



Mana Tohu Mātauranga o Aotearoa
New Zealand Qualifications Authority

Quarterly Report to the Minister

Quarter 1 (1 July 2023 – 30 September 2023)

Introduction

This report describes our progress during the first quarter period of 1 July 2023 – 30 September 2023 towards achieving the strategic intentions and goals outlined in our accountability and strategy documents:

- He tauākī whakamaunga atu | Statement of Intent 2022/23 – 2025/26 (SOI)
- Te tauākī kawatau o ngā mahi | Statement of Performance Expectations 2023/24 (SPE)

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

The two outcomes included in the Statement of Intent to support this vision are:

- Relevant qualifications and credentials
- Trusted assessment and quality assurance

NZQA is committed to equitable outcomes for Māori as tangata whenua. We are also committed to equitable outcomes for Pacific learners, disabled learners, and learners from socio-economically disadvantaged circumstances. These commitments apply across NZQA's work, and underpin our deliberate equity focus on learners who face the greatest barriers to educational success through the compounding effects of disadvantage.

The format of this report

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

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Part A: Year to date performance updates aligned to the 2022/23-2025/26 Statement of Intent

Quarter One Highlights

During the Quarter 1 reporting period (1 July – 30 September) we:

- saw a continued large number of requests for the recognition of international qualifications with streamlined and simplified processes being introduced to enable us to meet our performance expectations;
- advanced our digital strategy via the more than 9,000 students from 115 kura and schools who participated in digital practice examinations between 4–22 September for Level One English, te reo Māori and te reo Rangatira; and
- released an Adverse Event(s) Framework in recognition that there are disruptive events which schools are unable to mitigate through the flexibility of NCEA alone. This puts in place a permanent approach rather than considering changes to the NCEA qualification each time there is an adverse event.

Relevant qualifications and credentials

We are working to ensure the qualifications system is responsive to the needs of industry, iwi/hapū, communities, and learners.

Approve qualifications, credentials, and their components

A suite of new NZQA rules came into effect earlier this year. These included rules to support two new education products, and other changes as a result of the Education and Training Amendment Act 2022 (the Act).

Skill standards have been introduced into vocational education as the common component of learning. Through teaching and assessing learners in programmes based on skill standards, employers, communities, and other end users can have greater confidence that graduates have achieved outcomes to a nationally consistent and common standard.

The first two applications from the Workforce Development Councils (WDC) for skill standards have now been submitted to NZQA for approval. We have also provided informal feedback to WDCs on 30 other skill standards in development. We are expecting a rapid increase in the number of skill standards in 2024.

The second new education product to be introduced through the changes to the Act, is New Zealand Programmes. New Zealand Programmes provide a common pathway to achieving a New Zealand qualification.

Standard setting bodies will collaborate with providers to develop a New Zealand programme, where an industry specifies the need for a programme that all providers must use. Two WDC-led initiatives are underway to develop New Zealand programmes and NZQA is preparing guidelines.

To assist standard setting bodies and tertiary education providers, we have published interim guidelines for the approval and listing of skill standards and separately, for the listing, approval, and accreditation of micro-credentials.

Weave mātauranga Māori into the qualifications system

NZQA has reviewed the New Zealand Qualifications and Credentials Framework (NZQCF) to make it more relevant to the changing world of work and to reflect the needs of all learners. 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.

Following Ministerial consideration of the draft document, NZQA intends to proceed to public consultation.

Barriers to qualification recognition and mobility are reduced

UNESCO Conventions

NZQA has led the process for New Zealand to ratify the UNESCO Global Convention on the Recognition of Qualifications concerning Higher Education (the Convention).

The Education and Workforce Committee completed an international treaty examination of the Convention in August

with New Zealand now in the final stages of ratifying the Convention.

The Convention is a multilateral international treaty, which establishes universal principles for fair, transparent, and non-discriminatory recognition of qualifications.

We are also working closely with Australia, the Holy See and UNESCO to finalise the agenda for the upcoming Asia-Pacific Regional Convention on the Recognition of Qualifications in Higher Education (Tokyo Convention) meeting to be held during November 2023 in Bangkok.

National Education Information Centre

Under the UNESCO conventions, NZQA is New Zealand's National Education Information Centre (NEIC). To ensure we are providing the most efficient service possible, we have analysed data from all email queries received through the NEIC between April and July 2023.

We received a total of 237 unique queries, approximately 80% of which were from people with overseas qualifications intending to come to New Zealand.

We will use insights gained from this analysis to refine the information we provide on our website, including frequently asked questions.

China

NZQA attended the 11th Joint Working Group on Education and Training meeting with China in August, co-chaired by the Ministers of Education from both countries, with NZQA speaking on quality assurance matters.

