



Mana Tohu Mātauranga o Aotearoa
New Zealand Qualifications Authority

Quarterly Report

Quarter 3 (1 January - 31 March 2024)



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Introduction

This report, covering 1 January through to 31 March 2024, outlines NZQA's progress towards delivering the commitments in our 2022/23 – 2025/26 Statement of Intent and 2023/24 Statement of Performance Expectations.

During quarter three NZQA released provisional NCEA attainment results, with final results published at the end of April 2024. Around 162,000 Year 11-13 students participated across all three levels of NCEA in 2023. There were also 37 New Zealand Scholarship subjects involving more than 8,000 students. Overall, final 2023 national attainment of NCEA was lower than final attainment in 2022. Māori students' attainment lifted slightly at NCEA Level 2, 3, and University Entrance (UE) in 2023 compared to 2022. Pacific student attainment declined at NCEA Levels 1 and 2 compared to 2022 and is slightly higher at NCEA Level 3 and UE.

In January, NZQA released provisional NCEA results as well as results from the second Literacy and Numeracy | Te Reo Matatini me te Pāngarau assessment. 'Release Day' is a significant event for students around New Zealand, and the busiest day of the year for NZQA's Contact Centre. More than 50,000 students viewed their results through NZQA's updated website using the new secure learner portal. Of the nearly 9,500 interactions with our contact centre, including through the Chatbot, approximately 25% were from students retrieving their National Student Numbers so they could view their results.

During the quarter, NZQA carried out both an internal and external review of the disruption to its digital assessment platform during the October-November 2023 external assessments. The external review acknowledged the significant growth in digital assessment, and what NZQA can do to make sure its systems and processes are able to manage the pace of this growth. Ahead of the May 2024 external assessment round, NZQA made changes to align its testing protocols with the platform vendor, and to review its assessment strategy and operating model. NZQA published the external review report on 1 May 2024, alongside an action plan for the necessary changes to support the stability and reliability of the platform.

We also launched a new Customer Voice Action Plan to ensure that a customer focus is at the centre of our processes and decision making. In addition, we have refreshed our Disability Action Plan, which has a focus on both ākongā/students and NZQA kaimahi.

Alongside delivery of these core commitments, NZQA has been working through the impact of the decision to rephase the NCEA Change Programme. Consultation with staff took place during May-June on a change proposal intended to reflect the rephased NCEA Change Programme, realign NZQA's operating model and achieve savings to support NZQA's financial sustainability. Decisions on the change proposal were announced in mid-June, and work is now underway to implement the changes, which include disestablishment of 66 roles (14 of which are currently vacant) and creation of 32 new roles.

Advancing our outcomes

Outcome 1.0: Relevant qualifications and credentials

The following section outlines NZQA's performance during quarter three to advance the outcome: *Relevant qualifications and credentials*. This work is separated into two intermediate outcomes:

- **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.

Intermediate Outcome 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.

Advancing the New Zealand Qualifications and Credentials Framework and redesign of the quality assurance framework

We have continued to advance the New Zealand Qualifications and Credentials Framework (NZQCF) review as well as the redesign of the quality assurance framework this quarter. We are aiming to have formally consulted changes to the NZQCF and a concept quality assurance framework by the end of quarter two of the next financial year.

Supporting Workforce Development Councils

NZQA has continued to support the six Workforce Development Councils (WDCs) to develop and maintain qualifications, micro-credentials, skill standards and New Zealand Programmes.

The key activity undertaken by NZQA this quarter has been to work with WDCs to determine the process for reviewing WDCs' performance as standard setting bodies for the 2023/24 financial year. The overall approach used will be the same as for the previous financial year, incorporating improvements based on what worked well. Each WDC will submit a self-assessment report to NZQA demonstrating how it has considered industry, iwi/hāpu, community, and learner needs in all aspects of its qualification and standard setting, programme endorsement, and moderation activities. WDCs will also provide clearly documented processes with quality control measures for their activities.

We remain focused on eliminating process overlap and minimising compliance costs for tertiary education providers engaging with both WDCs and NZQA.

Intermediate Outcome 1.2: Barriers to qualification recognition and mobility are reduced

During the quarter, NZQA supported the recognition of New Zealand's qualifications overseas via our participation in a range of international fora, and multilateral and bilateral qualifications recognition projects.

International engagement

Maintaining qualifications recognition arrangements and actively contributing to multilateral qualifications recognition helps support labour and learner mobility. This work is also important in attracting overseas learners to New Zealand as a desirable and credible study destination. In March, we participated virtually in the UNESCO Heads of Regional Convention meeting. The meeting confirmed UNESCO's role to provide more opportunities for Heads of Regional Conventions to find common practice to support recognition of qualifications between regions.

A key achievement this quarter was that NZQA and the Philippines Commission on Higher Education agreed outcomes on our joint project to support the mutual recognition of bachelor's degree qualifications. While this project deepens the understanding of our respective education systems and further strengthens the relationship between New Zealand and the Philippines, the agreed outcome does not guarantee automatic qualification recognition in either country or change any professional registration requirements. The project report is being finalised, along with a guide for users such as qualifications recognition teams.

The Philippines Commission on Higher Education is intending to visit New Zealand later this year to formally mark the completion of the project, and to continue the dialogue on supporting qualification recognition.

In January, NZQA's Chief Executive presented a keynote address at the 2024 World Digital Education Conference held in Shanghai, China. NZQA's attendance at the conference provided the opportunity to continue strengthening our relationship with the Chinese Service Centre for Scholarly Exchange (CSCSE). We are working with CSCSE on a joint project on quality assuring and recognising online qualifications.

Reflecting the high regard overseas jurisdictions have for New Zealand's approach to micro-credentials, the Chief Executive also gave a keynote address on micro-credentials to the European Centre for the Development of Vocational Education (online seminar) in March. During the quarter, micro-credentials were also discussed with the Hungarian Ministry of Culture and Innovation, the Singapore Ministry of Education, and the Victorian Skills Authority (Australia).

Applications for recognition of overseas qualifications

We have maintained our qualification evaluation completion rates this quarter. The time to evaluate approximately 80% of applications reduced from 6–10 weeks in quarter two to 4–6 weeks in quarter three. This aligns with our SPE target to evaluate 70% of overseas qualifications within 35 working days.

There continues to be a lot of interest in the zero-fee teaching International Qualification Assessments, particularly from the Philippines, with approximately 75% of the 1,200 places allocated.

During this quarter, NZQA worked closely with the Ministry of Education, Education Payroll, the Teaching Council of Aotearoa New Zealand and other relevant stakeholders to confirm the usefulness of the pre-approved overseas teaching qualification list. In 2017, NZQA compiled a list of pre-approved overseas teaching qualifications to enable individuals with qualifications on the list to be fast-tracked into teaching in New Zealand, without the need to have their qualifications evaluated.

