

# Quarterly report to Minister

Cumulative report for the period 1 July – 31 December 2021



NEW ZEALAND **QUALIFICATIONS** AUTHORITY  
MANA TOHU MĀTAURANGA O AOTEAROA

---

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

# Introduction

---

This report describes our progress for the period of 1 July – 31 December 2021 towards the strategic intentions and goals described in our accountability and strategy documents:

- *He tauākī whakamaunga atu Statement of Intent (SOI) 2019/20 – 2022/23*
- *Te tauākī kawatau o ngā mahi Statement of Performance Expectations (SPE) 2021/22.*

NZQA's vision is Qualify for the Future World - Kia Noho Takatū Ki Tō Āmua Ao.

Our services enable learners to qualify for the future world. This is not a static one-off achievement as the future of work demands lifelong learning. The two outcomes included in the SOI to support this vision are:

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

The work that NZQA has undertaken up to 31 December 2021 supports this aim for New Zealanders, by working to meet current and future needs of learners so they are better equipped to meet the challenges of working and living in communities as the 21st century unfolds. This is underpinned by our commitment to make it easier to access our information and services for those most affected by them, and for creating solutions to support intergenerational wellbeing.

## The format of this report

The non-financial performance section of this report follows the layout of the 2020/21 Annual Report, in that it is grouped by the high-level outcomes<sup>1</sup> that the work supports the most, and by broad narrative themes. Not all themes are reported against in all quarters.

Due to the timing of completion of the external audit by Audit New Zealand, the Annual Report will be published in Quarter 3. This is later than reported in the 1 July – 30 September 2021 Quarterly report.

## Table of Contents

Introduction.....	2
Overview of non-financial performance .....	3
Narrative themes .....	3
Success indicators and performance measures .....	3
Our work that support Outcome 1: Equity of access to qualifications supports intergenerational wellbeing.....	4
Supporting equity in the education system .....	4
Ensuring quality customer experience .....	6
Success indicators supporting Outcome 1.....	6
Our work that supports both Outcomes 1 and 2 .....	8
Te Kōkiritanga/Takiala Pasifika 2020-2023 .....	8
Showcasing student achievement .....	9
NCEA online .....	9
Building sector capability .....	10
Changes supporting the education work programme .....	11
Our work that supports Outcomes 2: New Zealand qualifications enable lifelong learning..	13
Student wellbeing through the codes of pastoral care .....	13
Ensuring qualifications are fit for purpose .....	13
Performing our regulatory functions.....	14
Supporting and building our internal capability .....	15
Success indicators supporting Outcome 2.....	16
Financial Information .....	17
NZQA Operation Performance: December 2021 .....	<b>Error! Bookmark not defined.</b>
Consolidated Financial Report to the Board .....	17
Balance Sheet .....	20
Cash Flow Statement .....	21

---

<sup>1</sup> Outcomes are drawn from our performance measurement framework, which is published in the SOI, the SPE and Annual reports.

# Overview of non-financial performance

## Narrative themes

Our work that supports...	Themes reported in this Quarter
Outcome 1	<ul style="list-style-type: none"> <li>- Supporting equity in the education system</li> <li>- Ensuring quality customer experience</li> </ul>
Outcomes 1 and 2	<ul style="list-style-type: none"> <li>- Te Kōkiritanga/Takiala Pasifika 2020-2023</li> <li>- Showcasing student achievement</li> <li>- NCEA online</li> <li>- Building sector capability</li> </ul>
Outcome 2	<ul style="list-style-type: none"> <li>- Changes supporting the education work programme</li> <li>- Student wellbeing through the codes of pastoral care</li> <li>- Ensuring qualifications are fit for purpose</li> <li>- Performing our regulatory functions</li> <li>- Supporting and building our internal capability</li> </ul> <p>Delivering secondary examinations nationwide will be reported on in subsequent quarters.</p>

## Themes from the Letter of Expectations that align to work reported in this quarter

- Creating a culturally competent organisation
- Customer voice is central to what we do
- Delivering more equitable products and services for all
- Ensuring the delivery of BAU
- Supporting Crown Māori relationships
- Supporting equitable outcomes for all
- Supporting equitable outcomes for Māori
- Supporting equitable outcomes for Pacific
- Supporting sector resilience toward adverse events
- Supporting student wellbeing and success
- Supporting system priorities
- Supporting system transformation
- Transforming products, services, and delivery for the future

Note that the themes reported in this section may change over time.

