

4 September 2025

[REDACTED]

Tēnā koe [REDACTED]

Official Information Act Request

Thank you for your request of 7 August 2025, under the Official Information Act 1982, for the following information:

- *Any briefings, policy papers or other materials provided by NZQA to the Minister of Education related to her 4 August 2025 announcement regarding changes to the NCEA system.*
- *Any briefings, policy papers or other materials provided by NZQA to the NZQA chief executive, Dr Grant Klinkum, prior to appearing at the Education and Workforce Committee Select Committee hearing on 18 June 2025.*
- *Any documents or correspondence produced by NZQA in preparing for or following the pilot of the ATS solution for the marking of the September 2024 Writing corequisite Assessment.*

Your request has been considered under the Official Information Act 1982.

The Official Information Act requires that we advise you of our decision on your request no later than 20 working days after the day we received your request. Unfortunately, in relation to **part 3** of the request, it will not be possible to meet that time limit. We are therefore writing to you to notify you of an extension of the time to make our decision on part 3 to **10 October 2025**.

I attach copies of the following information covered by part one and part two of your request.

Part 1

Any briefings, policy papers or other materials provided by NZQA to the Minister of Education related to her 4 August 2025 announcement regarding changes to the NCEA system.

Response:

The following document is attached and there are two further documents available on our website in scope of this part of your request.

- [OCO1769] Rapid Response: *NZQA advice on proposed changes to NCEA*. 12 June 2025.

You can access the following proactively released material on our website [Information releases - NZQA](#).

- [OCO0781] Aide-Memoire: *Unit standard use in NCEAs*. 24 April 2025.
- [OCO0815] Aide-Memoire: *Unit standard use in NCEAs – supplementary information*. 13 May 2024

The following documents in scope of the request but are being withheld in full.

- [OCO1831] Report: *Future options for managing the quality and consistency of internal assessment*. 7 August 2025
- [OCO1871] Report: *Supporting a credible qualification: Actions to strengthen NCEA*. 1 August 2025.
- [OCO1873] Rapid Response: *Unit Standards and NCEA*. 24 July 2025.

Under Section 9(2)(a) of the OIA, to protect privacy, some staff mobile phone numbers have been redacted.

Under section 9(2)(f)(iv) of the Official Information Act 1982, we are withholding information that relates to confidential advice to Hon Erica Stanford, Minister of Education where the release of this information, at this time, would prejudice the orderly and effective conduct of government decision making processes.

Part 2

Any briefings, policy papers or other materials provided by NZQA to the NZQA chief executive, Dr Grant Klinkum, prior to appearing at the Education and Workforce Committee Select Committee hearing on 18 June 2025.

Response:

The following document provided to Dr Klinkum is in scope of part 2 of your request.

- *NZQA Hot Topics for Estimates hearing 2025/2026*

Under section 9(2)(g)(i) some information has been withheld to maintain the effective conduct of public affairs through free and frank expression of opinions.

Under section 9(2)(j) some information has been withheld to enable NZQA to carry on with negotiations without prejudice or disadvantaged commercial activities.

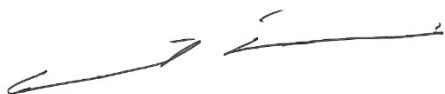
We are not aware of any public interest considerations outweighing the decision to withhold this information.

Our response to your request may be published on our website after five working days. Your name and contact details will be removed before publication.

If you require further assistance or believe we have misinterpreted your request, please contact Elizabeth Templeton in the Office of the Chief Executive, email elizabeth.templeton@nzqa.govt.nz or telephone (04) 463 3339.

You have the right to seek an investigation or review by the Ombudsman of this decision under section 28(3) of the Official Information Act 1982. Details of how to make a complaint can be found at www.ombudsman.parliament.nz. You can also telephone 0800 802 502 or write to the Ombudsman at PO Box 10152, Wellington, 6143.

