



Te Pūrongo Ā-Tau

Annual Report

2020/21



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.

Whakatauaāki

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-Pāpārangī)

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Contact details

New Zealand Qualifications Authority,
125 The Terrace, Wellington 6011
PO Box 160, Wellington 6140
Telephone: +64 (4) 463 3000
Fax: +64 (4) 463 3112
Freephone (in NZ): 0800 697 296
www.nzqa.govt.nz

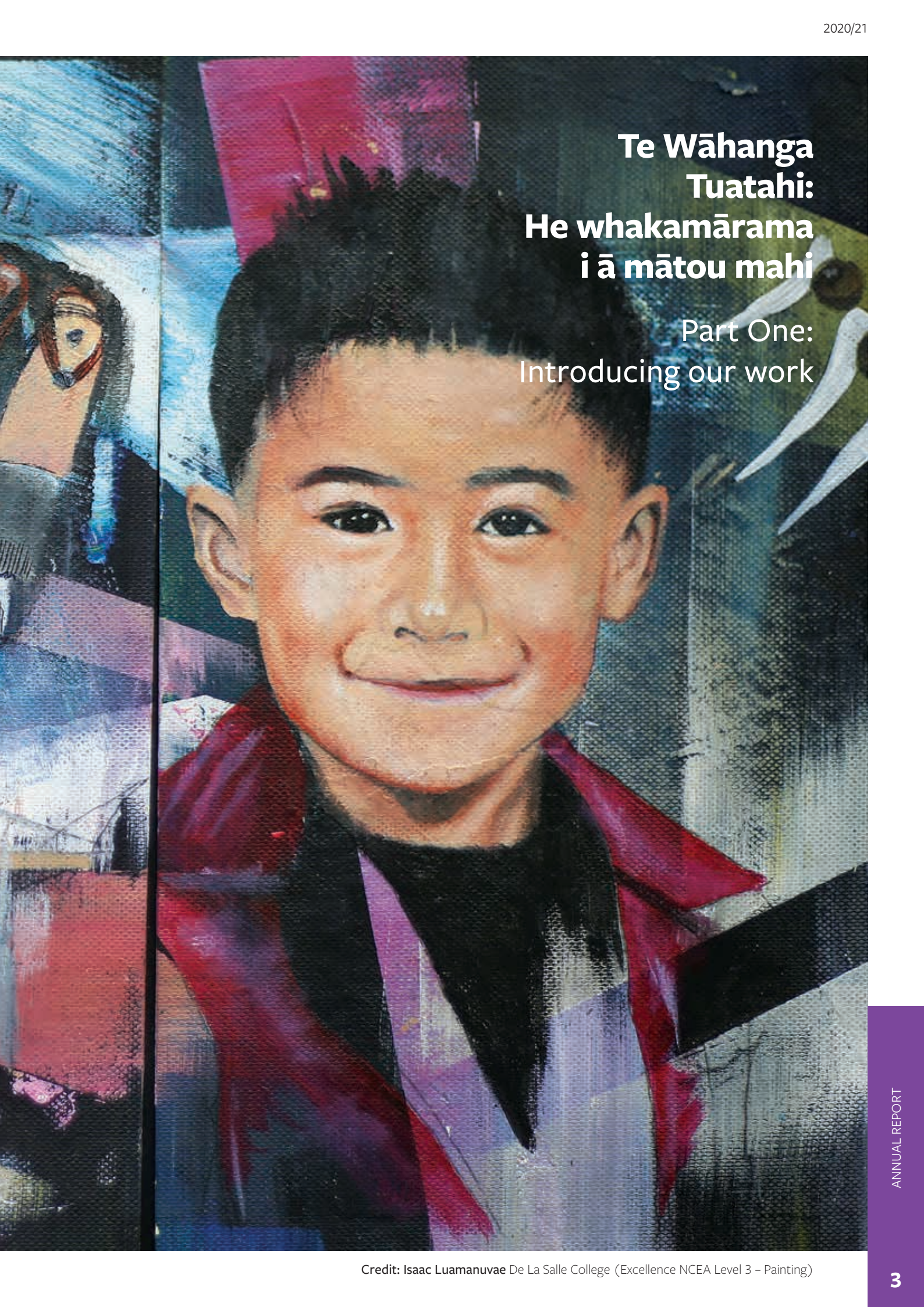
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He whārangī ihirangi

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**Te Wāhanga
Tuatahi:
He whakamārama
i ā mātou mahi**

Part One:
Introducing our work

Kia noho takatū ki tō āmua ao

Qualify for the future world

He tirohanga mō te tau

Our year at a glance



All 321 qualifications scheduled for review in the 2020/21 financial year were actioned.



173 micro-credentials were approved in the 2020/21 financial year (up from **45** in 2019), and another **38** were assessed for equivalence.



The ongoing nature of COVID-19 has seriously impacted private training establishments (PTEs), especially those delivering to international students.

However results from external evaluation and reviews indicated a high level of resilience in the sector and identified pastoral support for students as an area of strength even though several have switched to online or mixed modes of delivery. We continue to monitor PTEs with sub-par results.



13,488 international qualification recognition applications were processed. This is a **23%** decrease on last year and largely caused by COVID-19.



Metrics from our NCEA and NZ Scholarship results release included:

- **82,193** unique logins (2% fewer than in 2019);
- **5,715** total calls (18% fewer than in 2019); and
- **204,076** result page views (21% greater than in 2019).

The greater number of result page views and fewer calls suggests that **we have been successful in making results more accessible for learners.**



We've supported providers' ability to review their performance against the Interim Domestic code¹ through a series of online workshops and resources such as the self-review toolkit.



This year more than **4,900** Māori and Pacific whānau participated in NCEA workshops and engagements designed to increase awareness and knowledge of NCEA.



44,385 samples of student NCEA work were externally moderated. This is a **45%** decrease on last year and is due to the impacts of COVID-19.



We ran **140** examinations in **415** examination centres, with over **6,600** examination staff throughout New Zealand, the Cook Islands, and Niue.² This is similar to 2019.



We offered **58** digital examination (35 in 2019) in 21 subjects (14 in 2019). **22,475** students (14,343 in 2019) from **276** schools (197 in 2019) participated in at least one digital examination.

¹ The Education (Pastoral Care of Domestic Tertiary Students) Interim Code of Practice 2019 (the interim Domestic Code).

^{2, 3, 5} Annual Report NCEA, University Entrance and NZ Scholarship Data and Statistics 2020 <https://www.nzqa.govt.nz/assets/About-us/Publications/stats-reports/ncea-annual-report-2019.pdf>

⁴ Multiple awards can be awarded to one person.

⁶ RoVE is the Reform of Vocational Education



Uptake of Special Assessment Conditions (SAC) by schools and kura increased by approximately 15%, with just over 14,500 learners accessing SAC compared with just over 12,500 in 2019. The increase for schools in deciles 1-3 was 26%.

with just over 14,500 learners accessing SAC compared with just over 12,500 in 2019. The increase for schools in deciles 1-3 was 26%.



We've progressed work on the effectiveness of the current quality assurance framework with interviews with over 100 stakeholders.

We also completed a literature review of quality assurance arrangements in international jurisdictions to inform our review of the quality assurance framework which will be completed in 2022.



We hosted 28 Leading National Assessment seminars across New Zealand

to provide school and kura leaders with information, guidance and resources to assist them in their role of leading the assessment changes planned for 2021 and beyond.



In 2020, a total of **2,151** students received one or more Scholarship subject awards.^{3,4} This is similar to 2019.

Number of students	Type of award
12	Premier
58	Outstanding
36	Top Subject Scholar
208	Scholarship
1,860	Single Subject



144,222 students from **499** schools participated in **140** examination sessions held at **415** centres nationwide.⁵ This is an increase from 2019.



We've consulted on a series of proposals for RoVE.⁶

The consultation included targeted stakeholder engagement with Māori and Pacific partners and the disabled community to ensure these voices are included in the future designs of RoVE.



In 2020 there were **1,058,114** external entries for NCEA and NZ Scholarship compared with **1,121,283** entries in 2019 as schools re-prioritised their assessment programmes.



We adapted our delivery in response to COVID-19 by running 38 Best Practice Workshops online, bringing the total for the year to 48.

The online delivery changed our reach per workshop from an average of **21** attendees in 2019 (**2,078** attendees across 98 workshops) to **30** in 2020 (**1,463** attendees across 48 workshops).



In 2020 the Government invested \$10m to provide domestic students with free access to NCEA assessments and Scholarship exams. This comprised:

- **189,615** domestic students completed internal and external assessments.
- **10,119** Scholarship students.





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

Foreword from the Board and Chief Executive

Following a year significantly disrupted by COVID-19, NZQA has remained focused on our two strategic priorities of equity and lifelong learning.

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

Equity of access to qualifications supports intergenerational wellbeing

In 2020, attainment of National Certificate of Educational Achievement (NCEA) and University Entrance (UE) increased despite the disruption from COVID-19. Support from schools, teachers and whānau – alongside the interventions put in place by government – helped students to remain engaged with education and have their learning recognised. The final statistics indicate that changes made to the NCEA qualification and UE award rules for the 2020 year were successful in supporting students to achieve.

Despite improvements, attainment amongst Māori and Pacific students is still proportionately lower than for other groups. For example, although Māori and Pacific achievement of NCEA Level 3 is increasing, these students are awarded University Entrance at around

half the rate of students of other ethnicities. NZQA is highlighting this as students should be offered courses of study which keep a range of pathways open to them after finishing school.

To help highlight the opportunities for Māori and Pacific students in STEM subjects (science, technology, engineering and mathematics), NZQA coordinated an Equity in STEM symposium in April. This brought together around 500 participants in person and online to discuss ways to encourage Māori and Pacific secondary school students in STEM pathways. Presentations and panelists from schools and kura, industry, the tertiary sector and community groups were well received, with videos of all presentations available at www.nzqa.govt.nz/stem.

NZQA is supporting the Ministry of Education and other partners in implementing changes arising from the NCEA Review, including the Review of Achievement Standards (RAS) and the new pilot standards for Te Reo Matatini me te Pāngarau | Literacy and Numeracy. NZQA's role in these changes is to assist the Ministry's development of the new standards and assessment support material, including developing assessments that allow for diverse cultural perspectives. NZQA is also working with the Ministry of Education in running pilots for the new standards.

NZQA is continuing to work with Māori medium kura to support an increase in the number of kura participating as NCEA examination centres. While kura students can currently sit examinations at nearby English medium schools or other kura, this would allow more Māori students to undertake external assessment in their own familiar environment.

Valuable advice, guidance and support from the NZQA Taupulega – NZQA’s Pacific advisory group – is enabling NZQA to progress and achieve the goals of the Takiala Pasifika 2020-2023. To further recognise the importance of Pacific leadership, in March NZQA’s Chief Advisor Pasifika formally joined the Strategic Leadership Team, which oversees the organisation’s operational and strategic direction.

Ngā Kaitūhono (NZQA’s Māori advisory group) has also continued to generously provide NZQA with thought leadership on Māori learner success and mātauranga Māori. We recognise and value the support of both Ngā Kaitūhono and the NZQA Taupulega.

NCEA a-ipurangi

NCEA Online

With ongoing funding for NCEA Online delivered in Budget 2020, NZQA has begun transitioning this work from the office of Digital Assessment Transformation into assessment ‘business as usual’, reflecting the growing place that digital learning and assessment already has in secondary schools.

The number of digital examinations offered in 2020 grew to 58 across 21 subjects, with 22,475 students from 276 schools sitting one or more of their examinations online. This continues the year-on-year growth of schools choosing to take up NCEA Online, which reflects growing confidence in digital learning and assessment across the secondary education system.

Early in 2021, NZQA set a goal for all secondary schools to have offered students the opportunity to attempt at least one digital external assessment by the end of 2022. Achieving this will require a continued focus from NZQA and school leaders.

Following on from the success of offering digital practice examinations to 96 schools in 2020, NZQA is working with schools, subject associations and subject matter experts to offer an increased number of practice examinations through the NCEA Online platform in 2021. While this places additional demands on NZQA’s

infrastructure and resources, it is an important step in helping schools collect valid evidence for derived grades or unexpected event grades, while helping students to build confidence and familiarity with online external assessment before the end-of-year examinations.

NZQA will offer 67 digital end-of-year examinations across 24 subjects in 2021. In addition, as part of the Review of Achievement Standards (RAS) and Te Reo Matatini me te Pāngarau | Literacy and Numeracy pilots, external assessments are being designed primarily for digital assessment. This marks the first time that external assessments across the school year are being delivered as ‘digital first’.

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

New Zealand qualifications enable lifelong learning

NZQA has maintained its work programme administering the New Zealand Qualifications Framework (NZQF), which underpins New Zealand’s qualifications system, while progressing its review to ensure the NZQF remains fit for purpose and relevant to people from all walks of life.

NZQA has also continued to support the Government’s Reform of Vocational Education (RoVE), with a strong focus in 2020/21 around supporting the establishment of Workforce Development Councils (WDCs). This will also involve transitioning some of NZQA’s qualifications development functions to the new WDCs, in the first of several operational changes which NZQA will make to support the new vocational qualifications system.

One key step in the RoVE programme was a consultation intended to simplify the qualifications system and New Zealand qualifications and other credentials, which NZQA ran between 27 April and 16 June 2021. Through 47 meetings – including 11 public webinars – we heard a broad range of views which, at the time of writing, we were considering prior to making recommendations to the Minister.

NZQA is contributing to the development of a revised code of practice to support the safety and wellbeing of domestic and international students, with a particular focus on student accommodation. Appearing before the Select Committee Inquiry into

Student Accommodation, NZQA outlined our approach to administering the current Codes, and provided information about how a single Code could be effective in supporting students from diverse backgrounds and with a wide range of needs.

This year has seen greatly reduced numbers of international students coming to New Zealand. As tertiary providers respond, NZQA has seen an increase in demand for delivering education online to students offshore. NZQA is working with tertiary education organisations (TEOs) to build capability in this area and ensure that online delivery provides a level of quality which reflects and maintains New Zealand's international reputation.

There is some risk that the ongoing decline in numbers of onshore international students could impair the financial viability of some TEOs or result in a reduction in the quality of their education delivery over the coming years. NZQA will remain mindful of these risks and work closely with providers when challenges are identified.

KOWHEORI-19

COVID-19

In the 2020/21 year, across New Zealand generally, COVID-19 did not disrupt teaching and learning to the same extent it had in the second half of the 2019/20 year, however there were parts of the country – particularly the Auckland region – that experienced COVID-19 resurgences which significantly impacted on the education sector.

The overall increase in NCEA attainment in 2020 highlights the value of the support students received

from teachers, schools and whānau – alongside government interventions. It was a significant achievement that students remained engaged and successful in their education despite the disruption to the school year, particularly in Auckland, where additional interventions were required to recognise the learning that students had achieved.

NZQA also supported tertiary providers to continue meeting their obligations, including by allowing private training establishments to register as inactive under certain circumstances. This reduced compliance requirements on providers while allowing them to remain registered.

To ensure that tertiary students who continued studying through 2020/21 can remain confident of the quality of their education, NZQA's quality assurance processes continued as normal, with some minor rescheduling to reflect the impact of COVID-19 on providers' ability to participate.

Te whakarāpopototanga

Conclusion

We appreciate the efforts of all our people in supporting learners, providers and their communities over the past year. The impact of COVID-19 has continued to significantly influence NZQA's work, with secondary and tertiary education affected in different ways. While the resilience and integrity of New Zealand education has been demonstrated, many concerns remain. While navigating these challenges, NZQA continues to be an active partner in significant sector reform programmes, with our focus on both equity and lifelong learning guiding us to help learners 'Qualify for the future world: Kia noho takatū ki tō āhua ao'.



Hon Tracey Martin
BOARD CHAIR



Lyn Provost
RISK AND ASSURANCE
COMMITTEE CHAIR



Grant Klinkum
CHIEF EXECUTIVE

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 statement of National Education and Learning Priorities (NELP) and the Tertiary Education Strategy (TES)⁷ are based on the following objectives for education:

- 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. Refer to the education system diagram on page 11.

Examples of collaboration activities include 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 subjects, as well as our partnering with iwi to provide tailored equity data which can be disaggregated at taiwhenua (district) level for better support for learners in their rohe (region). Likewise, collaboration is fundamental to our work in reviewing the NZQF. We will continue these and other collaborations in support of the Government's objectives as set out in the NELP and the TES.

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 credentialing, and improve the qualifications system. We are responsible for the NZQF and oversee the setting of standards and New Zealand qualifications development. In addition, we administer the Education (Pastoral Care of International Students) Code of Practice 2016 and the Education (Pastoral Care of Domestic Tertiary Students) Interim Code of Practice 2019 (the interim Domestic Code).

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.

⁷ <https://www.education.govt.nz/assets/Documents/NELP-SES-documents/FULL-NELP-2020.pdf>



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, tertiary education and institutions open to 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 high levels of trust and confidence in education outcomes for tertiary education. 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 NZ Scholarship examinations. We do this through:

- conducting Managing National Assessment reviews in schools to check that their assessment systems and processes are effective for delivering NCEA
- carrying out external moderation of internally assessed standards and providing support to assessors through workshops and online resources
- developing, delivering and marking NCEA and NZ Scholarship examinations and other external assessments.

Ngā rautaki takune

Strategic intentions

Te āhua me te whakahaere i te taiao mahi

Our operating environment

Our operating environment is constantly changing as the education system evolves and adapts. This year these changes continue with a number of reviews under way. We are working with colleague agencies to ensure that the way services are delivered in the next three or four years is responsive to government decisions.

For schooling, this includes the Ministry of Education-led NCEA Review and the associated Review of Achievement Standards.

NZQA is actively leading work in the wider Reform of Vocational Education programme including to simplify the qualifications system and the design of vocational qualifications and other credentials, support the functions of the Workforce Development Councils and Te Pūkenga⁸, update the evaluative quality assurance framework, and implement changes to our business and information systems to enable this.

We are using digital learning and assessment to support changes in how and what learners learn. This also provides opportunities to support those with additional learning needs.

There is an increased focus on learner wellbeing as reflected in the interim Domestic Code.

We are working to assure learner wellbeing as administrator of both the international student Code and the interim Domestic Code covering domestic tertiary students.

The expectations of education are changing, and learners want greater flexibility in credentials.

We are extending our effort to address equity issues so that Māori and Pacific learners, who face significant and compounding barriers, can enjoy educational success in their chosen pathway, with a particular focus on STEM in NCEA.

We remain focused on ensuring equitable access for learners with disabilities and learning support needs, as well as those facing socio-economic disadvantage.

Employers are looking for more nimble and adaptable workers with a diverse range of skills and capabilities. The reforms in vocational education currently under way are expected to enable these changes. Overall the needs and expectations of learners, their whānau, employers, industry and iwi continue to evolve, demanding more of 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.

Our strategic outcomes framework incorporates the essence of the Government's NELP and TES, including the objectives for education. These objectives are supported by operational priorities of supporting system outcomes, sustainable business practices and responsive systems. As a result, we maintain our focus on two key outcomes:

- Equity of access to qualifications supports intergenerational wellbeing
- New Zealand qualifications enable lifelong learning.

These two outcomes form the cornerstone of our performance framework, which is outlined on pages 14 and 15.

