



Annual Report
Te Pūrongo Ā-Tau

2025/26

NZQA

2025/26 Annual Report

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Māori proverb

Whakatauākī

The bird that partakes of the berry, theirs is the forest. The bird that partakes of knowledge, theirs is the world.

Ko te manu ka kai i te miro, nōna te ngahere. Ko te manu ka kai i te mātauranga, nōna te ao.

(Te Kere Ngataierua, Te Āti Haunui-a-Pāpārangi)

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Table of contents

Ngā ihirangi

Foreword from the NZQA Board and Chief Executive 4

Statement of responsibility 6

Progress towards our strategic intentions 7

Our organisational capability 16

Statement of service performance 20

Independent auditor’s report 39

Financial statements 44

Appendix: Other disclosures 80

Foreword from the NZQA Board and Chief Executive

Kupu Takamua mai i Te Poari NZQA me Te Pouwhakahaere Matua

We are pleased to present the New Zealand Qualifications Authority's Annual Report for the year ending 30 June 2026.

Our core role is ensuring that Aotearoa New Zealand's qualifications and credentials are credible and robust. In performing this role, NZQA's work has a positive impact across the wider education system. In particular:

- our integrated Quality Assurance Framework (iQAF) contributes significantly to the government's efforts to better balance the benefits and costs of regulation while supporting a skilled workforce.
- our senior secondary school assessment work credentials student learning, opening doors to work or further study here or overseas.
- our rapid but cautious adoption of artificial intelligence is already reducing the amount of time it takes to mark and return some student assessments.
- the Strategic Technology Enhancement Project (STEP) is creating the infrastructure we need to ensure New Zealand qualifications are well managed and valued into the future.

NZQA's work is guided by our four strategic objectives: perform core functions well; apply right touch, right size regulation; improve stakeholder trust and confidence in current and future qualifications and credentials; and leverage digital solutions to increase business efficiency and quality. For 2025/26, we made good progress towards 10 priority actions that will enable us to achieve our strategic objectives, which are highlighted throughout this report.

This year we further embedded our new regulatory framework through consultation on, and rollout of, the iQAF for the tertiary education system. The new quality assurance settings are designed to be practical, proportionate and responsive to an evolving tertiary education environment. Robust quality assurance is fundamental to maintaining the reputation of Aotearoa New Zealand qualifications and supporting confidence among learners, employers, international partners and other regulators.

This March also saw the announcement of new senior secondary school qualifications to replace NCEA, beginning with a Foundational Award focusing on literacy and numeracy to be introduced in 2028. These new qualifications signal a shift from standards-based to subject-based assessment and will be derived from the new curriculum currently being developed by the Ministry of Education. NZQA has begun work to support the development and implementation of these new qualifications and to ensure a well-managed transition from NCEA.

As part of our digital modernisation work, we completed a proof of concept using artificial intelligence to mark three NCEA external assessments. We also explored the potential application of artificial intelligence to support the moderation of NCEA internal assessments. The initial results were promising, and we will continue to develop and evaluate our artificial intelligence capabilities in 2026/27.

We also continued to modernise NZQA's 20-year-old information technology infrastructure through STEP. This included utilising one-off Budget 2025 funding to deliver the first stages of the project and securing full project funding through Budget 2026, following approval of the detailed business case. Procurement is now underway and we are on track to complete supplier negotiations by the end of the calendar year.

We acknowledge the significant contributions of our advisory groups, Ngā Kaitūhono and the NZQA Taupulega, whose insights and leadership continue to help shape our direction and ensure our work reflects the aspirations of Māori and Pacific learners, whānau and communities.

We also recognise the commitment of all NZQA staff, including the substantial workforce involved in assessment writing, marking, supervision and moderation.

Our work is undertaken alongside the Ministry of Education and the Tertiary Education Commission, other education agencies, tertiary education providers and schools. Together, we continue to support an education and qualifications system that is trusted, future-focused and inclusive.

Statement of responsibility

Te tauāki haepapa

We are responsible for the preparation of the New Zealand Qualifications Authority's (NZQA) financial statements and statement of performance and for the judgements made in them.

We are responsible for any end-of-year performance information provided by NZQA under section 19A of the Public Finance Act 1989.

We have the responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In our opinion, these financial statements and statement of performance fairly reflect the financial position and operations of NZQA for the year ended 30 June 2026.

Signed on behalf of the Board



Bill Moran

Board Chair (Acting)
Tiamana o te Poari (Hāpai)

28 September 2026



Andrée Atkinson

Risk and Assurance Committee Chair
Tiamana Komiti Tūraru me te Whakaū Kounga

28 September 2026



Christian Hawkesby

Chief Executive
Pouwhakahaere Matua

28 September 2026

Progress towards our strategic intentions

Te kokenga ki ngā koronga rautaki

Implementing the Government's priorities

Te kōkiri i ngā whakaarotau Kāwanatanga

Preparing for changes to senior secondary school qualifications

Te Whakataka mō ngā whakahoutanga ki ngā tohu kura tuarua tōmua

During the 2025/26 financial year, NZQA prioritised work to support the Government's proposed new senior secondary school qualifications. This has involved preparing for a more coherent and streamlined system that:

- recognises knowledge, practices, and capabilities
- supports clearer education and employment pathways
- improves the credibility and usability of qualifications for learners, whānau, employers, and tertiary providers.

NZQA worked closely with the Ministry of Education on designing policies, including qualification and assessment structure and implementation support. Additional key activities included:

- contributing to assessment approaches aligned with the new qualifications to support valid, reliable, and equitable outcomes, including strengthening the role of school-based assessments so that qualifications more clearly indicate achievement and capability.
- aligning quality assurance processes, moderation systems, and digital platforms with the new structures and expectations to support effective implementation.
- working with advisory groups to test and refine aspects of the new qualifications and provide guidance to support implementation, which will help to maintain continuity and confidence during the transition period to ensure that the move to new qualifications is well managed and learners are not disadvantaged.

This collaborative approach will be widened as work progresses, ensuring that assessment of the new senior secondary school qualifications is well understood and fit for purpose, and delivers improved outcomes for learners across Aotearoa New Zealand.

Supporting changes to the vocational education landscape

Te tautoko i ngā whakahoutanga ki te noho pae mātauranga ara ringarehe

We contributed to the Government's vocational and tertiary education priorities and new vocational education system in several ways.

- Supporting the transition from Workforce Development Councils to Industry Skills Boards, including transferring qualifications, programmes and micro-credentials into new delivery arrangements with industry voice at the centre. We also supported the establishment of standalone institutes of technology and polytechnics and registered

new industry-led private training establishments to connect vocational training to local industry needs.

- Establishing strong working relationships with Industry Skills Boards through regular engagement and collaborative work programmes. This included developing key performance indicators, monitoring arrangements and information-sharing protocols, transitioning to skills standards, programme endorsement processes, and oversight of national moderation systems.
- Strengthening system stewardship and oversight through the establishment of a function dedicated to understanding system performance and capability.

Realising our strategic objectives

Te whakatinanatanga i ā mātou whāinga rautaki

Leverage digital solutions to increase business efficiency and quality

Te ngaki whakataunga matihiko kia whakatipu i te kaha me te kounga pakihi

Implementing our digital first strategy including digital assessment

Te kōkiri i tā mātou rautaki matihiko tuatahi me te aromatawai matihiko

NZQA's digital-first strategy aims to modernise NCEA assessment by continuing to innovate how assessments are designed, delivered and experienced. The strategy includes digital assessment, research and trials, improvements to student experience, and ongoing collaboration with vendors so the assessment platform can evolve and remain fit for long-term use.

Digital first, paper by exception

Following sector consultation, NZQA provided schools and kura with guidelines on when paper assessment should be used instead of digital external assessment. To increase participation, NZQA is focusing on schools, kura and subjects with low levels of digital assessment uptake to gain further understanding of reasons for non-participation and to provide targeted support and guidance to address barriers.

Digital participation continues to grow

Data from 2025 confirms sustained momentum towards digital delivery. In 2025, 70% of year 11 - 13 students participated in at least one end-of-year digital assessment, up from 60% in 2024. Level 1 participation rose from 74% to 76%, Level 2 from 54% to 70%, and Level 3 from 53% to 65%.

Hard-to-digitise subjects

In 2025, 77 of 125 end-of-year examinations were available to be assessed digitally. Work is ongoing to digitise subjects considered 'hard-to-digitise' due to their use of diagrams, pictures, formulae, or symbols that are difficult to replicate in a digital format. Increasing the number of subjects available digitally expands access to technologies such as text-to-speech that create more accessible and inclusive assessment experiences.

Making use of artificial intelligence, including AI marking *Te whakamahinga atamai hangahanga, me te māka AI*

Use of AI marking

NZQA continued to use Automated Text Scoring to support the marking of the NCEA co-requisite writing assessments in the September 2025 and May 2026 events. This enabled results to be returned to students sooner, providing more time for teachers to work with students who did not achieve the standard ahead of the next assessment opportunity. To ensure confidence in the artificial intelligence (AI) marking solution, humans re-marked assessments where a student was on the boundary of achieving or not achieving the standard.

Further exploration of AI

We started to explore further opportunities for AI marking, running proofs of concept to test the feasibility of AI marking end-of-year external assessments and supporting external moderation. We also began to explore how AI could support exam development by developing a first draft of an exam that is then finalised and tested by subject assessment specialists. The aim of this work is to better understand how AI could improve the reliability, consistency and scalability of assessment processes while maintaining confidence in assessment outcomes.

Digital modernisation *Te whakahoutanga matihiko*

This year, we established the enterprise foundations required for long-term digital transformation. This included drafting NZQA's first digital roadmap and preparing for the Strategic Technology Enhancement Programme. We also:

- strengthened governance to ensure technology investment is better aligned to organisational priorities and reduces future fragmentation
- delivered technology improvements to support a more modern, flexible and resilient workplace
- strengthened our data and analytics capability and cyber security capability
- supported effective use of digital tools for increased automation and productivity
- supported staff in adopting AI and governing its use.

Collectively, these efforts are positioning NZQA to deliver more integrated, resilient, secure and insights-led services.

Strategic Technology Enhancement Programme *Te Hōtaka Whakapiki Hangarau Rautaki*

The Strategic Technology Enhancement Programme (STEP) will replace NZQA's 20-year-old IT infrastructure with a modular architecture that supports interoperability, scalability and security.

To do this, the programme aims to deliver a suite of integrated application services that ensure responsiveness to sector needs and government policy. This technology will have the ability to support a coherent, digital ecosystem across the education sector.

Over 2025/26, NZQA completed STEP's Establishment Phase, which included:

- completing the Detailed Business Case, which was approved by Cabinet
- undertaking discovery work for the wider STEP delivery
- building an Organisation Master, which establishes a single, reliable source of organisation and contact data about schools and tertiary providers
- designing a simplified model for identity and access management, which will be implemented during STEP delivery.

NZQA received Budget 2026 funding to deliver STEP over the next four years. In 2026/27 we will complete the Approval-to-Deliver business case. The STEP implementation phase will begin once that case is approved.

Utilise right touch, right size regulation that balances the needs of all stakeholders
Te mahi waeture tino tika, tino arotau ka hāngai ki ngā matea o ngā kiripānga katoa

Progressing the integrated Quality Assurance Framework *Te koke i te anga Whakaū Kounga tōpū*

Following consultation in 2024/25 to replace our evaluative quality assurance framework for tertiary education organisations (TEOs) (not including universities), we have now reached the implementation phase of the new integrated Quality Assurance Framework (iQAF). The framework supports NZQA's refreshed regulatory focus on being impact-led, anticipatory and adaptable.

TEO self-review

A key milestone reached in 2025/26 was the rollout of TEO self-review through a new provider portal, supported by guidance, resources, and engagement activities. Self-review is designed to reduce the regulatory burden on providers by shifting from infrequent, externally driven evaluation activities towards a model that relies more on providers' own quality assurance systems and self-assessment.

Risk-informed approach

We also published a new risk-informed monitoring approach, providing greater transparency about how monitoring and regulatory activities are prioritised and increasing our use of sector-wide intelligence and data.

iQAF next steps

Work is now underway to:

- identify emerging trends, risks, and opportunities to strengthen educational quality across the sector
- develop quality descriptors to give learners, providers, government agencies and employers a clear and meaningful picture of provider quality
- reduce the compliance burden for providers by streamlining reporting requirements, improving information sharing between agencies, and identifying opportunities to

remove duplication across regulatory, performance and quality assurance processes, through collaboration with the Tertiary Education Commission

- release our inaugural annual system risk scan, and new qualification impact reports, to provide greater visibility of sector performance and learner outcomes.

The iQAF is how many of the qualifications and credentials listed on the New Zealand Qualifications and Credentials Framework – and the providers who deliver them (other than for universities) – undergo quality assurance by NZQA. This work helps to ensure that employers, whānau, communities and learners have confidence in what their qualification represents.

Pastoral care and student wellbeing

As Administrator of the Code Administrator of the Education (Pastoral Care of Tertiary and International Learners) Code of Practice 2021, we monitor and support providers to ensure they comply with the Code and are required to report annually¹ under section 535B of the Education & Training Act 2020.

In 2025/26, our priorities were promoting the Code to education providers, monitoring and review, and capability building. Workshops, webinars, and focus groups on various aspects of the Code were delivered with attendees from across the sector, including TEOs, schools and student leaders. We also reviewed homestay accommodation requirements for both school signatories and tertiary providers, as part of testing that our regulatory approach is right-sized.

Improve stakeholder trust and confidence in current and future qualifications and credentials

Te whakapiki ake i te whakapono kiripānga ki ngā tohu o nāianeī, onamata hoki

Many elements of NZQA's work help to build stakeholder trust and confidence in the qualifications system. This year, our reporting focus is on the international elements of this work, which supports the reputation of Aotearoa New Zealand's qualifications and qualifications system in international and domestic forums and builds better qualifications practices in some Pacific countries.

International engagement

Te pānga tāwāhi

NZQA's international work ensures that qualifications can be understood, compared and recognised consistently and credibly across international borders. This supports learner mobility and international education growth.