Nāku nā



Dr Grant Klinkum
Pouwhakahaere/Chief Executive

Rapid Response: **NZQA advice on proposed changes to NCEA**

To:	Hon Erica Stanford, Minister of Education		
Cc:			
Date:	12 June 2025	Priority:	High
Security Level:	In-Confidence	OC No:	OC01769
Key Contact:	Grant Klinkum	DDI:	027 5270870
Deputy Chief Executive:	Jann Marshall	DDI:	027 246 0768

Request

1. The purpose of this paper is to summarise what student NCEA participation and achievement data tells us about the performance of the three senior secondary school qualifications. Drawing on these insights, we provide commentary on the proposed new qualification settings currently under consideration. We also outline several future considerations that will need to be worked through to ensure that any replacement qualification is robust and credible.

Proactive Release

2. We recommend that this report is not proactively released as part of the next publication of documents, until Cabinet decisions regarding NCEA changes are made public. Any information that needs to be withheld should be managed in line with the provisions of the Official Information Act 1982.

NZQA Response

NCEA participation and attainment

3. In 2024, 64% of Year 11 students, 84% of Year 12 students, and 80% of Year 13 students were participating in NCEA at the typical year levels of Year 11 Level 1, Year 12 Level 2 and Year 13 Level 3.
4. NCEA Level 2 and Level 3 and University Entrance attainment has been relatively stable over the past 10 years, although there has been an increase in attainment of NCEA Level 3.
5. In 2015, 76% of Year 12 students achieved NCEA Level 2 and this has decreased slightly to 74% in 2024.
6. NCEA Level 3 attainment has increased over the same period from 63% in 2015 to 69% in 2024.
7. University Entrance attainment has increased slightly from 48% in 2015 to 51% in 2024.

8. The number of students leaving school with an international qualification such as Cambridge International or International Baccalaureate is small (approximately 1,900 students in 2024) but increased by 400 from 2023 [source Ministry of Education School Leavers data].
9. Retention in school to age 17 has declined since the peak rate in 2015 [source Ministry of Education School Leavers data], which signals a potential weakening in student engagement and sustained participation in senior secondary education.

Concerns with current NCEA qualification settings

10. NCEA was deliberately designed to be highly flexible, to be supportive of 'academic' and 'vocational' pathways. However, over time, the inherent flexibility in NCEA has been overused to that extent that it may be observed that the current settings:

- **encourage a focus on small components of learning, rather than core learning areas or deep subject knowledge.**

There is no core learning required to achieve subjects within the qualification, other than the co-requisite. At Levels 2 and 3, with at least 24 credits available across 6-8 standards (of which at most, 2 or 3 standards are externally assessed) for each subject, there is little consistency in the learning and assessment undertaken in each subject.

Usage rates of available standards within a subject area vary as do achievement rates. Practically, this makes it difficult to compare students' subject achievement or qualifications because there is no consistency between what schools offer as part of subjects.

This design feature of NCEA can influence how programmes of learning are constructed, with some being structured around combinations of standards that are perceived to be 'easier', to maximise credits accumulation and help students achieve the minimum 60-credit threshold.

Concerningly, this problem could be seen even with the new Level 1 standards which were designed to have four assessments for each subject. In 2024, two-third of schools did not enrol their students in assessment for all four standards.

- **encourage the accumulation of credits (credit counting behaviours) from across a wide range of standards and subjects**, sometimes at the expense of coherent course design and clear pathway outcomes.

Illustratively, only 54% of year 12 students who achieved NCEA Level 2 in 2024 did so by completing three or more achievement standard based subjects, with each subject defined as having 14 credits. This suggests that nearly half of the students achieved the qualification without engaging in a full programme of coherent subject-based learning.

Credit accumulation in disparate learning areas may also be seen in the programmes of study of students. Just over 30% of Year 12 and Year 13 students who achieved NCEA Level 2 or Level 3 relied on unit standard credits to meet the minimum credit requirements for NCEA. These unit standards were often drawn from disparate areas and did not form part of a coherent package.

