

Annual Report

Te Pūrongo Ā-Tau

2024/25



Mana Tohu Mātauranga o Aotearoa
New Zealand Qualifications Authority

2024/25 Annual Report

2024/25 Te Pūrongo Ā-Tau

Māori proverb

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

Whakataukāki

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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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 2025.

NZQA has remained steadfast in our commitment to credible qualifications and credentials which support equitable learner pathways and mobility – and, by extension, New Zealand's economic and social development.

Our work is guided by four strategic objectives: performing core functions well; applying right touch, right size regulation; improving stakeholder understanding of qualifications and credentials; and leveraging digital solutions to increase business efficiency and quality.

We have strengthened our staff capability and our governance and assurance processes. We also had a one-off Crown investment through Budget 2024 which has allowed us to begin work on replacing the legacy electronic Qualifications Authority (eQA) system which underpins the integrity and reliability of our services. These interventions contribute towards our objective of performing our core functions well, supported by strong corporate infrastructure.

In line with our priority to utilise right touch, right size regulation, NZQA has refined its approach to monitoring and compliance, publishing an updated Regulatory Framework. This year also saw high-level consultation on the integrated Quality Assurance Framework (iQAF) for tertiary education organisations, which balances regulatory oversight with provider autonomy and would see NZQA leveraging data from partner agencies to reduce the need for providers to disclose the same information to multiple government bodies.

To improve stakeholder understanding of qualifications and credentials, we continue to expand our online resources for students, whānau, employers and other key stakeholder groups, which aim to contribute to greater transparency and confidence in the system. An NZCER evaluation of our NCEA me te Whānau and NCEA ma le Pasifika workshops in early 2025 found that they have a strong positive impact for whānau, Pacific families and schools.

We have also made some significant strides in leveraging digital solutions to enhance efficiency and quality. Following pilots in 2024, the NCEA co-requisite writing assessment, held in May, was marked using Automated Text Scoring. This was key to us returning results to students 3 and a half weeks earlier than after the May 2024 assessment event, providing more time for teachers to work with students who did not achieve the standard, so they could attempt it again in September. To ensure confidence with moving to an automated marking solution, where a student was on the boundary of achieving/not achieving the standard, we ran a human check-marking process.

This innovation – and other ways in which we can utilise machine learning and artificial intelligence such as our customer-facing Chatbot (Awhina) – will help us meet the evolving needs of students, schools, providers and other stakeholders in a fast-changing educational landscape.

We would like to acknowledge the valuable 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 remains grounded in the aspirations of Māori and Pacific communities.

We also recognise and value the work of all NZQA's staff, including the thousands of people who support assessment writing, marking, supervising and moderating.

Lastly, we acknowledge that our work is regularly conducted alongside the Ministry of Education, other education agencies, tertiary education providers and schools. Together, we are building 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.

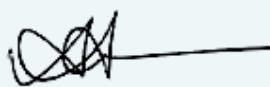
In our opinion, these financial statements and statement of performance fairly reflect the financial position and operations of NZQA for the year ended 30 June 2025.

Signed on behalf of the Board:



Kevin Jenkins
Board Chair | Tiamana o te Poari

17 September 2025



Andrée Atkinson
Risk and Assurance Committee Chair |
Upoko Komiti Tūraru me te Whakaū Kounga

17 September 2025



Dr Grant Klinkum
Chief Executive | Pouwhakahaere Matua

17 September 2025

2024/25 at a glance

2024/25 ki ngā nama

NZQA supports learners, communities and the New Zealand education system



Delivering the external assessment* system

220,000 students entered into external assessment across 500 schools:

- 152,000 used the digital platform
- 110,000 received NCEA, University Entrance or NZ Scholarship
- 16,500+ accessed Special Assessment Conditions



Secondary



Responding to customers

380,000+ customer interactions:

- 230,000+ chatbot queries
- 117,000+ customer calls
- 31,000+ online queries



Quality assuring school and kura internal assessment

60,000 samples of assessed student work checked (moderated)

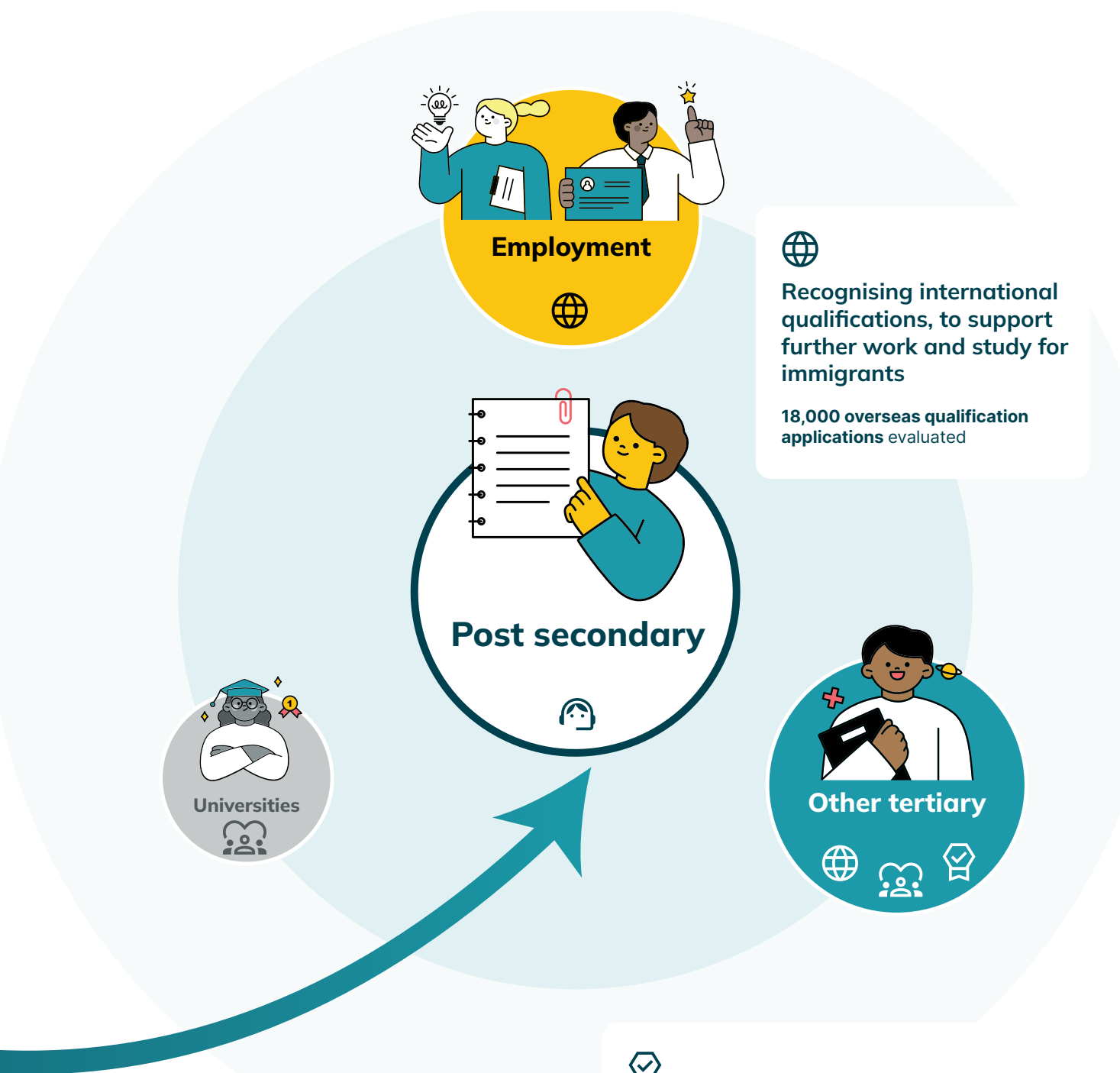
132 schools and kura assessment quality assurance system checks undertaken



Supporting understanding of NCEA

2,000+ parents, families and whānau engaged in our Māori and Pacific NCEA Workshops

5000+ engagements through events such as Polyfest and careers expos



Building Code[†] capability to support learner wellbeing and safety

850+ attendees at workshops and focus groups across the education sector

1000 attestations from providers, confirming that they are meeting their requirements under the Code



Ensuring the quality of qualifications and credentials listed on the NZQCF[‡]

1405 applications approved, for a range of application types, including:

- 150 under Te Hono o Te Kahurangi[§]
- 575 individual skills standards

This year we completed:

- 77 programme and micro-credential monitoring activities
- 72 External Evaluations and Reviews

*This includes end-of-year examinations and NCEA co-requisite assessments

[†]The Education (Pastoral Care of Tertiary and International Learners) Code of Practice 2021

[‡]The New Zealand Qualifications and Credentials Framework

[§]An evaluative approach that allows tertiary education organisations to engage with NZQA using Māori approaches and values

Our progress over 2024/25

Ngā kokenga i te tau 2024/25

NZQA made significant progress towards its goals and objectives in the 2024/25 financial year. Progress included continuing to increase digital participation, successfully introducing automated marking tools to reduce the turnaround time between foundation literacy and numeracy exams and results, modernising the New Zealand Qualifications and Credentials Framework (NZQAF) and advancing the integrated Quality Assurance Framework.

NZQA also successfully managed several challenges including its ongoing work towards financial sustainability and rolling out a new Human Capital Management system to its large short-term workforce.

Advancing Digital Assessment

Te Whakakukune Aromatawai Matihiko

NZQA continues to advance its digital assessment strategy

Ka whakakukunetia tonutia e NZQA tana rautaki aromatawai matihiko

Since 2015, NZQA has operated a dual digital and paper external assessment system, while progressively increasing digital uptake. Now, NZQA is shifting to a digital-by-default approach to enhance accessibility, efficiency, and consistency in examinations.

Digital participation has grown steadily

Kua āta whanake te uru ā-matihiko

In 2024, 59% of year 11 – 13 students participated in at least one end-of-year digital assessment, up from 49% in 2023. In 2024, 68 of 121 end-of-year examinations (excluding NZ Scholarship) were available to be assessed. Of the total results assessed for NCEA Levels 1, 2 and 3, 61% were submitted digitally. As part of its tracking of digital assessment engagement and readiness, NZQA has developed a digital engagement profile for 503 schools, categorising them into five levels of digital readiness and engagement.

NZQA is shifting from an opt-in to an opt-out model for digital assessments

Ka whakawhiti a NZQA i tētahi tauira kōwhiringa-whakauru ki tētahi tauira kōwhiringa-whakaputa mō ngā aromatawai matihiko

From 2026, Level 1 assessments already available in digital format will become digital by default, with paper options provided only by exception. Levels 2 and 3, along with NZ Scholarship, will remain opt-in for assessments available digitally in 2026, with phased inclusion planned for 2027 and 2028.

