



2023/24 QUARTER TWO 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

OUR CORE FUNCTIONS – PROGRESS AND ACHIEVEMENTS OVER THE QUARTER

SUMMARY

This page provides an overview of achievements and highlights from our work programme. The dials indicate progress against our internal work programme and performance of the external sector during Quarter Two.

The pages following provide more in-depth detail on progress in our core business and key projects, showing alignment to our strategic goals set out in our current Statement of Intent.

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:

- We evaluated all investment plans for 2024 and our Board granted approval for all TEOs with funding exceeding \$5 million in total or with a single fund allocation exceeding \$2 million.
- We established a virtual 'Closures team' as several at risk PTEs have been identified and placed on a 'closures watchlist'.



TEC internal work programme



Sector Performance

This work also contributes to the following strategic goals:



An Adaptable System

For more information see page 2



Equity and an Inclusive Society

For more information see page 4

MONITORING

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

Key work over the quarter:

- We closely monitored Te Pūkenga's performance to inform recommendations regarding the Government's commitment to disestablish Te Pūkenga and establish regionally responsive institutions.
- We continued to work closely with Victoria University of Wellington and Massey University to address their financial challenges and planned restructures.



TEC internal work programme



Sector Performance

This work also contributes to the following strategic goal:



An Adaptable System

For more information see page 2

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.

Highlights for the quarter include:

- We surpassed our internal target of 1,000 role models on the Inspiring the Future platform.
- We are on track to pilot the new careers interactive website called Tahatū in 2024.
- We are developing a national careers quality framework aimed at enhancing the quality and delivery of careers education, information, advice, and guidance throughout the system.



TEC internal work programme



Sector Performance

This work also contributes to the following strategic goals:



Build the right skills to succeed

For more information see page 3



Equity and an Inclusive Society

For more information see page 4

LEARNER SUCCESS

To achieve equity of education outcomes, we work with TEOs to create education environments that are learner-centred and where more of our learners, especially our most disadvantaged learners, can succeed.

Highlights for the quarter include:

- We worked with tertiary education institutions (TEIs) to promote organizational change aimed at improving learner success outcomes. This effort included monitoring the progress of TEIs' Learner Success Plan (LSP) milestones and facilitating capability sessions.
- We assisted TEIs in achieving their 2023 LSP milestones and have already reached agreements on the 2024 LSP milestones with the majority of TEIs, with the remaining agreements expected to be finalised early in 2024.



TEC internal work programme



Sector Performance

This work also contributes to the following strategic goal:



Equity and an Inclusive Society

For more information see page 4

FINANCIAL PERFORMANCE

Our financial results are largely unchanged from the previous quarter.

We are currently working through savings targets outlined by the new Government and holding some vacancies as a result. The impact of these decisions will be presented in our next five-year strategic financial plan.

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

- Operating: our surplus is \$3.9m higher than budget YTD. Our forecast shows we will be \$2.5m favourable to budget by financial year end.
- Grants: our spend is \$31.9m less than budget YTD. Our full year forecast shows us \$10.6m under budget by financial year end.



Current Status

This work underpins all of our strategic goals.

More information on our financial performance can be found on pages 5&6



An adaptable system

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



TEC internal work programme view

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:



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Learners at the centre



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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.

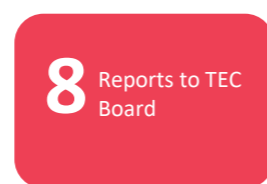
- **Unify the vocational education and training system** to ensure learners, vocational education providers, employers and industry are fit for today's needs and tomorrow's expectations.
- **Shift to a learner-centred investment system** where we will develop an investment system that is outcome-driven 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.

