



TE PŪRONGO MAHI MŌ TE HAUWHĀ TUATORU O 2020/21 2020/21 QUARTER THREE PERFORMANCE REPORT

KO Ō MĀTOU WHĀINGA RAUTAKI OUR STRATEGIC INTENTIONS

TE TAUTOKO I NGĀ ĀKONGA KATOA KIA ANGITU SUPPORTING ALL LEARNERS TO SUCCEED

We are working towards our strategic goal where success will look like: all learners have the opportunity to develop the skills and knowledge to succeed

Over the quarter:

- As part of the COVID-19 response, **Skill Net**, a job-to-job matching tool, went live on 24 February. A second release occurred on 22 April with additional functionality e.g. pay band information and links to Seek and Trade Me job boards.
- We are seeing increased interest from a number of TEOs in trialling and adopting the **Learner Success Framework**. Early lessons from the evaluation of the initial Learner Success pilot projects are being used to refine and update the Framework.

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TE WHAKAHONO KAIWHAKAAKO KI NGĀ KAIWHAKAWHIWI MAHI CONNECTING EDUCATORS & EMPLOYERS

We are working towards our strategic goal where success will look like: there are strong connections between education and employment through collaboration and sharing of knowledge among schools, TEOs and employers

Over the quarter:

- Our VET marketing campaign, Career Direct Services and the Connected website have driven a whole new audience to our **careers.govt.nz** site, with our viewer figures up from this time last year by around 280,000 views.
- Physical **Inspiring the Future** in-school events have been tested, refined and ready for the national launch in May, which the Minister of Education will attend.

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TE WHAKAKAHA AKE I TE ĀHEINGA KAIWHAKARATO ME TE AROTURUKI MAHI BUILDING PROVIDER CAPABILITY & MONITORING PERFORMANCE

We are working towards our strategic goal where success will look like: TEOs are well managed, financially sustainable and provide quality education services

Over the quarter:

- The **RoVE** Programme is set for the remainder of 2021. The main effort for the Programme is the establishment of **the six Workforce Development Councils** by 30 June 2021.
- Changes have been made to the team supporting **RoVE change and implementation**. There are now two areas of focus: Programme Change and Integration; and TEC's Operational Readiness for RoVE.
- We are continuing to work closely with **Te Pūkenga** on its financial position and transformation work programme.

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TE WHAKARAHI AKE I TE KOUNGA O TE RANGAHAU ME TE ĀHEINGA HOKI INCREASING RESEARCH QUALITY & CAPABILITY

We are working towards our strategic goal where success will look like: research-based institutions contribute to New Zealand's success through innovation, connections and collaboration and building a world-class, innovative workforce

Over the quarter:

- The MoE has completed ministerial advice on final recommended changes to **the Performance Based Research Fund** following its review of the Fund.
- The ten **Centres of Research Excellence** that have been approved for funding from 1 July 2021 until 31 December 2028 are working on their individual Plans and Impact Statements for the first 3.5 years.

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KO Ō MĀTOU KAIWHAKAĀHEI OUR ENABLERS

Our enablers - Tāngata People, Mōhiotanga Knowledge, Mahi Ngātahi Partnership support the delivery of our strategic intentions

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Key themes include:

- One focus during the quarter has been preparing the launch of the new telephony and knowledge platform our **Customer Contact Group** need to provide **great customer service**. The new platform was launched in March and enables our staff to communicate with our customers more efficiently and effectively, including a self-serve option.
- We continued to progress our **Cyber Security maturity** by engaging an independent Cyber Security partner to complete an assurance review, taking a four-tiered approach. We are currently implementing the recommendations from the review.
- During the quarter we continued to evolve our **organisational strategy** and integrate it into our business.
- We have developed a solid basis for **privacy** at the TEC and our processes are embedded across the organisation. We continue to reinforce key messages and information to help our people to do the right thing when working with personal information.
- Outside of the **risk management** activity for this quarter, the main focus has been on maintaining our **business continuity preparedness**, including our ongoing response to COVID-19.

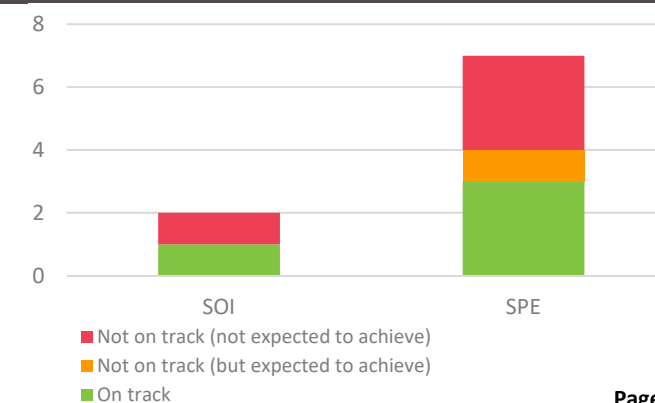
MAHINGA KORE AHUMONI NON-FINANCIAL PERFORMANCE

This quarter we only have new data for nine of our non-financial SOI and SPE 2020/21 measures. The graph opposite shows how these nine measures are tracking.

As at 31 March 2021 we were:

- on track to meet four measures
- not on track, but expected to achieve target by the end of the year for one measure, and
- not on track, and not expected to achieve target by the end of the year for four measures.

The measures not on track, and not expected to achieve target by the end of the year, relate to: the number of system wide reviews completed; timeliness of payments made to TEIs; and learners accessing desired range of hours for intensive literacy and numeracy and ESOL.



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OUR COMMITMENT TO TE TIRITI O WAITANGI

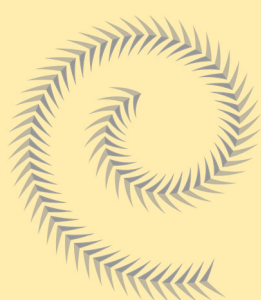
HONOURING TE TIRITI

The TEC recognises and affirms our responsibility to honour to Te Tiriti o Waitangi.

We have started a Te Tiriti o Waitangi programme of work to understand:

- the implications of Section 4 of the Education and Training Act 2020 on the wider tertiary education system
- our obligations to honour Te Tiriti o Waitangi, including through the Education and Training Act 2020 and the Public Service Act 2020, and
- how we will meet our obligations throughout all of our work, including new work required.

We will work in active partnership with Iwi and Māori, and our Crown partners. This will also reflect the TECs Letter of Expectation and any Statement of Performance Expectations released under Section 6 of the Education and Training Act 2020.



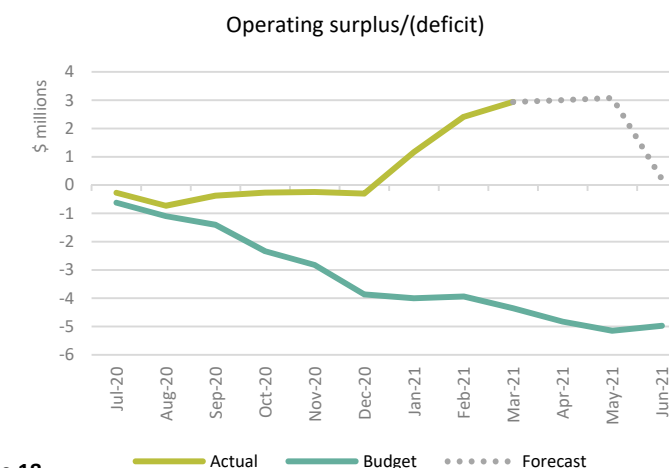
MAHINGA AHUMONI FINANCIAL PERFORMANCE

Tertiary grants baseline and spending figures are lower, reflecting the guaranteeing of TEO funding for 2020 in response to COVID-19

- Grants baseline and spend in the year to date are less than prior years reflecting the accounting implications of guaranteeing provider funding for 2020.
- We are writing off \$176m of recoveries for the 2020 calendar year following the COVID-19 recovery exemption.

We forecast a year end deficit of between \$2.0m and \$2.9m depending on the final spend for RoVE and Direct Careers advice

- This is better than our \$5.0m deficit in our 2020/21 Statement of SPE.
- To date we have a \$2.9m surplus due to vacancies and COVID-19 impacted programme delays.
- Excluding delays to our funded projects, our surplus is \$1.6m for the year to date. We expect this to reduce to break even by year end.



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KTE TAUTOKO I NGĀ ĀKONGA KATOĀ KIA ANGITU SUPPORTING ALL LEARNERS TO SUCCEED

We are working towards our strategic goal of **SUPPORTING ALL LEARNERS TO SUCCEED**.

Over the next four years, success will look like: all learners have the opportunity to develop the skills & knowledge to succeed.

Over the quarter we have focused on the following:

Tiro Whetū – an online career planning solution

In 2020 Cabinet approved the budget bid for Tiro Whetū, a core part of the Career System Strategy, allocating \$15m of capital expenditure over two years for its development, and \$11.48m operating expenditure to sustain the solution in future years.

Tiro Whetū gives people a line of sight and career pathway to different careers. It will connect employers, government agencies, learners and their whānau, schools and tertiary providers, making it easier to work towards common goals. New Zealanders of all ages will be helped choosing a pathway through education, training and employment.

Skill Net released

The first tool to be developed went live on target on 24 February. This COVID-19 response is a job-to-job matching tool called Skill Net, which will help displaced workers understand their current skills and experience and how these can relate to current demand and transferable industries.

Skill Net has been a ‘soft-launch’ to allow 22 career practitioners to use the tool directly with their clients. This ensures that ‘next steps’ advice can be given to end users to provide value to these clients whilst also trialling and providing feedback to the TEC to inform future releases.

A second release of Skill Net occurred on 22 April that included changes based on feedback received from users, links to live job ads through Trade Me and SEEK, information on relevant job boards, pay information, and the ability to share results.

The approach for a wider roll out plan has commenced.

Stakeholder management

A stakeholder management plan has been created to ensure all the required interactions are identified. The project team continue to build relationships with other agencies and industry groups such as MOE, MBIE, Stats, MSD, NZQA, PICA, CATE, CDANZ, Corrections, Oranga Tamariki, Police, SEEK and TradeMe and these will be strengthened further in the months to come.

Wider roadmap completed

During the quarter the project team developed the experience vision and roadmap for the rest of the programme. This involved:

- › synthesising the research that has been completed
- › conducting user design workshops
- › ideation and prototyping
- › sketching the user experience
- › creating feature, technology and data canvases
- › sequencing, prioritisation and sizing, and
- › the creation of the roadmap.

Whilst there is a small amount of work to complete in the next quarter for Skill Net, the majority of the team will now move into delivery against the roadmap with a target of completing an initial build before the end of year in preparation for release in February 2022.

