



Tertiary Education Commission
Te Amorangi Mātauranga Matua

Capital Asset Management Workshop 22 February 2013

Presentation from Tertiary Education Commission

Good morning

- Today's workshop - CAM SRG
- Agenda – plan to finish around 3pm
- Presentations with breakout sessions at end of day
- Opportunity to share and gain ideas from people in other tertiary institutions that are likely to be encountering similar opportunities and challenges

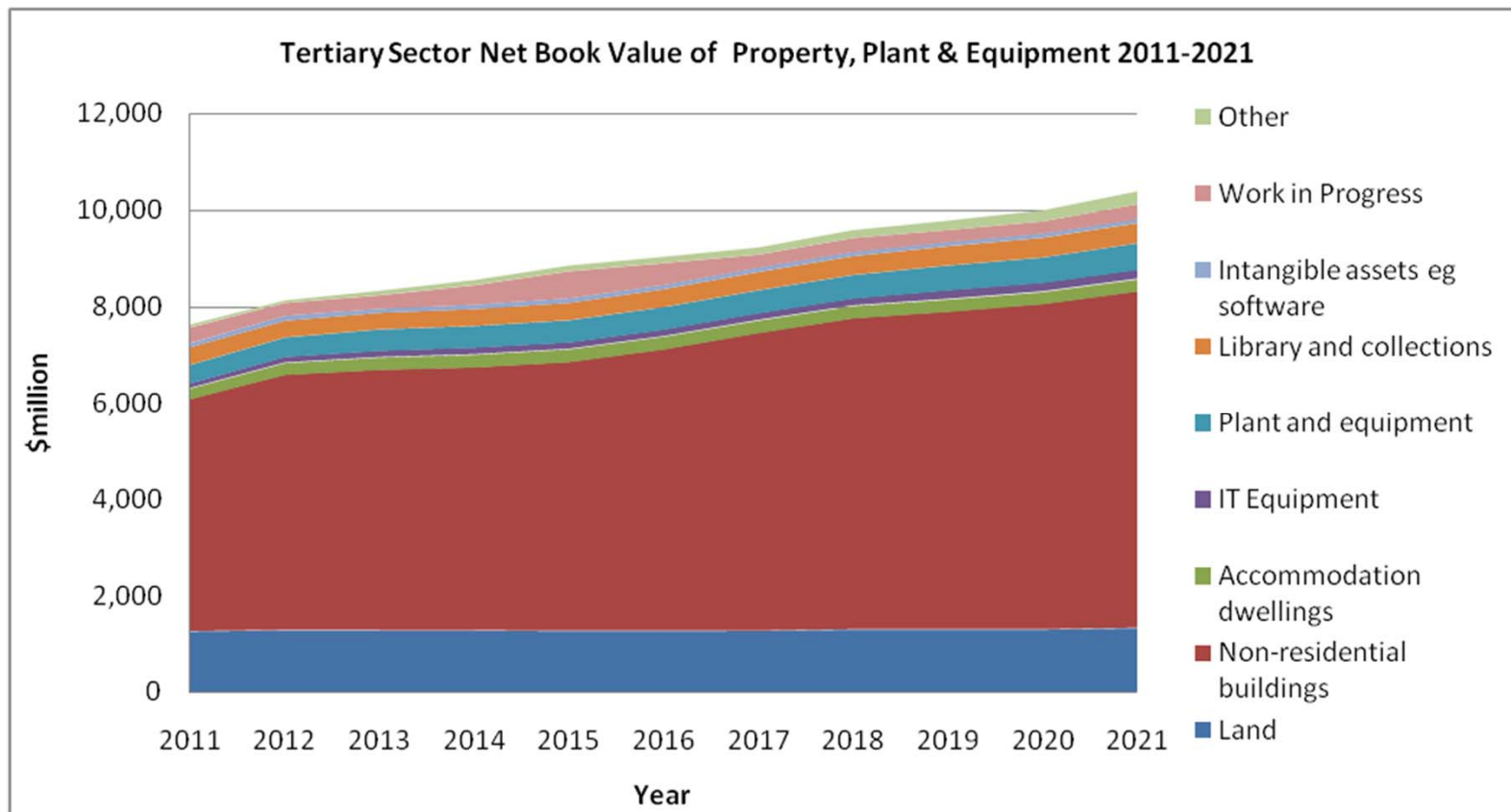


Capital Profile of TEIs 2012-2021

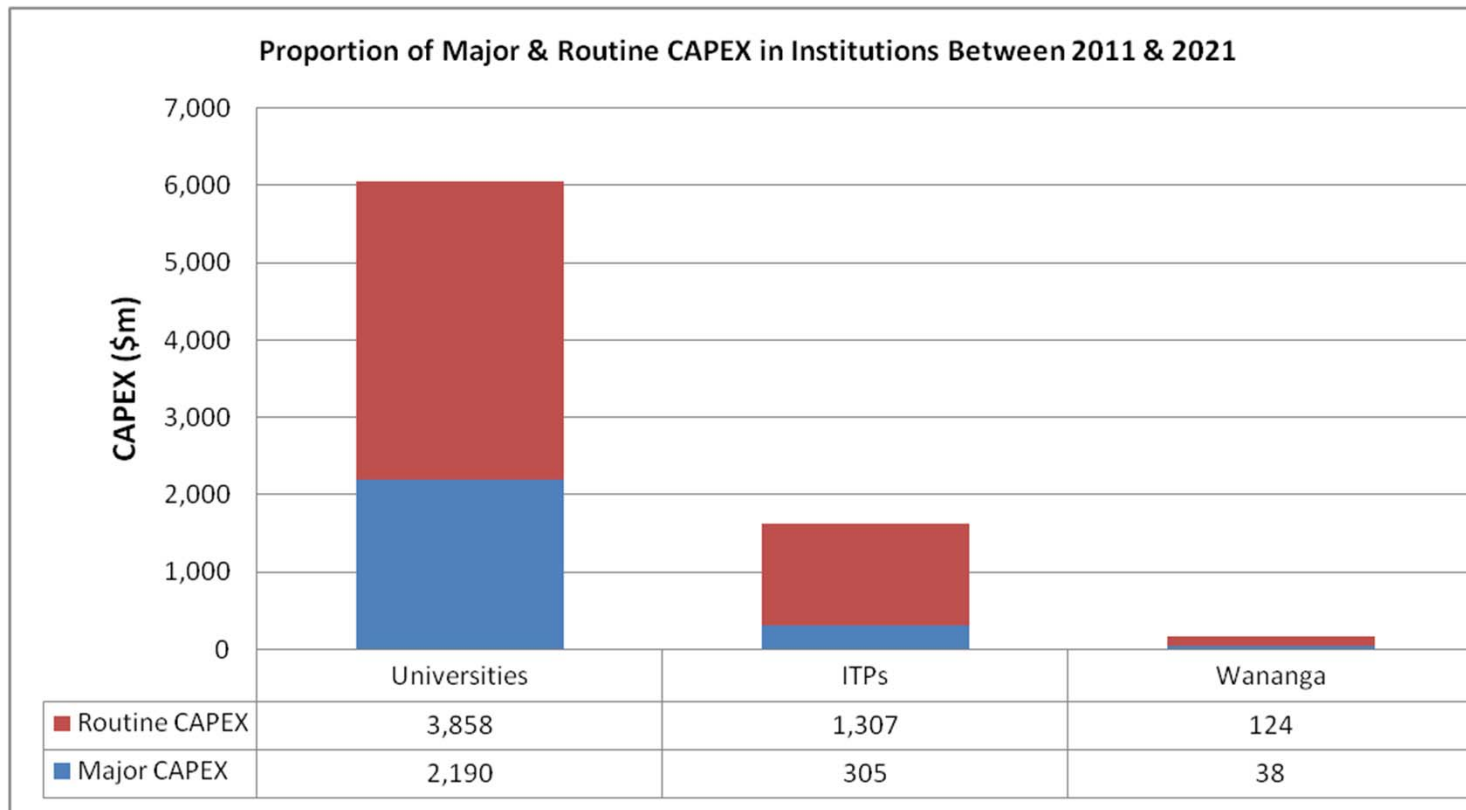
- Data collected from TEIs during 2012
- Includes data on routine and major capital intentions.
- Includes information on the self-assessed capability of TEIs to effectively and efficiently manage and make decisions about capital and capital investments.