This pattern reflects a systemic issue where the flexibility of the qualification is being used to prioritise credit accumulation over meaningful learning and clear educational or vocational pathways.

- **allow for an increasingly problematic imbalance of internal and external assessment.**

Only 22% of 2024 results were achieved through external assessment. In an age of AI, issues around the authenticity of internal assessment work have become even more challenging.

- **enable students to avoid external assessment** which can mean that critical learning in a subject may not occur, undermining the qualifications' credibility. Students can also decide on the day of the examination whether they will complete all standards or just one or two (or none).

Year 12 and Year 13 students participating in NCEA do an average of five (5) externally assessed standards each year worth 4-6 credits each (i.e. contributing only between 20-30 credits towards an NCEA).

On average, students do not attempt 25% of the external assessments they are entered in for by their school. In 2024, there were more than 250,000 instances where students did not sit external exams, largely because students determined they already had sufficient credits to meet qualification requirements before the end of year examinations commenced.

Engagement in external assessment has reduced over the last ten years with schools entering students for fewer than the 2 or 3 standards available in an examination session, and not attempting all the standards they are entered for. For example, for the Level 3 core science subjects (Chemistry, Biology and Physics) the proportion of students entered for all three (3) standards in the 3-hour examination session in 2015 was 77%. By 2024, it was 49%.

This trend raises concerns about the depth and consistency of subject learning, and the long-term credibility of the qualification.

- **lead to significant differences in internal and external assessment results.**

Despite existing moderation systems, the disparity between internal and external assessment results is concerning. Students are more likely to achieve better in internal assessment, which drives into students making choices about which standards to enter.

In 2024, 84% of students "achieved" the internals they attempted and 25% achieved with "excellence". On the other hand, only 77% of students "achieved" the externals they attempted and 12% achieved with excellence.

- **do not encourage coherent vocational education pathways.**

When looking at the use of unit standards (outside of structured arrangements such as Trades Academy), too many senior secondary students are drawing on a seemingly incoherent range of unit standards, rather than meaningfully progressing toward a VET pathway.

11. Recent changes to NCEA in relation to literacy and numeracy have improved the credibility of the qualification by introducing explicit assessment for literacy and numeracy. NZQA notes however that the literacy and numeracy achievement required for NCEA qualifications which are at curriculum levels 6-8, is set at curriculum level upper 4, lower 5. Over time, NZQA believes that the literacy and numeracy requirements for NCEA should be at the same level as the qualifications themselves.
12. One other feature of NCEA that NZQA considers is suboptimal is that the total credit requirement (outside of literacy and numeracy which is typically taken the year before NCEA Level 1 commences) is 60 credits. NZQA considers the qualification size (within the current credit paradigm) should be at least 80 credits.
13. Increasing the qualification size could also enhance the international recognition of NCEA. Additionally, it would prompt a re-evaluation of the qualification's placement within the New Zealand Qualifications and Credentials Framework (NZQCF). NZQA considers that NCEA Level 3 may be more appropriately aligned with Level 4 of the NZQCF, reflecting the complexity and learning outcomes associated with the qualification.

Features of a robust qualification

14. NZQA views the following components as features of a robust secondary school level qualification:

Credibility – recognised and valued, nationally and internationally, by tertiary providers, employers and other stakeholders

Comparability – aligned with international standards, equivalence and well understood and recognised by other jurisdictions

Curriculum led – the qualification is designed around the curriculum, is teaching and learning led, and supported by rigorous assessment

Validity – aligned to the curriculum and reflects intended learning outcomes

Accessibility and Equity – access to the qualification for all groups and individuals e.g. availability of support for disabled students

Transparency and accountability – the elements of the qualification are publicly available (curriculum, assessment objectives, grading policies/marketing schedules, mechanisms to appeal results, publication of attainment data, etc)

Progression pathways and longitudinal impact – support effective transitions to tertiary education, vocational training or employment

Student wellbeing and workload balance – teaching, learning and assessment should be challenging, but manageable.

