

Quarterly report to the Minister

Cumulative report for the period 1 July 2022 – 31 March 2023



Mana Tohu Mātauranga o Aotearoa
New Zealand Qualifications Authority

Introduction

This report describes our progress for the period of 1 January 2023 – 31 March 2023 towards the strategic intentions and goals described in our accountability and strategy documents:

- He tauākī whakamaunga atu | Statement of Intent (SOI) 2022/23 – 2025/26
- Te tauākī kawatau o ngā mahi | Statement of Performance Expectations (SPE) 2022/23.

NZQA’s vision is Qualify for the Future World - Kia Noho Takatū Ki Tō Āmua Ao.

Our services enable learners to qualify for the future world. This is not a static one-off achievement as the future of work demands lifelong learning. The two outcomes included in the SOI to support this vision are:

- Relevant qualifications and credentials
- Trusted assessment and quality assurance.

NZQA also has a focus on equity for Māori, Pacific and disabled learners, as well as learners with additional learning needs, and learners who experience socio-economic disadvantage.

The format of this report

The non-financial performance section of this report follows the layout of the Outcomes framework described in the SOI. The topics reported within this structure may vary across the year.

Table of Contents

Introduction	2
Part A. YTD service performance updates aligned to the 2022/23 - 2025/26 Statement of Intent	3
Overview	3

Relevant qualifications and credentials	3
The qualifications system is responsive to the needs of industry, iwi/hapū, communities and learners, with increasing use of mātauranga Māori in qualifications.....	3
Barriers to qualification recognition and mobility are reduced.....	3
Trusted assessment and quality assurance	4
Credible assessment and aromatawai practices support high-quality learning and achievement.....	4
Assessment and aromatawai practices adapt to the changing needs of learners, community, and industry	5
Credible quality assurance supports high quality teaching, learning, aromatawai and assessment.....	9
Quality assurance adapts to the changing needs of learners, community, and industry.	11
Support our people and customers and continue to build organisational capability	12
Mapping Outcomes framework components to priorities described in the May 2021 Letter of Expectations	13
Part B. YTD results and commentary for measures from the 2022/23 Statement of Performance Expectations	14
Part C. Financial performance	16
Financial KPIs.....	16
Consolidated Financial Report	16
Commentary: NZQA Overview against Forecast.....	16
Balance Sheet.....	18
Cash Flow Statement	19

Part A. YTD service performance updates aligned to the 2022/23 - 2025/26 Statement of Intent

Overview

During quarter three we have achieved a number of significant milestones including the new NZQA Rules coming into effect and commencing the digital scale up project with the Ministry of Education (MoE), Network for Learning (N4L) and Creative HQ. A key outcome of this project is to significantly increase participation by schools and kura in digital external assessment in 2023 and 2024.

We also advanced the review of the New Zealand Qualifications Credentials and Framework (NZQCF), continued to grow the reach of our National Certificate of Educational Achievement (NCEA) engagements across all our channels, and strengthened key messages regarding NCEA Online, changes to NCEA, and Special Assessment Conditions.

We interacted with around 4,000 people during Polyfest 2023 and Pasifika Festival 2023 and an estimated 2,100 interactions at Te Matatini.

Currently we are developing an end-to-end digitised process for managing NCEA submitted material that learners create, and the schools submit to NZQA for marking.

The March YTD financial result is a deficit of \$4.1 million, which is favourable against the budget deficit of \$5.1 million by \$1.0 million.

Relevant qualifications and credentials

The qualifications system is responsive to the needs of industry, iwi/hapū, communities and learners, with increasing use of mātauranga Māori in qualifications.

Approve qualifications, credentials, and their components

A suite of new NZQA Rules came into effect from mid-January 2023. These included Rules to support the new education products, and other changes following the introduction of the Education and Training Amendment Act 2022.

Standard setting bodies have started to develop products enabled by the new Rules including skill standards, micro-credentials, and New Zealand programmes.

NZQA is now working with Workforce Development Councils and others to develop guidance and tools to support high quality applications.

Weave mātauranga Māori into the qualifications system

NZQA has reviewed the New Zealand Qualifications Credentials and Framework (NZQCF) to make it more relevant to the changing world of work and reflecting the needs of all learners. Under guidance, te ao Māori has been woven through the NZQCF and it is proposed to include mātauranga Māori in the design and delivery of qualifications, where this is appropriate, over time.

NZQA has drafted a consultation paper and revised the NZQCF technical document. Subject to Cabinet endorsement, we intend to consult for a period of six weeks.

Barriers to qualification recognition and mobility are reduced.

Support the recognition of New Zealand qualifications overseas through NZQA's bilateral and multilateral qualification recognition work and participation and engagement in relevant international fora

NZQA hosted a delegation from the Australian Government Tertiary Education Quality and Standards Agency Higher Education Integrity Unit.

The Integrity Unit met with officials from MoE and Universities New Zealand (UNZ) as well as staff from across NZQA.

We are forming an action plan to support learners and providers to prevent cheating in assessments. NZQA is an active participant in the recently launched Global Academic Integrity Network, set up to tackle commercial cheating operations, and protect students, qualifications, and the integrity of national education systems.

Timely access to and transparent recognition of overseas qualifications in New Zealand

We evaluated 3604 applications in quarter three. 97% of qualifications evaluated were able to be recognised.

Application volumes received this quarter are still high but have stabilised. We are making good progress clearing the significant surge of applications received in October and November in quarter two, by employing additional staff, undertaking overtime and continuing to review and improve our business processes.

