Quarterly report to the Minister

Cumulative report for the period 1 July 2022 – 30 September 2022

Introduction

This report describes our progress for the period of 1 July 2022 – 30 September 2022 towards the strategic intentions and goals described in our accountability and strategy documents:

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

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

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

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

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

The format of this report

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

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

Highlights

During quarter two NZQA has made good progress across a number of critical areas. Notable highlights include commencing the first external digital assessments for New Zealand Curriculum and Te Marautanga o Aotearoa, completing a strategic review of NZQA's quality assurance framework for non-university tertiary education and publishing two insights papers - 'Aotearoa New Zealand's early micro-credentials journey' and 'Aotearoa New Zealand's rationale for micro-credentials'.

We are on track to deliver the commitments set out in Te tauākī kawatau o ngā mahi | Statement of Performance Expectations (SPE) 2022/23 and we haven't identified any significant activities with critical on-going risks to delivery. Of our performance measures, 69% (9) that can be reported on in quarter one are on track to meet our 2022/23 targets. The measures not on track relate to customer feedback on the services NZQA provides.

The September YTD surplus of $12.2 million is unfavourable against a budget surplus of $13.7 million. This is due primarily to the timing of projects that were underspent last year, with this delayed expenditure now being incurred and funded from accumulated reserves.

We believe the organisation has performed well under very challenging circumstances but we are constantly monitoring the capacity of the organisation to deliver against high expectations, among significant transformational change in the sector.

1. Relevant qualifications and credentials

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

Approve qualifications, credentials and their components

Workforce Development Councils and NZQA co-led the skill standards and national curriculum sector working group Paerewa Ako me te Marautanga ā-motu. The group proposed design principles for skill standards and developed sample skill standards to accompany NZQA's formal consultation on Rule changes. The group has also proposed that national curricula are referred to as New Zealand programmes.

Rules to support the new education products, and other changes as a result of the Education and Training Amendment Act 2022, will come into effect in December 2022. We expect standard setting bodies to start submitting applications for skill standards and national curriculum in the third quarter of 2022/2023.

Weave mātauranga Māori into the qualifications system

NZQA proposes to weave te ao Māori through the New Zealand Qualifications and Credentials Framework and recognise mātauranga Māori as a knowledge system integral to qualifications and credentials.

A revised New Zealand Qualifications and Credentials Framework (NZQCF) technical document ('booklet') and accompanying consultation document have been prepared and shared with key stakeholders and the Minister of Education. The date for consultation is to be confirmed.

Exemplars of skill standards incorporating mātauranga Māori and informed by ngā kaupapa o Te Hono o Te Kahurangi, NZQA's kaupapa Māori whare ako framework and methodology, have been developed. Feedback on these standards has been requested during the public consultation on NZQA Rules for skill standards.

Te Hono o Te Kahurangi kaupapa have been woven through the proposed NZQCF to support qualifications and programme developers to incorporate te ao Māori perspectives in their teaching, learning, and assessment.

1.2 Barriers to qualification recognition and mobility are reduced

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

We have a range of bilateral and multilateral qualification recognition work underway this year.

NZQA and the Chinese Service Centre for Scholarly Exchange (CSCSE) have continued our two-monthly working group meetings on the Recognition of Distance Learning Qualifications. The meetings are to share information to enhance the mutual understanding of distance learning and identify quality assurance measures to lay the foundation for the mutual recognition of distance education qualifications between New Zealand and China. The working group met in August to discuss New Zealand's quality assurance practices for distance and blended learning. China's comparative practices will be the subject of the next meeting.

NZQA and the Philippines Commission for Higher Education (CHED) communicate regularly to discuss progress against our joint qualifications referencing project, comparing New Zealand and Philippines Bachelor's Degrees. During this quarter, NZQA received favourable feedback from its international expert and is waiting on CHED's response. We also met virtually with CHED's technical working group to clarify technical questions and details in the project report project findings. The next meeting in October will discuss CHED's international expert's feedback and report. We expect to complete the project by the end of 2022.

Our key piece of multilateral work is the PACER Plus qualifications recognition project. On 30 July NZQA submitted a detailed business case to the Ministry of Foreign Affairs and Trade (MFAT) containing a proposal for a five-year project to address qualifications recognition related barriers to labour mobility. NZQA anticipates MFAT's decision on funding in late November 2022. During the project interregnum we have continued light engagement with key project partners including the Pacific Community's Educational and Quality Assessment Programme (EQAP), the PACER Plus Implementation Unit, and relevant agencies in each of the Pacific countries.

