



Te Pūrongo Ā-Tau

Annual report

2019/20



NEW ZEALAND QUALIFICATIONS AUTHORITY
MANA TOHU MĀTAURANGA O AOTEAROA

QUALIFY FOR THE FUTURE WORLD
KIA NOHO TAKATŪ KI TŌ ĀMUA AO!

The New Zealand Qualifications Authority (NZQA) ensures that New Zealand qualifications are valued as credible and robust, both nationally and internationally.

‘Kia noho takatū ki tō āmua ao’

‘Qualify for the future world’

NZQA is a Crown entity as defined in the Crown Entities Act 2004.

Whakatauaākt

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

The bird that partakes of the berry,
theirs is the forest. The bird that partakes
of knowledge, theirs is the world.
(Te Kere Ngataierua, Te Āti Haunui-a-Pāpārangi)

ISBN 1172-823X (Print) September 2020

ISBN 1177-7966 (Online) September 2020

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He whārangī ihirangi

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Te Wāhanga Tuatahi: He whakamārama i ā mātou mahi

Part One:
Introducing our work



He tirohanga mō te tau

Our year at a glance



This year more than 1,900 participants have engaged in NCEA workshops designed to provide information to Māori and Pacific families and whānau



Kete Mātauranga resource packs were refreshed and translated for eight qualifications to support secondary schools

Based on feedback, assessment booklets for Mahinga Kai, Tikanga and Māori Performing Arts were translated into te reo Māori for use in Māori immersion environments



Processed 2,311 applications relating to tertiary programmes



45 micro-credentials were approved in the 2019/20 financial year



17,477 international qualification recognition applications processed



80,037 samples of student NCEA work were externally moderated



6,000 examination staff and 1,630 markers delivered the 2019 NCEA and New Zealand Scholarship examinations³



9 domestic code workshops were delivered and 643 international code enquiries actioned



Early preparation and better assistance for schools resulted in a 9.5% (417 calls) drop in total calls seeking assistance during NCEA results release



16,362 ākonga completed mātauranga Māori qualifications



Completed 103 qualification reviews and 364 consistency reviews



85 responses to the NZQF Review consultation received

1, 2, 3 Annual Report NCEA, University Entrance and NZ Scholarship Data and Statistics 2019.

* EER – External Evaluation Review

** TEO – Tertiary Education Organisation

*** RoVE – Reform of Vocational Education



Over 487 examination developers prepared external assessment for more than 129 examination sessions for NCEA and New Zealand Scholarship



12,754 students accessed Special Assessment Conditions to help remove barriers to fair assessment for their qualifications



Over 6,900 students sat one or more New Zealand Scholarship examinations, with 2,147 awarded one or more scholarships across 35 subjects



75 stakeholders participated in the NZQA RoVE* 'sandbox' discussion**



NCEA Online:

The largest digital examination cohort was **4,800 students** for English Level 1.

35 digital exams were offered and 14,343 students from 197 schools participated in at least one NCEA Online digital exam.

A student satisfaction survey of the 2019 digital exams reported a **97% positive** experience.

11% of Māori and 6.9% of Pacific students who completed exams did at least one digital exam. The comparable figure for all students is 11.1%.

Level 3 – proportion of digital results by ethnicity

	2019	2018
Māori	10.2%	3.4%
Pacific Peoples	4.2%	2.2%
Other	12.7%	4.2%
TOTAL	12.3%	3.9%



Conducted 100 EERs* and 77 programme monitoring activities for TEOs**



48 Best Practice workshops were held for 1,117 teachers nationwide



Approx. 140,000 students undertook 129 examination sessions held at 418 centres nationwide¹



1,121,283 external entries for NCEA and New Zealand Scholarship²

Ngā mahi tautoko i te mate urutā (COVID-19)

COVID-19 response and support



Secondary education

2020 submission dates for externally assessed portfolio subjects were delayed by one week and external examinations delayed by 10 days

Thresholds for endorsements were adjusted, as were credit requirements for University Entrance and Learning Recognition Credits were introduced

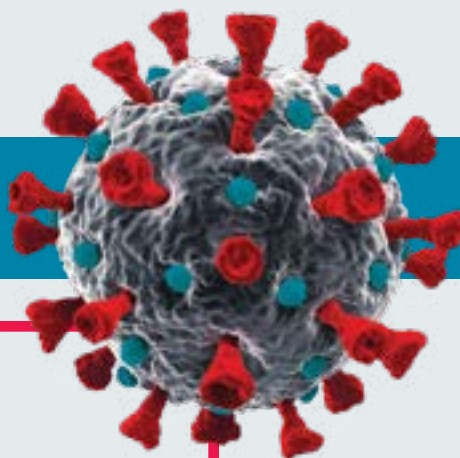
Verification requirements for NCEA Level 1 and 2 Visual Arts portfolios were waived, which gave more time for portfolio completion and marking

Submission dates for portfolio subjects, like Design and Visual Communication, were extended to give more time for preparation

During lockdown and beyond, **18 School Relationship Managers** supported 480 schools in assessing NCEA via email, phone and webinar to provide advice and guidance on managing the NCEA COVID-19 response package

We developed and published **632 templates** to enable assessment during distance learning as well as Assessment Matrices for 43 Achievement Standards and 13 for Unit Standards; plus 44 adapted Assessment Resources

NZQA hosted **14 authentic assessment** of distance learning webinars, which were attended by 371 teachers, with recordings accessed by a further 3,500 teachers



Tertiary education (non-University)

231 TEOs received temporary approval for programme and training scheme delivery changes

16 TEOs were given approval for offshore online delivery to current international students

318 international students in 25 countries are continuing their programme of study offshore

Average temporary approval processing time was **2 days**

Rescheduling external evaluation and reviews

Extending temporary online delivery approvals

An **option to defer** the Private Training Establishments annual fee payment (on request)

An **option for Private Training Establishments** to remain registered while inactive

Extending acceptance of online English language testing to offshore students

Deferring international code annual self-review attestations to 1 December 2020



Regulatory activities completed during COVID-19 lockdown:

17 external evaluation and reviews

8 programme monitoring activities

347 programme approval and accreditation applications processed





He kupu takamua nā te Tiamana o te poari matua me te Pouwhakahaere

Foreword from the Board and Chief Executive

Each year brings unique challenges and opportunities, with the COVID-19 global pandemic having significant effects on the last third of the 2019/20 financial year. Despite the impacts of COVID-19 on the education sector, NZQA was able to continue delivering its work programme while adapting to meet the changing needs of learners, providers and our other stakeholders.

This work programme has embedded our two strategic priorities of equity and lifelong learning, which were adopted in 2019.

Mā te mana taurite ki te whai tohu mātauranga te ahunga tātai oranga e tautoko

Equity of access to qualifications supports intergenerational wellbeing

For NZQA to achieve its vision of helping learners to 'Qualify for the future world: Kia noho takatū ki tō āmua ao', learners need equitable access to qualifications and educational opportunities including the National Certificates of Educational Achievement (NCEA).

Whilst there were modest increases in Māori and Pacific achievement in 2019, the gaps in achievement are still deeply concerning, and we continue to work alongside other government agencies, schools, teachers, whānau and learner and community leaders to drive towards a goal of equitable outcomes.

NCEA and the Whānau and NCEA ma le Pasifika workshops continue to be key parts of our engagement with Māori and Pacific communities. Over 1,900 whānau have attended one of these workshops this year, and we are investigating whether online delivery might allow for larger audiences and improved accessibility.

In June 2020, consultation opened on Te Kōkiritanga – our strategy for Māori learner success – and our Pacific Strategy, Takiala Pasifika. Each of these aims to address equity concerns by focusing on the areas of Community Voice, Partnerships, Pathways, People, and Equity and Excellence.

We continue to recognise and value the support of Ngā Kaitūhono (NZQA's Māori external strategic group), whose members provide thought leadership in Māori learner success and building mātauranga Māori into the system.

NCEA Online

The ongoing development of NCEA Online continues to be a key part of NZQA's equity programme, as engaging in digital learning and assessment prepares Māori and Pacific learners for a global, connected future. NCEA Online also continues to offer opportunities to improve the accessibility of examinations for people with disabilities and learning support needs.

Interest in NCEA Online has continued to climb year-on-year, with an approximate 300% increase in students and 400% increase in schools participating in NCEA Online in 2019. The increased focus on digital teaching, learning and assessment during the last quarter of the year, have emphasised the importance of having access to digital devices, and confidence in using them. The Government's Budget 2020 commitment of additional funding until the end of the programme in 2022, and then ongoing baseline funding, to support an expansion of NCEA Online reflects the progress made to date and the opportunities for learners ahead.

In 2020, all three NCEA levels of Te Reo Māori, Te Reo Rangatira and Gagana Sāmoa will be available as digital examinations, where only Level 1 Te Reo Māori and Te Reo Rangatira have been available until now. We are also working with kura to support them in becoming digital examination centres, so Māori learners can sit examinations in familiar environments.

Ka hāpaitia ngā tohu mātauranga o Aotearoa kia ako mō te ora ngā tonutanga

New Zealand qualifications enable lifelong learning

NZQA has continued to focus on administering the New Zealand Qualifications Framework (NZQF) in a way that ensures quality-assured credentials remain relevant to people from all walks of life.

The NZQF is the backbone of New Zealand's qualifications system, and this year's review is helping to ensure it remains fit for purpose and flexible to the future needs of learners, employers,

communities and iwi. The review includes proposals that are not only designed to make the NZQF easier to understand, but also to better reflect New Zealand's cultural context. A refresh of the NZQF will help provide the right environment for people to plan for lifelong learning, and enable employers to recruit and retain people with the skills they need.

Meanwhile, our quality assurance work has continued to support New Zealand's international reputation for providing excellent education, whilst fostering best practice across the tertiary sector. Our strong working relationships with Immigration New Zealand and Public Trust have served us well and provided the foundation for a collaborative approach when supporting international students.

To support the crucial role of vocational training in lifelong learning, and the Government's Reform of Vocational Education, NZQA has been involved in a new quality assurance framework for the New Zealand Institute of Skills and Technology (NZIST), which came into existence on 1 April 2020. Work is now underway on the independent processes which will assure qualifications issued by NZIST and its subsidiaries.

Our publication of the *Annual Report NCEA, University Entrance and NZ Scholarship Data and Statistics* is one example of how we can contribute to a broader understanding of the education sector's emerging trends and changing needs. This evidence-based approach can also help to drive the direction of our work.

On 1 January 2020, NZQA became the administrator of the Education (Pastoral Care of Domestic Tertiary Students) Interim Code of Practice, which complements our role in monitoring the pastoral care of international students. While the interim domestic code is in place, our initial focus has been on informing tertiary students of the support they can expect while studying, and helping providers to meet their responsibilities. We will be working across the tertiary education sector – including with the Ministry of Education, Universities New Zealand and tertiary education providers – to build capability and understanding of the code.

Te mate urutā (COVID-19)

COVID-19

In the last third of the year, the disruption caused by COVID-19 required NZQA to adjust many of its services and support our customers in different ways.


Staff at NZQA were able to quickly move to remote working, allowing us to focus on continuing core business and meeting the needs of customers as international borders closed and schools transitioned to remote teaching, learning and assessment.

NZQA supported secondary schools to utilise the flexibility of NCEA, including providing guidance on remote assessment and over 600 standard-specific evidence gathering templates. We are also implementing changes to NCEA and University Entrance that recognise the impacts of disruption on learners; and supporting work to allow learners who are offshore and unable to return to New Zealand to continue studying towards NCEA. We are also encouraging all schools to build on the online experience they developed during the COVID-19 response period by trying NCEA Online assessment in their schools. We have brought forward work to facilitate the use of the NCEA Online platform for practice examination use in 2020.

We are also working with tertiary education organisations to support the wellbeing of learners and assure the quality of education being delivered during this period while, where possible, taking account of the pressures many providers face.



Neil Quigley
ACTING BOARD
CHAIR



Lyn Provost
RISK AND ASSURANCE
COMMITTEE CHAIR



Grant Klinkum
CHIEF EXECUTIVE

Ngā aumihi nui ki te Pouwhakahaere

Acknowledgement to the Chief Executive

In April 2020 NZQA farewelled Dr Karen Poutasi after 13 years as Chief Executive. The Board expresses our thanks to Dr Poutasi and has welcomed the appointment of Dr Grant Klinkum to this crucial leadership role.

Te whakarāpopototanga

Conclusion

The experience of COVID-19 will have deep and lasting global impacts that we could not have anticipated at the beginning of this financial year. For NZQA, the reduction in people coming to study and work in New Zealand affects both demand for our services and third-party revenue. With this likely to affect at least the next two years, potential flow-on effects are being considered and will need to be carefully managed. While the education sector has responded quickly to the disruption caused across communities, we have confidence schools and tertiary education organisations will adapt successfully. NZQA is well placed and ready to play its part in addressing any additional challenges from the ongoing global pandemic, and to embrace the opportunities presented as we help learners 'Qualify for the future world: Kia noho takatū ki tō āmua ao'.

Te mauri me te korahi o ā mātou mahi

The nature and scope of our functions

Tō mātou tāpaetanga ki te pūnaha mātauranga

Our contribution to the education system

The Government's *Shaping a Stronger Education System with New Zealanders*⁴ Portfolio Work Programme is based on the following objectives:

- Learners at the centre
- Barrier-free access
- Quality teaching and leadership
- Future of learning and work
- World class inclusive public education.

NZQA's strategic outcomes framework outlined in this *Annual Report* incorporates these key drivers. This is evidenced by our focus on equity for Māori and Pacific learners, as well as learners with disabilities and additional learning needs and socio-economically disadvantaged learners.

We work closely and in collaboration with the wider government sector, colleague education agencies and other key stakeholders to gain synergies and deliver the best impact. We recognise that through working together we can more effectively help create the acceleration in learner achievement and system performance required for New Zealand's success.

An example of our collaboration with schools is our work with the Education Review Office and the Ministry of Education regional offices to provide NCEA data to inform discussions about equity in STEM (science, technology, engineering and mathematics) subjects. Likewise, collaboration is fundamental to our work in reviewing the NZQF. We will continue these and other collaborations in support of the Government's *Shaping a Stronger Education System with New Zealanders* Portfolio Work Programme.

Education system changes are proposed through a number of reviews. We are working with colleague agencies on the changes proposed to ensure that the way our services are delivered in the next three or four years is responsive to government decisions. For schooling these include the NCEA Review. NZQA is reviewing its qualifications and quality assurance settings to enable a more integrated vocational education system which better meets the needs of industry and reflects the intent of the Reform of Vocational Education.

4 <https://conversation.education.govt.nz/conversations/shaping-a-stronger-education-system-for-all/>

Equity

Our focus on equity is at the core of the work we do. It is not enough to just focus on equity at an individual project level: rather, we have built in equity as an integral part of every piece of work we do. We do this through building relationships and empowering people and organisations by assisting them to improve their understanding and also improving our understanding. Examples of this focus include:

- *kura engagement to address achievement and equity issues by sharing best practice with kura and identifying ways for NZQA to better meet kura needs*
- *working with whānau and Pacific families to improve their understanding of NCEA to enable them to better support learners*
- *sharing NCEA achievement and intelligence data with both iwi and Pacific groups, and education sector agencies*
- *sharing equity data and good-practice examples with schools and iwi to encourage wider Māori and Pacific uptake of NCEA Online*
- *using student feedback to co-design digital examinations*
- *building our staff's cultural competencies by becoming a te reo learning organisation.*

Te wāhi ki a mātou

Our role

Our primary role is to ensure that New Zealand qualifications are accepted as credible and robust, both nationally and internationally. We do this through our work to quality assure non-university tertiary education, regulate tertiary education, deliver robust senior-secondary-school-level assessments and credentialling, and improve the qualifications system.

Our vision, 'Qualify for the future world: Kia noho takatū ki tō āmua ao', encapsulates our role and ambition for learners and for New Zealand. Our performance is a vital element of making New Zealand's education system world leading and accessible to all learners.

Ngā mahi matua

Key functions

Ngā tohu

Qualifications

The NZQF is the definitive source of accurate information about all quality-assured New Zealand qualifications – covering secondary school and tertiary education for both domestic and international learners. The NZQF is designed to optimise the recognition of a learner's achievements and contribute to New Zealand's economic, social and cultural success.

Te whakaū kounga

Quality assurance

Our quality assurance role is directed towards supporting higher levels of trust and confidence in education outcomes for the tertiary education system. We set the statutory rules for the whole tertiary education sector and manage quality assurance in the non-university part of the tertiary sector.

Aromatawai

Assessment

We administer, quality assure and report on three NCEA levels for senior secondary learners (and for a smaller number of learners outside the secondary school system) and New Zealand Scholarship examinations. We do this through:

- Internal assessment for NCEA – by managing a system of quality assurance across schools' internal assessment, which includes scheduled reviews of schools' assessment systems, external moderation of internal assessment, and monitoring. We also provide workshops, seminars and other support as needed
- External assessment – we develop and administer NCEA and New Zealand Scholarship external assessment, including reports, portfolios and examinations.

Ngā rautaki takune

Strategic intentions

Te horopaki, te āhua me ngā mahi whakahaere o te wāhi

Our context and the operating environment we are working in

Our operating environment is constantly changing as education evolves and adapts to the demands of global learners and harnesses the power of digital technologies. Digital learning and assessment changes how and what learners learn; it also changes the opportunities available to support those with additional learning needs.

There is an increased focus on learner wellbeing, as reflected in the interim domestic code for tertiary learners. We are working to assure learner wellbeing as the administrator of both the international student code and the interim code covering domestic tertiary students.

The expectations of education are changing, and learners want greater flexibility in credentials. Significant equity issues still exist for Māori and Pacific learners and learners with disabilities and learning support needs, as well as those facing socio-economic disadvantage. Employers are looking for nimble and adaptable workers with a diverse range of skills and capabilities. The reforms in vocational education currently underway are expected to enable these changes. Overall the needs and expectations of learners and their whānau, employers, industry and iwi continue to evolve, demanding more of the education sector organisations.

We have a key role to play in addressing these challenges and opportunities through our quality assurance and assessment and credentialing roles; however, we cannot do this by ourselves. We work closely with our sector colleague agencies as well as education organisations, teachers and whānau.

Ko tō mātou hiahia e ai ki ngā whakatutukitanga

What we are seeking to achieve

NZQA's vision, 'Qualify for the future world: Kia noho takatū ki tō āmua ao', encapsulates NZQA's role and ambition for learners and for New Zealand. The performance of NZQA depends on its contribution to making the New Zealand education sector a world-leading education system that meets the needs of learners and employers. NZQA supports learners, communities, employers, schools and tertiary education organisations by working towards the following outcomes included in our *Statement of Intent 2019/20-2022/23* (shown on pages 16 and 17):

- **Outcome 1:** Equity of access to qualifications supports intergenerational wellbeing
- **Outcome 2:** New Zealand qualifications enable lifelong learning.

Te taura here o ā mātou mahi

Our performance framework

Kia Noho Takatū Ki Tō Āmua Ao

Ngā aronga mō te 5 – 10 tau (ngā hua)

Ngā pātanga mō te 5 – 10 tau

Ngā hua ake mō te 3 – 5 tau

1.0

Mā te mana taurite ki te whai tohu mātauranga te ahunga tātai oranga e tautoko



1.1 Ka hangaia mai ngā rātonga katoa o NZQA i te mana taurite



1.2 Mā te mahi tahi i ngā rangapū auaha ka noho mana taurite ai ngā ākonga Māori me ngā ākonga Pasifika



1.3 Ka tautokohia ngā ākonga whaikaha, rawakore rānei, kia whāia ngā tohu mātauranga e tilka ana, e tutuki ana hoki i ō rātou hiahia me ō rātou tūmanako

2.0

Ka hāpaitia ngā tohu mātauranga o Aotearoa kia ako mō te oranga tonutanga



2.1 Ko tā te mahi aromatawai me ngā pūkenga whāiti he tautoko i te ākonga kia noho takatū ki tōna āmua ao



2.2 Ka whai mana ngā tohu mātauranga ki Aotearoa, ki te ao whānui hoki

1.1.1

Mā te wheako kiritaki anō ngā rātonga o NZQA e ārahi

1.1.2

Ka angitū ai te whānau me ngā whare ako katoa ki te tautoko i te ākonga

1.1.3

Ka whakatau tilka nei ngā ākonga i ngā ara tohu e tilka ana ki a rātou

1.2.1

He tari ako i te reo me ngā tilkanga Māori a NZQA

1.2.2

Ka kōkiri takatika i te mātauranga Māori hei tautoko i ngā ākonga

1.3.1

Ka tāharatia ngā tauārai o te whai tohu mātauranga ki ngā ākonga, ā, ka hāpaitia hoki ngā hiahia whāiti o te ako

2.1.1

Ko ngā mahi aromatawai auaha he hāpai i te ākonga kia māwhitiwhiti i te marautanga ako

2.1.2

Mā te reo o te ākonga anō ngā mahi aromatawai matihiko me te pāheko tilka i te tangata e tautoko

2.2.1

He mea tautoko Te Taura Here Tohu Mātauranga o Aotearoa (NZQF) kia ako te tangata mō te oranga tonutanga

2.2.2

Mā te whakaū kōunga ka noho tilka ka noho pono nei ngā pūkenga whāiti me ngā tohu mātauranga o Aotearoa

2.2.3

Mā te mana tonu o ngā tohu mātauranga ka āheitia te tono atu ki te ao

Qualify for the Future World

1.0

Equity of access to qualifications supports intergenerational wellbeing



1.1 NZQA services are designed for equity

1.1.1

Customer experience informs the delivery of NZQA services

1.1.2

Whānau and education organisations are engaged in supporting learners

1.1.3

Learners access qualification pathways that are right for them

1.2.1

NZQA is a te reo Māori learning organisation

1.2.2

Mātauranga Māori is advanced to support learners

1.2.3

Māori and Pasifika learners benefit from innovative partnerships



1.3 Learners with disabilities and learning support needs, and/or socio-economic disadvantage have access to qualifications that meet their needs and aspirations

1.3.1

Barriers to learners accessing qualifications are reduced and additional learning needs are supported

2.0

New Zealand qualifications enable lifelong learning



2.1 Assessment and credentialing support innovation in teaching and preparation for a changing world of work

2.1.1

Innovative assessment practices enable learners to make connections across learning areas

2.1.2

Learner voice informs digital assessment methods and builds confidence and engagement in assessment



2.2 Qualifications are accepted as credible and robust nationally and internationally

2.2.1

The NZQF facilitates lifelong learning

2.2.2

Quality assurance provides trust and confidence in New Zealand credentials and qualifications

2.2.3

Greater qualification recognition enables mobility

5 - 10 years
Focus areas
(Outcomes)

5 - 10 years
Impacts

3 - 5 years
Intermediate
Outcomes

Q



Wāhanga Tuarua: Ngā whāinga

Part Two:
Our outcomes



TE HUA NUI I:

Mā te mana taurite ki te whai tohu mātauranga te ahunga tātai oranga e tautoko

OUTCOME I:

Equity of access to qualifications supports intergenerational wellbeing

There are significant equity issues for Māori and Pacific learners compared to other learners, affecting their ability to access qualifications. Similarly, equity issues exist for learners with learning support needs. Providing equitable access to qualifications levels the field for all learners to achieve wellbeing. NZQA plays a key role in working with its sector partners in helping to address these equity issues.

