



# Newsletter

Australasian  
Association of Higher Education Facilities Officers

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## AAPPA Scholarship Winners

BY GRAEME BROWN

**At the Board meeting held in Napier New Zealand, the AAPPA Board was unanimous in approving the awarding of two scholarships to the Management Development Programme for Facilities Managers which is run in conjunction with the Institute of Administration at Little Bay, Sydney.**

The Scholarships are valued at \$1000 plus the cost of return airfares from the winner's normal place of residence to Sydney.

This year's winners were David Spann from QUT in Brisbane and Mark Thompson from the University of Waikato. Below are some profile notes which have been provided by the winners about themselves.

### Mark Thompson



I have been employed by The University of Waikato since February 1988 as the Superintendent of Grounds. I am responsible for the maintenance and development of the campus landscape and have been most fortunate in being involved in a number of major on-campus projects since arriving. An exciting project at present involves the development of a site suitable for ferns with a water feature and introducing a full collection of New Zealand ferns which will be used as a teaching resource and also will be of national significance. The University grounds host a large collection of native and exotic trees which the university is noted for. We also maintain large sports field areas for a number of summer and winter activity. We have three lakes and a number of special interest gardens on campus. I was very pleased to

win the scholarship and I am very much looking forward to attending the programme.

### David Spann



David Spann has been Campus Manager at QUT's Kelvin Grove campus since the amalgamation between BCAE and QUT in 1990. Prior to this he occupied a number of positions within BCAE and its predecessors including Executive Secretary, Australian Flying Arts School; Personnel Officer (KGCAE) and Campus Coordinator (BCAE). He first commenced employment within the higher education sector in 1974 and made one unsuccessful escape in 1977 to establish an engineering services company in Mackay.

He commenced his working career as a sheet metal worker before moving into earthmoving equipment sales and marketing followed by a stint as a trainee teacher and then back into agricultural equipment manufacturing. David also found time to complete a Bachelor of Arts (Journalism / Public Administration) at UQ.

He is married to Christine and has one child, Cameron. His interests include building just about anything (including his own car) and everything with an engine.

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*New*

**AAPPA'S WEB SITE  
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**For more information  
read enclosed insert**

# President's Message

Oscar Wilde once said that education is an admirable thing, but it is well to remember from time to time that nothing that is worth knowing can be taught. The contrast between what I learned during my MBA, for example, and my last nine months as AAPPA President indeed has proven Wilde correct. I have learned much in leading AAPPA over the last little while, hopefully revitalising the association, injecting new life into it and pointing it in a slightly different direction. It has taken far more effort than I had ever imagined and it is with a sigh of relief, therefore, that I pen my last President's message. In rugby parlance, I am looking forward to a stint on the bench (or perhaps that should read the sin-bin!) and to lose myself in the AAPPA crowd in 1998/99!

Since our last newsletter, AAPPA has had the pleasure of holding a board meeting in the beautiful town of Napier in New Zealand. As has been the practice in the past, the Board convened one of its four annual meetings to coincide with the NZ Chapter's Annual Facilities Management Conference. As was the case in Nelson in 1997 the conference was extremely well organised, boasted some great technical papers (both institutional and commercial) and the kiwi hospitality was overwhelming! I managed, albeit in a welsh accent and without the war paint, a traditional maori welcome at the conference kick off:

Tihei mauri ora!	Behold, the breath of life!
E nga mana	To the important ones
E nga reo	To the speakers
E nga iwi	To the people



Piki mai kake mai	Welcome, welcome
E mihi ana ki te kaupapa o te ra	I acknowledge the reason for being here today
No reira,	Therefore,
Tena koutou	Greetings
Tena koutou	Greetings
Tena koutou katoa	Greetings to you all

By all accounts I didn't do too bad a job. And just to top things off I even managed to squeeze into my opening welcoming remarks that most famous of Welsh railway stations in far North Wales - Llanfairpwllgwyngyllgogerychwyrndrobwlilllantisliogogoch! Phew! But not to be out-done by my tongue-twisting the kiwis managed an earthquake! (measuring 6.3 on the Richter scale!). Well done guys, the earth certainly moved for me!

In the months ahead we have some exciting things to look forward to. Firstly, in early July we are hosting a visit from Bill Daigneau from the University of

Texas. Bill is well known in APPA circles for his outstanding leadership in the facilities management profession. He has been invited to Australia by the OECD to attend an international workshop on Strategic Asset Management for Tertiary Institutions. The OECD's two-day workshop will be held on 16-17 July in Sydney. In conjunction with Bill's visit, AAPPA is organising two one-day strategic asset management workshops (in Melbourne and Brisbane) involving Bill. As many members as possible are encouraged to attend one of these workshops which are sure to be productive.

In early September many of us will be heading to the balmy Northern Territory for the annual ATEM/AAPPA conference. At Darwin we will be joined by APPA's second female President-Elect, Maggie Kinnaman who will address the conference on a contemporary international facilities management issue. In the months between now and then board members will continue to focus their efforts on those key tasks identified back in September last year. I am confident that our annual report card will not disappoint.

It would be amiss of me in closing if I did not thank my wonderful wife, Wendy, for putting up with me these past nine months. I know she is looking forward to September as much as I am! And to QUT too, thanks for the support and tolerance!

Brian Fenn  
President, AAPP

# AAPPA CONFERENCE - NEW ZEALAND CHAPTER

BY MAURICE MATTHEWSON

University of Auckland

20 April 1998

A very successful conference was held by the New Zealand Chapter of AAPPA in Napier, a remarkable Art Deco recreation following the earthquake which devastated the city in the 1930s. The conference was attended by 55 participants including the full Board of AAPPA.

The following is the opening speech made by Bruce Martin, the Chief Executive of EIT Hawke's Bay which gives an insight into the Institution and its aspirations as well as Higher Education in New Zealand.

To Mr Brian Fenn, President of AAPPA, to members of the AAPPA Board from Australia and to our N.Z. Board Member David Tai, to delegates and industry representatives . . . It's my pleasure to welcome you to Hawke's Bay, to EIT, and of course to this very important conference.

I'm delighted, as I'm sure the organisers must be, to see the programme so well supported by some 55 delegates representing 24 different tertiary institutions from Australia and New Zealand. It's also very pleasing to note the involvement of industry through trade displays, participation and sponsorship. In this latter regard I'd particularly like to acknowledge and thank UBI Document Solutions – the major sponsors – as well as those other businesses, listed in your conference programme, who have also provided support.

But welcome to Hawke's Bay, a region that's characterised by high sunshine hours, its horticultural and agricultural production, its excellent wineries and the twin cities of Napier and Hastings.

Within a twenty-minute radius of this campus there is a population of 115,000, making it the fifth largest urban concentration in New Zealand.

Hawke's Bay has the largest population in the country not served directly by its own university and not surprisingly therefore, given the flexibility that came through with the 1989 Education Reforms, one of New Zealand's fastest growing polytechnics.

The Eastern Institute of Technology (or EIT Hawke's Bay) has grown by 120% since 1991 in equivalent full-time student terms and is projecting an overall total of 2500 EFTS in 1999 and a level close to 3000 by the year 2002.

That growth in numbers is being both paralleled and reinforced by a change in the educational profile of the Institute, a change that will lead to 40% of our student population being engaged in degree study within five years.

While some other institutions are preoccupied with the possibility of mergers and amalgamations (and that's not a criticism) EIT instead is concentrating on strategic alliances and it acknowledges in particular Massey, Waikato, and Charles Sturt in Australia as institutions that it works closely and effectively with. Perhaps like the "new-age guy", EIT believes that "relationships are important but that marriage is not a priority".

Of more relevance to this conference is our physical asset base here at EIT. It would be a less than objective claim on my part if I were to state that we have one of the most attractive tertiary education campuses in the country but I'd certainly welcome your views after you've had the chance to look around a bit.

But certainly we're fortunate to have 28 hectares of land available on this side of the road and a further 2.5 hectares immediately opposite our main entrance that will be developed as a student residential village.