Proposed changes to NCEA

15. 9(2)(f)(iv) [REDACTED]
- [REDACTED]
 - [REDACTED]
 - [REDACTED]
 - [REDACTED]
 - [REDACTED]
16. 9(2)(f)(iv) [REDACTED]
17. 9(2)(f)(iv) [REDACTED]
18. 9(2)(f)(iv) [REDACTED] current NCEA attainment data suggests that there are high levels of 'gaming' within current participation and achievement patterns. In some cases, students and schools are calibrating their programmes of study to the current modest credit attainment requirements. 9(2)(f)(iv) [REDACTED]

Considerations as the architecture of any qualifications are developed and confirmed

19. In considering the likely proposed qualification settings covered above, NZQA, through a qualifications and assessment lens, would note that it will be important to:
- effectively manage the period where there is a new curriculum and old qualifications 9(2)(f)(iv) [REDACTED]
 - 9(2)(f)(iv) [REDACTED]
 - 9(2)(f)(iv) [REDACTED]

- 9(2)(f)(iv) [REDACTED]
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- 9(2)(f)(iv) [REDACTED]
- 9(2)(f)(iv) [REDACTED]

Summary

20. Current NCEA qualification design features and settings are not sufficiently aspirational and allow for a level of flexibility which undermines the robustness of the qualification.
21. Based on student participation and attainment data, NZQA considers that NCEA does not incentivise schools and students, by default, to engage in coherent programmes of learning.

22. 9(2)(f)(iv)

23. 9(2)(f)(iv)

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1. Assessment

1.1. Budget 25 initiatives

National Certificates of Educational Achievement and Scholarship Delivery (\$10m)

This bid helps to bridge a historic funding gap for the delivery of a range of NCEA and NZ Scholarship services. NZQA will spend the one-off funding on:

- Implementing NCEA changes requested from the Minister and the Ministry, and supporting schools and kura to adapt to these changes:
 - Strengthening quality assurance of school internal assessment, including strengthening the nature and amount of moderation.
 - Increasing training and support for schools and teachers around internal assessment.
 - Completing the critical upgrade work for learner, school and tertiary provider portals that ensure learners and teachers have easy access to records of achievement and other key information.
 - Piloting accessibility technologies, including text-to-speech, across NCEA end-of-year external assessments to increase accessibility to all.
- Internally, to support the above changes, we will also be:
 - Managing the increasing costs associated with digital services, including digital assessment platform costs and the costs connected to increased use; the costs of continuing dual paper and digital delivery modes for NCEA (both options are currently available to students); exploring the use of emerging technologies, such as AI, to improve efficiency and effectiveness of end-of-year examinations.
 - Increasing salary costs (required due to the new Collective Employment Agreement).
 - Increasing IT licensing costs, which are driven by inflationary pressures.

Specialist Workforce – Wages and Human Resource Costs (\$7m)

- This funding enables NZQA to maintain the current pay rates for its circa 10,000 contracted and employed specialist workforce who develop assessment materials, mark and moderate assessments for the NCEAs, (including the co-requisite assessments), and New Zealand Scholarship as well as those who support the supervision of end of year assessments. It also ensures NZQA can operate and maintain the HCM system required to support this specialist workforce.

1.2. Digital assessment

- NZQA has worked with its vendors to improve the capacity and performance of the digital assessment platform, which performed well for the 2024 end-of-year examinations and May 2025 co-requisite events.

Digital uptake

- In 2025, 69 of 97 NCEA examination sessions and 8 of 28 New Zealand Scholarship subjects will be available digitally. When schools enter their students for examinations, they specify whether the entries are for digital or paper assessment.
- Engagement in end-of-year digital assessment has been gradually increasing since 2016. By the end of 2024, 59% of students participated in at least one end of year digital assessment, up from 49% in 2023.