Te pūrongo e pā ana ki ngā rautaki takune

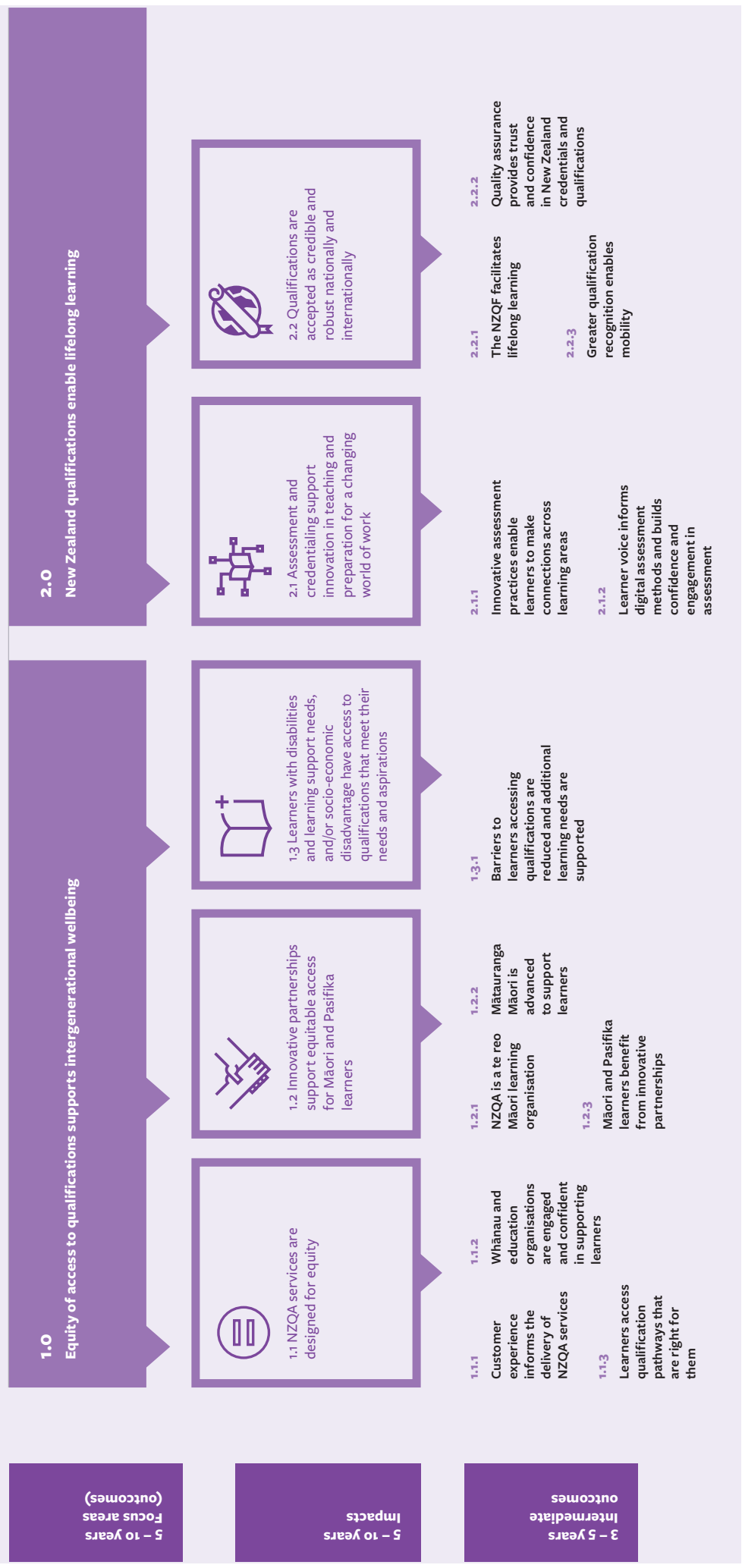
Reporting against our strategic intentions

Part Two: Our outcomes (from page 16) describes the work we are doing in support of our strategic outcomes. This section is structured to reflect the broad themes that drive our work in support of equity and lifelong learning.

Te taura here o ā mātou mahi

Our performance framework


Qualify for the Future World




Kia Noho Takatū Ki Tō Āmua Ao

Ngā aranga mō te 5 – 10 tau (Ngā hua)


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 tika ana, e tutuki ana hoki i o rātou hiahia me o 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

Ngā hua ake mō te 3 – 5 tau

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 tika nei ngā ākonga i ngā ara tohu e tika ana ki a rātou

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

1.2.2
Ka kōkiri takatika i te mātauranga Māori hei tautoko i ngā ākonga

1.2.3
Ka whai hua ngā ākonga Māori me ngā ākonga Pasifika i ngā rangapū auaha

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

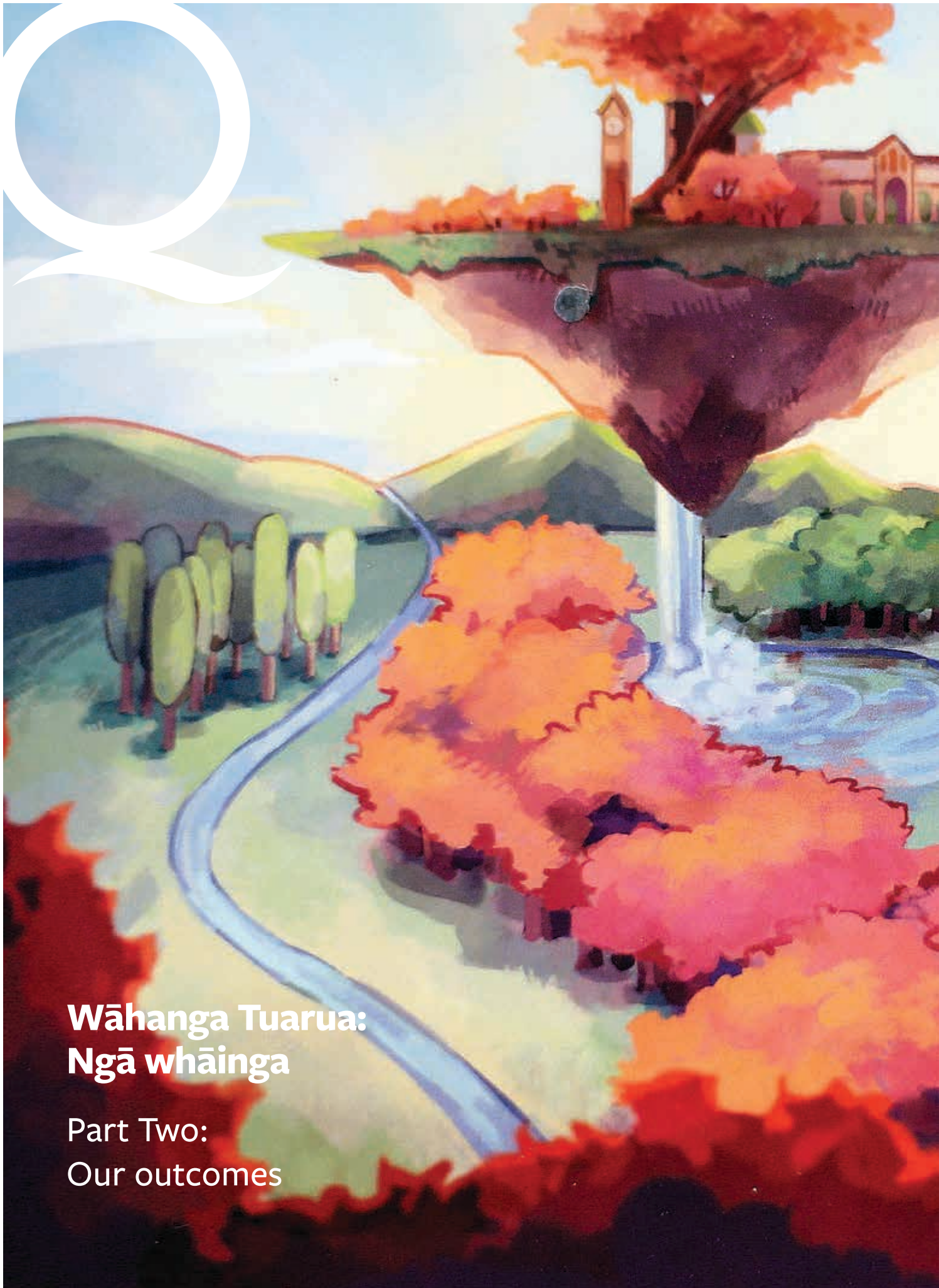
2.1.1
Ko ngā mahi aromatawai auaha he hāpai i te ākonga kia māwhiwhiti i te marautanga ako

2.1.2
Mā te reo o te ākonga anō ngā mahi aromatawai matihiko me te pāheko tika 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 kounga ka noho tika 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



**Wāhanga Tuarua:
Ngā whāinga**

Part Two:
Our outcomes



Credit: Sarah Yang Rangitoto College (Excellence NCEA Level 3 – Design)



**Ā MĀTOU MAHI E TAUTOKO
ANA I TE HUA NUI TUATAHI 1:**

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

**OUR WORK THAT
SUPPORTS OUTCOME 1:**

Equity of access to
qualifications supports
intergenerational wellbeing

OUTCOME 1**E tautoko ana te pūnaha mātauranga i te mana taurite****Supporting equity in the education system****Ngā tautoko me ngā tūhonotanga ā-kura****Kura support and engagement**

We provide dedicated support to kaupapa Māori kura to help them deliver equity of access and improved achievement outcomes for ākonga Māori. This dedicated support was launched in 2019 under the kura engagement project and has continued in 2020 and 2021 following feedback from kaiako who said they value their engagement with us and the best practice guidance we provide.

Between July and August 2020, we hosted two rounds of kura engagement zui (zoom hui) focusing on ways in which kura nationwide can ensure their assessment processes are credible. The first round was designed to build kaiako confidence and understanding of effective methods for gathering evidence of achievement. The second round supported kaiako in utilising professional judgement when gathering and recording assessment standard-specific evidence to recognise ākonga achievements in a range of real-life contexts.

Between August and November 2020, we provided kura with video tutorials demonstrating how kaiako can interact with our processes and materials to best support ākonga. The videos were narrated in te reo Māori and included a glossary of terms. These videos covered:

- how to apply for derived grades
- using naturally occurring evidence
- use of evidence gathering templates; and
- how to submit school data files.

Feedback from kaiako was positive, so we built on this by providing two additional video tutorials at the start of 2021 on:

- submitting late results; and
- applying for reviews and reconsiderations.

We hosted 28 Leading National Assessment seminars across New Zealand to provide school and kura leaders with information, guidance and resources to assist them in their role of leading the assessment changes planned for 2021 and beyond. For those unable to attend, we also hosted several zui covering the changes.

As part of our engagement project and Managing National Assessment processes, School Relationship Managers also visited kura in 2020 and 2021 to reconnect post-COVID lockdown, offer support, seek feedback, and create awareness of our resources. We also facilitated online kura cluster meetings covering a range of kaupapa. These relationships enabled us to effectively assist kura that are participating in the Review of Achievement Standards Te Ao Haka pilot in delivering the Level 1 Te Ao Haka externally assessed Common Assessment Activity.

Supports 1.1.2 Whānau and education organisations are engaged and confident in supporting learners

Equity creates belonging, enhances wellbeing and leads to success



Ngā pūtahi whakamātautau ā-kura

Kura examination centres

We are working towards ensuring, where possible, that all ākonga in Māori medium can sit their external NCEA and NZ Scholarship examinations in a culturally familiar environment, with te reo Māori instruction.

Previously this has been challenging because many kura have low numbers of senior secondary level ākonga enrolled in external examinations. However in 2021, all small schools and kura which were not currently examination centres were invited to apply to become one. Depending on how many examination entries they have and how many sessions they will need to host, these schools and kura can now become either an examination centre or an affiliate examination centre. Like examination centres, affiliate centres enable ākonga to sit their examinations in their own kura. However, they are managed by an examination centre manager who may be based out of another centre. This is similar to a model that we trialled in the 2020 NCEA and NZ Scholarship examinations round.

Supports 1.1.2 Whānau and education organisations are engaged and confident in supporting learners



Te whakawhanake me te tautoko i ngā tohu mātauranga Māori

Developing and supporting uptake of mātauranga Māori qualifications

Part of our role is to facilitate the development and review of mātauranga Māori programmes and qualifications, as well as translations of existing unit standards and associated assessment support materials. We also provide support to providers, schools and kura by assisting with programme development, developing tools to inform ākonga about learning pathways, and facilitating good practice workshops.

In 2020, we refreshed the Field Māori whare on our website to improve the accessibility of the materials. A mātauranga Māori focused workshop was also run at the Tertiary Assessment Symposium in December 2020.

We are expanding our programme Manaaki Tāngata ki te Marae for schools which can contribute to NCEA as well as a range of mātauranga Māori qualifications in Tikanga, Manaaki Marae and Māori World View of Early Learning. In addition, in 2021 a suite of five new tikanga unit standards was developed which focuses on Māori concepts of manaakitanga, kaitiakitanga, rangatiratanga, wairuatanga, and pūkengatanga. Resources have also been developed to support assessment against these standards.

In 2020, despite the COVID-19 related disruptions to learning and assessment, 13,339 ākonga completed mātauranga Māori qualifications.

Supports 1.2.2 Mātauranga Māori is advanced to support learners



Te Hono o Te Kahurangi

We are seeing growing interest from iwi Māori in understanding the quality assurance and evaluation processes and guidelines that are underpinned by ngā kaupapa of Te Hono o Te Kahurangi (THoTK) framework.

Feedback on the draft indicators for THoTK and guidance for using them in External Evaluation and Review (EER) has been collated ready for the next phase of development. This includes alignment with existing tools for THoTK EER and approval for use with tertiary education providers in 2021 reviews.

The newly developed THoTK *Te Wānanga Whakataurite* process to assure consistency of mātauranga Māori qualifications has been tailored to the needs of Māori providers who engage in the THoTK quality assurance pathway. A training package on *Te Wānanga Whakataurite* will be developed to assist in building capability in using this approach and which will enable greater engagement from providers during the implementation phase in the next financial year.

Supports 1.2.2 Mātauranga Māori is advanced to support learners



Te mana taurite o te Māori me te Pacific

Māori and Pacific equity

We have continued to engage with iwi groups to provide disaggregated achievement data and to facilitate hui between education providers and iwi to co-design an action plan which supports their educational aspirations.

Key insights from disaggregated national and regional NCEA data and statistics including ethnic-specific Pacific breakdowns have been used to identify areas of focus for 2021 to benefit Pacific learners including key schools and communities in Auckland, Wellington and Christchurch.

The Pacific Education Interagency group led by the Ministry of Education, which includes NZQA, Teaching Council, Tertiary Education Commission and Ministry for Pacific Peoples, has worked together in developing the first iteration of the Measurement Framework for the Action Plan for Pacific Education. This is likely to be further refined and finalised in 2021.

Our network of Equity Champions has worked towards raising the equity conscience of the organisation by working alongside their colleagues and teams to impact policies, practices, and the profile given to equity issues. We have more information on our internal equity work on page 36.

We successfully delivered an Equity in STEM symposium in April 2021 with around 400 delegates attending in person and close to 100 participants online. Symposium attendees heard from a range of keynote speakers and presenters who reiterated the importance of equity for Māori and Pacific students and shared successful strategies and practical tools to engage students in STEM.

We are focused on achieving equitable outcomes for Māori and Pacific learners

The symposium included a ‘call to action’ with delegates documenting their next steps to encourage STEM study in their school, institution or community. Over 150 ‘action cards’ were completed by participants. Videos of the presentations along with the key themes were shared with all schools across Aotearoa and are available on the NZQA website.

We have more information on our equity work to improve qualifications recognition processes within the Pacific region to enable Pacific people to access skilled work opportunities within and outside of the region on page 60.

Supports 1.2.3 Māori and Pasifika learners benefit from innovative partnerships



Te mahi ngātahi i te Pūhoro STEM Academy **Pūhoro STEM Academy partnership**

We continue to partner and work with the Pūhoro STEM Academy, which delivers the Āmua Ao programme aimed at creating a world where Māori are adaptable, connected, curious, problem solvers, digitally savvy, competitive in the job market and resilient.

The Āmua Ao programme is an initiative focused on inspiring Māori student participation and raising NCEA achievement rates in STEM subjects. The Āmua Ao programme is important to address equity of access in STEM so Māori students are better prepared and qualified for the future world.

Pūhoro has a dedicated landing page for Āmua Ao on its website, which is undergoing staged development and upgrades to better reflect the growing team, its expansion throughout Aotearoa and the many events held throughout the year. Further development and upgrades to the Āmua Ao page are also planned.

Supports 1.2.3 Māori and Pasifika learners benefit from innovative partnerships



Te kaupapa Ignite Pasifika

Ignite Pasifika

Despite the impact of COVID-19, plans to deliver our programme of initiatives – including attendance at Pacific events throughout the country and the delivery of workshops – picked up in late 2020 and into 2021.

The Pasifika Festival organised by Auckland Council in April 2021, along with the ASB Polyfest, created an opportunity for us to be on the ground engaging with young people and their families. At both events we distributed NCEA ma le Pasifika information and the STEM IT UP resource, and engaged in one-to-one conversations about NCEA and pathways.

NCEA key messages were also promoted at the Canterbury Polyfest which celebrated its 21st anniversary in 2021. Up to 30 secondary schools participated, proudly showcasing Pacific identities, languages, cultures, dance, food, handicrafts and merchandise.

There has been an increasing demand for NCEA ma le Pasifika workshops during the 2020/21 year. While the majority of workshops are face to face, online workshops and webinars have been offered to groups and participants. For the Talanoa Ako session in Tauranga, the NCEA ma le Pasifika facilitators were online, while parents were together in person – a model which enabled more natural group discussions and confidence to ask questions and contribute perspectives.

The STEM IT UP resource was launched alongside Te Kōkiritanga and Takiala Pasifika in September 2020. The STEM IT UP e-book and video profiles are available on the NZQA website and 201 have been downloaded by learners, families and others in the community and education sector. We have received positive feedback about this resource.

We have continued to provide key messages and useful information via our NCEA ma le Pasifika Instagram account and Facebook page, including contextualised NCEA and pathways information. Additionally, we use both social media platforms to support our campaign when promoting NCEA workshops.

Supports 1.2.3 Māori and Pasifika learners benefit from innovative partnerships

... we are working to ensure that the diversity of values and knowledge of Aotearoa as a Pacific nation are reflected ...



NCEA Te Pae Pasifika

NCEA Pacific Peoples Panel

As part of the NCEA Change Programme, the Ministry of Education formed NCEA panels to ensure voices from key stakeholder groups are heard in the design and implementation of the changes to the NCEA.

We co-lead the NCEA Pacific Peoples Panel alongside the Ministry of Education, and we are working to ensure that the diversity of values and knowledge of Aotearoa as a Pacific nation are reflected in the NCEA Change Programme. Across 2020/21 we have been working on a range of initiatives which include:

- providing Pacific training for subject expert group facilitators;
- reviewing the Pacific toolbox and providing targeted guidance for products and where possible best practice exemplars;
- developing a Pacific glossary;
- supporting the RAS workstream check-ins to ensure the best possible advice is provided to the subject expert group facilitators; and
- supporting subject expert groups by providing Pacific expertise where gaps have been identified.

Supports 1.2.3 Māori and Pasifika learners benefit from innovative partnerships



NCEA me te Whānau

NCEA and the Whānau

Plans to deliver our programme of NCEA and the Whānau workshops were interrupted by COVID-19. However we delivered workshops in partnership with the Pūhoro STEM Academy in Auckland, Hastings, Palmerston North and Christchurch. These offered support to parents and caregivers of students enrolled with Pūhoro.

Since March 2021 our efforts have focused on developing our online NCEA workshop and also preparing for in-person delivery for term 3 of 2021.

Supports 1.1.2 Whānau and education organisations are engaged and confident in supporting learners



Te Hiranga o Aotearoa

New Zealand Scholarship

In 2019 we responded to a request from the Minister of Education to consider ways to address equity of access to the NZ Scholarship Award, particularly for Māori and Pacific learners. This work continues and from this we have identified schools which have had consistent student participation in NZ Scholarship across the country, in urban, rural, and remote areas, and across deciles.

We gathered insights from four schools, with an additional six school visits planned for July 2021. Our analysis also identified schools with low levels of Māori and Pacific learner participation, but otherwise high levels of NZ Scholarship participation. We plan to engage with these schools later in 2021 to understand why they have relatively low levels of Māori/Pacific participation, with the view to support them and share some of what we have learned so far.

Supports 1.1.3 Learners access qualification pathways that are right for them



Ngā herenga o te Aromatawai Hira

Special Assessment Conditions

Through Special Assessment Conditions (SAC), NZQA continues our work towards achieving equity of access to fair assessment, while supporting the Ministry of Education's *Learning Support Action Plan 2019-2025*. By removing barriers to assessment, all learners, particularly those with disabilities or learning support needs, will be able to have their achievements recognised and credentialed.

In 2020, the uptake of SAC by schools and kura increased by approximately 15% with just over 14,500 learners accessing SAC compared with just over 12,500 in 2019. Schools in deciles 1-3 had a higher percentage increase from 2019 to 2020, increasing by 26%. Alongside a range of other factors, this reflects our targeted support for schools and kura with the lowest comparative uptake of SAC. Overall, in 2020 7.5% of all learners sitting NCEA were supported by SAC to remove barriers to fair assessment. This is an increase from 7.1% in 2019.

Due to the impact of COVID-19, we suspended face to face SAC Seminars in 2020 and moved to online support meetings instead. Additionally, we created two self-directed video tutorials to help special education needs coordinators to manage SAC for their learners. The Ministry has published a plan to review the status of SAC in the light of the upcoming NCEA Changes. We are working with the Ministry on the review outcomes and implementation of this plan.

...increasing SAC uptake by **26%** which reflects our targeted support for schools and kura...

