



Statement of Performance Expectations

Te Tauākī o ngā Kawatau

Whakatutukitanga

1 JULY 2026 – 30 JUNE 2027



2026/27 Statement of Performance Expectations

2026/27 Te Tauākī o ngā Kawatau

Whakatutukitanga

Māori proverb

Whakataukāki

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

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

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

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Board statement

Te tauākī a te Poari

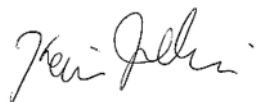
The Board certifies that the information contained in this Statement of Performance Expectations reflects the operations and prospective financial statements, including the appropriateness of the underlying assumptions, of NZQA for the period 1 July 2026 to 30 June 2027.

In signing this statement, we acknowledge our responsibility for the prospective financial statements contained in this Statement of Performance Expectations.

Signed on behalf of the Board

I mokotāhia mō te taha ki Te Poari

Kevin Jenkins



Board Chair
Tiamana o te Poari

Andrée Atkinson



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

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Introduction

He Kupu Arataki

The purpose of New Zealand Qualifications Authority (NZQA) | Mana Tohu Mātauranga o Aotearoa is to ensure that Aotearoa New Zealand's qualifications and credentials are trusted and enable people and communities to flourish.

As a Crown entity, NZQA's primary ministerial accountability is to the Minister of Education. Some of NZQA's functions fall under the responsibility of the Minister for Tertiary Education.

We work with other education agencies to make sure education programmes and assessments, including those for the National Certificates of Educational Achievement (NCEA), are of high-quality and running well in New Zealand. We maintain correct and timely records of each learner's educational achievement from senior secondary school and throughout tertiary education.

We ensure that New Zealand's qualifications and credentials are credible and robust. We do this through:

- our stewardship of the New Zealand Qualifications and Credentials Framework (NZQCF) and management of the qualifications system
- quality assurance of internal assessment in schools and kura and conducting external assessments
- quality assurance of tertiary education organisations (other than universities)
- recognition of international qualifications
- administration of the Education (Pastoral Care of Tertiary and International Learners) Code of Practice 2021 (the Code).

Across our responsibilities and mandate, we are well placed to contribute to the Government's ambitions for excellent literacy and numeracy outcomes, strengthening senior secondary qualifications, and strong education outcomes for all learners.

We are committed to giving effect to Te Tiriti o Waitangi obligations, as described in the Education and Training Act 2020, through an education system that honours Te Tiriti o Waitangi and supports Māori-Crown relationships. We do this by ensuring qualifications and quality assurance approaches support the inclusion of te reo Māori and mātauranga Māori as may be appropriate to context and need.

Our strategic intentions

Ngā koronga rautaki

NZQA's strategic goals are informed by our statutory obligations and the Government's priorities.

NZQA is committed to achieving an overarching outcome where credible qualifications and credentials support equitable learner pathways and mobility, and Aotearoa New Zealand's economic and social development. To ensure we remain focused on achieving this longer-term outcome, we have identified five intermediate outcomes that describe our medium-term priorities.

Intermediate outcome 1

Putanga pae tata 1

Effective stewardship of the New Zealand Qualifications and Credentials Framework and qualifications system ensures qualifications are trusted and relevant.

Learners have access to relevant pathways to future study and work that meet stakeholders' needs. The integrity of the New Zealand qualifications system is maintained.

Intermediate outcome 2

Putanga pae tata 2

Robust assessment services support trusted qualifications and credentials.

Employers, education providers and other stakeholders trust that qualifications and credentials have been awarded after a fair, relevant and robust assessment process.

Intermediate outcome 3

Putanga pae tata 3

Robust qualification approval and recognition services ensure qualifications and credentials are relevant and enable labour mobility.

Learners, employers and other stakeholders both in Aotearoa New Zealand and internationally can be confident that approved qualifications and credentials meet the required standards.

Intermediate outcome 4

Putanga pae tata 4

An effective quality assurance regulatory system supports high-quality qualifications and credentials.

Stakeholders are confident that senior secondary assessment and tertiary education (other than universities) in New Zealand is of high-quality.

Intermediate outcome 5

Putanga pae tata 5

Equitable assessment and quality assurance practices support improved access to learning and achievement.

Barriers to learner access and achievement are reduced, and providers offer learners appropriate choices and learning pathways where applicable.

Measuring progress towards achieving our intermediate outcomes

Te aromātai i te anga whakamua ki ngā putanga pae tata

As a Crown entity, NZQA receives funding from the Crown through Vote Education (also known as Estimates of Appropriations or appropriations funding). We also receive revenue from third parties through fees and charges for quality assurance services, including accreditation, qualification recognition services provided to immigrants, and some non-government-funded secondary examination and assessment fees.

