement of performance or the related performance targets.

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No opinion is expressed on the accuracy of explanations provided for variations between actual and targeted performance due to the often subjective nature of such explanations.

Electronic presentation of the statement of performance

Those viewing an electronic presentation of this statement of performance should note that the review does not provide assurance on the integrity of information presented electronically, and does not provide an opinion on any other information which may have been hyperlinked to or from this statement of performance. If users of this statement of performance are concerned with the inherent risks arising from the electronic presentation of information, they are advised to refer to the printed copy of the reviewed statement of performance to confirm the accuracy of this electronically presented information.

Independence

Applicable independence requirements of Australian professional ethical pronouncements were followed in conducting the review.

Review opinion

Based on the review procedures, no matters have come to my attention which indicate that the results of the accountability indicators, reported in the statement of performance of the Institute for the year ended 31 December 2014, are not fairly presented in accordance with the *Financial Management Act 1996*.

This review opinion should be read in conjunction with the other information disclosed in this report.



Dr Maxine Cooper
Auditor-General

19 March 2015

Canberra Institute of Technology
Statement of Performance
For the Year Ended 31 December 2014

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 2014 and also fairly reflects the judgements exercised in preparing it.



Leanne Cover
Acting Chief Executive Officer
Canberra Institute of Technology
11 March 2015

Canberra Institute of Technology
Statement of Performance
For the Year Ended 31 December 2014

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 2014 and also fairly reflects the judgements exercised in preparing it.



Shane Kay
Chief Finance Officer
Canberra Institute of Technology
11 March 2014

Canberra Institute of Technology
Statement of Performance
 For the Year Ended 31 December 2014

OUTPUT CLASS 1: CANBERRA INSTITUTE OF TECHNOLOGY				
Output 1.1: Provision of Vocational Education and Training Services				
Accountability Indicators included in the Institute's 2013-14 Statement of Intent	Notes	31 December 2014 Target	31 December 2014 Outcome	Variance %*
a) Nominal Hours		3,691,000	3,864,437	5
b) Achieve key output targets.				
i) Program Enrolments	1	15,200	15,764	4
ii) Module Pass Rates	2	75%	82%	9
iii) Program Completions	2	6,300	6,818	8
iv) Learner Satisfaction Rate	3	85%	91%	7
v) Employer Satisfaction Rate	3	80%	85%	6
c) Average Government Payment per Nominal Hour		\$18.22	\$17.40	(5)
Accountability Indicators included in the Institute's 2013-14 Budget	Notes	30 June 2014 Target	30 June 2014 Outcome	Variance %*
a) Nominal Hours		3,735,000	3,888,074	4
b) Achieve key output targets.				
i) Program Enrolments	1	15,300	15,138	(1)
ii) Module Pass Rates	2	75%	82%	9
iii) Program Completions	2	6,300	7,195	14
iv) Learner Satisfaction Rate	3	85%	91%	7
v) Employer Satisfaction Rate	3	80%	85%	6
c) Average Government Payment per Nominal Hour		\$17.69	\$17.43	(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.

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Notes

- 1 Program enrolments at 31 December 2014 are slightly above target due to higher than expected demand for CIT's course offerings in the second semester of 2014.
Program enrolments at 30 June 2014 were lower than target due to increasing activity in higher-level, longer-duration programs. This is a continuation of recent trends of increased demand for higher level programs (with more Nominal Hours per program). The net effect is fewer program enrolments, but a similar number of Nominal Hours delivered in total.
- 2 Program completions and module pass rates are above target due to CIT's continued focus on high-quality and relevant training and support for CIT's students, as reflected in CIT's 2014 Learner Engagement Survey results.
- 3 The 2014 surveys of learner engagement and employer satisfaction showed overall levels of satisfaction with the training of 91 and 85 per cent respectively, reflecting employers' and students' positive view of their experience of CIT training. Learner Satisfaction Rate results were based on the survey of students enrolled in nationally accredited programs. CIT has continued to improve its effectiveness and responsiveness in skilling students with contemporary training methods which have been positively received by industry and students alike.

