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Canberra Institute
of Technology

RTO Code 0101 | CRICOS No. 00001K

ANNUAL REPORT 2016

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of Technology

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PART A: TRANSMITTAL CERTIFICATE

Transmittal Certificate

Ms Meegan Fitzharris MLA
Minister for Higher Education, Training and Research
ACT Legislative Assembly
Civic Square, London Circuit
CANBERRA ACT 2601

Dear Minister

We present to you the **Canberra Institute of Technology Annual Report 2016**.

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 (2015-16).

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 and information provided for whole of government reporting, is an honest and accurate account and that all material information on the operations of the Canberra Institute of Technology during the period 1 January 2016 to 31 December 2016 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 15 weeks of the end of the reporting period.

Your sincerely



Leanne Cover
Chief Executive Officer
28 March 2017



Craig Sloan
Chair, CIT Board
28 March 2017

FROM THE CIT BOARD CHAIR



Craig Sloan
CIT Board Chair

2016 was the first full year of operation for the Board and I am pleased with the progress we have made in leading and shaping CIT's strategic direction.

The launch of the *CIT Strategic Compass 2020 – Evolving Together* in July 2016 was a key milestone for the Board. It outlined the new directions and commitments for CIT, including nine projects that will transform CIT's business to ensure it remains viable and continues to add value by adapting its offerings to contribute to the new ACT and regional economy.

The Board was pleased to secure \$8 million in Federal Government National Partnership funding to support the Strategic Compass projects' implementation, which began in the second half of the year. The introduction of the projects has attracted a new staffing cohort with complementary skills and capabilities. The new teams, working in collaboration with existing CIT staff, encapsulate a blend of experience that will ensure project objectives and benefits are achieved. The Board has an ongoing role in monitoring the individual projects as they reach implementation milestones that will ensure CIT evolves into a contemporary teaching and learning organisation that stands out in the increasingly competitive VET market.

To inform the new strategic direction and the project work, the Board commissioned research into the ACT VET market and drivers of client choice to help it understand CIT's current market position. The Board will use the research results to help reposition CIT for future growth and to ensure students and employers' needs are met.

The VET sector is experiencing significant change and is becoming more competitive. To secure CIT's market position the Board established a Business Development and Cultural Change Subcommittee

which devised and implemented an organisational cultural change program to systematically address capability and capacity issues to bring about an increased business focus within CIT through its people, processes, new opportunities and partnerships. A significant capability development program was delivered in 2016 to CIT leaders, managers and change champions to expand capability in relation to customer engagement and business development. The CIT CEO collaborated with a cultural working group to develop seven cultural traits (Customer Centric; Professionalism; Collaborative; Trusted; Adaptable; Accountable; and Inspirational) that have been adopted across the organisation. These traits will be fully embedded across CIT in 2017.

A major priority for the CIT Board for 2016 and into the future is the implementation of the Campus Modernisation Strategy. This work has really gained momentum during 2016 with the opening of CIT Tuggeranong, a contemporary purpose-built education facility designed for the modern learner that offers a vibrant space to connect students, businesses and the local community. Since the opening of the new facility, student numbers at CIT Tuggeranong have more than tripled and further growth is anticipated in 2017. In addition to this, major refurbishments at CIT Reid and CIT Bruce have resulted in the creation of contemporary teaching and learning spaces to provide an improved service to our customers, particularly in relation to opportunities for work-based learning.

2016 has been another exceptionally successful year for CIT. It has been a pleasure to work with the CIT CEO and to witness the commitment of staff on this journey of transformation.

FROM THE CHIEF EXECUTIVE OFFICER



Leanne Cover
Chief Executive Officer

2016 was a turning point for CIT. The CIT Board set to work to deliver the *CIT Strategic Compass 2020: Evolving Together* setting a new direction for CIT for the coming years.

In leading the implementation of the Strategic Compass my objective is to position CIT by 2020 such that its share of the vocational education and training (VET) market is on a sustained growth trajectory. We will achieve that by streamlining systems and processes, meeting and responding to traditional and emerging market needs, and importantly by being recognised by students, government and industry as a collaborative, customer-focused organisation delivering high-quality training to the ACT and region.

CIT teachers and staff worked hard to submit our pre-registration work to the Australian Skills Quality Authority for re accreditation. The challenge was to critically analyse the essence of our work – the way we deliver and assess vocational education and training. The level of collaboration and professionalism that CIT staff applied to this task has inspired me with confidence that our reregistration result will be successful in 2017.

CIT launched its Renewable Energy Skills Centre of Excellence and staff worked with industry partners to develop skills training in wind and solar photovoltaic energy systems and battery storage to support the ACT and region's nascent industry. CIT staff also had an eye on the future as they introduced new courses like cyber security. This work, along with continual improvements to CIT's health and community service offerings, is supporting the ACT Government to achieve key growth areas that also include sport technology, space and the spatial economy and agrifood.

In October 2016, CIT launched its new 'Stretch' Reconciliation Action Plan 2016-2019 (RAP). The RAP commits CIT to another three years of accelerated action to further build relationships, respect and opportunities for our Aboriginal and Torres Strait Islander students with the wider community. This commitment is reflected by continued growth in the number of Aboriginal and Torres Strait Islander students at CIT and their success stories.

Most rewarding of all, by the end of the year CIT and staff and students' outstanding efforts had been recognised with an unprecedented six national and a raft of ACT training awards.

In 2016, CIT was the most awarded registered training organisation (RTO) at the 2016 Australian Training Awards, including the Australian Apprentice of the

Year (Shane Dealy). CIT industry partners were also recognised.

Two CIT students won gold at the World Skills National Competition (Alex Halls and Dougal King) and will likely compete in the world championships in Dubai in 2017. CIT apprentices also won WorldSkills Australia silver and bronze medals.

For the 10th year CIT was selected as the ACT's Large RTO of the Year. The 2016 Canberra and Region Tourism Education and Training Awards selected CIT as 'First Choice Provider' for its specialised travel and tourism, international hotel and resort management, hospitality and event management program.

Emphasising the importance of CIT to growing Canberra and the region's economy, the ACT Government included CIT in the Chief Minister, Treasury and Economic Development Directorate portfolio. To assist the ACT Government to pursue its business strategy to support investment, accelerate innovation and create employment, in 2016 CIT worked closely with Innovate Canberra and associated initiatives, such as the Vice-Chancellor's Forum, along with the CBR Innovation Network and Study Canberra.

Recognising that students must be prepared to work in the global marketplace, and looking to enhance the student experience, CIT worked hard in 2016 to leverage its location in Australia's capital city to build international networks to seek opportunities for students to study overseas. In 2016, 85 CIT students travelled overseas to further their studies thanks to Australian Government Endeavour Mobility Grants.

In 2016, CIT achieved above national average graduate employment outcomes, surpassed its targets for module pass rates and achieved high student and employer satisfaction rates.

Achieving those extraordinary results, in the face of significant market competition, is a testament to the resilience and commitment of CIT staff.

CIT looks forward to working with the Board, the ACT Government and our partners in 2017 to achieve our vision to be Australia's leading provider of vocational education and training.



PART B: ORGANISATIONAL OVERVIEW AND PERFORMANCE

B.1 ORGANISATIONAL OVERVIEW

Vision, Mission and Values

The Canberra Institute of Technology (CIT) mission is 'changing lives through quality education and skills development for individuals, industry and the community'. CIT seeks to strengthen its position as a leader of vocational education and training (VET) and to be successful in a more demand-driven market.

CIT is the leading provider of VET in the ACT. In 2016, it was recognised at the ACT Training Awards for the 10th year running as the Large Training Organisation of the Year.

As the ACT's public VET provider, CIT is committed to meeting the needs of a diverse range of clients through its responsive, innovative education services and business practices.

Canberra's people, economy and attitudes are changing rapidly to embrace a vision of a smarter, more innovative and diverse city.

CIT plays a significant role in shaping Canberra as the knowledge capital and driving the economic outcomes of the ACT and surrounding region. It does this by supplying employers with qualified skilled labour, increasing skill levels for those self-employed,

contributing to participation levels and through attracting international students.

In 2016, the CIT Board released the *Strategic Compass 2020: Evolving Together* (Strategic Compass 2020) after six months of intense work with the executive and senior management team, which outlined the Board's new strategic direction for CIT. The Strategic Compass 2020 contains four elements and nine projects (detailed in section B.2) designed to position CIT as a quality provider of VET by ensuring its services and teaching styles are adapted to meet the needs of contemporary learners and the organisation is sustainable into the future.

The four elements are:

Vision – Shaping Change: Raising our ambitions to meet new expectations.

Learning – Growing Our Region's Economy: Adapting our offerings to provide skills for the future.

Workforce – Advancing Canberra's Workforce: Contributing to the new economy and positioning for prosperity.

Business – Transforming Our Business: Investing in our business for viability and value.



Role, Functions and Services

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 VET to the 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 ACT Government provides CIT with 63% of its funding for agreed outcomes as described in the CIT annual Statement of Intent, which forms part of the ACT Budget.

CIT also receives revenue from contestable sources, including User Choice (Australian Apprenticeship funding), Skilled Capital, international students and commercial activities.

As an RTO, CIT is committed to continuous improvement supported by ongoing monitoring and auditing to ensure it delivers nationally consistent, high-quality training and assessment services required to meet VET Quality Framework registration standards.

CIT is an approved delegate of the Australian Skills Quality Authority (ASQA). This enables CIT to modify its scope of delivery for training package qualifications. CIT delivers 33 national training packages across the Australian Qualification Framework (AQF) levels from certificate I to the graduate certificate levels.

As of December 2016, CIT's scope of registration included 248 current training package qualifications and 22 VET-accredited courses.

CIT is accredited by the Tertiary Education Quality and Standards Agency (TEQSA) as a non-self-accrediting, higher education provider (HEP). In 2016, CIT was accredited by TEQSA to deliver two niche higher education degrees, namely the Bachelor of Games and Virtual Worlds (Programming) and the Bachelor of Forensic Science (Crime Scene Examination).

The ACT Board of Senior Secondary Studies Policy and Procedures Manual identifies CIT as a recognised educational institution able to deliver the ACT Senior Secondary Certificate. CIT specialises in delivering the certificate to mature age students.

CIT Student Support Services

CIT takes pride in the diversity of its population and offers comprehensive student support services that reflect the diversity of its student body. Support services include counselling, careers advice, disability

support and financial assistance. Targeted support is also available for international students, mature aged, migrants and refugees, and youth. CIT also has a close working relationship with the CIT Student Association.

CIT is committed to promoting a culture that strengthens respect, relationships and opportunities for Aboriginal and Torres Strait Islander peoples through positive and inclusive learning and workforce innovation practices. The CIT Yurauna Centre is a dedicated service that provides teaching and support to Aboriginal and Torres Strait Islander peoples across a broad range of programs using a work model specifically designed to build capacity and community connections by removing barriers to education for Aboriginal and Torres Strait Islanders. The issues and challenges faced by Aboriginal and Torres Strait Islander people, including families and children, are complex, varied and long term. The Yurauna Centre enhances employment opportunities for Aboriginal and Torres Strait Islanders through pastoral assistance and providing courses to improve literacy, numeracy, communication and vocational training.

CIT Partnerships

CIT values its continuing partnerships with industry and employers, particularly those that provide jobs and training for our students.

2016 saw the development of a closer relationship between the ACT VET and higher education sectors. The ACT Government decision to move VET into the Economic Development stream of the Chief Minister, Treasury and Economic Development Directorate enabled greater alignment of VET services with other areas of economic development and better connections between education, skills, jobs, innovation, health outcomes, productivity and Skills Canberra.

Bringing the VET sector into the innovation community, CIT continued as a foundation member of CBR Innovation Network, joining with Australian National University (ANU), University of Canberra (UC), University of New South Wales and the Commonwealth Science and Industrial Research Organisation (CSIRO) to take a central role in the innovation ecosystem in the ACT to build individual and corporate capability.

The decision by the ACT Chief Minister to extend representation at the Vice Chancellors' Forum to the CIT CEO recognised the need for all members of the education sector to work together to implement innovation policies and contribute to the diversification of Canberra's economy.

In 2016, CIT strengthened many existing partnerships and initiated new collaborations with stakeholders in education, industry and the community.

CIT partners with the UC, ANU, Australian Catholic University (ACU) and Charles Sturt University (CSU) to jointly deliver programs and provide pathways to further training at undergraduate and postgraduate levels. CIT, ANU, UC and CSU liaison committees meet regularly to foster collaboration, program articulation and to seek new partnership opportunities.

CIT works closely with businesses in the ACT to develop courses and teaching environments to provide skills aligned to workforce demands now and in the future. CIT Industry Advisory Groups share industry and training intelligence with CIT to inform its services and training programs.

CIT has developed significant industry partnerships to develop specialised workforce training, for example with the Neoen Hornsdale Windfarm, CWP Renewables, Abode Hotels, Australian Border Force, the Master Plumbers Association of the ACT and WorkSafe ACT.

CIT community partners include: United Nations Information Centre; Multicultural Youth Services ACT, Max Employment, Belconnen Community Services, Riverview Group Mental Illness Education ACT and Canberra College Cares.

Organisational Structure

CIT operates under a matrix management organisational design and is made up of five teaching colleges, two smaller colleges and four support divisions. The colleges bring together disciplines that

have links in industry, to create integrated learning experiences for students and improve opportunities for collaboration with industry and business.

CIT Colleges:

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

Four CIT divisions provide leadership and support to the teaching colleges:

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

Colleges and divisions are responsible for monitoring and reviewing the implementation of governance requirements and identifying legislation and policy and procedures that are specific to their individual area.

CIT Solutions Pty Ltd

CIT Solutions Pty Ltd is a wholly-owned subsidiary of CIT that reports to the Australian Securities and Investments Commission in accordance with the *Corporations Act 2001*. CIT Solutions remains the training provider of choice for many Australian Government departments and agencies and ACT Government directorates. Further information about CIT Solutions is in section B.2.



Outlook, Challenges and Priorities

The national VET sector experienced significant challenges and changes in 2016. The Australian Government VET FEE-HELP scheme ceased at the end of 2016 and was replaced with the new VET Student Loans scheme. This had minimal effect on CIT programs.

In 2016, CIT experienced competition with private providers for students taking advantage of the former VET FEE-HELP program and the introduction of the ACT Skilled Capital program, which attracted students that would normally enrol under the Profile scheme. CIT was not as successful as hoped in attracting student through skilled capital and in 2017 will be working to increase market share.

Structural reforms aimed at achieving increased productivity and participation in the Australian workforce through the VET sector have been driven through the Council of Australian Governments (COAG) National Partnership on Skills Reform. Funding to the ACT VET sector is also provided through this partnership. This partnership is due to expire in 2017.

The VET sector is also undergoing significant changes and has become increasingly competitive. The future world of work is changing. The Centre for Economic

Development Australia has reported it expects a loss of up to 40% of today's jobs in the next 10 to 15 years. As well, the expectations of contemporary learners are changing, with less demand for physical space and more demand for online and flexible learning. CIT is adapting to meet these challenges.

Campus modernisation is a key priority as well as the completion and implementation of the Strategic Compass 2020 projects. Funding for these projects has been secured through the National Partnership Agreement. These projects will be the building blocks for CIT to transform its business to ensure it remains viable and continues to add value by adapting its offerings to contribute to the new ACT economy. The projects will focus on: modernising teaching and learning resources; preparing the CIT teaching workforce to design, develop and deliver contemporary training programs; providing exceptional customer experience for every interaction across CIT; changing our culture to meet new expectations; improving our apprenticeship programs to better meet the needs of employers and students; strengthening our business and industry partnerships to grow in emerging and established markets; and investing in campus modernisation and digital infrastructure.

CIT has prioritised offering training that benefits the ACT economy in growing niche markets by developing new training courses in 2016. These

Historic agreement kicks off CIT wind energy training



CIT offered wind energy technology qualifications and training for the first time in 2016. The course opened for enrolments after CIT signed an historic 25-year funding agreement with international renewable energy firm Neoen.

CIT close collaboration with industry partners, particularly Neoen and its Hornsdale Wind Farm in South Australia, provides students with hands-on experience as they study and graduate with industry-relevant qualifications.

Neoen has been contracted by the ACT Government to supply electricity from its 315 MW Hornsdale Wind Farm in SA to help meet its 100% by 2020 renewable energy target.

In 2016, the partnership began work on training programs for solar photovoltaics and battery technologies.

CIT's Renewable Energy Centre of Excellence provides skills training and qualifications in cutting edge technologies to meet industry demand.

include the first nationally recognised cyber security course, renewable energy training and Canberra's first barbering apprenticeship.

CIT will continue to design and implement contemporary learning packages that meet national and international market needs. In 2016, CIT has focused on improving online, blended and face-to-face service options for students and businesses, increasing flexibility of how and where learning occurs and increasing opportunities for lifelong learning and educational and employment pathways.

Internal Accountability

The CIT Executive Management Team for 2016 comprised:

Chief Executive Officer (CEO), Ms Leanne Cover.

The CEO is responsible for the efficient administration of CIT and has a strategic leadership responsibility for the overall success of CIT. The CEO is accountable to the CIT Board and is supported by the CIT Executive Team comprising:

Deputy Chief Executive (DCE), Ms Carolyn Grayson.

The Deputy Chief Executive leads CIT's five teaching colleges and CIT Brand and Business Development, including international business and marketing. The DCE is responsible for ensuring CIT priorities in quality education and training are achieved.

Chief Operating Officer, Mr Shane Kay.

The Chief Operating Officer provides strategic leadership, financial management and oversight of whole of CIT operational matters. The COO leads CIT Corporate Services comprising CIT Business Support, CIT Corporate Finance, CIT Facilities and Shared Services ICT.

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

The Executive Director, CIT People and Organisational Governance is responsible for CIT's governance. The Executive Director is responsible for CIT Audit and Review, CIT Government Relations, CIT Human Relations, CIT People Development and CIT Yurauna Centre (Indigenous education and support).

General Manager CIT Student and Academic Services, Ms Sue Maslen.

The General Manager CIT Student and Academic Services is responsible for monitoring and supporting education performance. The General Manager 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 reports to the CIT CEO.

Remuneration for executives and board members

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

CIT Canberra's 'number one' tourism and training educator



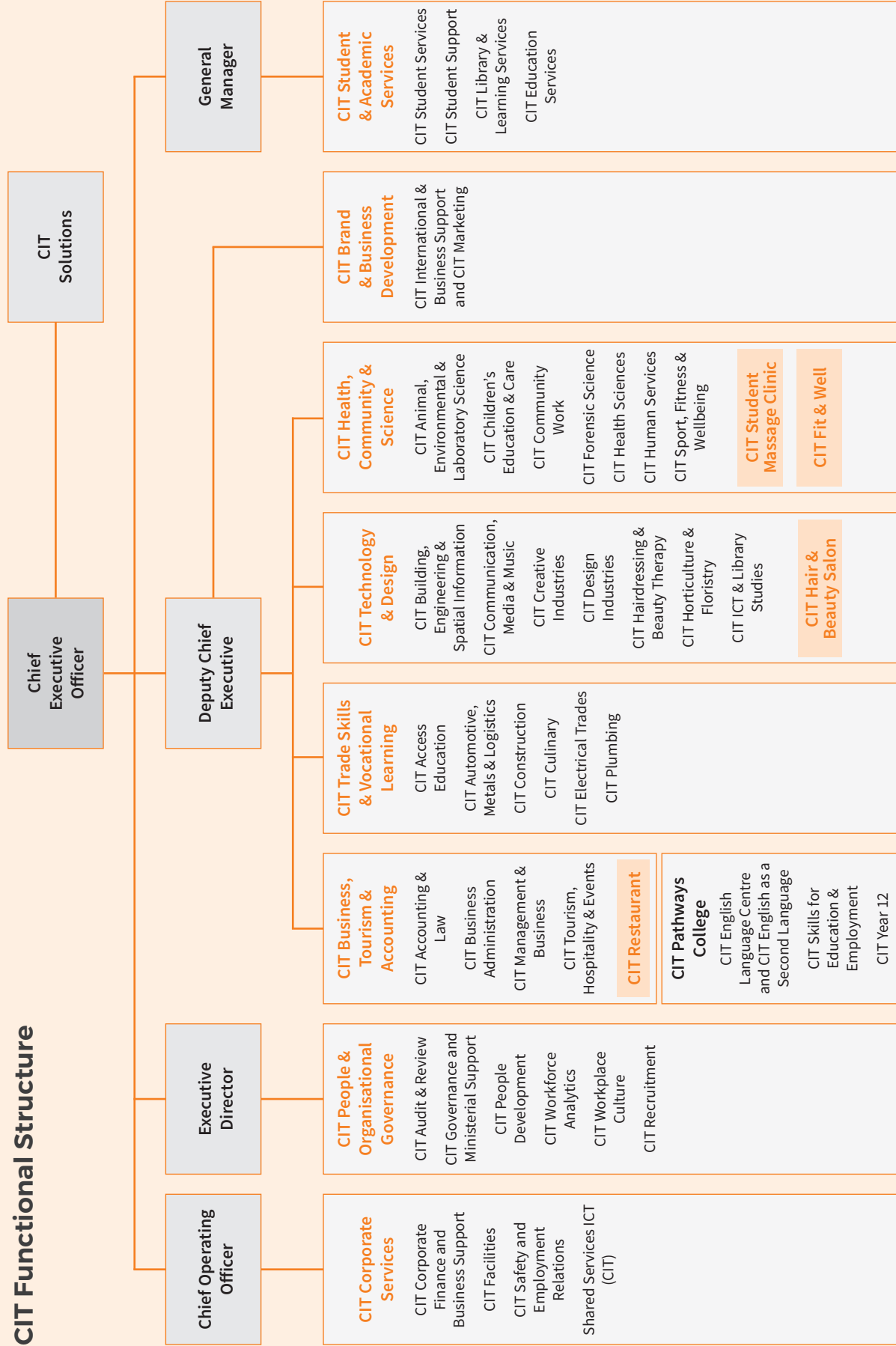
CIT was recognised in 2016 as the Canberra and region's 'number one' tourism and training educator at the annual Canberra Region Tourism Awards.

CIT won the Canberra and Region Tourism Education and Training Award for its specialised courses in particular travel and tourism, international hotel and resort management, hospitality and event management, making CIT the "first choice provider in the ACT and region" for 2016.

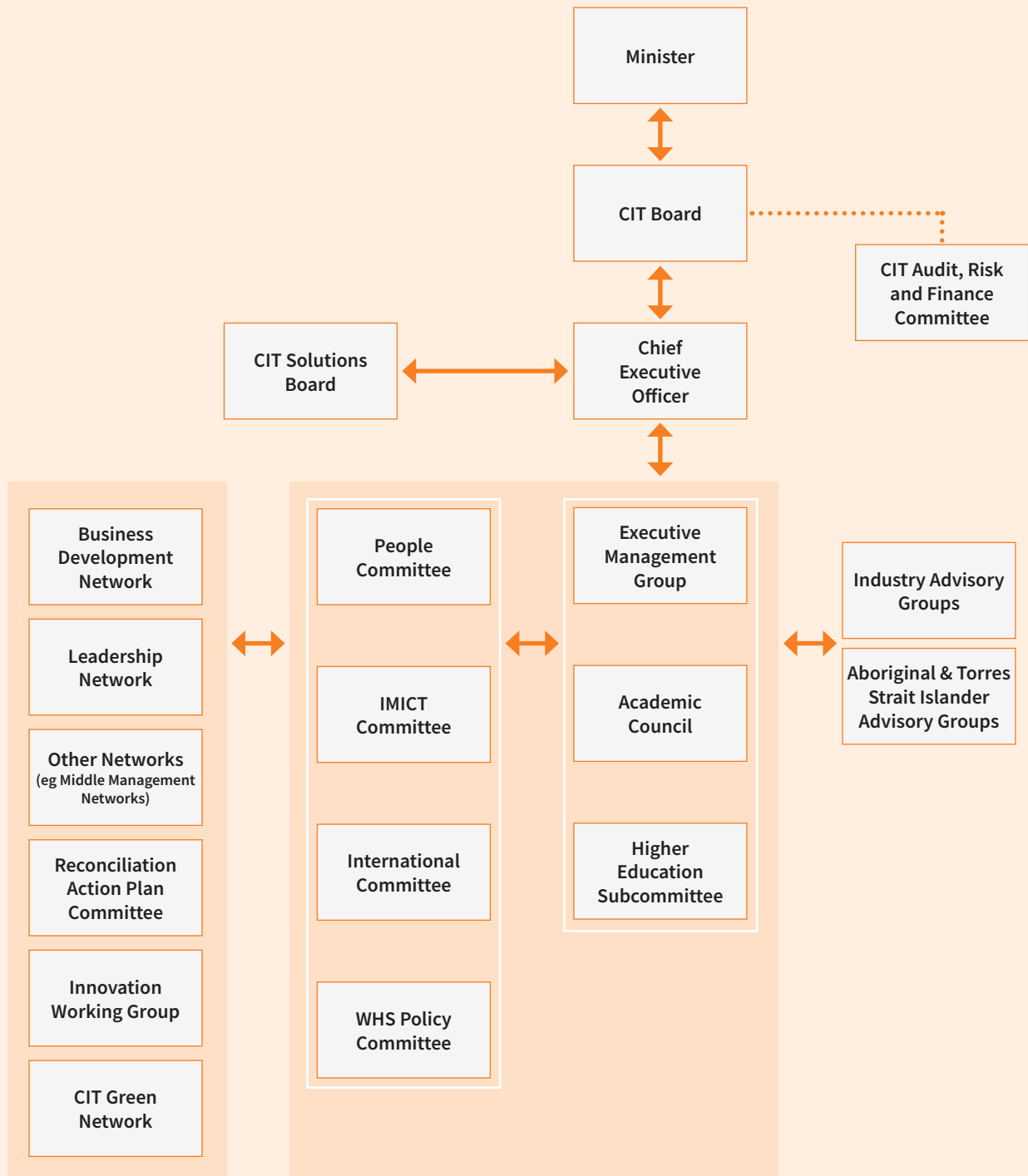
CIT's "collaborative work with numerous industry partners complementing the professional standards of the industry" received special mention at the gala event attended by hundreds of local industry representatives.

"This award is another outstanding achievement for CIT demonstrating our commitment to industry and business, and our contribution to the economic well-being of the ACT and region," CIT Chair Craig Sloan said.

CIT Functional Structure



CIT Internal Governance Structure



CIT Committees and Networks

Under the CIT Internal Governance Framework, CIT committees and CIT Networks are accountable to the CEO.

Executive Management Committee (EMC)	The EMC provides leadership advice on CIT's strategic management and its efficient and effective operation. It is accountable to the CEO for performance outcomes through the implementation and monitoring of strategic, operational, educational, people and financial business plans and processes, and ensuring that appropriate frameworks, delegations, policies, procedures and resourcing are in place to support the delivery of CIT's strategic and operational objectives.
CIT Academic Council	The CIT Academic Council provides educational leadership and advice on CIT's strategic direction, regulation, risk, governance, quality and standards, and performance.
CIT Audit Risk and Finance Committee	Established by the CIT Board in accordance with the ACT Government Internal Audit Framework and under Sections 56 and 77 of the <i>Financial Management Act 1996</i> , this Committee provides independent, objective assurance and assistance to the CIT Board on CIT's risk, control and compliance framework, and its external accountability responsibilities.
CIT People Committee	The CIT People Committee provides strategic HR leadership and is responsible for setting directions for the full the range of people management matters including, the employment framework, WHS, organisational learning and development, workforce analytics and recruitment.
CIT Leadership Network	The CIT Leadership Network comprises senior management. It provides an opportunity to raise issues and disseminate information and is a key component of CIT's internal communication strategy.
CIT Workplace Health and Safety Policy Committee	CIT's Workplace Health and Safety Policy Committee brings together CIT health and safety representatives to monitor and improve systems for managing health and safety.
CIT Information Technology Committee	The IT Committee responsibilities include: develop and maintain CIT's vision and strategy for Information Management (IM) and Information and Communication Technology (ICT) and to contribute to the future of IM and ICT in vocational education and training; consider operational priorities and business cases for the development and improvement of IM/ICT services and resources in line with CIT strategic drivers; recommend IM/ICT strategic priorities to the CEO and/or the CIT Audit Risk and Finance Committee; and help manage IM/ICT projects.
CIT Research Ethics Committee	The CIT Research Ethics Committee is responsible for approving research proposals in line with the CIT Educational Research Policy.
CIT International Committee	The International Committee advises on, supports and monitors the implementation of the CIT International Strategy and reports on strategy outcomes.
CIT Reconciliation Action Plan Working Group	The Reconciliation Action Plan Working Group is responsible for the development and implementation of CIT Reconciliation Action Plans. The working group is also responsible for promoting cultural awareness and recognition of Aboriginal and Torres Strait Islander peoples across all CIT campuses.
CIT Green	CIT Green is a dedicated environmental reference group to: encourage and assist colleges to integrate the principles of environmental sustainability into CIT curriculum; and develop specific, standalone environmental programs with industry and government.

CIT Industry Advisory Groups

CIT Industry Advisory Groups comprise industry representatives with specific intelligence relating to training and skills development. They share industry and training intelligence with CIT to help CIT stay abreast of industry trends and developments to ensure CIT services is responsible to changing industry needs and emerging markets.