Appropriations measures enable NZQA to report how we have used Vote Education funding to undertake specific activities. Additional measures allow us to report on work that we do that complements the activities funded through Vote Education.

The table in the Appendix provides an overview of how our measures align with and support us to achieve our intermediate outcomes.

Our focus for 2026/27

Te arotahi mō 2026/27

NZQA's success in achieving our intended outcomes is dependent on an operating model that enables our people to meet NZQA's statutory and legislative responsibilities effectively and efficiently. This must be achieved in an environment of fiscal prudence with a focus on getting the basics right and prioritising what matters most.

Beyond the work we will complete through appropriations funding, NZQA's short-term priorities are aligned with four key areas. The continued progress we have made since these areas were established in 2024 provides NZQA with a solid foundation on which to achieve our strategic intentions.

Perform core functions well, supported by strong corporate infrastructure

Kia mahi tika i ngā kaupapa matua, me te tautoko a te rangatōpū

NZQA completed the design of the integrated Quality Assurance Framework (iQAF) in 2025/26. In 2026/27, we will implement the iQAF.

NZQA will also focus on continuing to:

- improve the maturity of our business planning, prioritisation and change management processes
- modernise the operating model and business processes for our NCEA assessment functions
- strengthen our financial position through strong financial management
- work collaboratively and communicate proactively with other agencies.

Utilise right touch, right size regulation that balances the needs of all stakeholders

Kia whakamahi tika i te waeture, me te whaiwhakaaro ki ngā hiahia o ngā kiripānga katoa

NZQA is committed to reducing unnecessary regulatory burden for the parties we regulate balanced with meeting our statutory and legislative responsibilities. This year, we will:

- collaborate with sector partners, including the Tertiary Education Commission and Ministry of Education, to reduce compliance burden and duplication
- work with Industry Skills Boards and agencies on opportunities to streamline vocational education approvals and delivery
- support entities established through vocational education reform.
- apply NZQA's regulatory levers to monitoring and maintaining valid and credible quality assessment practices
- embed the updated regulatory framework, objectives and principles across NZQA's regulatory functions.

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

Kia piki i te whakapono me te whakamanawa o ngā kiripānga ki ngā tohu o nāianeī, anamata hoki

The education system continues to evolve due to changing stakeholder needs, ministerial priorities, and technology advances. In addition to our priorities funded through different Crown appropriations, NZQA will support our stakeholders by:

- embedding new NZQCF settings through a targeted education and capability development programme
- using data and insight to demonstrate the use, value and impact of qualifications and credentials.

Leverage digital solutions to increase business efficiency and quality

Kia taurite ai ngā whakataunga matihiko me te whakapiki ake i te pai me te kounga o ngā mahi whakahaere

NZQA has identified a range of technology initiatives that will improve the delivery of our core and supporting functions. These are at varying stages of planning and implementation. In 2026/27, we will:

- explore opportunities to leverage emerging technologies such as artificial intelligence for greater efficiency and effectiveness of our work
- continue the Strategic Technology Enhancement Programme (STEP), a comprehensive programme of work to upgrade NZQA's core legacy technology platforms
- implement our Digital First strategy for external assessment, by working to increase digital assessment uptake, identifying opportunities for further digital development, and improving existing digital assessments.

Our performance expectations

Ngā kawatau whakatutukitanga

NZQA's Statement of Performance Expectations provides an overview of what we will deliver over the year to achieve our short-term strategic priorities and enable the delivery of our strategic intentions. The measures are intended to represent the core services we deliver that are the most meaningful to the public and include those funded by the Crown and other revenue sources.

This section includes information about each reportable class of outputs and how we will measure our financial and non-financial performance during the year. NZQA's 2026/27 performance expectations are described in relation to our reportable class outputs (Estimates of Appropriations), our intermediate outcomes and our short-term strategic priorities. Measures that support multiple output classes are listed once only within the most relevant category.

In addition to our funding through Crown appropriations, the work that NZQA performs is also funded by revenue earned from third-party fees and charges.

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

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

Overarching purpose statement

Te tauākī aronga whānui

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

The MCA is funded through Vote Education, which is represented by two expense categories. Total Crown funding consists of expense categories 1 and 2. Category 2 funding is made up of sub-categories 2.1, 2.2 and 2.3

What we will do in 2026/27

Ngā mahi mō 2026/27

To drive the achievement of our intermediate outcomes in relation to MCA funding, NZQA will continue to embed our updated regulatory framework for secondary and tertiary education organisations (other than universities).