A glance at our 1997 Annual Report would indicate that EIT has fixed assets worth approximately \$27 million and you'll find a range of indicators that attempt to demonstrate the efficiency and effectiveness, or otherwise, of the way in which these assets are employed. One of the shortcomings of this data is that it revolves around historical comparisons within EIT given the difficulty of establishing reliable external benchmarks. However, in this regard I congratulate AAPPA on the excellent work that is being done to develop relevant and meaningful standards to assist in this regard.

The need for responsible management and accountability sharpened by funding reductions and pressures make it absolutely essential that we find ways of better utilising our existing asset base rather than constantly expanding it.

At EIT, and I'm sure it's not peculiar to us, we have significant periods of time when our campus is under-utilised – holidays, weekends, from 3.00pm – 8.00am, and certainly on Friday afternoons! This contrasts with periods of peak usage when frustrations run high about lack of room availability – something that isn't always substantiated I might add by physical space checks.

The issues are complex and too often they're sheeted home unfairly to finance and property divisions within institutions. Certainly input from those areas is important but the issues are about how our programmes are delivered and when. They're about the expectations and needs of our students, and they're about employment contracts and employment conditions.

They're also about making the quantum leap from teaching to learning focused institutions and moving from supply to demand driven organisations.

Resolution of current difficulties will require an integrated approach involving input from educators, from marketers, from HR staff as well as people from finance and property.

I congratulate AAPPA on the initiatives and the focus it's pursuing and the excellent outcomes it's producing. If we could generate a similar focus in other areas and then pull it all together there's very little that would stand in our way.

Please accept my best wishes for a very productive conference and for an enjoyable stay in Hawke's Bay.

*The AAPPA Board  
announces awards for*

**the best paper  
presented at  
NZ Conference**

The AAPPA Board has decided to make awards for the best paper presented at any of the AAPPA Conferences.

It has kicked off the practice by awarding a prize of \$100 for the best paper presented at the New Zealand Chapter Conference.

In best New Zealand style, the papers were of such a high calibre that the Board could not decide between the best two and has therefore awarded two firsts.

**The prizewinners are:**

*Accountability and  
Governance*

by **Kerry Marshall**

Corporate Services Manager

and **Stephen Schollom**

Dean

Faculty of Business

EIT Hawke's Bay

*The Feasibility of Market-  
based Space Rentals*

by **Murray Humm**

Manager

Buildings and Property

Christchurch Polytechnic

Congratulations to the winners. The Board intends that a similar award will be made at Darwin and the selection criteria will be forwarded to those selected to present papers by the Education Committee soon.

# OECD PROGRAMME ON EDUCATIONAL BUILDING

## March - Quarterly Update

**Libraries and resource centres** - a meeting in Paris in March 1998 attended by 28 participants from 16 countries focussed on likely future scenarios for existing and new libraries in the tertiary educational sector. Twelve case studies were presented including two from Australia - Griffith University and the Hervey Bay Library of the University of Southern Queensland. Participants were able to visit two new libraries: at the University of Paris VIII (St Denis), and the Bibliothèque Nationale (National Library of France). Four key areas were discussed over the three-day event - library management, technology, changing pedagogies and delivery methods and the implications of these on library planning design. A report on the meeting is going to the PEB Steering Committee meeting in June and is expected to be scheduled for publication later this year.

**Strategic asset management for tertiary institutions** - a professional development seminar is scheduled for Sydney this July 16 and 17. In a rapidly-changing policy context, in which funding is getting tighter, the workshop will help managers plan the provision and effective use of learning spaces and the strategies, skills and techniques likely to be needed by educational facility managers in the future. An international cross section of strategic asset management experts from Australia, Sweden, the United Kingdom and the United States will facilitate discussions and present case studies.

**Environment and school initiatives** - a conference is programmed for early October in Linz, Austria in association with the

Austrian Ministry of Education. The primary goal for this meeting will be to look at ways of developing an environmentally sustainable approach to the environmental curriculum, relations with the community, schools planning, design and operations and management. More details are included in the June issue of PEB Exchange.

**Maintenance and renewal** - PEB is planning an international seminar on strategies for educational facilities maintenance and renewal to be held in Alexandria, Virginia from 4 to 6 November this year. The focus of the meeting will be on the school sector although lessons will be drawn from the experience of facilities managers in other sectors, including tertiary education. More detailed announcement will be available on the PEB web-site shortly.

**Institutional Management in Higher Education (IMHE)** - the OECD's programme aimed at managers in HE has over 170 institutional members - mostly universities, but including some government agencies - from most OECD countries including Australia. IMHE works at the interface between policy and practice and current priorities include quality assurance; the internationalisation of tertiary education; and infrastructure management (jointly with PEB). The journal 'Higher Education Management' is published three times a year by OECD.

**ATEM/AAPPA conference** - PEB hopes to be represented at the ATEM/AAPPA conference in Darwin later this year to present

an overview of current work including the findings of the meeting on libraries and learning resource centres held in Paris earlier this year (see above).

**Publications** - OECD has just published 'Producing a Secure Environment for Learning'. Two other publications based on PEB activities are due out this month 'Tertiary Facilities in the 21st Century' and 'Under One Roof - the Integration of Schools and Community Services in OECD Countries'. Purchasing details are available on the WWW at [www.oecd.org](http://www.oecd.org) or from OECD Publications, 2 rue André-Pascal, 75775 PARIS Cedex 16, France. Fax +33 1 49 10 42 76.

**PEB Exchange** - is published three times a year. The June issue will include articles on environmentally sustainable design and the design of tertiary libraries. It includes contact details for other related programmes and a listing of international educational building conference events.

**Secondment** - Kenn Fisher's 15-month secondment to OECD/PEB in Paris concluded at the end of March and Richard Yelland is now responsible for both PEB and the IMHE programme.

**Contact details** - the OECD has a Website which is updated daily.

- PEB can be found on [www.oecd.org/els/edu/peb/els\\_peb.htm](http://www.oecd.org/els/edu/peb/els_peb.htm)
- The IMHE programme is at [www.oecd.org/els/edu/els\\_imhe.htm](http://www.oecd.org/els/edu/els_imhe.htm)
- The fax number for both programmes is +33 1 42 24 02 11.

## From the Editor's Desk

This edition of the Newsletter comes to you from a new publishing unit. The University of South Australia has taken on the daunting task of producing the Newsletter following on from the excellent work that has been done for the last few years by the printery at The University of Southern Queensland. Bryan Williams and Pam Crawford at USQ have done a remarkable job in taking the copy provided from a number of sources and turning it into legible and attractive newsletters.

Neville Thiele at UniSA has stepped in as Deputy Chair of the Information Services Committee and as he has a "state of the art" printery at his University, we decided that it made sense to pull some of these activities together. So Neville is now becoming

more involved in the production of the Newsletter as well as trying to cajole people for copy.

Both of us would like to hear from anyone who has an opinion about the Newsletter and its content. Does it meet your needs? Is there anything else that we should include to make it more interesting? And of course we would always welcome copy for the content. It does not have to be original. If you see something somewhere that is of interest we might be able to get permission to reprint it for our Newsletter. So let's hear from you.

Sam Ragusa  
*Editor*

# Estate Management: The UK Experience

DAVID MAYOCCHI

College Manager

Queensland College of Art, Griffith University

A recent issue (3 April 1998) of The Times Higher Education Supplement reviewed developments in estate/facilities management in the United Kingdom. Not surprisingly, the issues discussed were very similar to those discussed at Australasian APPA meetings. In this article I have drawn out several items that I believe would be of interest for AAPPAs readers.

**Deferred Maintenance:** Stuart Cross of the Higher Education Funding Council for England's Estate Department (HEFCE) estimated £4.5 billion (A\$11.7 billion) was needed for maintenance and renovation in the next ten years.

**Estate Expenditure:** About £2 billion (A\$5.2 billion), or a fifth of total higher education expenditure was spent on estates in 1995-96. This comes on top of a 35 percent cut in unit funding to institutions over the past eight years.

**Performance Indicators:** Operational Property Databank and Grimley International Property Advisers are working with 35 sponsor institutions to develop a common set of management statistics. They are looking at size, value, condition and running costs. Looks to me like AAPPAs has a few years lead in this area.