Financial Risk Management

CIT manages financial risks through a well-defined financial management framework that includes:

- > clearly established ownership of internal budgets;
- > monthly variance reporting by senior management;
- > quarterly strategic review of financial performance and corrective action as required by the Executive;
- > regularly updated financial policy, procedures and practice documents;
- > training all staff who have financial responsibilities; and
- > continuous monitoring and review of process improvement.

See B.4 for further information.

CIT Board

The CIT Board was established in 2015 under Section 9 of the *Canberra Institute of Technology Act 1987*. The Board consists of a minimum of nine and no more than 11 members. Members of the Board are appointed by the ACT Minister Higher Education, Training and Research. In appointing CIT Board members, the Minister aims to ensure that the following are included: at least one elected CIT staff representative; one elected student representative; appointed representatives of each ACT Government portfolio responsible for education, training and

economic development; and up to six non-elected members with experience and expertise in business and industry, social policy, law, finance and digital technology.

The CIT CEO is also a Board member pursuant to Section 80 (4) of the *Financial Management Act 1996* (FMA).

As required by Section 56 of the FMA the CIT Board is liable, under the responsible Minister, for the efficient and effective financial management of CIT.

The CIT Board Charter outlines the roles and responsibilities of board members, code of conduct, conflict of interest and other information relating to meetings, subcommittees and administration.

In 2016, the CIT Board comprised three executive and six non-executive members. It held five meetings during 2016.

CIT Board Members at 31 December, 2016 were:

Mr Craig Sloan (Chair)

Ms Michelle Melbourne (Deputy Chair)

Ms Leanne Cover, CIT CEO

Dr Stephanie Fahey, Ordinary member

Mr Peter McGrath, Ordinary member

Mr David Dawes, (ACTPS) Chief Minister, Treasury and Economic Development Directorate

Ms Diane Joseph, (ACTPS) Education Directorate (to 24 June 2016)

Ms Natalie Howson, (ACTPS) Education Directorate (from 25 June 2016)

Mr Kent Chambers (elected student member – term expired 30 June 2016)

Mr Waris Mughal (elected student member from 1 July)

Ms Anita Wesney (elected staff member).



Board meeting attendance

Name	Position	Meetings
Craig Sloan	Chair	5
Michelle Melbourne	Deputy Chair	4
Stephanie Fahey	Member	4
Peter McGrath	Member	5
Kent Chambers (to 31/6/16)	Student Member	2
Waris Mughal (from 1/7/16)	Student Member	2
Anita Wesney	Staff Member	5
David Dawes	(ACTPS) Economic Development	4
Diane Joseph (to 24/6/16)	(ACTPS) Education	2
Natalie Howson (from 25/6/16)	(ACTPS) Education	1
Leanne Cover	CIT CEO	5

CIT Board subcommittees

Name of Committee	Role of Committee
Audit, Risk and Finance Committee	To provide independent, objective assurance and assistance to the CIT Board on CIT's risk, control and compliance framework, and its external accountability responsibilities (see section B.5 for detailed information)
Business Development and Cultural Change Subcommittee	To provide advice and recommendations to the Board on a cultural change program, resourcing and funding, and business development priorities.

CIT Board activities

The CIT Board has been instrumental this year in shaping the strategic direction of CIT. The Strategic Compass launched in July was a significant piece of work. The Board has an ongoing role in monitoring the work and implementation of nine new commitment projects.

The Board commissioned significant research during 2016 as part of its new strategic direction, articulated in the Strategic Compass. The research results will be used by the Board to assist CIT in future planning.

The Business Development and Cultural Change subcommittee met on seven occasions and implemented a cultural change program designed to

systematically address capability and capacity issues to bring about a more commercial focus within CIT – including through its people, the processes used, new opportunities and partnerships. This resulted in a cultural working group that collaborated with the CIT CEO to develop seven cultural traits that have been adopted across CIT.

The Board also progressed work on the CIT Campus Modernisation Strategy, receiving agreement in late 2016 from the ACT Government to establish a cross-government subcommittee to drive this work into 2017.

For more information:

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

B.2 PERFORMANCE ANALYSIS

CIT's Corporate Objectives

The major corporate objectives of CIT are:

- > to operate as a customer service oriented organisation that meets the twin objectives of operating as a public provider of vocational education and training and operating with a greater commercial and entrepreneurial focus in an increasingly contestable training market place;
- > to provide high quality teaching and operating practices for the benefit of students and clients;
- > to be the provider of choice for Canberra's current and emerging businesses and current and prospective students;
- > to be a major contributor to ensuring the ACT has the skilled workforce required to support the ACT's growing economy; and
- > to use financial practices that satisfy the requirements of the *Financial Management Act 1996*, including the associated Accounting Policy Papers, modelled on the requirements of Australian Accounting Standards, and which fairly present CIT's financial position, operational and cash flow results for planning and reporting purposes.

2016 CIT student profile

In 2016, there was an observed increase in competition for students from lower-cost private providers taking advantage of the Australian Government's VET FEE-HELP deferred payment program, and the introduction of the ACT Skilled Capital program.

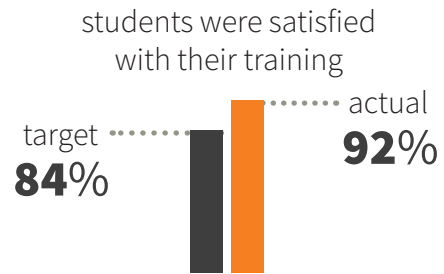
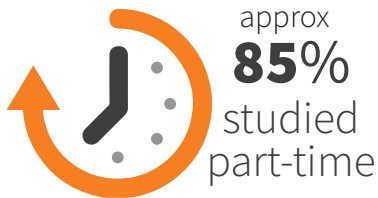
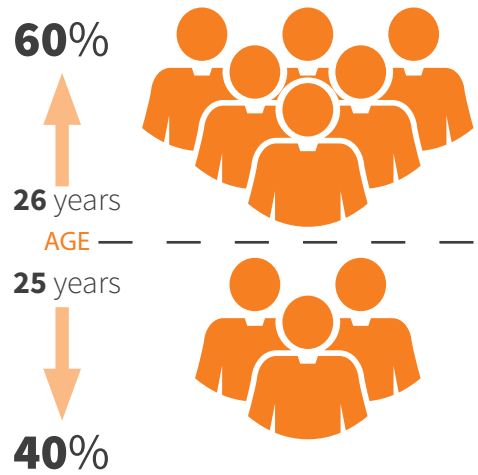
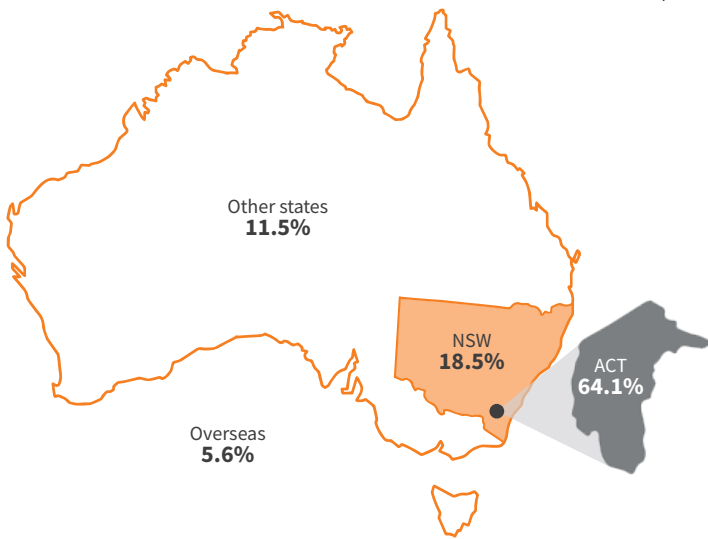
Despite the challenges, in 2016 the number of CIT students completing programs and the module pass rates were above targets for the year. The CIT 2016 Learner Engagement Survey (LES) results indicate these positive outcomes were due to CIT's continued focus on high-quality teaching and relevant training combined with its student support services. Both the LES and 2016 CIT Employer Satisfaction Survey (ESS) showed high levels of satisfaction (92% and 85% respectively), reflecting employers' and students'

positive view of their CIT training experience. The LES satisfaction rate results were based on students enrolled in nationally accredited programs.

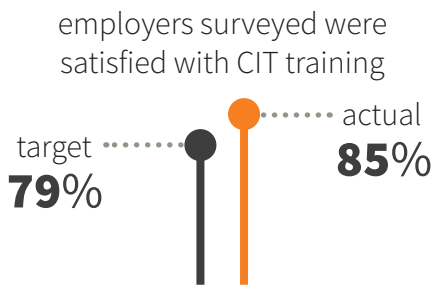
2016 student profile data showed:

- > 64.1% of students were from the ACT, 18.8% from NSW, 11.5% from other states, and 5.6% from overseas;
- > 40% were aged 25 years and under; 60% aged 26 years and over;
- > approximately 85% of students studied part-time;
- > 92% of students were satisfied with their training, 8% above target (CIT 2016 LES);
- > 85% of employers surveyed were satisfied with CIT training, 6% above target (CIT 2016 ESS);
- > 85.2% of CIT graduates were employed after training, compared to 79.7% nationally (NCVER 2016 Student Outcomes Survey);
- > 92.8% of CIT graduates were employed or in further study compared to 86.0% nationally (NCVER 2016 Student Outcomes Survey);
- > the module pass rate was 80%, which was 7% above target;
- > CIT achieved 5,193 program completions;
- > CIT delivered 5.3 million training hours;
- > there were 30,976 program enrolments;
- > 13,474 students enrolled in vocational programs;
- > 9,532 students enrolled in commercial vocational programs, including international students;
- > 8,006 recreational learners enrolled in adult and community education programs;
- > 929 international students from 80 countries were enrolled at CIT;
- > 906 self-identified Aboriginal and Torres Strait Islander students were enrolled at CIT;
- > 3,256 apprentices/trainees were enrolled at CIT; and
- > 163 Australian School-based Apprenticeship (ASBA) students enrolled at CIT.

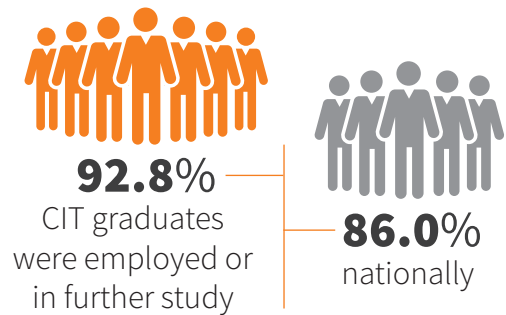
student profile



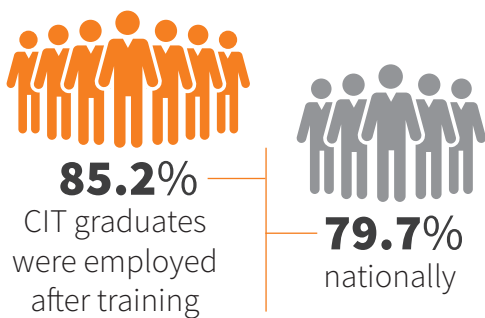
CIT 2016 Learner Engagement Survey



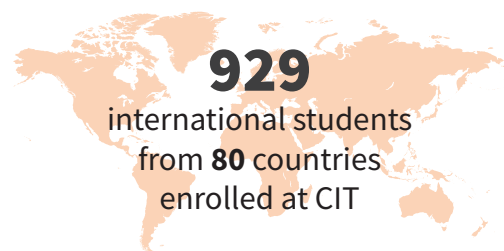
CIT 2016 Employer Satisfaction Survey



NCVER 2016 Student Outcomes Survey



NCVER 2016 Student Outcomes Survey





Strategic Compass 2020 – Evolving Together

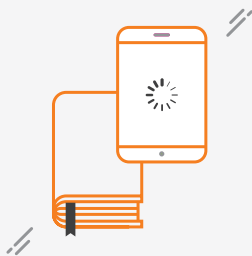
In 2016, the CIT Board launched the *Strategic Compass 2020: Evolve Together* which included a commitment to nine new projects. One-off funding from the National Partnership Agreement was secured to realise the following projects.



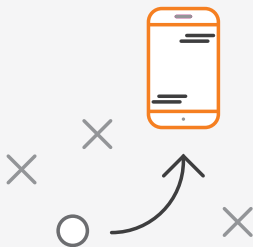
The **Business Development and Industry Partnerships** project aims to increase the level of engagement CIT has with industry through a focus on business development capacity and capability within CIT. The objective is to grow core business and ensure that industry collaboration influences CIT course offerings and increases its capacity to drive growth in new and established markets.



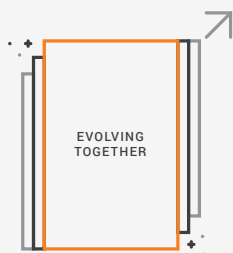
The **Product Innovation Fund** aims to channel ideas from within the organisation through a dynamic process from conception to implementation by engaging with the CIT community.



The joint CIT/CIT Solutions **Innovative Learning Resources Project** aims to modernise CIT's teaching and learning resources to meet changed student and industry needs and expectations, and to position CIT to operate more effectively in a contestable environment.



The **CIT Digitalisation Strategy** aims to develop a digital-first mindset for CIT so digital technologies are used to improve engagement with its customers, create productivity uplift and support innovation. This will be achieved through a combination of process efficiency improvements and a CIT digital strategy in 2017.



The **Evolve Together Project** will better equip CIT staff to operate in the changing VET sector, by embracing more opportunities available in the VET and higher education marketplace, and providing staff with professional and business development skills. It will develop a culture of evolving together that acknowledges the importance of customer service and business development to CIT's viability and growth.



The **Evolving Teacher Project** recognises the importance of quality teaching to CIT's business. It aims to create the roadmap for a highly-skilled, contemporary teaching workforce able to increase CIT's market share in all VET market segments. It will develop strong skills in pedagogical approaches to enable teachers to deliver effectively in a broad range of settings, including work-based learning to better meet the needs of our customers. Teachers will be increasingly empowered to self-manage their own professional development, assess their own capabilities and assess current capabilities and future needs. The project will result in the establishment of a financially sustainable approach to teacher development at CIT.



The **Customer Experience** project aims to position CIT to remain responsive to customer expectations. Through a 'current state – future state' assessment it will map customers' experience during their CIT journey, identifying key areas for further analysis and developing future state solutions. The project will develop a CIT Service Blueprint to transform its customer experience and the steps required.



CIT Centres of Excellence aim to develop modern CIT campuses delivering vibrant, viable and contemporary training environments focused on ensuring our students' experience best meet their style of educational engagement. Campuses will be designed for future delivery systems and methods supported by a digital infrastructure and optimised footprint ensuring learning environments are harmonised with student's lifestyle experience. This will see students' switch from daily routines to learning environments become seamless, effortless and continuously available at their convenience.



The **Australian Apprenticeships Project** will implement key findings identified by a research project begun in 2015. The project involves scoping and researching, developing and trialing best-practice and sustainable models to deliver and administer Australian Apprenticeships training. Resource intensive programs, high risk and licensed trades and Australian Apprenticeships delivered by CIT are the priority. The project is trialing and delivering the research findings and involves enhancing business systems, introducing new business tools, policies and procedures and staffing structures.

Work on the projects began in earnest in the second half of 2016. Comprehensive project plans were developed and consultants were engaged to enhance CIT's internal project management capability. Some early developments included: LEAN leadership and customer service training for over 90 senior staff; targeted research conducted by Deloitte on VET market analysis and drivers of client choice to understand CIT's current market position; and the development of common cultural traits for CIT by a Culture Working Group established as part of the Evolving Together project. The group worked with the

CEO to contextualise and promote a set of cultural traits that have now been adopted across CIT. These are: Customer Centric, Professionalism, Collaborative, Trusted, Adaptable, Accountable, and Inspirational.

The Board has an ongoing role in monitoring the milestones and implementation of the individual projects to ensure that CIT evolves into a contemporary teaching and learning organisation that stands out in the increasingly competitive VET market.

CIT Campus Modernisation

Campus Modernisation is CIT's approach to creating modern learning spaces and facilities to meet the needs of contemporary learners and the community. Campus Modernisation gained momentum during 2016 with the support of the ACT Government and the establishment of a Board subcommittee to progress this work.

Work on campus modernisation during 2016 saw the opening of the new CIT Tuggeranong campus. This state-of-the-art campus features attractive, modern learning spaces and accommodates a range of courses, including business, IT, science, childcare, media and communication. It includes a mock court for forensics, fraud control and legal services training.

CIT continued to upgrade and update its physical footprint across a range of program areas to provide contemporary educational training facilities for our customers and support work-based learning approaches.

CIT Bruce opened a new simulated surgical environment to train its veterinary nursing students in April. The first-class facility complements the skills students gain during work placements in local veterinary practices.

In July, CIT Bruce opened a state-of-the-art simulated hospital/work environment to enhance the student learning experience. The bespoke facilities include a large acute care (hospital ward) environment for nursing and two enabling environments fitted with mobility aids and technologies for aged care and disability courses. This coincided with CIT nursing, aged care and disability studies joining existing health and community program at CIT Bruce to create a consolidated health care and community services training hub within the ACT health and wellbeing precinct.

Research Project and Program Achievements

2015-16 Australian Apprenticeships Project

In 2016 an Australian Apprenticeships Project, which commenced in 2015, was completed by CIT under the National Partnership Agreement on Skills Reform (NP). The project researched and identified changes to improve the efficiency and effectiveness of delivery and administration of Australian Apprenticeships at CIT.

Flexible Learning Options pilot program

In 2016, CIT worked with the Education Directorate (ED) to coordinate a pilot program to foster ongoing engagement of young people at risk of disengaging with traditional high school and college to encourage them to consider career paths associated with a Certificate III in Individual Support (Ageing) [CHC33015]. The Flexible Learning Options (FLO) pilot program conducted in semester 2, 2016 involved 23 young people from ACT high schools and colleges enrolled in three competencies with CIT. Encouraging young people to join the pilot program was a deliberate strategy to tackle the need to rapidly increase the ACT disability and community sector workforce in response to growing demand.

Childcare Pre-Employment Program

In 2016, residential developer the Riverview Group, Belconnen Community Services (BCS) and CIT's Early Childhood department collaborated on the Childcare Pre-Employment Program. The program was designed to meet BCS's demand for skilled childcare workers while tackling local unemployment.

The program delivered the Certificate III in Early Childhood Education and Care [CHC30113] to Belconnen residents disconnected from the labour market. In addition to the qualification, the program delivered students industry work placements, mentoring support and employment pathways within the sector.

The program was a first for the ACT – a developer working with an RTO and an employer to deliver an accredited training program with industry work placements and employment pathways.



CIT Tuggeranong

CIT Solutions Pty Ltd

CIT Solutions Pty Ltd (the Company) is a wholly-owned subsidiary of CIT that reports to the Australian Securities and Investments Commission in accordance with the *Corporations Act 2001*. CIT Solutions' audited financial statements are consolidated within CIT's financial statements on a calendar-year basis. CIT Solutions remains the training provider of choice for many Australian Government departments and agencies and ACT Government directorates.

In 2016, the Company's project revenue to the end of December was \$21.752m, \$0.824m (4%) above budgeted revenue of \$20.928m. This is the highest revenue ever achieved by the Company.

2016 was a year of major transformation with the implementation of new core business systems: a human resource management information system; a new learning management system; and an extension of the existing client relationship management system. New technology was adopted for the development and delivery of learning materials used in all training programs, and student facilities were improved.

Despite the cost of implementing major core business systems and new learning technologies during 2016, the Company's operating profit for the year of

\$1.250m was consistent with the approved budget expectations for the year.

Core staffing numbers increased from 92 at the start of 2016 to 107 by year's end. Staffing levels increased across many areas of the Company but significantly in the learning innovation area, where the focus was on transforming core accredited training programs by adopting innovative learning materials and contemporary delivery styles.

Most of the major training contracts delivered by the Company were secured during 2016 for further contracted periods, providing it with a firm financial base for the next three years. Additionally, the Company continued to successfully deliver projects offshore in collaboration with Australian Government agencies, achieving all contract deliverables with a high degree of successful risk management.

CIT Reconciliation Action Plan 2016-19

In October 2016 CIT launched a 'Stretch' Reconciliation Action Plan (RAP) 2016-19 during NAIDOC Week celebrations. The 'Stretch' RAP committed CIT to another three years of accelerated action to further build relationships, respect and opportunities for our Aboriginal and Torres Strait Islander students with the wider community.

CIT a VET reconciliation leader

CIT's 2016-19 'Stretch' Reconciliation Action Plan (RAP) launch in October 2016 was a vibrant event that drew a curious and supportive crowd, eager to do some painting, snack on emu and kangaroo sausages, and show respect for our Aboriginal and Torres Strait Islander community.

"CIT is very proud to have a thriving Aboriginal and Torres Strait Islander community, nurtured through its dedicated CIT Yurauna Centre," CIT CEO Leanne Cover told the crowd.

In 2016, 906 Aboriginal and Torres Strait Islander students were enrolled at CIT – a 75% increase since 2010. It's notable that the qualifications they study and graduate with have also increased over time, with more enrolments in diplomas, advanced diplomas and degree courses in 2016.

CIT student Ethan Taylor was appointed 2016 CIT Aboriginal Ambassador, a role he used to encourage other Indigenous students with his passionate advocacy for his community. Ethan was completing his Year 12 studies and leadership and management certificate.

CIT has been a leading advocate for reconciliation since it became one of the first ACT Government agencies to release a Reconciliation Statement in 2002. The commitment was strengthened in 2012 when CIT became one of Australia's first vocational education institutions to adopt a RAP.



CIT 2016/17 Aboriginal Student Ambassador Ethan Taylor, CIT CEO Leanne Cover, CIT Yurauna Centre Director Caroline Hughes, Ngannawal Senior Elder Auntie Agnes Shea.

International Engagement

India: CIT pursued business opportunities in India building on its relationships with Australian associations and Indian institutions. CIT delivered a Vocational Education Leadership Training (VELT) program in New Delhi with three TAFEs and the TAFE Directors Australia. The first 2016 VELT program delivered to about 40 participants was so successful it was extended to deliver to 130 participants in November 2016.

The Gujarat Forensics Science University's Director visited CIT forensic science facilities as part of the ongoing development of the training relationship. Cyber security was discussed as a potential growth opportunity for both institutions.

Singapore: In 2016, CIT explored opportunities for business growth in cyber security training by joining a trade delegation to Singapore with CISCO examining new and innovative training practices in ICT.

Building on this, CIT attended Cybertech, an international cyber security conference in Singapore in September to establish industry training parameters and present its new cyber security and networking program to Singaporean polytechnics.

Indonesia: CIT engaged with IDP Education to work on an innovative delivery model for business programs.

Tunisia: CIT was successful in winning a Council for Australia-Arab Relations grant in partnership with the Tunisian Embassy to fund a delegation of Tunisian VET leaders to study CIT's pathways programs. The visit resulted in a plan to partner with Tunisian VET institutions to develop business opportunities in Africa.

International Opportunities for CIT students

In 2016, CIT was awarded a significant number of Australian Government Endeavour Mobility Grants supporting CIT students to engage in international experience to deepen their education. This included 10 creative industries and Indigenous arts students to travel to Indonesia; 10 tourism students and 8 culinary students to study in Vietnam; 10 horticulture and 10 culinary students to study in New Zealand; 5 veterinarian students and 5 building and construction students to study in Thailand; 8 fashion students to travel to Cambodia; 10 creative industries students and 10 hairdressing students to study in China; and 9 international hotel and resort management students to travel to the UAE.

Awards for CIT organisational and student performance

CIT's exceptional performance in 2016 was recognised with an unprecedented number of local and national awards.

The 2016 ACT Training Awards again recognised CIT as a quality provider with the Large Registered Training Organisation of the Year award. It was the 10th year running CIT received the award.

CIT carpentry graduate Shane Dealy was selected as the 2016 ACT Training Awards ACT Apprentice of the year. The ACT award took him to Darwin in November for the Australian Training Awards where he was successful in winning the prestigious Australian Apprentice of the Year Award.



CIT People Development Manager Sam Mills, DFAT Middle East Branch Head Greg Ralph, CIT CEO Leanne Cover, Republic of Tunisia Ambassador to Australia Nabil Lakkhal, CIT Director Jayne Miller, Tunisian VET leaders Imen Lassoued and Sonia Younsi, CAAR Manager Genevieve Richards, Tunisian VET leader Mounir Saaidia.

CIT Student Top 2016 National Apprentice

“CIT could not be more proud to have trained Australian’s top apprentice,” CIT CEO Leanne Cover said on seeing CIT student Shane Dealy selected as the 2016 Australian Apprentice of the Year at the Australian Training Awards (ATA).



Shane’s national win followed his selection as the ACT Australian Apprentice of the Year.

CIT CEO Leanne Cover accompanied the ACT team competing at the ATA in Darwin. CIT students, graduates and partners featured strongly in the ACT team.

“It was wonderful to see Shane’s hard work and commitment to learning rewarded with this significant Australian Government award,” Ms Cover said. “Congratulations to Shane and the CIT teachers and employers that have guided and supported him throughout his training.”

Shane enrolled at CIT in 2013 to study carpentry and building construction. A highlight of his apprenticeship with Algoa Holdings was working for Eco Blue Constructions on a 6-star energy efficient home later featured on television program Grand Designs Australia. The project exposed him to new, sustainable construction materials and techniques fast becoming a common, and popular, feature of new building design.

CIT student Madeline Wallace won runner-up Australian School-based Apprentice of the Year. CIT industry partners also received national awards. The Academy of Interactive Entertainment won the Small Training Provider of the Year Award and long-term CIT apprentice trainer Bond Hair Religion was recognised as the Small Employer of the Year Award.

CIT won the 2016 Canberra and Region Tourism Education and Training Award for its specialised courses in travel and tourism, international hotel and resort management, hospitality and event management, positioning CIT as the “first choice provider in the ACT and region”.

In August 2016, Emily Short, a CIT Advanced Diploma of International Hotel and Resort Management student, was selected Hotel Receptionist of the Year by AICR Australia.

In October, CIT student Utpreksha Somalwar was honoured with a Top Academic Achievement Award

in Project Management Studies by the ACT Chapter of the Australian Institute of Project Management.

In October 2016, four CIT apprentices came home with medals from the World Skills Australia competition in Melbourne. CIT landscape construction apprentices Dougal King and Alexander Halls won a World Skills gold medal and are training to be selected to represent Australia in World Skills international competition in Abu Dhabi in 2017. CIT joinery student Timothy Bishell was awarded a World Skills Australia silver medal. CIT cabinetmaking student Craig Jones won a World Skills Australia bronze medal.

The 2016 ACT Chief Ministers Inclusion Awards honoured two CIT students. Grace West (Certificate III in Education Support C3-HC57) won the ‘Recognising people with disability who are leaders in inclusion’ award; and Daniel Hoitink (Certificate III in Disability CHC33015 and Certificate IV in Disability CHC43115) won the ‘Excellence in enabling inclusion through supporting people with disability’ award.

For more information:

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

B.3 SCRUTINY

Australian Skills Quality Authority Compliance Audit

In November 2015, ASQA conducted a compliance audit on CIT's delivery of the Certificate III in Electrotechnology (Electrician) focussed on *Standards for registered Training Organisations (RTOs) 2015* clauses 1.3, 1.4, 1.6, 1.8, 1.9, 1.13, and 2.1.

Initial findings received in December 2015 identified areas of non-compliance. An ASQA explanatory document accompanying its report tabled in the ACT Legislative Assembly said:

While some non-compliances were identified, the audit team was satisfied these were limited to CIT's training and assessment material templates and that actual delivery of training and assessment meets the requirements of the relevant training package.

CIT provided rectification evidence to ASQA on 22 January 2016.

The ASQA final audit report and notification the compliance audit process was complete were received on 16 February 2016. The final report noted CIT's "ongoing compliance with the VET Quality Framework relevant to the scope of the audit".

ACT Legislative Assembly Inquiries

CIT participated in three ACT Legislative Assembly Committee inquiries in 2016.