Brand development

A brand narrative has been developed that draws on concepts of navigation (*ngā whetu* - the stars). Skill Net has extended this to include fishing metaphors and casting out our *kupenga* (nets), *matau* (fish-hooks) and *taura* (ropes). The Skill Net tool encourages us to cast our net wide.

Work has now started on expanding the brand to include the wider solution.

A shortlist of product names has also been created and tested with users so that the final product name can be selected.

Vocational Education and Training (VET)

In 2019, Cabinet approved funding of \$4.45m for a four-year campaign to shift the perception and raise the profile of VET.

There are three main objectives of the campaign: to improve the perception of VET; increase participation in VET; and target COVID-19 impacted audiences to highlight that VET provides an opportunity to upskill or retrain.

The campaign has now been running for six months. Results from TRA's (The Research Agency) Post Campaign & Market Evaluation report undertaken at four months indicate that the campaign is performing well with positive metrics across all of the core audiences.

Results from the campaign show positive perceptions for learners, especially amongst Māori and Pacific People. Learners are feeling more positive towards VET, they feel VET is on the way up and they are more likely to believe VET gives them status with indications of a follow-through to participation.

We are also seeing positive changes and impacts in the perception of VET with parents, whānau and employers, with a lift in positive impressions. Those who have seen the campaign indicate they are more likely to take action.

Some key perception and participation highlights:

- › 73% of learners who have seen the campaign believe VET gives them status versus 47% for those who have not
- › 29% are more likely to consider VET if they have seen the campaign
- › 11% overall increase in positive impression with learners
- › 97% of Māori and Pacific Learners have a positive impression of VET if they have seen the campaign versus 61% for those who have not seen the campaign
- › 72% of Māori and Pacific Learners who have seen the campaign believe that VET gives them status versus 39% for those who have not seen the campaign
- › 86% of Māori and Pacific Learners are likely to consider VET if they have seen the campaign versus 55% for those who have not seen the campaign
- › 24% overall increase in status with parents and whānau
- › 33% overall increase in perception of job security with parents and whānau
- › Employers are 30% more likely to take action if they have seen the campaign.

To reach COVID-19 impacted audiences, MSD job seeker data is used to target key impacted regions with digital and social media retrain/upskill messaging. To date more than 5.7m videos have been watched to completion by this audience and we have reached 1,123,737 through social media.

TV activity has delivered equitable reach to our priority audiences reaching:

- › 62% of Māori or Pacific People aged 16-64 years (344,655)
- › 71% of women 16-64 years (1,111,044)
- › 67% of women who are Māori or Pacific People aged 16-64 years (174,830).

A detailed campaign performance and market impact report is now completed and available to share with you.

Direct Careers Guidance

Two services of limited duration were approved by Cabinet on 3 August 2020 for people who have been displaced and/or are looking for career advice. The Direct Career Service has career professionals who build confidence in job seekers and give them the tools and resources to take steps towards employment or education.

Over the phone services and regional pop-up services went live on 19 October 2020 and will run until 25 June (extended from 12 March due to an under-spend).

The service has also included supporting community based events, distributing career resources, including the Job Hunter Workbook, and sharing the 0800 number to access the over-the-phone service.

For delivery from March to June 2021, we are working closely with MSD to have a career practitioner based in 25 Connected sites across the country, providing face-to-face career guidance.

A second interim evaluation report in March 2021 (18 weeks of delivery) has shown 5,245 jobseekers have accessed these services, with a higher proportion of people (73%) accessing the regional face-to-face pop-up services (approximately 3,833 people) vs 19% of people accessing the over-the-phone service (approximately 1,006), and 8% of people attending one-off community events/career expos (approximately 406 people).

There is a very high satisfaction rating by clients across the services (4.8 out of 5 for pop-ups and 5 out of 5 for over-the-phone service).

Feedback is also showing a large proportion of jobseekers accessing these services are those who have lost their job or are in fear of their job being impacted over the next 12 months. Jobseekers are experiencing positive outcomes, such as improved confidence and knowledge of where to get help, making work and learning decisions, and taking action on the next step for getting back to work. Jobseekers increased feeling of self-worth is also being reported.

A new emerging theme from the independent evaluation report is the impact of digital literacy and inclusion on those accessing support. Many career practitioners found that jobseekers digital literacy and access to digital resources was very low, and this made it challenging to look for work online, impacting not only job opportunities but also the way they thought about themselves. Extra time and support in face-to-face settings is being provided at pop-ups by career practitioners. Also a trial wrap-around service is being established, in partnership with MSD and a local library in the Hawkes Bay, to support jobseekers who have limited digital literacy skills. This will be reported on in the final evaluation report due July 2021.

Learner Success

Every person should receive the support they need to succeed in education, and achieve sustainable employment and lead fulfilling lives. However, our current tertiary education system does not always deliver an education experience appropriate to the needs of a large group of learners. Māori, Pacific and disabled learners are over-represented in this group. The system also underserves low income Pākehā learners.

A key to unlocking our future economic and social well-being for all New Zealanders is tertiary education. To achieve this we need to take a holistic and 'whole of ecosystem' approach to learner success. Our approach includes the development of a Learner Success Framework and best practice guides and resources that support TEOs to better understand and meet the needs of their learners.

Developing TEO capability

Over the last two years we have developed and trialled the Learner Success Framework; piloting our approach with four TEOs (Waikato Institute of Technology, Te Wānanga o Raukawa, University of Waikato, Manukau Institute of Technology). In this quarter the third Learner Success pilot project with Te Wānanga o Raukawa was completed. Findings from the project confirm alignment between the Learner Success Framework, Raukawa's kaupapa and the cultural appropriateness of the Framework.

The evaluation of the initial pilot project is still being finalised, but early lessons from the evaluation, as well as wider consultation with the sector (including Te Pūkenga) are being used to refine and update the Learner Success Framework, including the addition of a Te Tiriti frame.

Covid 19 delayed the completion of some of the pilots, which has impacted on the timeframe of the evaluation and also our required report back to the Ministers on use of underspends from the Access to Tertiary Education appropriation. We are drafting a briefing to the Minister now and it should be submitted by the end of June.

Wider engagement with the sector

We are seeing increased interest from a number of TEOs in trialling and adopting the Learner Success Framework. We have established an internal governance group to manage relationships with TEOs and prioritise funding to support the next round of Learner Success projects. We will be prioritising funding to projects that can provide new learnings about how to implement the Framework to ensure the largest potential impact across the tertiary system. We will be seeking expressions of interest from potential TEO partners by the end of April.

Disabled learners

The Redevelopment and Expansion of *Kia Ōrite – Toolkit for Achieving Equity: Implementation of the NZ Code of Practice to Achieve an Inclusive And Equitable Environment For Disabled Learners* progressed as planned, with the Governance group reviewing the first drafts in February. The base version of this resource will be available in April 2021, with expansions, accessible and web enabled materials to be developed through 2021.

We progressed development of the new Disability Action Plan (DAP) Guidance. As part of the Investment Plan requirement for TEOs from 2022 onwards, TEOs who receive over \$5m of TEC funding will be required to submit a DAP with their Investment Plans. This Guidance links heavily to *Kia Ōrite*, so the two are being developed in conjunction.

We released the request to TEI's for 2020 Equity Funding for Disabled learners (due to us end-April). We are intending to analyse this data return in May/June.

We finalised our report "*International Practice in support of Dyslexia in Tertiary Education*". This report will be part of a suite of material we are creating to support TEO's to work well with dyslexic learners.

Underserved cohorts

We contracted with Victoria University to produce guidance for the tertiary sector on *Supporting Refugee Background Learners in Tertiary Education*. This guideline will be available in July 2021. This work is being undertaken with refugee advocates and refugee background learners inputting into the resource development.

We contracted with Better Outcomes to produce guidance for the tertiary sector on *Supporting Care Experienced Learners*, and content for transition support workers who work with young people who have experience in the care system. This work is being undertaken with care advocates and care experienced young people inputting into resource development.

TEC responds to learner demand

There has been a considerable increase in learner demand for the 2021 calendar year. A number of factors, including a contracting labour market and border closures, have led to large numbers undertaking retraining opportunities across New Zealand. This increase in demand is notable in the Student Achievement Component and Industry Training Fund. We have put in place a range of initiatives to help accommodate this growth in demand.

We can use our balance sheet to fund providers up to 102% of their Student Achievement Component, Youth Guarantee and Industry Training Fund allocations, once enrolments to that value are confirmed. In certain circumstances we can now pay up to 103% of agreed SAC level 3 and above funding allocations for 2021, with this potential increase available to Te Pūkenga and TEOs that are higher performing, based on EPI modelling.

To manage the increasing demand for apprenticeships, the ITF has been bolstered by transfers of \$25m within Vote Tertiary Education for 2021 (transfers from YG and from the balance sheet); along with a reprioritisation of \$42m for 2022 from unspent 2020/21 funding in Vote Tertiary.

We have also established a fast track additional funding assessment process where Te Pūkenga can put in requests to draw down SAC level 3 and above funding from a special \$35m pool. Where approval is granted, Te Pūkenga will then be able to distribute funds to its subsidiaries in response to their additional funding needs for 2021.

Similarly, a new streamlined process enables universities to submit formal funding requests for discussion in joint TEC/university workshops. These requests are then progressed by a dedicated TEC university assessment team.

We have also carried out a pulse check with the larger PTEs to forecast likely additional growth and will determine whether a process needs to be developed to manage this for 2021.

Tertiary Education Strategy (TES)

The Tertiary Education Strategy (TES) has a strong emphasis on creating education environments that are learner-centred, and where more of our learners, especially our most disadvantaged learners, can succeed. We've reviewed our work programme against the TES priorities and government actions the TEC is responsible for, and found strong alignment, confirming that the work the TEC is doing strongly supports the Government's vision for the education system.

However, we may need to undertake new work in some areas. This includes increasing access to te reo Māori and Pacific language medium provision and pathways, and supporting the development of teaching capability. Throughout 2021, we will work with our partner agencies, including the MoE and NZQA, to coordinate work to deliver on the TES, with a particular focus on implementing the action plan for government agencies.

To support efficient work planning, we have mapped a unified set of outcomes that covers both the TES and the TEC Strategy. By planning our work around these outcomes, we will ensure that everything we do delivers to the Government's priorities and the TEC's Purpose and Vision. More detail on this work stream is provided in the Our Strategy section below (page 14).

We have begun work to give effect to the new TES through this year's Plan round (for funding from 2022). We published Plan Guidance for Investment from 2022 in December 2020, reflecting the new TES. In February 2021 we published the Plan Template which provides additional detail around the specific areas of the TES we want 2022 Investment Plans to consider. We are asking for TEOs' Plans to lay out a phased approach to respond to TES objectives and priorities in this Plan round, and to carry out relevant TES actions over the next three to five years. We have started engaging with TEOs to support this.

