



TE PŪRONGO MAHI MŌ TE HAUWHĀ TUATORU O 2022/23 2022/23 QUARTER THREE PERFORMANCE REPORT

EXECUTIVE SUMMARY

Tertiary Education Commission
Te Amorangi Mātauranga Matua

The Tertiary Education Strategy (TES) sets out the long-term strategic direction for tertiary education. Our strategic intentions have been designed to give effect to the TES.



Barrier-free access



Learners at the centre



Quality teaching & leadership



Future of learning & work



World-class inclusive public education

KO Ō MĀTOU WHĀINGA RAUTAKI OUR STRATEGIC INTENTIONS



He porihanga tuwhera me te ōritetanga Equity and an inclusive society

Work contributing to this strategic goal remained on track. Highlights for the quarter include:

- Around 50 people from across the sector attended a series of capability sessions so TEOs can share and build their learner success knowledge.
- We are closely engaging with TEIs on plans for regular monitoring of Learner Success Plan (LSP) milestones.

[More information on page 2 ...](#)



He pūnaha urutau An adaptable system

Work contributing to this strategic goal remained on track. We continue to closely monitoring Te Pūkenga and its transformation.

Highlights for the quarter include:

- continuing to wrap up the Investment Round for 2023, and working on the 2024 Investment Round which is in full flight
- completing 16 Ministerial appointments to TEIs, and
- continuing to work through the RoVE programme's final phase.

[More information on page 3 ...](#)



Te whai pūkenga tika kia angitu ai Build the right skills to succeed

Work contributing to this strategic goal continues to track well. Highlights for the quarter include:

- we successfully delivered Tahatū increment 5 (Work-based Training Qualifications and Kaupapa Māori Occupations (KMO))
- the Inspiring the Future platform now has 758 role models who are visible on the platform
- The National Careers System Strategy (NCSS) Cabinet paper seeking agreement to approve and publicly release the NCSS was lodged with the your office in mid-March and is scheduled for Cabinet in May.

[More information on page 4 ...](#)



Te whakarite kia takatū te TEC mō āpōpō Equip TEC for the future

Work contributing to this strategic goal remains on track. Highlights for the quarter include:

- Business planning for 2023/24 and outyears is well underway. Our Executive Leadership Team has approved work programme priorities for the coming year and directorates are preparing their plans for 2023/24
- We moved our cybersecurity work from project mode into part our core operational activities, and
- We rolled out four privacy and security videos throughout March which promoted key areas of focus for our staff.

[More information on page 5...](#)

OVERVIEW OF OUR WORK ACROSS THE SECTOR – OUR LEARNERS & PARTNERS

Our Relationship Management Investment Team operate intensively in the investment arena with a portfolio base of large TEOs (with investment >\$5m). Over the quarter they have:

- increased engagement with TEOs, visited campuses and gathered intel on the changing environment with regard to enrolments post COVID-19
- hosted the PTE Peak Bodies - representatives from several agencies attended and discussed and sought feedback on a range of issues
- agreed on an ongoing engagement routine with Te Pūkenga's newly appointed executive leadership team
- engaged with and supported TEOs and emergency management around Cyclone Gabrielle
- attended the annual Achieving the Dream Conference in the USA as part of a TEC delegation with several sector representatives
- supported all universities with a micro-credential workshop to clarify policy areas, and
- Provided Nga Kete training for Receiving Organisations to support their knowledge/understanding of data analysis.

Our Business and Partnership Team are the 'eyes and ears' of our customers and seek out opportunities for the TEC to engage in relevant collaboration and partnerships. Over the quarter they have:

- supported RSLGs in sharpening their April advice to the TEC and supported the Partnership Managers at WDC events in the regions
- supported the WDCs in submitting their six-monthly progress reports
- attended the Pathways Leadership breakfast in Christchurch to help facilitate the discussion on Inspiring the Future with secondary school senior management in attendance
- engaged with and supported RSLGs and local communities that were impacted by the floods and cyclone, and
- continued progress with Whanganui Land Settlement iwi as we work towards a values-based relationship.

HONOURING TE TIRITI O WAITANGI

Over the quarter:

- We assessed nominations for PBRF peer review panel co-chairs and panel members, using criteria that included consideration of Te Tiriti o Waitangi and the Māori-Crown partnership.
- On the recommendation of our PBRF Co-Moderators, we appointed a Co-chair and a Co-chair Māori to each of the 14 PBRF panels (except the Biological Sciences panel – appointment of a Māori Co-Chair for this panel spilled over into April but is now completed).

- We held an induction day for our PBRF Co-chairs, with a mihi whākatau led by Board member Wayne Ngāta.
- We engaged with MBIE over successful engagement with Māori and the Wānanga sector in their Te Ara Paerangi work programme
- The second Te Pihinga meeting was held and considered implications for the development of Tahatū, our online careers planning solution. Te Pihinga is our internal Te Tiriti Design Centre, to offer specialist support and advice on Te Tiriti.