In recent years, NZQA has been in demand as a contributor to regional and global work on the place of micro-credentials in education and training systems. In August NZQA contributed to an UNESCO and Japanese Ministry of Education supported Asia-Pacific dialogue on recognition issues related to micro-credentials. Our engagement built on the NZQA's recently published[1] 'Insights Papers' on micro-credentials[2] and will contribute to a UNESCO policy statement on progressing micro-credentials. Engaging with other jurisdictions over recognition issues related to micro-credentials provides us with an opportunity to learn about approaches to micro-credential approvals, quality assurance and validation, and influence recognition of the credentials held by New Zealand learners.

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

We received 3,362 overseas qualifications recognition applications this quarter. This is a 23% increase from the same time last year. We have completed 2,093 application evaluations this quarter. However, the significant surge in application volumes has impacted the timeliness of evaluation, extending it to approximately 8 to 12 weeks.

We are increasing the pool of trained evaluation staff, using overtime, and shortening evaluation timeframes by increasing the number of qualifications which have been pre-checked. We are also working with employers in sectors where there are staff shortages such as hospitality and teaching. Priority has been given to applicants with job offers.

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[1] Papers are published here: https://www.nzqa.govt.nz/about-us/publications/insights/

[2] For more information refer to section 'Provide insights from quality assurance on system performance ' on page 10.

The Zero fee teaching IQA (ZETI) initiative was introduced following an announcement on 14 September 2022 to support overseas trained teachers considering teaching in New Zealand. By the end of the quarter, we received 21 expressions of interest and 13 ZETI applications.

2. Trusted assessment and quality assurance

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

External Assessment Cycle Management

Preparation for the 2022 End of Year NCEA and NZ Scholarship examinations is now well advanced. The development and production of some assessment materials has been affected due to the impacts of COVID-19 on staff and the contracted specialist teacher workforces and the additional requirements of the NCEA Change programme. NZQA has addressed these impacts through close monitoring and management of delivery.

2021 End of Year Examinations Review (Scanning)

We reviewed the scanning process for end of year examinations. Improvements to script tracking and data reconciliation processes are on track to be implemented in time for the start of the 2022 end of year examinations scanning process. Further improvements are planned for 2023.

COVID-19 mitigations for external assessment cycle management

In August the Honourable Jan Tinetti, Associate Minister of Education, announced changes to NCEA and University Entrance in response to COVID-19 in 2022[3]. These included:

- one Learning Recognition Credit for every five credits gained towards NCEA, with a cap of 10 at Level 1 and eight at levels 2 and 3
- 46 credits at the relevant achievement grade to gain certificate endorsement, rather than 50 credits

- 14 credits each in two subjects and 12 credits in one subject for University Entrance, as approved by the Board in July 2022
- pushing back submission dates for some externally assessed portfolios to avoid overlap with the examination period
- enabling Year 13 students to extend their learning into 2023 and have qualifications awarded outside the usual annual cycle.

These changes were informed by analysis of the mitigations put in place for COVID-19 in 2020 and 2021, undertaken by the Ministry of Education and NZQA, to COVID-19 in 2020 and 2021.

Our website has been updated and detailed communications for schools, providing more information on the changes, were sent on the day of the announcement.

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

Special Assessment Conditions (SAC)

As part of our preparations for the end of year NCEA and NZ Scholarship examination period, we encountered performance issues migrating SAC data. Temporary mitigations are now in place, and as at Term 3 (30 September 2022), 95 percent of all SAC students' external examination sessions have the correct SAC entitlement attached. This is a similar status as at this time last year.

We continue to work with the Ministry on its SAC Action Plan, which is a collaborative plan between both agencies based on Universal Design for Learning principles. Any shifts in SAC provisioning depend on the pace of this review. Also, this review has implications for the future development of any automated workflow for managing the provision of SAC within NZQA managed assessments.

NCEA Change Programme

Together with the Ministry of Education, we continue to implement the NCEA Change Programme. The first external digital assessments, for New Zealand

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[3] https://www.beehive.govt.nz/release/changes-ncea-university-entrance-response-Covid-19-disruptions

Curriculum and Te Marautanga o Aotearoa achievement standards, commenced in late July 2022 and continued throughout Term 3. Highlights include:

- a small-scale test involving the use of audio and headphones in a Japanese pilot assessment
- trialling text to speech functionality in the Literacy and Numeracy pilots (writing and numeracy standards)
- supporting ākonga to provide recorded oral responses to external assessments instead of typed responses.
- participation in external digital assessments by students located in the Cook Islands and Niue.