**Reports:** As well as the recently released Dearing Report, the sector has also seen the Pearce Report (Capital funding and Estate Management in Higher Education). The later report said that surplus space at older institutions should be used to accommodate growth in student numbers.

**Feel Good Factor:** While some students still choose their university on the basis of the local beer, many students were now looking at reputation, social life on campus, location – the “feel good” factor of the campus. Comments from students included Neil Ross, 18: “Older places, such as Edinburgh and Manchester, make you feel like you are in an environment geared round learning. A lot of newer places, especially the former polytechnics, don't feel like that. They seem more superficial.”

**Student Centred Learning:** Norma Read, Deputy Vice-chancellor at Plymouth University, says students are becoming more consumer oriented and as a result, Plymouth is moving towards a student centred learning approach. “Facilities and access become more important to students if they're going to act as independent learners, rather than be spoon-fed with knowledge.” As a result, campus services, technical services and estate management is being brought together under one roof, to be headed by a new Director of Learning Services.

**Higher Education Design Quality Forum:** Richard Fielden, partner in architects Fielden Clegg and a moving force in the Higher Education Design Quality forum supports a “learn and value for money architecture” for universities. The forum was established in the early 1990s to bring clients and architects together and improve dialogue on both sides. Fielden says that Liverpool's John Moore University, Portsmouth and Sunderland are examples of excellent new campuses. At Thames Valley University and Cheltenham, good new buildings have helped to liven older sites.

**Growth:** The government has not provided capital funds to support growth in student numbers. Institutions must find development funding wherever they can. Ambitious strategies involving property disposals, new buildings and high-utilisation strategies are underway. New research institutes, postgraduate accommodation, residences for overseas students and improved student facilities have received most attention.

In summary, deferred maintenance, reduced funding, performance indicators and organizational change appear to be as much a feature of the estate/facilities management scene in Great Britain as they are in Australia.



## A PORTRAIT OF MARGARET P. KINNAMAN

*President Elect of APPA*

Margaret P. Kinnaman (Maggie) is currently the Director for Business Administration and Support Services within the Office of Facilities Management at the University of Maryland, Baltimore. She has been active in the Association for Higher Education Facilities Officers (APPA) at all levels for the past fifteen years.

At the APPA Chapter level, Maggie has served on the MD/DC Chapter Board, at all levels, and was a member of two ERAPPA Annual Host Committees.

At the Regional level, Maggie has served on the ERAPPA Board for the past six years and is currently ERAPPA's Junior APPA Representative. During those six years, she has been a key player in the development of the Strategic Plan, the formation of the Education Committee, and the creation of an APPA/ERAPPA orientation program, fondly named “Roadmap through the APPA Organization”.

At the International level, Maggie has served on the Membership Committee, Publications Committee and most recently as Chair of the APPA Partnerships in Educational Training Series. In addition, she is a member of the APPA benchmarking consortium, Strategic Assessment Model, or SAM for short. Maggie is currently a member of the APPA Board and represents the other fourteen regional representatives on the Executive Committee. She is a member of the new APPA Institute's faculty and has participated as a team member in the Facilities Management Evaluation Program. Most recently, Maggie has been elected as APPA's 1998-1999 President Elect.

# AAPPA-List

## Information exchange at your fingertips! FREE!

- Do you have a problem at work that you don't know how to tackle?
- Do you want to know if anyone else has faced this issue and how they attacked it?
- Or do you simply want to compare how you're doing with others?

Well you can exchange information with a host of others in the same situation by simply joining AAPPA-List. AAPPA-List is a computerised means by which you can post one message and have it automatically distributed to all the members on the List.

Currently there are almost 200 subscribed to the list. We would like to have all AAPPA members on the List to make it so much more effective. If you are not on the List, follow the instructions below and join now. If you are on the List, find someone in your workgroup who is not subscribed and help them sign up.

### Here is what you do:

Send an email to [listproc@gu.edu.au](mailto:listproc@gu.edu.au)

In the message box type the message `subscribe aappa-list <<your name>>` (If your name is Mary Bloggs, type `Mary Bloggs` instead of `<<your name>>`)

Turn off any automatic signatures etc and send the message. After a few hours or a day you should get an acknowledgement from the host computer.

If you have any problems with this give Sam Ragusa a call (07) 3875 7149 or preferably send an email to [S.Ragusa@ofm.gu.edu.au](mailto:S.Ragusa@ofm.gu.edu.au)

# Awards & Recognition

## *The APPA By-laws provide for the Association to confer awards*

1. The Board may from time to time acknowledge individuals who have performed outstanding services, duties or assistance to the Association. Such individuals need not be a Member of the Association or APPA. The Board shall determine whether the value of such services duties or assistance is sufficient to merit the award of a Distinguished Service Award.
2. Nominations for the Distinguished Service Award shall close on 31 August in each year and shall be received by the Secretary/Treasurer from the membership for consideration by the Board.
3. If it is so determined, the President shall present such award at the next Annual General Meeting of the Association. The award shall be made in the name of the Association. The board may decide not to make a Distinguished Service Award in any year.
4. The President may, or the Board may direct the President to, forward a letter of appreciation for the services not meriting a Distinguished Service Award.
5. Not more than one Distinguished Service Award shall be awarded in any one administration year; that is, the period from one Annual General Meeting to the next Annual General Meeting. Such awards shall normally be made at the Annual General Meeting.

Do you know someone in your organisation or elsewhere whom you think is doing a really great job promoting the work of AAPPA or the profession of facilities management generally within a University or College?

Why not nominate them for an Award?

Simply write to Freda Hanley, Griffith University, Qld 4111, by 31 August nominating the person you believe should be recognised together with some brief outline why you believe they should receive the award.

## AUSTRALASIAN FACILITY MANAGEMENT

# WEB SITES TO VISIT

These Web Sites have been submitted for interested colleagues to visit, browse, ask questions, comment and to learn about how these Universities publicise Property and Services activities:

### UNIVERSITY

### WEB SITE

ANU	<a href="http://www.anu.edu.au/facilities/">http://www.anu.edu.au/facilities/</a>
Auckland	<a href="http://www.auckland.ac.nz/wks/homepg.htm">http://www.auckland.ac.nz/wks/homepg.htm</a>
QUT	<a href="http://www.publications.qut.edu.au/pubs/div_adm_facman/facman.html">http://www.publications.qut.edu.au/pubs/div_adm_facman/facman.html</a>
University of Adelaide	<a href="http://www.psb.adelaide.edu.au/">http://www.psb.adelaide.edu.au/</a>
University of Melbourne	<a href="http://www.ppd.unimelb.edu.au">http://www.ppd.unimelb.edu.au</a>
University of South Australia	<a href="http://www.unisa.edu.au/pro/proindex.htm">http://www.unisa.edu.au/pro/proindex.htm</a>
UWA	<a href="http://www.publications.qut.edu.au/pubs/div_adm_facman/facman.html">http://www.publications.qut.edu.au/pubs/div_adm_facman/facman.html</a>
Wollongong	<a href="http://www.uow.edu.au/admin/buildings/index.htm">http://www.uow.edu.au/admin/buildings/index.htm</a>

Other International Web sites accessible through the AAPPA web page: [http://www.appa.org/mbrshp/mem\\_site.htm](http://www.appa.org/mbrshp/mem_site.htm)

*Editor*

# Auckland University and the Electricity Crisis



## - A Facilities Management Perspective -

BY MAURICE MATTHEWSON

AAPP Vice-President

and

Director of Property Services  
University of Auckland

The University of Auckland is a \$NZ300 million a year enterprise catering for 20,700 FTE students in Arts and Music, Commerce and Economics, Law, Science, Engineering, Medicine and Health Science, Architecture and Fine Arts and employing 1700 academic staff and 1850 general staff. The University operates on three campuses located on the Auckland isthmus. These campuses total 55 hectares in area with buildings providing 370,000 sqm of gross floor area.

Loss of electricity supply could therefore be expected to cause considerable disruption to the University's operations and present Property Services staff with a real challenge to restore facilities to normal as rapidly as possible.