During 2020/21 we made several changes to SAC to further streamline the process and improve access. This included:

- enabling schools to notify us about the learners who traditionally would need writing assistance and wished to use a computer to complete their assessments. (In the past this required schools to submit a formal application to us for approval.) Over 40% of schools made use of this streamlined process, and we received more than 1,100 notifications in 2020. So far in 2021 this number has already been surpassed;
- simplifying the user interface of the SAC application tool to reduce the amount of information schools must provide when making applications; and
- refreshing SAC information on our website to improve clarity.

We have also identified a new list of 58 schools for focused support based on 2020 SAC application data. These schools will be visited by a School Relationship Manager during 2021 to further understand their requirements and support them in providing fair and equitable assessment for their learners.

The future of SAC will change as the NCEA Change Programme is embedded and as the principles of Universal Design for Learning (UDL) are adopted. Under UDL, achievement standards, as appropriate, will be designed to be accessible and equitable without the need for additional special support. We are working together with the Ministry of Education to further understand the implications of UDL and its implementation over the coming years.

Supports:

- **1.1.3 Learners access qualification pathways that are right for them**
- **1.3.1 Barriers to learners accessing qualifications are reduced and additional learning needs are supported**

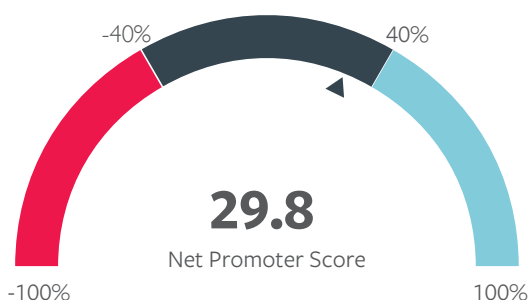
OUTCOME 1**Kia whakatūturuhia te kounga o ngā wheako o te tangata**

Ensuring quality customer experience

**Te wheako kiritaki****Customer experience**

We use the Net Promoter Score (NPS) question in our customer satisfaction surveys to measure overall perception – how likely is it that a customer will speak positively of NZQA.

The score of 29.8 is a composite of NPS⁹ results from all the NZQA Customer Satisfaction Surveys sent out in 2020/21. This is a good result and an increase from 17.4 in 2019/20.¹⁰



As part of our ongoing commitment to support our customers, in June 2021 our Contact Centre established a support line on our main 0800 number for school and teacher enquiries relating to the NCEA Change Programme initiatives. This is to ensure these queries are prioritised so that schools and teachers are able to receive immediate help.

Supports 1.1.1 Customer experience informs the delivery of NZQA services**Te kaupapa whakawhanake i ngā wheako o te tangata****Customer Experience Improvement Programme**

We launched our Customer Experience Improvement Programme (CxIP) this year.

CxIP is designed so that our customers can be confident that all aspects of their NZQA digital interactions will provide valuable and accurate information ‘just in time’, ‘first time’ and ‘on demand’.

This will support learners, whānau and providers to achieve their educational goals.

It is intended that all new digital customer experiences, including the website, will be aligned strategically with our vision, the education sector and all of government, while being fully responsive and available any time, anywhere. This also links with our NCEA Online digital journey.

⁹ The NPS can range from -100 to +100. An NPS above 0 is good, above 20 is favourable, above 50 is excellent and anything over 70 is exceptional.

¹⁰ A number of improvements have been made to support customers to complete their transactions at the first point of contact. It is possible that this increase is the result of those improvements.

Our Contact Centre maintains a customer-centric focus

CxIP is based on the following principles:

- customer needs are front and centre
- equity principles are embedded in product and process
- the solution will:
 - be technologically robust, secure and future-proofed
 - adhere to Government best practice
 - align with NZQA's strategic direction
- the Programme will be implemented in the shortest sustainable lead time with best value to people and learners.

Supports 1.1.1 Customer experience informs the delivery of NZQA services



Ngā Ara Matihiko-kore

Non-digital channels

While we are diversifying our digital channels, we are aware that not all customers wish or are able to communicate in this way.

Our Contact Centre maintains a customer-centric focus and will interact with customers in their preferred style. We also maintain an in-person reception service which allows customers to visit in person.

Supports 1.1.1 Customer experience informs the delivery of NZQA services

Ngā hua e tautoko ana i te Hua Nui Tuatahi 1

Measures supporting Outcome 1

Te aroturuki i ngā ahunga whakamua

Monitoring our progress

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 result was 29.8, please see comment on page 27
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	Customer feedback, via channels such as surveys, co-design workshops, interviews and complaints, is being used to redevelop NZQA's website and digital services such as logged-in experience. The work on redesigning NZQA's website also includes a particular focus on Māori and Pacific customers such as students and their whānau to ensure the new website and digital experience is equitable
Strong partnerships with NZQA drive improvements in equity	Māori and Pacific learner participation in STEM, digital assessment and mātauranga Māori qualifications	Progress and details relating to how we partner with others to drive improvements in equity can be found on pages 19 to 24
Greater uptake of Special Assessment Conditions (SAC) in target groups	Increased SAC applications for eligible learners from targeted groups	<p>There has been a greater uptake of SAC with an increase in applications for eligible learners from targeted groups.</p> <p>64.7% of schools identified within the targeted group of schools (22 of 34) had an increase in applications between the academic years of 2019 and 2020.</p> <p>We are systematically reviewing targeted schools to establish whether the school has effective systems to appropriately identify and manage SAC entitlements for candidates, including the applications process. A tailored package of support is provided to meet their needs.</p> <p>Please see comment on pages 25 and 26</p>

Te Tauākī o te mahi rātonga

Statement of service performance

Te hua nui 1: Mā te mana taurite ki te whai tohu mātauranga te ahunga tātai oranga e tautoko

Outcome 1: Equity of access to qualifications supports intergenerational wellbeing

Measure ID.	Measure	2019/20 Actual	2020/21 Standard	2020/21 Actual		
IMPACT 1.1: NZQA services are designed for equity						
Intermediate Outcome 1.1.1 Customer experience informs the delivery of NZQA services						
1.1.1a	The proportion of survey respondents who agree/strongly agree that information they received from NZQA met their needs ¹¹	68.6%	75%	77% ^{12,13}		
1.1.1b	The proportion of survey respondents who agree/strongly agree that the NZQA website is easy to use	55.8%	70%	63%		
<p>Read more on how customer experience informs the delivery of our services here:</p> <table border="0"> <tr> <td style="vertical-align: top;"> <p>Ensuring quality customer experience</p> <ul style="list-style-type: none"> - Customer experience p27 - Customer Experience Improvement Programme p27 - Non-digital channels p28 </td> <td style="vertical-align: top; padding-left: 20px;"> <p>NCEA Online</p> <ul style="list-style-type: none"> - Digital assessment is improving accessibility for all learners p40 </td> </tr> </table>					<p>Ensuring quality customer experience</p> <ul style="list-style-type: none"> - Customer experience p27 - Customer Experience Improvement Programme p27 - Non-digital channels p28 	<p>NCEA Online</p> <ul style="list-style-type: none"> - Digital assessment is improving accessibility for all learners p40
<p>Ensuring quality customer experience</p> <ul style="list-style-type: none"> - Customer experience p27 - Customer Experience Improvement Programme p27 - Non-digital channels p28 	<p>NCEA Online</p> <ul style="list-style-type: none"> - Digital assessment is improving accessibility for all learners p40 					
Intermediate Outcome 1.1.2 Whānau and education organisations are engaged and confident in supporting learners						
1.1.2a	Co-design solutions to benefit learners	Narrative	Narrative	Details on our work in co-designing solutions to benefit learners is detailed on pages 20-26 and 27-28		

11 Survey respondents are stakeholders, including employers, education providers, students and families. The information that they receive covers the full range of advice, data, communication and instruction that we provide to our customers to support relationships, business and interaction.

12 While some survey responses were received after 30 June 2021, all service contact which is the subject of the survey occurred during the 2020-21 financial year.


13 The overall response rate for the customer satisfaction surveys that contributed results for this measure 1.1.1a was 7.61%.

Measure ID.	Measure	2019/20 Actual	2020/21 Standard	2020/21 Actual
	<p>Read more on how customer experience informs the delivery of NZQA services here:</p> <p>Supporting equity in the education system</p> <ul style="list-style-type: none"> - Kura support and engagement p19 - Kura examination centres p20 - NCEA and the Whānau p24 <p>Showcasing student achievement</p> <ul style="list-style-type: none"> - Polyfest 2021 p37 <p>Building sector capability</p> <ul style="list-style-type: none"> - Ngā Kura ā Iwi o Aotearoa NCEA Jumbo Day p43 - Tertiary Assessment Symposium p43 - Regular engagement with external advisory groups p44 			
<p>Intermediate Outcome 1.1.3 Learners access qualification pathways that are right for them</p>				
1.1.3a	Participation in digital external assessment increases as a proportion of overall participation in external assessment	11.3% (baseline established)	Upward trend (baseline is 11.3%)	In 2020 17.5% of assessed results in subjects offered digitally were digital
	<p>Read more on how learners access qualification pathways that are right for them here:</p> <p>Supporting equity in the education system</p> <ul style="list-style-type: none"> - New Zealand Scholarship p25 - Special Assessment Conditions p25 <p>Building sector capability</p> <ul style="list-style-type: none"> - Assessment Guidance p45 <p>Changes supporting the Education Work Programme</p> <ul style="list-style-type: none"> - Implementing NCEA Review changes p49 - Supporting the Review of Achievement Standards p49 <p>Performing our regulatory function</p> <ul style="list-style-type: none"> - Qualification reviews p66 			
<p>IMPACT 1.2: Innovative partnerships support equitable access for Māori and Pasifika learners</p>				
<p>Intermediate Outcome 1.2.1 NZQA is a te reo Māori learning organisation</p>				
1.2.1a	The percentage of NZQA staff who	a. 210 staff had a te reo Māori plan (up from 89 in December 2019)	a. Increase from baseline of 89	a. 374 (81.8% of all staff)
	b. reach higher levels of proficiency through te reo Māori language planning and development	b. 14.3% (baseline)	b. Increase from baseline of 17.4% ¹⁴	b. 15.7%

¹⁴ It was identified that the initial baseline was incorrect due to an error in the survey it was based on. This was rectified the next time the survey was run and a new baseline was established to be 14.3%.

Measure ID.	Measure	2019/20 Actual	2020/21 Standard	2020/21 Actual
<p>Read more on NZQA as a te reo Māori learning organisation here: Te Kōkiritanga/Takiala Pasifika 2020-2023 – Te Whakapakari Tāngata/Tamata p36</p> <p>Supporting and Building Our Internal Capability – Te reo Māori learning organisation p67</p>				
Intermediate Outcome 1.2.2 Mātauranga Māori is advanced to support learners				
1.2.2a	The percentage of all applications that are quality assured using Te Hono o Te Kahurangi that meet the criteria to be approved	4.4%	≥3%	5%
1.2.2b	The rate of Māori learner participation in digital external assessment is the same as or better than their non-Māori learner peers	Baselines established as: NCEA L1 = 7.5% NCEA L2 = 8.9% NCEA L3 = 10.2%	Upward trend from baseline NCEA L1 = 7.5% NCEA L2 = 8.9% NCEA L3 = 10.2%	Upward trend achieved NCEA L1 = 14.5% NCEA L2 = 13.7% NCEA L3 = 15.9%
<p>Read more about advancing Mātauranga Māori to support learners here: Supporting equity in the education system – Developing and supporting uptake of mātauranga Māori qualifications p20 – Te Hono o Te Kahurangi p21</p> <p>Showcasing student achievement – Āmua ao Engineering Young Māori Minds p38 NCEA Online – Digital assessment is improving accessibility for all learners p40</p>				
Intermediate Outcome 1.2.3 Māori and Pasifika learners benefit from innovative partnerships				
1.2.3a	The percentage of Pasifika parents and families who attended NCEA ma le Pasifika workshops who report increased knowledge of NCEA and more confidence to support their children	100%	90%	100%
1.2.3b	The percentage of parents and whānau who attended NCEA and the Whānau workshops who report increased knowledge of NCEA and more confidence to support their children	98.6%	90%	100%


Measure ID.	Measure	2019/20 Actual	2020/21 Standard	2020/21 Actual
1.2.3c	The rate of Pasifika learner participation in digital external assessment is the same as or higher than their non-Pacific learner peers	Baselines established as: NCEA L1= 7.7% NCEA L2 = 6.8% NCEA L3 = 9.3%	Upward trend from baseline NCEA L1= 7.7% NCEA L2 = 6.8% NCEA L3 = 9.3%	Upward trend achieved NCEA L1 = 13.6% NCEA L2 = 12.0% NCEA L3 = 13.1%

	Read more about Māori and Pacific learners benefiting from innovative partnerships here: Supporting equity in the education system – Māori and Pacific equity p21 – Pūhoro STEM Academy p22 – Ignite Pasifika p23 – NCEA Pacific Peoples Panel p24	Te Kōkiritanga/Takiala Pasifika 2020-2023 – Supporting ākonga Māori and Pacific learner success p35 NCEA Online – Digital assessment is improving accessibility for all learners p40
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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

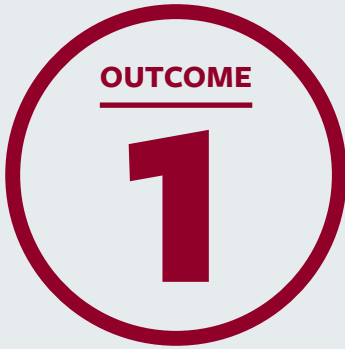
Intermediate Outcome 1.3.1 Barriers to learners accessing qualifications are reduced and additional learning needs are supported

1.3.1a	The percentage of targeted schools ¹⁵ that have confidence NZQA's processes enable Special Assessment Conditions access for their learners	N/A	75-80%	N/A ¹⁶
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	Read more about reducing barriers and supporting additional learning needs here: Supporting equity in the education system – Special Assessment Conditions p25	NCEA Online – Digital assessment is improving accessibility for all learners p40
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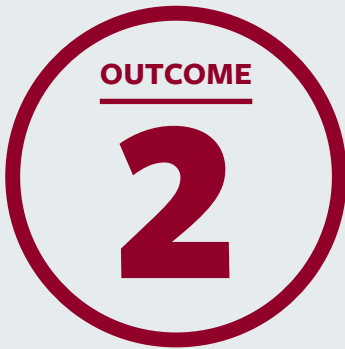
¹⁵ Targeted schools are those with lower than expected uptake of Special Assessment Conditions given a range of factors such as their size, decile, ethnic or gender makeup, as measured against schools with similar profiles.

¹⁶ Insufficient responses were received to report on this measure. A follow up survey will be held in quarter 1 2021/2022.



**Ā MĀTOU MAHI E TAUTOKO
ANA I NGĀ HUA NUI E RUA**

Te hua nui 1: Mā te mana
taurite ki te whai tohu
mātauranga te ahunga tātai
oranga e tautoko



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

**OUR WORK THAT SUPPORTS
BOTH OUTCOMES**

Outcome 1: Equity of access
to qualifications supports
intergenerational wellbeing

Outcome 2: New Zealand
qualifications enable
lifelong learning

OUTCOME 1 & 2

Te Kōkiritanga/Takiala Pasifika 2020–2023



E tautoko ana i te angitutanga o ngā ākonga Māori me Pasifika

Supporting ākonga Māori and Pacific learner success

In September 2020, we launched Te Kōkiritanga 2020-2023 and Takiala Pasifika 2020-2023 – our strategic action plans for ākonga Māori and Pacific learner success.

The strategic action plans closely align with Ka Hikitia, Tau Mai Te Reo, and the Action Plan for Pacific Education, respectively. The plans have two strategic goals:

- Equitable access and opportunities enable ākonga Māori and Pacific learner success; and
- Qualifications enable Māori and Pacific lifelong learning and wellbeing.

Te Kōkiritanga reaffirms NZQA's commitment to the Crown's obligations under te Tiriti o Waitangi, and the principles of partnership, protection and participation. Government and education sector agencies have joint responsibility with whānau, hapū and iwi to ensure the education system delivers with, and for, Māori.

Takiala Pasifika sharpens NZQA's focus to achieve equity for Pacific learners, families, and communities. It articulates our contribution to the education system for Pacific learners and demonstrates our commitment to ensuring equity of access and outcomes.

We have developed detailed implementation plans and will be focusing on delivering the action plan goals by 2023.

Our mahi is supported by two external strategic advisory groups, Ngā Kaitūhono and the NZQA Taupulega.¹⁷

Both groups advise NZQA on opportunities or issues regarding the full implementation of Te Kōkiritanga and Takiala Pasifika. Ngā Kaitūhono was established in 2008 and is chaired by Professor Wiremu Doherty. The NZQA Taupulega was reinvigorated in 2020 specifically to support Takiala Pasifika and is chaired by Professor Malakai Koloamatangi.

Supports 1.2.3 Māori and Pasifika learners benefit from innovative partnerships

¹⁷ Ngā Kaitūhono is our Māori advisory board and its purpose is to ensure that NZQA's approach to mātauranga Māori is compatible with Māori values, consistent with Māori expectations, and complementary to other validation processes, including those that may be established by Māori. The NZQA Taupulega has been reinvigorated to provide advice, guidance and support to enable us to progress and achieve the goals of the Takiala Pasifika.

... strong and active networks for Māori and Pacific staff, which focus on supporting our equity goals



Te Whakapakari Tāngata/Tamata

Te Whakapakari Tāngata and Tamata are our People focus areas within Te Kōkiritanga and Takiala Pasifika strategic action plans respectively. While both action plans were launched in September 2020, we have been providing a range of te ao Māori capacity and capability building opportunities for a number of years.

Both action plans have provided the opportunity to sharpen our focus. This year, 42% of permanent and fixed term staff have attended Te Kākano, and 11% have attended Tipuranga workshops.¹⁸

We have refined our recruitment processes to include an explicit commitment to te ao Māori, bilingual headings, and reference to te Tiriti o Waitangi in all advertised job descriptions, and are advertising all vacancies on www.mahi.co.nz, a Māori-focused employment opportunities website. We have also reviewed our recruitment systems and processes to identify areas of opportunity to attract and retain more Pacific people to NZQA.

We provide tailored workshops to build awareness and understanding of Pacific worldviews and experiences to address potential racism and unconscious bias and to ensure our work intentionally focuses on equity of access and outcomes for Pacific learners.

We have strong and active staff networks for Māori and Pacific staff, which focus on equity goals.

Supports 1.2.1 NZQA is a te reo Māori learning organisation

¹⁸ NZQA has a multi stage employee core competency framework. The four stages are: Te Kākano (New potential/Beginnings); Tipuranga (Grow/Nurture); Manaakitanga (Empower/Encourage); Puāwaitanga (Realisation/Self Actualisation).

OUTCOME 1 & 2**Te whakaatu i ngā whakatutukinga a ngā ākonga****Showcasing student achievement****Polyfest 2021**

We continued our support of kura, kaiako and ākonga by attending Polyfest 2021.

Over a four-day period 45 kapa haka rōpū from various kura performed. We supported the Māori Performing Arts (MPA) national moderator to verify performances against the MPA unit standards. Over 1,500 ākonga had the opportunity to earn NCEA credits.

We hosted a promotional stall, showcasing an array of assessment support materials, promotional brochures, our newly developed Field Māori unit standards, and information on upcoming developments that aim to assist kaiako and support ākonga success in kura.

At our NCEA ma le Pasifika stall students and families had the opportunity to learn more about NCEA qualifications, the support available for assessments, NCEA online and the importance of STEM subjects and pathways. Our 'My NCEA' Credit Tracker poster and STEM IT UP resource (in English, Tongan, Samoan, Cook Islands Māori, Tuvaluan, Tokelauan, Kiribatian and Fijian) were popular and received positive feedback from students, parents, families and teachers.

We also ran usability tests with ākonga on digital language examination designs, and the feedback has informed our 2021 NCEA Online examinations. We have more information on our customer experience work on pages 27-28.

Supports 1.1.2 Whānau and education organisations are engaged and confident in supporting learners

... students felt more inspired to study science as a result ...



Te whakaaturanga ā-tau mō te Ringa Toi

Ringa Toi Student Exhibition

The fifth annual Ringa Toi Student Exhibition was held in September/October 2020 and showcased 150 artworks across the many forms of toi Māori.

The exhibition included artwork from secondary school students around New Zealand who are working towards NCEA Levels 1–3. The artworks included examples of raranga (weaving), kākahu (wearable art), tukutuku (traditional lattice work), tāniko (weaving – similar to twining), whakairo (carving), kōwhaiwhai (traditional pattern), mahi-tā (paint, print, spray), uku (clay), whakapakoko (sculpture) and mahi-matihiko (digital).