As an operational agency, NZQA works closely with learners to understand their needs. We tailor our services so that rather than being 'one-size-fits-all', they are fair for all learners. The equity challenges require NZQA to work in collaboration with other sector agencies and partners.

To achieve this outcome, NZQA's activities need to deliver:

Impact area 1.1: NZQA services are designed for equity

Impact area 1.2: Innovative partnerships support equitable access for Māori and Pacific learners

Impact area 1.3: Learners with disabilities and learning support needs, and/or socio-economic disadvantage have access to qualifications that meet their needs and aspirations.

TE WĀHANGA 1.1:

Ka hangaia mai ngā a rātonga katoa o NZQA i te mana taurite

IMPACT AREA 1.1:

NZQA services are designed for equity

At NZQA, we recognise that to improve equity, our services must be designed with equity in mind. One key way of knowing whether our services support equitable access and outcomes, is by asking those who use our services. Through surveying different customer groups, we can better understand how our services work for each customer group and target efforts to improve equity. We will survey our customers and ask them if their experience with NZQA is positive and our services are easy to use, particularly focusing on Māori and Pacific learners as well as learners with disabilities and needing additional learning support and socio-economically disadvantaged learners.

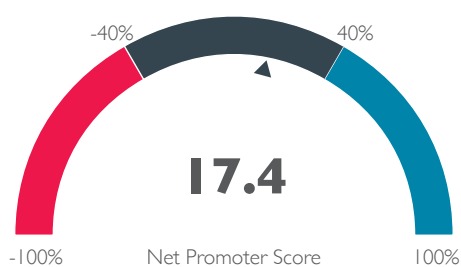
TE HUA I.I.I: Mā te wheako kiritaki anō ngā rātonga o NZQA e ārahi

INTERMEDIATE OUTCOME I.I.I: Customer experience informs the delivery of NZQA services

Te wheako kiritaki

Customer experience

Our customers are important to us and we use information we receive from customers, to understand what we do well, and what we can do to improve our services. NZQA has included a Net Promoter Score (NPS)⁵ question in its customer satisfaction survey to measure overall perception – how likely is it that a customer will recommend and/or speak positively about NZQA. The overall NPS from surveys sent by email to a range of customers who interact with NZQA was 17.4. This is a good score and was supported by many positive comments, especially from survey respondents who had contacted NZQA during the COVID-19 lockdown period. However, the surveys also indicated through the NPS that there are variations in perceptions of NZQA among our different customer segments. Further analysis is being done to understand why these variations are occurring and to identify remedial action.



⁵ The Net Promoter score measures overall perception – how likely is it that a customer will recommend and/or speak positively about NZQA. The score is a net percentage of those who rate NZQA positively in their response to this question (Promoters), less those who rate NZQA negatively (Detractors). An NPS can be as low as negative 100 or as high as positive 100. A positive NPS (one that is higher than zero) is generally considered good, an NPS of 50 or more is considered excellent and anything over 70 is exceptional.

NCEA ā-ipurangi

NCEA Online

We want schools to benefit from the information we captured on students' views of their 2019 online assessments. Schools that had 20 or more students with a digital examination result in 2019 can access a summary of anonymised responses to the student experience survey. It includes disaggregated Māori and Pacific student responses where there are 20 or more students in the dataset. Schools with fewer digital examination students are offered the regional view of that data.

We will continue the sharing of equity data and good-practice examples with schools and iwi to encourage wider Māori and Pacific student uptake of NCEA Online in schools where online teaching and learning is already established.

We are also encouraging all schools to build on the online experience they developed during the COVID-19 response period by trying NCEA Online assessment in their schools. As in 2019, we are working with Network for Learning to help schools get assurance about their school infrastructure to run their chosen digital examinations, as well as advice on ways in which the infrastructure could be improved for the intended examination scale, if necessary. This work reflects our 2020 goal of NCEA examinations available online.

Te hangarau matihiko hei tautoko i te mahi ako

Digital technology use to support learning

As a result of COVID-19 we have brought forward work to facilitate the use of the NCEA Online platform for practice examinations in 2020. This provides another way for students and their teachers to get used to the online examination experience. We have worked with the Classics, Agriculture and Horticulture, and English subject associations to enable their practice examinations to be accessed from the NCEA Online platform.

TE HUA 1.1.2: Ka angitū ai te whānau me ngā whare ako katoa ki te tautoko i te ākongā

INTERMEDIATE OUTCOME 1.1.2: Whānau and education organisations are engaged and confident in supporting learners

Te mahi ngātahi i ngā kura

Kura engagement

The kura engagement project seeks to enhance NZQA's engagement with kaupapa Māori kura, and explore with them how best to achieve equity of access and achievement outcomes for ākongā Māori. The engagement helps NZQA to address achievement and equity issues by sharing best practice with kura and identifying ways for NZQA to better meet kura needs. The project was introduced in 2019 and was extended into 2020 in response to positive feedback from kaiako at kaupapa Māori kura, who said they valued their engagement with NZQA.

The first set in a series of eight regional NCEA seminars for Tumuaki and Principal's Nominees from 62 kaupapa Māori kura was held in June and July 2019. The seminars provided the opportunity for NZQA and kura leaders to discuss approaches to course design, assessment, accessing Special Assessment Conditions (SAC) and how NZQA's service delivery could better meet kura needs for improved learner outcomes.

In August 2019, NZQA responded to an invitation by delivering workshops at the annual Ngā Kura ā Iwi o Aotearoa – Pō Whakamānawa 2019. The workshops involved discussions on equity issues, an exploration of barriers to learner achievement, the sharing of best practice, and other ways NZQA can support kura. Following the workshops, NZQA worked with kaupapa Māori kura to explore the use of their kura as examination centres where feasible, with the aim of enabling students to sit examinations in a familiar environment.

A new examination centre was established at Te Kura Kaupapa Māori o Te Whānau Tahī in Otautahi/Christchurch, with staff who were fully conversant in te reo Māori and English. The kura is also available as an examination centre for two other kura in the Otautahi area, enabling their students to have a culturally safe environment in which to sit their examinations in future. While it may not be possible for kura with low numbers of students to become examination centres, NZQA is looking to establish more satellite examination centres at kura for students of other kura to attend.

In February 2020, NZQA commenced planning to host 13 engagement hui with kaupapa Māori kura in May and June, with nine hui to be hosted in the North Island and four in the South Island. As a consequence of the pandemic, these will be delivered in a series of shorter hui later in 2020, including a Zoom workshop focused on the implications for kura of the temporary changes to NCEA in response to COVID-19.

Te Rōpū Tohu Mātauranga Rūmaki Māori **Māori-medium Secondary Qualifications** **Advisory Group**

The Māori-medium Secondary Qualifications Advisory Group is a forum that enables wharekura leaders to engage with and provide sector advice to NZQA and the Ministry of Education on Māori-medium senior secondary qualifications and assessment. The group met in September and November 2019, and whilst the March 2020 meeting was cancelled due to COVID-19 disruptions, the group met in June 2020. Wharekura leaders provided feedback and advice on implementation matters relating to the NCEA Review Change Package decisions, Review of Achievement Standards process, and NCEA Online developments and implications for ākonga, kura-specific issues such as reader support to increase the aural experience in examinations, and the possibility of introducing kura as examination centres.

Te mahi ngātahi i te rāngai kia whai hua ai te ākonga

Co-design solutions to benefit learners

NZQA wanted to make it easier for learners to manage their access to various NZQA digital services, such as logging in to NZQA's website to check their record of achievement or logging into the NCEA Online platform to access their exams and marked papers. We were working on developing the solution during the COVID-19 lockdown and intended to co-design with students in that period. We managed to do this digitally. Learners who participated in this process liked the solution and provided ideas for improvements. We are using this information to finalise the first rollout of the solution in August 2020, and it will also contribute to the wider sector work on student identity and access to digital services, led by the Ministry of Education.

TE HUA 1.1.3: Ka whakatau tika nei ngā ākonga i ngā ara tohu e tika ana ki a rātou

INTERMEDIATE OUTCOME 1.1.3: Learners access qualification pathways that are right for them

Te arotake tohu mātauranga

Qualification reviews

NZQA monitors and works with qualification developers to initiate routine reviews of qualifications. The education and employment pathways, integral to the qualification outcome statement, provide information to learners to assist them in accessing qualification pathways that are right for them.

The reviews of all of the 482 qualifications scheduled for this year have been triggered. There have been delays in completing some of the reviews, primarily due to difficulties in engaging with stakeholders during the COVID-19 lockdown. NZQA has been in regular contact with qualification developers to track progress and provide any assistance required.

Te uruhi hurihanga hou o te NCEA

Implementing NCEA Review changes

NZQA is working closely with the Ministry of Education to implement the May 2019 announced changes to NCEA. We have provided assessment advice to inform the changes and supported the development of the new Unit Standards to meet the revised literacy and numeracy requirements underpinning NCEA.

NZQA also contributed to the Ministry of Education's Review of Achievement Standards (RAS) by providing assessment advice and ex-officio membership to each of the four initial subject expert group panels established for each subject, beginning with English, Science, Visual Arts, and Religious Studies. NZQA supported the RAS by training 51 teachers to become contracted moderators of NCEA assessments. This number included 26 additional contractors to critique materials relating to RAS.

Ngā herenga o te Aromatawai Hira

Special Assessment Conditions

In association with the Ministry of Education and schools, we have developed an action plan to accelerate equity of access to SAC, as part of the NCEA change programme that aligns with the *Learning Support Action Plan 2019–2025*. Introduced in July 2019, the Action Plan sets out priority actions to achieve better outcomes for all children and young people, particularly those who are disabled or have learning support needs.

In 2019, the uptake of SAC by schools and kura increased by 13.5% to 12,787 students, compared to 11,269 in 2018, continuing the trend of recent years. In 2018, 6.7% of all candidates had access to a SAC entitlement, whereas in 2019, this increased to 7.1% of all candidates having access to SAC to remove barriers to fair assessment.

To improve access for those learners who have unmet needs that could be assisted by SAC, we have continued a targeted focus on schools and kura needing support, introduced policy changes to streamline the process for obtaining SAC, and undertaken a communications programme to improve sector and whānau awareness on how the SAC process works. NZQA hosted and responded to feedback from 11 focus groups to gain insight into current SAC practices, including changes needed to make the process more accessible and easier to understand.

More streamlined processes also contributed to the continued increase in SAC use by decile 1 – 3 schools in 2019, up 0.4 percentage points. Of the total 12,787 students who applied for SAC, 1,229 students in decile 1 – 3 schools applied in 2019, compared to 1,046 in 2018. Of those, over 90% of applications based on learning needs were supported by school-based evidence, reflecting ongoing policy and process changes to eliminate costs for parents and students associated with an independent assessor's report. However, there is still a disparity in the uptake of SAC for students in low-decile schools, compared to other students.

SAC levels still vary across population groups and deciles. In 2019, 5.1% of Māori candidates and 3.5% of Pacific candidates had access to SAC entitlements. This compares to 8.2% of candidates for all other ethnicities.

NZQA continued to deliver the combined NZQA and Ministry of Education work programme with the Resource Teachers: Learning and Behaviour (RTLB) service to build teacher knowledge of identifying and supporting student needs. Information on SAC was included in the Ministry's training materials for Learning Support Coordinators who support schools. NZQA hosted 30 seminars on SAC for Special Education Needs Coordinators (SENCOs) and RTLBs, and provided monthly newsletters to SENCOs and Learning Support staff about updates to NZQA's systems and processes.

The webpages for SAC have been refreshed to ensure information is easy to access and understand for students, parents and whānau, schools, and other professionals working with SAC students.

In 2020, NZQA extended to all students, some of the provisions that were previously only available to those students requiring SAC, particularly for those who wish to use a computer only. The evidence thresholds were also amended to ease some evidence requirements, including for those students who require additional time.

During the COVID-19 lockdown in April 2020, NZQA asked schools to provide SAC for students who needed it. Once schools re-opened in late May, NZQA revisited its plans to engage with those identified with low SAC use to potentially encourage uptake for learners. School engagement initially planned for 2020 has now been extended into 2021 to account for the need for schools to manage the effects of COVID-19. At the start of 2020, 149 schools and kura were identified as having low numbers of SAC applications. For 68 schools and kura with more than 100 students enrolled for NCEA and a pattern of low or no SAC uptake, NZQA plans to either undertake a SAC review or school visit, or focus on SAC during NZQA's effectiveness reviews for assessing national qualifications or Managing National Assessments, during 2020 or 2021, as appropriate. For the remaining 81 schools and kura with low numbers of SAC applications and entries for NCEA, NZQA will also engage with them to better understand their needs and to encourage SAC uptake, as relevant.

TE WĀHANGA 1.2:

Mā te mahi tahi i ngā rangapū auaha ka noho mana taurite ai ngā ākonga Māori me ngā ākonga Pacific

IMPACT AREA 1.2:

Innovative partnerships support equitable access for Māori and Pacific learners

At NZQA, we recognise that when we work with others and share resources and know-how, we have greater reach and better impacts. Through developing strong partnerships, we help build greater trust and a collective understanding of the challenges and opportunities for Māori and Pacific learners, and can collaborate with our partners to implement solutions.

TE HUA 1.2.1: He tari ako i te reo me ngā tikanga Māori a NZQA

INTERMEDIATE OUTCOME 1.2.1: NZQA is a te reo Māori learning organisation

He tari whaikaha ki te ako i te reo Māori Te reo Māori learning organisation

NZQA continued to implement its response to the Maihi Karauna by developing the te reo Māori capability of its workforce and continuing to support the sustainability, revitalisation and normalisation of te reo Māori. This is a natural extension of our previous organisational focus on being bilingual by 2020.

We offer a suite of te reo Māori development initiatives. These offerings have been tailored to NZQA's 'Engaging with Māori' core competency towards building a responsive workforce. The initiatives also ensure that wherever staff are on the te reo Māori learning continuum, there is something for everyone.

In response to demand we now offer three te reo Māori classes (two additional classes). To date, 210 staff members have an individualised te reo Māori plan.

During the lockdown period these te reo Māori classes and our suite of initiatives were offered online. The COVID-19 pandemic resulted in a number of new developments being trialled via online tools, in particular Kokona Kōrero. The disruption affected a number of learning initiatives such as kānohi ki te kānohi which has been delayed until later in the 2020 year.

Te Māhuri reo Māori is an advanced offering designed to support our staff who are more fluent speakers of te reo Māori. In 2020 we were pleased to extend invitations to staff from other education sector agencies, including the Ministry of Education, the Tertiary Education Commission, the Teaching Council and the Education Review Office.

TE HUA 1.2.2: Ka kōkiri takatika i te mātauranga Māori hei tautoko i ngā ākongā

INTERMEDIATE OUTCOME 1.2.2: Mātauranga Māori is advanced to support learners

NCEA ā-ipurangi

NCEA Online

In 2019 there were 314 students entered for Level 1 Te Reo Rangatira Māori, nine of them for a digital examination, of whom four had a digitally assessed result.

Also, there were 3,282 students entered for Level 1 Te Reo Māori, 108 of them for a digital examination, of whom 30 students had a digitally assessed result.

Of the students who sat the digital Level 1 Te Reo Māori examination, all those who responded to the 2019 NCEA Online survey agreed or strongly agreed that they had found completing this examination digitally a positive experience.

We compared digital and paper examination results for an ability-matched sample of Māori students doing English Level 1 and found no conclusive evidence of a difference in achievement between these two groups. We are continuing to share achievement and equity data and good-practice examples with schools and iwi to encourage a

greater Māori student uptake of NCEA Online in schools where online teaching and learning is already established. In response to Māori students telling us they would like to hear as well as read the content of an examination, we are trialling a modified digital assessment in Te Reo Rangatira. The trial aims to investigate whether this change enables Māori students to have a richer and more equitable digital examination experience. The trialling will take place in kura in Term 3 2020.

Separately, we are working with the University of Waikato on how we could offer the spellcheck capability present in our English-medium examinations, in te reo Māori. This will also look at providing text-to-speech functions in te reo Māori. Making spellcheck and text-to-speech functionality available in te reo Māori may improve equity of access and outcomes for te reo Māori speakers by better reflecting how they learn. We expect a report on this research in November 2020.

Te whakawhanake me te tautoko i ngā tohu mātauranga Māori

Developing and supporting uptake of mātauranga Māori qualifications

NZQA facilitates the development of mātauranga Māori qualifications with experts in their fields of te ao Māori. These qualifications, quality assured through Te Hono o Te Kahurangi, are available to providers and schools through application to NZQA for approval to deliver the qualifications. NZQA provides support by developing and sharing assessment materials and guidance, assisting programme development, developing tools to inform students about learning pathways, and facilitating good practice workshops.

Kete Mātauranga resource packs were updated to support secondary schools in delivering qualifications for: Māori Tourism, Reo Māori, Tikanga, Reo Māori Media, Mahinga Kai (horticulture, fishing etc), Taonga Pūoro, Māori Performing Arts and Mau Rākau, and Whakairo and a new guide and materials to assess a tikanga programme, 'Te Manaaki Tāngata ki te Marae'. Assessment booklets for Mahinga Kai, Tikanga, and Māori Performing Arts were translated into te reo Māori for use in Māori immersion environments, such as wharekura and rumaki reo. The mātauranga Māori Qualifications Map was also updated to support learners, providers and schools in knowing about qualifications available at tertiary level and those providing them within the tertiary sector.

NZQA encourages the uptake of mātauranga Māori qualifications through workshops and specific engagements that raise awareness of their availability among kura, schools, wānanga and other tertiary providers. NZQA received positive feedback from wharekura and kura in the tertiary and secondary education sectors about our responsiveness to their identified needs, such as activities to strengthen mātauranga Māori pathway options, developing and raising awareness of assessment support materials aligned to new mātauranga Māori qualifications, and supporting the uptake of Field Māori standards. NZQA has deferred its plans to host further workshops until later in 2020, as appropriate, due to COVID-19.

In February 2020, NZQA held Tīkarohia te marama information sharing events with kaiako of Te Wharekura o Ngā Taiātea, and Literacy Aotearoa in Hamilton, a provider serving 8,000 learners. During the hui, NZQA provided information

and assessment support materials, graded unit standards and follow-on support with moderation, and support to develop programmes. Participants valued the support from NZQA and requested similar events and the further development of assessment materials in te reo Māori. As a result, NZQA developed and translated support materials for Tourism Māori and Reo Māori Media, Whakairo, Manaaki Marae, and Mahinga Kai.

The number of graduates with mātauranga Māori qualifications has increased significantly since 2017, reflecting positive outcomes for ākongā and uptake by providers. In 2019, 16,362 ākongā completed mātauranga Māori qualifications, compared to 12,623 in 2018 and 9,650 in 2017. In 2019/20, NZQA approved 30 new mātauranga programmes for providers, compared to 43 in the previous period. While the uptake of mātauranga Māori qualifications by providers and schools is demand driven, our communication and engagement work with the sector is building greater awareness of these qualifications.

Te whakaaturanga ā-tau mō te Ringa Toi

National Ringa Toi student exhibition

NZQA celebrates future artists working towards achieving NCEA Levels 1 to 3 at an Excellence level, through supporting and showcasing student success within Toi Māori. Showcasing young artists provides an important outlet for them to tell their stories and express what it means to live in te ao Māori, while celebrating the survival of traditional Māori art forms such as raranga (weaving). In 2019, NZQA hosted the national secondary schools' 2019 Ringa Toi Student Exhibition in Wellington for the fourth year. The exhibition involved artwork from

75 secondary school students (an increase from 19 students in 2016) who are working towards achieving NCEA Levels 1 to 3. Artworks exhibited included raranga (weaving), kākahu (wearable art), tukutuku (decorative wall panels), tāniko (woven borders), whakairo (carving), kōwhaiwhai, mahitā (paint, print, spray), uku (clay), whakapakoko (sculpture) and mahi-matihiko (digital).

Alongside the exhibition, workshops were available for students to learn about Toi Māori from Māori artists.

Once schools and kura re-opened in Term 2 of 2020, following the COVID-19 lockdown, we recommenced planning for Ringa Toi 2020, with the exhibition to be held in September 2020 in Wellington. Many students, schools and kura expressed interest in continuing to prepare art pieces for the exhibition.

Te Hono o Te Kahurangi

Te Hono o Te Kahurangi is the name of a unique whare ako framework and methodology used by NZQA to carry out quality assurance. The framework recognises ākonga Māori choosing to achieve educational success through mātauranga Māori as relevant to their worldview, context, and practices. This year our focus has been on building relationships with Māori tertiary education organisations. Through this work we have developed insights into and an understanding of the support required to assist these organisations to meet their regulatory obligations. We have worked with Māori tertiary education organisations to enhance their understanding of Te Hono o te Kahurangi, promote it as a quality assurance option,

and integrate and embed mātauranga Māori into their teaching and learning.

Work has progressed on tailoring Mātauranga Māori quality indicators and assessment guidance within the Te Hono o Te Kahurangi framework.

A new initiative analysing the educational performance of mātauranga Māori providers and comparable providers will provide valuable insights on equity gaps. This work will be completed by September 2020.

The COVID-19 pandemic has affected elements of learning delivery that are specific to some Māori tertiary education organisations, eg noho marae. NZQA has provided guidance and support to organisations adapting their teaching delivery so they can continue to meet their regulatory obligations.

TE HUA 1.2.3: Ka whai hua ngā ākonga Māori me ngā ākonga Pacific i ngā rangapū auaha

INTERMEDIATE OUTCOME 1.2.3: Māori and Pacific learners benefit from innovative partnerships

Te aromatawai ā-matihiko

Digital assessment

NZQA continues to develop its digital assessment process to reflect the Māori and Pacific learner experience. Year on year, we have seen a steady increase in the number of these learners participating in digital assessment. We will continue the work we have been doing with Māori and Pacific focus groups to identify and remove the potential barriers learners may face.

11% of Māori and 6.9% of Pacific students who completed external examinations in 2019 did at least one examination digitally. The comparable figure for all students is 11.1%.

The tables below compare the proportions of digital assessment participation by Māori and Pacific students for Levels 1 and 3 in the years these were offered.

Level 1 proportion of digital results by ethnicity

	2016	2017	2018	2019
Māori	2.0%	5.1%	4.9%	7.5%
Pacific Peoples	1.5%	5.9%	4.8%	7.7%
Other	2.6%	7.2%	7.1%	12.0%
TOTAL	2.4%	6.9%	6.8%	11.2%

Level 3 proportion of digital results by ethnicity

	2018	2019
Māori	3.4%	10.2%
Pacific Peoples	2.2%	4.2%
Other	4.2%	12.7%
TOTAL	3.9%	12.3%

Already noted on page 27 is the work on the Te Reo Rangatira trial to study students' experiences of hearing as well as reading the examination content, and the te reo Māori text-to-speech and spellcheck initiative.