We have refreshed qualifications on the List of Qualifications Exempt from Assessment (the List) for the Ministry of Business, Innovation and Employment to ensure they meet Immigration New Zealand criteria. The List contains specific qualifications from quality-assured and credible overseas educational institutions. Approximately 2,000 individuals use this list each year to support their New Zealand immigration application.

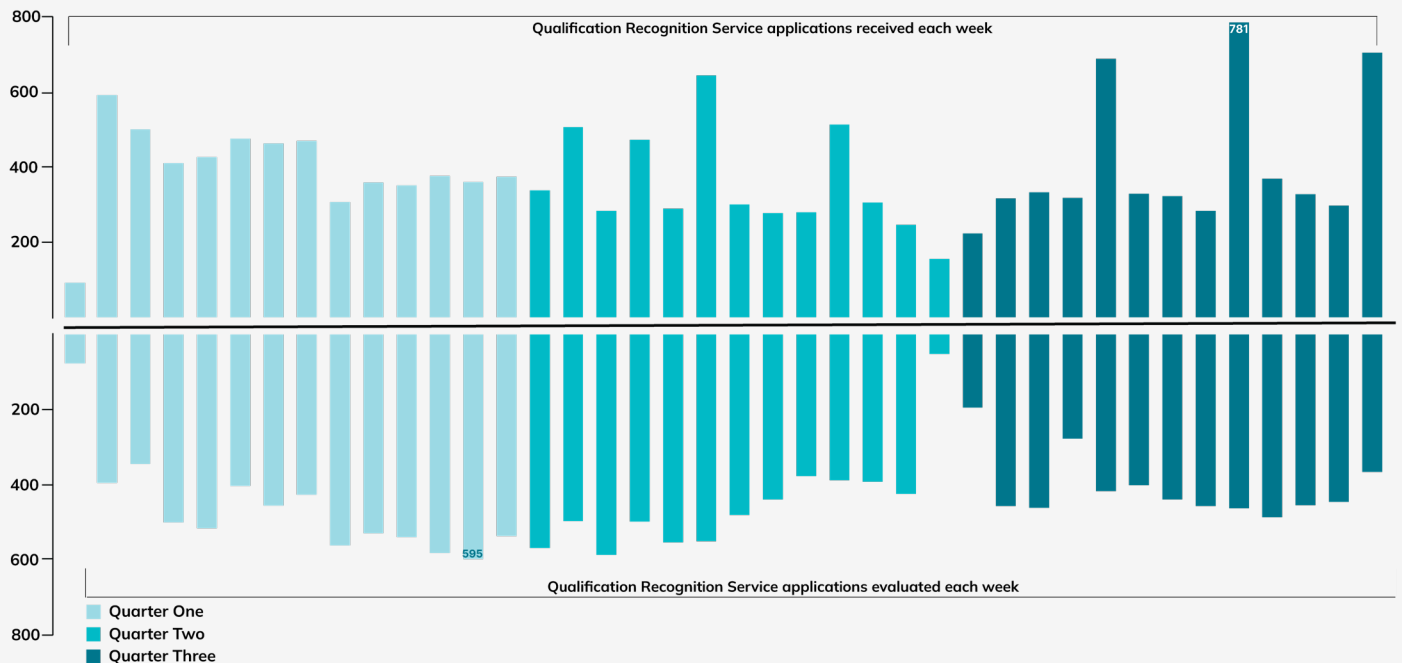
Qualification Recognition Services Tracking

Table 1: Count of qualification recognition applications by country (top 10) for Quarters 1-3 2023/24

Rank	Issuing Country	Count
1	Philippines	3,692
2	India	3,604
3	Fiji	1,110
4	South Africa	954
5	United Kingdom	803

Rank	Issuing Country	Count
6	China	769
7	Sri Lanka	499
8	Australia	425
9	Zimbabwe	408
10	USA	358

Figure 1: Weekly “pipeline” of applications received (above), and application evaluations completed (below) for Quarters 1-3 2023/24



Outcome 2.0: Trusted assessment and quality assurance

The following section outlines NZQA's performance during quarter three to advance the outcome: *Trusted assessment and quality assurance*. This work is separated into four intermediate outcomes:

- **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

Intermediate Outcome 2.1: Credible assessment and aromatawai practices support high-quality learning and achievement

NCEA and New Zealand Scholarship end-of-year examinations

The NCEA and New Zealand Scholarship end-of-year examinations were held between Monday 6 November and Thursday 30 November 2023. Nearly 121,000 students participated in examinations for 127 subjects¹.

Provisional NCEA results, as well as results from the second Literacy and Numeracy | Te Reo Matatini me te Pāngarau assessment event, were released on 17 January 2024. Over 50,000 students accessed their results through our updated website using the new secure learner portal. There were nearly 9,500 interactions with our contact centre, 79% (7,461) of which were through our Chatbot (Awhina). Of these 9,500 interactions, 25% (approximately 2,400), were from students retrieving their National Student Number so they could access their results.

Overall, national attainment of NCEA and University Entrance in 2023 is lower than 2022 (see Appendix 1). The attainment statistics for 2023 may reflect multi-year impacts of COVID-19 disruptions on student achievement, particularly for Year 12 NCEA Level 2, which is at its lowest point in the last ten years. As no changes were made to the qualification and award rules for NCEA and University Entrance in 2023, some change in attainment was expected.

Attainment of NCEA Level 1 by Year 11 students has been trending downwards for several years. This is because an increasing number of schools are not offering a full Level 1 assessment programme of 80 or more credits. In 2023, only 75% of the Year 11 cohort were entered for 80 or more Level 1 credits. Schools not offering NCEA Level 1 offer a range of Year 11 courses. Courses may include some NCEA assessment, particularly assessment for the literacy and numeracy co-requisite, which is also a requirement for NCEA Levels 2 and 3, to provide students with formal high-stakes assessment experience to prepare them for higher qualifications. Other schools are offering 'two-year Level 2' programmes, with an explicit focus

¹ Not all students who participate in NCEA assessments (internal and external), participate in the end-of-year examinations.

on attaining NCEA Level 2 by the end of Year 12. Some schools deliver the International Baccalaureate or the Cambridge International examinations.

The provisional 2023 New Zealand Scholarship examinations results were released on 8 February. Across the 37 NZ Scholarship subjects offered, 2,069 students earned one or more scholarships. There were 10 students who gained Premier Awards and 60 who gained Outstanding Scholar Awards. The 37 Top Subject Scholarship awards were achieved by 35 students. Recipients of NZ Scholarship Awards were honoured at the Top Scholar Awards ceremony at Parliament on 8 May.

Final results

At the end of April, the final 2023 NCEA and University Entrance attainment statistics were published on NZQA's website. At the end of May, the Annual Report on NCEA, University Entrance and NZ Scholarship Data and Statistics was published. This report summarises the results of secondary students who achieved NCEA, University Entrance and NZ Scholarship in 2023.

