



NZQA

Mana Tohu Mātauranga o Aotearoa
New Zealand Qualifications Authority

NZQA
Performance Update

November – December 2024

Introduction

NZQA ensures that Aotearoa New Zealand qualifications and credentials are accepted nationally and internationally as credible and robust.

This is achieved through its stewardship of the New Zealand Qualifications and Credentials Framework, managing the qualifications system, regulating and quality assuring non-university tertiary education, delivering credible senior secondary school external assessment, quality assuring secondary school NCEA internal assessment, and administering the Education Code of Practice 2021.

Executive summary

This report summarises NZQA's performance in November and December 2024. It is designed to give readers a high-level picture of NZQA's performance at the time of writing so some items fall outside of this date range.

For the year-to-date NZQA has:

- Successfully delivered the 2024 end-of-year NCEA examinations and released results in early 2025.
- Submitted budget bids to Treasury for NCEA cost pressures (on external advice), Specialist Workforce costs and the initial stages of the Strategic Technology Enhancement Programme (STEP).
- Completed public consultation on the New Zealand Qualifications and Credentials Framework and an Integrated Quality Assurance Framework.
- Completed a financial reforecast that indicates a small financial surplus if things continue as expected.

Looking forward

Looking forward NZQA will:

- Continue to develop the STEP Detailed Business Case for Gateway Review in or around June 2025 in anticipation of final Cabinet approval in late 2025.
- Undertake a high-level review of our strategic regulatory approach, principles and priorities with support from the Ministry for Regulation.
- Work alongside MOE to provide options to strengthen NCEA to the Minister for consideration, following consultation with the Minister's NCEA Professional Advisory Group.

Strategic priorities

NZQA's Strategic Priorities are:

- 1** Perform core functions well, supported by strong corporate infrastructure.
- 2** Utilise right touch, right size regulation that balances the needs of all stakeholders.
- 3** Improve stakeholder understanding of qualifications and credentials.
- 4** Leverage digital solutions to increase business efficiency and quality.

This section discusses work underway to achieve selected priorities.

Progress on selected strategic priorities

Utilising right touch, right size regulation

The NZQA Board has established a strategic objective to 'utilise right touch, right size regulation that balances the needs of all stakeholders'.

To achieve this NZQA will prioritise reviewing and updating its regulatory framework and reducing regulatory duplication and burden to enhance system performance.

Over the last three months NZQA has:

- Agreed a Terms of Reference with the Ministry for Regulation to guide a high-level review of NZQA's regulatory approach.
- Begun research into best-practice regulatory approaches and the economic impact of intervention.
- Consulted on Rules changes to reduce some language testing requirements for tertiary international students.

Looking forward, NZQA will:

- Initiate the process with an NZQA Board workshop on 20 February 2025
- Form internal and external steering, working and advisory groups to undertake the review.
- Include representatives from the Ministry for Regulation, Ministry for Education and Maritime New Zealand (as a regulatory partner) on the steering group.

Improving financial management and sustainability

NZQA has a Financial Stabilisation Plan designed to ensure the organisation is operating in a surplus position by 30 June 2026.

The Plan has eleven complementary priority actions designed to work together to stabilise NZQA's financial position.

Over the last three months:

- NZQA advanced action 1 – Reset our strategy, setting a clear direction and focus for the next 18 – 24 months.
- NZQA reforecast its end of year position. The reforecast indicates budget will be achieved.
- NZQA submitted three Budget Bids to The Treasury for: NCEA cost pressures (following on from external review showing an underfund of \$14.23m); Specialist (examination) workforce wages and associated recruitment and onboarding support costs; and Strategic Technology Enhancement Project (STEP) Establishment Phase to address NZQA's legacy IT systems.

Looking forward NZQA will:

- Continue to progress the Financial Stabilisation Plan actions. NZQA will advise the Minister and MOE as work progresses (next update in April 2025).

Progress on selected strategic priorities cont.

Stabilising and future proofing IT systems

NZQA's core technology platforms are aging and no longer fit for purpose which drives an increasingly high maintenance demand. This presents a risk of platform failure which could lead to service disruption or failure.

Over the last three months NZQA has:

- Fully allocated its \$10m Capability Improvement Programme (CIP) funding to a range of projects focusing on work to stabilise legacy systems, prepare for legacy system replacements and enhance NCEA.
- In November 2024, the Cabinet agreed that NZQA should continue with the development of a STEP Detailed Business Case.