Between 22 January and 20 February this year four 110kv cables, which transmit electricity from the national grid to the Auckland central business district, progressively failed. During this period there had been intermittent power cuts lasting several hours and these had prompted some Departments to turn off sensitive equipment and to start arranging connections to alternative battery or standby generator power sources. Then on the afternoon of Saturday 21 February, just nine days before lectures were due to start, the University received advice from Mercury Energy, (the company responsible for the local network), that power supply could no longer be guaranteed and repairs to the cables would take several weeks. These restrictions would affect our City and Medical School campuses, where 89% of the University's building space is located, but our Tamaki campus could continue to operate as normal. Decisions were promptly taken by Property Services management to clear buildings and secure them by mechanical locking, (rather than rely on electromagnetic locks), shut down lifts and chillers and operate standby diesel generators to serve essential lighting, refrigeration, ventilation and battery charging systems only.

The following morning, Sunday 22 February, a meeting of Senior Management and Faculty representatives was briefed on the limitations of battery and standby generator power and the security, health and safety consequences if buildings were kept open.

Decisions were taken to:

- relocate the Vice-Chancellor's Office and Faculty Offices to Tamaki campus;
- defer enrolment for one week;
- close City campus buildings for one week;
- scale down Medical School operations and run standby generators continuously;
- relocate outside Auckland all students then resident in hostels;
- give priority to restoring and maintaining the Information Technology Centre systems and services;
- communicate decisions to staff by way of cascading telephone calls and automated telephone attendant messages;
- communicate decisions to students via news media announcements.

Following an initial meeting between senior managers of the University and Mercury Energy, to explain the impact the uncertainty of power supply was having on the University and to gain an appreciation of the problems Mercury Energy was facing, tentative plans were made to shift enrolment from the City campus to Tamaki campus 11 km away.

Meanwhile dialogue with Mercury's engineers was maintained and by mid week negotiations had resulted in Mercury undertaking to supply uninterrupted power to City campus buildings critical to the enrolment process during the week commencing 2 March and uninterrupted supply to all buildings a week later to enable lectures to commence. In return the University undertook to hire and install additional backup generators at key locations, to run all existing generators during the hours of high central business district demand and to exercise stringent energy conservation measures.

No doubt in agreeing to accord the University priority for electricity supply there was some political consideration given to the impact of the University's closure on central city retailers. However, the fact that Property Services engineers experienced in energy management were in a position to control and monitor plant

with a sophisticated Building Management System was also an influencing factor.

With a reasonable basis for electricity supply established we were then able to implement plans to progressively recommission buildings during enrolment week. Initially only lighting, power, fire protection and essential ventilation and refrigeration systems were operated in order to minimize demand. Finally the lifts and chiller stations were recommissioned over the weekend before lectures began on 9 March.

The impact of the crisis would certainly have been greater if such prolonged power cuts had occurred during semesters when between 25,000 and 30,000 people are on campus. Operational difficulties would have been further compounded if Tamaki campus had also lost power. Nevertheless the facilities management problems which did arise required prompt action to be taken to avoid harm to staff and students, to protect research specimens and to prevent damage to buildings, building services and laboratory equipment. Special arrangements also had to be made for mail sorting and delivery.

Some problems encountered were beyond our control, for example:

The radio telephone system used by our UniSafe Officers and Security Control Room was rendered useless when the repeater station lost power.

While City campus buildings were closed down MetroWater took the opportunity to shut off supply to our Engineering and Chemistry buildings to work on their reticulation system but failed to inform us. Consequently when electricity supply was restored four large pumps ran dry and failed.

Other problems associated with network and laboratory equipment could probably have been avoided if technicians had been better informed about backup power supplies, for example:

Some data and telephone network equipment had been installed without battery backup and so sections of the network went down when the mains supply failed. Consequently the ability to monitor the status of doors from the Security Control room was lost necessitating on site checks by security staff.

Although a new standby generator had been installed in the Biological Sciences building not all laboratory refrigeration equipment requiring continual power had been connected to the essential supply. Fortunately urgent attention to this by Property Services electricians ensured that no biological specimens were lost.

CONTINUED ON PAGE 8

The need to install a battery supported UPS between sensitive electronic equipment and the standby generator essential supply in order to obtain continuous conditioned supply was apparently not appreciated in some cases.

There was a risk of damage to laboratory equipment relying on process cooling by running water to waste from a header tank served by a booster pump if equipment was operated before the header tank refilled. Connection to a recirculating water system not only eliminates this risk but conserves water.

The purpose of battery backup for emergency lighting, fire detection systems, access control, telephone and computer systems is, of course, to allow sufficient time for equipment to be shut down safely and for buildings to be safely evacuated, decommissioned and secured. Standby generators in the University's buildings are generally sized to power essential services only as it is usually uneconomic to provide the capacity necessary to continue full operation of the facility. All battery-powered systems for which Property Services are responsible operated as intended and all standby generators performed reliably. However, the duration of power outages exceeded the service life of the battery banks, which typically range from 30 minutes to 8 hours, with the following consequences:

Once buildings had been evacuated it was necessary to disconnect fire alarms, emergency lighting and access control systems and secure the buildings by mechanical locking in order to avoid permanent damage to batteries and ensure that they would recharge when mains power was restored.

As safety systems had been disabled, staff were only permitted access to buildings to attend to essential duties while accompanied by a UniSafe Officer. This requirement placed considerable pressure on security staff.

Once mains power was restored the following action was necessary before buildings could be reoccupied:

- testing and reconnecting backup battery banks to access control, emergency lighting and fire detection systems and data and telephone network equipment;
- rebooting data network and telephone equipment;
- restoring access control system communications;
- restoring communication between the BMS central controller and field equipment via the data and telephone networks;
- checking that all hydraulic systems were full of water before restarting pumps;
- resetting and restarting ventilation plant and lifts;
- warming up chiller sump heaters (for up to 24 hours) before returning chillers to service.

All this additional work by Property Services and Information Technology Systems and Services had to be undertaken over the period of time that enrolment was in progress and the normal checks of lecture theatres, seminar rooms and teaching laboratories were being conducted.

The power crisis served to remind us how dependent we have become on electricity to power computers, data networks and telephone systems, which are now such an integral part of the campus infrastructure needed for access control, plant management, information systems and communications. Therefore robust IT systems with UPS and generator backup are essential. However, it is worth noting that it was our set of hard copy as-built drawings and operating manuals that we had to rely on during the first few of days of the power outage when the data network was down.

Auckland University does not have a formally documented disaster recovery plan. Clearly we should have; but the fact that Property Services coped so well under demanding circumstances demonstrated that we are fortunate in having experienced managers with ample common sense supported by dedicated, competent staff willing to put in whatever effort is necessary to restore facilities to normal as quickly as possible. It was a splendid team effort and the value of having an appropriate number of in-house professional, technical, trades and security staff with local knowledge of the University's buildings and engineering services is now appreciated by Senior Management.

## The University of Queensland's JOURNEY TO ENVIRONMENTAL LEADERSHIP

### Our Journey to Date

In December 1996, the University of Queensland became the first university in Australasia, and perhaps in the world, to be jointly certified under the standards of ISO14001: 1996 — Environmental Management Systems, and ISO 9001:1994 — Quality Management Systems (received by the Property and Facilities Division) by NATA Certification Services International.

The University's Environmental Management System (EMS) materialised from a desire towards leadership in environmental management for educational institutions. It represents the culmination of 20 years of effort and attention to the University's environment. In the late 1970s, the University commenced its energy saving program. In the early 1980s, the University put in place systems for dealing with pathological and chemical wastes and for irrigation using reclaimed effluent. Recycling was first introduced in 1986 and optimised in 1992 with the research and implementation of a



*L-R Bob Speirs Department of Environment, Wyn Vogel Quality Mentor, Joe da Costa, Environmental Officer, Alasdair McClintock Director Property and Facilities Division, and Douglas Porter, Secretary and Registrar The University of Queensland, receive certificates*

comprehensive waste management plan for the St Lucia Campus. In 1993, the UNIGREEN environmental strategy was launched in partnership with University stakeholders—

including students, academics and general staff, Brisbane City Council and the Department of Environment. In 1995 development of the University's Environmental Management system commenced.

The scale of environmental management applicable to the University of Queensland is enormous and to ensure successful development and implementation of the EMS we developed a framework.