Risks associated with digital-by-default examinations can be appropriately managed

E taea ana te āta whakahaere i ngā tūraru e hāngai ana ki ngā whakamātautau matihiko i taunoatia

NZQA has evaluated the risks associated with its digital-by-default approach and considers them consistent with its risk appetite. Key risks include platform reliability, equity of access, and resistance to change. Mitigation strategies involve phased implementation, consultation with schools, and maintaining paper backups for exceptional circumstances.

NZQA is enhancing Digital Services to Meet User Needs

E whakapiki ana a NZQA i ngā Ratonga Mahihiko e Tutuki ai ngā Matea Kaiwhakamahi

Modernising Learner Portals

Te Whakahou Tomokanga Ākonga

NZQA has replaced its legacy Learner Portal with a modern, responsive, and user-friendly interface. Recent user testing confirmed the success of this upgrade, with students praising the ease of navigation and design. Built on a modern architecture, the new portal supports NZQA's broader IT transformation, reduces maintenance demands, and enables faster content updates. This could also allow NZQA to provide joined up services across other government agencies in the future.

Deploying AI-Powered Chatbot

Te Hora Karekōrero Pūngao-AI

A generative AI-powered chatbot was launched on NZQA's international webpages to assist users with qualification recognition and New Zealand's global education standing. Using generative AI, the chatbot provides real-time, conversational responses that simplify complex information. Benefits include reduced Contact Centre workload, cost-effective maintenance, and improved customer experience.

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Digitising the Derived Grades Process

Te Whakamatihiko Punaha Tohu Kounga Pūkē

NZQA has transformed the Derived Grades¹ process from a manual, paper-based system to a secure, digital solution co-designed with schools and students. The new system reduces privacy risks, clarifies the process, and automates administrative tasks.

Strengthening Quality and Relevance

Te Whakapakari Kounga me Te Hāngaitanga

Modernising the New Zealand Qualifications and Credentials Framework

Te Whakahou i Te Taura Here Tohu Mātauranga o Aotearoa

The NZQCF currently holds records for over 4.4M individuals, reflecting its central role in New Zealand's qualifications system. On 1 July 2025, the updated New Zealand Qualifications and Credentials Framework (NZQCF) came into effect. This marked the completion of a multi-year review aimed at ensuring the NZQCF remains relevant in a changing education and employment landscape.

It involved public consultation in late 2024, leading to the revised level descriptors and materials being finalised and published. A new NZQCF booklet was released to support understanding and implementation.

The revised NZQCF introduces a more detailed structure. The three domains: knowledge, skills, and context are further supported by seven sub-domains. These additions highlight transferable competencies such as critical thinking, communication, and collaboration and make vocational outcomes more visible.

Qualification-type descriptions were updated to better reflect their purpose and requirements. A new visual representation of the NZQCF was developed to include micro-credentials and present qualifications and credentials across a spectrum. This approach reinforces the equal value of all credentials, regardless of level.

NZQA collaborates with relevant government agencies, standard setting bodies and providers to understand our impact, identify risks and improve system performance.

We complete a system risk scan, gather information through thematic reviews, and share insights.

NZQA manages non-compliance through:

- Education – explaining requirements and sharing insights
- Direction – writing to share concerns and/or setting out required action
- Enforcement – taking statutory action.

NZQA takes a risk-informed approach to monitor compliance and education performance.

Our TEO risk assessment and/or sector risks inform the prioritisation and scheduling of future monitoring activities.

¹ Derived grades are evidence-based grades that we may award to students when they can't attend an examination or external assessment, or their performance is impaired (<https://www2.nzqa.govt.nz/ncea/ncea-for-teachers-and-schools/managing-national-assessment-in-schools/derived-grades/>).

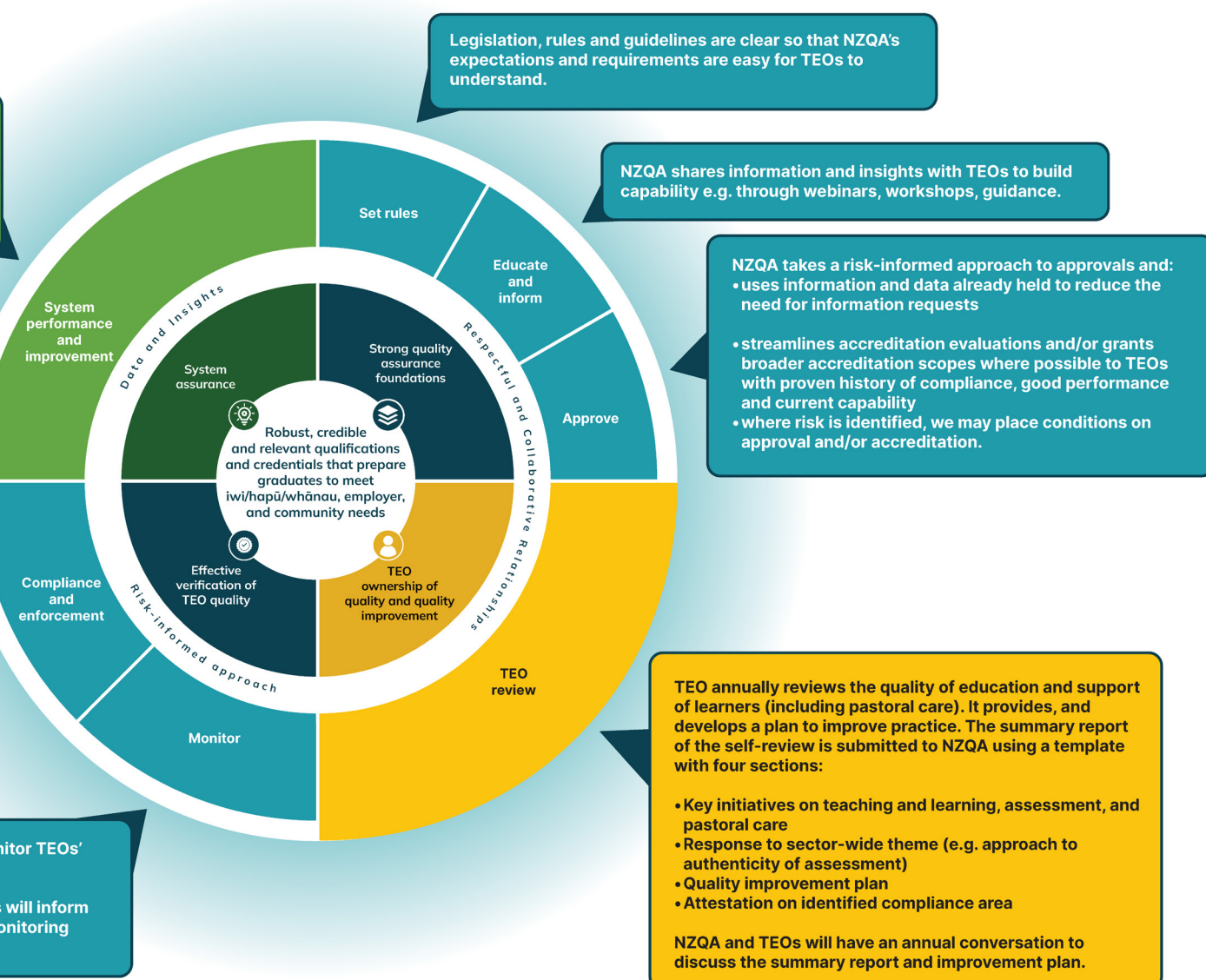
Advancing Quality Assurance with a New Integrated Framework

Te Whakakukune Whakaū Kounga ki tētahi Anga Whātahitanga Hōu

Alongside the NZQCF update, NZQA advanced the development of a new Integrated Quality Assurance Framework. This work began in 2022 with input from a cross-sector advisory group and continued through extensive engagement with tertiary education organisations and other stakeholders.

The framework is built around four key areas:

- Establishing strong foundations through clear rules, education, and a risk-informed approach to approvals.
- Supporting tertiary education organisations to take ownership of quality and continuous improvement, including annual self-review reports and structured engagement with NZQA.



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- Verifying quality through a risk-informed approach to monitoring and proportionate responses to non-compliance.
- Strengthening system assurance by collaborating with government agencies and standard-setting bodies to share insights and improve performance.

Consultation on the proposed framework took place from October to December 2024. Feedback helped refine the approach and is now guiding the development of supporting rules, tools, and processes. A final round of consultation is planned for August 2025 for implementation in January 2026.

International Engagement and Leadership

Te Whai Wāhi me Te Hautūtanga Ao Whānui

NZQA continues to play an important role in international education and qualification recognition. In September 2024, New Zealand became the 32nd country to formally ratify the UNESCO Global Convention on the Recognition of Qualifications concerning Higher Education. NZQA led the ratification process and represents New Zealand for the Convention.

New Zealand is also serving as President of the UNESCO Tokyo Convention and the Asia – Pacific Network of National Information Centres, a term that runs from November 2023 to November 2025. This role reflects NZQA's commitment to regional collaboration and leadership in qualification recognition and mobility.

NZQA contributed to the development of the Government's International Education Going for Growth Plan. As a member of the Plan's Steering Group, and through active participation, NZQA helped shape the Plan to ensure international students continue to have access to high-quality education and qualifications.

NZQA and the Pacific Community (SPC) are working closely with quality assurance agencies and ministries of education in the nine Pacific countries that are party to the PACER Plus trade agreement to strengthen qualifications, quality assurance and qualification recognition in the Pacific region. The Pacific Qualifications Recognition Project is a five-year (2024-2028) project funded by the Ministry of Foreign Affairs and Trade, jointly led by NZQA and SPC.

Looking back and looking forward

Te angawhakamua, te angawhakamuri

Financial Stabilisation: NZQA's Journey to Sustainability

Te Whakarōnaki Ahumoni: Tā NZQA Whai atu ki te Toitūtanga

NZQA provides several nationally significant services such as administration of NCEA, quality assurance of the non-university tertiary sector, and stewardship of the NZQCF. Over the years, NZQA has been consistently delivering these services without any increases to its baseline funding.

Over the last five years, NZQA has had to respond to customer feedback and invest funding from reserves to modernise platforms and invest in various capabilities. As an example, NZQA's customer-facing platforms such as the public website and secure portals (which get over 100 million visits per year and were last upgraded over 20 years ago) were no longer fit for purpose. During 2021 – 2023, NZQA had to invest funding from its reserves to modernise these channels. NZQA has also had to continuously invest funding from reserves to maintain and support another 20-year-old legacy IT platform – eQA – which forms the backbone of NZQA's core service delivery. Additionally, NZQA has been facing significant inflationary pressures such as technology costs as well as wage costs, and declining time-limited funding.