Secondary Initial Teacher Education (ITE)

COVID-19 has had ongoing cascade impacts on the number of tertiary learners enrolling in Secondary Initial Teacher Education (ITE). Indicative enrolment data from March 2021 shows that at a high level there appears to be an increase in the number of domestic students enrolling in ITE in 2020 compared to 2019.

This suggests that, despite previous forecasts indicating it would be difficult for the sector to achieve enrolments that could meet this year's requirements, they are likely on track.

The indicative data also shows that the number of first-time students enrolling in Māori medium ITE programmes has increased.

We were advised by the MoE in December 2020 that the update of teacher supply and demand projections suggests that the demand for secondary teachers will continue to grow year-on-year out to 2025, while the demand for primary teachers is projected to grow marginally in 2021, before dropping year-on-year in the longer term.

As previously noted, we have been working with the MoE to refine our approach to measuring and reporting progress against the target of 40% growth.

Investment Round

Preparation for 2022 investment is underway

We have reviewed and updated the process and timeline for our Investment Round for 2022 funding; to simplify the process and address identified issues that arose in the 2021 round. Key changes that were made include:

- › a simplified indicative allocation process that recognises the impact of COVID-19 implications to delivery and performance information
- › a single submission date for all TEO Plan documentation, and
- › taking a 'light-touch' approach where possible to submissions and assessment given there are significant changes on the horizon due to RoVE and the Unified Funding System.

Updated information was provided to the sector in February to advise them of the approach being taken.

We made changes to how we manage our in-year additional funding

In-year additional funding will be managed within a shorter timeframe with clearer expectations provided to the sector. This again recognises issues identified in the previous process, as well as the ongoing impacts from COVID-19.

Fees Free

The 2021 Fees Free agreements went out to TEO's, to sign and return to the TEC.

We have identified 42 false Statutory Declarations during the quarter, bringing the total to 692 since the start of Fees free in 2018. One individual has been charged with false representation to receive Fees Free.

The successful Fees Free marketing campaign has wrapped up. Early results show we had more people watching the adverts, and an increase in digital impressions. The campaign also appears to have contributed to a reduction of queries into our customer contact centre.

We are focusing on a continuous improvement work programme for the Statutory Declaration process, following the external review completed last year.

COVID-19 Response and Recovery Funds

Targeted Training and Apprenticeship Fund (TTAF)

The Targeted Training and Apprenticeship Fund (TTAF) was announced by the Government on 1 July 2020 for the below priority areas for additional investments at NZQF Levels 3-7 (non-degree) to support New Zealand's recovery from the impacts of COVID-19. From January 2021 additional target areas were added to the scheme. These included conservation, information technology, and the scope within community support was expanded. However, enrolments in these additional target areas will only be reported in the second quarter of 2021.

Since implementation, 106,600 people have benefited from the programme, with one-third of the learners being within the construction sector, 18% in primary industries, and 17% in community support.

TTAF target area	Apprenticeships (NZAs, managed apprenticeships and modern apprenticeships)	Industry training	Provider-based learners (excl. managed apprenticeships)	Total learners	% of TTAF learners
Apprenticeships only (not in a TTAF target area)	9,490	-	-	9,490	9%
Community support	2,470	11,060	4,710	18,030	17%
Construction	27,850	3,915	5,020	36,295	34%
Electrical engineering	7,825	1,115	1,850	10,555	10%
Manufacturing and mechanical engineering and technology	5,280	7,060	885	13,070	12%
Primary industries	5,375	7,935	6,370	19,215	18%
Road transport	30	125	375	530	<1%
Total	58,250	31,110	19,165	106,600	
% of TTAF learners	55%	29%	18%		

Data caveats:

- Provider-based SDR data relates to learners enrolled in TTAF eligible programmes between 1 July 2020 and 31 December 2020 while industry-based ITR data is for learners enrolled in TTAF eligible programmes between 1 July 2020 and 28 February 2021.
- All TTAF values are indicative only and subject to change due to the addition of new qualifications/programmes being reviewed and added to the applicable target areas.
- New and expanded TTAF target areas eligible from 1 January 2021 are included in the above learner counts for industry training only. These changes resulted in new programmes being eligible within the community support target area. There are no industry training programmes in the new target area of information technology as these are only offered by providers.
- All values in this information request have been rounded to the nearest 5. Due to rounding, total values may not add up exactly to the underlying values.
- Providers (Universities, Te Pūkenga subsidiaries, Wānanga and Private Training Establishments) submit their Single Data Return data three times a year (April, August, and December) while industry training data submissions (by Transitional Industry Training Organisations) occur continually throughout the year. Enrolments may take several months to be processed.

Hardship for Learners Fund 2020 (HAFL)

On 12 April, Cabinet agreed to extend the Hardship for Learners Fund 2020 (HAFL) for the 2021 calendar year with \$10m in funding (\$4.197m from within Vote Tertiary Education and the balance, \$5.803m, from Budget 2021). This funding is across the 2020/21 and 2021/22 financial years.

Extending the funding for the HAFL will ensure funding is available to support learners experiencing hardship to stay engaged in their learning throughout the 2021 calendar year, while being a period affected by COVID-19 and with no additional support from student loans or allowances. As in 2020, direct cash payments or in-kind support can be used to cover costs such as food, rent power and other living costs they are unable to meet.

To implement the extension of the HAFL, we have developed the basis for how the TEC will administer the funding in accordance with the letter of delegation received from the Minister.

Technology Access Fund

By the end of December 2020, 102 TEOs had spent just over \$13.1m in providing TAFL support to learners. \$4.8m has been used by universities, \$3.7m by Te Pūkenga and \$1.3m by the three wānanga.

10,601 individual learners have received nearly 16,000 support interactions (some learners were provided with multiple types of support. Where TEOs provided bulk supports, these haven't been tagged to individual learners).

The table below sets out the number of 'supports' provided, by category. As expected, the largest proportion of funding was used to provide hardware support (e.g. laptops). However a significant level of funding was also required to provide setup support, which we didn't fully anticipate. While there was little difference between ethnicities, the proportion of female learners accessing setup support was twice as high as for male learners.

Hardware support	7,039	45%
Internet access/connections	2,342	15%
Setup support	5,259	33%
Software	952	6%
Total	15,592	

This table shows the number of actual learners supported through TAFL funding.

Female	7,212	68%
Male	3,329	31%
NZ European	2,813	27%
Māori	2,723	26%
Pacific	1,443	14%
Other (including unknown)	3,622	34%
Disability identified	798	8%

We are working towards our strategic goal of **CONNECTING EDUCATORS AND EMPLOYERS**.

Over the next four years, success will look like: there are strong connections between education and employment through collaboration and sharing of knowledge among schools, TEOs and employers.

Over the quarter we have focused on the following:

Our Careers website

Careers.govt.nz is our existing careers information channel for the public to access. Key information is already being progressively refined, transferred and adapted to the new online career planning solution.

This service supports our legislative requirement to provide a publicly available careers information service that includes a database of information about occupations, and tertiary education and training.

- › We've prioritised accessibility so all New Zealanders can access our information. We made changes to the design of our site and built a pop-up chat box to help users with low digital literacy to navigate our information.
- › We updated six sections of our labour market content to reflect our economy under COVID-19, give accurate information to our job seekers and to enable the Connected site to easily share regional labour market vacancy websites.
- › We've updated 20 jobs and added 17 new videos to our job profiles to inspire our learners into careers in demand in New Zealand.
- › Based on requests from our customers, we added four new articles. We also reviewed and reduced our article section to keep our information current.
- › We started our focus on promoting STEM careers by reviewing our STEM jobs and publishing our STEM videos and an article encouraging women into STEM.
- › From feedback of our users we started to develop information on what to expect when you study, starting with a new advice page to explain to learners about what to expect at university.
- › We reviewed 301 videos on our YouTube channel to improve the user experience and plan content to support people affected by COVID-19. Our viewership is increasing with 2.3 million views and 14.7k subscribers.
- › We reviewed our construction and food and fibre hubs to develop next steps in our promotion of careers in these industries.
- › Our VET marketing campaign, Career Direct Services and the Connected website has driven a whole new audience to our site, with our viewer figures up from this time last year from around 3.88 million page views to 4.16 million views.
- › We continue to update our new Career Direct Services page to improve how we present information on workshops for people affected by COVID-19.

Inspiring the Future (ITF)

Inspiring the Future (ITF) is a programme to connect children from ages 7-13 with volunteer role models from the world of work, in a fun and inspiring event. Research shows that when students meet workers and hear about their jobs and the pathways they took to get there, it inspires them to consider new possibilities for their future.

The ITF programme supports our legislative requirements for our careers function. The ITF Programme will assist with addressing three of the five objectives in the TES: Learner at the centre; Barrier Free Access; and the Future of Learning and Work.

- › ITF will launch nationally in late-May 2021, with confirmation received for the Minister of Education's attendance. A specific date and location is due to be confirmed early in April.
- › Physical in-school events have been tested, refined and ready for launch.
- › The new online event functionality is under development and on track for delivery ready for the June 2021 launch. This was added as a new requirement following COVID-19, and has the additional benefit of role models participating in locations where they are not physically located, increasing role models accessibility to participate and potentially provide a broader range of role model attributes to be available.
- › 735 role models have signed up to the platform on www.inspiringthefuture.org.nz with 157 fully completing the sign up process which allows them to be visible on the platform.
- › We introduced a criminal record check (CRC) to add a layer of safety for our tamariki. There is a backlog of role models who need to complete their CRC. We are therefore targeting our work to understand barriers and support role models through this process to encourage completion and to attract a diverse range of role models to interact with students.
- › Significant marketing campaigns have been developed and ready to support the launch of the Programme, and key presentations have been completed at the International Women's Forum and Major Taskforce for Jobs.
- › We have commenced research into alternative formats for resources produced which support disabled communities. This will inform the future approach and planning of initiatives.
- › ITF is committed to Te Tiriti responsibilities and aims to deliver on Ka Hikitia and Tau Mai Te Reo. Current work underway includes: A new name for Inspiring the Future – a whakatauki; and the translation into te Reo for selected elements and collateral.

We are working towards our strategic goal of **BUILDING PROVIDER CAPABILITY AND MONITORING PERFORMANCE**.

Over the next four years, success will look like: TEOs are well managed, financially sustainable and provide quality education services.

Over the quarter we have focused on the following:

Reform of Vocational Education (RoVE)

The Reform of Vocational Education (RoVE) programme has adopted a three phase change approach to implement the structural changes of the reforms. We have successfully delivered Phase One: Design And Amalgamation (1 August 2019 – 30 June 2020). From 1 July 2020 the programme moved into Phase Two: Transition and Integration (1 July 2020 – 31 December 2022), which will see the operationalisation of the policy set in Phase One.