In 2020, the exhibition was captured in a digitally immersive format and was made available for online viewing.¹⁹

Supports 1.2.2 Mātauranga Māori is advanced to support learners



Āmua ao

The Āmua ao Engineering Young Māori Minds event is where schools compete in a series of science and engineering challenges to inspire Year 10 students to pursue science and technology NCEA pathways.

The 2020 events were successfully delivered in Palmerston North, Auckland, Hawke's Bay and Christchurch with more than 500 students participating. The evaluation report showed students felt more inspired to study science as a result of attending the events. Teacher feedback was overwhelmingly positive with many commenting that their students were highly engaged throughout the day and showed increased confidence in their own STEM abilities.

The evaluation report will be available on our website by September 2021.

Supports 1.2.2 Mātauranga Māori is advanced to support learners

¹⁹ Ringa Toi exhibition: <https://www.nzqa.govt.nz/about-us/events/ringatoi/>

Te whakaatu i ngā whakatutukinga a ngā ākonga

Showcasing student achievement



OUTCOME 1 & 2

NCEA ā-ipurangi

NCEA Online



E pai ake ana te tomo atu ā ngā ākonga mā ngā aromatawai ā-matihiko

Digital assessment is improving accessibility for all learners

The ongoing development of NCEA Online continues to be a focal point of our commitment to accessibility and equity for learners. Digital learning and assessment provides a more engaging experience and prepares learners for a global, connected future.

During 2020/21, we deliberately prioritised Māori ākonga and Pacific learners in the user experience work for the NCEA Online programme. We formed mutual learning partnerships with schools and kura, and included schools that were current users of digital assessment as well as those at different stages of adoption.

As part of our work sharing data and insights, we are working with Ngāti Kahungunu to understand what information they value so they can be well positioned to support their ākonga and other ākonga in their rohe.

Kupu ki te kōrero

Text-to-speech

The NCEA Online platform has an inbuilt English text-to-speech function to improve accessibility for all learners, and give a greater level of control to those who require reading support or who prefer aural learning. We received feedback on the text-to-speech functionality in 2020 with a small group of schools and kura. We are preparing to run a more in-depth trial in 2021 to gain insights from learners and carry out further user testing of text-to-speech tools to ensure they will enhance student examination experience.

We are also investigating text-to-speech and spellcheck functionality for te reo Māori speakers after commissioning a research report from Waikato University. As recommended in the report, we are looking to partner with a specialist to progress te reo Māori text-to-speech capability and with an external provider of high quality kupu (word) lists that can be used for spellcheck testing in the NCEA Online platform.

The research report was completed by the late Dr Paora Mato from Waikato University. We would like to acknowledge his expertise and passion in the field of information technology. E te rangatira Paora, moe mai rā i āhurutanga o ō tātau mātua tīpuna, moe mai rā, kia au te moe e hika e.

Te Reo Rangatira

During 2020, the NCEA Online programme ran an innovation trial involving a modified Te Reo Rangatira digital assessment which enabled students to listen to, as well as read, the examination instructions, questions and resources. The trial successfully demonstrated that the inclusion of audio benefited students, and the participants found the trial to be a very positive experience. We are planning the work needed to attach te reo audio to Te Reo Rangatira 2021 digital practice examinations and NCEA end-of-year examinations for levels 1, 2 and 3.

E whakarite ngātahi ana i ngā awheawhe mō ngā ratonga

Co-design workshops for services

We also held four co-design workshops with schools and kura to help shape how we design our services. These workshops focused on design ideas for digitally submitting files for end-of-year external assessment

... co-design workshops with schools and kura to help shape how we design our services ...

(NCEA and NZ Scholarship) for subjects where external assessment is not by examination, such as the languages, Health and Physical Education, Drama, Dance, Art, Music, and Digital Technologies. We are now assessing the business viability and feasibility of these design ideas and others to improve usability, accessibility and equity in NCEA Online.

Te whakaurunga ki ngā whakamātautau ā-matihiko
Participation in digital examinations

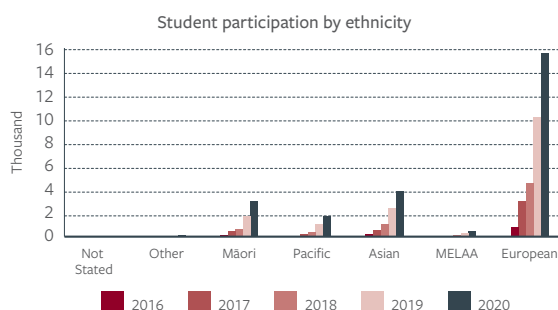
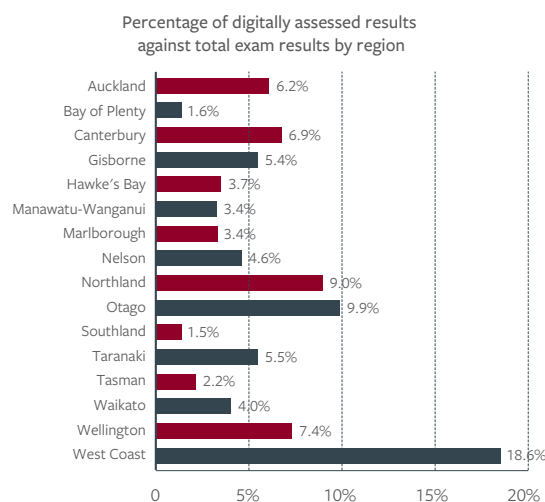
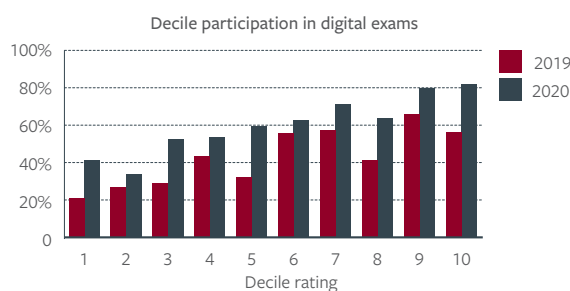
In 2020, nearly two-thirds of all secondary schools and kura participated in digital examinations, with more than 22,000 learners across 276 schools sitting at least one digital examination through NCEA Online. This is a 55% increase in learners and a 41% increase in schools compared to 2019.²⁰

Schools are participating across all decile ranges, though there are proportionally more digital results coming from higher decile schools, which tend to be larger than lower decile schools (see graph: Decile participation in digital exams).

Participating kura and schools come from all around the country, with the West Coast region having the highest percentage of digitally assessed results (see graph: Percentage of digitally assessed results against total exam results by region). In the Nelson region, all schools who participated in external examinations had digital examination results, for the Otago region, this figure was over 80%.

Student participation is increasing across all ethnic groups. Māori and Pacific students, who were early adopters of digital examinations, have continued to take up digital at a faster rate than other students, particularly at Level 1 (see graph: Student participation by ethnicity²¹).

We will continue to focus on working with schools to encourage uptake where students are learning digitally, and to increase participation within schools. At the same time, we will seek to understand and help address the specific barriers to participation so that all learners can experience twenty first century approaches to external assessment as part of their preparation for work and future study.



²⁰ For subjects available as digital examinations, 17.5% of results are digital, and for all examinations, 5.8% of results are digital. Over two thirds of examinations are available online, but the greater proportion of external assessment results (approximately 63%) come from subjects not yet available in digital form, because of usability issues with current technology being applied to current assessment approaches.

²¹ MELAA – Middle Eastern, Latin American, African.

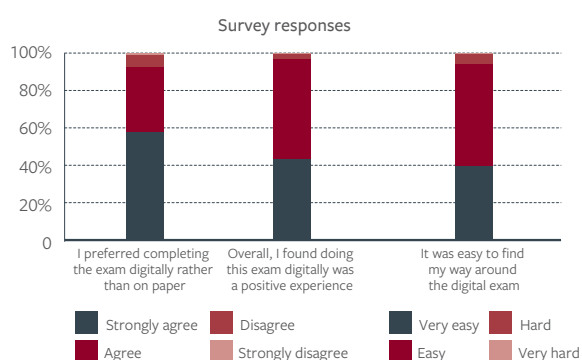
... 97% agreeing or strongly agreeing it was a positive experience

Ngā whakautu arotake e whai ana i ngā whakamātautau ā-matihiko

Post-digital examination survey responses

We received 5,479 valid responses to the survey offered immediately after completion of digital examinations. Learner respondents were very positive, with 97% agreeing or strongly agreeing it was a positive experience. This is similar to 2019 and there were no significant differences in overall satisfaction between examination sessions or learner ethnicities.

In answering the survey question which asked what they liked or disliked about the digital examination, respondents mentioned that typing and editing was easier and faster than handwriting, and that they enjoyed the digital experience. Dislikes included issues such as examination and navigation difficulty, the editing functions, the examination layout and device issues such as being locked out and having to log back in. (see graph: Survey responses)



Ngā whakamātautau whakaharatau ā-matihiko

Digital practice examinations

In response to COVID-19 and feedback from schools, we made digital practice examinations available a year earlier than planned on the NCEA Online examination platform during September 2020. A total of 6,236 learners from 96 schools participated in 280 different practice examination sessions, with 264 learners participating in more than one session.

Overall, learners were very positive about the experience, with 77% of survey respondents (5.4% response rate) agreeing or strongly agreeing it was a positive experience.

We are using the survey insights from 2020 and our engagement with schools, kura and sector partners as we prepare for an expanded 2021 programme of digital practice examinations.

Te whakamanawatanga i ngā hanganga ā-matihiko

Confidence in digital infrastructure

Once again we worked with Network for Learning (N4L) to provide schools with confidence regarding their digital infrastructure. N4L offered network assurance checks to 322 schools, with 208 (compared to 136 schools in 2019) taking up the offer and receiving suggestions for improvements to further strengthen their infrastructure for NCEA Online. N4L also monitored the digital assessments in real time, making calls to resolve the issues of 27 schools during the end-of-year examination period.

Supports:

- **1.1.1 Customer experience informs the delivery of NZQA services**
- **1.2.2 Mātauranga Māori is advanced to support learners**
- **1.2.3 Māori and Pasifika learners benefit from innovative partnerships**
- **1.3.1 Barriers to learners accessing qualifications are reduced**
- **2.1.2 Learner voice informs digital assessment methods and builds confidence and engagement in attainment**

OUTCOME 1 & 2

Te whakapakari o ngā āheitanga ā-rāngai

Building sector capability



Te rā whakahara NCEA o Ngā Kura ā Iwi Ngā Kura ā Iwi o Aotearoa NCEA Jumbo Day

We responded to an invitation from Ngā Kura ā Iwi o Aotearoa to support professional development for its kaiako in October 2020.

We attended alongside colleagues from the Ministry of Education to share assessment expertise with approximately 150 kaiako from various rohe. We presented on innovative approaches to assessment, including how to utilise naturally occurring evidence while maintaining assessment validity. This was followed by sessions addressing kaiako questions on innovation in assessment and managing the NCEA Change Programme going forward.

Supports 1.1.2 Whānau and education organisations are engaged and confident in supporting learners



Te Hui Taumata mō te Aromatawai ā-kura amorangi

Tertiary Assessment Symposium

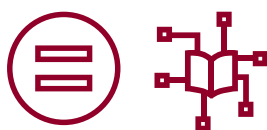
We hosted a Tertiary Assessment Symposium in December 2020, which was attended by 135 assessors from across New Zealand.

This was responding to demand for increased support to the tertiary sector and consisted of 28 workshops. Originally these were planned to be run throughout the year but were combined to adapt to the disruptions caused by COVID-19. We received positive feedback on this event.

While we received positive feedback, we will not be running another Tertiary Assessment Symposium in 2021 as our focus is to support the establishment of the Workforce Development Councils (WDCs). In association with WDCs we will consider how best to provide support to tertiary assessors going forward.

Supports 1.1.2 Whānau and education organisations are engaged and confident in supporting learners

... flexibility to participate in professional development that fits within their schedules



E rite tonu ana te tūhono atu ki ngā rōpū tohutohu ā-waho

Regular engagement with external advisory groups

We convene meetings for several external advisory groups which engage with and advise NZQA and the Ministry of Education on senior secondary qualifications, assessment, learner transitions and future pathways.

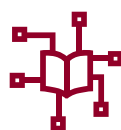
Two of these are the:

- Secondary Qualifications Advisory Group (SQAG) which comprises secondary and university sector representatives; and
- Māori medium Secondary Qualifications Advisory Group (MMSQAG) which consists of wharekura leaders that focus on the Māori medium sector.

NZQA and the Ministry have consulted these groups and other sector bodies on how to best manage and mitigate the impact of COVID-19 disruptions on learners. We value the sector perspectives they provide, and we continue to seek advice from these groups on matters such as our strategic vision, plans to equally recognise the status of mātauranga Māori, delivery of the NCEA Changes and Review of Achievement Standards, NCEA Online and equity in NZ Scholarship participation for Māori and Pacific students.

Supports:

- **1.1.2 Whānau and education organisations are engaged and confident in supporting learners**
- **2.1.2 Learner voice informs digital assessment methods and builds confidence and engagement in attainment**



Tohaina ngā kura huna

Sharing best practice

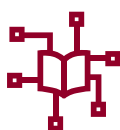
NZQA shares lessons learned from the external moderation of learner evidence to encourage best practice and improve assessor confidence and accuracy when making assessment decisions.

One way we share is through running Best Practice Workshops (BPWs) across New Zealand each year. These workshops cover a range of achievement standards and are typically subject specific. In 2020 we adapted our delivery in response to COVID-19, running 38 BPWs online, out of a total 48 for the year. This increased our average reach per workshop from 21 attendees in 2019 (2,078 attendees across 98 workshops) to 30 in 2020 (1,463 attendees across 48 workshops).

While we have typically run on a cost-recovery basis, in 2021 NZQA removed the charge to ensure assessor support is more accessible. We are offering up to 100 workshops or speakers both face to face and online in 2021. As at 30 June, we have facilitated seven face to face workshops and 20 online workshops and speakers.

In May 2021 we also launched Pūtaka, our new Learning Management System, which is available to all secondary teachers. It has a range of resources available, featuring 60 'bite-sized' modules and short courses, along with 16 types of workshops that run six times each throughout the year. Further resources are also in development. These resources and online workshops are free of charge and give teachers the flexibility to participate in professional development that fits within their schedules.

Supports 2.1.1 Innovative assessment practices enable learners to make connections across learning areas



Nga hēmina e ārahi ana i ngā aromatawai ā-motu

Leading National Assessment seminars

Every year, we host Leading National Assessment seminars to share good practice in managing assessment and provide updates on NZQA policy and processes.

This year's focus was on providing school leaders with information, guidance and resources to assist them in their role leading the NCEA Change Programme assessment changes planned for 2021 and beyond in their school or kura.

Up to the end of June 2021 we ran 28 Leading National Assessment seminars in 23 locations across New Zealand with 663 attendees from 477 schools and kura. This was an increase in the numbers of schools and kura attending, from 464 in 2020. Over 90% of evaluation respondents considered the seminar a valuable resource and opportunity to share practice and ask questions.

Connecting with senior school leaders and principal's nominees gives us an opportunity to listen to the concerns facing our schools and their learners, so we can better prioritise and focus our efforts in supporting secondary schools.

Supports 2.1.1 Innovative assessment practices enable learners to make connections across learning areas



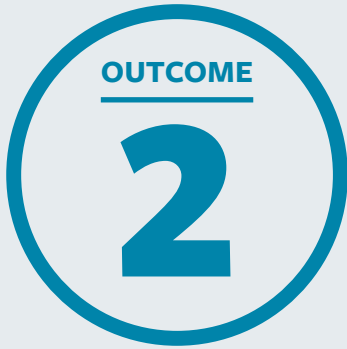
Ngā tohu aromatawai

Assessment guidance

We have worked with teams from across NZQA to develop assessment guidance, which is reflective of the context for tertiary providers quality assured using Te Hono o Te Kahurangi (THoTK) framework.

We have more information on our THoTK work on page 21.

Supports 1.1.3 Learners access qualification pathways that are right for them



**Ā MĀTOU MAHI E TAUTOKO
ANA I TE HUA NUI TUARUA 2:**

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

**OUR WORK THAT
SUPPORTS OUTCOME 2:**

New Zealand qualifications
enable lifelong learning

OUTCOME 2

Te manawaroa ā-rāngai ki te KOWHEORI-19

Sector resilience during COVID-19



Te manawaroa o ngā kura tuarua ki te KOWHEORI-19

COVID-19 resilience in the secondary sector

We made changes to NCEA and UE for 2020 to support learners and mitigate the disruption caused by COVID-19. These changes were designed to reassure and support learners to engage and progress with their learning programme and assessment, while maintaining the integrity and credibility of the qualification.

The changes to NCEA included:

- For every five credits achieved, students outside of Auckland earned one extra Learning Recognition Credit (LRC), up to a maximum of 10 LRCs for Level 1, or up to a maximum of eight LRCs for Levels 2 and 3.
- Students in Auckland earned one extra LRC for every four credits achieved, up to a maximum of 16 LRCs for Level 1, or 12 LRCs for Levels 2 and 3.

Change to University Entrance:

- 12 credits in each of three UE-approved subjects were required, instead of the usual 14. The NCEA Level 3 and literacy and numeracy requirements remained in place for the award of University Entrance.

In 2020, qualification attainment increased across all NCEA levels and UE. The LRCs and changes to UE helped give confidence to learners and the sector and ensured that learners could continue on their future pathways.

In collaboration with the Ministry of Education and advised by the Minister of Education's Professional Advisory Group, we are well prepared to respond to any disruptions that may occur in 2021 from COVID-19. NCEA's inherent flexibility would be the first line of defence, supported by the Ministry's learning resources and our assessment resources and advice. If required, further changes can be made similar to the range of interventions provided in 2020.

Supports 2.2.1 The NZQF facilitates lifelong learning

We have used the lessons from 2020 to improve our business as usual processes ... and to increase our preparedness for a similar significant event



Te manawaroa o ngā kura amorangi ki te KOWHEORI-19

COVID-19 resilience in the tertiary sector

We worked closely with the Ministry of Education, education agencies and tertiary education sector peak body representatives to understand the impacts on providers and respond with appropriate guidance and support. We have used the lessons from 2020 to improve our business as usual processes, such as online delivery approval, and to increase our preparedness for a similar significant event.

We implemented a range of measures to support learners and education providers while we were in different COVID-19 alert levels. These measures can be reinstated if necessary. They include:

- establishing a dedicated email contact for tertiary education organisations and students to use if they had questions or issues about the requirements under different COVID-19 alert levels;
- publishing our quality assurance activities under each COVID-19 alert level so that providers know what activities will occur at each level;
- providing further support in a COVID-19 relief package for tertiary education organisations, including flexible payment plans, extending timeframes to submit key documents, and enabling private training establishments to remain registered while inactive for longer periods;

- continuing use of online 'site visits' to replace in person site visits for some relevant quality assurance activities, including consistency reviews;
- developing criteria for when online quality assurance is appropriate, particularly for external evaluation and review on-site work; and
- granting temporary approval for tertiary providers to deliver programmes online to students and validating temporary approvals for online delivery. Most of the 230 temporary programme approvals granted in 2020 have been approved as a permanent delivery mode option, which means that these providers have the flexibility to adjust their delivery quickly if necessary.

Supports 2.2.1 The NZQF facilitates lifelong learning

OUTCOME 2

Ngā panonitanga e tautoko ai te kaupapa o ngā mahi mātauranga

Changes supporting the education work programme



Te uruhi hurihanga hou o te NCEA

Implementing NCEA Review changes

As part of our ongoing commitment to working with the Ministry of Education to strengthen NCEA, we revised the Assessment Rules in order to implement NCEA Review changes to the resubmission policy, and the extension of course endorsements at Achieved level. The revision also caters to the ongoing use (in 2021 and beyond) of Learning Recognition Credits earned in 2020.

The revised Assessment (including Examination) Rules for Schools with Consent to Assess and support information was published on our website on 1 February 2021.

In May, our Board also approved Te Ao Haka to be added as a temporary subject on the approved subjects list for University Entrance, which applies for entry to university through to 2022 for learners piloting these standards. The temporary addition is related to the draft nature of the standards. When the standards are listed for full implementation in 2023, the status of Te Ao Haka will be reconsidered. In doing so, we will work to ensure equitable access for all ākonga learning in secondary schools, wharekura, kura ā iwi, and other rumaki reo environments.

