



Aide-Memoire: Tertiary Education Commission 2017/18 Quarter Two Performance Report

To:	Hon Chris Hipkins, Minister for Education
From:	John Soulis, Deputy Chief Executive, Finance
Date:	26 March 2018
Reference:	AM/18/00124

Purpose

1. The purpose of this aide-memoire is to provide you with our Quarter Two Performance Report ('the report') for the 2017/18 year.
2. We recommend that you release this aide-memoire 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 October 2017 to 31 December 2017.
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 2015/16 – 2018/19* (SOI) and the *Statement of Performance Expectations 2017/18* (SPE).
6. It shows that the TEC continues to perform well, and provides an update on:
 - a. our progress made against our two functions (Champion and Invest) and our three enablers (Partnership, Knowledge and People).
 - b. our financial performance information.
 - c. our non-financial performance information.

Our financial performance

7. Our financial performance is stable. Although we had initially budgeted for operating deficits to continue into the 2017/18 financial year, we are now forecasting to make an operating surplus of \$4.1m.
8. We have a grant surplus of \$2.2m YTD against a budget of \$0.9m. This variance is due to a difference in timing between the receipt of government grants and allocation to tertiary education organisations (TEOs). Our grants multi category appropriation is currently forecast to be \$35m under allocation at year-end, excluding Fees Free.
9. We have ring-fenced \$55m from forecast recoveries and have undertaken a line by line review of grant appropriations to identify possible savings to support the Budget 2018 process.

Section 18(d)

Our non-financial performance

11. Our non-financial performance targets are tracking well. We have reported progress against measures where we have relevant new data. This report contains progress information for 21 of our non-financial SOI and SPE 2017/18 measures.
12. As at 31 December 2017, we are:
 - a. on track to meet 15 measures
 - b. not on track but expected to meet end of year targets for two measures
 - c. not on track and not expected to meet end of year targets for four measures.
13. We provide detailed explanations for the measures not on track in the report.



John Soulis

Deputy Chief Executive, Finance
Tertiary Education Commission

26 March 2018

Hon Chris Hipkins

Minister of Education

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