Our performance measures

Ngā ine whakatutukitanga

#	Measure (bold = Appropriations measures, italics = Impact measures)	2024/25 result	2025/26 standard	2026/27 standard	Why this matters
1.	<i>The percentage of kura and schools that agree or strongly agree that NZQA's quality assurance practices support them to improve their aromatawai and/or assessment practices.</i>	76.9%	75%	75%	This measure allows NZQA to understand the effectiveness of its quality assurance practices as a lever for improving school and kura assessment and/or aromatawai practice for national credentials.
2.	<i>The percentage of stakeholders (employers and communities) who agree or strongly agree that graduates of vocational qualifications and microcredentials have relevant skills and knowledge.</i>	52%	70%	65% ¹	A key outcome for NZQA is ensuring New Zealand's qualifications and credentials are relevant, credible and portable within Aotearoa New Zealand and internationally. This supports qualification uptake and future employment for graduates. This measure allows NZQA to obtain feedback from stakeholders to determine the relevance of graduates' skills and knowledge.

¹ Target reduced to reflect 2025/26 methodology changes.

Expense category 1: Secondary school assessments

Te utu whakahaere 1: Ngā aromatawai mō ngā kura tuarua

Scope

Te korahi

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

What is intended to be achieved

Ngā hua ka puta

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

What we will do in 2026/27

Ngā mahi mō 2026/27

This appropriation contributes to NZQA's strategic priority of performing core functions well. It also aligns with two of NZQA's intermediate outcomes: robust assessment services support trusted qualifications and equitable assessment and quality assurance practices support improved access to learning and achievement. To enable achievement of these outcomes, NZQA will focus on working with the Ministry of Education to implement the replacement to the NCEA qualifications system, and on continuing to:

- ensure NCEA assessment, including the literacy and numeracy | te reo matatini me te pāngarau co-requisite, is relevant and accessible; and
- grow our digital assessment offerings and explore opportunities to utilise emerging technologies such as artificial intelligence to support assessment design and delivery.

Our performance measures
Ngā ine whakatutukitanga

#	Measure (bold = Appropriations measures, italics = Impact measures)	2024/25 result	2025/26 standard	2026/27 standard	Why this matters
3.	<i>The percentage of all National Certificate of Educational Achievement (NCEA) marker judgements unaltered following Review or Reconsideration of External Assessment Results processes.</i>	99.7%	99.7%	99.7%	This measure is an indicator of system health with respect to the accuracy of marker judgements for NCEA Level 1-3 external assessments. If the performance standard is met or exceeded, it indicates the original marker judgements were accurate and reliable.
4.	The percentage of school-approved Special Assessment Conditions applications that meet NZQA approval criteria.	N/A (new in 2025/26)	95%	95%	This stretch measure supports NZQA's regulatory role in ensuring that schools are correctly applying SAC policies so that students with additional learning needs or barriers to assessment have appropriate assessment provisions applied.
5.	Percentage of schools that rated their overall confidence in the NZQA online assessment platform for the NCEA co-requisite assessments, as positive.	-	N/A (new in 2026/27)	75%	This measure helps NZQA to understand if the assessment platform is user friendly and trusted by users.

#	Measure (bold = Appropriations measures, italics = Impact measures)	2024/25 result	2025/26 standard	2026/27 standard	Why this matters
6.	The percentage of digital results, in digitally available examinations.	-	N/A (new in 2026/27)	+5 percentage points from the previous year	Digital assessments are available for some achievement standards. NZQA is supporting schools and kura in the delivery of digital external assessments and examinations to increase student participation in digital assessment. This measure tracks uptake of digitally available examinations, across NCEA Level 1, 2, and 3.
7.	The percentage of schools ² that have made sufficient progress to minimise ongoing risks to assessment credibility following a Managing National Assessment (MNA) review ³ .	-	N/A (new in 2026/27)	≥50%	The measure provides assurance that NZQA's oversight processes are helping to identify significant risks and encourage progress toward credible and valid assessment practice. The measure allows NZQA to: - understand the impact of interventions in support of school compliance with the assessment rules, and - monitor how effectively schools and kura are responding to identified risks in their assessment systems and practices.

² Schools and kura that were issued action items to be addressed in the 2026 academic year.

³ In the 2025 academic year.

Funding

Te tahua pūtea

The Crown provides 96% of budget revenue for this category (forecast 92%). The remaining balance of revenue is from third-party fees and charges, which include NCEA fees from International Students, and non-government-funded secondary schools' examination and assessment fees. Revenue from the Crown is budgeted to increase in 2026/27 due to a combination of one-off funding initiatives and a baseline funding increase to address the ongoing funding shortfall within this output.

There is also a corresponding increase in costs due to the one-off funding initiatives.