Trusted assessment and quality assurance

Credible assessment and aromatawai practices support high-quality learning and achievement

External Assessment Cycle Management

The 2022 end of year NCEA and New Zealand Scholarship examinations were held from 7 November to 2 December 2022. They involved:

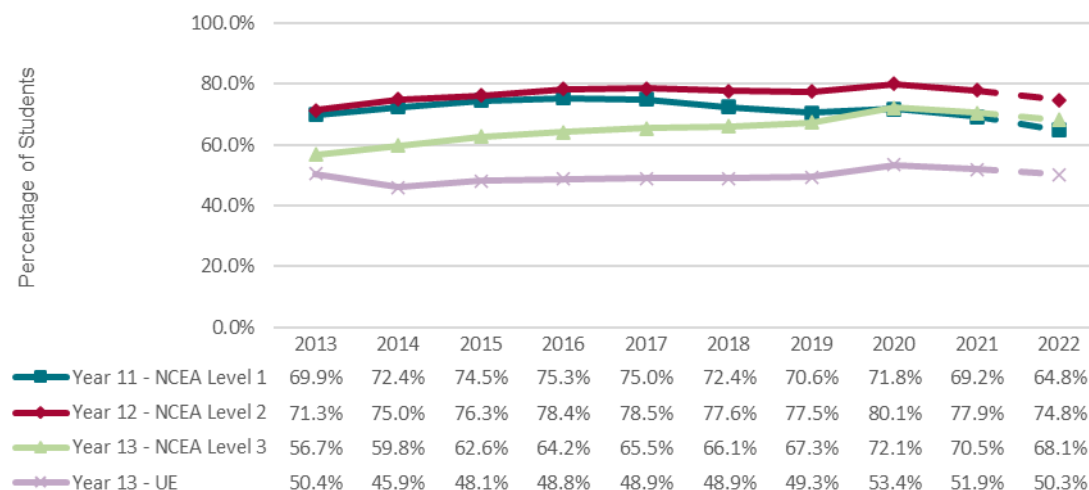
- 140,000 ākonga/students
- 129 examination sessions, including 69 online examinations
- 458 exam centres in kura and schools, including seven in the Cook Islands, one in Niue, three in prisons and three in Regional Health Schools
- 68 exam centres with 70% or higher ākonga Māori, 17 of which were established in 2022
- 1.7 million printed examination booklets
- 6,000 examination centre staff
- 1,500 markers.

NCEA results were released to students on 17 January 2023, with marked NCEA exam papers returned to them on 24 January. New Zealand Scholarship results were released on 8 February and students were able to view their scripts from 9 February. Final analysis of the data will be completed in April 2023.

2022 Provisional NCEA and University Entrance (UE) attainment

Provisional enrolment-based statistics show that overall attainment is lower than final attainment in 2021, when Learning Recognition Credits are included (refer to Graph 1).

Graph 1: Overall NCEA and University Entrance attainment (2013-2022), as at 3 March 2023



Note: 2022 attainment is provisional. Attainment rates usually increase by one to two percentage points between January provisional and April final reported figures.

Compared to 2019 (last year unaffected by COVID-19) we expect final attainment for:

- NCEA Level 2 is slightly lower than in 2019
- NCEA Level 3 is slightly higher than in 2019

- UE is similar to 2019.

Final attainment of NCEA Level 1 Year 11 students has been trending downwards for several years, as an increasing number of schools are not offering a full NCEA Level 1 assessment programme. It's not compulsory to do any level of the NCEA. Schools and kura determine what is best for their learners. An initial proposal as part of the NCEA Changes consulted on (based on advice from the Minister's NCEA Advisory Group) was to remove NCEA Level 1.

Once statistics are finalised, Māori and Pacific attainment is predicted to be similar or slightly below 2019. In particular, Year 12 NCEA Level 2 and Year 13 UE attainment for Pacific students will be lower than in 2019.

External Assessment Cycle Management – COVID 19 mitigations

For 2023 students can be awarded their qualification earlier in the year, outside of the normal annual cycle. This is to support students where learning extended into 2023. Once awarded their qualifications, students will be able to commence further study or employment without necessarily needing to attend school for a full academic year.

In March 2023, kura and schools were advised that Learning Recognition Credits are not expected to be required for ākonga/students in 2023. This is because any ongoing impact of COVID-19 can be managed through the flexibility of NCEA and usual processes for managing disruption. Together with MoE, we will monitor the situation throughout the year.

Having equity at the centre and supporting all ākonga to access quality pathways are included within the principles taken into account when developing options for COVID-19 mitigations.

Top Art Exhibition 2023

The 2023 Top Art exhibition opened on 27 February at Massey University in Wellington and will travel around the country until September 2023. This annual

touring exhibition showcases Visual Arts portfolios from students who achieved Excellence in NCEA Level 3 last year. The portfolios cover five fields of Visual Arts: design, painting, photography, printmaking, and sculpture. The Top Art tour schedule is available on the NZQA website¹.

Assessment and aromatawai practices adapt to the changing needs of learners, community, and industry

Special Assessment Conditions

In December 2022, MoE and NZQA agreed to implement actions which support three interdependent objectives of the Special Assessment Conditions (SAC) Action Plan:

- coherently use UDL to strengthen the inclusive design of NCEA assessment processes and associated systems, tools, and resources
- transition from the current approvals model of SAC to a more equitable, responsive, and sustainable non-approvals model – to align with the progressive roll out of the new standards
- enable schools and kura to strengthen their own capability in the inclusive design of teaching and assessment in NCEA supported by timely access to learning support services such as Resource Teacher: Learning and Behaviour.

This will include processes that will:

- wind down the SAC application system over three to five years
- address the assessment needs of a small number of students whose disabilities mean that they may require additional support
- allow schools to notify NZQA of additional provisions needed for students for external assessments and examinations being managed by Examination Centre Managers.