MAHINGA AHUMONI FINANCIAL PERFORMANCE

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

- **Operating:** our deficit is \$4.8m less than budget YTD. Our full year forecast shows we will be \$4.6m under budget by financial year end.
- **Grants:** our spend is \$157.0m less than budget. Our full year forecast shows us \$54.7m under budget by financial year end.



[More information on page 6...](#)



OUTCOME ONE

Equity and an inclusive society He porihanga tuwhera me te ōritetanga

Our education, training and career pathways support equitable outcomes and an inclusive society



The Tertiary Education Strategy (TES) sets out the long-term strategic direction for tertiary education. Our strategy has been designed to give effect to the TES. This outcome aligns to the following TES Objectives:



Barrier-free access



Learners at the centre



Quality teaching & leadership



Future of learning & work



World-class inclusive public education

OUR STRATEGIC PRIORITY

To make the biggest difference for this outcome our focus in the coming years will be to embed our **Ōritetanga Learner Success approach across the sector**. A key component of this work is to build the capability of TEOs to take a systematic, learner-centred approach to all aspects of their operation. The following is an update of the contributing programmes of work.

ŌRITETANGA LEARNER SUCCESS

During the quarter, we continued to convene a series of capability sessions so TEOs can share and build their learner success knowledge. We also delivered our first session focussing on Data and Technology and how these can inform good decision-making. Around 50 people from across the sector attended.

A delegation of TEIs and TEC staff attended the annual Achieving the Dream Conference in the USA. Their attendance has been pivotal to our learner success mahi. It has also been vital in growing the sector's capability and increasing knowledge sharing.

We continued with the design of the Tūwhitia Learner Success fund. Following the Minister's approval to progress the fund, the Ministry of Education is drafting a Cabinet paper seeking approval for its establishment.

935

Registrations across three disability e-learning modules. Of those 935 registrations, 580 have completed one or more of the modules (62%).

This work delivers on the following requirements from the Minister's LOE:



CAREERS FUNCTION

Throughout the quarter we continued to engage with key priority group stakeholders to preview the National Careers System Strategy ahead of its scheduled approval and release in May 2023, and to discuss what needs to be considered for the development of the Action Plan.

Key stakeholders included:

- by Māori for Māori careers services
- Pacific peoples careers community
- representatives for disabled people, and
- Government stakeholders representing priority groups.



This work delivers on the following requirements from the Minister's LOE:



INVESTMENT FUNCTION

Learner Success is at the heart of our investment cycle.

During the quarter we:

- started close engagement with TEIs on plans for regular monitoring of Learner Success Plan (LSP) milestones
- worked with the MoE to draft a paper to seek Cabinet approval for the establishment of the Tūwhitia - Learner Success Fund. We're aiming for this to be lodged with Cabinet's Social Wellbeing Committee on 22 June in order to implement the fund in 2023/24
- published resources for TEOs to support care-experienced learners, and
- launched the updated Learner Success Diagnostic Tool with supporting resources for TEOs to start implementing learner success practices.



This work delivers on the following requirements from the Minister's LOE:



BUILDING SECTOR CAPABILITY

Building sector capability in learner success requires a holistic focus on leadership, data and interventions. During the quarter we:

- continued planning for capability sessions in April (Partnership Capability), May (Disabled and Neurodiverse Learners), and June (People, Culture and Leadership Capability). These sessions will support and build momentum to the next Tūwhitia: Transforming Tertiary symposium hosted by Te Wānanga o Aotearoa in September, and
- continued to work alongside a reference group of TEOs who are helping us shape and develop Aotearoa's Learner Success Community of Practice.

Over the next six months we are working with the sector to increase our provision of culturally specific guidance on supporting disabled Māori and Pacific learners. This work aims to ensure TEOs can provide culturally relevant and mana enhancing support to intersectional equity group learners.

45

attendees

45 people from across the tertiary sector attended the first Community of Practice on Data and technology

This work delivers on the following requirements from the Minister's LOE:



PERFORMANCE BASED RESEARCH FUND (PBRF)

During the quarter:

- our Sector Reference Group (SRG) completed consultation on technical matters related to Evidence Portfolio design and made recommendations to the TEC based on the feedback received. The SRG also considered options for reporting the results of Quality Evaluation 2026 and released a new consultation paper on how the impact of COVID-19 will be recognised. The TEC made in-principle decisions to accept the SRG's proposed options on panel assessment criteria, which were subject to consultation in the previous quarter
- we assessed nominations for the 28 panel co-chair roles and worked with the Co-Moderators to select and make appointments to these key roles. During March we publicly announced and held an induction day for the appointed co-chairs. Nominations received for initial panellists were also assessed by TEC staff, to assist the incoming panel co-chairs, and
- we advanced work on procurement of TEO audit services and scoping business requirements for the PBRF IT system.