The increase in Crown revenue in Budget 2026/27 also reflects a reclassification from Other Revenue in relation to the school administration fee, reflecting its Crown funding nature.

	Forecast 2025/26	Budget 2026/27
Cost and funding	\$000	\$000
Revenue		
Crown	66,911	78,785
Other	5,733	3,287
Total revenue	72,644	82,072
Expenses	74,388	84,252
Net surplus/(deficit)	(1,744)	(2,180)

Expense category 2: Standards and qualifications support

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

Scope

Te korahi

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

Total funding for expense category 2

Te tahua pūtea mō te utu whakahaere 2

The Crown provides 64% of total revenue for this category (forecast 51%). The remaining balance is funded through third-party fees and charges, which contribute towards the delivery of the category's core services. This category consolidates three sub-categories that are made up of the provision of communication and advice, quality assurance and qualification support structures. More details are provided for these three sub-categories in the subsequent tables.

Revenue from the Crown is budgeted to increase in 2026/27 due to a time-limited funding for a project initiative.

There is also a corresponding increase in costs due to the project initiative.

	Forecast 2025/26 \$000	Budget 2026/27 \$000
Cost and funding		
Revenue		
Crown	26,201	47,721
Other	25,392	26,281
Total revenue	51,593	74,002
Expenses	49,601	71,694
Net surplus/(deficit)	1,992	2,308

Expense sub-category 2.1: Provision of communication and advice

Te utu whakahaere 2.1: Te whakaritenga whakapānga me te tohutohu

Scope

Te korahi

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

What is intended to be achieved

Ngā hua ka puta

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

What we will do in 2026/27

Ngā mahi mō 2026/27

Improving stakeholder trust and confidence of qualifications and credentials is a strategic priority for NZQA in 2026/27. To achieve this objective, this year NZQA will focus on continuing to:

- improve stakeholder trust and confidence in qualifications and credentials
- provide timely and accurate information to our customers through our stakeholder engagement channels.

Our performance measures

Ngā ine whakatutukitanga

#	Measure (bold = Appropriations measures, italics = Impact measures)	2024/25 result	2025/26 standard	2026/27 standard	Why this matters
8.	The percentage of survey respondents who agree/ strongly agree that the information they received from the New Zealand Qualifications Authority met their needs.	65%	70%	70%	This measure serves as an indicator to determine the effectiveness of the information provided by NZQA to stakeholders. This supports NZQA's commitment to understand and respond to customer needs.

*Funding**Te tahua pūtea*

The Crown provides 70% of revenue for this category (forecast 75%). The balance is revenue from third-party fees and charges and other sources.

	Forecast 2025/26	Budget 2026/27
Cost and funding	\$000	\$000
<i>Revenue</i>		
Crown	2,719	2,649
Other	890	1,119
Total revenue	3,609	3,768
<i>Expenses</i>	4,818	5,356
Net surplus/(deficit)	(1,209)	(1,588)

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

Scope
Te korahi

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

What is intended to be achieved
Ngā hua ka puta

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

What we will do in 2026/27
Ngā mahi mō 2026/27

Our intermediate outcome of an effective quality assurance regulatory system supports high-quality qualifications and credentials relates directly to this output class. To drive towards achieving this outcome, NZQA will focus on:

- continuing to embed changes to the quality assurance framework for tertiary education organisations (other than universities)
- reviewing the operating model and business processes by which we fulfil our obligations as a regulator.

Our performance measures
Ngā ine whakatutukitanga

#	Measure (bold = Appropriations measures, italics = Impact measures)	2024/25 result	2025/26 standard	2026/27 standard	Why this matters
9.	<i>The percentage of tertiary education organisations that agree or strongly agree that NZQA's Code Administration activities support their understanding and implementation of the Code's outcomes.</i>	N/A (new in 2025/26)	70%	70%	NZQA's role as Code Administrator is to ensure tertiary education providers and all schools with international Code signatory status provide safe, supportive, and accessible learning environments for their learners. This measure will allow NZQA to understand whether its activities are supporting tertiary education organisations to meet the Code's outcomes.
10.	The percentage of investigations where identified risks or quality concerns have been managed appropriately through intervention or corrective action.	100%	100%	100%	This measure allows NZQA to assess our own quality standards with respect to managing risks and quality concerns.
11.	The percentage of non-university sub-degree tertiary programmes monitored that continue to meet the programme approval and accreditation criteria.	63%	65%	65%	We want to ensure the ongoing quality of non-university sub-degree tertiary programmes. This measure allows us to track if non-university sub-degree tertiary programmes continue to meet programme approval and accreditation criteria.