Results for completed assessments have been released in two tranches (mid-August and mid-September). Learners can access results on NZQA's website and request reviews or reconsiderations.

We continue to ensure our support material for kura and schools remains relevant and up to date. We have developed a journey map for schools and kura that charts their path towards delivering intra-year external assessment. This resource will help them understand key decision points and activities associated with assessment delivery.

A proposed schedule for the delivery of external digital assessments for pilots in 2023 is being finalised.

Supporting increased participation in digital external assessments
Increasing participation in digital external assessments remains a key focus of the NCEA Online programme.

During August and September 2022, Network for Learning (N4L) were engaged to undertake free assurance checks of network infrastructure for targeted kura and schools. The checks provide kura and schools with confidence about the capacity, reliability and security of network infrastructure. A total of the 129 schools and kura have accepted the offer, and checks have now been completed.

Additionally, we are seeking to improve digital connectivity with schools in the Realm countries[4]. In August, two School Relationship Managers provided training and support on external digital assessment tools to Cook Islands pilot schools. Six of the seven schools involved in the training opted to use the digital platform for the Literacy and Numeracy assessment session in September.

More than 30,000 individual students from over 200 schools or kura participated in Digital Practice Exams (Subject Association exams available on the NZQA digital assessment platform) over seven weeks in Term 3. These experiences, along with the 'digital first' NCEA Change external assessments enable classroom teachers to better understand the digital assessment experience.

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

Results for Literacy and Numeracy | Te Reo Matatini me Te Pāngarau assessments completed in June 2022 were released to ākonga students and their providers in late August 2022. The design of the assessments is new and differs from assessments for achievement standards; and were designed to meet the needs of ākonga Māori and Pacific students. These pilots provide opportunities for improving overall assessment design, delivery and marking.

	Students assessed	Achieved
Numeracy	13411	55.89%
Reading	9386	64.1%
Te Pāngarau	95	17.9%
Te Reo Matatini	38	23.7%
Writing	8855	34.21%

The scale of the 2022 pilots is significantly larger than the 2021 pilot, with approximately 26,297 participants in June 2022, compared to nearly 2,400 participants in 2021. The assessments completed in June 2022 involved the largest cohort to date engaging in a single assessment on our digital assessment

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[4] New Zealand, the Cook Islands, and Niue.

platform Assessment Master. We have made improvements to our processes ahead of the next assessment event in September.

Consistent with the decision made in 2021, completed and marked assessments will not be returned to students. Instead, detailed feedback will be provided to teachers at the end of the year, once the second assessment event is completed in September 2022. The reports will clearly detail the strengths shown by students who achieved the standard, areas of weakness demonstrated by students who did not achieve, and recommendations of focus areas for teaching and learning.

NCEA workshops for Māori and Pacific whānau

Our two flagship NCEA workshops are tailored for parents and whānau to empower education success for their children.

The success of these programmes is driven by our strategic partnerships with kura and schools, education sector agencies, and community groups including Pacific and iwi groups.

The demand for our NCEA me te Whānau and NCEA ma le Pasifika workshops has remained steady with close to 6717 engagements for this quarter.

In this quarter we also introduced two new workshops: 'Study Skills - preparing for exams', targeting years 11-13 students, and 'Subject Selection', targeting year 10 students. Workshop feedback has been very positive including 'I will take on some of the study tips', 'I can see why doing this is important' and 'these websites will help me research my career options'.

This quarter our engagements remain strong.

- NCEA me te Whānau engagements totalled 2,056 including 863 workshop engagements, 651 at events, and 542 social media engagements. 97.8% of participants reporting an increase in their knowledge of NCEA, and 96.7% reporting more confidence to support their children.
- NCEA ma le Pasifika engagements totalled 4,661, including 2699 workshop engagements, 306 at events, and 1656 social media engagements.

All participants reported an increase in their knowledge of NCEA and more confidence to support their children with NCEA.

Aromatawai and the principles of assessment

In August, we released *Aromatawai and the Principles of Assessment*. The document is designed to support kura, schools and tertiary providers in developing quality assessment and aromatawai practices. This also supports our aim to strengthen the sector's understanding of aromatawai, a teaching, learning and assessment approach underpinned by mātauranga Māori.

