TEC PERFORMANCE REPORT Q3 2024/25

The TEC Performance Report provides an overview of key achievements and work progressed over the quarter (January – March 2025). The Report covers progress on the priority work programme outlined in the current TEC Letter of Expectations, as well as TEC core business activities. For Quarter Three we are providing updates on the following areas:

Priority work programme:

1. Changes to the Vocational Education System
2. University Advisory Group
3. Fees Free
4. Apprenticeship Boost Initiative

We will include further areas of the Priority Work Programme as work progresses.

Core business:

5. Investment
6. TEO Monitoring and Risk Management
7. Careers
8. Organisational and Financial Performance

Tertiary Education Commission
Te Amorangi Mātauranga Matua

PRIORITY WORK PROGRAMME OVERVIEW

1. Changes to the Vocational Education System

In progress

The following work supports your top priority to reform the vocational education system, minimise disruption, and ensure timelines are met:

- In December, Cabinet made key decisions on the future of the vocational education and training (VET) system, including the introduction of legislation to disestablish Te Pūkenga and Workforce Development Councils (WDCs), and to establish a network of regional polytechnics and Industry Skills Boards (ISBs). Cabinet deferred a decision on the work-based learning model pending further consultation. At consultation meetings, we heard a strong preference for the independent work-based learning model, and also received a range of opinions about ISB coverage preferences. This has been fed into the advice we provided to you on the ISB coverage proposals.
- Preparations are underway for industry consultation on the proposed scope of ISBs, ensuring coverage aligns with sector needs and workforce priorities.
- Implementation planning for the new vocational education system is underway, with a focus on Establishment Advisory Group appointments and managing risks to delivery timelines.
- It is essential that Institute of Technology and Polytechnic (ITP) business divisions are financially viable – they cannot be moved out of Te Pūkenga to form independent entities otherwise. As Te Pūkenga continues to refine forecasts and the benefits of the cost out work are realised, we are monitoring the position of the ITP divisions and provided you with advice on the position of each ITP and their path to financial viability. This will inform your recommendations in your June 2025 Cabinet paper.
- Cost modelling with WDCs is informing the design of ISBs. Additional funding has been secured to support continued delivery of WDC functions through to their wind-up in late 2025.

2. University Advisory Group

In progress

- We continued to support the work of the University Advisory Group (the Group) by analysing submissions received during the third round of consultation in December, and by providing research and advice to inform the Group's final report.
- Once feedback is received from the Minister for Universities on the final report recommendations, the TEC will work with MoE on next steps.

3. Fees Free

In progress

- Implementation of the updated Fees Free policy remains on track. We are working with Inland Revenue (IR) to design processes to ensure smooth delivery and timely resolution of learner disputes and complaints.
- Customer service responsibilities for Fees Free will transition from the TEC to IR before the end of the 2025 calendar year. A joint communication plan has been developed to ensure learners' clarity regarding these changes.

4. Apprenticeship Boost Initiative

Complete

- Following the successful implementation of the new data exchange, which is now operating under business-as-usual settings, the Apprenticeship Boost Implementation Project has been closed.

CORE BUSINESS SUMMARY

5. Investment

TEC investment in the tertiary education and careers system supports more than 700 TEOs across New Zealand to provide all forms of post-secondary-school education, including foundation education, vocational education and training, and higher education (including research). **Key progress over the quarter includes:**

- Published 2026 Investment Guidance to support workforce needs and economic growth
- Significant sector engagement on VET Reforms and 2026 Investment Planning.



Dial key: The top dials reflect TEC's assessment of how the core business is tracking, while the bottom dials represent our assessment of the sector's performance in this space

6. TEO Monitoring and Risk Management

We are responsible for monitoring the operation and long-term viability of New Zealand's public tertiary providers – universities, wānanga, and vocational education providers. We undertake comprehensive monitoring of the financial performance and sustainability of these institutions. **Key progress over the quarter includes:**

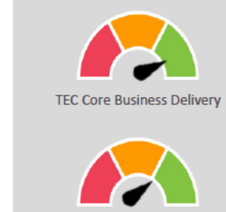
- Reviewed 2024 university financials, continued close monitoring of high-risk PTEs, and commissioned independent reviews to safeguard public funding.