NZQA is progressing the upgrade of its core technology platforms in its Strategic Technology Enhancement Programme (STEP).

Looking forward, NZQA will:

- Continue to develop the STEP Detailed Business Case for Gateway Review around June 2025 in anticipation of final Cabinet approval in late 2025.
- Continue to review and update the Business Case Jan-June 2025 in line with The Treasury Better Business Case (BBC) process, with the expectation that it will be available for Cabinet consideration September/October 2025.
- Start planning the next steps for 2025-26 if the Budget bid to achieve some early progress in the STEP programme whilst the Business Case is progressed and approved. This bid was recommended by a Gateway review.

Secondary Assessment

NZQA administers, quality assures and reports on senior secondary credentials (including NCEA, New Zealand Scholarship and University Entrance). Responsibilities include:

- 1** Quality assuring senior secondary schools' assessment systems through Consent to Assess and Managing National Assessment Reviews.
- 2** Moderating internally assessed achievement standards and providing assessor support.
- 3** Delivering external NCEA and New Zealand Scholarship assessments.

This section discusses work underway to achieve selected priorities.

Strategic priorities

End-of-Year Examinations:

The End-of-Year examinations were held in November 2024 with marking completed by 24 December 2024. NCEA results were released on 15 January 2025, and New Zealand Scholarship results are planned to be released on 11 February 2025.

In the year to date, we were notified of 871 possible breaches¹ in external assessments and examinations. Of which:

- 215 were from the co-requisite standards
- 363 were from submitted external assessments
- 293 were from the End-of-Year examinations.

863 possible breaches have been fully investigated with 411 found in breach and the result withheld. 321 received a warning and 131 were not in breach following investigation

In 2024, we implemented a new Human Capital Management (HCM) system to support the management of our contracted examination workforce. Complex issues emerged during the rollout impacting the recruitment, onboarding and payment of this workforce to support the 2024 end-of-year examinations. Most of the issues were resolved prior to the commencement of examinations with over 5,000 contractors paid on 19 December 2024. The remaining payments were scheduled for January and February 2025.

An independent 'lessons learned' review of the HCM system will be undertaken in February / March 2025.

NCEA co-requisite assessments

Results from the second Literacy and Numeracy | Te Reo Matatini me te Pāngarau co-requisite assessment were released on Friday 29 November 2024. Te Reo Matatini me te Pāngarau Kete Manarua results were released alongside overall NCEA results on 15 January 2025, as these were submitted late October 2024.

To ensure accuracy and robustness of the solution, NZQA extended the timeline of the Automated Marking pilot for the Literacy

Strengthening NCEA

NZQA continues to work with the Ministry of Education on advice to the Minister regarding potential activities that could be undertaken to strengthen NCEA. More specifically, NZQA is leading the development of advice to strengthen quality assurance of internal assessment.

(Writing) assessment. An update on the outcomes from this pilot and the approach to shortening timeframes of all co-requisite assessments will be provided to the Minister in early 2025, instead of December 2024.

Development of the first 2025 Literacy and Numeracy | Te Reo Matatini me te Pāngarau assessments, to be held in May, is underway.

This aligns with work NZQA already has underway to strengthen quality assurance of school-based assessment as part of NZQA's Capability Investment Programme.

Options to strengthen NCEA will be provided to the Minister for consideration, following consultation with the Minister's NCEA Professional Advisory Group.

1. NZQA breaches refer to violations of the assessment rules and procedures set by for external assessments. For more information visit our website, <https://www2.nzqa.govt.nz/ncea/ncea-rules-and-procedures/breaches-of-exam-rules/>

Activity Overview

Digital 2024 End of Year Exams

The Digital Assessment Platform (the Platform) performed well during the 2024 end-of-year examinations. NCEA Level 1 English was the largest subject assessed digitally, with over 25,300 students. This follows improved alignment of work planning and testing processes with the vendor to ensure that the platform is stable during periods of high user traffic.

NZQA and our vendors continue to undertake work to improve platform performance, including better aligned functional and performance testing, ahead of the first 2025 Literacy and Numeracy | Te Reo Matatini me te Pāngarau assessment event scheduled for May 2025.