Supporting Aotearoa New Zealand's role in international qualification recognition agreements

Aotearoa New Zealand is a party to three UNESCO² qualification recognition conventions: Lisbon (Europe),³ Tokyo (Asia-Pacific),⁴ and Global Recognition.⁵ These provide international frameworks for the fair, transparent, consistent and non-discriminatory recognition of qualifications,

¹ View the [2025 Code administrator report](#)

² UNESCO is a specialised agency of the United Nations that promotes peace and security through international cooperation in education, science, culture, and communication. [UNESCO in brief](#)

³ [Convention on the Recognition of Qualifications concerning Higher Education in the European Region](#)

⁴ [Asia-Pacific Regional Convention on the Recognition of Qualifications in Higher Education](#)

⁵ [Global Convention on Higher Education](#)

strengthening trust and confidence in qualifications while supporting international mobility for learners and skilled workers. NZQA represents Aotearoa New Zealand in relation to all three conventions.

This year, we successfully hosted representatives from nearly 30 countries at the UNESCO Tokyo convention and APNNIC⁶ Plenary in Thailand, securing Aotearoa New Zealand's continued representation and strengthening our international leadership in qualifications recognition. We also collaborated with international organisations and counterparts⁷ to bring valuable international insights into NZQA's regulatory and recognition practices and provided specialist policy advice to support learner and workforce mobility while safeguarding qualifications integrity. NZQA has continued to support the design and international positioning of Aotearoa New Zealand's future secondary school qualifications, helping maintain global confidence during the transition from NCEA.

Going for growth – helping to grow international education

NZQA is one of the agencies supporting the delivery of the Government's International Education Going for Growth Plan⁸ (the IE Plan), which outlines the Government's actions to double the value of international education from \$3.6 billion in 2024 to \$7.2 billion by 2034. Along with the Ministry of Education and Education New Zealand, NZQA is responsible for two key actions under the IE Plan, focused on quality delivery and qualifications diversification.

Our involvement helped to ensure that qualifications and recognition settings and dialogue with key overseas partners continue to support economic development, industry needs, and learner success. This included supporting the IE Plan through targeted engagement with education agents and stakeholders, contributing to sector-wide forums focused on international student growth and qualifications diversification, and qualifications recognition initiatives and activities that promote and protect the quality, credibility and international reputation of Aotearoa New Zealand qualifications and education.

Qualifications recognition

Te whakaaetanga tohu

NZQA evaluates applications from individuals seeking to have their overseas tertiary and vocational qualifications recognised for immigration, employment or further study purposes in Aotearoa New Zealand. Our role is to determine how the qualifications align with the New Zealand Qualifications and Credentials Framework. This helps reduce the risk of employers accepting fraudulent qualifications.

In 2025/26 we evaluated 19,553 of these applications, which was an 8% increase on the previous year. Approximately 45% of the total number of applications received were Teaching International Qualification Assessments, and 41% of qualifications we evaluated were from India and the Philippines.

We recorded 36 cases of document fraud, an increase of 35% from 2024/25 (0.1% of total applications). We are working with the Ministry of Business, Innovation and Employment, Immigration New Zealand and our UNESCO convention networks to maintain risk awareness in this space.

⁶ [Asia-Pacific Network of National Information Centres \(APNNIC\)](#)

⁷ Including UNESCO, the Organisation for Economic Co-operation and Development (OECD), the Australian Skills Quality Authority (ASQA), the Australian Tertiary Education Quality and Standards Agency (TEQSA), and the Australasian Curriculum, Assessment and Certification Authorities (ACACA).

⁸ [International education | Ministry of Education](#)

Pacific Qualifications Recognition Project *Te Hinonga Tohu Whakaaetanga Te Moananui*

The Pacific Qualifications Recognition Project is funded by Aotearoa New Zealand's Ministry of Foreign Affairs and Trade and jointly implemented by the NZQA and the Pacific Community (SPC). The project aims to strengthen regional and national qualifications systems to support qualifications recognition.

A key benefit of this project is that it improves stakeholder trust and confidence in Pacific qualifications and credentials by strengthening the quality assurance systems that sit behind those qualifications and by making information about qualifications more transparent and comparable between countries.

In late 2025, we completed the initial referencing and benchmarking phase of the project. This involved comparing the New Zealand Qualifications and Credentials Framework to the qualifications and education systems of the nine participating Pacific project countries and to the Pacific Qualifications Framework.⁹

Efforts are now focused on strengthening the regional mechanisms that support qualifications recognition as well as the qualifications systems in the participating Pacific project countries.

Upholding Tiriti o Waitangi responsibilities *Te hāpai i ō mātou haepapa Te Tiriti o Waitangi*

NZQA is committed to honouring its Tiriti o Waitangi responsibilities, in accordance with legislation. This is a foundational priority of NZQA's strategy.

For information on how we are tracking against our fourth strategic priority, Perform core functions well, view the statement of service performance and financial statements in this report.

Building an assessment system where Māori can achieve as Māori *Te waihanga i tētahi pūnaha aromatawai e āhei ana i te Māori kia tutuki hei Māori*

We also aim to create an assessment system in which Māori can succeed as Māori and where their identity, language and culture are reflected and affirmed throughout their educational journey in several ways.

- Supporting assessment approaches that are responsive to Māori aspirations and uphold tino rangatiratanga and equitable participation in education. This supports Māori educational success, protects and promotes te reo Māori, and ensures assessment and qualifications systems in secondary education reflect identity, language and culture.
- Developing, maintaining and quality assuring mātauranga Māori qualifications and Field Māori unit standards across both Māori-medium and English-medium pathways.
- Supporting assessment capability across kura and schools to strengthen confidence and consistency in assessment practice.

⁹ Cook Islands Ministry of Education, Kiribati Ministry of Education, Niue Department of Education, Samoa Qualifications Authority, Solomon Islands Tertiary Education and Skills Authority, Tonga National Qualifications and Accreditation Board, Tuvalu Ministry of Education, Vanuatu Qualifications Authority.

- Contributing to an assessment system that recognises and values Māori knowledge and ways of learning by incorporating mātauranga Māori, te ao Māori perspectives, and culturally responsive assessment practices.
- Monitoring and reporting on Māori learner achievement to identify opportunities to improve outcomes and reduce disparities, including through partnering with some iwi.

Engaging TEOs for the review of Te Hono o te Kahurangi *Te pā atu ki ngā TEO mō te titiro i Te Hono o te Kahurangi*

One of the ways that NZQA works to support equitable outcomes for Māori learners is through Te Hono o te Kahurangi. Te Hono is an evaluative approach developed for quality assurance in the tertiary education sector (other than for universities), that recognises Māori ways of knowing, understanding, and being as a legitimate basis for evaluative judgement and quality assurance.

In 2025/26 we began a review of Te Hono to ensure that it remains current and to align it with the iQAF and NZQA's commitments to Te Tiriti o Waitangi. We also want to ensure that the framework is flexible enough to align to future regulatory and provider needs regarding mātauranga Māori, te ao Māori and ākonga Māori.

This year, we engaged with 29 tertiary education providers using Te Hono as their quality assurance framework to seek feedback. Providers reported a high level of trust and confidence that their needs are recognised and considered, resulting in balanced and appropriate solutions. Several areas have been identified for improvement.

We also engaged with other stakeholders such as NZQA's quality assurance and qualification kaimahi, Ngā Kaitūhono¹⁰, and Whakaruruhau Matua.¹¹

This first phase of the review also involves developing a historical account of Te Hono, gathering information, holding provider wānanga, and conducting provider and kaimahi surveys and interviews. The refreshed Te Hono services will be implemented in 2027.

Reflecting on our strategic intentions *Te huritao ki ō mātou koronga rautaki*

We have made good progress against the intermediate outcomes described in the 2025/26 – 2028/29 Statement of Intent:

- Effective stewardship of the New Zealand Qualifications and Credentials Framework and the qualifications system ensures qualifications and credentials are trusted and relevant.
- Robust assessment services support trusted qualifications and credentials.
- Robust qualification approval and recognition services ensure qualifications and credentials are relevant and enable labour mobility.
- An effective quality assurance regulatory system supports high-quality qualifications and credentials.
- Equitable assessment and quality assurance practices support improved access to learning and achievement.

¹⁰ NZQA Māori Advisory Board - [NZQA Ngā Kaitūhono](#)

¹¹ A group of expert educators in aspects of Field Māori - [Te Whakaruruhau Matua](#)

In general, our aspirations are being realised through either our business-as-usual work, the change to our regulatory approach, or our work on the new senior secondary school qualifications.

These intermediate outcomes contribute towards achieving our overarching Outcome: *Credible qualifications and credentials support equitable learner pathways and mobility, and New Zealand's economic and social development.*

Our organisational capability

Te āheinga o te whare

Our workforce

Tō mātou rāngai mahi

As at 30 June 2026, NZQA employed 454.63 full-time equivalent (FTE) employees compared to 460.18 FTEs in June 2025.

Our core workforce composition across the last two years is shown in the table below.

We continue to work towards being a good employer with equal employment opportunities, in line with the Public Service principle of merit-based appointments.

Workforce by gender	% of total workforce	
	2025/26	2024/25
Female	48.3%	47.7%
Male	32.0%	30.6%
Gender diverse	0.2%	0.2%
Undeclared	19.5%	21.5%

Workforce by ethnic group*		
Asian	17.5%	15.9%
European	41.1%	39.7%
Māori	7.6%	8.3%
Pacific	4.6%	5.2%
MELAA and other	1.9%	4.3%
Undeclared	27.3%	26.7%

* Staff are counted in each ethnic group they identified themselves with (up to three).

Our people priorities

Ō mātou whakaarotau tangata

In 2024/25, NZQA replaced its People Strategy – Rautaki Whakawhanake Tāngata with two People Priorities:

- Developing leadership and management capabilities
- Strengthening kaimahi (staff) engagement.

Our People Priorities support NZQA's ability to attract, develop and retain capable people, and to help them grow and succeed. They are underpinned by Ngā Mātāpono – Our Values¹², and aligned with our commitment to diversity and inclusion, effective leadership and management, health and safety, and being a good employer for our kaimahi.

People Management and Leadership Uplift Programme – Te Ara Ngaio Te Hōtaka Whakahaere Tangata, Whakapiki Hautūtanga – Te Ara Ngaio

Developing our people leaders and embedding strong management practices remained a key focus of our organisational performance efforts during the year.

The People Management and Leadership Uplift Programme entered its second year, continuing to strengthen leadership capability across NZQA. The programme has been gifted a new name by our Pouārahi Māori, reflecting the development journey undertaken by our people leaders.

The programme provides a comprehensive blend of mandatory management training, targeted workshops addressing specific organisational needs, peer learning cohorts, and opportunities for leaders to share insights and demonstrate the practical application of their learning with the Strategic Leadership Team and the NZQA wider leadership community.

To date approximately 90 people leaders and a cohort of Aspiring Leaders have completed the HR for Managers programme. This programme covers key management responsibilities across the employee lifecycle, equipping leaders with the knowledge and skills required to effectively lead and support their teams.

Peer learning cohorts are also progressing initiatives focused on identified improvement opportunities within NZQA. These groups are working collaboratively to develop recommendations and share insights with colleagues and the Strategic Leadership Team, supporting continuous improvement and organisational capability development.

Kaimahi pulse survey Aromātai kaimahi

In April 2026, NZQA conducted a pulse survey to assess kaimahi perceptions of wellbeing, engagement and collaboration. The survey was intentionally concise and designed to focus on the employee experience at NZQA. In addition to rating these areas, kaimahi were invited to provide the reasons for their ratings and identify actions that would further enhance their experience. As the survey followed a similar pulse survey undertaken in February 2025, it has allowed NZQA to observe change over time.

A total of 276 kaimahi (60%) participated in the 2026 survey, compared to 381 kaimahi (81%) in 2025. While the response rate was lower than the previous year, the results continue to provide a robust and representative sample of employee perspectives, offering valuable insights to inform ongoing workforce and organisational development initiatives. The ratings from the three focus areas we survey are shown in the table below.

¹² [Ngā Mātāpono Our values - NZQA](#)

Good or very good results

Pulse survey focus area	2025/26	2024/25
Wellbeing	78%	79%
Engagement	92%	91%
Collaboration	61%	53%

The survey feedback highlighted four themes: uncertainty and change, quality of leadership, sustainable workloads, and clarity and connection.

The improvement in the collaboration result may partially be attributable to Te Ara Ngaio – the People Management and Leadership Uplift Programme, which brings together leaders from across the business into cohort groups and contributes to breaking down silos.

Work is underway to identify and progress opportunities for improvement. This includes visible collaboration in action, shared understanding of work, teams and processes, clear and effective communication, and sustainable workloads and well-managed change.

Diversity, equity and inclusion
Te kanorau, te mana tautika, te kauawhi hoki

Under NZQA's 2025/26 Diversity, Equity and Inclusion (DEI) Plan, we progressed initiatives such as reviews of recruitment and onboarding practices, leadership development, workforce planning, and our remuneration system. We identified opportunities to better include disabled people in our DEI approaches, and to improve the completeness and quality of the workforce diversity data we hold. Going forward, we will align our people-focused programmes and initiatives to the Public Service Commission's Workforce Diversity Strategy.¹³

NZQA has four active employee-led networks: Te Kāhui Māori, Pasifika Staff Network, the Filipino Network, and the Chinese Network. A remote workers network is being established. Our two largest networks, Te Kāhui Māori and the Pasifika Staff Network, continue to contribute to organisation-wide initiatives and work programmes.

Health and safety
Te whakahaumaru tangata

NZQA has a strong commitment to the health and safety of its people.

We have mechanisms in place to proactively monitor and address health and safety concerns for all NZQA employees. The insights gained from our health and safety system inform the work of the Health and Safety Committee, which promotes a range of health and wellbeing activities such as awareness sessions on physical health, mental health and anti-bullying.

Senior leadership and the Board also receive regular reporting on health and safety performance and risks to ensure that they meet their responsibilities under the Health and Safety at Work Act 2015.

¹³ <https://www.publicservice.govt.nz/system/public-service-people/workforce-diversity/maturing-public-service-workforce-diversity>

Our sustainability

Toitūtanga

Reducing our carbon footprint

Te whakahekeheke i tō mātou tapuwae waro

NZQA is committed to improving our environmental sustainability and reducing our carbon footprint. We have been a certified Toitū Carbon Reduce organisation since 2021, with emissions data subject to audit each year. Our principal sources of emissions are staff travel, printing and distribution activities, and waste.