28

nominations assessed

For panel co-chairs and initial panellists

This work delivers on the following requirements from the Minister's LOE:



HOW WE MEASURE OUR PERFORMANCE

Our strategic priority programmes of work and core business activities are key contributors to the outcome **Equity and an inclusive society**. However, we operate in a dynamic environment with a number of external factors outside of our control.

The following performance information has been used to illustrate progress towards the outcome to which our work is a contributing factor.

SOI Measures

To evidence the building of a tertiary education and careers system that helps shape an equitable and exclusive society we have the following three measures.

The movement of underserved groups' outcomes towards parity with everyone else:

Metric	Desired trend
1. Number of tertiary education organisations achieving Learner Success progress measures or targets	▲
2. Year 1 retention rate parity between underserved learners and other learners in the tertiary system	▲
3. Parity between educational outcomes of underserved learners and other learners in the tertiary system	▲

Performance is reported annually in our Annual Report.

SPE Measures

More detail on how we assess our performance is also provided in our Statement of Performance Expectations (SPE). In our current SPE we have **17** performance measures that align and track progress towards this outcome. **Two** measures will be reported quarterly, with the remaining **15** reported annually in our Annual Report. Progress against our quarterly measures is reported in the appendix of this report.

Alignment to the Minister's Letter of Expectations

- | | | |
|------------------------------------|--|---|
| 1 Te Tiriti o Waitangi (Te Tiriti) | 5 Reform in the Education system & Reform of Vocational Education (RoVE) | 7 Investment in Tertiary Education |
| 2 Tertiary Education Strategy | 6 Careers initiatives & the Secondary-Tertiary interface | 8 Monitoring TEOs |
| 3 Equity | 4 COVID-19 | 9 Data in the tertiary & careers system |
| | | 10 Operational expectations |



OUTCOME TWO

An adaptable system

He pūnaha urutau

We have an adaptable tertiary education system that serves the needs of Aotearoa New Zealand now and in the future



The Tertiary Education Strategy (TES) sets out the long-term strategic direction for tertiary education. Our strategy has been designed to give effect to the TES. This outcome aligns to the following TES Objectives:



Barrier-free access



Learners at the centre



Quality teaching & leadership



Future of learning & work



World-class inclusive public education

OUR STRATEGIC PRIORITIES

To make the biggest difference for this outcome we have three strategic priorities as our focus in the coming years.

- **Unify the vocational education and training system** to ensure learners, vocational education providers, employers and industry are fit for today's needs and tomorrow's expectations.
- **Shift to a learner-centred investment system** where we will develop an investment system that is outcome-driven and focuses on learners, whānau and communities.
- **Make it easier to upskill or change pathways** where we will invest in flexible learning options and support so people can transition between work and learning throughout their lives.

The following is an update of the contributing programmes of work.

ROVE PROGRAMME (incl. UFS)

RoVE continues to be on-track to deliver all key milestones on time.

During the quarter:

- completed the Unified Funding System (UFS) project delivery of a short-term technical solution for 2023/24 investment years. The long-term Strategic (2025) solution has been incorporated into our wider Data System Refresh programme of work as it extends beyond the life of the RoVE programme and had been fully transfer to the Information Directorate
- allocated UFS funding for 2023, with strategic funding for Te Pūkenga and Wānanga agreed and allocated in March. An approach for distributing the unallocated \$3.6m of strategic funding for PTEs was agreed, with proposals received now undergoing assessment
- distributed the first issue of the new TEC-led newsletter *Vocational Education Now* to the 2,800+ subscribers of the former *RoVE News* and had a 35% increase in open rate over the final issue of *RoVE News*. All ongoing VET communications are now integrated into our BAU teams, and
- focused on the programme activities we need to complete before closure, RoVE Outcome and measurement framework, establishment of the VET system outcome leadership groups, completing UFS funding allocations for 2023, the VET videos and navigating through the closure assurance activity with IQANZ and Treasury's Gateway review team.

The programme will formally close no later than 30 June 2023.

30 June

Programme closure

This work delivers on the following requirements from the Minister's LOE:



INVESTMENT FUNCTION

The Investment Round for 2023 is wrapping up, while work for the 2024 Investment Round is in full flight.

During the quarter we:

- worked with WDCs and RSLGs to support them to submit advice on 6 April (for Investment 2024)
- received over 50 PTE Strategic Fund applications, as part of the targeted approach with the remaining \$3.6 million of funding. The value of applications received was over \$11 million
- communicated the final wash-up outcomes, with \$110 million of funding subject to recovery. 16 repayment plans have been approved, with a further four subject to Board approval in April
- developed general principles for setting Indicative Allocations for 2024. We expect to refine these further after TEOs submit their SDR for indicative enrolments in early March, and
- published Plan Guidance, the gazette notice and toolkit (investment briefs, strategic intent and learner success plan template, LSP infosheet and timeline). These documents outline the requirements, expectations and priorities for investment in 2025.