¹https://nzqa.sharepoint.com/sites/OrganisationalPerformanceReporting/_layouts/s/15/guestaccess.aspx?share=EcWNsT5NYfJBkrxIRzwo0KcBeyaFGvAisYMHa597xuKyOg&e=mhO7CN

To address the perception that the SAC application process can be taxing for kura and schools, NZQA is finalising the roll out of the SAC Notification Gateway from October 2023. This will then be available for NCEA Level 1 ākongā / students in 2024. This transition is designed to reduce the administrative burden on schools applying for SAC.

We are delivering a package of workshops to school and kura staff around the country throughout 2023, with seven being delivered by the end of Term One (February – April). The three focus areas are:

- to upskill Special Education Needs Coordinator (SENCOs) about the processes for managing SAC for assessment of the co-requisite standards in literacy and numeracy
- signalling future changes to the provision of SAC in alignment with the SAC Action Plan refresher training on SAC processes and an introduction to SAC administration for new SENCOs.

The focus for NZQA is to increase SAC applications from Māori and Pacific learners, at a rate that is equal or greater than that of their peers. This is reflected in our SPE measures.

NCEA Change Programme

Together with MoE, we continue to implement the NCEA Change Programme. The first external digital assessments, for new New Zealand Curriculum and Te Marautanga o Aotearoa achievement standards, commenced in late July 2022 and continued throughout Term Three. Highlights include:

- a successful small-scale test involving the use of audio and headphones in a Japanese pilot assessment
- trialling text to speech functionality in the Literacy and Numeracy Standards
- supporting learners to provide recorded oral responses to external assessments instead of typed responses
- participation in external digital assessments by Cook Islands and Niue students.

Results for completed assessments were released in August and September.

We have developed a journey map for schools and kura that charts their path towards delivering intra-year external assessment. This resource will help them understand key decision points and activities associated with assessment delivery. A schedule for the delivery of external digital assessments for pilots in 2023 has been developed and communicated to kura and schools.

Supporting increased participation in digital external assessments

While the NCEA Online programme has transitioned to business as usual, increasing participation in digital external assessments remains a key focus. During August and September 2022, N4L were engaged to undertake free assurance checks of network infrastructure for targeted kura and schools. The purpose of the checks is to provide kura and school with confidence about the capacity, reliability, and security of network infrastructure. A total of 129 schools completed the assessment checks.

Digital participation by schools in the realm² countries was a focus in 2022. In August, two NZQA staff members provided training and support on external digital assessment tools to Cook Islands pilot schools. The seven schools involved in the training have all opted to use the digital platform for the Literacy & Numeracy assessment session in September 2023.

NCEA Change Programme – Literacy and Numeracy | Te Reo Matatini me Te Pāngarau

Results for Literacy and Numeracy pilot assessments completed in June and in September 2022 were released to learners and their providers in late August 2022 and late November 2022 respectively. Results are presented in the tables below.

² https://en.wikipedia.org/wiki/Realm_of_New_Zealand

³Table 1: Results Literacy and Numeracy pilot assessments from 2022

Results	Standard	Reading	Writing	Numeracy
June	All students	9,386	8,855	13,441
	Achieved (n)	6,016	3,029	7,512
	Achieved (%)	64.0	34.2	55.9
September	All students	11,022	12,299	15,526
	Achieved (n)	6,418	5,688	8,899
	Achieved (%)	58.2	46.2	57.3
Overall 2022	All students	18,420	17,583	25,535
	Achieved (n)	12,388	8,752	16,371
	Achieved (%)	67.3	49.8	64.1

Table 2: Results Te Reo Matatini me Te Pāngarau from 2022

Results	Standard	Te Reo Matatini (Literacy)	Pāngarau (Numeracy)
June	All students	38	95
	Achieved (n)	9	17
	Achieved (%)	23.7	17.9
September	All students	124	149
	Achieved (n)	54	45
	Achieved (%)	43.5	30.2
Overall 2022	All students	143	186
	Achieved (n)	63	61
	Achieved (%)	44.1	32.8

³ The total results on both tables are not a sum of the individual months as some students take these assessments more than once.

These pilots provide opportunities for improving overall assessment design, delivery and marking.

The assessments completed in 2022 involved the largest cohort to date engaging in a single assessment on Assessment Master, our digital assessment platform. This tested our processes to deliver the assessment through the platform and to provide support in the lead up to and during the assessment windows.

The design of the assessments is new and differs from assessments for achievement standards. We continue to include Māori and Pacific voices throughout the assessment design and development process and to build Universal Design for Learning principles into assessments. This is part of our focus on equity for Māori, Pacific and ākonga with additional learning needs, as well as the NCEA Change programme's goals of making NCEA more accessible and recognising the equal status of mātauranga Māori.

We are refining the process and the user experience ahead of the next assessment event in June 2023.

The scale of the 2023 pilots is larger than the 2022 pilot. Entries for the first assessment event in June 2023 have not yet been completed, however the 'Expression of Interest' list currently has 314 entries from schools, kura and tertiary institutions. This list is designed to act as an indicator for those who intend to assess in either assessment event this year.

Completed and marked assessments will not be returned to students in 2023. Instead, assessment items will be kept secure for:

- reuse in future assessments
- quality assurance of marking
- developing an item bank to support multiple assessment opportunities throughout a single calendar year.

Individual Feedback Reports will be made available to students who did not achieve the standard upon results release. The reports will show students and

teachers how students performed against each outcome and will assist teachers in deciding where to focus teaching and learning for that student.

Detailed feedback will also be provided to teachers in the form of Assessment Reports after each assessment, which will outline the strengths and weaknesses of the national cohort and provide recommendations areas of focus for teaching and learning.

Through this programme, we are:

- trialling assistive technologies as part of the Literacy and Numeracy pilots before rolling out across all digital externally assessed subjects
- applying the principles of UDL to assessment design to meet the needs of diverse learners
- minimising the need for special assessment conditions using assistive technologies and application of UDL for all learners.

