



Te tauākī kawatau o ngā mahi

Statement of
Performance Expectations

2022/2023



NEW ZEALAND QUALIFICATIONS AUTHORITY
MANA TOHU MĀTAURANGA O AOTEAROA

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

2022/23 Te tauākī kawatau o ngā mahi | Statement of Performance Expectations

Kia noho takatū ki tō āmua ao

Qualify for the future world

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)

ISSN 2382-168X (Print) June 2022

ISSN 2382-1698 (Online) June 2022

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Te tauākī a te Poari

Board statement

The Board certifies that the information contained in this Statement of Performance Expectations reflects the operations and prospective financial statements, including the appropriateness of the underlying assumptions, of NZQA for the period 1 July 2022 to 30 June 2023.

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

Signed on: 26 May 2022



Hon Tracey Martin
Board Chair



Lyn Provost
Risk and
Assurance
Committee Chair

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He whārangi ihirangi

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Te whakataki kōrero

Introduction

The 2022/23 Statement of Performance Expectations (SPE) has been prepared in accordance with the requirements of section 149 of the Crown Entities Act 2004. It sets out the performance expectations of NZQA for the year ending 30 June 2023, covering both service performance and the prospective financial statements as agreed with the Minister of Education. Progress against our performance expectations will be reported in our 2022/23 Annual Report.

Ko wai mātou

Who we are

Te wāhi ki a mātou

Our role

Our vision, 'Qualify for the future world | Kia noho takatū ki tō āmua ao', encapsulates our role and ambition for learners and for Aotearoa New Zealand.

Our primary role is to ensure that Aotearoa New Zealand qualifications are accepted as credible and robust, both nationally and internationally. We do this through our stewardship of the New Zealand Qualifications Framework, managing the qualifications system, regulating and quality assuring non-university tertiary education, delivering credible senior secondary school external assessments, and quality assuring secondary school NCEA internal assessment. We also administer the Education (Pastoral Care of Tertiary and International Learners) Code of Practice 2021 (the Code).

Our performance is a vital element in making Aotearoa New Zealand's education system world leading and accessible to all learners. In performing our role, we strive to focus on what is important, to act fairly and proportionately, and to be transparent, responsive and reliable.

Te whakahaere tika i te wāhi mahi

Our key functions

Te Whakaū Kounga i te Kura Tuatoru

Quality assurance in the tertiary sector

Our quality assurance role helps to build a high level of trust and confidence in the 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. We do this in several ways:

- quality assurance of qualifications, micro-credentials, applications for programme approval and accreditation, training scheme approval, and consents to assess against standards on the Directory of Assessment Standards;
- registration of private training establishments;
- support for the development of evaluation capability in tertiary education organisations, including ongoing self-assessment, in order for them to deliver improved educational outcomes for learners;



- programme monitoring;
- External Evaluation and Review of over 400 tertiary education organisations;
- compliance and risk monitoring and management.

We are the administrator for the Code, which specifies the role of providers in ensuring the organised and formal provision of practices to support the wellbeing and safety of:

- all tertiary learners generally;
- tertiary learners residing in student accommodation;
- international tertiary learners; and
- international school students.

Aromatawai

Assessment

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

- conducting Managing National Assessment Reviews in schools to check that their systems and processes are effective for delivering NCEA and other national qualifications;
- administering Special Assessment Conditions which support students to fairly demonstrate their knowledge, skills and understanding when being assessed for NCEA and New Zealand Scholarship;
- carrying out external moderation of internally assessed achievement standards and providing support to assessors through workshops and online resources; and
- developing, delivering and marking external NCEA and New Zealand Scholarship examinations and other external assessments.

Ngā tohu

Qualifications

The New Zealand Qualifications Framework (NZQF) and its proposed successor the New Zealand Qualifications and Credentials Framework (NZQCF), are the definitive sources of accurate information about all of Aotearoa New Zealand's quality-assured qualifications and credentials. These cover all secondary and tertiary qualifications including those available to international learners. They are designed to optimise the recognition of a learner's achievements and contribute to Aotearoa New Zealand's economic, social and cultural success.

Mō ētahi atu kōrero

Find out more

To read about our contribution to the education sector and our operating environment, refer to our *2022/23 – 2025/26 Statement of Intent*.



Credit: Arika Croot St Hilda's, Dunedin (Excellence NCEA Level 3 – Painting)

Ngā rautaki takune

Strategic intentions

Te mahere putanga me te mahere mahi

Outcomes Framework and performance measurement

Our Outcomes Framework consists of:

- Outcomes (which have a 5-10 year horizon);
- Intermediate Outcomes (which have a 3-5 year horizon); and
- areas of business activity¹ that demonstrate progress against Intermediate Outcomes. Activity areas have been described as either strongly or partially² contributing to the Intermediate Outcomes.

In the Statement of Performance Expectations (SPE), performance measures have been allocated to activity areas. Our progress against the performance measures demonstrates progress against the activity areas and Intermediate Outcomes.

Te ara whakaniko

A journey approach

Developing performance measures under a new Outcomes Framework is a journey.

Where NZQA does not have a lead role, or the activity is not fully scoped, narrative measures have been adopted. These measures will be developed into quantitative measures over time as part of our continuous improvement approach to performance measurement.

Our ongoing development to improve measures across our functions will seek to put greater focus on the impacts on learners. Wherever possible, we will provide disaggregated data for our priority ākonga and learner groups when reporting against performance measures. Our ability to disaggregate data will improve over the lifespan of the 2022/23 – 2025/26 Statement of Intent (SOI).

1 The key activity areas that we have included in our framework are only those where we are leading or have a significant contributing role. Activities where the predominant contributions come from other sector agencies, partners or stakeholders and where NZQA plays a minor role have not been included.

2 Strongly contributing activity areas tend to demonstrate change more quickly than partially contributing areas. Focusing on partially contributing activities is useful when, for example, we want to provide targeted support to specific groups, when we need to work alongside other agencies and stakeholders who also have a contributing role, or when our involvement is by necessity at 'arms-length'.

Te anga o te mahere putanga

Overview of our Outcomes Framework

Our Outcomes Framework incorporates the essence of the Government's Statement on National Education and Learning Priorities (NELP) and the Tertiary Education Strategy (TES), Ka Hikitia Ka Hāpaitia, Tau Mai Te Reo, the Action Plan for Pacific Education and the Learning Support Action Plan.

It is led by our commitment to Te Tiriti o Waitangi, our vision to 'Qualify for the future world | Kia noho takatū ki tō āmua ao', and our longstanding focus on equity.

We focus on two key outcomes:

- relevant qualifications and credentials; and
- trusted assessment and quality assurance.

Our framework is underpinned by our organisational capability.

As a whole, the framework supports our four Te Whakakitenga 2025 goals.

A summary view of the framework is shown on the following pages. Further explanation is provided throughout this document and in the *2022/23 – 2025/26 Statement of Intent*.