The Plan Guidance and related documents reflect our Ōritetanga direction strengthening messaging around our expectations year-on-year. This edition also shows a real shift in terms of integrating insights and advice from WDCs and RSLGs into our investment round.

50

PTE Strategic Fund applications

as part of the targeted approach with the remaining \$3.6 million of funding

This work delivers on the following requirements from the Minister's LOE:



MONITORING TEOs

During the quarter we:

- continued to closely monitor Te Pūkenga, while also engaging with Ministers and the Treasury on its Programme Business Case and a potential funding package. We also engaged with the Ministry of Education and the Treasury on Te Pūkenga's Budget 2023 funding package, while compiling a new draft Letter of Expectations to Te Pūkenga for the Minister to review next month
- completed 16 Ministerial appointments to the governing councils of Te Pūkenga, Te Wananga o Raukawa, and Muka Tangata WDC, holding an induction session for two new council members of Te Pūkenga
- worked closely with the Ministry on proposed legislative changes to wānanga constitution and engaged with them about upcoming advice to the Minister on Tertiary Education Institution council fees, and
- worked through the impact that declining domestic EFTS could have on the University sector, particularly at Massey and Victoria University of Wellington, and the mitigation strategies in place to respond to these challenges.

16 Ministerial appointments

This work delivers on the following requirements from the Minister's LOE:



Alignment to the Minister's Letter of Expectations

- | | | |
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HOW WE MEASURE OUR PERFORMANCE

Our strategic priority programmes of work and core business activities are key contributors to the outcome **An adaptable system**. However, we operate in a dynamic environment with a number of external factors outside of our control.

The following performance information has been used to illustrate progress towards the outcome to which our work is a contributing factor.

SOI Measures

To evidence the creation of an adaptable, resilient, and connected system that meets the needs of Aotearoa New Zealand and New Zealanders, now and in the future, we have the following two measures.

System accessibility, resilience, and connectedness:

Metric	Desired trend
4. Collaboration behaviours between tertiary education organisations and with employers, iwi and communities on issues affecting sector performance	▲
5. Confidence in provider and employer network to deliver sustainable provision	▲

Performance is reported annually in our Annual Report

SPE Measures

More detail on how we assess our performance is also provided in our Statement of Performance Expectations (SPE). In our current SPE we have **14** performance measures that align and track progress towards this outcome. **Two** measures will be reported quarterly, with the remaining **12** reported annually in our Annual Report. Progress against our quarterly measures is reported in the appendix of this report.



OUTCOME THREE

Build the right skills to succeed

Te whai pūkenga tika kia angitu ai

The careers system supports everyone to gain the skills, knowledge and pathways to succeed, so people, employers and communities can thrive



The Tertiary Education Strategy (TES) sets out the long-term strategic direction for tertiary education. Our strategy has been designed to give effect to the TES. This outcome aligns to the following TES Objectives:



Barrier-free access



Learners at the centre



Quality teaching & leadership



Future of learning & work



World-class inclusive public education

OUR STRATEGIC PRIORITY

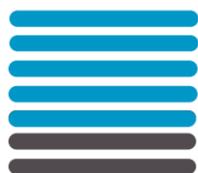
To make the biggest difference for this outcome our focus in the coming years will be to **build an integrated careers** response. A key component of this work is to partner with stakeholders to develop information, advice and guidance to empower every person to find their pathway to meaningful training, education or work. The following is an update of the contributing programmes of work.

TAHATŪ

Tahatū continues to track to the planned delivery schedule. During the quarter we:

- saw the successful delivery of Increment 5 (Work-based Training Qualifications and Kaupapa Māori Occupations (KMO))
- designed the features to be delivered in Increment 6 (Simple Pathways, Search and Kete)
- completed initial discovery for goal-based planning (to be delivered in Increment 7) and began sketching concepts
- curated job profiles for 240 (of 800) occupations, 55 of which are now fully populated with either a video and/or photos, including our first KMO video, and
- completed custom-made job profile videos for 90 (of 180), and a further 49 are in production, about to be edited or shot.

The second cycle of Taura Testing will commence on 20 March 2023.



Five of seven increments successfully delivered.

This work delivers on the following requirements from the Minister's LOE:



NATIONAL CAREERS SYSTEM STRATEGY

Feedback and approval was sought for the National Careers System Strategy (NCSS) over the quarter:

- Feedback from other ministries on the NCSS Cabinet paper was generally very positive, with some helpful suggestions on ways to strengthen the paper.
- The NCSS Cabinet paper seeking agreement to approve and publicly release the NCSS was lodged with the Minister's Office in mid-March and is scheduled for Cabinet in May.

Whilst we sought feedback and approval on the NCSS, we also:

- presented a preview of the NCSS with key stakeholders, and
- began preparing for the launch of the NCSS.



