

Tertiary Education Report: Tertiary Education Commission 2018/19 Quarter One Performance Report

Date:	5 December 2018	TEC priority:	High
Security level:	In Confidence	Report no:	B/18/00805
		Minister's office No:	

ACTION SOUGHT		
	Action sought	Deadline
Hon Chris Hipkins Minister of Education	note the Tertiary Education Commission 2018/19 Quarter One Performance Report.	
Enclosure: Yes Tertiary Education Commission 2018/19 Quarter One Performance Report.	Round Robin: No	

CONTACT FOR TELEPHONE DISCUSSION (IF REQUIRED)				
Name	Position	Telephone		1st contact
John Soulis	Deputy Chief Executive, Corporate and Finance and Chief Financial Officer	s9(2)(a)	[REDACTED]	✓
s9(2)(a)	[REDACTED]	[REDACTED]		

THE FOLLOWING DEPARTMENTS/AGENCIES HAVE SEEN THIS REPORT

- DPMC MPI ENZ ERO MBIE MoE MFAT
 MPP MSD NZQA NZTE TEC TPK Treasury

- Minister's Office to Complete:** Approved Declined
 Noted Needs change
 Seen Overtaken by Events
 See Minister's Notes Withdrawn

Comments:

Recommendations

Hon Chris Hipkins, Minister of Education

It is recommended that you:

1. **note** the Tertiary Education Commission 2018/19 Quarter One Performance Report
2. **agree** that the TEC release this briefing with officials' contact details withheld.

AGREED / NOT AGREED



John Soulis

Deputy Chief Executive, Corporate and Finance
Directorate
Tertiary Education Commission

5 December 2018

Hon Chris Hipkins

Minister of Education

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Purpose

1. The purpose of this paper is to provide you with our Quarter One Performance Report (the report) for the 2018/19 year.
2. We recommend that you release this paper in full once it has been considered by you.

Background

3. We report quarterly to you on our performance. This report covers the period 1 July 2018 to 30 September 2018.
4. The Ministry of Education, as our lead monitor, will provide you with a separate report on our performance.

The report

5. The report covers our progress against our *Statement of Intent 2018/19 – 2021/22* (SOI) and the *Statement of Performance Expectations 2018/19* (SPE).
6. It shows that the TEC is performing well, and provides an update on our:
 - progress made against our two functions (Champion and Invest) and our three enablers (Partnership, Knowledge and People).
 - financial performance information.
 - non-financial performance information.

Our financial performance

7. As at 30 September our operating deficit was \$0.7m compared to a \$1.4m budget deficit. This \$0.8m favourable variance was largely a result of timing differences.
8. Despite the favourable variance we have considerable pressure on our baseline due to new projects alongside our existing work programmes. This is starting to put pressure on our original budget.
9. We will continue to manage the cost pressures, including how to prioritise spending for new and existing programmes. These pressures include phases two and three of the ITP Roadmap 2020 project. We are seeking approval to fund this project from surplus funds in our grant appropriations (excluding Fees-free). We will also review core expenditure to identify any opportunity for cost efficiencies.
10. We have forecast approximately \$70 million 2018 calendar year recoveries across our grant appropriations (excluding Fees-free). These largely relate to Youth Guarantee and Student Achievement Component funds where student volumes have been lower than forecast. Decisions on how this funding will be utilised are yet to be made.
11. The Fees-free spend will also be under budget at financial year end due to lower than expected eligible student numbers. s9(2)(b)(ii)

Our non-financial performance

12. We report progress against measures where we have relevant new data. This report contains progress information for 12 of our SOI and SPE measures.