7. Careers

We have a legislative role to provide occupational and educational information, and to build linkages between schools, tertiary providers, employers, and communities to ensure learners are ready for employment and further study. We continue ensuring that we deliver on our core careers function under the Education and Training Act 2020. **Key progress over the quarter includes:**

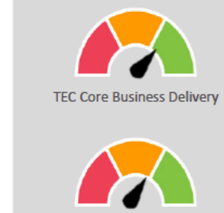
- Following the completion of the successful pilot, we began the rollout of Tahatū Career Navigator, with school onboarding due for completion early June 2025.
- There was a 76% increase in recruiting volunteer role models compared to quarter two.



8. Organisational and Financial Performance

To deliver on our core business it is essential that we have the right people, processes and technology. We continued to deliver on key work in the following areas:

- Fiscal savings
- Financial Performance [Detailed info in **Appendix A**]
- Non-financial Performance [Detailed info in **Appendix B**]
- Our People
- Risk Management
- Information Technology



CORE BUSINESS: INVESTMENT

TEC investment in the tertiary education and careers system supports more than 700 TEOs across New Zealand to provide all forms of post-secondary-school education, including foundation education, vocational education and training, and higher education (including research).

Our INVESTMENT core functions include:

- fund design and management
- investment cycle and funding
- relationship management with TEOs, industry, iwi, employers, communities and learners, and
- off-plan funding and reporting.

Tertiary Education Commission
Te Amorangi Mātauranga Matua

QUARTER THREE OVERVIEW

KEY ACHIEVEMENTS

- Maintained strong sector engagement to support VET reforms, communicated 2025 funding decisions, and guided 14 TEOs through 2026 investment planning.
- Published investment priorities for 2026, focusing provider planning on workforce needs and economic growth outcomes.
- Approved $1.67 million in Employer-led Workplace Literacy and Numeracy funding to strengthen literacy and numeracy in the workplace.





The top dial reflects TEC's assessment of how core business is tracking in the investment space, while the bottom dial represents our assessment of the sector's performance in the investment space.

PERFORMANCE SUMMARY DIALS

- TEC's core business delivery in the investment space is on track. The sector dial placement represents the financial pressure across the sector and closer alignment of funding and enrolments by TEC is driving TEOs to improve their business and financial practices.

UPCOMING KEY MILESTONES

MILESTONE	APRIL	MAY	JUNE
Budget Day		■	
Indicative allocations for 2026 confirmed and communicated to the sector		▬	
Supplementary Plan Guidance published			▬
Approval of WDCs' Operational Plans sought			▬

Letter of Expectations PROGRESS TRACKER

1. **Ensuring effective and efficient delivery of core functions**
   We continue ensuring that we deliver successfully on our core investment function under the Education and Training Act 2020.
   Ongoing
2. **Delivering Vocational Education Reform**
   Clear and proactive sector communication supports your top priority by minimising disruption and ensuring timelines are met.
   Ongoing
3. **Reduce compliance costs for tertiary education organisations**
   Ongoing

QUARTER THREE ACTIVITIES (*January – March 2025*)

FUND DESIGN AND MANAGEMENT

- The investment guidance and priorities for 2026 were published with an enhanced focus on supporting providers shape their investments toward workforce needs and driving economic growth.
- To support providers improve outcomes, we introduced a Response Framework for Education Delivery and Performance.
- We are redesigning our investment plan processes for next year to ensure a greater focus on the government's priorities, especially on increasing access, participation and completions.