Ka whakamana a NZQA i Te Tiriti o Waitangi

Tō mātou whakakitenga: Kia noho takatū ki tō āmua ao

E aronui ana mātou ki tēnei mea te mana taurite mō ngāi Māori, mō ngā iwi o Te-Moana-nui-a-Kiwa me ngā ākonga hauā. E whai wāhi mai hoki ngā ākonga e whaikaha ana, e rongo ana hoki i te pōharatanga

1.0 Ngā tohu mātauranga e hāngai pū ana

1.1 Ko tā te pūnaha tohu mātauranga he whakautu i ngā hiahia o ngā ohu mahi, ngā iwi me ngā hapū, ngā hapori me ngā ākonga, ā, ko te whakatairanga hoki i te mātauranga Māori o roto i ngā tohu mātauranga

1.2 Te whakamimiti i ngā tauārai hei whakamana i ngā tohu mātauranga me te whakangāwari anō hoki

2.0 Te whakapono ki ngā aromatawai me te whakaū kounga

2.1 E noho haepapa ana ngā aromatawai me ngā whakaritenga o te aromatawai, ā, e tautoko ana i te kounga o ngā mahi ako me ōna tutukinga

2.3 E noho haepapa ana te whakaū kounga e tautoko ai i te kounga o ngā mahi whakaako, ngā mahi ako me te aromatawai

2.2 E hāngai tonu ana ngā whakaritenga o te aromatawai ki ngā huringa o te ao e ai ki ngā hiahia o ngā ākonga, ngā hapori me ngā ohu mahi

2.4 E hāngai tonu ana te mahi whakaū kounga ki ngā huringa o te ao e ai ki ngā hiahia o ngā ākonga, ngā hapori me ngā ohu mahi

Kei te manaaki tonu mātou i ngā kaipānga, te tautoko me te whakapari te tara ā-whare

NZQA gives effect to Te Tiriti o Waitangi

Our vision: Qualify for the future world

We have a focus on equity for Māori, Pacific and disabled learners, as well as learners with additional learning needs, and learners who experience socio-economic disadvantage

1.0 Relevant qualifications and credentials

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

1.2 Barriers to qualification recognition and mobility are reduced

2.0 Trusted assessment and quality assurance

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

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

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

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

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

Ka whakamana a NZQA i Te Tiriti o Waitangi

NZQA gives effect to Te Tiriti o Waitangi

To give effect to Te Tiriti o Waitangi, we will work and co-design with iwi, hapū and Māori, take steps to ensure Māori interests are advanced, and act to enable Māori to achieve education success as Māori.

This means we will:

- create the space for Māori to exercise rangatiratanga in relation to relevant aspects of assessment, qualifications, and quality assurance;
- partner with iwi, hapū and Māori in the development of our products and services;
- exercise kāwanatanga in a manner that actively protects Māori interests;
- continue to embed mātauranga Māori within qualifications, including NCEA;
- proactively support the success of ākonga Māori in achieving qualifications;
- give effect to Te Tiriti o Waitangi and align to Ka Hikitia Ka Hāpaitia and Tau Mai Te Reo through the delivery of Te Kōkiritanga, our Māori Strategic Action Plan; and
- improve our te ao and te reo Māori organisational capability to build our cultural competency.

Ngā Kaitūhono, our external Māori advisory group, ensures our approach to supporting mātauranga Māori is consistent with te ao Māori values and expectations. Ngā Kaitūhono also provides advice and guidance as we implement Te Kōkiritanga.

Tō mātou whakakitenga: Kia noho takatū ki tō āmua ao

Our vision: Qualify for the future world

Our vision 'Qualify for the future world | Kia noho takatū ki tō āmua ao' means that we remain committed to engaging learners, whānau, education organisations and employers as active partners. We pursue the opportunities that technology presents for learners, and deliver robust assessment and quality assurance processes that lead to relevant and portable qualifications. Learners are well prepared for a swiftly changing world of work and to make a meaningful contribution to their communities.

As we give effect to this vision, we recognise that the system is not always equitable. The next section describes NZQA's equity focus and our approach to addressing equity in the work we do.

Mā te mana taurite e ārahi te whakarite me te tuku i ngā āhuatanga o te Mahere Putanga

We embed equity in the way we design and deliver against our Outcomes Framework

E aronui ana mātou ki tēnei mea te mana taurite mō ngāi Māori, mō ngā iwi o Te-Moana-nui-a-Kiwa me ngā ākonga hauā. E whai wāhi mai hoki ngā ākonga e whaikaha ana, e rongō ana hoki i te pōharatanga.

We have a focus on equity for Māori, Pacific and disabled learners, as well as learners with additional learning needs, and learners who experience socio-economic disadvantage

We recognise that the system is not delivering equitable outcomes for Māori, Pacific and disabled learners, or those learners with additional learning needs and learners from low socio-economic backgrounds.

To remove system barriers we are working with learners, their whānau, iwi/hapū, Māori, Pacific communities and other groups to ensure our products and services are designed for and deliver to their needs. This includes supporting education providers to build their own capability to provide accessibility services and deliver equitable outcomes for learners. We recognise there is more to be done to understand the barriers that affect disabled learners and will develop our understanding and resulting activities over the lifespan of the SOI.



Credit: Joshua Langford Burnside, Christchurch (Excellence NCEA Level 3 – Painting)

Ngā putanga ā-rautaki

Strategic Outcomes

The following section describes the key activity areas that support our Intermediate Outcomes, and the corresponding performance measures.

To read the detail behind our Strategic Outcomes and Intermediate Outcomes, refer to our *2022/23 – 2025/26 Statement of Intent*.

Putanga 1.0 Ngā tohu mātauranga e hāngai pū ana

Outcome 1.0 Relevant qualifications and credentials

Putanga waenga 1.1 Ko tā te pūnaha tohu mātauranga he whakautu i ngā hiahia o ngā ohu mahi, ngā iwi me ngā hapū, ngā hapori me ngā ākonga, ā, ko te whakatairanga hoki i te mātauranga Māori o roto i ngā tohu mātauranga

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

Key activity areas	1.1a Approve qualifications, credentials and their components	1.1b Weave mātauranga Māori into the qualifications system
Level of contribution	Strong contribution	Partial contribution
SPE Measures	1.1a(i) Update on the progress in adopting the new vocational education products (Skills standards, 'National curriculum').	1.1b(i) Update on our progress weaving mātauranga Māori into the qualifications system.

Putanga waenga 1.2 Te whakamimiti i ngā tauārai hei whakamana i ngā tohu mātauranga me te whakangāwari anō hoki

Intermediate outcome 1.2 Barriers to qualification recognition and mobility are reduced

Key activity areas	<p>1.2a Support the recognition of New Zealand qualifications overseas through NZQA's:</p> <ul style="list-style-type: none"> • bilateral and multilateral qualification recognition work, and • participation and engagement in relevant international fora 	<p>1.2b Timely access to and transparent recognition of overseas qualifications in New Zealand</p>
Level of contribution	Strong contribution	Strong contribution
SPE Measures	<p>1.2a(i) Update on the progress achieved in reducing barriers to qualification recognition and qualification mobility (such as number, maintenance, and progress).</p>	<p>1.2b(i) The percentage of overseas qualification applications received that are able to be recognised.</p>

Putanga 2.0 Te whakapono ki ngā aromatawai me te whakaū kounga

Outcome 2.0 Trusted assessment and quality assurance

Putanga waenga 2.1 E noho haepapa ana ngā aromatawai me ngā whakaritenga o te aromatawai, ā, e tautoko ana i te kounga o ngā mahi ako me ōna tutukinga

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

Key activity areas

2.1.a

External Assessment Cycle Management

Level of contribution

Strong contribution

SPE Measures

2.1a(i)

The percentage of all National Certificate of Education Achievement (NCEA) marker judgements unaltered following Review or Reconsideration of External Assessment Results processes.
Appropriation measure

2.1a(ii)

The percentage all New Zealand Scholarship marker judgements unaltered following Review or Reconsideration of External Assessment processes.

2.1a(iii)

The percentage of validated NCEA results provided to learners no later than the end of the third full week of January.

2.1a(iv)

The percentage of validated New Zealand Scholarship results provided to learners no later than the end of the second full week of February.