The next phases of this work will support good practice assessment by developing guidance and working with providers to develop resources.

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

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

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

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

Similarly, the percentage of EERs completed this quarter is higher than usual. This front-loading of EER completions will help counteract several EERs scheduled in Q3 and Q4 which may be delayed owing to multiple COVID-19 impacts.

Since 1 July 2022, all EERs at the scoping phase have been required to include information on the support for and performance of any disabled learners enrolled at the TEO. Because of the time-lag between EER scoping and EER fieldwork, information on disabled learners has only been gathered towards the end of the quarter. However, we have controls in place to ensure that this information-gathering will be consistent and enrich the evaluation findings.

In addition to our regular monitoring and moderation activities, we have completed one investigation into a tertiary provider, and ensured that quality concerns have been managed appropriately.

We visited 85 kura and schools as part of the Managing National Assessment process. These include 61 kura and schools who had their visits rescheduled due to COVID-19 restrictions in 2021.

In August, kura and schools were informed that audits of their processes for managing evidence collection for Derived Grades will recommence, after a three-year hiatus due to the impact of COVID-19. Schools must submit grades derived from practice assessments for all external standards their students are entered for in case their performance or attendance is impaired by circumstances beyond their control. Ensuring schools have robust processes for conducting quality assurance for the derived grades they report to NZQA is part of the Managing National Assessment review cycle.

Leading National Assessment Seminars
Over June and July we facilitated Leading National Assessment seminars. These seminars focused on building assessment strengths within schools, ensuring quality assurance practices, and qualification credibility.

We asked schools to consider the implications of the NCEA Change Programme on assessment practice and leadership. Feedback indicated that schools not yet participating in NCEA Change pilots have considerable work to do in anticipation of implementing future NCEA Changes. NZQA provided this feedback to the Ministry of Education to inform planning for the next two Accord Teacher Only Days.

We have engaged with schools with low or no uptake in digital assessment to explore their perceived barriers to engagement and identify actions that NZQA can take or help them take to remove these.

Enable education organisations to understand their responsibilities and improve learner outcomes
We recently surveyed all tertiary education organisations (TEOs) to establish to what extent our quality assurance practices support them to improve their performance. The responses we receive will establish a baseline for our effectiveness in supporting TEOs to understand their responsibilities and identify areas for us to improve.

Revise NZQA's quality assurance frameworks
We have completed a strategic review of NZQA's quality assurance framework for non-university tertiary education. The review found that the overall model remains fit for purpose, but it needs refining to reflect the Reform of Vocational Education (RoVE) changes, incorporate NZQA's regulatory principles and ensure it is aligned with the proposed New Zealand Qualifications and Credentials Framework (NZQCF). We have started planning for the next stage, including separately a focus on the quality assurance arrangements for Te Pūkenga and Workforce Development Councils in 2023.

Assessor support
NZQA launched Pūtake, our Learning Management System, in 2021 which hosts a range of free, self-guided, e-learning resources. There are currently 137 modules and workshops available, and more modules are being developed at the request of the sector. These include subject specific modules and courses focusing on standards, assessment approaches and workshops as well as generic resources. The most recent publication, 'Culturally Responsive Assessment', guides assessors to respond to the cultural needs of ākonga and Pacific students.

We have recently developed an Assessor Practice Tool (APT), which allows assessors to practice making judgements. The APT will support the implementation of new Achievement Standards delivered under the NCEA Change Programme. The first pilot of the new Achievement Standards is underway in Media Studies, Statistics and Design & Visual Communication. Teachers of these subjects can access 10 samples of student work for two standards in their subject area. Based on their feedback we will continue to develop the APT and a second pilot with more subjects will take place next year with more subjects. After two pilot phases, the APT will go live and be available on Pūtake from 2024 for the new Level 1 achievement standards.

Maintaining currency of NZQA-owned standards
We are on track to have all unit standards maintained by 31 December 2022.

External moderation of internally assessed

NZQA conducts external moderation of school-based assessment of internal standards. Our current moderation focus is on Level 2 and 3 standards, but we still accept Level 1 standards if requested by a school. The volume of external moderation was decreased in 2021 so that we could put more effort into building sector capability through our new Assessor Support programme. The previous volume was approximately 100,000 samples of student work and the new target is between 30,000 to 50,000 samples. We have already completed over three quarters of this year's moderation and are on track to moderate about 70,000 samples. All schools use the External Moderation App for making submissions. The submission of digital materials continues to increase and is now more than 80%.