RELATIONSHIP MANAGEMENT WITH TEOS, INDUSTRY, EMPLOYERS, COMMUNITIES AND LEARNERS

Supporting Sector Stability & Engagement through Reform

We maintained high levels of engagement across the sector to provide clarity and minimise disruption during a period of transition. This included:

- Communicating 2025 funding decisions and the Vocational Education and Training (VET) reform consultation process.
- Intensified engagement with Te Pūkenga and Workforce Development Councils to support sector readiness.
- Supporting 14 tertiary education organisations (TEOs) through the plan-required process for 2026 investment decisions.

BUILDING SECTOR CAPABILITY

Driving Employer Engagement with Workplace Literacy and Numeracy Funding

- Regional engagement helped lift employer awareness and uptake of TEC's Skills Highway Employer-led Workplace Literacy and Numeracy Fund.

Supporting Sector Transition to New Data Systems

- The sector is successfully transitioning to TEC's new Ngā Kete platform, with targeted support helping providers adapt to updated data and reporting systems.

Co-Developing a Sector-Wide Measurement Framework

- Development is underway on a sector-wide Measurement Framework to improve real-time insights into educational performance across both TEOs and the wider system.

Strengthening Academic-Industry Connections Across the Sector

- A recent Community of Practice session explored ways to strengthen academic-industry links, including embedding graduate attributes into curricula and supporting staff to build informal employer networks.

OFF-PLAN FUNDING AND REPORTING

- $1.67 million in targeted funding was approved to strengthen workplace literacy and numeracy through 24 employer-led initiatives.
- All 2024 PTE Strategic Component Fund projects are now finalised, with $76.7 million allocated across two funding rounds.

CORE BUSINESS: TEO MONITORING AND RISK MANAGEMENT

The TEC is responsible for monitoring the operation and long-term viability of New Zealand's public tertiary providers – universities, wānanga, and Te Pūkenga.

The TEC undertakes comprehensive monitoring of the financial performance and sustainability of these institutions.

We also undertake monitoring of all funded tertiary education providers to provide assurance that learner interests are protected, and public funding is used appropriately.

Our **TEO MONITORING & RISK MANAGEMENT** core functions include:

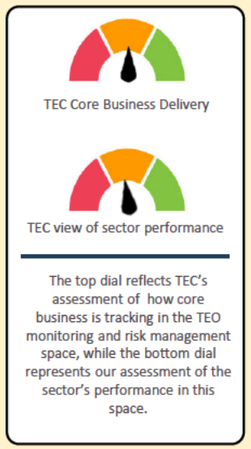
- monitoring the financial performance and sustainability of TEOs
- promoting good governance across the sector, including supporting the appointment of TEI council members
- managing the Crown's ownership interest in TEIs, including by monitoring capital intentions and capital asset management capability, and
- undertaking audits, investigations and other compliance activities to support TEOs to comply with funding rules.

Tertiary Education Commission
Te Amorangi Mātauranga Matua

QUARTER THREE OVERVIEW

KEY ACHIEVEMENTS

- Revoked funding for Aotearoa Career Management Institute following deregistration, commissioned an independent financial review of 9(2)(b)(ii), and continued close oversight of 9(2)(b)(ii) [redacted]
- 9(2)(ba)(i) [redacted]
- Monitored ITPs' 2025 enrolment progress against financial improvement plans, modelled work-based learning costs, and supported policy and legislative work for vocational education reforms.



The top dial reflects TEC's assessment of how core business is tracking in the TEO monitoring and risk management space, while the bottom dial represents our assessment of the sector's performance in this space.