MONITORING TEOs

During the quarter:

- We continued to closely monitor the performance of Te Pūkenga, including to inform advice to you on the Government's commitment to disestablish Te Pūkenga and re-establish regionally responsive institutions.
- We engaged closely with Victoria University of Wellington and Massey University on their financial situations and planned restructures.
- We closely monitored several private training establishments (PTEs) considered to be at risk, as well as assessing PTEs that may be at risk in 2024 and how TEC can utilise its investment levers to manage those risks.
- We completed 8 audits of TEOs, as well as reviewing compliance with learner eligibility for literacy and numeracy funds, the Fees Free scheme, and the Gateway fund.
- We commenced identification of candidates for up to 16 appointments to tertiary education institution councils due by 31 March 2024.
- We assessed and provided feedback to tertiary institutions on their 2023 capital asset independent maturity assessments.



These reports were on financial issues faced Te Pūkenga, universities, and PTEs

VOCATIONAL EDUCATION AND TRAINING

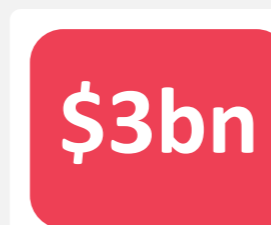
During the quarter:

- We issued operational plan guidance to WDCs for funding from 1 July 2024 onwards (subject to Government decisions on the role of WDCs in the future)
- Together with the Ministry of Education, we facilitated a cross-entity group, which had participants from all parts of the vocational sector and looked at operational challenges and opportunities to support growing delivery and effectiveness in this sector.
- VET interagency communication initiatives continue to highlight positive VET system stories, including innovative approaches such as the Centre of Vocational Excellence for the Construction and Infrastructure Industries (ConCOVE) research of entry points into the construction sector.

INVESTMENT FUNCTION

During the quarter:

- We completed assessment of all 2024 investment plans, including Learner Success Plans and Disability Action Plans and made funding recommendations based on performance and alignment with regional, industry and government priorities.
- The TEC Board of Commissioners approved the funding for all TEOs with funding over \$5m (total) or one fund larger than \$2m.
- The Board approved Te Pūkenga's investment plan and the majority of their funding but instructed Te Pūkenga to resubmit their application or 2024 Strategic Funding in the new year, due to this requiring further explanation of what the funding would be used for. The application is due to be resubmitted in February 2024.
- All other funding decisions were made under delegation from the Board and TEOs were advised of their funding for 2024.
- We reviewed WDC and RSLG advice for 2025 and incorporated this into Plan Guidance for 2025 funding.
- We analysed funding decision-making processes as part of continuous improvement, and potential streamlining/efficiencies for the 2025 Investment Round.
- We updated engagement plans to support discussions with TEOs that were identified as having poorer educational performance or low capability.



Plan funding allocated through our investment round processes

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.



Build the right skills to succeed

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

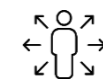


TEC internal work programme view

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

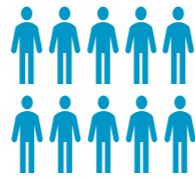
To make the biggest difference for this outcome our focus will be to **build an integrated careers** response. A key component of this work is to partner with stakeholders to develop information, advice and guidance to empower every person to find their pathway to meaningful training, education or work.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

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.

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

- As of 31 December 2023:
 - ItF has impacted 12,000 students;
 - 300 schools have signed up (69% of our target of 435 for end of June 2024); and
 - there have been 217 events, which is 63% of our target (cumulative since May 2021) of 347 events by 30 June 2024.
- We surpassed our internal target (cumulative since August 2020) of 1,000 role models, with 1,013 role models now live on the platform.
- November was our busiest month for 2023, with 27 events involving approximately 1,900 students being held.
- We ran an advertisement in the New Zealand Principals Federation Magazine and shared information about ItF at the Careers and Transition Education Association NZ and uLearn23 conferences.
- We presented ItF to Education to Employment brokers from across Aotearoa. They can help us deliver ItF events for schools.



1,013 role models are visible on the platform. This is over 100% of our target of 1,000 by end-June 2024.

CAREERS FUNCTION

TEC is a leader in the cross-agency implementation of the National Careers System Strategy (NCSS) and its Action Plan, working across government agencies and the wider sector to build a lifelong, integrated careers system that will support all New Zealanders. TEC will lead the coordination and monitoring of the Strategy's implementation, covering eight workstreams over a 2-year period.