This was an opportunity to strengthen the long-standing relationship between the Chinese Service Center for Scholarly Exchange and NZQA, and to continue developing mutual understanding and confidence in each other's education systems.

Communicating NCEA changes to international stakeholders

In August, NZQA met with the Ministry of Education (MoE) and Education New Zealand (ENZ) to discuss the changes to the National Certificate of Educational Achievement (NCEA) arising from the NCEA Change Programme¹. Also, a communications plan was developed to support international stakeholders, as many international students plan their overseas study at least a year in advance.

During August we also presented on the NCEA changes to government representatives from Thailand.

List of Qualifications Exempt from Assessment

NZQA is working closely with the Ministry of Business, Innovation and Employment (MBIE) to develop a new List of Qualifications Exempt from Assessment (LQEA 2.0). This will support upcoming immigration policy announcements in October.

MBIE has contracted NZQA to provide a refined list of quality assured and recognised qualifications for immigration purposes only.

If the Immigration New Zealand visa a person applies for has requirements around qualifications, they may need to apply to have their overseas qualifications assessed. Most applicants

need to apply for an International Qualification Assessment (IQA) from NZQA, however, applicants with a qualification on the LQEA can bypass the IQA requirement when applying to immigrate to New Zealand.

Annually, the LQEA is used by about 2,000 applicants with qualifications from:

- Hong Kong
- Ireland
- Malaysia
- Philippines
- South Africa
- United Kingdom
- United States of America

The LQEA is for immigration purposes only and the inclusion of a qualification on this list is not a replacement for an International Qualification Assessment (IQA) from NZQA for the purposes of professional registration, further study, salary, or employment.

Teaching International Qualification Assessments

The MoE has provided funding for NZQA to evaluate 1,200 teaching International Qualification Assessments (IQAs) as the second phase of the teacher supply initiative. Phase 1 of the initiative comprised of 2,400 funded teaching IQAs.

The teacher supply initiative is designed to support more teachers with overseas qualifications who want to teach in Aotearoa New Zealand.

¹ <https://ncea.education.govt.nz/what-ncea-change-programme>

The Pacific Qualifications Recognition project

In March 2023, the Minister of Foreign Affairs confirmed funding for NZQA to carry out a five-year implementation phase of work with Pacific quality assurance agencies to enable recognition of Pacific qualifications. The work delivers on New Zealand's obligations under the Pacific Agreement on Closer Economic Relations (PACER) Plus aid and trade agreement.

With anticipation of the project's commencement in November, NZQA has been working closely with our regional implementation partner in the Pacific Qualifications Recognition project, the Pacific Community's Educational Quality and Assessment Programme (EQAP). EQAP is the operational agency for the Pacific Qualifications Framework.

In August, we hosted EQAP senior officials to design a study tour to NZ in October. This will be for a delegation of staff from Pacific nations that have national qualifications agencies and national qualifications frameworks.

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

Changes in immigration settings (Green List and Skilled Migrant Category Resident visas) has led to a sustained increase in the number of applications for the recognition of overseas qualifications. To meet the increased demand, and alleviate wait times, we have employed additional staff, and introduced more streamlined, and simplified business processes.

² Aromatawai involves the careful and deliberate use of processes and practices to inform and support the inextricable links between

Evaluation of our processing timeframes shows, week on week, steady and sustained improvements.

We saw a slight reduction in applications in August for the first time, however application numbers are expected to increase again when changes to Immigration New Zealand policies come into effect on 9 October and the Ministry of Education funded teaching IQA initiative re-starts.

Work is underway to identify further opportunities for business improvement efficiencies while helping applicants get their application right the first time.

Trusted assessment and quality assurance

Our contribution to Aotearoa New Zealand's reputation for providing robust, valid, and fair education is through our assessment and quality assurance systems.

We support the delivery of credible aromatawai² and assessment that enables learners to access high-quality learning and achieve qualifications. We regulate secondary and tertiary education providers to support equitable assessment outcomes for all learners.

External Assessment Cycle Management

Preparations for the 2023 end-of-year external assessments are well underway. The printing, personalisation and delivery of examination papers is on track.

A new, bespoke examination materials delivery process has been designed to minimise the risk of any examination material

learning and teaching. It is a teaching, learning and assessment approach based on te ao Māori values, beliefs, and aspirations.

getting lost or misdirected during the delivery process. This has been made possible through a collaborative effort with the delivery vendor.

During the quarter, NZQA advised schools and kura of the 2024 timetable for intra-year assessments, including Literacy and Numeracy | Te Reo Matatini me te Pāngarau.

Special Assessment Conditions

NZQA is trialling an optional new Notifications Gateway that schools and kura can use to notify NZQA of Special Assessment Conditions (SAC) for learners working towards NCEA Level 1 in 2024.