PERFORMANCE SUMMARY DIALS

- The overall risk rating remains elevated due to financial pressures across the sector, which is causing an increase in specialist work for TEC, 9(2)(ba)(i) [redacted]

UPCOMING KEY MILESTONES:

MILESTONE	APRIL	MAY	JUNE
Support Te Pūkenga to improve ITP financial performance			
Advise you on ITP standalone viability and support Cabinet decision making process			
Support appointment of Establishment Advisory Groups for ITPs and ISBs			
Review TEI audited results and 2025 reforecasts and determine overall risk assessment ratings			
Massey University strategic review			
First tranche of university & wānanga council appointments			
Finalise PTE FMF review and implement any changes			

Letter of Expectations PROGRESS TRACKER

1. **Ensuring effective and efficient delivery of core functions**
   Monitoring TEOs and reporting on risks is a core function and continues to be a key area of priority for the TEC
   Ongoing

2. **Planning support for Vocational Education Reform**
   Monitoring supports your priority to transition to a new vocational education system by 2026, through planning for regional ITP viability, WDC disestablishment, and future work-based learning arrangements.
   In progress

QUARTER THREE ACTIVITIES (*January – March 2025*)

MONITORING FINANCIAL PERFORMANCE AND SUSTAINABILITY OF TEOs

› Our review of universities' 2024 financial returns, 2025 budgets, and outyear forecasts confirmed 9(2)(b)(ii) [redacted]. Targeted support continues, including our involvement in Massey University's Strategic Review.

› We supported Ministerial oversight of the university sector through briefings on financial performance, capital planning, infrastructure management, and governance. A series of deep dives on individual universities and wānanga will continue through 2025.

› Analysis of recent Single Data Return (SDR) and early enrolment data informed our investment decisions on indicative funding allocations and repayment plans across all sectors.

› High- and medium-risk PTEs remain under active oversight. 2025 funding was revoked for Aotearoa Career Management Institute following NZQA deregistration due to quality concerns, and an independent financial review was commissioned for 9(2)(b)(ii) [redacted] in response to low 2025 enrolments. 9(2)(b)(ii) [redacted] remains under close monitoring as it implements a financial improvement plan.

› Following PTE sector consultation, proposed changes to the PTE Financial Monitoring Framework will be implemented in quarter four, with general support from providers.

MANAGEMENT OF THE CROWN'S OWNERSHIP INTEREST IN TEIs

› We have been supporting the transition to a new vocational education system through regional Institute of Technology and Polytechnic (ITP) viability work, analysis of proposed programme changes' potential impact on strategically important provision, and modelling to inform Workforce Development Councils' disestablishment and future work-based delivery costs.

› We supported cross-agency planning for the proposed third medical school, including input into a joint Cabinet paper and engagement with the University of Waikato.

› Crown stewardship was strengthened through our advice on asset disposal and property matters at Massey and Canterbury universities, 9(2)(h), 9(2)(ba)(i) [redacted]

SUPPORTING TEI GOVERNANCE

› We supported Ministerial engagement with university and wānanga leadership to identify candidates for 2025 council appointments and for establishment advisory groups to guide the setup of regional ITPs and Industry Skills Boards (ISBs).

SUPPORTING TEOs TO COMPLY WITH TEC FUNDING RULES

› Ongoing issues with SDR data accuracy were identified in a follow-up audit of Westport Deep Sea Fishing Limited (WDSF). 9(2)(ba)(i) [redacted]

› 9(2)(ba)(i) [redacted]. As part of the audit process, TEOs are required to correct these issues (e.g. by refunding learners and correcting reporting). We also published our latest Monitoring Update newsletter for the sector in March 2025, which included guidance on common reporting issues.

CORE BUSINESS: CAREERS

The TEC has a legislative role to provide occupational and educational information, and to build linkages between schools, tertiary providers, employers, and communities to ensure learners are ready for employment and further study.

Our CAREERS core functions include:

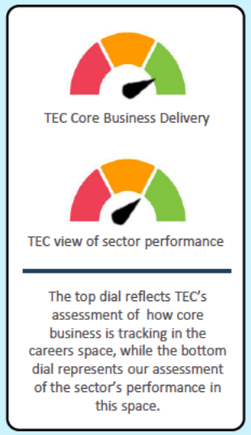
- developing and providing publicly available careers information, including information about occupations and tertiary education and training
- facilitating and strengthening the connections between schools, employers, and tertiary education organisations, and
- leading the development and implementation of the National Careers System Strategy.