Reconsiderations and reviews – 2023 end-of-year examinations

Students are able to access their marked answer booklets and portfolios after results release. There is a four-week window to apply for a reconsideration (re-mark) or review (confirmation of grade) of their marked responses².

Following the 2023 External Examination period, NZQA received just under 12,000 reconsideration applications out of 775,000 results (approximately 1.5%). This represented a very slight increase (0.3 percentage points) in reconsideration applications as a proportion of all externally assessed results since the previous year. The largest increase in reconsideration applications was for Science and Mathematics standards.

Our Secondary Qualifications Advisory Group has indicated that drivers are likely to include:

- Students not attempting all the external assessments they have entered and therefore looking to maximise the grade of the external assessment(s) they did attempt.
- Some students not having adjusted to the removal of the COVID-19 mitigations in place in previous years, e.g. Learning Recognition Credits, and therefore being short on credits to achieve their NCEA qualification.
- Pressure on students or expectations of students to attain Excellence or a higher grade than achieved in their external assessments, resulting in them seeking reconsiderations to reach a higher grade.

² The outcome of reconsiderations and reviews is tracked and reported in NZQA's Annual Report. In quarter three, the percentage of all National Certificate of Educational Achievement marker judgements unaltered following Review or Reconsideration of External Assessment Results processes was 99.7% (Target: 99.7%).

Intermediate Outcome 2.2: Assessment and aromatawai practices adapt to the changing needs of learners, community and industry

Digital assessment

62,516 students completed their 2023 end-of-year examination assessments on our digital platform. This compares with 44,854 students in 2022 (a 39.4% increase). Participation in digital assessment for digitally available external standards has increased from 34.3% in 2022 to 46.7% in 2023. There were a further 66,511 students who participated in the digital assessments for the Literacy and Numeracy | Te Reo Matatini me te Pāngarau NCEA co-requisite standards in 2023.

The digital first approach to assessment for the 2024 external Level 1 achievement standards will result in another significant increase in participation. Planning is underway to resource the expected increase in need for support by schools and kura. This includes a series of webinars, which are underway, to support teachers and school leaders in the administration and delivery of digital external assessments.

Digital assessment platform disruption

Extensive testing by our technology vendor prior to the 2023 NCEA examination round gave us the confidence that the digital examination platform could support more than 30,000 students. However, between 30 October and 10 November 2023, during the second assessment event for Literacy, Numeracy and te Pāngarau and the NCEA Level 1 English external examination, there were performance and platform capacity issues.

We commissioned internal and external reviews of the issues that arose. The internal review focused on the IT-related technical aspects and NZQA's responses, while the external review focused on the wider organisational issues and impacts of the events on stakeholders. The main findings and recommendations were:

- NZQA and the platform vendors need to align testing protocols, and NZQA should review the contracts with vendors, along with its oversight of these contracts.
- NZQA's structure should be reviewed with a focus on supporting end-to-end assessment processes, so that specialist skills are located in the right places in the organisation.
- Scenario planning should be used to prepare for potential challenges to digital assessment, mitigate these risks and develop contingency plans.
- NZQA should work with schools (especially Principal's Nominees (PNs)) to communicate the strategy and challenges around digital assessment, and capture school and student feedback around service delivery and technology design.

In response we have prepared an Action Plan addressing the recommendations from the External Review of Digital Assessment, which we have published on our website³. A number of the recommendations from both reviews have already been addressed with changes incorporated into our 2024 external assessment planning.

³ <https://www2.nzqa.govt.nz/assets/NCEA/External-review-of-digital-platform/Action-Plan-addressing-recommendations-from-the-External-Review-of-Digital-Assessment.pdf>

NZ Curriculum and Te Marautanga o Aotearoa assessment support materials

Assessment exemplars and sample assessment items (based on 2023 assessments) for most internal and external standards have been published on the NZQA website. These exemplars support kaiako/teachers and ākonga/students with the implementation of Level 1 standards in 2024, sample assessment items and guidance for Kete Manarua⁴.

Subject Associations were commissioned by the Ministry of Education to develop 'Subject Learning Outcomes' for each Level 1 subject. NZQA was asked by the Ministry to undertake an independent review of these Subject Learning Outcomes. This was to ensure the Outcomes provide detailed information to support teachers in planning their teaching and learning programmes for assessment against each of the new achievement standards for their subject. NZQA provided detailed feedback to the Ministry on areas requiring improvement.

Literacy and numeracy | Te Reo Matatini me te Pāngarau

In 2023, 66,511 students participated in the Literacy and Numeracy | Te Reo Matatini me te Pāngarau NCEA co-requisite assessments. This is an increase of 87.8% on the number of students who participated in 2022 (35,399). Over 46,800 students across 411 schools and kura completed an assessment during the second assessment event (held in October and November 2023). Overall for 2023, 50,293 Year 10 students sat one or more of the assessments, just over 70% of the enrolled Year 10 cohort (refer Appendix 2).

Polly (a text-to-speech tool available through the assessment platform) was available for all students to use in the writing and numeracy assessments for Literacy and Numeracy. Polly enables equitable access to the writing and numeracy assessments for students with disabilities and learning support needs. Students were also able to use their own text-to-speech assistive technology, approved in advance by NZQA, in the writing and numeracy assessments.

Assessment specifications and guidance materials were released to schools and kura in March 2024. Schools and students can now also access 2023 and previous years' assessment materials on the Ministry's NCEA Education website.

As part of our wider sector support strategy, in March 2024 we participated in the Ministry of Education's community of practice meeting with the sector and their regional support providers about Literacy and Numeracy assessments in 2024.

Marking of text responses for large cohorts is becoming a challenge for NZQA in terms of scale, availability of markers, quality assurance and timeliness. A trial of Automated Text Scoring solutions for the Literacy (writing) standard has been initiated to improve timeliness and efficiencies in the marking processes. Automated text scoring uses machine learning, from responses previously marked by people, to recognise the characteristics of a piece of text so it can mark other similar responses. The trial is progressing through the initial research phase, and engagement with two trial vendors is underway. The trial will be completed by June 2024.

Meeting the needs of kura and schools

We have been working with kura and schools with an ākonga Māori population of 70% or more, to ensure their ākonga can be externally assessed in a familiar setting where possible. From a

⁴ Kete manarua are similar to a portfolio.

total of 101 kura or schools with an ākongā Māori population of 70% or more, 71 kura or schools were exam centres for the 2023 end of year examinations.

NZQA is evolving the Managing National Assessment (MNA) review process to integrate a more culturally inclusive way⁵ of conducting MNA reviews in kura and kura auraki / mainstream schools. These reviews are a partnership between a school and NZQA. They verify a school's processes and systems for managing fair, valid and nationally consistent assessment and confirm that the school is maintaining the requirements for consent to assess. A trial will be conducted in 2024 with kura who are due to have an MNA review.