1.3. Shortened timeframes for NCEA co-requisite results release

- Work to reduce the timeframes of results release for the May assessment event has included using Automated Text Scoring (ATS) for the Writing assessment, changes to the Numeracy assessment to allow for more machine marking, and process and system improvements across all assessments.

- For the May assessment event, NZQA is on track to reduce the timeframe for the release of the Writing, Numeracy and Te Reo Matatini me te Pāngarau assessments from 9 to 6.5 weeks; and from 7 to 3.5 weeks for Reading (which is entirely machine marked).
- The learnings from the May assessment event will be used to further refine NZQA's approach for the August-September 2025 co-requisite assessment event.

1.4. Strengthening NCEA

- NZQA is working closely with the Ministry of Education on advice to the Minister of Education around possible changes to NCEA, including activities to strengthen the new qualifications.
- As part of the \$10m Capability Investment Programme (CIP) funding received for Stabilisation of Core IT Systems and NCEA Service Delivery, NZQA is undertaking work on strengthening quality assurance of school-based assessment towards NCEA.
- Additionally, NZQA is developing an Intervention Framework to identify schools and kura that may require support to improve assessment practice. This will be based on evidence such as Managing National Assessment Reports, problematic external moderation agreement rates, outlier reports, and targeted verification outcomes.

1.5. Special Assessment Conditions Review

- A review of SAC is underway, with completion by the end of June 2025. The review will provide evidence-based recommendations and may identify opportunities to refine or strengthen SAC provision.
- While the review of SAC is underway, the optional Level 1 Notifications Gateway trial¹ has been extended from 2024 into 2025. Targeted investigations are being undertaken, to ensure it is being used appropriately.
- A new performance measure has been introduced to ensure schools are applying NZQA's SAC policy correctly. This includes auditing SAC applications and the supporting school-based evidence to verify the appropriate use.

1.6. Emerging Technologies and Assessment Authenticity

- Building on existing processes and systems and given the rapid pace of technological change, particularly with emerging technologies such as AI, NZQA is developing a programme of work to address emerging risks to support authentic student achievement.
- This phased, program will integrate people, processes, and technology. It includes pilot testing, policy review, system upgrades, and assessment design, drawing on international best practices and embedding principles like Universal Design for Learning and AI literacy to ensure a secure, equitable, and future-ready assessment system.
- In conjunction with NZQA, the Ministry of Education, has also recently updated their Gen-AI guidance for schools (see <https://www.education.govt.nz/education-professionals/schools-year-0-13/digital-technology/generative-ai/>.)

1.7. NZ Scholarship Subject Review

- The biennial review of the list of NZ Scholarship² subjects is underway, with public consultation from 9 June to 11 July. These reviews ensure that subjects assessed are relevant, meet the Government's goals and the sector's expectations

¹ 1. The Notification Gateway allows schools and kura to notify us of SAC accommodations for students engaging with NCEA Level 1. Schools continue to collect evidence to support their decision making but only need to provide it to NZQA if they are audited.

2. The standard SAC application process remains in place for students sitting NCEA Level 2, Level 3 and New Zealand Scholarship. Schools may also continue submitting applications for NCEA Level 1 if they prefer a NZQA decision.

² The New Zealand Scholarship (Scholarship) assessments extend New Zealand's very top students and provide the Scholarship Award recipients with recognition and monetary reward during their domestic tertiary study

- Any proposed changes to the List will be discussed with our Technical Overview Group Assessment³, and the NZQA Board will then make final decisions. Any changes to the List will apply from 2027. The sector will be notified of the outcomes in October.
- The List will progressively reflect changes arising from the Strengthened NCEAs and the implementation of the refreshed national curricula and Phase 5 subjects.