At the time of publication, NZQA's 2025/26 emissions data is subject to independent audit verification by Toitū. During 2023/24, more comprehensive reporting from our printing and distribution provider has led to a restatement of our 2021 base year emissions to 1,005.46 tCO₂e¹⁴. Based on this revised baseline, total emissions for 2025/26 were 867.23 tCO₂e, representing a reduction of 13.8% from the base year. Comparative figures for 2024/25 have been updated to reflect the final audited results.

Total emissions increased by 304.36 tCO₂e compared to 2024/25. This increase was largely driven by the inclusion of 'staff commute to work' emissions for the first time, encompassing travel by car, bus, motorcycle and train. These newly reported emissions contributed an additional 180.77 tCO₂e during the year.

Category 3 indirect transportation emissions increased to 483.52 tCO₂e, reflecting the expanded reporting scope above. Purchased goods and services remained NZQA's largest source of emissions at 331.1 tCO₂e, largely reflecting the resources required to support the printing, distribution, and delivery of examination operations nationwide.

Business travel emissions totalled 212.74 tCO₂e and accounted for 24.5% of NZQA's total emissions. NZQA continues to actively manage travel-related emissions through the increased use of online technologies and by limiting domestic and international travel where appropriate.

NZQA remains focused on achieving further reductions in its residual emissions and strengthening its environmental sustainability performance in the years ahead.

Carbon emissions	(tCO ₂ e) 2026	(tCO ₂ e) 2025
Total annual emissions	867.23	562.87
Emissions profile broken down by emissions source/scope		
Category 1 – direct emissions	1.60	1.61
Category 2 – indirect emissions from imported energy	40.06	52.66
Category 3 – indirect emissions from transportation	483.52	207.88
Category 4 – indirect emissions from products used by the organisation	342.05	300.72
Base year period 2021 – restated	1,005.46	1,005.46
Full-time equivalent of staff in the reporting period 2026	454.63	460.18

¹⁴ tCO₂e stands for tonnes of carbon dioxide equivalents, a metric used to calculate and express the climate impact of different greenhouse gases.

Statement of service performance

Te tauākī ratonga mahi

This section outlines our financial performance against the outputs that are specified in Vote Education – Main Estimates of Appropriations 2025/26, and the measures that are described in our 2025/26 Statement of Performance Expectations.

Multi-category appropriation: Oversight and administration of the qualifications system

Te hāngai o ngā utu whakahaere: Te tirohanga whānui me te whakahaere pūnaha tohu mātauranga

Overarching purpose statement

Te tauākī aronga whānui

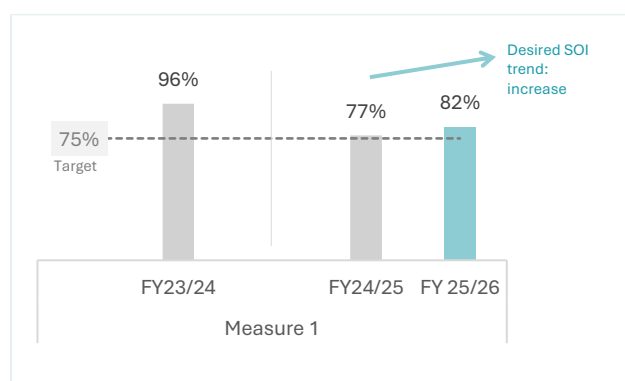
The purpose of this multi-category appropriation (MCA) is for NZQA to provide effective oversight and administration of the qualifications system to ensure that Aotearoa New Zealand's qualifications system is valued as credible and robust and that it meets the needs of students, employers and other stakeholders.

The MCA is funded through Vote Education, which is represented by two expense categories. Category 2 funding is made up of sub-categories 2.1, 2.2 and 2.3.

Non-financial information
He mōhihio ahumoni kore

#	Measure (bold = appropriations measure, italics = impact measures from SOI, grey font = comment)	2023/24 result	2024/25 result	2025/26 target	2025/26 result	Status
1.	<i>The percentage of kura and schools that agree or strongly agree that NZQA's quality assurance practices support them to improve their aromatawai and/or assessment practices.</i>	96.4%	76.9%	75% SOI desired trend ¹⁵ : increase year on year	82%	Met SOI trend met

Commentary: This measure allows NZQA to understand the effectiveness of quality assurance practices as a lever for improving school and kura assessment and/or aromatawai practice for national credentials.

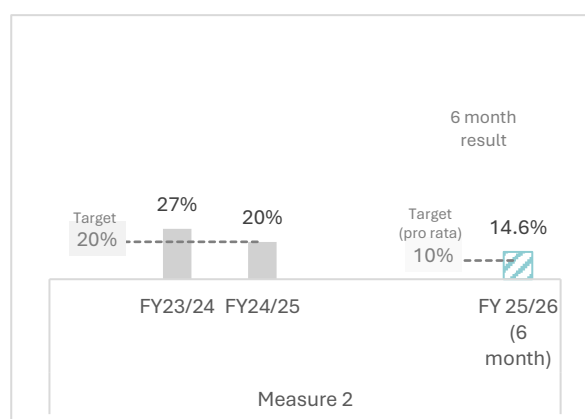


Note: Due to substantive methodology changes in 2024/25, the 2023/24 results are not comparable to those that follow.

¹⁵ Five performance measures appeared in both [NZQA's 2025/26 – 2028/29 Statement of Intent](#) (SOI) and [NZQA's 2025/26 Statement of Performance Expectations](#). Measures in the SOI included an indication of the desired trend in performance NZQA would like to see over the lifespan of the SOI.

#	Measure (bold = appropriations measure, italics = impact measures from SOL, grey font = comment)	2023/24 result	2024/25 result	2025/26 target	2025/26 result	Status
2.	The percentage of non-university tertiary education organisations (TEOs) which have had an external evaluation and review completed.	27%	20%	20% (6-month pro rata target is 10%)	14.6%	Met on a pro rata basis

Commentary: This measure helps NZQA ensure that all TEOs are evaluated within a four-year period. However, as this process was retired on 1 January 2026 when the iQAF came into effect, the end-of-year result reflects six months of activity. As the target for this measure is a 12-month target, NZQA considers that it has been met on a pro-rata basis.



#	Measure (bold = appropriations measure, italics = impact measures from SOI, grey font = comment)	2023/24 result	2024/25 result	2025/26 target	2025/26 result	Status
3.	The percentage of overseas qualifications evaluated within 35 working days.	97%	97%	90% ²	81%	Not met

Commentary: This measure is a service timeliness measure for evaluating how an applicant's overseas qualification compares to Aotearoa New Zealand's education system. Timely evaluation is essential to help holders of overseas qualifications in the immigration and/or employment processes.

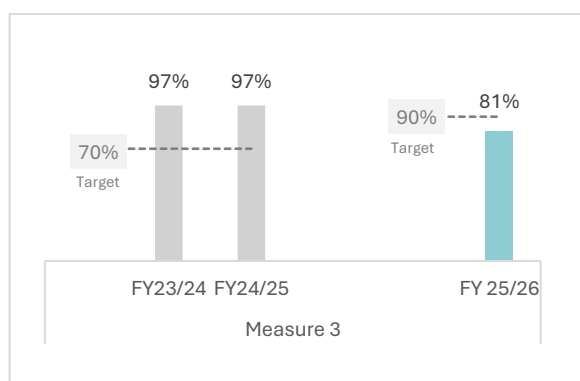
In 2025/26, there was an increase in the number of applications that we received and evaluated. However, a large proportion of applications were received incomplete. This had a negative effect on our timeliness due to the additional administrative burden required to obtain the documents needed to process the applications.

We have made system and process changes to address these issues. Changes include reprioritising areas of focus, improving information for applicants and using AI to validate some submitted documents so we can identify incomplete applications faster.

We are also considering utilising other AI tools to improve evaluation efficiency. This work will feed into the European Commission-funded verification and AI project that we are participating in with our counterparts from Italy, the Netherlands, Ireland and Croatia. We are confident these changes will result in a return to previous service levels.

Where applications were submitted with all the required documents, we were generally able to evaluate most applications within three weeks, and 81% of applications that could be evaluated were completed within 35 working days.

Processing applications within four months is a target under the UNESCO Lisbon Recognition Convention.



Note: The target was increased from 70% to 90% for 2025/26 due to high performance in the past two financial years.

Expense category 1: Secondary school assessments

*Te utu whakahaere 1: Ngā aromatawai mō ngā kura tuarua**Scope**Te korahi*

This category is limited to the New Zealand Qualifications Authority delivering external assessment for national secondary school qualifications, including the National Certificate of Educational Achievement (NCEA) and Scholarship examinations, and moderating of internal school assessments.

*What is intended to be achieved**Ngā hua ka puta*

This category is intended to achieve trust and confidence in robust and equitable secondary school level assessment.

*Financial information**He mōhiotio ahumoni*

	2025/26 Actual (\$000)	2025/26 Budget (\$000)	Variance (\$000)	Variance %
Revenue				
Crown	66,212	65,805	407	1
Other	5,749	2,649	3,100	117
Total revenue	71,961	68,454	3,507	5
Expenses	72,513	69,679	(2,834)	(4)
Net (Deficit)	(552)	(1,225)	673	55

Other revenue is \$3.1 million above the Statement of Performance Expectations 2025/26 budget. This is mainly due to a one-off funding received to pay for administration of co-requisite assessments, which were passed through to schools, and higher than expected international student fees.

Expenses are \$2.8 million above budget. This overspend is primarily driven by above unbudgeted payment for administration of co-requisite assessments to schools. In addition, there were also higher examination workforce costs due to higher than planned number of examination sessions and greater uptake of Special Assessment Conditions arrangements.

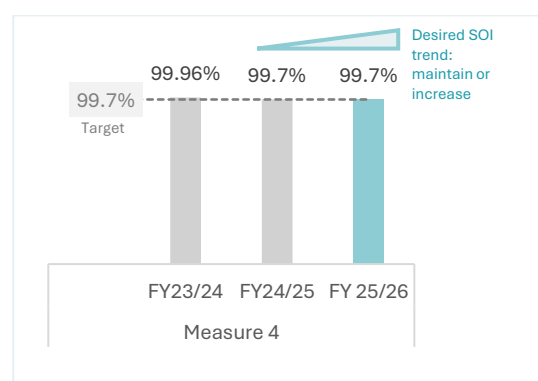
There was also a higher weightage of indirect costs compared to budget against Expense Category 1 as opposed to Expense Category 2: Standards and qualifications support. This is in response to continuous refinement to the allocation bases to ensure relevance and effectiveness.

Non-financial information
He mōhihio ahumoni kore

#	Measure (bold = appropriations measure, italics = impact measures from SOI, grey font = comment)	2023/24 result	2024/25 result	2025/26 target	2025/26 result	Status
4	<i>The percentage of all National Certificate of Educational Achievement (NCEA) marker judgements unaltered following Review or Reconsideration of External Assessment Results processes.</i>	99.96%	99.7%	99.7% SOI desired trend: maintain or increase year on year	99.7%	Met SOI trend met

Commentary: This measure is an indicator of system health with respect to the accuracy of marker judgements for NCEA Level 1 – 3 external assessments. When the performance standard is met or exceeded, it indicates the original marker judgements were accurate and reliable.

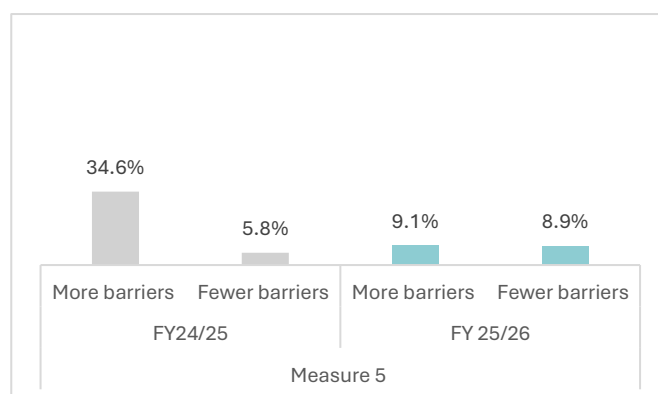
The target for this measure has consistently been met since the measure was first established in 2019/20.



#	Measure (bold = appropriations measure, italics = impact measures from SOI, grey font = comment)	2023/24 result	2024/25 result	2025/26 target	2025/26 result	Status
5	The percentage growth in Special Assessment Conditions (SAC) applications and notifications from schools with more socio-economic barriers to achievement exceeds the percentage growth in applications and notifications from schools with fewer socio-economic barriers to achievement.	New measure in 2024/25	Achieved Schools with more barriers: 34.6% Schools with fewer barriers: 5.8%	Achieved	Achieved Schools with more barriers: 9.1% Schools with fewer barriers: 8.9%	Met

Commentary: This measure helps us to track if learners have equitable access to SAC.

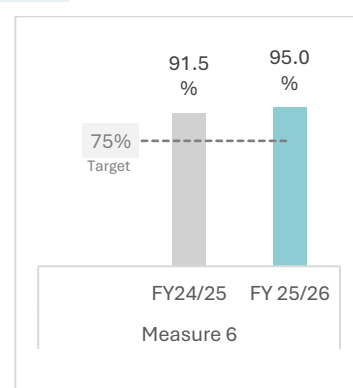
The lower growth in 2026/27 for schools with 'fewer barriers' compared to 2024/25 is as expected, as overall access improves.



6	The percentage of Year 11s who participated in the NCEA co-requisite assessments (cumulative, as at the end of the academic year).	New measure in 2024/25	91.5%	75%	95%	Met
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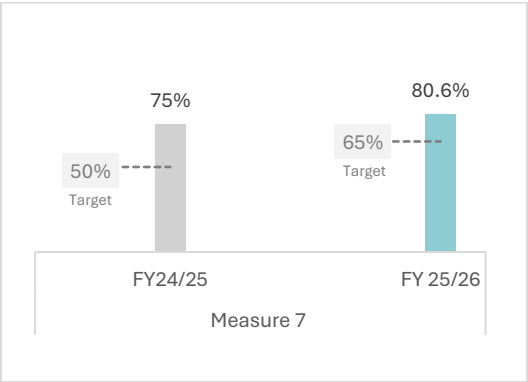
Commentary: A high participation rate suggests that NZQA's delivery of NCEA co-requisite assessments is working well.

Indirectly, the level of uptake provides information about confidence in the design of our assessments.