Digital Assessment Service

At the end of the 2022 End of year assessments, 44,791 students participated across 371 exam centres participated in digital assessments. This is a 70% increase compared to 2021. Over 14,000 students sat NCEA Level 1 English on our digital assessment platform, marking the largest number of students using the digital assessment platform in one session.

Innovation in digital external assessment

In 2022, NZQA engaged with a small number of schools to trial text-to-speech applications with the digital external assessment platform.

Schools reported that students had positive experiences with the applications and with not being reliant on a reader/writers. NZQA is currently seeking expressions of interest from schools to participate in wider pilots of these applications for the literacy and numeracy assessments in June 2023.

NZQA and the vendor continue to update the digital external assessment platform to meet web accessibility standards. This will allow NZQA to be more assured of the student experience when using screen readers and other types of assistive technologies.

Digital scale up project

In mid-March, NZQA commenced the digital scale up project together with the MoE, N4L and Creative HQ. The ten-week project will focus on:

- understanding of decision-making approaches taken by schools and kura and options for influencing these
- identifying any non-school obstacles, especially in the area of technology, with recommendations for additional system-level interventions or supports as appropriate
- ensuring equitable access and opportunities for ākonga Māori, Pacific and disabled learners.

One key outcome of the project is a plan for all parts of the sector to significantly increase participation by schools and kura in digital external assessment in 2023 and 2024. Digital assessment also enables students who use assistive technologies to sit the exam in the same room as their peers.

We are focused on improving and tracking Māori and Pacific learner participation in digital assessment. This commenced with prioritising the learner voices of Māori and Pacific learners from 2019.

Meeting the unique needs of kura

NZQA continues to improve our products and services for Kura Kaupapa Māori. We have developed a culturally appropriate approach to the regulation of kura delivering assessment for qualifications. This new kaupapa is being tested in our Managing National Assessment (MNA) reviews of kura to help ensure ease of use and that it meets our requirements for confirming a kura's ongoing consent to assess.

Three kura-specific Leading National Assessment seminars were conducted in te Reo Māori for kura in Northland, Waikato, and the Bay of Plenty in response to sector requests.

NCEA workshops for Māori and Pacific whānau

NCEA Workshops continue to ensure that Māori and Pacific ākonga and their whānau have equitable access to quality information and resources to successfully navigate education and employment pathways essential to their success. We deliver both in-person and online workshops. Attendees tell us they

value the contextualised messages and the face-to-face opportunity to have their questions answered. Year to date we have engaged with just over 10,300 workshop participants.

We continue to grow the reach of our NCEA engagements across all our channels and strengthen key messages regarding NCEA Online, changes to NCEA, STEM and SAC.

[NCEA me te Whānau](#)

The overall count for NCEA me te Whānau workshop engagements as of 31 March 2023 was just over 5,200. We also had close to 1,000 social media connections and conducted an estimated 2,100 interactions at Te Matatini.

We will closely monitor workshop delivery against our 2023 target of 10,000 engagements. Of those who attended a workshop 97% reported an increase in their understanding of NCEA and 95% reported being more confident to support their tamaiti.

[NCEA ma le Pasifika](#)

The overall count for NCEA ma le Pasifika workshop engagements as of 31 March 2023 was just over 5,100 participants. Of those who attended a workshop 98% reported an increase in their understanding of NCEA and 98% reported being more confident to support their child.

We also had more than 2,100 social media connections via Facebook and Instagram.

We interacted with an estimated 4,000 people during Polyfest 2023 and Pasifika Festival 2023. The demand for NCEA ma le Pasifika workshops significantly increased due to our attendance at Polyfest and Pasifika Festival and we are on track to deliver the target of 10,000 engagements.

[Credible quality assurance supports high quality teaching, learning, aromatawai and assessment.](#)

[Aromatawai and the principles of assessment](#)

In August 2022, we released Aromatawai and the Principles of Assessment. The document is designed to support kura, schools and tertiary providers in

developing quality assessment and aromatawai practices. This also supports our aim to strengthen the sector's understanding of aromatawai, a teaching, learning and assessment approach underpinned by mātauranga Māori.

Work has begun to support Phase 2 of this project, to refresh current good practice assessment guidance to support quality assessment practice. The guidance will be methodology neutral, applicable across the NZQF, and act as an overarching 'umbrella' for best practice.

Phase 3 will involve working with providers to develop resources that exemplify quality assessment practice in a range of contexts. The assessment resources will be published online.

[Quality assure education organisations and the quality of teaching, learning and assessment](#)

We continue to provide assurance that education organisations are delivering high quality teaching, learning, aromatawai and assessment.

Assuring Consistency Workshops have been well attended, and often include education organisation staff new to the consistency review process. We are ahead of schedule in terms of the number of Assuring Consistency reviews conducted this financial year.

Similarly, the percentage of External Evaluation and Reviews (EERs) completed this quarter is higher than usual. This is a consequence of the high number of EER deferrals in 2021-2022, arising from COVID-19 impacts. We forecast a return to pre-pandemic volumes of EER in the next financial year.

Since 1 July 2022, all EERs at the scoping phase have been required to include information on the support for and performance of any disabled learners enrolled at the Tertiary Education Organisation (TEO). We are wanting to use this information to develop a deeper understanding of the range of supports available to disabled learners – as a core element of learner supports.

In our work to monitor compliance, we have assessed over 300 risk-related referrals since 1 July 2022. Of those referrals, approximately 200 have been concerns raised by learners looking for advice on their situation, and these were resolved quickly. The remaining referrals were handled with varying levels of intervention as:

- a risk issue - where non-compliance may not have occurred, but a risk exists
- a complaint - where students allege instances of non-compliance by their TEO
- an investigation - where alleged, suspected, or known non-compliance is followed up.