2. Quality assurance

2.1. Implementing changes to the qualifications system

- The Education and Training Act 2020 introduced two new education products – skill standards replacing unit standards over time, and micro-credentials replacing training schemes. The Act changes required new rules and operational policy processes to be introduced.
- As at the end May 2025
 - 541 new skill standards have been listed on the Directory of Assessment and Skill Standards.
 - 600 new micro-credentials have been listed on the New Zealand Qualifications and Credentials Framework (NZQCF).

2.2. Pastoral Care of Tertiary and International Learners (the Code)

- The Education (Pastoral Care of Tertiary and International Learners) Code of Practice 2021 (the Code) supports the wellbeing and safety of tertiary and international learners enrolled with NZ education providers.
- NZQA has delegated responsibility to UNZ for monitoring how universities are giving effect to the Code. A full self-review of all Code outcomes was undertaken by universities in 2024.
- Te Pūkenga business units have completed Code self-reviews, and a single combined self-review report is being prepared. Te Pūkenga is on track to provide their attestation (and a copy of the report) by 31 July 2025.
- No statutory actions for non-compliance have been taken under the current Code.

2.3. NZQCF Review

- This workstream has been completed after extensive engagement and public consultation in 2024.
- Rule changes to support updates to the New Zealand Qualifications and Credentials Framework (NZQCF) have been signed by the Minister and were presented to the House on 21 May. The Rules will come into force on 1 July.
- New level descriptors for Communication Skills, Collaboration, and Critical Thinking have been introduced to the NZQCF, and the visual depiction of the framework and technical booklet have been refreshed.
- We have included additional Rule changes to reduce English language requirements and reduce financial reporting requirements for Private Training Establishments.

2.4. Quality Assurance Framework redesign

- In 2024, NZQA completed public consultation on proposals for the high-level design of an integrated Quality Assurance Framework (iQAF). Overall, the key components of our proposals were well-received, with many submitters interested in the details of how the new framework would work in practice.

³ TOGA provides independent advice to NZQA on technical issues related to the assessment of NCEA and New Zealand Scholarship, supporting us to ensure fair, valid, and consistent national assessment for students

- NZQA has further developed the iQAF rules, tools, and processes in preparation to consult on that next level of detail later in 2025 before implementation from the start of 2026.

3. People

3.1. HCM - Human Capital Management System

- Significant HCM system improvements were scoped, planned and delivered at the beginning of the year, ahead of the opening of our 2025 Specialist Workforce recruitment process.
- The system improvements targeted HCM system performance, including latency. The improvements also focused on addressing significant feedback we had received about user experience, both for internal NZQA staff and external Specialist Workforce users.
- There was an extensive refresh of our supporting documentation and resources provided to better support both internal NZQA staff and our Specialist Workforce staff to better navigate and use the HCM systems.
- We continue to receive positive feedback from our Specialist Workforce on our improved system experience and streamlined onboarding process.

3.2. Workforce: contractors / consultants

- At time of writing, our Specialist Workforce recruitment and onboarding is considerably ahead of what NZQA has achieved any year previously.
- Recruitment for our Specialist Workforce Contractors (Markers, Examiners etc) has been completed for 2025. Approximately 2600 Specialist Workforce Contractors were recruited.
- Recruitment for both Exam Centre Managers (ECMs) and Exam Centre Officers (ECOs) opened significantly earlier in 2025. Onboarding for ECMs commenced 1 June, with ECO recruitment commencing on 1 July. This was a deliberate decision to ensure that there is sufficient time available to recruit, onboard, train and vet all exam staff.
- We remain on track to have ECO recruitment finalised by 30 September, prior to the first exams commencing on 4th November.
- Weekly reporting is provided to NZQA leadership and key Specialist Workforce SMEs each Friday tracking the SWF recruitment and onboarding progress. This reporting also highlights any trends and escalates any emerging issues to promote cross-org collaboration and transparency.