During the trial, the Notifications Gateway sits alongside the current application process. If the trial Notifications Gateway is used, NZQA approval will not be required and supporting evidence will not need to be submitted. The notification gateway is scheduled to be available at the beginning of Term Four.

In October, NZQA will hold online SAC question and answer sessions for kura and schools with one session being presented in te reo Māori for kura.

These sessions will cover the changes to SAC processes being introduced in 2024 for the trial. They are a follow up to the in-person SAC Seminars held earlier in the year.

³ Te Maratautanga o Aotearoa is the curriculum describing the essential knowledge, skills, values, and attitudes appropriate to kaupapa Māori schools

NCEA Change Programme

Preparations are well underway for implementation the new Level 1 achievement standards.

A survey to understand the number of schools planning to offer the new Level 1 standards in 2024 closed on Friday, 22 Sep 2023, with over 60% of schools responding.

The 'approval for listing' process for the new Level 1 standards is almost complete, with publication expected in early December 2023.

External assessment exemplars (based on 2022 assessments) and sample assessment items for the new Level 1 standards are being prepared for publication on the NZQA website to support teachers/kaiako and ākonga/students with the implementation in 2024.

Te Marautanga o Aotearoa³

All Tūmahi Aromatawai Pātahi (Common Assessment Activities) for 2023 are complete and marking is underway. An evaluation survey has been distributed to pilot kura to further understand their needs and the support NZQA can provide or improve upon.

Mana ōrite mo te mātauranga Māori⁴

We have developed a process named Mana ōrite Marker Support. This guides how our Kaiārahi Māka (support markers) will work alongside our national assessment facilitators, Mana ōrite advisors and panel leads, during the marking process for

⁴ This supports Change Two of the NCEA change programme which seeks equal status for mātauranga Māori.

the New Zealand Curriculum based Level 1 external assessments, where mātauranga Māori content is present.

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

More than 41,400 students participated in the June 2023 assessment event, with 70% of those participating students in Year 10. In the numeracy and writing assessments we trialled text-to-speech and assistive technologies.

NZQA is preparing for the second assessment event from 30 October to 3 November.

Digital Assessment Service

NZQA continues to plan for digital assessment.

We have commenced a project to support the scale up of participation by kura and schools in digital external assessment. The scope of this project includes:

- Confirming NZQA’s Digital Assessment Vision and intent to 2027 and beyond;
- Communicating the benefits of digital external assessment to teachers, students, and whanau;
- Identifying ways to reduce the barriers to access digital assessment systems (real and perceived);
- Identifying ways to make NZQA’s assessment systems more accessible, reliable, secure and easy to use;
- Influencing macro education system settings to enhance the equity and access to the affordances of digital technologies and infrastructure.

A review of the Digital assessment Vision has commenced to gather feedback on whether the Vision remains relevant as a beacon for NZQA. We are planning to conduct external engagement on the Vision early in 2024.

NZQA is also increasing direct support for schools and kura to improve participation in digital external assessment. This will use up-to-date data on digital participation, by subject, for individual schools and kura.

This will be further supported in the nationwide workshops planned for February and March 2024 with school Principal Nominees, and teachers new to NCEA.

Digital Practice Exams

2023 is the final year NZQA will offer digital practice examinations. These digital practice examinations are developed by subject matter experts and delivered on the NZQA assessment platform.

Between 4-22 September 2023, more than 9,000 students from 115 kura and schools participated in digital practice examinations for Level 1 English, te reo Māori and te reo rangatira.

From those 9,000 students participating in digital practice exams, we received more than 15,000 practice exams from 179 kura and schools for digital practice examinations.

As part of the 2024 nationwide Leading National Assessment seminars with Principal Nominees, NZQA will survey kura and schools to understand the support they will need to enhance their participation in future digital external assessment.

New digital submissions tool

A new digital submissions tool for pilot achievement standards will be rolled out to participating kura and schools in October 2023. This follows a successful pilot in August 2023.

This tool streamlines how students and schools submit student evidence to NZQA for end of year assessments, which require a submission. It also allows students, schools and NZQA greater visibility of the process and track and manage digital submissions.

Meeting the unique needs of kura

Since 2020, we have been working with kura to ensure, where possible, that ākonga Māori can sit their external NCEA and New Zealand Scholarship examinations in a culturally familiar environment. This includes kura becoming an exam centre and NZQA providing instructions in te reo Māori.

Of the 102 kura or schools where Māori learners make up 70% or more of the population, 77 will be utilised as exam centres for the 2023 end of year exams. There are 469 examination centres in total.

NCEA workshops for Māori and Pacific whānau

NCEA me te Whānau and NCEA ma le Pasifika workshops continue to be requested by kura and other groups around the country. The workshops' content is being updated with information about the changes to NCEA which will be in place for 2024. The workshops are an important part of the MoE-led comms around the change programme.

