

## Aide-Memoire: Tertiary Education Commission 2021/22 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>	8 December 2021
<b>Reference:</b>	AM-21-00704

### Purpose

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1. This report provides you with the Tertiary Education Commission (TEC) Quarter one Performance Report for the 2021/22 year.
2. We recommend that you release this report in full.

### Background

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3. We report quarterly to you on our performance. This report covers the period 1 July 2021 to 30 September 2021.
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 2021/22* (SPE).
6. It shows that the TEC is performing well, and includes updates on the Reform of Vocational Education (RoVE), and our careers and learner success work.
7. It also includes updates 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 \$3.937b. This is higher than last year's grant spend of \$2.614b. Note that the figures for 2020/21 are still subject to audit finalisation and may change. The majority of the increased 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 resolve the issue.
9. Forecasting is again challenging this financial year for both TEOs and the TEC. Relatively high student demand is expected but it is difficult to forecast 2022 demand at this stage. We will keep a close watch on this as the financial year progresses.
10. We were under budget because specific funded programs (RoVE and Direct Careers Services) are tracking under budget to date by \$1.2m. The RoVE underspend is primarily attributable to recruitment delays across several work streams, also due to lower than expected Workforce Development Council induction event costs and savings achieved by the recruitment of fixed term rather than contract Communications & Engagement Advisers. The lower spend in Direct Careers Services is due to the effect of the COVID-19 lockdown reducing careers consultants ability to meet face-to-face in MSD offices.
11. Our early indication is that we will end the year with an operating deficit of between \$3.5m to \$4.5m against a budget deficit of \$4.0m. The final amount is mostly dependent on the outcome of the RoVE programme work plan.

## Our non-financial performance

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12. This quarter we only have new data for eight of our non-financial SOI and SPE 2020/21 measures. The graph opposite shows how these eight measures are tracking.
13. As at 30 September 2021 we were:
  - on track to meet three measures, and
  - not on track, but expected to achieve target by the end of the year, for five measures.
14. The measures not on track, but expected to achieve target by the end of the year, relate to:
  - the number of system wide reviews completed,
  - the number of educational activities undertaken,
  - governance seminars,
  - Gateway participants and schools, and
  - learners accessing desired range of hours for Workplace Literacy and numeracy – TEO-led.



**John Soulis**

Deputy Chief Executive, Corporate & Finance  
Tertiary Education Commission

08 December 2021



**Hon Chris Hipkins**

Minister of Education

23 / 12 / 21

**Annex one: Tertiary Education Commission’s 2021/22 Quarter One Performance Report**

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