

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

To:	Hon Chris Hipkins, Minister of Education
From:	John Soulis, Deputy Chief Executive – Corporate & Finance
Date:	17 March 2021
Reference:	AM-21-00098

Purpose

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

Background

3. We report quarterly to you on our performance. This report covers the period 1 October 2020 to 31 December 2020.
4. The Ministry of Education, as our lead monitor, will provide you with a separate report on our performance.

The Quarter Two Performance Report

5. The Quarter Two 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 the Reform of Vocational Education (RoVE) and our careers work.
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

8. Overall grant spend is forecast to be \$2.565b. This is less than last year's grant spend of \$4.421b. The majority of the decreased spend is due to the accounting implications of guaranteeing Tertiary Education Organisation (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 resolve the issue. 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 amortisation, travel and personnel costs. Our expenditure on internal work programmes is also below the levels outlined in the SPE budget by \$2.6m in the first half of the year. We are forecasting this expenditure will accelerate in the second half of the year, so that we end the year between \$0.7m to \$1.7m under our \$5.0m SPE budget deficit.

Our non-financial performance

10. This quarter we only have new data for three of our non-financial SOI and SPE 2020/21 measures.
11. As at 31 December 2020 we were:
 - on track to meet two measures, and
 - not on track and not expected to achieve target by the end of the year for one measure.
12. The measure not on track and not expected to achieve target by the end of the year relates to payments made to TEOs.



John Soulis

Deputy Chief Executive, Corporate & Finance
Tertiary Education Commission

17 March 2021

Hon Chris Hipkins

Minister of Education

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Annex one: Tertiary Education Commission’s 2020/21 Quarter Two Performance Report