Collectively these pressures have accrued over time. As a response to these pressures, in August 2024, NZQA initiated a financial stabilisation plan. The plan set out a series of strategic, operational, and financial mitigations aimed at restoring fiscal balance and supporting long-term sustainability. While NZQA was forecasting a net deficit of \$2.1m for 2024/25, these mitigation measures have allowed NZQA to not only avoid this deficit but instead end the financial year with a net surplus of \$3.1m. We are also forecasting a moderate surplus of \$102,000 for the 2025/26 year.

While NZQA has made significant efforts to achieve this turnaround, we will need to continue these efforts including addressing revenue gaps – both Crown and third-party.

Lessons learnt from HCM rollout to the Specialist Workforce

Ngā akoranga mai i te whakarato HCM ki te Rāngaimahi Mātanga

NZQA launched the Human Capital Management (HCM) project to modernise how it recruits, onboards, and pays both its core staff and the specialist workforce – a group of over 7,000 individuals critical to the delivery of NCEA and NZ Scholarship assessments. The goal was to replace outdated, paper-based systems with a digital platform that would improve compliance, efficiency, and the overall user experience. The project was funded in 2022 and split into two phases: Phase 1 for core staff and Phase 2 for the SWF.

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While Phase 1 was successfully implemented in September 2023, Phase 2 encountered issues when it went live in August 2024. Members and internal teams reported problems with accessing the system. These issues made it difficult for many staff completing the onboarding process. In response, NZQA activated a formal incident management process, deploying cross-functional teams to triage issues, support users, and stabilise the system. Once the incident was resolved, NZQA reviewed the process and identified several important lessons around how we can build greater governance capabilities and the importance of customer experience, particularly ensuring thorough end-user testing.

A steering committee and working group have been established to oversee improvements for the 2025 exam cycle. At the time of writing the Annual Report, we have made significant progress in applying lessons to strengthen future projects.

Modernising Core Systems through STEP

Te Whakahou Pūnaha Matua mā STEP

NZQA's Technology Legacy Infrastructure is at the end of its life

E tō ana te rā ki tā NZQA Tūāhanga Hangarau o mua

NZQA is modernising its core technology systems through the Strategic Technology Enhancement Project (STEP), a multi-year programme to replace the legacy electronic Qualifications Authority (eQA) system. eQA has supported NZQA's services for over two decades but has become increasingly fragile, costly to maintain, and unable to support modern service delivery. STEP aims to address these risks and ensures NZQA can continue delivering secure, efficient, and responsive services.

Implementing STEP

Te Whakakaupapa STEP

STEP plans to introduce a modular, cloud-first architecture that supports interoperability, scalability, and security.

To do this, STEP 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.

Collaborating Across the Sector

Te Mahi Tahi me ngā Rāngai Kāwanatanga

NZQA worked closely with the Ministry of Education, Tertiary Education Commission, Treasury, Ministry of Social Development and Department of Internal Affairs to shape STEP's design and delivery. Engagement with other government departments provided valuable lessons from similar system replacements. Internally, NZQA collaborated with subject matter experts to define service requirements and validate the investment approach.

Strengthening Capability and Governance

Te Whakakaha Āheinga, Whakakaha Mana Urungi

NZQA established a dedicated STEP Steering Committee and Investment Board to oversee delivery. Our vendors will be co-located with us to ensure close collaboration. We will use agile practices to support iterative development of STEP functionality. A structured change management programme is in place to build workforce capability, support business readiness, and manage transition risks.

Delivering Early Benefits and Planning Ahead

Te Tuku Whiwhinga Tōmua, Whakamahere Tōmua

As part of a Gateway Review recommendation, we have started a STEP Establishment Phase, for which we have received Budget 2025 funding. This funding will allow NZQA to make some early wins and learn lessons to take onboard for the full STEP project. This includes bolstering the resourcing of the projects and programme delivery office; bringing forward key discovery work; and the development of a key workstream to gain initial success while reducing rework required by further changing the legacy system eQA to meet business requirements.

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Our organisational capability

Te āheinga o te whare

Our workforce

Tō mātou rāngai mahi

As at 30 June 2025, NZQA employed 460.18 full-time equivalent (FTE) employees compared to 486.5 FTEs in June 2024.

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

Workforce by gender	% of total workforce	
	2024/25	2023/24
Female	47.7%	53.8%
Male	30.6%	34.1%
Gender diverse	0.2%	0%
Undeclared	21.5%	12.1%

Workforce by ethnic group*		
Asian	15.9%	15.3%
European	39.7%	42.5%
Māori	8.3%	11.3%
Pacific	5.2%	8.5%
MELAA and other	4.3%	6.7%
Undeclared	26.7%	23.2%

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

We continue to work towards being a good employer with equal employment opportunities, in line with the Public Service Principle of Merit-based Appointments.

Our people priorities

Ō mātou whakaarotau tangata

In quarter two, NZQA replaced its People Strategy – Rautaki Whakawhanake Tāngata with two People Priorities:

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

Our People Priorities inform and improve our ability as an organisation to attract, develop and retain the best people, helping them to grow and succeed.

Our People Priorities are underpinned by Ngā Mātāpono – Our Values, 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 Hōtaka Whakahaere Tangata, Whakapiki Hautūtanga

Developing our people leaders and management practice is a key part of our focus on performance. This year, NZQA initiated its People Management and Leadership Uplift Programme. This programme provides a mix of compulsory training for all NZQA's people leaders, targeted workshops for specific issues, cohort peer-discussions, and kai and kōrero sessions for general interest and development. About 80 people leaders across NZQA have participated in the compulsory sessions on finance and general management practice, and in the cohort peer-discussions.

Kaimahi pulse survey

Aromātai kaimahi

In February, NZQA conducted a pulse survey with kaimahi, with an 81% response rate. The survey asked kaimahi to give a rating on three focus areas, and details on what would improve their ratings. The ratings for the three focus areas we surveyed, are in the table below:

Focus area	Good or Very Good
Wellbeing	78.9%
Engagement	90.8%
Collaboration	53.2%

From the survey feedback, five themes emerged across the three focus areas:

- Leadership and management support
- Work environment and conditions
- Professional development and growth
- Team dynamics and collaboration
- Organisation culture and values.

Work to identify and implement activities to continue and start is under way. This includes the People Management and Leadership Uplift Programme, reviewing staff development policies and processes, increasing inter-team/division collaboration opportunities, and increasing the visibility of Ngā Mātāpono – Our Values in our senior leaders' communications.

Learning and development

Te Whakapakari Tangata

In quarter four, NZQA reviewed its approach to learning and development. This review considered both individual and organisational development activities and built on feedback received during recent workshops and the kaimahi pulse survey. As a result, NZQA streamlined its policies and developed a new Staff Development Policy and accompanying procedures enabling kaimahi to seek support (including funding) for learning and development in an easier manner.

NZQA's individual development plan approach ensures a link between development and NZQA's strategic objectives, Ngā Mātāpono – Our Values, and the individual and organisational learning opportunities available for kaimahi. An example of these opportunities is our Te Tiriti o Waitangi guided Mahere Māori programme that supports kaimahi to build their understanding of te ao Māori.

Diversity, Equity and Inclusion

Te Kanorau, Te Mana Tautika, Te Kauawhi hoki

In quarter four, NZQA published its Diversity, Equity and Inclusion (DEI) Plan for 2025/26. The DEI Plan combines and replaces the previous Kia Toipoto and Papa Pounamu plans.

In the DEI Plan for 2025/26, we noted gaps in NZQA's workforce data, and limited understanding of our pay gap drivers. The action goals in the DEI Plan for 2025/26 were identified to complement our current people priorities and strategic outcomes.

We have active networks for our Māori, Pacific, Chinese and Filipino staff.

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 the health and safety system provide reporting that informs the work of the Health and Safety Committee. Our Health and Safety Committee 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.

Our sustainability Toitūtanga

Reducing our carbon footprint

Te whakahekeheke i tō mātou tapuwae waro

We are committed to improving our environmental sustainability and reducing our carbon footprint. NZQA has been a certified Toitū Carbon Reduce organisation since 2021, with emissions data subject to audit each year. Our main environmental impacts come from air travel, printing and distribution, and general waste.

In 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 tCO₂e. Compared to this base year, total emissions in 2024/25 was 530.50 tCO₂e, which is a favourable reduction of 52.8% (2023/24: 958.15 tCO₂e a reduction of 4.7%). At the time of writing, the emissions data reported for 2024/25 is subject to independent audit review by Toitū.

In 2024/25, the Category 3 emissions from transportation recorded the largest drop compared to the previous year. In particular, emissions from air travel reduced by 71%, and accounted for 20% of total annual emissions (2023/24: 54%, and 2022/23: 86%). We have continued to reduce travel emissions by making greater use of online technologies and limiting international and domestic travel during the year. For Category 2, emissions from the use of electricity have increased by 29% from the previous year. We will continue to transition to upgrade lighting to LED within the office premises that we are in.

NZQA remains focused on achieving further reductions in residual net emissions in the years ahead.

	(tCO ₂ e) ¹ 2025	(tCO ₂ e) 2024
Total annual emissions	530.50	958.15
Emissions profile broken down by emissions source/scopes		
Category 1 – direct emissions	1.61	4.72
Category 2 – indirect emissions from imported energy	53.74	41.82
Category 3 – indirect emissions from transportation	165.14	520.16
Category 4 – indirect emissions from products used by the organisation	310.01	391.46
Base year period 2021 – restated	1,005.46	1,005.46
Full-time equivalent of staff in the reporting period 2025	460.18	486.50

1 tCO₂e stands for tonnes of CO₂ equivalents, a device used to calculate and express the climate impact of different greenhouse gases.