Te mana taurite o te Māori me te Pacific

Māori and Pacific equity

NZQA is focused on equitable outcomes for Māori and Pacific learners. One of the ways NZQA is delivering on this equity focus is by sharing NCEA achievement data and intelligence with both iwi and Pacific community groups and education sector agencies.

NZQA, the Ministry of Education and the Education Review Office have joined up to meet with iwi to better understand how agencies can support iwi imperatives and then respond appropriately. The intention of these hui is to support iwi and Pacific community groups to have stronger, more demanding voices in the education system, on behalf of their children. A Memorandum of Understanding for Equity (in STEM) data sharing with Ngāi tahu has been finalised. NZQA will use this template to agree data sharing arrangements with other iwi groups.

Virtual engagement with these key communities continued during the COVID-19 lockdown and NZQA is looking forward to some of these engagements returning to face-to-face hui and fono in the future.

The previous goal of 'Partnering with education system agencies to support a 50% lift of Māori and Pacific student achievement at NCEA Level 3 in one or more standards in Science, Technology, Engineering and Mathematics (STEM subject related areas by 2020)' has been reshaped. The partnership model has been expanded to include iwi and the goal has been aligned with our overarching focus on equity.

Te mahi ngātahi i te Pūhoro STEM Academy

Pūhoro STEM Academy partnership

Āmua Ao

Engineering Young Māori Minds (EYM) is a series of science and engineering challenges to inspire Year 10 students to pursue science and technology NCEA pathways.

In 2019, EYM events were delivered across Auckland, Manawatū and Christchurch and 427 Māori students from 28 schools, including eight kura Māori, were engaged.

As part of the EYM in Christchurch, a case study was conducted to test the impacts of this initiative. The study found that:

- 100% of the Year 10 students selected science in Year 11
- 75% of the Year 10 students transitioned into the Pūhoro programme (an intensive science and engineering programme) in Year 11.

Te pātanga o Pūhoro

Pūhoro impact

Massey University has revealed that Māori student enrolments in a university STEM programme, from Pūhoro partner schools within Manawatū, more than doubled in 2019 and 2020.

Other evaluation findings included:

- rangatahi agreed Pūhoro taught them valuable life skills, strengthened their identity as Māori, instilled confidence to succeed in STEM and led to positive changes in their personal lives
- 92% of rangatahi cohort continued with science at NCEA Level 2

- teachers agreed that Pūhoro supported rangatahi to improve their grades and general wellbeing.

Te kaupapa Ignite Pasifika

Ignite Pasifika

Introduced in 2019, Ignite Pasifika is a new NZQA-led STEM initiative that focuses on the development and delivery of co-designed, innovative solutions aimed at increasing Pacific learner participation and achievement in STEM subjects and pathways.

NZQA has developed a new set of resources called 'STEM IT UP' to promote STEM education in employment pathways for Pacific learners and families. These resources include an e-book comic, a set of videos showcasing Pacific people in STEM careers and STEM profiles that highlight the value Pacific people can contribute to STEM.

The impact of COVID-19 led to new ways to engage Pacific families during the lockdown, with NCEA and STEM webinars plus ZONO (Fono via Zoom) being offered and well received. To complement these online activities, we are distributing a *Navigating NCEA* brochure with key messages and basic tips for success.

NZQA, along with other government agencies, is partnering with the Ministry for Pacific Peoples to implement *Lalanga Fou* (the Ministry for Pacific Peoples' strategic plan) which aims to provide effective all-of-government, joined-up services to Pacific communities.

We are also working alongside the Ministry of Education Parent Information and Community Intelligence team to support *Talanoa Ako* (a Pacific parent education programme) throughout New Zealand to deliver workshops focused

on understanding NCEA. In 2021, 40 Ministry of Education Talanoa Ako Community Champions will be trained to deliver NCEA ma le Pasifika and NZQA will provide workshop materials and ongoing support and guidance.

Ngā rautaki hukihuki o Te Kōkiritanga me te Takiala Pasifika 2020-2023

Draft Te Kōkiritanga 2020-2023 and draft Takiala Pasifika 2020-2023

New Māori and Pacific strategic action plans have been developed with aligned visions of 'Kia noho takatū ki tō āmua ao – Qualify for the future world'.

Each plan has five focus areas:

- Learners, families and communities benefit from tailored NZQA services;
- Strategic partnerships enable learner success;
- Learners and families successfully navigate education and employment pathways;
- Increase NZQA capacity to achieve equity of access and outcomes
- Support equity and excellence through data, evidence and best practice.

The documents have been released for community consultation closing in July 2020. We are expecting the final documents to be available from the end of September.

The actions included within Te Kōkiritanga and Takiala Pasifika are closely aligned to the 30-year education vision as well as Ka Hikitia, Tau Mai te Reo, and The Action Plan for Pacific Education respectively.

TE WĀHANGA 1.3:

**Ka tautokohia ngā ākonga
whaikaha, rawakore rānei, kia
whāia ngā tohu mātauranga
e tika ana, e tutuki ana
hoki i ō rātou hiahia me ō
rātou tūmanako**

IMPACT AREA 1.3:

**Learners with disabilities and
learning support needs, and/or
socio-economic disadvantage have
access to qualifications that meet
their needs and aspirations**

**We recognise that learners have
different needs and aspirations and
we work to ensure that all learners
have access to relevant qualifications.
We do this in part through supporting
the provision of SAC.**

The purpose of SAC is to provide support to learners with sensory, physical or medical conditions/impairments and/or specific learning disorders so they have a fair opportunity to demonstrate their skills and knowledge in internal and external assessments (in both NCEA and New Zealand Scholarship).

There is a disparity in learners accessing SAC, and therefore accessing qualifications that meet their needs and aspirations. We will use our analysis of SAC applications and target our efforts in priority areas requiring greater SAC support.

**TE HUA 1.3.1: Ka tāharatia ngā tauārai o te
whai tohu mātauranga ki ngā ākonga, ā, ka
hāpaitia hoki ngā hiahia whāiti o te ako**

**INTERMEDIATE OUTCOME 1.3.1: Barriers to
learners accessing qualifications are reduced
and additional learning needs are supported**

NCEA ā-ipurangi**NCEA Online**

In the 2019 examination round NCEA Online was an option for learners whose needs are best suited by use of a computer, including but not limited to those students who have a diagnosed special assessment need. A new student interface has been designed and is expected to be implemented in stages from 2021. This will support all students to have a better user experience, including those with undiagnosed learning difficulties.

We have undertaken an initial review of the SAC software and tools available in New Zealand (whether or not used by students in New Zealand schools), which will guide our next steps towards reducing barriers and supporting learning needs through NCEA Online.

Online assessment offers access benefits for learners with special assessment needs and for others who qualify for SAC. For all these learners, the 2020 subject association online practice examinations offer the opportunity to become familiar with the online assessment platform in their school setting, prior to sitting actual NCEA examinations. For students whose SAC conditions are met through the use of a computer, the option of taking NCEA examinations online enables them to be assessed in the same manner and place as their non-SAC classmates.

Te aromatawai i ngā reo Pacific

Assessment of Pacific Island languages

NZQA has addressed concerns about the level of support provided for the development and marking of Lea Faka-Tonga and Cook Islands Māori external assessments. Since NCEA was first implemented, externally assessed standards for Lea Faka-Tonga and Cook Islands Māori have been examined through a verification process. This has required teachers in schools to develop and mark their own examination papers, and then submit a sample of student work to NZQA to verify their assessments and marker judgements. By comparison, NZQA develops full examinations for European and Asian languages, and marks all student work.

NZQA removed the need for teachers of Lea Faka-Tonga to develop and mark their own examinations, and developed external assessments for all levels for schools to implement in Term 3, 2019. Student work was then submitted to NZQA for marking.

NZQA is preparing to assess Cook Islands Māori external standards in 2020 through common assessment tasks. These will be developed by NZQA, administered by teachers in schools, and sent to NZQA for marking.

Te aroturuki i ngā ahunga whakamua

Monitoring our progress

Te hua nui I: Mā te mana taurite ki te whai tohu mātauranga te ahunga tātai oranga e tautoko

Outcome I: Equity of access to qualifications supports intergenerational wellbeing

Indicator	Measured by	End-of-year progress
Feedback from customer groups demonstrates ease of access to our services	The likelihood to recommend and/or speak positively about NZQA services	The Net Promoter Score is 17.4
Learner data held by NZQA is used to deliver insights into equity and the basis for potential interventions	Data insights are used to inform NZQA's service design and to support system change	NZQA is exploring options to use data science techniques such as machine learning and artificial intelligence to gain deep insights from the data that NZQA holds, for example, Contact Centre customer engagement data. NZQA is also using its data analysis capability in highlighting equity gaps (particularly relating to Māori and Pacific students) in the secondary sector. This data is used by NZQA's School Relationship Managers in their discussions with schools to spread good practices between schools

Indicator	Measured by	End-of-year progress
Strong partnerships with NZQA drive improvements in equity	Māori and Pacific learner participation in STEM, digital assessment and mātauranga Māori qualifications	Please refer to narrative on pages 27–32
Indicator	Measured by	End-of-year progress
Greater uptake of SAC in target groups	Increased SAC applications for eligible learners from targeted groups	68.8% of schools identified within the targeted group (31 of 45) had an increase in applications between the academic years of 2018 and 2019

Te Tauākī o te Mahi Rātonga

Statement of Service Performance

Te hua nui I: Mā te mana taurite ki te whai tohu mātauranga te ahunga tātai oranga e tautoko

Outcome I: Equity of access to qualifications supports intergenerational wellbeing

Measure ID.	Measure	2018/19 Actual	2019/20 Standard	2019/20 Actual
IMPACT I.1: NZQA services are designed for equity				
Intermediate Outcome I.1.1: Customer experience informs the delivery of NZQA services				
I.1a	The proportion of survey respondents who agree/strongly agree that information they received from NZQA met their needs ⁶	77.7%	75%	68.6% ⁷
I.1b	The proportion of survey respondents who agree/strongly agree that the NZQA website is easy to use	74.8%	70%	55.8% ⁷
I.1c	The average processing time (working days) of assessment standards reported by accredited Tertiary Education Organisations put onto learners' transcripts	0.12 days	<1 day	0.28 days
Intermediate Outcome I.1.2: Whānau and education organisations are engaged and confident in supporting learners				
I.1d	Co-design solutions to benefit learners	N/A	Narrative	Refer to page 23

⁶ 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.

⁷ When reporting against this measure previously, NZQA had been using the combined percentage for customers who responded positively (and included those customers who gave positive ratings below Strongly Agree and Agree) to the measure statement. For 2019/20, NZQA has removed these other results and has only included data for customers who gave ratings of Strongly Agree and Agree. This explains the drop in results for this measure compared to 2018/19. If the same approach was taken for 2018/19, the result for that year would have been: I.1a (63%) and I.1b (54.5%).

Measure ID.	Measure	2018/19 Actual	2019/20 Standard	2019/20 Actual
Intermediate Outcome 1.1.3: Learners access qualification pathways that are right for them				
I.1e	Participation in digital external assessment increases as a proportion of overall participation in external assessment	N/A	Upward trend	11.3% (baseline)
I.1f	The percentage of Managing National Assessment reviews that report on the uptake of Māori and Pacific in STEM	N/A	100%	71.4%
I.1g	Activities undertaken by NZQA to raise awareness of the availability of Mātauranga Māori qualifications for which NZQA is the qualification developer	N/A	50	45 ⁸

IMPACT 1.2: Innovative partnerships support equitable access for Māori and Pacific learners

Intermediate Outcome 1.2.1: NZQA is a te reo Māori learning organisation				
I.2a	The increase in number of NZQA staff who: 1. have a te reo Māori plan 2. reach higher levels of proficiency through language planning and development	N/A	1. Increase from baseline 2. Increase from baseline	1. 210 staff have a te reo Māori plan (up from 89 in December 2019) 2. 14.3% (baseline)

⁸ Some of the activities scheduled to raise awareness of the availability of Mātauranga Māori qualifications had to be postponed due to the impacts of COVID-19.

Measure ID.	Measure	2018/19 Actual	2019/20 Standard	2019/20 Actual
Intermediate Outcome 1.2.2: Mātauranga Māori is advanced to support learners				
1.2b	The percentage of all applications that are quality assured using Te Hono o Te Kahurangi that meet the criteria to be approved	N/A	≥3%	4.4%
1.2c	The rate of Māori learner participation in digital external assessment is the same as or better than their non-Māori learner peers	N/A	Upward trend	NCEA level: L1: 7.5% (baseline) L2: 8.9% (baseline) L3: 10.2% (baseline)
Intermediate Outcome 1.2.3: Māori and Pacific learners benefit from innovative partnerships				
1.2d	The percentage of Pacific parents and families who attended NCEA Ma le Pasifika workshops who report increased knowledge of NCEA and more confidence to support their children	99.8% (confidence) 99.3% (knowledge)	100%	100%
1.2e	The percentage of parents & whānau who attended NCEA and the Whānau workshops who report increased knowledge of NCEA and more confidence to support their children	83.9% (confidence) 98.9% (knowledge)	100%	98.6% ⁹

⁹ The target of 100% is considered unrealistic and has been changed for the 2020/21 reporting year.

Measure ID.	Measure	2018/19 Actual	2019/20 Standard	2019/20 Actual
I.2f	The rate of Pacific learner participation in digital external assessment is the same as or better than their non-Pacific learner peers	N/A	Upward trend	NCEA level: L1: 7.7% (baseline) L2: 6.8% (baseline) L3: 9.3% (baseline)

IMPACT 1.3: Learners with disabilities and learning support needs, and/or socio-economic disadvantage have access to qualifications that meet their needs and aspirations

Intermediate Outcome 1.3.1: Barriers to learners accessing qualifications are reduced and additional learning needs are supported

I.3a	The percentage of targeted schools that have confidence that NZQA has taken all reasonable steps to reduce barriers to SAC access for their students	N/A	75-80%	Survey data is incomplete, as it was not possible to survey schools during the lockdown and in the period beyond because of operating pressures schools have faced due to COVID-19
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TE HUA NUI 2:**Ka hāpaitia ngā tohu mātauranga o Aotearoa kia ako mō te oranga tonutanga****OUTCOME 2:****New Zealand qualifications enable lifelong learning****NZQA is responsible for quality assuring qualifications that are listed on the NZQF.**

It is important that qualifications awarded are credible and robust. Learners are awarded credentials based on assessments of their learning and skills. Hence the quality of assessment practice is critical to maintaining the integrity of New Zealand's qualifications.

To achieve this outcome, NZQA's activities need to deliver:

Impact area 2.1: Assessment and credentialing support innovation in teaching and preparation for a changing world of work

Impact Area 2.2: Qualifications are accepted as credible and robust nationally and internationally.

TE WĀHANGA 2.1:**Ko tā te mahi aromatawai me ngā pūkenga whāiti he tautoko i te ākongā kia noho takatū ki tōna āmua ao****IMPACT AREA 2.1:****Assessment and credentialing support innovation in teaching and preparation for a changing world of work****At NZQA we recognise the role that assessment and credentialing play in supporting innovation in teaching, and how they can engage learners in lifelong learning, therefore preparing them for a changing world of work.**

We want assessment to be a positive and seamless experience that is aligned with the learning methods used. NZQA seeks to extend the assessment capabilities of teachers and assure high-quality, authentic responses from innovation and assessment. Good assessment practice supports the achievement of qualification outcomes.

It is important that the assessment methods used allow learners to show what they have learnt.

This may be through assessments that cover multiple areas of learning. It may enable learners to make greater connections between subject areas to see how this learning is used in practice.

A positive assessment experience incorporating the above factors may assist in promoting an interest in lifelong learning.

TE HUA 2.1.1: Ko ngā mahi aromatawai auaha he hāpai i te ākongā kia māwhitiwhiti i te marautanga ako

INTERMEDIATE OUTCOME 2.1.1: Innovative assessment practices enable learners to make connections across learning areas

Te whakahoahoa tūmahi aromatawai auaha ki ngā kaiako

Sharing innovative assessment examples with teachers

NZQA supports innovation in assessment by working with selected schools to identify examples of innovative assessment; and making those examples available to teachers nationwide, as appropriate. Following a successful pilot that involved identifying three examples of innovative assessment from schools, the case studies were agreed by the pilot schools and made available to teachers in June 2020. The case studies offer perspectives from teachers, students and management that demonstrate how innovative assessment may enhance student engagement and achievement.

Ngā kauwhau o te aromatawai ā-motu

Leading National Assessment seminars

From 18 February to 6 March 2020, NZQA facilitated an annual series of Leading National Assessment seminars with Principal's Nominees and school leaders in 28 venues nationwide. Feedback from school leaders reflected the value they

place on the seminars to provide opportunities to develop and strengthen collegial networks across the sector. The seminars focused on supporting school leadership through changes in the assessment environment, and provided senior leaders with the opportunity to discuss approaches that support current and future needs of their students; and contribute to addressing equity in NCEA outcomes.

Ngā wānanga whakapakari tukanga mō te aromatawai

Best Practice workshops

NZQA provides Best Practice workshops, in which it shares lessons learned from the external moderation of learner evidence and assessor grades, to support teachers' confidence and accuracy when making assessment decisions. NZQA responded to teacher requests for Best Practice workshops by providing 48 workshops to 1,117 teachers nationwide. The workshops aimed to improve assessor confidence and accuracy when making assessment decisions. Ten workshops were delivered online and 38 were face to face.

In September 2019, NZQA responded to a request from the Nelson and Marlborough Principals' Association by providing assessment workshops at 13 regional cluster meetings. Attended by approximately 130 teachers, the workshops covered assessment for a range of achievement standards across 13 subjects. NZQA staff used samples of learner evidence to assist teachers in applying achievement standards criteria to make accurate assessment decisions.

TE HUA 2.1.2: Mā te reo o te ākonga anō ngā mahi aromatawai matihiko me te pāheko tika i te tangata e tautoko

INTERMEDIATE OUTCOME 2.1.2: Learner voice informs digital assessment methods and builds confidence and engagement in assessment

NCEA ā-ipurangi

NCEA Online

The student survey, designed to measure students' self-reported satisfaction and with experience of the 2019 digital examinations, showed that overall, students continued to be very positive about completing examinations online, with 96.7% of respondents agreeing it had been a positive experience. The survey had a response rate of 27.2% (3,886 responses from 14,262 student participants) with:

- 12.4% of responses from Māori students; and
- 5.8% of responses from Pacific students.

There were no significant differences in overall satisfaction between different sessions and ethnicities, with 93% of student survey respondents telling us they preferred doing the examination digitally.

A notable example of student feedback having had a direct influence relates to the potential digitising of all examination resources and the question and answer boxes. The feedback was that until we can offer a good user experience in moving between the question, resources and answer boxes, students prefer the resources in paper copy.

Most respondents (89.5% or 3,264 of 3,646) reported experiencing no network or device problems when accessing or completing the digital examinations. This was higher than in 2018 and 2017, when 66% and 83% of respective respondents reported having no network or device problems in the digital examinations.

We are working with mathematics and statistics teachers and their students to prototype and trial digital approaches to their assessments. Student feedback continues to highlight where they find the advantages and disadvantages of digital delivery. This is helping us plan when and how the 'difficult to digitise' subjects can be offered fully or partially digitally. These include Chemistry, Physics, Music and where special characters including formulae and notations, which currently rely on students being able to 'draw' or handwrite them.

TE WĀHANGA 2.2:**Ka whai mana ngā tohu mātauranga ki Aotearoa, ki te ao whānui hoki****IMPACT AREA 2.2:****Qualifications are accepted as credible and robust nationally and internationally**

NZQA works to ensure New Zealand qualifications are credible and portable and support lifelong learning. This helps to ensure that New Zealanders working overseas have their qualifications recognised, providing greater opportunities for employment and further education. It also helps in providing a positive experience to immigrants coming to New Zealand by having their qualifications assessed against an internationally recognised framework.

TE HUA 2.2.1: He mea tautoko Te Taura Here Tohu Mātauranga o Aotearoa (NZQF) kia ako te tangata mō te oranga tonutanga**INTERMEDIATE OUTCOME 2.2.1: The NZQF facilitates lifelong learning****Ngā mahi tautoko e ai ki te mate urutā (COVID-19) mō te rāngai mātauranga matua COVID-19 response in the tertiary education sector**

NZQA engaged and worked with tertiary sector peak body¹⁰ representatives through the Ministry of Education led, COVID-19 Education Agencies Emergency Management Committee. Since late March, we have responded to approximately 500 enquiries through our dedicated COVID-19 enquiries mailbox.

We streamlined our approval process to enable 231 tertiary education organisations (TEOs) to deliver more than 800 programmes online temporarily so students could continue learning during the COVID-19 lockdown. An additional 16 TEOs were granted temporary approval to deliver offshore to current international students affected by COVID-19 travel restrictions and border closures. These approvals were valid until 30 June 2020. Where possible, NZQA has extended temporary approvals to the end of 2020 to enable TEOs to continue to maintain flexible delivery methods. Temporary approvals for programmes and training schemes delivered offshore have been extended for the duration of the students' enrolment to enable them to complete their studies.

¹⁰ A peak body is an association or organisation that represents an entire sector of an industry or group to the government. Peak bodies generally advocate on behalf of their members and promote their interests.

A COVID-19 relief package was released in June to provide further support for TEOs experiencing difficulty as a result of COVID-19. The relief measures include re-prioritising external evaluation and reviews, extending timeframes for the submission of key documents, enabling flexible payment plans for quality assurance fees and enabling private training establishments to remain registered while inactive for up to 18 months.

Ngā mahi hou o te mātauranga ahumahi

Reform of vocational education

NZQA held a successful workshop with stakeholders in March 2020 on the future of the qualifications system. Participants provided rich feedback on the need for a simpler and more consistent vocational education and training system, and what might be needed to achieve it. We will continue to progress this work and consider further changes to the qualifications system.

We amended six Rules sets in April 2020. These amendments reflect the roles and functions of the new entities – the Workforce Development Councils, the New Zealand Institute of Skills and Technology subsidiaries and the transitional Industry Training Organisations. The changes enabled these entities to operate within the regulatory environment. The main amendments were to the *NZQF Programme Approval and Accreditation Rules*, the *NZQF Industry Training Programme Approval Rules*, and the *Training Scheme Rules*.

NZQA is also working with the Tertiary Education Commission on the transition of standards and qualifications from Industry Training Organisations to Workforce Development Councils. We will be seeking feedback from transitional Industry Training

Organisations and industry on the transfer of qualifications and standards.

Te arotakenga o te Taura Here Tohu Mātauranga New Zealand Qualifications Framework Review

NZQA continued to make progress with the NZQF Review this year. Following the second consultation in July 2019 on the four substantive proposals, the technical expert group met in October 2019 to develop further operational details of the proposed changes.

