

LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

**REVIEW OF
AUDITOR-GENERAL'S REPORT
NUMBER 3, 1995**

*Canberra Institute of Technology
- Comparative Teaching Costs and Effectiveness*

STANDING COMMITTEE ON PUBLIC ACCOUNTS
Report Number 5

October 1995

RESOLUTION OF APPOINTMENT

The Standing Committee on Public Accounts was appointed by the Legislative Assembly on 9 March 1995 with the following terms of reference:

- (a) examine:
 - (i) the accounts of the receipts and expenditure of the Australian Capital Territory;
 - (ii) the financial affairs of authorities of the Australian Capital Territory; and
 - (iii) all reports of the Auditor-General which have been laid before the Assembly;
- (b) report to the Assembly, with such comments as it thinks fit, any items or matters in those accounts, statements and reports, or any circumstances connected with them, to which the Committee is of the opinion that the attention of the Assembly should be directed;
- (c) inquire into any question in connection with the public accounts which is referred to it by the Assembly and to report to the Assembly on that question; and
- (d) inquire into and report on the implementation of the *Public Sector Management Act 1994* with particular reference to:
 - (i) the public interest; and
 - (ii) any other related matter.

MEMBERSHIP OF THE COMMITTEE

Ms Rosemary Follett MLA (Committee Chair)

Mr Trevor Kaine MLA (Deputy Committee Chair)

Ms Lucy Horodny MLA

Secretary: Bill Symington

1. INTRODUCTION

Background

1.1 Auditor-General's Report No 3, 1995 was presented to the Assembly on 22 June 1995.

1.2 The objective of the audit was to compare the costs of providing teaching services in the Canberra Institute of Technology (CIT) with TAFE institutes in other States in order to form an opinion as to whether CIT's education delivery teaching activities, operations and resources have been efficiently and economically managed. The audit also assessed whether the CIT was providing an effective vocational education and training system in the ACT.

Approach to the Inquiry

1.3 The Committee sought comment from the Minister for Education and Training on the audit report. The Minister advised that the report would be considered by the CIT Advisory Council (CITAC) at its August meeting and that he awaited both the Council's and the CIT Director's comments. The Minister provided a substantive response in late September 1995.

2. AUDIT SCOPE AND CONCLUSIONS

2.1 The audit included TAFE institutes from NSW, WA and Tasmania in the study, these being selected as comparable to the CIT in the range of courses provided, the extent of decentralisation of campuses, and the communities served by the institutes. On this basis, the audit concluded that CIT:

- was less efficient than the NSW institute but more efficient than the WA and Tasmanian institutes
- was generally as economic as the NSW institute, but less economic than the Tasmanian and WA institutes.
- had higher costs per student contact hour than the NSW institute because it generally has the same cost structure as the NSW institute but smaller average class sizes.
- was similar to the WA and Tasmanian institutes in terms of size and location, but had a higher cost structure.
- could save about \$1m by increasing class sizes (without increasing the number of students enrolled in CIT) or by reducing the payment of part-time staff to the levels paid in other States.
- is generally an effective institution which is performing well in meeting the needs of its clients.

Audit Findings

2.2 The audit found that:

- the overall performance of CIT is good with an increasing proportion of students completing subjects and with attrition rates falling
- students were generally satisfied with the services provided by CIT
- CIT is generally effective in serving the needs of industry in the ACT
- CIT has been effective in implementing national priorities
- CIT has sound procedures in place for quality assurance
- CIT has been proactive and effective in promoting access by disadvantaged groups

2.3 However, overall and in particular areas, the audit noted that the level of satisfaction was the lowest for all the TAFEs in Australia.¹

3. AUDIT PROPOSALS FOR FUTURE ACTION

3.1 The audit proposed that CIT should:

- review the level of payment to part-time staff more into line with the level of payment in equivalent TAFEs
- assess the introduction of non-teaching staff to assist or replace teachers as demonstrators and technical assistants in practical sessions
- review the policy for levels of minimum and maximum class sizes to ensure best use of teachers
- introduce efficiency and economy performance indicators for schools based on the ratios used in the analyses in the audit report
- encourage flexible methods of delivery where appropriate
- review the quality and range of student services in the light of the changing composition and expectations of students highlighted in the audit report
- consider the feasibility and desirability of directly assessing learning outcomes by measurement of the number and proportion of competencies achieved by students