COVID-19 has affected our moderation turnaround times, however, in the last quarter the backlog has been cleared. We have managed to meet sector expectations with 97% of moderations completed within 30 days and 100% completed within 50 days. The materials that are taking longer are standards that are moderated by kahui or fono moderation panels or materials that need to be translated.

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

Tertiary education organisations and schools ensure the safety and wellbeing of learners

We are continuing to deliver on the Code Administrator Plan for 2022 and are largely on track to achieve our objectives. There have been some delays, which included producing new materials to support provider capability and confirming the Universities New Zealand (UNZ) delegation.

Monitoring of pastoral care in student accommodation has recommenced after being on hold due to COVID-19 lockdowns. Twenty five non-university providers will be monitored, which includes online engagement with key staff, visits to facilities, and interviews with student residents.

We are also working closely with Te Pūkenga to agree an approach for monitoring student accommodation across its network, and with UNZ to ensure that verification of reported Code compliance in student accommodation is factored into UNZ's Code monitoring plan for 2023.

Code self-review attestations from private training establishments and wānanga are due in the next quarter.

Provide insights from quality assurance on system performance

We recently published two 'Insights Papers' looking at the rationale and early results for introducing micro-credentials into the New Zealand education system three years ago.

Micro-credentials are smaller than a qualification, designed to allow recognition of a discrete set of skills that meet specific learner, employer, industry or iwi needs. They can also be stacked together as part of a programme leading to a qualification.

The first paper, *Aotearoa New Zealand's early micro-credentials journey*, illustrates how micro-credentials are benefitting learners and employers, drawing on a series of case studies.

The second, *Aotearoa New Zealand's rationale for micro-credentials*, sets out what was hoped for when micro-credentials were introduced, and reflects on the progress in achieving those outcomes.

Other insights papers are in development, including some with a focus on External and Evaluation and Review.

3. Support our people and customers and continue to build organisational capability

We continue to support our people and our customers, and to build our organisational capability to deliver our vision

Support and understand our customers

NZQA invests significant effort in co-designing our services with our customers and engage with them throughout the service design process to ensure we understand their needs. We also seek early feedback from them when we roll out a service. Over the last quarter we have:

- engaged with Māori and Pacific learners as part of redesigning our website, and learner portals
- testing our understanding of customer needs with focus groups
- partnering with an organisation that specialises in digital accessibility testing to ensure our website meets accessibility requirements for our disabled learners.

We also periodically survey our customers so that we are continuously testing that our services meet customer requirements.

Deliver quality services to customers

NZQA is currently working on several initiatives to improve our customers' experience of our key digital channels such as our website, portals and contact centre. We are iteratively rolling out these services and seeking continuous customer feedback. For example, at the time of writing this report, NZQA has redesigned and relaunched part of our public website targeting our international customers. This was done with a view to be ready for New Zealand borders reopening and expected surge in skilled immigrants. Early feedback from various customers and stakeholders was positive.

NZQA also routinely evaluates customer feedback of our services through surveys. More information about the results of these surveys will be provided in later reports.

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

Components from the Outcomes framework	Themes from the Letter of Expectations that align to activities reported in this quarter*								
	1. Outcomes and equity	2. Te Tiriti o Waitangi	3. Customer voice	4. Transforming for the future	5. System transform-ation	6. Sector resilience	7. Wellbeing success	8. Ensuring delivery	9. Data and inform-ation
1 Relevant qualifications and credentials									
1.1 The qualifications system is responsive to the needs of industry, iwi/hapū, communities and learners, with increasing use of mātauranga Māori in qualifications	•	•	•	•	•		•	•	•
1.2 Barriers to qualification recognition and mobility are reduced	•	•	•			•	•	•	•
2 Trusted assessment and quality assurance									
2.1 Credible assessment and aromatawai practices support high-quality learning and achievement	•	•	•	•			•	•	•
2.2 Assessment and aromatawai practices adapt to the changing needs of learners, community and industry	•	•	•	•			•	•	•
2.3 Credible quality assurance supports high quality teaching, learning, aromatawai and assessment	•	•	•				•	•	•
2.4 Quality assurance adapts to the changing needs of learners, community and industry	•	•	•	•	•	•	•	•	•
Commitment to Te Tiriti o Waitangi	•	•	•	•	•		•	•	•
Equity focus	•	•	•	•	•	•	•	•	•