Committee	Report	Tabled
Standing Committee on Education, Training and Youth Affairs	Report on Annual and Financial Reports 2014-15	18 February 2016
Standing Committee on Education, Training and Youth Affairs	Report on Inquiry into Vocational Education and Youth Training in the ACT	9 June 2016
Select Committee Select Committee on Estimates 2016-2017	Inquiry into Appropriation Bill 2016-2017 and the Appropriation (Office of the Legislative Assembly) Bill 2016-2017	2 August 2016

ACT Legislative Assembly Standing Committee on Education, Training and Youth Affairs Report on Annual and Financial Reports 2014-15

The Standing Committee on Education, Training and Youth Affairs report on Annual and Financial Reports 2014-15 made one recommendation in relation to CIT's 2014 Annual Report. The ACT Government's response was tabled on 2 August 2016.

www.parliament.act.gov.au/in-committees/previous-assemblies/standing-committees-eighth-assembly/education,-training-and-youth-affairs/annual-and-financial-report-2014-15?inquiry=788716

Report on Annual and Financial Reports 2014-15

Standing Committee on Education, Training and Youth Affairs Report No. 4

Recommendation	Government response	Status
<p>RECOMMENDATION 4</p> <p>The Committee recommends that the next CIT annual report published following this report includes a report on the status and outcomes of the ASQA audit of the CIT electrotechnology course and actions and responses by CIT to the findings and recommendations of the ASQA audit.</p>	<p>AGREED</p> <p>The audit activity was finalised in 2016 and will be reported in the 2016 CIT Annual Report.</p>	<p>COMPLETED</p> <p>Information regarding the ASQA Audit is included in the 2016 report in section B.3.</p>

Standing Committee on Education, Training and Youth Affairs Report on Inquiry into Vocational Education and Youth Training in the ACT

The committee tabled an interim report in February 2016 containing 10 recommendations. Three related to CIT. On 9 July 2016 the committee tabled its final report containing a further four recommendations all relating to CIT. The ACT Government tabled its response to recommendation four of the interim report on 7 April 2016 and its final response on 2 August 2016. Of the seven recommendations two required further action.

www.parliament.act.gov.au/in-committees/previous-assemblies/standing-committees-eighth-assembly/education,-training-and-youth-affairs/inquiry-into-vocational-education-and-youth-training-in-the-act/reports?inquiry=457739

Report on Inquiry into Vocational Education and Youth Training in the ACT

Standing Committee on Education, Training and Youth Affairs Report No. 5

Recommendation	Government response	Status
<p>RECOMMENDATION 4</p> <p>The Committee recommends the Minister for Education and Training table the ASQA's report in relation to the audit of the Electrotechnology Department at the CIT in the Legislative Assembly immediately upon its receipt by the Minister.</p>	<p>AGREED</p> <p>The audit report and the explanatory document were tabled in the Legislative Assembly by the Minister of Higher Education, Training and Research on 7 April 2016.</p>	<p>COMPLETED</p>
<p>RECOMMENDATION 6</p> <p>The Committee recommends that in future Annual and Financial Reports the CIT include updates on activities and initiatives set out by the CIT under the Respect, Equity and Diversity Framework</p>	<p>AGREED</p> <p>CIT included updates on activities and initiatives under the Respect, Equity and Diversity Framework in its Annual Report, commencing with the 2015 report tabled in May 2016.</p>	<p>COMPLETED</p>

Select Committee Select Committee on Estimates 2016-2017 Inquiry into Appropriation Bill 2016-2017 and the Appropriation (Office of the Legislative Assembly) Bill 2016-2017

Of 148 recommendations, CIT had responsibility for two. Details of the recommendations, the ACT Government response and implementation are provided below. The ACT Government response was tabled on 9 August 2016.

www.parliament.act.gov.au/in-committees/previous-assemblies/select-committees-seventh-assembly/template5/inquiry-into-appropriation-bill-2016-2017-and-the-appropriation-office-of-the-legislative-assembly-bill-2016-2017?inquiry=871094

Inquiry into Appropriation Bill 2016-2017 and the Appropriation (Office of the Legislative Assembly) Bill 2016-2017

Select Committee Select Committee on Estimates 2016-2017 Report No.1

Recommendation	Government response	Status
<p>RECOMMENDATION 116</p> <p>The Committee recommends that CIT continue to work with the renewable energy sector in assessing the workforce that will be required to meet the ACT Government's renewable energy target.</p>	<p>AGREED</p> <p>CIT is working, and will continue to work, with the renewable energy sector through the CIT Renewable Energy Skills Centre of Excellence Board. Membership of the Board includes representatives from industry (NEOEN, Megawatt Capital, and CWP Renewables), ACT Government and CIT executive. It is also intended to invite other industry representatives as the scope of training widens. In addition, CIT will continue to work with the renewable energy sector through its membership of the Clean Energy Council and by maintaining a presence at various renewable energy forums.</p>	COMPLETED
<p>RECOMMENDATION 117</p> <p>The Committee recommends that ACT Government continue to support the CIT Renewable Energy Skills Centre and expand funding and partnership agreements through engagement with the private sector.</p>	<p>AGREED</p> <p>The ACT Government supports the CIT Renewable Energy Skills Centre through its annual appropriation to CIT. To date, specific funding has come to CIT through industry as part of the ACT Government Renewable Energy Industry Development Framework. The Government is on track to achieve the 100% renewable energy target by 2020 and, in partnership with industry, the ACT Government provides a comprehensive package of funding to support Canberra-based renewable energy businesses and attract new ventures to the city. The Renewable Energy Innovation Fund will allocate \$12 million over five years for trades training innovation, energy research partnerships, an energy innovation precinct and technology demonstrations.</p>	COMPLETED

ACT Auditor-General Management and Administration of Credit Cards by ACT Government Entities Report

During the reporting year there was one Auditor-General report that related to CIT – Management and Administration of Credit Cards by ACT Government Entities REPORT NO. 6/2016. The report made 6 recommendations with three relating to CIT.

www.audit.act.gov.au/auditreports/reports2016/Report%20No.%206%20of%202016%20Management%20and%20administration%20of%20credit%20cards%20by%20ACT%20Government%20entities.pdf

Recommendation	Government response	Status
<p>RECOMMENDATION 1</p> <p>ACT Government entities should regularly, and at least annually, review the allocation of ACT Government credit cards and determine if cards not being used should be rescinded.</p>	<p>AGREED</p> <p>Directorates and territory authorities will annually review the allocation of credit cards.</p>	<p>COMPLETED</p> <p>CIT has in place an ongoing review process to ensure that credit cards are needed on an ongoing basis and any that are not are rescinded.</p>
<p>RECOMMENDATION 5</p> <p>All ACT Government entities should provide guidance on credit card management and administration for all supporting controls. However particular attention needs to be given to guidance on:</p> <p>a) tax invoices, especially explaining the need for these to be obtained for all transactions over \$82.50 (GST Inclusive) and defining what constitutes a tax invoice;</p> <p>b) appropriate retention of documentation to demonstrate appropriate use; and</p> <p>c) the use of whole-of-government purchasing arrangements, including the need for documentation to demonstrate any departures from the arrangements.</p>	<p>AGREED</p> <p>ACT Government entities will review their existing credit card guidance, to ensure these areas are adequately covered, if not already covered.</p>	<p>COMPLETED</p> <p>CIT Policy and procedures have been reviewed and updated in accordance with the recommendation.</p> <p>In addition to updating the policy and procedures, an email was sent to all cardholders providing guidance on these points.</p>

Recommendation	Government response	Status
<p>RECOMMENDATION 6</p> <p>All ACT Government entities should investigate opportunities to:</p> <p>a) access Corporate Online for the purpose of obtaining detailed transactional data on credit card use within the entity; or</p> <p>b) receive reports from Shared Services with respect to credit card use within the entity; and</p> <p>c) use transactional data, or reports from Shared Services, to review and evaluate the use of credit cards within the entity, including the ongoing appropriateness of the issue of credit cards to staff and any opportunities for improvement with respect to the efficient and effective management of credit cards in the entity.</p>	<p>AGREED</p> <p>Shared Services will investigate the use of Corporate Online by all agencies and the use of additional analytics for Shared Services entities.</p>	<p>COMPLETED</p> <p>CIT corporate finance team received access to Corporate Online. Shared Services and CIT Business Support team provide reports for monitoring and review purposes.</p>

There were no Ombudsman’s reports that related to CIT in the reporting period.

Gold Medal CIT Students



Two CIT students struck gold in 2016 with their landscape construction skills and talent attained at CIT. Their win meant they’ll likely be selected to represent Australia in the 2017 WorldSkills International Competition in Dubai.

CIT Landscape Construction students Dougal King and Alexander Halls jointly won a gold medal at the 2016 WorldSkills Australia National Competition in Melbourne. The top award was for their beautiful, complex outdoor garden landscape design.

Talented CIT joinery student Timothy Bishell was awarded a silver medal at the WorldSkills national competition in recognition of his skills. CIT cabinetmaking student Craig Jones won a bronze medal for his skill and talented creation of a beautiful wall cabinet.

Dougal and Alexander’s win saw them invited to become Australian Apprenticeship Ambassadors. CIT is confident the two will be chosen to join the Australia team competing in the biennial WorldSkills International Competition in Dubai in October 2017.

The four CIT students were among Canberra’s team of 16 that headed to Melbourne to participate in the biannual competition in Melbourne that drew more than 500 apprentices, trainees and students aged 16-24 from across the country. All up the Canberra team brought home five medals – the best result Canberra has had in more than 10 years in the national competition.

B.4 RISK MANAGEMENT

CIT's 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.

Risk management is an integral component of CIT governance and embedded within business plans and the Strategic Compass 2020 projects. The CIT Strategic Business Risk Profile and Fraud and Corruption Control Plan are based on a CIT Environmental Risk Scan that is reviewed annually.

In 2016, CIT's Strategic Business Risk Profile and Fraud and Corruption Control Plan were comprehensively reviewed to align with the CIT strategic direction, as articulated in the Strategic Compass 2020. Identified risks are assigned to the CIT executives and directors for management oversight, monitoring, implementation and review.

CIT's emerging risks were reviewed continually and reported quarterly to the Executive Management Committee and to the Audit, Risk and Finance Committee. These were identified through:

- the development and ongoing maintenance and progress reporting on risk management plans, including the Fraud and Corruption Control Plan;
- regular discussions with the executive team and directors on the monitoring of outcomes;
- implementing internal audit recommendations; and

- overall reporting as part of the internal performance of the audit and review program.

CIT manages financial risks through a well-defined financial management framework that includes:

- clearly established ownership of internal budgets;
- monthly variance reporting by senior management;
- quarterly strategic review of financial performance and corrective action as required by the executive;
- regularly updated financial policy, procedures and practice documents;
- provision of training to all staff with financial responsibilities; and
- continuous monitoring and review of process improvements.

Business continuity, emergency management, and personnel incidents were taken into consideration as part of the strategic management of risks. During 2016, CIT reviewed its emergency management procedures and practice, and personnel incidents supported by general and specialised training to key staff.

For more information:

Chief Operating Officer
(02) 6207 3114



B.5 INTERNAL AUDIT

The CIT Audit, Risk and Finance Committee (ARFC) performs a key corporate governance role. It reports to the CIT Board as a subcommittee and operates under an annually reviewed Charter of Activities.

An internal audit team supports the ARFC to provide independent, objective advice, assurance and assistance to the CIT Board on risk control and compliance, and its external accountability responsibilities.

The CIT Board authorises the ARFC, within the scope of its role and responsibilities and through the audit team, to:

- > obtain any information it needs from any employee and/or external party (subject to their legal obligation to protect information);
- > discuss any matters with the internal or external auditor, or other external party(subject to their legal obligation to protect information);
- > request the attendance of any employee, including the CIT CEO, at committee meetings; and

- > obtain legal or other professional advice, as considered necessary to meet its obligations, at CIT expense.

ARFC agendas were based on a 2016 program of work derived from responsibilities documented in the ARFC Charter. After each meeting the ARFC Chair reported to the CIT Board Chair and CEO on significant matters that could have affected CIT's operation. Reports were also provided to the CIT Executive Management Committee.

During 2016, the ARFC comprised three independent members appointed in November 2015 by the CIT Board Chair and CEO. The CIT COO and a representative of the ACT Auditor-General's Office held observer status. Each ARFC member was appointed for two years with the exception of the Chair who was appointed for three years.

Seven ARFC meetings were held during 2016, three of which focused on financial matters and the remainder on its annual work program.

Attendance at ARFC meetings from 1 January–31 December is as follows:

Name of Member	Position	Duration	Meetings attended
Ms Fran Raymond	Chair – Independent	Full year	6
Mr Bruce Papps	Deputy Chair – Independent	Full year	7
Mr Peter McGrath	Independent member	Full year	5
Mr Shane Kay	CIT Chief Operating Officer Observer status	11 months Jan–Nov	6
Ms Chloe Woolfe	Auditor-General's Office Observer status	Full year	5

The annual internal audit and review program aims to promote continuous improvement and generate advice on whether CIT is operating efficiently, effectively and in accordance with the relevant laws and regulations. Audits and reviews are undertaken by the internal Audit and Review Team and a range of external contractors. This ensures that a balance of independent, objective advice is provided to the ARFC, CIT Board and CEO.

All internal audits and reviews are aligned with CIT's strategic risks, which are mapped against its environmental risk profile. Consultations are held with the executive team and directors to ensure priority risks are considered as part of the ARFC work program.

For more information:

Chief Operating Officer
(02) 6207 3114

A total of five internal audits and reviews were completed in 2016. Progress against the work program was reviewed at each ARFC meeting, and relevant findings and recommendations discussed. Actions against recommendations are monitored through to implementation, including those relevant to CIT from external audits, such as the ACT Auditor-General's Office.

All audits and reviews were completed on time and within budget.

Internal audit policies, procedures and charters are reviewed annually in accordance with the Australian National Audit Office Better Practice Guides to inform relevance and quality practice.

Passion for Ethical Fashion Wins UN Award

A passionate desire to see a sustainable and ethical global fashion industry was the inspiration for CIT graduate Lydia Downe's winning entry in the UN Information Centre (UNIC) – CIT 2016 Photographic Competition.

2016 was the seventh year UNIC and CIT collaborated to inspire excellence and offer photography students a chance to win an internship with a UN organisation or an Australian national cultural institution.

The 2016 competition honored the Year of Living Sustainably and celebrated 193 countries, including Australia, agreeing in 2015 to implement the UN Sustainable Development Goals (SDG).

"This year's competition was both challenging and rewarding due to the many topics within the main theme of sustainable development. It resulted in a wide variety of work and ideas," CIT Technology and Design Director Fiona Dace-Lynn said.

Lydia chose SDG 12: 'Responsible Consumption and Production' as the theme for her clever series of photographs. As the major prize winner Lydia will head to Fiji to work with UN women as an intern in 2017.

Three other 2016 competition finalists won internships with CIT's cultural partners: Jessica Charley won an internship with the National Gallery of Australia; Alec Morris with CSIRO; and Ari Rexhepaj with the Australian War Memorial.



B.6 FRAUD PREVENTION

CIT is committed to minimising the incidence of fraud and corruption through the identification of risk and the development, implementation and regular review of a range of prevention and detection strategies. The strategies aim to build and support a compliance culture focused on outcomes, and reflects:

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

Fraud and Corruption Control Framework

CIT maintains a Fraud and Corruption Control Framework in accordance with Australian Government standards and the ACT Government Integrity Policy. The framework guides fraud and corruption-related activity management and includes key elements such as:

- > fraud and corruption policy statement, definition and relationship with other CIT policies;
- > responsibilities for fraud control within CIT, including the Senior Executive Responsible for Business Integrity Risk (SERBIR);
- > strategies to guide managers with prevention, detection, and prosecution; and
- > Public Interest Disclosure.

For more information:

Chief Operating Officer
(02) 6207 3114

Fraud Risk Profile

CIT also maintains a Fraud Risk Profile under the framework.

An internal fraud risk assessment was conducted with CIT staff across all business areas in 2016 and identified a total of 12 risks. A data analytics approach was used for the first time to enhance detection, identify trends over time, highlight potential areas of concern and demonstrate process improvements.

Strategies have been developed to detect and prevent identified risks, and key responsibilities and critical timelines have been mapped. Progress against these strategies was reported six-monthly to the Executive Management Committee and the Audit, Risk and Finance Committee.

The CIT Audit and Review manual 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 part of the CIT induction program and face-to-face presentations are provided to staff.

CIT also endeavours to protect those who assist by providing information concerning suspected fraud. This protection is extended to everyone involved in CIT activities, including staff, consultants/contactors and the public, in accordance with the *Public Interest Disclosure Act 2012*.

There were no instances of fraud and corruption detected or reported at CIT during 2016.

B.7 WORKPLACE HEALTH AND SAFETY

Workplace Health and Safety (WHS) is seen as a critical function within CIT given the diversity of the environments that staff, students and other third parties experience on campus. WHS is managed in accordance with the statutory provisions of the *Work Health and Safety Act 2011* (the Act) and supported by CIT's Workplace Health and Safety Management System.

Major WHS activity conducted in 2016 included:

- > Enhanced health and wellbeing program to better meet CIT staff needs.
- > Supporting workplaces with the implementation of the revised CIT Risk Register.
- > The development of a WHS Manual designed to better manage WHS in apprenticeships and trade areas.
- > Implementation of a new risk management framework including the development of standardised documentation and a new risk matrix specifically designed for CIT's environment.

Health, Safety and Wellbeing Initiatives

CIT implemented a number of health and safety initiatives during 2016. These included:

- > building on health and wellbeing activities including sessions on Navigating Change, and Advanced Care planning;
- > ongoing ergonomic/workstation assessments;
- > free influenza vaccinations and health checks; and
- > presenting to first aid officers on basic first aid including cardiopulmonary resuscitation.

Case Management

CIT's compensable and non-compensable cases continue to be managed by Injury Management and Safety, Chief Minister, Treasury & Economic Development Directorate.

Worker Consultation

As at 31 December 2016, CIT had a total of 24 Health and Safety Representatives (HSR's) allocated across its campuses. All Health and Safety Representatives have access to training and support to undertake this important role.

CIT supports quarterly WHS Committee meetings for its HSRs on each of the major campuses. These local committees are chaired by a senior manager from the campus based on an annual rotation. This arrangement ensures that management and employees work together to resolve WHS matters on a local level. It also assists managers in understanding the risks associated with the work being undertaken.

The campus based WHS Committee meetings are supported by the CIT WHS Policy Committee chaired by the CIT Chief Operating Officer and attended by selected HSRs and union representatives. The policy committee has oversight of WHS matters across CIT and has an advisory role to the Executive Management Committee.

Reporting Requirements under Work Health and Safety Act 2011

During 2016, two improvement notices were issued by Worksafe ACT under Part 10 of the *Work Health and Safety Act 2011*. All recommendations were implemented and the improvement notices were removed.

Notifiable Incidents

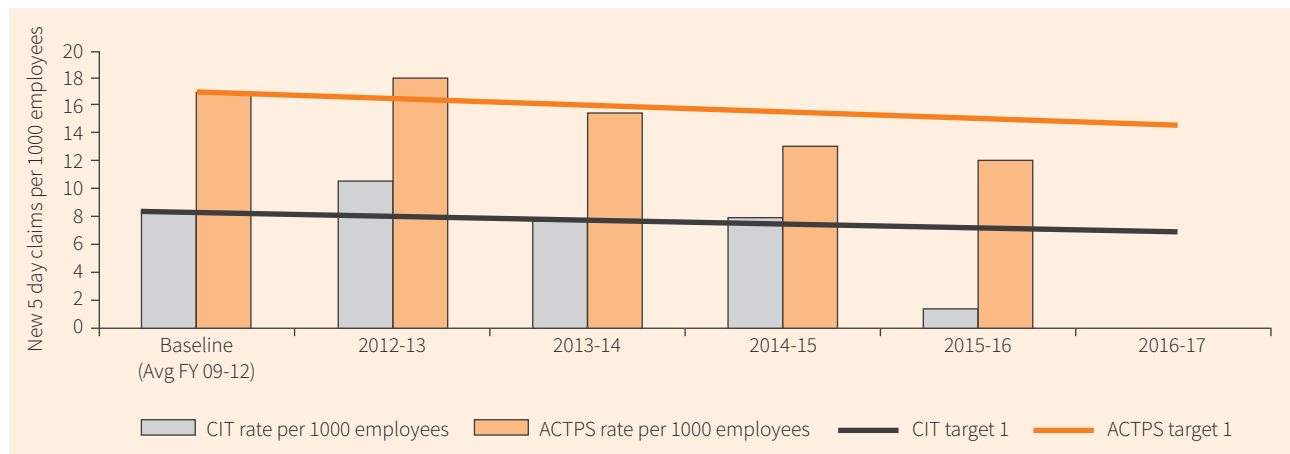
There were two incidents that required notification to the regulator under Section 38 of the *Work Health and Safety Act 2011*.

Australian Work Health and Safety Strategy

The following tables represent CIT's performance against the Australian Work Health and Safety Strategy 2012-2022 targets.

Target 1 – reduce the incidence rate of claims resulting in one or more weeks off work by at least 30 per cent.

Financial year	CIT # new 5-day claims	Rate per 1,000 employees	CIT Target	ACTPS # new 5-day claims	ACTPS rate per 1,000 employees	ACTPS Target
2012-13	8	10.70	8.06	370	18.12	16.69
2013-14	6	8.00	7.81	328	15.57	16.18
2014-15	6	8.19	7.56	286	13.16	15.66
2015-16	1	1.42	7.32	268	12.19	15.14
2016-17			7.07			14.63



Notes:

Dates are based on those claims received by Comcare in each financial year.

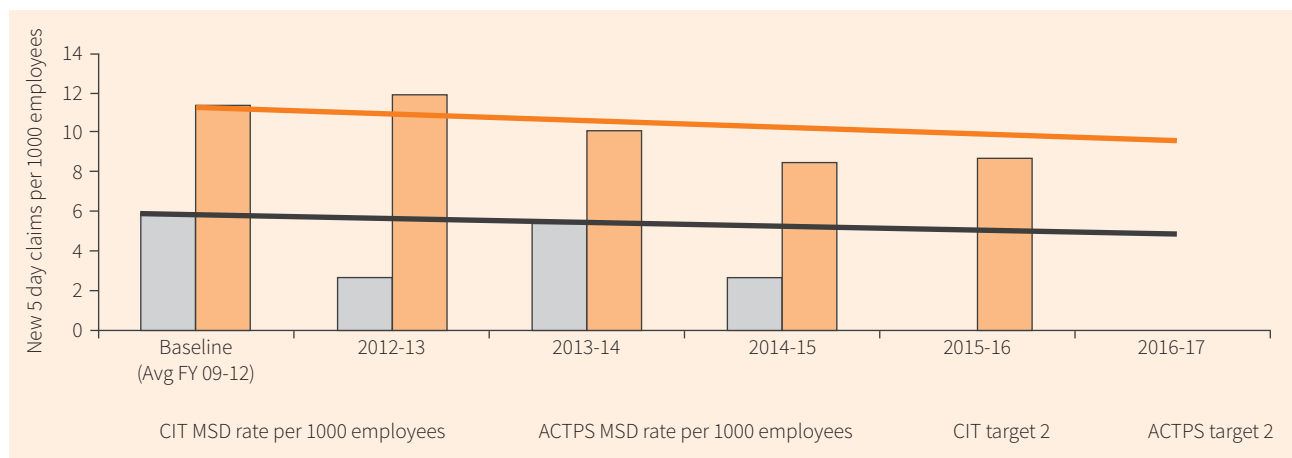
Past years' claim numbers may differ from results published in previous annual reports due to maturation of claims data.

The report includes accepted claims that result in one or more weeks off work.

Data includes claims up to 30 June 2016, as data is only available based on traditional financial years.

Target 2 – Reduce the incidence rate of claims for musculoskeletal disorders (MSD) resulting in one or more weeks off work by at least 30 per cent.

Financial year	CIT # new 5-day MSD claims	Rate per 1,000 employees	CIT Target	ACTPS new 5-day MSD claims	ACTPS rate per 1,000 employees	ACTPS Target
2012-13	2	2.67	5.64	240	11.93	11.15
2013-14	4	5.33	5.47	214	10.29	10.81
2014-15	2	2.73	5.30	185	8.68	10.46
2015-16	0	0	5.12	192	8.77	10.12
2016-17			4.95			9.77



Notes:

Dates are based on those claims received by Comcare in each financial year.
 Past years' claim numbers may differ from results published in previous annual reports due to maturation of claims data.
 The report includes accepted claims that result in one or more weeks off work.
 Data includes claims up to 30 June 2016, as data is only available based on traditional financial year.

For more information:

Chief Operating Officer
 (02) 6207 3114

B.8 HUMAN RESOURCES MANAGEMENT AND PLANNING

Workforce Planning

Workforce planning at CIT is underpinned by regular workforce statistical reports analysed by managers and leaders with the support of Human Resources advisors. Six-monthly reports are produced in February and August providing comprehensive summaries of CIT's workforce including the age profile, turnover, nominal hours, workload and positions, EEO statistics, absenteeism and teacher professional development fund allocation. A summary of key results is provided to the CIT Board.

CIT has a number of plans and frameworks in place to inform HR practice across the organisation.

CIT Induction

CIT has a comprehensive online staff induction program. It provides helpful and essential information for new employees and is a useful reference point in the early stages of employment and beyond.

CIT Code of Practice

The CIT Code of Practice was developed in consultation with staff and provides clear guidelines on the standards of behaviour and professional practice expected at CIT. All CIT employees are expected to read the Code of Practice and act in accordance with its provisions.

Capability Framework

This framework provides a structured approach to connecting people development to 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 when planning for future roles.

Performance Framework

Setting My Direction (SMD) is CIT's performance management framework. It 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. An electronic performance management system was launched in May 2016. The new online tool was designed to simplify the annual planning process, and allow staff and managers to view and update information, and interact.

Acknowledgement and Recognition Framework

The framework is designed to assist CIT managers and leaders to support and celebrate their teams and team member's efforts, achievements and successes. The framework encourages simple and regular ways to acknowledge and recognise staff and culminates in a formal Staff Achievement Awards ceremony at the end of the year. In 2016, CIT saw the highest number of award nominees since the awards began, with 48 individuals and 10 teams being nominated, resulting in 22 awards. More than 300 staff attended the 2016 CIT Awards Ceremony, with a further 25 staff viewing the event via a live stream.

Learning and Development

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

Learning and development priorities identified for 2016 in the CIT 2015-16 People Plan included:

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

Connecting Us 2016

CIT began the academic year with *Connecting Us*, a whole-of-organisation professional development and networking event. More than 500 staff attended. The CIT CEO and the CIT Board Chair delivered keynote presentations.

Participants attended workshops on a range of topics and/or visited a variety of stalls providing information on CIT support areas.

Learning and Development Programs – Managers

The CIT Board recognised that to succeed in a competitive market, CIT needed to expand its customer engagement and business development capabilities. This was a priority capability area for leaders and managers in 2016.

In 2016, CIT offered a series of management programs, which included:

In the Boardroom: Responsibilities and Practice:

The course examined the separate roles of the board and management. Participants investigated why the separation of management and control contributes to good corporate governance and therefore the long term viability of organisations. Sixty-five of CIT leaders and managers attended this training in 2016.

Marketing and Customer Engagement: The program was delivered to about 40 staff and covered skills required for successful leadership in the development and enhancement of customer engagement.

LEAN Leadership: The program covered key principles of strategy, change and leadership using a LEAN leadership model and was delivered to more than 60 staff, including CIT leaders, managers and change champions.

Coaching: Four leaders and managers participated in one-to-one coaching to develop their capability in key skill areas.

Dealing with Challenging Situations: The workshop focused on how to handle challenging people and relationships, and developing an ability to create positive outcomes from negative situations. Sixteen CIT leaders and managers participated.

Chief Executive Officer Leadership Forums

The Chief Executive Officer Leadership Forums provide opportunities for CIT managers to engage in strategic learning and develop 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. Approximately 90 participants attend each of the four forums per year.

Learning and Development Programs – All Staff

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. CIT meets, this requirement through the provision of training to all employees, which includes:

Working Together @ CIT (Workplace culture and anti-bullying awareness): Online training was completed by 537 CIT staff members. It has been an annual requirement since 2012.

Workplace Health and Safety (WHS): In 2016 work health and safety training was introduced as on-line training for CIT employees. During the year 371 staff members successfully completed the training and 44 completed WHS for Managers training.

Mental Health First Aid: The two-day training session provided participants with skills in recognising the signs and symptoms of mental health illness, providing help and support to people with mental health issues, and taking appropriate action if needed. In 2016, 19 CIT staff members completed the program.

Setting My Directions Training: Training on using a new online performance management system was available to all staff in 2016. In the second half of the year 110 CIT staff members completed this training.

Achieving Your Person Success: The webinar-based learning program helped participants develop a 'CIT first' approach to work, how to uphold high values and personal standards, and strengthen relationships with colleagues. Training was delivered via six live webinars.

Dealing with Challenging Situations: The course focused on how to handle challenging people and relationships, and developing an ability to create positive outcomes from negative situations. Six CIT staff members participated.

Having Difficult Conversations: The course focused on what difficult conversations are, why we avoid them, and potential consequences. In 2016, 54 CIT staff members attended.

Introduction to Meditation: The well-being sessions ran over three weeks and taught participants how to relax and reduce stress impacts to improve health and happiness. In 2016, 35 staff members attended.

Empower – CIT 2016 Skills Summit: On 18 and 19 August CIT hosted a skills summit open to all CIT employees. A total of 467 staff members attended. The table below outlines the sessions and participants.

Empower – CIT 2016 Skills Summit – 18 and 19 August 2016	
Session	Number of participants
Finances at CIT with the CEO	22
Scientifically Proven Habits that Will Change your Life!	30
The Customer	21
Health at Work and Early Intervention	12
YourTutor at CIT – Extending Support for Your Students	10
Empower, Engage and Inspire	22
The Learner Centred Facilitator	27
The Customer Journey	21
Spending CIT’s Money	5
Copyright/IP for Commercial Programs	7
Brain Strain to Brain Gain	16
The Customer Value Chain	20
Find It at CIT	6
Grace Under Fire: Be the One They Turn To, Not Run From	16
The Resilient Brain	76
Excite and Engage the Learner	17
Turnitin	12
Easy, Effective Lesson Plan Design for Teaching Adults	9
Records, Feedback and Assessment Practices on eLearn	14
Possibility Thinking - It Might Be Easier Than You Think	37
Engaging Students in Learning	9
Engage Your Learners with a POGIL Activity	17
Customer Validation Intensive	8
Teachers Mutual Bank	2
Increasing Your Confidence	6
Masters in Manipulation	12
Get Down and Boogie with Your Roll Book Requirements	6
Interactive Tour on CIT Green and the Sustainability of CIT	7

Training and Assessment Capability Development Programs

CIT supports the educational development of its teaching workforce through structured formal programs and workshops and the opportunity for prior learning recognition. In 2016 more than 207 teaching staff gained the following qualifications:

- > Enterprise Trainer Presenting Skill Set TAESS00007 (Statement of Attainment units from the Certificate IV in Training and Assessment TAE40110) – 87 awarded.
- > Certificate IV in Training and Assessment TAE40110 – 97 awarded.
- > Diploma of Vocational Education and Training TAE50111 – 14 awarded.
- > Advanced Diploma of Adult Learning and Development 10051NAT – 9 awarded.