Also supported by

2.3d

Assessor Support
(page 22)

Putanga waenga 2.2 E hāngai tonu ana ngā whakaritenga o te aromatawai ki ngā huringa o te ao e ai ki ngā hiahia o ngā ākonga, ngā hapori me ngā ohu mahi

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

Key activity areas	2.2a Special Assessment Conditions	2.2b Digital Assessment Service
Level of contribution	Partial contribution	Partial contribution
SPE Measures	<p>2.2a(i) The percentage growth in Special Assessment Conditions applications for Māori students exceeds the percentage growth in applications for students of other ethnicities. Appropriation measure</p> <p>2.2a(ii) The percentage growth in Special Assessment Conditions applications for Pacific students exceeds the percentage growth in applications for students of other ethnicities. Appropriation measure</p> <p>2.2a(iii) The percentage growth in Special Assessment Conditions applications from lower decile (1-3) schools exceeds the percentage growth in applications from higher decile (8-10) schools. Appropriation measure</p>	<p>2.2b(i) The rate of ākonga Māori and Pacific students participating in digital assessment is similar to or higher than their peers.</p> <p>2.2b(ii) The percentage of students that participate in digital assessment.</p>

Key activity areas	2.2c Meeting the unique needs of kura	2.2d NCEA workshops for Māori and Pacific whānau
Level of contribution	Partial contribution	Partial contribution
SPE Measures	2.2c(i) Upward trend in the number of kura whose students are externally assessed in a familiar setting.	2.2d(i) The percentage of Pacific parents and families who attended NCEA Ma le Pasifika workshops who report increased knowledge of NCEA and more confidence to support their children. 2.2d(ii) The percentage of parents and whānau who attended NCEA me te Whānau workshops who report increased knowledge of NCEA and more confidence to support their children.

Putanga waenga 2.3 E noho haepapa ana te whakaū kounga e tautoko ai i te kounga o ngā mahi whakaako, ngā mahi ako me te aromatawai

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

Key activity areas	2.3a Quality assure education organisations and the quality of teaching, learning and assessment
Level of contribution	Strong contribution
SPE Measures	<p>2.3a(i) Percentage of schools who progress from a 1-2 year Managing National Assessment (MNA) cycle based on evidence that the school has made the specified improvements. Appropriation measure</p> <p>2.3a(ii) The proportion of New Zealand qualifications (which have graduates) that undergo a Consistency Review in any one financial year. Appropriation measure</p> <p>2.3a(iii) The percentage of non-university tertiary education organisations which had an external evaluation and review completed. Appropriation measure</p> <p>2.3a(iv) All external evaluation and reviews will evaluate the support available to disabled learners and outcomes achieved.</p> <p>2.3a(v) The percentage of investigations where identified risks or quality concerns have been managed appropriately through intervention or corrective action. Appropriation measure</p>
Other reporting channels	Narrative updates on our programme monitoring activities will be provided through existing reporting channels.

Key activity areas	2.3b Enable education organisations to understand their responsibilities and improve learner outcomes	2.3c Revise NZQA's quality assurance frameworks
Level of contribution	Partial contribution	Strong contribution
SPE Measures	2.3b(i) Percentage of tertiary education organisations that say New Zealand Qualifications Authority quality assurance practices support them to improve their performance.	2.3c(i) Update on progress achieved in the re-design of the Quality Assurance Framework, including in response to Reform of Vocational Education. 2.3c(ii) The percentage of applications (which meet the criteria to be approved) that are quality assured using Te Hono o Te Kahurangi.
Other reporting channels	Narrative updates on how organisations use self-assessment will be provided through existing reporting channels.	Narrative updates progress relating to Te Hono o Te Kahurangi and mainstream evaluative quality assurance approaches changes will be provided through existing reporting channels.

Key activity areas	2.3d Assessor support	2.3e Maintaining currency of NZQA-owned standards	2.3f External moderation of internally assessed achievement standard assessor judgements
Level of contribution	Partial contribution	Strong contribution	Strong contribution
SPE Measures	2.3d(i) The percentage of respondents who say their confidence level has increased in re-contextualising assessment tasks after completing our online learning programme.	2.3e(i) The percentage of New Zealand Qualifications Authority-owned standards maintained by their planned reviewed dates. Appropriation measure	
Other reporting channels			Narrative updates relating to external moderation will occur through existing reporting channels.

Putanga waenga 2.4 E hāngai tonu ana te mahi whakaū kounga ki ngā huringa o te ao e ai ki ngā hiahia o ngā ākonga, ngā hapori me ngā ohu mahi

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

Key activity areas	2.4a Tertiary education organisations and schools ensure the safety and well-being of learners	2.4b Provide insights from quality assurance on system performance
Level of contribution	Partial contribution	Strong contribution
SPE Measures	<p>2.4a(i) Providing a progress update on NZQA's performance in embedding the Code of Practice against its 2022 Code Administrator Plan, including the performance of delegated parties such as Universities New Zealand, and sector performance. The progress update will be provided in NZQA's Annual Report. Appropriation measure</p>	
Other reporting channels	Narrative updates relating to providing system assurance will occur through existing reporting channels.	
Also supported by	<p>2.3c Revise NZQA's quality assurance frameworks (page 21)</p>	

Te āheitanga o te whare

Our organisational capability

Kei te manaaki tonu mātou i ngā kaipānga, te tautoko me te whakapari te tara ā-whare

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

Key activity areas	Oc1 Support and understand our customers	Oc2 Support our key stakeholders
Level of contribution	Strong contribution	Strong contribution
SPE Measures	Oc1(i) The proportion of survey respondents who agree/strongly agree that the information they received from the New Zealand Qualifications Authority met their needs. Appropriation measure	Oc2(i) The overall satisfaction rating given by the Minister of Education on the New Zealand Qualifications Authority. Appropriation measure Oc2(ii) The percentage of Ministerial items that achieve the deadlines agreed with the Minister's office.

Key activity areas	Oc3 Deliver quality services to customers
Level of contribution	Strong contribution
SPE Measures	<p>Oc3(i) How likely customers are to recommend and/or speak positively about NZQA.</p> <p>Oc3(ii) How customers compare the quality of service they receive from NZQA with the quality of service they receive from other New Zealand public sector organisations.</p> <p>Oc3(iii) The percentage of respondents to our customer satisfaction survey who agree or strongly agree that NZQA services are easy to use.</p>



Te wāhanga tuatahi: Ngā kawatau o ngā mahi

Part one: Performance expectations

The SOI and this document describe the strategic objectives we are seeking to achieve, how we will undertake our functions and operations to achieve those intentions, and how we will assess our performance.

The information outlined in this SPE enables the public, Ministers, Parliament and external monitoring agencies to track our progress in achieving the objectives set out in our SOI.

Te tirohanga whānui me te whakahaere pūnaha tohu mātauranga

Oversight and administration of the qualifications system

Te tauākī aronga whānui

Overarching purpose statement

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

The MCA is funded through Vote Education, which is represented by two expense categories.

Ngā mahi aromatawai o ngā kura tuarua

Expense category 1: Secondary school assessments

Te Korahi

Scope

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

Te Tahua Pūtea

Funding

Approximately 96 percent of the total revenue for this category of expense is provided by the Crown. The remaining 4 percent is funded through third-party revenue, including international NCEA fees and non-government funded secondary examination and assessment fees.

Cost and funding	Budget 2022-2023 \$000
Revenue	
Crown	57,060
Other	2,317
Total revenue	59,377
Expenses	71,015
Net (deficit)	(11,638)

Ngā whakamārama me ngā tohutohu mō ngā tohu mātauranga

Expense category 2: Standards and qualifications support

Te Korahi

Scope

This MCA 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.

Te Tahua Pūtea

Funding

Approximately 43 percent of the total revenue for this category of expense is provided by the Crown. The remaining 57 percent is funded through third-party revenue. The table below is the consolidation of the expense subcategories Provision of communication and advice, Quality assurance, and Qualification support structures.

Cost and funding	Budget 2022-2023 \$000
Revenue	
Crown	18,163
Other	23,959
Total revenue	42,122
Expenses	41,866
Net surplus	256

Ngā whakamārama me ngā tohutohu mō ngā tohu mātauranga

Expense subcategory 2.1: 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.