Collectively we engaged with over 1,000 Māori and Pacific participants in our NCEA workshops.

Although we have had lots of questions regarding the NCEA changes our new messages and materials have been positively received.

Student Voice Groups

We hosted our Māori and Pacific student voice groups in Wellington this quarter and provided them with training in the NCEA changes.

The student voice groups also assisted with the production of social media content for our Facebook and Instagram audiences.

Key messages included NCEA changes, preparing for NCEA exams, study tips, and the value of Toi Māori and Pacific Creative Arts in NCEA. They also tested design ideas for new NCEA materials targeting Māori and Pacific families.

Credible quality assurance supports high-quality teaching, learning, aromatawai and assessment

Our contribution to Aotearoa New Zealand's reputation for providing relevant quality education is through our fair, valid, and consistent assessment practice and robust quality assurance. We use a range of tools, such as Managing National Assessment (MNA) reviews, training workshops, and External Evaluation and Reviews (EER), to ensure that education providers deliver high-quality education and training that meets the needs of learners and employers.

Quality assure education organisations and the quality of teaching, learning and assessment

Secondary education sector

NZQA undertake Managing National Assessment (MNA) reviews⁵ of kura and schools to ensure assessment is valid, fair, consistent, and reliable to the national standard, and in accordance with the *Assessment Rules*⁶. As of 30 September 2023, NZQA has undertaken 148 of 156 planned MNA reviews for this calendar year. This includes MNAs deferred due to COVID-19 disruptions.

The MNA methodology and documentation for kura has been reviewed to align more closely with the aromatawai kaupapa and the approach to be more culturally inclusive for kura. It is intended to integrate this approach into the Customer Relationship Management process to be trialled across all kura and some kura auraki⁷ in 2024.

Tertiary education sector

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

Three 'Assuring Consistency Workshops' have been held online this quarter. These were well attended and provide a forum for providers to share insights with each other on methods for understanding outcomes for graduates.

⁵ For more information on MNA reviews visit <https://www2.nzqa.govt.nz/ncea/ncea-for-teachers-and-schools/managing-national-assessment-in-schools/mna-reviews/>

External Evaluation and Reviews

The percentage of External Evaluation and Reviews (EER) completed this quarter is in accordance with the schedule and output requirements.

Since 1 July 2022, all EERs at the scoping phase have included information on the support for, and achievement of, any disabled learners enrolled with the provider.

Approximately 25% of all education providers have been reviewed with this new requirement in place. While findings are indicative only, they suggest many education providers are actively gathering entry-level data on disabled learners and effectively supporting them in their studies. As further data is gathered, more comprehensive findings will be reported.

Formal complaints

There has been a significant drop in formal complaints received this quarter compared to the same period last year (-63% / a decrease of seven complaints).

This may relate to information about our complaints process being inadvertently omitted from the new NZQA website. The website has now been updated to provide more information and improve accessibility to our complaints process.

In contrast, there has been a significant increase in the number of risk issues opened this quarter compared to the same period last year (100% / an increase of 23 risk issues). Reasons for the increase this quarter include:

⁶ <https://www2.nzqa.govt.nz/about-us/rules-fees-policies/nzqa-rules/nzqa-assessment-rules-for-schools-teos/>

⁷ Kura auraki refers to mainstream schools.

- individual student concerns being escalated to risk issues because they identified wider systemic issues,
- an increase in international student numbers, leading to more activity in this part of the sector,
- an increase in the number of annual documents received from providers that require further NZQA engagement (or investigation),
- an increase in the number of cases that are managed and resolved without the need to escalate to an investigation, and
- enhanced reporting practices within NZQA.

This quarter we have managed the closure of two private training establishments (PTEs). Both closures were the result of liquidation, as the result of financial decisions by the PTE.

We are proactively working with the Tertiary Education Commission (TEC) to anticipate any PTEs that may be at risk of closing during this financial year due to impacts from changes to immigration settings and TEC funding, inflation pressures or decreased enrolments.

Revise NZQA's quality assurance frameworks

The NZQA Board has endorsed the direction of travel for a redesigned quality assurance framework for tertiary education (excluding universities). This includes a move to a more tailored approach that better adapts to a range of different circumstances and the level of risk, greater use of thematic reviews across the sector, amalgamating some quality assurance levers, and better use of the data available across government.

NZQA has developed a draft concept diagram for a redesigned quality assurance framework which will be workshopped with internal and external stakeholders.

MoE and NZQA are running a parallel process with kaupapa Māori providers to understand how a redesigned kaupapa Māori quality assurance framework would meet their needs.

Assessor support

Nearly 190 teachers participated in the second 12-week pilot, from May to July 2023, of the Assessor Practice Tool (APT) on Pūtake, NZQA's Learning Management System.

Teachers are able to practice marking assessment judgements on a sample of student work for a particular standard. They then see what the appropriate grade was, with detailed commentary, from a panel of moderators.