In this quarter we have opened four new investigations and closed three investigations. 17 open investigations into 12 TEOs will carry over into the next quarter.

Seventy per cent of the open investigations are the result of poor programme monitoring moderation outcomes, indicating the biggest risk to the sector is with delivery and assessment practice.

Our approach has been to engage with TEOs to implement actions that address the concerns identified. We track progress and re-assess the TEOs' delivery and assessment once the improvements have been completed. This approach has meant we have achieved TEO compliance without needing to take statutory action this year.

We have also received seven formal complaints about TEOs this quarter and closed eight.

We visited 136 kura and schools as part of the MNA review process. These include 95 kura and schools who had their visits rescheduled due to COVID-19 restrictions in 2020 and 2021.

After a three-year hiatus due to the impact of COVID-19, we conducted 19 systems checks of school processes for managing evidence collection for Derived Grades.

Schools must submit grades derived from practice assessments for all external standards their students are entered for in case their performance or attendance is impaired by circumstances beyond their control.

Ensuring schools have robust processes for conducting quality assurance for the derived grades they report to NZQA is part of the MNA review cycle.

Leading National Assessment Seminars

NZQA conducted online and face to face Leading National Assessment seminars in February and March. For 2023 the focus of these seminars was on school readiness for the implementation of the NCEA Change programme. Key messages about external digital assessments were also being presented. Feedback has been sought on the external digital assessment support requirements of schools and kura as part of these sessions to help us tailor our support in 2023.

Artificial Intelligence and academic integrity

NZQA has been exploring ChatGPT along with artificial intelligence (AI) code writers and image generators to better understand the impacts on internally assessed NCEA standards and on submitted subjects for externally assessed NCEA subjects.

AI is advancing at a rapid rate, with Microsoft and Google announcing the addition of ChatGPT-like technology to their search engines. AI has also been built into many software applications that students use regularly, such as MS Word, MS Excel and Grammarly.

NZQA has released a new online learning module for assessors called 'Tāku Reo, Tāku Mahi' (My Voice, My Work) which is based on NZQA's Aromatawai and the Principles of Assessment. It includes advice and guidance around academic honesty and integrity, plagiarism, and AI text and image generators.

Our next steps include continuing to monitor international developments, investigating the use of AI detectors or checkers for NZQA use, consulting with advisory groups and peak bodies, establishing an interagency working group, leading a national symposium on Assessment Design in the Age of AI, and keeping the sector updated.

Revise NZQA's quality assurance framework

Work continued this quarter on a review of our quality assurance approach for non-university tertiary education. We are considering the underpinning principles and key considerations for a revised quality assurance framework.

A sector advisory group established to support the review has met three times. The group includes members from workforce development councils, Te Pūkenga, wānanga, and private training establishments, as organisations which are quality

assured by NZQA. Other members include representatives from industry, employers, union groups, learners, and universities. The group's current focus is a review on all of the quality assurance principles. This will be followed by setting up targeted sub-groups, who will be asked to consider elements appropriate to their sub-sector.

NZQA is progressing interim quality assurance arrangements with workforce development councils and Te Pūkenga for 2023. Determining the ongoing quality assurance arrangements is a key aspect of the quality assurance review.

[Maintaining currency of NZQA-owned standards](#)

All Māori Qualifications Services and National Qualifications Services unit standards were maintained by 31 March 2023, as per the review cycle schedule.

[External moderation of internally assessed standards](#)

NZQA conducts external moderation of school-based assessment of internal standards. Our current moderation focus is on Level 2 and 3 standards, but we still accept Level 1 standards if requested by a school. The amount of external moderation was decreased in 2021 so that we could put more effort into building sector capability through our new Assessor Support programme.

All schools use the External Moderation App for making submissions. The submission of digital materials continues to increase and is now 82%.

COVID-19 affected our moderation turnaround times; however, this has now been addressed. Ninety per cent of moderation was completed within 20 days and 97% was completed within 30 days. The materials that are taking longer are either standards that are moderated by kahui or fono moderation panels or materials that need to be translated.

National external moderation for the 2023 academic year began on 1 March 2023. We continue to monitor schools affected by Cyclones Dovi and Gabrielle, especially those who need to courier physical materials. We can extend deadlines on a case-by-case basis and there is flexibility to moderate any submitted materials later in the year.

External moderation is focused on ensuring fair and valid internal assessment. Our equity focus is to ensure that all students have an equal opportunity to

achieve at all levels of the standard and that contexts are suitable for all students or ākongā.

[Quality assurance adapts to the changing needs of learners, community, and industry.](#)

[Tertiary education organisations and schools ensure the safety and wellbeing of learners](#)

NZQA has published its Code Administrator Plan for 2023, and guidance on the Code's new requirement for providers to record and publish complaint and critical incident data. We require tertiary providers to report 2022 data in their 2023 annual Code self-review report and to publish them on their websites.

Student accommodation monitoring has re-commenced, with an aim to complete site visits by the end of the financial year. Staff and students will be interviewed as part of the monitoring. We are working with Te Pūkenga and UNZ staff to ensure a consistent and joined up approach to this mahi across the sector.

We have promoted the Code to new tertiary learners and providers via a series of videos, flyers, and social media campaigns. We have trained Code Champions at six universities to promote the Code to learners on campus and off site. We aim to extend this project to the two remaining universities, plus the wider tertiary sector in 2023/24. We also attended Polyfest and the Pasifika festival to promote the Code to learners and their families.

[Provide insights from quality assurance on system performance](#)

This quarter we have continued to progress three insights papers.

The first paper focuses on the usefulness of qualifications in New Zealand. The paper will explore the value of existing qualifications on the NZQCF and consider how relevant stakeholder information and qualification usage data can contribute to enhanced qualification development, approval, and review processes. We are currently analysing the qualification data to inform the paper.