During the quarter:

- Work has begun on the national careers quality framework to improve the quality and delivery of careers education, information, advice and guidance across the system. This framework will support the delivery and quality of culturally responsive careers information, advice and guidance, and build the capability of the careers' workforce.
- The foundations for the cross-agency Governance function were established to ensure early and sustained engagement with priority populations during implementation of the Action Plan. Both the Ministry for Pacific Peoples and Te Puni Kokiri are lead agencies in delivering the Strategy, and communities of expertise will guide and support delivery of actions.
- Outcomes planning has commenced to ensure measuring the impact of the Strategy has an equity lens that supports Outcome three: an equitable system that works for all.

VOCATIONAL EDUCATION AND TRAINING

In late 2020, the TEC launched a campaign to help improve perceptions and increase participation in Vocational Education and Training (VET). The initial four-year funding for the marketing campaign concluded in June 2023.

The campaign was continued within baseline funding for the financial year 2023/24 with the aim of maintaining the perception shifts that we have achieved to date, specifically with learners aged 15-25 years.

Over the quarter, the VET marketing campaign continued to see good engagement:

- Total on-site engagements are now sitting at nearly 4.5 million interactions.
- The VET campaign video has now been watched to completion more than 16.5 million times.
- The campaign tested a new way of showcasing the breadth of vocations in Q2, using a carousel ad on social media. This ad allows the campaign to show 5 different vocations at one time and is so far performing well.
- The average time that users are spending on the VocationNation.govt.nz webpage grew to 3.30 minutes, with 71% of users clicking the "I'm a learner" button to explore their options.

4.5m interactions



VET marketing campaign – on-site engagements

NEW CAREERS INTERACTIVE WEBSITE

We are developing a new interactive careers website called Tahatū with consultation and support from the education sector, careers practitioners, students, whānau, and industry. Tahatū makes use of new technology, providing a personalised experience to help people figure out what kind of work they might like to do, and how they can get there.

The new online career planning platform will be the next generation of the careers.govt.nz website, which has been used by New Zealanders for the past 20 years.

The project remained on track to meet its timeframe and deliverables for the quarter, and we have published an expression of interest for secondary schools to join a pilot of the first release, starting 2 April 2024.



Six of seven increments successfully delivered.

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 TEC 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

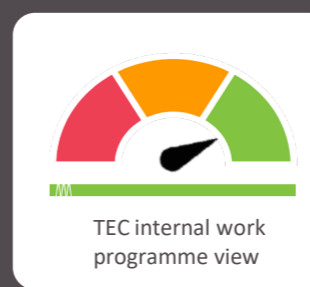
SPE Measures

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.



Equity and an inclusive society

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:



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OUR STRATEGIC PRIORITY

To make the biggest difference for this outcome our focus in the coming years will be to embed our **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.

LEARNER SUCCESS

The Learner Success Programme is a part of our strategy for ensuring equitable educational outcomes for all learners. All large TEOs produce Learner Success Plans (LSP) and Disability Action Plans to address the challenges faced by diverse learner groups, including Māori, Pacific, disabled, and low-income individuals.



During the quarter:

- We continued to drive change in the sector so that TEOs will improving outcomes for learners. This included engaging closely with Tertiary Education Institutions (TEIs) on their LSPs and monitoring their progress.
- We worked with TEIs to achieve their 2023 LSP milestones. Overall, good progress is being made. We agreed 2024 LSP milestones with most of them (the remainder to be agreed early in 2024).
- To further share learner success knowledge and approaches we facilitated two capability sessions (Learner-Centric Systems and Disability Data) with the sector as part of the Community of Practice work programme.
- In consultation with the stakeholders, we finalised the design of 'Accelerating Learner Success Fund' that will accelerate and improve TEO learner success programmes. The fund has gone live in February 2024.
- We created key materials for enhancing learner success in the upcoming Investment Round.