### EMS Framework

The EMS operates within a framework that has six main components (da Costa, Walsh and McClintock, 1996):

1. The EMS has firm commitment from the University's senior executives through an EMS Project Control Group consisting of three Executive Deans, the Director of Occupational Health and Safety, and is supported by Property and Facilities staff.

- The Environmental Policy is the central focus of the EMS and demonstrates the University's commitment to environmental protection.
- The programs set up principles of environmental management strategies, controls and operating procedures.
- The legislation indicates the major pollution control areas that require environmental protection and compliance.
- The EMS interfaces with the University organisational structure and actions.
- The integration of the University stakeholders in the environmental management decision making process to enhance the development, implementation and maintenance of the EMS.

One important aspect of environmental management that has continued to develop with the implementation of the EMS is an auditing program that is carried out primarily by engineering students.

### EMS Thesis Program

(da Costa and Mitchell, 1996)

In 1994, the Property and Facilities Division, in association with the Departments of Chemical, Civil and Mechanical Engineering initiated an environmental auditing program which provided an important link between the University's Administration and Academia. This program is unique in the sense that environmental audits are carried out by fourth-year undergraduate engineers as thesis projects. One of the fundamental aspects of the program is that the students have to perform roles as if they were environmental consultants with the University of Queensland being their hypothetical client. The outcome was that the University obtained important information about its environmental performance and exposures whilst students gained invaluable experience by dealing with real and complex problems similar to those encountered by engineering consultants.

The environmental auditing program strengthens the students' analytical and practical skills as the students have to deal with real and complex environmental problems that yield transient environmental data, both temporally and spatially. The program includes:

- Audit plan - objectives, scope and auditing procedures and statistical validity of the sampled data;
- Project management - task description, time and budget allocation;
- Understanding of the legal requirements;
- Project description (literature survey) indicating the process, flow charts and likely environmental impacts; and
- Modelling of emissions.

A total of 17 projects have been undertaken, out of which only three projects have yet to be finalised. The thesis projects are:

- Monitoring of the recycling scheme at the University of Queensland.

- An Acoustical Audit of the University of Queensland's St Lucia Campus.
- Feasibility study of high grade paper recycling at the University of Queensland.
- Irrigation water for the University of Queensland: sources, quantities and qualities.
- Waste Water Audit of the University of Queensland.
- Wastewater mass load study.

An Engineering student samples the University's lake

- Environmental Contingency Study of the St Lucia Campus.
- Air Quality Audit of the University of Queensland Campus.
- University incinerator Air Quality Audit.

- Air Quality Audit of multiple source fume hoods.
- Wastewater (organic compound) Audit of the University of Queensland.
- Chemical Waste Study of St Lucia Campus.
- Environmental Audit of effluent ponds - Pinjarra Hills Veterinary Farm.
- Executive officer liability under the draft Environmental Protection Bill (Qld). \*
- Indoor Air Quality Audit. \*\*
- University's Garage soil bioremediation. \*\*
- Gatton College Sewage Treatment Plant environmental audit. \*\*

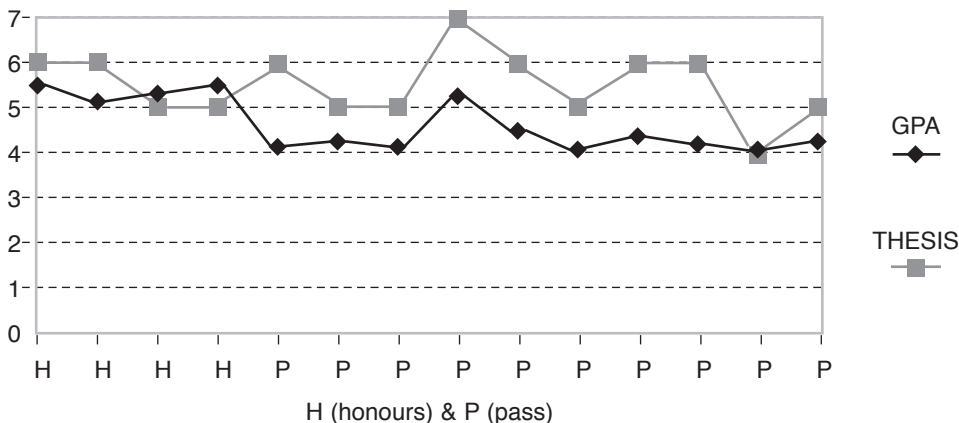
\* Project given to a Masters of Environmental Management student.

\*\* To be completed.

The engineering undergraduate's performance in terms of thesis results against their grade point average (GPA) is analysed in this section. GPA is the grading system used by the University of Queensland, being 7 (high distinction) the highest grade, 6 (distinction), 5 (credit) and 4 the pass grade.

The thesis results against GPA results are depicted in Figure 1. Out of the 14 completed projects, 11 students were awarded thesis grades higher than their GPA. This result shows that almost 80% of the students improved their marks under the EMS thesis performance. It can also be noted one project was awarded a high distinction grade (7) and six projects distinction grade (6). Hence, a total of seven theses, equivalent to 50% of all projects, received top marks. Out of all projects, only one student received the pass grade (4).

Figure 1 - Results from the EMS thesis program.



Honours students performed reasonably well. However, the majority of the pass students had excellent performances. With exception of one student only, the other nine pass students managed to deliver very good projects. In other words, 90% of the pass students were awarded thesis grades higher than their GPAs. In 1994, one pass student won an award for the best thesis presentation whilst in 1995 another pass student received the highest grade for a pass thesis in the environmental engineering degree. These results are a proven record that the EMS thesis program performed very well in academic terms.

The EMS thesis program demonstrates that the University of Queensland is seriously attempting to "practise what we teach". The program assists engineering undergraduates to establish links between the theory and application of engineering concepts to industrial situations. The results obtained so far justify the strong support from the University's Property and Facilities Division. The students are providing the University with the necessary environmental data to enhance its environmental performance and to reduce its liabilities. They not only improve their academic records, but also acquire valuable practical engineering skills.

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# Extending lifts in a multi storey building - HOW TO IMPROVE THE SERVICE WHILE KEEPING THE VIEW

TIM ARMSTRONG

Maintenance Manger  
Victoria University of Wellington

## Introduction

In 1960 a ten storey building was built on the Kelburn campus. The building was multi purpose with the main use as the University library.

The building consisted of eight full stories, a half storey at basement level and a stepped in storey at the top surrounding the machine rooms for the two pairs of lifts. Floors were numbered 0 to 9. The top floor was served by two stairways but not by the lifts.

Over the years use of the building has changed until it is now completely occupied by the Library. At the start of 1997 the top storey was vacated by the History Department and it was decided to expand and relocate the Library Audio Visual suite to this level. As part of this move, the university agreed to provide lift access to the floor.



## Investigation

A consultant was engaged to investigate the most effective way of providing extended lift access. The final two options presented were:-

- install new hydraulic lift serving levels 8 & 9 with the shaft extending down to level 7, or
- extend existing pair of lifts to Level 9

The first option was the cheaper and caused less disruption, its big disadvantage was that it would occupy at least 20 m<sup>2</sup> of floor space on each of three levels. The price difference was less than 10% and it was felt that no loss of useable space was more important than the additional cost.

It was decided that the lifts at the North end of the building would be extended and the control and running gear upgraded over the 1997/98 summer period.

## Planning

With the university being on a ridge between the city and Kelburn residents we were very aware that any changes to the skyline by increasing the height of the lift plant room could cause Resource Consent problems. Our application included extensive details showing that the impact on residents would be minimal, as the skyline would not be impacted any more than was already the case. Consent was granted without notification.

Otis Elevators produced a proposal for the lift work while Kingston Morrison were engaged to design and manage the structural work required. The basic structural plan was to cut through the lift shaft below the plant room floor, lift the complete plant room (weighing about 35 tonnes) and then infill the shaft extension.

The lift shafts at level 9 had knockout panels cast into them and the cut was to be made at the top of these penetrations.

An order was placed with Otis in August covering the equipment required to extend the lifts and also for new motors and electronic control gear.

Tenders for the construction work were issued in October. Due to the unique nature of the work many construction companies did not submit a tender.