Progress toward our strategic intentions

Te kokenga ki ngā koronga rautaki

NZQA gives effect to Te Tiriti o Waitangi		
Our vision: Qualify for the future world		
We have a focus on equity for Māori, Pacific and disabled learners, as well as learners with additional learning needs, and learners who experience socio-economic disadvantage		
1.0 Relevant qualifications and credentials	2.0 Trusted assessment and quality assurance	
1.1 The qualifications system is responsive to the needs of industry, iwi/hapū, communities and learners, with increasing use of mātauranga Māori in qualifications	2.1 Credible assessment and aromatawai practices support high-quality learning and achievement	2.3 Credible quality assurance supports high-quality teaching, learning, aromatawai and assessment
1.2 Barriers to qualification recognition and mobility are reduced	2.2 Assessment and aromatawai practices adapt to the changing needs of learners, community and industry	2.4 Quality assurance adapts to the changing needs of learners, community and industry
We continue to support our people and our customers, and to build our organisational capability to deliver our vision		

Ka whakamana a NZQA i Te Tiriti o Waitangi		
Tō mātou whakakitenga: Kia noho takatū ki tō āmua ao		
E aronui ana mātou ki tēnei mea te mana taurite mō ngāi Māori, mō ngā iwi o Te-Moana-nui-a-Kiwa me ngā ākonga hauā. E whai wāhi mai hoki ngā ākonga e whaikaha ana, e rongu ana hoki i te pōharatanga		
1.0 He whai take ngā tohu mātauranga me ngā tohu moroiti	2.0 He aromatawai hāngai, he whakaū kounga	
1.1 He aronui te pūnaha tohu mātauranga ki ngā hiahiatanga o ngā ahumahi, o ngā iwi-hapū, o ngā hapori, o ngā ākonga anō hoki, me te tipu hoki o te mātauranga Māori ki ngā tohu	2.1 Kia tautokona te akoranga kounga me te whāinga paetae, he hāngai te aromatawai me ngā tikanga aromatawai	2.3 Kia tautokona ngā akoranga kounga me te aromatawai, he hāngai te whakaū kounga
1.2 Te whakahiato i ngā tauārai ki te whakaaetanga me te whakangāwari i ngā tohu mātauranga	2.2 He urutau ngā aromatawai me ngā tikanga aromatawai ki ngā hiahiatanga o ngā ākonga, o te hapori, o ngā ahumahi hoki	2.4 He urutau te whakaū kounga ki ngā hiahiatanga o ngā ākonga, o te hapori, o ngā ahumahi hoki
Kei te Manaaki tonu mātou i ngā kaipānga, te tautoko me te whakapari te tara ā whare		

Outcome 1.0 Relevant qualifications and credentials
Putanga 1.0 He whai take nga tohu matauranga me nga tohu moroiti

NZQA is committed to ensuring that qualifications and credentials are credible, relevant, and internationally recognised. This strategic outcome supports learner mobility, workforce development, and contributes to New Zealand’s global reputation.

Measuring Progress towards those intermediate outcomes
Te Ine Kokenga ki aua putanga paetata

SPE Measure 1: Stakeholder Confidence in Graduate Skills and Knowledge

Performance Measure	Result 2022/23	Result 2023/24	Target 2024/25	Result 2024/25	Status
The percentage of stakeholders (employers and communities) who agree or strongly agree that graduates of vocational qualifications have relevant skills and knowledge.	N/A	76%	70%	52%	Not achieved

NZQA iterated its qualification impact measure in 2024/25 by using industry stakeholder feedback collected through the Tertiary Education Commission’s (TEC) funding arrangements with Workforce Development Councils. This resulted in a different survey population base answering different questions.

While this did not generate a statistically balanced or representative sample for all industry views, it provided broader coverage and more direct insight than the provider submitted survey data that was used in 2023/24. Although satisfaction levels were lower, NZQA considers this a more reliable method and will continue refining it in 2025/26.

SPE Measure 2: Evaluation of Overseas Qualifications

Performance Measure	Result 2022/23	Result 2023/24	Target 2024/25	Result 2024/25	Status
The percentage of overseas qualifications evaluated within 35 working days.	N/A	97%	70%	97%	Achieved

Outcome 2.0 Trusted assessment and quality assurance

Putanga 2.0 He aromatawai hāngai, he whakaū kounga

NZQA's commitment to trusted assessment and quality assurance is reflected in how it supports both education organisations and students. One measure looks at how tertiary education organisations view NZQA's quality assurance practices. The result shows that most education organisations feel these practices help them improve, which confirms NZQA's role in not just regulating but actively supporting better education outcomes.

Another measure focuses on how many Year 11 students are participating in NCEA co-requisite assessments. These assessments are essential for students to attain their qualifications. The high participation rate shows that NZQA's systems are working well to ensure students are engaging with important parts of their education.

Together, these results show that NZQA is achieving its strategic goal by helping providers improve and ensuring students are supported through fair and accessible assessment systems. This builds trust in the education system and helps maintain New Zealand's reputation for quality learning and assessment.

Measuring Progress toward those intermediate outcomes

Te Ine Kokenga ki aua putanga paetata

SPE Measure 4 – Supporting Provider Improvement

Performance Measure	Result 2022/23	Result 2023/24	Target 2024/25	Result 2024/25	Status
The percentage of tertiary education organisations that agree or strongly agree that NZQA's quality assurance practices support them to improve their performance.	N/A	71%	70%	73%	Achieved

This result shows that most tertiary providers see NZQA's quality assurance processes as helpful in improving their own performance. It reflects NZQA's role not just as a regulator, but as a partner in educational improvement. The result exceeding the target suggests that NZQA's approach is well-received and effective.

SPE Measure 5 – Participation in NCEA Co-requisite Assessments

Performance Measure	Result 2022/23	Result 2023/24	Target 2024/25	Result 2024/25	Status
The percentage of Year 11s who participated in the NCEA co-requisite assessments (cumulative, as at end of the academic year). ²	N/A	N/A	75%	91.5%	Achieved

In 2024, 59,530 out of 65,063 Year 11 students enrolled had participated in one or more co-requisite assessments. A participation rate of 91.5% suggests that NZQA's delivery of NCEA co-requisite assessments is working well.

Appropriation measures 4-6: Special Assessment Condition Applications Have Grown

Performance Measure	Result 2022/23	Result 2023/24	Result 2024/25	Status
The percentage growth in Special Assessment Conditions applications for Māori students exceeds the percentage growth in applications for students of other ethnicities.	Māori: 11.8%	Māori: 11.5%	Māori: 15.8%	Achieved
	Other ethnicities: 11.5%	Other ethnicities: 8.6%	Other ethnicities: 6.2%	
The percentage growth in Special Assessment Conditions applications for Pacific students exceeds the percentage growth in applications for students of other ethnicities.	Pacific: 11.7%	Pacific: 3.8%	Pacific: 9.9%	Achieved
	Other ethnicities: 11.5%	Other ethnicities: 8.6%	Other ethnicities: 6.2%	
The percentage growth in Special Assessment Conditions 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. ³	N/A	N/A	Schools with more socio-economic barriers to achievement: 34.6%	Achieved
			Schools with fewer economic barriers to achievement: 5.8%	

² This new measure tracks how many Year 11 students are engaging with key assessments that are essential for achieving NCEA.

³ This measure was introduced in January 2023 following the Ministry of Education's replacement of the decile system with the Equity Index (EQI). 2024/25 is the first full year of reporting for Appropriation measure 6.

In 2024, 2,320 students from schools with more socio-economic barriers to attainment applied for Special Assessment Conditions, an increase from 1,724 in 2023. This was likely driven by targeted initiatives to improve equity, the move towards school-based evidence of need and the increased awareness, and diagnosis, of learning needs.

Compared with students from schools with fewer socio-economic barriers, the increase was from 6,043 in 2023 to 6,393 in 2024.

Appropriation measure 12: The percentage of NZQA-owned standards maintained by their planned review date

Performance Measure	Result 2022/23	Result 2023/24	Target 2024/25	Result 2024/25	Status
The percentage of New Zealand Qualifications Authority-owned standards maintained by their planned review date.	100%	100%	95%	100%	Achieved

SPE measure 7: Years 10–13 digital assessment participation rate

Performance Measure	Result 2022/23	Result 2023/24	Target 2024/25	Result 2024/25	Status
The percentage of students (in year 10 to 13) that participate in digital external assessment for digitally available assessments.	34.3%	48.7%	50%	74.9%	Achieved

In the 2024 academic year, 152,089 students, out of over 200,000, participated in one or more digital external assessment. This measure includes students participating in the NCEA co-requisite assessments. In previous years, these and other intra-year assessments, were not included. Including these assessments significantly increased the number of students captured by this measure, resulting in a considerable increase in the result as the NCEA co-requisite assessments are delivered digitally by default.

Appropriation measure 1: Percentage of schools who progress from 'not yet effective' Managing National Assessment (MNA) cycle based on evidence that the school has made the significant improvements.

This measure was designed to assess the effectiveness of NZQA's school quality assurance interventions. It was removed in the 2024/25 Supplementary Estimates to enable better performance reporting on the purpose of the funding and replaced with SPE measure 3.

SPE measure 3: School and Kura Feedback

Performance Measure	Result 2022/23	Result 2023/24	Target 2024/25	Result 2024/25	Status
The percentage of kura and schools that agree or strongly agree that NZQA's quality assurance practices support them to improve their aromatawai and assessment practices.	N/A	96.4%	75%	76.9%	Achieved

Survey Breakdown of the 208 schools and kura who responded to the relevant question in our survey:

- Strongly agreed: 40
- Somewhat agreed: 120
- Neutral: 32
- Somewhat disagreed: 12
- Strongly disagreed: 4

Appropriation measure 2: Percentage of non-university tertiary providers with completed EERs

Performance Measure	Result 2022/23	Result 2023/24	Target 2024/25	Result 2024/25	Status
The percentage of non-university tertiary education organisations which have had an external evaluation and review completed.	23%	27%	20%	20%	Achieved

Appropriation measure 9: Percentage of investigations with risks or quality concerns managed through action

Performance Measure	Result 2022/23	Result 2023/24	Target 2024/25	Result 2024/25	Status
The percentage of investigations where identified risks or quality concerns have been managed appropriately through intervention or corrective action.	100%	100%	100%	100%	Achieved

Appropriation measure 13: Proportion of New Zealand qualifications with graduates reviewed for consistency annually

Performance Measure	Result 2022/23	Result 2023/24	Target 2024/25	Result 2024/25	Status
The proportion of New Zealand qualifications (that have graduates) that undergo a Consistency Review in any one financial year.	18%	17%	15%	18%	Achieved

SPE measure 8 & Appropriation measure 10: Percentage of monitored sub-degree programmes meeting criteria

Performance Measure	Result 2022/23	Result 2023/24	Target 2024/25	Result 2024/25	Status
The percentage of non-university sub-degree tertiary programmes monitored that continue to meet the programme approval and accreditation criteria.	N/A	69%	65%	63%	Not achieved

This measure reports the number of sub-degree programmes that either meet or partially meet NZQA's programme approvals and accreditation criteria. NZQA selects TEOs for monitoring based on established risk indicators. In 2024/25:

- More programmes were monitored for the first time ('new' programmes, 49%) than in previous years which increased the likelihood of identifying poor practice.
- 51% were selected due to the programme not meeting all monitoring criteria previously and while most had sufficiently improved, a small number were referred for further follow up.