Special Assessment Conditions

NZQA supports the provision of Special Assessment Conditions for students sitting external assessments and examinations and who have a range of physical, emotional, sensory, medical and learning needs. These conditions help remove barriers and provide flexibility in how learners can access assessments and demonstrate their learning without providing an unfair advantage over other students.

In 2024, over 21,000 students accessed SAC entitlements with majority of applications submitted under the Learning needs category. Table 1 breaks down the overall applications by Equity Index Group. Please note that the 2024 results are still provisional.

Table 1: Percentage of students who accessed SAC entitlements, by Equity Index Group

EQI Group	2023	2024
Fewer	9.9%	10.6%
Moderate	8.1%	8.8%
More	4.5%	5.6%
Unknown	12.4%	13.0%

The trial of a Notifications Gateway, which began in 2023, was extended into 2025 to allow for a comprehensive review following the conclusion of the 2024 academic year. This Gateway process recognizes that schools and kura have the best understanding of their students. It requires them to gather evidence and notify us of SAC provisions for NCEA Level 1 students, rather than seeking external approval. We actively monitor the use of the Notifications Gateway and conduct targeted investigations where necessary to ensure it is used appropriately.

During 2025, NZQA will be undertaking an internal review of the provision of SAC and how SAC is applied in schools.

Activity Overview (contd)

Quality Assurance

In 2024, NZQA planned to carry out 138 Managing National Assessment reviews. By the end of December 2024, 133 reviews were completed. Of those completed, 90.2% of schools and kura are “effective” or “highly effective”. The five schools and kura that were not reviewed will be prioritised in 2025.

By the end of December 2024, out of approximately 9,731 assessment standards planned for moderation in 2024, schools and kura had submitted samples of assessed work for moderation for 8,482 assessment standards. All samples were due to be submitted for moderation by 21 October 2024, with some exceptions due to internal assessments being held later in the year (particularly for performance subjects).

International engagement

As New Zealand’s designated National Education Information Centre, NZQA works with education providers, employers, other agencies and other countries to support the recognition of New Zealand qualifications overseas. NZQA continues to provide up-to-date information on changes to NCEA, with Germany and Thailand confirming they have updated their information to reflect the changes in November. In December, NZQA presented on NCEA at two webinars hosted Education New Zealand. These were attended by over 300 people from 18 countries.

In October, NZQA hosted a delegation from the Shanghai Municipal Educational Examinations Authority (SMEEA), an agency responsible for major secondary examinations, including for entrance into tertiary-level education. Subjects discussed include NCEA and University Entrance requirements and the development, quality assurance and delivery of NCEA external assessments and examinations. NZQA also gained an insight into their evolving digitalisation journey, including centralised digital examination monitoring.

Over the next few months

Upcoming priority activities include:

- The evaluation of the Auto Text Scoring pilot for the Literacy (Writing) co-requisite assessment, which will be completed by 31 January 2025. We will brief you on the results of the pilot.
- Developing annual national external moderation summaries to inform 2025 school external moderation plans.
- Preparing for the Leading National Assessment seminars we run in February to support school and kura leaders implement policies and processes for credible assessment.

Qualifications and TEO Quality Assurance

NZQA is responsible for:

- 1** Maintaining the New Zealand Qualifications and Credentials Framework (NZQCF)
- 2** Quality assurance of tertiary education organisations (excluding universities).
- 3** Setting Rules for and monitoring tertiary education organisations (TEOs)
- 4** Administering the Education (Pastoral Care of Tertiary and International Learners) Code of Practice 2021
- 5** Recognising international qualifications and supporting the international recognition of New Zealand qualifications
- 6** Meeting New Zealand's education-related international obligations

This section discusses work underway to achieve selected priorities.

Key areas of work

Public consultation on changes to the NZQCF and NZQA Rules

Public consultation on the updated NZQCF and NZQA Rule changes took place from 3 October to 17 November 2024.

We held information sessions with 230 attendees and received 44 submissions, the majority from education providers. We also received submissions from Workforce Development Councils, peak bodies and Universities New Zealand.

Submissions expressed general support for the proposed changes to the NZQCF. Areas identified for further work include:

- design of the visual representation and NZQCF brand (see the current logo opposite)
- taking a “best fit” approach to the level descriptors.