Our Office of Pasifika continues to work closely with the Ministry to progress the NCEA Review and ensure the change programme better meets the needs of Pacific learners, families and communities.

Supports 1.1.3 Learners access qualification pathways that are right for them



E tautoko ana i te arotake o ngā paerewa paetae

Supporting the Review of Achievement Standards

We are collaborating with the Ministry of Education on implementing the NCEA Change Programme and the Review of Achievement Standards. We are providing assessment expertise to sector expert groups in their achievement standard development work and in the development of assessment support materials for schools and kura.

In 2021 we are the lead agency delivering pilots of four New Zealand Curriculum subjects (English, Religious Studies, Science and Visual Arts) and three levels of new achievement standards in Te Ao Haka. Through the pilots there are 28 standards being assessed: 14 assessed in schools by teachers which are then verified by our moderators; and 14 standards externally assessed by NZQA through assessment activities and examinations, marked by our contracted workforce.

... we are designing the assessments to be more accessible for learners by incorporating a ‘Universal Design for Learning’ approach ...

We are committing to equity by design by adopting a ‘digital first’²² approach to delivering the pilot external assessments. We are using the NCEA Online examination platform to deliver the externally assessed common assessment activities and end-of-year external examinations for the pilots. The common assessment activity held in May for one of the two externally assessed Level 1 Te Ao Haka achievement standards was the first ‘digital first’ live pilot. This involved 271 ākonga across 33 kura and schools.

Through the pilots we are removing barriers to fair assessment for Māori and Pacific students by incorporating Mana Ōrite mō te Mātauranga Māori and enabling learners to submit assessment evidence in new formats such as oral, video and visual. In addition, we are designing the assessments to be more accessible for learners by incorporating a ‘Universal Design for Learning’ approach, where learners with a variety of learning needs will be accommodated as part of each standard without the need for additional support such as Special Assessment Conditions. We have more information on our equity work on pages 19-26 and 35-36.

We are also contributing towards the Ministry of Education evaluation of the pilots by providing inputs to their evaluation frameworks, the provision of subject ‘insight’ reports about standards usage patterns, and regular pilot evaluation reports.

We will continue to work with the Ministry through to full implementation of the NCEA Change Programme in 2026.

Supports 1.1.3 Learners access qualification pathways that are right for them



E tautoko ana i Te Reo Matatini me te Pāngarau

Supporting Te Reo Matatini me te Pāngarau | Literacy and Numeracy

We continue to work with the Ministry of Education to develop and implement the new Te Reo Matatini me te Pāngarau | Literacy and Numeracy standards which will be a co-requisite for the NCEA qualification from 2023 subject to sector readiness.

In the latter half of 2020 we facilitated the standards development process for the English-medium literacy and numeracy standards. We also provided assessment expertise to the Ministry during the standards development process for te reo matatini and te pāngarau. The new standards are being piloted in the latter half of 2021 and in 2022 in a variety of settings, including schools, kura, and foundation tertiary. We are supporting the Ministry for the 2021 pilot and will continue to work in collaboration with the Ministry to deliver the wider pilot in 2022. We are developing external assessment for the new standards – for the pilots, in the first instance, but also in preparation for full implementation in 2023. This has involved increasing our capacity for the external assessment of literacy and numeracy at scale. We are also working with the Ministry to develop transitional arrangements between the current qualification and the new qualification where the standards will be a mandatory co-requisite to the NCEA.

Supports 1.1.3 Learners access qualification pathways that are right for them

22 ‘Digital first’ means assessment that is developed first in a digital format and which may remain as digital or may go on to be paper-based.



Te Whakahoutanga o te Mātauranga Ahumahinga

Reform of Vocational Education

The intent of the Reform of Vocational Education (RoVE) is to create a vocational education system that is ready for a fast-changing future of skills, learning and work.

Alongside the Ministry of Education we have progressed work on simplifying the design of qualifications for vocational education. Between April and June 2021 we engaged with stakeholders and consulted on a series of proposals.

The proposals included two options. The first was the design of qualifications introduced into the Education and Training Act 2020, while the second option proposed further simplification of the qualifications system, informed by engagement with industry, employers and students in 2020. The consultation has included targeted stakeholder engagement with Māori partners, Pasifika and the disabled community. Consultation closed on 16 June 2021. Consultation feedback will be analysed and used to inform recommendations to the Minister. We will publish a summary of the consultation feedback and release it publicly in late August.

We have also progressed work on the effectiveness of the current quality assurance framework, including interviewing more than 100 stakeholders. In addition, a literature review of quality assurance arrangements in international jurisdictions will inform our review of the quality assurance framework, which will be completed next year. We will work closely with Te Pūkenga and the Workforce Development Councils on the design of new approaches, particularly to the external quality assurance of the new organisations.

We continue to support the Tertiary Education Commission (TEC) in the establishment of the Workforce Development Councils, Te Pūkenga and the disestablishment of the Transitional Industry Training Organisations. This will include updating the NZQF and the Directory of Assessment Standards to reflect the changes to qualifications and standards, and to support the transfer of industry training programmes to new providers.

We also continue to work closely with the Interim Establishment Unit in the TEC to transition qualifications and standards for which we are the qualification developer or standard setting body. We will retain our qualification developer and standard-setting roles for the English language, mātauranga Māori, and foundation qualifications.

Supports 2.2.1 The NZQF facilitates lifelong learning



OUTCOME 2

Te oranga o te ākonga mā te rārangi tikanga atawhai

Student wellbeing through the codes of pastoral care



Te rarangi tikanga o te ao whānui

International Code

We continued to support the pastoral care of international students experiencing the ongoing impacts of COVID-19. This included monitoring the pastoral care needs of students who remained in New Zealand over the summer break and pro-actively engaging with affected providers during the additional lockdowns in Auckland. We have engaged with sector groups, peak bodies and providers to understand the impact of prolonged border closure on the international education sector.

To build capability, we delivered a series of online workshops on the international Code and self-review practice. In addition, we published a set of revised self-review guidelines in December. These guidelines were informed by sector insights and included the findings of self-review report analysis previously undertaken.

We worked together with international student leaders to produce three short videos – covering the Code, agents, and enrolment contracts – to highlight and promote the international Code to students.

We continued quality assurance activities on all international Code signatories, including evaluating self-review reports (for example, a sample of 50 for the international Code). Focus areas included: managing and monitoring agents (Outcome 2); offer, enrolment, contract and insurance (Outcome 3); and safety and wellbeing, including in accommodation (Outcome 6). Evaluation of the self-review reports was supported by reviewing key documentation needed to comply with the international Code. Insights and analysis of good practice will help inform NZQA's ongoing workshops and resources.

Supports 2.2.2 Quality assurance provides trust and confidence in New Zealand credentials and qualifications

We provided information to domestic tertiary students through a ‘Know the Code’ flyer and webpage ...



Te rarangi tikanga taupua

Interim domestic Code

Over the year, we supported providers, students and communities to know and understand the interim domestic Code. A series of online workshops were delivered, and self-review resources including a toolkit were published to support providers’ self-review of performance against the Code.

We provided information to domestic tertiary students through a ‘Know the Code’ flyer and webpage, provided in English and te reo Māori. The information contains pastoral care expectations including how to make a complaint to the Code Administrator. Additionally, we have worked with student leaders to produce six short videos about the Code, covering a range of topics including mental health, accommodation and student voice.

An online self-review attestation process was undertaken, which included providers self-assessing how well each outcome of the Code had been implemented. This has provided a greater understanding of capability and areas for further development. In addition, we’ve completed a proof of concept for a new online attestation for providers subject to the interim domestic Code with the intention of simplifying the attestation process.

As part of the interim domestic Code monitoring, we gathered information from Te Pūkenga subsidiaries, private training establishments and wānanga on their student accommodation arrangements and practices. Based on this information, we visited five non-university tertiary education organisations with student accommodation. Findings from these visits will give a further understanding of providers’ student accommodation practices under the interim Code and help to refine our processes for future monitoring of student accommodation.

We have delegated Code administration responsibilities to Universities New Zealand for monitoring universities’ self-review of performance against the interim Code. Universities New Zealand will report to us on its monitoring activities and any issues it identifies.

We received additional funding to increase our capacity as Code Administrator in order to implement the interim domestic Code.

Supports 2.2.2 Quality assurance provides trust and confidence in New Zealand credentials and qualifications

... we will work with the sector to develop new guidelines and a series of workshops to aid international and domestic education providers ...



Kei te panoni ngā rārangi tikanga

The Codes are changing

We have used insights gained through our monitoring and sector engagement to support the Ministry of Education as it develops a new integrated Code and regulatory framework to support international and domestic student wellbeing and pastoral care.

During July to December 2021, we will work with the sector to develop new guidelines and a series of workshops to aid international and domestic education providers to implement the new Code ahead of it coming into effect on 1 January 2022.

Supports 2.2.2 Quality assurance provides trust and confidence in New Zealand credentials and qualifications

OUTCOME 2

Te whakahaere i ngā whakamātautau ā-motu mō ngā kura tuarua

Delivering secondary examinations nationwide



Te wātaka whakamātautau 2020

2020 examination round

The 2020 NCEA and NZ Scholarship examination period ran from 16 November to 9 December 2020. The start date was delayed by 10 days to give learners extra time to prepare due to the impact of COVID-19.

Approximately 144,000 learners entered for NCEA and NZ Scholarship external assessments, out of 189,615 students engaging in NCEA assessments across Years 9 to 13. Of the 143,500, approximately 22,000 learners from nearly two-thirds of all schools (276) were entered to sit at least one examination digitally, across the 21 subjects that had digital examinations on offer. This was a 55% increase in learners sitting digital examinations and a 41% increase in schools offering digital compared to 2019. 10,433 students entered NZ Scholarship examinations, with 2,151 awarded one or more scholarships across 35 subjects.

Overall, we ran 120 examinations in 415 examination centres with over 6,600 examination staff throughout New Zealand, the Cook Islands and Niue.

The proportion of total externally assessed results that were digital increased from 3.4% in 2019 to 5.8% in 2020. For external assessments in subjects offered digitally, 11.3% of assessed results in 2019 were digital, rising to 17.5% in 2020. Similarly, in 2019, 11.1% of students who had at least one externally assessed result had at least one digital assessed result. This rose to 17.7% of students in 2020.

In 2020 there were 1,058,114 entries for externally assessed standards, compared with 1,121,283 entries in 2019 as schools reprioritised their assessment programmes. The delayed examinations resulted in extra pressure on our marking processes. With our specialist workforce of approximately 1,550 markers, we implemented a series of contingencies to ensure marking was completed by 21 December so that learner results could be released on time and school leavers' pathways were not affected.

Supports 2.2.1 The NZQF facilitates lifelong learning

We provided extra support to learners accessing their results by email and phone



NCEA ki tāwāhi

NCEA offshore

Under new legislation (Education and Training Act 2020, clauses 11 and 12 of Schedule 1) and in response to COVID-19, schools were able to deliver NCEA to eligible learners who were located offshore but enrolled in NCEA in New Zealand.

Schools will be able to offer NCEA to eligible learners offshore until the end of the 2022 school year, which will allow Level 1 students in 2020 to continue their NCEA pathway through to Level 3.

In 2020, we approved 13 schools and kura to provide NCEA to 53 offshore students. In 2021, 11 of these schools are continuing to provide NCEA offshore, with some schools successfully re-engaging learners who were previously enrolled but did not continue with NCEA in 2020.

Supports 2.2.1 The NZQF facilitates lifelong learning



Te pāoho whakataunga mō te NCEA me Te Hiranga 2020

NCEA and NZ Scholarship results release 2020

Students were able to access their NCEA results via our learner login webpage on 21 January 2021 and on 4 February for NZ Scholarship.

We provided extra support to learners accessing their results by email and phone across 21-22 January. During this time there were 82,193 unique logins (2% fewer than in 2019) and 204,076 result page views (21% greater than 2019). We handled 5,715 total calls across both days (18% fewer than in 2019). The greater number of result page views and fewer calls suggests that we have been successful in making results more accessible for learners.

Approximately 710,000 answer booklets were returned to learners following the release of their results.

In late April 2021, we published the final 2020 NCEA and UE attainment statistics on our website, and in early June we published the 2020 annual NCEA, UE and NZ Scholarship Data and Statistics report.

The 2020 attainment statistics suggest that students and schools broadly adapted well despite the 2020 disruptions. Unfortunately a range of equity issues persisted or were exacerbated. For example, despite overall improvements, attainment for Māori and Pacific students has remained proportionately lower than for other groups, particularly in attainment of NCEA Level 3 and UE. We are further investigating how we can best work to address these issues with schools and other sector partners to meet our commitment to equity.

Supports 2.2.1 The NZQF facilitates lifelong learning

OUTCOME 2

E whakatūturu ana i ngā tohu mātauranga kia hāngai

Ensuring qualifications are fit for purpose



Te arotakenga o te Taura Here Tohu Matauranga

New Zealand Qualifications Framework Review

We continued our work on the review of the NZQF, which includes recognising mātauranga Māori as a knowledge system across all elements of the NZQF. We have been working with Māori partners to explore the feasibility of developing a proposal for consultation to support increased inclusion of mātauranga Māori in all qualifications.

We have also worked with stakeholders to develop draft level descriptors for consultation. These articulate three specific transferable competencies – communication, collaboration and critical thinking – at all ten levels of the NZQF. The draft level descriptors also include applied skills (performance and practice) to better reflect vocational contexts and to help ensure parity of esteem between vocational and academic qualifications.

Recognising a wider range of products on the NZQF could assist learners to make more informed choices, help employers to recognise specialised skill sets and encourage lifelong learning. Previous consultation on including a wider range of quality-assured credentials on the NZQF was widely supported, and the Ministry of Education is now progressing work on a broader qualifications and credentials framework through the legislative process.

We will make final changes to the policy document articulating all elements of the NZQF after the third and final consultation. This includes ensuring that the NZQF better reflects mātauranga Māori, our bicultural heritage and te Tiriti o Waitangi.

Supports 2.2.1 The NZQF facilitates lifelong learning

... the values and features of aromatawai will enrich and inform assessment design ...



Ngā mātāpono aromatawai

Aromatawai and assessment principles

We are refreshing the assessment statement and principles that articulate our position on high quality assessment for all tertiary providers and assessors.

The draft principles of aromatawai and assessment are underpinned by the six dynamic and interconnected kaupapa at the heart of Te Hono o Te Kahurangi, a whare ako framework we use to carry out the quality assurance of mātauranga Māori. It is envisaged that the values and features of aromatawai will enrich and inform assessment design and be appropriate for all ākonga.

We ran a six-week consultation on the refresh which closed on 28 May. We are reviewing the feedback and aim to publish the finalised principles later in 2021.

Supports 2.2.1 The NZQF facilitates lifelong learning



Ngā pūkenga whāiti

Micro-credentials

The number of micro-credentials being approved has remained largely consistent through the year with an increase in the final quarter.

As at 30 June 2021, a total of 173 micro-credentials had been approved. Interest in micro-credential equivalency grew in the last year, with 38 micro-credentials assessed for equivalence against the NZQF. Interest in how micro-credentials could contribute to qualifications (i.e. 'stacking') as part of programmes is growing.

We are currently considering how best to support and enable the development and delivery of Te Pūkenga and Workforce Development Council micro-credentials as these organisations stand up. This work is likely to include changes to our approval processes.

Supports 2.2.1 The NZQF facilitates lifelong learning

23% decrease in qualification recognition applications due to COVID



Te whakatuturu tohu mātauranga

Qualification recognition

As at 30 June 2021, we had received a total of 13,488 applications for overseas qualifications assessment. This represents a decrease of approximately 23% compared to previous years.

Most applications received this financial year were from applicants residing in New Zealand. A total of 35% of international qualifications assessed were from India. Immigration New Zealand is planning to introduce a new Accredited Employer Work Visa in the next year to replace six existing visa types. This change will impact people intending to migrate to New Zealand to work. As a result, we are seeing an increase in applicants applying to have qualifications which were awarded through recognition of prior learning recognised in time to meet the current immigration criteria.

We continue to meet our service delivery agreement of 25 working days. We have also been actively participating in credentials evaluation forums organised by European signatories of the Lisbon Recognition Convention to ensure our approach to international qualifications recognition remains up to date.

Supports 2.2.3 Greater qualification recognition enables mobility



Te whakatūturū tohu mātauranga o te ao

International recognition

In July 2020, we initiated scoping and work programme planning for a Ministry of Foreign Affairs and Trade sponsored project to improve qualifications recognition in the Pacific region.

During this multi-year project we will work with Pacific Island nation signatories to the PACER Plus²³ Trade Agreement to improve qualifications recognition processes within the Pacific region. The aim of this project is to enable Pacific people to access skilled work opportunities within and outside of the region. We have also engaged with relevant education stakeholders in the Pacific region. Through this engagement we have been invited to present about the PACER Plus project to regional level education fora which report to Pacific Island Education Ministers.

Our ongoing recognition project work with the Philippines, South Africa and Indonesia has been delayed by the impacts of the COVID-19 pandemic in those countries, although we have maintained contact with our project partners. We hope to continue work on these projects in the coming year.

²³ The Pacific Agreement on Closer Economic Relations (PACER) Plus is a regional trade and development agreement managed through the Ministry of Foreign Affairs and Trade. Signatories to the agreement are: Tonga, Samoa, Solomon Islands, Kiribati, Vanuatu, Niue, Cook Islands, Nauru and Tuvalu, New Zealand and Australia.

The pandemic has refocused the intent of our recognition project work, as we seek to support New Zealand's international education sector and the move to the delivery of qualifications online. We signed a new Strategic Cooperation Arrangement with a key Chinese counterpart agency, the Chinese Service Center for Scholarly Exchange (CSCSE), at the China-New Zealand Joint Working Group on Education and Training in February 2021. In working with CSCSE on a joint taskforce on the quality assurance of online learning, we hope that in time we will improve Chinese recognition of New Zealand qualifications delivered and assessed through online and distance modes.

As the challenge of the accelerated move to online learning is global, we have engaged with international regional recognition bodies to support initiatives that will ensure the ongoing recognition of New Zealand qualifications during the pandemic period and beyond. We represented New Zealand at the launch of the UNESCO Asia-Pacific Network of National Information Centres (APNNIC) web portal in November 2020. This new regional resource will facilitate qualifications recognition in the Asia-Pacific region. We also contributed to the APNNIC regional statement on the continued recognition of qualifications completed during the COVID-19 period – including those completed by online learning.

We have worked with the European ENIC-NARIC²⁴ network to contribute to research that helps recognition bodies understand the impact of COVID-19 on qualification delivery and awards globally. We initiated thinking behind an APEC²⁵ policy dialogue to elevate awareness of the need to improve quality assurance and recognition of online qualifications.

We continued to work with the Australian Department of Education to initiate Phase V of the Association of South East Asian Nations (ASEAN) Qualifications Reference Framework (AQRf) under the ASEAN-Australia-New Zealand Free Trade Agreement, including the appointment of a project manager. The next phase of the project is intended to continue to support ASEAN countries to reference their national frameworks to the AQRf.

Supports 2.2.3 Greater qualification recognition enables mobility

24 ENIC-NARIC is a joint initiative of the European Commission, the Council of Europe and UNESCO to provide information on current issues in international academic and professional mobility and to assist with procedures for the recognition of foreign qualifications.

25 Asia-Pacific Economic Cooperation.

OUTCOME 2

Te whakahaere i te wāhi ki a mātou

Performing our regulatory functions



Te whakahaere arotakenga o te aromatawai ā-motu

Managing National Assessment reviews

We undertake Managing National Assessment (MNA) reviews of secondary schools at least once every four years to ensure that assessment is valid and reliable. We also confirm that the requirements for a school's consent to assess are being maintained.

MNA reviews for 2020 were suspended when the country went into Alert Level 4 Lockdown due to COVID-19. During this time, we continued to support schools by phone, video conference and email with advice and guidance on the management of credible assessment. To ensure we are providing support where it is most needed, at the end of 2020 we contacted every secondary school across New Zealand, and visited most of them, to reconnect and prepare for MNA reviews resuming in 2021.

We have completed seven MNA reviews so far in 2021 and plan to complete 122 focused reviews by the end of the year. We are also closely monitoring schools that have agreed action plans to ensure they are attending to their identified issues, which if unaddressed could put at risk their ongoing consent to assess.

We have also begun reviewing the MNA structure and cycle for 2022 as part of an organisation-wide review of our regulatory functions to ensure they continue to be fit for purpose.

Supports 2.2.2 Quality assurance provides trust and confidence in New Zealand credentials and qualifications



Te aroturuki ā-motu

National external moderation

We moderate school-based assessment to ensure that assessor judgements, in relation to assessment standards, are consistent nationally.