The second paper aims to illustrate real-world examples of good practice, through analysis of 94 EER reports. This paper is nearing publication.

The third paper involves three case studies of tertiary education providers at differing stages of their journey in weaving mātauranga Māori through their qualifications, programme delivery and overall approach. We have conducted

initial interviews and an onsite visit with one provider, with more interviews and provider visits to follow in April 2023.

Support our people and customers and continue to build organisational capability

Support and understand our customers.

NZQA has continued to engage with customers and seek feedback on the redesign of our website. This includes, particularly, Māori and Pasifika learners as well as using a partner who specialises in accessibility testing for disabled learners. Customers provided strong support for the website design and content. Their suggestions for improvements were incorporated before we went live with parts of the website. Further engagement is planned with customers during the next quarter.

Deliver quality services to customers.

NZQA is in the process of refining our chatbot, Awhina, so that it can be more responsive to customer needs. We intend to roll out the improved features in the next quarter.

Additionally, we are improving the digital engagement processes with schools by developing an end-to-end digitised process for managing NCEA submitted material that learners create, and the schools submit to NZQA for marking. This is currently a manual process that is a point of pain for schools. NZQA will be piloting the new digital process with schools in the next two quarters and subject to the pilot success, we will roll out the system out to all schools by the end of the year.

Mapping Outcomes framework components to priorities described in the May 2021 Letter of Expectations

	Themes from the Letter of Expectations that align to activities reported in this quarter								
	Equity	Te Tiriti o Waitangi	Customer voice	Future	System	Resilience	Student wellbeing	Delivering BAU	Data and information
Components from the Outcomes framework	Supporting equitable outcomes and addressing equity in the system	Honouring and giving effect to Te Tiriti o Waitangi and delivering on Ka Hikitia and Tau Mai Te Reo	Customer voice is central to what we do	Transforming NZQA and our frameworks for the future	Supporting system transformation	Supporting sector resilience	Supporting student wellbeing and success	Ensuring the delivery of business as usual	Enhanced collection, management and sharing of data and information across the system.
1 Relevant qualifications and credentials									
1.1 The qualifications system is responsive to the needs of industry, iwi/hapū, communities and learners, with increasing use of mātauranga Māori in qualifications	•	•	•	•	•		•	•	•
1.2 Barriers to qualification recognition and mobility are reduced	•	•	•			•	•	•	•
2 Trusted assessment and quality assurance									
2.1 Credible assessment and aromatawai practices support high-quality learning and achievement	•	•	•	•			•	•	•
2.2 Assessment and aromatawai practices adapt to the changing needs of learners, community, and industry	•	•	•	•			•	•	•
2.3 Credible quality assurance supports high quality teaching, learning, aromatawai and assessment	•	•	•				•	•	•
2.4 Quality assurance adapts to the changing needs of learners, community, and industry	•	•	•	•	•	•	•	•	•
Support our people and customers and continue to build organisational capability	•	•	•	•	•	•	•	•	•
Commitment to Te Tiriti o Waitangi	•	•	•	•	•		•	•	•
Equity focus	•	•	•	•	•	•	•	•	•

Part B. YTD results and commentary for measures from the 2022/23 Statement of Performance Expectations

	With YTD results available this quarter	Reported in a later period	Total
Performance measures from the SPE	30 (9 narrative results and 21 numeric - 25 on track, 5 not on track. Exception reporting below)	3	33

Exception reporting for performance measures

RAG	SPE measure	Standard	YTD result	Commentary
Red	Oc1(i) The proportion of survey respondents ⁴ who agree/strongly agree that the information they received from the New Zealand Qualifications Authority met their needs. <i>Appropriation measure</i>	75%	66%	The overall result for the 238 respondents who answered this question was 66%. For those respondents who identified as Māori (N=16) the result was 63%. For those respondents who identified as Pasifika (N=12) the result was 83%. The survey for this quarter is still in the field, so this is an interim result, but is unlikely to change substantially.
Red	2.2b(i) The rate of ākonga Māori and Pacific students participating in digital assessment is similar to or higher than their peers.	Upwards trend ⁵ : Māori: NCEA L1: 7.5%, NCEA L2: 8.9%, NCEA L3: 10.2%, Pacific: NCEA L1: 7.7%, NCEA L2: 6.8%, NCEA L3: 9.3%	Downward trend: Māori: NCEA L1: -9.0pp NCEA L2: -6.6pp NCEA L3: -7.4pp Pacific: NCEA L1: -13.8pp NCEA L2: -11.1pp NCEA L3: -11.3pp	Participation by Māori and Pacific students in external assessments as a whole, and digitally, has been affected by COVID-19 over the past three years. We have commenced the digital scale up project (refer to page 8).

⁴ Survey respondents are stakeholders including employers, education providers, students and families. Information received covers the full range of advice, data, communication and instruction that the New Zealand Qualifications Authority provides to its customers to support their relationship, business and interaction with it.

⁵ Numbers provided were from the 2019 examination cycle.

RAG	SPE measure	Standard	YTD result	Commentary
Red	2.2b(ii) The percentage of students that participate in digital assessment.	50% or greater	34.3%	42,623 students in Years 11 to 13, out of total 124,178, sat one or more digital assessments in digitally available standards. This is up from 24,743 students in 2021. Note, the current measure excludes students who sat a digital assessment for the 2022 NCEA Level 1 pilots and the Literacy and Numeracy Te Reo Matatini me te Pangarau pilots. Over 80% of students who participated in the Literacy and Numeracy Te Reo Matatini me te Pangarau pilots were in Year 10.
Amber	2.3a(i) The percentage of schools who progress from a 1-2 year Managing National Assessment (MNA) cycle based on evidence that the school has made the specified improvements. ⁶ <i>Appropriation measure</i>	60%	50%	Conducting MNA reviews recommenced post COVID-19 in early 2022. This means most 1- and 2-year cycle MNAs were completed as a priority in 2022 before the 2022/23 reporting cycle.
Amber	Oc3(iii) The percentage of respondents to our customer satisfaction survey who agree or strongly agree that NZQA services are easy to use.	70%	68%	The overall result for the 241 respondents who answered this question was 68%. For those respondents who identified as Māori (N=16) the result was 69%. For those respondents who identified as Pasifika (N=12) the result was 75%. The survey for this quarter is still in the field, so this is an interim result, but is unlikely to change substantially.