NCEA workshops

Our NCEA me te Whānau and NCEA me le Pasifika workshops play an important role in helping ākongā Māori, Pacific learners, whānau, and communities understand and navigate NCEA. For the financial year to date, we have engaged with more than 2,200 participants through our NCEA workshops.

Similarly to quarter two, we addressed numerous questions from students and their parents regarding NCEA changes. We have refreshed our messaging to ensure that co-requisite requirements that have taken effect in 2024 are also outlined clearly in workshops.

During the quarter we also attended ASB Polyfest, alongside 80,000 people. We engaged with more than 6,000 attendees, and distributed a range of materials relating to NCEA and STEM.

Intermediate Outcome 2.3: Credible quality assurance supports high quality teaching, learning, aromatawai and assessment

Compliance and complaints

This quarter we received and assessed 137 risk-related referrals. Of those, 76 were 'concerns raised by learners' looking for advice on their situation and were resolved quickly. This is an increase from 65 concerns in the last quarter.

The remaining referrals were handled with varying levels of intervention:

- 49 risk issues where non-compliance may not have occurred, but a risk exists (up from 35 last quarter)
- 7 formal complaints where students allege instances of non-compliance by their TEO (the same as 7 last quarter)
- 5 investigations where alleged, suspected, or known non-compliance is followed up (an increase from 2 last quarter).

We have reviewed the status of approximately 175 private training establishments (PTEs) exempt from student fee protection requirements to identify if they still meet the requirements for exemption. We have worked with those PTEs no longer exempt to ensure they comply with

⁵ The MNA methodology and documentation for kura has been reviewed to align more closely with the kaupapa of aromatawai and with how kura operate. The impetus for this change arose from work undertaken on how we manage the quality assurance system for schools and kura and how we could better engage with kura.

student fee protection requirements and have published information in our quarterly newsletter, eQuate.

We are working collaboratively with the Tertiary Education Commission (TEC) on a small number of PTEs that may be at risk of closure. This quarter, we managed two provider closures. This included assistance to ensure students are awarded their completed standards and qualifications, and facilitating pathways to enable learners to continue their study.

Redesigning the quality assurance framework

We are redesigning the quality assurance framework to enable us to deliver our strategic outcomes, respond to changes in vocational education, and move towards being a modern regulator. This quarter we tested the draft concept for a redesigned quality assurance framework (QAF) with stakeholders, including our cross-sector advisory group.

While there has been general support for the approach, questions were raised about the feasibility of some aspects, such as what would be included in a self-review, and defining the data that might be used to identify provider risk.

In response to feedback from the Advisory Group, we will undertake further work on refining the principles as we prepare a draft consultation paper for a redesigned QAF. In parallel, we have started an internal process to unpack the key changes that will help move us from the concept QAF to an operational business model in 2025/2026.

Quality assurance of the secondary education sector

In March 2024, NZQA commenced the 148 planned Managing National Assessment (MNA) reviews for this calendar year. NZQA uses evidence based MNA reviews⁶ to measure how effectively each school's systems quality assure the national qualifications NZQA administers. NZQA usually conducts MNA review with a school every one to five years, depending on the outcome of the previous MNA review and annual risk profiling. We are working towards catching up on the few remaining MNAs that were postponed due to COVID-19.

During this quarter, NZQA also held Leading National Assessment (LNA) seminars for schools and kura. These seminars are held annually to support schools and kura to implement policies and processes for credible assessment for senior secondary qualifications. This year's seminars focused on the implementation of the NCEA Changes for schools in 2024 and associated changes to NZQA processes. The 2024 seminars were run in 27 locations around New Zealand. Online seminars were also available. Three LNA seminars were delivered in te reo Māori, specifically for kura. There were 659 attendees from 436 schools and kura.

In February 2024, NZQA ran 10 online seminars for new Principal's Nominees (PNs), with a total of 198 participants (38% of schools attended). The seminars covered the role and responsibilities of PNs. PNs are responsible for maintaining processes and systems within their schools and kura in line with their obligations under the Consent to Assess and Assessment Rules.

⁶ The MNA review reports against a school's use of self-review and evaluation processes to identify areas for on-going improvement in assessment practice and procedures, credible assessment practice to meet student needs, external and internal moderation ensuring assessment quality, and external communication to inform staff, students and their families about assessment.

External moderation of internally assessed assessor judgements

NZQA conducts external moderation of school-based assessment of internal standards to ensure marker judgements are fair, valid and nationally consistent. During this quarter, we moderated 898 samples of student work. The number of samples moderated fluctuates month-on-month depending on the number of standards selected for moderation for that month and submitted by schools.

Our annual target is between 30,000 to 50,000 samples of student work per year, with our year-to-date volume at 34,263.

Schools do not always assess standards initially proposed for moderation or submit samples, due to their assessment programmes changing during the year as they learn more about their students' abilities. This can impact on the final number of samples being moderated. NZQA monitors the submission of standards and follows up with schools where material is not submitted during a quality assurance check-in or MNA review, whichever is the soonest.

Improving marker judgements for internally assessed standards

Each year, NZQA produces outlier reports for schools and kura. These reports compare the external and internal results for individual schools and with schools with similar socio-economic barriers. Schools and kura who show marked differences in their results are followed up to ensure their assessment results are credible and to help support improvements to quality assurance processes as required.

Supporting teachers and assessors

Pūtake, our learning management system, is available to teachers and assessors and offers modules, short courses and online programmes about assessment in subjects and specific standards or broader assessment practices.

The number of registered users has increased to approximately 8,300 users, from 6,000 users as at 30 June 2023. During this quarter, more than 3,200 registered users (38.7%) engaged with our online learning modules.

The Assessor Practice Tool (APT) went live in April 2024, following a 12 week pilot in 2023. The APT enables teachers and assessors to practice their marking on a sample of student work for a particular standard. Teachers and assessors can then see what the appropriate grade was, with detailed commentary from a panel of moderators.

We are also developing a series of webcasts (5–7 mins long) to assist teachers in their assessment planning for, and to support the implementation of, the new Level 1 achievement standards. The first of these webcasts was published in April 2024. We also continue to provide online webinars on demand.

Intermediate Outcome 2.4: Quality assurance adapts to the changing needs of learners, community and industry

The Code

We continue to promote the Education (Pastoral Care of Tertiary and International Learners) Code of Practice (the Code) to learners and providers. NZQA's role in relation to the Code is to

provide advice and guidance to providers and learners, approve applications to become a Code signatory, and monitor provider compliance.

During the quarter, we released a schedule of capability-building activities for 2024, as well as the 2024 Code Administrator Plan, and reconnected with national student associations.