ACT Government Shared Services Learning and Development Calendar

CIT staff accessed a range of learning and development programs offered by the ACT Government, which included:

- > MS Excel Introduction Level (Excel Essentials) – 1 employee;
- > Job Application & Interview Skills (Interaction) – 1 employee;

- > Persuasive Communication (CIT Solutions) – 1 employee;
- > MS Word Intermediate (Document Structure Layout)(Wizard) – 1 employee;
- > MS Word Intermediate Level (Beyond Beginners) (AMC) – 1 employee;
- > PRINCE 2 – Practitioner (Aravena) – 1 employee;
- > Interview Preparation and Practice (Fresh Coaching & Training) – 1 employee;
- > Managing Time and Workloads (Fresh Coaching & Training) – 1 employee; and
- > Managing Stress (Fresh Coaching and Training) – 1 employee.

Study Assistance

Seven CIT employees participated in the Study Assistance program.

For further information:

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



B.9 ECOLOGICALLY SUSTAINABLE DEVELOPMENT

CIT has a range of initiatives and partnerships to reduce its business activity carbon footprint to meet the ACT Government requirement for all agencies to adopt practices that promote the principles of ecologically sustainable development, as required by the ACT *Climate Change and Greenhouse Gas Reduction Act 2010* and ACT *Environment Protection Act 1997*.

CIT strategies to address climate change and reduce its greenhouse gas emissions include initiatives to improve energy efficiency and water conservation through building upgrades, refurbishments and maintenance programs. Examples include the continued installation of LED lighting, variable speed drives, low-flush and water conservation urinals and toilets, improvements to building management systems, improvements to space heating and the continuing operation of the cogeneration power systems at CIT Fyshwick and CIT Bruce.

CIT involved staff and students through education and project initiatives throughout the year to encourage active participation in reducing its carbon footprint through business delivery and to increase climate change awareness. This included:

- (a) The CIT website and CIT intranet providing information and resources for staff and students on environmental sustainability within CIT to increase awareness of environmental impacts associated with daily work practices and provide environmentally friendly alternatives. CIT's website and intranet were updated to include features on environmental initiatives being investigated and implemented, how staff can help, and including printable posters.
- (b) CIT Green Network held six meetings in 2016 and actioned environmental initiatives, including:
 - > ACT Smart staff training to advance 2015 work towards CIT becoming an ACT Smart accredited business
 - > improving waste/recycling reporting to all staff and students. This has seen a further reduction in waste going to landfill and increased recycling rates
 - > distributing new posters on energy-saving and sustainable practice throughout CIT buildings

- > representing CIT at the Carbon Neutral Government Implementation Committee.
- (c) CIT supported the ACT Government Renewable Energy Industry Development Strategy to meet its 2020 renewable energy target by establishing research and industry partnerships. Partners included renewable energy firm NEOEN and battery power storage firm IT Power.
- (d) CIT partnership with Vegware (packaging made from plants) to develop full organic recycling from all CITSA food outlets.
- (e) CIT Colleges incorporated reuse and recycling into daily activities to divert waste products from landfill, such as:
 - > CIT Fyshwick sent over 37 tonnes of scrap metal and batteries for recycling in 2016, a 364% increase on the previous year.
 - > CIT Hairdressing, Beauty partnered with Sustainable Salons to divert 95% of waste products to recycling, including aluminium, plastics and hair from the salons. It charges a \$2 'green fee' for all its services to cover the cost and raise awareness.
 - > Fluorescent tube recycling was implemented across all campuses.

In 2016, CIT's electricity consumption decreased by 4%. The CIT transport fleet reduced petrol fuel consumption 23% and diesel fuel consumption 9%. CIT has a strategy to reduce the overall consumption of electricity and install solar photovoltaic generators. CIT has monitoring systems in place to monitor energy use.

CIT recorded accurate data this year for waste and recycling streams. Reliability of the data can be demonstrated to be 'good' to 'excellent'. This demonstrated a much higher recycling of co-mingled waste. CIT also identified and recorded data for recycling of other waste streams, including: e-waste, batteries, scrap metal, printer cartridges and grease traps and fluorescent tubes. Reliability of data for these streams is also demonstrated to be 'good' to 'excellent'.

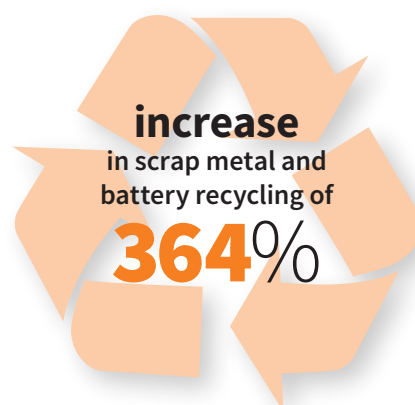
Sustainable development performance – current and previous financial year

Indicator as at 30 June 2015	Unit	Current FY	Previous FY	Percentage change
Agency staff and area				
Agency staff	FTE	696.1	716.6	-3
Workplace floor area	Area (m ²)	123,539.3	123,539.3	0
Stationary energy usage				
Electricity use	Kilowatt hours	9,265,784	9,704,950	-5
Renewable electricity use	Kilowatt hours	463,289	485,248	-5
Natural gas use	Megajoules	35,417,042	37,072,279	-4
Transport fuel usage				
Total number of vehicles	Number	31	31*	0
Total kilometres travelled	Kilometres	418,842	495,772	-16
Fuel use – Petrol	Kilolitres	13.96	18.17	-23
Fuel use – Diesel	Kilolitres	20.88	23.00	-9
Fuel use – Liquefied petroleum gas (LPG)	Kilolitres	0	0	0
Fuel use – Compressed natural gas (CNG)	Kilolitres	0	0	0
Water usage				
Water use	Kilolitres	32,386	40,739	-21
Resource efficiency and waste				
Reams of paper purchased	Reams	10,928	12,912	-15
Recycled content of paper purchased	Percentage	50	50	0
Waste to landfill	Litres	301,560	366,320	-18
Co-mingled material recycled	Litres	38,490	24,000	60
Paper & cardboard recycled (incl. secure paper)	Litres	50,983	40,653*	25
Organic material recycled	Litres	48,720	48,720	0
Greenhouse gas emissions				
Emissions from stationary energy use	Tonnes CO ₂ -e	9,127	10,161	-10
Emissions from transport	Tonnes CO ₂ -e	93.72	95.76	-2
Total emissions	Tonnes CO ₂ -e	9,220	10,256	-10

*amended from 2015 report

For more information:

Chief Operating Officer
(02) 6207 3114





PART C: FINANCIAL MANAGEMENT REPORTING

C.1 FINANCIAL MANAGEMENT ANALYSIS

GENERAL OVERVIEW

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

Objectives

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

FINANCIAL PERFORMANCE

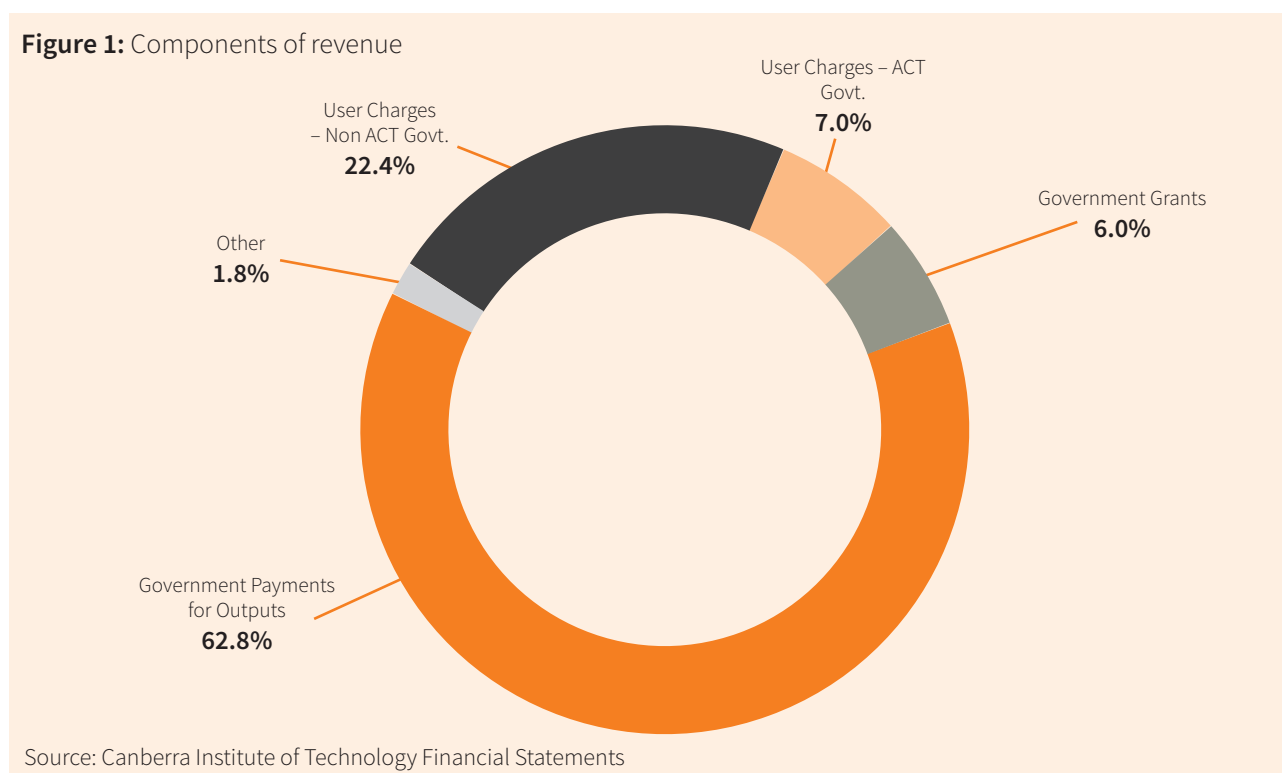
In 2016, CIT incurred an operating deficit of \$0.7 million against a budgeted deficit of \$7.8 million, due to government grant revenue received for several major projects relating to repositioning CIT to effectively serve a more contestable Vocational Education and Training (VET) marketplace. Underlying cash flow was positive, with the cash balance for the year increasing from \$7.3 million to \$15.4 million as a result of strong operational cash flows and revenues received in advance for several major projects.

The individual income and expense variances affecting the operating result are detailed in the income and expense sections of this Financial Management Analysis. The financial information in this Financial Management Analysis is based on audited financial statements for 2016, as well as CIT's Statement of Intent 2016-17.

TOTAL INCOME

Components of income

Total revenue (Figure 1) for 2016 was \$111.4 million consisting primarily of \$69.9 million (62.8%) received from the ACT Government as Government Payment



for Outputs (GPO) and \$25.0 million (22.4%) generated from Non-ACT Government User-Charges (local and overseas student fees and training course income) and \$6.7 million (6.0%) in Government Grants.

Comparison to budget

Revenue

Revenue for 2016 was \$111.4 million, \$5.8 million (5.5%) higher than the 2016 budget, due to lower than expected User Charges – ACT Government mainly resulting from changes in the funding arrangements for Australian Apprenticeship programs.

Comparison to 2015 actual

Revenue

Revenue in 2016 was \$9.7 million (9.5%) higher than in 2015, due primarily to an increase in Government Grants received for several major projects relating to repositioning CIT to effectively serve a more contestable Vocational Education and Training (VET) marketplace, an increase in Government Payment for Outputs revenue resulting from CPI adjustments, and funding for Enterprise Agreement salary increases. These revenue increases were partially offset by a decrease in revenue from User Charges – ACT Government resulting from changes in the funding arrangements for Australian Apprenticeship programs.

Future trends

Total income for 2017 is budgeted to remain similar to 2016 levels excluding Government Grant revenue received in 2016 of \$6.7 million. Revenue thereafter is anticipated to increase by CPI. However, it should

be noted that the Vocational Education and Training (VET) sector regulatory environment remains volatile and that continued regulatory change may impact on future income levels.

TOTAL EXPENSES

Components of expenses

Expenses totalled \$112.2 million in 2016, with the majority \$68.2 million (60.9%) comprising employee and superannuation expenses and supplies and services expenses of \$33.5 million (29.8%) (Figure 2).

Comparison to budget

Expenses

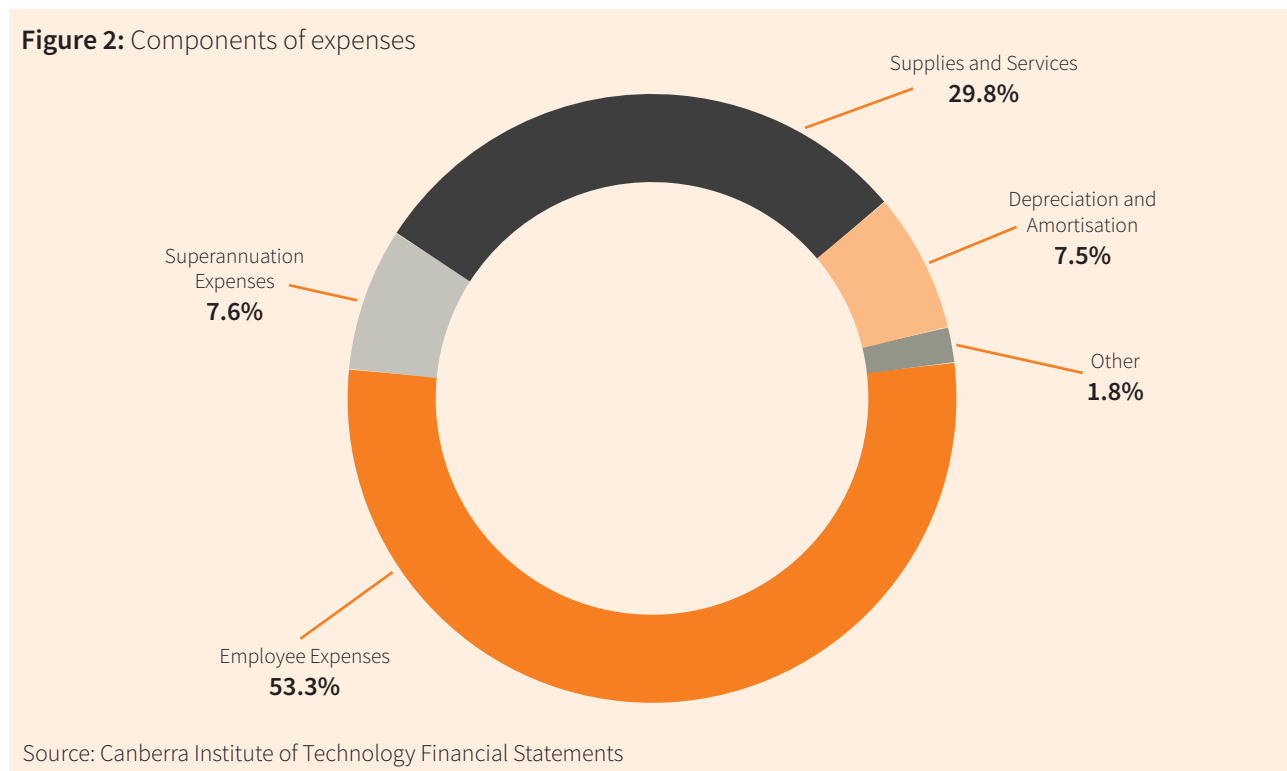
Total expenses of \$112.2 million in 2016 were \$1.1 million (1.0%) lower than budgeted, due to continued focus on expense reduction and efficiency improvements, with the bulk of these savings (\$1.1 million, 1.9%) coming from employee expenses.

Comparison to 2015 actual

Total expenses were \$0.8 million (0.7%) lower than in 2015, and is shared across most categories. Efficiencies in education delivery have resulted in reduced expenditure on staffing and materials.

Future trends

Total expenses for 2017 are budgeted to remain similar to 2016 levels. Expenses thereafter are anticipated to increase by CPI.



FINANCIAL POSITION: TOTAL ASSETS

Components of total assets

Figure 3 indicates that at 31 December 2016 CIT held 89.9% of its assets in buildings, land, plant and equipment, intangible assets and capital works in progress, and 10.1% in cash and cash equivalents, receivables and other current assets.

Comparison to budget

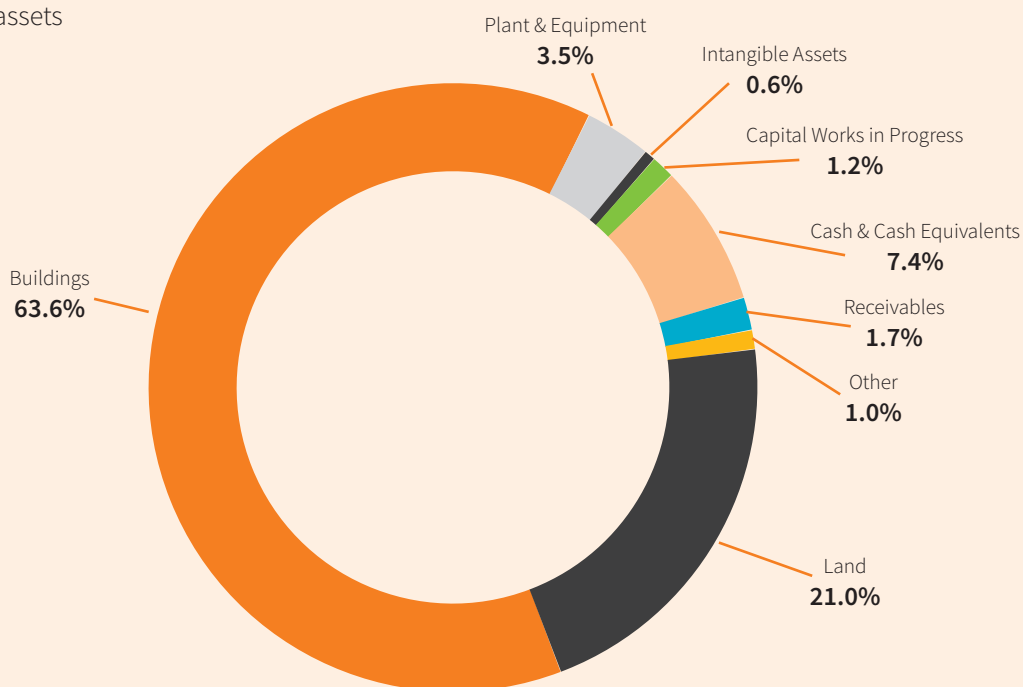
The total asset position at 31 December 2016 is \$208.4 million, \$10.4 million (5.2%) higher than the 2016 budget of \$198.0 million. This is largely due to improved cash levels (\$9.7 million above budget at

year end) due to a combination of funds received in advance for several large reform projects and a delay in the payment of a large quarterly invoice from ACT Shared Services.

Comparison to 2015 actual

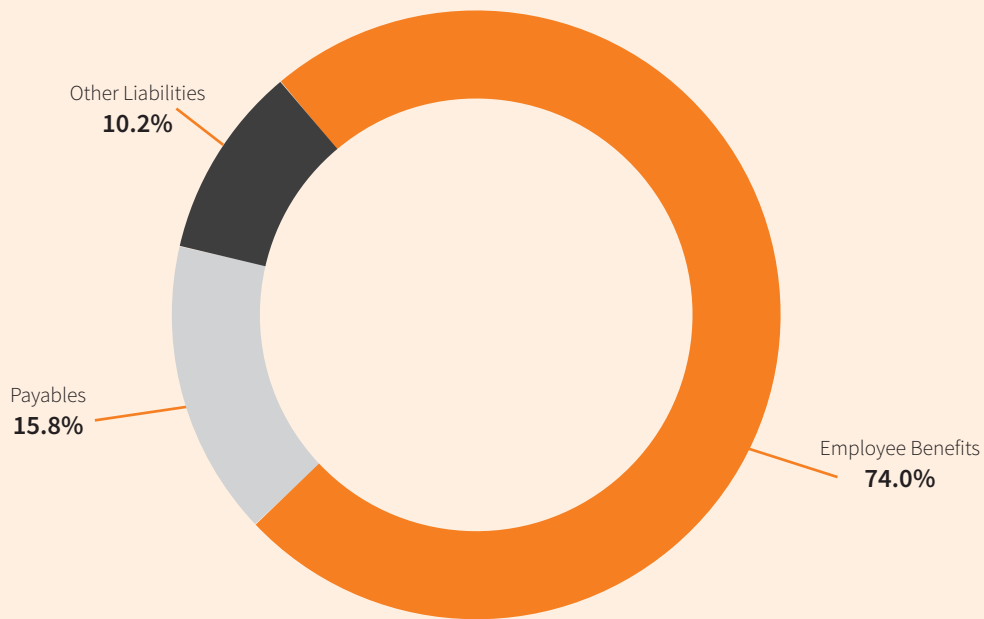
CIT's total asset position at 31 December 2016 is \$9.99 million (5.0%) higher than the 2015 actual result of \$198.4 million at 31 December 2015 due largely to the improved cash position discussed above and increased plant and equipment assets as a result of works in progress as part of CIT's campus modernisation program which aims to improve the campus facilities to provide a modern educational environment for students, teachers and support staff.

Figure 3: Total assets



Source: Canberra Institute of Technology Financial Statements

Figure 4: Total liabilities



Source: Canberra Institute of Technology Financial Statements

FINANCIAL POSITION: TOTAL LIABILITIES

Figure 4 indicates that CIT's liabilities consist of employee benefits (74.0%), payables (15.8%) and revenue received in advance (10.2%).

Comparison to budget

CIT's liabilities at 31 December 2016 of \$27.0 million are \$4.0 million (17.4%) higher than the 2016 budget of \$23.2 million, due primarily to a higher than anticipated increase in the long service leave liability and a delay in the payment of a large quarterly invoice from ACT Shared Services.

Comparison to 2015 actual

CIT's total liabilities at 31 December 2016 were \$0.8 million (2.9%) higher than the 2015 actual result of \$26.5 million at 31 December 2015 due to the increase in payables and employee benefits for 2016 as described above.

LIQUIDITY

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

The current working capital ratio of 0.80 is higher than the budget target of 0.46 and higher than the 2015 outcome of 0.48, primarily as a result of increased cash levels from Government Grant revenue received in 2016 for work to be performed and paid for in 2017, and increased receivables due to revenue accruals for User Choice charges to Apprentices.

At 31 December 2016 CIT's current assets (\$21.0 million) are less than its total current liabilities (\$26.3 million) by \$5.3 million. 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.

CIT's Working Capital Ratio

	Actual 2016 \$'000	Budget 2016 \$'000	Actual 2015 \$'000
Current Assets			
Cash and Cash Equivalents	15,399	5,675	7,318
Receivables	3,596	2,500	2,906
Other Assets	2,004	1,850	1,940
Total Current Assets	20,999	10,025	12,164
Current Liabilities			
Payables	4,313	1,500	1,760
Employee Benefits	19,207	17,200	18,130
Other Liabilities	2,767	3,300	5,626
Total Current Liabilities	26,287	22,000	25,516
Working Capital Ratio	0.80	0.46	0.48

PERFORMANCE MEASURES

The measures included in the Statement of Performance relating to government-funded training services indicate steady results. Module pass rates were above target by 7%, although program completion rates were 9% below target, reflecting the increasing demand from students for training only in specific skillsets instead of seeking to complete formal qualifications.

The 2016 satisfaction surveys of learners and employers showed satisfaction levels of 93% and 87% respectively, indicating that positive views are held by industry and students of CIT's training. CIT has continued to improve its effectiveness and responsiveness in skilling students using contemporary training methods which have been positively received by industry and students.

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.

CIT manages financial risks through a well-defined financial management framework that includes:

- > clearly established ownership of internal budgets;
- > monthly variance reporting by senior management;

- > quarterly strategic review of financial performance and corrective action as required by the Executive;
- > regularly updated financial policy, procedures and practice documents;
- > provision of training to all staff who have financial responsibilities; and
- > continuous monitoring and review of process improvement.

Progress reports continue to show that many business risk rankings are being reduced as a result of successful mitigation strategies and a focus on continual reporting. The risks identified for both business risks and fraud and corruption risks link directly to our Risk Environment Plan, which is regularly reviewed to ensure CIT is addressing strategic and any emerging risks.

CIT undertakes monthly reporting and analysis of its financial performance, both at an organisational and cost centre level, which assists in identifying and addressing 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 further information:
Chief Operating Officer
 (02) 6207 3314

C.2 FINANCIAL STATEMENTS



AUDITOR-GENERAL AN OFFICER
OF THE ACT LEGISLATIVE ASSEMBLY 

INDEPENDENT AUDIT REPORT CANBERRA INSTITUTE OF TECHNOLOGY

To the Members of the ACT Legislative Assembly

Audit opinion

I am providing an **unqualified audit opinion** on the financial statements of the Canberra Institute of Technology for the year ended 31 December 2016. The financial statements comprise the operating statement, balance sheet, statement of changes in equity, cash flow statement, statement of appropriation and accompanying notes.

In my opinion, the financial statements:

- (i) are presented in accordance with the *Financial Management Act 1996*, Australian Accounting Standards and other mandatory financial reporting requirements in Australia; and
- (ii) present fairly the financial position of the Canberra Institute of Technology and results of its operations and cash flows.

Basis for the audit opinion

The audit was conducted in accordance with the Australian Auditing Standards. I have complied with the requirements of the Accounting Professional and Ethical Standards 110 *Code of Ethics for Professional Accountants*.

I believe that sufficient evidence was obtained during the audit to provide a basis for the audit opinion.

Responsibility for preparing and fairly presenting the financial statements

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

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

Responsibility for the audit of the financial statements

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

As required by Australian Auditing Standards, the auditors:

- applied professional judgement and maintained scepticism;
- identified and assessed the risks of material misstatements due to error or fraud and implemented procedures to address these risks so that sufficient evidence was obtained to form an audit opinion. The risk of not detecting material misstatements due to fraud is higher than the risk due to error, as fraud may involve collusion, forgery, intentional omissions or misrepresentations or the override of internal controls;
- obtained an understanding of internal controls to design audit procedures for forming an audit opinion;
- evaluated accounting policies and estimates used to prepare the financial statements and disclosures made in the financial statements;
- evaluated the overall presentation and content of the financial statements, including whether they present the underlying transactions and events in a manner that achieves fair presentation;
- reported the scope and timing of the audit and any significant deficiencies in internal controls identified during the audit to the Governing Board; and
- assessed the going concern* basis of accounting used in the preparation of the financial statements.

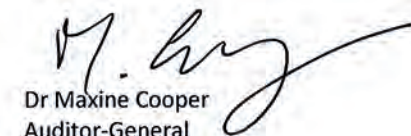
(*Where the auditor concludes that a material uncertainty exists which cast significant doubt on the appropriateness of using the going concern basis of accounting, the auditor is required to draw attention in the audit report to the relevant disclosures in the financial statements or, if such disclosures are inadequate, the audit opinion is to be modified. The auditor's conclusions on the going concern basis of accounting are based on the audit evidence obtained up to the date of this audit report.)

Limitations on the scope of the audit

An audit provides a high level of assurance about whether the financial statements are free from material misstatements, whether due to fraud or error. However, an audit cannot provide a guarantee that no material misstatements exist due to the use of selective testing, limitations of internal control, persuasive rather than conclusive nature of audit evidence and use of professional judgement in gathering and evaluating evidence.

An audit does not provide assurance on the:

- reasonableness of budget information included in the financial statements;
- prudence of decisions made by the Canberra Institute of Technology;
- adequacy of controls implemented by the Canberra Institute of Technology; or
- integrity of audited financial statements presented electronically or information hyperlinked to or from the financial statements. Assurance can only be provided for the printed copy of the audited financial statements.


Dr Maxine Cooper
Auditor-General
23 March 2017

Canberra Institute of Technology
Financial Statements
For the Year Ended 31 December 2016

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 2016 and the financial position of the Canberra Institute of Technology on that date.

A handwritten signature in black ink, appearing to read 'Craig Sloan', is positioned above the printed name and title.

Craig Sloan
Chair
Canberra Institute of Technology Board
20 March 2017

Canberra Institute of Technology
Financial Statements
For the Year Ended 31 December 2016

Statement by the Acting Chief Finance Officer

In my opinion, the financial statements 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 2016 and the financial position of the Canberra Institute of Technology on that date.