Te Taura Here Tohu Mātauranga o Aotearoa
New Zealand Qualifications & Credentials Framework

We also sought feedback on Rule changes as part of the public consultation.

We will continue to proactively identify areas where there could be process efficiencies or cost savings for providers by refining our rules.

Public consultation on the Integrated Quality Assurance Framework (iQAF)

Public consultation on a draft integrated Quality Assurance Framework (iQAF) took place between 29 October and 10 December 2024.

We held public information sessions with 187 attendees and received 62 submissions from from PTEs, peak bodies, WDCs, other regulatory bodies, Te Pūkenga business divisions, and individuals.

Submissions expressed general support for the proposed changes, agreeing with the four quality assurance cornerstones. There is strong support for a shift to more targeted, risk-informed monitoring and compliance management.

Concerns expressed included how to acknowledge high quality and what should be included in a TEO self-review.

We have progressed the detailed design of several key components:

- The annual self-review, which we intend to pilot with willing providers to test and learn
- Our risk framework to prioritise our monitoring
- An environmental scan to identify systemic risks.



Activity Overview

Since November 2024

Progress and achievements include:

- On 3 and 4 December, NZQA, as President of the Asia-Pacific Network of National Information Centres (APNNIC) and UNESCO Tokyo Qualifications Recognition Convention, co-hosted the **4th APNNIC Plenary** (online) in conjunction with UNESCO Bangkok.
- The plenary was to discuss qualifications recognition, to support good practice and to build the capability of National Education Information Centres.
- The 2-day Plenary was attended by over 90 education leaders from 28 countries and included two presentations by NZQA staff.
- On 17 December the **UNESCO Global Convention on the Recognition of Qualifications concerning Higher Education** entered into force with respect to New Zealand with NZQA the recognition agency.
- We hosted several delegations, including from the **South African Qualifications Authority (SAQA)** giving effect to our revised Memorandum of Cooperation signed in 2023.
- We wrote to around 460 immigration agents and lawyers to inform them of our **strengthened document verification requirements** for international qualifications recognition. Applications containing all the required and verified documents are evaluated by NZQA within five working days.
- The six **Workforce Development Council (WDC)** biannual monitoring reports were completed. We found that all WDCs are meeting statutory requirements. No significant concerns were identified.



Over the next few months

- Publish the updated NZQCF
- Seek Board and Ministerial approval to change the Rules via a Parliamentary Gazette Notice.
- Undertake a high-level review of our strategic regulatory approach, principles and priorities with support from the Ministry for Regulation (scope includes our secondary school assessment functions).

Other priority activities include:

- Detailed design work for the implementation of the iQAF, including integrated monitoring, system assurance, and a redesigned fees model for quality assurance.
- Continuing to monitor the quality of homestays, particularly for school children, and publish advice to homestay providers.

Financial performance for the period ended 31 December 2024

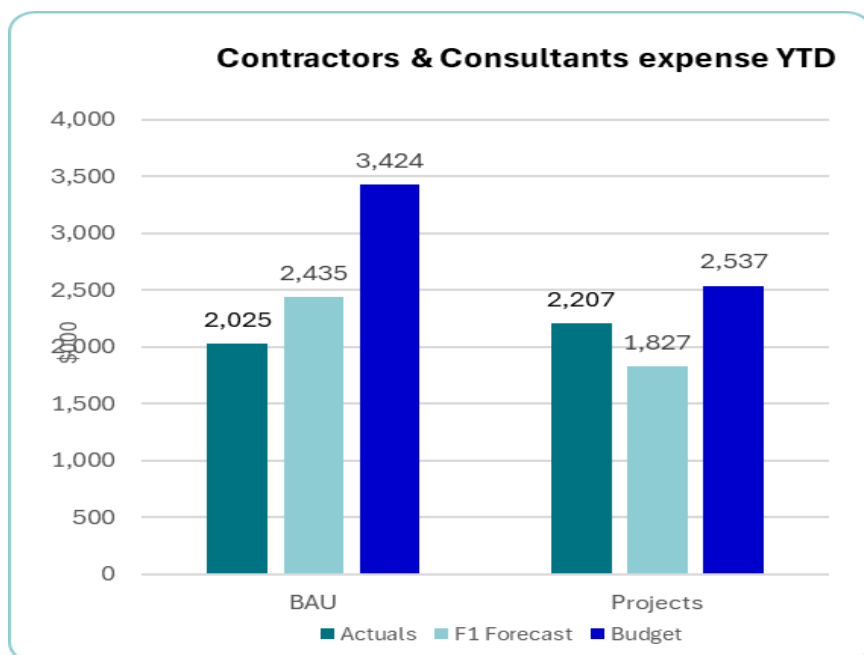
A revised Forecast was completed in Quarter 2. Forecast full year 'Net surplus / (deficit)' improved from the Statement of Performance Expectations (SPE) Budget deficit of -\$2.1m to a Forecast surplus of \$0.9m, taking into account net savings achieved and some anticipated reduction / deferral of costs.