¹ Audit report p7

- review and strengthen its teacher performance measures and professional development strategies;
- consider the extension of existing and the establishment of new partnerships arrangements with industry
- develop comprehensive annual reporting
- review the strategy for providing access for disadvantaged groups²

4. COMMITTEE COMMENT

4.1 The Minister for Education and Training responded to the committee's request for comment on the audit report by advising that the CIT had participated proactively in the audit and particularly in helping with both the methodological problems and the compromises necessary to establish reasonable equivalence of data.

4.2 The Minister advised that notwithstanding some reservations in these areas, CIT believes there is sufficient validity in the outcomes and conclusions to indicate that it should quicken its pursuit of improvements in performance.³

4.3 The Minister further advised that an Action Plan has been formulated to drive a coordinated response to the audit report, drawing on advice from the CITAC. Regular reporting on progress has been built in to the Action Plan and a comprehensive report on progress would be received by the Minister in early 1996.⁴

4.4 The committee was advised⁵ that the main thrust of the CIT response to the audit can be categorised as:

(i) Reduction of cost structures

Although CIT considers the evidence on its costs are somewhat equivocal, it accepts that it should pursue greater efficiency and thus reduce costs, both overall and for delivery. The committee was advised that CIT will develop a three year program to reduce costs across most functions, with specified targets and concerted actions, to be initiated in the 1996 CIT budget strategy.

(ii) CIT/Industry Relationship

CIT claims that it has worked to provide mechanisms for both consultation and improved services to industry but that this is still an area requiring further

² ibidpp10,11

³ Minister for Education and Training, letter dated 21 September 1995 to the committee

⁴ ibid

⁵ ibid

work. The committee was advised that CIT will:

- establish a regular survey of industry and community satisfaction, as a means to identifying issues and possible actions
- review and revise in consultation with CITAC the mechanisms for identification of industry persons on various curriculum and faculty advisory committees
- consider improving the involvement of ACT industry in specific areas such as practice firms and CIT international activities.

(iii) Enhancement of Student Services

CIT will collaborate with the CIT Student Association (CITSA) in developing a joint program for improving student services drawing on the CITSA Student Opinion Survey 1994 that is evolving into an authoritative assessment of their respective performances.

The committee was advised that, in addition, CIT is planning to actively pursue development of a client focus culture within the Institute, focussing substantially on students and as part of the broader ACTGS project. This emphasis will be reflected in the new Learning and Student Services Unit, which is being established as a consequence of the (CIT) top structure review

(iv) Enhancement of Teaching Quality

CIT's recently appointed Deputy Director (Academic) will be developing a program of action to enhance the quality of teaching and learning in CIT. The committee was advised that this will include an examination of the balance between self-directed but guided learning as against traditional classroom teaching. In addition, CIT will also pursue the development of processes to identify indicators of teaching/learning performance consistent with the Institute's strategic and business plans.

4.5 The Minister advised⁶ that overall efficiency aspects mentioned in the Audit report have been incorporated in the CIT internal budget strategy for 1996 and form part of its overall budget strategy for the next three year period. The Minister advised there are further opportunities to reduce costs and improve effectiveness now that CIT has been given the power to negotiate enterprise bargaining agreements with unions representing all of its staff.

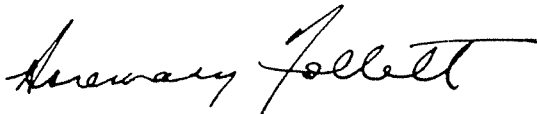
4.6 The Minister further advised that implementation of a range of changes covering various matters raised by the audit will proceed progressively over the next three years starting in 1996.

⁶ *ibid*

5. CONCLUSION AND RECOMMENDATION

5.1 The committee notes the positive response to the audit by the CIT and the CITAC and welcomes the actions already underway or planned to be undertaken by CIT either as a result of its participation with the audit or in response to its findings.

5.2 **The committee recommends that the Government monitor progress with the CIT response to the audit and inform the Assembly on outcomes within 12 months.**



Rosemary Follett MLA
Chair