We will continue to track and report against this target in 2025/26.

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SPE measure 9 & Appropriation measure 11: Code Attestation

Performance Measure	Result 2022/23	Result 2023/24	Target 2024/25	Result 2024/25	Status
Percentage of schools with Code signatory status and tertiary providers complete an annual attestation confirming that self-review of learner wellbeing and safety practices under the Code is taking place.	N/A	92.9%	90%	94%	Achieved

SPE 10 & Appropriation 7: NZQA Meets Customer Satisfaction

Performance Measure	Result 2022/23	Result 2023/24	Target 2024/25	Result 2024/25	Status
The percentage of survey respondents who agree/strongly agree that the information they received from the New Zealand Qualifications Authority met their needs.	69%	68%	75%	65%	Not achieved

The annual result of 65% reflects the overall survey result responses for the full year of reporting. Surveys are carried out continuously; the first two quarters of 2024/25 had lower than target results which affected the full year's average. Most of the negative results were due to delays in response to customers contacting us via the email channel instead of via phone or the self-service Chatbot.

NZQA has significantly addressed this issue by developing backend automation as well as training of staff; this has allowed us to lift the results to 71% in the third quarter of 2024/25 and 75% in the last quarter. This demonstrates two quarters of sustained improvement in customer satisfaction.

Appropriation measure 8: The overall satisfaction rating given by the Minister of Education on the New Zealand Qualifications Authority

Performance Measure	Result 2022/23	Result 2023/24	Target 2024/25	Result 2024/25	Status
The overall satisfaction rating given by the Minister of Education on the New Zealand Qualifications Authority.	8	4	8	10	Achieved

NZQA received its rating of '10' for this measure in 2024/25, a significant improvement from the '4' achieved in 2023/24. The result comes from an annual stakeholder survey run by the Ministry of Education, with data expected by early August. This marks a milestone since the measure was introduced in 2019/20.

SPE measure 6: The percentage of validated NCEA results provided to students no later than the end of the third full week of January

Performance Measure	Result 2022/23	Result 2023/24	Target 2024/25	Result 2024/25	Status
The percentage of validated NCEA results provided to learners no later than the end of the third week of January.	99.99%	99.98%	99%	99.98%	Achieved

Appropriation 3: The percentage of all National Certificate of Education Achievement (NCEA) marker judgements unaltered following Review or Reconsideration of External Assessment Results processes

Performance Measure	Result 2022/23	Result 2023/24	Target 2024/25	Result 2024/25	Status
The percentage of all National Certificate of Education Achievement (NCEA) marker judgements unaltered following Review or Reconsideration of External Assessment Results processes.	99.9%	99.96%	99.7%	99.7%	Achieved

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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 2024/25 and, where updated, 2024/25 Vote Education – Supplementary Estimates of Appropriations. Non-financial performance information is included in the preceding performance tables on pages 19–27.

Oversight and administration of the qualifications system

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 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.

Expense category 1: Secondary School Assessments

Aromatawai Kura Tuarua

Scope

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

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

	2024/25 Actual (\$000)	2024/25 Budget (\$000)	Variance (\$000)	Variance %
Revenue				
Crown	54,467	54,467	–	–
Other	4,326	2,385	1,941	81
Total revenue	58,793	56,852	1,941	3
Expenses	63,792	67,813	4,021	6
Net Deficit	(4,999)	(10,961)	(5,962)	(54)

Other revenue is \$1.9M above the Statement of Performance Expectations 2024/25 Budget (the Budget). This is mainly due to a one-off funding received to pay for administration of co-requisite assessments and higher than expected international student fees, which were passed through to schools.

Expenses are \$4.0M below Budget. This underspend is driven by lower number of marked assessments than expected, lower travel-related expenses than budgeted and lower examination workforce costs because of reduced demand.

The Budget contained a budget classification error of certain expenses of approximately \$2.0M, which resulted in a higher expenses Budget for Expense Category 1 and lower expenses Budget for Expense Category 2. If not for this budget classification error, the variance in expenses will only be \$2.0M in Category 1.

Expense category 2: Standards and Qualification Support

Te Taupua Paerewa, Taupua Tohu

Scope

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

What is intended to be achieved

This category is intended to provide 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.

	2024/25 Actual (\$000)	2024/25 Budget (\$000)	Variance (\$000)	Variance %
Revenue				
Crown	35,108	35,108	–	–
Other	27,376	27,030	346	1
Total revenue	62,484	62,138	346	1
Expenses	54,384	53,305	(1,079)	(2)
Net surplus	8,100	8,833	(733)	(8)

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 subcategories.

The Budget contained a misallocation of certain expenses of approximately \$2.0M, which resulted in a higher expenses Budget for Expense Category 1 and lower expenses Budget for Expense Category 2. The impact of this misallocation is across Expense subcategory 2.1 to 2.3.

Expense subcategory 2.1: Provision of Communication and Advice

Ngā Ratonga Whakawhiti Kōrero, Ratonga Tohutohu

Scope

This subcategory 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

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

	2024/25 Actual (\$000)	2024/25 Budget (\$000)	Variance (\$000)	Variance %
Revenue				
Crown	3,527	3,527	–	–
Other	2,293	138	2,155	1,562
Total revenue	5,820	3,665	2,155	59
Expenses	5,266	3,850	(1,416)	(37)
Net surplus/(deficit)	554	(185)	739	400

Other revenue is above Budget by \$2.2M. This is driven by interest income being higher than budget by \$1.0M due to larger investments in term deposits during the year than planned, and \$0.6M of grant funding received for the Pacific Qualifications Recognition project, which was omitted from the Budget.

Expenses are above Budget by \$1.4M. This is due to the recognition of additional Corporate-related provisions that were not budgeted for, including certain lease property related provisions.

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Expense subcategory 2.2: Quality Assurance

Whakaū Kounga

Scope

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

What is intended to be achieved

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

	2024/25 Actual (\$000)	2024/25 Budget (\$000)	Variance (\$000)	Variance %
Revenue				
Crown	7,241	9,241	(2,000)	(22)
Other	6,358	5,915	443	7
Total revenue	13,599	15,156	(1,557)	(10)
Expenses	14,962	16,881	1,919	11
Net deficit	(1,363)	(1,725)	362	21

Crown Revenue is \$2.0M below Budget. This variance is due to reclassification of Crown Revenue between Expense subcategory 2.2 and Expense subcategory 2.3.

Expenses are \$1.9M below Budget. As previously mentioned under Expense Category 2, the impact of the expenses misallocation in this subcategory is \$1.2M. If not for this misallocation, the variance in expenses will be underspent by \$0.7M in Expense subcategory 2.2.

Expense subcategory 2.3: Qualifications Support Structures

Pūnaha Taupua Tohu

Scope

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

What is intended to be achieved

This category is intended to provide 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.

	2024/25 Actual (\$000)	2024/25 Budget (\$000)	Variance (\$000)	Variance %
Revenue				
Crown	24,340	22,340	2,000	9
Other	18,725	20,977	(2,252)	(11)
Total revenue	43,065	43,317	(252)	(1)
Expenses	34,156	32,574	(1,582)	(5)
Net surplus	8,909	10,743	(1,834)	(17)

Crown Revenue is \$2.0M above Budget. This variance is due to reclassification of Crown Revenue between Expense subcategory 2.2 and Expense subcategory 2.3.

Other revenue is \$2.3M below Budget. Third party fees and charges received were lower than budgeted, mainly in the areas of credit reporting and qualification recognition fees.

Expenses are \$1.6M above Budget. As previously mentioned under Expense Category 2, the impact of the expenses misallocation in this subcategory is \$3.6M. If not for this misallocation, the variance in expenses will be underspent by \$2.0M in Subcategory 2.3.

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Independent Auditor's Report

To the readers of New Zealand Qualifications Authority's annual financial statements and statement of performance for the year ended 30 June 2025

The Auditor-General is the auditor of New Zealand Qualifications Authority (the Authority). The Auditor-General has appointed me, Dereck Ollsson, using the staff and resources of Audit New Zealand, to carry out, on his behalf, the audit of:

- the annual financial statements¹ that comprise the statement of financial position as at 30 June 2025, the statement of comprehensive revenue and expenses, 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 34 to 63; and
- the statement of performance² for the year ended 30 June 2025 on pages 21 to 31.

Opinion

In our opinion:

- The annual financial statements of the Authority:
 - fairly present, in all material respects:
 - its financial position as at 30 June 2025; and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards.
- The statement of performance fairly presents, in all material respects, the Authority's service performance for the year ended 30 June 2025. In particular, the statement of performance:
 - provides an appropriate and meaningful basis to enable readers to assess the actual performance of the Authority for each class of reportable outputs; determined in accordance with generally accepted accounting practice in New Zealand; and

¹ Prepared under section 154 of the Crown Entities Act 2004 (the CRA) and required to be audited under section 156(2)(a) of the CRA.

² Prepared under section 153 of the Crown Entities Act 2004 (the CRA) and required to be audited under section 156(2)(a) of the CRA.

- fairly presents, in all material respects, for each class of reportable outputs:
 - the actual performance of the Authority;
 - the actual revenue earned; and
 - the output expenses incurred,
 as compared with the forecast standards of performance, the expected revenues, and the proposed output expenses included in the Authority's statement of performance expectations for the financial year; and
- complies with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards.

Our audit was completed on 17 September 2025. This is the date at which our opinion is expressed.

Basis for our opinion

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 annual financial statements and the statement of performance

The Board is responsible on behalf of the Authority for preparing:

- Annual financial statements that fairly present the Authority's financial position, financial performance, and its cash flows, and that comply with generally accepted accounting practice in New Zealand.
- A statement of performance that:
 - provides an appropriate and meaningful basis to enable readers to assess the actual performance of the Authority for each class of reportable outputs; determined in accordance with generally accepted accounting practice in New Zealand;
 - fairly presents, for each class of reportable outputs:

- the actual performance of the Authority;
- the actual revenue earned; and
- the output expenses incurred

as compared with the forecast standards of performance, the expected revenues, and the proposed output expenses included in the Authority's statement of performance expectations for the financial year; and

- complies with generally accepted accounting practice in New Zealand.

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

In preparing the annual financial statements, and a statement of performance, the Board is responsible on behalf of the Authority for assessing the Authority's ability to continue as a going concern.