We will continue to develop the APT based on teacher feedback and plan to increase the number of standards and samples available.

In August, NZQA hosted three consultation hui with teachers of Māori and Pacific ākonga to gather focused feedback on the APT and wider Assessor Support (AS) programme and how they support improved assessment outcomes for ākonga in their school context.

Overall, participants expressed interest and excitement about the potential of AS and the APT in improving assessment practice.

Maintaining currency of NZQA-owned standards

NZQA, in its role as a standard-setting body, is responsible for the development, maintenance and review of nationally recognised generic (i.e., those not related to the national school curricula or industry) and mātauranga Māori New Zealand qualifications and standards.

As of 30 September 2023, all NZQA-owned standards are current. 74 standards have been reviewed and submitted for approval and listing.

External moderation of internally assessed achievement standard assessor judgements

During the first quarter we moderated 18,874 samples of student internally assessed work.

	2022/23 Actual	2023/24 Target	2023/24 Actual
July	7,702	6,130	7,204
August	6,848	6,675	5,674
September	7,702	7,315	5,996
YTD total	22,252	20,120	18,874

Table 1 Numbers of internally assessed samples externally moderated

The target represents the expected number of samples and is based on previous submission patterns and agreements with providers.

Variation from the target occurs when providers have not yet completed their assessments as originally planned, or the number of samples per standard submitted for moderation is fewer than

expected. We are on track to complete our annual target of 30,000 to 50,000 samples.

Tertiary education organisations and schools ensure the safety and well-being of learners

The Education (Pastoral Care of Tertiary and International Learners) Code of Practice 2021 (the Code) team has completed NZQA's initial monitoring of student accommodation and are working on a report which will be published on NZQA's website.

NZQA worked closely with UNZ on accommodation monitoring and verification for universities and attended site visits as an observer. UNZ provided a summary report on this work to the Committee on University Student Pastoral Care (CUSPaC) at its September meeting.

During the quarter the Code team met with Te Pūkenga to discuss its Code self-review report. The report is a good baseline review of how the whole organisation is meeting Code requirements. As the first self-review for the Te Pūkenga network in this format, Te Pūkenga reported that data gathering, aggregation and analysis presented some challenges.

These areas formed the basis of a productive discussion. Future reporting will look at how best to disaggregate information to provide more in-depth insights.

The Code team hosted three information sessions for tertiary providers on self-review and attestation processes. The sessions had good attendance (169 participants) and feedback indicated the content was helpful.

The Code team will run two similar sessions for schools in October. Links for school, PTE, and wānanga self-review and attestations have been sent out with responses due in the next quarter.

The Code Administrator Plan for 2024 is in development and will cover the 18 months between January 2024 and June 2025.

The Code team will continue to promote the Code to new tertiary learners and providers via a series of videos, flyers, and social media campaigns. These products will be reviewed alongside the Code Champions project in universities with the aim to launch updated material in time for the universities' orientation week in 2024.

Phase 1 of the Code Champions project was initially rolled out across the university sector. The Code Team are currently developing Phase 2 of the Code Champions project. Consideration is being given to extending this programme to include other providers and specific learner groups.

Quality assurance adapts to the changing needs of learners, community, and industry

We continue to draw on our data and information to provide insights into qualification, assessment, and quality assurance matters. This includes publishing a range of insights papers that highlight issues of equity, evidence good practice, and support education system improvement.

We are close to completing a paper that looks at some of the best examples of good practice identified through EER in recent years. It takes a deep dive into how providers ensure that their 'programmes match needs.'

The paper draws upon NZQA's 'warehouse' of good performance, the Tertiary Evaluation Indicators, and shows how these indicators take different forms when used by different providers working with different types of learners.

When finalised the paper will be published on the NZQA website along with the existing suite of insights papers.

This quarter we have also continued to progress an insights paper that shares 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.

Our organisational capability

Support and understand our customers

A focus across NZQA is ensuring that we put learners and our customers at the centre of the work we do. NZQA ran a workshop with representatives from the national Students Associations: National Union of Students Associations (NZUSA), National Disabled Students Association (NDSA), and Te Mana Ākonga.

This was the first half-yearly hui under a Memorandum of Understanding we have signed with student associations. The session was held over half a day, covering important topics such as:

- the implementation of the Code of Pastoral Care across the tertiary sector, and its on-going importance in protecting learner well-being;
- how we plan to incorporate customer and learner voice in redeveloping the Quality Assurance Framework; and;
- transitions between secondary and tertiary education.

Student association representatives contributed their insight into learners' needs and difficulties. This helped to bring perspective to the agenda topics, such as the methods we should use to meaningfully engage with disabled students.