In doing so, we ensure that internal assessment is credible and robust. In recognition of the additional workload for schools due to COVID-19, in May 2020 we advised schools that submitting student work for external moderation would be optional for the remainder of the 2020 school year. External moderation resumed in 2021. As at 30 June we had completed moderation of 44,385 samples of student work, down from 80,037 in 2019, reflecting the impacts of COVID-19.

While national external moderation was optional in 2020 and national agreement rates could not be calculated, NZQA continued to monitor the evidence that was submitted. Assessment judgments being made, and grades awarded, were very similar to those for previous years.

Supports 2.2.2 Quality assurance provides trust and confidence in New Zealand credentials and qualifications

We are continuing to develop our use of data and insights



Te whakau kounga

Quality assurance

Throughout this year we have continued to undertake the full range of our quality assurance activities. The impact of COVID-19 resulted in many quality assurance activities, including degree panels, programme monitoring, assuring consistency reviews and external evaluation and review, shifting from face to face engagement to online engagement over the course of 2020/21.

Stakeholder feedback and internal analysis has identified no systemic quality issues arising from this shift. It is recognised there may be specific situations where direct engagement may still be necessary, such as if a tertiary education organisation poses a risk to learners or the Crown, or in order to observe tikanga. These findings will guide future decision making on the form of engagement undertaken in our various quality assurance functions.

Te ara whakahaere, ngā raraunga me ngā whakamāramatanga

Regulatory approach and data and insights

We are continuing to develop our use of data and insights. Through ongoing and targeted engagement with the sector we've gathered data which will inform future sector capability building, tailored to different needs. For example, we obtained feedback from private training establishments on the services and products they would like from us to assist them in meeting their regulatory and other obligations. This feedback will be used to inform guidelines and other resources as changes to the qualifications system are implemented.

Aroturuki me te aromatawai

Monitoring and assessment

Approximately 60% of all tertiary education organisations (TEOs) participated in monitoring this financial year. We used a range of monitoring tools and approaches, and prioritised monitoring activities according to potential sector-wide risks and individual TEO specific data.

Approximately 75% of providers received satisfactory monitoring outcomes of their temporary approval for offshore online delivery. We intend to build on this monitoring workstream in the next financial year, by monitoring a range of programmes delivered by providers with permanent approval to deliver offshore online.

We are publishing a summary report detailing our findings on the monitoring of Transitional Industry Training Organisations (TITOs) national external moderation systems. The report identifies good practice examples and opportunities for strengthening national external moderation systems. This report, and the national external moderation principles developed with TITOs, will provide a base for Workforce Development Councils (WDCs) to develop and implement moderation systems.

Monitoring the internal moderation systems for approximately 50 providers enabled us to identify good practice in assessment and moderation. We recently facilitated workshops to share monitoring findings and help providers build capability in implementing effective internal moderation systems.

... we intend to continue supporting TEOs by carrying out impactful and data-driven monitoring ...

We have also been monitoring programme and training scheme review processes for a selection of providers. While this work is still under way, findings to date indicate that most providers monitored have robust review processes in place.

In the coming year, we intend to continue supporting TEOs by carrying out impactful and data-driven monitoring which promotes good practice assessment and moderation, as well as identifying any risks to educational quality.

Te whakaaetanga me te whakamanatanga akoranga

Approvals and accreditation

The downward trend in the number of new tertiary programme applications that was started in 2018/19 continued this year, with both COVID-19 and uncertainty caused by the Reform of Vocational Education (RoVE) cited as reasons. When Te Pūkenga starts to rationalise its provision, we expect to see a further drop in applications for new programmes although changes to existing programmes are expected to remain high.

Some of the private training establishments (PTEs) that primarily serve the international student market appear to be pivoting to include some provision to domestic students. Many providers have applied for online provision (to students onshore and offshore). Validation of this delivery is ongoing.

We continue to support PTEs impacted by COVID-19 by facilitating hibernation of their operations. Eight PTEs have currently taken this approach. We are also working with PTEs to ensure that programmes continue to be current in preparation for future enrolments.

Thirteen new PTEs have registered this year, in niche areas with well evidenced need. In addition, the number of enquiries about registering as a PTE has increased, with 119 received since January 2021. To ensure good quality applications and to reduce the time and cost for applicants we introduced a requirement for a face to face meeting prior to an application. Nine out of thirteen new registered PTEs participated in this process. Analysis will be done in the coming year to assess the effectiveness of this change.

TITOs are preparing to transition their standard setting and qualification development functions to the WDCs. This has led to an increase in applications for approval of reviewed unit standards. We have identified 88 qualifications due or overdue for review, which are not expected to be completed prior to the establishment of WDCs. We are working with TITOs to reduce this number.

We are supporting the work programme of the Review of Achievement Standards by quality assuring standards ready for piloting. We adopted a new and innovative quality assurance approach – group peer review – to manage the volume of standards for approval and assure their quality. This approach has proven successful and enabled timeframes to be achieved.

We delivered a workshop for degree panel chairs and monitors to improve consistency of practice and to learn from the increased use of technology in degree panels and monitoring activities.

Supports 2.2.2 Quality assurance provides trust and confidence in New Zealand credentials and qualifications

Te Aromātai me te Arotake Tarāwaho

External Evaluation and Review

Over the past year the practice of External Evaluation and Review (EER) has been adapted to accommodate the changes relating to RoVE as well as the impact of COVID-19.

In response to the establishment of TITOs and Te Pūkenga, we deferred the EERs of TITOs and adopted a light-touch Targeted Evaluation (TE) of scheduled Te Pūkenga subsidiaries. TEs have been conducted without ratings or categories. They have focused on strategically important aspects of performance, and have encouraged the subsidiaries to self-identify areas of strength to inform decision making by Te Pūkenga. Results so far have been largely positive. No serious concerns have been identified in the subsidiaries reviewed to date. The removal of categories has also led to a greater readiness on the part of subsidiary representatives to disclose opportunities for constructive improvement within their organisations. TEs will continue to be used for quality assuring subsidiaries until the end of 2022, when the subsidiaries are expected to be fully integrated into Te Pūkenga.

The rolling impact of COVID-19 has had a serious impact on PTEs, especially those delivering to international students. By joint agreement many low-risk PTEs that are delivering few, if any, courses have had their EERs deferred until 2022. Of the EERs that have been conducted in the sector, the results indicated a high level of resilience overall. Pastoral support for learners continues to be an area of strength for many PTEs, even while many of them have had to switch to online or mixed modes of delivery. PTE collection and use of data on priority (Māori and Pacific) learner achievement has been more comprehensive than in previous years. On the other hand, there has also been a spike in the number of PTEs that gained a “below the bar” result (Category 3 or 4). The numbers are, as yet, too small

for any general inferences to be drawn. However, there are common features in those recently rated Category 3, which include failures of management and governance and under-resourcing of staff and systems. We will be carefully tracking these results in the year ahead to identify possible mitigations of future failure. As part of our risk framework, we will also be monitoring remedial actions by PTEs with sub-par results.

EERs now incorporate interim domestic Code monitoring into reviews and through this mechanism rates TEOs.

Tūraru

Risk

In response to COVID-19 and the closure of New Zealand borders to international students, we continue to gather information to understand PTE business plans and financial viability for the rest of 2021. In particular, we are assessing the extent to which PTEs have the financial resources necessary to maintain:

- assets and resources to deliver all their qualifications;
- appropriately qualified staff;
- appropriate levels of student services; and
- business operations to ensure that each student can achieve completion.

Our first priority has been to review around 60 PTEs which are largely reliant on international student enrolments and have been impacted by significant reductions in international enrolments and revenue.

We are working with the Tertiary Education Commission (TEC) to review a further 28 TEC-funded PTEs where the decline in international students may also be impacting their business continuity.

Supports 2.2.2 Quality assurance provides trust and confidence in New Zealand credentials and qualifications

... provide information to learners to assist them in accessing qualification pathways that are right for them



Te arotake tohu matauranga

Qualification reviews

We monitor and work with qualification developers to initiate routine reviews of qualifications.

The education and employment pathways, integral to the qualification outcome statement, provide information to assist learners in accessing qualification pathways that are right for them.

The reviews of all 321 qualifications scheduled for this year have been actioned.

In our role as a qualifications developer we have collaborated with relevant sectors and completed reviews of the Teacher Education, Early Childhood Education, Māori Business Management and Te Mātauranga Māori me te Whakangungu New Zealand qualifications. The Foundation and Bridging qualifications have been reviewed and will be published in July 2021. Reviews of the Creative Arts, Te Reo Māori, Tikanga and Ngā Toi qualifications have commenced and are on track for completion by the end of December 2021. In our role as a qualifications developer, we are responsible for the development, maintenance and review of nationally recognised generic and Field Māori (mātauranga Māori) New Zealand qualifications.

Supports 1.1.3 Learners access qualification pathways that are right for them

OUTCOME 2

Te tautoko me te whakapakari te tara ā-whare

Supporting and building our internal capability



He tari whaikaha ki te ako i te reo Maori

Te reo Māori learning organisation

Te Whakapakari Tāngata is the part of Te Kōkiritanga focused on increasing our internal te ao Māori capacity and capability. It is aligned with Te Maihi Karauna and Tau Mai Te Reo and outlines NZQA's commitment to building a culturally competent workforce that can appropriately engage with and respond to our Māori customers, stakeholders and partners through a range of initiatives.

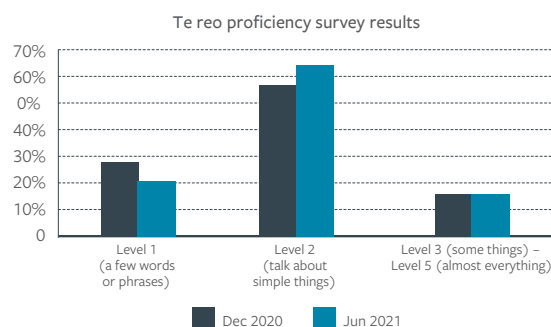
This year has seen increased engagement with most of the initiatives available to support our people on their te reo Māori learning journeys.

All of our people are asked to discuss and develop te reo Māori learning plans. This year the number of staff with plans increased from 89 to 374, which is 81.8% of total staff. This is a result of several years of effort.

Te reo Māori development opportunities offered at NZQA include tikanga Māori workshops, Te Ataarangi language classes and te reo Māori language classes.

We now also offer Te Tipuranga reo Māori to build the practices and confidence of our people to successfully interact and engage with iwi and Māori in a range of te ao Māori contexts.

Supports 1.2.1 NZQA is a te reo Māori learning organisation



Engagement has increased with most of the initiatives available to support our people on their te reo Māori learning journey

Te mahere tāngata

Our People Plan

Our people are critical to the achievement of our organisational goals. We support them through enterprise-wide capability-building, on the job development opportunities, regular coaching, and peer mentoring. This has included:

- co-designing a new people strategy that will cover the employment lifecycle and be rolled out later in 2021;
- providing all of our people with the opportunity to attend Courageous Conversations – Beyond Diversity workshops, to help equip people to recognise bias and have conversations about race;
- developing our leaders through clinics and training;
- strengthening the line of sight between strategy and our day-to-day mahi; and
- implementing a new learning management system for internal and external use.

We have embedded an organisational focus on Maori and Pacific within our people plan.

Ngā ngohe o ō mātou kaiwhakawhiwhi mahi pai, ā, ko te kanorau me te kauawhi

Our good employer activities, including diversity and inclusion

We are committed to being a good employer and reflect the principles of equal employment opportunities in our work.

Our activities included:

- co-designing with our people and people leaders, staff network groups and the New Zealand Public Service Association to:
 - run a survey to inform our future performance and remuneration approach and testing the themes through focus groups;
 - review gender and ethnic pay equity;
- promoting a range of health and wellbeing activities, such as awareness of mental health and physical activity, the Employee Assistance Programme, financial literacy and wellness, readiness for emergency events, and flu vaccinations;
- supporting our people to build cultural capability and raise the organisation's equity conscience; and
- encouraging COVID-19 awareness and resilience through following best practice including actively promoting the use of the NZ COVID Tracer app.

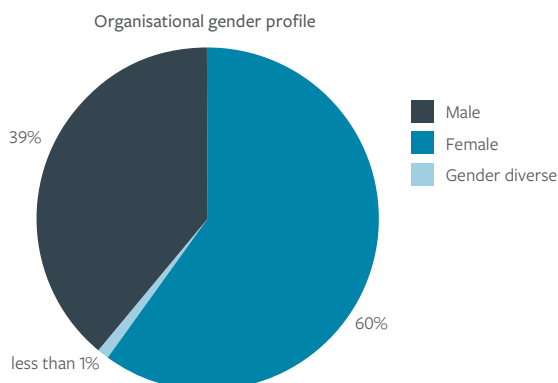
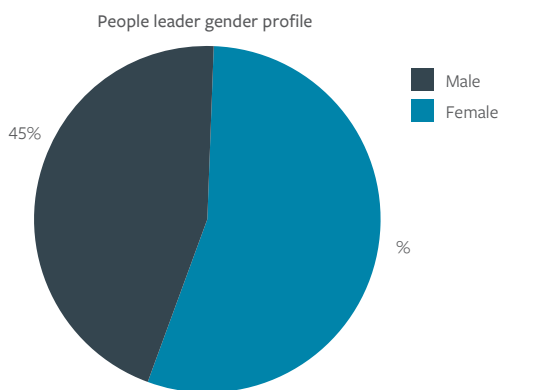
Ngā whakaritenga ohu mahi o NZQA hei te 30 o Pipiri 2021

NZQA workforce profile as at 30 June 2021

As at 30 June 2021, we had 457 full-time equivalent employees. Our workforce profile by gender, ethnicity and age is outlined in the graphs below.

Gender

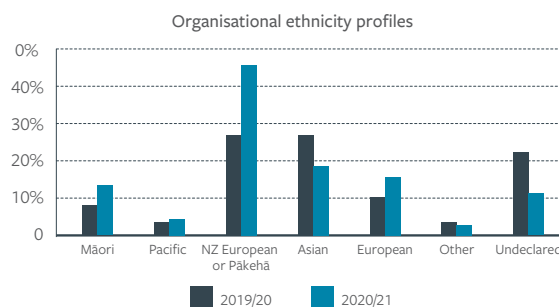
The proportion of our people who identify as female as at 30 June 2021 has remained largely the same since 2019 (60% and 61% respectively). 55% of our people leaders are female, which is broadly reflective of the rest of the organisation. 0.002% of our people identify as gender diverse. Note that those who do not declare their gender are excluded from these percentages.



Ethnicity

We are focused on lifting the percentage of our people who identify as being Māori or Pacific, including in leadership roles, through Te Kōkiritanga and Takiāla Pasifika.

In 2020/21, we saw increases in the percentages for those who identify as Māori (from 10.8% to 12.6%) and Pacific (from 4.8% to 5.4%).

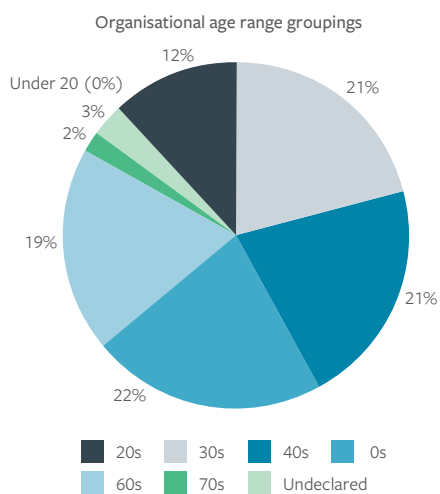
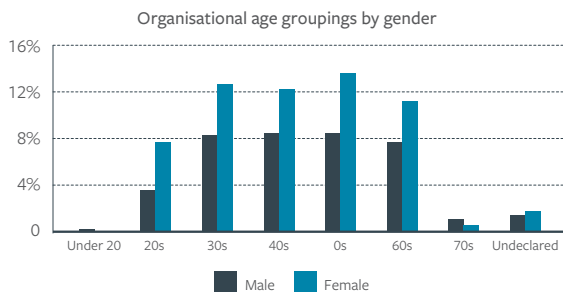


The better our recognition, understanding, response and monitoring of risk, the better we will be positioned for success

Age range

The proportion of staff in the 60+ years age range has remained stable from last year at 21%, and the proportion aged 40–59 years old has only changed slightly down one percentage point to 43%.

Our ageing workforce reinforces the need for formal succession planning, which is a focus in our new People Strategy. Note that those who do not declare their gender are excluded from these percentages.



Te whakahaere tūraru

Risk management

We actively identify and manage risks, and our work programmes are managed proactively in response to both inherent and emerging risks.

We monitor risks regularly and report them to our Board according to the level of mitigated risk.

We systematically identify, assess and treat risks that could affect our strategic, operational or transformational objectives. Our goal is to achieve sustained benefits through improved decision making, performance and accountability.

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

We are mindful of the threat that cyber-attacks pose and proactively address cyber security risks to further enhance our level of maturity for data security.

Te tautoko i te Minita o te Mātauranga

Support to the Minister of Education

NZQA's support to the Minister of Education is measured by the following two performance measures.

Measure ID.	Measure	2019/20 Actual	2020/21 Standard	2020/21 Actual
i	The overall satisfaction rating given by the Minister of Education on the New Zealand Qualifications Authority ²⁶	8	8	8
ii	The percentage of Ministerial items that achieve the deadlines agreed with the Minister's office	99.5%	99%	99.1%

Ngā hua e tautoko ana i te Hua Nui Tuarua 2

Measures supporting Outcome 2

Te aroturuki i ngā ahunga whakamua

Monitoring our progress

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	Due to a low response rate to surveys, we will be collecting additional information and will provide an update in our Quarterly Report to the Minister in December 2021.
The NZQF is widely acknowledged in international forums for the portability of New Zealand qualifications	Recognition of New Zealand qualifications is increased through the development and maintenance of qualification recognition arrangements	We have continued to engage with recognition bodies, education providers and government agencies to maintain the recognition of New Zealand qualifications. This has been particularly important through the disruption arising from borders closing due to COVID-19. Our ongoing recognition projects with South Africa and the Philippines have been delayed due to the pandemic, but we have initiated an agreement to work with China to improve understanding of New Zealand online education.

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

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 ora tonutanga

Outcome 2: New Zealand qualifications enable lifelong learning

Measure ID.	Measure	2019/20 Actual	2020/21 Standard	2020/21 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				
2.1.1a	Case studies for innovative approaches to internal assessment in schools are identified and shared by NZQA with teachers	N/A	3-6 ²⁷	0 ²⁸
2.1.1b	The percentage of NCEA examinations available in digital mode ²⁹	N/A	60%	64%
<p>Read more about innovative assessment practices enabling learners here:</p> <p>Building sector capability</p> <ul style="list-style-type: none"> - Sharing best practice p44 - Leading National Assessment seminars p45 				
Intermediate Outcome 2.1.2 Learner voice informs digital assessment methods and builds confidence and engagement in assessment				
2.1.2a	Learner feedback is actively used in design and development of digital assessment activities	Narrative	Narrative	Details on our work utilising learner and other feedback in the design and development of digital assessment activities can be found on pages 40-42.

²⁷ There was an error in the published 2020-2021 SPE. The target for measure 2.1.1a shows as 3-6 whereas it should be ≤6.

²⁸ Due to the disruption and subsequent impacts on school assessment practices of COVID-19, suitable case studies were not able to be identified this year.

²⁹ Availability in digital mode means the examination has the same content as the equivalent paper-based examination.

Measure ID.	Measure	2019/20 Actual	2020/21 Standard	2020/21 Actual
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Read more about learner voice informing digital assessment methods here:				
NCEA Online	Building sector capability			
– Digital assessment is improving accessibility for all learners p40	– Regular engagement with external advisory groups p44			

IMPACT 2.2: Qualifications are accepted as credible and robust nationally and internationally

Intermediate Outcome 2.2.1 The NZQF facilitates lifelong learning

2.2.1a	The proportion of New Zealand qualifications (that have graduates) that undergo a consistency review in any one financial year	18.5% (87 reviews)	15%	16%
2.2.1b	The proportion of NZQA consistency reports (interim or final) that are published within 3 months of the consistency review date	94%	85%	100%

Read more about NZQF facilitating lifelong learning here:				
Sector resilience during COVID-19	Changes supporting the Education Work Programme			
– COVID-19 resilience in the secondary sector p47	– Reform of Vocational Education p51			
– COVID-19 resilience in the tertiary sector p48	Ensuring qualifications are fit for purpose			
Delivering secondary examinations nationwide	– New Zealand Qualifications Framework Review p58			
– 2020 examination round p55	– Aromatawai and assessment principles p59			
– NCEA offshore p56	– Micro-credentials p59			
– NCEA and NZ Scholarship results release 2020 p56				

Intermediate Outcome 2.2.2 Quality assurance provides trust and confidence in New Zealand credentials and qualifications

2.2.2a	The percentage of non-university tertiary education organisations which had an external evaluation and review completed ³⁰	23% (actual 100)	20%	20%
2.2.2b	The percentage of investigations that result in a significant NZQA intervention ³¹	30%	20-40%	48% ³²

30 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.