Capital Profile of TEIs 2012-2021

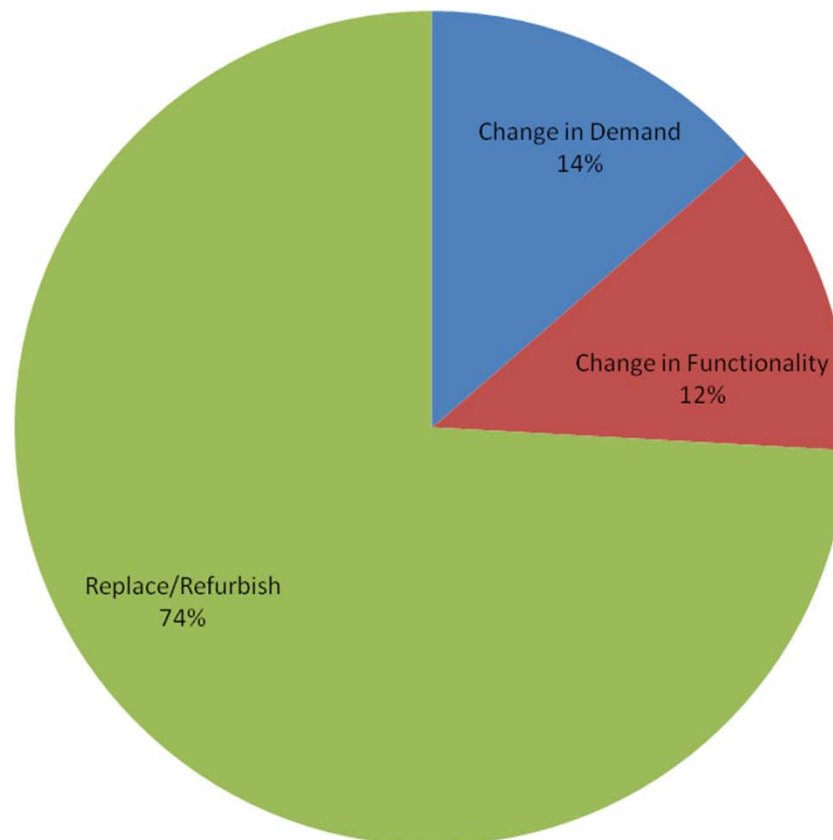


Capital Profile of TEIs 2012-2021



Capital Profile of TEIs 2012-2021

Total forecast CAPEX between 2012-21 by primary driver



CAM Self-Assessment – Background

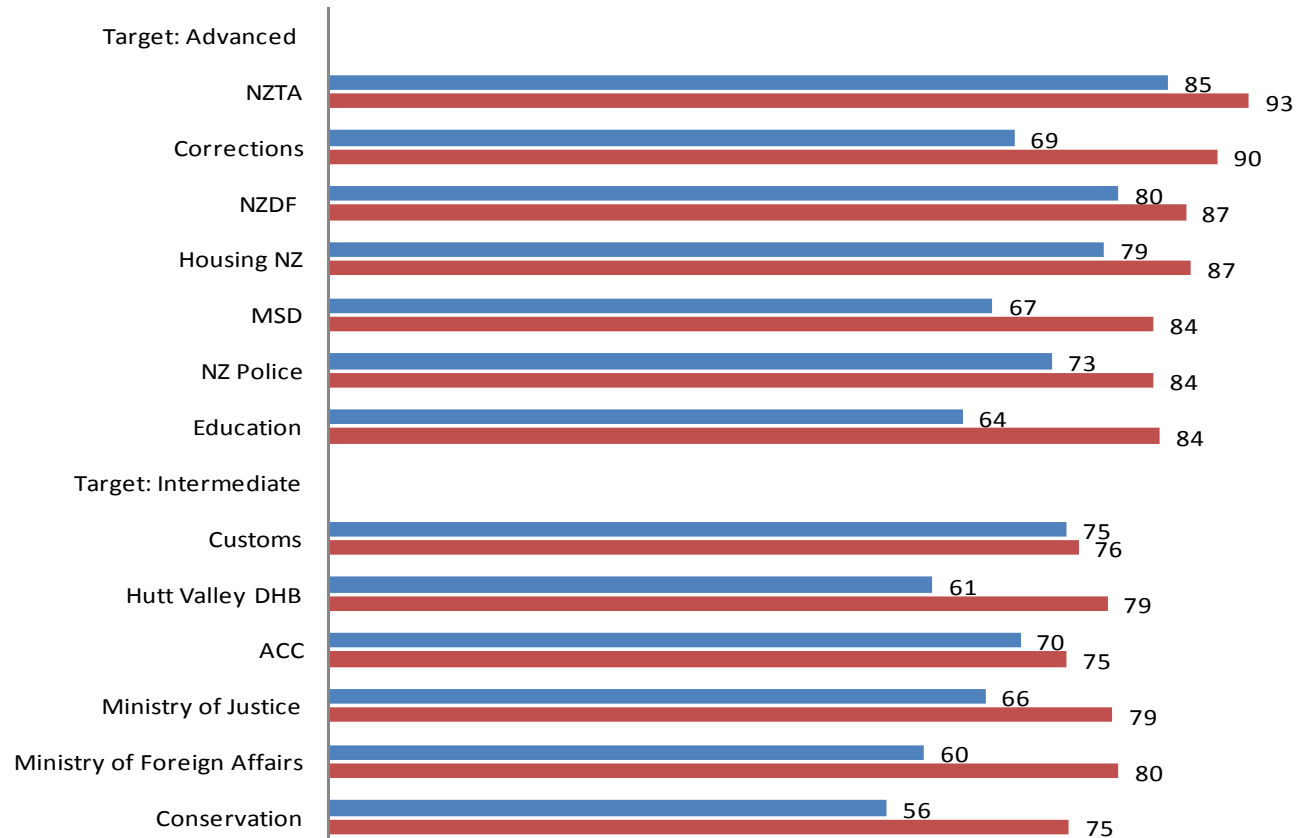
- Assessment tool developed using the 2011 International Infrastructure Management manual (IIMM) Asset Management Maturity for use by New Zealand Treasury.
- Used for self-assessments and subsequent asset management reviews in 14 capital intensive agencies (TEIs not included).
- Subsequently adapted for use by tertiary institutions to undertake self-assessments during 2012.