⁶ This measure reports on how schools are progressing in meeting their MNA plans. The previous measure was output focused, ensuring schools on a 1-2 year MNA cycle had a monitoring plan.

Part C. Financial performance

Financial KPIs⁷

Total Revenue	\$89,051,117	\$88,911,277
Total Expenditure	\$93,181,993	\$94,061,337
Net Surplus/(Deficit)	(\$4,130,876)	(\$5,150,060)
Cash against current debt ratio	3.56:1	1.10:1
Cash Available for Capital Investment (Excl future depreciation)	\$16,910,848	\$14,416,000
Net Capital Investment	\$5,936,035	

Consolidated Financial Report

	Month			Year to Date		Forecast	Full Year	Full Year
	Actual	Forecast	Variance	Actual	Forecast	Variance	SPE Budget	Forecast
	Mar	Mar	Mar	Mar YTD	Mar YTD	Mar YTD	2022/23	2022/23
REVENUE								
Crown Revenue	3,616,167	3,616,167	0	66,406,505	66,406,505	0	75,223,221	77,241,000
Fees And Charges	2,265,430	1,998,754	266,676	21,498,519	21,438,065	60,454	25,681,381	27,293,365
Interest Revenue	89,515	90,000	(485)	1,065,540	1,044,180	21,360	489,371	1,314,180
Other Income	50,000	-	50,000	80,552	22,527	58,025	595,041	22,527
Total Revenue	6,021,112	5,704,921	316,191	89,051,117	88,911,277	139,839	101,989,015	105,871,072
EXPENDITURE								
Personnel & Board	5,517,496	5,537,144	19,648	50,669,165	50,998,167	329,002	64,641,733	66,543,058
Specialist Workforce	512,579	635,490	122,911	8,670,267	9,097,421	427,154	14,267,229	11,539,479
Professional Services	1,828,792	1,427,535	(401,257)	14,785,681	14,416,079	(369,602)	10,506,334	18,398,516
Publ, Print & Distrib	71,757	250,486	178,729	3,662,878	3,851,231	188,353	3,774,133	4,245,180
Other Operating	1,381,947	1,707,541	325,594	13,166,089	13,493,590	327,501	17,294,676	18,459,979
Depreciation	206,608	198,747	(7,861)	2,227,913	2,204,849	(23,063)	2,886,488	2,799,120
Total Expenditure	9,519,178	9,756,942	237,764	93,181,993	94,061,337	879,345	113,370,593	121,985,332
Net Surplus/(Deficit)	(3,498,066)	(4,052,022)	553,955	(4,130,876)	(5,150,060)	1,019,184	(11,381,579)	(16,114,260)

Commentary: NZQA Overview against Forecast

The March YTD net deficit is \$4.131m against a forecast deficit of \$5.150m giving a favourable variance of \$1.019m.

7

Cash Available for Capital Investment equals Total Taxpayers funds less Non-Current Assets. This represents the amount of funding NZQA has available to invest in fixed assets, or other organisation development over and above current year depreciation. Target is a year-end target.

Net Capital Investment = Non-Current Assets

REVENUE

Revenue for March YTD of \$89.051m is favourable against the forecast of \$88.911m by \$0.140m (<1%), due mainly to following reasons:

- Examination Fees are \$45,875 lower than forecast. This is mostly due to a reduction in examination fees received from international students.
- ITP fees are \$0.142m lower than forecast. This is the result due to delays in completion of, and reduced number for degree applications. This is expected to reduce over the remainder of the financial year as the number of these applications increase.
- External Evaluation and Review is \$0.147m below forecast. This is due to short term deferrals and delays in some job completions.

This is offset by:

- Qualification Assessment Fees are \$0.358m higher than forecast, mainly due significantly higher than expected volumes of applications for the QRS scheme.
- NZQF Framework revenue is \$0.114m higher than forecast. This is driven by a higher-than-expected number of credits reported. It is anticipated that the overall credits for the year will likely to be comparable to the previous year, and
- The Interest received is \$21,360 higher than budget due to higher interest than anticipated due to changes in the official cash rates by the Reserve Bank.

EXPENDITURE

Expenditure for March YTD of \$93.182m is also favourable against the forecast of \$94.061m by \$0.879m (1%) due primarily to:

Personnel and Board is \$0.329m lower than forecast (1%).

Personnel and Board is below forecast due to ongoing vacancies within the Strategic and Corporate Services Division, largely in information services and customer experience roles (\$0.834m), and DCE Maori & Pacifica (\$0.102m) and Quality Assurance (QAD) (\$0.264m). These roles are more challenging to recruit given the IT skill requirement and their cultural nature.

Offsetting the underspend is an increase in staff costs across the new Qualification Recognition Services team to meet the surge in applications (\$0.760m).

Specialist Workforce is \$0.427m lower than forecast (5%).

Specialist Workforce is below forecast mainly across two areas:

- Examination and Moderation activity has been lower than expected, due to RAS work that has been delayed for both the moderation and the development of RAS standards (\$0.255m). Work is being rescheduled.
- ITP Quality Assurance fees are lower than forecast (\$0.152m) due to current levels of applications being managed by the team internally, rather than relying on external staff.