Work developing the NZQF as a bilingual framework to better reflect New Zealand's cultural context has begun however engagement with stakeholders has been delayed due to COVID-19. We expect to consult for a third and final time on the detail of the proposed changes by the end of the 2020 calendar year.

In the *Statement of Intent 2016/17–2019/20*, one of our success indicators was – 'We see increases in the usefulness and value of qualifications listed on the NZQF by learners and employers'. Our planned measure was 'By 2020 an evaluation will be undertaken to show how well the needs initially identified are being met through *New Zealand* qualifications at Levels 1-6 listed on the NZQF'.

Significant changes to vocational education, including changes to the qualifications system, have been progressed by the Government since the measure was first proposed. As well, the NZQF review, initiated in 2018, has been aligned to progress on the Reform of Vocational Education. Hence, it is inappropriate and potentially confusing to undertake the previously intended evaluation this year.

Ngā pūkenga whāiti

Micro-credentials

This year 45 micro-credentials were approved and the equivalency of eight micro-credentials against the NZQF was established.

Of the 45 approved micro-credentials, 14 were from Industry Training Organisations, 19 from Tertiary Education Institutions and 12 from Private Training Establishments.

Almost half of the approved micro-credentials in vocational education were in primary industries. Micro-credentials were also approved in a broad range of subject areas, including banking, business management, beauty therapy, hospitality, information technology, nursing, security services and tourism.

An annual review is required for approved micro-credentials to confirm they remain current. Thirty micro-credentials have been reviewed and their approvals have been extended for another 12 months. The completed reviews have shown some micro-credentials with more than 50 awards in the first 12 months.

Micro-credential case study:

Forestry Operations – Environment.

This micro-credential was developed by Competenz to help learners acquire the skills they need to move into employment quickly. It is a 20-credit micro-credential at Level 3 on the NZQF.

The micro-credential aims to: provide the forestry sector with skilled workers who are able to meet the theoretical knowledge and practical skill requirements required to meet the health and safety, quality and environmental components of the job prescription. These workers will also learn key elements of forestry work to enable them to successfully progress from planting operations to other forestry operations.

This micro-credential has been developed for migrant workers or school leavers with few or no credentials or qualifications to meet the skills shortage in the silviculture workforce.

Competenz's annual review for this micro-credential has shown that the micro-credential continues to be needed by the industry and is useful for people to get started in the industry before deciding to complete a qualification.

Sixty five learners were awarded the micro-credential in the first year, with 183 active learners at the time of the review. The review of this micro-credential was completed in February 2020, and approval has been extended for a further 12 months.

Ngā mahi tautoko e ai ki te mate urutā (COVID-19) mō te rāngai kura tuarua

COVID-19 response in the secondary sector

NZQA undertook joint COVID-19 pandemic planning with the Ministry of Education to ensure teachers were supported to get the best outcomes for students affected by COVID-19. Joint planning considered graduated responses that took account of the effects of COVID-19 on students, schools and kura nationally under extended periods of disruption.

Guidance and templates were provided to schools and kura to support teachers to maintain valid and credible assessment in the context of distance learning for students. These gave effect to NZQA's well established policies, processes, and materials in place to respond to emergencies that affect the delivery of core assessment and quality assurance for secondary qualifications.

NZQA maintained contact with schools in New Zealand, the Cook Islands, and Niue throughout the COVID-19 lockdown. We provided communications to schools to share with students, parents and whānau, and made general information available on NZQA's COVID-19 webpages.

NZQA worked with the Ministry of Education to develop a package of support, designed to:

- assist schools to manage distance learning and assessment during the period covered by the lockdown, by providing standard-specific guidance. NZQA developed and published 632 templates for internally assessed standards to guide teachers in the collection of evidence to enable valid and credible assessment during distance learning
- optimise the available time for teaching and learning by rescheduling the dates for the assessment and examination timetable. Submission dates for externally assessed portfolio subjects were delayed by one week and external examinations were delayed by ten days
- recognise and address the equity impacts on students of the time away from school through changes to NCEA and University Entrance (UE) in 2020, while maintaining the credibility and rigour of the qualifications and awards. NZQA adjusted the thresholds for endorsements, introduced Learning Recognition Credits (so that students could gain additional credits as they achieve assessment standards towards NCEA in 2020), and adjusted the credit requirements for UE.

In May 2020 the Minister of Education announced changes to the NCEA examination timetable and portfolio submission dates for 2020. These recognised the scale of the disruptions and the effects on students, and the need for support to both schools and students as students returned to the classroom in Term 2.

The announcement outlined changes to NZQA's processes for external assessment in 2020 by:

- delaying the start of external NCEA and New Zealand Scholarship examinations from 6 November to 16 November to allow more time for teaching, learning and internal assessment in Term 4
- waiving verification requirements for NCEA Level 1 and 2 Visual Arts portfolios to give students more time to complete their portfolios, and teachers more time for marking

- extending submission dates for subjects that require students to submit a portfolio, such as Design and Visual Communication from 28 October to 12 November, to give students more time to prepare.

The Minister also asked the Ministry of Education and NZQA to work with the NCEA Professional Advisory Group to address equity issues arising from the disruption.

NZQA maintained comprehensive communication and interactions with schools during and after the lockdown to ensure they were well supported, and worked closely with the Ministry of Education, the Minister of Education's Professional Advisory Group on NCEA, and sector representatives.

Guidance from NZQA recommended that schools focus on ensuring students intending to leave at the end of 2020 were well prepared to pursue their intended pathways beyond school. For students not intending to leave in 2020, schools were reminded that as NCEA has no prerequisites, any students who did not quite reach the required number of credits in 2020 could attain those when they return to school in 2021, while studying for the next level of their qualification.

NZQA received positive feedback from principals and schools on the information we provided to support continuity of learning and assessment throughout COVID-19.

Following the Minister's announcement in May 2020, NZQA continued to work with the Ministry of Education on developing options for changes to NCEA and the University Entrance Award in

response to COVID-19 for the NCEA Professional Advisory Group to consider.

In June 2020, the Minister of Education announced a further tranche of temporary changes to NCEA and the University Entrance (UE) Award for 2020 only, endorsed by the NCEA Professional Advisory Group. The changes to UE reduced the credits required, although students still need to attain NCEA Level 3 and meet literacy and numeracy requirements.

The changes were introduced to support student wellbeing and learning pathways, while maintaining both the integrity of the qualification and equity for students. The changes will mean students can continue to be well prepared for tertiary study, vocational education, or employment.

NZQA worked with universities and Universities New Zealand on the changes to the University Entrance Award for 2020, which the NZQA Board also endorsed.

In relation to NCEA Online, an immediate response was to bring forward the 2020 plan to offer subject association practice examinations on the NCEA Online platform. To create more flexibility should another COVID-19 type situation arise, we have prioritised research work on approaches which offer more than one external assessment opportunity per annum as well as remote invigilation¹¹ of digital examinations.

¹¹ Remote (or online) invigilation is the use of technology to supervise an assessment.

Te mahi ngātahi i ngā rōpū o te rāngai mātauranga

Regular engagement with sector bodies

NZQA and the Ministry of Education met regularly with peak bodies, including national subject associations, Universities New Zealand, the Post Primary Teachers' Association, and Secondary Principals Association of New Zealand. These meetings enabled the agencies to provide updates on activities underway to support teachers and students affected by COVID-19, and to address issues facing the respective sectors. NZQA engaged with national subject associations to provide free webinars to members, who are practising teachers, to help them better understand and prepare for the authentic assessment of distance learning. NZQA responded to requests for webinars from 20 of the 27 national subject associations during April, May and June 2020.

Following the Minister's announcement in May 2020, NZQA resumed a series of meetings with Universities New Zealand and university Vice-Chancellors. The meetings aimed to ensure that students are not disadvantaged by disrupted programmes due to COVID-19, by exploring ways to extend the flexibility of NCEA. The participants considered ways to ensure that students undertaking NCEA Level 3 and who are ready to attend university in 2021 can attain the University Entrance Award in 2020. The temporary changes to University Entrance in 2020 announced by the Minister were endorsed by Universities New Zealand and university Vice-Chancellors.

Kua whakakorengia te aromatairua i te aromatawai tarāwaho me te whakahaere aromatawai ā-motu

External moderation cancelled and Managing National Assessment reviews deferred

NZQA undertakes external moderation of internally assessed standards by schools. The due dates in April and May 2020 for internally assessed standards were initially extended to 1 June for external moderation materials from schools, although schools could continue to submit their materials online. In May 2020, schools were advised that they were not required to submit samples for external moderation for the remainder of 2020, but still had the option of submitting student work for external moderation. This change recognises the additional workload for teachers and school administration due to COVID-19.

For those schools scheduled for Managing National Assessment (MNA) reviews in 2020, NZQA undertook to reschedule the reviews until a later date to ensure they did not affect schools in the immediate period of schools re-opening in Term 2.

NCEA ki tāwāhi

NCEA offshore

NZQA worked with the Ministry of Education in the preparation of legislation that would enable international and domestic students enrolled in New Zealand state and state-integrated schools in 2020 to continue distance learning towards NCEA, while based offshore and unable to enter New Zealand due to the pandemic.

Te wātaka whakamātautau 2019

2019 examination round

The 2019 NCEA and New Zealand Scholarship examination period ran from 8 November to 3 December 2019. Approximately 140,000 students were entered for NCEA and New Zealand Scholarship external assessments, from an approximate total of 172,000 students. The remaining 32,000 were entered for NCEA internal assessments only. Of the 140,000 students, 14,000 participated in digital examinations from 197 schools. NZQA scheduled 129 examination sessions in 418 examination centres in New Zealand, seven in the Cook Islands, and one in Niue. Delivering the examinations involved a large pool of contractors. This included 6,000 examination staff, and 1,630 markers comprised of subject specialists, currently teaching in secondary schools. Marking was completed by Christmas 2019 as planned.

New Zealand Scholarship assesses students on their ability to demonstrate high-level critical thinking, abstraction, and generalisation. More than 6,900 students sat one or more New Zealand Scholarship examinations in 2019. 2,147 students were awarded one or more scholarships across 35 subjects.

Te pāoho whakataunga mō te NCEA me Te Hiranga 2019

NCEA and New Zealand Scholarship results release 2019

Students can access their NCEA and New Zealand Scholarship results through their school or via NZQA's Learner login webpage. More than 72,000 students accessed their 2019 NCEA results via NZQA's webpage on the scheduled results release day of 14 January 2020. Prior to the results release, NZQA strongly recommended to students, and this message was reinforced by their schools, to prepare for the results release by checking their login details. The call centre experienced a 9.5% drop in total calls (417) received compared to last year. This was likely due to students choosing to access results through their schools' management systems and to the success in preparing students for the results release.

New Zealand Scholarship students could access their results from NZQA's website on 5 February 2020, as scheduled.

Approximately one million examination booklets were returned to students following the release of their results as part of NZQA's commitment to transparency and quality assurance. Digital examination booklets were available for students to review online from 22 January.

School principals and administrators received provisional NCEA and University Entrance enrolment-based attainment statistics for their school and related decile band on 16 January 2020. NZQA liaised with schools about their results statistics to understand and gain insights into student engagement levels with NCEA Level 1 in 2019 compared to the previous year.

In 2019, Year 13 NCEA Level 3 attainment increased by 1.2%, and University Entrance attainment increased by 0.4% for domestic students. The greatest increase by decile band was for decile 1-3 schools (a 2.5% increase on 2018). The NCEA Level 3 attainment rate for Māori in 2019 was 55.1% compared to 52.6% in 2018. The NCEA Level 3 attainment rate for Pacific students increased to 60.3% compared to 58.9% the previous year.

Attainment for 2019 Year 12 NCEA Level 2 students was similar to 2018, with a slight decrease of 0.1%. Year 12 NCEA Level 2 attainment was also similar to 2018 for all decile bands.

Attainment for 2019 Year 11 NCEA Level 1 students decreased by 1.8% compared to 2018, continuing a trend that began in 2017. In 2018, attainment had decreased by 2.6% compared to 2017; and in 2017, attainment had decreased by 0.3% compared to 2016. This is reflective of a small but steady decrease over the same period in the percentage of Year 11 students entered for sufficient credits to achieve NCEA Level 1. This largely reflects schools and students focusing on the attainment of NCEA Level 2 at the end of Year 12 and students being assessed against fewer standards at Level 1 in Year 11. The 2019 decreases are in decile bands 4-7 and 8-10 schools. Attainment rates for Māori and Pacific students also reflect slight decreases. The NCEA Level 1 attainment rate for Māori in 2019 was 57.7% compared to 58.1% in 2018, and 61.8% for Pacific students in 2019 compared to 62.3% in 2018.

In 2019, 49.3% of Year 13 students were awarded University Entrance (UE), an increase of 0.4% from

2018. Of those students, 29.9% of Māori gained UE compared to 29.2% in 2018, and 30.3% of Pacific students gained UE, compared to 28.7% in the previous year.

Final national attainment statistics for 2019 NCEA, University Entrance and New Zealand Scholarship were publicly available through NZQA's website on 4 May 2020. NZQA also published the *Annual Report on NCEA and New Zealand Scholarship Data and Statistics* in July 2020. NZQA and the Ministry of Education continue to conduct analysis of past attainment trends.

In 2020, as part of the ongoing monitoring and support for all schools affected by the pandemic, NZQA and the Ministry of Education are monitoring data flows from schools for the rest of the year, including the patterns of entries, results, and grade distributions. This will help agencies to identify early, where support for student learning and attainment is required at a school or system level, including a particular focus on issues of equity for students requiring learning support, students from low socio-economic communities, and Māori and Pacific students.

Ngā kōrero arotake me te aroturuki o ngā whakamātautau 2019

2019 Reviews and reconsiderations

Students who have sat NCEA or New Zealand Scholarship examinations are entitled to apply to have their examination answer booklets reviewed, if they feel that not all parts of their work have been marked and results recorded and transferred correctly. A review does not involve re-marking and there is no fee for a review. Reconsiderations

are available for students who believe their answer booklet or portfolio has not been marked correctly.

NZQA processed 8,814 NCEA and New Zealand Scholarship reconsideration applications and 327 review applications.

NZQA processed fee waiver applications from 205 students. Of those received, 46% of applications were from students in decile 8-10 schools, 44% from students in decile 4-7 schools, and 10% from students in decile 1-3 schools. There is a fee per standard as part of NZQA's cost-recovery. However, if a student's grade is changed, the fee is refunded. In 2019, NZQA introduced a reconsiderations fee waiver for students who met financial assistance criteria to improve equity of access to students who need it.

Ngā take nui o te ngā whakamātautau ā-motu o te NCEA Kaupae 2: Pāngarau me te Tatauranga

Issue relating to NCEA Level 2 Mathematics and Statistics examination

NZQA addressed an issue in the NCEA Level 2 Mathematics and Statistics examination held on 21 November 2019. The issue related to an error in a diagram in Question 2(d), designed to assess Excellence in the Algebra paper for Standard 91261 Apply algebraic methods in solving problems.

NZQA commissioned an independent review panel to investigate why the error in the paper was not identified before students sat the examination for the NCEA Level 2 Algebra standard. The Review Panel met three times during December 2019 and January 2020 to complete its review.

The Review Panel found nothing in the data to suggest that the error in Question 2(d) had a

negative impact on the overall performance of the student cohort. While the Review Panel was also of the view that the current examination development process had an adequate number of quality assurance checks, and that the process was followed with the Level 2 Algebra paper, a number of improvements were recommended to prevent this type of error occurring again.

NZQA addressed each of the Review Panel's recommendations. This included revising ways of working to develop examinations, reinforced through training of examination development contractors and NZQA staff for the 2020 examination cycle, and strengthening the way NZQA oversees quality assurance processes for examination development.

Ngā kōrero e ai ki te whakawhānuitanga o Te Hiranga

New Zealand Scholarship Awards increased

On 5 February 2020, the Minister of Education announced changes to New Zealand Scholarship Awards to allow more young people to be acknowledged for excellence in the examinations. The number of New Zealand Scholarship Premier Awards was increased from a range of seven to twelve, from five to ten, and the criteria for the New Zealand Scholarship Award were changed to include students who achieve two single Outstanding Scholarship grades (and no third subject) in the same year.

Following the announcement, 12 students received the Premier Award for 2019, and a further two students received the New Zealand Scholarship Award by meeting the revised criteria. The winner of the Prime Minister's Award for Academic

Excellence, the Premier Award recipients, and the top-achieving student in each New Zealand Scholarship subject are recognised at the Top Scholar Awards events in May each year. NZQA published the names of Premier Award, Outstanding Scholar Award and Top Scholar Award recipients on its website on 7 February. Due to COVID-19, NZQA cancelled the Top Scholar Awards event that was to have been held on 5 May 2020 at Parliament, and made alternative arrangements to acknowledge the winners.

Ngā tukanga o te toitūtanga taiao

Environmentally sustainable processes

NZQA continues to explore and adapt ways to ensure examination and moderation processes are environmentally sustainable, by phasing out single-use plastics and exploring and adopting the digital transfer of examination and moderation materials.

Positive progress was made in replacing single-use plastics to protect and secure examination and moderation materials, while being distributed and stored. For the 2019 examinations, NZQA adopted a reusable flow-wrap manufactured in New Zealand from recycled plastic, and after examinations, returned the flow-wrap to the manufacturing company for recycling and re-use to support councils and industry. This circular recycling process ensures plastic resources are re-used as many times as possible before disposal. Marked examination papers were returned to candidates in 100% recyclable paper envelopes instead of the plastic flow-wrap used previously.

NZQA will phase out plastic courier bags over the next two years for the distribution of moderation materials between schools and moderators.

The option of scanning is being investigated as an opportunity beyond 2020. This could mean in the future that all marking is done online, and students will access their marked examination papers online, thereby removing the need for mailing.

Te whakaaturanga ā-tau o te Top Art Annual Top Art touring exhibition

NZQA works with schools to showcase portfolios of selected artworks by students who achieved Excellence in NCEA Level 3 for Visual Art in the previous year. The Top Art exhibition was scheduled from February to September 2020 and open to the public, at 40 locations across New Zealand. The Northern Tour covers Kerikeri to Hawke's Bay, while the Southern Tour covers Whanganui to Invercargill. Top Art provides an opportunity for secondary students and teachers to gain an understanding of what is required to achieve Excellence at Level 3. The artworks cover design, painting, photography, printmaking, and sculpture.

NZQA suspended Top Art in March 2020, due to COVID-19. The Top Art tours resumed on 25 May 2020, with a slightly different schedule as some venues had cancelled, while NZQA invited others to join the exhibition.

TE HUA 2.2.2: Mā te whakaū kounga ka noho tika ka noho pono nei ngā pūkenga whāiti me ngā tohu mātauranga o Aotearoa

INTERMEDIATE OUTCOME 2.2.2: Quality assurance provides trust and confidence in New Zealand credentials and qualifications

Te whakaū kounga

Quality assurance

Quality assurance activities were adapted during the COVID-19 lockdown to ensure they were fit for purpose while also meeting learner needs.

NZQA streamlined its processes to enable TEOs to seek approval to adapt their delivery method quickly in response to the COVID-19 lockdown, so students could continue learning during this period. These temporary programme and training scheme delivery approvals included offshore delivery. This enabled approximately 318 current international students from 25 countries to continue learning in their home country.

TEOs granted extensions to approvals for offshore delivery are required to participate in NZQA's validation process. The validation process is designed to provide assurance that TEOs' systems for delivering offshore online learning are effective. The key focus is on ensuring that offshore online provision is of an equivalent quality to onshore provision.

A number of TEOs have signalled their intention to expand their online delivery capability. NZQA is developing guidelines and templates for online and offshore online delivery. These will be published between July and September 2020.

This year most programme monitoring activities have focused on Levels 5 and 6 Business Diplomas and Level 4 New Zealand Certificate in English Language. Approximately 50% of providers monitored did not meet requirements. Follow-up interventions for each provider ranged from action plans and additional moderation, to withdrawal of accreditation. NZQA is developing a monitoring summary report to share findings and good practice guidance for the Level 4 New Zealand Certificate in English Language. Overall, the monitoring results indicate that there are two key areas of improvement required – making valid assessment decisions and implementing effective programme review processes. We are rolling out two new approaches to address these improvement priorities – (i) monitoring of internal moderation systems and (ii) monitoring of programme reviews.

We have prioritised monitoring internal moderation systems, with 40 activities planned for completion by the end of September 2020. Initial findings suggest that this approach will help TEOs build their own capability in ensuring that assessment decisions are fair, valid and consistent. There have also been some examples of good practice, which will be made available in due course. A programme-monitoring tool will be implemented by October 2020.

Programme monitoring priorities this financial year have focused largely on programmes with high numbers of international students. Over the next year we intend to monitor a wider range of providers and programmes, to better identify risk indicators and support quality teaching, learning and assessment.

The distribution of External Evaluation and Review (EER) category outcomes remains relatively stable. 100 EERs were completed as at 30 June 2020, representing 23 per cent of tertiary education programmes. 17 of those EERs were completed when the COVID-19 Alert Level 4 and 3 restrictions were in place.

Ngā rārangi tikanga o te atawhai ākongā

Codes of pastoral care

NZQA is working to ensure that its quality assurance processes for both the international and interim domestic codes are aligned and appropriate for a post-COVID-19 environment.

Te rārangi tikanga o te ao whānui

International code

This year a focus has been to ensure that signatories to the international code understand the changes required to comply with the amendments to the code that came into effect on 1 July 2019.

NZQA's activities included publishing revised international code guidelines and working closely with Universities New Zealand and the Education Review Office to strengthen the self-review and reporting processes.

NZQA delayed publishing its findings from the sampling of self-review reports, to enable signatories to focus on the immediate impacts of the COVID-19 pandemic. Examples include student wellbeing and implementing online delivery. The findings will be published between July and September 2020.

We piloted a thematic approach to monitoring signatories with schools and tertiary providers. The approach was to target aspects of the international code that have been challenging. Areas included:

managing and monitoring agents (Outcome 2); offer, enrolment, contract and insurance (Outcome 3); and safety and wellbeing, including in accommodation (Outcome 6). This work was delayed as a result of COVID-19 and resumed in June 2020. The closing of the borders with the resultant significant decrease in international student numbers has resulted in more requests for support and guidance from international code signatories. NZQA worked closely with other government education agencies, and peak bodies to provide guidance and advice on travel and health insurance cover, the pastoral care of students in student accommodation and homestays, the repatriation of international students, specifically the handover of care for under-18-year-olds, safety checks, fee refunds and financial hardship.

Te rārangi tikanga taupua

Interim domestic code

The interim code was intended to be in place until December 2020. It has been proposed that the interim code be extended to January 2022 to enable full sector consultation on the ongoing code.

Work continues on the code administrator delegations with Universities New Zealand, and detailed guidance on code implementation has been published on NZQA's website. A monitoring and quality assurance framework for the interim code is being developed and will include metrics to report on performance.