Karl Caig
Acting Chief Finance Officer
Canberra Institute of Technology
20 March 2017

Canberra Institute of Technology
Operating Statement
For the Year Ended 31 December 2016

	Note	Consolidated		CIT		
		Actual 2016 \$'000	Actual 2015 \$'000	Actual 2016 \$'000	Original Budget 2016 \$'000	Actual 2015 \$'000
Income						
Revenue						
Government Payments for Outputs	4	69,939	66,372	69,939	69,909	66,372
User Charges – ACT Government	5	8,040	9,051	7,817	9,780	8,942
User Charges – Non-ACT Government	5	41,828	40,107	24,956	23,440	24,239
Government Grants	6	6,731	66	6,731	100	66
Interest	7	398	426	308	230	320
Resources Received Free of Charge	8	79	100	79	35	100
Other Revenue	9	787	1,609	1,610	2,100	1,740
Total Revenue		127,802	117,731	111,440	105,594	101,779
Gains						
Other Gains	10	43	8	43	–	8
Total Gains		43	8	43	–	8
Total Income		127,845	117,739	111,483	105,594	101,787
Expenses						
Employee Expenses	11	71,122	69,856	59,720	60,847	59,983
Superannuation Expenses	12	9,528	9,233	8,519	7,813	8,323
Supplies and Services	13	36,247	36,686	33,487	33,693	33,618
Depreciation and Amortisation	14	8,485	8,821	8,420	8,807	8,746
Other Expenses	15	2,952	3,039	2,076	2,200	2,299
Total Expenses		128,334	127,635	112,222	113,360	112,969
Operating Deficit		(489)	(9,897)	(739)	(7,766)	(11,182)
Other Comprehensive Income						
<i>Items that will not be reclassified subsequently to profit or loss</i>						
Decrease in Asset Revaluation Surplus	28	–	–	–	–	–
Total Other Comprehensive Income		–	–	–	–	–
Total Comprehensive Deficit		(489)	(9,897)	(739)	(7,766)	(11,182)

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

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

Canberra Institute of Technology

Balance Sheet

At 31 December 2016

	Note	Consolidated		CIT		
		Actual	Actual	Actual	Original	Actual
		2016	2015	2016	Budget	2015
		\$'000	\$'000	\$'000	\$'000	\$'000
Current Assets						
Cash and Cash Equivalents	18	18,617	10,039	15,399	5,675	7,318
Receivables	19	5,401	5,216	3,596	2,500	2,906
Other Assets	20	2,248	2,132	2,004	1,850	1,940
Total Current Assets		26,266	17,387	20,999	10,025	12,164
Non-Current Assets						
Investments	21	-	-	20	20	20
Property, Plant and Equipment	22	183,812	182,286	183,559	183,758	182,159
Intangible Assets	23	1,252	1,616	1,252	1,500	1,616
Capital Works in Progress	24	2,522	2,403	2,522	2,695	2,403
Total Non-Current Assets		187,586	186,305	187,353	187,973	186,198
Total Assets		213,852	203,691	208,352	197,998	198,362
Current Liabilities						
Payables	25	4,630	2,057	4,313	1,500	1,760
Employee Benefits	26	20,755	19,554	19,207	17,200	18,130
Other Liabilities	27	2,981	6,086	2,767	3,300	5,626
Total Current Liabilities		28,366	27,697	26,287	22,000	25,516
Non-Current Liabilities						
						950
Other Liabilities	27	47	53	-	-	-
Total Non-Current Liabilities		1,101	1,080	947	1,196	950
Total Liabilities		29,467	28,777	27,234	23,196	26,466
Net Assets		184,385	174,913	181,118	174,802	171,896
Equity						
Accumulated Funds		111,150	101,678	107,881	101,565	98,659
Asset Revaluation Surplus	28	73,235	73,235	73,237	73,237	73,237
Total Equity		184,385	174,913	181,118	174,802	171,896

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

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

Canberra Institute of Technology
Statement of Changes in Equity
For the Year Ended 31 December 2016

	Consolidated			CIT			
	Accumulated Funds Actual 2016 \$'000	Asset Revaluation Surplus Actual 2016 \$'000	Total Equity Actual 2016 \$'000	Accumulated Funds Actual 2016 \$'000	Asset Revaluation Surplus Actual 2016 \$'000	Total Equity Actual 2016 \$'000	Original Budget 2016 \$'000
Balance at 1 January 2016	101,678	73,235	174,913	98,659	73,237	171,896	171,896
Comprehensive Income							
Operating Deficit	(489)	–	(489)	(739)	–	(739)	(7,766)
Total Comprehensive Deficit	(489)	–	(489)	(739)	–	(739)	(7,766)
Transactions Involving Owners Affecting Accumulated Funds							
Capital Injections	9,961	–	9,961	9,961	–	9,961	10,673
Total Transactions Involving Owners Affecting Accumulated Funds	9,961	–	9,961	9,961	–	9,961	10,673
Balance at 31 December 2016	111,150	73,235	184,385	107,881	73,237	181,118	174,802

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 2015

	Consolidated			CIT		
	Accumulated Funds Actual 2015 \$'000	Asset Revaluation Surplus Actual 2015 \$'000	Total Equity Actual 2015 \$'000	Accumulated Funds Actual 2015 \$'000	Asset Revaluation Surplus Actual 2015 \$'000	Total Equity Actual 2015 \$'000
Balance at 1 January 2015	103,950	73,235	177,185	102,216	73,237	175,453
Comprehensive Income						
Operating Deficit	(9,897)	–	(9,897)	(11,182)	–	(11,182)
Total Comprehensive Deficit	(9,897)	–	(9,897)	(11,182)	–	(11,182)
Transactions Involving Owners Affecting Accumulated Funds						
Capital Injections	7,625	–	7,625	7,625	–	7,625
Total Transactions Involving Owners Affecting Accumulated Funds	7,625	–	7,625	7,625	–	7,625
Balance as at 31 December 2015	101,678	73,235	174,913	98,659	73,237	171,896

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 2016

	Consolidated		CIT		
	Actual 2016 \$'000	Actual 2015 \$'000	Actual 2016 \$'000	Original Budget 2016 \$'000	Actual 2015 \$'000
Cash Flows from Operating Activities					
Receipts					
Government Payments for Outputs	69,939	66,372	69,939	69,909	66,372
User Charges – ACT Government	7,178	10,205	7,202	9,780	10,098
User Charges – Non-ACT Government	41,460	39,064	24,081	24,236	24,079
Interest Received from Bank	398	426	308	230	320
Goods and Services Tax Input Tax Credits from the Australian Taxation Office	1,903	1,616	2,483	–	2,058
Goods and Services Tax Collected from Customers	2,450	2,567	1,418	–	1,550
Government Grants	4,486	2,188	4,486	100	2,188
Other	787	1,609	610	4,900	1,491
Contributions	–	–	1,000	500	250
Total Receipts from Operating Activities	128,601	124,047	111,527	109,765	108,406
Payments					
Employee	69,902	69,686	58,651	62,793	59,718
Superannuation	9,527	9,233	8,518	7,813	8,323
Supplies and Services	33,885	36,139	31,094	35,993	33,259
Good and Services Tax Paid to Suppliers	3,917	4,230	3,481	–	3,817
Other	2,867	2,868	1,992	4,811	2,128
Total Payments from Operating Activities	120,098	122,157	103,736	111,410	107,246
Net Cash Inflows/(Outflows) from Operating Activities	8,503	1,890	7,791	(1,645)	1,160
	32				
Cash Flows from Investing Activities					
Receipts					
Proceeds from Sale of Property, Plant and Equipment	43	8	43	–	8
Total Receipts from Investing Activities	43	8	43	–	8
Payments					
Purchase of Property, Plant and Equipment	9,935	6,028	9,714	10,673	5,822
Total Payment from Investing Activities	9,935	6,028	9,714	10,673	5,822
Net Cash (Outflows) from Investing Activities	(9,892)	(6,020)	(9,671)	(10,673)	(5,813)

Canberra Institute of Technology
Cash Flow Statement – Continued
For the Year Ended 31 December 2016

Note	Consolidated		CIT		
	Actual	Actual	Actual	Original	Actual
	2016	2015	2016	Budget	2015
	\$'000	\$'000	\$'000	\$'000	\$'000
Cash Flows from Financing Activities					
Receipts					
Capital Injections	9,961	7,625	9,961	10,673	7,625
Total Receipts from Financing Activities	9,961	7,625	9,961	10,673	7,625
Payments					
Repayment of Borrowings	(6)	4	–	–	–
Total Payment from Financing Activities	(6)	4	–	–	–
Net Cash Inflows from Financing Activities	9,967	7,621	9,961	10,673	7,625
Net Increase/(Decrease) in Cash and Equivalents	8,578	3,491	8,081	(1,645)	2,970
Cash and Cash Equivalents at the Beginning of the Reporting Period	10,039	6,548	7,318	7,320	4,348
Cash and Cash Equivalents at the End of the Reporting Period	18,617	10,039	15,399	5,675	7,318

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

Canberra Institute of Technology
Statement of Appropriation
 For the Year Ended 31 December 2016

	Original Budget 2016 \$'000	Total Appropriated 2016 \$'000	Appropriated Drawn 2016 \$'000	Appropriated Drawn 2015 \$'000
Controlled				
Government Payment for Outputs	69,909	69,939	69,939	66,372
Capital Injections	10,673	9,961	9,961	7,625
Total Appropriation	80,582	79,900	79,900	73,997

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 CIT's Statement of Intent. This amount also appears in the Cash Flow Statement.

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

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

Variances between 'Original Budget' and 'Total Appropriated' – Government Payment for Outputs:

The variance of \$30,000 in Government Payment for Outputs is due to reductions made by the Commonwealth Government to National Partnership Agreement funding.

Variances between 'Original Budget' and 'Total Appropriated' – Capital Injections

The variance to 31 December 2016 shown here is the result of the short-term deferral of some capital works.

Canberra Institute of Technology
For the Year Ended 31 December 2016

	Note 1	Objectives of the Canberra Institute of Technology
	Note 2	Significant Accounting Policies
	Note 3	Change in Accounting Policy and Accounting Estimates, and Correction of Prior Period Errors
Income Notes	Note 4	Government Payment for Outputs
	Note 5	User Charges for Goods and Services
	Note 6	Government Grants
	Note 7	Interest
	Note 8	Resources Received Free of Charge
	Note 9	Other Revenue
	Note 10	Other Gains
Expense Notes	Note 11	Employee Expenses
	Note 12	Superannuation Expenses
	Note 13	Supplies and Services
	Note 14	Depreciation and Amortisation
	Note 15	Other Expenses
	Note 16	Waivers, Impairment Losses and Write-offs
	Note 17	Auditor's Remuneration
Asset Notes	Note 18	Cash and Cash Equivalents
	Note 19	Receivables
	Note 20	Other Assets
	Note 21	Investments
	Note 22	Property, Plant and Equipment
	Note 23	Intangible Assets
	Note 24	Capital Works in Progress
Liability Notes	Note 25	Payables
	Note 26	Employee Benefits
	Note 27	Other Liabilities
Equity Notes	Note 28	Asset Revaluation Surplus
Other Notes	Note 29	Financial Instruments
	Note 30	Commitments
	Note 31	Contingent Liabilities and Contingent Assets
	Note 32	Cash Flow Reconciliation
	Note 33	Events Occurring after Balance Date
	Note 34	Related Party Disclosure
	Note 35	Third Party Monies
	Note 36	Budgetary Reporting – Explanations of Major Variances between Actual Amounts and Original Budget Amounts

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2016

NOTE 1 OBJECTIVES OF THE CANBERRA INSTITUTE OF TECHNOLOGY

Operation and Principal Activities

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

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

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

The FMA and the *Financial Management Guidelines* issued under the Act, require CIT'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) the significant accounting policies adopted for the year; and
- (vii) such other statements as are necessary to fairly reflect the financial operations of CIT 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;
- (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 CIT during the reporting period.

At 31 December 2016, CIT's current assets (\$21.0 million) are less than its total current liabilities (\$26.3 million) by \$5.3 million. However, this is not considered a liquidity risk as its cash needs are funded through appropriation by 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.

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

(b) Principles of Consolidation

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

(c) The Reporting Period

These financial statements state the financial performance, changes in equity and cash flows of CIT for the year ended 31 December 2016 together with the financial position of CIT at 31 December 2016.

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2016

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

(d) Comparative Figures

Budget Figures

The *Financial Management Act 1996* requires the financial statements to facilitate a comparison with CIT'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. In addition, the following specific recognition criteria must also be met before revenue is recognised:

Government Payment for Outputs

Government Payment for Outputs are recognised as revenue when CIT gains control over the funding. Control over appropriated funds is 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 is transferred to the buyer, CIT 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 recognised when CIT controls the revenue.

User Charge 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 contract 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 CIT's right to receive the dividend is established, namely when the dividends are declared.

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.

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2016

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

(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 CIT free of charge.

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

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

- (i) The CIT Student Association was provided with services and resources free of charge to an amount of \$443,429 in 2016 (2015 \$443,873) for its use of CIT's accommodation and utilities; and
- (ii) The Canberra City Band was provided with a benefit of rent to the value of \$66,554 in 2016 (2015 \$66,620).

(h) Repairs and Maintenance

CIT 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*. CIT did not have any debts waived under Section 131 of the *Financial Management Act 1996*.

(j) Taxation

CIT and CIT Solutions are exempt organisations under income tax legislation and therefore are not subject to Income Tax. Both CIT and CIT Solutions are liable to pay Goods and Services Tax and Fringe Benefits Tax, and CIT Solutions also pays Payroll Tax. Fringe Benefits Tax expense for the year was \$61,676 (2015 \$82,342).

(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 twelve months after the reporting date. Liabilities are classified as current when they are due to be settled within twelve months after the reporting date or CIT does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

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

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2016

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

(l) Impairment of Assets

CIT assesses, at each reporting date, whether there is any indication that an asset may be impaired. Assets are also reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is the amount by which the carrying amount of an asset 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 CIT 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, heritage assets 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. Also, the carrying amount of the asset is reduced to its recoverable amount.

(m) Cash and Cash Equivalents

Cash includes cash at bank, cash on hand and demand deposits.

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

(n) Receivables

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

The allowance for impairment losses represents the amount of trade receivables and student receivables that CIT estimates will not be repaid. CIT determines the allowance for impairment losses based on objective evidence and a review of overdue balances. CIT 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 recognised in the Operating Statement. The allowance for impairment losses is written off against the allowance account when CIT ceases action to collect the debt when the cost to recover the debt is more than the debt is worth.

(o) Investments

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

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2016

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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

Property, plant and equipment is initially recorded at cost.

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 value above \$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, plant and equipment and heritage assets are measured at fair value.

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, 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. For other heritage assets, the fair value is measured using the market approach valuation technique. This approach uses sales prices and other relevant information generated by market transactions involving similar assets or works by artists with similar standing/style.

Leasehold improvements are carried at cost.

Heritage assets artworks comprise works produced by students and held for permanent exhibition, for which fair value is determined using a market price where there is a market for the same or a similar item.

Land, buildings, 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, 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.

(r) Intangible Assets

CIT'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 CIT;
- (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.

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
 For the Year Ended 31 December 2016

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

(s) Depreciation and Amortisation of Non-Current Assets

Amortisation is used in relation to intangible assets, while depreciation is applied to physical assets such as buildings, leasehold improvements, 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, or the unexpired period of the relevant lease, whichever is shorter. Buildings and plant and equipment is depreciated over the estimated useful life of each asset.

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	Straight Line	5-100
Leasehold Improvements	Straight Line	2-10
Plant and Equipment	Straight Line	2-20
Externally Acquired Software	Straight Line	2-5

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

(t) Payables

Payables are initially recognised at fair value based on the transaction cost and subsequent to initial recognition at amortised cost, with any adjustments to the carrying amount being recorded in the Operating Statement. All amounts are 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.

(u) Leases

CIT has entered into operating leases.

Operating Leases

Operating leases do not effectively transfer to CIT 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 2016

NOTE 2 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;
- Other long-term benefits such as long service leave and accumulated 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 they will be wholly settled within three years. In 2016 the rate used to estimate the present value of future annual leave payments is 100.3% (101.0% in 2015).

In 2016, the rate used to estimate the present value of future payments for long service leave is 106.5% (105.4% in 2015).

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.

Annual leave and long service leave liabilities are classified as current liabilities in the Balance Sheet where there are no unconditional rights to defer the settlement of the liability for at least 12 months. Conditional long service leave liabilities are classified as non-current because CIT has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2016

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

(w) Superannuation

CIT receives funding for superannuation payments as part of the Government Payment for Outputs. CIT then makes payments on a fortnightly basis to the Territory Banking Account to cover CIT'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. CIT pays the productivity component directly to the Commonwealth Superannuation Corporation (CSC). 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 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 CIT's Balance Sheet, as the Superannuation Provision Account recognises the total Territory superannuation liability for the CSS and PSS, and CSC 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 the 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 CIT, 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

CIT'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) Budgetary Reporting – Explanations of Major Variances between Actual Amounts and Original Budget Amounts

Explanations of major variances between the 2016 budget and 2016 actual results are presented in Note 36 – *Budgetary Reporting – Explanations of Major Variances between Actual Amounts and Original Budget Amounts*.

The definition of 'major variances' is provided in Note 2 (aa)(vi) – *Budgetary Reporting – Explanations of Major Variances between Actual Amounts and Original Budget Amounts*.

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2016

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

(aa) Significant Accounting Judgements and Estimates

In the process of applying the accounting policies listed in this note, CIT 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:* CIT has made a significant estimate regarding the fair value of its assets. Land has been recorded at the market value of similar properties as determined by an independent valuer. Buildings have been recorded at fair value using depreciated replacement cost and current prices in a market for similar properties in a similar location and condition as determined by an independent valuer. Plant and equipment have been recorded at fair value based on depreciated replacement cost as determined by an independent valuer. Heritage assets have been recorded at fair value based on depreciated replacement cost and market value as determined by an independent valuer. This valuation uses significant judgements and estimates to determine fair value, including the appropriate indexation figure of assets held. The fair value of assets is subject to management assessment between formal valuations.
- (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.

The significant judgements and assumptions included in the estimation of annual and long service leave liabilities include an assessment by an actuary. The Australian Government Actuary performed this assessment in 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.

- (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, CIT 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:* CIT 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.

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2016

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

(aa) Significant Accounting Judgements and Estimates – Continued

- (vi) *Budgetary Reporting – Explanations of Major Variances between Actual Amounts and Original Budget Amounts*: Significant judgement has been applied in determining what variances are considered as ‘major variances’ requiring explanation in Note 36 – *Budgetary Reporting – Explanations of Major Variances between Actual Amounts and Original Budget Amounts*. Variances are considered to be major variances if both of the following criteria are met:
- The line item is a significant line item: the line item actual amount accounts for more than 10% of the relevant associated category (Income, Expenses and Equity totals) or sub-element (e.g. Current Liabilities and Receipts from Operating Activities totals) of the financial statements; and
 - The variances (original budget to actual) are greater than plus (+) or minus (-) 10% of the budget for the financial statement line item.

Further information on this is provided in Note 36 – *Budgetary Reporting – Explanations of Major Variances between Actual Amounts and Original Budget Amounts*.

(ab) Monies Held on Behalf of Third Parties

CIT administers these monies on behalf of third parties, independently of CIT funds. They are reported separately in Note 35 – *Third Party Monies*.

(ac) Impact of Accounting Standards Issued but yet to be applied

Accounting Standards adopted early for the 2016 reporting period

AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 and AASB 2015-7 Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-For -Profit Public Sector Entities have been early adopted for the 2016 reporting period, even though the standards are not required to be applied until annual reporting periods beginning on or after 1 July 2016.

AASB 2015-2 amends AASB 101 Presentation of Financial Statements including clarifying that agencies should not be disclosing immaterial information and that the presentation of information in notes can and should be tailored to provide users with the clearest view of an agency’s financial performance and financial position. AASB 2015-7 amends AASB 13 Fair Value Measurement to provide disclosure relief to not-for profit public sector agencies from certain disclosures about the fair value measurements of property, plant and equipment held for their current service potential rather than to generate net cash inflows. This includes relief from disclosures of quantitative information about the significant unobservable inputs used in fair value measurements and of the sensitivity of certain fair value measurements to changes in unobservable inputs.

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2016

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

(ac) Impact of Accounting Standards Issued but yet to be applied – Continued

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. CIT does not intend to adopt these standards and interpretations early. Where applicable, these Australian Accounting Standards will be adopted from their application date.

- (i) AASB 9 Financial Instruments (December 2014) (application date 1 January 2018). This standard supersedes AASB 139 Financial Instruments: Recognition and Measurement. The main impact of AASB 9 is that it will change the classification, measurement and disclosures of the Canberra Institute of Technology's financial assets. No material financial impact on the Canberra Institute of Technology is expected.
- (ii) AASB 15 Revenue from Contracts with Customers (application date 1 January 2018); AASB 15 is the new standard for revenue recognition. It establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces AASB 111 Construction Contracts and AASB 118 Revenue. CIT is currently assessing the impact of this standard and has identified there could be a potential impact on the timing of the recognition of revenue for user charges. At this stage the Canberra Institute of Technology is not able to estimate the impact of this new standard on its financial statements. The Canberra Institute of Technology will make a more detailed assessment of the impact over the next 12 months.
- (iii) AASB 2010-7 Amendments to Australian Accounting Standard arising from AASB 9 (application date 1 January 2018). This standard makes consequential amendments to a number of standards and interpretations as a result of the issuing of AASB 9 in December 2010. No material financial impact on the Canberra Institute of Technology is expected.
- (iv) AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15 [AASB 1, 3, 4, 9 (December 2009) (December 2010), 101, 102, 112, 116, 132, 134, 134, 137, 138, 139, 140, 1023, 1038, 1039, 1049, 1053, 1056, Interpretation 12, 127, 132, 1031, 1038 & 1052] (application date 1 January 2018). This standard makes consequential amendments to a number of standards and interpretations as a result of the issuing of AASB 15. The Canberra Institute of Technology is assessing the potential impact of AASB 15.
- (v) AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) [AASB 1, 2, 3, 4, 5, 7, 13, 101, 102, 108, 110, 112, 120, 121, 123, 128, 132, 133, 136, 137, 139, 1023, 1038, 1049, Interpretation 2, 5, 10, 12, 16, 19 & 127] (application date 1 January 2018). This standard makes consequential amendments to a number of standards and interpretations as a result the issuing of AASB 9 (December 2014). No material financial impact on the Canberra Institute of Technology is expected.
- (vi) AASB 2015-6 Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, 124 & 1049] (application date 1 July 2016). This standard extends the scope of AASB 124 Related Party Transactions to the not-for-profit sector and updates AASB 124 to include implementation guidance (including illustrative examples) to assist not-for-profit entities to apply the new requirements. While there is no material financial impact in implementing this standard there will be increased disclosure required by the Canberra Institute of Technology.

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
 For the Year Ended 31 December 2016

NOTE 3 CHANGES IN ACCOUNTING POLICY AND ACCOUNTING ESTIMATES AND CORRECTION OF PRIOR PERIOD ERRORS

Change in Accounting Policies and Accounting Estimates

CIT had no significant changes in accounting policies or accounting estimates during the reporting period.

Correction of Prior Period Errors

CIT 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 CIT on a fortnightly basis.

Consolidated		CIT	
2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000

Revenue from the ACT Government

Government Payment for Outputs	69,939	66,372	69,939	66,372
Total Government Payment for Outputs	69,939	66,372	69,939	66,372

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2016

NOTE 5 USER CHARGES

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		CIT	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
User Charges – ACT Government				
Special Purpose Fund Activities ^(a)	8,040	9,051	7,817	8,942
Total User Charges – ACT Government	8,040	9,051	7,817	8,942
User Charges – Non-ACT Government				
Commercial Revenue ^(b)	30,940	28,636	14,068	12,768
Student Fees and Charges ^(c)	10,881	11,471	10,881	11,471
Donations	7	–	7	–
Total User Charges – Non-ACT Government	41,828	40,107	24,956	24,239
Total User Charges for Goods and Services	49,868	49,158	32,773	33,181

(a) The decrease in Special Purpose Fund Activities revenue is due primarily to lower revenue from the User Choice charges due to changes in the funding arrangements for Australian Apprenticeship programs.

(b) The increase in Commercial Revenue was primarily due to increased revenue from overseas student tuition fees and facilities hire revenue through lease contract increases at Bruce, Watson and Reid campuses.

(c) Student fees decreased due to reduced student numbers. Student Fees and Charges do not include fees from overseas students which are included in Commercial Revenue.

NOTE 6 GOVERNMENT GRANTS

	Consolidated		CIT	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Government Grants				
Government Grants – Commonwealth	289	58	289	58
Government Grants – State ^(a)	6,442	8	6,442	8
Total Government Grants	6,731	66	6,731	66

(a) Government Grants – State increased due to funding received primarily for the CIT Australian Apprenticeships Skills Reform and the Structural Reforms Projects.

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2016

NOTE 7 INTEREST

	Consolidated		CIT	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Interest Revenue	398	426	308	320
Total Interest Revenue	398	426	308	320
Total interest revenue from financial assets not at fair value through profit and loss.	398	426	308	320

NOTE 8 RESOURCES RECEIVED FREE OF CHARGE

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

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

	Consolidated		CIT	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Revenue from ACT Government Entities				
Legal Services	73	97	73	97
Library Reference Materials	6	3	6	3
Total Resources Received Free of Charge	79	100	79	100

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2016

NOTE 9 OTHER REVENUE

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

Consolidated		CIT	
2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000

Revenue from Other Sources

Insurance Recoveries	27	29	27	29
Student Allowances	171	83	–	5
Other Grants ^(a)	–	730	–	686
Contributions from CIT Solutions Pty Ltd ^(b)	–	–	1,000	250
Other	589	767	583	770
Total Other Revenue from Other Sources	787	1,609	1,610	1,740

(a) Other Grants in 2015 primarily represents funding received from the ACT Government for the upgrade of the Student Information System completed in 2015 to meet new regulatory requirements and enable the introduction of the Commonwealth's VET FEE-HELP scheme.

(b) Contributions from CIT Solutions Pty Limited represent contributions to assist with shared operating and capital costs.

NOTE 10 OTHER GAINS

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

	Consolidated		CIT	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Sale of Assets	43	8	43	8
	43	8	43	8

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2016

NOTE 11 EMPLOYEE EXPENSES

	Consolidated		CIT	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Wages and Salaries ^(a)	62,561	61,782	52,555	53,063
Annual Leave Expense ^(b)	4,667	4,181	4,155	3,779
Long Service Leave Expense	1,740	1,693	1,595	1,588
Other Employee Benefits and On-Costs	2,154	2,200	1,415	1,553
Total Employee Expenses	71,122	69,856	59,720	59,983

(a) The decrease in Wages and Salaries expenses is primarily the result of fewer casual teaching staff being employed.

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

NOTE 12 SUPERANNUATION EXPENSES

	Consolidated		CIT	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Superannuation Contributions to the Territory Banking Account ^(a)	3,957	4,137	3,888	4,065
Superannuation Payments to Comsuper (for the PSSAP)	430	392	430	392
Superannuation to External Providers	5,141	4,704	4,201	3,866
Total Superannuation Expenses	9,528	9,233	8,519	8,323

(a) The decrease is due to staff departing and retiring from CIT.

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2016

NOTE 13 SUPPLIES AND SERVICES

	Consolidated		CIT	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Advertising ^(a)	1,207	978	982	780
Cleaning Costs	2,370	2,531	2,370	2,531
Consultants and Contractors	8,851	8,558	5,028	4,826
Information and Communication Technology ^(b)	5,517	5,212	5,468	5,084
Insurance	1,345	1,385	1,293	1,331
Materials ^(c)	2,829	3,913	2,525	3,573
Minor Assets Expensed	424	437	386	348
Operating Lease Charges ^(d)	905	495	591	192
Other	458	390	386	326
Overseas Student Management Fees ^(e)	270	–	3,470	2,890
Reference and Learning Materials	697	603	530	484
Repairs and Maintenance ^(f)	3,515	3,967	3,309	3,760
Seminars and Conferences ^(g)	573	491	528	473
Shared Services ICT	3,221	3,425	3,217	3,379
Travel and Transport	1,388	1,480	727	820
Utilities	2,677	2,821	2,677	2,821
Total Supplies and Services	36,247	36,686	33,487	33,618

(a) Advertising costs increased as a result of increased promotional, marketing activities and recruitment agency charges.

(b) Information and Communication Technology costs primarily increased due to the licence fees associated with new software systems (Net Lab hardware, Commvault software), and increases in telephone costs.

(c) Materials costs decreased due to cost control measures.

(d) Operating lease charges increased due to rental charges for the new Tuggeranong Flexible Learning Centre.

(e) Overseas Student Management Fees have increased due to increases in Overseas Student Fees. These fees are primarily paid by CIT to CIT Solutions.

(f) Repairs and maintenance costs decreased due to a reduction in plant and equipment, buildings maintenance and in general security costs associated with contract savings.

(g) Expenditure on Seminars and Conferences increased to provide increased staff development and commercial networking opportunities.

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2016

NOTE 14 DEPRECIATION AND AMORTISATION

	Consolidated		CIT	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Depreciation				
Buildings	6,744	6,735	6,744	6,735
Plant and Equipment ^(a)	972	1,342	969	1,338
Leasehold Improvements	212	96	150	25
Total Depreciation	7,928	8,173	7,863	8,098
Amortisation				
Computer Software	557	648	557	648
Total Amortisation	557	648	557	648
Total Depreciation and Amortisation	8,485	8,821	8,420	8,746

(a) Plant and Equipment depreciation decreased as a result of asset disposals, as well as a number of assets becoming fully depreciated and a subsequent reduction in their depreciation expense during the year.