2022/23 Forecast

The first forecast for 2022/23 has now been finalised. This new forecast track reflects the salary movements from the bargaining round and updated technical volume assumptions across revenue and expenditure. The forecast has a \$16.114M net deficit position, an increase of \$4.733M from the budget of \$11.381M.

The increase in the forecast deficit is planned, being largely due to delayed project costs from 2021/22 that are now being incurred in 2022/23. These relate to the internally funded CxIP, Enterprise Content Management System and Customer Relationship Management System projects. Further, new funding for CxIP was approved by the Board subsequent to the finalisation of the SPE that is now being recognised in the forecast. Also increasing the deficit was an increase for anticipated salary movements.

Approximately \$2 million of previously budgeted costs have been deferred due to timing delays, and these costs will be carried forward to the 2023/24 fiscal year. The net overall forecast increase in deficit will be funded from accumulated reserves.

Balance Sheet

	Actual (\$000) 31st March 2023	Opening (\$000) 30th June 2022	Movement (\$000)
Current Assets			
Cash and Bank	3,334	3,965	(631)
Short Term Deposits	23,000	38,500	(15,500)
Debtors and Other Receivables	16,053	4,316	11,736
Total current assets	42,387	46,781	(4,394)
Non-current Assets			
Fixed Assets	4,447	6,190	(1,744)
Work in Progress	1,489	472	1,017
Total non-current Assets	5,936	6,662	(726)
TOTAL ASSETS	48,323	53,444	(5,120)
Current Liabilities			
Creditors and other payables	7,226	8,773	(1,547)
Provisions for employee entitlements	3,728	3,647	81
Deferred Revenue	1,500	670	830
GST Payable	173	525	(352)
Total current Liabilities	12,626	13,614	(988)
Non current Liabilities			
Provision for employee entitlements	864	864	-
Unclaimed Monies	3	4	(2)
Total non-current Liabilities	867	868	(2)
TOTAL LIABILITIES	13,493	14,482	(990)
Net Assets	34,830	38,961	(4,131)
EQUITY	34,830	38,961	(4,131)

Commentary: Balance Sheet

Most movements in accounts since 30 June 2022 are relatively small and expected with significant movements noted below:

- Cash and term deposits are down \$16.1M. Refer cash flow for further details.
- Debtors and receivables have increased by \$11.7M. This includes a \$10.8M increase in invoiced debtors, largely due to the invoices raised to the Ministry of Education for RAS funding. Prepayments have also increased by \$1M as a result of a large multi-year software contract.
- Fixed assets have decreased by \$1.7M reflecting computer equipment additions of \$0.5M less the \$2.2M year to date depreciation charge.
- The work in progress balance has increased by \$1M and largely reflects the capital costs incurred to date for the Qualification and Credentials Repository project.
- Creditors and payables have decreased by \$1.5M predominately reflecting an overall reduced level of secondary exam related accruals (albeit there are increases and decreases across various expense types).
- Deferred Revenue has increased by \$0.8M. This movement is driven by the increase in QRS volumes (as the number of unprocessed and in progress applications remains high).
- The movement in net assets is explained by the operating result to date.

Cash Flow Statement

ACTUAL AND FORECAST 2022/23	Mar YTD	April	May	June	Full Year
	Actual	Forecast	Forecast	Forecast	Forecast
Net Cash flows-Operating Activities	(14,628,811)	(2,859,660)	(2,972,293)	(3,024,558)	(23,485,323)
Cash Provided from:	78,144,905	5,497,627	5,870,518	5,499,637	95,012,686
Crown Revenue	66,406,505	3,435,417	3,782,917	3,616,161	77,241,000
Inter Department Revenue	-	-	-	-	-
Third Party Revenue	10,592,307	1,972,210	1,997,601	1,793,476	16,355,594
Other Income	80,552	-	-	-	80,552
Interest Revenue	1,065,540	90,000	90,000	90,000	1,335,540
Cash applied to:	92,773,716	8,357,287	8,842,810	8,524,196	118,498,009
Employees	49,972,793	4,450,085	5,108,238	4,874,591	64,405,707
Suppliers	42,800,923	3,907,202	3,734,572	3,649,605	54,092,302
Net Cash flows-Financing Activities	-	-	-	-	-
Cash was provided from:					
Crown-Capital Contribution	-	-	-	-	-
Cash was applied to:					
Crown-Capital Withdrawal	-	-	-	-	-
Net Cash flows-Investing Activities	(1,501,796)	(330,000)	(400,000)	(452,000)	(2,683,796)
Cash was provided from:					
Sale of Intangibles & Fixed Assets (FA)	-	-	-	-	-
Cash applied to					
Purchase of Intangibles and FA	1,501,796	330,000	400,000	452,000	2,683,796
Repayment of Capital Contribution	-	-	-	-	-
Net increase/decrease in cash held	(16,130,607)	(3,189,660)	(3,372,293)	(3,476,558)	(26,169,118)
Opening Cash	42,465,035	26,334,428	23,144,768	19,772,475	42,465,035
Closing cash balance	26,334,428	23,144,768	19,772,475	16,295,917	16,295,917
Statement of Financial Position					
Cash	3,334,428	3,144,768	3,772,475	3,295,917	3,295,917
Short-term deposits	23,000,000	20,000,000	16,000,000	13,000,000	13,000,000
Closing cash balance	26,334,428	23,144,768	19,772,475	16,295,917	16,295,917

Commentary: Cash Flow

Cash and term deposits at 31 March 2023 total \$26.3M down \$4.6M from the previous month. \$23M is held on term deposit with varying maturity dates to maximise interest revenue while ensuring sufficient liquid cash is on hand to meet immediate needs.