Capability-building workshops began in late June 2020. These are being delivered online.

Feedback from the workshops to date:

“Thanks for a great course. I have taken a lot away from it including introducing a Marae visit for our students to connect with our culture as well as finding a reciprocal cultural experience involving our international students. Cultural day perhaps?”

Te whakaū kounga o ngā mahi mātauria tarāwaho i ngā aromatawai tarāwhare

External moderation assurance of schools' internal assessment

NZQA undertakes external moderation of schools' internal assessments of students' work to monitor and assure consistency of assessment nationally. NZQA moderated 80,037 samples of student work for 2019/20, involving 237 contracted staff and NZQA staff who are specialist moderators of national assessments. The numbers moderated were below target due to changes to the school assessment calendar and effects on distribution due to COVID-19. The lowered number of moderated samples does not impact the integrity of the moderation system.

NZQA moderators work with interpreters for student evidence presented in te reo Māori, to ensure that evidence for assessment is understood and considered from a Māori worldview.

As part of continuous improvement, NZQA has developed an analytical tool that helps to better select standards and related student work for moderation. The tool has improved NZQA's ability

to identify outliers requiring moderation effort and support for teachers. NZQA also commenced work on its quality assurance systems for assuring the consistency of assessment, with a view to aligning any changes to support the implementation of the new achievement standards arising from the Ministry of Education's Review of Achievement Standards programme.

Te whakahaere arotakenga o te aromatawai ā-motu

Managing National Assessment reviews

NZQA undertakes Managing National Assessment (MNA) reviews of secondary schools' assessment practices at least once every four years. These aim to ensure that NCEA internal assessment is accurate, consistent, and to the national standard; and to confirm that the requirements for Consent to Assess are being maintained. An MNA report includes comments on the effectiveness of a school's management of assessment practices and moderation, a summary of the review findings, and any actions required for the school to maintain its Consent to Assess.

In 2019/20, NZQA completed 101 MNA reviews, fewer than planned as reviews were suspended in March 2020 due to COVID-19.

Based on the outcomes of reviews, schools are placed on a review cycle of between one and four years. A one-year review cycle is for those schools with significant issues posing a risk to the credibility of NCEA; and a four-year review cycle reflects those schools with effective self-review processes and increased likelihood to anticipating and mitigating potential risks to NCEA.

A school on a two- or three-year MNA review cycle may be placed on a targeted return within one year (one-year return visit) and two years (two-year return visit) in cases where NZQA identifies a single issue that could pose a risk to the credibility of the qualification if left unaddressed, and where there is evidence that the school has the capability to effect the required change.

If left unchecked, this issue could pose a risk to a school's ongoing consent by the time of its next scheduled full review visit. In these circumstances, the school is placed on a monitored action plan to resolve the issue, and NZQA conducts a focused

review on this aspect of their MNA within a 1- or 2-year return visit outside of their normal review cycle. If the issue is resolved, a school may remain on the scheduled cycle for a full MNA. If not, the school's full MNA is brought forward to the following year.

The number of schools per MNA return cycle is subject to change during the year due to, for example, new schools gaining Consent to Assess, changing capabilities within schools, or concluded MNAs moving a school up or down the review cycle period. The table below shows the number of schools per MNA review cycle and return visit.

Number of schools per MNA review cycle period or return visit in 2019

Number of schools	Review cycle period	Return visit
68	4-year	
374	3-year	
28	2-year	
4	1-year	
13		1-year
1		2-year

TE HUA 2.2.3: Mā te mana tonu o ngā tohu mātauranga ka āheitia te toro atu ki te ao

INTERMEDIATE OUTCOME 2.2.3: Greater qualification recognition enables mobility

Te whakatūtu tohu mātauranga

Qualification recognition

Qualification recognition application volumes were significantly higher than those in previous years until the COVID-19 pandemic, which resulted in a significant reduction in applications due to border restrictions.

Application volumes recovered slightly by June 2020; however, they are not expected to reach pre-COVID-19 levels until border restrictions ease.

An updated suite of qualification recognition products was successfully launched in February 2020. The updated products were designed to support international student and skilled migrant mobility. Anecdotally, feedback from stakeholders has been very positive.

Customer feedback:

"We are so impressed with the quality of service which over the years has improved in astounding leaps and bounds. Truly exceptional for any government department which must run under so much constant pressure with the associated challenges this brings. I have had the pleasure of working with the changes over the past 26 years and with it the appreciation of where your organisation is today."

In conjunction with the updated products, a new case-management system, online application portal and web content were implemented and rolled out. Further improvements will be supported by an analysis of applicant behaviour and queries.

Te whakatūtu tohu mātauranga o te ao

International recognition

Throughout 2019-20 we continued to maintain relationships with international recognition agencies to ensure the ongoing recognition of New Zealand qualifications.

NZQA is designated as the responsible agency for leading the implementation of New Zealand's treaty obligations under two UNESCO conventions for the recognition of higher education qualifications: the Lisbon and Tokyo Conventions.

NZQA is responsible for our National Education Information Centre. We will use our relationships with international information centres to share information to support the improved recognition of New Zealand qualifications.

We advanced work on our projects with South Africa and the Philippines; however, progress towards completion was slowed by the global response to COVID-19. The pandemic has reshaped the focus of our international approach, with more effort needed to ensure ongoing recognition of New Zealand qualifications delivered online.

Qualification recognition arrangements enable NZQA to extend the global reach of the NZQF and enhance the credibility and portability of qualifications listed on the NZQF. The aspirational goal to have recognition arrangements with 50 countries by 2020 has been revised, with the focus now on taking a more tailored approach to developing new recognition arrangements with jurisdictions where there are reciprocal national interests. This year our work has been to progress recognition projects with South Africa and the Philippines and support the maintenance of existing qualification arrangements following temporary changes to NCEA. The unprecedented global COVID-19 pandemic has resulted in significant delays in progressing international recognition projects. We have continued to engage with other countries to support recognition of the NZQF and the development and use of qualifications frameworks internationally, including supporting the development of the ASEAN Qualifications Reference Framework. We currently have 43 country recognition arrangements.

Te aroturuki i ngā ahunga whakamua

Monitoring our progress

Te hua nui 2: Ka hāpaitia ngā tohu mātauranga o Aotearoa kia ako mō te oranga tonutanga

Outcome 2: New Zealand qualifications enable lifelong learning

Indicator	Measured by	End-of-year progress
Teacher surveys indicate that assessment and credentialing methods are supporting innovation in teaching and the promotion of lifelong learning	Teachers agree that NZQA supports innovative approaches to internal assessment in schools	Survey data is incomplete, as it was not possible to survey schools during the lockdown and in the period beyond because of operating pressures schools faced due to COVID-19

Indicator	Measured by	End-of-year progress
The NZQF is widely acknowledged in international forums for the portability and New Zealand qualifications	Recognition of New Zealand qualifications is increased through the development and maintenance of qualification-recognition arrangements	NZQA has continued to engage with agencies in the Philippines and South Africa to progress qualification-recognition projects in the pipeline. The global COVID-19 pandemic has further delayed both projects. Temporary changes to NCEA in 2020 have been communicated to relevant overseas agencies to ensure ongoing acceptance of the school-leaving qualification

Te Tauākī o te Mahi Rātonga

Statement of Service Performance

Te hua nui 2: Ka hāpaitia ngā tohu mātauranga o Aotearoa kia ako mō te oranga tonutanga
Outcome 2: New Zealand qualifications enable lifelong learning

Measure ID.	Measure	2018/19 Actual	2019/20 Standard	2019/20 Actual
IMPACT 2.1: Assessment and credentialing support innovation in teaching and preparation for a changing world of work				
Intermediate Outcome 2.1.1: Innovative assessment practices enable learners to make connections across learning areas				
2.1a	Teachers agree that NZQA's processes and requirements are conducive to innovative assessment practices	N/A	Narrative	Survey data is incomplete, as it was not possible to survey schools during the lockdown and in the period beyond because of operating pressures schools faced due to COVID-19

Measure ID.	Measure	2018/19 Actual	2019/20 Standard	2019/20 Actual
Intermediate Outcome 2.1.2: Learner voice informs digital assessment methods and builds confidence and engagement in assessment				
2.1b	Learner feedback is actively used in design and development of digital assessment activities	N/A	Narrative	Refer to page 43
IMPACT 2.2: Qualifications are accepted as credible and robust nationally and internationally				
Intermediate Outcome 2.2.1: The NZQF facilitates lifelong learning				
2.2a	The percentage of qualifications where a review has commenced according to the planned timeframe	N/A	100%	100%
Intermediate Outcome 2.2.2: Quality assurance provides trust and confidence in New Zealand credentials and qualifications				
2.2b	The percentage of non-university Tertiary Education Organisations which had an external evaluation and review completed ¹²	N/A	20%	23% (actual 100)

¹² An external evaluation and review is completed when an external evaluation and review job is closed off, and the resulting report published on the NZQA website.

Measure ID.	Measure	2018/19 Actual	2019/20 Standard	2019/20 Actual
2.2c	The percentage of Tertiary Education Organisations in category 4 that improve to category 3 or higher as a result of their next external evaluation and review, or exit the system ¹³	N/A	90%	N/A ¹⁴
2.2d	The percentage of investigations that result in a significant NZQA intervention ¹⁵	N/A	20-40%	30%
2.2e	The percentage of investigations that result in corrective action that satisfactorily resolves the identified non-compliance or quality issues identified ¹⁶	N/A	40-60%	58%
2.2f	The number of code ¹⁷ signatories	977	Volume is demand driven	958
2.2g	The number of newly registered signatories to the code	24	Volume is demand driven	23

13 External Evaluations and Reviews use key questions directly addressing achievement, outcomes and key contributing processes to judge the quality and performance of the tertiary education organisation, with the tertiary education organisation placed in one of four categories of capability:

Category 1: Highly Confident in educational performance and Highly Confident or Confident in capability in self-assessment

Category 2: Confident in educational performance and Confident or Highly Confident in capability in self-assessment

Category 3: Highly Confident, Confident or Not Yet Confident in educational performance and Not Yet Confident in capability in self-assessment

Category 4: Either a Not Confident in educational performance or a Not Confident in self-assessment or both.

14 No Tertiary Education Organisations in Category 4 this year.

15 A significant New Zealand Qualifications Authority intervention occurs in cases where compliance or quality issues have ultimately led (directly or indirectly) to the loss of a permission previously granted by it, including:

- cancellation of registration
- withdrawal of programme approval or accreditation
- withdrawal of training scheme approval
- withdrawal of consent to assess against standards.

This category also includes cases where the New Zealand Qualifications Authority has had to intervene in relation to the award of qualifications or credits that were found to have been inappropriately awarded.

16 Investigations that result in a corrective action are cases where it was appropriate to allow the provider the opportunity to take corrective action in relation to identified compliance or quality issues, and where all required corrective action has been satisfactorily completed.

17 The Education (Pastoral Care of International Students) Code of Practice 2016.

Measure ID.	Measure	2018/19 Actual	2019/20 Standard	2019/20 Actual
2.2h	The total number of formal complaints received alleging breaches of the code	2	Volume is demand driven	5
2.2i	The percentage of formal complaints alleging code breaches that are concluded within 65 working days	100%	90%	100%
2.2j	The number of programme monitoring activities completed for non-university tertiary education organisations	N/A	75-100	77
2.2k	The proportion of New Zealand qualifications (that have graduates) that undergo a consistency review in any one financial year	N/A	15%	18.5% ¹⁸ (87 reviews)
2.2l	The proportion of NZQA consistency reports (interim or final) that are published within 3 months of the consistency review date	N/A	85%	94%
2.2m	The percentage of draft external evaluation and review reports completed and sent to all types of Tertiary Education Organisations within 30 working days of the site visit	92%	90%	93%
2.2n	The percentage of NZQA-owned standards maintained by their planned reviewed dates	99.6%	95%	99.5%
2.2o	The percentage of schools on a three or four year Managing National Assessment cycle ¹⁹	N/A	85%	93.6%

¹⁸ This number refers to actual qualifications to have a consistency review. The annual target (71) is 15% of New Zealand qualifications that have graduates (470) at 31 December 2018.

¹⁹ For further information on the MNA process including a matrix that describes the length of cycles, refer to: <https://www.nzqa.govt.nz/providers-partners/assessment-and-moderation-of-standards/managing-national-assessment-in-schools/>

Measure ID.	Measure	2018/19 Actual	2019/20 Standard	2019/20 Actual
2.2p	The percentage of total marker judgements unaltered following Review or Reconsideration of External Assessment Result process for NCEA	99.8%	99%	99%
2.2q	The percentage of total marker judgements unaltered following Review or Reconsideration of External Assessment Result process for New Zealand Scholarship	99.9%	99%	99.9%
2.2r	The percentage of validated NCEA results provided to learners no later than the end of the third full week of January	99.9%	99%	99.9%
2.2s	The percentage of validated New Zealand Scholarship results provided to learners no later than the end of the second full week of February	100%	99%	100%
2.2t	The annual moderator/teacher agreement ²⁰ rate at the level of grade	81.7%	85%	81.8% ²¹
2.2u	The number of samples of learner work moderated for national external moderation	110,013	Approx. 100,000	80,037 ²²
2.2v	The percentage of draft Managing National Assessment reports provided to schools within six weeks from the date of completion of onsite work	100%	98%	100%

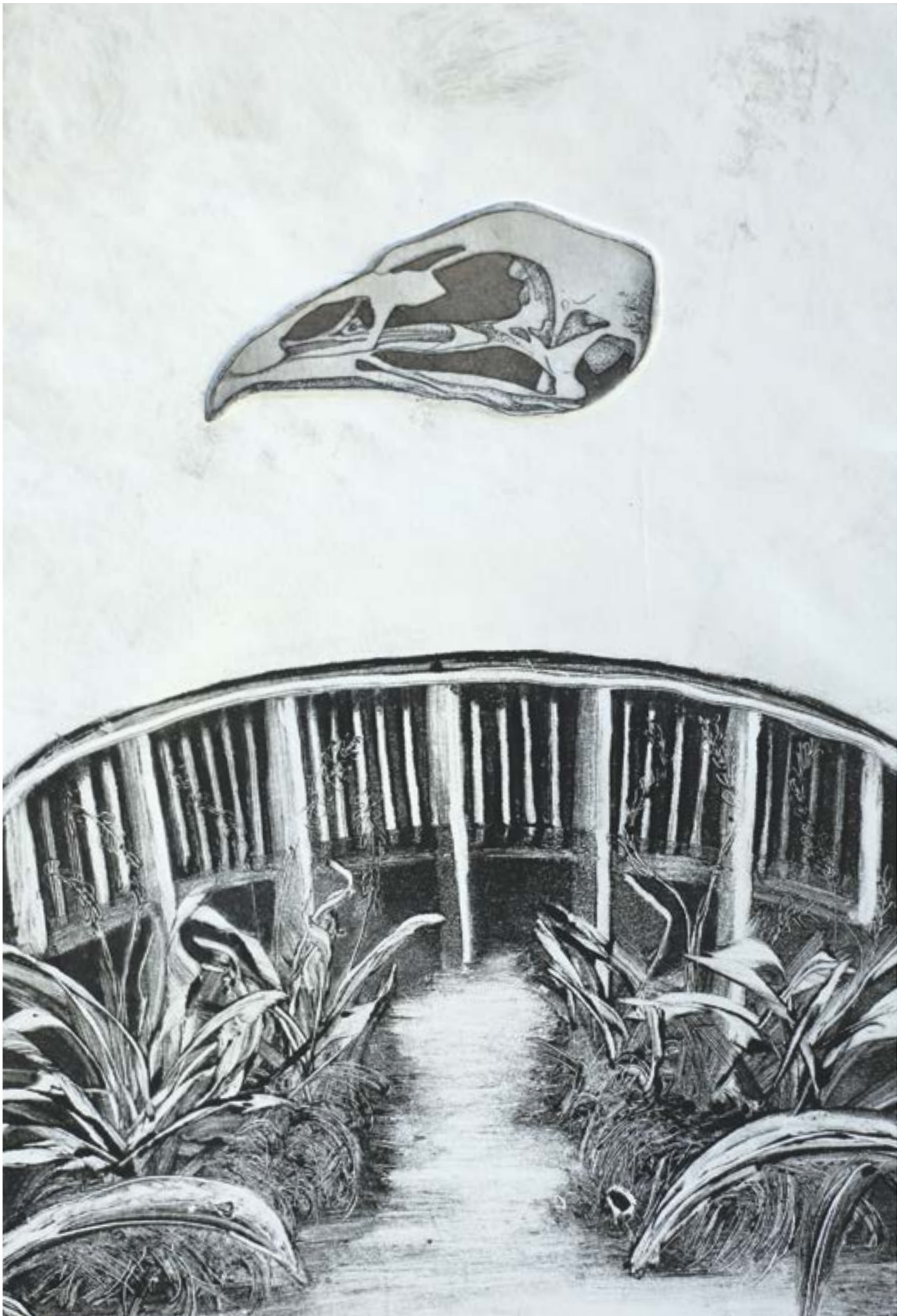
20 The Technical Overview Group Assessment (TOGA) recommend agreement rates of between 75% and 85% as robust for a mature assessment system internationally.

21 NZQA has been advised by TOGA that agreement rates of between 75% and 85% are robust for a mature assessment system internationally. This range will be reflected in the standard for the 2020/21 Statement of Performance Expectations.

22 The number of samples of learner work moderated is lower than the standard as the due dates of April and May for the submission of samples of internally assessed standards were extended due to COVID-19. Moderation was then suspended and schools were later informed that external moderation was made optional for the remainder of the year.

Measure ID.	Measure	2018/19 Actual	2019/20 Standard	2019/20 Actual
2.2w	The percentage of NZQA identified risks to a school's consent to assess that are monitored by an action plan to ensure resolution or escalation	100%	100%	100%
Intermediate Outcome 2.2.3: Greater qualification recognition enables mobility				
2.2x	The percentage of international qualification recognition products that meet their service level agreement	97%	95%	97%
2.2y	The satisfaction score given by the Ministry of Foreign Affairs and Trade for support provided by NZQA in the free trade negotiation process and implementation of agreement commitments ²³	4	3	4

²³ Scale 1 to 4: 1 is strongly disagree; 2 is disagree; 3 is agree; 4 is strongly agree.



Credit: Hannah Anderson-Brooks John Paul II High School



**Te Wāhanga Tuatoru:
Te hauora me ngā
āheinga o te rōpū
whakahaere**

Part Three:
Organisational health
and capability



Ngā tohu hauora o te rōpū whakahaere

Organisational health indicators

Te mahere tāngata

Our People Plan

NZQA employees are critical to the achievement of our organisational goals and are supported through enterprise-wide capability-building development opportunities. NZQA has a people plan with two strategic focus areas and four skill sets that guide the development of our people, with the requirements of our work at the heart of these:

Strategic focus areas: Equity focused and Learner and customer centred

Skill sets: Innovative, Digitally capable, Evidence based and results focused, and Programme and project management capable.

NZQA employees are supported to discharge their duties through development and capability building at a local level (on the job), regular coaching and peer mentoring, along with the enterprise-wide capability-building development opportunities. The People Plan responds to needs identified by employees and assists them to meet the needs of our key stakeholders and learners, and aligns with our organisational goals and objectives.

We continue to roll out activities under our people plan, which supports NZQA to build a resilient and responsive workforce capable of operating effectively in an everchanging and at times ambiguous environment. This is achieved through our streams: Ways of Learning (Consolidating and stretching our skills and capabilities), Ways of Being (Strengthening our leadership and management expertise), and Ways of Working (enhancing our performance and culture).

Te ine hauora me te pūkenga tāngata

Measuring our organisational health and capability

NZQA hei kaiwhakawhiwhi mahi pai me āna tukanga tiaki kaimahi pai

NZQA as a good employer and good employer activities

NZQA's People Plan continues to be its core workforce capability plan, intended as a channel for identifying employee development requirements (through a co-designed process) and ensuring these are aligned to the overall goals and objectives of NZQA. The plan deliberately and purposefully supports our commitment to be a good employer and reflects the principles of Equal Employment Opportunities in our work. These are:

- leadership, accountability and culture
- recruitment, selection and induction
- employee development, promotion and exit
- flexibility and work design
- remuneration, recognition and conditions
- harassment and bullying prevention
- safe and healthy environment.

We continued to provide regular workforce reporting and monitoring to ensure we were cognisant of employee needs and that we provided intended deliverables. NZQA also supported employees looking to continue study (lifelong learning) and undertake professional development accreditation activities.

Frequent reporting based on in-depth analysis of targeted human resources metrics assisted us to drill down and understand patterns and trends over set periods of time, and make informed responses to those findings. All metrics were reviewed along the way to ensure alignment with organisational needs and to safeguard their currency.

During the COVID-19 lockdown our employees adjusted to the change seamlessly, ensuring the organisation continued to deliver to the usual high expected levels of service delivery. We surveyed our employees to ensure they were well supported while working during these extraordinary circumstances. This was a precipitous and challenging period and our employees' wellbeing and health were of the utmost importance.

Regular collaboration and consultation occurs with union representatives.

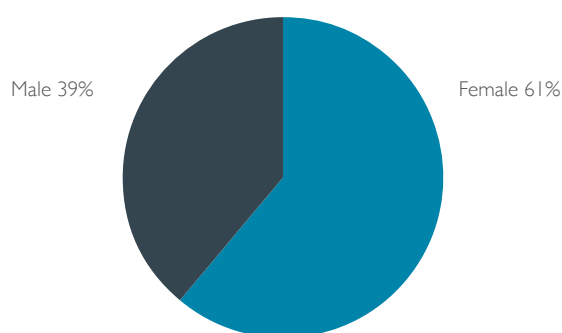
Te rārangi rōpū mahi o NZQA hei te 30 o Hune 2020

NZQA workforce profile as at 30 June 2020

As at 30 June 2020, NZQA had 423 full-time-equivalent employees. The NZQA workforce profile by gender, ethnicity and age is outlined in the graphs below. NZQA collects data on staff disabilities and responds to their individual needs as required.