Te Tahua Pūtea

Funding

100 percent of the total revenue for this category of expense is provided by the Crown.

Cost and funding	Budget 2022-2023 \$000
Revenue	
Crown	3,309
Other	-
Total revenue	3,309
Expenses	3,831
Net (deficit)	(522)

Te whakaū kounga

Expense subcategory 2.2: 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.

Te Tahua Pūtea

Funding

Approximately 55 percent of the total revenue for this category of expense is provided by the Crown. The remaining 45 percent is funded through third-party revenue, including private training establishment (PTE) registration fees, Te Pūkenga – New Zealand Institute of Skills and Technology and its subsidiaries' quality assurance fees, external evaluation and review charges, approval and accreditation charges, and consistency review charges.

Cost and funding	Budget 2022-2023 \$000
Revenue	
Crown	8,805
Other	7,099
Total revenue	15,904
Expenses	19,007
Net (deficit)	(3,103)

Ngā pūnaha tautoko o ngā tohu mātauranga

Expense subcategory 2.3: Qualification support structures

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.

He aha ngā hua ka puta

What is intended to be achieved

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

Te Tahua Pūtea

Funding

Approximately 26 percent of the total revenue for this category of expense is provided by the Crown. The remaining 74 percent is funded through third-party revenue, including fees for credit reporting and recognition of overseas qualifications.

Cost and funding	Budget 2022-2023 \$000
Revenue	
Crown	6,049
Other	16,860
Total revenue	22,909
Expenses	19,028
Net surplus	3,881

Te paearu o ngā mahi

How performance will be assessed

The following table outlines the key performance measures that NZQA will monitor to ensure we are on track to achieve the outcomes outlined in our SOI.

ID.	Measure	2020/21 Actual	2021/22 Standard	2022/23 Standard
1.0	Relevant qualifications and credentials			
1.1	The qualifications system is responsive to the needs of industry, iwi/hapū, communities and learners, with increasing use of mātauranga Māori in qualifications.			
1.1a(i)	Update on the progress in adopting the new vocational education products (Skills standards, 'National curriculum').	N/A (new measure)	N/A (new measure)	Narrative
1.1b(i)	Update on our progress weaving mātauranga Māori into the qualifications system.	N/A (new measure)	N/A (new measure)	Narrative
1.2	Barriers to qualification recognition and mobility are reduced.			
1.2a(i)	Update on the progress achieved in reducing barriers to qualification recognition and qualification mobility (such as number, maintenance, and progress).	N/A (new measure)	N/A (new measure)	Narrative
1.2b(i)	The percentage of overseas qualification applications received that are able to be recognised.	N/A (new measure)	N/A (new measure)	75%

ID.	Measure	2020/21 Actual	2021/22 Standard	2022/23 Standard
2.0	Trusted assessment and quality assurance			
2.1	Credible assessment and aromatawai practices support high-quality learning and achievement.			
2.1a(i)	The percentage of all National Certificate of Educational Achievement (NCEA) marker judgements unaltered following Review or Reconsideration of External Assessment Results processes. <i>Appropriation measure</i>	99.8%	99%	99.7% ³
2.1a(ii)	The percentage all New Zealand Scholarship marker judgements unaltered following Review or Reconsideration of External Assessment Results processes.	99.9%	99%	99.7%
2.1a(iii)	The percentage of validated NCEA results provided to learners no later than the end of the third full week of January.	99%	99%	99%
2.1a(iv)	The percentage of validated New Zealand Scholarship results provided to learners no later than the end of the second full week of February.	99%	99%	99%

³ The formula for this measure is the number of unaltered external assessment marker judgements (following the Review and Reconsideration of External Assessment Results processes) over all external assessment marker judgements. In 2020, out of the total 794,823 external marker judgements: 792,933 (99.76%) remained unaltered. 1,890 were altered following a successful application for reconsideration or review, out of 8,981 applications.

ID.	Measure	2020/21 Actual	2021/22 Standard	2022/23 Standard
2.2	Assessment and aromatawai practices adapt to the changing needs of learners, community and industry.			
2.2a(i)	The percentage growth in Special Assessment Conditions applications for Māori students ⁴ exceeds the percentage growth in applications for students of other ethnicities. <i>Appropriation measure</i>	N/A (new measure)	N/A (new measure)	Achieved ⁵
2.2a(ii)	The percentage growth in Special Assessment Conditions applications for Pacific students ⁴ exceeds the percentage growth in applications for students of other ethnicities. <i>Appropriation measure</i>	N/A (new measure)	N/A (new measure)	Achieved ⁶
2.2a(iii)	The percentage growth in Special Assessment Conditions applications from lower decile (1-3) schools ⁴ exceeds the percentage growth in applications from higher decile (8-10) schools. <i>Appropriation measure</i>	N/A (new measure)	N/A (new measure)	Achieved ⁷

4 These new measures focus on improving access to Special Assessment Conditions (SAC) for Māori, Pacific students and those from low socio-economic backgrounds. SAC is provided to students with a permanent or long-term sensory, physical, medical or learning difficulty which impacts their access to fair assessment. Students who have multiple ethnicities will be counted in each ethnicity they reported.

5 This measure is considered to be achieved when the number of Māori applications is higher than the number of applications from other ethnicities.

6 This measure is considered to be achieved when the number of Pacific applications is higher than the number of applications from other ethnicities.

7 This measure is considered to be achieved when the number of applications from low decile (1-3) schools is higher than the number of applications from high decile schools (8-10).

ID.	Measure	2020/21 Actual	2021/22 Standard	2022/23 Standard
2.2b(i)	The rate of ākonga Māori and Pacific students participating in digital assessment is similar to or higher than their peers.	Upwards trend	Upwards trend	Upwards trend ⁸
		Māori	Māori	Māori:
		NCEA L1: 14.5%	NCEA L1: 7.5%	NCEA L1: 7.5%
		NCEA L2: 13.7%	NCEA L2: 8.9%	NCEA L2: 8.9%
		NCEA L3: 15.9%	NCEA L3: 10.2%	NCEA L3: 10.2%
		Pacific	Pacific	Pacific:
		NCEA L1: 13.6%	NCEA L1: 7.7%	NCEA L1: 7.7%
		NCEA L2: 12.0%	NCEA L2: 6.8%	NCEA L2: 6.8%
		NCEA L3: 13.2%	NCEA L3: 9.3%	NCEA L3: 9.3%
2.2b(ii)	The percentage of students that participate in digital assessment.	N/A (new measure)	N/A (new measure)	50% or greater
2.2c(i)	Upward trend in the number of kura whose students are externally assessed in a familiar setting. ⁹	N/A (new measure)	N/A (new measure)	Upwards trend

⁸ Numbers provided were from the 2019 examination cycle.

⁹ Note this measure does not assume that all kura will become exam centres.

ID.	Measure	2020/21 Actual	2021/22 Standard	2022/23 Standard
2.2d(i)	The percentage of Pacific parents and families who attended NCEA ma le Pasifika workshops who report increased knowledge of NCEA and more confidence to support their children.	100%	90% ¹⁰	90% ¹⁰
2.2d(ii)	The percentage of parents and whānau who attended NCEA me te Whānau workshops who report increased knowledge of NCEA and more confidence to support their children.	100%	90% ¹⁰	90% ¹⁰
2.3	Credible quality assurance supports high quality teaching, learning, aromatawai and assessment.			
2.3a(i)	The percentage of schools who progress from a 1-2 year Managing National Assessment (MNA) cycle based on evidence that the school has made the specified improvements. ¹¹ Appropriation measure	N/A (new measure)	N/A (new measure)	60%
2.3a(ii)	The proportion of New Zealand qualifications (which have graduates) ¹² that undergo a Consistency Review in any one financial year. Appropriation measure	16%	15%	15%

¹⁰ The standard for this measure covers both knowledge and confidence.