Deliver quality services to customers

In the first quarter of 2023/24, NZQA rolled out a new end-to-end technology solution for NCEA students and schools. This solution is aimed at addressing significant manual workarounds currently in place to manage end-of-year digital submissions.

Some examples of these manual workarounds that the new system has removed includes the need for schools to name digital files in a specific manner and manually uploading those files on behalf of several students into a Google Drive folder.

The new solution allows the student to upload the files themselves, and teachers only need to verify the files and then submit those to NZQA. This is expected to reduce teacher workload and also provide transparency of process to students, schools and NZQA.

The solution was piloted in August and has now been rolled out to all schools for use in the current 2023 academic year. NZQA worked closely with the sector to co-design this solution, which alleviates one of the most significant challenges identified by the sector in broadening the methods for external assessment.

Additionally, NZQA has rolled out customer workflows for schools to access via secure NZQA portals.

These workflows are aimed at reducing school effort, make the processes customer friendly and to allow customers track progress of their requests.

Part B: Year to date results for selected measures from the Statement of Performance Expectations

Overview

Following is a summary of NZQA’s performance measures as per the 2023/24 Statement of Performance Expectations. Individual measures will be reported in the quarterly reports where year-to-date data indicates performance expectations are not currently being achieved.

Performance for four of NZQA’s 35 performance measures is currently tracking lower than expected.

Measure type	Count	On track	
		Yes	No
Numeric	31	27	4
Narrative	4	4	
Total	35	31	4

Table 2 SPE performance measure overview

Performance measures exception reporting

Performance for the following two ‘Organisational Capability’ SPE/Appropriation measures is currently below target.

“RAG”⁸ status has been applied with measures currently 10% or more from target measured rated “red’ and for performance between 5% and 10% “amber”.

Activity Area 2.2: Assessment and aromatawai practices adapt to the changing needs of learners, community, and industry.

Measure 2.2b(i)	Target	Q1 Forecast
The percentage of students that participate in digital assessment. ⁹	50% or greater	Not on track

NZQA has modelled the participation rate of students in digital external assessment in 2023 based on the number of entries to date for external digital assessments.

We currently forecast approximately 40% of students will sit at least one digital external assessment. This is an improvement over last year’s performance (34.3%), but below the performance standard.

To assist our engagement with schools on increasing digital uptake NZQA has commenced the 'Scaling up Digital External Assessment' project with the development of an assessment roadmap for 2024 through to 2027, and a review of the Digital Assessment Vision.

NZQA is also increasing direct support for schools and kura in 2024 to improve participation in digital external assessment.

⁸ In project or task management "RAG" — or red, amber, green—statuses act as a key performance traffic light: red signifies off-track or an alert, amber (or yellow) signals concern, and green indicates there are no areas of concern or lag.

⁹ This measure excludes students participating in externally assessed literacy and numeracy | te reo matatini me te pāngarau assessments.

We will use up-to-date data on digital participation by subject for individual schools and kura, to identify where we need to focus our support.

Schools and kura will be further supported to implement digital assessment in the nationwide workshops held in February and March 2024 with Principal Nominees, and teachers new to NCEA.

We are also investigating ways of removing barriers to participation (i.e., device access and network connectivity) by working with colleagues from across the education sector.

Activity Area: 2.2 Assessment and aromatawai practices adapt to the changing needs of learners, community, and industry.

Measure 2.2b(ii)	Target	Q1 Actual
The rate of ākongā Māori and Pacific students participating in digital external assessment is similar or higher than their peers. ¹⁰	Upwards trend	Not on track

Based on the entry rate of ākongā Māori and Pacific students in digital external assessment in 2023 we are forecasting that we are unlikely to meet this measure for 2023/24. While the proportion of ākongā Māori and Pacific students participating in digital external assessment is increasing, the rate of growth is comparable to (or below that of) learners of other ethnicities.

To assist with our engagement with schools on increasing digital uptake NZQA has commenced the 'Scaling up Digital External Assessment'.

¹⁰ This measure excludes students participating in externally assessed literacy and numeracy | te reo matatini me te pāngarau assessments

The project includes increasing direct support for schools and kura in 2024 to improve participation in digital external assessment. We will use up-to-date data on digital participation by subject for individual schools and kura, to identify where we need to focus our support.

We are also investigating ways of removing barriers to participation (i.e., device access and network connectivity) by working with colleagues from across the education sector.

Schools and kura will be further supported to implement digital assessment in the nationwide workshops held in February and March 2024 with Principal Nominees, and teachers new to NCEA.

Activity Area: Oc1 Support and understand our customers.

Measure Oc1(i)	Target	Q1 Actual
The proportion of survey respondents who agree/strongly agree that the information they received from NZQA met their needs.	70%	67%

Table 3 SPE performance measure exception reporting - measure Oc1(i)

There were 319 responses to the Quarter 1 survey. The overall result for this survey question was 67%, for respondents who identified as Māori (n=25) the result is 70%, and for respondents who identified as Pasifika (n=24), the result was 71%.