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

Responsibilities of the auditor for the audit of the annual financial statements and the statement of performance

Our objectives are to obtain reasonable assurance about whether the annual financial statements, and the statement of performance, 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 annual financial statements, and the statement of performance.

For the budget information reported in the annual financial statements, and the statement of performance, our procedures were limited to checking that the information agreed to the Authority's statement of performance expectations.

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

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 annual financial statements, and the statement of performance, 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 Authority'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 evaluate whether the statement of performance:
 - provides an appropriate and meaningful basis to enable readers to assess the actual performance of the Authority. We make our evaluation by reference to generally accepted accounting practice in New Zealand; and
 - fairly presents the actual performance of the Authority for the financial year.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board.
- We evaluate the overall presentation, structure and content of the annual financial statements, and the statement of performance, including the disclosures, and whether the annual financial statements, and the statement of performance 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

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 annual financial statements, and the statement of performance, and our auditor's report thereon.

Our opinion on the annual financial statements, and the statement of performance 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 annual financial statements, and the statement of performance, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the annual financial statements, and the statement of

performance 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

We are independent of the Authority in accordance with the independence requirements of 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) 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 Authority.



Dereck Ollsson
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand

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Ngā pūrongo pūtea

Statement of Comprehensive Revenue and Expense

for the year ended 30 June 2025

	Note	2025 Actual (\$000)	2025 Budget (\$000)	2024 Actual (\$000)
Revenue				
Funding from the Crown		89,575	89,575	81,991
Other revenue		30,190	28,866	30,991
Interest revenue		1,512	550	1,554
Total revenue	2	121,277	118,991	114,536
Expenditure				
Personnel and Board	3	69,874	71,357	73,628
Specialist workforce		11,936	12,570	12,005
Professional services	4	10,551	11,565	15,189
Audit fees		175	165	152
Publication, printing and distribution		3,588	4,000	4,172
Capital charge	6	747	500	1,026
Travel & Accommodation		1,084	2,262	1,864
Information technology costs		10,580	8,721	8,360
Depreciation and amortisation		1,413	2,832	2,115
Other operating costs	5	8,228	7,147	6,495
Total expenditure		118,176	121,119	125,006
Net surplus / (deficit)		3,101	(2,128)	(10,470)
Other comprehensive revenue and expense		–	–	–
Total comprehensive revenue and expense		3,101	(2,128)	(10,470)

Explanations of major variances against budget are detailed in note 21.
The accompanying notes form part of these financial statements.

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Statement of Financial Position

as at 30 June 2025

	Note	2025 Actual (\$000)	2025 Budget (\$000)	2024 Actual Restated* (\$000)
Assets				
Current assets				
Cash and cash equivalents	7	1,298	14,762	2,235
Receivables	8	2,523	4,277	3,816
Prepayments		3,583	2,200	3,479
Investments	9	20,000	–	13,000
Total current assets		27,404	21,239	22,530
Non-current assets				
Property, plant and equipment	10	1,151	1,286	1,311
Intangible assets (including work in progress)	11	1,575	1,021	3,208
Total non-current assets		2,726	2,307	4,519
Total assets		30,130	23,546	27,049
Liabilities				
Current liabilities				
Payables and deferred revenue	12	6,650	8,600	7,002
Employee entitlements	14	5,439	5,100	5,637
Provisions	15	1,967	650	1,530
Total current liabilities		14,056	14,350	14,169
Non-current liabilities				
Employee entitlements	14	537	550	444
Total non-current liabilities		537	550	444
Total liabilities		14,593	14,900	14,613
Net assets		15,537	8,646	12,436
Equity				
Contributed capital		20,528	20,528	20,528
Accumulated (deficit)		(4,991)	(11,882)	(8,092)
Total equity	19	15,537	8,646	12,436

* Refer to note 20.

Explanations of major variances against budget are detailed in note 21.

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

for the year ended 30 June 2025

	Note	2025 Actual (\$000)	2025 Budget (\$000)	2024 Actual (\$000)
Balance at start of the year		12,436	10,774	22,906
Total comprehensive revenue and expense for the year		3,101	(2,128)	(10,470)
BALANCE AT END OF THE YEAR	20	15,537	8,646	12,436

Explanations of major variances against budget are detailed in note 21.
The accompanying notes form part of these financial statements.

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Statement of Cash Flows

for the year ended 30 June 2025

	Note	2025 Actual (\$000)	2025 Budget (\$000)	2024 Actual Restated* (\$000)
Cash flows from operating activities				
Receipts from the Crown		89,575	89,575	81,991
Receipts from other revenue		32,232	27,866	29,431
Interest received		1,512	550	1,554
Payments for employee and Board costs		(70,723)	(71,290)	(73,411)
Payments to other suppliers		(45,002)	(45,403)	(48,308)
Payments for capital charge		(747)	(594)	(1,026)
Goods and services tax (net)		(314)	–	425
Net cash flows from operating activities		6,533	704	(9,344)
Cash flows from investing activities				
Purchases of property, plant and equipment		(470)	(750)	(393)
Investments in term deposits		(81,000)	(36,000)	(28,000)
Receipts from maturity of term deposits		74,000	41,500	37,000
Net cash flows from investing activities		(7,470)	4,750	8,607
Net increase/(decrease) in cash and cash equivalents		(937)	5,454	(737)
Cash and cash equivalents at the beginning of the year		2,235	9,308	2,972
Cash and cash equivalents at the end of the year	7	1,298	14,762	2,235

Statement of Cash Flows (continued)

for the year ended 30 June 2025

Reconciliation of net surplus/(deficit) to net cash flow from operating activities

	2025 Actual (\$000)	2024 Actual Restated* (\$000)
Net surplus / (deficit)	3,101	(10,470)
Add/(less) non-cash items		
Depreciation and amortisation expense	1,413	2,115
(Decrease)/increase in allowance for credit losses on receivables	(20)	31
Total non-cash items	1,393	2,146
Add/(less) movements in statement of financial position		
Decrease/(increase) in receivables	1,083	(790)
(Increase)/decrease in prepayments	(104)	278
Increase/(decrease) in payables and deferred revenue	1,494	(632)
Increase/(decrease) in employee entitlements	531	(1,406)
(Decrease)/increase in provisions	(965)	1,530
Net movements in statement of financial position	2,039	(1,020)
Net cash flow from operating activities	6,533	(9,344)

* Refer to note 20.

Explanations of major variances against budget are detailed in note 21.

The accompanying notes form part of these financial statements.

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Notes to the Financial Statements

1. Statement of Accounting Policies

Reporting entity

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, qualification 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 2025 and were approved by the Board on 17 September 2025.

Basis of preparation

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 for example, actuarially assessed liabilities.

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 is in line with the Statement of Performance Expectations 2024/25, and some comparative figures for 2024 have been reclassified for consistency. The purpose is to expand the disclosures to improve the understanding of expenses. The supporting note to the financial statements for other operating expenses (Note 5) has also been amended as a result. The reclassification of comparatives is not material and has no impact on the 2024 financial results.

Summary of significant accounting policies

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 IRD, 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 to an output. Indirect costs are those costs that cannot be attributed to a specific output in an economically feasible manner.

Direct costs are charged directly to outputs. 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. Property and other premises costs, such as maintenance, are charged on the basis of floor area occupied for the production of each output. Other indirect costs are assigned to outputs based on the proportion of direct staff costs for each output.

There have been no changes to the cost allocation methodology since the date of the last audited financial statements.

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 for example, 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).

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:

- The useful lives of internally generated software – refer to note 11.

Critical judgements in applying accounting policies

Management has exercised critical judgements in applying accounting policies for:

- intangible assets – refer to note 11.

2. Revenue

Accounting policy

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

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.

Examination fees (including NCEA fees for international students)

These non-government funded secondary examination and assessment fees are received in advance and are recognised as revenue when the exams are conducted.

Qualification recognition service fees

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

Interest

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

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 (NZQCF fees) and quality assurance services provided to tertiary education providers for example, charges for approval and accreditation services, external evaluations and reviews, annual fees.

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Breakdown of total revenue

	2025 Actual (\$000)	2024 Actual (\$000)
Crown funding for		
Provision of communication and advice	3,527	3,997
Quality assurance	7,241	9,182
Qualifications support structures	24,340	6,300
Secondary school assessments	54,467	62,512
Total funding from the Crown	89,575	81,991
Other revenue		
Examination fee remissions	2,648	1,288
Examination fees	1,596	1,260
NZQCF fees and registration	10,862	11,236
Quality assurance services	6,867	7,476
Qualifications recognition service fees	7,496	9,296
Other income	721	435
Total other revenue	30,190	30,991
Interest revenue	1,512	1,554
Total revenue	121,277	114,536

3. Personnel and Board

Accounting policy

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.

Breakdown of personnel and Board costs

	2025 Actual (\$000)	2024 Actual (\$000)
Salaries and wages	67,873	71,254
Employer contributions to defined contribution plans	2,105	2,134
(Decrease)/increase in employee entitlements (note 14)	(104)	240
Total personnel and Board costs	69,874	73,628

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.

4. Professional Services

Breakdown of professional services costs

	2025 Actual (\$000)	2024 Actual (\$000)
Consultancy and contractor fees	9,704	14,678
Other costs	847	511
Total professional services costs	10,551	15,189

	2025 Actual (\$000)	2024 Actual (\$000)
Fees to Audit New Zealand for audit of the financial statements	175	152
Other services	–	–
Total audit fees	175	152

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5. Other operating costs

Accounting policy

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee. Lease payments under an operating lease 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

	2025 Actual (\$000)	2024 Actual (\$000)
Office rental – operating lease expense	3,137	3,128
(Decrease)/increase in allowance for credit losses on receivables	(20)	31
Bad debts write-off	34	48
Schools administration fees	2,225	1,009
Other costs	2,852	2,279
Total other operating costs	8,228	6,495

Operating leases as lessees

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

	2025 Actual (\$000)	2024 Actual (\$000)
Not later than one year	3,484	3,124
Later than one year and not later than five years	3,625	7,149
Later than five years	–	–
Total non-cancellable operating leases	7,108	10,273

The non-cancellable operating lease payments disclosed above relate predominantly to a lease for a number of floors of an office building that expires on 31 August 2033. This lease can however be cancelled after nine or twelve years from commencement (September 2018) with payment of an early termination fee of \$190,000 or \$95,000 respectively. The commitments disclosed above assume the lease is cancelled after nine years and the relevant early termination fee is paid. NZQA does not have the option to purchase the asset at the end of the lease term. There are no restrictions placed on NZQA by any of its leasing arrangements.

