



## Aide-Memoire: Tertiary Education Commission 2020/21 Quarter One Performance Report

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<b>To:</b>	Hon Chris Hipkins, Minister of Education
<b>From:</b>	John Soulis, Deputy Chief Executive - Corporate & Finance
<b>Date:</b>	19 January 2021
<b>Reference:</b>	AM-20-00798

### Purpose

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1. This report provides you with the Tertiary Education Commission (TEC) Quarter One Performance Report for the 2020/21 year.
2. We recommend that you release this report in full, once it has been considered by you.

### Background

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3. We report quarterly to you on our performance. This report covers the period 1 July 2020 to 30 September 2020.
4. The Ministry of Education, as our lead monitor, will provide you with a separate report on our performance.

### The Quarter One Performance Report

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5. The Quarter One Performance Report covers our progress against our *Statement of Intent 2019/20-2022/23* (Sol) and the *Statement of Performance Expectations 2020/21* (SPE).
6. It shows that the TEC is performing well, and includes substantial updates on Reform of Vocational Education (RoVE) and careers.
7. It also included an update on:
  - progress made against our four strategic goals:
    - Supporting all learners to succeed
    - Connecting educators and employers
    - Building provider capability and monitoring performance
    - Increasing research quality and capability
  - financial performance information, and
  - non-financial performance information.

## Our financial performance

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8. Overall grant spend is forecast to be \$2.604b at the end of the financial year. This is lower than last year's grant spend of \$4.421b, although the figures for 2019/20 are still subject to audit finalisation and may change. The majority of the decreased spend is due to the accounting implications of guaranteeing TEO funding for 2020 in response to COVID-19, which resulted in us recognising the full 2020 calendar year expenses at 30 June 2020. This was a technical accounting issue that required the transfer of funding from 2020/21 to 2019/20 to be resolved. This decrease is partially offset by an increase of \$281m of new funding in the baseline in response to COVID-19.
9. We were under budget because of lower depreciation, and reduced travel and personnel costs. Our expenditure on internal programmes of work is below the levels outlined in the SPE budget by \$1.2m in the first quarter.
10. We are forecasting our deficit to be \$3.3m to \$4.3m at the year-end against a budget deficit of \$5.0m. The final amount is dependent on the evaluation and approval of programmes of work for the rest of the year.

## Our non-financial performance

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11. This quarter we only have new data for eight of our non-financial SOI and SPE 2019/20 measures. The graph opposite shows how these eight measures are tracking.
12. As at 31 September 2020 we were:
  - on track to meet two measures and had achieved one measure
  - not on track but expected to achieve target by the end of the year for four measures, and
  - not on track and not expected to achieve target by the end of the year for one measure.
13. The measure not on track and not expected to achieve target by the end of the year relates to payments made to Tertiary Education Organisations.



**John Soulis**

Deputy Chief Executive, Corporate & Finance,  
Tertiary Education Commission

19 January 2021



**Hon Chris Hipkins**

Minister of Education

19 / 03 / 21