INVESTMENT FUNCTION

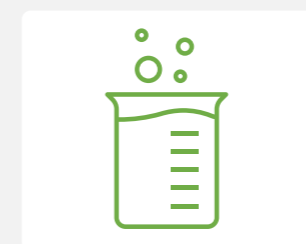
Learner Success is at the heart of our investment decisions.

During the quarter:

- TEO investment plans for 2024 funding were approved by the TEC Board, for a total of \$1.983 billion across the Universities, Wānanga and large PTEs (PTEs with over \$5m total funding). All these TEOs provided a new or updated Learner Success Plan that met TEC's expectations regarding support to learners to enable equitable outcomes.
- We undertook sector consultation with eligible tertiary education organisations for the 'Accelerating Learner Success Fund'. Feedback from this consultation will inform applications invited in Q3.

PERFORMANCE BASED RESEARCH FUND (PBRF)

The PBRF allocates \$315m annually to enhance and support research capabilities and activities, including assistance for postgraduate-level teaching.



During the quarter:

- Our Sector Reference Group (SRG) met to consider feedback on the draft Guidelines and make its final recommendations to the TEC.
- The TEC Board approved the final operational design of Quality Evaluation 2026. We published the new TEO Guidelines, the Assessment Guidelines, and the Audit methodology on our website.
- We worked with Panels to revise Panel-Specific Guidelines based on the sector's feedback on earlier drafts.
- We contracted a vendor to test the feasibility of migrating the PBRF IT system used in 2012 and 2018 to the cloud.
- We engaged with the Ministry of Education and the Office of the Privacy Commissioner on the use of NSNs as unique identifiers for TEO staff participating in Quality Evaluation 2026.
- We worked with the Ministry of Education to provide you with advice on Quality Evaluation 2026.

NATIONAL CAREERS SYSTEM STRATEGY

To support the development of a lifelong, integrated careers system that all New Zealanders can access, we led the development of the National Careers System Strategy (NCSS).

As kaitiaki of NCSS our role is to lead and coordinate the cross-system implementation of NCSS's Action Plan.

As detailed on the previous page, the NCSS is progressing well and will deliver benefits to support dual goal outcomes, including equitable outcomes and an inclusive society.



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.

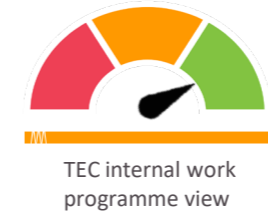
SPE Measures

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.



Equip TEC for the future

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:



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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.

INFORMATION AND TECHNOLOGY

During the quarter

- We continued to make steady progress in lifting our cyber capability leveraging the US National Institute of Standards and Technology framework
- As part of Cyber Smart week in October/November, we promoted cyber security awareness including running campaigns to test staff ability to recognise phishing emails.
- We now require new staff to complete cyber security training within two weeks of joining TEC.



PRIVACY

During the quarter

- We continued to develop our privacy capability and maturity, providing advice and support on privacy matters.
- We launched a privacy strategy which outlines our privacy vision and goals for TEC



CYBER SECURITY FOR THE TERTIARY SECTOR

TEC is working with the tertiary sector to increase their awareness and understanding of cyber security and uplift their cybersecurity. The initiative is focused on providing tools and support to get the fundamentals in place for all TEOs, while building on the good work already underway in the sector.

We have established a cross agency project that is linked to a wider programme of cyber security work the Ministry of Education (MoE) is undertaking. The initiative is governed by a Steering Group consisting of MoE, New Zealand Qualifications Authority (NZQA), TEC and sector representatives.

During the quarter we:

- Launched best practice cyber security controls. The controls contain people, process and technology related actions that an organisation can take to immediately improve cyber security and help prevent system breaches.
- Launched the offer of fully funded cyber security assessments for Tertiary Education Organisations (TEO).
- Ran a series of cyber security webinars, facilitated by an independent provider. These webinars help TEOs to better understand cyber security and help them decide what steps they can take to become more secure.

