

Aide-Memoire: Tertiary Education Commission 2022/23 Quarter Three Performance Report

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| To: | Hon Jan Tinetti, Minister of Education |
| From: | John Soulis, Deputy Chief Executive – Corporate & Finance |
| Date: | 13 June 2023 |
| Reference: | AM-23-00519 |

Purpose

1. This report provides you with the Tertiary Education Commission (TEC) Quarter Three Performance Report for the 2022/23 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 2023 to 31 March 2023.
4. The Ministry of Education, as our lead monitor, will provide you with a separate report on our performance.

Quarter Three Performance Report

5. The Quarter Three Performance Report covers our progress against our *Statement of Intent 2022/23-2025/26* (SOI) and the *Statement of Performance Expectations 2022/23* (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 goals:
 - Equity and an inclusive society
 - An adaptable system
 - Build the right skills to succeed, and
 - Equip TEC for the future
 - financial performance information, and
 - non-financial performance information.

Our financial performance

8. Our operating year-to-date deficit is \$4.8m less than budget year-to-date. Our full year forecast deficit has reduced to \$0.5m, (\$4.6m less than budget). Phasing of costs in RoVE drive the bulk of the variance (\$3.6m). Other savings include vacancies, depreciation, and the timing of ICT costs and projects. Core business savings due to vacancies are partially offset by additional contractors providing specialist support or covering vacancies (however, vacancies are reducing). We continue to closely monitor our contractor spend.
9. We now expect our year end grants spend to be \$54.7m less than budget, with a surplus of \$28.3m in the multi-category appropriation and \$36.4m in Fees-free Payments.
10. We are constantly monitoring our finances through our ongoing five-year strategic financial plan. The plan gives us visibility into how making prudent decisions now, and continually adjusting our spending plans to live within our means, can help manage upcoming financial headwinds. Despite the decisions we have made, we still expect to make small deficits over the five-year period.

Our non-financial performance

11. This quarter we have new data for eight of our non-financial SOI and SPE 2022/23 measures.
12. As at 31 March 2023, we were:
 - on track to meet six measures,
 - not on track, but expect to achieve target by the end of the year for one measure, and
 - one measure has no target, as it provides trend information only.

The measure not on track but expected to achieve target by the end of the year relates to the percentage of learners accessing the desired range (hours) of provision – Workplace Literacy and Numeracy (TEO-led).



John Soulis

Deputy Chief Executive, Corporate & Finance

Tertiary Education Commission

13 June 2023



Hon Jan Tinetti

Minister of Education

 23 07 / 2023

Annex one: Tertiary Education Commission's 2022/23 Quarter Three Performance Report