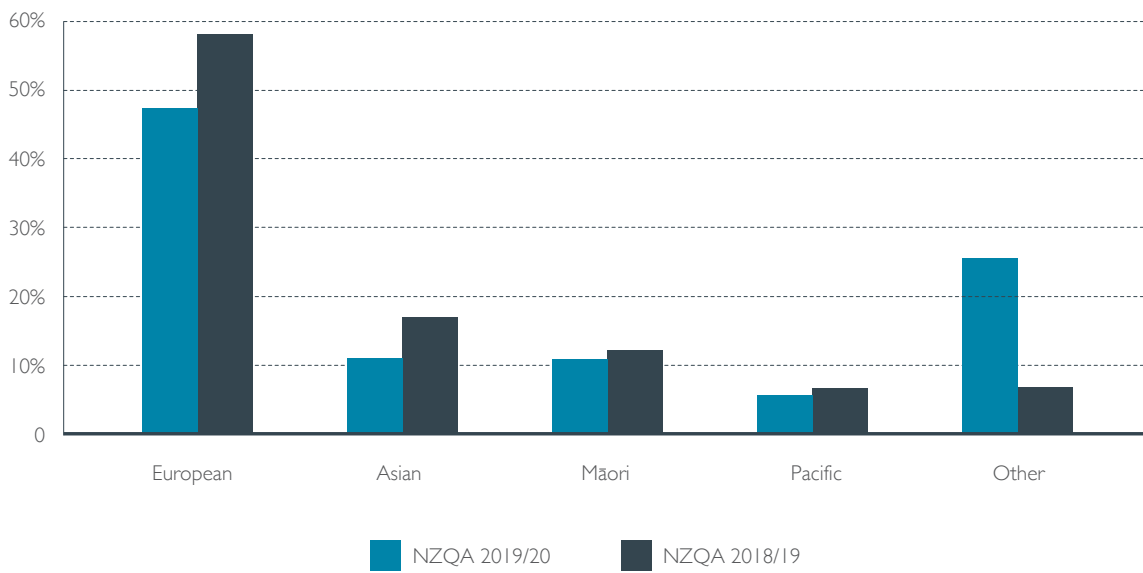
NZQA also employs an additional workforce up to 6,500 to manage the annual examination cycle.

Gender of staff as at 30 June 2020



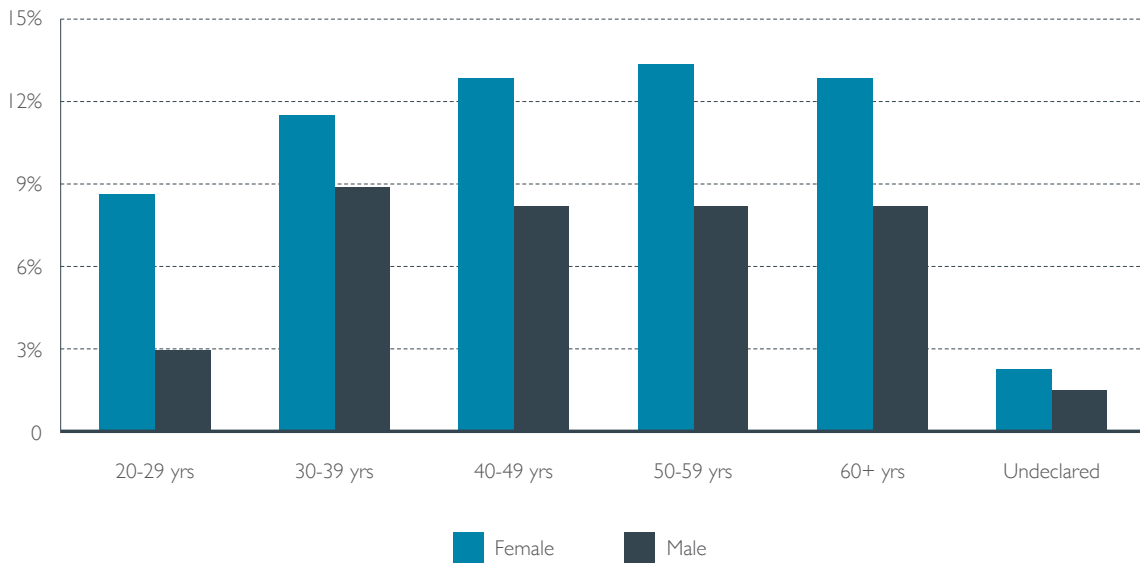
NZQA is continuing to see an increase in the proportion of female staff with 61% of staff being female versus 39% male as at June 2020. The respective rates were 56% and 44% as at June 2018. Note that staff who do not declare their gender are excluded from these percentages.

Ethnicity of staff as at 30 June 2020



NZQA continues to focus on maintaining a diverse workforce and will be focusing on recruitment and retention initiatives specific to growing the number of Māori and Pacific employees.

Age of staff (in 10 year groupings) as at 30 June 2020



A large proportion of NZQA's workforce (44%) is between 40 years and 59 years old. The proportion of staff in the 60+ years age group has remained stable at 21%.

Workforce planning and flexible working arrangements are used to respond to and manage workforce demographics. Note that staff who have not declared their age are not included in these statistics.

Te hauora me te haumaru

Health and safety

NZQA is committed to providing a safe workplace and meeting its responsibilities under the Health and Safety at Work Act 2015. Key activities that NZQA undertook to meet these responsibilities in 2019/20 were:

- raising awareness of mental wellbeing through running a Mental Health and Wellbeing at Work week
- a focus on employee wellness and wellbeing promotions throughout the year, including hosting a Wellbeing Expo with more than a dozen presenters and several additional sponsors
- introducing an online Health and Safety IT application, to enhance the reporting of incidents, accidents and near misses, assist with the identification of trends and help NZQA to manage risk
- launching the Wellnomics WorkPace health and safety IT application which enables employees and management to identify and manage risks to health and safety.

The Board and Strategic Management Team continue to review health and safety performance indicators regularly and are provided with updates about activities, to inform remedial action where appropriate. The Health and Safety Committee includes a nominated union representative.

Te nama pakihi o Aotearoa

New Zealand Business Number

NZQA continued to consider the New Zealand Business Number and its inclusion in appropriate information systems. The invoicing system has the ability to include this number and we will factor its inclusion into specifications for new systems that hold organisation and/or business information.

Te whakahaere tūraru

Risk management

NZQA actively identifies and manages risks, and its work programmes are managed proactively in response to both inherent and emerging risks.

Risks affecting the strategic, operational, and transformational objectives of NZQA are systematically identified, assessed and treated as an integral part of doing business, in accordance with a defined risk appetite. Our goal is to achieve sustained benefits through improved decision-making, performance and accountability.

The Strategic Management Team monitors risks monthly, with reporting to the Board according to the mitigated level of risk.

NZQA's approach to risk management is consistent with the Joint Australian New Zealand International Standard for Risk Management (AS/NZS ISO 31000:2009).


Te tautoko i te Minita o te Mātauranga

Support to the Minister of Education

Measure ID.	Measure	2018/19 Actual	2019/20 Standard	2019/20 Actual
i	The overall satisfaction rating given by the Minister of Education on the New Zealand Qualifications Authority ²⁴	N/A	8	8
ii	The percentage of Ministerial items that achieve the deadlines agreed with the Minister's office	99.3%	99%	99.5%

NZQA's support to the Minister is measured by the above two performance measures.

²⁴ The survey measures the Ministers' satisfaction with the quality of advice on a scale from 1 to 10, where 1 means unsatisfied and 10 means extremely satisfied.



**Te Wāhanga
Tuawhā:
Te Tauākī
o te Mahi
Rātonga**

Part Four:
Statement of
service performance



Credit: Sidney Barron Nelson College

Ngā whakamārama me ngā tohutohu mō ngā tohu mātauranga

Provision of communication and advice

Te Korahi

Scope

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

He aha ngā hua ka puta

What is intended to be achieved

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

Provision of communication and advice

	2019/20 Actual (\$000)	2019/20 Budget (\$000)	Variance (\$000)	Variance %
Revenue				
Crown	3,448	3,448	-	-
Other	75	75	-	-
Total Revenue	3,523	3,523	-	-
Expenses	3,293	3,388	95	3
Surplus	230	135	95	71

Most revenue for this category of expense is provided by the Crown through the Vote Education: Non-Departmental Related Expense – **Provision of Communication and Advice (M26)** appropriation²⁵ with \$0.8M for the administration of the capital charge.

Performance information from Vote Education Information Supporting the Estimates 2019/20 is included in the performance tables on pages 37 (measure 1.1a) and 75 (measure i).

²⁵ The Crown funding received by NZQA equals the actual expenses incurred in relation to the appropriation, which is a required disclosure from the Public Finance Act.

Te whakaū kounga

Quality assurance

Te Korahi

Scope

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

He aha ngā hua ka puta

What is intended to be achieved

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

Quality assurance

	2019/20 Actual (\$000)	2019/20 Budget (\$000)	Variance (\$000)	Variance %
Revenue				
Crown	6,281	5,094	1,187	23
Other	6,778	8,660	(1,882)	(22)
Total Revenue	13,059	13,754	(695)	(5)
Expenses	14,878	15,054	176	1
(Deficit)	(1,819)	(1,300)	(519)	(40)

Approximately 48% of the total revenue for this category of expense is provided by the Crown through the Vote Education: Non-Departmental Related Expense – **Quality Assurance (M26)** appropriation²⁶.

Crown revenue is \$1.2M over budget due to additional funding of \$0.5M for tertiary monitoring activities and \$0.7M for administration of the code of practice for pastoral care of domestic students.

Other revenue is \$1.9M below budget. This largely reflects a \$1.6M shortfall in revenue for tertiary monitoring where the monitoring activities were subsequently reduced in scope and then funded through the additional Crown revenue noted above. In addition, there was a reduction in fees compared to budget for both external evaluation and review and approval and accreditation services following the deferral of some of these revenue-generating activities in the wake of the COVID-19 pandemic.

Other expenses are \$0.2M below budget, which reflects some savings from a lower activity level.

Performance information from Vote Education Information Supporting the Estimates 2019/20 is included in the performance tables on pages 62 (measure 2.2b) and 63 (measures 2.2d and 2.2e).

26 The Crown funding received by NZQA equals the actual expenses incurred in relation to the appropriation, which is a required disclosure from the Public Finance Act.

Ngā pūnaha tautoko o ngā tohu mātauranga

Qualifications support structures

Te Korahi

Scope

This category is limited to the New Zealand Qualifications Authority overseeing the setting of standards and New Zealand qualifications' development, recognition and review of qualifications, and contributing to the maintenance and promotion of the New Zealand qualifications system.

He aha ngā hua ka puta

What is intended to be achieved

This category is intended to ensure that New Zealand's qualifications are valued as credible, robust and meet the needs of learners and employers.

Qualifications support structures

	2019/20 Actual (\$000)	2019/20 Budget (\$000)	Variance (\$000)	Variance %
Revenue				
Crown	6,049	6,049	-	-
Other	20,493	21,212	(719)	(3)
Total Revenue	26,542	27,261	(719)	(3)
Expenses	24,677	23,781	(896)	(4)
Surplus/(Deficit)	1,865	3,480	(1,615)	(46)

Approximately 23% of the total revenue for this category of expense is provided by the Crown through the Vote Education: Non-Departmental Related Expense – **Qualifications Support Structures (M26)** appropriation²⁷.

Other revenue is \$0.7M below budget. This primarily reflects reduced credit reporting by tertiary organisations and reduced applications for assessment of overseas qualifications in the last quarter, particularly as a result of the impact of the COVID-19 pandemic.

Expenses are \$0.9M over budget due to additional costs required for information technology projects.

Performance information from Vote Education Information Supporting the Estimates 2019/20 is included in the performance tables on pages 37 (measure 1.1c), 64 (measure 2.2n) and 66 (measure 2.2y).

²⁷ The Crown funding received by NZQA equals the actual expenses incurred in relation to the appropriation, which is a required disclosure from the Public Finance Act.

Ngā mahi aromatawai o ngā kura tuarua

Secondary school assessment

Te Korahi

Scope

This category is limited to New Zealand Qualifications Authority overseeing assessment for national secondary school qualifications, including the NCEA and New Zealand Scholarship examinations, and the moderation of internal and external school assessments.

He aha ngā hua ka puta

What is intended to be achieved

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

Secondary school assessment

	2019/20 Actual (\$000)	2019/20 Budget (\$000)	Variance (\$000)	Variance %
Revenue				
Crown	54,039	26,480	27,559	104
Other	3,804	12,675	(8,871)	(70)
Total Revenue	57,843	39,155	18,688	48
Expenses	54,274	41,450	(12,824)	(31)
Surplus/(Deficit)	3,569	(2,295)	5,864	256
Capital Funding - Crown	6,418	-	6,418	N/A

Approximately 93% of the total revenue for this category of expense is provided by the Crown through the Vote Education: Non-Departmental Related Expense – **Secondary School Assessment (M26)** appropriation²⁸.

Crown revenue is \$27.6M over budget. The variances to budget comprise additional funding of \$13.1M for the NCEA Online project, \$10M to fund the removal of NCEA fees for domestic students and \$4.5M to cover additional costs in the secondary examination cycle.

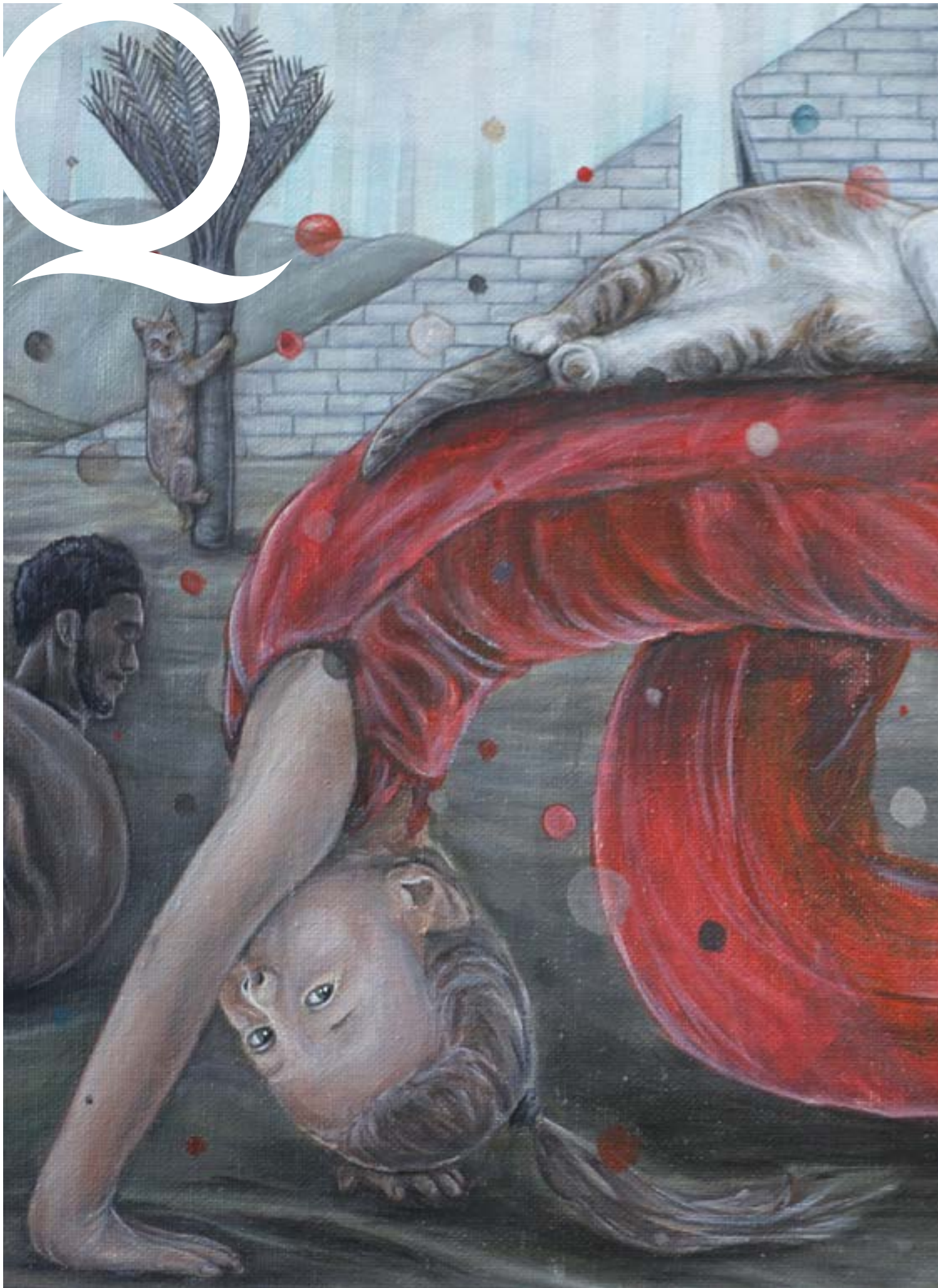
Other revenue is \$8.9M below budget largely reflecting the removal of third party funded NCEA fees.

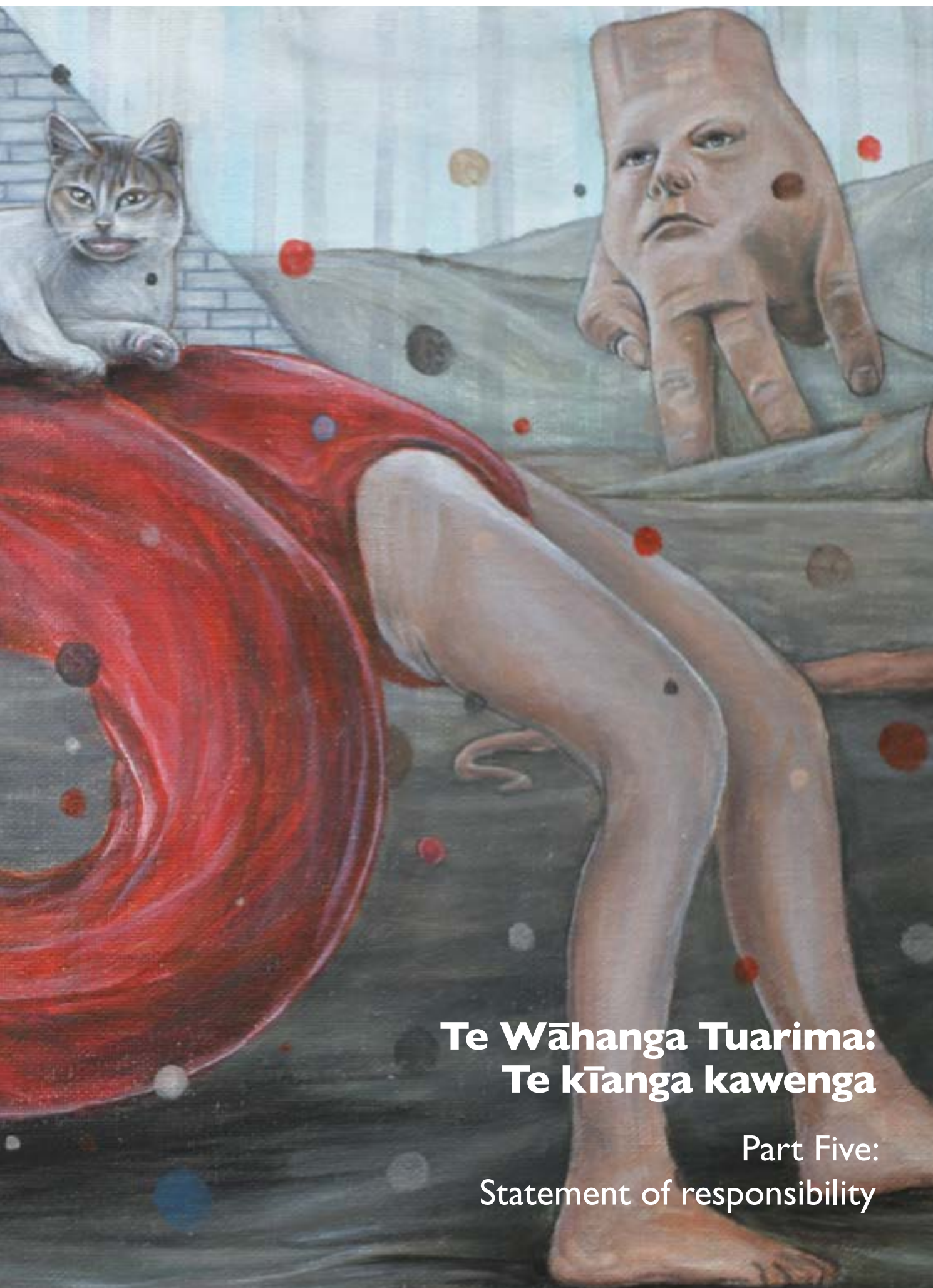
Expenses are \$12.8M over budget. This largely relates to the additional expenses for NCEA Online which were incurred following receipt of the above noted funding and additional costs for secondary examiners and markers following an increase in contracted rates.

The \$6.4M Crown Capital Funding reflects the approved funding for NCEA Online which was finalised after the original budget. By 30 June 2020, \$3.6M had been utilised.

Performance information from Vote Education Information Supporting the Estimates 2019/20 is included in the performance table on page 65 (measure 2.2p).

²⁸ The Crown funding received by NZQA equals the actual expenses incurred in relation to the appropriation, which is a required disclosure from the Public Finance Act.





Te Wāhanga Tuarima: Te kīanga kawenga

Part Five:
Statement of responsibility

Te kīanga kawenga

Statement of responsibility

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

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

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

In our opinion, these financial statements and statement of performance fairly reflect the financial position and operations of NZQA for the year ended 30 June 2020.

Signed on behalf of the Board:



Neil Quigley
ACTING BOARD CHAIR
7 SEPTEMBER 2020



Lyn Provost
RISK AND ASSURANCE COMMITTEE CHAIR
7 SEPTEMBER 2020

Te Pūrongo o te Kaiarotake Motuhake

Independent auditor's report

To the readers of the New Zealand Qualifications Authority's financial statements and performance information for the year ended 30 June 2020

The Auditor-General is the auditor of the New Zealand Qualifications Authority (the Authority). The Auditor-General has appointed me, Stephen Usher, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and the performance information, including the performance information for appropriations, of the Authority on his behalf.

Opinion

We have audited:

- the financial statements of the Authority on pages 84 to 124, that comprise the statement of financial position as at 30 June 2020, the statement of comprehensive revenue and expenses, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements including a summary of significant accounting policies and other explanatory information; and
- the performance information of the Authority on pages 20 to 66 and 75 to 81.

In our opinion:

- the financial statements of the Authority on pages 84 to 124:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2020; and

- its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards; and
- the performance information on pages 20 to 66 and 75 to 81:
 - presents fairly, in all material respects, the Authority's performance for the year ended 30 June 2020, including:
 - for each class of reportable outputs:
 - + its standards of delivery performance achieved as compared with forecasts included in the statement of performance expectations for the financial year; and
 - + its actual revenue and output expenses as compared with the forecasts included in the statement of performance expectations for the financial year; and
 - + what has been achieved with the appropriations; and
 - + the actual expenses or capital expenditure incurred compared with the appropriated or forecast expenses or capital expenditure.
 - complies with generally accepted accounting practice in New Zealand.

Our audit was completed on 7 September 2020. This is the date at which our opinion is expressed.

The basis for our opinion is explained below, and we draw your attention to the impact of Covid-19 on the Authority. In addition, we outline the responsibilities of the Board and our responsibilities

relating to the financial statements and the performance information, we comment on other information, and we explain our independence.

Emphasis of matter – Impact of Covid-19

Without modifying our opinion, we draw attention to the disclosures about the impact of Covid-19 on the Authority as set out in note 20 to the financial statements and page 124 of the performance information.