The RoVE programme is mid-way through Phase Two. During this phase, the focus is on creating new entities and transitioning existing entities to their future state. New and existing functions and systems will be integrated across and within organisations, specifically the TEC, NZQA, MBIE and Te Pūkenga. Further detailed design work on two key enablers for the new system – the Unified Funding System (UFS) and the Te Pūkenga operating model – will continue.

As at the end of Q3, the programme remains on track and stakeholders continue to be engaged. The Programme and its key changes are set for the remainder of 2021. During this quarter, **the main effort for the Programme is the establishment of the six WDCs by 30 June 2021.**

Maintaining momentum, particularly as planned implementation changes begin to take effect, has been a priority. Successfully achieving the dates of many of the major changes from mid-year onwards (Workforce Development Council establishment and Transitional Industry Training Organisation transition) are dependent on hitting preceding milestone dates.

Significant milestones achieved this quarter include the:

- › formal consultation for the six Workforce Development Council (WDC) Order in Council (Oic) proposals
- › formation of the WDC Establishment Unit on 1 February 2021 and recruitment of key staff
- › distribution of the transition plan guidance and template material to Transitional Industry Training Organisations (TITOs)
- › commencement of engagement by the TITOs, with PTEs and wānanga, that could be considered to take on arranging training functions
- › approval in principle by the TITO Transitions Steering Committee of the Evaluation Framework for TITO Transition Plans in March
- › commencement of the two-track Co-Chair nomination process for the Regional Skills Leadership Groups (RSLGs). The Co-Chair Expression of Interest process closed on March 7 and the iwi-led nominations process began, and
- › the appointment of Tagaloatele Professor Peggy Fairbairn-Dunlop CNZM to the Te Pūkenga Council, by the Minister.

Engagement

Consultation and engagement with stakeholders continues strongly as Phase Two progresses. Two RoVE newsletters reporting on programme progress and highlights were published in February and March.

Analysis of the RoVE Stakeholder survey undertaken in December 2020 has been completed and the results were submitted to the December RoVE Programme Board. Seventy percent of respondents felt informed about the progress of RoVE and 70% advised that they either understood well or very well what RoVE is about. There was generally good support for the reform and the RoVE newsletter was highly regarded as an information source.

Common areas for improvement included the need for more detail regarding the design, integration and timelines, plus additional face-to-face updates.

A series of face-to-face engagement opportunities are being scheduled over the coming months which will include some of this information. Updated collateral is also being developed with a focus on plain English and how the different elements of the system will be integrated.

The next survey is scheduled to take place in May.

Project-specific engagement during the quarter has been highlighted within each section below.

Te Pūkenga

We have continued to work closely with Te Pūkenga over the quarter as its transition and transformation programme progresses. The design work for the operating model entered the co-design phase. The RoVE Director has joined the Te Pūkenga Transformation and Transition Programme Board.

RoVE's risk and assurance function is working actively with our MCO team and Te Pūkenga's PMO to support quality assurance over the programme business case, including engagement of appropriately qualified external assurance.

Te Pūkenga Crown-side

During this quarter we continued to engage with Te Pūkenga on monitoring and relationship management arrangements. We also continue to work with Te Pūkenga to agree the targets and milestones as part of the Crown funding agreement which we will use to monitor Te Pūkenga's performance.

In late-March, the Minister announced the appointment of Tagaloatele Professor Peggy Fairbairn-Dunlop CNZM to the Te Pūkenga Council.

Once the three elected members (representatives of staff, students and Māori) are in place, a briefing by central agencies for members of the Council will be organised.

Transitional Industry Training Organisations (TITOs)

Solid progress has been made on transition planning during the quarter. During this time the transition plan guidance and template were finalised and released to Transitional Industry Training Organisations (TITOs). All TITOs are required to submit final transition plans to us for our consideration no later than 30 September.

On 3 March, the TITO Transitions Steering Committee approved, in principle, the Evaluation Framework for TITO Transition Plans.

Four TITOs (NZMAC, Connexis, Competenz and BCITO) plan to submit their final transition plans to us in late-April to target transition of their standard setting to WDCs on 4 October 2021. Their arranging training will transition to providers on the same date or earlier.

In January, the project commenced its engagement with PTEs, peak bodies and the wider sector on the process for considering PTEs to take on arranging training from a TITO. A shortlist of PTEs that could be considered to take on arranging training functions was agreed with the TITOs. Since then TITOs have been engaging with these PTEs to canvas interest and narrow down the list of PTEs as potential providers.

Te Wānanga o Aotearoa (TWOA) wrote to each TITO Chief Executive expressing its interest in meeting and exploring opportunities to participate in the vocational education sector. TWOA also expressed to us its interest in being able to actively participate in the transition process. Engagement with the TITOs is underway. TWOA also started discussions with Te Pūkenga to explore how they can work collaboratively.

Unified Funding System (UFS)

On 4 February, the Unified Funding System (UFS) project team provided the Minister's office with a report and draft Cabinet paper on the high level design of the UFS for the vocational education sector.

The project team completed detailed engagement with TITOs to provide an overview of the modes of delivery and start the discussion on operational design.

In late-March, due to the impact from a number of factors, the project team commenced re-planning. It also began preparing a request to the RoVE Programme Board to consider scope changes and funding to enable the project to bring forward resources for design and development of a UFS technology solution, and progress Budget 2021 options in 2022.

Regional Skills Leadership Groups (RSLGs)

In response to the economic impact of COVID-19, the decision was made to fast track the establishment of 15 interim RSLGs (iRSLGs). Work continues to enable all 15 iRSLGs to transition from interim to full status by the end of June 2021.

In February, the Minister for Social Development and Employment was updated on the transition from interim to full status, in particular around establishing a full group in Tairāwhiti and ensuring alignment of the 15 regional groups with the regional boundaries used by Kawa Mataaho Public Service Commission.

Full RSLGs will have two co-chairs, with one nominated through an Expression of Interest process and the other to be nominated by iwi. Co-chairs will be appointed by the Cabinet Appointments and Honours Committee in May. The Co-Chair EoI closed on March 7, with interviews to be held in late-March and early-April. The iwi-led nominations process is underway, with the intention that nominations are received by 16 April. The RoVE Director has been appointed as a member of the MBIE led co-Chair appointment panel.

TEC's operational readiness for RoVE

The TEC has established an operational readiness project to develop and implement new processes and systems to ensure TEC is ready to receive RoVE. This will include a significant change management component that includes:

- › working with the Transitional Industry Training Organisations (TITOs), Te Pūkenga, other receiving providers and the WDCs to develop processes specific to their ongoing funding requirements. This work will require processes to continue evolving as different components of the overall system stand up over the next two years
- › developing new monitoring arrangements for Te Pūkenga and WDCs specific to the roles of these entities in the new system.

During the quarter:

- › work focused on facilitating the TEC Operational Readiness for RoVE, particularly the key transitional RoVE changes targeted for mid to late 2021
- › leadership for work facilitating TEC Operational Readiness for RoVE transitioned to the TEC, with continued dedicated support from the RoVE change team. The scoping stage has been completed and work is progressing on solution design, and
- › an integrated plan has been developed and work has begun on developing readiness criteria for all agencies and organisations involved in changes this year.

Delivering RoVE in FY21/22 and FY22/23

During the quarter, the programme team, TEC and MoE have progressed the *'The Reform of Vocational Education'* Budget bid through the Budget 2021 process. The bid seeks funding to retain capability, and to build a data interface (for the UFS), to support the transition and integration phase completing the RoVE programme.



Workforce Development Councils (WDCs)

The main focus for the Workforce Development Council (WDC) project remains to have the six WDC councils established in statute by 30 June.

During the quarter project effort was focused on supporting the formal consultation for the six WDC Order in Council (OiC) proposals, standing up the WDC Establishment Unit, supporting legislative processes leading to the establishment of the six WDCs in statute, and the appointment of WDC Council members for all WDCs.

Consultation on the WDC OiC proposals commenced on 16 December 2020 and closed on 5 February 2021. 224 submissions were received. Topics of high interest included: coverage; council membership; industry engagement; name; and RoVE more generally. The WDC project supported the MoE to provide a Summary of Submissions, including changes to the OiC proposals, to the Minister in February. The six OiC proposals are now progressing through the legislative process required for their enactment.

The appointment of WDC Council members is running concurrently to the OiC enactment processes. Expressions of Interest have been sought for Nomination and Appointment committees that will recommend and appoint governance members to the WDCs. Applications for these roles closed on 21 March and the committees are in the process of being appointed.

Expressions of Interest have also been sought for WDC Council members; applications for these roles will close on 16 April 2021. All WDC Councils are on track to be in place by 30 June 2021.

As some of these appointments are Ministerial appointments they need careful co-ordination to ensure alignment with key dates.

The WDC Establishment Unit commenced operations on 1 February 2021. The Unit's role is to support the fast-start of the six WDCs. Over the January to March period the WDC project supported the stand-up of the Unit, including the appointment of the Head of the Establishment Unit, Project Manager and Project Coordinator. In February 2021, the WDC project split into two: the Establishment Unit; and WDC project.

One of the tasks of the Establishment Unit is to develop operating models for the WDCs to consider at their first Council meeting. During the development of the operating models, consideration will be given to how the WDCs will operationally engage with industry, including with existing industry groups such as the Food and Fibre Partnership Group, and how they give effect to Te Tiriti o Waitangi.

Re-designing vocational qualifications and quality assurance for RoVE

During the quarter, NZQA has been preparing for consultation with the sector on proposals for the design of vocational education.

Outcomes framework and mapping

Outcomes have been mapped to each of the projects and across the Programme. This enables deliverables and required outcomes to be tracked as projects progress. The next report to the Programme Board is due in July.

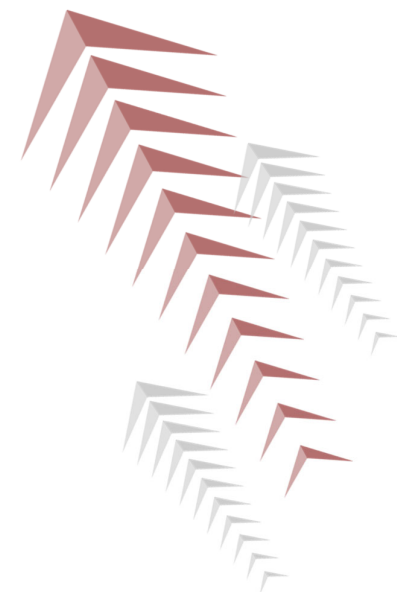
RoVE system blueprint

The Blueprint provides operational guidance at a system-wide level, describing how all entities interact and operate across a range of functions.

A workshop involving Design Authority members was held in February to consider what has been designed to be better or different in the new system for Māori learners and employers. This enabled the second iteration of the Blueprint to be completed. The Blueprint is based on what we know about the future RoVE system today and should be updated in the future, once Te Pūkenga's operating model design is complete and WDC's are functioning.

