

# 2017

## Appropriation Statement Te Tauākī Pūtea Tāpui



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### 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 2016/17 Appropriations. This report is presented as at 30 June 2017.

#### 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 and milestones), with a total of \$210 million being appropriated as at 30 June 2017<sup>1</sup>. A further \$50 million is expected to be appropriated for 2018/19, subject to certain conditions being met, in the 2018/19 appropriations.

#### Output performance measures and standards – performance for the period ended 30 June 2017

Performance Measure	Budget standard 2016/17	Actual performance 2016/17	Comment
Achieving business case milestones in building science and engineering facilities	100%	96%	<p><b>Partially Achieved</b></p> <p>At 30 June 2017 the Science facility construction project had experienced programme delays for Stage 1, and was forecasting some increased cost over budget for Stages 1 and 2 together. Stage 2 commenced in October 2017 with work on the demolition of the von Haast building. New milestones were agreed with the Governance Oversight Group and cost reductions are being reviewed across both Stage 1 and Stage 2.</p> <p>At 30 June 2017 the Engineering facility was behind on both financial targets and programme delivery targets. A revised budget and new milestones were agreed with the Governance Oversight Group.</p> <p>See also 'subsequent events' below</p>

This Appropriation is limited to capital expenditure on the Science and Engineering Facilities at the University of Canterbury, shown below as at 30 June 2017:

Components of the Appropriation	Actual 2015/16 \$000's	Budgeted 2016/17 \$000's	Actual 2016/17 \$000's	Notes
Construction	85,000	15,000	15,000 <sup>2</sup>	1

#### Notes

- The University delivered the Rutherford Regional Science and Innovation Centre Stage 2 Business Case to the Minister for Tertiary Education in August 2016 in line with the agreed milestone. Subsequently, the Ministers for Treasury and for Tertiary Education approved the release of the remaining \$15 million, received by the University on 25 November 2016.

<sup>1</sup> \$10 million in 2013/14, \$100 million in 2014/15, \$85 million in 2015/16 and \$15 million in 2016/17.

<sup>2</sup> The University spend on the Science and Engineering facilities as at 30 June 2017 was a cumulative \$307.468 million, and as at 31 December 2017 was a cumulative \$335.161 million.

## **Subsequent events**

### **Building completion**

The Rutherford Regional Science and Innovation Centre Stage 1 was completed in 2017 and is fully open to students for semester 1 2018, with the first class run in the building for the 2017/18 UC Summer School starting in January 2018.

The final tranches of the Canterbury Engineering the Future project are being completed in early 2018 and are expected to be open to students for Semester 1 2018. The majority of the buildings in the Engineering Precinct were completed prior to 31 December 2017 and are now in use.

### **Governance**

As noted above, the financial support provided under the appropriation requires the University to report against a series of set targets and milestones as part of the Funding Agreement.

Council receives regular reports on progress against the Funding Agreement targets and milestones. A separate Governance Oversight Group (GOG) has also been established as part of the Funding Agreement. This Group consists of three members of the University Council, three Crown representatives — one from the Ministry of Education and two from the Tertiary Education Commission— and an independent chair.

The GOG is responsible under its terms of reference for, inter alia: supporting and monitoring the University's implementation and completion of the projects funded by the Crown; receiving Independent Quality Assurance (IQA) and Implementation Business Cases, and resolving with the University any issues identified by the IQA; and considering quarterly status reports provided by the University. The GOG reports directly to the Minister on progress after each quarterly meeting.

The GOG is able to vary milestones where best endeavours have been demonstrated and matters are beyond the control of the University to influence further.