This work delivers on the following requirements from the Minister's LOE:



CAREERS FUNCTIONS

The VET marketing campaign continues to see good engagement:

- Total on-site engagements are now sitting at just over 2.5 million interactions.
- The campaign video has now been watched to completion more than 13.8 million times.
- The campaign is using social influencers again this year, and the first burst of this activity went live in March. Three influencers posted content that was created to improve the perceptions of value for money amongst Māori and Pacific youth. So far, this activity has generated more than 586,000 views and 52,000 likes combined.
- The campaign is in the process of finalising 'Destination Vocation' activity which focuses on three real-life stories of people who have completed vocational education and training and are now working in their chosen vocation. This activity will go live early in April.

2.5m interactions

VET marketing campaign – on-site engagements

This work delivers on the following requirements from the Minister's LOE:



INSPIRING THE FUTURE

Inspiring the Future (ItF) activities continued to accelerate over the quarter:

- The platform has 758 live role models who have completed their criminal record check and are visible on the platform. This is 76% of our target of 1,000 for end-June 2023.
- 200 schools have signed up (80% of our target of 250).
- We have surpassed our events target for 2022/23, with 170 ItF events completed, in draft or scheduled, which is 106% of our target of 160.
- Several new promotional initiatives are underway to encourage Māori and Pacific role models to sign up.



758 role models are visible on the platform. This is 76% of our target of 1,000 by end-June 2023.

This work delivers on the following requirements from the Minister's LOE:



Alignment to the Minister's Letter of Expectations

- | | | |
|------------------------------------|--|---|
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HOW WE MEASURE OUR PERFORMANCE

Our strategic priority programmes of work and core business activities are key contributors to the outcome **Build the right skills to succeed**. However, we operate in a dynamic environment with a number of external factors outside of our control.

The following performance information has been used to illustrate progress towards the outcome to which our work is a contributing factor.

SOI Measures

To evidence the careers system supports everyone to gain the skills, knowledge and pathways to succeed, so people, employers and communities can thrive

The system ensures learners are ready for the future:

Metric	Desired trend
6. Feedback from New Zealanders on the usefulness of careers information to assist with education and career related decision making	▲
7. Percentage of learners who experience positive post-study outcomes within the first one to three years of graduation	▲

Performance is reported annually in our Annual Report

The system provides employers and communities with the skills they need:

Metric	Desired trend
8. Number of employers and learners involved in work-integrated learning	▲
9. Employer/Industry feedback on relevance and consistency of graduate skills	▲

Reporting will be available for our 2023/24 Annual Report

SPE Measures

More detail on how we assess our performance is also provided in our Statement of Performance Expectations (SPE). In our current SPE we have 19 performance measures that align and track progress towards this outcome. Five measures will be reported quarterly, with the remaining 14 reported annually in our Annual Report. Progress against our quarterly measures is reported in the appendix of this report.



OUTCOME FOUR

Equip TEC for the future

Te whakarite kia takatū te TEC mō āpōpō

To be an insight-driven and culturally affirming agency



The Tertiary Education Strategy (TES) sets out the long-term strategic direction for tertiary education. This internal outcome underpins our three external outcomes and, as such, supports the delivery of all of the TES objectives:



Barrier-free access



Learners at the centre



Quality teaching & leadership



Future of learning & work



World-class inclusive public education

OUR STRATEGIC PRIORITY

Thriving TEC - to make the biggest difference for this outcome our focus in the coming years will be on investing and growing our people so we are more learner-centric, equity-minded and culturally affirming. The TEC has a significant role in the tertiary education system, providing funding, information and guidance to tertiary education organisations, and careers support to learners and their whānau. The TEC needs to manage all of these functions in ways that consider the impact on learner outcomes and avoids inadvertently creating barriers to system-wide equity. That means that the TEC itself needs to develop an intentionally learner-centric focus.

HE MARAE TANGATA

We are halfway through a pilot of the individual capability framework and self-assessment questionnaire (called Te Kāpehu) and resources with three teams commenced on 28 February 2023.

The second part of the pilot, commencing in April, will focus on the self-assessment questionnaire. The pilot will be evaluated, and changes made to the plan and the resources in preparation for an organisation-wide rollout later in 2023.

Te Kākanō tool for corporate functions, (a set of question prompts), supports our Te Tiriti o Waitangi commitments. Staff from two directorates provided feedback at workshops in March. The tool is being updated and will include context as to how the tool sits alongside He Marae Tangata and our Te Tiriti o Waitangi commitments.

Individual capability framework in 3 areas of:

- learner centric
- culturally affirming, and
- equity minded.

This work delivers on the following requirements from the Minister's LOE:

- 1
- 2
- 3
- 10

SPOTLIGHT: TEC BUSINESS PLAN

Rautaki ki te mahi – Strategy to action

Our TEC strategy - Kete Whiri sets out our goals as an organisation. To ensure the TEC is delivering on our strategy, our business planning process over the 2022/23 year has been focused on supporting our directorates to align their core business and project work activities to the priorities for each of our goals.