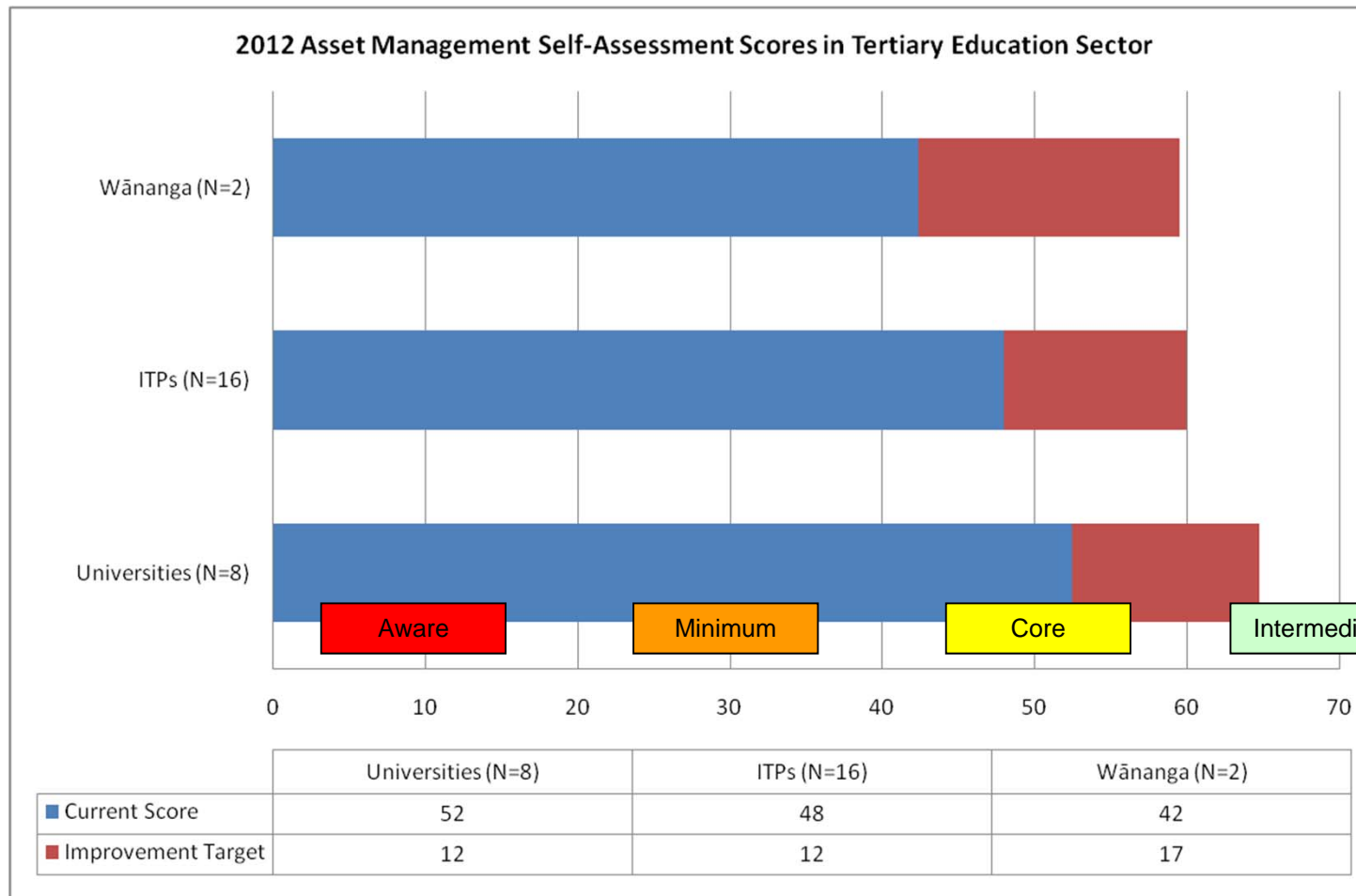
Results of Independent Reviews

Asset management maturity scores 2011

■ Current score ■ Target score



CAM Self-Assessment – Results



Example – Priority Improvement Areas

- **Wānanga** - AM Policy & Strategy (gap 30) - To what extent has your institution's AM Policy and AM Strategy been articulated, approved, communicated and acted on?
- **ITPs** – Improvement Planning (gap 22) - How does your institution anticipate and deal with poor asset performance or loss of service capacity?
- **Universities** - Risk Management (gap 25) - How does your institution manage the interplay between business risks and asset-related risks?