NOTE 15 OTHER EXPENSES

	Consolidated		CIT	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Waivers, Impairment Losses and Write-offs ^(a)	355	546	380	517
Bank Charges and Security Services	34	78	10	54
Copyright Charges ^(b)	93	203	94	203
Grants	477	393	–	–
Sponsorships	448	404	447	402
Other Expenses	1,545	1,415	1,145	1,123
Total Other Expenses	2,952	3,039	2,076	2,299

(a) Waivers, Impairment Losses and Write-offs have decreased due to a reduction in bad debts write-offs and the allowance for bad debts due to the new practice of cancelling the enrolments of outstanding student debtors. See also Note 16.

(b) Copyright Charges have decreased due to an decrease in the use of third party intellectual property in course delivery.

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2016

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 CIT 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 CIT 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 CIT.

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 1,770 students who attracted a waiver during 2016.

The number of Student Fee Irrecoverable Debts relates to transactions with 1,371 students who attracted a write-off during 2016.

	Consolidated			
	2016		2015	
	Number	\$'000	Number	\$'000
Waivers and Write-offs				
Student Fee Waivers	1,770	451	485	154
Student Fee Irrecoverable Debts	1,371	215	2,488	804
Total Waivers and Write-Offs	3,141	666	2,973	958

Impairment Losses

Impairment Loss from Receivables

Trade and Other Receivables	–	(311)	–	(412)
Total Impairment Loss from Receivables	–	(311)	–	(412)
Total Waivers, Impairment Losses and Write-offs	3,141	355	2,973	546

	CIT			
	2016		2015	
	Number	\$'000	Number	\$'000

Waivers and Write-offs

Student Fee Waivers	1,770	451	485	154
Student Fee Irrecoverable Debts	1,371	215	2,488	791
Total Waivers and Write-Offs	3,141	666	2,973	945

Impairment Losses

Impairment Loss from Receivables

Trade and Other Receivables	–	(286)	–	(428)
Total Impairment Loss from Receivables	–	(286)	–	(428)
Total Waivers, Impairment Losses and Write-offs	3,141	380	2,973	517

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2016

NOTE 17 AUDITOR'S REMUNERATION

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

	Consolidated		CIT	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Audit Services				
Audit Fees Paid or Payable to the ACT Audit Office	161	154	129	125
Total Audit Fees	161	154	129	125
Total Auditor's Remuneration	161	154	129	125

NOTE 18 CASH AND CASH EQUIVALENTS

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

Term deposits held by CIT with IMB Financial Services earned a weighted average interest rate of 2.57%.

	Consolidated		CIT	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Cash at Bank ^(a)	13,604	7,026	12,391	4,310
Cash on Hand	13	13	8	8
Cash Equivalent – Term Deposit	5,000	3,000	3,000	3,000
Total Cash and Cash Equivalents	18,617	10,039	15,399	7,318

(a) The Cash at Bank increases are primarily due to payments received in advance for the several major funded projects combined with a delayed large quarterly payment to ACT Shared Services.

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
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NOTE 19 RECEIVABLES

	Consolidated		CIT	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Current Receivables				
Accounts Receivables	2,604	3,582	660	1,185
Less: Allowance for Impaired Receivables	(2)	(56)	(2)	(56)
Total Accounts Receivable	2,602	3,526	658	1,129
Student Receivables				
Student Receivables	1,387	1,639	1,387	1,639
Less: Allowance for Impaired Receivables	(269)	(510)	(268)	(501)
Total Student Receivables	1,118	1,129	1,119	1,138
Inter-Entity Receivable	–	–	138	43
Accrued Revenue	1,681	244	1,681	244
Net GST Receivable	–	317	–	352
Total Accrued Revenue	1,681	562	1,819	639
Total Current Receivables	5,401	5,216	3,596	2,906
Total Receivables	5,401	5,216	3,596	2,906

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2016

NOTE 19 RECEIVABLES – CONTINUED

Consolidated		CIT	
2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000

Reconciliation of the Allowance for Impaired Receivables

Allowance for Impaired Receivables at the Beginning of the Reporting Period	566	994	556	984
Decrease in Allowance Recognised During the Reporting Period	(295)	(428)	(286)	(428)
Allowance for Impairment Losses at the End of the Reporting Period	271	566	270	556

Classification of ACT Government/Non-ACT Government Receivables

Receivables with ACT Government Entities

Net Trade Receivable	509	608	105	310
Accrued Revenue	1,560	151	1,560	151
Total Receivables with ACT Government Entities	2,069	759	1,665	461

Receivables with Non-ACT Government Entities

Net Trade Receivable	1,995	2,896	456	850
Net Student Receivables	1,193	1,150	1,193	1,150
Accrued Revenue	144	93	144	93
Inter-entity Receivable	–	–	138	–
GST Receivable	–	318	–	352
Total Receivables with Non-ACT Government Entities	3,332	4,457	1,931	2,445
Total Receivables	5,401	5,216	3,596	2,906

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
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NOTE 19 RECEIVABLES – CONTINUED

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

2016

Not Impaired ^(a)

Receivables	4,200	362	524	315	5,401
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Impaired

Receivables	–	–	–	271	271
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2015

Not Impaired ^(a)

Receivables	3,228	1,027	228	733	5,216
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Impaired

Receivables	–	–	–	566	566
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Ageing of Receivables CIT	Not Overdue	Overdue			Total
		Less than 30 Days	30 to 60 Days	Greater than 60 Days	
	\$'000	\$'000	\$'000	\$'000	\$'000

2016

Not Impaired ^(a)

Receivables	2,717	269	313	297	3,596
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Impaired

Receivables	–	–	–	270	270
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2015

Not Impaired ^(a)

Receivables	1,590	494	162	660	2,906
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Impaired

Receivables	–	–	–	556	556
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The majority of overdue receivables relates to student fee account balances outstanding at year end. CIT has instigated a new practice cancelling the enrollment of outstanding student debtors to reduce the overdue amounts in 2016 going forward.

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

Canberra Institute of Technology
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NOTE 20 OTHER ASSETS

	Consolidated		CIT	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Current Other Assets				
Prepayments ^(a)	2,248	2,132	2,004	1,940
Total Current Other Assets	2,248	2,132	2,004	1,940
Total Other Assets	2,248	2,132	2,004	1,940

(a) Prepayments include workers' compensation insurance and software licence prepayments.

NOTE 21 INVESTMENTS

	Consolidated		CIT	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Non-current Investments				
CIT Solutions Pty Limited ^(a)	–	–	20	20
Total Non-Current Investments	–	–	20	20
Total Investments	–	–	20	20

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

NOTE 22 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment includes the following classes of assets – land, buildings, 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 CIT.
- *Buildings* 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 CIT include artworks, gemstones and sculptures.

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2016

NOTE 22 PROPERTY, PLANT AND EQUIPMENT - CONTINUED

	Consolidated		CIT	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Land				
Land at Fair Value	43,717	43,717	43,717	43,717
Total Land Assets	43,717	43,717	43,717	43,717
Buildings				
Buildings at Fair Value	144,002	138,786	144,002	138,786
Less: Accumulated Depreciation	(14,028)	(7,284)	(14,028)	(7,284)
Total Written-Down Value of Buildings	129,974	131,502	129,974	131,502
Total Written-Down Value of Land and Buildings	173,691	175,219	173,691	175,219
Leasehold Improvements				
Leasehold Improvements at Cost	3,368	761	2,812	303
Less: Accumulated Depreciation	(531)	(413)	(228)	(78)
Total Written-Down Value of Leasehold Improvements	2,837	348	2,584	225
Plant and Equipment				
Plant and Equipment at Fair Value	9,452	7,976	9,443	7,962
Less: Accumulated Depreciation	(2,312)	(1,403)	(2,303)	(1,391)
Total Written-Down Value of Plant and Equipment	7,140	6,574	7,140	6,571
Heritage Assets				
Heritage Assets at Fair Value	144	144	144	144
Total Heritage Assets	144	144	144	144
Total Written-Down Value of Property, Plant and Equipment	183,812	182,286	183,559	182,159

Valuation of Non-Current Assets

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

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
 For the Year Ended 31 December 2016

NOTE 22 PROPERTY, PLANT AND EQUIPMENT - CONTINUED

Reconciliation of Property, Plant and Equipment

The following table shows the movement of Property, Plant and Equipment during 2016 and 2015.

	Land \$'000	Buildings \$'000	Leasehold Improvements \$'000	Plant and Equipment \$'000	Heritage and Community Assets \$'000	Total \$'000
Consolidated 2016						
Carrying Amount at the Beginning of the Reporting Period	43,717	131,502	348	6,574	144	182,285
Additions	–	5,216	2,606	1,906	–	9,728
Depreciation	–	(6,744)	(212)	(972)	–	(7,928)
Disposals	–	–	–	(151)	–	(151)
Depreciation Write-back for Asset Disposals	–	–	–	59	–	59
Other Movements	–	–	95	(276)	–	(181)
Carrying Amount at the End of the Reporting Period	43,717	129,974	2,837	7,140	144	183,812
Consolidated 2015						
Carrying Amount at the Beginning of the Reporting Period	43,717	135,625	369	7,079	138	186,928
Additions	–	2,612	23	738	6	3,379
Depreciation	–	(6,735)	(96)	(1,342)	–	(8,173)
Disposals	–	–	(325)	(288)	–	(613)
Depreciation Write-back for Asset Disposals	–	–	325	114	–	439
Other Movements	–	–	52	273	–	325
Carrying Amount at the End of the Reporting Period	43,717	131,502	348	6,574	144	182,286

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

Reconciliation of Property, Plant and Equipment

The following table shows the movement of Property, Plant and Equipment during 2016 and 2015.

	Land \$'000	Buildings \$'000	Leasehold Improvements \$'000	Plant and Equipment \$'000	Heritage and Community Assets \$'000	Total \$'000
CIT 2016						
Carrying Amount at the Beginning of the Reporting Period	43,717	131,502	225	6,571	144	182,159
Additions	–	5,216	2,509	1,906	–	9,631
Depreciation	–	(6,744)	(150)	(969)	–	(7,863)
Disposals	–	–	–	(151)	–	(151)
Depreciation Write-back for Asset Disposals	–	–	–	59	–	59
Other Movements	–	–	–	(276)	–	(276)
Carrying Amount at the End of the Reporting Period	43,717	129,974	2,584	7,140	144	183,559
CIT 2015						
Carrying Amount at the Beginning of the Reporting Period	43,717	135,625	227	7,073	138	186,780
Additions	–	2,612	23	738	6	3,379
Depreciation	–	(6,735)	(25)	(1,338)	–	(8,098)
Disposals	–	–	–	(252)	–	(252)
Depreciation Write-back for Asset Disposals	–	–	–	77	–	77
Other Movements	–	–	–	273	–	273
Carrying Amount at the End of the Reporting Period	43,717	131,502	225	6,571	144	182,159

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2016

NOTE 22 PROPERTY, PLANT AND EQUIPMENT - CONTINUED

Fair Value Hierarchy

CIT 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 CIT's property, plant and equipment at fair value and information about the Fair Value Hierarchy at 31 December 2016 are as follows:

Consolidated 2016

Property, Plant and Equipment at Fair Value	Classification According to the Fair Value Hierarchy			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Land	–	43,717	–	43,717
Buildings	–	2,596	127,378	129,974
Plant and Equipment	–	340	6,800	7,140
Heritage Assets (including Artworks)	–	136	8	144
	–	46,789	134,186	180,975

Consolidated 2015

Property, Plant and Equipment at Fair Value	Classification According to the Fair Value Hierarchy			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Land	–	43,717	–	43,717
Buildings	–	2,650	128,852	131,502
Plant and Equipment	–	410	6,164	6,574
Heritage Assets (including Artworks)	–	136	8	144
	–	46,913	135,024	181,937

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2016

NOTE 22 PROPERTY, PLANT AND EQUIPMENT – CONTINUED

Fair Value Hierarchy – Continued

Transfer Between Categories

Transfers at 31 December 2016: There have been no transfers between level 1, 2 and 3 during the current or prior reporting periods.

CIT 2016

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	–	43,717	–	43,717
Buildings	–	2,596	127,378	129,974
Plant and Equipment	–	340	6,800	7,140
Heritage Assets	–	136	8	144
	–	46,789	134,186	180,975

CIT 2015

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	–	43,717	–	43,717
Buildings	–	2,650	128,852	131,502
Plant and Equipment	–	411	6,160	6,571
Heritage Assets (including Artworks)	–	136	8	144
	–	46,914	135,020	181,934

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2016

NOTE 22 PROPERTY, PLANT AND EQUIPMENT – CONTINUED

Fair Value Hierarchy – Continued

Transfer Between Categories

Transfers at 31 December 2016: There have been no transfers between level 1, 2 and 3 during the current or prior reporting periods.

Valuation Techniques, inputs and processes

Level 2 Valuation Techniques and Inputs

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

Inputs: In determining the value of land, prices and other relevant information generated by market transactions involving comparable land and buildings were considered. 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. CIT considers that the valuation reflects the highest and best use value.

When assessing the value, the prices adopted from the evidence were on a dollar per square meter 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 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.

Level 3 Valuation Techniques and Inputs

Valuation Technique: Most buildings 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 equivalent modern improvements per square metre of floor area was also used in measuring fair value.

Inputs: In determining the value of buildings, regard was given to the age of buildings, size of improvements, estimated replacement cost, condition of structures and current use. This required the use of data internal to 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 areas to derive the total building value.

Valuation technique: Heritage assets where there is no active market (produced by non-recognised artists) is 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
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NOTE 22 PROPERTY, PLANT AND EQUIPMENT - CONTINUED

Fair Value Hierarchy - Continued

Fair value measurements using significant unobservable inputs (Level 3)

Consolidated 2016	Buildings \$'000	Plant and Equipment \$'000	Heritage Assets \$'000
Fair Value at the Beginning of the Reporting Period	128,852	6,164	8
Additions	5,215	1,906	-
Depreciation	(6,688)	(1,120)	-
Disposal	-	(150)	-
Fair Value at the end of the Reporting Period	127,379	6,800	8

Consolidated 2015	Buildings \$'000	Plant and Equipment \$'000	Heritage Assets \$'000
Fair Value at the Beginning of the Reporting Period	132,887	6,273	8
Additions	2,612	999	-
Depreciation	(6,647)	(856)	-
Disposal	-	(252)	-
Fair Value at the end of the Reporting Period	128,852	6,164	8

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2016

NOTE 22 PROPERTY, PLANT AND EQUIPMENT - CONTINUED

Fair Value Hierarchy - Continued

Fair value measurements using significant unobservable inputs (Level 3)

CIT 2016	Buildings \$'000	Plant and Equipment \$'000	Heritage Assets \$'000
Fair Value at the Beginning of the Reporting Period	128,852	6,160	8
Additions	5,215	1,906	-
Depreciation	(6,688)	(1,116)	-
Disposal	-	(150)	-
Fair Value at the end of the Reporting Period	127,379	6,800	8

CIT 2015	Buildings \$'000	Plant and Equipment \$'000	Heritage Assets \$'000
Fair Value at the Beginning of the Reporting Period	132,887	6,267	8
Additions	2,612	999	-
Depreciation	(6,647)	(854)	-
Disposal	-	(252)	-
Fair Value at the end of the Reporting Period	128,852	6,160	8

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

Item	Fair Value as at 31 December		Significant Unobservable inputs
	2016 \$000	2015 \$000	
Valuation Technique: Depreciation Replacement Cost			
Buildings	\$127,379	\$128,852	Consumed economic benefit/ obsolescence of asset. Replacement cost per square metre floor area (m ²)
Plant and Equipment	\$6,800	\$6,160	Consumed economic benefit/ obsolescence of asset
Valuation Technique: Market Approach			
Heritage Assets	\$8	\$8	Aesthetic qualities, medium, style and standing of artist

Canberra Institute of Technology
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For the Year Ended 31 December 2016

NOTE 23 INTANGIBLE ASSETS

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

Consolidated		CIT	
2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000

Computer Software

Externally Purchased Software

Computer Software at Cost	6,290	6,097	6,290	6,097
Less: Accumulated Amortisation ^(a)	(5,038)	(4,481)	(5,038)	(4,481)
Total Externally Purchased Software	1,252	1,616	1,252	1,616
Total Computer Software	1,252	1,616	1,252	1,616
Total Intangible Assets	1,252	1,616	1,252	1,616

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

Reconciliation of Intangible Assets

The following table shows the movements in Intangible Assets from the beginning to the end of 2015 and 2016.

	Consolidated		CIT	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Carrying Amount at the Beginning of the Reporting Period	1,616	1,552	1,616	1,552
Additions	193	712	193	712
Amortisation	(557)	(648)	(557)	(648)
Carrying Amount at the End of the Reporting Period	1,252	1,616	1,252	1,616

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2016

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 CIT is not currently deriving economic benefits from them.

Building Works In Progress comprise capital upgrades.

	Consolidated		CIT	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Buildings ^(a)	2,467	2,403	2,467	2,403
Information Technology Infrastructure	55	–	55	–
Total Capital Works in Progress	2,522	2,403	2,522	2,403

Reconciliation of Capital Works in Progress

The following table shows the movement in the Consolidated Entity's Capital Works in Progress during 2015 and 2016.

	Buildings Works in Progress \$'000	Software Works in Progress \$'000	Total \$'000
Consolidated 2016			
Carrying Amount at the Beginning of the Reporting Period	2,403	–	2,403
Additions ^(a)	7,479	55	7,534
Capital Works in Progress Completed and Transferred to Property, Plant and Equipment ^(b)	(7,415)	–	(7,415)
Carrying Amount at the End of the Reporting Period	2,467	55	2,522
Consolidated 2015			
Carrying Amount at the Beginning of the Reporting Period	734	–	734
Additions	4,421	712	5,133
Capital Works in Progress Completed and Transferred to Property, Plant and Equipment	(2,752)	–	(2,752)
Capital Works in Progress Completed and Transferred to Intangible Assets	–	(712)	(712)
Carrying Amount at the End of the Reporting Period	2,403	–	2,403

(a) Additions variance due to increase in expenditure in relation to New Capital Works on the Campus Modernisation Project.

(b) Increase due to completion and capitalisation of works in relation to New Capital Works on the Campus Modernisation Project.

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2016

NOTE 24 CAPITAL WORKS IN PROGRESS – CONTINUED

Reconciliation of Capital Works in Progress

The following table shows the movement in CIT's Capital Works in Progress during 2015 and 2016.

	Buildings Works in Progress \$'000	Software Works in Progress \$'000	Total \$'000
CIT 2016			
Carrying Amount at the Beginning of the Reporting Period	2,403	–	2,403
Additions ^(a)	7,479	55	7,534
Capital Works in Progress Completed and Transferred to Property, Plant and Equipment ^(b)	(7,415)	–	(7,415)
Carrying Amount at the End of the Reporting Period	2,467	55	2,522
CIT 2015			
Carrying Amount at the Beginning of the Reporting Period	734	–	734
Additions	4,421	712	5,133
Capital Works in Progress Completed and Transferred to Property, Plant and Equipment	(2,752)	–	(2,752)
Capital Works in Progress Completed and Transferred to Intangible Assets	–	(712)	(712)
Carrying Amount at the End of the Reporting Period	2,403	–	2,403

(a) Additions variance due to increase in expenditure in relation to New Capital Works on the Campus Modernisation Project.

(b) Increase due to completion and capitalisation of works in relation to New Capital Works on the Campus Modernisation Project.

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2016

NOTE 25 PAYABLES

	Consolidated		CIT	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Current Payables				
Accounts Payable ^(a)	357	466	357	440
Other Payables	2	10	2	1
Sub-Total Payables	359	476	359	441
Accrued Expenses ^(b)	4,152	1,581	3,886	1,319
GST Payable	119	–	68	–
Total Current Payables	4,271	1,581	3,954	1,319
Total Payables	4,630	2,057	4,313	1,760
Payables are aged as follows:				
Not Overdue	4,601	1,775	4,284	1,478
Overdue for Less than 30 Days ^(b)	28	253	28	253
Overdue for 30 to 60 Days	1	23	1	23
Overdue for More than 60 Days	–	6	–	6
Total Payables	4,630	2,057	4,313	1,760
Classification of ACT Government/Non-ACT Government Payables				
Payables with ACT Government Entities				
Other Payables	–	14	–	14
Accrued Expenses	2,813	445	2,839	445
Total Payables with ACT Government Entities	2,813	459	2,839	459
Payables with Non-ACT Government Entities				
Accounts Payable	357	426	357	426
Other Payables	2	35	2	–
Accrued Expenses	1,339	1,137	1,047	875
GST Payable	119	–	68	–
Total Payables with Non-ACT Government Entities	1,817	1,598	1,474	1,301
Total Payables	4,630	2,057	4,313	1,760

(a) Fluctuations in Accounts Payable are due to end-of-year timing differences resulting from CIT's annual end of year shutdown and supplier invoicing during this period.

(b) Accrued expenses primarily due to an outstanding quarterly payment to ACT Shared Services subsequently settled in January 2017 and an accrued payment for telecommunications charges.

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2016

NOTE 26 EMPLOYEE BENEFITS

	Consolidated		CIT	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Current Employee Benefits				
Annual Leave	6,584	6,340	6,060	5,917
Long Service Leave	13,319	12,649	12,607	11,945
Accrued Salaries	611	309	459	214
Other Benefits	241	256	81	54
Total Current Employee Benefits	20,755	19,554	19,207	18,130
Non-Current Employee Benefits				
	1,054	1,027	947	950
Total Non-Current Employee Benefits	1,054	1,027	947	950
Total Employee Benefits	21,809	20,581	20,154	19,080
Estimate of when Leave is Payable				
Estimated Amount Payable within 12 Months				
Annual Leave	4,607	4,405	4,082	3,980
Long Service Leave	1,257	1,248	1,258	1,248
Accrued Salaries	611	309	459	214
Other Benefits	241	256	81	54
Total Employee Benefits Payable within 12 Months	6,716	6,218	5,880	5,496
Estimated Amount Payable after 12 Months				
	13,116	12,427	12,297	11,648
Annual Leave	1,977	1,936	1,977	1,936
Total Employee Benefits Payable after 12 Months	15,093	14,363	14,274	13,584
Total Employee Benefits	21,809	20,581	20,154	19,080

As at 31 December 2016, CIT employed 678 full time equivalent (FTE) staff. There were 715 FTE staff as at 31 December 2015. The downward movement in FTE between 2016 and 2015 is the result of a decrease in the use of casual teachers.

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2016

NOTE 27 OTHER LIABILITIES

	Consolidated		CIT	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Current Other Liabilities				
				3,161
Revenue in Advance - Grants ^(b)	170	2,374	140	2,374
Other Current Liabilities	232	551	48	91
Total Current Other Liabilities	2,981	6,086	2,767	5,626
Non-Current Other Liabilities				
Other	47	53	-	-
Total Non-Current Other Liabilities	47	53	-	-
Total Other Liabilities	3,028	6,139	2,767	5,626

(a) Revenue received in Advance – Student Fees have decreased over the prior year due to a decrease in overseas student registrations, fees and payments in advance for study in 2016.

(b) Revenue received in Advance – Grants decreased due to the completion in 2016 of the project works related to those grants.

NOTE 28 ASSET REVALUATION SURPLUS

Asset Revaluation Surplus

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

	Consolidated		CIT	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Balance at the Beginning of the Reporting Period	73,235	73,235	73,237	73,237
Total Movement	-	-	-	-
Balance at the End of the Reporting Period	73,235	73,235	73,237	73,237

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2016

NOTE 29 FINANCIAL INSTRUMENTS

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

Interest Rate Risk

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

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

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

Credit Risk

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

CIT is exposed to credit risk from:

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

CIT manages its credit risk by:

- the majority of revenue transactions taking place with State and Australian Government entities,
- monitoring and collecting all financial assets not past due or impaired,
- transactional risks are managed through internal processes which include sending reminder letters and referring to a debt collection agency. With regard to student debtors, CIT can limit their access to facilities, obtaining grades and graduating, and
- term deposits are held with the Illawarra Mutual Bank Limited, which is considered to be a high quality credit financial institution.

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

Liquidity Risk

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

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

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2016

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 by factors affecting all similar financial instruments traded in the market. CIT has no exposure to price risk, as it does not hold financial instruments that are exposed to movements in market prices.

Fair Value of Financial Assets and Liabilities

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

	Consolidated			
	Carrying Amount	Fair Value Amount	Carrying Amount	Fair Value Amount
	2016 \$'000	2016 \$'000	2015 \$'000	2015 \$'000
Financial Assets				
Cash and Cash Equivalents	18,617	18,617	10,039	10,039
Receivables	3,720	3,720	4,655	4,655
Total Financial Assets	22,337	22,337	14,694	14,694
Financial Liabilities				
Payables	359	359	476	476
Total Financial Liabilities	359	359	476	476

Fair Value Hierarchy

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

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
 For the Year Ended 31 December 2016

NOTE 29 FINANCIAL INSTRUMENTS – CONTINUED

The following table sets out CIT'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 at 31 December 2016. All financial assets and liabilities, which have a floating interest rate or are non-interest bearing, will mature in one year or less. All amounts appearing in the following maturity analysis are shown on an undiscounted cash flow basis.

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

Consolidated 2016

Financial Instruments	Note	Weighted Average Interest Rate	Floating Interest \$'000	Fixed Interest Maturing in:			Non-Interest Bearing \$'000	Total \$'000
				1 Year or less \$'000	1 to 5 Years \$'000	Over 5 Years \$'000		
Financial Assets								
Cash and Cash Equivalents	18	2.57%	13,604	5,000	–	–	13	18,617
Receivables			–	–	–	–	3,720	3,720
Total Financial Assets			13,604	5,000	–	–	3,733	22,337
Financial Liabilities								
Payables	25	–	–	–	–	–	(359)	(359)
Total Financial Liabilities			–	–	–	–	(359)	(359)
Net Financial Assets			13,604	5,000	–	–	3,374	21,978

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2016

NOTE 29 FINANCIAL INSTRUMENTS – CONTINUED

The following table sets out CIT’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 at 31 December 2015. All financial assets and liabilities, which have a floating interest rate or are non-interest bearing, will mature in one year or less. All amounts appearing in the following maturity analysis are shown on an undiscounted cash flow basis.

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

Consolidated 2015

Financial Instruments	Note	Weighted Average Interest Rate	Floating Interest \$'000	Fixed Interest Maturing in:			Non-Interest Bearing \$'000	Total \$'000
				1 Year or less \$'000	1 to 5 Years \$'000	Over 5 Years \$'000		
Financial Assets								
Cash and Cash Equivalents	18	2.64%	7,026	3,000	–	–	13	10,039
Receivables			–	–	–	–	4,655	4,655
Total Financial Assets			7,026	3,000	–	–	4,668	14,694
Financial Liabilities								
Payables	25		–	–	–	–	(476)	(476)
Total Financial Liabilities			–	–	–	–	(476)	(476)
Net Financial Assets			7,026	3,000	–	–	4,192	14,218

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2016

NOTE 29 FINANCIAL INSTRUMENTS – CONTINUED

Consolidated	
2016 \$'000	2015 \$'000

Carrying Amount of Each Category of Financial Asset and Financial Liability

Financial Assets

Loans and Receivables Measured at Amortised Cost	3,720	4,655
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Financial Liabilities

Financial Liabilities Measured at Amortised Cost	359	476
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Fair Value

CIT does not have any financial assets or financial 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 payable as follows:

	Consolidated		CIT	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Capital Commitments – Property, Plant and Equipment				
Within one year ^(a)	650	8,596	650	8,596
Total Capital Commitments – Property, Plant and Equipment	650	8,596	650	8,596

Other Commitments

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

Within one year	862	953	837	922
Later than one year but not later than five years	1,428	2,130	1,405	2,074
Later than five years	133	–	133	–
Total Other Commitments	2,290	3,083	2,242	2,996

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

(a) The decrease in 2016 is due to the completion of new capital works associated with the campus modernisation program in 2015-16.

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2016

NOTE 31 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Contingent Liabilities

In December 2016 CIT reviewed pending legal claims from third parties. A public liability insurance policy, held with the ACT Insurance Authority, provides insurance cover for the legal costs that have occurred through defending claims against CIT from a third party. At the reporting date, the estimated potential liability as a result of court action is \$40,000 (2015 \$181,000).

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 \$3,200,000 (to terminate existing leases and demolish the buildings to render the site available for sale/redevelopment) to \$7,250,000 (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 at 31 December 2016.

Contingent Assets

At the reporting date an estimate of the potential insurance settlement receivable in relation to pending legal claims from third parties is \$30,000 (2015 \$170,000).

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2016

NOTE 32 CASH FLOW RECONCILIATION

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

	Consolidated		CIT	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Total Cash and Cash Equivalents Recorded in the Balance Sheet	18,617	10,039	15,399	7,318
Cash and Cash Equivalents at the End of the Reporting Period as Recorded in the Cash Flow Statement	18,617	10,039	15,399	7,318

(b) Reconciliation of Net Cash Inflows from Operating Activities to the Operating Surplus

Operating Deficit	(489)	(9,897)	(739)	(11,182)
Add/(Less) Non-Cash Items				
Depreciation of Property, Plant and Equipment	7,928	8,173	7,863	8,098
Amortisation of Intangibles	557	648	557	648
Other Non-Cash Items				
Add/(Less) Items Classified as Investing or Financing				
Net Gains from the Sale of Assets	43	163	43	163
Cash Before Changes in Operating Assets and Liabilities	8,039	(914)	7,724	(2,273)
Changes in Operating Assets and Liabilities				
Increase in Receivables	(185)	(1,236)	(691)	(352)
Increase in Other Assets	(115)	(77)	(63)	(85)
Increase in Payables	2,650	489	2,606	150
Increase in Provisions	1,227	347	1,074	442
Decrease in Other Liabilities	(3,113)	3,280	(2,859)	3,278
Net Changes in Operating Assets and Liabilities	464	2,804	67	3,433
Net Cash Inflows from Operating Activities	8,503	1,890	7,791	1,160

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2016

NOTE 33 EVENTS OCCURRING AFTER BALANCE DATE

There were no events occurring after the balance date, which would affect the financial statements at 31 December 2016.