Based on feedback, we redeveloped our capability building workshops. The tertiary Code 101 workshop has been split into two, with the first focusing on tertiary leaders responsible for implementing and complying with the Code. The second is more general, for staff who work at tertiary education organisations.

Two new workshops, on student accommodation and international tertiary learners, have been developed. In response to feedback from previous participants we have added scenarios/breakout activities to share examples and promote discussion on how to apply the Code. In quarter four, we will also deliver a Code 101 workshop for Code signatory schools.

We worked with *Ngā amuamu tauria: Study complaints* to promote its launch on 1 January. It is the new disputes resolution scheme which combines the previously separate domestic tertiary scheme and international learner scheme. It assists both domestic tertiary learners and international students to resolve financial and contractual disputes with their education provider. It also allows for claims for redress following breaches of the Code.

NZQA's Code monitoring activities include attending meetings of the Committee on University Student Pastoral Care (CUSPaC) as an observer, to ensure consistency in Code monitoring across the university and non-university sector. In quarter three the committee endorsed the terms of reference for the 2024 university Code self-review evaluation and verification process. Universities are set to complete and report on their self-reviews to Universities New Zealand⁷ in quarter two.

As part of our compliance monitoring, we have reviewed a sample of self-review reports completed by tertiary education providers. The findings from this review will be synthesised in quarter four and used to inform future capability building activities for providers.

Insights

Progress has been made on preparing for publication an insights paper derived from External Evaluation and Review (EER) reports about effective provider practice. We expect it to be published in the next quarter.

⁷ NZQA delegates some Code administrator responsibilities to UNZ.

Our Organisational Capability

Success in delivering our outcomes requires us to have the right environment that allows our people to meet customer needs, be supported through tools and processes, and have the agility and flexibility to meet future demands.

Disability Action Plan

During quarter three, NZQA consolidated its focus on disabled learners and kaimahi by refreshing its Disability Action Plan (DAP) for 2024-2027. The aim of the DAP is to support:

- disabled learners and kaimahi
- NZQA to become more accessible
- equitable outcomes for all learner and kaimahi groups.

The revised DAP has four key goals:

- Disabled learners experience barrier free external and internal NCEA assessments.
- Disabled learners experience barrier free tertiary education.
- NZQA's products and services meet disabled customers' needs.
- NZQA is a disability confident employer.

Our focus for quarter four will be to communicate the DAP internally and externally, continue to build disability confidence within NZQA, and continue to improve accessibility of our website and channels for our customers.

Supporting and understanding our customers

During quarter three we have continued to support and understand our customers via ongoing engagements and focused customer research.

Ongoing dialogue with National Student Associations

We met with the new Presidents for Mana Ākonga (TMĀ), National Disabled Students' Association (NDSA) and New Zealand International Students' Association (NZISA). These discussions included how NZQA could gain diverse learner voice through these partnerships⁸, and how NZQA can support associations (including their members) to learn about the Code of Pastoral Care. We have a mid-year hui set for the end of quarter four to facilitate ongoing dialogue, including an opportunity for all parties to discuss their priorities.

Customer Voice

In February, the NZQA Board endorsed NZQA's new Customer Voice Action Plan. This plan aims to improve our customer focus by keeping the customer voice at the front and centre of our processes and decision making. This will allow NZQA to deliver the best possible experience to our customers through the right products and services.

⁸ These partnerships help us to facilitate dialogue with learner groups to understand learners' challenges, needs and expectations when using NZQA's services and products. They also give us access to learner groups with whom we can test ideas and new designs, understand the potential impact of change, inform improvement work, and co-design new products and services.

Delivering quality services

NZQA's Contact Centre Dashboard for quarter three is included in Appendix 3. During this period, the Contact Centre provided support for the NCEA and Literacy and Numeracy | Te Reo Matatini me te Pāngarau assessment results release, returning papers to candidates after marking, and Scholarship results release.

The Contact Centre improved the average speed of answer and abandonment rates by approximately 50% through upskilling and efficiency improvements.

In addition we continued to work on improvements to NZQA's Chatbot. This greatly assisted NZQA's service delivery during the results release period, with an 80% success rate for NSN requests. This was a significant improvement from quarter two (50%).

NZQA change proposal

NZQA began consultation with staff on an organisational change process in May 2024. The aim of the change is to align staffing levels with the rephasing of the roll out of the NCEA Change Programme and to realise productivity efficiencies that are necessary to improve financial sustainability. Decisions on the change proposal were announced in mid-June, and work is now underway to implement the changes, which include disestablishment of 66 roles (14 of which are currently vacant) and creation of 32 new roles.

Performance measure (non-performance) exception reporting

The following section contains details of NZQA's Appropriation/Statement of Performance Expectations performance measures that are not currently being achieved or are forecast to fall below expected performance levels at 30 June 2024.

As of the end of quarter three, there are seven performance measures (out of 33) where targets are not being achieved, or preliminary information indicates that achievement is unlikely by 30 June.

Table 2: SPE performance measure overview

Measure type	SPE measure count	On track	
		Yes	No
Numeric	29	22	7
Narrative	4	4	-
Total	33	26	7

Performance measures tracking below target

Measure 2.2a(ii)	Target	Q3 Result
The percentage growth in Special Assessment Conditions applications for Pacific students exceeds the percentage growth in applications for students of other ethnicities.	Achieved	Not achieved Pacific: 3.8% Other: 18.6%

In 2023, 1,350 Pacific students accessed SAC, compared with 1,300 students in 2022. This is compared with 15,165 of non-Pacific students accessing SAC in 2023 and 13,965 in 2022. While we are seeing an increase in the percentage of Pacific students accessing SAC, we are continuing to see a greater increase in the number of non-Pacific learners accessing SAC, widening the gap between Pacific and other learners.

We will continue to engage with schools where SAC applications from Pacific learners are lower than expected based on the school profile, and where necessary, provide support in the form of information and guidance, seminars and engagement with school relationship managers⁹.

⁹ School Relationship Managers partner with schools and kura to evaluate the quality of assessment and outcomes for students. They oversee school and kura quality assurance processes to ensure that assessment is fair for all students and results are credible, high quality and relevant.

Measure 2.2b(i)	Target	Q3 Result
The % of students that participate in digital assessment. ¹⁰	50% or greater	48.7%

The number of students sitting a digital external assessment has increased across all NCEA levels. Results show over 62,000 students out of approximately 128,300 students sat one or more of their assessments digitally. In addition, in 2023 over 66,500 students completed the Literacy and Numeracy | Te Reo Matatini me te Pāngarau co-requisite assessments digitally.

The result (48.7%) exceeded our forecast but does fall short of our 2023/24 performance standard. We will continue to promote the transition to, and support participation in, digital assessment through our workshops and one-to-one support.

