

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

To:	Hon Chris Hipkins, Minister of Education
From:	John Soulis, Deputy Chief Executive – Corporate & Finance
Date:	25 June 2021
Reference:	AM-21-00346

Purpose

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

Background

3. We report quarterly to you on our performance. This report covers the period 1 January 2021 to 31 March 2021.
4. The Ministry of Education, as our lead monitor, will provide you with a separate report on our performance.

The Quarter Three Performance Report

5. The Quarter Three 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 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

8. Overall grant spend is forecast to be \$2.634b. 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 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 recruitment delays, lower depreciation and amortisation, travel, and programmes that have been delayed due to the ongoing COVID-19 impact. We have also had delays in our COVID-19 related Direct Careers Advice which was budgeted to finish by the third quarter but has now been extended.
10. Excluding delays to our funded projects (which will roll unspent funding into next year), our underspend is \$1.6m for the year to date. We expect this to reduce and move to a deficit position by year end of between \$2.0m and \$2.9m.

Our non-financial performance

11. This quarter we only have new data for nine of our non-financial SOI and SPE 2020/21 measures.
12. As at 31 March 2021 we were:
 - on track to meet four measures
 - not on track, but expected to achieve target by the end of the year for one measure, and
 - not on track, and not expected to achieve target by the end of the year for four measures.
13. The measures not on track, and not expected to achieve target by the end of the year, relate to: the number of system wide reviews completed; timeliness of payments made to Tertiary Education Institutions; and learners accessing desired range of hours for intensive literacy and numeracy and English for Speakers of Other Languages (ESOL).



John Soulis
Deputy Chief Executive, Corporate & Finance
Tertiary Education Commission



Hon Chris Hipkins
Minister of Education

25 June 2021

20 / 07 / 2021

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