#	Measure (bold = appropriations measure, italics = impact measures from SOI, grey font = comment)	2023/24 result	2024/25 result	2025/26 target	2025/26 result	Status
7	The percentage of students (in years 11 to 13) that participate in digital examinations for digitally available achievement standards.	New measure in 2024/25	74.9%	65%	80.6%	Met

Commentary: Digital assessments are available for most achievement standards. NZQA is supporting schools and kura in the delivery of digital external assessments and examinations to increase student participation in digital assessment. This measure tracks the percentage of students participating in digital external examinations over time.



Note: The 2024/25 and 2025/26 results are not directly comparable because of updates to the measure scope and methodology. We consider the changes to provide a more accurate view of non-mandatory digital examination uptake.

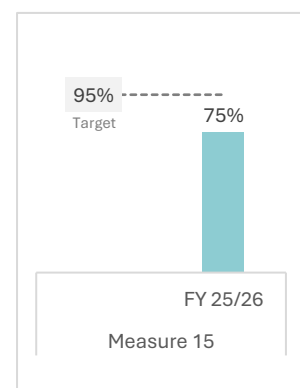
The target was increased in 2025/26 as the previous target of 50% had been exceeded every year since the measure was introduced in 2022/23.

#	Measure (bold = appropriations measure, italics = impact measures from SOI, grey font = comment)	2023/24 result	2024/25 result	2025/26 target	2025/26 result	Status
15	The percentage of school-approved Special Assessment Conditions applications that meet NZQA approval criteria.		New measure in 2025/26 ¹⁶	95%	75%	Not met

Commentary: This measure supports NZQA's role in ensuring that schools are correctly applying SAC policies so that students with additional learning needs or barriers to assessment have appropriate assessment provisions applied. While the measure does not assess NZQA performance directly, it provides an important indicator of how well schools understand and implement SAC requirements.

This is a new measure for 2025/26. The result will serve as a baseline for future financial years.

The target was set as a stretch target to drive improvement. While the target was not met this year, the application review process provided valuable insight into current school practices and highlighted areas where future targeted support and intervention would improve outcomes.



¹⁶ This measure has been added in 2025/26 to ensure that secondary schools' use of SAC is appropriate and complies with policies.

Expense category 2: Standards and qualifications support

Te utu whakahaere 2: Te tuku āwhina mō ngā paerewa me ngā tohu mātauranga

Scope

Te korahi

This category is limited to the NZQA managing, operating, maintaining and providing advice on the Aotearoa New Zealand qualifications system and providing quality assurance services on NZQA's area of responsibility.

What is intended to be achieved

Ngā hua ka puta

This category is intended to provide Aotearoa New Zealand qualifications that are valued as credible and robust and meet the needs of students, employers and other stakeholders, with supporting services to help them make informed decisions.

Financial information

He mōhiotio ahumoni

	2025/26 Actual (\$000)	2025/26 Budget (\$000)	Variance (\$000)	Variance %
Revenue				
Crown	26,900	27,307	(407)	(2)
Other	24,513	27,941	(3,428)	(12)
Total revenue	51,413	55,248	(3,835)	(7)
Expenses	48,263	53,921	5,658	10
Net Surplus	3,150	1,327	1,823	137

The table above is a consolidation of the following expense subcategories: 2.1 Provision of Communication and Advice, 2.2 Quality Assurance and 2.3 Qualifications Support Services. Explanations of major variances are covered under each of the sub-categories.

Expense sub-category 2.1: Provision of communication and advice

Te utu whakahaere 2.1: Te whakaritenga whakapānga me te tohutohu

Scope

Te korahi

This category is limited to communication and advice related to education policies, programmes and services that are the responsibility of the NZQA.

What is intended to be achieved

Ngā hua ka puta

This category is intended to achieve communication and advice that helps Ministers, learners, communities, employers, schools and tertiary education organisations make informed decisions.

Financial information

He mōhiotio ahumoni

	2025/26 Actual (\$000)	2025/26 Budget (\$000)	Variance (\$000)	Variance %
Revenue				
Crown	3,596	3,616	(20)	(1)
Other	797	1,745	(948)	(54)
Total revenue	4,393	5,361	(968)	(18)
Expenses	4,687	4,700	13	0
Net (Deficit)/Surplus	(294)	661	(955)	(145)

Other revenue is \$1.0 million below the budget. This is mainly due to interest income now being spread across all expense categories 1 and 2, compared to the budget, where it was assigned to Expense sub-category 2.1.

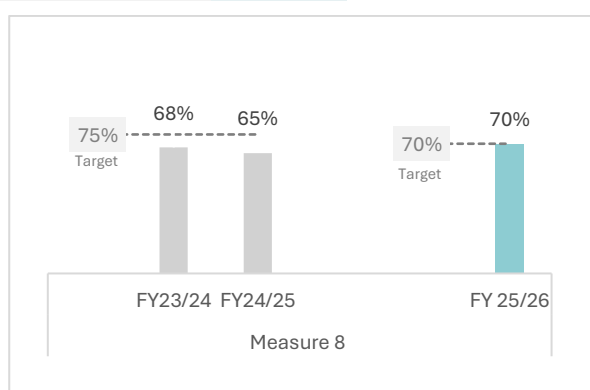
Non-financial information
He mōhihio ahumoni kore

#	Measure (bold = appropriations measure, italics = impact measures from SOL, grey font = comment)	2023/24 result	2024/25 result	2026/27 target	2025/26 result	Status
8.	<i>The percentage of survey respondents who agree/strongly agree that the information they received from the New Zealand Qualifications Authority met their needs.</i>	68%	65%	70%	70%	Met

Commentary: This measure supports NZQA's commitment to understand and respond to customer needs.

The annual result reflects the overall survey result responses for the full year of reporting.

Last year, we implemented back-end automation and increased staff training in response to customer contact delays.



Note: The target was adjusted from 75% for 2025/26 to better reflect performance and appropriate service levels.

Expense sub-category 2.2: Quality assurance
Te utu whakahaere 2.2: Te whakaū kounga

Scope
Te korahi

This category is limited to provision by the NZQA of quality assurance services and maintenance of the quality assurance framework to support the Aotearoa New Zealand qualifications system.

What is intended to be achieved
Ngā hua ka puta

This category is intended to achieve higher levels of trust and confidence by learners and other stakeholders in the non-university tertiary education sector.

Financial information
He mōhiotio ahumoni

	2025/26 Actual (\$000)	2025/26 Budget (\$000)	Variance (\$000)	Variance %
Revenue				
Crown	7,908	8,060	(152)	(2)
Other	5,680	6,732	(1,052)	(16)
Total revenue	13,588	14,792	(1,204)	(8)
Expenses	14,291	14,596	305	2
Net (Deficit)/Surplus	(703)	196	(899)	(459)

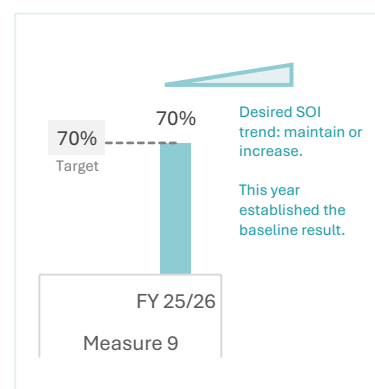
Other revenue is \$1.1 million below the budget. This is driven by the transitional impacts of discontinuing certain third-party fees and charges, as part of implementation of the new fees and charges framework. These will be replaced by an extended credit reporting fee regime, covered by expense sub-category 2.3: Qualifications support structure. The budget was set before the impact of changes to third-party fees were sufficiently known.

Non-financial information
He mōhihio ahumoni kore

#	Measure (bold = appropriations measure, italics = impact measures from SOI, grey font = comment)	2023/24 result	2024/25 result	2025/26 target	2025/26 result	Status
9	The percentage of tertiary education organisations that agree or strongly agree that NZQA's Code Administration activities support their understanding and implementation of the Code's outcomes.	New measure in 2025/26		70% SOI desired trend: maintain or increase year on year	70%	Met SOI trend baseline set

Commentary: NZQA has been maturing how we understand the impact of our role as administrator of the Code. This has resulted in annual replacement of the Code-related measure since 2022/23.

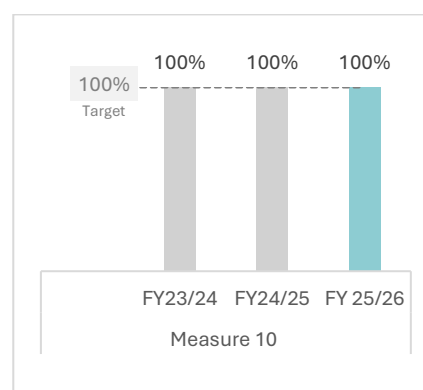
The current measure helps us to understand whether our activities are supporting TEOs to meet the Code's outcomes. We considered it a lasting measure. The result for 2025/26 will become the baseline that future results are measured against to determine if the desired SOI trend has been met.



10	The percentage of investigations where identified risks or quality concerns have been managed appropriately through intervention or corrective action.	100%	100%	100%	100%	Met
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Commentary: This measure allows NZQA to assess our own quality standards with respect to managing risks and quality concerns.

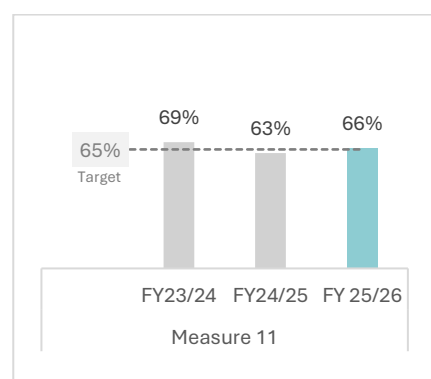
The target for this measure has consistently been met since the measure was first established in 2022/23.



#	Measure (bold = appropriations measure, italics = impact measures from SOL, grey font = comment)	2023/24 result	2024/25 result	2025/26 target	2025/26 result	Status
11	The percentage of non-university sub-degree tertiary programmes monitored that continue to meet the programme approval and accreditation criteria.	69%	63%	65%	66%	Met

Commentary: This measure allows us to track an aspect of provider behaviour.

While the behaviour of providers is not within NZQA's control, this measure helps to illustrate the quality of their practices, which contributes to the credibility of learner qualifications and credentials.



Expense sub-category 2.3: Qualifications support structures

Te utu whakahaere 2.3: Ngā pou tautoko mō ngā tohu mātauranga

Scope

Te korahi

This category is limited to the NZQA managing, operating, maintaining and providing advice on the Aotearoa New Zealand qualifications system and providing quality assurance services on NZQA's areas of responsibility.

What is intended to be achieved

Ngā hua ka puta

This category is intended to provide Aotearoa New Zealand qualifications that are valued as credible and robust and meet the needs of learners, employers and other stakeholders, with supporting services to help them make informed decisions.

Financial information

He mōhiotio ahumoni

	2025/26 Actual (\$000)	2025/26 Budget (\$000)	Variance (\$000)	Variance %
Revenue				
Crown	15,396	15,631	(235)	(2)
Other	18,036	19,464	(1,428)	(7)
Total revenue	33,432	35,095	(1,663)	(5)
Expenses	29,285	34,625	5,340	15
Net Surplus	4,147	470	3,677	782

Other revenue is \$1.4 million below the budget. This is driven by lower-than-expected third-party fees and charges, mainly in the areas of credit reporting. This is due to transitional impacts from the review of fees and charges framework. The budget was set before the impact of changes to third-party fees were sufficiently known.

Expenses are \$5.3 million below budget. This is driven by the deferral of a significant time-limited project initiative, which will be ringfenced to be spent to completion in 2026/27. In addition, there was a higher weightage of indirect costs compared to budget against Expense Category 1: Secondary school assessments, as opposed to Expense Category 2. This is in response to continuous refinement to the allocation bases to ensure relevance and effectiveness.

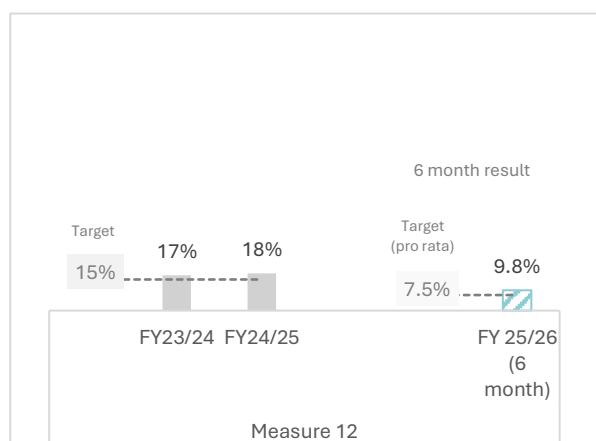
Non-financial information
He mōhihio ahumoni kore

#	Measure (bold = appropriations measure, italics = impact measures from SOL, grey font = comment)	2023/24 result	2024/25 result	2025/26 target	2025/26 result	Status
12	The proportion of New Zealand qualifications (that have graduates) that undergo a Consistency Review in any one financial year.	17%	18%	15% (6-month pro rata target is 7.5%)	9.8%	Met on a pro rata basis

Commentary: This measure helps NZQA ensure that qualifications are reviewed within the appropriate period.

However, as this process was retired on 1 January 2026 when the iQAF came into effect, the end-of-year result reflects six months of activity.

As the target for this measure is a 12-month target, NZQA considers that it has been met on a pro-rata basis.



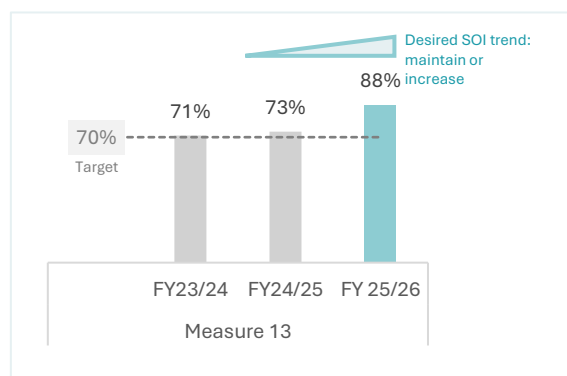
#	Measure (bold = appropriations measure, italics = impact measures from SOI, grey font = comment)	2023/24 result	2024/25 result	2025/26 target	2025/26 result	Status
13	<i>The percentage of tertiary education organisations that agree or strongly agree that NZQA's quality assurance practices support them to improve their performance.</i>	71%	73%	70% SOI desired trend: maintain or increase year on year	88%	Met SOI trend met

Commentary: This measure tracks how effectively NZQA works alongside tertiary education providers as a quality assurance partner. It supports NZQA's balanced approach to regulation, which includes education and support.