Measure 2.2b(ii)	Target	Q3 Result		
The rate of ākonga Māori and Pacific students participating in digital external assessment similar or higher than their peers. ¹¹	Upwards trend	Māori: L1: 46.3% (-4.2pp) L2: 45.6% (-8.7pp) L3: 40.8% (-7.2pp)	Pacific: L1: 42.7% (-7.8pp) L2: 40.0% (-14.2pp) L3: 34.3% (-13.7pp)	Other: L1: 50.5% L2: 54.3% L3: 48.0%

Māori and Pacific learners have increased participation in at least one or more digital assessment year-on-year. However, non-Māori and Pacific learners have also shown an increase in participation, widening the gap at some levels, between these groups.

Measure 2.2c(i)	Target	Q3 Result
Upward trend in the number of kura whose students are externally assessed in a familiar setting.	Upwards trend (2022/23 result: 77)	71

This measure counts schools and kura where (i) at least 70% of Year 11-13 students are ākonga Māori and (ii) the school/kura is an exam centre.

The result for quarter 3 (71) shows a decrease of six such schools/kura since the 2022/23 year end. This is comprised of four schools/kura that dropped below the 70% threshold for inclusion in the measure, and two schools/kura that had no ākonga sitting external examinations.

¹⁰ Excludes students participating in externally assessed te reo matatini me te pāngarau (literacy and numeracy) assessments.

¹¹ As above.

Measure Oc1(i)	Target	Q3 Result
The proportion of survey respondents who agree or strongly agree that the information they received from NZQA met their needs.	75%	73%

During quarter three we saw an increase in the proportion of survey respondents who agree/strongly agree that the information they received from NZQA met their needs. This is a notable increase from our quarter two results (66%).

Key drivers for this measure in the quarter included NCEA results release and the ongoing opportunity for overseas teachers to have their overseas teaching qualifications evaluated by NZQA at no cost, under the Zero Fee Teaching IQA initiative.

We ask customers what services they were thinking of when they respond to this question. One third of the respondents were thinking about their NSN service request. One quarter of the respondents were thinking about their application for an international qualification assessment.

Measure Oc3(i)	Target	Q3 Result
The percentage of respondents who agree or strongly agree that the response time from NZQA met their expectations.	75%	73%

As with measure Oc1(i), we have seen an increase in the proportion of survey respondents who agree/strongly agree that the response time from NZQA met their expectations. This is a notable increase from our quarter two results (64%).

We ask customers what services they were thinking of when they answered this question. Of those who felt negative about the response time, the majority had been contacting NZQA to request their NSN (32%), find information on the website (20%), or apply for international qualification assessment (19%). These are all areas NZQA will continue to focus on as we continue to enhance our customers' experience.

Measure Oc2(ii)	Target	Q3 Result
The percentage of Ministerial items that achieve the deadlines agreed with the Minister's office.	99%	98.3%

We are continuing to set and closely track responses to Ministerial items. We expect to meet this target at year end.

Financial Performance

Key Financial Performance Indicators

	Actual - YTD (\$M)	Budget - YTD (\$M)
Total revenue	92.78	90.74
Total expenditure	99.47	95.50
Net surplus / (deficit)	(6.69)	(4.76)
Current ratio ¹²	2.16:1	1.10:1
Working Capital ¹³	13.11	17.44
Net capital investment ¹⁴	4.02	2.81

Financial Report and Commentary

(for the period ended 31 March 2024)

	Q3 Actual YTD (\$M)	Budget YTD (\$M)	Variance (\$M)
Revenue			
Crown revenue	67.33	67.33	0.00
Fees and charges	23.43	22.35	1.08
Interest revenue	1.55	1.06	0.49
Other income	0.47	0.00	0.47
Total revenue	92.78	90.74	2.04
Expenditure			
Personnel and Board	57.30	56.00	(1.30)
Specialist workforce	10.48	10.82	0.34
Professional services	12.36	7.23	(5.13)
Publication, print and distribution	3.96	4.31	0.35
Other operating	13.42	15.23	1.81
Depreciation	1.95	1.91	(0.04)
Total Expenditure	99.47	95.50	(3.97)
Net surplus / (deficit)	(6.69)	(4.76)	(1.93)

¹² Current Ratio equals: Total Current Assets to Current Liabilities as a ratio.

¹³ Current Assets less Current Liabilities.

¹⁴ Net capital investment equals non-current assets.

Commentary: NZQA Overview against main budget

The March YTD net deficit is \$6.7m against a main budget deficit of \$4.8m, giving an unfavourable variance of \$1.9m. The organisation has undertaken several strong cost control measures to reduce the expected year-end financial deficit including reducing contractor expenditure, travel costs and meeting expenses.

Revenue

Revenue for March YTD is \$92.8m against the main budget of \$90.7m, being \$2.1m (2%) above the main budget. The material variances arise from:

Credit Fees revenue and Qualification Assessment Fees

- Credit Fee revenue was \$0.1m higher than budget. This was driven by higher than budgeted numbers of credits reported to NZQA by tertiary education organisations. However, credit fee revenue is slightly less compared to the previous year.
- The Qualification Assessment Fees are \$1.2m higher than budget, mainly due to higher-than-expected volumes of applications processed by the Qualification Recognition Services team.

Interest income

- Interest income is tracking \$0.5m higher than budget, due to cash balances being higher than originally planned.

Expenditure

Expenditure for March YTD is \$99.5m against the budget of \$95.5m, being \$4.0m (4%) above budget. The material variances arise from:

Personnel and Board is \$1.3m above budget (2%)

This is largely attributed to casual wages being \$1.4m above budget due to payments to casual examination staff. This is related to the cost of examination assistants (e.g. reader/writer) supporting Special Assessment Conditions (SAC).

Professional Services are \$5.1m above budget (71%)

Professional Services are above budget primarily attributed to:

- Human Capital Management (HCM) project (\$1.3m) – this is primarily related to the costs of Phase 2 of the project, which continues to progress implementing a solution for the Specialist Workforce (6,000 contractors). The increased budget for this project was approved by the Board in August 2023, which was after the finalisation of the original budget.
- Portals/NCEA digital submissions (\$1.7m) – this project concluded in February 2024. The investment was to better support schools, teachers and learners in the facilitation of the NCEA assessment process.

Additionally, higher costs have been incurred across the business to backfill vacancies and to provide timebound, specialist expertise in the delivery of work programmes and to support on-

going IT costs. Due to labour market restrictions and the high demand for the skills required for these projects, it has been necessary to backfill these vacancies with higher cost contractors.

Other Operating is \$1.8m below budget (12%)

Other Operating expenses are below budget. This is largely attributed to reduced travel (\$1.6m) and meeting expenses (\$0.6m), due to strong control being exercised over all travel and meeting expenditure to minimise the year-end financial deficit.