Tertiary Education Commission
Te Amorangi Mātauranga Matua

QUARTER THREE OVERVIEW

KEY ACHIEVEMENTS

- Following successful piloting, we began rolling out Tahatū Career Navigator to over 600 secondary schools and alternative education providers, supported by a full onboarding programme for careers advisers.
- We increased volunteer role model sign-ups by 76% compared to the previous quarter.
- Redeveloped popular careers resources to better support youth and communities with high-quality, culturally responsive information.



PERFORMANCE SUMMARY DIALS

- TEC rates careers core business delivery as green due to visibility of progress across the different workstreams of the career system action plan. We believe the sector would still see this as moving into the green with the rollout of Tahatū across all secondary schools .

UPCOMING KEY MILESTONES

MILESTONE	APRIL	MAY	JUNE
Tahatū Career Navigator launches at careers expos across NZ		■	■
Map and gap review of NZ's careers system		■	■
Digital and social media youth campaign launches			■
Secondary school onboarding is completed			■

Letter of Expectations PROGRESS TRACKER

1. **Ensuring effective and efficient delivery of core functions**
   We continue ensuring that we successfully deliver on our core careers function under the Education and Training Act 2020.

In progress

QUARTER THREE ACTIVITIES (*January – March 2025*)

TAHATŪ CAREER NAVIGATOR

Tahatū Career Navigator is the new interactive career planning website to help New Zealanders work out what they want to do and how to get there. It is the next generation of Careers.govt.nz with more career ideas, interactive tools and rich content to explore.

Continued progress with Tahatū Career Navigator **during quarter three included**:

› Rolling out the platform to over 600 secondary schools, kura kaupapa Māori, teen parent units, and alternative education providers, with completion expected by June 2025.

› Supporting implementation with an onboarding programme for careers advisers, including training, resources, and integration tools.

› Launching a nationwide communications campaign to prepare for Tahatū Career Navigator's October release and the retirement of careers.govt.nz.

INSPIRING THE FUTURE

Inspiring the Future (ItF) is a programme that connects children from ages 7-13 with volunteer role models from the world of work. This research backed programme helps to broaden children's horizons by exposing them to different careers options.

ItF activities continued to accelerate **during quarter three:**

› We briefed the Labour Market Ministers' Group on ItF, highlighting priority regions and sectors where more role models are needed.

› New formats and resources were developed to support ItF expansion into secondary schools, including guidance on using ItF alongside Tahatū to enhance career education outcomes.

As of 31 March 2025:

› ItF has facilitated **28,276** connections between young people and the world of work;

› **407** schools have signed up, which is **91%** of our target (cumulative since May 2021) of 445 schools by 30 June 2025; and

› there have been **365** events, which is **94%** of our target (cumulative since May 2021) of 390 events by 30 June 2025.

NATIONAL CAREERS SYSTEM STRATEGY

› We are coordinating cross-agency efforts through the Careers System Steering Group to build a more integrated careers system, aligned with the National Careers System Strategy and the Employment Action Plan. A milestone report was submitted to the Labour Market Ministers' Group, and a system-wide map and gap analysis is underway to guide improvements in the visibility and accessibility of careers support from school through to tertiary and employment.

› Our research on the needs of low-paid workers has generated strong interest across government and the careers sector, with close to 20 presentations to interested groups. This work is raising awareness of the careers system and our focus in the Employment Action Plan to support students and workers to make informed decisions.

› We refreshed proven career products to support youth employability. As an example, for the launch of Tahatū Career Navigator, we re-developed popular careers.govt.nz resources to better serve communities and youth with high quality and culturally responsive careers information.