In 2025/26, survey respondents indicated they appreciated NZQA's:

- focus on continuous improvement and capability building rather than solely on areas of non-compliance
- supportive approach in helping them to manage their own performance.

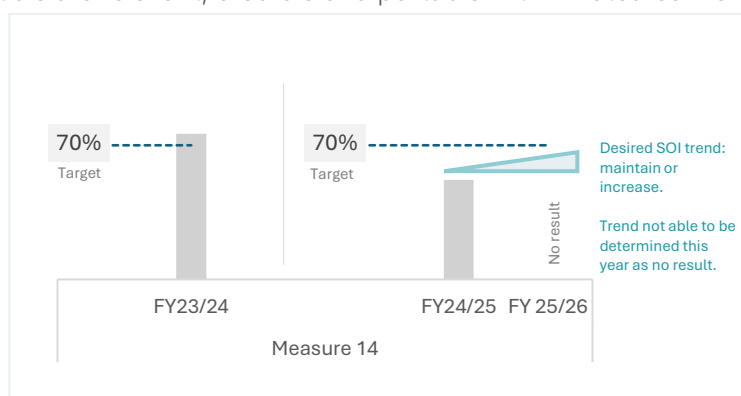
These responses align with activities and initiatives we implemented under the iQAF, which came into effect on 1 January 2026.



#	Measure (bold = appropriations measure, italics = impact measures from SOI, grey font = comment)	2023/24 result	2024/25 result	2025/26 target	2025/26 result	Status
14	<i>The percentage of stakeholders (employers and communities) who agree or strongly agree that graduates of vocational qualifications have relevant skills and knowledge.</i>	76%	52%	70% SOI desired trend: maintain or increase year on year	Unable to be measured	N/A SOI trend not able to be determined

Commentary: A key outcome for NZQA is ensuring Aotearoa New Zealand's qualifications and credentials are relevant, credible and portable within Aotearoa New Zealand and internationally. This supports qualification uptake and future employment for graduates.

This measure allows NZQA to obtain feedback from stakeholders to determine the relevance of graduates' skills and knowledge.



Note: The 2023/24 result is not directly comparable to the 2024/25 result due to substantial change in the collection methodology.

Due to the transition from Workplace Development Councils to Industry Skills Boards, a result was unable to be collected in 2025/26. The measure is planned to continue in 2026/27.



Independent auditor's report

Te Pūrongo a te Kaitātari Kaute Motuhake

To the readers of The New Zealand Qualifications Authority's financial statements and performance information for the year ended 30 June 2026

The Auditor-General is the auditor of The New Zealand Qualifications Authority ('the Crown Entity'). The Auditor-General has appointed me, Chrissie Murray, using the staff and resources of The Audit Office, to carry out the audit of the financial statements and performance information on his behalf.

Opinion

Tā mātou whakatau

We have audited:

- the financial statements of the Crown Entity that comprise the statement of financial position as at 30 June 2026, the statement of comprehensive revenue and expense, statement of changes in equity, and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information on pages 44 to 79; and
- the performance information that consists of the statement of service performance, incorporating the end-of-year performance information for the appropriation, for the year ended 30 June 2026 on pages 20 to 38.

In our opinion:

- The financial statements of The New Zealand Qualifications Authority present fairly, in all material respects, its financial position as at 30 June 2026, and its financial performance and cash flows for the year then ended, in accordance with Public Benefit Entity Standards.
- The performance information is appropriate and meaningful and prepared in accordance with the Crown Entity's measurement bases or evaluation methods and the Public Benefit Entity Standards, and presents fairly, in all material respects:
 - the Crown Entity's service performance and actual revenue and expenses for each reportable class of outputs for the year ended 30 June 2026 compared to the forecast standards and budgets included in the statement of performance expectations for the year; and
 - what has been achieved with the appropriation, and the actual expenses or capital expenditure incurred in relation to the appropriation for the year ended 30 June 2026.

Basis for our opinion

Te pūtake o tā mātou whakataurua

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards, the International Standards on Auditing (New Zealand), and New Zealand Auditing Standard 1 (Revised): *The Audit of Service Performance Information* issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the *Responsibilities of the auditor* section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of the Board for the financial statements and the performance information

Ngā kawenga a Te Poari e pā ana ki ngā tauākī pūtea me te tauākī ratonga whakatutuki

The Board is responsible on behalf of the Crown Entity for preparing financial statements and performance information that are fairly presented and comply with the Public Benefit Entity Standards. This includes:

- the selection of aspects of service performance, performance measures and/or descriptions, and measurement bases or evaluation methods to enable the presentation of service performance information that is appropriate and meaningful;
- the preparation of a statement of performance, in accordance with the Crown Entity's measurement bases or evaluation methods, that provides an appropriate and meaningful basis to enable readers to assess what has been achieved for the year; and
- the preparation of end-of-year performance information for an appropriation that is prepared in accordance with the entity's measurement bases or evaluation methods and complies with Public Benefit Entity Standards and legislative requirements.

The Board is responsible for such internal control as it determines is necessary to enable it to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and performance information, the Board is responsible on behalf of the Crown Entity for assessing the entity's ability to continue as a going concern. The Board is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to merge or to terminate the activities of the Crown Entity, or there is no realistic alternative but to do so.

The Board's responsibilities arise from the Crown Entities Act 2004.

Responsibilities of the auditor for the audit of the financial statements and the performance information

Ngā kawenga a te kaitātari kaute e pā ana ki te tātari kaute I nā tauākī pūtea me te tauākī ratonga whaktutuki

Our objectives are to obtain reasonable assurance about whether the financial statements and performance information, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of the financial statements and performance information.

For the budget information reported in the financial statements and the performance information, our procedures were limited to checking that the information agreed to the Crown Entity's Statement of Performance Expectations or to the Estimates of Appropriations for the Government of New Zealand for the year ending 30 June 2026.

We did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Crown Entity's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by The Board.
- We obtain an understanding of the process applied by the Crown Entity to select its elements/aspects of service performance, performance measures and/or descriptions and the measurement bases or evaluation methods.
- We evaluate whether:
 - the selection of aspects of service performance, performance measures and/or descriptions and measurement bases or evaluation methods present an appropriate and meaningful assessment of the entity's service performance; and
 - the performance information is prepared in accordance with the Crown Entity's measurement bases or evaluation methods, and presents fairly, in all material respects in accordance with Public Benefit Entity Standards, what has been achieved with the appropriation, and for each class of reportable outputs,

- the actual performance of the Crown Entity as compared with the forecast standards of performance included in the Crown Entity's statement of performance expectations for the financial year; and
 - the actual revenue earned and output expenses incurred as compared to the expected revenues and the proposed output expenses included in the Crown Entity's statement of performance expectations for the financial year.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Crown Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the information we audited or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Crown Entity to cease to continue as a going concern.
 - We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and performance information represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

Ētahi atu mōhiohio

The Board is responsible for the other information. The other information comprises all of the information included in the annual report, but does not include the financial statements, the performance information consisting of the statement of performance and the end-of-year performance information for appropriations, and our auditor's report thereon.

Our opinion on the financial statements and the performance information does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

Tūhake

We are independent of the Crown Entity in accordance with the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* as applicable for audits of public interest entities, issued by the New Zealand Auditing and Assurance Standards Board.

Other than in our capacity as auditor, we have no relationship with, or interests in, the Crown Entity.



Chrissie Murray
The Audit Office
On behalf of the Auditor-General
Wellington, New Zealand
29 September 2026

Financial statements

Ngā pūrongo pūtea

Statement of comprehensive revenue and expense

Te āhua o te whiwhinga pūtea matawhānui, whakapaunga pūtea

for the year ended 30 June 2026

	Note	2026 Actual (\$000)	2026 Budget (\$000)	2025 Actual (\$000)
Revenue				
Funding from the Crown		93,112	93,112	89,575
Other revenue		28,827	29,690	30,190
Interest revenue		1,435	900	1,512
Total revenue	2	123,374	123,702	121,277
Expenditure				
Personnel and Board	3	61,545	57,666	60,630
Examination workforce		10,544	9,643	9,244
Specialist workforce		11,569	12,365	11,936
Professional services	4	11,796	16,530	10,551
Audit fees	4	174	174	175
Publication, printing and distribution		3,385	3,663	3,588
Capital charge	6	842	650	747
Travel and accommodation		1,208	1,425	1,084
Information technology costs		10,571	11,559	10,580
Depreciation and amortisation		725	1,315	1,413
Other operating costs	5	8,417	8,610	8,228
Total expenditure		120,776	123,600	118,176
Net surplus		2,598	102	3,101
Other comprehensive revenue and expense		-	-	-
Total comprehensive revenue and expense		2,598	102	3,101

Explanations of major variances against budget are detailed in note 20. The accompanying notes form part of these financial statements.

Statement of financial position

Te āhua o te pūtea

as at 30 June 2026

		2026 Actual Notes (\$000)	2026 Budget (\$000)	2025 Actual (\$000)
Assets				
Current assets				
Cash and cash equivalents	7	1,611	3,080	1,298
Receivables	8	1,602	2,700	2,523
Prepayments		2,224	2,971	3,583
Investments	9	23,000	12,400	20,000
Total current assets		28,437	21,151	27,404
Non-current assets				
Property, plant and equipment	10	1,004	1,117	1,151
Intangible assets (including work in progress)	11	3,949	5,796	1,575
Total non-current assets		4,953	6,913	2,726
Total assets		33,390	28,064	30,130
Liabilities				
Current liabilities				
Payables	12	5,540	6,519	4,866
Employee entitlements	14	5,731	4,800	5,439
Provisions	15	1,138	325	1,967
Deferred revenue	12	2,297	1,500	1,784
Total current liabilities		14,706	13,144	14,056
Non-current liabilities				
Employee entitlements	14	549	550	537
Total non-current liabilities		549	550	537
Total liabilities		15,255	13,694	14,593
Net assets		18,135	14,370	15,537
Equity				
Contributed capital		20,528	20,528	20,528
Accumulated (deficit)		(2,393)	(6,158)	(4,991)
Total equity	19	18,135	14,370	15,537

Explanations of major variances against budget are detailed in note 20. The accompanying notes form part of these financial statements.

Statement of changes in equity

Te tauākī mō ngā panonitanga ā mana tautika

for the year ended 30 June 2026

		2026 Actual (\$000)	2026 Budget (\$000)	2025 Actual (\$000)
	Notes			
Balance at the beginning of the year		15,537	14,268	12,436
Total comprehensive revenue and expense for the year		2,598	102	3,101
Balance at end of the year	19	18,135	14,370	15,537

Explanations of major variances against budget are detailed in note 20. The accompanying notes form part of these financial statements

Statement of cash flows

Te āhua o te kapewhiti

for the year ended 30 June 2026

	Notes	2026 Actual (\$000)	2026 Budget (\$000)	2025 Actual (\$000)
Cash flows from operating activities				
Receipts from the Crown		93,112	93,112	89,575
Receipts from other revenue		30,280	29,690	32,232
Interest received		1,417	900	1,512
Payments for employee and Board costs		(83,354)	(79,357)	(70,723)
Payments to other suppliers		(34,333)	(42,278)	(45,002)
Payments for capital charge		(842)	(650)	(747)
Goods and services tax (net)		(16)	-	(314)
Net cash flows from operating activities		6,264	1,417	6,533
Cash flows from investing activities				
Purchases of property, plant and equipment		(415)	(586)	(470)
Purchase of intangible assets		(2,536)	(3,635)	-
Investments in term deposits		(78,000)	(33,400)	(81,000)
Receipts from maturity of term deposits		75,000	36,000	74,000
Net cash flows from investing activities		(5,951)	(1,621)	(7,470)
Net increase/(decrease) in cash and cash equivalents		313	(204)	(937)
Cash and cash equivalents at the beginning of the year		1,298	3,284	2,235
Cash and cash equivalents at the end of the year	7	1,611	3,080	1,298

Explanations of major variances against budget are detailed in note 20. The accompanying notes form part of these financial statements.

Statement of Cash Flows (continued)

Te āhua o te kapewhiti

for the year ended 30 June 2026

Reconciliation of net surplus to net cash flow from operating activities

	2026 Actual (\$000)	2025 Actual \$000
Net surplus	2,598	3,101
Add/(less) non-cash items		
Depreciation and amortisation expense	725	1,413
(Increase)/ decrease in accrued interest	(19)	234
Increase/(decrease) in allowance for credit losses on receivables	35	(20)
Total non-cash items	741	1,627
Add/(less) movements in statement of financial position		
Decrease/(increase) in receivables	906	849
Decrease/(increase) in prepayments	1,358	(104)
Increase/(decrease) in payables and deferred revenue	1,187	1,494
Increase/(decrease) in employee entitlements	304	531
(Decrease)/increase in provisions	(830)	(965)
Net movements in statement of financial position	2,925	1,805
Net cash flow from operating activities	6,264	6,533

Explanations of major variances against budget are detailed in note 20. The accompanying notes form part of these financial statements.

Notes to the financial statements

Ngā tuhipoka mō te tauākī kapewhiti

1. Statement of Accounting Policies

1. Te tauākī o ngā kaupapa here pūtea

Reporting entity

Te hinonga rīpoata

NZQA is a Crown Entity as defined by the Crown Entities Act 2004 and is domiciled and operates in Aotearoa New Zealand. The relevant legislation governing NZQA's operations includes the Crown Entities Act 2004 and the Education and Training Act 2020. NZQA's ultimate parent is the New Zealand Crown.

NZQA's core business is to provide services to the Aotearoa New Zealand public. NZQA ensures that Aotearoa New Zealand qualifications are valued as credible and robust both nationally and internationally. NZQA is accountable for managing the New Zealand Qualifications and Credentials Framework, administering the secondary school assessment system, independent quality assurance of non-university education providers, qualifications recognition and standard setting for some specified unit standards.

NZQA is designated a public benefit entity (PBE) for financial reporting purposes. A PBE's primary objective is to provide goods or services for community or social benefit rather than for a financial return to equity holders.

The financial statements for NZQA are for the year ended 30 June 2026 and were approved by the Board on 28 September 2026.