¹¹ This measure reports on how schools are progressing in meeting their MNA plans. The previous measure was output focused, ensuring schools on a 1-2 year MNA cycle had a monitoring plan.

¹² Some NZQA-listed qualifications do not yet have any graduates and can therefore not participate in Consistency Reviews.

ID.	Measure	2020/21 Actual	2021/22 Standard	2022/23 Standard
2.3a(iii)	The percentage of non-university tertiary education organisations which had an External Evaluation And Review completed. ¹³ <i>Appropriation measure</i>	20%	20%	20% ¹⁴
2.3a(iv)	All external evaluation and reviews will evaluate the support available to disabled learners and outcomes achieved.	N/A (new measure)	N/A (new measure)	Achieved
2.3a(v)	The percentage of investigations where identified risks or quality concerns have been managed appropriately through intervention or corrective action. ¹⁵ <i>Appropriation measure</i>	N/A (new measure)	N/A (new measure)	100% ¹⁶

13 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.

14 The formula for this measure is the total number of external evaluation and review cases divided by the total number of registered or recognised and active tertiary education organisations subject to external evaluation and review. Tertiary education organisations are required to have an external evaluation and review at least once every four years. The target reflects system variability due to the status of inactive or in hibernation tertiary education organisations, as well those which are newly registered, subject to risk management action and the impact of system change with the establishment of Workforce Development Councils and Te Pūkenga.

15 In the published appropriations the following footnote is incorrectly attributed to this measure: 'The Education (Pastoral Care of Tertiary and International Learners) Code of Practice 2021.'. This footnote should have been attributed to measure 2.4a(i). The correct footnote for measure 2.3a(v) is: 'The baseline for this measure is 100%. Investigation management and remedial actions are constantly reviewed to ensure all necessary steps are taken to mitigate or remove potential risk. An end of case review is undertaken prior to closure of all investigations.'

16 The denominator of this measure is all investigations closed in the reporting period. The numerator is derived by independently confirming, for each investigation, that it has been 'managed appropriately' to closure – i.e. that the recorded outcome (significant intervention, corrective action, or minor/unsubstantiated) reflects an investigation that can appropriately be closed because steps have been taken to mitigate/remove the risk or remediate quality issues. The baseline for this measure is 100%. Investigation management and remedial actions are constantly reviewed to ensure all necessary steps are taken to mitigate or remove potential risk. An end of case review is undertaken prior to closure of all investigations.

ID.	Measure	2020/21 Actual	2021/22 Standard	2022/23 Standard
2.3b(i)	Percentage of tertiary education organisations that who say New Zealand Qualifications Authority quality assurance practices support them to improve their performance.	N/A (new measure)	N/A (new measure)	(Baseline to be established from 2021 data available in June 2022)
2.3c(i)	Update on progress achieved in the re-design of the Quality Assurance Framework, including in response to Reform of Vocational Education.	N/A (new measure)	N/A (new measure)	Narrative
2.3c(ii)	The percentage of applications (which meet the criteria to be approved) that are quality assured using Te Hono te Kahurangi.	5%	≥3%	≥3%
2.3d(i)	The percentage of respondents who say their confidence level ¹⁷ has increased in re-contextualising assessment tasks after completing our online learning programme.	N/A (new measure)	N/A (new measure)	>75%
2.3e(i)	The percentage of New Zealand Qualifications Authority-owned standards maintained by their planned reviewed dates. <i>Appropriation measure</i>	100%	95%	95%

17 This measure will use a survey using a five-point scale, 3-5 being satisfactory to brilliant.

ID.	Measure	2020/21 Actual	2021/22 Standard	2022/23 Standard
2.4	Quality assurance adapts to the changing needs of learners, community and industry.			
2.4a(i)	Providing a progress update on NZQA's performance in embedding the Code of Practice against its 2022 Code Administrator Plan, including the performance of delegated parties such as Universities New Zealand, and sector performance. The progress update will be provided in NZQA's Annual Report. ¹⁸ Appropriation measure	N/A (new measure)	N/A (new measure)	Achieved
Oc	We continue to support our people and our customers, and to build our organisational capability to deliver our vision.			
Oc1(i)	The overall satisfaction rating given by the Minister of Education on the New Zealand Qualifications Authority. ¹⁹ Appropriation measure	8	8	8
Oc2(i)	The percentage of Ministerial items that achieve the deadlines agreed with the Minister's office.	99.1%	99%	99%

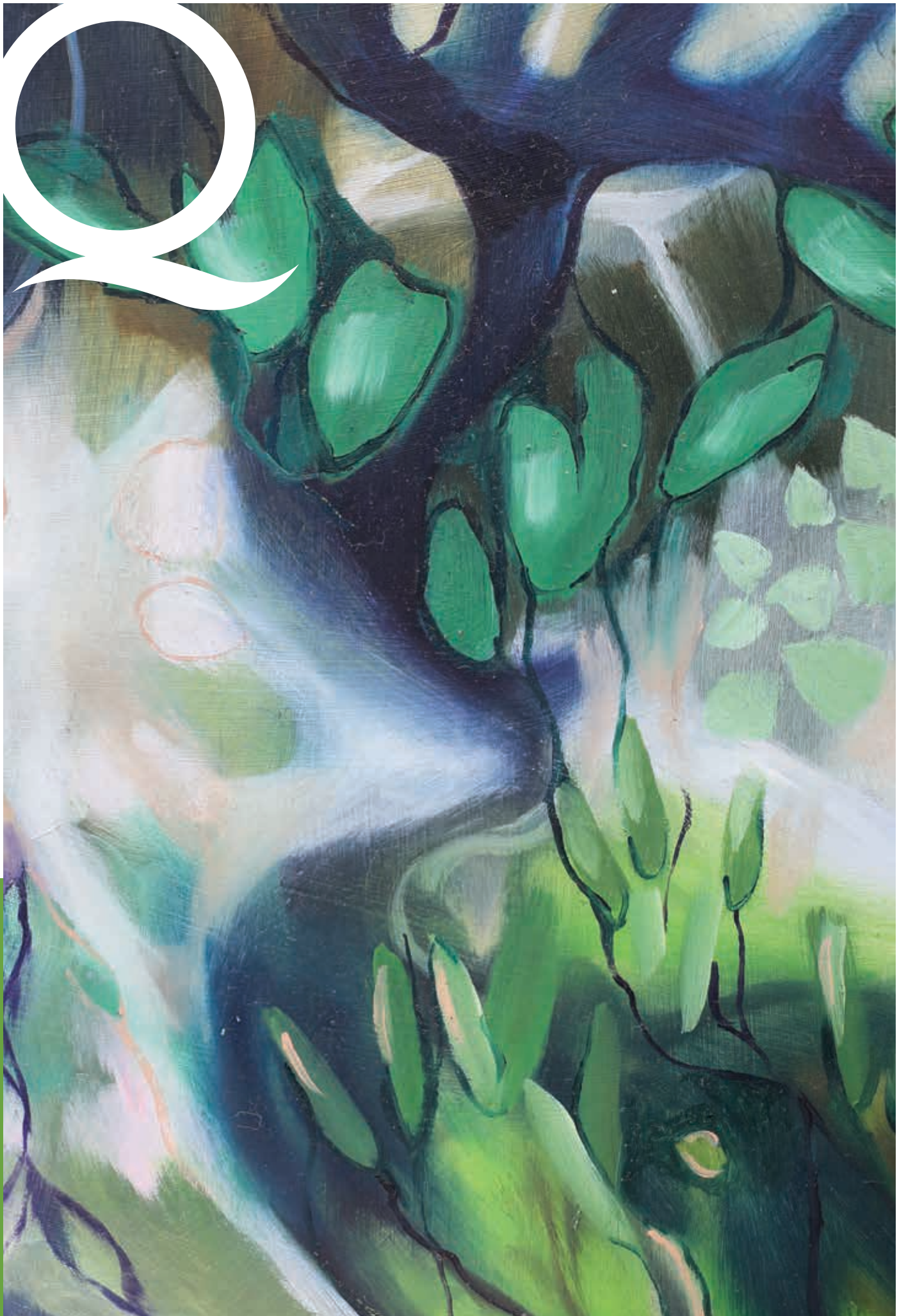
18 In the published appropriations the following footnote is incorrectly attributed to this measure: 'The baseline for this measure is 100%. Investigation management and remedial actions are constantly reviewed to ensure all necessary steps are taken to mitigate or remove potential risk. An end of case review is undertaken prior to closure of all investigations.' This footnote should have been attributed to measure 2.3a(v). The correct footnote for measure 2.4a(i) is 'The Education (Pastoral Care of Tertiary and International Learners) Code of Practice 2021.'