ORGANISATIONAL AND FINANCIAL PERFORMANCE

To deliver on our core business it is essential that we have the right people, processes and technology

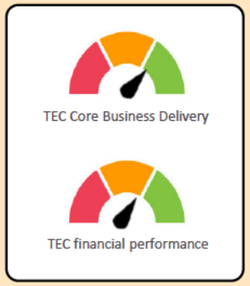
- Fiscal savings
- Financial Performance
- Non-financial Performance
- Our People
- Risk Management
- Information Technology

Tertiary Education Commission
Te Amorangi Mātauranga Matua

QUARTER THREE OVERVIEW

KEY ACHIEVEMENTS:

- We continued work toward meeting the Government's fiscal savings target.
- Implemented technology improvements to reduce costs and improve service.



UPCOMING KEY MILESTONES:

MILESTONE	APRIL	MAY	JUNE
Decision on further proposed changes to meeting the Government's savings target			

Letter of Expectations **PROGRESS TRACKER**

2.	**Contribute savings to support strategically important provision of vocational education**	In progress
2.	**Manage internal cost pressures**	In progress

QUARTER THREE ACTIVITIES (*January – March 2025*)

FISCAL SAVINGS

We are committed to meeting the Government's fiscal savings targets.

In 2024/25, we achieved a 6% savings target from our eligible operating baseline, resulting in $3.72 million in savings. Over the next four years, this brings the total savings to $14.88 million, effective from 1 July 2024.

In addition, there are projected cost pressures of $12.6 million over four years (remuneration, rental costs and general inflationary), as a result the savings requirement for the TEC amounts to a total of $27.5 million over four years. This was accomplished by reducing expenditure on staff, travel, contractors, property, consultants, and IT services. We have consulted on further proposed changes to employee roles, numbers and some functions in 2025, with decisions to be implemented from 1 July 2025.

We continue to monitor the savings on a quarterly basis to ensure we stay on track. These savings align with Ministerial and Government priorities while effectively managing cost pressures and maintaining adequate operating reserves over the next four years.

FINANCIAL PERFORMANCE

*Detailed financial information can be found in **Appendix A**.*

NON-FINANCIAL PERFORMANCE

*Detailed information on our performance measures can be found in **Appendix B**.*

OUR PEOPLE

Delivering on the Government's priorities

We released a consultation document to all staff to outline a proposed 5% ($2.9 million) reduction in TEC's operating budget. Submissions closed in April, with final decisions expected in early May. The proposal includes disestablishing 52 roles, creating 30 new roles, and achieving a net reduction of 22 full-time equivalents. Staff affected by the proposed changes have access to our employee assistance programme, Vitae, and will be provided with Outplacement Support.

RISK MANAGEMENT

Our Executive Leadership Team conducted a thorough review and update of our strategic risks. This review was further evaluated by the Risk and Audit Committee and TEC's Board in March 2025. Updates were made to account for changes in our operating environment, for example the effects of challenging economic conditions.

INFORMATION TECHNOLOGY

During the quarter, our Deputy Chief Executive, Information, continued to support Te Pūkenga's digital team. Although the secondment has now concluded, we continue to provide ongoing monitoring and advice.

As part of our focus on technology convergence and living within our means, we completed the transition to a Microsoft-based document management system. This change improves the user experience, significantly reduces costs compared to the previous software, and enables us to decommission legacy systems as we continue transitioning to full cloud-based operations, in line with the Government's Cloud-First policy.

FINANCIAL PERFORMANCE
Mahinga ahumoni

APPENDIX A

FINANCIAL PERFORMANCE

We are currently under budget and are forecasting to be under budget for the full year

- **Operating:** Our forecast shows we will be $1.5m favourable to budget by financial year end. This is primarily the result of costs budgeted as operating moving to capital (not savings).
- **Grants:** Our spend is $49.1m higher than budget YTD. Our full year forecast shows us spending $33.6m less than budget by financial year end.