* **Themes**: 1. Supporting equitable outcomes and addressing equity in the system; 2. Honouring and giving effect to Te Tiriti o Waitangi and delivering on Ka Hikitia and Tau Mai Te Reo; 3. Customer voice is central to what we do ; 4. Transforming NZQA and our frameworks for the future; 5. Supporting system transformation; 6. Supporting sector resilience; 7. Supporting student wellbeing and success; 8. Ensuring the delivery of business as usual; 9. Enhanced collection, management and sharing of data and information across the system.

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

	With YTD results available this quarter	Reported in a later period	
Performance measures from SPE	19 (6 narrative results and 13 numeric - 9 on track, 4 not on track. Exception reporting below)	14 will be reported in a later period	33

Exception reporting for performance measures

	SPE measure	Standard	YTD result	Commentary
Red	**Oc1(i)** The proportion of survey respondents[5] who agree/strongly agree that the information they received from the New Zealand Qualifications Authority met their needs.	75%	66%	This result is close to the end of year result for 2021/22 which was 69%. The survey for this quarter is still in the field, so this is an interim result, but is unlikely to change substantially in the near term. CXIP Programme initiatives are expected to improve customer access to information, as well as simplify customer interactions and applications once they are rolled out. These survey respondents were customers who contacted us through our online contact forms, mostly with ad hoc requests. Next quarter we will begin to survey contacts from our provider databases who work with us more closely and frequently and which may improve the result. As part of the survey, customers are asked to tell us what services they were thinking about when they answered the question. While not everyone provides a comment, and there were many positive comments, 10% of respondents indicated that they had not received a response at the time they received the survey. Note that the survey is not sent to these customers until after the 10 working-day KPI period has ended. We intend to contact a sample of these customers to gain a deeper understanding of their responses in the next two quarters.
Amber	**Oc3(i)** How likely customers are to recommend and/ or speak positively about NZQA	Upwards trend from 11 NPS score	10.5 NPS score	This result represents 400 customers who contacted us through our online contact forms. The survey for this quarter is still in the field so this is an interim result but is unlikely to change substantially this quarter. The Net Promotor Score regularly fluctuates throughout the year and is expected that the result will lift over 2022/2023. In the next quarter we will begin to survey contacts from our provider databases who work with us more closely and frequently.

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

RAG	SPE measure	Standard	YTD result	Commentary
Amber	**Oc3(ii)** How customers compare the quality of service they receive from NZQA with the quality of service they receive from other New Zealand public sector organisations.	85%	81%	The survey for this quarter is still in the field so this is an interim result but is unlikely to change substantially in the short term. Survey respondents this quarter are customers who have contacted us through our online contact forms.
Amber	**Oc3(iii)** The percentage of respondents to our customer satisfaction survey who agree or strongly agree that NZQA services are easy to use.	70%	64%	The survey for this quarter is still in the field so this is an interim result but is unlikely to change substantially. Survey respondents this quarter are customers who have contacted us through our online contact forms. This is a new measure this financial year and an aspirational target was set.

Financial performance

Financial KPIs[6]

	Actual	Target
Total Revenue	$36,682,835	$37,008,261
Total Expenditure	$24,444,007	$23,345,995
Net Surplus/(Deficit)	$12,238,828	$13,662,266
Cash against current debt ratio	5.3:1	1.10:1
Cash Available for Capital Investment (Excl Future Depreciation)	$21,454,634	$14,416,000
Net Capital Investment	$6,124,930	

