

18-429 - Canberra Institute of Technology Governance Amendment Bill 2018

Summary of Impacts	
	<ul style="list-style-type: none"> The ACT Government response to the <i>Review of Governance Arrangements of the Canberra Institute of Technology</i> (The Report) and subsequent <i>Canberra Institute of Technology Amendment Bill 2018</i> will enable the Canberra Institute of Technology (CIT) to continue to build on its strong brand and reputation as well as support improved employment opportunities and provide better access to services, skills and education, investment and economic growth, competition and small business. The TBL focuses on the changes to governance arrangements only, in particular the recommended changes to the CIT Board. There are minimal risks associated with these changes and any perceived sensitivities have been mitigated through continued consultation with affected parties, as well as through a number of mechanisms that can support the operation of the board, including sub-committees and the Board appointment processes. Amending the <i>Canberra Institute of Technology Act 1987</i> will further clarify the intent of the CIT Board Membership, improve the Board's adaptiveness and ability to meet its commercial focus, as well as allow it to develop stronger relationships with key stakeholders. It will also ensure members have the relevant skills to oversee the implementation of CIT's Strategic Compass 2020.

Key to impacts: Red – negative, Blue - neutral and Green - positive.

Social

Access to services	<ul style="list-style-type: none"> CIT services our community as the ACT's largest public training provider, training around 20,000 students each year.
---------------------------	--

Economic

ACT Government Budget	<ul style="list-style-type: none"> New Board appointments commencing 1 July 2018 increased the Board from 9 to 11 members (the maximum number under current legislation). CIT has met the preliminary increase in costs within existing budget allocations. The proposed changes will retain the Board membership at 11 with funding allocation to 7 members, comprising Chair, Deputy Chair and 5 other remunerated members (CEO CIT and staff member representative are non-remunerated members). Consideration will be given across Government to exploring revised funding arrangements for CIT, however any approach would have a cost neutral impact. Discussions may include establishing a new contemporary funding arrangement that better reflects CIT operations.
Productivity	<ul style="list-style-type: none"> Amending the composition of the Governing Board will support CIT to deliver on its strategic vision outlined in the <i>CIT Strategic Compass 2020</i> and promote innovation in the ACT's sole public training provider, by allowing it to be more flexible and responsive in training delivery. Greater innovation will lead to greater numbers of students undertaking training in areas of greatest demand in the ACT, which will directly influence the productivity of the ACT workforce.
Investment	<ul style="list-style-type: none"> The ACT Government is committed to providing at least 70 per cent of the total ACT vocational education and training (VET) Budget to CIT, therefore there is no anticipated change to the level of public investment. Amending the composition of the Governing Board will however enable CIT to be more agile and respond more effectively to increasingly competitive and rapidly changing circumstances in the VET and higher education market which will have a flow on effect to the level of private investment in the ACT economy.
Competition	<ul style="list-style-type: none"> As the only public provider of VET in the ACT the CIT Board operates within an increasingly competitive and commercial VET environment and is faced with the possibility of, and challenges brought by, a contestable or semi-contestable funding arrangement, whilst still delivering programs of public good. The proposed changes will support CIT in being better equipped to address these challenges and respond more efficiently to market-led opportunities.

Environmental

Nil impact