

# Appropriation Statement



# Appropriation Statement

## Vote Tertiary Education – Support for the University of Canterbury

The University of Canterbury is required to present end-of-year performance information for reporting on the 2014/15 Appropriations. This report is presented as at 30 June 2015.

### Scope of Appropriation

This appropriation is limited to the rebuild of the Science and Engineering Facilities at the University of Canterbury.

### Purpose of Appropriation

This appropriation is to achieve effective investment in rebuilding the University of Canterbury's science and engineering facilities. The appropriation is for financial support in the rebuilding of those facilities (subject to achievement of agreed targets), with a total of \$110 million being appropriated as at 30 June 2015. A further \$100 million has been appropriated for the 2015/16 year.

### Output performance measures and standards – performance for the period ended 30 June 2015

Performance measure	Budget standard 2014/15	Actual performance 2014/15	Comments
Funding is allocated in accordance with the funding agreements and conditions.	≥95%	100%	<b>Achieved</b> – The Funding Agreement provided for the payment to the University of \$100 million on completion of related Business Case preparation and independent scrutiny. This payment was made on 25 September 2014.
Achieving business case milestones in building science and engineering facilities	99.5%	100% –	<b>Achieved</b> – at 30 June 2015 the Science and Engineering facility construction projects were on target and all business case milestones to date had been met.

This Appropriation is limited to capital expenditure on the Science and Engineering Facilities at the University of Canterbury, shown below as at 30 June 2015:

Components of the Appropriation	Actual 2013/14 \$000	Budgeted 2014/15 \$000	Actual 2014/15 \$000	Notes
Professional fees and costs	10,000	–	–	1
Construction	–	100,000	100,000 <sup>1</sup>	2

### Notes

- 1 The \$10 million was received by the University in November 2013 towards the costs of professional fees to produce the Detailed Business Cases and Individual Business Cases for the Science and Engineering projects, and has been spent in full.
- 2 The \$100 million was received in September 2014 on completion of the Funding Agreement with the Crown.

### Subsequent events

#### Variation in respect of insurance settlement

On 29 September 2015, the University and the Crown agreed a variation to the original Funding Agreement, in respect of the insurance settlement becoming due 30 September 2015, and an \$8 million repayment was made to the Crown on 30 September 2015.

#### Variation in respect of Regional Science and Innovation Centre (RSIC) Business Case development

The next tranche of \$100 million capital contribution under the Funding Agreement was due no earlier than one year after the date on which the first \$100 million instalment had been paid, and was subject to certain conditions.

On 16 November 2015, the Crown proposed a payment of \$85 million to the University, with an undertaking to review payment of the remaining \$15 million subject to certain further conditions. This proposal was accepted by Council on 25 November 2015, and the payment was received 4 December 2015.

<sup>1</sup> The University spend on science and engineering facilities as at 30 June 2015 was a cumulative \$47.032 million, and as at 31 December 2015 was a cumulative \$97.731 million.