The Actual net surplus for December 2024 year-to-date (YTD) was \$5.0m, a favourable variance of \$0.4m compared to Forecast.

All figures are in \$000s									
	Year to date					Full Year			
	Actual	Forecast	Variance Actual to Forecast	Budget	Variance Actual to Budget	Forecast	Budget	Variance Forecast to Budget	Last Year
REVENUE									
Crown Revenue	48,146	48,146	0	48,146	0	79,575	79,575	0	81,991
Total Fee & Charges	16,826	17,535	(710)	17,211	(385)	29,201	28,866	335	30,557
Other Income	1,488	1,257	231	275	1,213	2,087	550	1,537	1,988
Total Revenue	66,460	66,939	(479)	65,632	828	110,863	108,991	1,872	114,536
EXPENSES									
Personnel & Board	29,053	28,671	(382)	28,820	(233)	57,308	57,567	259	62,840
Examination Workforce	10,489	10,785	295	10,664	175	12,035	10,716	(1,319)	10,788
Specialist Workforce (SWF)	7,907	9,412	1,505	8,662	755	13,466	12,170	(1,296)	12,005
Professional Services	2,680	3,113	433	4,090	1,410	5,901	6,726	825	15,341
Publication, print & distribution	3,172	3,163	(9)	3,360	188	3,803	4,000	197	4,171
Travel & accommodation	530	860	331	1,284	754	1,643	1,940	297	1,865
IT costs	4,847	4,532	(314)	4,257	(590)	8,915	8,443	(472)	8,361
Other operating	2,730	2,827	97	3,136	406	7,011	7,392	381	7,520
Depreciation	848	960	112	1,416	568	2,096	2,831	735	2,115
Total Expenses	62,256	64,324	2,068	65,689	3,433	112,177	111,784	(393)	125,007
Net operating surplus/(deficit)	4,204	2,615	1,589	(57)	4,261	(1,315)	(2,793)	1,478	(10,470)
PROJECTS									
Crown Funding	4,997	4,997	0	4,997	0	10,000	10,000	0	0
Expenses	4,176	2,975	(1,200)	4,740	564	7,734	9,335	1,600	0
Net investment in projects	821	2,021	(1,200)	257	564	2,266	665	1,600	0
Net surplus/(deficit)	5,025	4,636	389	200	4,825	951	(2,128)	3,079	(10,470)

Insights – Financial performance

- 1. Actual net surplus** for December 2024 YTD was \$5.0m, a favourable variance of \$0.4m compared to Forecast. This favourable result was driven by operating expenses being under Forecast in Examination workforce (including SWF), Professional services and Travel costs, but partially offset by higher Personnel and IT costs. Some variances in Examination workforce and SWF may be due to timing as costs continue to be incurred for the examination period in January 2025. Under revenue, 3rd party fees and charges were tracking behind Forecast, with some recovery expected in the second half of the financial year. This shortfall was partially offset by higher other income YTD, mainly in interest income.
- 2. Projects** mainly relate to the Capability Improvement Programme, which was funded by a one-off \$10m from the Crown. The net investment in Projects YTD reflected a small underspend of \$0.8m. Project expenses are expected to fall more into the second half of the year. The next revised forecast in Quarter 3 will further assess how much of the project delivery and costs may need to be phased into 2025/26.
- 3. Full Year Forecast:** NZQA completed a revised Forecast for the full year 2024/25 in Q2. The net surplus/(deficit) position is forecast to improve by \$3.1m, from a SPE Budget net deficit of -\$2.1m to a Forecast net surplus of \$0.9m. This favourable movement was due to a combination of better than planned operational results of about \$1.5m, and a rephasing of some 2024/25 project expenditure to 2025/26 of approximately \$1.6m.
4. Another revised forecast for 2024/25 is scheduled to be completed in Q3, followed by the SPE Budget for 2025/26.
- 5. Contractor and Consultant** expenses are reported under the 'Professional services' expense category. The SPE Budget was reduced in the Forecast in anticipation of savings. Total YTD Contract and Consultant expenses for BAU were tracking favourably to Forecast. However, some of this is timing related as some Contractor and Consultant expenses are specifically planned to be incurred in the second half of the financial year.