OPERATING PERFORMANCE

Our full year forecast surplus of $0.8m is $1.5m favourable to budget. The is largely due to:

- The impact of the changes across Data System Refresh (DSR), and Apprenticeship Boost Initiative (ABI) budgets is driving most of this movement (moving operating expenditure to capital only, and not savings). Both were budgeted as operating in the SPE budget but are now planned as capital expenditure.
- Savings are partially offset by the provision for costs associated with the current restructure proposal.

Operational revenue & expenses For the period ended 31 March 2025	YTD25 Actual $000's	YTD25 SPE Budget $000's	FY25 SPE Budget $000's	FY25 Forecast $000's
REVENUE				
Crown revenue	52,867	58,799	77,915	69,411
Other	4,363	3,513	3,684	5,814
Total revenue	**57,230**	**62,312**	**81,599**	**75,225**
EXPENSES				
Personnel expenses	31,888	32,665	50,564	44,894
Depreciation & amortisation	4,991	4,352	6,257	6,765
Other operating expenses	15,251	21,644	25,392	22,728
Total expenses	**52,130**	**58,661**	**82,213**	**74,387**
Surplus/(deficit)	**5,100**	**3,651**	**(614)**	**838**

FINANCIAL POSITION

Fluctuations in current assets and liabilities are mainly due to movements in our grants accounting adjustment. Our grants accounting adjustment is the difference between the cash we pay to providers and what we owe them (delivery).

Statement of Financial Position As at 31 March 2025	YTD25 Actual $000's	YTD25 SPE Budget $000's	FY25 SPE Budget $000's	FY25 Forecast $000's
ASSETS				
Current assets	1,238,012	1,246,345	652,226	768,724
Non-current assets	35,749	29,429	28,667	36,330
Total assets	**504,581**	**604,417**	**680,892**	**787,310**
LIABILITIES				
Current liabilities	1,099,395	1,102,957	554,887	692,435
Non-current liabilities	959	1,180	999	999
Total liabilities	**1,100,354**	**1,104,137**	**555,886**	**693,434**
EQUITY	**173,407**	**171,637**	**125,007**	**111,620**

Breakdown of Cash Balances As at 31 March 2025	YTD25 Actual $000's	YTD25 SPE Budget $000's	FY25 SPE Budget $000's	FY25 Forecast $000's
Operations cash	32,596	39,742	36,198	34,905
Grants cash	64,300	49,543	39,352	56,643
Pre-purchased English Language Tuition cash	13,819	9,725	10,458	12,867
Cash and cash equivalents	**110,715**	**99,010**	**86,008**	**104,415**

CASH

Grants cash of $64.3m is $14.8m higher than budget as we are holding some new allocations that are awaiting final documentation from providers. We also hold some 2024 related payments that will be used to reduce wash-up debts.

Pre-purchased English Language Tuition (PELT) cash is impacted by increased migration. We expect PELT cash to remain higher than budget.

GRANTS PERFORMANCE

Our full year forecast for 2024/25 shows us spending $33.6m less than the SPE budget by year end. The forecast includes the impact of expected March Baseline Update (MBU) 2025 changes.

The indicative enrolment data for 2025 shows an increase in student demand from 2024 and is included in the forecast. A more detailed view will be available in May once the April 2025 Single Data Return (SDR) is received and analysed.