NOTE 34 RELATED PARTY DISCLOSURE

The members of the CIT Governing Board during the year were:

- Mr Craig Sloan: Chair
- Ms Michelle Williamson: Deputy Chair
- Ms Leanne Cover: Chief Executive Officer
- Dr Stephanie Fahey
- Mr Peter McGrath
- Ms Diane Joseph – appointment ended June 2016.
- Mr David Dawes
- Ms Natalie Howson – appointment commenced July 2016
- Ms Anita Wesney
- Mr Kent Chambers – appointment ended June 2016.
- Mr Waris Mughal – appointment commenced July 2016

	2016 \$'000	2015 \$'000
Total remuneration paid or due and payable to the members of the CIT Governing Board	69	36
\$0 - \$1,000	6	5
\$1,001 - \$5,000	2	2
\$5,001 - \$10,000	1	1
\$10,001 - \$20,000	1	1
\$20,001 - \$40,000	1	0
	11	9

The Chief Executive Officer did not receive any remuneration as a member of the Board.

The Governing Board came into existence from July 2015.

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2016

NOTE 35 THIRD PARTY MONIES

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

	Consolidated		CIT	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Balance at the Beginning of the Reporting Period	55	283	55	283
Receipts for Overseas Student Health Cover	295	186	295	186
Payments for Overseas Student Health Cover	(286)	(131)	(286)	(131)
Trust Funds transferred out ^(a)	–	(283)	–	(283)
Balance at the End of the Reporting Period	64	55	64	55

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

Overseas Student Health Cover	64	55	64	55
Balance at the End of the Reporting Period	64	55	64	55
Total Third Party Monies	64	55	64	55

- (a) During the year CIT rearranged its financial affairs to eliminate the need for most Trust arrangements. Consequently, most of the Trust balances from 2014 were closed off and the funds transferred to CIT during 2015. Some Trust activity still remains regarding the treatment of amounts paid by international students for Overseas Student Health Cover.

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2016

NOTE 36 BUDGETARY REPORTING – EXPLANATIONS OF MAJOR VARIANCES BETWEEN ACTUAL AMOUNTS AND ORIGINAL AMOUNTS

The following are brief explanations of major line item variances between budget estimates and actual outcomes. Variances are considered to be major variances if **both** of the following criteria are met:

- (a) The line item is a significant line item: the line item actual amount accounts for more than 10% of the relevant associated category (Income, Expenses and Equity totals) or sub-element (e.g. Current Liabilities and Receipts from Operating Activities totals) of the financial statements; and
- (b) The variances (original budget to actual) are greater than plus (+) or minus (-) 10% of the budget for the financial statement line item.

Operating Statement Line Items	Actual 2016 \$'000	Original Budget ¹ 2016 \$'000	Variance \$'000	Variance %	Variance Explanation
No qualifying variances	-	-	-	-	-

Balance Sheet Line Items	Actual 2016 \$'000	Original Budget ¹ 2016 \$'000	Variance \$'000	Variance %	Variance Explanation
Cash and Cash Equivalents	15,399	5,675	9,724	171%	Higher than budget due to payments received in advance for several major projects as well as a delayed payment to ACT Shared Services.
Receivables	3,596	2,500	1,096	44%	Higher than budget due to the change in Australian Apprenticeship funding arrangements from payment in advance to payment in arrears.
Payables	4,313	1,500	2,813	187%	Higher than budget due to accrued expenses primarily of an accrued quarterly payment to ACT Shared Services (\$2.3 million) subsequently settled in January 2017 and an accrued payment for telecommunications charges.
Employee Benefits – Current	19,207	17,200	2,008	12%	Higher than budget due to budgeting for a higher expectation of take up of long service leave which did not occur.

Canberra Institute of Technology
Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2016

**NOTE 36 BUDGETARY REPORTING – EXPLANATIONS OF MAJOR VARIANCES
BETWEEN ACTUAL AMOUNTS AND ORIGINAL AMOUNTS – CONTINUED**

Balance Sheet Line Items	Actual 2016 \$'000	Original Budget ¹ 2016 \$'000	Variance \$'000	Variance %	Variance Explanation
Employee Benefits – Non-Current	947	1,196	249	-21%	Lower than budget due to higher payment of benefits to departing staff with benefits of greater than twelve months due.
Other Liabilities	2,767	3,300	533	-16%	Lower than budget due primarily to less revenue received in advance than anticipated, especially Grant revenue.

Cash Flow Statement Line Items	Actual 2016 \$'000	Original Budget ¹ 2016 \$'000	Variance \$'000	Variance %	Variance Explanation
Supplies and Services	31,094	35,993	4,899	-14%	Lower than budget due to delayed payments of ACT Shared Services invoice and telecommunications invoices and a reduction in general operating costs.

¹ Original Budget refers to the amounts presented to the Legislative Assembly in the original budgeted financial statements in respect of the reporting period (CIT's Statement of Intent 2016). These amounts have not been adjusted to reflect supplementary appropriation or appropriation instruments.

Explanations for variations from budget for Government Payment for Outputs and Capital Injection are provided in the Statements of Appropriation.

For more information:

Chief Operating Officer
(02) 6207 3114

C.3 CAPITAL WORKS

The CIT capital works program consisted of campus modernisation projects and minor capital upgrades to enhance education delivery, equipment replacement and software upgrades. In 2016 the CIT embarked on a major capital works project to develop the new CIT Tuggeranong campus at 205 Anketell Street Greenway. Work on the new campus commenced in December 2015 and was completed in June 2016.

Refurbishments were undertaken at CIT Bruce, CIT Reid and CIT Fyshwick to facilitate the relocation of CIT Woden. This has resulted in the creation of contemporary teaching and learning spaces to provide an improved service to our customers particularly in relation to increased opportunities for work-based learning.

Completed projects

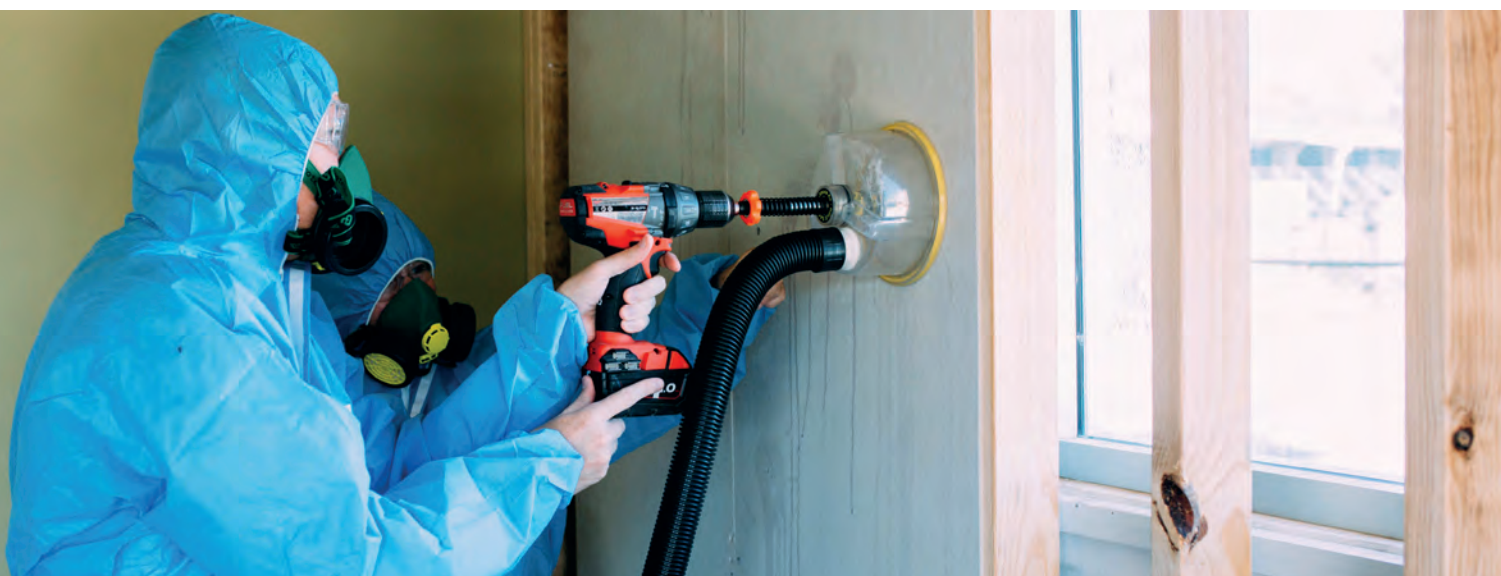
The following projects were completed in 2016:

- CIT Tuggeranong
- CIT Bruce refurbishment of buildings A and B to accommodate departments of Human Services and Children's Education and Care
- CIT Bruce refurbishment of second floor building A at to accommodate department of Building and Construction Management
- CIT Bruce refurbishment of classrooms building C.
- CIT Bruce refurbishment of ground floor building H for child care.
- CIT Bruce refurbishment of ground floor building D for aged care.

- CIT Bruce refurbishment of building E classrooms.
- CIT Bruce refurbishment of second floor building G to accommodate department of Skills for Education and Employment.
- CIT Bruce refurbishment of building X classrooms.
- CIT Bruce upgrade of lift building H.
- CIT Reid and CIT Bruce security system upgrades.
- CIT Bruce fire detection and suppression system upgrade.
- CIT Fyshwick refurbishment of building A to accommodate Access Education.
- CIT Fyshwick refurbishment of office accommodation building E.
- CIT Fyshwick refurbishment of building H for archives storage.
- CIT Reid upgrade of restaurant bars building.
- CIT Reid replacement of Chillers E and H buildings.
- CIT Fyshwick refurbishment of existing toilet block and construction of a new toilet block.

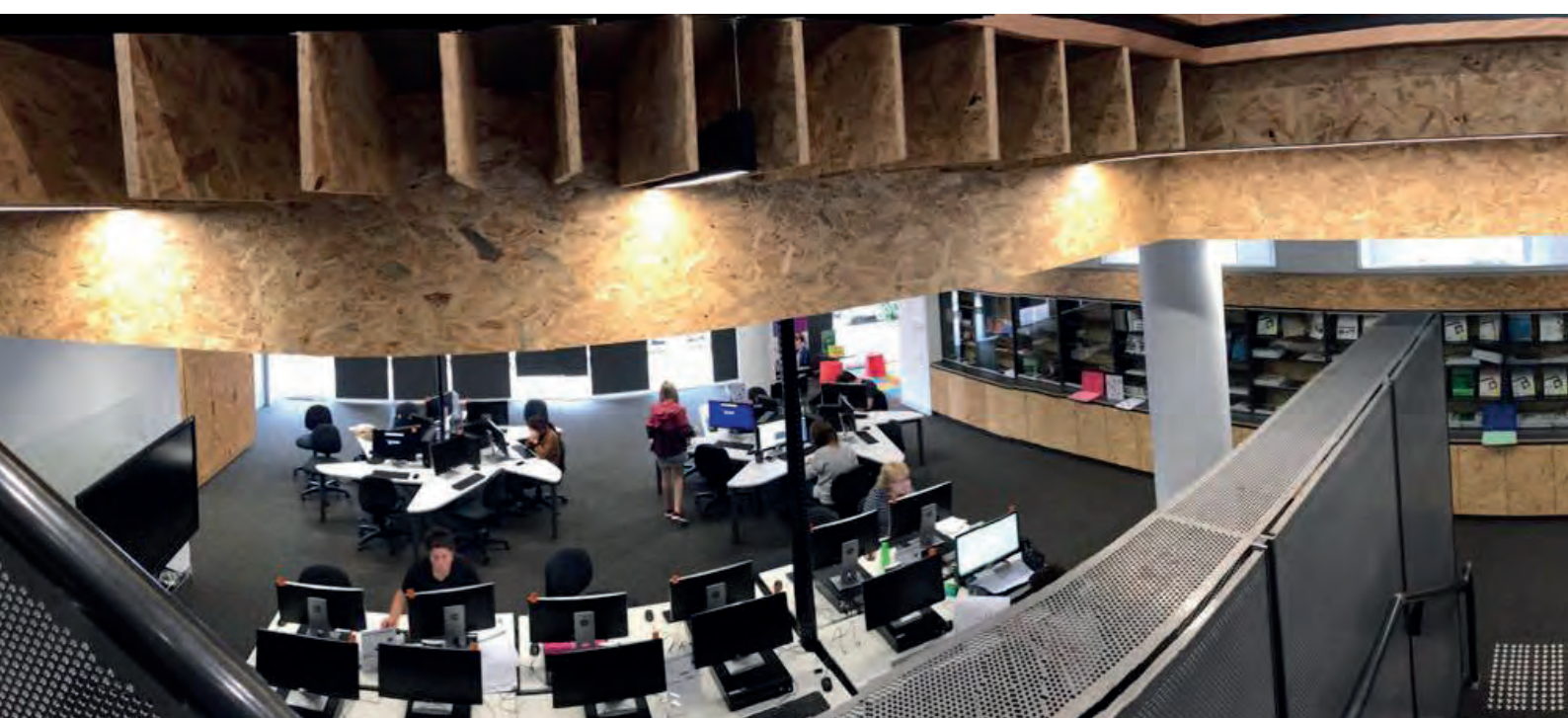
Works still in progress

- CIT Reid replacement of Chiller G building.
- CIT Bruce refurbishment of ground floor building A.
- CIT Bruce refurbishment of H building.
- CIT Bruce refurbishment of lower ground floor G building.
- CIT Bruce fitness running track.



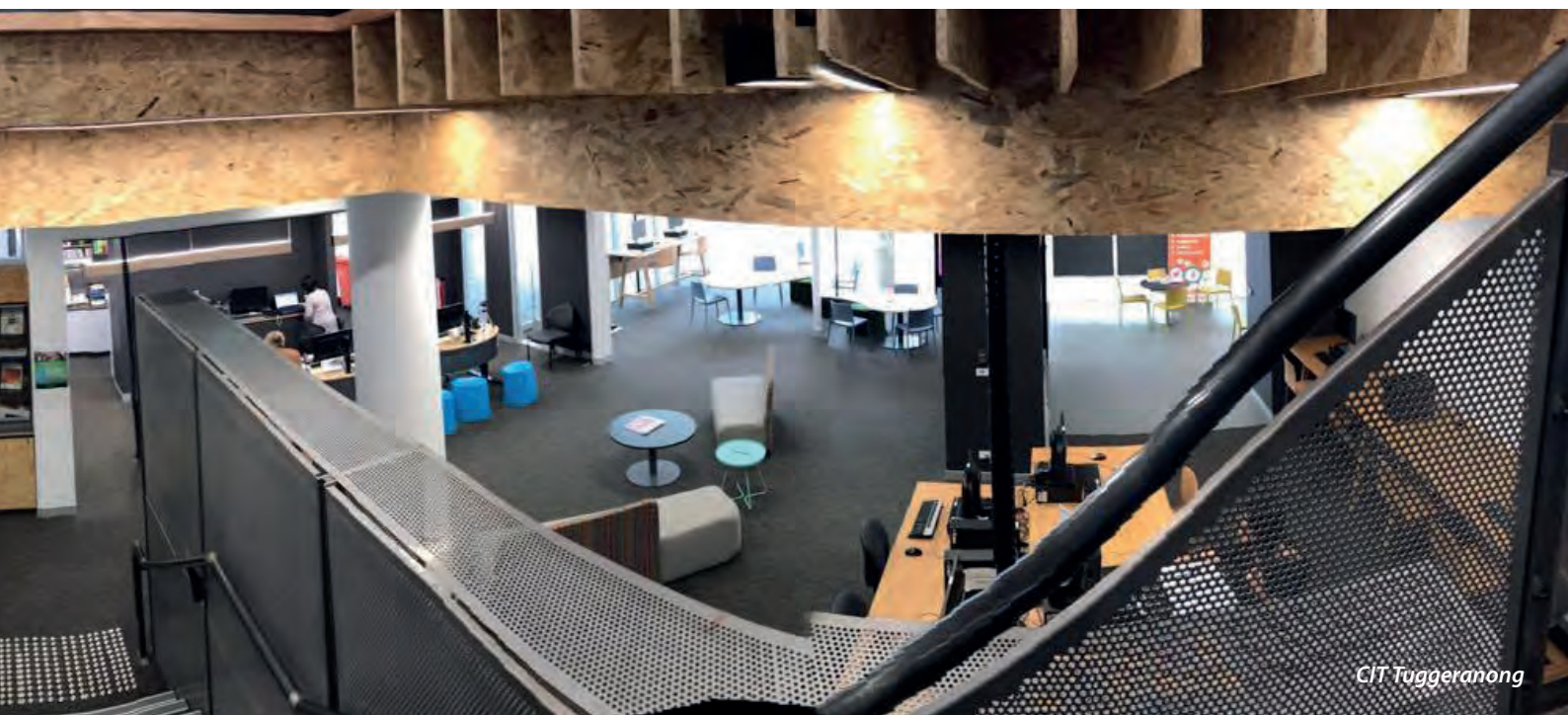
Statement of Capital Works Income and Expenditure

Project	Original Project Value \$'000	Revised Project Value \$'000	Prior Years	
			Prior Year's Expenditure \$'000	Prior Year's Financing \$'000
NEW WORKS and WORKS IN PROGRESS				
ACT Capital Upgrades 2016-17	2,578	2,578	159	0
Total New Works	2,578	2,578	159	0
COMPLETED PROJECTS				
CIT Modernisation	7,425	7,425	1,584	1,418
ACT Capital Upgrades 2015-16	2,515	2,515	547	707
Total Completed Projects	9,940	9,940	2,131	2,125
GRAND TOTAL	12,518	12,518	2,290	2,125



Statement of Capital Works Income and Expenditure – continued

Current Year						Completion Date	
Budgeted Financing \$'000	Revised Financing \$'000	Budgeted Expenditure \$'000	Actual Expenditure \$'000	Total Financing to date \$'000	Total Expenditure to Date \$'000	Original	Revised
970	971	970	901	971	1,060	Jun-17	Jun-17
970	971	970	901	971	1,060		
5,833	5,981	5,833	5,789	7,399	7,373	Jun-17	Jun-17
1,787	1,808	1,787	1,968	2,515	2,515	Jun-16	Jun-16
7,620	7,789	7,620	7,757	9,914	9,888		
8,590	8,760	8,590	8,658	10,855	10,948		



CIT 2016 Capital Works Program Reconciliations

Reconciliation of Total Current Year Financing

Total Current Year Capital Works Financing	8,760
Add: Financing of other Assets (outside capital works)	1,201
Capital Injection from Government per Cash Flow Statement	9,961

Reconciliation of Total Current Year Actual Expenditure – against financing

Total Current Year Capital Works Expenditure	8,658
Add: Current Year Capital Injection committed for expenditure next year	-89
Add: Asset purchases outside of capital works program funded by capital injection	1,201
Add: Previous Year expenditure funded by current year capital injection	191
Capital Injection from Government per Cash Flow Statement	9,961

Reconciliation of Total Current Year Actual Expenditure

Total Current Year Capital Works Expenditure	8,658
Add: Capital Works Expenditure expensed on the operating statement	-145
Add: Asset purchases outside of capital works program	1,201
Purchase of Property Plant and Equipment as per Cash Flow Statement	9,714

For more information:

Chief Operating Officer
(02) 6207 3114

C.4 ASSET MANAGEMENT

CIT manages land and building assets across a land area of 47.25ha, with a total floor area of 141,203 m² and a total value of \$176.622 million.

CIT infrastructure assets are located on four operational campuses:

- > CIT Reid
- > CIT Bruce
- > CIT Woden
- > CIT Fyshwick Trade Skills Centre

Additional assets include:

- > Gungahlin Learning Centre
- > 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 Tuggeranong completed in 2016. 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 34 years.

No new buildings were added to the asset register during 2016. As at 31 December 2016, CIT had only its Watson campus nominated as surplus property.

The CIT vehicle fleet consisted of 26 passenger vehicles in 2016.

Asset Maintenance and Upgrade

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

Minor works undertaken outside the capital works program totalled \$45,000 in 2016. Expenditure on repairs and maintenance including grounds maintenance and cleaning was \$4.7 million. No audits were carried out on CIT properties during 2016.

Asset Utilisation

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

CIT annually compares utilisation rates with similar state and territory educational institutions. The dynamic nature of CIT functions makes it difficult to determine the exact quantum of office space and usage at any one time. Office space utilisation is always close to 100% as it is created or removed, subject to demand.

CIT's 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's target rate of 15m² per employee.

For more information:

Chief Operating Officer
(02) 6207 3114

C.5 GOVERNMENT CONTRACTING

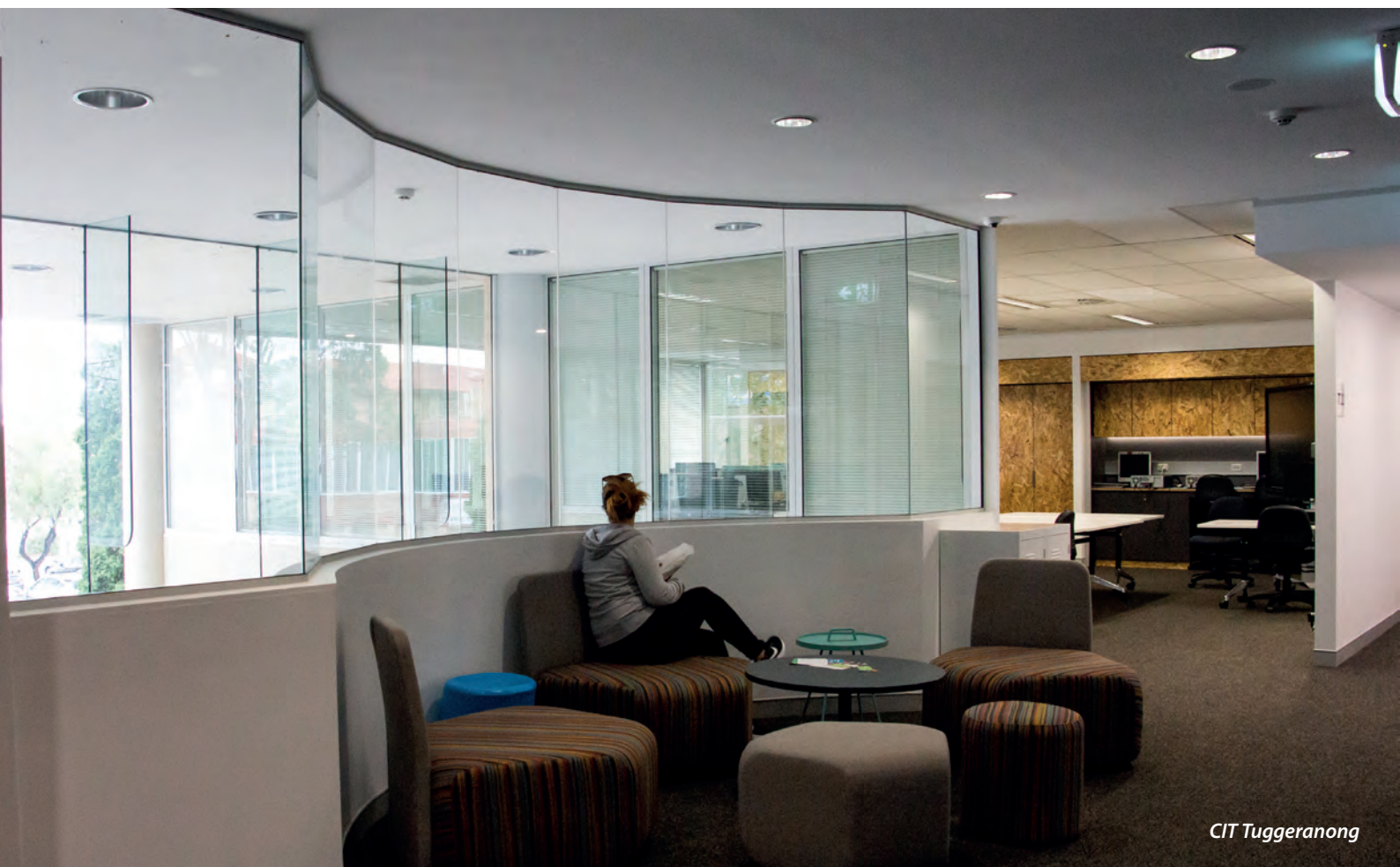
Procurement processes within CIT comply with the procurement legislative framework including the ACT *Government Procurement Act 2001*, *Government Procurement Regulation 2007* and subordinate guidelines and circulars. Under whole-of-government procurement arrangements, Shared Services Procurement continues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

CIT contracted external organisations and individuals to deliver a range of services during 2016 for the following reasons: their specialist skills and services; a lack of suitable in-house resources; and to provide independent review or facilitation.

Details of individual contracts with expenditure of greater than \$25,000 during 2016 are listed below. Expenditure over \$25,000 for external sources of labour and services was incurred in 34 contracts, totalling \$6,768,726.18.

The largest expenditure item was for CIT's document and printing solution (\$1,250,839.76). Other large expenditure items included cleaning at CIT Bruce (\$852,651.57) and CIT Reid (\$675,712.03) and building maintenance and repairs across all sites (\$541,218.47).

The processes used to select and manage consultancy 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 any non-compliance by contractors is followed up by the nominated CIT officer.



CIT Tuggeranong

External sources of labour and services

No	Contractor	Description of services	Amount	Date	Complied with Government Procurement Procedures
1	Air Plant Sales	Building Maintenance and Repairs for all campuses	\$320,924.27	8/02/16	Yes
2	AJ & PA Lowry PTY Limited trading as ACT Trade Waste	Waste Removal Services	\$89,058.51	22/04/15	Yes
3	A-Line Electrical Solutions Pty Ltd	Building Maintenance and Repairs	\$167,506.64	8/02/16	Yes
4	Australian Health and Safety Services	WHS Consultancy for the Australian Apprenticeship Project	\$33,600.00	1/04/16	Yes
5	Beast Solutions Pty Ltd	Development of Arena Submission for Test Lab & Curriculum	\$30,000.00	22/04/16	Yes
6	BRS Commercial Refrigeration Pty Ltd	Panel for the Provision of Maintenance and Repairs of Refrigeration Equipment	\$112,009.90	17/10/14	Yes
7	Canberra Institute of Technology Student Association	CITSA - Asia VET Mobility Program	\$172,000.00	1/01/16	Yes
8	Capital Finance Australia Ltd	Lease for Excavators	\$65,310.52	15/01/16	Yes
9	Complete Control Pty Ltd	Building Maintenance and Repairs for all campuses	\$94,493.00	8/02/16	Yes
10	Custom Service Leasing	CIT Fleet Vehicle Leasing	\$299,724.85	11/02/16	Yes
11	Dalmaso, Adrian D trading as Dalmaso Plumbing Drainage & Gas	Panel for the Provision of Plumbing Maintenance Services	\$174,703.94	7/07/14	Yes
12	Di Iulio Enterprises Pty Ltd & Larobina Investments Pty Ltd trading as DL Earthworks and Plumbing	Panel for the Provision of Plumbing Maintenance Services	\$319,461.18	7/07/14	Yes
13	Electrical Testing Services Pty Ltd	CIT Testing & Tagging	\$47,441.30	6/11/14	Yes
14	Fuji Xerox Australia Pty Ltd	Document Reproduction Equipment and Services	\$1,250,839.76	25/01/08	Yes
15	Hartwigs Trucks	Canter Eco Hybrid Truck	\$52,549.00	19/01/16	Yes
16	Hudson, Catherine trading as Policy Innovation	Consultation fee in relation to the new CIT Board	\$28,000.00	3/02/16	Yes
17	Katmatpat Pty Ltd ACN 117 240 070 as the trustee for The Shipway Trust ABN 49 672 788 998 trading as Vast Security	Maintenance, Alteration and Installation Services on Intruder Alarm Systems, CIT Access Card System and CCTV Systems	\$244,058.95	25/09/14	Yes
18	KEMPPI Australia Pty Ltd	Welding products: FASTMIG M420 R GC PACKAGE X 5	\$32,089.21	18/03/16	Yes
19	Landscape Solutions Maintenance Pty Ltd	Provision of Grass Mowing and Grounds Maintenance Services	\$70,303.23	24/08/15	Yes
20	Lovrencic Family Trust trading as Bishoist Equipment Sales	Hoist and Beam Upgrade CIT Fyshwick	\$48,400.00	25/02/16	Yes

External sources of labour and services – continued

No	Contractor	Description of services	Amount	Date	Complied with Government Procurement Procedures
21	Meltwater Australia Pty Ltd	Media Monitoring	\$25,000.00	1/01/16	Yes
22	National Cleaning Services Australia Pty Ltd	Cleaning Services to CIT Woden	\$115,519.91	24/07/13	Yes
23	National Cleaning Services Australia Pty Ltd	Cleaning Services for CIT Reid (excluding M and K Blocks)	\$675,712.03	17/10/14	Yes
24	National Cleaning Services Australia Pty Ltd	Cleaning Services to Monterey Apartments	\$28,497.61	11/02/15	Yes
25	National Cleaning Services Australia Pty Ltd	Provision of Cleaning Services to CIT Bruce	\$852,651.57	5/04/12	Yes
26	National Cleaning Services Pty Ltd	Cleaning Services K Block, CIT Reid	\$104,674.80	8/01/16	Yes
27	Rallcom PTY. Limited trading as Regional Wholesale Fruit Markets	Fruit and Vegetables	\$85,416.77	15/01/16	Yes
28	Schindler Lifts Australia Pty. Ltd.	Provision of Lift Maintenance Services	\$89,068.38	1/11/14	Yes
29	Security 1 Manpower Pty Ltd	Alarm response services guards and patrol – all campuses	\$132,003.52	3/02/16	Yes
30	Simeco Pty Ltd	Building maintenance and repairs all campuses	\$541,218.47	8/02/16	Yes
31	Sun Studios Australia Pty Ltd	Broncolor Photographic Lighting Equipment	\$155,741.84	16/02/16	Yes
32	The trustee for VNT Services Family Trust trading as VNT Services Pty Ltd	Cleaning Services for CIT Reid K Block, Canberra Institute of Technology	\$89,293.02	18/04/16	Yes
33	Unicard Pty Ltd	ID Card System (Using Mi-Fare Technology)	\$47,954.00	5/10/15	Yes
34	Xact Project Consultants Pty Ltd	Provision of Principal's Authorised Person Services for CIT Tuggeranong	\$73,500.00	26/11/15	Yes

* Additional information available from the ACT Government Contracts Register.