Financial performance (contd)

The Balance Sheet as at 31 December 2024 remains strong, with a working capital ratio of 1.3, and cash position at approximately \$28.3m.

	All figures are in \$000s		
	31/12/2024	30/06/2025	30/06/2024
	Actual	Budget	Last Year
Current Assets	50,529	21,239	22,530
Non-Current Assets	3,615	2,307	4,519
Total Assets	54,144	23,546	27,049
Current Liabilities	36,239	14,350	14,169
Non-Current Liabilities	444	550	444
Total Liabilities	36,683	14,900	14,613
Net Assets	17,461	8,646	12,436
Net Equity	17,461	8,646	12,436

Insights – Balance Sheet

- Total Current assets** was high as at 31 December 2024, with \$43.6m in cash and short term deposits. Of this, \$15.3m was on account of Crown funding received in advance, which will be gradually applied over the remaining months of the financial year.
- Cash position** remained strong on the back of positive YTD financial results. Working capital ratio was maintained at 1.3. Cashflow are tightly managed to cover the balance of the year when the level of Crown funding gradually drops, and higher level of expenditure are planned.
- Net equity** as at 31 December 2024 was higher compared to original Budget 30 June 2025. Last financial year finished better than originally planned, and the financial results have been more favourable YTD.

Non-financial performance

NZQA’s 2024/25 Statement of Performance Expectations includes ten performance measures and thirteen appropriations measures.

This report outlines progress on a selection of these measures based on relevance and information availability.

Sub-degree programme monitoring

The percentage of non-university sub-degree tertiary programmes monitored that continue to meet the programme approval and accreditation criteria.

Target
65%

YTD
65%



Measure on target, no commentary required

Past results

New measure in 2023/24	2023/24
	69%

NZQA owned standards review

The percentage of New Zealand Qualifications Authority-owned standards maintained by their planned review date.

Target
95%

YTD
100%



Measure on target, no commentary required

Past results

2021/22	2022/23	2023/24
100%	100%	100%

Non-financial performance

NZQA's 2024/25 Statement of Performance Expectations includes ten performance measures and thirteen appropriations measures.

This report outlines progress on a selection of these measures based on relevance and information availability.

International qualification evaluation

The percentage of overseas qualifications evaluated within 35 working days.

Target
70%

YTD
97%



Measure on target, no commentary required

Past results

New measure in 2023/24

2023/24
97%

Quality of information received from NZQA

The percentage of survey respondents who agree/strongly agree that the information they received from the New Zealand Qualifications Authority met their needs.

Target
75%

YTD
61%



- The lower quarterly result was largely driven by the volume of calls and emails relating to the Specialist Workforce recruitment and onboarding experience. This was also driven by the end-of-year NCEA external assessments (November 2024) with a higher volume of calls from students and schools.
- NZQA is implementing several mitigations, including automation using GenAI Chatbot and staff training for dealing with high-volume mailboxes, which will assist NZQA in improving the performance against this measure.

Past results

2021/22
69%

2022/23
69%

2023/24
68%

FTE Analysis

Division	Back Office	Front Office	Total
Assessment	6.0	176.5	182.5
Quality Assurance	1.9	128.7	130.6
DCE Māori	8.0	0.0	8.0
DCE People and Culture, and Pasifika	26.9*	0.0	26.9
Strategy and Corporate	109.6	12.0	121.6
CEO's Office	8.0	0.0	8.0
Total	160.3	317.1	477.4

As at 31 December 2024, NZQA has 477.4 FTEs in roles across the business. 317.1 (66%) of FTEs are in front office roles.

The remaining 160.3 (34%) are in back office roles. NZQA is actively managing vacancies and its front-office / back-office split as a part of its Financial Stabilisation Plan.

*includes the 18.0 People and Capability FTE who report to the DCE Pasifika.