Funding

Te tahua pūtea

The Crown provides 77% of revenue for this category (forecast 59%). The balance is funded through third-party revenue, such as fees for service including private training establishment registration and programme approval and accreditation.

Third-party fees revenue is budgeted to decrease in 2026/27 to reflect the implementation of NZQA's new fee structures. Some changes are being discontinued (e.g., external evaluation and review, and consistency review). This is offset by an increase in third-party fees from the expansion of the credit reporting fee in Expense sub-category 2.3: Qualifications support structures.

Expenses are budgeted to increase in 2026/27 to reflect the expected amortisation of the new Qualifications and Credentials Repository system.

	Forecast 2025/26	Budget 2026/27
Cost and funding	\$000	\$000
Revenue		
Crown	8,017	7,318
Other	5,487	2,143
Total revenue	13,504	9,461
Expenses	14,607	15,845
Net surplus/(deficit)	(1,103)	(6,384)

Expense sub-category 2.3: Qualifications support structures

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

Scope

Te korahi

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

What is intended to be achieved

Ngā hua ka puta

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

What we will do in 2026/27

Ngā mahi mō 2026/27

NZQA is committed to focusing on ensuring our core functions are performed effectively and efficiently and to reducing the compliance obligations of the parties we regulate. To deliver this commitment, we will prioritise ensuring that regulatory compliance obligations are appropriate in relation to risk, which includes working with other agencies to remove unnecessary duplication of effort for regulated parties.

Our performance measures
Ngā ine whakatutukitanga

#	Measure (bold = Appropriations measures, italics = Impact measures)	2024/25 result	2025/26 standard	2026/27 standard	Why this matters
12.	<i>The percentage of tertiary education organisations that agree or strongly agree that NZQA's quality assurance practices support them to improve their performance.</i>	73%	70%	70%	This measure tracks how effectively NZQA works alongside tertiary education providers as a quality assurance partner. It supports NZQA's balanced approach to regulation, which includes education and support. Providers that recognise the need for self-improvement through reflection (aided by NZQA) are more likely to affect meaningful/sustainable self-improvement. Positive feedback reinforces successful approaches, while constructive feedback helps identify areas for enhancement.
13.	The percentage of overseas qualifications evaluated within 35 working days.	97%	90%	90%	The timely evaluation of overseas qualifications is essential to help holders of overseas qualifications in the immigration and/or employment processes. This measure allows NZQA to track the timeliness of our overseas qualification evaluation processes. The target sits within the Lisbon higher education recognition convention target of four months.

Funding

Te tahua pūtea

The Crown provides 62% of revenue for this category (forecast 45%). The balance is funded through third-party revenue, including fees for credit reporting and recognition of overseas qualifications.

Revenue from the Crown is budgeted to increase in 2026/27 due to a time-limited funding for a project initiative. There is also a corresponding increase in costs due to the project initiative.

Third-party fees revenue is budgeted to increase in 2026/27 to reflect the implementation of NZQA's new fee structures, through the expansion of the credit reporting fee. This is offset by a decrease in third-party fees in Expense sub-category 2.2: Quality Assurance.

	Forecast 2025/26 \$000	Budget 2026/27 \$000
Cost and funding		
Revenue		
Crown	15,465	37,754
Other	19,015	23,019
Total revenue	34,480	60,773
Expenses	30,176	50,493
Net surplus/(deficit)	4,304	10,280

Prospective financial statements

Ngā tauākī whakatakoto pūtea āmua

Financial planning assumptions

Ngā pūmāramarama whakamahere ahumoni

Overview

Te tirohanga whānui

The prospective financial statements have been developed for the purpose of fulfilling NZQA's obligations under the Crown Entities Act 2004 to table a Statement of Performance Expectations before Parliament. As such, they should not be relied upon by any other party for any alternative purpose without the express written permission of NZQA.

A number of assumptions were used in preparing these prospective financial statements. These assumptions may differ from what actually happens. Therefore, actual results are likely to be different from the prospective financial statements, and the variations may be material.

In issuing the financial statements, the Board of NZQA acknowledges its responsibility for the information presented, including the appropriateness of the assumptions used. The Board also acknowledges its responsibility for establishing and maintaining a system of internal control that is designed to provide reasonable assurance as to the integrity and reliability of NZQA's performance and financial reporting.

These prospective financial statements are issued as at 19 June 2026 and are based on the information available at the time.

Revenue

Pūtea whiwhi

NZQA's revenue from the Crown is based on the information contained in the Estimates of Appropriation, Vote Education.