FTE numbers for 2025/26

- As of 30 April 2025, NZQA had 459.7 FTE (filled), this has reduced from 30 June 2024 where the FTE number was over 480.
- Approximately 66% of FTE in 2025 are in frontline roles.
- NZQA's staffing is predominantly permanent with just under 4% of staff being temporary / fixed term.

Workforce - diversity

- As of 31 March 2025, NZQA's workforce was 10% Māori and 7% Pacific (compared to 46% European, 16% Asian, 2% Middle Eastern Latin American & African, 5% 'other' and 27% undeclared).
- NZQA has a DEI Plan to ensure we offer an inclusive environment that respects and values the unique perspectives and contribution each of our employees brings.
- NZQA has active Māori, Pacific, Chinese and Filipino employee-led networks who meet regularly for professional development activities and support NZQA goals and aspirations. In addition, NZQA empowers employees to celebrate seasonal events through a social club and an active H&S Committee who run a schedule of activities to promote employee wellbeing.
- NZQA continues to promote and celebrate Te Reo Māori and a range of Pacific languages throughout the year.

Contractors & Consultants (C&C)

- C&C costs includes expenditure on both business-as-usual and projects activities.
- C&C expenditure reduced from approximately \$14.7m in 2023/24 to the latest forecast of \$9.8m for 2024/25.
- For Budget 2025/26, C&C expenditure is expected to rise to c. \$16.8m, depending on the allocation of Projects budget to the C&C component of project costs. The allocation of project funding from Budget25 is yet to be finalised at the time of writing, and will be the outcome of more detailed project planning in due course.

4. Corporate

4.1. Artificial Intelligence update

- NZQA has successfully released the GenAI chatbot for international section of the public facing website. We are continuing to expand the Chatbot's capability to answer more complex and varied topics.
- Following the large-scale Pilot of using AI for automated text scoring (ATS), NZQA has started using the ATS to mark writing part of co-requisites assessment in May. The goal of ATS is to shorten the timeframe for results publication post assessments. NZQA will share an update next month on the outcomes of ATS.
- NZQA is working on a technical proof of concept to convert programming code into clear and structured requirements using AI, thereby reducing the time commitment on subject matter experts and improve efficiency. NZQA's bespoke legacy application (eQA) has over a million lines of code, some of which were developed more than a decade ago.

4.2. Board Strategy / progress

- NZQA is focused on four core objectives. All are progressing as outlined below:
 - Perform core functions well, supported by strong corporate infrastructure
 - iQAF implementation (discussed above) nearing end of design stage.
 - Progressing work towards October 2025 10-year Board Strategy session and associated long-term strategy, measurement reset and business planning.
 - Utilise right touch, right size regulation that balances the needs of all stakeholders
 - Regulatory review identified a series of shifts (impact-led, anticipatory, adaptive) NZQA will make to evolve its regulatory practice.
 - Improve stakeholder understanding of qualifications and credentials
 - Leverage digital solutions to increase business efficiency and quality.
 - STEP progressed final business case and initial work stage
 - Trialling use of technology to reduce time to mark literacy and numeracy assessments

4.3. Complaints

1. Complaints received via the NZQA website and Contact Centre
 - In the 2024/25 financial year to date, the NZQA website and Contact Centre received 283 complaints. On average, 74.8% of the total complaints received were resolved within 10 working days. 72 (25.2%) complaints were resolved outside the 10-day window. The average time overdue for these 72 complaints was 9.5 days, due to complexity of issues raised or detailed research required.
2. Quality Assurance Division:
 - NZQA is implementing changes to its process for responding to concerns about education providers. These include:
 - Making it easier for learners and other members of the public to notify NZQA of concerns through its website

- Prioritising NZQA resources to higher value tip-offs by more effectively triaging incoming information.
- All information provided to NZQA by third parties will continue to inform our quality assurance activities and build our understanding of provider capability.