Basis for our opinion

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

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

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

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

The Board is responsible on behalf of the Authority for preparing the financial statements and the performance information that are fairly presented and comply with generally accepted accounting practice in New Zealand. The Board is responsible for such internal control as it determines is necessary to enable it to prepare the financial statements and the performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the performance information, the Board is responsible on behalf of the Authority for assessing the Authority's ability to continue as a going concern. The Board is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to merge or to terminate the

activities of the Authority, or there is no realistic alternative but to do so.

The Board's responsibilities arise from the Crown Entities Act 2004 and the Public Finance Act 1989.

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

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

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

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

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

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

- We identify and assess the risks of material misstatement of the financial statements and the performance information, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from

fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- We evaluate the appropriateness of the reported performance information within the Authority's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the performance information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

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

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board is responsible for the other information. The other information comprises the information included on pages 2 to 83 and pages 125 to 130 but does not include the financial statements and the performance information, and our auditor's report thereon.

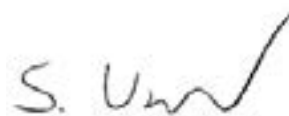
Our opinion on the financial statements and the performance information does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

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

Independence

We are independent of the Authority in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

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



Stephen Usher
AUDIT NEW ZEALAND
ON BEHALF OF THE AUDITOR-GENERAL
WELLINGTON, NEW ZEALAND



Te Wāhanga Tuaono: Ngā tauākī pūtea

Part Six: Financial statements



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

Statement of Comprehensive Revenue and Expense

for the year ended 30 June 2020

	Note	2020 Actual (\$000)	2020 Budget (\$000)	2019 Actual (\$000)
REVENUE				
Funding from the Crown		69,817	41,071	49,351
Other revenue		31,150	42,622	41,123
Interest revenue		677	550	577
Total revenue	3	101,644	84,243	91,051
EXPENDITURE				
Personnel and Board	4	51,690	48,034	48,460
Specialist workforce		12,635	9,372	9,291
Professional services	5	12,333	7,622	11,384
Publication, printing and distribution		4,020	4,250	4,071
Other operating costs	6	12,884	11,391	12,108
Depreciation and amortisation		3,211	2,720	3,052
Capital charge	7	1,026	834	833
Total expenditure		97,799	84,223	89,199
SURPLUS				
Other comprehensive revenue and expense		-	-	-
TOTAL COMPREHENSIVE REVENUE AND EXPENSE		3,845	20	1,852

Since NZQA is a wholly owned Crown entity, the entire net surplus and total comprehensive revenue and expense are attributable to public equity.

Explanations of major variances against budget are detailed in note 2.

The accompanying notes form part of these financial statements.

Te tauākī aroā pūtea ā-tūranga

Statement of Financial Position

as at 30 June 2020

	Note	2020 Actual (\$000)	2020 Budget (\$000)	2019 Actual (\$000)
ASSETS				
Current assets				
Cash and cash equivalents	8	3,147	2,966	3,489
Receivables	9	2,765	3,863	3,069
Prepayments		2,682	967	1,051
Investments	10	25,000	10,500	14,500
Total current assets		33,594	18,296	22,109
Non-current assets				
Property, plant and equipment	11	1,458	1,432	1,322
Intangible assets	12	5,816	4,803	5,822
Work in progress	12	1,376	1,410	1,205
Total non-current assets		8,650	7,645	8,349
TOTAL ASSETS		42,244	25,941	30,458
LIABILITIES				
Current liabilities				
Payables and deferred revenue	13	11,019	7,729	8,757
Employee entitlements	15	4,287	3,401	5,055
Total current liabilities		15,306	11,130	13,812
Non-current liabilities				
Employee entitlements	15	630	598	601
Total non-current liabilities		630	598	601
TOTAL LIABILITIES		15,936	11,728	14,413
NET ASSETS		26,308	14,213	16,045
EQUITY				
Contributed capital		20,308	13,890	13,890
Accumulated surplus		6,000	323	2,155
PUBLIC EQUITY	19	26,308	14,213	16,045

Explanations of major variances against budget are detailed in note 2.

The accompanying notes form part of these financial statements.

Te tauākī o ngā whakahaerenga hou mō te mana taurite

Statement of Changes in Equity

for the year ended 30 June 2020

	Note	2020 Actual (\$000)	2020 Budget (\$000)	2019 Actual (\$000)
Balance at start of the year		16,045	14,193	14,193
Total comprehensive revenue and expense for the year		3,845	20	1,852
Crown - Capital Contribution		6,418	-	-
BALANCE AT END OF THE YEAR	19	26,308	14,213	16,045

Explanations of major variances against budget are detailed in note 2.

The accompanying notes form part of these financial statements.

Ngā tauākī pūtea hokohoko

Statement of Cash Flows

for the year ended 30 June 2020

	Note	2020 Actual (\$000)	2020 Budget (\$000)	2019 Actual (\$000)
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from the Crown		69,817	41,071	49,351
Receipts from other revenue		31,659	42,622	42,086
Interest received		780	550	425
Payments for employee and Board costs		(52,429)	(49,234)	(48,129)
Payments to other suppliers		(41,870)	(33,175)	(36,067)
Payments for capital charge		(833)	(834)	(833)
Goods and Services Tax (net)		124	-	(156)
Net cash flows from operating activities		7,248	1,000	6,677
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts from the sale of property, plant and equipment		7	-	8
Purchases of property, plant and equipment		(826)	(500)	(354)
Purchases of intangible assets		(2,689)	(2,500)	(1,750)
Purchases of investments		(48,500)	(24,500)	(29,000)
Receipts from sale of investments		38,000	26,500	24,500
Net cash flows from investing activities		(14,008)	(1,000)	(6,596)
CASH FLOWS FROM FINANCING ACTIVITIES				
Crown – Capital contribution	19	6,418	-	-
Net cash flows from financing activities		6,418	-	-
Net (decrease)/increase in cash and cash equivalents		(342)	-	81
Cash and cash equivalents at the beginning of the year		3,489	2,966	3,408
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	8	3,147	2,966	3,489

Explanations of major variances against budget are detailed in note 2.

The accompanying notes form part of these financial statements.

Ngā tauākī pūtea hokohoko

Statement of Cash Flows (continued)

for the year ended 30 June 2020

Reconciliation of net surplus to net cash flow from operating activities

	2020 Actual (\$000)	2019 Actual (\$000)
Net surplus	3,845	1,852
ADD/(LESS) NON-CASH ITEMS		
Depreciation and amortisation expense	3,211	3,052
Other charges to opening work in progress	-	76
Increase in rent accrual	154	150
Increase in allowance for credit losses on receivables	185	13
Total non-cash items	3,550	3,291
ADD/(LESS) ITEMS CLASSIFIED AS INVESTING OR FINANCING ACTIVITIES		
(Profit) on disposal of property, plant and equipment	(4)	(6)
Total items classified as investing or financing activities	(4)	(6)
ADD/(LESS) MOVEMENTS IN STATEMENT OF FINANCIAL POSITION		
Decrease in receivables	119	327
(Increase) in prepayments	(1,631)	(290)
Increase in payables and deferred revenue	2,108	1,172
(Decrease)/increase in employee entitlements	(739)	331
Net movements in statement of financial position	(143)	1,540
Net cash flow from operating activities	7,248	6,677

The accompanying notes form part of these financial statements.

Ngā tuhinga mō te tauākī ā-pūtea

Notes to the Financial Statements

I. Te tauākī o ngā kaupapa here pūtea

I. Statement of Accounting Policies

Te hinonga ripoata

Reporting entity

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, the Education Act 1989 and the Industry Training Act 1992. 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 are valued as credible and robust both nationally and internationally. NZQA is accountable for managing the NZQF, administering the secondary school assessment system, independent quality assurance of non-university education providers, qualifications recognition and standard setting for some specified unit standards.

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

The financial statements for NZQA are for the year ended 30 June 2020 and were approved by the Board on 27 August 2020.

Te tūnga pūtea o te rōpū

Basis of preparation

The financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the year. The financial statements have also been prepared on a historic cost basis unless otherwise specified (eg actuarially assessed liabilities).

Te tauākī tūtohu

Statement of compliance

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

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

Te whakaatu me te whakaawhiwhi pūnaha moni

Presentation currency and rounding

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

Te paearu me ngā whakamāramatanga kaute hou

New accounting standards and interpretations

(i) Changes in accounting policies and disclosures

All accounting policies adopted in these financial statements are consistent with those of the previous financial year. In line with government policy, NZQA has elected to adopt early PBE IFRS 9 Financial Instruments from 1 July 2018.

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

Standards and amendments, issued but not yet effective, that have not been adopted early are:

- PBE IPSAS 41 Financial Instruments – The XRB issued PBE IPSAS 41 Financial Instruments in March 2019. This standard supersedes PBE IFRS 9 Financial Instruments, which was issued as an interim standard. It is effective for reporting periods beginning on or after 1 January 2022. Although NZQA has not assessed the effect of the new standard, it does not expect any significant changes as the requirements are similar to PBE IFRS 9.

- PBE FRS 48 Service Performance Reporting – PBE FRS 48 replaces the service performance reporting requirements of PBE IPSAS 1 and is effective for reporting periods beginning on or after 1 January 2021. NZQA has not yet determined how application of PBE FRS 48 will affect its statement of service performance.

Te rāpopototanga o ngā kaupapahere kaute

Summary of significant accounting policies

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

Ngā pūtea penapena

Provisions

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

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

The expense relating to any provision is presented in the net surplus for the year.

Tāke moni whiwhi

Income tax

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

Te tāke hokohoko

Goods and Services Tax (GST)

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

Ngā nama o te pūtea

Budget figures

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

Te tuari utu

Cost allocation

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

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

Direct costs are charged directly to outputs. Indirect costs are charged to outputs based on cost drivers and related activity/usage information. Depreciation is charged on the basis of asset utilisation. Personnel costs are charged on the basis of actual time incurred. Property and other premises costs, such as maintenance, are charged on the basis of floor area occupied for the production of each output. Other indirect costs are assigned to outputs based on the proportion of direct staff costs for each output.

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

Ngā whakapae pūtea matua

Critical accounting estimates and assumptions

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

- useful lives of internally generated software – refer to note 12.
- the impact of the COVID-19 global pandemic's effect on the carrying value of receivables – refer to note 9.

Ngā whakataunga matua o te mahi kaupapahere

Critical judgements in applying accounting policies

Management has exercised critical judgements in applying accounting policies for:

- intangible assets – refer to note 12.

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

2. Explanation of major variances against budget

(i) Te tauākī aroā ā-pūtea whiwhi, ā-pūtea whakapaunga

(i) Statement of comprehensive revenue and expense

The overall net surplus for the year ended 30 June 2020 of \$3.8M compares to a small budget surplus of \$20,000. Significant variances within individual line items are as follows:

- Crown revenue is \$28.7M ahead of budget essentially reflecting additional revenue received for the NCEA Online project of \$13.1M, \$10M to fund the removal of NCEA fees for domestic students and \$4.5M to fund additional costs for the secondary examination cycle.
- Other revenue is \$11.5M below budget. This is largely driven by the decision to remove NCEA fees for domestic students (see above). In addition there has been reduced demand for credit reporting against standards by tertiary education organisations and as a result of the COVID-19 pandemic there has also been a reduction in some quality assurance services provided.
- Personnel and Board costs are \$3.7M over budget. This is primarily due to staff costs for the NCEA Online project. No costs were originally budgeted for this, since funding had not been confirmed at the time of completing the original budget. In addition, there has been a \$0.6M increase in the staff annual leave accrual.
- Specialist workforce costs are \$3.3M over budget driven largely by an increase in contracted rates for secondary examiners and moderators.
- Professional services costs are \$4.7M over budget. This is again largely the result of unbudgeted costs incurred in relation to the NCEA Online project (approximately \$3.9M) plus \$0.7M of additional costs required for other core infrastructure technology projects.

- Other operating costs are \$1.5M over budget. This results from \$2.2M additional software license costs (including those for NCEA Online and from increased use of digital platforms) partly offset by savings in travel costs particularly during the later part of the year.
- The capital charge overspend of \$0.2M is due to the current year capital contribution.

(ii) Te tauākī aroā pūtea ā-tūranga

(ii) Statement of financial position

Net assets at 30 June 2020 were \$26.3M compared to a budget of \$14.2M. Within individual lines, the significant variances are as follows:

- Receivables are \$1.1M below budget. This reflects a reduced level of activity given the state of the economy at 30 June 2020 and the deferral of some work particularly in the quality assurance division to acknowledge the impact of COVID-19 on the education sector.
- Prepayments are \$1.7M above budget due to the purchase of discounted multi-year software contracts and increased software licenses through increased use of digital platforms and services.
- Investments are \$14.5M over budget reflecting strong operating cashflows and the capital contribution received late in the year.
- Payables and deferred revenue are \$3.3M over budget. This largely reflects unbudgeted liabilities for the NCEA Online project plus deferral of revenue on other projects not yet completed.
- Employee entitlements are \$0.9M over budget largely reflecting a \$0.6M increase in the staff annual leave accrual.

(iii) Ngā tauākī pūtea hokohoko

(iii) Statement of cash flows

The main variances are explained below:

- Receipts from the Crown are \$28.7M ahead of budget and receipts from other revenue are \$11M below budget reflecting the revenue comments noted earlier.
- Payments to other suppliers are \$8.7M over budget primarily driven from payments for contractors and software licencing for NCEA Online that were not in the original budget.
- Purchases and sales of investments are significantly ahead of budget reflecting the increased use of short term deposits to maximise interest revenue given an improved cash position.

3. Pūtea whiwhi

3. Revenue

Te kaupapahere o te tiaki pūtea

Accounting Policy

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

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

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

Funding from all other sources result from exchange transactions.

Pūtea a te Karauna

Funding from the Crown

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

Ngā utu whakamātautau (kua hono ngā utu NCEA mō ngā taura nō whenua kē)

Examination fees (including NCEA fees for international students)

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

Ngā utu o te ratonga tohu mātauranga o tāwāhi

Qualifications recognition services fees

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

Itareti

Interest

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

Ngā ratonga atu

Provision of other services

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

Breakdown of total revenue and further information

	2020 Actual (\$000)	2019 Actual (\$000)
Crown funding for		
Provision of communication and advice	3,448	3,448
Quality assurance	6,281	5,094
Qualifications support structures	6,049	6,049
Secondary school assessments	54,039	34,760
Total funding from the Crown	69,817	49,351
Other revenue		
Examination fee remissions*	1,288	1,288
Examination fees	2,002	11,109
NZQF fees and registration	10,792	12,117
Quality assurance services	6,751	6,582
Qualifications recognition service fees**	9,670	9,144
Other income and award reimbursement***	647	883
Total other revenue	31,150	41,123
Interest revenue	677	577
TOTAL REVENUE	101,644	91,051

* Received from the Crown's "Benefit & Other Unrequited Expenses" fund.

** Includes \$352,000 (2019: \$352,000) from Immigration New Zealand for Quality Assurance work on the list of qualifications exempt for assessment and \$282,000 (2019: \$nil) from the Ministry of Education to facilitate the assessment of early childhood education teachers wishing to come to New Zealand.

***Includes \$488,000 (2019: \$324,000) received for projects through inter-departmental funding and \$26,000 (2019: \$31,000) received or receivable from the Export Education Levy Fund.

4. Ngā kaimahi me te Poari

4. Personnel and Board

Te kaupapahere o te tiaki pūtea

Accounting policy

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

Breakdown of personnel and Board costs and further information

	2020 Actual (\$000)	2019 Actual (\$000)
Salaries and wages	50,696	46,448
Employer contributions to defined contribution plans	1,733	1,681
(Decrease)/increase in employee entitlements (note 15)	(739)	331
Total personnel and Board costs	51,690	48,460

Employee remuneration

	Number of staff	
	2020 Actual	2019 Actual
Total remuneration paid or payable		
\$430,000 – \$439,999	-	1
\$330,000 – \$339,999	-	1
\$310,000 – \$319,999	1	1
\$280,000 – \$289,999	1	2
\$250,000 – \$259,999	1	-
\$240,000 – \$249,999	1	-
\$230,000 – \$239,999	1	1
\$220,000 – \$229,999	-	1
\$210,000 – \$219,999	-	1
\$200,000 – \$209,999	1	-
\$190,000 – \$199,999	2	2
\$180,000 – \$189,999	1	1
\$170,000 – \$179,999	5	5
\$160,000 – \$169,999	6	5
\$150,000 – \$159,999	2	5
\$140,000 – \$149,999	6	2
\$130,000 – \$139,999	23	15
\$120,000 – \$129,999	24	17
\$110,000 – \$119,999	35	22
\$100,000 – \$109,999	63	65
Total employees	173	147

During the year ended 30 June 2020, 2 employees (2019: 7) received compensation and other benefits in relation to cessation amounting to \$50,000 (2019: \$154,000).

Board member remuneration

The total value of remuneration paid or payable to each Board member during the year was:

	2020 Actual (\$000)	2019 Actual (\$000)
Murray Strong (Board Chair to 23 August 2019)	7.1	36.0
Neil Quigley (Acting and/or Deputy Chair from 23 August 2019)	40.1	21.6
Kate Shevland	21.6	21.6
Mary Chamberlain	21.6	21.6
Antony Royal	21.6	21.6
Lyn Provost	21.6	14.5
Jenn Bestwick	21.6	14.5
Lili Tuioti (appointed 16 September 2019)	17.2	-
Scott Tambisari (appointed 23 September 2019)*	7.8	-
Sue Suckling	-	14.5
Andrew McKenzie	-	7.3
Justine Munro	-	10.8
Total Board member remuneration	180.2	184

* Appointed as a Future Director. The role was created to facilitate the development of governance talent within the education sector and enables observation of and participation in Board meetings but without voting rights.

There have been no additional payments made to committee members appointed by the Board who are not Board members during the financial year and no Board members received compensation or other benefits in relation to cessation (2019: \$nil).

NZQA has taken out Directors and Officers Liability and Professional Indemnity insurance cover during the financial year in respect of the liability or costs of Board members and employees.

5. Ngā ratonga ngaio

5. Professional services

Breakdown of professional services costs

	2020 Actual (\$000)	2019 Actual (\$000)
Fees to Auditors		
Fees to Audit New Zealand for audit of financial statements	109	107
Fees to Audit New Zealand for other services	-	-
Consultancy and Contractor fees	8,258	7,041
Moderation Rebates to Industry Training Organisations	3,226	3,514
Other fees	740	722
Total professional services costs	12,333	11,384

6. Ngā nama atu mō te whakahaere

6. Other operating costs

Te kaupapahere o te tiaki pūtea

Accounting policy

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee. Lease payments under an operating lease are recognised as an expense in the statement of comprehensive revenue and expense on a straight-line basis over the lease term.

Lease incentives received are recognised in the surplus as a reduction of rental expense over the lease term.

Breakdown of other operating costs

	2020 Actual (\$000)	2019 Actual (\$000)
Travel and accommodation	1,661	2,212
Office rental – operating lease expense	2,864	2,891
Hardware maintenance and support	81	103
Software licences and support	4,724	3,501
Information technology outsourcing	182	229
Telephony	551	442
Allowance for credit losses on receivables	185	13
Bad debt write-off	13	63
Minor equipment purchases	128	208
Schools administration fees	842	808
Insurance	482	305
Bank charges	161	157
Other	1,014	1,182
Net (profit) on sale of property, plant and equipment	(4)	(6)
Total other operating costs	12,884	12,108

Operating leases as lessees

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

	2020 Actual (\$000)	2019 Actual (\$000)
Not later than one year	2,646	2,603
Later than one year and not later than five years	11,083	10,908
Later than five years	6,476	9,297
Total non-cancellable operating leases	20,205	22,808

The non-cancellable operating lease payments disclosed above relate predominately to a lease for a number of floors of an office building which expires 31 August 2033. This lease can however be cancelled after 9 or 12 years from commencement (June 2018) with payment of an early termination fee of \$190,000 or \$95,000 respectively. The commitments disclosed above assume the lease is cancelled after 9 years and the relevant early termination fee is paid. NZQA does not have the option to purchase the asset at the end of the lease term. There are no restrictions placed on NZQA by any of its leasing arrangements.

7. Te moni tōpū

7. Capital charge

Te kaupapahere o te tiaki pūtea

Accounting policy

The capital charge is recognised in the statement of comprehensive revenue and expense in the financial year to which the charge relates.

Ngā whakamārama atu mō te moni tōpū

Further information on the capital charge

NZQA pays a capital charge to the Crown on its taxpayers' funds as at 30 June and 31 December each year. The capital charge rate for the year ended 30 June 2020 was 6% (2019: 6%).

8. Ngā moni me ngā moni taurite

8. Cash and cash equivalents

Te kaupapahere o te tiaki pūtea

Accounting policy

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

Breakdown of cash and cash equivalents and further information

	2020 Actual (\$000)	2019 Actual (\$000)
Cash on hand and at bank	3,147	3,489
Term deposits with maturities less than 3 months	-	-
Total cash and cash equivalents	3,147	3,489

While cash and cash equivalents at 30 June 2020 are subject to the expected credit loss requirements of PBE IFRS 9, no allowance for credit losses has been recognised since the estimated value is trivial.

9. Ngā whiwhinga

9. Receivables

Te kaupapahere o te tiaki pūtea

Accounting policy

Short-term receivables are recorded at the amount due less an allowance for expected credit losses.

The simplified approach to providing for expected credit losses as prescribed by PBE IFRS 9 is applied to receivables. The simplified approach involves making an allowance at an amount equal to lifetime expected credit losses. The allowance for expected credit losses comprise any impairment on individually significant balances plus for those not deemed individually significant, the expected credit loss is determined on a collective basis. A collective basis is used due to shared credit risk characteristics with receivables being grouped based on days past due. The expected credit loss takes into account historical loss experience and incorporates any external and future information. Short-term receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation.

Estimating the impact of the COVID-19 global pandemic on the carrying value of receivables

As a result of the COVID-19 global pandemic, a number of educational providers have seen adverse effects including reducing numbers of students and cash flow challenges. While the full impact of COVID-19 on educational providers will not be determined for a significant amount of time, NZQA has estimated the allowance for expected credit losses by adjusting historical credit loss rates to take into account the more challenging economic environment faced by many of our customers.

In addition, NZQA has also estimated the impact of COVID-19 on accrued income that will be invoiced in the second half of the 2020 calendar year but which is partly earned by 30 June 2020.

Any incorrect estimates would effect the net surplus and the carrying amount of receivables in the statement of financial position.