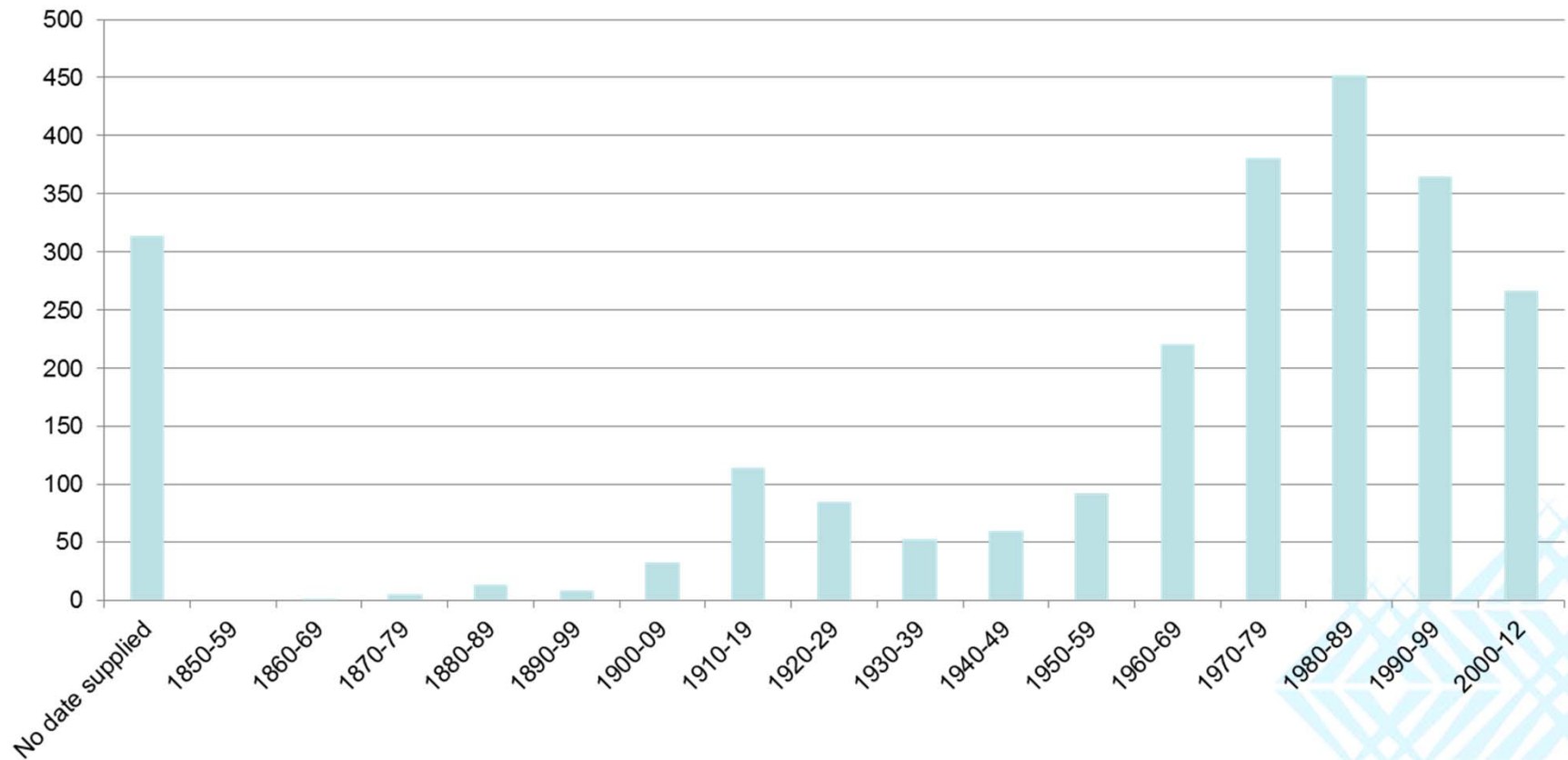
Overview of Seismic Strength

- In 2012 all departments and central monitoring agencies tasked with obtaining information on the seismic strength of buildings.
- TEC worked alongside a TEIs to obtain data necessary to provide a high-level snapshot of buildings owned and managed by TEIs at the time of the collection.