Other revenue is comprised of revenue from third parties, which includes tertiary credit and assessment fees, charges for qualification recognition services provided to immigrants, charges for external evaluations and reviews, charges for accreditation and other quality assurance services provided to tertiary education providers, and some non-government-funded secondary examination and assessment fees.

Expenditure

Ngā whakapaunga

NZQA's expenditure is comprised of operational costs and project costs related to the delivery of key business improvement initiatives. These initiatives are funded either by the Crown or from NZQA's accumulated reserves.

Output expense allocations

Ngā nama

All revenue, except interest revenue, is allocated directly to output expenses. NZQA allocates activities to output expenses. Information about expenditure on activities is collected through the general ledger to allow the activities of NZQA to be allocated either directly or indirectly to outputs and output expenses.

Indirect expenditure is allocated to outputs and output expenses by first allocating these costs to the activities that contribute directly to outputs. NZQA's allocation policies are described in the statement of accounting policies. NZQA's output allocation methodology is assumed to be unchanged.

Going concern

Ngā mānukanukatanga o te wa

NZQA recognises that taxpayers' net assets/equity and NZQA's liquidity must remain at levels sufficient to ensure that NZQA is viable as a going concern. To achieve this, the Board of NZQA will:

- maintain taxpayers' net equity and cash reserve levels in accordance with NZQA's financial reserves policy to ensure the financial sustainability of NZQA
- consult the responsible Minister as required on the use of taxpayers' net equity to ensure it is in line with the Government's direction.

Prospective statement of comprehensive revenue and expense

Te tauākī whakatakoto ā-pūtea whiwhi, ā-utu whakahaere

For the year ending 30 June

	Forecast 2025/26 \$000	Budget 2026/27 \$000
Revenue		
Funding from the Crown	93,112	126,506
Other revenue	29,700	27,967
Interest revenue	1,425	1,600
Total revenue	124,237	156,073
Expenditure		
Personnel and Board	59,318	60,213
Examination workforce	10,558	10,924
Specialist workforce	12,381	12,313
Professional services	16,768	46,542
Publication, printing and distribution	3,466	3,498
Audit fees	174	172
Capital charge	842	800
Travel and accommodation	1,318	1,494
Information technology costs	10,421	11,930
Other operating	8,006	6,268
Depreciation and amortisation	737	1,791
Total expenditure	123,989	155,945
Net surplus	248	128
Other comprehensive revenue and expense	-	-
Total comprehensive revenue and expense	248	128

Prospective statement of financial position

Te tauākī whakatakoto āhuatanga pūtea

As at 30 June

	Forecast 2025/26 \$000	Budget 2026/27 \$000
Assets		
Current assets		
Cash and cash equivalents	1,885	2,000
Trade and other receivables	4,564	4,500
Prepayments	1,428	2,500
Investments	16,000	13,000
Total current assets	23,877	22,000
Non-current assets		
Property, plant and equipment	1,294	1,172
Intangible assets (including WIP)	4,323	3,623
Total non-current assets	5,617	4,795
Total assets	29,494	26,795
Liabilities		
Current liabilities		
Creditors and other payables	5,589	4,282
Employee entitlements	4,350	4,000
Provisions payroll	1,434	300
Deferred revenue	1,800	1,800
Total current liabilities	13,173	10,382
Non-current liabilities		
Employee entitlements	536	500
Total non-current liabilities	536	500
Total Liabilities	13,709	10,882
Net assets	15,785	15,913
Equity		
Contributed capital	20,528	20,528
Accumulated (deficit)	(4,743)	(4,615)
TOTAL EQUITY	15,785	15,913

Prospective statement of changes in equity

Te tauākī whakatakoto hurihanga whai tūtanga

For the year ending 30 June

	Forecast 2025/26 \$000	Budget 2026/27 \$000
Balance at start of the year	15,537	15,785
Total comprehensive revenue and expenses for the year	248	128
BALANCE AT END OF THE YEAR	15,785	15,913

Prospective statement of cash flows

Te tauākī whakatakoto kapewhiti āmua

For the year ending 30 June

	Forecast 2025/26 \$000	Budget 2026/27 \$000
Cash flows from operating activities		
Receipts from the Crown	93,112	126,506
Receipts from other revenue	29,700	27,967
Interest received	1,425	1,600
Payments for employee and Board costs	(86,222)	(88,476)
Payments to other suppliers	(36,537)	(68,712)
Payments for capital charge	(842)	(800)
Net cash flow from operating activities	636	(1,915)
Cash flows from investing activities		
Purchases of property, plant and equipment	(547)	(470)
Purchases of intangible assets	(3,502)	(500)
Investments in term deposits	(69,500)	(40,000)
Receipts from maturity of term deposits	73,500	43,000
Net cash flow from investing activities	(49)	2,030
Net cash flow from financing activities	-	-
Net increase in cash and cash equivalents	587	115
Cash and cash equivalents at the beginning of the year	1,298	1,885
Cash and cash equivalents at the end of the year	1,885	2,000

Statement of accounting policies

Te tauākī kaupapa here pūtea

Reporting entity

Te hinonga ripoata

The New Zealand Qualifications Authority (NZQA) is a Crown entity as defined by the Crown Entities Act 2004 and is domiciled and operates in New Zealand. The relevant legislation governing NZQA's operations includes the Crown Entities Act 2004 and the Education and Training Amendment Act 2022. NZQA's ultimate parent is the New Zealand Crown.