6. Capital charge

Accounting policy

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 2025 was 5% (2024: 5%).

7. Cash and cash equivalents

Accounting policy

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

	2025 Actual (\$000)	2024 Actual Restated* (\$000)
Cash on hand and at bank	1,298	2,235
Total cash and cash equivalents	1,298	2,235

* Refer to note 20.

While cash and cash equivalents at 30 June 2025 are subject to the expected credit loss requirements of PBE IPSAS 41, no allowance for credit losses has been recognised since the estimated value is trivial.

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8. Receivables

Accounting policy

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 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. The expected credit loss takes into account historical loss experience and incorporates any external and future information. 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

	2025 Actual (\$000)	2024 Actual (\$000)
Receivables (gross)	1,449	2,533
Less: allowance for expected credit losses	(10)	(31)
Accrued revenue	1,084	1,314
Total receivables	2,523	3,816

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

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

	2025			2024		
	Gross (\$000)	Allowance for expected credit losses (\$000)	Net (\$000)	Gross (\$000)	Allowance for expected credit losses (\$000)	Net (\$000)
Not past due	1,242	–	1,242	2,229	–	2,229
Past due 1 – 30 days	160	–	160	223	(1)	222
Past due 31 – 60 days	50	–	50	24	(8)	16
Past due 61 – 90 days	(1)	–	(1)	–	(2)	(2)
Past due > 91 days	(2)	(10)	(12)	57	(20)	37
Total	1,449	(10)	1,439	2,533	(31)	2,502

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:

	2025 Actual (\$000)	2024 Actual (\$000)
Balance at start of the year	31	23
Increase in loss allowance made during the year	13	56
Bad debts written off during the year	(34)	(48)
Balance at end of the year	10	31

The rates used to calculate the expected credit losses are based on the payment profile of revenue on credit over the last four years and the corresponding historical credit losses experienced for that period. These historical rates are adjusted for any significant current and forward-looking factors that may impact the recoverability of receivables.

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9. Investments

Accounting policy

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

	2025 Actual (\$000)	2024 Actual Restated* (\$000)
Term deposits – current	20,000	13,000
Total investments	20,000	13,000

* Refer to note 20

While investments at 30 June 2025 are subject to the expected credit loss requirements of PBE IPSAS 41, no allowance for credit losses has been recognised since the estimated value is trivial. 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

Accounting policy

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.

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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 and fittings (\$000)	Total (\$000)
Cost						
At 30 June 2023	156	9,620	449	231	259	10,715
Additions	–	395	–	–	–	395
Disposals	–	–	–	–	–	–
At 30 June 2024	156	10,015	449	231	259	11,110
Additions	–	425	–	75	–	500
Disposals	–	–	–	–	–	–
Transfer to intangible assets (note 11)	–	(30)	–	–	–	(30)
At 30 June 2025	156	10,410	449	306	259	11,580
Accumulated depreciation and impairment losses						
At 30 June 2023	156	8,101	441	231	207	9,136
Depreciation expense	–	654	6	–	–	660
Impairment losses	–	–	–	–	–	–
Eliminated on disposal	–	–	–	–	–	–
At 30 June 2024	156	8,755	447	231	207	9,796
Depreciation expense	–	606	2	19	6	633
Impairment losses	–	–	–	–	–	–
Eliminated on disposal	–	–	–	–	–	–
At 30 June 2025	156	9,361	449	250	213	10,429
Carrying amounts						
At 1 July 2023	–	1,662	15	–	–	1,677
At 30 June and 1 July 2024	–	1,257	2	–	52	1,311
At 30 June 2025	–	1,049	–	56	46	1,151

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

There are no contractual commitments for the acquisition of property, plant and equipment (2024: \$nil).

11. Intangible assets

Accounting policy

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 are 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.

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.

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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 cost 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.

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 2023	951	45,245	–	46,196
Additions	–		885	885
Disposals	–	(1,412)	–	(1,412)
Transfers to assets	–	–	1,412	1,412
At 30 June 2024	951	43,833	2,297	47,081
Additions	–	–	–	–
Disposals	–	–	–	–
Change in intangibles	–	–	(885)	(885)
Transfers from assets (Note 10)	–	30	–	30
At 30 June 2025	951	43,863	1,412	46,226
Accumulated amortisation and impairment losses				
At 30 June 2023	951	41,474	–	42,425
Amortisation expense	–	1,448	–	1,448
Disposals	–	–	–	–
Impairment losses from prior year correction	–	(30)	–	(30)
At 30 June 2024	951	42,892	–	43,843
Amortisation expense	–	808	–	808
Disposals	–	–	–	–
Impairment losses	–	–	–	–
At 30 June 2025	951	43,700	–	44,651
Carrying amounts				
At 1 July 2023	–	4,513	–	4,513
At 30 June and 1 July 2024	–	911	2,297	3,208
At 30 June 2025	–	163	1,412	1,575

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An internally generated software asset of \$1.4M previously capitalised in May 2023 was reclassified back into work in progress in 2023/2024 as further development work was required for the software to be fully functional.

There were no research and development costs expensed during the year (2024: \$nil).

There are no restrictions over the title of NZQA's intangible assets, nor are any intangible assets pledged as security for liabilities. The number of contractual commitments for the acquisition of intangible assets is \$nil (2024: \$nil).

12. Payables and revenue in advance

Accounting policy

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 revenue in advance

	2025 Actual (\$000)	2024 Actual (\$000)
Payables and revenue in advance under exchange transactions		
Creditors	1	407
Revenue in advance	1,784	1,049
Accruals	3,778	4,252
Total payables under exchange transactions	5,563	5,708
Payables and deferred revenue under non-exchange transactions		
Taxes payable (GST, PAYE)	1,087	1,294
Total payables under non-exchange transactions	1,087	1,294
Total payables and revenue in advance	6,650	7,002

13. Contingencies

Accounting policy

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 2025 (2024: \$0.5-1million).

Contingent assets

NZQA has no contingent assets as at 30 June 2025 (2024: \$nil).

14. Employee entitlements

Accounting policy

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 2022 – 2025 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
- the present value of the estimated future cash flows.

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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

	2025 Actual (\$000)	2024 Actual (\$000)
Current portion		
Accrued salaries and wages	837	594
Annual leave	4,340	4,665
Retirement and long service leave	262	378
Total current portion	5,439	5,637
Non-current portion		
Retirement and long service leave	537	444
Total non-current portion	537	444
Total employee entitlements	5,976	6,081

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 5.38% (2024: 5.14%) and a weighted average salary inflation factor of 1.86% (2024: 2.08%) 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 \$31,000 to \$32,000. 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 \$32,000 to \$35,000.

15. Provisions

Accounting policy

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

Breakdown of provisions and further information

	2025 Actual (\$000)	2024 Actual (\$000)
Payroll remediation	265	458
Restructuring	301	1,072
Leased property provisions	555	–
General provisions	846	–
Total provisions	1,967	1,530

Movements for each class of provision are as follows:

	Other Provisions (\$000)	Payroll Remediation (\$000)	Restruc- turing (\$000)
Balance at start of the year	–	458	1,072
Amounts utilised	–	(193)	(811)
Additional provisions recognised	1,401	–	40
Balance at end of the year	1,401	265	301

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Payroll remediation

NZQA identified some areas where there may have been non-compliance with the Holidays Act 2003 in particular around the payment of various leave provisions. A payroll remediation project is underway to address these issues which will identify any affected current and former employees including formal quantification of any payments to be made. At 30 June 2025, the provision represents NZQA's best estimate of the costs involved to settle the obligation although there is inherent uncertainty in determining this estimate and the timing in which the obligation will be settled.

Restructuring

NZQA has implemented a change to its organisational structure, which was confirmed on 13 June 2024 and implemented on 1 August 2024. The provision represents NZQA's best estimate of the costs involved to complete the restructure although there is inherent uncertainty in determining this estimate and the timing in which the obligation will be settled.

Leased property

NZQA holds a property lease for its Wellington-based head office. A provision has been recognised for potential obligations related to the make-good requirements under the lease and a possible early termination fee, should NZQA choose to exercise its right to exit at the next renewal date in August 2027. The provision reflects management's best estimate of the costs likely to be incurred to restore the premises to their original condition, as required under the lease terms. It also includes the early termination charge as stipulated in the lease agreement.

General provisions

NZQA has recognised provisions relating to a small number of contractual and employment-related matters. Some of these are currently being worked through via internal processes or external discussions. In line with accounting standards, NZQA has not disclosed detailed information about these provisions, as doing so could potentially affect NZQA's position in ongoing discussions or negotiations.

The provisions recorded reflect management's best estimate of the likely obligations based on the information available at balance date. These matters are not expected to have a material impact on NZQA's overall financial position.

16. Related-party transactions

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 for example, 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 key management personnel other than compensation as noted below (2024: \$nil).

Key management personnel compensation

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

	2025 Actual (\$000)	2024 Actual (\$000)
Board Members		
Remuneration	240	263
Full-time equivalent members	1.11	1.33
Strategic Leadership Team		
Remuneration	2,018	1,904
Full-time equivalent members	6.17	6.00
Total key management personnel remuneration	2,258	2,167
Total full-time equivalent personnel	7.28	7.33

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 to the financial statements.

There were contributions to defined benefit plans made by the employer on behalf of key management personnel during the year of \$63,422 (2024: \$62,253).

17. Events after the balance sheet date

There were no significant events after the balance sheet date.

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18. Financial instruments

Accounting policy

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.

18(a) Categories of financial instruments

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

18(b) Financial instrument risks

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.

Market risk

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.

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.

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.

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.

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 notes 8 and 9 provide information on any impairment calculated by reference to the expected credit loss model.

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 2025 (2024, 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 S&P Global 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 \$1.3M of cash and \$20.0M of term deposits that are both held with Bank of New Zealand which has an S&P credit rating of AA-.

There are no significant balances at 30 June 2025 with counterparties without credit ratings who have defaulted in the past (2024: \$nil).

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 six months of balance sheet date. The carrying amount of all financial liabilities is equal to the contractual cash flows required to extinguish the liability.