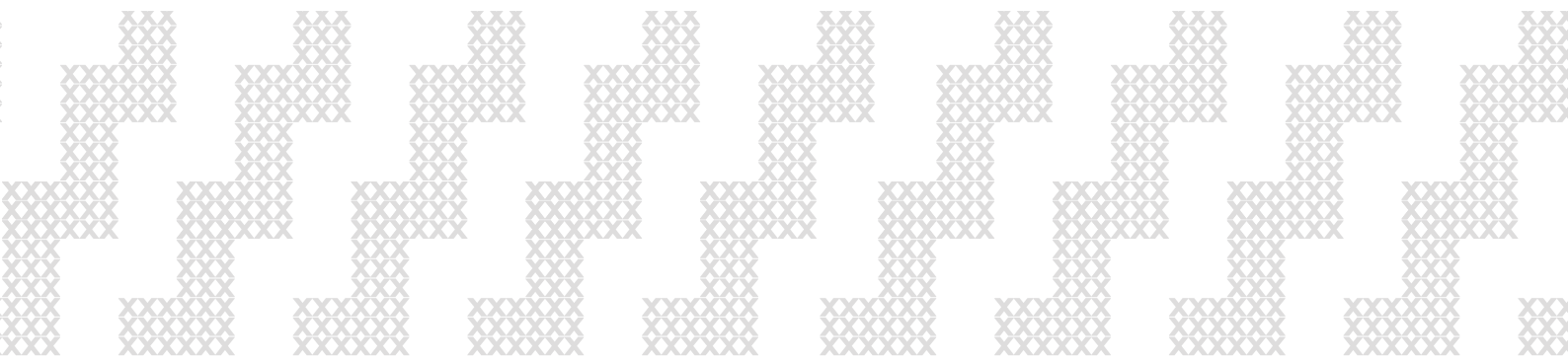
19 The survey measures Minister's satisfaction with the quality of advice on a scale from 1 to 10, where 1 means unsatisfied and 10 means extremely satisfied.

ID.	Measure	2020/21 Actual	2021/22 Standard	2022/23 Standard
Oc2(ii)	The proportion of survey respondents ²⁰ who agree/strongly agree that the information they received from the New Zealand Qualifications Authority met their needs. <i>Appropriation measure</i>	77% ²¹	75%	75%
Oc3(i)	How likely customers are to recommend and/or speak positively about NZQA.	29.8 (Net Promoter Score)	Upwards trend (baseline 29.8)	Upwards trend (baseline established June 2022 data)
Oc3(ii)	How customers compare the quality of service they receive from NZQA with the quality of service they receive from other New Zealand public sector organisations.	N/A (new measure)	N/A (new measure)	85%
Oc3(iii)	The percentage of respondents to our customer satisfaction survey who agree or strongly agree that NZQA services are easy to use.	N/A (new measure)	N/A (new measure)	70%

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

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





Te wāhanga tuarua: Ngā tauākī pūtea

Part two: Prospective financial statements

Ngā whakapae ahumoni Financial planning assumptions

Te tirohanga whānui

Overview

A number of assumptions were used in preparing these prospective financial statements, although fundamentally NZQA is assuming that the range of service that it currently provides will not significantly change in 2022/23.

These assumptions may differ from what actually happens. In particular, changes to the overall economic environment (as a result of the COVID-19 global pandemic), government policy, learner demographics, immigration trends and the make-up of the number and type of learning institutions within New Zealand may all affect NZQA and its forecast results.

NZQA is continuing to work through the new operating models that will be required under the NCEA change programme and the Reform of Vocational Education (RoVE) in the medium term. To use the example of RoVE, some qualification and programme approval functions and some quality assurance roles will change. An early analysis of likely changes though suggests that the work will be different rather than less, so there may not be budget implications.

In past years NZQA has accumulated funds from its net operating surpluses to allow the organisation to grow, adjust direction, manage fluctuations in third-party revenue and be financially sustainable. NZQA has a significant planned deficit in 2022/23 which reflects the need for investment in some of our core capabilities and services and also reflects timing of some large projects, including the delivery of the NCEA Online programme.

Pūtea whiwhi

Revenue

Revenue from the Crown is based on the information contained in the 2021/22 Estimates of Appropriation, Vote Education.

Consideration has been given to ensuring that fees and charges set are appropriate and deliver maximum value for the services provided. While NZQA may change its fees and charges going forward (through changes in government policy or otherwise), for the purposes of the development of the prospective financial statements, all fees and charges are estimated at the existing pricing structure and in all existing revenue areas.

Revenue from third parties includes tertiary credit and assessment fees (NZQF credits), charges for qualification recognition services provided to immigrants, charges for external evaluations and reviews, charges for accreditation and other quality assurance services provided to tertiary education providers (including Te Pūkenga – New Zealand Institute of Skills and Technology and its subsidiaries) and some non-government funded secondary examination and assessment fees.

Ngā whakapae ahumoni matua

Key volume forecasts

	Forecasted outturn volume in 2021/22	Forecast volume in 2022/23
No. of NZQF credits earned by learners	7,274,524	7,862,607
No. of PTEs registered with NZQA	394	399
No. of applications for qualifications recognition	12,239	13,957

The volume forecast for NZQF credits is based on the 2021/22 forecasted outturn results, with adjustments for projected movements in credit volume based on the expected trends of learner numbers.

The number of PTEs is based on the current number of PTEs plus expected movements.

The volume forecast for qualifications recognition is based on Immigration New Zealand's forecast of long term arrivals. NZQA is contracted to Immigration New Zealand to quality assure the list of qualifications exempt from assessment.

Should there be a 10 percent increase or decrease in any one of the fee or volume figures for the key revenue streams resulting from credit fees, qualifications recognition fees or quality assurance fees, there would be a respective increase or decrease in revenue received from that respective revenue stream of between \$0.4 million and \$1.1 million. This risk is being mitigated by maintaining a prudent level of available cash reserves.

Ngā whakapaunga

Expenditure

NZQA's expenditure is based on the assumption that NZQA will continue to realise efficiency and effectiveness savings, while NZQA's outputs are assumed to remain stable.

Ngā nama

Output expense allocations

All revenue except interest revenue is allocated directly to output expenses.

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

Indirect expenditure is allocated to outputs and output expenses by first allocating these costs to the activities that contribute directly to outputs. NZQA's allocation policies are described in the Statement of Accounting Policies.

NZQA's output allocation methodology is assumed to be unchanged.

NZQA operates a hybrid of a historical and a zero-based budgeting system in the delivery of outputs. NZQA also aims to provide the best service in the most cost-effective way. NZQA recognises that in order to minimise any price increases over time, there is an ongoing need for quality improvement and efficiency gains.

