



Inquiry into Appropriation Bill 2026–2027 and Appropriation (Office of the Legislative Assembly) Bill 2026–2027

Answer to question on notice

Asked by: Mr Thomas Emerson MLA

Addressed to: CIT

Redirected to:

Reference: 2026-27 Budget Estimates

Hearing: 23 July 2026

In relation to: Course costs and expenditure

Question received: 28/07/2026

Answer Due: 07/08/2026

1. What are CIT's key cost drivers for training delivery, and how are these reflected in its activity-based costing model?
2. How is CIT's annual government appropriation allocated between:
 1. Teaching delivery
 2. Student support
 3. Corporate services
 4. Executive functions
 5. External consultancy expenditure
3. What is CIT's current average cost per annual hour of training delivery?
4. How does CIT's cost per annual hour compare with other Australian TAFE providers?
5. Why have direct delivery costs for qualifications such as Diploma of Remedial Massage been passed directly to students through substantial fee increases, rather than being subsidised?
6. Why are CIT's costs increasing while educator numbers and student-facing resources are under pressure?
7. What action is the CIT Board taking to restore confidence in leadership and governance?
8. How does CIT determine which courses will be subsidised?

9. Why have courses not been subsidised despite the correlating professions featuring on the ACT Skills Needs List?

Mr Rogers: The answer to the Member's question is as follows:

1. Salaries related to Educator delivery hours, assessment and other activities such as program development work are the main cost driver for training delivery. Other key cost of delivery relates to Educator support including administrative staff and technical officers supporting specific courses as well as material costs if applicable to a specific course.

Educator and support costs are allocated in CIT cost model through a measure known as 'faculty load'. This is an allocation of Educator time against specific programs which is used to allocate educator and support salaries within the delivery department to the respective program.

Costs and revenue specific to commercial operations, such as the CIT massage clinic or CIT Fit and Well Gym are recorded separately and allocated to the CIT programs these operations support.

2. CIT's annual government appropriation is allocated through the CIT annual budget development process. The process starts with the approved ACT Government appropriation and other forecast revenue sources, including student fee revenue and government contributions. These revenue settings are then used to determine the affordable expenditure envelope for the year. In recent years this has shown that current resourcing levels have been unaffordable resulting in the budget development process focussing on where resourcing can be reduced to fit within the available envelope.

The Executive Management Committee considers the proposed internal budget allocation before it is progressed through the Audit and Risk Committee and to the CIT Board for approval.

3. CIT's average cost per annual hour of training delivery per student for 2025 was \$48.37. This has been calculated by dividing CIT's total operating expenses of \$165.1 million, as reported in CIT's 2025 Annual Report, by 3,412,416 nominal hours delivered in 2025. Nominal hours are the nationally recognised standard number of training hours assigned to a course, unit, or qualification for reporting and funding purposes, they are an estimated or notional measure of training activity, rather than the exact number of hours each student actually spends in class or study.

This calculation provides an average whole-of-CIT cost per annual hour. It should not be interpreted as the direct cost of delivering an individual course or qualification, as costs vary across programs depending on factors such as educator time, class size, specialist equipment, facilities, consumables, assessment requirements and the level of student and technical support required.

4. CIT does not currently have access to a consistent, publicly available national benchmark that compares cost per annual hour across Australian TAFE providers on a like-for-like basis.

However factors that are relevant to CIT when comparing to other Australian TAFE providers include:

- The ACT has a relatively small population and training market, which means fixed costs are spread across fewer student hours than in large markets such as TAFE NSW or TAFE Queensland.

- CIT operates as the ACT's public VET provider and must maintain capability across a wide range of qualifications despite lower volumes than larger jurisdictions.
- Canberra's labour market and wage costs are typically higher than many regional training markets, influencing staffing costs.

5. The Diploma of Remedial massage is heavily subsidised. The direct department cost per enrolment for this course is \$34,275. With the current fee of \$13,000 this course is subsidised by a minimum of \$21,275 per student.

6. CIT's costs are increasing due to a combination of factors, including enterprise agreement salary increases, inflationary pressure on materials, utilities, insurance, ICT systems, facilities and compliance costs, and the cost of maintaining the infrastructure and services required of a public vocational education provider.

7. As Board Chair, I recognise the importance of restoring confidence in CIT's leadership and governance. This will take time and must be supported by clear communication and visible improvements for staff and stakeholders. Since I was appointed on 31 March 2026 I have visited the Woden, Fyshwick and Bruce campus on numerous occasions and have invited all staff to meet with me. I have written to staff on multiple occasions, and I attended a town hall meeting on 4 August 2026. I have also been meeting with stakeholders. The Board has also met more frequently this year and has discussed restoring confidence, and the Governance, People and Culture Committee has met.

8. All standard domestic students enrolled in CIT courses receive a subsidy through CIT's annual appropriation from the ACT Government. The level of subsidy is reflected in the difference between the fee charged to domestic subsidised students and the higher fees charged to commercial or international students, where government subsidy does not apply.

Fee Free TAFE students and apprentices, including ACT and NSW apprentices, are also subsidised through relevant government funding arrangements.

9. Noting the response to question 8, detailing subsidisation of all CIT non-commercial programs, it is worth noting that the ACT Skills Needs List is used to support decisions by the ACT Government about the allocation of User Choice subsidies for all Registered Training Organisations delivering approved Australian Apprenticeship training in the ACT. Its purpose is to inform subsidised training arrangements for apprenticeships and traineeships.

Approved for circulation to the Select Committee on Estimates

Signature:



Date: 07/08/2026

By the CIT Board Chair, Mr Tom Rogers