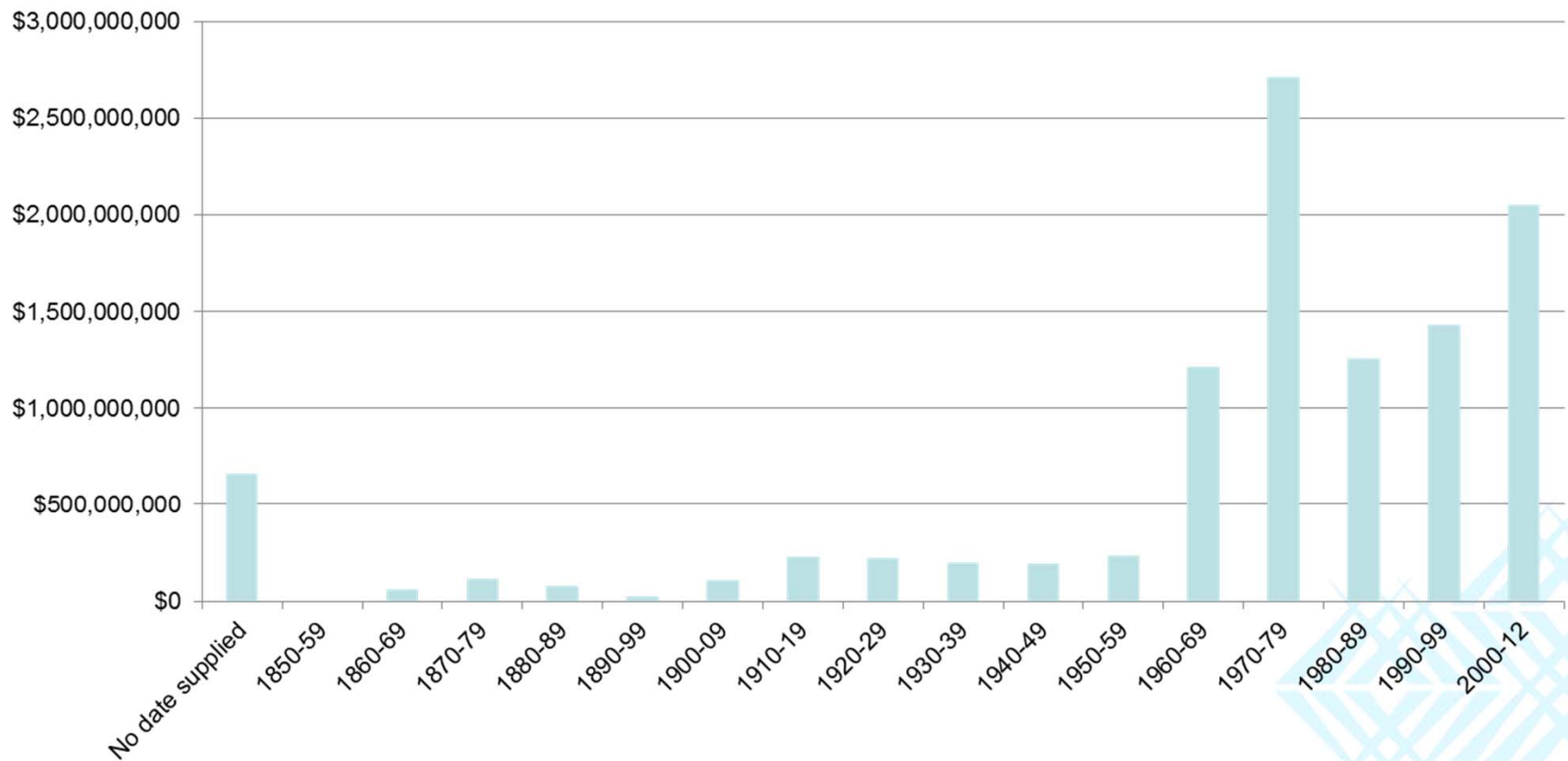
Overview of Seismic Strength

Number of buildings by decade of construction (>\$1m)