Comprehensive Statement of Revenue & Expenses

	Month			Year to Date		Budget	Full Year
	Actual Sep	Budget Sep	Variance Sep	Actual Sep YTD	Budget Sep YTD	Variance Sep YTD	SPE Budget 2022/23
REVENUE							
Crown Revenue	8,616,166	8,616,166	-	30,982,006	30,982,006	-	75,223,221
Fees And Charges	1,775,363	2,158,555	(383,192)	5,371,367	5,738,728	(367,361)	25,681,381
Interest Revenue	120,036	90,000	30,036	306,934	265,000	41,934	489,371
Other Income	-	-	-	22,527	22,527	-	595,041
Total Revenue	**10,511,565**	**10,864,721**	**(353,155)**	**36,682,835**	**37,008,261**	**(325,426)**	**101,989,015**
EXPENDITURE							
Personnel & Board	4,584,352	4,610,325	25,973	13,045,706	13,061,420	15,713	64,641,733
Specialist Workforce	285,207	379,482	94,275	740,978	841,399	100,421	14,267,229
Professional Services	2,011,887	1,485,653	(526,234)	5,154,032	4,075,649	(1,078,383)	10,506,334
Publ, Print & Distrib	808,743	524,840	(283,902)	897,354	674,180	(223,174)	3,774,133
Other Operating	1,283,022	1,337,925	54,902	3,694,818	3,782,228	87,411	17,294,676
Depreciation	303,498	303,498	(0)	911,119	911,119	(0)	2,886,488
Total Expenditure	**9,276,709**	**8,641,722**	**(634,987)**	**24,444,007**	**23,345,995**	**(1,098,012)**	**113,370,593**
Net Surplus/(Deficit)	**1,234,856**	**2,222,999**	**(988,142)**	**12,238,828**	**13,662,266**	**(1,423,438)**	**(11,381,579)**

Commentary: NZQA Overview against Main Budget

The September YTD net surplus is $12.2 million against a budget surplus of $13.7 million giving an unfavourable variance of $1.4 million.

REVENUE

Revenue for September YTD is $36.7 million against the budget of $37.0 million, being $0.3 million (0.9%) below budget. There are no significant variances to explain for the year to date.

EXPENDITURE

Expenditure for September YTD of $24.4 million against the budget of $23.3 million is $1.1 million (4.7%) unfavourable against budget.

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- Current Ratio equals: Total Current Assets to Current Liabilities as a ratio. Target is a minimum.
- % of Staff Cover costs to direct Personnel costs is spend on independent contractors used for staff backfill compared to all other staff costs. Target is a year-end maximum.
- Cash Available for Capital Investment equals Total Taxpayers funds less Non-Current Assets. This represents the amount of funding NZQA has available to invest in fixed assets, or other organisation development over and above current year depreciation. Target is a year-end target.
- Net Capital Investment = Non-Current Assets

Professional Services are $1.1 million above budget

Professional Services are above budget, mainly due to expenditure for the continuation of the CxIP, Enterprise Content Management System and Customer Relationship Management System projects. These projects were underspent last year, and this delayed expenditure is now being incurred funded from accumulated reserves. Due to the timing of the Boards approval of the SPE, these timing differences and the additional budget of $3.8 million approved for the CXiP, were unable to be included in the 2022/23 budget.

These costs, estimated at $4.7 million, will be recognised when preparing the forecast in October/November 2022, with funding to be either from accumulated reserves and/or absorbed with NZQA's overall budget.

Publishing, Printing and Distribution are $0.2 million above budget

Publishing, printing, and distribution costs are above budget, mainly due to external printing for Secondary Operations and Logistics being $0.3 million above budget. This is largely due to a timing variance with printing costs, which were budgeted consistent with last year when there was a two-week delay to the start of exams and therefore the start of printing. There are also additional unbudgeted costs of circa $50,000, due to higher than planned printing volumes and costs associated with a review of the scanning processes that has occurred.

Forward Looking

The first forecast for 2022/23 has been rescheduled for November to accommodate a possible employment bargaining decision and will be submitted to the Board for approval in February 2023.

The outlook for the budget is very tight with specific areas of focus being on the externally funded NCEA Online, Review of Achievement Standards and Reform of Vocational Education initiatives, including the Qualifications and Credentials Repository (QCR) system.

With delayed costs for the internally funded CxIP, Enterprise Content Management System and Customer Relationship Management System being incurred this year, plus new funding for CxIP approved by the Board subsequent to the finalisation of the SPE, the forecast operating deficit for 2022/23 is likely to increase significantly from $11.4 million. This expected increase in deficit will be funded from accumulated reserves and/or absorbed with NZQA's overall budget.

The management team is actively monitoring and managing the budget towards the expected year end operations target as per the Board approvals.