We have also prepared a TEC Business Plan – Rautaki ki te mahi - Strategy to action. This Plan sets out our priorities for 2022/23 and provides a comprehensive view of how collectively our core business and project activities are aligned and delivering on our strategy. This view also provides the ability to monitor our progress and illustrate what we are doing as an organisation to deliver on the strategy.

The momentum has continued in quarter three, with our Executive Leadership Team approving work programme priorities for the coming year and directorates preparing their draft business plans for 2023/24.

4 GOALS

6 STRATEGIC PRIORITIES

130

CONTRIBUTING CORE BUSINESS AND PROJECT ACTIVITIES TO PROGRESS THE STRATEGY IN 2022/23

INFORMATION AND TECHNOLOGY

During the quarter, we continued working on improving our cybersecurity maturity:

- The focus for the quarter was moving our cybersecurity work from project mode into part our core operational activities.
- The last major component of this was strengthening our capability through implementing a managed security service.
- We are continuing to focus on staff awareness an training.



This work delivers on the following requirements from the Minister's LOE:

- 1
- 2
- 9
- 10

PRIVACY

We rolled out four privacy and security videos throughout March which promoted key areas of focus for our staff. There has been a high volume of engagement with the content.

Privacy Week 2023, runs from 8-12 May. The theme this year is 'Privacy Rights in the Digital Age'.

4 privacy and security videos

This work delivers on the following requirements from the Minister's LOE:

- 1
- 2
- 9
- 10

MANAGING RISK

Our strategic risk register was presented to our Whatitata Whakau - Risk and Audit Committee (RAC) in early April, and following this the register was updated to reflect the RAC discussion. Changes included:

- the transfer of two 'watching brief' topics to the strategic risk register, and
- identification of two additional strategic risks.

The four new risks will be further articulated during the next strategic risk review. Operational risk registers are being reviewed as a part of the business planning process.



This work delivers on the following requirements from the Minister's LOE:

- 1
- 2
- 4
- 10

Alignment to the Minister's Letter of Expectations

- 1 Te Tiriti o Waitangi (Te Tiriti)
- 2 Tertiary Education Strategy
- 3 Equity
- 4 COVID-19
- 5 Reform in the Education system & Reform of Vocational Education (RoVE)
- 6 Careers initiatives & the Secondary-Tertiary interface
- 7 Investment in Tertiary Education
- 8 Monitoring TEOs
- 9 Data in the tertiary & careers system
- 10 Operational expectations

FINANCIAL PERFORMANCE

FINANCIAL SUSTAINABILITY

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.

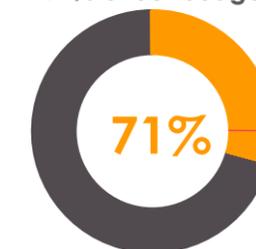
Despite the decisions we have made, we still expect to make small deficits over the five-year period.

OPERATING PERFORMANCE

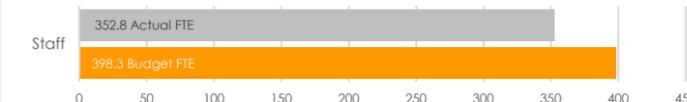
Our YTD deficit is \$4.8m less than budget YTD. Our full year forecast deficit has reduced to \$0.5m, (\$4.6m less than budget).

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.

We are 75% through the year but have only spent 71% of our budget



Staff Numbers – Actual FTE vs Budget FTE



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.

GRANT PERFORMANCE

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 (MCA) and \$36.4m in Fees-free Payments.

Additional information is included in Appendix A.



FINANCIAL PERFORMANCE

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

- **Operating:** our deficit is \$4.8m less than budget YTD. Our full year forecast shows we will be \$4.6m under budget by financial year end.
- **Grants:** our spend is \$157.0m less than budget. Our full year forecast shows us \$54.7m under budget by financial year end.

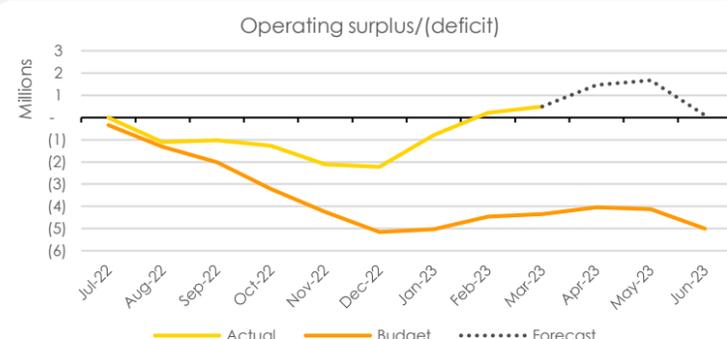
OPERATING PERFORMANCE

Our year end forecast deficit has reduced to \$0.5m, mostly as a result of large savings in the RoVE Programme (\$3.6m). The RoVE funding will be used to provide system stewardship resource in outyears.