Ngā kaupapa here mō ngā whakautu matua

Key costing and pricing policies

The key costing and pricing policies of NZQA are as follows:

- core business output and non-output expense products and services are assessed at their full cost, including overhead costs;
- with the exception of secondary examination and assessment fees, charges to learners (including qualifications credit and registration fees) are based on a medium-term full-cost recovery model, which includes quality assurance and development costs including overhead costs. Secondary examination and assessment fees are largely funded by the Crown; and
- core business outputs are expected to provide for the research, development and capital costs of the ongoing maintenance of those outputs.

Ngā mānukanuka o te wā

Going concern

NZQA recognises that taxpayers' net assets/equity and NZQA's liquidity must remain at levels sufficient to sustain impetus and to ensure that NZQA is viable as a going concern.

To ensure this, the Board of NZQA will:

- maintain net assets/equity at a level sufficient to sustain the organisation; and
- consult the Responsible Minister on the use of taxpayers' equity resulting from any surpluses to ensure it is in line with the government's direction (other than use for the acquisition of capital items and for funding of operating deficits derived from the delivery of third-party funded activities).

Ngā tauākī matapae ā-pūtea

Prospective financial statements

The prospective financial statements have been developed for the purpose of fulfilling NZQA's obligations under the Crown Entities Act 2004 to table an SPE before Parliament. As such, they should not be relied upon by any other party for any alternative purpose without the express written permission of NZQA. Actual results are likely to be different from the prospective financial statements and the variations may be material.

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

These prospective financial statements are issued as at 26 May 2022 and are based on the information available at the time.

Te tauākī matapae ā-pūtea whiwhi, ā-pūtea whakapaunga
Prospective Statement of Comprehensive Revenue and Expense
 For the year ended 30 June

	Budget 2022–2023 \$000
Revenue	
Funding from the Crown	75,223
Other revenue	26,276
Interest revenue	489
Total revenue	101,988
Expenditure	
Personnel and Board	64,642
Specialist workforce	14,267
Professional services	10,380
Publication, printing and distribution	3,774
Audit fees	126
Other operating costs	17,295
Depreciation and amortisation	2,886
Total expenditure	113,370
Net (deficit)	(11,382)
Other comprehensive revenue and expense	-
Total comprehensive revenue and expense	(11,382)

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

Te tauākī matapae pūtea ā-tūranga

Prospective Statement of Financial Position

As at 30 June

	Budget 2022–2023 \$000
Assets	
Current assets	
Cash and cash equivalents	3,258
Receivables	2,998
Prepayments	1,880
Investments	23,500
Total current assets	31,636
Non-current assets	
Property, plant and equipment	1,513
Intangible assets (including WIP)	5,744
Total non-current assets	7,257
Total assets	38,893
Liabilities	
Current liabilities	
Payables and deferred revenue	11,445
Employee entitlements	5,110
Total current liabilities	16,555
Non-current liabilities	
Employee entitlements	665
Total non-current liabilities	665
Total liabilities	17,220
Net assets/public equity	21,673

Ngā tauākī matapae pūtea ā-rawa, ā-mana taurite

Prospective Statement of Changes in Net Assets/Public Equity

For the year ended 30 June

	Budget 2022–2023 \$000
Balance at start of the year	33,055
Net (deficit)	(11,382)
Total comprehensive revenue and expense	(11,382)
Crown capital contribution	-
Balance at end of the year	21,673
Comprising:	
Contributed capital	20,528
Accumulated comprehensive revenue and expense	1,145
Net assets/public equity as at 30 June	21,673

Ngā tauākī matapae pūtea hokohoko

Prospective Statement of Cash Flows

For the year ended 30 June

	Budget 2022–2023 \$000
Cash flows from operating activities	
Receipts from the Crown	75,223
Receipts from other revenue	26,511
Interest received	489
Payments for employee and Board costs	(63,917)
Payments to other suppliers	(48,006)
Net cash flow from operating activities	(9,700)
Cash flows from investing activities	
Purchases of property, plant and equipment	(500)
Purchases of intangible assets	(2,800)
Purchases of investments	(30,500)
Receipts from sale of investments	43,500
Net cash flow from investing activities	9,700
Cash flows from financing activities	
Crown – capital contribution	-
Net cash flow from financing activities	-
Net increase in cash and cash equivalents	-
Cash and cash equivalents at the beginning of the year	3,258
Cash and cash equivalents at the end of the year	3,258

Te tauākī o ngā kaupapa here pūtea

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 and The Education and Training Act 2020. 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.

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

The reporting period for the prospective financial statements is the year ended 30 June 2023.

Te tūnga pūtea o te rōpū

Basis of preparation

The prospective financial statements have been prepared on a going concern basis, and the accounting policies, which materially affect the measurement of results and financial position, have been applied consistently throughout the year. The prospective financial statements have also been prepared on a historic cost basis unless otherwise specified (e.g. actuarially assessed liabilities).

Te tauākī tūtohu**Statement of compliance**

The prospective financial statements have been prepared as per the statutory requirement of section 149 of the Crown Entities Act 2004.

The prospective financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice. They comply with PBE FRS 42 Prospective Financial Statements and other applicable standards as appropriate for Tier 1 public benefit entities.

Te whakaatu me te whakaawhiwhi pūnaha moni**Presentational currency and rounding**

The prospective 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**

All accounting policies adopted in these prospective financial statements are considered to be consistent with those of the previous year although it is noted:

- PBE FRS 48 Service Performance Reporting is effective for reporting periods beginning on or after 1 January 2022. This standard supersedes PBE IPSAS 1 Presentation of Financial Statements although the impact on our service performance reporting from implementing PBE FRS 48 Service Performance Reporting is considered minimal; and
- PBE IPSAS 41 Financial Instruments is effective for reporting periods beginning on or after 1 January 2022. This standard supersedes PBE IFRS 9 Financial Instruments although the impact of implementing PBE IPSAS 41 Financial Instruments on our financial statements is considered minimal.

Te rāpopototanga o ngā kaupapahere kaute

Summary of significant accounting policies

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

Ngā whakataunga me ngā whakataunga wawe

Judgements and estimations

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

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. The most significant areas of estimate and judgement relate to:

- determining the cost of internally generated software and assessing and reviewing the useful lives and residual values of intangible assets (in particular, this requires judgement on whether costs are research or development related to ensure that only appropriate development costs are capitalised); and
- assessing the impact of the COVID-19 global pandemic including its effect on revenue and the carrying amount of assets.

Pūtea whiwhi

Revenue

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

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

Funding from all other sources 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.

Pūtea whiwhi atu***Other revenue***

Other revenue includes various fees including those for qualifications recognition services, credit reporting and quality assurance services. These are recognised 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.

Te tuari utu***Cost allocation***

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

Te rīhitanga***Leases***

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee. Lease payments under an operating lease are recognised as an expense in the Statement of Comprehensive Revenue and Expense on a straight-line basis over the lease term. Lease incentives received are recognised in the surplus or deficit as a reduction of rental expense over the lease term.

Ngā moni me ngā moni taurite***Cash and cash equivalents***

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.

Ngā whiwhinga**Receivables**

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

The simplified approach to providing for expected credit losses as prescribed by PBE IPSAS 41 Financial Instruments is applied to receivables.

Ngā haumitanga**Investments**

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.

Te papa, te tari, ngā taputapu hoki**Property, plant and equipment**

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 āpitihanga**Additions**

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

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

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

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 or deficit.

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 and intangibles

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

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

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

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

Ngā rawa tautuhi kore**Intangible assets**

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.

Costs associated with staff training and 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 or deficit.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated for each specific individual item of acquired and internally generated

computer software. Internally generated software is amortised over 3–4 years (25 percent – 33 percent) with other acquired software amortised over 3–5 years (20 percent – 33 percent).