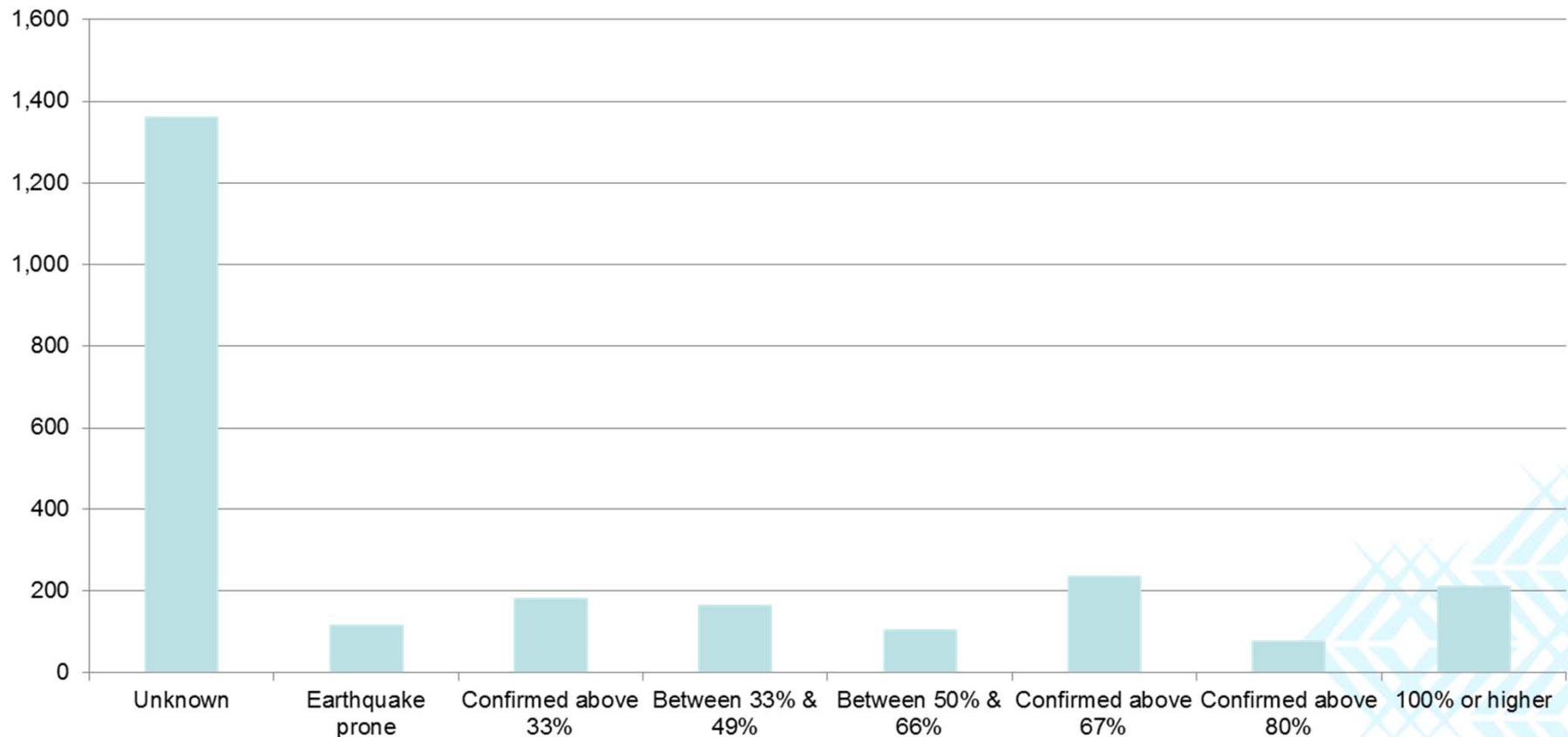
Overview of Seismic Strength

Replacement value of buildings by decade of construction (>\$1m)



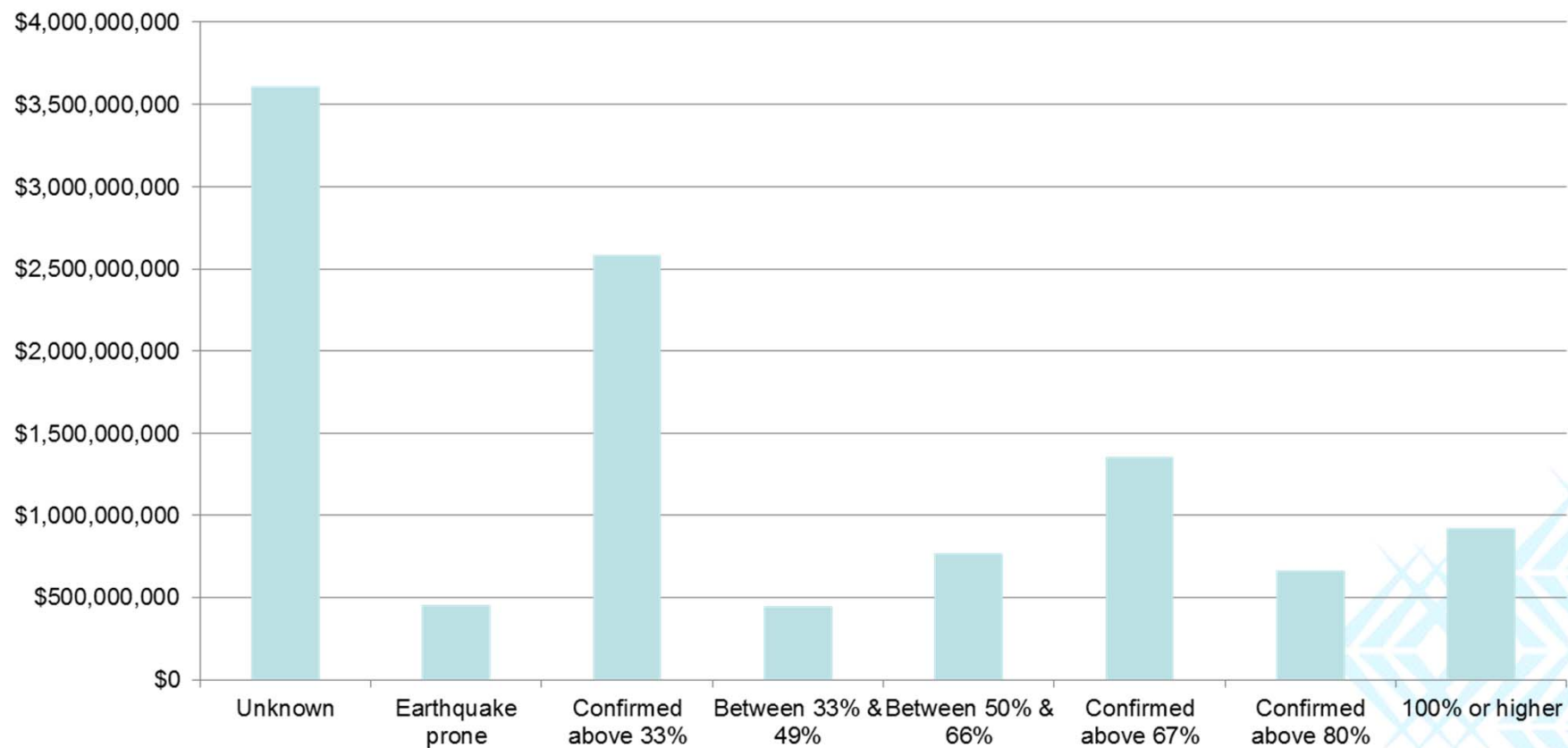
Overview of Seismic Strength

Number of buildings by seismic strength (>\$0.1m)