For more information:

Chief Operating Officer
(02) 6207 3114

C.6 STATEMENT OF PERFORMANCE



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

Review opinion

I am providing an **unqualified review opinion** on the statement of performance of the Canberra Institute of Technology for the year ended 31 December 2016.

During the review no matters were identified which indicate that the results of the accountability indicators reported in the statement of performance are not fairly presented in accordance with the *Financial Management Act 1996*.

Basis for the review opinion

The review was conducted in accordance with the Australian Auditing Standards. I have complied with the requirements of the Accounting Professional and Ethical Standards 110 *Code of Ethics for Professional Accountants*.

I believe that sufficient evidence was obtained during the review to provide a basis for the review opinion.

Responsibility for preparing and fairly presenting the statement of performance

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

- preparing and fairly presenting the statement of performance in accordance with the *Financial Management Act 1996* and *Financial Management (Statement of Performance Scrutiny) Guidelines 2016*; and
- determining the internal controls necessary for the preparation and fair presentation of the statement of performance so that the results of accountability indicators and accompanying information are free from material misstatements, whether due to error or fraud.

Responsibility for the review of the statement of performance

Under the *Financial Management Act 1996* and *Financial Management (Statement of Performance Scrutiny) Guidelines 2016*, the Auditor-General is responsible for issuing a report of factual findings on the statement of performance of the Canberra Institute of Technology.

As required by Australian Auditing Standards, the auditors:

- applied professional judgement and maintained scepticism;
- identified and assessed the risks of material misstatements due to error or fraud* and implemented procedures to address these risks so that sufficient evidence was obtained to form a review opinion; and
- reported the scope and timing of the review and any significant deficiencies in reporting practices identified during the review to the Governing Board.

(*The risk of not detecting material misstatements due to fraud is higher than the risk due to error, as fraud may involve collusion, forgery, intentional omissions or misrepresentations or the override of internal controls.)

Limitations on the scope of the review

The review was conducted in accordance with Australian Auditing Standards applicable to review engagements, to provide limited assurance that the results of the accountability indicators reported in the 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 Canberra Institute of Technology, 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.

This review does not provide assurance on the:

- relevance or appropriateness of the accountability indicators reported in the statement of performance or the related performance targets;
- accuracy of explanations provided for variations between actual and targeted performance due to the often subjective nature of such explanations;
- adequacy of controls implemented by the Canberra Institute of Technology; or
- integrity of reviewed statement of performance presented electronically or information hyperlinked to or from the statement of performance. Assurance can only be provided for the printed copy of the reviewed statement of performance.



Dr Maxine Cooper
Auditor-General

23 March 2017

Canberra Institute of Technology
Statement of Performance
For the Year Ended 31 December 2016

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 2016 and also fairly reflects the judgements exercised in preparing it.

A handwritten signature in black ink, appearing to read 'Craig Sloan', is positioned above the printed name and title.

Craig Sloan
Chair
Canberra Institute of Technology Board
20 March 2017

Canberra Institute of Technology
Statement of Performance
For the Year Ended 31 December 2016

Statement by the Acting Chief Operating 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 2016 and also fairly reflects the judgements exercised in preparing it.



Karl Caig
Acting Chief Finance Officer
Canberra Institute of Technology
20 March 2017

Canberra Institute of Technology
Statement of Performance
For the Year Ended 31 December 2016

OUTPUT CLASS 1: CANBERRA INSTITUTE OF TECHNOLOGY (CIT)

Output 1.1: Provision of Vocational Education and Training Services

Accountability Indicators included in CIT's 2015-16 Statement of Intent	Notes	31 December 2016 Original Target	31 December 2016 Actual Result	% Variance from Original Target*
a) Nominal Hours	1	3,367,000	2,837,338	(16)
b) Achieve key output targets.				
i) Program Enrolments	1	13,800	10,910	(21)
ii) Module Pass Rates	2	75%	80%	7
iii) Program Completions	1	5,700	5,193	(9)
iv) Learner Satisfaction Rate	3	85%	92%	8
v) Employer Satisfaction Rate	3	80%	85%	6
c) Average Government Payment per Nominal Hour	1	\$20.76	\$24.65	19

Accountability Indicators included in the CIT's 2015-16 Budget	Notes	30 June 2016 Original Target	30 June 2016 Actual Result	% Variance from Original Target*
a) Nominal Hours		3,434,000	2,960,573	(14)
b) Achieve key output targets.				
i) Program Enrolments	1	14,800	11,234	(24)
ii) Module Pass Rates	2	75%	81%	8
iii) Program Completions	2	6,200	6,556	6
iv) Learner Satisfaction Rate	3	85%	92%	8
v) Employer Satisfaction Rate	3	80%	85%	6
c) Average Government Payment per Nominal Hour	1	\$20.14	\$23.36	16

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

* Variance from Target

The percentage variance is calculated by subtracting the target from the outcome and dividing this difference by the target.

The above Accountability Indicators were examined by the ACT Audit Office in accordance with the Financial Management Act 1996. The Total Cost and Payment for Expenses on Behalf of the Territory measures were not examined by the ACT Audit Office in accordance with the Financial Management (Statement of Performance Scrutiny) Guidelines 2016.

Canberra Institute of Technology
Statement of Performance
For the Year Ended 31 December 2016

Notes – Explanation of Material Variances

- 1 Nominal Hours and Program Enrolments at 30 June and 31 December 2016 and Program Completions at 31 December 2016 were lower than target due to several factors. There has been an increase in competition for students from low-cost providers taking advantage of the Commonwealth's VET FEE HELP deferred payment program, which combined with the introduction of the ACT Skilled Capital program resulted in a diversion of students who would normally enrol under the Profile scheme. Government Payment per Nominal Hour was greater than budget due to lower than budgeted Nominal Hours resulting from the previously mentioned factors above.
- 2 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 2016 Learner Engagement Survey results.
- 3 The 2016 surveys of learner engagement and employer satisfaction showed overall levels of satisfaction with the training of 92 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.

Explanation of Accountability Indicators

- 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 CIT 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 completing program enrolment requirements in accordance with the national Australian Vocational Education and Training Management Information Statistical Standard (AVETMISS).
 - ii. The proportion of successful module (subject) outcomes compared to module enrolments weighted by Nominal Hours in accordance with the national AVETMIS Standard.
 - iii. The number of student records where program completion requirements have been met in accordance with the AVETMIS Standard for students completing study in the previous academic year(s). This measure does not include completions for non-accredited training such as Adult Community Education (ACE) programs.
 - iv. 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 Satisfaction". [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 studying 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 under CIT's training profile. Noting that 'Profile' relates to training activities that are funded by ACT Government appropriation for the provision of public access vocational education and training.

For more information:

Chief Operating Officer
(02) 6207 3114



**PART D: NOTICES OF
NON COMPLIANCE**

D.1 DANGEROUS SUBSTANCES

Section 200 of the *Dangerous Substances Act 2004* requires CIT 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 2016.

For more information:

Chief Operating Officer
(02) 6207 3114

D.2 MEDICINES, POISONS AND THERAPEUTIC GOODS

Section 177 of the *Medicines, Poisons and Therapeutic Goods Act 2008* requires CIT 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 2016.

For more information:

Chief Operating Officer
(02) 6207 3114

E - L

These sections listed in the Annual Report Directions are not applicable to the Canberra Institute of Technology and so are not in this report.



M COMMUNITY ENGAGEMENT AND SUPPORT

CIT works consistently to forge productive relationships with industry and community organisations within the ACT community and nationally to provide work-based training opportunities for CIT students, ensure its vocational training services remain relevant to Australia's workforce demands and to meet local training demands.

In 2016, CIT continued to nurture more than 100 existing partnerships built over decades and explored new collaborative opportunities with stakeholders in education, industry and the community. CIT staff networked with training and industry associations at local, regional, state and national levels, including WorldSkills Australia, the Australian Institute of Project Management ACT Chapter, Capital Metro, Continental Wind Partners Renewables, Australian Border Force, Abode Hotels, Master Plumbers Association, the National Electrical and Communications Association and Northside Community Services.

CIT is fortunate to have several community partners willing to provide prizes for graduates at its annual Celebration of Graduation, including the Rotary Club, Freemasons, and UC. CIT has developed important partnerships with ACT-based universities UC, ANU, ACU and CSU to offer its students programs and pathways to further training at undergraduate and postgraduate levels. The level of external support for CIT students demonstrates a high regard for CIT's services.

CIT also awarded various scholarships throughout the year to encourage its students.

The extent and variety of in-kind contributions CIT staff and students made to the ACT community in 2016 clearly shows the integral, active role they play within the ACT community.

CIT staff and student in-kind support to the ACT community in 2016:

- > CIT Communications, Media and Music students provided live streaming from Government House on behalf of Governor General for the 2016 Australia Day Honours ceremonies.
- > CIT Communications, Media and Music students supported a ABC666 simulcast Comedy Happy Hour.
- > CIT Music Industry Centre hosted the National Eisteddfod.
- > CIT hosted and supported the 2016 ACT Music Educator's Network Conference.
- > CIT Music Industry Centre hosted the National Campus Band Competition.
- > CIT Communications, Media and Music students supported the Canberra Writers Festival with audio, video and social media.
- > CIT Music Industry Centre hosted the ACT School Stars – ACT Schools Competition 2016.
- > CIT fashion, photography, Hair & Beauty, media, interior design students and staff and CITSA supported 2016 FASHFEST.
- > The CIT Year 12 Program partnered with community groups and ETD to provide the *Supported Delivery of the ACT Senior Secondary Certificate* to vulnerable young people at risk of not completing secondary education. In addition to delivering BSSS courses, CIT teachers and student advisers provided outreach, academic support, pathway planning and pastoral care in partnership with teachers, youth/social workers and transition officers including: YWCA Lanyon; Murrumbidgee Education and Training Centre at Bimberi Youth Justice Centre; The Cottage at Calvary Hospital; The Hospital School; Belconnen Community Services; ACT Education and Training Directorate Engagement Team; and Ted Noffs.
- > CIT Culinary Department partnered with Clubs ACT on the 2016 Chefs 'On Show' event.
- > CIT Culinary students and teachers supported the 2016 Stella Bella Little Stars Foundation Charity Ball held in October again.
- > The CIT Culinary Department, industry partners and associations supported three regional apprentice competitions.
- > Staff and students of the CIT Construction Department collaborated with WorkSafe to produce safety videos.
- > CIT Access Education Department staff supported ACT secondary schools and colleges to run 'maths for trades' workshops.

- > CIT Student Services Flexible Learning Option delivered training in hairdressing units to 14 ACT School students in years 9 and 10.

Industry and community sector partnerships

In 2016, CIT nurtured over 100 existing partnerships and explored new collaborative opportunities with stakeholders in education, industry and the community. As well, CIT staff networked with industry associations at local, regional, state and national levels and developed beneficial and strategic partnerships for skills development with the following organisations:

Riverview Group and Belconnen Community Services (BCS): In a first for the ACT, CIT partnered with a residential developer (Riverview Group) and local employer BCS to deliver an accredited training program with industry work placements and employment pathways. The Childcare Pre-Employment Program was designed to meet BCS's demand for skilled childcare workers by delivering the Certificate III in Early Childhood Education and Care [CHC30113] to Belconnen residents disconnected from the labour market. The program's success will see the partnership collaborating in 2017 to deliver a further early childhood program and potentially replicate it to meet a similar demand for trained workers from ACT disability service providers.

Neoen Hornsdale Windfarm. The CIT Renewable Energy Skills Centre of Excellence partnership with Neoen Hornsdale Windfarm saw the firm commit to contributing \$250,000 a year to student scholarships. The centre aims to keep abreast of renewable energy developments across the region and identify and respond to training requirements. The arrangement is underpinned by an ACT Government commitment to support large-scale renewable energy generation to meet its 2020 renewable energy target.

Australian Border Force (ABF): CIT has developed a niche training program at the request of the ABF in consultation with CIT electrotechnology staff.

Capital Metro: CIT Student Services Flexible Learning Options partnered with the ACT Education Directorate and Capital Metro to deliver units of competency from its Spatial Information Services Training Package to ACT School students to map the Canberra light rail project site.

MIEACT (Mental Illness Education ACT): CIT partnered with MIEACT to enhance mental health programs in the ACT. As part of the partnership agreement, MIEACT:

- > delivered a post-traumatic stress disorder (PTSD) program at CIT;
- > trained CIT staff to co-facilitate the PTSD program; and
- > provided a 'train the trainer' option to CIT, providing material for CIT to provide ongoing training to students.

Northside Community Services: The ConnXtions Program includes an Early Childhood Education Program run by Northside Community Services for parents to engage in education and access pathways to support positive outcomes in employment and social inclusion. It specifically provides access and opportunity for disadvantaged and disengaged members of the Aboriginal and Torres Strait Islander community. The program provides the necessary wrap-around support for students furthering their education and employment opportunities at the CIT Yurauna Centre.

Calvary Refugee Mentoring Program – Five CIT Skills for Education and Employment students participated in the program designed to give people from a refugee background an opportunity to gain experience of an Australian workplace.

Community service organisations: CIT supports Multicultural Youth Services ACT, Max Employment, North Side Community Services and Canberra College Cares (CCCares) with training delivery for community projects.

CIT, community and industry to support for CIT students in 2016

No	Recipient(s)	Sponsor	Support Purpose
1	1 recipient	Rotary Club of Hall \$5,000 Scholarship	The Rotary of Hall Scholarship is an outcome of an MOU between Rotary Hall and CIT. CIT Culinary facilitates 12 cookery demonstrations at the Capital Regional Farmers Markets annually, providing additional learning opportunities for apprentices and promoting the paddock-to-plate philosophy that informs the markets and Rotary Hall's management. The \$5000 scholarship assisted an outstanding culinary apprentice to enhance their professional skills and knowledge in an appropriate international establishment. The scholarship supports international work experience including flights, accommodation, dining experience and spending money.
2	1 recipient	Rotary Club of Hall \$3,000 Scholarship	The Rotary of Hall Scholarship is an outcome of an MOU between Rotary Hall & CIT. The \$3000 scholarship assisted an outstanding culinary apprentice to enhance their professional skills and knowledge through work experience in an appropriate venue. The scholarship supported national work experience, including flights, accommodation, dining experience and spending money.
3	1 recipient	Rotary Club of Hall \$2,000 Scholarship	The Rotary of Hall Scholarship is an outcome of an MOU between Rotary Hall and CIT. The \$2000 scholarship assisted an outstanding culinary apprentice to enhance their professional skills and knowledge through work experience in an appropriate venue. The scholarship supported national work experience, including flights, accommodation, dining experience and spending money.
4	1 recipient	Rotary Club of Canberra Prizes \$500	The prizes valued at \$250 each were awarded to one male student and one female student that had completed a trade program and demonstrated a high standard of craftsmanship and personal conduct, and were recognised by their peers as having constantly displayed concern for others.
5	1 recipient	Rotary Club of Canberra – Weston Creek Prize \$300	This prize was awarded to a CIT graduate that made a valuable contribution to the community during and related to their studies.
6	2 recipients	University of Canberra Prizes \$400	The first prize recognised the most outstanding result in an Associate Diploma, Diploma or Advanced Diploma program, which articulates with a University of Canberra course. The second prize recognised the student who achieved an ACT Year 12 Certificate with either a mature entry pathway or a tertiary rank that qualified them for entry to the University of Canberra; and managed personal challenges so that they participated actively and positively in their Year 12 program at CIT. The prizes were book vouchers valued at \$200 each.
7	1 recipient	Yass Lodge of Concord No. 27 (Freemasons) Prize \$250	The prize was awarded to the CIT Pathways College graduate that showed the greatest improvement in the study of English as a Second Language.
8	3 recipients	CRS Refugee Day \$1,000 Scholarships	The scholarships were awarded to asylum seekers or refugees that studied or sought to enrol in the Skills for Education and Employment program.
9	1 recipient	Visit Canberra 'China Now' \$5,000 funding	The China Now program supported ACT businesses to better understand and engage with the Chinese tourism market by participating in CIT Business, Tourism and Accounting training.

CIT, community and industry to support for CIT students in 2016 – continued

No	Recipient(s)	Sponsor	Support Purpose
10	8 recipients	Australian Government Endeavour Mobility Grants	The grants supported eight fashion students to travel to Cambodia and Laos to work with rural women. Students helped to teach the women sewing skills to create traditional wedding dresses to help create micro-businesses.
11	10 recipients	Australian Government Endeavour Mobility Grants	The grants supported 10 horticulture students to visit Christchurch, NZ, to learn about the impact on the landscape from an earthquake.
12	10 recipients	Australian Government Endeavour Mobility Grants	The grants supported 10 culinary students to study in New Zealand.
13	10 recipients	Australian Government Endeavour Mobility Grants	The grants supported 10 creative industries and Indigenous arts photography students to travel to Indonesia.
14	10 recipients	Australian Government Endeavour Mobility Grants	The grants supported 10 tourism students to study in Vietnam.
15	8 recipients	Australian Government Endeavour Mobility Grants	The grants supported eight culinary students to study in Vietnam.
16	5 recipients	Australian Government Endeavour Mobility Grants	The grants supported five veterinarian students to study in Thailand.
17	5 recipients	Australian Government Endeavour Mobility Grants	The grants supported five building and construction students to study in Thailand.
18	9 recipients	Australian Government Endeavour Mobility Grants	The grants supported nine international hotel and resort management students to travel to Dubai.
19	20 recipients	Australian Government Endeavour Mobility Grants	The grants supported 10 creative industries students and 10 hairdressing students to travel to China for study.
20	7 recipients	Australian Government Endeavour Mobility Grants	The grants supported CIT veterinary nursing students to volunteer at the Wildlife Friends Foundation in Thailand.
21	2 recipients	NAIDOC Awards \$1000	CIT Yurauna Centre Students Sponsorship of \$500 each were awarded to two outstanding students.
22	119 CIT Indigenous Students	CIT Indigenous Student Scholarships, total value \$56,919	CIT Sponsorships for Indigenous students in 2016.
23	1 recipient	CIT/University of Canberra Equity Scholarship \$2,500	UC offers two scholarships valued annually at \$2,500 each jointly funded by the University of Canberra and CIT. In 2016, only one scholarship was awarded.
24	1 recipient	UN Information Centre	The UNIC annual award provided a CIT photography student and internship with UN Women in Fiji.
25	1 recipient	CIT Business, Tourism and Accounting \$500 Study Voucher	The voucher was provided to a Hawker College student for one semester's tuition fees towards a full qualification at CIT Business, Tourism and Accounting in 2017.
26	1 recipient	CIT Golden Screen Award \$500	The CIT Golden Screen Award 2016 recognised outstanding achievement. The scholarship supported CIT Communication, Media and Music Department student study costs.

For more information:

Executive Director, CIT People and Organisational Governance

(02) 6207 3133

N.1 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 its Emergency Procedures (all campuses) document.

For more information:

Chief Operating Officer
(02) 6207 3114

N.2 FREEDOM OF INFORMATION

The object of the *Freedom of Information Act 1989* 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.

CIT information is included in the Justice and Community Services Directorate Annual Report 2015-16.

For more information:

Chief Operating Officer
(02) 6207 3114

N.3 HUMAN RIGHTS

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 information is included in the Justice and Community Services Directorate Annual Report 2015-16.

For more information:

Chief Operating Officer

(02) 6207 3114

N.4 LEGAL SERVICES DIRECTIONS

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.

CIT information is included in the Justice and Community Services Directorate Annual Report 2015-16.

For more information:

Chief Operating Officer

(02) 6207 3114

O.1 CULTURE AND BEHAVIOUR

CIT makes expectations of behaviour clear through the CIT Code of Practice, which aligns with the ACTPS Code of Conduct. CIT's Code of Practice was developed in consultation with staff and establishes clear guidelines on the standards of behaviour and professional practice. All CIT employees are expected to read the Code of Practice and act in accordance with its provisions.

Since 2012, all CIT employees have been required to complete training annually through "Working Together at CIT", an online training product. This includes a unit on *Workplace Culture at CIT*, which describes how we work with each other according to the values of respect, integrity, collaboration and innovation, and the associated signature behaviours. Also included are units on *Workplace Bullying, Harassment & Discrimination Awareness & Prevention*.

In late 2016, CIT established a Culture Working Group which identified seven cultural traits required to meet the aspirations of the Strategic Compass 2020. These are: customer centric; professionalism; collaborative; trusted; adaptable; accountable; and inspirational. The traits further articulate the ACT Government values of respect, integrity, collaboration and innovation. In 2017, work will continue to embed the new cultural traits into all our operations.

CIT has implemented the same annual employee engagement survey from 2010 to 2015. In 2015, CIT's highest score was for the driver *core values and behaviour*, which was significantly above best practice levels (ie 84 with best practice being 75).

CIT will implement a new staff survey in 2017 to obtain a baseline measurement of its culture as aligned to the new cultural traits.

RED Framework

CIT is committed to the RED (respect, equity and diversity) framework, and having a positive and fair work environment in which employee differences are respected and valued. In 2016, CIT had 11 RED contact officers across the four major campuses. CIT provided training for these officers in August 2015 and will be delivering refresher training in 2017. In 2012, CIT made a commitment to mandatory training for all staff in the prevention of bullying. Since that time we have seen significant improvements in our staff survey results in relation to values and behaviour and a corresponding decrease in the number of serious concerns raised. In 2016, no misconduct proceedings were initiated under the Enterprise Agreement in relation to allegations of bullying.

Reconciliation Action Plan

CIT launched its second Reconciliation Action Plan, endorsed by Reconciliation Australia, in October 2016. This is a stretch RAP that includes the following focus areas.

- > **Relationships** – Increase and embed awareness across the whole organisation.
- > **Respect** – Empowering and encouraging Aboriginal and Torres Strait Islander peoples and community members to engage with CIT to achieve individual and personal goals through education and training.
- > **Opportunities** – Develop new and effective partnerships and approaches whilst ensuring opportunities for current Indigenous staff through professional development and career progression.

For more information:

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

O.2 PUBLIC INTEREST DISCLOSURE

The object of *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; and
- > 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.

The CIT Public Interest Disclosure 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 2016.

For more information:

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



O.3 WORKFORCE PROFILE

Attraction and Retention Incentives (ARIns)

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

The following tables outline ARIns in place during 2016.

Description	No. of Individual ARIns
Number of ARIns at 31 December 2016	8
Number of employees who transferred from SEAs during the period	0
Number of ARIns entered into during period	7
Number of ARIns terminated during period	0
Number of ARIns providing for privately plated vehicles as at 30 June 2016	0

	Classification Range	Remuneration as at 31 December 2016
Individual ARIns	SOG A	\$148,029–\$165,854
	SPO C	\$107,142
	PO 2	\$90,606
	TL 1	\$92,602

Staffing Profile

The following data reflects CIT staff information as at payday 1 December 2016 and was provided by Shared Services. The statistics exclude board members, staff not paid by the ACT Public Service and people on leave without pay.

The number of staff paid decreased from 908 (at 3 December 2015) to 859.

FTE and headcount by Division

College/Division	FTE	Headcount
CIT Brand & Business Development	16.8	17
CIT Business, Tourism & Accounting	50.5	77
CIT Corporate Services	80.6	84
CIT Executive	2.0	2
CIT Health, Community & Science	122.5	171
CIT Pathways College	44.0	59
CIT People & Organisational Governance	33.3	35
CIT Student & Academic Services	115.2	125
CIT Technology & Design	114.1	156
CIT Trade Skills & Vocational Learning	117.1	133
Total	696.1	859

FTE and headcount by gender

	Female	Male	Total
Full Time Equivalent	422.1	274.0	696.1
Headcount	530	329	859
Percentage of workforce (based on headcount)	61.7%	38.3%	100%

Headcount by classification and gender

Classification Groups	Female	Male	Total
Administrative Officers	162	48	211
Executive Officers	3	1	4
General Service Officers & Equivalent	9	20	29
Professional Officers	16	5	21
Senior Officers	28	14	42
Technical Officers	8	18	26
VET Teacher Managers	30	11	41
VET Teachers	274	211	485
Total	530	329	859

Headcount by employment category and gender

Employment category	Female	Male	Total
Casual	123	73	196
Permanent Full-time	236	164	400
Permanent Part-time	52	14	66
Temporary Full-time	80	64	144
Temporary Part-time	39	14	53
Total	530	329	859

Headcount by diversity group

	Headcount	Percentage of CIT workforce
Aboriginal and Torres Strait Islander	17	2.0%
Culturally and Linguistically Diverse	137	15.9%
People with disability	23	2.7%

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

Headcount by age group and gender

	Female	Male	Total
Under 25	19	12	31
25-34	80	41	121
35-44	132	69	201
45-54	179	97	276
55 and over	120	110	230
Total	530	329	859

Average length of service by gender (headcount)

	Female	Male	Total
Average years of service	8.4	9.4	8.8

The following data reflects CIT permanent staff turnover for the 2016 calendar year.

Recruitment and separation rates by division

	Recruitment Rate	Separation Rate
CIT Brand & Business Development	7.6%	0.0%
CIT Business, Tourism & Accounting	3.5%	7.0%
CIT Corporate Services	1.6%	4.8%
CIT Executive	0.0%	0.0%
CIT Health, Community & Science	1.6%	10.9%
CIT Pathways College	3.3%	16.4%
CIT People & Organisational Governance	11.7%	11.7%
CIT Student & Academic Services	4.1%	7.2%
CIT Technology & Design	4.9%	2.5%
CIT Trade Skills & Vocational Learning	0.0%	4.8%
Total	3.4%	6.8%

Recruitment and separation rates by classification

	Recruitment Rate	Separation Rate
Administrative Officers	3.9%	7.1%
General Service Officers & Equivalent	0.0%	0.0%
Professional Officers	7.3%	0.0%
Senior Officers	2.6%	2.6%
Technical Officers	4.9%	4.9%
Trainees and Apprentices	0.0%	0.0%
VET Teacher Managers	0.0%	9.8%
VET Teachers	3.7%	8.0%
Total	3.4%	6.8%

For more information:

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

P TERRITORY RECORDS ACT

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 has rolled out its electronic document and records management system (EDRMS) to the majority of staff and is capturing all corporate records in the HP RM 8 system.

For more information:

Chief Operating Officer
(02) 6207 3114

ACRONYMS AND ABBREVIATIONS

ACER	Australian Council for Educational Research	HR	human resources
ACT	Australian Capital Territory	HSR	health safety representative
ACTPS	ACT Public Service	ICT	information and communication technology
ACU	Australian Catholic University	LES	Learner engagement survey on learner satisfaction
ASNZS	Australian Standard/ New Zealand Standard	MIEACT	Mental Illness Education ACT
ANU	Australian National University	MOOC	massive open online course
AQF	Australian Qualifications Framework	NH	nominal hour
ARIn	Attraction and Retention Initiatives	NCVER	National Centre for Vocational Education Research
ASBA	Australian School-based Apprenticeship	NDIS	National Disability Insurance Scheme
ASQA	Australian Skills Quality Authority	QI	quality indicator, refer also to LES and ESS
AVETMISS	Australian Vocational Education and Training Management Information Statistical Standard	PSS	Public Sector Superannuation Scheme
CCCares	Canberra College Cares	PSSAP	Public Sector Superannuation Scheme Accumulation Plan
CIT	Canberra Institute of Technology	RAP	Reconciliation Action Plan
CITSA	CIT Student Association	RED	Respect, equity and diversity
CSU	Charles Sturt University	RMP	records management program
CWP	Continental Wind Partners Renewables	RTO	registered training organisation
EDRMS	electronic document and records management system	TAFE	technical and further education
EAP	Employee Assistance Program	TEQSA	Tertiary Education Quality and Standards Agency
ESS	Employer Satisfaction Survey on employer satisfaction	UC	University of Canberra
ETD	Education and Training Directorate (ACT Government)	USI	unique student identifier
FMA	Financial Management Act 1996	VET	vocational education and training
FTE	full-time equivalent	WHS	workplace health and safety

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