Treasury Gateway Review

An action plan was undertaken over the period, in response to the Gateway report recommendations delivered in the prior quarter. Notably, a second independent member was appointed to the Programme Board and attended their first meeting in March. Additional layers of information are also being developed for the Board providing assessment of delivery confidence in key milestones.

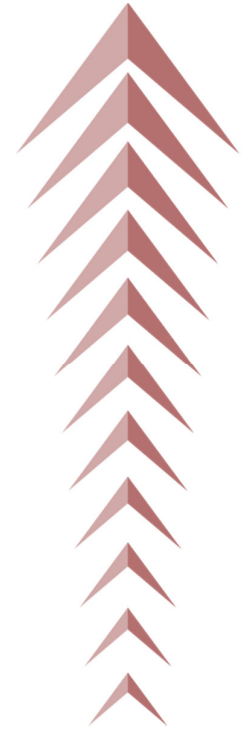


Monitoring TEOs

Our monitoring role provides assurance that government funding is being used by TEOs in accordance with funding rules to support learner success, as well as providing oversight of risks at both TEO and system level. Intelligence from our monitoring activities informs guidance to the sector to strengthen TEO capability, as well as identifying opportunities to improve funding settings to further support our Purpose and Vision. We also advise the MoE and ministers on tertiary institutions' governance and exercise of certain powers, due to the Crown's ownership interest. This will continue to be a key focus given the impacts of COVID-19 and the Reform of Vocational Education (RoVE).

Over the quarter we focused on the following:

- › We are continuing to work closely with Te Pūkenga on its financial position and transformation work programme. Significant engagement this quarter has focused on: a group-level borrowing consent for Te Pūkenga; Te Pūkenga's development of financial reporting; draft 2020 financial results and forecasts; Te Pūkenga's capital asset strategy; and individual subsidiary issues. A draft quarterly Te Pūkenga monitoring report has been prepared and will be provided to the Minister of Education during April.
- › We continue to work closely with the RoVE programme, in particular to support ministerial appointment processes. This quarter we managed the final ministerial appointment to the Te Pūkenga council, and supported the WDC project in establishing nominations committees which will recommend ministerial appointments to three WDCs to the Minister. We also provided advice on the fees to be paid to the members.
- › As a result of the impacts of COVID-19, we are continuing to work closely with funded providers to understand the financial impacts of the 2020 lockdowns and ongoing border restrictions. We are meeting regularly with university and Te Pūkenga senior management, and have prepared reports on the financial position of universities, and of the funded PTE sector. Engagement with Te Pūkenga has informed our quarterly monitoring report.
- › Our monitoring informs advice to the government on the Crown's ownership interest in tertiary institutions. This quarter, we provided advice to the Secretary of Education on: Te Pūkenga's group-level borrowing consent request; new borrowing consents for two universities; and one request from a university for a long-term lease approval. We briefed the Ministers of Education and Finance on one asset transfer application, and one request to retain full proceeds from the sale of an encumbered property. We have also commenced the 2021 independent assessment round for TEIs' capital asset management capability.
- › We reviewed information submitted by recipients of the PTE Targeted Assistance Fund, which supported the payment of the second tranche of funding to eligible PTEs. We continue to monitor reporting received as part of both the hardship Fund for Learners and Technology Access Fund for Learners, and have reviewed Targeted Training and Apprenticeship Fund settings to develop appropriate monitoring and audit arrangements.
- › As at April 2021, we have two investigations of TEOs underway. In February, we completed our investigation of MSL Training resulting in a funding recovery of approximately \$140k due to overfunding in instances where recognised prior learning should have been applied. We have published the investigation report regarding the findings on the TEC website.
- › During the quarter, we identified 42 false statutory declarations - we have identified 692 false statutory declarations in total since the introduction of Fees Free.
- › We laid charges in February against one individual under s391 of the Education and Training Act 2020 for false representation to receive Fees Free. A second individual, who was issued a guilty verdict for false representation to receive Fees Free, was granted a discharge without conviction after paying \$1,000 costs to the TEC within 28 days of sentencing, as requested by the judge. We have also issued formal warnings for false representation to receive Fees Free to three individuals.
- › An intelligence-led system review of repeated qualifications and recognition of prior learning continued and we engaged with Te Pūkenga around subsidiaries affected. Work with the PTE sector is complete and led to the publication of a new App to support providers when enrolling learners.



TE WHAKARAHI AKE I TE KOUNGA O TE RANGAHAU ME TE ĀHEINGA HOKI INCREASING RESEARCH QUALITY & CAPABILITY

We are working towards our strategic goal of INCREASING RESEARCH QUALITY AND CAPABILITY. Over the next four years, success will look like: research-based institutions contribute to New Zealand’s success through innovation, connections and collaboration and building a world-class, innovative workforce

Over the quarter we have focused on the following:

Performance Based Research Fund (PBRF)

The Performance Based Research Fund (PBRF) is our second-largest fund, at \$315m a year. It supports research capability in TEOs. The PBRF has three components: Quality Evaluation at 55% of the Fund; Research Degree Completions at 25%; and External Research Income at 20%.

The 2020 wash-up process is to take place in September. As part of the wash-up process, providers have been given their Research Degree Completions data for checking.

The MoE has completed ministerial advice on final recommended changes to the PBRF following its review of the Fund. Once the Minister has approved these changes, the MoE will produce a Cabinet paper for decisions in June 2021.

Planning to establish a Sector Reference Group to support implementation of the Quality Evaluation in 2025 is underway. This includes work on a process to identify and appoint SRG co-chairs and members. Once appointed, the SRG will meet regularly from mid-2021 to mid-2023, when Guidelines for the Quality Evaluation 2025 will be finalised.

Centres of Research Excellence (CoREs)

The ten current CoREs have been advised of the conditions applying to the return of any unspent or uncommitted funding at 30 June 2021, the end date for their contracts.

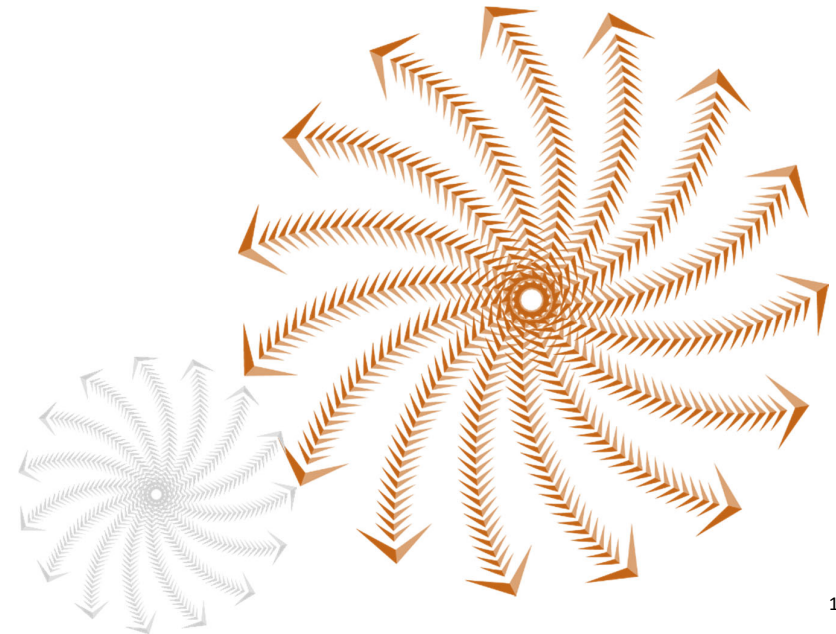
The ten CoREs that have been approved for funding from 1 July 2021 until 31 December 2028 are working on their individual Plans and Impact Statements for the first 3.5 years. We are designing a template to support the CoREs in this work. The Plans and Impact Statements will be submitted for our approval in May.

Arrangements are being made for a workshop of CoREs in mid-April. Current CoREs will meet on 13 April for a celebration of their achievements. New CoREs will meet on 14 April to consider operational and strategic issues that will affect their work over the next 7.5 years.

Centres of Vocational Excellence (CoVEs)

Both the Construction CoVE and Food and Fibre CoVE are now operational. We have agreed their two year plans with each of them and will remain in contact as their projects are initiated.

The next formal engagement will be on their mid-year reports, which are due on 1 September.



Our enablers - Tāngata **PEOPLE**, Mōhiotanga **KNOWLEDGE**, Mahi Ngātahi **PARTNERSHIP** support the delivery of our strategic intentions

Over the quarter we have focused on the following:

Cultivating a Thriving TEC

We are committed to growing our cultural capability

Our Māori Language Plan has been in place for almost three years. With many actions taken we are seeing and hearing more te reo Māori in our organisation. It is a foundation to our broader cultural capability and commitment to Māori.

During the quarter Managers attended a two-day workshop on how organisations can contribute to a more equitable and inclusive Aotearoa New Zealand under Te Tiriti o Waitangi. This builds our understanding, informs changes to behaviours and systems, and supports wider capability development.

To ensure the tertiary system works for all learners we need to invest time and money in our most important resource – our people. To support this, we initiated a project, He Marae Tangata, to develop an operational plan to ensure the TEC is learner centric, equity minded and culturally affirming. We have concentrated on the development of what these concepts mean to and for our people, and how we turn them into capabilities that we can put into practice across our organisation.

Developing a connected and collaborative culture

Our work programme to develop a connected and collaborative culture, with simple and effective tools and processes that grows and empowers passionate, skilled people who deliver great service for all New Zealanders, has four work streams:

Leadership alignment, connection and development

Interviews with senior managers and Deputy Chief Executives on workforce capability are complete. The priorities identified will be aligned with the strategy to ensure we are focusing on the right areas. This information will shape our people development priorities for the next one-two years, and support our business planning work.

Values and behaviours

Managers have had discussions with their teams about our values and behaviours. They focus on what they are, what they mean to people, and what they look like in practice.

Focus groups on recognition have been held across the TEC, designed to understand how to recognise people in a meaningful way and what to recognise. What we learn from these will inform the design of our approach to recognition. The work links to our values and behaviours, and to our remuneration approach project.

Reviewing our performance development system and approach

Working alongside the Public Service Association, a new remuneration framework has been designed for discussion with wider staff groups in the next quarter. Finalising of the remuneration system will be included as a part of bargaining in June.

Delivering great customer service

Our focus during the quarter has been preparing the launch of the new telephony and knowledge platform our Customer Contact Group need to provide great customer service. The new platform was launched in March and enables our staff to communicate with our customers more efficiently and effectively, including a self-serve option.

To help us lift the quality, consistency and accuracy of our customer service, we have developed our *TEC Service Commitments*. These expand on how we will put our new TEC value *Service Matters* into practice. The Service Commitments were launched internally in quarter two, and during quarter three we continued the foundational work needed to introduce the Service Commitments to the diverse range of individuals, TEOs and partners that we work with.