Balance Sheet

	Actual ($000) 30th September 2022	Opening ($000) 30th June 2022	Movement ($000)
Current Assets			
Cash and Bank	12,156	3,965	8,191
Short Term Deposits	48,000	38,500	9,500
Debtors and Other Receivables	4,776	4,316	459
Total current assets	**64,932**	**46,781**	**18,150**
Non-current Assets			
Fixed Assets	5,284	6,190	(906)
Work in Progress	841	472	369
Total non-current Assets	**6,125**	**6,662**	**(537)**
TOTAL ASSETS	**71,056**	**53,444**	**17,613**
Current Liabilities			-
Creditors and other payables	9,949	8,773	1,176
Provisions for employee entitlements	3,806	3,647	159
Deferred Revenue	3,832	670	3,162
GST Payable	1,402	525	877
Total current Liabilities	**18,988**	**13,614**	**5,374**
Non current Liabilities			
Provision for employee entitlements	864	864	-
Unclaimed Monies	4	4	-
Total non-current Liabilities	**868**	**868**	**-**
TOTAL LIABILITIES	**19,857**	**14,482**	**5,374**
Net Assets	**51,200**	**38,961**	**12,239**
EQUITY	**51,200**	**38,961**	**12,239**

Commentary: Balance Sheet

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

- Cash and term deposits are up $17.7 million. Refer comment above and cash flow for further details. Cash balances will decrease later in the financial year as exam and other expenditure is incurred.

- Debtors and receivables have increased by $0.5 million. Invoiced debtors are $1.1 million higher than at 30 June 2022 (the variance is split across a number of individual balances). This is offset by a reduction of $0.4 million in accrued revenue, largely a result of the QAD annual fees that were accrued at 30 June 2022 now being invoiced.

- Fixed assets have decreased by $0.9 million reflecting the year-to-date depreciation charge.

- The work in progress balance has increased by $0.4 million and reflects the capital costs incurred to date for the Qualification and Credentials Repository project.

- Creditors and payables have increased by $1.2 million. While there are several compensating movements, the salary accrual has increased by $1.1 million.

- Deferred Revenue has increased by $3.2 million. This includes an increase of $2.1 million for exam fees (the revenue is recognised later when the exams happen), an increase of $0.5 million in QRS revenue (as fully unprocessed applications continue to rise) and an increase of $0.3 million for QAD annual fees, now they have been invoiced.

- GST Payable has increased by $0.9 million largely reflecting the difference in GST on the baseline funding received in June 2022 compared to September 2022.

- The movement in net assets is explained by the operating result to date.

Cash Flow Statement

ACTUAL AND FORECAST 2022/23	Sep YTD Actual	October Forecast	Full Year Forecast
Net Cash flows-Operating Activities	**18,064,530**	**(1,530,232)**	**(7,092,933)**
Cash Provided from:	**39,385,637**	**8,945,426**	**106,298,309**
Crown Revenue	30,982,006	6,538,416	77,241,000
Inter Department Revenue	-	-	-
Third Party Revenue	8,074,170	2,315,998	27,826,974
Other Income	22,527	1,012	333,401
Interest Revenue	306,934	90,000	896,934
Cash applied to:	**21,321,108**	**10,475,657**	**113,391,242**
Employees	12,683,759	4,699,555	64,032,796
Suppliers	8,637,349	5,776,103	49,358,446
Net Cash flows-Financing Activities	**-**	**-**	**-**
Cash was provided from:			
Crown-Capital Contribution	-	-	-
Cash was applied to:		**-**	
Crown-Capital Withdrawal	-	-	-
Net Cash flows-Investing Activities	**(373,897)**	**(179,458)**	**(2,368,613)**
Cash was provided from:			
Sale of Intangibles & Fixed Assets (FA)	-	-	-
Cash applied to			
Purchase of Intangibles and FA	373,897	179,458	2,368,613
Repayment of Capital Contribution			-
Net increase/decrease in cash held	**17,690,633**	**(1,709,690)**	**(9,461,546)**
Opening Cash	**42,465,035**	**60,155,668**	**42,465,035**
Closing cash balance	**60,155,668**	**58,445,978**	**33,003,489**
Statement of Financial Position			
Cash	12,155,668	3,445,978	3,003,489
Short-term deposits	48,000,000	55,000,000	30,000,000
Closing cash balance	**60,155,668**	**58,445,978**	**33,003,489**

Commentary: Cash Flow

Cash and term deposits as at 30 September 2022 total $60.2 million up $5.2 million from the previous month. This is essentially due to the forward phasing of baseline funding from the Ministry of Education. $48 million is held on term deposit with varying maturity dates to maximise interest revenue while ensuring sufficient liquid cash is on hand to meet immediate needs.

Budget bid update

[redacted under s9(2)(f)(iv)]