Core business savings due to vacancies were partially offset by additional contractors providing specialist support or covering vacancies. The impact of restructures meant an increase in vacancies during the year; however, vacancies are reducing.

Other savings include depreciation due to timing of projects ending, and the timing of ICT costs and projects.

Operational revenue & expenses	YTD23	YTD23	FY23	FY23
For the period ended 31 March 2023	Actual	SPE Budget	SPE Budget	Forecast
	\$'000's	\$'000's	\$'000's	\$'000's
REVENUE				
Crown revenue	59,145	58,560	79,413	80,398
Other	2,820	1,643	2,491	4,000
Total revenue	61,965	60,203	81,904	84,398
EXPENSES				
Personnel expenses	42,924	41,542	56,484	56,812
Depreciation & amortisation	4,408	4,326	5,374	5,481
Other operating expenses	14,137	18,680	25,046	22,555
Total expenses	61,469	64,548	86,904	84,848
Surplus/(deficit)	496	(4,345)	(5,000)	(450)



FINANCIAL POSITION

Current assets and liabilities are higher than budget as we have accrued \$107.2m (net) of wash-ups for the 2022 year.

Statement of Financial Position	YTD23	YTD23	FY23	FY23
As at 31 March 2023	Actual	SPE Budget	SPE Budget	Forecast
	\$'000's	\$'000's	\$'000's	\$'000's
ASSETS				
Current assets	622,907	524,618	677,213	625,995
Non-current assets	26,296	33,162	35,927	27,985
Total assets	649,203	557,780	713,140	653,980
LIABILITIES				
Current liabilities	525,218	430,320	583,858	534,701
Non-current liabilities	1,242	1,469	1,283	1,274
Total liabilities	526,460	431,789	585,141	535,975
EQUITY	122,743	125,991	127,999	118,005

Breakdown of Cash Balances	YTD23	YTD23	FY23	FY23
As at 31 March 2023	Actual	SPE Budget	SPE Budget	Forecast
	\$'000's	\$'000's	\$'000's	\$'000's
Operations cash	22,188	17,915	17,795	19,602
Grants cash	64,464	57,202	57,474	52,120
Pre-purchased English Language Tuition cash	11,379	12,200	10,162	8,651
Cash and cash equivalents	98,031	87,317	85,431	80,373

CASH

Operating cash increased to \$22.2m due to our financial performance being better than budget, and timing differences. Our reduced full year forecast means our \$19.6m forecast cash balance in June 2023 is \$1.8m higher than budget.

Grants cash at \$64.5m is \$7.3m higher than budget as we withheld some payments from providers due to forecast under delivery.

Pre-purchased English Language Tuition (PELT) cash is impacted by migration. We expect cash to continue to fall faster than budget.

GRANTS PERFORMANCE

Our full year forecast for 2022/23 shows us \$54.7m under budget by financial year end.

Early enrolment data for 2023 indicates a softening in demand. Firmer trends will not be available until the April SDR is available in early May.

Demand for ITF remains high. This leads to \$28.3m of forecast underspends for 2022/23 in our multi-category appropriation (MCA).

Our Fees Free forecasts show lower demand, partially offset by higher demand for the Training and Apprenticeship Fund. We forecast a \$36.4m underspend in Fees-free Payments.

Grants revenue & expenses	YTD23	YTD23	FY23	FY23
For the period ended 31 March 2023	Actual	SPE Budget	SPE Budget	Forecast
	\$'000's	\$'000's	\$'000's	\$'000's
REVENUE				
Crown revenue	2,648,372	2,806,081	3,862,107	3,805,894
Prior year recoveries	1,539	1,500	2,000	2,000
Interest	1,962	300	400	2,562
Total revenue	2,651,873	2,807,881	3,864,507	3,810,456
Less revenue administered by MOE	(3,920)	(4,672)	(8,129)	(6,629)
Total revenue administered by TEC	2,647,953	2,803,209	3,856,378	3,803,827
EXPENSES				
Tertiary Tuition and Training MCA				
Access to and Success in Tertiary Education	35,867	40,720	73,229	87,642
Foundation and Community Education	150,472	206,671	292,741	228,895
Tertiary Education: Qualification Delivery	1,730,792	1,739,353	2,514,393	2,535,524
Total Tertiary Tuition and Training MCA	1,917,131	1,986,744	2,880,363	2,852,061
Centres of Research Excellence	37,350	37,350	49,800	49,800
Establishment of a Single National Vocational Education Institution	15,600	16,000	16,000	15,600
Fees-free Payments	315,411	380,135	387,135	350,762
Secondary-Tertiary Interface (Vote Education)	24,485	23,698	31,250	32,565
Strategic Funding for National and Regional Priorities	9,705	19,958	39,516	37,951
Support for Wānanga	9,000	19,500	23,000	36,000
Tertiary Education Research and Research-Based Teaching	236,250	236,250	315,000	315,000
Tertiary Scholarships and Awards	13,056	14,503	20,413	20,087
Tertiary Sector / Industry Collaboration projects	17,772	19,924	30,271	26,719
University-led Innovation	3,862	3,269	4,359	4,348
Workforce Development Councils	48,750	48,750	65,000	65,000
Total expenses	2,648,372	2,806,081	3,862,107	3,805,893
Less expenses administered by MOE	(3,920)	(4,672)	(8,129)	(6,629)
Total expenses administered by TEC	2,644,452	2,801,409	3,853,978	3,799,264
Surplus/(deficit)	3,501	1,800	2,400	4,563