PEOPLE CAPABILITY FRAMEWORK (HE MARAE TANGATA)

TEC's People Capability Framework (He Marae Tangata) is aimed at making TEC a 'learner centric, equity-minded and culturally affirming' organisation.

We are halfway through the He Marae Tangata work programme. Between March and July 2023, we piloted the individual capability framework.

During the quarter

- ELT reviewed the evaluation report from the pilot and approved the implementation plan roll-out of the individual capability framework for 2024.
- We continued updating the resources and knowledge space based on feedback from the pilot programme.
- We developed a communication plan to support the implementation plan roll out of the individual capability framework for 2024. The implementation plan will be staggered through TEC during 2024 and is leader led.

Individual capability framework in **3** areas of:

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

FINANCIAL PERFORMANCE

FINANCIAL SUSTAINABILITY

We are currently working through savings targets outlined by the new Government and holding some vacancies as a result. The impact of these decisions will be presented in our next five-year strategic financial plan.

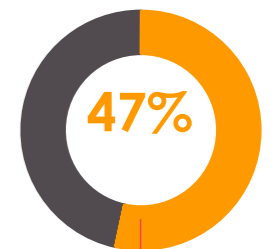
Our plan gives us visibility into how making prudent decisions now, and continually adjusting our spending plans to live within our means, can help manage upcoming financial headwinds.

OPERATING PERFORMANCE

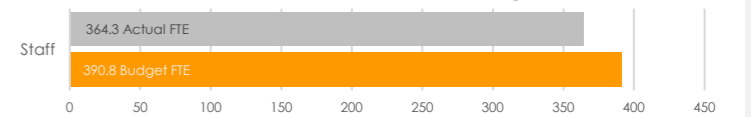
Our YTD surplus is \$3.9m higher than budget YTD deficit.

We forecast to be \$2.5m favourable to our SPE budget due to additional revenue (\$0.9m interest, \$2.0m PSPA settlement) and savings from staff vacancies. Savings have reduced slightly due to unbudgeted fees free transition costs.

We are 50% through the year but have only spent 47% of our budget



Staff Numbers – Actual FTE vs Budget FTE



Our SPE estimated vacancies for the year at 5%. Vacancies are currently at 9% which means we are achieving our budgeted vacancy rate.

There continues to be minimal backfilling of vacancies as we have limited our use of contractors and consultants.

GRANT PERFORMANCE

We now expect our year end grants spend to be \$10.6m less than budget, with a surplus of \$30.0m in Fees-free Payments.

Additional information is included in **Appendix A**.



FINANCIAL PERFORMANCE

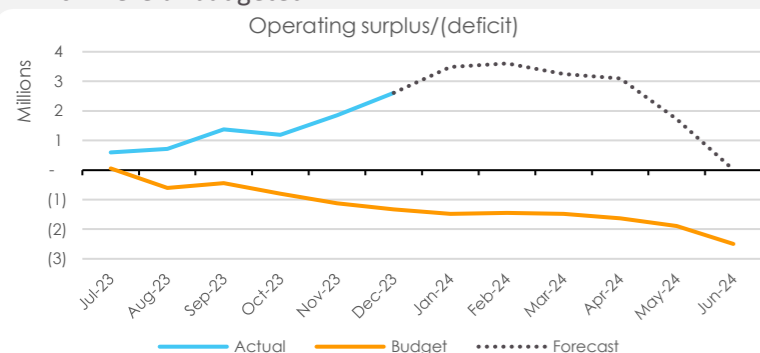
We are currently under budget and are forecasting to be under budget for the full year

- **Operating:** our surplus is \$3.9m higher than budget YTD. Our forecast shows we will be \$2.5m favourable to budget by financial year end.
- **Grants:** our spend is \$31.9m less than budget YTD. Our full year forecast shows us \$10.6m under budget by financial year end.