Grants revenue & expenses For the period ended 31 March 2025	YTD25 Actual $000's	YTD25 SPE Budget $000's	FY25 SPE Budget $000's	FY25 Forecast $000's
REVENUE				
Crown revenue	3,265,154	3,216,419	3,826,878	3,836,873
Prior year recoveries	165	180	240	180
Interest	2,011	3,150	4,200	2,427
Total revenue	**3,267,330**	**3,219,749**	**3,831,318**	**3,839,480**
Less revenue administered by MOE	(4,582)	(4,955)	(6,125)	(6,040)
Total revenue administered by TEC	**3,262,748**	**3,214,794**	**3,825,193**	**3,833,440**
EXPENSES				
Tertiary Tuition and Training MCA				
Access to and Success in Tertiary Education	51,600	56,693	99,149	97,214
Foundation and Community Education	250,871	256,994	312,228	317,679
Tertiary Education: Qualification Delivery	2,476,788	2,425,718	2,721,522	2,712,603
Total Tertiary Tuition and Training MCA	**2,779,259**	**2,739,405**	**3,132,899**	**3,127,496**
Centres of Research Excellence	24,900	24,900	49,800	49,800
Establishment of a Single National Vocational Education Institution	-	-	-	-
Fees-free Payments	137,058	121,404	129,591	145,945
Secondary-Tertiary Interface (Vote Education)	25,490	24,301	32,402	34,123
Strategic Funding for National and Regional Priorities	38,760	61,917	83,832	38,760
Support for Wānanga	12,000	12,000	24,000	24,000
Tertiary Education Research and Research-Based Teaching	157,500	157,500	315,000	315,000
Tertiary Scholarships and Awards	14,028	14,105	20,629	20,846
Tertiary Sector / Industry Collaboration projects	11,159	12,137	17,399	15,903
University-led Innovation	-	-	-	-
Workforce Development Councils	65,000	48,750	65,000	65,000
Total expenses	**3,265,154**	**3,216,419**	**3,870,552**	**3,836,873**
Less expenses administered by MOE	(4,582)	(4,955)	(6,125)	(6,040)
Total expenses administered by TEC	**3,260,572**	**3,211,464**	**3,864,427**	**3,830,833**
Surplus/(deficit)	**2,176**	**3,330**	**(39,234)**	**2,607**

FINANCIAL SUSTAINABILITY

We are currently managing our operational funding through regular forecasting and close management of budgets. We update our operating five-year strategic plan for any material changes, the most recent five-year plan was approved by the Board in March.

NON-FINANCIAL PERFORMANCE

APPENDIX B

QUARTER THREE 2024/25 PERFORMANCE MEASURE RESULTS

We report quarterly progress only on measures for which we have quarterly data. The remaining measures provide annual results and are not included in this report. This quarter, we are highlighting eight of our Statement of Performance Expectation measures.

Measure		Actual as at 31/03/25	Target 2024/25	Actual 2023/24	Note
Percentage of tertiary education institutions' council members and support staff attending our governance seminars or webinars who agree that they gained relevant knowledge to apply to their work		See note	At least 97%	100%	No governance seminars or webinars were held in Q3 2024/25, as all governance resources are currently focused on supporting the Minister for Universities with 15 TEI council appointments, and assisting you with identifying and establishing advisory groups for regional ITPs and industry skills boards (estimated 48 appointments across 16 organisations). As a result, seminars or webinars are unlikely before financial year-end. However, induction sessions will be required for advisory group members early in 2025/26, and a TEI induction webinar is planned for Q2 or Q3 of that financial year.
Percentage of payments the TEC makes to tertiary education organisations that are made within agreed timeframes		99.93%	At least 99.5%	100%	N/A
Percentage of learners accessing at least the minimum desired range (hours) of provision:	Intensive Literacy and Numeracy	72.40%	At least 58.6%	63.0%	N/A
	Workplace Literacy and Numeracy (tertiary education organisation - led)	76.1%	At least 62.7%	69.3%	N/A
	English for Speakers of Other Languages	96.0%	At least 92.1%	91.0%	N/A
Number of Adult and Community Education learner hours		1,069,548	At least 1,056,032	1,056,148	N/A
Gateway - Total participants and number of schools		15,679 in 380 schools	At least 15,231 in 383 schools	15,473 in 383 schools	We have been working with schools which are unable to deliver their Gateway programme so that their funding can be reinvested. This has meant that we have worked with fewer schools this year with a higher number of Gateway participants over the same period.
Number of fees-free first-time learners (trend measure)		42,473	N/A	48,384	Number of new learners is down when compared to 2023. This is expected as number of new learners in 2023 was inflated due to the Targeted Training and Apprenticeship Fund finishing.