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Accountability Indicator Definitions

- a) 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 the Institute 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 process.
- b) Output targets are as specified below.
 - i. The number of records of students fulfilling 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. Learner satisfaction rates measure the proportion of current CIT students participating in the "Learner Engagement Survey" (LES) who indicated that they were satisfied with the training at CIT. The Learner Engagement Survey was designed by the Australian Council for Educational Research (ACER) to collect data relating to one of the Quality Indicators (QI), "Learner Engagement". All registered training organisations (RTOs) registered with the Australian Skills Quality Authority (ASQA) are required to provide an annual summary report of their performance against the learner engagement indicator to ASQA.
 - v. Employer satisfaction rates measure the proportion of employers with apprentices or trainees at CIT that expressed their satisfaction with the training delivered at CIT. The Employer Satisfaction Survey (ESS) was designed by ACER to collect data relating to one of the QI's, "Employer Satisfaction". All RTO's registered with ASQA are required to provide an annual summary report of their performance against the employer satisfaction indicator to ASQA.
- c) The Average Government Payment per Nominal Hour is an output target calculated as the Total Government Payment for Outputs divided by the Nominal Hours outcome for Profile training programs delivered. Noting that 'Profile' relates to training activities that are funded directly by the ACT Government appropriation for the provision of public access vocational education and training.

For more information:

Chief Operating Officer
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Acronyms and Abbreviations

ACE	adult and community education
ACER	Australian Council for Educational Research
ACT	Australian Capital Territory
ACTIA	ACT Insurance Authority
ACTPS	ACT Public Service
ACU	Australian Catholic University
ACS	Australian Computer Society
ADFA	Australian Defence Force Academy
ANU	Australian National University
AQF	Australian Qualifications Framework
AQTF	Australian Quality Training Framework
ARIn	Attraction and Retention Initiatives
ASBA	Australian School-based Apprenticeship
ASNZS	Australian Standard/ New Zealand Standard
ASQA	Australian Skills Quality Authority
AVETMISS	Australian Vocational Education and Training Management Information Statistical Standard
AWA	Australian Workplace Agreement
CeLAMP	Canberra Emerging Leaders and Managers Program
CCCares	Canberra College Cares
CCGGRA	<i>Climate Change and Greenhouse Gas Reduction Act 2010</i>
CIT	Canberra Institute of Technology
CIT Act	<i>Canberra Institute of Technology Act 1987</i>
CIT Council, the	Canberra Institute of Technology Advisory Council
CITSA	CIT Student Association
CMTEDD	Chief Minister, Treasury and Economic Directorate (ACT Government)
CNG	compressed natural gas
CO ₂ -e	carbon dioxide equivalent
CPI	consumer price index, also referred to as inflation
CSS	Commonwealth Superannuation Scheme
CSU	Charles Sturt University
EDRMS	electronic document and records management system
EAP	Employee Assistance Program
eLearn	CIT e-learning management system
eLR	CIT e-learning resources repository

EPA	<i>Environment Protection Act 1997</i>
EPD	Environment and Planning Directorate
ESD	ecologically sustainable development
ESS	Employer Satisfaction Survey
ETD	Education and Training Directorate (ACT Government)
FINE	Forecasting of Industry Needs and Entitlement, also referred to as the ACT Skills Needs List
FMA, the	<i>Financial Management Act 1996</i>
FOI	Freedom of Information
FOI Act, the	<i>Freedom of Information Act 1989</i>
FTE	full-time equivalent
GAAP	Generally Accepted Accounting Principles
GPO	Government Payment for Outputs
HEP	higher education provider
HR	human resources
HSR	health safety representative
ICT	information and communication technology
LED lighting	light emitting diode lighting
LES	Learner engagement survey on learner satisfaction
LLN	language, literacy and numeracy
LPG	liquid petroleum gas
MLA	Member of Legislative Assembly
MOOC	massive open online course
MSD	musculoskeletal disorders
NDIS	National Disability Insurance Scheme
NH	nominal hour
NCVER	National Centre for Vocational Education Research
QI	quality indicator, refer also to LES and ESS
PID	Public Interest Disclosure
PSS	Public Sector Superannuation Scheme
PSSAP	Public Sector Superannuation Scheme Accumulation Plan
RAP	CIT Reconciliation Action Plan
RED	Respect, equity and diversity
RGT	Regional Group Training
RMP	records management program

RPL	recognition of prior learning
RTO	registered training organisation
SEA	Special Employment Arrangement
SOI	CIT Statement of Intent
TAFE	technical and further education
TDA	TAFE Directors Australia
TEQSA	Tertiary Education Quality and Standards Agency
UC	University of Canberra
USI	unique student identifier
VET	vocational education and training
WHS	workplace health and safety

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of Technology**