OPERATING PERFORMANCE

Our financial performance is forecast to be \$2.5m favourable due to:

- Additional revenue from the Crown to fund the public sector pay adjustment (PSPA) settlement (\$2.0m), interest received (\$0.9m), and from MoE to fund Cyber Security to the Sector (\$1.5m).
- There were also savings from staff vacancies of 9% of establishment versus 5% in SPE budget and lower depreciation resulting from delays in Tahatū going live.
- These cost savings are offset by PSPA settlement costs, additional Cyber Security to the Sector costs, and the Fees Free transition costs which were unbudgeted.



FINANCIAL POSITION

Fluctuations in current assets and liabilities are 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). Our SPE also assumed we would add \$50.0m to our grants balance sheet last year, but only added \$30.0m.

Statement of Financial Position	YTD24	YTD24	FY24	FY24
As at 31 December 2023	Actual	SPE Budget	SPE Budget	Forecast
	\$'000's	\$'000's	\$'000's	\$'000's
ASSETS				
Current assets	567,263	411,822	665,471	685,097
Non-current assets	28,928	30,973	31,488	30,161
Total assets	596,191	442,795	696,959	715,258
LIABILITIES				
Current liabilities	435,627	269,162	520,493	553,070
Non-current liabilities	999	1,360	1,143	1,144
Total liabilities	436,626	270,522	521,636	554,214
EQUITY	159,565	172,273	175,323	161,044

Operational revenue & expenses	YTD24	YTD24	FY24	FY24
For the period ended 31 December 2023	Actual	SPE Budget	SPE Budget	Forecast
	\$'000's	\$'000's	\$'000's	\$'000's
REVENUE				
Crown revenue	35,355	34,386	69,371	71,565
Other	2,076	1,165	2,555	5,294
Total revenue	37,431	35,551	71,926	76,859
EXPENSES				
Personnel expenses	23,054	22,095	44,767	49,099
Depreciation & amortisation	2,028	3,873	7,728	4,474
Other operating expenses	9,736	10,915	21,935	23,271
Total expenses	34,818	36,883	74,430	76,844
Surplus/(deficit)	2,613	(1,332)	(2,504)	15

Breakdown of Cash Balances	YTD24	YTD24	FY24	FY24
As at 31 December 2023	Actual	SPE Budget	SPE Budget	Forecast
	\$'000's	\$'000's	\$'000's	\$'000's
Operations cash	25,357	18,280	20,257	27,993
Grants cash	89,415	47,580	54,457	50,847
Pre-purchased English Language Tuition cash	10,193	8,906	6,788	8,525
Cash and cash equivalents	124,965	74,766	81,502	87,365

CASH

Operating cash started the financial year at \$23.4m (\$5.0m higher than assumed in our SPE budget). Continued higher staff vacancies means our cash is now \$7.1m higher than SPE and forecast to be \$7.7m higher than our SPE budget by financial year end. We are currently updating our five-year strategic plan, so this forecast cash position is subject to change.

Grants cash at \$89.4m is \$41.8m higher than budget temporarily as we are holding some payments until the milestones are received from providers.

Pre-purchased English Language Tuition (PELT) cash is impacted by increased migration. We expect cash to continue to stay above budget.

GRANTS PERFORMANCE

Our full year forecast for 2022/23 shows us \$10.6m under budget by financial year end.

The 2023 full year student numbers will be known when December 2023 Single Data Return (SDR) is received in February 2024. They are expected to be similar to those in the recent forecasts. It is too early to forecast 2024 student numbers with any accuracy until early enrolment data becomes available in early 2024.

Our Fees-free payments baseline is set at a level higher than likely demand. We forecast a \$30.0m underspend for the year but won't have clearer picture until 2024.