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	2025 Actual (\$000)	2024 Actual (\$000)
Financial assets measured at amortised cost		
Cash and cash equivalents	1,298	2,235
Receivables	2,523	3,816
Investments – Term deposits	20,000	13,000
Total financial assets measured at amortised cost	23,821	19,051
Financial liabilities measured at amortised cost		
Payables (excluding revenue in advance & taxes payable)	3,779	4,659
Total financial liabilities measured at amortised cost	3,779	4,659

19. Equity

Accounting policy

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

	2025 Actual (\$000)	2024 Actual (\$000)
Contributed capital	20,528	20,528
Accumulated (deficit)/surplus		
Balance at start of the year	(8,092)	2,378
Net surplus/(deficit) for the year	3,101	(10,470)
Balance at end of the year	(4,991)	(8,092)
Total equity	15,537	12,436

Capital management

NZQA's capital is its equity, which comprises accumulated funds and contributed capital. 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. Prior period reclassification

In completing the Statement of cash flow in the current year, NZQA has made some reclassification of prior period balances. These prior period reclassifications have no impacts on the Statement of comprehensive revenue and expense. The reasons for and effects of the reclassification are summarised below.

- i) It was identified that two short-term deposits that were maturing within three months of reporting date in the prior year ended 30 June 2024 had been classified as Cash and cash equivalents, instead of being presented as Investments. The 2024 comparative balances have been amended to show the reclassification in the Statement of cash flows and the Statement of financial position.
- ii) Expenditure with a supplier was inappropriately reported as Purchases of intangible assets. The 2024 comparative balances have been amended to show the reclassification in the Statement of Cash Flows and the Statement of Financial Position..
- iii) Some balances were inappropriately classified in the Cash flows from operating activities in 2024. These balances have now been reclassified between the line items representing receipts from other revenue, payments for employees and payments to other suppliers.

(i) Statement of financial position

		Impact of reclassification		
		As previously reported	Reclassi-	2024
		2024	fication	Actual
Note		(\$000)	(\$000)	Restated (\$000)
Assets				
Current assets				
Cash and cash equivalents	20(i)	7,735	(5,500)	2,235
Receivables		3,816	–	3,816
Prepayments		3,479	–	3,479
Investments	20(i)	7,500	5,500	13,000
Total current assets		22,530	–	22,530

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(ii) Statement of cash flows

		Impact of reclassification		
		As previously reported 2024 (\$000)	Reclassi- fication (\$000)	2024 Actual Restated (\$000)
	Note			
Cash flows from operating activities				
Receipts from the Crown		81,991	–	81,991
Receipts from other revenue	20 (iii)	30,597	(1,166)	29,431
Interest received		1,554	–	1,554
Payments for employees and Board costs	20)(ii) (iii)	(72,245)	(1,166)	(73,411)
Payments to other suppliers	20 (iii)	(49,414)	1,106	(48,308)
Payments for capital charge		(1,026)	–	(1,026)
Goods and services tax (net)		425	–	425
Net cash flows from operating activities		(8,118)	(1,226)	(9,344)
Cash flows from investing activities				
Purchases of property, plant and equipment		(393)	–	(393)
Purchases of intangible assets	20(ii)	(1,226)	1,226	–
Investments in term deposits		(28,000)	–	(28,000)
Receipts from maturity of term deposits		42,500	(5,500)	37,000
Net cash flows from investing activities		12,881	(4,274)	8,607
Net increase/(decrease) in cash and cash equivalents				
		4,763	(5,500)	(737)
Cash and cash equivalents at the beginning of the year		2,972	–	2,972
Cash and cash equivalents at the end of the year		7,735	(5,500)	2,235

(iii) Reconciliation of Net Surplus / (Deficit) to Net Cash Flow from Operating Activities

	Note	Impact of reclassification	
		As previously reported 2024 (\$000)	2024 Actual Restated (\$000)
Net surplus		(10,470)	(10,470)
Add/(less) non-cash items			
Depreciation and amortisation expense		2,115	2,115
(Decrease)/increase in allowance for credit losses on receivables		31	31
Total non-cash items		2,146	2,146
Add/(less) movements in statement of financial position			
Decrease/(increase) in receivables	20(iii)	376	(790)
(Increase)/decrease in prepayments		278	278
Increase/(decrease) in payables and deferred revenue	20(iii)	(1,738)	(632)
Increase/(decrease) in employee entitlements	20(iii)	(240)	(1,406)
(Decrease)/increase in provisions		1,530	1,530
Net movements in statement of financial position		206	(1,020)
Net cash flow from operating activities		(8,118)	(9,344)

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21. Explanation of major variances against budget

(i) *Statement of comprehensive revenue and expense*

In June 2024, the Board approved a net deficit budget of \$2.1M for the 2024/25 financial year. Consistent with previous years, NZQA carries out two reforecast exercises during the year to monitor the financial performance and provide financial oversight to the Board. In April 2025, the Board approved a revised net surplus forecast of \$1.8M. The final actual net surplus for the year ended 30 June 2025 is \$3.1M, which is an improvement on the original budget and previous two reforecasts.

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

- Total revenue of \$121.3M is higher than budget by \$2.3M mainly because of:
 - one-off funding received to pay annual administration fees and co-requisite standards costs to schools (\$1.4M)
 - higher interest income for the investments of surplus funds in term deposits with higher interest rates than planned. (\$1.5M)
- Personnel and Board costs of \$69.9M are \$1.5M below budget largely due to lower examination workforce costs because of reduced demand. There was also a drop-in full time equivalent staffing numbers compared to the original budget assumptions for headcount.
- Professional services costs of \$10.6M are \$1.0M below budget mainly as a result of lower expenditure on the use of consultants and contractors on business projects.
- Other operating costs of \$8.2M are \$1.1M higher than budget mainly because of lease property related provisioning and refurbishment costs during the year, which had not been anticipated. Other operating costs also include the payment of the annual administration fees and co-requisite costs to schools, which is a pass through of the funding mentioned under total revenue above.
- Capital charge of \$0.7M is \$0.2M more than budget due to the higher net equity balance on which the charge is based.
- Travel and accommodation costs of \$1.1M are \$1.3M below budget. Less domestic travel was undertaken than originally budgeted, with the business undertaking alternative ways of completing work and delivering the necessary services without incurring the costs of physical travel.
- IT systems costs of \$10.6M are \$1.9M over budget. Increased costs were incurred in outsourcing services and the higher costs related to system licencing and support contracts when renewed.
- Depreciation and amortisation costs of \$1.4M are half of the budgeted amount due to the deferral of the completion of a project. The amortisation cost in particular will continue to drop as cloud-based system solutions are implemented, which incur costs that are expensed rather than capitalised.

(ii) Statement of financial position

Net assets/Net Equity as at 30 June 2025 are \$15.5M compared to a budget of \$8.6 million, an improvement of \$6.9M. The net surplus for the year of \$3.1M is a significant turnaround from the original budget net deficit of \$2.1M. The previous financial year 2023/24 also ended stronger than originally forecast.

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

- Cash and investments of \$21.3M have increased by \$6.5M compared to the budget of \$14.8M, mainly as the result of the more positive financial results reported above.
- Receivables of \$2.5M are lower than budget by \$1.8M. This is countered by Prepayments of \$3.6M being \$1.4M higher than budget, which is mainly due to the higher number of prepayments and costs relating to software, licensing and support costs. Some software contracts involve early payment for multi-year arrangements.
- Total current liabilities remain substantially the same as budget, however, there has been an increase in provisions due to the leased property and general provisioning totalling \$1.3 million.

(iii) Statement of cash flows

Significant variances in operating activity cashflows compared to budget essentially reflect comments already made above. Other significant variances in investing cashflows are explained below:

- Investments in term deposits and receipts from maturities of term deposits net to an increase of \$7.0M in investments. This compares to a budget net withdrawal of \$5.5M. This increased level of investment is supported by the positive cashflow arising from the financial results that are more favourable than budget.

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Appendix: Other disclosures

Āpitihangā: 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		Total remuneration paid or payable	Number of staff	
	2025 Actual	2024 Actual		2025 Actual	2024 Actual
\$460,000 – \$469,999	1	–	\$210,000 – \$219,999	4	–
\$440,000 – \$449,999	–	1	\$190,000 – \$199,999	1	2
\$430,000 – \$439,999	–	–	\$180,000 – \$189,999	4	5
\$330,000 – \$339,999	–	–	\$170,000 – \$179,999	9	8
\$320,000 – \$329,999	–	–	\$160,000 – \$169,999	9	10
\$310,000 – \$319,999	1	–	\$150,000 – \$159,999	7	4
\$300,000 – \$309,999	1	1	\$140,000 – \$149,999	14	12
\$290,000 – \$299,999	1	2	\$130,000 – \$139,999	37	28
\$260,000 – \$269,999	1	–	\$120,000 – \$129,999	38	48
\$250,000 – \$259,999	–	1	\$110,000 – \$119,999	89	78
\$240,000 – \$249,999	3	2	\$100,000 – \$109,999	89	78
\$230,000 – \$239,999	1	2			
\$220,000 – \$229,999	3	–	Total employees	313	282

In June 2024, NZQA announced an organisational change, which resulted in the planned downsizing of its operations in certain areas of responsibility. The cost of the restructure had been previously provided for in the previous financial year. During the year ended 30 June 2025, 28 employees received compensation or other benefits totalling \$1.072M (2024: Nil) in relation to the cessation of employment.

Member and committee member remuneration disclosures

	2025 Actual (\$000)	2024 Actual (\$000)
Kevin Jenkins (Board Chair) (appointed on 26 July 2024)	43.6	–
William Moran (Deputy Chair) (appointed on 26 July 2024)	27.2	–
Andrée Atkinson (appointed on 26 July 2024)	23.7	–
David Ferguson (appointed on 29 October 2024)	15.1	–
Jeremy Baker	25.0	22.7
Aiolupotea Lili Tuioti	25.4	23.0
Siosaia Mataele	22.7	18.6
Professor Wiremu Doherty	22.7	18.6
Hon Tracey Martin (to 10 May 2024)	–	39.6
Professor Cheryl de la Rey (to 31 December 2024)	11.8	22.7
Grant Cleland (to 25 July 2024)	2.0	22.7
Lyn Provost (to 07 November 2024)	9.4	22.7
Pania Gray (Acting Chair) (to 30 September 2024)	9.3	30.4
Roger Moses (to 25 July 2024)	2.0	22.7
Total Board member remuneration	239.8	243.7

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 (2024: 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.

Forward from
the NZQA
Board and CE

Statement of
responsibility

Our
progress over
2024/25

Our
organisational
capability

Progress toward
our strategic
intentions

Statement
of service
performance

Financial
statements

Appendix

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	2025 Actual Appropriation Estimates (\$000)	2024 Actual Appropriation Estimates (\$000)
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	81,965	71,789
Non-departmental output expense			
Secondary School Assessments		46,587	44,863
Standards and Qualifications Support		35,108	26,926
		81,965	71,789

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



Mana Tohu Mātauranga o Aotearoa
New Zealand Qualifications Authority