Our strategy

During the quarter we continued to evolve our organisational strategy and integrate it into our business.

Our key focuses have been on:

- › developing intervention logic and measures for our strategic outcomes
- › using our strategy to guide our business and portfolio planning for the 2021/22 financial year, and
- › working with our partners to develop an engagement approach that will ensure we are honouring Te Tiriti o Waitangi and including Māori voices in the evolution and implementation of our organisational strategy.

Intervention logic and measures

We have begun a process to develop the detailed intervention logic and measures that will help ensure we deliver on our organisational strategy, and, through it, deliver on the TES, Ka Hikitia, Tau Mai Te Reo, and the Action Plan for Pacific Education. As noted in our last quarterly report, the measures we develop will flow through to our new Statement of Intent.

Portfolio and business planning

Work has continued on aligning our business and portfolio planning to our strategy, to allow us to better prioritise and align our work programme and ensure we are focusing on the right areas in the 2021/22 financial year.

Engagement and Te Tiriti o Waitangi

We are working with the MoE to ensure we are honouring Te Tiriti o Waitangi as we evolve and implement our strategy. Currently, this work has focused on developing an approach that will give Māori stakeholders opportunities to shape and influence how we implement our strategy and measure its success. This engagement will include collaboration with Te Taumata Aronui.

Data Exchange Platform (formerly Data 2020)

In partnership with the MoE and NZQA, we are creating a new platform to exchange data across the tertiary education sector. It will introduce modern, fit-for-purpose technology that will reduce the cost and risk of our current data collection platforms. The scope and the phasing has been reviewed due to the impact of COVID-19 and to ensure that this work aligned to the system changes, in particular the Reform of Vocation Education, and within this stream of work, the unified funding system.

The first phase will mitigate the risk and costs of our current data collection platforms by upgrading Workspace2 (WS2) and the Services for Tertiary Education Organisations (STEO) platform which include the Single Data Return (SDR). The second phase to implement updated data collection methods has been deferred, as it is a significant change and may require some changes and investment from the sector, which could be challenging given the current system changes mentioned above.

We completed moving the WS2 functionality onto the new platform during the quarter and continued the configuration of the platform security framework. We are now finalising plans for additional testing of WS2 functionality, including performance testing and testing with TEOs. We have finalised the planning for releasing the WS2 functionality into production, including sector-wide communications, staff/TEO briefing sessions and post-go-live support. We have shared this planning with the MoE and NZQA. Timing for the release is targeted for August, but will be confirmed closer to this time to ensure it doesn't cause interruption with other key sector-wide events.

Focus now shifts to detailed planning of the STEO platform to confirm development workloads and time frames. A long-standing challenge for the project is the limited knowledge of STEO's functionality and technical design by TEC and MoE staff. Given that the platforms/tools are 15-20 years old this is not altogether surprising. To help us better understand STEO, we have engaged the ex-Datacom solution architect involved in the original application development.

We continue to engage closely with the MoE and NZQA through inter-agency forums to co-govern the project and co-design the solution.

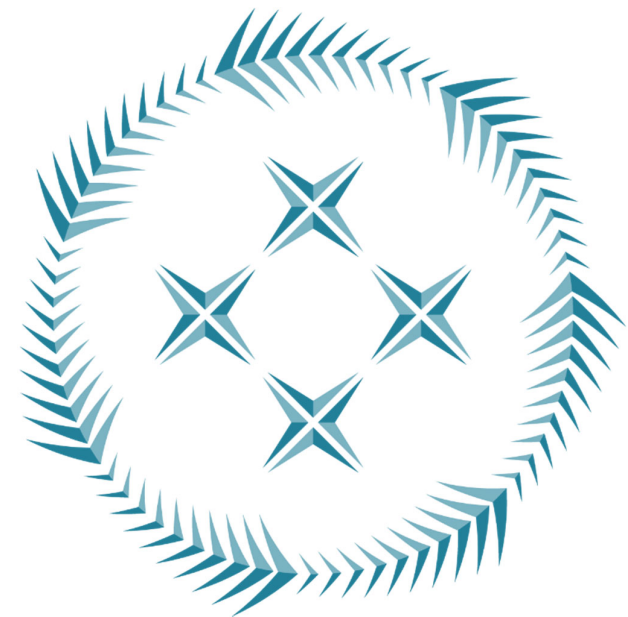
Information security

We continued to progress our Cyber Security maturity over the last quarter, with our Independent Cyber Security partner - Arua Information Security - providing specialist advice and capability. We are taking a four-tiered approach:

1. **People** – understanding staff behaviour and providing education
2. **Organisation** – using the National Institute of Standards and Technology (NIST) cyber security framework
3. **Technical Review/Audit Programme** – specific investigations and reviews to highlight areas of work
4. **Security by Design** – improving how we build security and privacy into everything we do.

Following the NIST framework gap analysis and three technical audits completed during the second quarter (staff phishing campaign, password audit, internal network scans), Aura indicated that we are one of the better placed agencies that they have worked with. They observed that we are well on the way to defining our information security practices.

Out of this, we have developed a remediation plan with Aura. We have engaged a specialist project manager to help drive this and hope to have addressed the highest priority remediation items in the next six months. During the quarter, we presented our cyber security progress, including planned next steps, to our Risk, Assurance and Compliance Committee. These next steps were endorsed and a request made to update our Board.



Privacy

We have developed a solid basis for privacy at the TEC and our processes are embedded across the organisation. We continue to reinforce key messages and information to help our people to do the right thing when working with personal information.

We have updated our information processes and policies to ensure they reflect the updated Privacy Act from 1 December 2020.

We continue to assess new initiatives using our Privacy Impact Assessment processes. The privacy and security processes continue to interact well, ensuring that new systems are assessed prior to implementation.

Our ethics panel and processes are operating well. We have developed a draft Code of Ethics and will be seeking endorsement from our Executive Leadership team before it is launched to the business. We intend to revisit membership to the ethics panel to ensure the business is appropriately represented.



Managing risk

Strategic risk

In our last quarterly report, we provided a summary of the TEC's strategic risks which have been identified by the Executive Leadership team. These are summarised again below. The Executive Leadership team is currently reviewing and updating the mitigations to these strategic risks. Details on these mitigations will be reported to our Risk and Assurance Committee.

- › **COVID-19 resurgence:** potential impacts on the network of tertiary education providers and our ongoing support role
- › **RoVE:** we fail to deliver on the design intent and to seize upon the strategic opportunities presented by RoVE
- › **People:** addressing capacity constraints, single points of dependency, retention and supporting new joiners
- › **People:** supporting the continued mental health, wellbeing and development of our people
- › **Unconscious biases:** removing unconscious biases to ensure we deliver equity and parity for all learners, and
- › **Sustainability of institutions:** impacts on the provision of tertiary education.

Operational risk

We define operational risk as the events which may prevent the achievement of operational objectives as defined through our business planning process. We continue to align the identification and management of our operational risks to the business planning process for each Directorate. This provides a direct line of sight between key programmes of work and the risks to delivering these. Risk reviews continue to be held quarterly for each directorate.

Our Risk and Assurance Committee receives regular reporting on both our strategic and operational risks.

A review of our risk management framework is currently underway as part of our 2020/21 Internal Audit Work Programme. It will focus on the design and operating effectiveness of the framework. We will report on the main outcomes of that review in our next quarterly report.

Outside of the risk management activity for this quarter, the main focus has been on maintaining our business continuity preparedness, including our ongoing response to COVID-19. In May we will be holding another Business Continuity exercise, focussing on a major business disruption scenario.

We continue to support the welfare of our people as a central theme to our ongoing business continuity preparedness.

MAHINGA KORE AHUMONI NON-FINANCIAL PERFORMANCE

Quarter Three 2020/21 performance measure results summary

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

Total measures reported in quarter three		Achieved	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
SOI measures	2	1	0	0	1
SPE measures	7	3	0	1	3
Total measures	9	4	0	1	4

The measures not on track, and not expected to achieve target by the end of the year, relate to: the number of system wide reviews completed; timeliness of payments made to Tertiary Education Institutions; and learners accessing desired range of hours for intensive literacy and numeracy and English for Speakers of Other Languages (ESOL).

Sector output measures

Document	Measure	Actual year to date	Target 2020	Actual 2019	
Statement of Performance Expectations (SPE)	Percentage of learners accessing the desired range (hours) of provision (Note 1)	Intensive literacy and numeracy	52.94% (Note 2)	At least 62.6%	62.89%
		Workplace Literacy and Numeracy (tertiary education organisation – led)	73.73%	At least 60.8%	73.37%
		English for Speakers of Other languages	92.97% (Note 2)	At least 95.6%	95.78%
	Gateway – total participants and number of schools	13,060.00 in 386.00 schools (Note 3)	13,200 ±5% in up to 375 schools	14,333 in 378 schools	
	Number of domestic equivalent full-time students in Information and Communications Technology (ICT) Graduate Schools per calendar year	217.00 (Note 4)	At least 195	195	

- Note 1** Desired range of hours relates to the optimal hours of learning needed to make an impact on an individual’s learning.
- Note 2** COVID-19 has impacted this result. One of the conditions for the fund is that tuition must be delivered to each learner face-to-face, but with the COVID-19 lockdown, this was not possible.
- Note 3** It is likely that many participants starting in the second half of 2020 would have had work placements impacted by COVID-19 restrictions and workplaces reprioritising their resources.
- Note 4** Funding of the ICT Graduate schools finished at the end of 2020. All three schools were affected by COVID-19 and the lockdowns, however this saw the schools implement new and innovative ways for delivery of programmes and engagement with business.

TEC output measures

Document	Measure	Actual as at 30/03/21	Target 2020/21	Actual 2019/20
Statement of Intent (SOI)	At least three system-wide reviews completed each year and results shared with tertiary education organisations	1.00 (Note 1)	Achieve	1
	At least three educational activities undertaken each year to support the capability of tertiary education organisations and provide information and guidance on their obligations	3.00	Achieve	3
Statement of Performance Expectations (SPE)	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	0.00% (Note 2)	At least 94%	94%
	Percentage of payments the TEC makes to tertiary education organisations that are made within agreed timeframes	99.90% (Note 3)	100%	99.8%

- Note 1** A review of enrolments where learners were repeating qualifications they have previously achieved is ongoing. Work with the PTE sector is complete and has led to the publication of a new Qlik app to support providers and guidance to the sector in a monitoring update to be published early in Q4. We are continuing to engage with Te Pūkenga regarding its subsidiary reporting. A review of the Targeted Training and Apprenticeship Fund settings has been completed as part of the development of monitoring and audit arrangements. Learnings from this work will be shared with the sector directly through audit engagements, and in future monitoring updates. Work on a planned review of Pre-Purchased English Language Tuition reporting and common compliance issues was deferred due to the impacts of COVID-19 and RoVE, but is due to commence early in Q4.
- Note 2** COVID-19 restrictions meant no governance events were planned until the last quarter of the year. There has been slippage in the events intended for June as a result of resourcing limitations, with a staff vacancy for several months and additional work contributing to the establishment of the new workforce development councils. However, several events are planned for June 2021 and will be reported on in our Annual Report for the year ended 30 June 2021.
- Note 3** Seventeen payments out of 17,818 were not made within agreed timeframes.