Grants revenue & expenses	YTD24	YTD24	FY24	FY24
For the period ended 31 December 2023	Actual	SPE Budget	SPE Budget	Forecast
	\$'000's	\$'000's	\$'000's	\$'000's
REVENUE				
Crown revenue	1,499,325	1,531,009	3,873,163	3,862,581
Prior year recoveries	138	300	600	250
Interest	2,133	1,000	2,000	4,234
Total revenue	1,501,596	1,532,309	3,875,763	3,867,065
Less revenue administered by MOE	(2,928)	(2,743)	(5,825)	(5,825)
Total revenue administered by TEC	1,498,668	1,529,566	3,869,938	3,861,240
EXPENSES				
Tertiary Tuition and Training MCA				
Access to and Success in Tertiary Education	25,351	11,429	95,461	103,122
Foundation and Community Education	112,828	138,372	303,353	302,725
Tertiary Education: Qualification Delivery	952,556	962,521	2,556,498	2,575,928
Total Tertiary Tuition and Training MCA	1,090,735	1,112,322	2,955,312	2,981,775
Centres of Research Excellence	24,900	24,900	49,800	49,800
Establishment of a Single National Vocational Education Institution	-	-	-	-
Fees-free Payments	123,062	136,283	318,339	288,339
Secondary-Tertiary Interface (Vote Education)	16,161	16,161	31,826	33,112
Strategic Funding for National and Regional Priorities	34,672	32,355	77,418	79,132
Support for Wānanga	-	-	12,000	12,000
Tertiary Education Research and Research-Based Teaching	157,500	157,500	315,000	315,000
Tertiary Scholarships and Awards	5,561	4,828	20,629	20,629
Tertiary Sector / Industry Collaboration projects	13,528	13,454	27,088	17,088
University-led Innovation	707	707	751	707
Workforce Development Councils	32,500	32,500	65,000	65,000
Total expenses	1,499,326	1,531,010	3,873,163	3,862,582
Less expenses administered by MOE	(2,928)	(2,743)	(5,825)	(5,825)
Total expenses administered by TEC	1,496,398	1,528,267	3,867,338	3,856,757
Surplus/(deficit)	2,270	1,299	2,600	4,483

FINANCIAL SUSTAINABILITY

We are currently working through savings targets outlined by the new Government and holding some vacancies as a result. The impact of these decisions will be presented in our next five-year strategic financial plan.



2023/24 QUARTER TWO 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

QUARTER TWO 2023/24 PERFORMANCE MEASURE RESULTS

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

OUR STRATEGIC INTENTIONS



Equity and an inclusive society

Sector output measures:

Measure	Actual as at 31/12/23	Target 2023	Actual 2022
Number of fees-free first-time learners	47,131 (Note 1)	(no target, trend info only)	33,852



An adaptable system

TEC output measures:

Measure	Actual as at 31/12/23	Target 2023/24	Actual 2022/23
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	0% (Note 2)	At least 97%	100%
Percentage of payments the TEC makes to tertiary education organisations that are made within agreed timeframes	99.99%	At least 99.5%	99.98%



Build the right skills to succeed

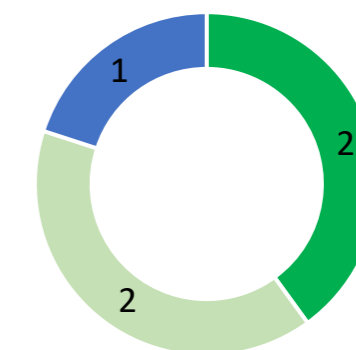
Sector output measures:

Measure	Actual as at 31/12/23	Target 2023	Actual 2022
(ACE in communities) Number of Adult and Community Education learner hours	860,296 (Note 3)	At least 1,001,459	1,032,857
Gateway – total participants and number of schools	14,659 in 379 schools	14,000 ±5% in up to 375 schools	14,861 in 380 schools

Note 1: Number of new learners is higher than in previous years (2022 – 32,788) due to the ending of the Targeted Training and Apprenticeship Fund (TTAF). Learners that would have had their studies covered under TTAF are now utilising Fees Free.

Note 2: No seminars or webinars were held in Q2 but two are planned, one for each Q3 and Q4. We expect the measure will be met over the remainder of 2023/24.

Note 3: We expect to meet the 2023 target.



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