31 A significant 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, and withdrawal of consent to assess against standards. This category also includes cases where we have had to intervene in relation to the award of qualifications or credits that were found to have been inappropriately awarded.

32 All significant actions taken have satisfactorily resolved the issues identified. However, the number of investigations undertaken and closed was higher than expected. While out of the targeted range we have no concerns with the measure result.

Measure ID.	Measure	2019/20 Actual	2020/21 Standard	2020/21 Actual
2.2.2c	The percentage of investigations that result in corrective action that satisfactorily resolves the identified non-compliance or quality issues identified ³³	58%	40-60%	32% ³⁴
2.2.2d	The percentage of all formal ³⁵ complaints (including the international and domestic code) that are concluded within 65 working days	N/A	95%	95%
2.2.2e	The percentage of non-university tertiary education organisations which have undergone monitoring	N/A	50%	59%
2.2.2f	The percentage of external evaluation and reviews finalised ³⁶ in 65 working days	N/A	90%	94%
2.2.2g	The percentage of all applications processed to a decision within published timeframes	N/A	90%	96%
2.2.2h	The percentage of NZQA-owned standards maintained by their planned reviewed dates	99.5%	95%	100%
2.2.2i	The percentage of total marker judgements unaltered following Review or Reconsideration of External Assessment Result process for NCEA	99%	99%	99.8%
2.2.2j	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%
2.2.2k	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%
2.2.2l	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%

33 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.

34 All corrective actions taken have satisfactorily resolved the issues identified. However, the number of investigations undertaken and closed was lower than expected. While out of the targeted range we have no concerns with the measure result.

35 A formal complaint is a written complaint from a student about their experience at an education provider, which (i) has been necessary to escalate to us, (ii) we have assessed and accepted as falling within our jurisdiction, (iii) the student has authorised us to investigate, and (iv) is related to the education provider's compliance with the Education and Training Act 2020, NZQA Rules, Education (Pastoral Care of International Students) Code of Practice 2016, or Education (Pastoral Care of Domestic Tertiary Students) Interim Code of Practice 2019.

36 'Finalised' means the issuing of a full and final external evaluation and review report to the tertiary education provider.

Measure ID.	Measure	2019/20 Actual	2020/21 Standard	2020/21 Actual
2.2.2m	The annual moderator/teacher agreement ³⁷ rate at the level of grade ³⁸ for a random sample of student work	81.8%	75%-85%	N/A ³⁹
2.2.2n	The number of samples of learner work moderated for national external moderation	80,037	95,000 to 105,000	44,385 ⁴⁰
2.2.2o	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%
2.2.2p	The percentage of schools on a 1–2 year review cycle or undergoing a 1 year targeted review which have a monitored action plan	N/A	100%	100% ⁴¹

Read more about quality assurance providing trust and confidence here:

Student wellbeing through the codes	Performing our regulatory function
– International code p52	– Managing National Assessment reviews p62
– Interim domestic code p53	– National external moderation p62
– The Codes are changing p54	– Quality assurance p63

Intermediate Outcome 2.2.3 Greater qualification recognition enables mobility

2.2.3a	The percentage of international qualification recognition products that meet their service level agreement	97%	95%	99%
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Read more about greater qualification recognition here:

Ensuring qualifications are fit for purpose
– Qualification recognition p60
– International recognition p60

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

38 Agreement at the level of grade is where a moderator's grade of a learner's work agrees with the teacher's grade.

39 To recognise the disruption caused to teaching, learning and assessment as a result of COVID-19 external moderation was made optional in 2020. This affected the random sampling of student work so agreement rates could not be established.

40 The number of samples of learner work moderated is low as submission of work for national external moderation was optional for schools (implemented as a response to the COVID-19 disruption) until the end of the 2020 school year. The normal moderation schedule resumed in term 1 of 2021.

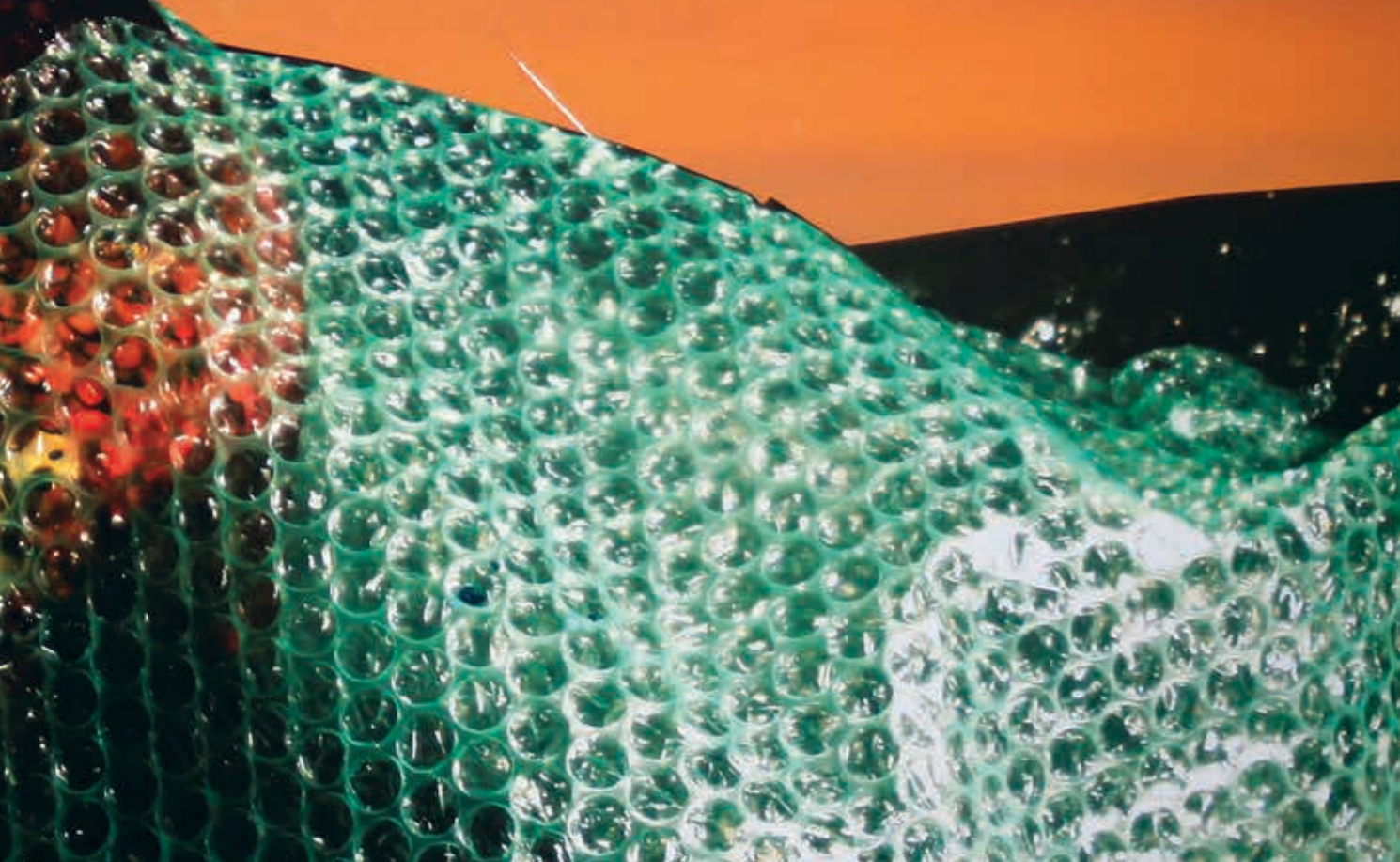
41 No Managing National Assessment review visits were conducted in quarter 1 and 2 due to the other demands on schools as a result of the impact of COVID-19. Schools already on a 1-2 year review cycle or undergoing a 1 year targeted review continued to have their action plans monitored and will be a priority for visits in 2021. There are 122 MNA review visits planned for the 2021 school year.

Q



Te Wāhanga Tuatoru: Te tauākī o te mahi rātonga

Part Three:
Statement of service
performance



Ngā aro whānui me ngā tautoko o ngā tohu mātauranga

Standards and Qualifications support

Te korahi

Scope

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

	2020/21 Actual (\$000)	2020/21 Budget (\$000)	Variance (\$000)	Variance %
Revenue				
Crown	18,338	15,869	2,469	16
Other	24,651	27,756	(3,105)	(11)
Total Revenue	42,989	43,625	(636)	(1)
Expenses	41,169	42,846	1,677	4
Surplus	1,820	779	1,041	134

The above table is the summary of expense categories for Provision of communication and advice, Quality assurance and Qualifications support structures from pages 79-81.

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

	2020/21 Actual (\$000)	2020/21 Budget (\$000)	Variance (\$000)	Variance %
Revenue				
Crown	3,309	3,448	(139)	(4)
Other	1	-	1	n/a
Total Revenue	3,310	3,448	(138)	(4)
Expenses	3,064	3,252	188	6
Surplus	246	196	50	25

Substantially all 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)** appropriation.⁴²

The reduction in Crown revenue and expenses is due to a reduction in the capital charge and related funding.

Performance information from Vote Education Information Supporting the Estimates 2020/21 is included in the Statement of Service Performance tables on pages 30 (measure 1.1.1a) and 71 (measure i).

⁴² 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

	2020/21 Actual (\$000)	2020/21 Budget (\$000)	Variance (\$000)	Variance %
Revenue				
Crown	8,480	6,372	2,108	33
Other	6,875	6,897	(22)	-
Total Revenue	15,355	13,269	2,086	16
Expenses	14,558	15,735	1,177	7
Surplus/(Deficit)	797	(2,466)	3,263	132

Approximately 55% 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)** appropriation.⁴³

Crown revenue is \$2.1m above budget due to additional funding of \$2m for the Reform of Vocational Education project and \$0.1m for administration of the code of practice for pastoral care of domestic students.

Other expenses are \$1.2m below budget reflecting reduced activity for quality assurance services as some work has been deferred or delayed as a result of the COVID-19 pandemic. There have also been some savings as more use is made of tools to support remote working.

Performance information from Vote Education Information Supporting the Estimates 2020/21 is included in the Statement of Service Performance tables on page 73 and 74 (measures 2.2.2b and 2.2.2c).

⁴³ 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 and robust and meet the needs of learners and employers.

Qualifications support structures

	2020/21 Actual (\$000)	2020/21 Budget (\$000)	Variance (\$000)	Variance %
Revenue				
Crown	6,549	6,049	500	8
Other	17,775	20,859	(3,084)	(15)
Total Revenue	24,324	26,908	(2,584)	(10)
Expenses	23,547	23,859	312	1
Surplus/(Deficit)	777	3,049	(2,272)	(75)

Approximately 27% 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)** appropriation.⁴⁴

Crown revenue is \$0.5m above budget following additional revenue to help support international educational recovery through offshore quality assurance.

Other revenue is \$3.1m below budget. This primarily reflects reduced credit reporting by tertiary organisations and reduced applications for assessment of overseas qualifications largely as a result of the impact of the COVID-19 pandemic.

Performance information from Vote Education Information Supporting the Estimates 2020/21 is included in the Statement of Service Performance tables on page 74 (measure 2.2.2h).

⁴⁴ 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

	2020/21 Actual (\$000)	2020/21 Budget (\$000)	Variance (\$000)	Variance %
Revenue				
Crown	57,267	42,421	14,846	35
Other	3,143	3,173	(30)	(1)
Total Revenue	60,410	45,594	14,816	32
Expenses	55,703	46,373	(9,330)	(20)
Surplus/(Deficit)	4,707	(779)	5,486	704

Approximately 95% 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)** appropriation.⁴⁵

Crown Revenue is \$14.8m above budget due to additional funding for the NCEA Online project.

Expenses are \$9.4m above budget largely driven from costs associated with NCEA Online which were incurred following the above noted additional funding. However not all funding has been used as some work has been deferred into the next financial year.

Performance information from Vote Education Information Supporting the Estimates 2020/21 is included in the Statement of Service Performance tables on page 74 (measure 2.2.2j, 2.2.2k and 2.2.2l).

⁴⁵ 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.



Credit: Joshua Pearson Fiordland College (Excellence NCEA Level 3 - Print making)



**Te Wāhanga
Tuawhā:
Te kīanga
kawenga**

Part Four:
Statement of
responsibility



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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 2021.

Signed on behalf of the Board:



Hon Tracey Martin
BOARD CHAIR
20 DECEMBER 2021



Lyn Provost
RISK AND ASSURANCE COMMITTEE CHAIR
20 DECEMBER 2021

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 2021

The Auditor-General is the auditor of 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 92 to 126, that comprise the statement of financial position as at 30 June 2021, 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 19 to 67, 71 to 75 and 78 to 82.

In our opinion:

- the financial statements of the Authority on pages 92 to 126:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2021; 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 19 to 67, 71 to 75 and 78 to 82:
 - presents fairly, in all material respects, the Authority's performance for the year ended 30 June 2021, 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; and
 - complies with generally accepted accounting practice in New Zealand.

Our audit was completed on 20 December 2021. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. 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.

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 financial statements and 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 financial statements and 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 1 to 18, 68 to 70, 76, 77, 83 to 85 and 127 to 132, 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: International 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

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Te Wāhanga Tuarima: Ngā tauākī pūtea

Part Five: Financial statements



Credit: Caitlin Brown Hagley Community College (Excellence NCEA Level 3 – Painting)

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

Statement of Comprehensive Revenue and Expense

for the year ended 30 June 2021

	Note	2021 Actual (\$000)	2021 Budget (\$000)	2020 Actual (\$000)
REVENUE				
Funding from the Crown		75,605	58,290	69,817
Other revenue		27,794	30,929	31,150
Interest revenue		482	359	677
Total revenue	3	103,881	89,578	101,644
EXPENDITURE				
Personnel and Board	4	54,170	49,183	51,690
Specialist workforce		11,328	12,383	12,635
Professional services	5	10,477	6,724	12,333
Publication, printing and distribution		4,090	4,180	4,020
Other operating costs	6	12,664	11,904	12,884
Depreciation and amortisation		3,610	3,986	3,211
Capital charge	7	1,015	1,218	1,026
Total expenditure		97,354	89,578	97,799
SURPLUS				
		6,527	-	3,845
Other comprehensive revenue and expense		-	-	-
TOTAL COMPREHENSIVE REVENUE AND EXPENSE		6,527	-	3,845

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 2021

	Note	2021 Actual (\$000)	2021 Budget (\$000)	2020 Actual (\$000)
ASSETS				
Current assets				
Cash and cash equivalents	8	3,472	2,889	3,147
Receivables	9	3,087	2,629	2,765
Prepayments		1,799	1,647	2,682
Investments	10	32,000	18,000	25,000
Total current assets		40,358	25,165	33,594
Non-current assets				
Property, plant and equipment	11	1,474	1,144	1,458
Intangible assets	12	6,365	7,548	5,816
Work in progress	12	1,000	1,500	1,376
Total non-current assets		8,839	10,192	8,650
TOTAL ASSETS		49,197	35,357	42,244
LIABILITIES				
Current liabilities				
Payables and deferred revenue	13	11,071	7,049	11,019
Employee entitlements	15	4,033	3,399	4,287
Provisions	16	635	-	-
Total current liabilities		15,739	10,448	15,306
Non-current liabilities				
Employee entitlements	15	623	625	630
Total non-current liabilities		623	625	630
TOTAL LIABILITIES		16,362	11,073	15,936
NET ASSETS		32,835	24,284	26,308
EQUITY				
Contributed capital		20,308	20,308	20,308
Accumulated surplus		12,527	3,976	6,000
PUBLIC EQUITY	20	32,835	24,284	26,308

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 2021

	Note	2021 Actual (\$000)	2021 Budget (\$000)	2020 Actual (\$000)
Balance at start of the year		26,308	24,284	16,045
Total comprehensive revenue and expense for the year		6,527	-	3,845
Crown – Capital Contribution		-	-	6,418
BALANCE AT END OF THE YEAR	20	32,835	24,284	26,308

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 2021

	Note	2021 Actual (\$000)	2021 Budget (\$000)	2020 Actual (\$000)
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from the Crown		75,605	58,290	69,817
Receipts from other revenue		27,250	30,978	31,659
Interest received		463	359	780
Payments for employee and Board costs		(54,431)	(49,208)	(52,429)
Payments to other suppliers		(36,946)	(34,201)	(41,870)
Payments for capital charge		(1,015)	(1,218)	(833)
Goods and Services Tax (net)		198	-	124
Net cash flows from operating activities		11,124	5,000	7,248
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts from the sale of property, plant and equipment		-	-	7
Purchases of property, plant and equipment		(719)	(500)	(826)
Purchases of intangible assets		(3,080)	(5,500)	(2,689)
Purchases of investments		(45,000)	(35,500)	(48,500)
Receipts from sale of investments		38,000	36,500	38,000
Net cash flows from investing activities		(10,799)	(5,000)	(14,008)
CASH FLOWS FROM FINANCING ACTIVITIES				
Crown – Capital contribution	20	-	-	6,418
Net cash flows from financing activities		-	-	6,418
Net increase/(decrease) in cash and cash equivalents		325	-	(342)
Cash and cash equivalents at the beginning of the year		3,147	2,889	3,489
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	8	3,472	2,889	3,147

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 2021

Reconciliation of net surplus to net cash flow from operating activities

	2021 Actual (\$000)	2020 Actual (\$000)
Net surplus	6,527	3,845
ADD/(LESS) NON-CASH ITEMS		
Depreciation and amortisation expense	3,610	3,211
Increase in rent accrual	123	154
(Decrease)/increase in allowance for credit losses on receivables	(58)	185
Total non-cash items	3,675	3,550
ADD/(LESS) ITEMS CLASSIFIED AS INVESTING OR FINANCING ACTIVITIES		
(Profit) on disposal of property, plant and equipment	-	(4)
Total items classified as investing or financing activities	-	(4)
ADD/(LESS) MOVEMENTS IN STATEMENT OF FINANCIAL POSITION		
(Increase)/decrease in receivables	(264)	119
Decrease/(increase) in prepayments	883	(1,631)
(Decrease)/increase in payables and deferred revenue	(71)	2,108
(Decrease) in employee entitlements	(261)	(739)
Increase in provisions	635	-
Net movements in statement of financial position	922	(143)
Net cash flow from operating activities	11,124	7,248

The accompanying notes form part of these financial statements.

Ngā tuhinga mō te tauākī ā-pūtea

Notes to the Financial Statements

1. Te tauākī o ngā kaupapa here pūtea

1. 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 2021 and were approved by the Board on 20 December 2021.

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 (e.g. 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 early adopt 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 early adopted are:

- PBE IPSAS 41 Financial Instruments – The XRB issued PBE IPSAS 41 Financial Instruments in March 2019. This standard will supersede PBE IFRS 9 Financial Instruments and is effective for reporting periods beginning on or after 1 January 2022. As a consequence of the identical, or almost identical, requirements in PBE IFRS 9 and PBE IPSAS 41, any impact on the financial statements from PBE IPSAS 41 is likely to be minimal.
- PBE FRS 48 Service Performance Reporting – PBE FRS 48 replaces the service reporting requirements of PBE IPSAS 1 and is effective for reporting periods beginning on or after 1 January 2022 (deferred from 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.

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 2021 of \$6.5M compares against a zero budgeted net surplus. Significant variances within individual line items are as follows:

- Crown revenue is \$17.3M ahead of budget reflecting additional revenue received for the NCEA Online project of \$14.8M, \$2M for the Reform of Vocational Education (RoVE) project and \$0.5M to help support International Education Recovery through the provision of offshore quality assurance.
- Other revenue is \$3.1M below budget. This is largely driven by decreased demand for qualifications recognition services (assessment of overseas qualifications against the New Zealand Framework) and reduced credit reporting against standards by tertiary education organisations as a result of the COVID-19 pandemic and border restrictions.
- Personnel and Board costs are \$5M over budget. This includes \$3.2M of staff costs for the NCEA Online project which were not in the original budget since funding had not been confirmed at that time. There was also an additional \$0.5M for RoVE which has been funded through the increased crown revenue noted above. The majority of the remaining increase in costs relate to examinations and the amount of staff costs capitalised on the NCEA Online project differing from original estimates.
- Professional services costs are \$3.8M over budget. This includes \$1.6M of costs incurred in relation to the NCEA Online project (that were not in the original budget as noted above). There were also \$0.6M of additional costs for rebates paid to Transitional Industry Training Organisations (TITO's) as the impact of the RoVE project and COVID-19 was not as significant as originally expected. Additional consultant costs of around \$1M have also been incurred across a range of initiatives where appropriate and internal staff could not be used.