FINANCIAL SUSTAINABILITY

We recently updated our operating five-year strategic plan.

Our plan shows that due to agreed budget savings, our cash balance remains steady for the next two financial years. After this period, cost inflation starts to erode our cash balance again. We will need to take additional measures from 2025/26 onwards to ensure we remain above our minimum cash reserves of \$10.0m over the long term as agreed by our Board.



TE PŪRONGO MAHI MŌ TE HAUWHĀ TUATORU O 2022/23 2022/23 QUARTER THREE PERFORMANCE REPORT

APPENDIX B – MEASURE RESULTS

The Tertiary Education Strategy (TES) sets out the long-term strategic direction for tertiary education. Our strategic intentions have been designed to give effect to the TES.



Barrier-free access



Learners at the centre



Quality teaching & leadership



Future of learning & work



World-class inclusive public education

KO Ō MĀTOU WHĀINGA RAUTAKI OUR STRATEGIC INTENTIONS



He porihanga tuwhera me te ōritetanga
Equity and an inclusive society

Sector output measures:

Measure	Actual year to date	Target 2022	Actual 2021
Number of fees-free first-time learners	28,287 (Note 1)	(no target, trend info only)	38,717



He pūnaha urutau
An adaptable system

TEC output measures:

Measure	Actual as at 31/03/23	Target 2022/23	Actual 2021/22
Percentage of Tertiary Education Institutes' council members and support staff attending our governance seminars who agree that they gained relevant knowledge to apply to their work	100%	At least 94%	100%
Percentage of payments the TEC makes to tertiary education organisations that are made within agreed timeframes	99.98%	99.50%	99.95%



Te whai pūkenga tika kia angitu ai
Build the right skills to succeed

Sector output measures:

Measure	Actual year to date	Target 2022	Actual 2021
Percentage of learners accessing intensive literacy and numeracy	64.75%	At least 58.53%	59.5%
Percentage of learners accessing the desired range (hours) of provision (Note 4)	61.09% (Note 2)	At least 70.17%	70.2%
English for Speakers of Other languages	92.23%	At least 91.25%	91.3%
(ACE in communities) Number of Adult and Community Education learner hours	1,027,263	At least 973,788	978,152
Gateway – total participants and number of schools	14,397 in 378 schools	14,000 ±5% in up to 375 schools	13,907 in 377 schools

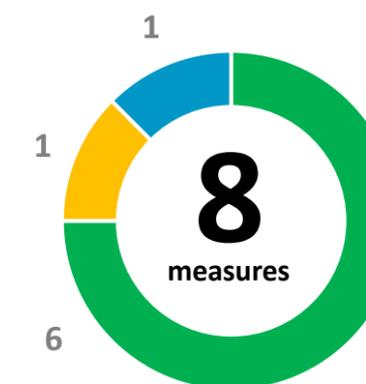
QUARTER THREE 2022/23 PERFORMANCE MEASURE RESULTS

We only report progress on measures where we have new data. This quarter we report on eight of our measures.

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).

Note 1 The number of first year fees free learners has remained roughly the same since the same point in time the previous year (2022 – 28,348). As the Targeted Training and Apprenticeship Fund (TTAF) has now finished, the number of new fees free learners in work-based learning, compared to the same point in time last year, has increased from 22 in 2022 to 2,900 in 2023. However, the number of provider-based new fees-free learners has decreased when compared to the same point in time last year (2022 - 28,346, 2023 - 25,687).

Note 2 Due to COVID-19, general sickness and operational pressures on businesses in the latter part of 2022, TEO-led WLN delivery was often delayed and pushed into 2023. This delayed learning has reduced the minimum desired hours-to-date for Q3 2022/23. Additional action has been undertaken by the TEC in 2023 to support the TEO-led WLN sector. Funding top-ups were provided to TEOs with proven delayed learning into 2023. It is expected that the delivery percentage will improve in the coming quarters.



- On track to achieve target by end of year
- Not on track - but expected to achieve target by end of year
- Not on track - not expected to achieve target by end of year
- No target, trend info only