Activity Area: Oc3 Support and understand our customers.

Measure Oc3(i)	Target	Q1 Actual
The percentage of respondents who agree or strongly agree that the response time from NZQA met their expectations.	70%	69%

Table 4 SPE performance measure exception reporting - measure Oc3(i)

The overall result for this survey question was 69%, for respondents who identified as Māori (n=25) the result is 68%, and of those respondents who identified as Pasifika (n=24), the result was 79%.

Part C: Financial Performance

Financial Key Performance Indicators¹

	Actual (YTD) (\$000)	Target (YTD) (\$000)
Total Revenue	48,076	47,106
Total Expenditure	28,195	26,388
Net Surplus / (Deficit)	19,881	20,718
Cash against current debt ratio	5.4:1	1.10:1
Cash available for capital investment (excluding future depreciation)	11,795	15,241
Net Capital Investment ²	5,287	

Notes:

1. Current Ratio equals: Total Current Assets to Current Liabilities as a ratio. Target is a minimum.

% of Staff Cover costs to direct Personnel costs is spend on independent contractors used for staff backfill compared to all other staff costs. Target is a year-end maximum.

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.

2. Net Capital Investment = Non-Current Assets

Consolidated Financial Report
(for the Quarter ended 30 September 2023)

		Year to Date (\$000)		Variance (\$000)	SPE Budget (\$000)
		Actual	Budget		
<i>Revenue</i>	Crown revenue	40,241	39,879	362	82,420
	Fees and charges	7,209	6,787	422	27,755
	Interest Revenue	615	440	175	800
	Other Income	11	-	11	-
	Total revenue	48,076	47,106	970	110,975
<i>Expenditure</i>	Personnel and Board	15,576	15,141	(434)	68,566
	Specialist workforce	1,246	1,408	162	12,698
	Professional services	5,103	3,156	(1,947)	9,199
	Publication, print and distribution	1,443	1,406	(37)	4,251
	Other operating	4,112	4,580	468	17,031
	Depreciation	715	697	(19)	2,792
	Total expenditure	28,195	26,388	(1,807)	114,537
Net surplus / (Deficit)		19,881	20,718	(837)	(3,562)

Commentary: NZQA Overview against Forecast

The September YTD net surplus of \$19.9m is lower than the budget of \$20.7m by \$0.8m.

Revenue

Revenue for the September quarter of \$48.1m is favourable to the budget of \$47.1m by \$1.0m, analysed as follows:

Crown revenue

- This is \$0.4m higher than budget due to the timing difference in Code Office payment receipts. This will reverse during the year.

Fees and Charges

- This is \$0.4m higher than budget due primarily to Qualification Assessment Fees. This is mainly due to higher-than-expected volumes of applications for the Qualification Recognition Services.

Interest revenue

- Interest income is tracking (\$0.2m) higher due to cash balances being higher than originally planned.

Expenditure

Expenditure for the September quarter of \$28.2m is higher than the budget of \$26.4m by \$1.8m (7%), due primarily to the following:

Personnel and Board - \$0.4m higher than budget (3%).

- The Salaries and Wages Leave Accrual across all of NZQA was \$0.2m higher than budget. Annual leave is not budgeted across NZQA since it is assumed that it will be cost neutral by the end of the financial year as staff use their annual leave entitlements that they have accrued over the financial year.
- Salaries and related superannuation costs were \$0.2m above budget, and this is largely attributed to higher-than-budgeted positions and the salary range offered to new staff.

Specialist Workforce - \$0.2m below budget (12%)

- The underspending is largely attributed to the delay in the review of achievement standards. The work programme is currently being reviewed and will be reflected in the October forecasting exercise.

Professional Services - \$2.0m above budget (62%)

- Professional Services are above budget mainly due to investments in required capability projects. This increase was primarily attributed to the following factors:
 - HCM/payroll project – additional expenditure of \$0.6m has subsequently been approved by the Board.
 - CXiP project – additional costs of \$1.2m attributed to NCEA Online and planned to be met from accumulated reserves, for the delivery of such

initiatives as digital submissions, learner portals and derived grades.

Other Operating - \$0.5m below budget (10%)

- Delays in approving RAS-related examination standards and the Ministry of Education's decision not to pilot Level 3 TMoA standards in 2024 resulted in an underspend of \$0.2m on travel, accommodation, and related meeting costs for Assessment Māori.
- Meeting-related savings of \$0.1 million were attributed to:
 - Lower-than-expected participant numbers at Kāhui,
 - Deferred English language and Pacific standards hui,
 - Fewer moderation samples received, leading to delays in benchmarking hui, and
 - Venues used at no cost.
- Underspending in all other cost centres and activities, primarily due to timing differences, has also contributed to the overall underspending.
- Offsetting overspending was primarily due to increased travel and accommodation costs in examination development and marker training meetings, totalling \$32,000.