Progress summary for key new Budget 2020 COVID-19 Response and Recovery Funds

Fund	2020/21 quarter three progress	Financial information (Note 1)		
		Actual as at 31/03/21 \$000	Budget 31/03/21 \$000	Budget 2020/21 \$000
Targeted Training and Apprenticeship Fund	99,500 learners have accessed TTAf funded study between the 1 July 2020 and 5 February 2021. Apprenticeships make up 54% of these learners. Funding wash-ups for 2020 are currently being processed, with at least \$6m in additional funding to be paid to providers for learners who accessed TTAf funded qualifications and programmes in 2020. Wash-ups for Industry Training Organisations will further increase the wash-up and final 2020 value of delivery and this will be finalised in May 2021. Payments commenced during this quarter for 2021 funding.	139,481	118,811	160,000
Group Training Schemes Support Fund	March milestone reports show over 1,800 learners are being supported by the fund, with funding continuing to be predominantly focused on wage and employer subsidies. The Minister of Education is currently considering extending the period over which Group Training Schemes can utilise some funding, although no additional funding will be available.	15,9655	12,179	16,130
Workforce Development Council And Transitional Industry Training Organisation COVID-19 Response Projects Fund	As at 31 March, 14 projects are currently being undertaken by eight Transitional Industry Training Organisations (TITOs). Projects commissioned through this fund comprise three phases: 1) Scoping, 2) Investigation, and 3) Design. Four projects have now transitioned to Phase 3, with a further eight well into Phase 2. Two projects are in the final stages of phase 1, with delays arising due to personnel and changes to scope. A further project has concluded after phase 1 due to the scoping exercise showing that there was no need to continue. All projects are expected to conclude either by the end of 2021, or by early-2022. Should all 14 remaining projects be funded to completion, \$9.7m in funding will have been allocated to TITO projects. While the remaining \$6.3m in project funding was intended for the Workforce Development Councils, delays to their establishment have meant that this funding has not yet been allocated.	3,194	10,993	10,000
Workforce Development Councils Establishment Fund	In February 2021 the Workforce Development Council (WDC) Establishment Unit (EU) was established and, to date, has focussed on developing the operating model and planning the ICT requirements for the six WDCs. In 2020/21 the EU is forecast to spend \$4m on establishment activities.	2,704	3,000	4,000
Workforce Development Councils Fund	There have been some delays in this initiative compared to the accelerated timeframes that were pushed for, but will be ahead of the original timeline. The delays were exacerbated by the resurgence of COVID-19 and the highly consultative process involved in the establishment of WDCs. The Minister agreed to WDCs being formally established by June 2021. This means that \$42.0m appropriated for WDCs in 2020/21 will not be required. Ministers have agreed to reallocate this funding to ensure tertiary baselines have sufficient resource to fund the growing number of apprentices forecast for 2022.	0	31,500	42,000
Careers System Online – Tiro Whetū	During the quarter, work progressed in two separate streams: <ol style="list-style-type: none"> 1. The design and development of Skill Net, the minimum viable product skills transferability tool to show displaced workers other jobs and industries that they have transferable skills to, 2. A workstream called 'Futures' to plan for the overall website development. <p>The first version of Skill Net was launched to 22 Career Practitioners on 24 February so that they could use it with their customers. Sessions have been held to gain feedback from these users to feed into future product development. An enhanced version with additional functionality is scheduled to launch on 22 April 2021.</p> <p>Within Futures we have completed research, ideation and prototyping, audience workshops and interviews, brand strategy and development and feature sketches, descriptions, prioritisation and sizing. This has allowed the development of a roadmap that will guide the project over the next 18 months.</p>	4,714	5,963	8,500
Tertiary Tuition and Training	The <i>Meeting Increased Learner Need for Tertiary Education</i> initiative provides funding to manage the cost of funding additional tertiary education enrolments from 1 January 2021 to 31 December 2023.	0	0	79,450

Note 1: The financial information in this table relates to grants and capital appropriations only. The operational money appropriated through the Administration of and Support for the Tertiary Education and Careers Systems (total \$1.460m) is not included in this table.

We are forecasting a lower grants spend in 2020/21

Overall grant spend is forecast to be \$2.634b. This is less than last year's grant spend of \$4.421b. The majority of the decreased spend is due to the accounting implications of guaranteeing TEO funding for 2020 in response to COVID-19, which resulted in us recognising the full 2020 calendar year expenses at 30 June 2020. This was a technical accounting issue that required the transfer of funding from 2020/21 to 2019/20 to resolve the issue. This decrease is partially offset by an increase of \$281m of new funding in the baseline in response to COVID-19.

Forecasting is challenging this financial year both for providers and the TEC. High student demand is expected but it is difficult to forecast regionally and by course type at this stage. We will keep a close watch on this as the financial year progresses, and will allocate additional funding to providers after the April Single Data Return.

In Budget 2021, we expect approval of a transfer of \$8m in 2020/21 and \$5m in 2021/22 from Youth Guarantee to Industry Training Fund to fund increased demand in Industry Training Fund during the rest of the 2021 calendar year. Ministers also are considering a request to transfer the unspent \$42m in Workforce Development Councils to the Industry Training Fund in the 2022 calendar year to ensure we are able to fund the high numbers of apprentices forecast. Subsequent to the end of the quarter, approval was provided in Budget 2021 for these transfers.

We currently have \$111m in our grants Balance Sheet Mechanism (made up of \$92m receivable from the MoE, plus funds held in our equity of \$19m). We are planning to draw \$46m from our Balance Sheet Mechanism in May 2021 to fund the SAC overspend in 2020 and ensure we can fund as many students as possible in 2021. The Minister has also agreed for us to draw up to \$12m from our Balance Sheet Mechanism to fund any additional demand in Industry Training Fund that is above the expected transfer in Budget 2021.

The preliminary wash-up calculations for the 2020 calendar year show an under delivery of \$183m in funds subject to the COVID-19 recovery exemption. A total of \$176m of this will be written off. The figures will change as corrections to data are received from providers.

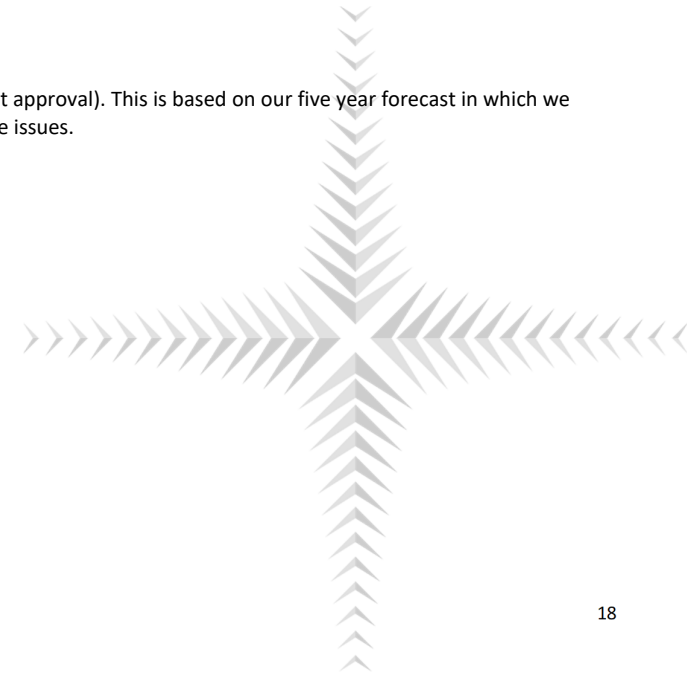
Our \$2.9m operating surplus is better than our budgeted deficit of \$4.4m

We were under budget because of recruitment delays, lower depreciation and amortisation, travel, and programmes that have been delayed due to the ongoing COVID-19 impact. We have also had delays in our COVID-19 related Direct Careers Advice which was budgeted to finish by the third quarter but has now been extended.

Excluding delays to our funded projects (which will roll unspent funding into next year), our underspend is \$1.6m for the year to date. We expect this to reduce and move to a deficit position by year end of between \$2.0m and \$2.9m.

We have a draft SPE for 2021/22 which proposes a \$4.0m deficit

We have produced a draft budget for 2021/22 with a deficit of \$4.0m (excluding costs for RoVE and Migrant Futures that are subject to Budget approval). This is based on our five year forecast in which we identified we need to address the personnel cost increase and software costs impacting on our longer term viability and steps to address these issues.



Financial Statements

Grants revenue and expenses

For the period ended 31 March 2021

	2021 9 months actual \$000	2021 9 months SPE Budget \$000	2021 Full Year SPE budget \$000	2021 Full year forecast \$000	2020 Full year actual \$000
REVENUE					
Crown revenue	1,473,563	1,534,640	2,511,303	2,588,393	4,432,011
Prior year recoveries	3,126	1,500	2,000	3,200	1,242
Interest	26	225	300	35	152
Total revenue	1,476,715	1,536,365	2,513,603	2,591,628	4,433,405
Less revenue administered by Ministry of Education	(1,420)	(5,378)	(7,584)	(5,368)	(11,274)
Total revenue administered by TEC	1,475,295	1,530,987	2,506,019	2,586,260	4,422,131
EXPENSES					
Tertiary Tuition and Training multi-category appropriation					
<i>Community Education</i>	29,207	25,180	47,609	51,368	106,772
<i>Tertiary Education: Student Achievement Component</i>	691,948	680,725	1,395,239	1,462,477	3,007,361
<i>Training for Designated Groups</i>	72,075	75,555	148,390	173,529	427,079
<i>Fees-free Payments</i>	271,561	357,335	428,413	377,224	370,087
Total Tertiary Tuition and Training multi-category appropriation	1,064,791	1,138,795	2,019,651	2,064,598	3,911,299
Access to Tertiary Education	26,313	24,613	39,022	40,665	53,277
Tertiary Sector / Industry Collaboration Projects	23,791	34,540	46,430	41,833	26,098
Establishment of a Single National Vocational Educational Institute	40,900	-	-	63,640	-
Secondary-Tertiary Interface (Vote Education)	7,431	7,277	14,331	15,723	37,957
Centres of Research Excellence	37,350	37,350	49,800	49,800	49,800
Support for PTEs of Strategic Importance	8,083	-	-	8,083	-
Support Te Wānanga O Raukawa	5,000	-	-	7,000	-
Tertiary Education Research and Research-Based Teaching	241,375	240,000	321,000	321,000	331,000
University-led Innovation	7,114	7,500	10,000	9,198	7,526
Workforce Development Councils	-	31,500	42,000	-	-
Tertiary Scholarships and Awards	11,415	13,065	19,868	17,652	15,054
Total expenses	1,473,563	1,534,640	2,562,102	2,639,192	4,432,011
Less expenses administered by Ministry of Education	(1,420)	(5,378)	(7,584)	(5,368)	(11,274)
Total expenses administered by TEC	1,472,143	1,529,262	2,554,518	2,633,824	4,420,737
Surplus/(deficit)	3,152	1,725	(48,499)	(47,564)	1,394