Te hauātanga o ngā rawa iti
Impairment of intangible assets

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

Ngā nama me ngā pūtea whiwhi tārewa
Payables and deferred revenue

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

Ngā āheinga kaimahi
Employee entitlements

Ngā hua o te pae tata
Short-term benefits

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 hua o te pae tawhiti
Long-term benefits

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; and
- 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 leave entitlements are classified as a non-current liability.

Te pūtea penihana kaumātua**Superannuation schemes**

Employer contributions to KiwiSaver, the Government Superannuation Fund and other NZQA superannuation schemes are accounted for as defined contribution schemes and are recognised as an expense in the Statement of Comprehensive Revenue and Expense.

Ngā pūtea penapena**Provisions**

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

Ngā kawenga ā-rōpū**Contingent liabilities**

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 taonga ahumoni**Financial instruments**

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

Financial assets (which comprise cash and cash equivalents, receivables and term deposits) are subsequently measured at amortised cost where they are held for the purpose of collecting contractual cash flows and those cash flows are solely related to payments of principal and interest. Interest and any impairment losses are recognised in the Statement of Comprehensive Revenue and Expense. Generally, the amount invested or amount due less any allowance for expected credit losses is used to estimate the amortised cost.

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

Ngā hokohoko ā-rōpū

Related party transactions

Compensation paid to key management personnel of NZQA is classified as a related party transaction.

Compensation includes short-term, long-term and retirement employee benefits.

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

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

Te tāke

Taxation

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

The net amount of GST recoverable from, or payable to, Inland Revenue is included as part of receivables or payables in the Statement of Financial Position. The net GST paid to, or received from, Inland Revenue including the GST relating to investing and financing activities, is classified as an operating cash flow in the Statement of Cash Flows.

Commitments and contingencies are disclosed exclusive of GST.



Te kupu taka

Glossary

Aromatawai	<p>Aromatawai starts with the learner. It is a teaching, learning and assessment approach based on te ao Māori values, beliefs and aspirations. The values and features of aromatawai enrich and inform assessment design and are appropriate for all ākonga. The term aromatawai is derived from two words that convey its special nature, that is, its role in learning and teaching. Aro, is 'to take notice of', or 'pay attention to', and matawai is 'to examine closely'. Within the learning context aromatawai is literally a way of focussing on the learner, what they can do, their learning journey and experience, the relationship between kaiako and ākonga, and how that information can support learning, instantly, and over time.</p>
Action Plan for Pacific Education 2020-2030	<p>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.</p>
Assessment	<p>Collecting and evaluating evidence to establish the level of an individual's performance in relation to agreed outcomes.</p>

Assessment (secondary – external)	Assessment (NCEA or New Zealand Scholarship) conducted by NZQA. This includes reports, submissions, common assessment activities and national examinations held at the end of the school year.
Assessment (secondary – 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 learners' work) are at the national standard.
Assessment Standards	An assessment standard is a standard listed on the Directory of Assessment Standards. There are two types of assessment standard, Achievement Standards and Unit Standards.
Directory of Assessment and Skills Standards	When the legislation is passed ²² , the DASS will list all quality assured assessment standards, and skills standards (when developed).
The Education (Pastoral Care of Tertiary and International Learners) Code of Practice 2021 (the Code)	The Code supports the wellbeing of tertiary and international learners enrolled with New Zealand education providers.

²² The Education and Training Amendment Bill (No 2) is proceeding through the parliamentary process and is expected to be enacted in late 2022.

Education Organisation	An organisation supplying education, training and/or assessment services that is recognised within the formal schooling, education and training system. This can include secondary schools, government organisations and private providers.
Evaluative Quality Assurance	This is the basis of NZQA’s quality assurance system. It uses: <ul style="list-style-type: none"> • evaluation theory and practice to reach well-informed, robust, consistent and reliable evidence-based judgements about all aspects of organisational performance and capability; • a practical focus on outcomes and key contributing processes; and • awareness and improvement through organisational self-assessment.
External Evaluation and Review	A review that provides a judgement on the relative quality of a tertiary education organisation. NZQA expresses this judgement in a report that states NZQA’s level of confidence in the tertiary education organisation’s educational performance and capability in self-assessment.
Government Training Establishment	A state-owned organisation providing education or training (for example, New Zealand Police Training Services, New Zealand Army).
Ka Hikitia – Ka Hāpaitia	The Ministry of Education’s strategy to change rapidly how the education system performs so that all Māori learners gain the skills, qualifications and knowledge they need to enjoy and achieve education success as Māori.

Managing National Assessment	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.
Managing National Assessment Review	A review by NZQA of schools' processes or systems for managing assessment for qualifications, including systems for achieving valid, fair, accurate and nationally consistent internal assessment.
Moderation	A process for confirming that an organisation's assessment decisions are fair, valid and consistent with the required standard across a number of assessors or assessing organisations nationally.
National Certificate of Educational Achievement (NCEA)	Aotearoa New Zealand's national qualification for secondary school learners. Available at levels 1–3, it is registered as part of the New Zealand Qualifications Framework.
New Zealand Qualifications and Credentials Framework (NZQCF)	When operational, the NZQCF will be the definitive source of accurate information on all quality assured qualifications and credentials in Aotearoa New Zealand, from secondary school qualifications to doctorates. It is based on learning outcomes, described in terms of knowledge, skills and their application. The NZQCF is expected to become operational in late 2022 or early 2023, when it will replace the NZQF.

New Zealand Qualifications Framework (NZQF)	The NZQF provides information to end-users, such as employers, about what graduates can be expected to know and do.
New Zealand Scholarship	An additional examination most often undertaken by learners in the final year of secondary school (Year 13). New Zealand Scholarship is a competitive monetary award for top-performing learners who intend to enter tertiary study; it does not contribute towards a qualification.
Outcome Statements	Statements setting out the outcomes achieved from the learning process of a qualification and describing the knowledge, skills and attributes of a graduate.
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 4 of the Education and Training Act 2020.
Qualification	A qualification listed on the New Zealand Qualifications and Credentials Framework.
Reform of Vocational Education (RoVE)	RoVE consists of several key changes to create a unified vocational education system. This includes the creation of Te Pūkenga and Workforce Development Councils.

(Secondary) School	Any (secondary) school in Aotearoa 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.
Skill Standard	A skills standard is currently defined as a specification of skills and levels of performance in those skills. This definition is currently being expanded through the Education and Training Amendment Bill (No 2) to give more prominence to learning outcomes.
Special Assessment Conditions (SAC)	SAC provides 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 Pacific Strategic Action Plan that outlines NZQA's commitment to enabling Pacific learners, families and communities to achieve their aspirations.
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	NZQA's Māori Strategic Action Plan which outlines NZQA's commitment to achieving equity for ākonga Māori and their whānau.
Tertiary Education Organisations	Universities, wānanga, Te Pūkenga, private training establishments, government training establishments and other providers.
Te Pūkenga	An institution that delivers technical, vocational and professional education and is described from Section 314 of the Education and Training Act 2020.
Te Pūkenga subsidiary	A Crown entity subsidiary of Te Pūkenga.
Transitional Industry Training Organisation	An industry-specific body recognised under the Education and Training Act 2020, which: <ul style="list-style-type: none"> • sets NZQA-accredited skill standards for its industry; and • manages arrangements for industry training that enable trainees to attain those standards.

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).
Workforce Development Council (WDC)	A body established under section 363 of the Education and Training Act 2020, in relation to the specific industries it covers, that provides leadership, develops and sets standards and qualifications, endorses programmes and moderates assessments and provides an advisory and representative role for employers.



NEW ZEALAND QUALIFICATIONS AUTHORITY
MANA TOHU MĀTAURANGA O AOTEAROA

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