The successful bidder was Downer Construction Ltd.

The most interesting and critical part of this project was the method of raising the lift plant room.

While the design carried out by Kingston Morrison covered the basic concept of cutting through the concrete lift shaft and jacking up the plant room, the actual details of this work were the contractor's responsibility.

In-house engineers at Downers produced a design and method which were approved, with minor alterations, by the consultants and the university.

The site was made available to the contractors immediately following the last examination on November 11. The completion date was specified to be 20 February. An important milestone was to be that the new concrete shaft had to be poured before Christmas to allow curing during the holiday period.

## Construction

A steel frame was bolted to the interior of the lift shaft and a movable structure using scaffold sections was built inside the fixed frame and reaching to the underside of the plant room floor. The structure was supported from the fixed frame by 12 threaded bolts over 2 metres long.

Twelve hydraulic jacks, with a stroke of about 50 mm and pressurised from a single power pack, were fitted to the threaded rods and the frame tensioned allowing a horizontal cut through the concrete shaft to be made without pressure on the cutting blade.



CONTINUED ON PAGE 11

The plant room was then lifted nearly 2 metres in steps of 50 mm. By varying the pressure on each jack the control over horizontal as well as vertical movement was quite amazing.



Starter holes were drilled in the concrete, reinforcing and boxing put in place and the concrete pour completed on 22 December.



The largest concrete pump in Wellington just reached the top of the building.

In the new year, boxing was stripped, finishing work completed while Otis started fitting their new equipment.

Completion was delayed by failure of the manufacturers in Germany to ship the new lift motors. These were eventually flown to New Zealand. During the last four weeks Otis staff worked 4 am to 9 pm, seven days a week.

The first lift was in service one week after the start of the semester and two weeks behind schedule, the second lift followed two weeks later.



Following some commissioning adjustments the lifts have performed to expectation and many students are now riding them to Level 9. Initial results from monitoring the main lift show that, on a typical university day, it makes over 2000 trips between floors and is actually in use for a total of more than 8 hours.

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At times the students find that this program leads into other interesting environmental activities. In 1997 one engineering student went a step further and produced an EMS training video for the University's Heron Island Research Station. This particular student had a strong interest in video production and was pleased to be able to combine pleasure, study and work. In 1998 this same student will be heading up to Heron Island Research Station to set up a new chemical waste system as part of the EMS Thesis Program.

## Recognition received

The University has been pleased to receive recognition for its environmental management through a number of awards given to the University by local, state and federal organisations:

- Waste Savers Award (1994) sponsored by the Brisbane City Council. The Unigreen recycling scheme was awarded the Waste Savers Award 1994 by the Brisbane City Council, in recognition of demonstrated waste management achievements.
- High Commendation in the Engineering Excellence Awards (1996). The awards are sponsored by the Institution of Engineers, Australia for projects which have engineering excellence in providing solutions that embrace consideration for users, the human and natural environment, aesthetic standards and benefits to the community.
- Banksia Finalist Award (1997) sponsored by the Banksia Environmental Foundation in Victoria. Four national finalists were chosen, consisting of WMC (Olympic Dam Corporation) Pty Ltd (SA), Western Power Corporation (WA), Actew Corporation Ltd (ACT) and the University of Queensland.

## The journey continues

We have been pleased to receive the above recognition, but in a sense the journey has only just begun. As we go along we realise more and more the implications of implementing such a system throughout the university. The EMS must be seen as a benefit by those who are expected to use it. It must be practical and user-friendly in order to stand up to other competing priorities that staff contend with on a day to day basis. Finally, its continued development and success in achieving sound environmental management practices requires strong 'ownership' by those that must use it. The challenge and journey continues.

## REFERENCES

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- [2] da Costa, J.C.D., and Mitchell, C.A. *Do we practice what we teach?* 8th Annual Convention and Conference of the Australasian Association for Engineering Education. Sydney, Australia, pp. 264-268, 15-18 December, 1996.

*The Decentralised Programme on Educational Building (PEB) and the Institutional Management of Higher Education Programme (IMHE)  
with the co-operation of the  
New South Wales Department of Education and Training (NSWDET)*

## **International Workshop on Strategic Asset Management for Tertiary Institutions** Sydney, Australia on July 16 and 17, 1998

**T**he higher education environment is increasingly competitive; in many countries direct public funding is being cut back; and technology and globalisation are bringing new challenges to teaching and research. A more business-like approach to strategic asset management is essential for success in the new policy environment.

Universities and other tertiary institutions maintain buildings, sites and communications infrastructure worth hundreds of millions of dollars. How can these resources be made to work more efficiently in the pursuit of institutional objectives? What impact will new communications technology have on space requirements? Under what circumstances should universities lease facilities rather than build new ones?

This two-day international workshop is intended primarily for senior institutional or system managers who are responsible for infrastructure investment and management. It will address issues including:

- The changing policy environment for tertiary education: opening the market (third-party access); student-centredness and user choice; lifelong learning; blurring of sectoral differences.
- Risk management in a business environment - accountability and competition.
- The impact of global information networks on facility planning.
- The changing role of the facilities manager.
- Aligning the physical environment with educational objectives.
- Total asset management - understanding the real cost of facilities
- Tools of the trade: space utilisation, value management, life-cycle costing, space charging.

One place at the workshop will be made available to each IMHE Member institution and each PEB Member country or associate member. Additional participants may be nominated and will be accepted if space is available. Every attempt will be made to meet demand, but the number of participants in the workshop is limited to 50, and places will be allocated on a first-come, first-served basis. In the event of over-subscription a second

workshop may be organised later in the year. Participants will be expected to pay their own travel and accommodation costs, in addition to the workshop fee, which is expected to be approximately Aus\$500 for IMHE and PEB members.

The fee will include pre-and post-workshop documentation, lunch on both days of the workshop, and dinner on 16 July. Further information about the workshop can be obtained from:

**PEB Secretariat - OECD, 2 rue André-Pascal,  
PARIS 75775 Cedex 16, France**  
**Tel. +33 1 45 24 92 86**  
**Fax. +33 1 42 24 02 11**  
**E-mail: [Patricia.Emburey@oecd.org](mailto:Patricia.Emburey@oecd.org)**

### *OECD Programme on Educational Building March - Quarterly Update*

**Libraries and resource centres** - a meeting in Paris in March 1998 attended by 28 participants from 16 countries focussed on likely future scenarios for existing and new libraries in the tertiary educational sector. Twelve case studies were presented including two from Australia - Griffith University and the Hervey Bay Library of the University of Southern Queensland. Participants were able to visit two new libraries: at the University of Paris VIII (St Denis), and the Bibliothèque Nationale (National Library of France). Four key areas were discussed over the three-day event - library management, technology, changing pedagogies and delivery methods and the implications of these on library planning design. A report on the meeting is going to the PEB Steering Committee meeting in June and is expected to be scheduled for publication later this year.

**Strategic asset management for tertiary institutions** - a professional development seminar is scheduled for Sydney this July 16 and 17. In a rapidly-changing policy context, in which funding is getting tighter, the workshop will help managers plan the provision and effective use of learning spaces and the strategies, skills and techniques likely to be needed by educational facility managers in the future. An international cross section of strategic asset management experts from Australia, Sweden, the United Kingdom and

the United States will facilitate discussions and present case studies.

**Environment and school initiatives** - a conference is programmed for early October in Linz, Austria in association with the Austrian Ministry of Education. The primary goal for this meeting will be to look at ways of developing an environmentally sustainable approach to the environmental curriculum, relations with the community, schools planning, design and operations and management. More details are included in the June issue of PEB Exchange.

**Maintenance and renewal** - PEB is planning an international seminar on strategies for educational facilities maintenance and renewal to be held in Alexandria, Virginia from 4 to 6 November this year. The focus of the meeting will be on the school sector although lessons will be drawn from the experience of facilities managers in other sectors, including tertiary education. More detailed announcement will be available on the PEB web-site shortly.

**Institutional Management in Higher Education (IMHE)** - the OECD's programme aimed at managers in HE has over 170 institutional members - mostly universities, but including some government agencies - from most OECD countries including Australia. IMHE works at the interface between policy and practice and current priorities include quality assurance; the internationalisation of tertiary education; and infrastructure management (jointly with PEB). The journal 'Higher Education Management' is published three times a year by OECD.