Operational revenue and expenses

For the period ended 31 March 2021

	2021 9 months actual \$000	2021 9 months SPE Budget \$000	2021 Full Year SPE budget \$000	2021 Full year forecast \$000	2020 Full year actual \$000
REVENUE					
Crown revenue					
– Tertiary Education Commission	61,259	56,222	75,258	81,925	69,918
– Māori Education Trust (Ministry of Education-administered)	73	82	109	109	109
Contract – Pre-purchased English Language Tuition	349	190	560	671	608
Contract – Migrant Futures	196	807	1,613	1,592	1,708
Interest	244	702	936	288	991
Other	2,000	1,535	1,512	1,447	1,846
Total revenue	64,121	59,538	79,988	86,032	75,180
EXPENSES					
Tertiary Education Commission	61,108	63,813	84,855	85,725	77,560
Māori Education Trust (Ministry of Education-administered)	73	82	109	109	109
Total expenses	61,181	63,895	84,964	85,834	77,669
Surplus/(deficit)	2,940	(4,357)	(4,976)	198	(2,489)

Statement of Comprehensive Revenue and Expense

For the period ended 31 March 2021

	2021 9 months actual \$000	2021 9 months SPE Budget \$000	2021 Full Year SPE budget \$000	2021 Full year forecast \$000	2020 Full year actual \$000
REVENUE					
Grants revenue:					
Vote Education/Tertiary Education – Ministry of Education (MoE)	1,472,143	1,529,262	2,503,719	2,583,025	4,420,737
Prior year recoveries – net	3,126	1,500	2,000	3,200	1,242
Total grants revenue	1,475,269	1,530,762	2,505,719	2,586,225	4,421,979
Operating revenue:					
Vote Tertiary Education – MoE	61,259	56,222	75,258	81,925	69,918
Contract – Migrant Futures	196	807	1,613	1,592	1,708
Contract – Pre-purchased English Language Tuition	349	190	560	671	608
Other revenue	2,000	1,535	1,512	1,447	1,846
Total operating revenue	63,804	58,754	78,943	85,635	74,080
Finance revenue:					
Interest – grants	26	225	300	35	152
Interest – operating	244	702	936	288	991
Total finance revenue	270	927	1,236	323	1,143
Total revenue	1,539,343	1,590,443	2,585,898	2,672,183	4,497,202
EXPENSE					
Grants expense:					
Grants expense	1,472,452	1,528,887	2,554,018	2,634,174	4,422,486
Bad and doubtful debts	(309)	375	500	(350)	(1,749)
Total grants expense	1,472,143	1,529,262	2,554,518	2,633,824	4,420,737
Operating expense:					
Personnel costs	39,139	40,497	54,109	55,245	49,154
Amortisation	2,439	2,893	4,107	3,279	4,841
Depreciation	963	830	1,090	1,079	1,200
Other expenses	18,567	19,593	25,549	26,122	22,365
Total operating expense	61,108	63,813	84,855	85,725	77,560
Total expense	1,533,251	1,593,075	2,639,373	2,719,549	4,498,297
SURPLUS/(DEFICIT)					
Grants surplus/(deficit)	3,152	1,725	(48,499)	(47,564)	1,394
Operating surplus/(deficit)	2,940	(4,357)	(4,976)	198	(2,489)
Total comprehensive revenue and expense	6,092	(2,632)	(53,475)	(47,366)	(1,095)

Statement of Financial Position

As at 31 March 2021

	2021 9 months actual \$000	2021 9 months SPE Budget \$000	2021 Full Year SPE Budget \$000	2021 Full year forecast \$000	2020 Full year actual \$000
CURRENT ASSETS					
Receivables	459,887	478,495	493,897	585,484	1,696,156
Cash and cash equivalents	102,104	64,189	58,665	63,574	92,655
Prepayments	1,161	1,020	1,020	1,020	1,170
Total current assets	563,152	543,704	553,582	650,078	1,789,981
NON-CURRENT ASSETS					
Intangible assets	9,406	19,383	22,252	21,381	12,289
Property, plant and equipment	12,357	3,567	3,307	4,529	4,267
Total non-current assets	21,763	22,950	25,559	25,910	16,556
Total assets	584,915	566,654	579,141	675,988	1,806,537
CURRENT LIABILITIES					
Payables	388,301	393,646	458,297	556,859	1,606,239
Pre-purchased English Language Tuition – fees in advance	19,354	20,597	17,508	17,751	20,578
Repayment of grants funding – MoE	18,234	225	300	35	32,788
Employee entitlements	2,545	2,040	2,957	3,565	3,280
GST payable	3,477	4,802	2,858	(4,587)	2,268
Provision for lease	150	150	150	150	150
Total current liabilities	432,061	421,460	482,070	573,773	1,665,303
NON-CURRENT LIABILITIES					
Provision for lease	876	906	868	868	989
Employee entitlements	711	867	867	714	711
Total non-current liabilities	1,587	1,773	1,735	1,582	1,700
Total liabilities	433,648	423,233	483,805	575,355	1,667,003
Net assets	151,267	143,421	95,336	100,633	139,534
EQUITY					
General funds	151,267	143,421	95,336	100,633	139,534
Total equity	151,267	143,421	95,336	100,633	139,534

Included in the Receivables and Payables balances above is our grants Public Benefit Entity (PBE) accounting adjustment. This is the difference between the cash we pay to providers and what we owe them for delivery.

The guaranteeing of tertiary education organisations funding for 2020 meant that we had an obligation for the full amount of 2020 funding at 30 June 2020. We recognised a further \$1.112b of revenue, expenditure and PBE accounting adjustment at 30 June 2020 leading to a 30 June 2020 PBE accounting adjustment of \$1.579b. This extra \$1.112b adjustment reversed out by December 2020. We forecast the balance of the PBE accounting adjustment at 30 June 2021 to be \$532m compared to our original budget of \$434m.

The actual balance of the PBE accounting adjustment is \$355m compared to a budget of \$368m. The movement of \$1,225m from last year also reduces grants revenue and expenses.

Statement of Changes in Equity

For the period ended 31 March 2021

	2021 9 months actual \$000	2021 9 months SPE Budget \$000	2021 Full Year SPE budget \$000	2021 Full year forecast \$000	2020 Full year actual \$000
Balance at 1 July	139,534	140,611	140,611	139,534	140,781
Total comprehensive revenue and expense for the year	6,092	(2,632)	(53,475)	(47,366)	(1,095)
Capital contribution	5,667	5,667	8,500	8,500	-
Repayment of grants interest – MoE	(26)	(225)	(300)	(35)	(152)
Balance at 31 March	151,267	143,421	95,336	100,633	139,534

Breakdown of Cash Balances

As at 31 March 2021

	2021 9 months actual \$000	2021 9 months SPE Budget \$000	2021 Full Year SPE budget \$000	2021 Full year forecast \$000	2020 Full year actual \$000
Operations cash	28,621	21,145	20,290	24,955	24,319
Grants cash	55,903	24,796	22,935	22,858	50,006
Pre-purchased English Language Tuition cash	17,580	18,248	15,440	15,761	18,330
Cash and cash equivalents at 31 March 2021	102,104	64,189	58,665	63,574	92,655

Statement of Cash Flows

For the period ended 31 March 2021

	2021 9 months Actual \$000	2021 9 months SPE Budget \$000	2021 Full Year SPE Budget \$000	2021 Full Year Forecast \$000	2020 Full Year Actual \$000
CASH FLOWS FROM OPERATING ACTIVITIES					
<i>Cash was provided from:</i>					
Grants – MoE	2,696,778	2,818,363	3,777,418	3,676,304	3,259,807
Grant recoveries – prior year	3,126	1,500	2,000	3,200	1,365
Grants – Pre-purchased English Language Tuition	2,385	-	1,191	(2,570)	2,773
Operating – MoE	60,104	56,222	75,258	81,925	69,659
Operating – Pre-purchased English Language Tuition	238	190	279	414	276
Operating – other	2,929	2,745	3,125	3,343	3,509
	2,765,560	2,879,020	3,859,271	3,762,616	3,337,389
<i>Cash was applied to:</i>					
Grants payments	(2,683,420)	(2,819,463)	(3,783,018)	(3,666,750)	(3,232,865)
Payments to employees	(39,881)	(41,075)	(53,751)	(54,967)	(48,408)
Other operating payments	(17,545)	(18,978)	(25,636)	(25,061)	(23,768)
GST – net	1,210	2,272	328	(6,855)	6,964
	(2,739,636)	(2,877,244)	(3,862,077)	(3,753,633)	(3,298,077)
Net cash flows from operating activities	25,924	1,776	(2,806)	8,983	39,312
CASH FLOWS FROM INVESTING ACTIVITIES					
<i>Cash was provided from:</i>					
Interest – operating	284	702	936	253	1,020
Sale of property, plant and equipment	-	-	-	157	16
	284	702	936	410	1,036
<i>Cash was applied to:</i>					
Purchase of intangible assets	(7,056)	(9,416)	(13,500)	(12,436)	(2,727)
Purchase of property, plant and equipment	(816)	-	-	(1,785)	(546)
	(7,872)	(9,416)	(13,500)	(14,221)	(3,273)
Net cash flows from investing activities	(7,588)	(8,714)	(12,564)	(13,811)	(2,237)
CASH FLOWS FROM FINANCING ACTIVITIES					
<i>Cash was provided from:</i>					
Capital contribution - MoE	5,667	5,667	8,500	8,500	-
<i>Cash was applied to:</i>					
Repayment of grants funding – MoE	(14,554)	25	100	(32,753)	(7,804)
Net cash flows from financing activities	(8,887)	5,692	8,600	(24,253)	(7,804)
Net increase/(decrease) in cash and cash equivalents	9,449	(1,246)	(6,770)	(29,081)	29,271
Cash and cash equivalents at 1 July	92,655	65,435	65,435	92,655	63,384
Cash and cash equivalents at 31 March	102,104	64,189	58,665	63,574	92,655