Basis of preparation

Te take o te whakaritenga

The financial statements have been prepared on a going concern basis, and the accounting policies, which materially affect the measurement of results and financial position, have been applied consistently throughout the year. The financial statements have also been prepared on a historic cost basis unless otherwise specified (e.g. liabilities calculated on an actuarial basis).

Statement of compliance

The financial statements of NZQA have been prepared in accordance with the requirements of the Crown Entities Act 2004, which includes the requirement to comply with Generally Accepted Accounting Practice in New Zealand (NZ GAAP).

The financial statements have been prepared in accordance with Tier 1 PBE accounting standards and comply with those standards.

Presentational currency and rounding

The financial statements are presented in New Zealand dollars, and all values are rounded to the nearest thousand dollars (\$000).

New accounting standards and interpretations

(i) Changes in accounting policies and disclosures

There have been no changes to accounting policies. All accounting policies adopted in these financial statements are consistent with those of the previous financial year.

The amendments to PBE IPSAS 1 Presentation of Financial Reports do not have any significant impact on these financial statements.

(ii) Standards issued and not yet effective and not early adopted

There are no standards issued and not yet effective that are expected to have a significant impact on these financial statements.

Reclassification of comparatives

The presentation of expenditure in the Statement of Comprehensive Revenue and Expense and assets and liabilities in the Statement of Financial Position is in line with the Statement of Performance Expectations 2025/26. Some comparative figures for 2025 have been reclassified for consistency. The purpose is to amend the disclosures to improve the transparency and understanding of balances. The reclassification of comparative balances is not material and has no impact on the financial results.

Summary of significant accounting policies

Te rāpopototanga o ngā kaupapa here kaute

Significant accounting policies are included in the notes to which they relate. Significant accounting policies that do not relate to a specific note are outlined below.

Income tax

NZQA is a public authority and consequently is exempt from the payment of income tax. Accordingly, no provision for income tax has been made.

Goods and services tax (GST)

All items in the financial statements are presented exclusive of GST, except for receivables and payables, which are presented on a GST-inclusive basis. Where GST is not recoverable as input tax, it is recognised as part of the related asset or expense.

The net amount of GST recoverable from or payable to Inland Revenue (IR), is included as part of receivables or payables in the Statement of Financial Position.

The net GST paid to or received from IR, including the GST relating to investing and financing activities, is classified as an operating cash flow in the Statement of Cash Flows.

Commitments and contingencies are disclosed exclusive of GST.

Budget figures

The budget figures are derived from the Statement of Performance Expectations as approved by the Board at the beginning of the financial year. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Board in preparing these financial statements.

Cost allocation

NZQA has determined the cost of outputs using the cost allocation system outlined below.

Direct costs are those costs directly attributed and charged to outputs. Indirect costs are those costs that cannot be attributed to a specific output in an economically feasible manner. Indirect costs are charged to outputs based on cost drivers and related activity/usage information. Depreciation is charged on the basis of asset utilisation. Personnel costs are charged on the basis of actual time incurred. Other indirect costs are assigned to outputs based on the proportion of direct staff costs or of expenditure for each output.

There have been no changes to the cost allocation methodology since the last financial year, other than continuous refinement to the allocation bases to ensure relevance and effectiveness, as the nature of the operations change over time.

Critical accounting estimates and assumptions

In preparing these financial statements, NZQA has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are estimating:

- Note 10 - useful lives of property, plant and equipment; and
- Note 11 - useful lives of internally generated software.

Critical judgements in applying accounting policies

Management has exercised critical judgements in applying accounting policies for:

- Note 5 – lease classification;
- Note 10 – assessing impairment of property, plant and equipment;
- Note 11 – determining the cost of internally generated software;
- Note 11 - assessing impairment of intangible assets, including software assets under development; and
- Note 15 – recognising and measuring the estimated cost of onerous contracts and provisions.

2. Revenue

2. Pūtea whiwhi

Accounting policy

Kaupapa kaute

The specific accounting policies for significant revenue items are explained below.

In determining whether its various revenues are from exchange or non-exchange transactions, management exercises judgement as to whether NZQA gives approximately equal value (primarily in the form of cash, goods, services or use of current assets) in exchange for the revenue it receives.

As there are no assets or services of approximately equal value provided back to the Crown in exchange for the funding it receives from the Crown, management has determined that revenue from Crown appropriations is to be classified as being from a non-exchange transaction.

Funding from all other sources result from exchange transactions.

Funding from the Crown

Pūtea a te Karauna

NZQA has been provided with substantial funding from the Crown. This funding is restricted in its use for the purpose of NZQA meeting the objectives specified in its founding legislation and the scope of the relevant appropriations of the founder. NZQA considers there are no conditions attached to the funding, and it is recognised as revenue at the point of entitlement. This is considered to be the start of the appropriation period to which the funding relates. The fair value of funding has been determined to be equivalent to the amounts due in the funding arrangements.

Qualification recognition service fees

Ngā utu o te ratonga tohu mātauranga o tāwāhi

These application fees for qualification recognition services provided to immigrants are received in advance and recognised as revenue as the work is completed.

Interest

Itareti

Interest revenue is recognised using the effective interest method. The effective interest rate exactly discounts estimated future cash receipts through the expected life of the financial asset to that assets net carrying amount. The method applies this rate to the principal outstanding to determine interest revenue each period.

*Provision of other services**Ngā ratonga atu*

Other services provided to third parties on commercial terms are recognised as revenue in proportion to the state of completion at balance sheet date. These include tertiary credit and assessment fees (NZQF fees) and quality assurance services provided to tertiary education providers (e.g. charges for approval and accreditation services, external evaluations and reviews, annual fees etc).

Breakdown of total revenue

	2026 Actual (\$000)	2025 Actual (\$000)
Crown funding for		
Provision of communication and advice	3,596	3,527
Quality assurance	7,908	7,241
Qualifications support structures	15,396	24,340
Secondary school assessments	66,212	54,467
Total funding from the Crown	93,112	89,575
Other revenue		
Examination fee remissions	2,730	2,648
Examination fees	1,926	1,596
NZQCF fees and registration	9,263	10,862
Quality assurance services	5,951	6,867
Qualifications recognition service fees	8,078	7,496
Other income	879	721
Total other revenue	28,827	30,190
Interest revenue	1,435	1,512
Total revenue	123,374	121,277

3. Personnel and Board

3. Ngā kaimahi me te Poari

*Accounting policy**Kaupapa kaute*

Salaries and wages are recognised as an expense as employees provide services. Employer contributions to KiwiSaver, the Government Superannuation Fund and other NZQA Superannuation schemes are accounted for as defined contribution superannuation schemes and are recognised as an expense in the Statement of Comprehensive Revenue and Expense.

	2026 Actual (\$000)	2025 Actual (\$000)
Salaries and wages	59,115	58,629
Employer contributions to defined contribution plans	2,126	2,105
Increase/(decrease) in employee entitlements (note 14)	304	(104)
Total personnel and Board costs	61,545	60,630

All other statutory remuneration disclosures required under the Crown Entities Act 2004 are now included separately in the Annual Report as an appendix to the financial statements and are not subject to audit.

4. Professional Services

4. Ngā ratonga ngaio

Breakdown of professional services costs

	2026 Actual (\$000)	2025 Actual (\$000)
Consultancy and contractor fees	11,166	9,704
Other costs	630	847
Total professional services costs	11,796	10,551

	2026 Actual (\$000)	2025 Actual (\$000)
Fees to The Audit Office for audit of the financial statements	174	175
Other services	-	-
Total audit fees	174	175

5. Other operating costs

5. Ētahi atu utu whakahaere

*Accounting policy**Kaupapa kaute***Operating leases**

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership to the lessee. Lease payments are recognised as an expense in the Statement of Comprehensive Revenue and Expense on a straight-line basis over the lease term. Lease incentives received are recognised in the surplus or deficit as a reduction of rental expense over the lease term.

Breakdown of other operating costs

	2026 Actual (\$000)	2025 Actual (\$000)
Office rental – operating lease expense	3,160	3,137
Increase/(decrease) in allowance for credit losses on receivables	21	(20)
Bad debts write-off	3	34
Schools' administration fees	2,669	2,225
Other costs	2,564	2,852
Total other operating costs	8,417	8,228

Operating leases as lessees

The future aggregate minimum lease payments to be paid under non-cancellable operating leases are:

	2026 Actual (\$000)	2025 Actual (\$000)
Not later than one year	3,222	3,484
Later than one year and not later than five years	537	3,625
Later than five years	-	-
Total non-cancellable operating leases	3,759	7,109

In March 2026, NZQA exercised its irrevocable right under the lease agreement to terminate the lease effective 31 August 2027. The future lease commitment reflects the remaining 14 months of lease payments due under the existing agreement. NZQA intends to relocate to alternative premises within the Government's property portfolio during the 2026/27 financial year. As at balance date, the new lease agreement had not yet been executed.

6. Capital charge

6. Te utu pūrawa

*Accounting policy**Kaupapa kaute*

The capital charge is recognised in the Statement of Comprehensive Revenue and Expense in the financial year to which the charge relates.

Further information on the capital charge

NZQA pays a capital charge to the Crown on its net equity as at 30 June and 31 December each year. The capital charge rate for the year ended 30 June 2026 was 5% (2025: 5%).

7. Cash and cash equivalents

7. Ngā moni me ngā moni taurite

*Accounting policy**Kaupapa kaute*

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term, highly liquid investments with original maturities of less than three months. They are measured at the amount invested less any non-trivial expected credit losses.

Breakdown of cash and cash equivalents and further information

	2026 Actual (\$000)	2025 Actual (\$000)
Cash on hand and at bank	1,611	1,298
Total cash and cash equivalents	1,611	1,298

8. Receivables

8. Ngā nama mai

*Accounting policy**Kaupapa kaute*

Short-term receivables are recorded at the amount due less an allowance for expected credit losses. The simplified approach to providing for expected credit losses as prescribed by PBE IPSAS 41 Financial instruments is applied to receivables. The simplified approach involves making an allowance at an amount equal to lifetime expected credit losses. The allowance for expected credit losses comprises any impairment on individually significant balances plus for those not deemed individually significant, the expected credit loss is determined on a collective basis. A collective basis is used due to shared credit risk characteristics with receivables being grouped based on days past due. Where a collective basis is used, the expected credit loss is determined using historical loss experience over the last four years, adjusted for current conditions and forward-looking estimates that may impact the recoverability of receivables. The allowance is reviewed at each reporting date and updated as necessary to reflect changes in credit risk. Short-term receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation.

Breakdown of receivables and further information

	2026 Actual (\$000)	2025 Actual (\$000)
Receivables (gross)	1,255	1,449
Less: allowance for expected credit losses	(39)	(10)
Accrued revenue	386	1,084
Total receivables	1,602	2,523

All receivables derive from the sale of goods and services (exchange transactions).

The ageing profile of receivables at year end is detailed below:

	2026			2025		
	Gross (\$000)	Allowance for expected credit losses (\$000)	Net (\$000)	Gross (\$000)	Allowance for expected credit losses (\$000)	Net (\$000)
Not past due	1,119	-	1,119	1,242	-	1,242
Past due 1 – 30 days	92	-	92	160	-	160
Past due 31 – 60 days	5	-	5	50	-	50
Past due 61 – 90 days	(1)	-	(1)	(1)	-	(1)
Past due > 91 days	40	(39)	1	(2)	(10)	(12)
Total	1,255	(39)	1,216	1,449	(10)	1,439

All receivables greater than 30 days in age are considered to be past due.

Movements in the allowance for expected credit losses are as follows:

	2026 Actual (\$000)	2025 Actual (\$000)
Balance at start of the year	10	31
Increase in loss allowance made during the year	34	13
Bad debts written off during the year	(5)	(34)
Balance at end of the year	39	10

9. Investments

9. Ngā haumitanga

Accounting policy

Kaupapa kaute

Investments represent term deposits held with banks with original maturities of three months and above and are measured at the amount invested less any non-trivial expected credit losses. Interest is subsequently accrued using the effective interest method and is recorded within receivables.

Breakdown of investments and further information

	2026 Actual (\$000)	2025 Actual (\$000)
Term deposits – current	23,000	20,000
Total investments	23,000	20,000

All term deposits have original maturities of between three and 12 months and the carrying amounts approximate their fair value due to their short-term nature.

10. Property, plant and equipment

10. Ngā rawa, te tari, ngā taputapu

Accounting policy

Kaupapa kaute

Property, plant and equipment asset classes consist of computers and electronic equipment, leasehold improvements, furniture and fittings, office equipment and motor vehicles. All these asset classes are measured at cost less accumulated depreciation and impairment losses.

Additions

The cost of an item of property, plant and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to NZQA and the cost of the item can be measured reliably.

In most instances, an item of property, plant and equipment is initially recognised at its cost. Where an asset is acquired through a non-exchange transaction, it is recognised at its fair value as at the date of acquisition.

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to NZQA and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant and equipment are recognised in the surplus or deficit as they are incurred.

Disposals

Gains and losses on sale of property, plant and equipment are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of property, plant and equipment have been estimated as follows:

Computers & electronic equipment (desktop and notebooks)	4 years	25%
Computers & electronic equipment (network equipment and servers)	3 – 5 years	20% – 33%
Furniture and fittings	10 years	10%
Office equipment	5 years	20%
Leasehold improvements	*see below	*see below
Motor vehicles	4 years	25%

* Leasehold improvements are depreciated over the unexpired period of the lease or the estimated remaining useful lives of the improvements, whichever is the shorter.

Impairment of property, plant and equipment

NZQA does not hold any cash-generating assets. Assets are considered to be cash-generating when their primary objective is to generate a commercial return. Property, plant and equipment assets held at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is the present value of an asset's remaining service potential. It is determined using an approach based on either a depreciated replacement cost approach, a restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss is also recognised in the surplus or deficit.