**ATEM/AAPPA conference** - PEB hopes to be represented at the ATEM/AAPPA conference in Darwin later this year to present an overview of current work including the findings of the meeting on libraries and learning resource centres held in Paris earlier this year (see above).

**Publications** - OECD has just published 'Producing a Secure Environment for Learning'. Two other publications based on PEB activities are due out this month 'Tertiary Facilities in the 21st Century' and 'Under One Roof - the Integration of Schools and Community Services in OECD Countries'.

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# WEST REPORT FINDINGS

## *What does the Review of Higher Education Financing and Policy (The West Report) say about Facilities Management in Australian Universities?*

*The following is an extract of those parts of the Report that bear on the activities of facilities managers.*

### **ACCESS TO RESOURCES**

We expect the digital revolution to have a major impact in the next century on the ways in which higher education services are produced, distributed and exchanged. Major investments will be required to finance the development of world competitive educational goods and services, and to make other structural changes that will be needed to take full advantage of the power of the new technologies. For example, the paper prepared for the Review Committee by Global Alliance Ltd (GAL) estimated that at least US\$500 million would be required to develop computer-assisted learning packages for half the first and second year subjects at a typical Australian university.

GAL argued that Australian universities do not have the capacity to finance substantial infrastructure investments. Many of those who commented on the Discussion Paper contended that the higher education system is already under financial strain and that funds available to finance major investments are limited. The obvious question therefore, is “How will the investments be paid for?”

### **The publicly funded asset base**

There is significant – though not unlimited – potential for the higher education system to fund its own structural change by leveraging its substantial, publicly funded asset base, provided that those assets can be freed up.

The current policy and funding framework limits the freedom of, and incentive for, universities to manage their property assets effectively.

- The status of the land occupied by Australian universities is extremely varied. Numerous types of tenure apply, even within individual institutions. A significant proportion of university land is vested in the Crown (State/Territory or Commonwealth) or, if vested in the university, is subject to restrictions on usage and may be sold or leased only with the approval of the responsible (State/Territory or Commonwealth) Minister.

- Universities often pay less than full market rentals for the land that they occupy, and are not always liable for the government charges, such as land rates, that others are required to bear.

Within universities, the use of assets is generally not charged for in ways which provide incentives for staff to use those assets in the most cost-effective way. For example, GAL reported that only some universities have systems for depreciating the value of their capital and internally allocating the resultant charges, while none appears to have a system for charging for use and/or depreciation of property and building-related services.

Because the cost of assets is not factored systematically into assessments of the cost of educational delivery, it is not possible to derive an accurate picture of the relative costs of delivering education in particular modes and locations. This introduces competitive imbalances into the sector and inhibits the adoption of innovative approaches to educational delivery.

- Regional universities are disadvantaged, because they cannot take full advantage of the lower cost of land in their locations to offer less expensive courses.
- The true cost differential between more campus-intensive and less campus-intensive (e.g. information technology-based) forms of educational provision is understated, reducing incentives for universities to move to less campus-intensive forms.
- The subsidies enjoyed by existing universities, especially the older ones, in the form of access to land at less than market rates, deter potential new private sector entrants and disadvantage newer, less well-endowed institutions.

### **Leveraging the existing publicly funded asset base**

Enabling universities to use their existing asset base more effectively presents complex legal problems, as a variety of ownership arrangements and a range of jurisdictions are involved. However, in view of the importance of the issues at stake, we believe that those problems should be addressed as a matter of priority.

We have considered a number of possible approaches. In the Discussion Paper we canvassed the possibility of imposing a capital charge on institutions. Such a charge would

create a pool of funds that could be reinvested into the sector and would redress existing competitive imbalances and market distortions.

However, unless institutions were free to dispose of assets, such a charge would have the effect of raising fees (if institutions had the power to do this) or reducing effective funding per student. That is, universities would have no option but to pass on to students responsibility for financing structural change. Accordingly, the first priority must be to free up the ability of institutions to dispose of assets.

### **RECOMMENDATION 3**

That the Government should work jointly with State and Territory Governments

- To develop a process for rationalising the ownership and control of assets used by universities, enabling universities to leverage these assets to finance structural change; and
- Once this is complete, ensure that the capital assets of universities are liable to the same taxes and charges that apply to private higher education providers.

This recommendation gives institutions enhanced power to leverage ‘their’ assets to help the sector finance the investments that it will need to continue to operate at a world competitive level. Because institutions would face taxes and charges on their assets, they also would have an incentive to sell assets that were not being used effectively.

The second element of Recommendation 3 is intended to encourage universities to adopt a more businesslike approach to managing their assets. It would also help reduce barriers to entry into the higher education market resulting from the favourable taxation and charging regimes applying to the capital assets of existing universities. We see no case for treating private universities differently from public universities in whatever taxation regime applies to higher education.

### **A capital charge?**

By itself, Recommendation 3 would not address the market distortion where older (better

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## WILLIAM A. DAIGNEAU

*to be a speaker at International Workshop on  
Strategic Asset Management  
for Tertiary Institutions*

SYDNEY, AUSTRALIA ON JULY 16 AND 17, 1998

Details on this workshop are contained elsewhere in the newsletter. AAPPA is helping to promote this very important initiative and is participating by joining with the OECD to bring Bill Daigneau to Australia to speak as a leader in this very important field.

Bill is very well known in the US through APPA and SCUP as a strategic thinker and doer in facilities management. He is Associate Vice President and Chief Facilities Officer at the M. D. Anderson Cancer Center at The University of Texas, Texas Medical Center, Houston. He is a member of the faculty of the APPA Institute.

AAPPA is endeavouring to extend Bill's stay in Australia with a view to having him run some workshops for anyone who can't make it to the OECD Workshop.

## Have you seen the new AAPPA Web Page yet?

It's up and running at its new home and contains a heap of new and valuable information.

You can navigate simply by using the buttons on each page to get you to a new part of the page where you can drill down and find the information that you need.

The page contains hot links to many other home pages and is now also available through the AAPPA home page.

Past Newsletters have been put up on the page and will be put up in future so that you can scan any interesting articles that are useful to you.

The directory of Members is being developed at the moment and will only be available to members of AAPPA through password protection. This valuable tool will enable members to make contact with others holding similar positions at other institutions.

**If you haven't visited the site, do it now!**

**The URL is**

**<http://www.publications.qut.edu.au/extnl/aappa/aappahome.html>**

**Make it a bookmark on your browser so that you can access it easily.**

CONTINUED FROM PAGE 13

endowed) institutions are advantaged compared to newer (less well-endowed) institutions and new entrants to the market because they are able to draw on the significant investment that the Government has made in their capital assets in the past. Charges would generally be applied only to the unimproved value of land and would not reflect the true market value of land and assets.

These are difficult issues. The Review Committee's proposal that a capital charge be placed on institutions that have benefited from past government capital funding is complicated by the fact that the Commonwealth would be entitled to levy a charge only on capital that it had provided since Federation. Determining the mix of funding that has allowed a university to finance any particular asset would be very complex.

Confounding effects might also be associated with a capital charge. For example, if institutions' capital were depreciated, a capital charge might have a greater effect on newer regional universities than older established universities, because newer universities have benefited from grants from the Commonwealth's capital programs more recently.

Nonetheless, the Review Committee believes that the idea of a capital charge is worth exploring further.

### RECOMMENDATION 4

That the Government should establish a working party to undertake a study of how a capital

charge might be implemented on public assets in the higher education sector.

### Special-purpose support

There are many reasons why freeing up universities' assets and providing incentives to use those assets more effectively will not be sufficient by themselves to generate the investment funds that they will need to remain world competitive.

- Compared with the prestigious private universities in the USA, Australian universities have limited reserves and endowments.
- Investment needs to happen now. Freeing up assets may take some time, which Australia's higher education sector cannot afford.

To address these problems, the Government should establish a loan fund to finance major programs of innovation and structural change. We prefer loans to grants, because the loans provide far greater incentives for universities to focus their efforts on projects that will genuinely increase their efficiency. However, the loan conditions should allow flexibility in cases where the investments are unlikely to yield benefits for some years.