Forward Looking

After a period of necessary investments in NZQA's core systems in 2022 and 2023, the Board approved a Statement of Performance Expectations (SPE) budget deficit for 2023/24 of \$3.6m. Following the approval of the 2023/24 SPE budget, the Board approved \$2m from accumulated reserves for the next phase of the Qualifications and Credentials Register (QCR)¹⁵ and circa \$2.5m for the completion of the new Human Capital Management System. The deficit position was further challenged by strong inflationary pressures, especially in the cost of new appointments and IS software licencing.

A reforecast exercise was completed at the half year (31 December 2023) and the forecast outturn at that time, for the 2023/24 year end, was a deficit of \$12.1m.

In February 2024, the NZQA Board's Risk and Assurance Committee (R&AC) reviewed the 2023/24 financial forecast and management's plans to continue reducing expenditure (and to consider any revenue generating opportunities). This included scrutinising all expenditure, including reviewing contractor, consultant, and fixed term and permanent staffing levels; and undertaking business operating model reviews, while ensuring core services are delivered.

Significant steps were taken to reduce contractor expenditure, travel costs and meeting expenses. In addition, only business critical staff are being replaced following resignations and most fixed-term employment agreements have been ended.

At the date of writing, the outturn for the first 11 months of the 2023/24 year indicates that the final year end deficit will be no more than the \$12.1m (as forecast at the half year point).

The Board approved a (draft) deficit budget of \$3m for the 2024/25 SPE. This was set with a view to balancing the need to move to a sustainable fiscal position and to ensure that NZQA is able to continue to meet its core commitments. The Board will consider and approve a final SPE budget at its meeting on 21 June 2024, which will take into account the recently announced \$10m Budget 2024 funding.

Looking ahead, a balanced budget is intended for the year ending 30 June 2026.

An interim plan for NZQA's financial sustainability was provided to the Ministry in March 2024. An updated and more detailed financial sustainability plan is currently being prepared for submission to the Minister by 1 July.

¹⁵ The QCR expenditure is currently being coded to operating expenditure, pending a review as to whether it meets the test for capitalisation.

The Board is focused on ensuring that NZQA balances the necessary investments in the organisation's systems and capability with recognition of the tight financial situation that exists for all public sector agencies. The \$10m Budget 2024 funding will allow NZQA to deliver IT system stabilisation across its legacy and legacy-integrated technology platforms, develop a robust business case for the replacement of NZQA's core business operating IT system (eQA), and address risks and pressures in the end-to-end delivery of NCEA.

The Board considers that this year and next will be a period of consolidation and stabilisation across the work programme, focusing on operational efficiencies and cost reductions. We also see the organisation using this period of consolidation and business process change as an opportunity to ensure that all work is aligned to our core mandate, and is right-sized, responsive and value adding.

Balance sheet and commentary

(as at 31 March 2024)

	Actual Mar-24 (\$M)	Opening Jun-23 (\$M)	Movement (\$M)
Current Assets			
Cash and bank	12.62	2.97	9.65
Short-term deposits	5.50	22.00	(16.50)
Debtors and other receivables	6.25	7.83	(1.58)
Total current assets	24.37	32.80	(8.43)
Non-current assets			
Fixed assets	3.55	5.36	(1.81)
Work in progress	0.47	0.00	0.47
Total non-current assets	4.02	5.36	(1.34)
Total assets	28.39	38.16	(9.77)
Current Liabilities			
Creditors and other payables	5.57	7.28	(1.71)
Provisions for employee entitlements	4.40	5.28	(0.88)
Deferred revenue	0.85	2.01	(1.16)
GST payable	0.44	0.12	0.32
Total current liabilities	11.26	14.69	(3.43)
Non-current liabilities			
Provisions for employee entitlements	0.92	0.56	0.36
Unclaimed monies	0.00	0.00	0.00
Total non-current liabilities	0.92	0.56	0.36
Total liabilities	12.18	15.25	(3.07)
Net Assets	16.21	22.91	(6.70)
Public Equity	16.21	22.91	(6.70)

Commentary: Balance sheet

Most movements in accounts since 30 June 2023 are relatively small and expected, with significant movements explained below:

- Debtors and receivables have decreased by \$1.6m, driven primarily by payment of an outstanding debt due from the Ministry of Education.
- Fixed assets have decreased by \$1.8m reflecting a \$1.9m depreciation charge for the year to date, less \$0.1m of computer equipment additions.
- Work in progress is \$0.5m, reflecting Phase 2 costs for the HCM project (following Phase 1 costs for the HCM project being shifted to prepaid expense).
- Creditors and payables have decreased by \$1.7m. This primarily reflects decreases in exam related accruals and the liability to IR for deductions (i.e. PAYE).
- Deferred Revenue has decreased by \$1.2m. This movement is driven by the decrease in QRS deferred revenue, as the number of unprocessed and in progress applications has decreased.

Cash flow statement

(for the Quarter ended 31 March 2024)

Actual and Forecast 2023/24	Year to Date (\$M)	Full Year Forecast (\$M)
Net cash flows – operating activities	(6.46)	(9.79)
Cash provided from:	93.00	115.14
Crown revenue	67.33	81.99
Inter department revenue	-	-
Third party revenue	23.65	30.88
Other income	0.47	0.47
Interest income	1.55	1.80
Cash applied to:	99.46	124.93
Employees	56.86	72.35
Suppliers	42.60	52.28
Net cash flows – financing activities	-	-
Cash provided from:	-	-
Crown-Capital contribution	-	-
Cash provided to:	-	-
Crown-Capital withdrawal	-	-
Net cash flow – investing activities	(0.39)	(1.00)
Cash provided from:	-	-
Sale of intangibles and fixed assets	-	-
Cash was provided to:	-	-
Purchase of intangibles and fixed assets	0.39	1.00
Repayment of capital contribution	-	-
Net Increase / (decrease) in cash held	(6.85)	(10.79)
Opening cash	24.97	24.97
Closing cash balance	18.12	14.18
Cash	12.62	3.18
Short-term deposits	5.50	11.00
Closing cash balance	18.12	14.18

Commentary: Cashflow

Cash and term deposits at 31 March 2024 total \$18.1m, down \$6.8m from 30 June 2023. This largely reflects the year to 31 March 2024 deficit. \$5.5m is held in two term deposits.