4.4. Fiscal sustainability

- Fiscal sustainability has been and will continue to be a major focus for NZQA Management and Board for 2025/26 and future years.
- NZQA's revised forecast (in Mar 25) is a net surplus of \$1.8m, comprising operational net surplus of \$0.47m, and Projects net surplus of \$1.36m. The latter in part is due to the deferral of CIP project expenditure of approx. \$2.4m to 2025/26. NZQA anticipates that the net surplus may improve to c. \$3.0m by the end of the financial year.
- The Financial Stabilisation Plan (FSP) action points have been progressing well, and some cost saving commitments have already been achieved in the current year e.g. vacancy management and operational expenditure savings in travel and contractors/consultants. There are plans in place to achieve all FSP financial action points, even though some planned activities are subject to confirmation of final value and timing. The planned FSP targets of a \$5.6m improvement (excl \$1.0m SWF funding confirmed in Budget25) are included in the Budget financial results – made up of Personnel (-\$2.75m), 3rd party fees (+\$1.25m), Exam WF (-\$1.0m) and Opex (-\$0.6m).
- The success of the Budget25 bids secures FY 2025/26, and NZQA has been able to plan for a 'balanced' Budget for 2025/26 with a small overall net surplus of \$0.1m. More importantly, the Budget estimates an operational net surplus of \$2.6m before Projects.
- [REDACTED] NZQA is analysing the possible implications impacts of different scenarios and modelling the likely financial impacts of revenue generation & cost savings actions that may be take.
- The risks to achieving a balance budget in 2025/26 and the outyears remain similar: mainly related to increasing salary and wage cost pressures for our staff and the exam/Specialist WF, rising inflationary pressures esp. for IT related costs, [REDACTED]
[REDACTED] There is also some pressure from systems remediation work (i.e. HCM Capex spend c. \$1.0m).
- NZQA's Cash and Reserves positions (both c. \$15.0m) remain strong for 2025/26, but will deteriorate in the outyears to fall below the Financial Reserves policy targets (c. \$10.0m) in by the end of 2026/27, if not mitigated.
- NZQA's fiscal sustainability into the future is highly dependent on the effective management of ongoing operational and project related costs, the achievement of a number of the financial FSP action points, and the Govt's full or partial support of NZQA's three budget bids in 2025.

4.5. Financial Stabilisation Plan (FSP) / Letter of Expectations

- All 11 FSP actions are tracking well. We are now on track to meet the target for four of the five initiatives with financial targets. It is too early to quantify whether the remaining financial target (increasing third-party charges) will be met, however work is underway, including a Cost Recovery Guidance document, which will be shared with the sector by July 2025.

4.6. Stabilising core systems to support service delivery

- NZQA continues to make good progress in stabilising its core systems. The development and upgrade of the cybersecurity library are progressing well, along with the system configurator, in alignment with the established end-to-end blueprint.

- NZQA completed a target architecture for the future business intelligence reporting to securely publish data both internally and externally. It improved access to support decision-making, more efficient and standardised data sharing, and a scalable foundation to meet future needs.
- NZQA continues to expand automated test coverage for the digital exam platform, enabling faster testing of quarterly code releases and ensuring that high-priority business tests are consistently executed.

Strategic Technology Enhancement Project (STEP)

- Budget25 confirmed funding for the STEP Establishment Phase, and we are now progressing with procurement for the key deliverables for this project, including Organisation Master (to manage organisations and key contacts that transact with NZQA) and the Solver proof of concept (that will support the calculation of awards including Qualifications Checking for NCEA).
- The Gateway Review will take place in July to review the draft of the Detailed Business Case. This will be Gate 2: Delivery Strategy. This will support NZQA to submit it to The Treasury by November 2025.

4.7. Work with the Ministry for Regulation

- Worked with MfR to identify regulatory principles noted above
- Will work with MfR on an advisory basis during implementation