



2020 TEFMA Benchmark Insights Report



in partnership with



The 2020 TEFMA Benchmarking and Insights publication – the first one in this format – represents the facilities planned, built and maintained for 1.15 million equivalent full-time students across Australia and Aotearoa / New Zealand, representing nearly 4% of the two countries' population.

Introduction

TEFMA, the Tertiary Education Facilities Management Association is an independent association enabling its members working in the management of higher education facilities to connect with each other. One example of this collaboration is TEFMA's extensive annual benchmarking, which is one of the facilities management (FM) industry's most recognised examples.

This publication represents a summary of the 2020 academic year data and the associated trends across 5 headline indicators:

- + **Built Environment**
- + **Sustainability**
- + **Capital Expenditure**
- + **Operating Expenditure**
- + **Space Utilisation.**

Throughout each section, data is analysed to identify commonalities and trends across the different university groupings and the size and location of the 53 higher education institutions that are represented in this publication.

Whether readers are from institutional member organisations, business partners, government, or the wider industry, this publication is looking to not only provide an overview of the higher education sector, but to also assist in the development of policy, advocacy, performance targets, budgets, business cases – or simply, when arguing for change.

Overview Institutional Sector

There has been considerable change in the higher education sector recently, not only in Australia and Aotearoa / New Zealand, but across the globe.

The second half of the data for 2020 in this publication reflects one common theme: the interruption caused by various lockdowns due to the COVID-19 pandemic, including the closure of international borders.

Despite a slight decrease in student numbers and associated revenue in 2020, the higher education sector continued to contribute significantly to the economies of Australia and Aotearoa / New Zealand.

The 53 higher education institutions researched for this publication represent:

Nearly \$40 billion of revenue.

An Asset Replacement Value (ARV) for each institution, ranging between \$73,460,000 and \$4,643,000,000.

15,446,000m² of total Gross Floor Area (GFA).

Capital expenditure (new buildings and major refurbishment) close to \$2.48 billion.

30 capital works projects with a value greater than \$10 million.

A total energy demand 8.3PJ, the equivalent of 220,000 homes.

Key Trends

In each of the key areas, there are immediate trends associated with the COVID-19 pandemic, as well as long-term trends associated with an increasing population and global pool of students, strong sustainability commitments, a change in pedagogy, the availability of new technologies, and record low interest rates.

Some of the key trends are:

Student enrolments and staff numbers across 2020 remained relatively steady in comparison to the previous year.

Construction activities continued as per the previous years; overall an 8% GFA increase in Australia and a 4% GFA increase in Aotearoa / New Zealand from 2015 to 2020.

Revenue, especially in Australia, decreased in 2020 back to the figures reported in 2018.

The COVID-19 pandemic introduced a positive downward trend in relation to energy consumed on campus, associated carbon emission, water demand and waste production.

It is yet to be seen whether this trend will continue once students return to campus. Capital expenditure has fluctuated significantly in the past 10 years, reaching a high of \$2.54B in 2012, followed by a decline in 2016 to \$1.28B. Expenditure then increased through to 2019 and stabilised in 2020 at \$2.48B.

Building operating costs for Aotearoa / New Zealand have been gradually increasing by 2.5% per annum since 2015, largely driven by maintenance costs which have increased by 2.8% per annum and cleaning costs which have increased by 3.6% per annum. In 2020 however, Australian institutions' energy costs reduced by 21% and maintenance costs decreased by 20%.

Room utilisation data across Australia and Aotearoa / New Zealand suggests that rooms are commonly utilised between 10% and 35% depending on room type.

Outlook

The big questions looking forward are if, how and when student numbers will recover from the declines experienced in 2020 and 2021 due to the COVID-19 pandemic and once again reflect the upward trend from previous years.

With the shift to undertaking a significant amount of teaching and learning online, the question remains which social, technological, environmental and economic changes will remain and which and where students will learn in the near and far future – all significant influences on the facilities of the traditional campus.

Operations will have to remain agile with protocols and processes in place to enable executive bodies to adjust the response to COVID-19, if necessary, as variants emerge.

Globally, the demand for higher education is predicted to increase from 160 million students in 2015 to over 414 million by 2030, according to UNESCO, driven by growth in middle classes in developing countries across Asia, Latin America and Africa¹.

TEFMA's institutional members could also experience this increasing demand, and are well placed to offer well managed facilities and memorable student experiences.