Breakdown of property, plant and equipment and further information

Movements for each class of property, plant and equipment are as follows:

	Motor vehicles (\$000)	Computers & electronic equipment (\$000)	Office equipment (\$000)	Leasehold improve- ments (\$000)	Furniture & fittings (\$000)	Total (\$000)
Cost						
At 30 June 2024	156	10,015	449	231	259	11,110
Additions	-	425	-	75	-	500
Disposals	-	(30)	-	-	-	(30)
At 30 June 2025	156	10,410	449	306	259	11,580
Additions	-	416	-	-	-	416
Change in tangible assets	-	30	-	-	-	30
At 30 June 2026	156	10,856	449	306	259	12,026
Accumulated depreciation and impairment losses						
At 30 June 2024	156	8,755	447	231	207	9,796
Depreciation expense	-	606	2	19	6	633
At 30 June 2025	156	9,361	449	250	213	10,429
Depreciation expense	-	561	-	26	6	593
At 30 June 2026	156	9,922	449	276	219	11,022
Carrying amounts						
At 30 June 2024	-	1,257	2	-	52	1,311
At 30 June 2025	-	1,049	-	56	46	1,151
At 30 June 2026	-	1,167	-	30	40	1,004

There are no restrictions over the title of NZQA's property, plant and equipment, nor are any such assets pledged as security for liabilities.

Contractual commitments

NZQA had entered into a contractual commitment for the purchase of laptop computers and associated equipment amounting to \$233,021 as at 30 June 2026 (2025: \$nil). The equipment had not been delivered and control had not transferred to NZQA at balance date. Accordingly, no property, plant and equipment asset or related payable has been recognised at 30 June 2026. These commitments are expected to be settled in the 2027 financial year.

11. Intangible assets

11. Huarawa noa

Accounting policy

Kaupapa kaute

Intangible assets are measured at cost less accumulated amortisation and impairment losses

Acquired software

Acquired software is capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Internally generated software

Costs that are directly associated with the development phase of internally generated software is recognised as an intangible asset. Direct costs include software development, employee costs and an appropriate portion of relevant overheads. The development phase occurs after the following can be demonstrated - technical feasibility, ability to complete the asset, intention and ability to sell or use and the development expenditure can be reliably measured. Research is "original and planned investigation undertaken with the prospect of gaining new scientific or technical knowledge and understanding". Expenditure incurred on the research phase of an internally generated intangible asset is expensed when it is incurred. Where the research phase cannot be distinguished from the development phase, the expenditure is expensed when incurred.

Staff training costs are recognised as an expense when incurred.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Software as a Service (SaaS) arrangements

SaaS arrangements are service contracts providing NZQA with the right to access a cloud provider's application software over a contract period. Where the ongoing fees solely provide a right to access the software, these costs are recognised as an operating expense when the services are received.

Often, the core software will require significant customisation and configuration prior to use. Where such customisation and configuration costs meet the recognition criteria for an intangible asset (e.g. through the enhancement, modification or creation of additional capacity to existing on-premises systems or through the creation of bespoke additional software capacity), they are recognised as an intangible software asset and amortised on a straight-line basis over the useful life of the software. In all other instances, the customisation and configuration costs are treated as an operating expense and recognised in the surplus or deficit:

- as the services are performed; or
- over the SaaS term (when the work is performed by the cloud provider and the services are not considered to be distinct from the SaaS access).

Work in progress

Work in progress which largely represents the development of internally generated software are recognised at cost less impairment and is not amortised.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each financial year is recognised in the surplus or deficit.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated for each specific individual item of acquired and internally generated computer software. Internally generated software is amortised over 3 - 4 years (25% – 33%) with other acquired software amortised over 3 – 5 years (20% – 33%).

Impairment of intangible assets

Refer to the policy for impairment of property, plant and equipment in note 10. The same approach applies to the impairment of intangible assets.

Critical accounting estimates and assumptions

Estimating useful lives of internally generated software

NZQA's internally generated software enables NZQA to meet its objectives and deliverables. Internally generated software has a finite life, which requires NZQA to estimate the useful life of the software assets.

In assessing the useful lives of software assets, a number of factors are considered, including:

- the period of time the software is intended to be in use
- the effect of technological change on systems and platforms
- the expected timeframe for the development of replacement systems and platforms

An incorrect estimate of the useful lives of software assets will affect the amortisation expense recognised in the surplus or deficit, and the carrying amount of the software assets in the Statement of Financial Position.

NZQA has estimated the useful life of internally generated software to be 3-4 years. This useful life is considered reasonable based on the current performance and use of the software, strategic plan updates and the likelihood the technology will stay current and supportable. There are currently no indicators the period of use of the software will be materially different.

Critical judgements in applying accounting policies

Determining the cost of internally generated software

NZQA is required to determine which costs of providing internally generated software meet the capitalisation criteria in PBE IPSAS 31 Intangible Assets. This requires judgement on whether the costs are research or development related, the technical feasibility for completing the asset and the availability of sufficient financial and other resources to complete the asset. These judgements ensure that only appropriate development costs directly attributable to producing the asset are capitalised.

An incorrect judgement in determining which costs can be capitalised will affect the timing of costs being recognised in the surplus or deficit and the carrying amount of the asset in the Statement of Financial Position.

Impairment assessment

NZQA applied significant judgement in assessing whether intangible assets under development were impaired. At 30 June 2026 this included an ongoing project with a carrying amount of \$2.86 million recorded as work-in-progress.

In assessing impairment consideration was given to the project's stage of completion, expected future service potential, replacement cost and whether the asset's cost remained recoverable and supported by the benefits expected to be delivered by the asset.

Based on this assessment, and assuming the successful completion of the project, NZQA concluded that the asset's recoverable service amount supported its carrying amount. Accordingly, no impairment loss was recognised at 30 June 2026.

Breakdown of intangible assets and further information

Movements for each class of intangible assets are as follows:

	Acquired software (\$000)	Internally generated software (\$000)	Work in progress (\$000)	Total (\$000)
Cost				
At 30 June 2024	951	43,833	2,297	47,081
Change in intangibles	-	-	(885)	(885)
Transfers to assets	-	30	-	30
At 30 June 2025	951	43,863	1,412	46,226
Additions	-	-	2,537	2,537
Change in intangibles	-	(30)	-	(30)
At 30 June 2026	951	43,833	3,949	48,733
Accumulated amortisation and impairment losses				
At 30 June 2024	951	42,892	-	43,843
Amortisation expense	-	808	-	808
At 30 June 2025	951	43,700	-	44,651
Amortisation expense	-	133	-	133
At 30 June 2026	951	43,833	-	44,784
Carrying amounts				
At 30 June 2024	-	911	2,297	3,208
At 30 June 2025	-	163	1,412	1,575
At 30 June 2026	-	-	3,949	3,949

There are no restrictions over the title of NZQA's intangible assets, nor are any intangible assets pledged as security for liabilities. Software assets under development reported under work-in-progress are executory contracts in nature. The number of contractual commitments for the acquisition of intangible assets is \$nil (2025: \$nil).

12. Payables and deferred revenue

12. Ngā nama atu me ngā utu tārewa

*Accounting policy**Kaupapa kaute*

Short-term payables are recorded at the amount payable. Due to their short-term nature, they are not discounted and are unsecured.

Breakdown of payables and deferred revenue

	2026 Actual (\$000)	2025 Actual (\$000)
Payables under exchange transactions		
Creditors	830	1
Accruals	4,539	3,778
Total payables under exchange transactions	5,369	3,779
Payables under non-exchange transactions		
Taxes payable (GST, PAYE)	171	1,087
Total payables under non-exchange transactions	171	1,087
Total payables	5,540	4,866
Deferred revenue		
Deferred revenue	2,297	1,784
Total deferred revenue	2,297	1,784
Total payables and deferred revenue	7,837	6,650

13. Contingencies

13. Heipūtanga

Accounting policy

Kaupapa kaute

A contingent liability is a possible obligation arising from a past event that will only be confirmed by one or more uncertain events not wholly within the control of an entity. Disclosure is provided for any contingent liabilities that are not considered remote.

Contingent liabilities

NZQA has no contingent liabilities as at 30 June 2026 (2025: \$nil).

Contingent assets

NZQA has no contingent assets as at 30 June 2026 (2025: \$nil).

14. Employee entitlements

14. Āheinga kaimahi

Accounting policy

Kaupapa kaute

Short-term employee entitlements

Employee benefits that NZQA expects to be settled within 12 months after the end of the year in which the employee provides the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned but not yet taken at balance date and sick leave.

NZQA recognised a liability for sick leave in the 2025 – 2026 financial year to the extent that compensated absences in the coming year were expected to be greater than the sick leave entitlements earned in the coming year. The amount was calculated based on the unused sick leave entitlement that can be carried forward at balance date; to the extent NZQA anticipated it would be used by staff to cover those future absences.

Long-term employee entitlements

Employee benefits that are due to be settled beyond 12 months after the end of the year in which the employee provides the related service, such as long service leave and retirement leave, have been calculated on an actuarial basis.

The calculations are based on:

- likely future entitlements accruing to employees, based on years of service, years to entitlement, the likelihood that employees will reach the point of entitlement and contractual entitlements information; and
- the present value of the estimated future cash flows.

Presentation of employee entitlements

Sick leave, annual leave and most of the vested long service leave are classified as a current liability. Both non-vested long service leave and retirement leave that is expected to be settled within 12 months of balance date are also classified as a current liability. All other employee entitlements are classified as a non-current liability.

Breakdown of employee entitlements and further information

	2026 Actual (\$000)	2025 Actual (\$000)
Current portion		
Accrued salaries and wages	1,081	837
Annual leave	4,350	4,340
Retirement and long service leave	300	262
Total current portion	5,731	5,439
Non-current portion		
Retirement and long service leave	549	537
Total non-current portion	549	537
Total employee entitlements	6,280	5,976

Key assumptions in measuring retirement and long service leave obligations

The present value of retirement and long service leave obligations depends on a number of factors that are determined on an actuarial basis. Two key assumptions used to calculate this liability include the discount rate and the salary inflation factor. Any changes in these assumptions will affect the carrying amount of the liability.

Expected future payments are discounted using forward discount rates derived from the yield curve of NZ government bonds. The discount rates used have maturities that match, as closely as possible, the estimated future cash outflows. The salary inflation factor has been determined after considering historical salary inflation patterns and after obtaining advice from an independent actuary. A weighted average discount rate of 5.22% (2025: 5.38%) and a weighted average salary inflation factor of 2.1% (2025: 1.86%) were used.

If the discount rate were to differ by 1%, with all other factors held constant, the carrying amount of the retirement and long service leave liability would change by approximately \$32,000 to \$36,000. The decline in the value for the liability this year is a result of a higher discount rate.

If the salary inflation factor were to differ by 1%, with all other factors held constant, the carrying amount of the retirement and long service liability would change by approximately \$33,000 to \$36,000.

15. Provisions

15. Ngā pūtea penapena

*Accounting policy**Kaupapa kaute*

NZQA recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that an outflow of future economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability.

A provision is recognised for onerous contracts when the unavoidable costs of fulfilling the contract exceed the expected benefits, including recoverable amounts. The provision is measured at the present value of the lower of the termination cost and the net cost of continuing the contract.

The expense relating to the movement in any provision is recognised in the surplus or deficit for the year.

Breakdown of provisions and further information

	2026 Actual (\$000)	2025 Actual (\$000)
Restructuring	342	301
Leased property provisions	650	555
Payroll remediation	71	265
General provisions	75	846
Total provisions	1,138	1,967

Movements for each class of provision are as follows:

	Restructuring (\$000)	Leased Property (\$000)	Payroll Remediation (\$000)	Other Provisions (\$000)
Balance at start of the year	301	555	265	846
Amounts utilised	-	(190)	(194)	(771)
Additional provisions recognised	41	285	-	-
Balance at end of the year	342	650	71	75

*Restructuring**Te whai hanga hōu*

NZQA undertakes organisational restructuring activities from time to time in response to changes in strategic priorities or operational requirements. Where such activities give rise to a present obligation, a provision is recognised in accordance with accounting standards. The provision represents management's best estimate of the expenditure required to settle the present obligation associated with restructuring activities. This includes costs that are necessarily entailed by the restructuring and not associated with ongoing operations. Due to the nature of such activities, there is inherent uncertainty in both the measurement of the obligation and the timing of the associated cash outflows.

*Leased property provisions**Ngā ratonga papanoho rīhi*

NZQA holds a lease for its Wellington-based head office premises. In the 2024/25 financial year, a provision was recognised for obligations arising under the lease, including make-good requirements and an early termination fee, reflecting a present obligation based on the likelihood of exercising the termination option.

In March 2026, NZQA exercised its right to terminate the lease with effect from 31 August 2027, thereby confirming the existence of the obligation. The early termination fee previously provided for has been settled. The remaining provision represents management's revised estimate of the expenditure required to settle the present obligation to restore the premises to their original condition in accordance with the lease terms. The estimate reflects current assumptions and may be subject to change as further information becomes available.

*Onerous contract**He kirimana taumaha*

NZQA has assessed whether its remaining lease obligations give rise to an onerous contract under PBE IPSAS 19 Provisions, contingent liabilities and contingent assets. In making this assessment, management considered proposed arrangements within the broader Government property portfolio. Based on the information available at the reporting date, management expects that any contractual lease costs relating to the period after NZQA plans to vacate the premises will be recovered. On this basis, NZQA concluded that the contract is not onerous.

*Payroll remediation**Te whakatika rārangi utu*

NZQA has identified areas of potential non-compliance with the Holidays Act 2003, particularly in relation to the calculation and payment of certain leave entitlements. A payroll remediation programme has been completed to address these matters, including identifying affected current and former employees and quantifying any amounts owing. At 30 June 2026, a provision has been recognised for the present obligation arising from this work. The provision represents management's best estimate of the expenditure required to settle the obligation. Due to the nature of the remediation programme, there is inherent uncertainty in both the measurement of the liability and the timing of the associated cash outflows, and the final outcome may differ from the amount currently recognised.

General provisions

Ratonga tukipū

NZQA has recognised provisions in respect of a limited number of contractual and employment-related matters. Some of these matters are subject to ongoing internal processes and external discussions or negotiations. In accordance with accounting standards, detailed disclosure has not been provided, as such information could be expected to prejudice NZQA's position in these matters. The provisions recognised represent management's best estimate of the expenditure required to settle the present obligations, based on information available at the reporting date. Given the nature of these matters, these obligations are not expected to have a material impact on NZQA's overall financial position.

16. Related-party transactions

16. Ngā hokohoko ā-rōpū

NZQA is wholly owned and controlled by the Crown.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship and are on terms and conditions no more or less favourable than those that it is reasonable to expect NZQA would have adopted in dealing with the party at arm's length in the same circumstances. Further, transactions with other government agencies (e.g. Government Departments and Crown entities) are not disclosed as related party transactions when they are consistent with the normal operating arrangements between government agencies.