NZQA's core business is to provide services to the New Zealand public. NZQA ensures that New Zealand qualifications and credentials 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.

For the purposes of financial reporting, NZQA is designated a Tier 1 public benefit entity whose primary objective is to provide goods and services for community or social benefit rather than for a financial return to equity holders.

The reporting period for the prospective financial statements is the year ending 30 June 2027.

Basis of preparation

Ngā tikanga whakarite

The prospective 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 prospective financial statements have also been prepared on a historical cost basis unless otherwise specified (for example, actuarially assessed liabilities).

Statement of compliance

Te tauākī tūtohu

The prospective financial statements have been prepared as per the statutory requirement of section 149 of the Crown Entities Act 2004. The prospective financial statements have been prepared in accordance with Aotearoa New Zealand generally accepted accounting practice. They comply with PBE FRS 42 Prospective Financial Statements and other applicable standards as appropriate for Tier 1 public benefit entities.

Presentational currency and rounding

Te tirohanga pūnaha moni me te whakaawhiwhi

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

New accounting standards and interpretations

Ngā paearu me ngā whakamāramatanga hou o te mahi kaute

All accounting policies adopted in these prospective financial statements are considered to be consistent with those of the previous year. There are no standards issued and not yet effective and not early adopted that are considered to have a material impact on the financial statements.

Summary of significant accounting policies

He whakarāpopototanga o ngā kaupapa here mahi kaute matua

Accounting policies are changed only if the change is required by a standard or interpretation or otherwise provides more reliable and more relevant information. Significant accounting policies are outlined below.

Judgements and estimations

Ngā whakawātanga me ngā whakataunga tata

The preparation of these prospective financial statements requires judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, revenue and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. The most significant areas of estimate and judgement relate to determining the cost of internally generated software and assessing and reviewing the useful lives and residual values of intangible assets. In particular, this requires judgement on whether costs are research or development related to ensure that only appropriate development costs are capitalised.

Revenue

Pūtea whiwhi

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 results from exchange transactions.

Funding from the Crown

Pūtea a te Karauna

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

The fair value of funding has been determined to be equivalent to the amounts due in the funding arrangements.

Other revenue

Pūtea whiwhi atu

Other revenue includes various fees, including those for qualification recognition services, credit reporting and quality assurance services. These are recognised as the work is completed.

Interest

Itareti

Interest revenue is recognised using the effective interest rate method. The effective interest rate exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Cost allocation

Te tauri utu

Direct costs are those costs directly attributed to an output. Indirect costs are those costs that cannot be applied in an economically feasible manner to a specific output. Direct costs, including depreciation, are charged directly to outputs. Indirect costs are charged to outputs using appropriate cost drivers such as actual usage, staff numbers or floor area.

Leases

Ngā rīhitanga

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.

Cash and cash equivalents

Ngā pūtea

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 nontrivial expected credit losses.

Receivables

Ngā whiwhinga

Short-term receivables are recorded at the amount due less an allowance for expected credit losses. The simplified approach to providing for expected credit losses as prescribed by PBE IPSAS 41 Financial Instruments is applied to receivables.

Investments

Ngā haumitanga

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 rate method and is recorded within receivables.

Property, plant, and equipment

Te tūwāhi, te tari, me ngā taputapu

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

Ngā apitihanga

The initial cost (and any subsequent costs) 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 nonexchange transaction, it is recognised at its fair value as at the date of acquisition.

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

Disposals

Ngā ākiritanga

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

Te whakahekenga wāriu

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 and electronic equipment (desktop and notebooks)	4 years	25%
Computers and 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 life of the improvements, whichever is the shorter.

Impairment of property, plant, and equipment (and intangibles)

Te whakatāharahara o te tūwāhi, te tari, me ngā taputapu

NZQA does not hold any cash-generating assets. Assets are considered cash-generating assets when their primary objective is to generate a commercial return.

Property, plant and equipment 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.