Breakdown of receivables and further information

	2020 Actual (\$000)	2019 Actual (\$000)
Receivables (gross)	2,963	3,082
Less: allowance for expected credit losses	(198)	(13)
Total receivables	2,765	3,069

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

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

	2020			2019		
	Gross (\$000)	Allowance for expected credit losses (\$000)	Net (\$000)	Gross (\$000)	Allowance for expected credit losses (\$000)	Net (\$000)
Not past due	2,786	(100)	2,686	2,975	(3)	2,972
Past due 1-30 days	59	(4)	55	57	-	57
Past due 31-60 days	-	-	-	15	-	15
Past due 61-90 days	-	-	-	-	-	-
Past due >91 days	118	(94)	24	35	(10)	25
Total	2,963	(198)	2,765	3,082	(13)	3,069

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

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

	2020 Actual (\$000)	2019 Actual (\$000)
Balance at start of the year	13	-
Increase in loss allowance made during the year	198	76
Receivables written off during the year	(13)	(63)
Balance at end of the year	198	13

The rates used to calculate the expected credit losses are based on the payment profile of revenue on credit over the last 4 years and the corresponding historical credit losses experienced for that period. These historical rates are adjusted for any significant current and forward-looking factors that may impact the recoverability of receivables (eg effect of COVID-19).

10. Ngā haumitanga

10. Investments

Te kaupapahere o te tiaki pūtea

Accounting policy

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

Breakdown of investments and further information

	2020 Actual (\$000)	2019 Actual (\$000)
Term deposits – current	25,000	14,500
Total investments	25,000	14,500

While investments at 30 June 2020 are subject to the expected credit loss requirements of PBE IFRS 9, no allowance for credit losses has been recognised since the estimated value is trivial.

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

II. Te papa, te tari, ngā taputapu hoki

II. Property, plant and equipment

Te kaupapahere o te tiaki pūtea

Accounting policy

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

Ngā āpitianga

Additions

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

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

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

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

Ngā ākiri

Disposals

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

Te hekenga wāriu

Depreciation

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

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

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

Te whakahauātanga o te papa, o te tari, o ngā taputapu hoki

Impairment of property, plant and equipment

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

Property, plant and equipment assets held at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use.

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

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

Breakdown of property, plant and equipment and further information

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

	Motor vehicles (\$000)	Computers & electronic equipment (\$000)	Office equipment (\$000)	Leasehold improvements (\$000)	Furniture & fittings (\$000)	Total (\$000)
Cost						
At 1 July 2018	182	8,675	520	539	690	10,606
Additions	-	354	-	-	-	354
Disposals	(26)	(376)	(102)	(184)	(225)	(913)
At 30 June 2019	156	8,653	418	355	465	10,047
Additions	-	795	31	-	-	826
Disposals	-	(340)	-	-	-	(340)
At 30 June 2020	156	9,108	449	355	465	10,533
Accumulated depreciation and impairment losses						
At 1 July 2018	182	7,085	493	533	579	8,872
Depreciation expense	-	710	9	6	39	764
Impairment losses	-	-	-	-	-	-
Eliminated on disposal	(26)	(374)	(102)	(184)	(225)	(911)
At 30 June 2019	156	7,421	400	355	393	8,725
Depreciation expense	-	648	12	-	27	687
Impairment losses	-	-	-	-	-	-
Eliminated on disposal	-	(337)	-	-	-	(337)
At 30 June 2020	156	7,732	412	355	420	9,075
Carrying amounts						
At 1 July 2018	-	1,590	27	6	111	1,734
At 30 June and 1 July 2019	-	1,232	18	-	72	1,322
At 30 June 2020	-	1,376	37	-	45	1,458

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

There are no contractual commitments for the acquisition of property, plant and equipment (2019: \$nil).

I2. Ngā rawa tautuhi kore

I2. Intangible assets

Te kaupapahere o te tiaki pūtea

Accounting policy

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

Ngā pūmanawa rorohiko matua

Acquired software

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

Ngā pūmanawa rorohiko tarāwhare

Internally generated software

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

Staff training costs are recognised as an expense when incurred.

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

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.

Ngā mahi o te wā

Work in progress

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

Ngā utu whakahoki

Amortisation

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

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%).

Te hauātanga o ngā rawa iti

Impairment of intangible assets

Refer to the policy for impairment of property, plant and equipment in note 11. The same approach applies to the impairment of intangible assets.

Ngā whakapae pūtea matua

Critical accounting estimates and assumptions

Estimating useful lives of internally generated software

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

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

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

An incorrect estimate of the useful lives of software assets will affect the amortisation expense recognised in the surplus, and the carrying amount of the software assets in the statement of financial position.

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

Ngā whakataunga matua o te mahi kaupapahere

Critical judgements in applying accounting policies

Determining the cost of internally generated software

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

An incorrect judgement in determining which costs can be capitalised will affect the timing of costs being recognised in the surplus and the carrying amount of the asset in the statement of financial position.

Breakdown of intangible assets and further information

Movements for each class of intangible assets are as follows:

	Acquired software (\$'000)	Internally generated software (\$'000)	Total (\$'000)
Cost			
At 1 July 2018	3,399	37,753	41,152
Additions	5	5,369	5,374
Disposals	-	-	-
At 30 June 2019	3,404	43,122	46,526
Additions	-	2,518	2,518
Disposals	(233)	(1,785)	(2,018)
At 30 June 2020	3,171	43,855	47,026
Accumulated amortisation and impairment losses			
At 1 July 2018	3,391	35,025	38,416
Amortisation expense	5	2,283	2,288
Disposals	-	-	-
Impairment losses	-	-	-
At 30 June 2019	3,396	37,308	40,704
Amortisation expense	4	2,520	2,524
Disposals	(233)	(1,785)	(2,018)
Impairment losses	-	-	-
At 30 June 2020	3,167	38,043	41,210
Carrying amounts			
At 1 July 2018	8	2,728	2,736
At 30 June and 1 July 2019	8	5,814	5,822
At 30 June 2020	4	5,812	5,816
Work in progress			
Other	-	1,376	1,376
At 30 June 2020	-	1,376	1,376

	2020 Actual (\$000)	2019 Actual (\$000)
Work in progress – intangible assets		
Balance at start of the year	1,205	4,905
Additions	2,689	1,745
Other charges*	-	(76)
Impairment losses	-	-
Transfers to assets	(2,518)	(5,369)
Balance at end of the year	1,376	1,205

* Other charges relate to primarily 2018 financial year costs that were expensed during the 2019 financial year. This resulted from management re-estimating which costs were to be classified as capital as the project to which they related was developed.

	Life (years)	Total (\$000)
Intangible asset breakdown (including Work In Progress)		
Software (developed and purchased)		
NCEA Online	4	2,027
Sector Qualifications Register	4	1,622
Digital Moderation	4	838
Secondary Statistics Rebuild	4	386
Evaluation Engine	4	304
SPRING Qualifications Recognition System	4	180
Universal Record of Achievement	4	167
EQA Modernisation – Middleware	3	165
Other (each <\$150,000 net book value)	3-4	127
Total		5,816
Work in progress		
NCEA Online	N/A	1,243
Core Infrastructure upgrade (FileNet)	N/A	133
Total		1,376
Balance at 30 June 2020		7,192

There are no restrictions over the title of NZQA's intangible assets, nor are any intangible assets pledged as security for liabilities.

The amount of contractual commitments for the acquisition of intangible assets is \$378,000 (2019: \$509,000).

13. Ngā nama me ngā pūtea whiwhi tārewa

13. Payables and deferred revenue

Te kaupapahere o te tiaki pūtea

Accounting policy

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

Breakdown of payables and deferred revenue

	2020 Actual (\$000)	2019 Actual (\$000)
Payables and deferred revenue under exchange transactions		
Creditors	650	324
Revenue in advance	858	624
Accruals	8,078	6,607
Other creditors	282	208
Total payables under exchange transactions	9,868	7,763
Payables and deferred revenue under non-exchange transactions		
Taxes payable (GST, PAYE)	1,151	994
Total payables under non-exchange transactions	1,151	994
Total payables and deferred revenue	11,019	8,757

14. Ngā kaupapa whawhati tata

14. Contingencies

Te kaupapahere o te tiaki pūtea

Accounting policy

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

Ngā kawenga ā-rōpū

Contingent liabilities

NZQA has the following contingent liabilities as at 30 June 2020 (2019: \$0.5M-\$1M).

NZQA has entered into contracts as part of a project developing an end to end digital process for NCEA exams. While significant Crown funding for this project has been confirmed for the next few years, early termination charges estimated to be between \$0.6M and \$1.1M would be incurred should the contracts be terminated before 2026.

Ngā rawa me ngā kawenga puni

Contingent assets

NZQA has no contingent assets as at 30 June 2020 (2019: \$nil).

15. Ngā āheinga kaimahi

15. Employee entitlements

Te kaupapahere o te tiaki pūtea

Accounting policy

Ngā āheinga o te pae tata mō te kaimahi

Short-term employee entitlements

Employee benefits that NZQA expects to be settled within 12 months after the end of the year in which the employee provides the related service are measured based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned but not yet taken at balance date and sick leave.

NZQA 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.

Ngā āheinga o te pae tawhiti mō te kaimahi

Long-term employee entitlements

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

The calculations are based on:

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

Te whakaatu āheinga kaimahi

Presentation of employee entitlements

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

Breakdown of employee entitlements and further information

	2020 Actual (\$000)	2019 Actual (\$000)
Current portion		
Accrued salaries and wages	468	1,783
Annual leave	3,135	2,570
Sick leave	348	382
Retirement and long service leave	336	320
Total current portion	4,287	5,055
Non-current portion		
Retirement and long service leave	630	601
Total non-current portion	630	601
Total employee entitlements	4,917	5,656

Key assumptions in measuring retirement and long service leave obligations

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

Expected future payments are discounted using forward discount rates derived from the yield curve of New Zealand government bonds. The discount rates used have maturities that match, as closely as possible, the estimated future cash outflows. The salary inflation factor has been determined after considering historical salary inflation patterns and after obtaining advice from an independent actuary. A weighted average discount rate of 2.64% (2019: 3.08%) and a salary inflation factor of 2% (2019: 3%) were used. The salary inflation factor has been reduced in recognition of the current economic environment in the wake of the impact of COVID-19.

If the discount rate were to differ by 1%, with all other factors held constant, the carrying amount of the retirement and long service leave liability would change by approximately \$31,000 to \$34,000.

If the salary inflation factor were to differ by 1%, with all other factors held constant, the carrying amount of the retirement and long service liability would change by approximately \$31,000 to \$33,000.

I6. Ngā hokohoko ā-rōpū

I6. Related party transactions

NZQA is wholly owned and controlled by the Crown.

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

There are no related party transactions with key management personnel other than compensation as noted below (2019: \$nil).

Key management personnel compensation

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

	2020 Actual (\$000)	2019 Actual (\$000)
Board Members		
Remuneration	180	184
Full-time equivalent members	1.02	1.00
Strategic Management Team		
Remuneration	1,697	1,920
Full-time equivalent members	5.61	5.89
Total key management personnel remuneration	1,877	2,104
Total full-time equivalent personnel	6.63	6.89

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

An analysis of Board member remuneration is provided in note 4.

Ministerial disclosures

The Treasury has advised that the responsible Minister being the Hon Chris Hipkins has certified they have no related party transactions for the year ended 30 June 2020 (2019: \$nil).

17. Ngā kaupapa tōmuri i te rā whakataunga pūtea

17. Events after the balance sheet date

There were no significant events after the balance sheet date.

18. Ngā taonga ahumoni

18. Financial instruments

Te kaupapahere o te tiaki pūtea

Accounting policy

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

Financial assets are subsequently measured at amortised cost where they are held for the purpose of collecting contractual cash flows and those cash flows are solely related to payments of principal and interest. Interest and any impairment losses are recognised in the statement of comprehensive revenue and expense. Generally, the amount invested or amount due less any allowance for expected credit losses is used to estimate the amortised cost.

Financial liabilities (which comprise payables) are subsequently measured at amortised cost. The amount payable is used as a reasonable estimate of amortised cost as they are typically short term in nature.

18a. Ngā wāhanga o ngā rauemi pūtea

18a. Categories of financial instruments

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

	2020 Actual (\$000)	2019 Actual (\$000)
Financial assets measured at amortised cost		
Cash and cash equivalents	3,147	3,489
Receivables	2,765	3,069
Investments – Term deposits	25,000	14,500
Total financial assets measured at amortised cost	30,912	21,058
Financial liabilities measured at amortised cost		
Payables (excluding revenue in advance & taxes payable)	9,010	7,139
Total financial liabilities measured at amortised cost	9,010	7,139

I8b. Ngā tūraru o ngā rauemi pūtea

I8b. Financial instrument risks

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

Te tūraru o te māketē

Market risk

Te tūraru o te moni hua tika

Fair value interest rate risk

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

Te tūraru o te moni hua rere

Cash flow interest rate risk

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

Te tūraru o te moni

Currency risk

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

Te tātaritanga tūtohutanga

Sensitivity analysis

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

Te tūraru o te moni tāwere

Credit risk

Credit risk is the risk that a third party will default on its obligation to NZQA, causing NZQA to incur a loss. NZQA is exposed to credit risk from cash and term deposits with banks and receivables. For each of these, the maximum credit exposure is best represented by the carrying amount in the statement of financial position and notes 8, 9 and 10 provide information on any impairment calculated by reference to the expected credit loss model.

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

NZQA has processes in place to review the credit quality of customers prior to the granting of credit.

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

Te tūraru moni tāwera o ngā rawa

Credit quality of financial assets

The only significant concentrations of credit risk relate to \$3.1M of cash and \$17.5M of term deposits which are both held with Bank of New Zealand which has a Standard and Poor's credit rating of AA-. A further \$7.5M of term deposits is held with Westpac which has a Standard and Poor's credit rating of AA-.

There are no significant balances at 30 June 2020 with counterparties without credit ratings who have defaulted in the past (2019: \$nil).

Te tūraru o te toremi pūtea

Liquidity risk

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

Te tātaritanga me te kirimana o ngā rawa kua pakeke

Contractual maturity analysis of financial liabilities

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

19. Te pūtea mana taurite

19. Equity

Te kaupapahere o te tiaki pūtea

Accounting policy

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

- contributed capital
- accumulated surplus.

Breakdown of equity and further information

	2020 Actual (\$000)	2019 Actual (\$000)
Contributed capital		
Balance at start of the year	13,890	13,890
Crown – Capital contribution	6,418	-
Balance at end of the year	20,308	13,890
Accumulated surplus		
Balance at start of the year	2,155	303
Surplus for the year	3,845	1,852
Balance at end of the year	6,000	2,155
Total equity	26,308	16,045

Te whakahaere moni tōpū

Capital management

NZQA's capital is its equity, which comprises accumulated funds and contributed capital. Equity is represented by net assets.

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

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

20. Te pātanga nui te mate urutā (COVID-19)

20. Impact of COVID-19

As a consequence of the COVID-19 global pandemic, in late March 2020 the New Zealand Government declared a State of National Emergency. This resulted in New Zealand entering a 4-week national lockdown. Restrictions were then gradually relaxed and from early June 2020, New Zealand moved to alert level 1. At alert level 1, there are no significant restrictions within New Zealand however there continue to be significant border controls severely limiting access into New Zealand.

We have assessed the impact of the pandemic on NZQA. We have also reviewed our financial statements on a line by line basis and made any adjustments necessary in accordance with NZ GAAP. Overall, we concluded that the impact of the COVID-19 pandemic was not material to the entity's operations or current year financial statements. The main factors contributing to this conclusion are:

- Approximately 70% of total revenue is derived from the Crown which is not considered to be at significant risk.
- Significant streams of third-party revenue come from credit reporting, qualification recognition fees and various quality assurance activities. All of these revenue streams have been affected to some degree with revenue from these three sources in the last quarter down approximately 40% on the same period in the previous year. While this reduction will be due to a number of factors including the deferral of some revenue related activities until later in the 2020 calendar year through NZQA or other entities actions, there has clearly been some revenue lost as a result of the pandemic. Commentary on overall significant annual variances to budget is provided in note 2.
- There are no non-current assets that is considered to be impaired.
- Management has assessed the recoverability of receivable balances and accrued income taking into account the current state of the economy and the impact on the wider education sector (see note 9).
- The assumptions behind the valuation of employee liabilities has been assessed and updated accordingly (see note 15).
- NZQA holds a prudent level of cash and other highly liquid investments that provide assurance as to the ongoing viability of the entity and the going concern basis used to prepare the current year financial statements.

Management will continue to monitor the impact of the pandemic on the results of the entity and manage the business accordingly to best ensure NZQA continues to meet its financial and other objectives.



Te kupu taka

Glossary

Assessment	A method of collecting and evaluating evidence to establish the level of an individual's performance, whether carried out by external methods, internal methods or a combination of external and internal methods, or any other approved method.
Assessment (external)	Assessment (NCEA or New Zealand Scholarship) conducted by NZQA. This includes reports, portfolio submissions, common assessment tasks, and national examinations held at the end of the school year.
Assessment (internal)	Assessment conducted by a secondary school during the school year. Independent moderation by NZQA provides assurance that assessment decisions, in relation to assessment standards, are consistent nationally, and that assessment judgements (marking of students' work) are at the national standard.
Assessment Standards	Two types of assessment standard in the Directory of Assessment Standards: Achievement Standards and Unit Standards. Credits from all Achievement Standards and all Unit Standards count towards NCEA. Because the standards are nationally agreed, learners' achievements can be recognised in a number of contexts, and their knowledge and skills will be transferable between qualifications and providers.
Education (Pastoral Care of International Students) Code of Practice 2016	A document that provides a framework for service delivery by education providers and their agents to international learners. It sets out minimum standards of advice and care that can be expected and provides a procedure that learners can follow if they have concerns about the treatment they receive from their education providers or agents of providers.
Education Organisation	Any organisation supplying education and/or training and/or assessment services to learners. This can include secondary schools, government and private organisations.

Evaluative Quality Assurance	<p>This is the basis of NZQA's quality assurance system. It uses:</p> <ul style="list-style-type: none"> • Evaluation theory and practice to reach well-informed, consistent and reliable evidence-based judgements about all aspects of organisational performance and capability • A practical focus on outcomes and key contributing processes • Awareness and improvement through organisational self-assessment.
External Evaluation and Review	<p>A review that provides a judgement of the quality and performance of a tertiary education organisation. This judgement includes assurance that the organisation's self-assessment processes achieve, and improve, outcomes for learners and other customers.</p>
Government Training Establishment	<p>A state-owned organisation providing education or training (for example, New Zealand Police Training Services, New Zealand Army).</p>
Industry Training Organisation	<p>An industry-specific body, recognised under the Industry Training and Apprenticeships Act 1992, which sets NZQA-accredited skill standards for its industry, and manages arrangements for industry training that enable trainees to attain those standards.</p>
Ka Hikitia (the Māori Education Strategy)	<p>This cross-agency strategy for the education sector sets out how we will work with education services to achieve system shifts in education and support Māori learners and their whānau, hapū and iwi to achieve excellent and equitable outcomes and provides an organising framework for the actions we will take.</p> <p>https://www.education.govt.nz/our-work/overall-strategies-and-policies/ka-hikitia-ka-hapaitia/</p>
Managing National Assessment	<p>A process for achieving valid, fair, accurate and nationally consistent internal assessment in schools. It is a partnership between schools and NZQA, in which NZQA reviews the schools' processes or systems for managing assessment.</p>

Managing National Assessment Review	A review by NZQA of schools' processes or systems for managing assessment for qualifications, including systems for achieving valid, fair, accurate and nationally consistent internal assessment.
Moderation	A process for confirming that an organisation's assessment decisions are fair, valid and consistent with the required standard across a number of assessors or assessing organisations nationally.
National Certificate of Educational Achievement	New Zealand's main national qualification for secondary school students. Available at levels 1–3, it is registered as part of the New Zealand Qualifications Framework.
New Zealand Qualifications Framework	A comprehensive list of all quality-assured qualifications in New Zealand.
New Zealand Scholarship	An examination most often undertaken by learners in the final year of secondary school (Year 13). The Scholarship is a competitive monetary award for top-performing learners who intend to enter tertiary study; it does not contribute towards a qualification.
Outputs	The goods and services produced by an entity to support the achievement of its impacts and outcomes.
Private Training Establishment	An establishment that provides post-school education and training and is registered by NZQA under Part 18 of the Education Act 1989.
Qualification	A qualification listed on the New Zealand Qualifications Framework.
(Secondary) School	Any (secondary) school in New Zealand, Cook Islands or Niue holding Consent to Assess for NCEA, and/or that has learners who sit New Zealand Scholarship examinations.
Self-assessment	The process that providers of post-school education and training services use to establish evidence of their own effectiveness. The results of the process should inform future planning and lead to actions that bring about improvements.

Special Assessment Conditions (SAC)	SAC provide support to learners with sensory, physical or medical conditions/impairments and/or specific learning disorders so they have a fair opportunity to demonstrate their skills and knowledge in internal and external assessment (in both NCEA and New Zealand Scholarship).
Standards	There are two types of assessment standards in the Directory of Assessment Standards: Achievement Standards and Unit Standards. Credits from all Achievement Standards and all Unit Standards count towards NCEA. Because the standards are nationally agreed, learners' achievements can be recognised in a number of contexts, and their knowledge and skills will be transferable between qualifications and providers.
STEM	The acronym of science, technology, engineering and mathematics.
Takiala Pasifika	NZQA's Pasifika Strategic Action Plan that outlines NZQA's commitment to enabling Pacific learners, families and communities to achieve their aspirations. https://www.nzqa.govt.nz/maori-and-pasifika/pasifika
Te Hono o Te Kahurangi	Provides quality assurance for tertiary education organisations that deliver qualifications or programmes based on mātauranga Māori, or where the whole organisational approach is based on mātauranga Māori.
Te Kōkiritanga (Māori Strategic Action Plan)	Te Kōkiritanga outlines NZQA's commitment to achieving equity for ākonga Māori and their whānau. https://www.nzqa.govt.nz/maori-and-pasifika/te-rautaki-maori/
Te Rautaki Māori me te Mahere Whakatinana a te Mana Tohu Mātauranga o Aotearoa	NZQA's strategic and implementation plan to advance Māori education and training. The strategy can be found on our website at https://www.nzqa.govt.nz/maori-and-pasifika/te-rautaki-maori
Tertiary Education Organisations	Universities, wānanga, industry training organisations, institutes of technology and polytechnics, private training establishments, government training establishments and other providers.

**The Action Plan for
Pacific Education
2020-2030**

The Government and Ministry of Education's plan to ensure diverse Pacific learners and their families are safe, valued, and equipped to achieve their education aspirations.

<https://conversation.education.govt.nz/conversations/action-plan-for-pacific-education/>

Wānanga

A body established under section 162(2) of the Education Act 1989 that is characterised by teaching and research that maintain, advance and disseminate knowledge and develop intellectual independence, and assist in the application of knowledge regarding āhuetanga Māori (Māori tradition), according to tikanga Māori (Māori custom).



NEW ZEALAND QUALIFICATIONS AUTHORITY
MANA TOHU MĀTAURANGA O AOTEAROA

QUALIFY FOR THE FUTURE WORLD
KIA NOHO TAKATŪ KI TŌ ĀMUA AO!