Appendix 1

Year 11 NCEA Level 1

Year	Achieved (n)	Achieved (%)	Total Students	Difference from previous year
2019	43,065	70.6%	60,982	
2020	43,835	71.8%	61,046	1.2pp
2021	43,071	69.2%	62,261	-2.6pp
2022	42,337	64.9%	65,219	-4.3pp
2023	42,371	61.7%	68,720	-3.2pp

Year 12 NCEA Level 2

Year	Achieved (n)	Achieved (%)	Total Students	Difference from previous year
2019	42,677	77.5%	55,101	
2020	45,100	80.1%	56,292	2.6pp
2021	44,386	77.9%	56,986	-2.2pp
2022	43,053	74.9%	57,471	-3.0pp
2023	44,001	73.2%	60,074	-1.7pp

Year 13 NCEA Level 3

Year	Achieved (n)	Achieved (%)	Total Students	Difference from previous year
2019	31,165	67.3%	46,304	
2020	33,597	72.1%	46,598	4.8pp
2021	33,961	70.5%	48,158	-1.6pp
2022	31,910	68.2%	46,803	-2.3pp
2023	31,446	67.7%	46,450	-0.5pp

Appendix 2

Participation in the Literacy and Numeracy | Te Reo Matatini me te Pāngarau NCEA co-requisite assessments

	2022 Overall			2023 Overall		
	No. of students participating	No. of students achieved	Percentage of students achieved	No. of students participating	No. of students achieved	Percentage of students achieved
Reading	18,420	12,388	67.3%	52,236	35,800	68.5%
Writing	17,583	8,752	49.8%	50,607	32,340	63.9%
Numeracy	25,535	16,371	64.1%	58,552	36,390	62.1%
Te Reo Matatini	143	63	44.1%	262	100	38.2%
Pāngarau	186	61	32.8%	227	47	20.7%

Appendix 3

Contact Centre Dashboard

Jan 2024 to Mar 2024:

This quarterly dashboard presents performance metrics for the Contact Centre. During this period, the Contact Centre provided support for NCEA & LitNum results release, Returning papers to candidate after marking (via Learner Portal) and Scholarship results release.

The volume demand at the Contact Centre peaked during the NCEA results release on 17 January and continued to stay higher than usual until mid-March. During results release (17 and 18 January), Contact Centre prioritised NSN queries and managing over 1100 NSN calls with an average speed to answer (ASA) of 12 seconds. Reliance on Chatbot functionality provided for a 50% reduction in volunteer numbers compared to the previous year, and still achieved an overall ASA during the results release days of 1 minute and 27 seconds. The chatbot significantly supported the Contact Centre by addressing 1500 NSN inquiries with an 80% success rate.

A bug was identified in the CRM system that prevented the Contact Centre from offering the customer feedback survey in March. A workaround has been implemented and surveying has resumed in April. In the reporting period for this quarter (Jan-March) customers were able to be surveyed during Jan-Feb period and during this period customer satisfaction remained consistently high, averaging 5.76 in Q3 of FY 2023-24, based on 134 responses.

Measure 1: % First Contact Resolution (FCR) – Voice calls

Measure description:

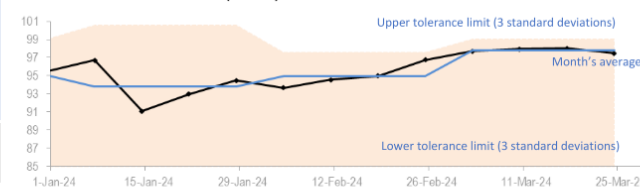
% of interactions where issues were resolved by an agent at first contact (instead of passing calls on).

Performance commentary:

FCR performance has been consistently high for Q3. The minor dip in January is by design where volunteers transferred complex calls to support teams

Available external benchmark:
FCR = 50.7% for Australia Post

Voice % First Call Resolution (%FCR)



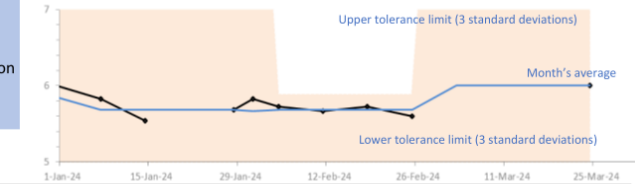
Measure 4: Customer Experience measure – Voice calls

Measure description:

Average score given by callers who are offered a voice survey at the end of their interaction with the NZQA Contact Centre. Score range is from 1 = Poor to 6 = Excellent

Performance commentary:
Customer satisfaction for the contact center has been consistent with high satisfaction rate.

Customer Satisfaction Score



Measure 2: Average Speed of Answer (seconds) – Voice calls

Measure description:

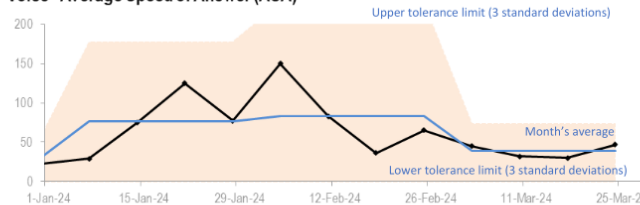
Average amount of time (in seconds) it took to answer all contacts in a given period.

Performance commentary:

The Contact Centre has maintained a healthy ASA in Q3 despite reduced staffing and half the volunteers in comparison to last year

Available external benchmark:
ASA = 109 secs for Australia Post

Voice - Average Speed of Answer (ASA)



Measure 5: Average Speed of Answer (seconds) - Messaging chat

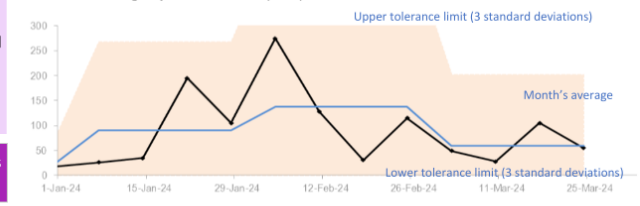
Measure description:

Average amount of time (in seconds) it took to answer all webchats in a given period.

Performance commentary:
The ASA for live chat was consistent with volume demand and maintained a healthy performance throughout Q3

Potential external benchmark is being identified

Webchat - Average Speed of Answer (ASA)



Measure 3: Abandonment rate – Voice calls

Measure description:

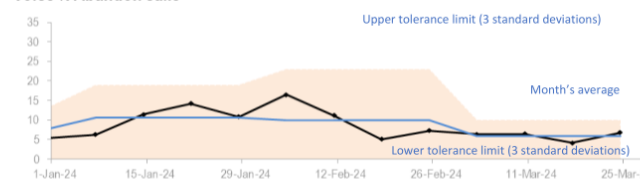
The number of abandons compared to the number of calls offered.

Performance commentary:

Abandonment rate is consistent with the ASA pattern. An improvement of 7% in comparison to Q3 of last year.

Available external benchmark:
Auckland Council – 16%.

Voice % Abandon calls



About the graphs:

Their purpose is to monitor and improve performance by facilitating conversations around actual dip/ increase in performance vs normal variation within tolerance levels (± 3 standard deviations from the average line). Each graph has daily data points. The running average line is an average across daily points for the period identified. Any variation within the shaded portion of the graph is considered to be within normal variation. It may take up to 3 months of data collection to confirm the normal variation band. These graphs will enable the SLT and the Board to make informed decisions around setting realistic stretch targets and supporting action plans to achieve these stretch targets.