

Tertiary Education Report: TEC 2018/19 Quarter Three Performance Report

Date:	4 July 2019	TEC priority:	Medium
Security level:	In Confidence	Report no:	B-19-00785
		Minister's office No:	

ACTION SOUGHT		
	Action sought	Deadline
Hon Chris Hipkins Minister of Education	note the Tertiary Education Commission 2018/19 Quarter Three Performance Report	At your earliest convenience
Enclosure: Yes TEC 2018/19 Quarter Three 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)	s9(2)(a)	✓
s9(2)(a)	Manager, Organisation Planning and Performance	s9(2)(a)		

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 Withdrawn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 Three Performance Report.
2. **agree** that the Tertiary Education Commission release this briefing with information withheld in accordance with the Official Information Act.

AGREED / NOT AGREED



John Soulis

Deputy Chief Executive
Corporate and Finance Directorate
Tertiary Education Commission

4 July 2019

Hon Chris Hipkins

Minister of Education

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Purpose

1. The purpose of this report is to provide you with the Tertiary Education Commission's (TEC) Quarter Three Performance Report for the 2018/19 year.
2. We recommend that you release this Tertiary Education Report in full, with officials' contact details withheld, once it has been considered by you.

Background

3. We report quarterly to you on our performance. This report covers the period 1 January 2019 to 31 March 2019.
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 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. Our year to date operating deficit of \$1.6 million is \$3.7 million less than our budgeted deficit.
8. By year end we are forecasting a \$3.1 million deficit as we increase expenditure on key projects including the Careers System Strategy (CSS). We also forecast we will have fully spent the \$5 million of Crown funding for the Reform of Vocational Education (RoVE), however this project is evolving quickly, and this may remain a key variance at year end.
9. Overall grant spend is forecast to be \$3.057 billion which is slightly higher than last year's grant spend of \$2.995 billion. The increased spend is mainly due to a full year of Fees Free costs.
 - We have completed the first calendar year of the Fees Free policy which had a net total spend of \$237 million, and now have more certainty on student uptake and final costs.
 - We are able to reduce 2018/19 baselines to recognise the accounting impact of the expiry of the Canterbury recovery exemption.
10. All spending is forecast to be within appropriated limits in 2018/19.

Our non-financial performance

11. We report progress against measures where we have relevant new data. This report contains progress information for 12 of our SOI and SPE measures. As at 31 March 2019, we were on track to meet nine of these 12 measures.
12. One measure reports baseline year data and the two measures not on track relate to unplanned turnover and learners at ICT graduate schools.
 - Unplanned turnover is expected to achieve the target by the end of the year.
 - The number of learners at ICT graduate schools is not expected to achieve the target by the end of the year. However, all three schools have grown enrolments year on year.