(ii) Te tauākī aroā pūtea ā-tūranga

(ii) Statement of financial position

Net assets at 30 June 2021 were \$32.8M compared to a budget of \$24.3M. Within individual lines, the significant variances are as follows:

- Investments are \$14M over budget reflecting the profit for the year (essentially due to the deferral of some work) and the movements in working capital especially the increased creditor balances compared to budget.
- Intangible assets and WIP are \$1.7M below budget as a result of some work for NCEA Online being deferred and lower capital spend on other projects compared to original expectations.
- Payables and deferred revenue are \$4M over budget. This largely reflects secondary exams and specialist workforce accruals being higher than originally budgeted (partly due to a backlog of expenses being claimed) plus deferral of revenue on projects not yet completed.
- Employee entitlements are \$0.6M over budget largely reflecting an increase in staff annual leave as people have not taken as much leave as anticipated.
- Provisions are \$0.6M over budget as a result of costs for payroll remediation as detailed in note 16.

(iii) Ngā tauākī pūtea hokohoko

(iii) Statement of cash flows

The main variances are explained below:

- Receipts from the Crown are \$17.3M ahead of budget, receipts from other revenue are \$3.7M below budget and payments for employee and Board costs are \$5.2M over budget essentially reflecting the comments already noted above in part (i).
- Purchases of intangible assets are \$2.4M below budget reflecting the deferral and lower than expected capital spend on some projects.
- Purchases of investments are \$9.5M 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 taurira 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 assets 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 (e.g. charges for approval and accreditation services, external evaluation and review, annual fees etc).

Breakdown of total revenue and further information

	2021 Actual (\$000)	2020 Actual (\$000)
Crown funding for		
Provision of communication and advice	3,309	3,448
Quality assurance	8,480	6,281
Qualifications support structures	6,549	6,049
Secondary school assessments	57,267	54,039
Total funding from the Crown	75,605	69,817
Other revenue		
Examination fee remissions*	1,288	1,288
Examination fees	1,807	2,002
NZQF fees and registration	11,219	10,792
Quality assurance services	6,704	6,751
Qualifications recognition service fees**	5,994	9,670
Other income***	782	647
Total other revenue	27,794	31,150
Interest revenue	482	677
TOTAL REVENUE	103,881	101,644

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

** Includes \$352,000 (2020: \$352,000) from Immigration New Zealand for Quality Assurance work on the list of qualifications exempt for assessment and \$nil (2020: \$282,000) from the Ministry of Education to facilitate the assessment of early childhood education teachers wishing to come to New Zealand.

*** Includes \$710,000 (2020: \$488,000) received for projects from a number of government owned entities and \$nil (2020: \$26,000) 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

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

Breakdown of personnel and Board costs and further information

	2021 Actual (\$000)	2020 Actual (\$000)
Salaries and wages	52,638	50,696
Employer contributions to defined contribution plans	1,793	1,733
(Decrease) in employee entitlements (note 15)	(261)	(739)
Total personnel and Board costs	54,170	51,690

Employee remuneration

	Number of staff	
	2021 Actual	2020 Actual
Total remuneration paid or payable		
\$400,000 – \$409,999	1	-
\$320,000 – \$329,999	1	-
\$310,000 – \$319,999	-	1
\$290,000 – \$299,999	2	-
\$280,000 – \$289,999	-	1
\$270,000 – \$279,999	1	-
\$250,000 – \$259,999	1	1
\$240,000 – \$249,999	1	1
\$230,000 – \$239,999	-	1
\$200,000 – \$209,999	-	1
\$190,000 – \$199,999	3	2
\$180,000 – \$189,999	3	1
\$170,000 – \$179,999	5	5
\$160,000 – \$169,999	4	6
\$150,000 – \$159,999	3	2
\$140,000 – \$149,999	5	6
\$130,000 – \$139,999	20	23
\$120,000 – \$129,999	20	24
\$110,000 – \$119,999	35	35
\$100,000 – \$109,999	68	63
Total employees	173	173

During the year ended 30 June 2021, no employees received compensation and other benefits in relation to cessation (2020: 2 employees, \$50,000).

Board member remuneration

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

	2021 Actual (\$000)	2020 Actual (\$000)
Murray Strong (Board Chair to 23 August 2019)	-	7.1
Neil Quigley (Acting and/or Deputy Chair from 23 August 2019)	43.2	40.1
Kate Shevland	21.6	21.6
Mary Chamberlain	21.6	21.6
Antony Royal	21.6	21.6
Lyn Provost	21.6	21.6
Jenn Bestwick	21.6	21.6
Lili Tuioti (appointed 16 September 2019)	21.6	17.2
Cheryl de la Ray (appointed 2 July 2020)	21.5	-
Scott Tambisari (appointed 23 September 2019)*	10.0	7.8
Total Board member remuneration	204.3	180.2

* 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 and ceased 30 June 2021.

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 (2020: \$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

	2021 Actual (\$000)	2020 Actual (\$000)
Fees to Auditors		
Fees to Audit New Zealand for audit of financial statements	111	109
Fees to Audit New Zealand for other services	-	-
Consultancy and Contractor fees	6,499	8,258
Moderation Rebates to Industry Training Organisations	3,413	3,226
Other costs	454	740
Total professional services costs	10,477	12,333

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

	2021 Actual (\$000)	2020 Actual (\$000)
Travel and accommodation	1,183	1,661
Office rental – operating lease expense	2,859	2,864
Hardware maintenance and support	76	81
Software licences and support	5,102	4,724
Information technology outsourcing	91	182
Telephony	598	551
(Decrease)/increase for credit losses on receivables	(58)	185
Bad debt write-off	6	13
Minor equipment purchases	115	128
Schools administration fees	881	842
Insurance	490	482
Bank charges	96	161
Other	1,225	1,014
Net (profit) on sale of property, plant and equipment	-	(4)
Total other operating costs	12,664	12,884

Operating leases as lessees

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

	2021 Actual (\$000)	2020 Actual (\$000)
Not later than one year	2,728	2,646
Later than one year and not later than five years	11,397	11,083
Later than five years	3,649	6,476
Total non-cancellable operating leases	17,774	20,205

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 2021 was 5% (2020: 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

	2021 Actual (\$000)	2020 Actual (\$000)
Cash on hand and at bank	3,472	3,147
Term deposits with maturities less than 3 months	-	-
Total cash and cash equivalents	3,472	3,147

While cash and cash equivalents at 30 June 2021 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.

Nga whakapae pūtea matua

Critical accounting estimates and assumptions

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 a number 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 2021 calendar year but which is partly earned by 30 June 2021.

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

Breakdown of receivables and further information

	2021 Actual (\$000)	2020 Actual (\$000)
Receivables (gross)	3,227	2,963
Less: allowance for expected credit losses	(140)	(198)
Total receivables	3,087	2,765

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

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

	2021			2020		
	Gross (\$000)	Allowance for expected credit losses (\$000)	Net (\$000)	Gross (\$000)	Allowance for expected credit losses (\$000)	Net (\$000)
Not past due	3,143	(108)	3,035	2,786	(100)	2,686
Past due 1–30 days	41	-	41	59	(4)	55
Past due 31–60 days	4	(4)	-	-	-	-
Past due 61–90 days	-	-	-	-	-	-
Past due >91 days	39	(28)	11	118	(94)	24
Total	3,227	(140)	3,087	2,963	(198)	2,765

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:

	2021 Actual (\$000)	2020 Actual (\$000)
Balance at start of the year	198	13
(Decrease)/increase in loss allowance made during the year	(52)	198
Receivables written off during the year	(6)	(13)
Balance at end of the year	140	198

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 (e.g. 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

	2021 Actual (\$000)	2020 Actual (\$000)
Term deposits – current	32,000	25,000
Total investments	32,000	25,000

While investments at 30 June 2021 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.

11. Te papa, te tari, ngā taputapu hoki

11. 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 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
Additions	-	719	-	-	-	719
Disposals	-	(578)	-	-	-	(578)
At 30 June 2021	156	9,249	449	355	465	10,674
Accumulated depreciation and impairment losses						
At 1 July 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
Depreciation expense	-	662	14	-	27	703
Impairment losses	-	-	-	-	-	-
Eliminated on disposal	-	(578)	-	-	-	(578)
At 30 June 2021	156	7,816	426	355	447	9,200
Carrying amounts						
At 1 July 2019	-	1,232	18	-	72	1,322
At 30 June and 1 July 2020	-	1,376	37	-	45	1,458
At 30 June 2021	-	1,433	23	-	18	1,474

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 (2020: \$nil).

12. Ngā rawa tautuhi kore

12. 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 are 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 judgement on whether the costs are research or development related, the technical feasibility for completing the asset and the availability of sufficient financial and other resources to complete the asset. These judgements ensure that only appropriate development 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 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
Additions	-	3,456	3,456
Disposals	(395)	(3,881)	(4,276)
At 30 June 2021	2,776	43,430	46,206
Accumulated amortisation and impairment losses			
At 1 July 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
Amortisation expense	3	2,904	2,907
Disposals	(395)	(3,881)	(4,276)
Impairment losses	-	-	-
At 30 June 2021	2,775	37,066	39,841
Carrying amounts			
At 1 July 2019	8	5,814	5,822
At 30 June and 1 July 2020	4	5,812	5,816
At 30 June 2021	1	6,364	6,365
Work in progress			
Other	-	1,000	1,000
At 30 June 2021	-	1,000	1,000

	2021 Actual (\$000)	2020 Actual (\$000)
Work in progress – intangible assets		
Balance at start of the year	1,376	1,205
Additions	3,080	2,689
Transfers to assets	(3,456)	(2,518)
Balance at end of the year	1,000	1,376

	Life (years)	Total (\$000)
Intangible asset breakdown (including Work In Progress)		
Software (developed and purchased)		
NCEA Online	4	4,258
Sector Qualifications Register	4	829
Digital Moderation	4	491
Secondary Statistics Rebuild	4	220
Filenet Replacement	4	325
Other (each <\$150,000 net book value)	3-4	242
Total		6,365
Work in progress		
NCEA Online (Enhancements)	N/A	1,000
Total		1,000
Balance at 30 June 2021		7,365

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 \$47,000 (2020: \$378,000).

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

	2021 Actual (\$000)	2020 Actual (\$000)
Payables and deferred revenue under exchange transactions		
Creditors	361	650
Revenue in advance	899	858
Accruals	8,376	8,078
Other creditors	-	282
Total payables under exchange transactions	9,636	9,868
Payables and deferred revenue under non-exchange transactions		
Taxes payable (GST, PAYE)	1,435	1,151
Total payables under non-exchange transactions	1,435	1,151
Total payables and deferred revenue	11,071	11,019

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 2021 (2020: \$0.6M-\$1.1M).

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 \$0.5M and \$1M would be incurred should the contracts be terminated before 31 March 2027.

Ngā rawa me ngā kawenga puni

Contingent assets

NZQA has no contingent assets as at 30 June 2021 (2020: \$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

	2021 Actual (\$000)	2020 Actual (\$000)
Current portion		
Accrued salaries and wages	227	468
Annual leave	3,192	3,135
Sick leave	282	348
Retirement and long service leave	332	336
Total current portion	4,033	4,287
Non-current portion		
Retirement and long service leave	623	630
Total non-current portion	623	630
Total employee entitlements	4,656	4,917

Key assumptions in measuring retirement and long service leave obligations

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

Expected future payments are discounted using forward discount rates derived from the yield curve of NZ government bonds. The discount rates used have maturities that match, as closely as possible, the estimated future cash outflows. The salary inflation factor has been determined after considering historical salary inflation patterns and after obtaining advice from an independent actuary. A weighted average discount rate of 3.85% (2020: 2.64%) and a salary inflation factor of 2% (2020: 2%) were used. The salary inflation factor takes into account 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 \$28,000 to \$31,000.

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 \$28,000 to \$30,000.

16. Ngā pūtea penapena

16. Provisions

Te kaupapahere o te tiaki pūtea

Accounting policy

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

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

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

Breakdown of provisions and further information

	2021 Actual (\$000)	2020 Actual (\$000)
Payroll remediation	635	-
Total provisions	635	-

Movements for each class of provision are as follows:

	Payroll Remediation (\$000)
Balance at start of the year	-
Additional provisions made during the year	635
Balance at end of the year	635

NZQA has identified some areas where there may have been non-compliance with the Holidays Act 2003 in particular around the payment of various leave provisions. A payroll remediation project is underway to address these issues which will identify any affected current and former employees including formal quantification of any payments to be made. At 30 June 2021, the provision represents NZQA's best estimate of the costs involved to settle the obligation although there is inherent uncertainty in determining this estimate and the timing in which the obligation will be settled.

17. Ngā hokohoko ā-rōpū

17. 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 (e.g. 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 (2020: \$nil).

Key management personnel compensation

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

	2021 Actual (\$000)	2020 Actual (\$000)
Board Members		
Remuneration	204	180
Full-time equivalent members	1.19	1.02
Strategic Leadership Team		
Remuneration	1,844	1,697
Full-time equivalent members	5.78	5.61
Total key management personnel remuneration	2,048	1,877
Total full-time equivalent personnel	6.97	6.63

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 he has no related party transactions for the year ended 30 June 2021 (2020: \$nil).

18. Ngā kaupapa tōmuri i te rā whakataunga pūtea

18. Events after the balance sheet date

There were no significant events after the balance sheet date although a second national lockdown resulting from the COVID-19 global pandemic was implemented (see note 21).

19. Ngā taonga ahumoni

19. 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.

19a. Ngā wāhanga o ngā rauemi pūtea

19a. Categories of financial instruments

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

	2021 Actual (\$000)	2020 Actual (\$000)
Financial assets measured at amortised cost		
Cash and cash equivalents	3,472	3,147
Receivables	3,087	2,765
Investments – Term deposits	32,000	25,000
Total financial assets measured at amortised cost	38,559	30,912
Financial liabilities measured at amortised cost		
Payables (excluding revenue in advance & taxes payable)	8,737	9,010
Total financial liabilities measured at amortised cost	8,737	9,010

19b. Ngā tūraru o ngā rauemi pūtea

19b. 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 tāwere o ngā rawa

Credit quality of financial assets

The only significant concentrations of credit risk relate to \$3.5M of cash and \$20M 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 \$12M 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 2021 with counterparties without credit ratings who have defaulted in the past (2020: \$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.

20. Te pūtea mana taurite

20. 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

	2021 Actual (\$000)	2020 Actual (\$000)
Contributed capital		
Balance at start of the year	20,308	13,890
Crown – Capital contribution	-	6,418
Balance at end of the year	20,308	20,308
Accumulated surplus		
Balance at start of the year	6,000	2,155
Surplus for the year	6,527	3,845
Balance at end of the year	12,527	6,000
Total equity	32,835	26,308

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.

21. Te pātanga nui o te KOWHEORI-19

21. 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 released 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.

During the 2020/21 financial year, New Zealand has largely been in alert level 1 however there have been occasions where particular parts of the country have operated at higher alert levels (up to alert level 3) for relatively small periods of time. Furthermore, in August 2021 a second national lockdown was implemented.

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 down approximately 20% (or \$4M to \$5M) compared to pre COVID-19 levels. The most significant reduction in revenue relates to qualifications recognition fees (as a result of border restrictions) however this revenue has stabilised during the year. There is however clearly still some risk to this revenue stream due to a number of factors including relative speed of reopening borders to other countries. Commentary on overall significant annual variances to budget are provided in note 2.
- There are no non-current assets that are considered to be impaired.
- Management have assessed the recoverability of receivable balances and accrued income taking into account the current state of the pandemic and the impact on the wider education sector (see note 9).
- The assumptions behind the valuation of employee liabilities have been assessed and take into account the impact of the pandemic (see note 15).
- Management have concluded that an increase in flexible working practices (which has been a by-product of the pandemic) has not led to any building lease being considered onerous.
- 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.
- The current status of the pandemic (notwithstanding a national lockdown that was implemented in August 2021) and global vaccine rollout helps to provide a generally more positive outlook for the economy than at the end of the previous financial year.

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.



Credit: Tsubaki Scythe Whanganui Girls' College (Excellence NCEA Level 3 – Printmaking)

Te kupu taka

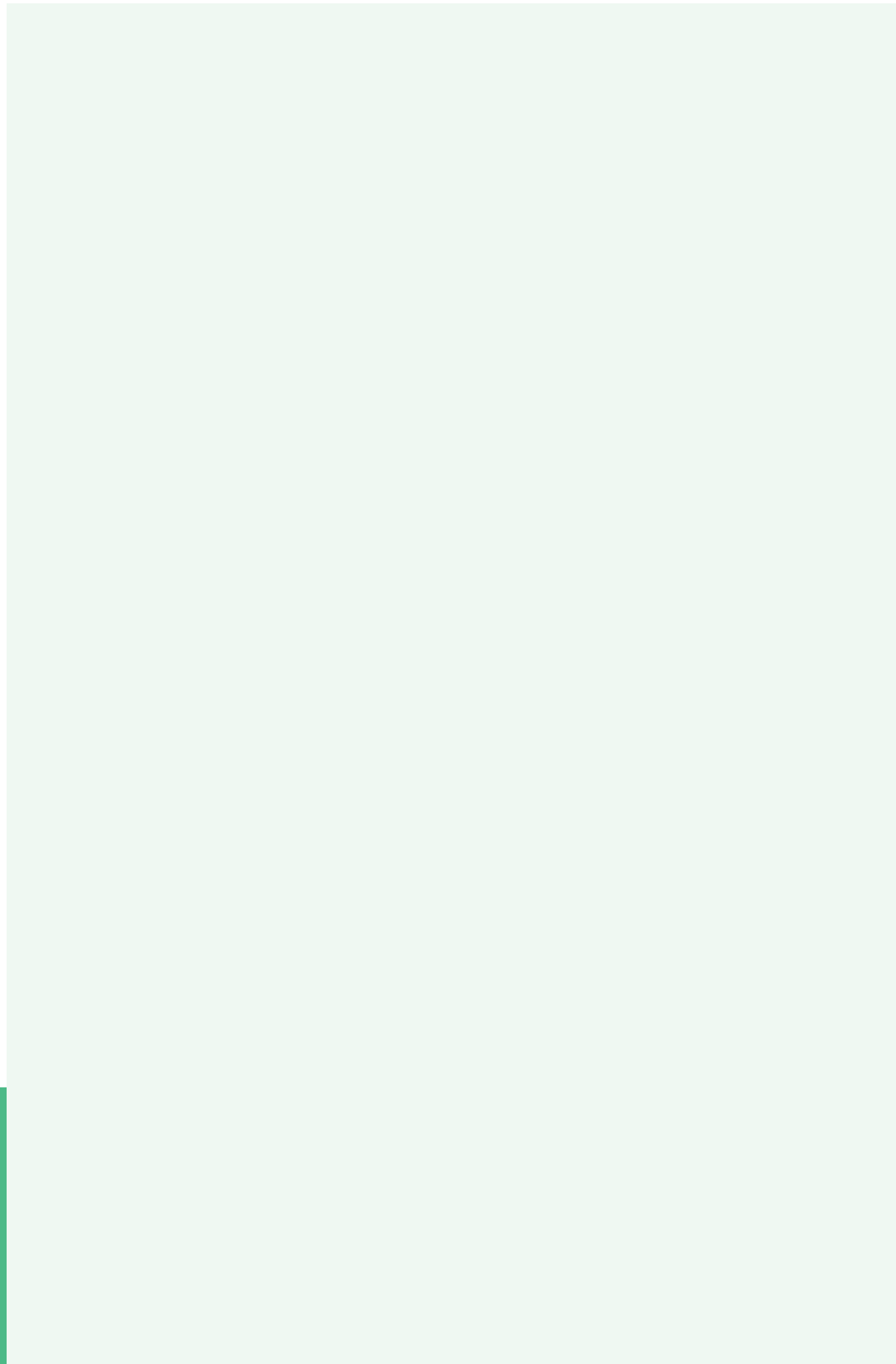
Glossary

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	<p>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.</p>

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 āhuatanga Māori (Māori tradition), according to tikanga Māori (Māori custom).





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