Overview of Seismic Strength

Replacement value of buildings by seismic strength (>\$.1m)



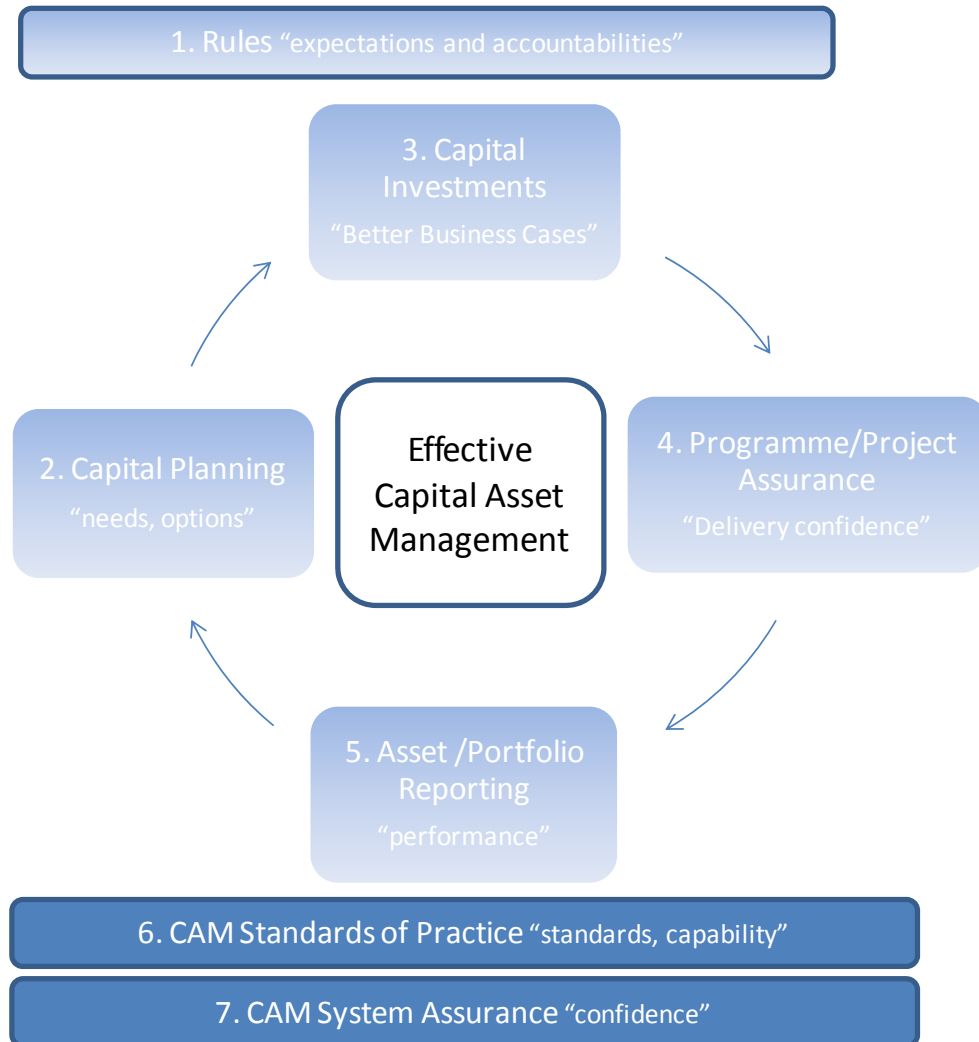
Seismic Strength

- Ministry of Business, Innovation and Employment (MBIE) has released a consultation document that outlines proposals to improve the earthquake-prone buildings policy system.
- In summary, it is proposed that:
 - All non-residential and multi-unit, multi-storey residential buildings be seismically assessed within five years of the changes taking effect, with the information as to whether a building is above or below the earthquake-prone building threshold to be made publicly available on a register.
 - All earthquake-prone buildings be strengthened, or demolished, within 15 years of the changes taking effect (up to five years for local authorities to complete seismic capacity assessments, followed by 10 years for owners to strengthen or demolish buildings), compared to an estimated 28 years (on average) under the current system.
- The consultation process runs until 5pm Friday 8 March 2013.
- TEC encourages TEIs and relevant sector special interest groups to contribute to the consultation process.



Focus areas for 2013

Each component of the performance cycle contains clear guidance & fit for purpose support, to produce information for decision makers



Update on Crown Asset Transfer Policy

- Applications from 9 of 25 eligible TEIs
- Approvals for 3 completed and now at various stages of actual transfer process and independent CAM capability assessment
- Each TEI application has unique features and timing is case by case
- TOW settlement status and PWA clearances also add complexity and delays
- TEC will meet with TEIs to outline application process and to ascertain when will be lodged
- Overall policy intent is to transfer all eligible Crown land and buildings to TEIs as quickly as possible.
- Application information on www.tec.govt.nz