Intangible assets

Ngā rawa tautuhi kore

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

Acquired software

Te whai pūmanawa

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

Internally generated software

Te waihanga pūnamawa ā-roto

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.

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

Appropriate costs associated with the development of NZQA’s website are capitalised and amortised over the period of the life of the asset in accordance with generally accepted accounting practice.

Work in progress

Ngā mahi o te wā

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

Amortisation

Te whakangāwari wāriu

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

Te whakatāharahara o ngā rawa tautuhi kore

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

Payables and deferred revenue

Ngā nama me ngā pūtea whiwhi tārewa

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

Employee entitlements

Ngā āheinga kaimahi

Short-term benefits

Ngā hua pae tata

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 recognises a liability for sick leave to the extent that compensated absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date to the extent NZQA anticipates it will be used by staff to cover those future absences.

NZQA recognises a liability and an expense for bonuses where it is contractually obliged to pay them or where there is past practice that has created a constructive obligation and a reliable estimate of the obligation can be made.

Long-term benefits

Ngā hua pae tawhiti

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.

Presentation of employee entitlements

He tirohanga mō ngā āheinga kaimahi

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 leave entitlements are classified as a non-current liability.

Superannuation schemes

Ngā kaupapa penihana

Employer contributions to KiwiSaver, the Government Superannuation Fund and other NZQA superannuation schemes are accounted for as defined contribution schemes and are recognised as an expense in the statement of comprehensive revenue and expense.

Provisions

Ngā pūtea penapena

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.

Contingent liabilities

Ngā raru ki tai

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.

Financial instruments

Ngā ara ahumoni

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 (which comprise cash and cash equivalents, receivables and term deposits) 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.

Related-party transactions

Ngā hononga take hokohoko

Compensation paid to key management personnel of NZQA is classified as a related party transaction. Compensation includes short-term, long-term and retirement employee benefits.

Key management personnel are those having the authority and responsibility of planning, directing and controlling the activities of the organisation directly or indirectly. This comprises the Board and members of the Strategic Leadership Team, which includes the Chief Executive.

Funding from government agencies is carried out on a commercial and arm's length basis.

Taxation

Te tāke

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)

Te tāke hokohoko

All items in the prospective 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 is included as part of receivables or payables in the Statement of Financial Position. The net GST paid to or received from Inland Revenue, 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.

Appendix – List of performance measures

Āpitihanga – Te rārangi o ngā tātai whakatutukitanga

List of performance measures showing their relation to NZQA's intermediate outcomes.

#	Performance measure (bold = Appropriations measures, italics = Impact measures)	Alignment with intermediate outcomes				
		1	2	3	4	5
1.	<i>The percentage of kura and schools that agree or strongly agree that NZQA's quality assurance practices support them to improve their aromatawai and/or assessment practices.</i>	●	●			●
2.	<i>The percentage of stakeholders (employers and communities) who agree or strongly agree that graduates of vocational qualifications and microcredentials have relevant skills and knowledge.</i>	●	●	●		
3.	<i>The percentage of all National Certificate of Educational Achievement (NCEA) marker judgements unaltered following Review or Reconsideration of External Assessment Results processes.</i>		●		●	
4.	The percentage of school-approved Special Assessment Conditions applications that meet NZQA approval criteria.		●		●	●
5.	Percentage of schools that rated their overall confidence in the NZQA online assessment platform for the NCEA co-requisite assessments, as positive. (New measure for 2026/27)		●			●
6.	The percentage of digital results, in digitally available examinations. (New measure for 2026/27)		●			●
7.	The percentage of schools that have made sufficient progress to minimise ongoing risks to assessment credibility following a Managing National Assessment (MNA) review. (New measure for 2026/27)		●		●	●
8.	The percentage of survey respondents who agree/strongly agree that the information they received from the New Zealand Qualifications Authority met their needs.	●				●
9.	<i>The percentage of tertiary education organisations that agree or strongly agree that NZQA's Code Administration activities support their understanding and implementation of the Code's outcomes.</i>				●	

#	Performance measure (bold = Appropriations measures, italics = Impact measures)	Alignment with intermediate outcomes				
		1	2	3	4	5
10.	The percentage of investigations where identified risks or quality concerns have been managed appropriately through intervention or corrective action.				●	
11.	The percentage of non-university sub-degree tertiary programmes monitored that continue to meet the programme approval and accreditation criteria				●	
12.	<i>The percentage of tertiary education organisations that agree or strongly agree that NZQA's quality assurance practices support them to improve their performance.</i>				●	
13.	The percentage of overseas qualifications evaluated within 35 working days.			●		

Intermediate outcomes

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



Mana Tohu Mātauranga o Aotearoa
New Zealand Qualifications Authority