There are no related party transactions with key management personnel and close members of the family of key management personnel other than compensation as noted below (2025: \$nil).

*Key management personnel compensation**Paremata kaimahi rōpū whakahaere*

Key management personnel include the Board and the members of the Strategic Leadership Team, which includes the Chief Executive.

	2026 Actual (\$000)	2025 Actual (\$000)
Board Members		
Remuneration	397	240
Full-time equivalent members	1.02	1.11
Strategic Leadership Team		
Remuneration	1,897	2,018
Full-time equivalent members	5.87	6.17
Total key management personnel remuneration	2,294	2,258
Total full-time equivalent personnel	6.89	7.28

The full-time equivalent for Board members has been determined based on the frequency and length of Board meetings and the estimated time for Board members to prepare for meetings.

An analysis of Board member remuneration is provided under the statutory remuneration disclosures in the appendix of the Annual Report and is not subject to audit.

There were contributions to defined benefit plans made by the employer on behalf of key management personnel during the year of \$38,825 (2025: \$63,422).

17. Events after the balance sheet date

17. Ngā kaupapa tōmuri i te rā whakataunga pūtea

There were no significant events after the balance sheet date.

18. Financial instruments

18. Nuka pūtea

*Accounting policy**Kaupapa kaute*

Financial instruments are initially recognised at fair value and subsequently classified as measured at amortised cost. This classification is made by reference to the purpose and nature of the financial instrument or group of financial instruments.

Financial assets are subsequently measured at amortised cost where they are held for the purpose of collecting contractual cash flows and those cash flows are solely related to payments of principal and interest. Interest and any impairment losses are recognised in the Statement of Comprehensive Revenue and Expense. Generally, the amount invested or amount due less any allowance for expected credit losses is used to estimate the amortised cost. Financial liabilities (which comprise payables) are subsequently measured at amortised cost. The amount payable is used as a reasonable estimate of amortised cost as they are typically short term in nature.

*Categories of financial instruments**Ngā wāhanga o ngā rauemi pūtea*

The carrying amounts of financial assets and liabilities in each of the financial instrument categories are as follows:

	2026 Actual (\$000)	2025 Actual (\$000)
Financial assets measured at amortised cost		
Cash and cash equivalents	1,611	1,298
Receivables	1,602	2,523
Investments – Term deposits	23,000	20,000
Total financial assets measured at amortised cost	26,213	23,821
Financial liabilities measured at amortised cost		
Payables (excluding deferred revenue & taxes payable)	5,369	3,779
Total financial liabilities measured at amortised cost	5,369	3,779

Financial instrument risks

Tūraru nuka pūtea

NZQA's activities expose it to a variety of financial instrument risks, including market risk, credit risk and liquidity risk. NZQA has policies to manage the risks and seeks to minimise exposure from financial instruments. These policies do not allow any transactions that are speculative in nature to be entered into.

a) Market risk

i) Fair value interest rate risk

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. NZQA's exposure to fair value interest rate risk is limited to term deposits which are held at fixed rates of interest. NZQA does not actively manage its exposure to fair value interest rate risk.

ii) Cash flow interest rate risk

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. NZQA is not exposed to cash flow interest rate risk as it does not have investments issued at variable interest rates.

iii) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. NZQA is not exposed to currency risk as it does not enter into transactions of this nature.

iv) Sensitivity analysis

No sensitivity analysis is provided for financial instruments held at balance date, since any reasonably expected movement in interest or exchange rates would have a minimal impact on the surplus and equity.

a) Credit risk

Credit risk is the risk that a third party will default on its obligation to NZQA, causing NZQA to incur a loss. NZQA is exposed to credit risk from cash and term deposits with banks and receivables. For each of these, the maximum credit exposure is best represented by the carrying amount in the Statement of Financial Position and note 8 provides information on impairment of receivables calculated by reference to the expected credit loss model. No credit loss impairment has been recognised for cash and cash equivalents (note 7) or investments (note 9), as the estimated value is trivial.

No collateral is held as security for financial instruments, including those instruments that are overdue or impaired, that give rise to credit risk.

No financial assets have been pledged as coverage for liabilities as at 30 June 2026 (2025: \$nil). NZQA has processes in place to review the credit quality of customers prior to the granting of credit.

Due to the timing of its cash inflows and outflows, NZQA invests surplus cash with registered banks. NZQA's investment policy limits the amount of credit exposure by only investing funds with registered banks that have at least a current Standard and Poor's credit rating within the AA band. NZQA has experienced no defaults of interest or principal for term deposits.

Credit quality of financial assets

The only significant concentrations of credit risk relate to \$1.6 million of cash and \$23.0 million of term deposits which are both held with Bank of New Zealand and Westpac New Zealand, which have a Standard and Poor's long-term issuer credit ratings of AA-.

There are no significant balances at 30 June 2026 with counterparties without credit ratings who have defaulted in the past (2025: \$nil).

b) Liquidity risk

Liquidity risk is the risk that NZQA will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and the ability to close out market positions. NZQA manages liquidity risk by continuously monitoring forecast and actual cash flow requirements.

Contractual maturity analysis of financial liabilities

All financial liabilities are due for payment within 6 months of balance sheet date. The carrying amount of all financial liabilities is equal to the contractual cash flows required to extinguish the liability.

19. Equity

19. Tūtanga

*Accounting policy**Kaupapa kaute*

Equity is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components:

- contributed capital
- accumulated (deficit)/surplus.

Breakdown of equity and further information

	2026 Actual (\$000)	2025 Actual (\$000)
Contributed capital	20,528	20,528
Accumulated (deficit)/surplus		
Balance at beginning of the year	(4,991)	(8,092)
Net surplus for the year	2,598	3,101
Balance at end of the year	(2,393)	(4,991)
Total equity	18,135	15,537

*Capital management**Te whakahaere moni tōpū*

NZQA's capital is its equity, which comprises contributed capital and accumulated (deficit)/surplus. Equity is represented by net assets.

NZQA is subject to the financial management and accountability provisions of the Crown Entities Act 2004, which imposes restrictions in relation to borrowings, acquisition of securities, issuing guarantees and indemnities and the use of derivatives. NZQA has complied with the financial management requirements of the Crown Entities Act 2004 during the year.

NZQA manages its equity as a by-product of prudently managing revenues, expenses, assets, liabilities, and general financial dealings to ensure NZQA effectively achieves its objectives and purpose while remaining a going concern.

20. Explanation of major variances against budget

20. Ngā whakamārama e ai ki ngā tangongitanga a te pūtea

a) Statement of comprehensive revenue and expense

a) Te tauākī aroā ā-pūtea whiwhi, ā-pūtea whakapaunga

In June 2025, the Board approved a net surplus budget of \$0.1 million for 2025/26 financial year. Consistent with previous years, NZQA carries out two revised forecast exercises during the year to monitor the financial performance and provide financial oversight to the Board. In April 2026, the Board approved a revised net surplus forecast of \$0.2 million. The final actual net surplus for the year ended 30 June 2026 is \$2.6 million, which exceeded the original budget (the 'budget') and previous revised forecasts.

The following points explain the main areas that contributed to the variances in the financial results when compared against the budget.

- i. Total revenue of \$123.4 million was \$0.3 million below budget, mainly due to transitional impacts from the review of fees and charges framework. This was partially offset by additional administration funding received from the Ministry of Education that are passed through to schools, and higher interest income from surplus funds invested in term deposits.
- ii. Personnel and Board costs were \$61.5 million, \$3.9 million above budget, primarily due to organisational restructuring costs (\$0.7 million), additional resourcing to manage peak workloads (\$0.7 million), and the balance due to higher salary costs arising from market remuneration pressures and lower overall staff turnover rate.
- iii. Examination workforce costs were \$10.5 million, \$0.9 million above budget. This primarily reflects the delivery of additional examination sessions and higher uptake of Special Assessment Conditions than originally planned.
- iv. Specialist workforce costs were \$11.6 million, \$0.8 million below budget. Cost savings were achieved through more cost-effective approaches and tools in supporting and procuring the specialist workforce services.
- v. Professional services costs were \$11.8 million, \$4.7 million below budget. This primarily reflects lower-than-budgeted expenditure on consultants and contractors supporting business projects, together with the deferral of some project expenditure to the following financial year 2026/27.
- vi. Travel and accommodation costs were \$1.2 million, \$0.2 million below budget. The variance primarily reflects lower domestic travel expenditure, with increased use of alternative delivery methods reducing the need for physical travel.
- vii. IT systems-related costs were \$10.6 million, \$1.0 million below budget. The variance was driven by the budgeted cost of a system change request that was not required (\$0.6 million), and lower software licensing and IT support arrangements (\$0.5 million) than planned.
- viii. Depreciation and amortisation costs were \$0.7 million, \$0.6 million below budget. The variance primarily reflects the deferral of a capital project that is not expected to go into production until the next financial year 2026/27. Amortisation costs are also expected to continue to decline as cloud-based solutions are adopted, with related costs generally expensed rather than capitalised.

b) Statement of financial position

b) Te tauākī aroā pūtea ā-tūranga

Total equity at 30 June 2026 was \$18.1 million, \$3.8 million above budget. This reflects a net surplus of \$2.6 million for the year, which was higher than the original budgeted surplus of \$0.1 million. The 2024/25 financial year also closed with a stronger-than-forecast result, contributing to NZQA's higher total equity position.

The following points explain the significant variances in assets and liabilities:

- ix. Cash and investments totalled \$24.6 million at 30 June 2026, \$9.1 million above budget, primarily due to stronger-than-forecasted financial performance in both 2024/25 and 2025/26, and timing differences in receipts and payments.
- x. Receivables and prepayments were \$3.8 million, \$1.8 million below budget. The variance primarily reflects stronger collection of receivables at year-end and the amortisation and lower level of prepayments over the course of the year.
- xi. Intangible assets, including WIP, totalled \$3.9 million, \$1.8 million below budget due to deferred project implementation costs (\$0.6 million), a project that was not commence (\$0.5 million), and certain project costs that were expensed rather than capitalised (\$0.6 million).
- xii. Total current liabilities were \$14.7 million, \$1.6 million above budget. The variance primarily reflects increases in provisions for property-related and other obligations of \$0.8 million, together with a \$0.8 million increase in deferred revenue compared to budget.

c) Statement of cash flows

c) Ngā tauākī pūtea hokohoko

- xiii. Variances in operating cash flows and investments in term deposits largely reflect the net effect of the factors described above.

Appendix: Other disclosures

Āpitianga: Ngā whākitanga anō

1. Statutory remuneration disclosures

1. Whākinga taiutu ā ture

Section 152 of the Crown Entities Act 2004 requires Crown entities to disclose information in the Annual Report about payments in respect of members, committee members and employees. This disclosure is provided below and does not form part of the audited financial statements.

Employee remuneration band disclosures

Total remuneration paid or payable	Number of staff	
	2026 Actual	2025 Actual
\$500,000 - \$509,999	-	1
\$470,000 - \$479,999	1	-
\$330,000 - \$339,999	-	1
\$320,000 - \$329,999	-	2
\$310,000 - \$319,999	1	-
\$280,000 - \$289,999	1	1
\$260,000 - \$269,999	1	1
\$250,000 - \$259,999	2	2
\$240,000 - \$249,999	2	3
\$230,000 - \$239,999	-	2
\$220,000 - \$229,999	2	3
\$210,000 - \$219,999	1	-
\$200,000 - \$209,999	1	2
\$190,000 - \$199,999	2	5
\$180,000 - \$189,999	4	10
\$170,000 - \$179,999	17	10
\$160,000 - \$169,999	11	6
\$150,000 - \$159,999	9	13
\$140,000 - \$149,999	21	36
\$130,000 - \$139,999	44	36
\$120,000 - \$129,999	45	81
\$110,000 - \$119,999	87	72
\$100,000 - \$109,999	71	57
Total employees	323	344

During the year ended 30 June 2026, 16 employees received compensation or other benefits totalling \$0.719 million (2025: \$1.072 million) in relation to the cessation of employment.

Member and committee member remuneration disclosures

	2026 ¹⁷ Actual (\$000)	2025 Actual (\$000)
Kevin Jenkins (Board Chair)	73	44
Bill Moran (Deputy Chair)	56	27
Aiolupotea Lili Tuioti	49	25
Jeremy Baker	49	25
Professor Wiremu Doherty	45	23
Siosaia Mataele	45	23
André Atkinson	40	24
David Ferguson (to 18 June 2026)	38	15
Dame Susan Hassall (appointed on 15 June 2026)	2	-
Professor Cheryl de la Rey (to 31 December 2024)	-	12
Lyn Provost (to 07 November 2024)	-	9
Pania Gray (Acting Chair) (to 30 September 2024)	-	9
Grant Cleland (to 25 July 2024)	-	2
Roger Moses (to 25 July 2024)	-	2
Total Board and committee member remuneration	397	240

There have been no additional payments made to committee members appointed by the Board who are not Board members during the financial year, and no Board members received compensation or other benefits in relation to cessation (2025: Nil).

NZQA has directors' and officers' liability and professional indemnity insurance cover for the financial year in respect of the liability or costs of Board members and employees.

¹⁷ Board remuneration is guided by the Cabinet Fees Framework, which increased in 2025. [Cabinet Office Circular CO \(25\) 2](#)

2. Vote Education non-departmental output expenses

2. Ngā whakapaunga putanga ā tari kore Vote Education

To comply with our obligations under the Public Finance Act 1989, activities by NZQA that are funded through Vote Education non-departmental output expenses are indicated within each relevant output class in the Statement of Service Performance. A summary of appropriations funded through Vote Education is provided in the table below.

	What is intended to be achieved with this appropriation	2026 Actual Appropriation Estimates	2025 Actual Appropriation Estimates
Total appropriation			
Oversight and Administration of the Qualifications System (M26) (A19)	The single overarching purpose of this appropriation is for NZQA to provide effective oversight and administration of the qualifications system	88,077	81,965
Non-departmental output expense			
Secondary School Assessments		61,177	46,587
Standards and Qualifications Support		26,900	35,108
		88,077	81,965

The above appropriation relates to a multi-category appropriation of two categories (Secondary School Assessments and Standards and Qualifications Support).

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Mana Tohu Mātauranga o Aotearoa
New Zealand Qualifications Authority