The loan fund could be used for a wide range of purposes; for example, developing high quality computer-based courseware, upgrading and/or rationalising library infrastructure and training staff to adjust to the changes being introduced. The fund could be used to support collaborative endeavours as well as endeavours involving one university only.

The effects of a loan fund would be complementary to those that we wish to achieve

with Recommendation 3. To repay loans, universities would have to sell assets, re-engineer processes to cut costs and/or use the funds to develop significant revenue generating assets. While providing loans to universities under special conditions could be seen as contravening the spirit of National Competition Policy, we believe that a public-interest case could be made on the grounds that the loan would be available for a limited time only and that they would assist universities to make the transition to a fully competitive environment. In the long term, the Commonwealth should not underwrite institutions' capital upgrading. Institutions should finance their own investments from their revenue and by leveraging their assets.

In order to finance investment on a scale that will have real effects on the sector, access to substantial funds will be required. One way to establish such a fund with existing resources would be to convert the current Capital Development Pool (CDP) into a loan scheme for a limited period. The CDP currently provides around \$40 million to institutions in the form of grants. If these funds were to be disbursed as loans, the value of the pool of funds for lending would rise quickly without adding to Commonwealth costs.

### RECOMMENDATION 5

That the Government should establish a loan fund to finance major programs of innovation and structural change, including technological investments associated with such changes.

# Is the West Report on the wrong track?

## MY VIEWS

SAM RAGUSA

DIRECTOR, OFFICE OF FACILITIES MANAGEMENT, GRIFFITH UNIVERSITY

### IT versus Campus Intensive Learning and Teaching

There is no evidence that delivery of teaching and learning by information technology systems is more cost-effective/ less costly/more efficient/more effective than the traditional forms of teaching and learning.

What should be driving the future of educational delivery is that students should have the option to receive their course materials, instruction, learning experiences in the form which most suits them. If that is the direction we take, then the costs will be higher because multiple forms of delivery have to be in place. If any case experience has shown both in Australia and elsewhere that IT has not reduced the need for campuses but rather has changed the nature of the campus environment. While Lecture Theatres have been reduced in size and number or even eliminated, there is a greater need for small group interface. In order to ensure equity of access, universities need to provide more computing areas and Internet access either on or off campus. Similarly the instructional design, development and production of new material (or old material in new forms) requires resources (including space).

### Space Charging

The concept of space charging is not so simple as it may first appear. There are at least 6 universities in Australia that I know of that have looked at or are currently looking at charging for space. To my knowledge, there are few, if any, public universities in the world where space charging (at real costs) has been implemented successfully. There are any number that allocate costs to schools/departments/courses etc. but these are not usually "true costs". The question then is "who keeps the savings?" If funds are allocated out to the schools on a 'per EFTSU' basis, then for schools to "give up" space, they should be entitled to keep the dollar savings. That means the university could end up being no more than a real estate agent, renting space to anyone who wants to take it up. If the schools keep the savings, as they would need to as an incentive, then the only new funds to be generated would be those from the sale of assets (or rental for non-university purposes).

Most universities in Australia do have a fairly accurate idea of how much it costs to own and operate their buildings. Since the capital roll-in was implemented, most universities look very carefully at decisions about whether to build a new building or refurbish existing space. The operating costs come from overall university resources and so the competition between academic needs and building operating needs is already extremely keen with significant efficiencies being generated across the board.

### Leveraging the Asset Base

There is no doubt that some of our financial institutions could come up with a methodology for "securitizing" a university's assets and sell shares in them, much in the same way as a property trust. Obviously some universities would be more attractive to investors than others. In other cases, much of the land that Governments have provided to universities (both new and old) would have little value in a commercial/real estate sense: if you surveyed most universities you would find that the campuses meet one or more of the following descriptors: they are on the side of a cliff; or in the bottom of a gully which is subject to flooding; or

next to a cemetery; or bounded by immovable barriers such as highways, freeways or rivers.

The current replacement value of the university's assets is about \$22 billion for a turnover in excess of \$5 billion p.a. and economic value to their communities of \$15 billion to \$30 billion per annum (by application of multiplier effects). This is probably better than most private organisations can achieve. The notion of forming university property trusts for investors would have the effect of moving a public benefit to the realm of benefit for a select group of private investors.

### Capital Charge

The concept of a capital charge has been on the agenda in New Zealand for a number of years and has yet to be implemented because of the complexities that apply. In Australia, the situation is even more complex where in some States, land has been purchased by State Governments, private entities, and local governments and is 'used' by the university. Similarly funding for improvements has derived from many sources, often within the one project. The quality of assets across universities is significantly variable. The Sandstone Universities will have substantial liabilities in terms of deferred maintenance attached to their assets.

The concept of depreciating the assets is already in place in many States due to State Government's moves into accrual accounting. Even though the assets are depreciated, few if any make provision for the replacement of these assets by making a deposit into a depreciation account. This in most cases reflects the attitude of the State Governments.

Capital charging is attractive to theoretical economic rationalists but probably impossible to implement in a manner that is simple enough so as not to impose further administrative costs.

### Loan Provisions

Universities already are able to borrow for capital and infrastructure development.

OECD - CONTINUED FROM PAGE 12

Purchasing details are available on the WWW at [www.oecd.org](http://www.oecd.org) or from OECD Publications, 2 rue André-Pascal, 75775 PARIS Cedex 16, France. Fax +33 1 49 10 42 76.

**PEB Exchange** - is published three times a year. The June issue will include articles on environmentally sustainable design and the design of tertiary libraries. It includes contact details for other related programmes and a listing of international educational building conference events.

**Secondment** - Kenn Fisher's 15-month secondment to OECD/PEB in Paris concluded at the end of March and Richard Yelland is now responsible for both PEB and the IMHE programme.

**Contact Details** - the OECD has a Website which is updated daily. PEB can be found on [www.oecd.org/els/edu/peb/els\\_peb.htm](http://www.oecd.org/els/edu/peb/els_peb.htm). The IMHE programme is at [www.oecd.org/els/edu/els\\_imhe.htm](http://www.oecd.org/els/edu/els_imhe.htm). The fax number for both programmes is +33 1 42 24 02 11.

# AAPPA SCHEDULE OF EVENTS

<b>AAPPA SCHEDULE OF EVENTS 1998- 1999</b>			
<b>Event</b>	<b>Location</b>	<b>Date</b>	<b>Contact for Details</b>
Benchmark survey		May 1998	Brian Fenn Queensland University of Technology Phone 61 7 3864 3778 Fax 61 7 3864 5544 Email b.fenn@qut.edu.au
Maurie Pawsey Scholarship applications		July 1998	Robert Kelly Macquarie University Phone 61 2 9850 7185 Fax 61 2 9850 7120 Email rkelly@bgo.mq.edu.au
IIR Conference Facilities Management - In-sourcing, out-sourcing and co-sourcing - striking the right balance Millenium	Hotel Sydney	6 and 7 July 1998	IIR Hotline Phone (02) 9923 5090 Email info@iir.com.au Home Page <a href="http://www.iir.com.au">http://www.iir.com.au</a>
OECD International Workshop on Strategic Asset Management for Tertiary Institutions	Sydney Australia	16 and 17 July 1998	PEB Secretariat OECD 2 rue Andre-Pascal, Paris 75775 Cedex 16, France Ph+33 1 45 24 92 86 Fax+33 1 42 24 02 11 Email Patricia.Emburey @oecd.org
AAPPA Conference	San Jose,California	2-4 August 1998	Brian Fenn Queensland University of Technology Phone 61 7 3864 3778 Fax 61 7 3864 5544 Email b.fenn@qut.edu.au
AAPPA Board Meeting	Darwin	1 September 1998	Freda Hanley Griffith University Phone 61 7 3875 7979 Fax 61 7 3875 7706 Email f.hanley@ofm.gu.edu.au
AAPPA Conference	Darwin,Australia	1-4 September 1998	Brian Fenn Queensland University of Technology Phone 61 7 3864 3778 Fax 61 7 3864 5544 Email b.fenn@qut.edu.au