Forward Looking

The first forecast for 2023/24 is scheduled for October. This forecast track will reflect salary movements from the performance round, all internal supplementary budget approvals post SPE, and updated technical/volume assumptions across revenue and expenditure.

The forecast is following a robust process with management, including identifying opportunities to make cost savings and/or consider the reprioritisation of expenditure to meet any emerging required cost pressures, while safeguarding service delivery.

The forecast will also have regard to the letter received by the Board Chair dated 28 September 2023 from the joint Ministers of Finance and Public Service, requesting fiscal probity, referred to as the *Fiscal Sustainability and Effectiveness Programme*. This is requiring Crown entities to “identify efficiencies and productivity improvements, including opportunities to manage future cost pressures from within organisational baseline, while maintaining public services

Balance Sheet
(as at 30 September 2023)

		Actual (\$000)	30 June 2023 (\$000)	Movement (\$000)
<i>Current Assets</i>	Cash and bank	4,584	2,972	1,612
	Short-term deposits	40,000	22,000	18,000
	Debtors and other receivables	10,726	7,636	3,090
	Total current assets	55,310	32,608	22,702
<i>Non-current Assets</i>	Fixed assets	4,780	5,357	(577)
	Work in progress	507	220	287
	Total non-current assets	5,287	5,577	(290)
	Total Assets	60,597	38,185	22,412
<i>Current liabilities</i>	Creditors and other payables	7,579	7,961	(382)
	Provisions for employee entitlements	4,468	4,258	210
	Deferred revenue	4,026	2,015	2,011
	GST payable	817	124	693
	Total current liabilities	16,889	14,358	2,531
<i>Non-current liabilities</i>	Provision for employee entitlements	918	918	-
	Unclaimed Monies	3	3	-
	Total non-current liabilities	921	921	-
	Total liabilities	17,810	15,279	2,531
Net Assets		42,787	22,906	19,881
Equity		42,787	22,906	19,881

Commentary: Balance Sheet

Most balance sheet movements since 30 June 2023 are relatively immaterial and expected, with significant movements noted below:

- Cash and term deposits are up \$19.6m - refer *Cash flow statement*. This is essentially due to the timing of receipt of Crown Funding.
- Debtors and receivables have increased by \$3.1m. This includes a \$2.5m increase in the debt due from the Ministry of Education.
- Fixed assets have decreased by \$0.5m reflecting the \$0.7m depreciation charge for the year to date, less \$0.2m of computer equipment additions.
- The \$0.5m work-in-progress balance reflects the costs for the HCM project that are being recognised as capital.
- Deferred revenue has increased by \$2m, primarily due to the deferral of \$1.3m of funding received for exam fee remissions from the Ministry of Education and the deferral of \$1.1m of NCEA International fees that will be released when exams occur later in the year.
- GST payable has increased by \$0.7m largely driven by the higher level of Crown Funding received and invoiced in September 2023 compared to June 2023.
- The movement in net assets is explained by the operating result to date.

Cash flow statement
(for the Quarter ended 30 September 2023)

<i>Actual and forecast 2023/24</i>	Year to Date (\$000)	Full Year Forecast (\$000)
Net cash flows – Operating activities	19,964	(7,067)
Cash provided from:	46,997	110,248
Crown revenue	40,240	82,352
Inter department revenue	-	-
Third party revenue	6,131	26,306
Other income	11	11
Interest revenue	615	1,579
Cash applied to:	27,033	117,315
Employees	15,252	68,549
Suppliers	11,781	46,766
Net cash flows – Financing activities	-	-
Cash was provided from:		
Crown-Capital contribution	-	-
Cash was provided to:		
Crown-Capital withdrawal	-	-
Net cash flows – Investing activities	(425)	(1,935)
Cash was provided from:		
Sale of intangibles and fixed assets	-	-
Cash was provided to		
Purchase of intangibles and fixed assets	425	1,935
Repayment of capital contribution	-	-
Net increase / decrease in cash held	19,539	(9,002)

<i>Actual and forecast 2023/24</i>	Year to Date (\$000)	Full Year Forecast (\$000)
Opening cash	24,972	24,972
Closing cash balance	44,584	15,970
Cash	4,584	3,970
Short-term deposits	40,000	12,000
Closing cash balance	44,584	15,970

Commentary: Cash Flow

Cash and term deposits as of 30 September 2023 total \$44.5m. This relatively high level of cash held is due to the timing of Crown Funding received. Funds of \$40m are held on term deposit with varying maturity dates to maximise interest revenue while ensuring sufficient liquid cash is on hand to meet immediate needs.