## Success indicators and performance measures

	With YTD results available this quarter	Reported in a later period	Total
Success indicators from SOI	4	2	6
Performance measures from SPE	18 (3 narrative results and 18 numeric [12 on track, 6 not on track. Exception reporting below])	17	35

	SPE measures not on track	Commentary
Red	1.2.1(b) The percentage of NZQA staff who reach higher levels of proficiency through te reo Māori language planning and development.	As this is a self-assessment measure, these results are dependent on who completes the survey and how confident they feel about their proficiency when they are answering the survey question.
Amber	1.1.1(a) The proportion of survey respondents who agree/strongly agree that information they received from NZQA met their needs.	To date, in 2021/22, the survey has only been sent to customers who have contacted us via our website email forms. The survey has not yet been sent to TEO and Secondary Schools contacts in consideration of the COVID-19 interruptions last year. We will survey these groups this year to ensure they are appropriately represented in the annual results.
	1.1.1(b) The proportion of survey respondents who agree/strongly agree that the NZQA website is easy to use.	To date, in 2021/22, the survey has only been sent to customers who have contacted us via our website email forms. The survey has not yet been sent to TEO and Secondary Schools contacts in consideration of the COVID-19 interruptions last year. We will survey these groups this year to ensure they are appropriately represented in the annual results. This result is frequently amber – a result of 63% and sometimes lower is not unusual.
	1.2.1(a) The percentage of NZQA staff who have a te reo Māori plan.	This measure did not meet its target due to a combination of staff movement and COVID disruption to Whakataua / Te Kāhano. This resulted in new staff not having the opportunity to complete their te reo Māori plans as they normally would.
	2.2.2(d) The percentage of all formal complaints (including international and domestic code) that are concluded within 65 working days.	Two formal complaints were concluded after 65 working days due to the complexity of the issues being investigated and the need to go back to the complainant and education provider multiple times before a finding could be reached. This occurred in Quarter 1.
	2.2.2(n) The number of samples of learner work moderated for national external moderation.	In response to COVID-19, external moderation became optional for all schools who were in lockdown for more than 20 days from 22 August 2021 to 31 December 2021.

# Our work that support Outcome 1: Equity of access to qualifications supports intergenerational wellbeing

## Supporting equity in the education system

### Māori and Pacific equity

We hold significant amounts of educational achievement data. From an equity perspective, we recognise that this data should be made available to iwi so that they can have data informed education conversations across their rohe that advance their respective aspirations.

By working together, iwi and NZQA will generate more extensive data sets that better meet the needs of iwi.

We are participating in the Removing Streaming project lead by Tokona Te Raki. Two design workshops have been conducted so far to scope a work programme to be rolled out in 2022.

*Supports 1.2.3 Māori and Pasifika learners benefit from innovative partnerships; Letter of Expectations theme: Supporting equitable outcomes for Māori*

### Developing and supporting uptake of mātauranga Māori qualifications

In October 2021, we established the Ngā Poutoko Aromatawai Māori business unit to support outcomes related to kaupapa Mātauranga Māori. The unit assumes kaitiakitanga of Te Mārautanga o Aotearoa (TMOA) wāhanga ako, Te Reo Māori, Te Ao Haka, and any new wāhanga ako and Kaupapa ako Māori developed within TMOA and New Zealand Curriculum (NZC).

The unit is also responsible for the setting and development of mātauranga Māori standards and qualifications and core, generic, foundation and bridging, and Pasifika standards and qualifications that have not been transferred to Workforce Development Councils (WDCs).

A initial review of Ngā Poutoko Aromatawai Māori, to be completed in March 2022, will focus on ensuring we are managing issues and opportunities.

Māori Qualifications Services has developed and gained quality assurance approval, through Te Hono o Te Kahurangi, for a mātauranga Māori programme that leads to the award of the New Zealand Certificate in Tikanga (Level 2). Schools and other providers will be able to apply for accreditation to deliver this programme to their ākonga. Having only to apply for accreditation to deliver a pre-approved programme rather than develop their own removes a barrier for

organisations and ākonga to access this mātauranga Māori qualification, especially within the secondary school sector.

*Supports: 1.1.2 Whānau and education organisations are engaged and confident in supporting learners; Letter of Expectations theme: Supporting equitable outcomes for Māori*

### Kura examination centres

NZQA has been actively increasing opportunities for enabling ākonga in kura to participate in exams in their own environment, for example we hire temporary staff who are fluent in Te Reo for kura exam centres.

We have received positive feedback from ākonga on a newly established Rotorua exam centre based on a cluster of students.

Kura can also become an affiliate exam centre if they have a very small number of ākonga participating in exams and are supported by a nearby exam centre.

-----redacted under section 9(2)(f)(iv) of the Official Information Act-----

*Supports: 1.1.2 Whānau and education organisations are engaged and confident in supporting learners; Letter of Expectations theme: Supporting equitable outcomes for Māori*

### NCEA me te Whānau

During the year, COVID-19 restrictions continued to impact face to face workshops for Māori and Pacific parents and families.

The NCEA me te Whānau branding and materials have been refreshed with new messaging and tools ready for roll out in 2022. We piloted a new format for the NCEA me te Whānau workshop which provided valuable feedback. The plan is to offer a mixture of face to face and online workshops in 2022 and these will be promoted directly to schools and via our social media platforms.

We continue to work with other agencies to support students, and to promote NCEA key messages and supports available for young people on our social media platforms.

*Supports: 1.2.3 Māori and Pasifika learners benefit from innovative partnerships; Letter of Expectations theme: Supporting equitable outcomes for Māori*

## NCEA Pacific Peoples Panel

NZQA continues to participate and contribute to the Ministry of Education (Ministry) led NCEA Pacific Peoples Panel.

We have focused on the development of draft literacy-numeracy products and ideas to test sector buy-in, usability and user needs and supports required to successfully engage with the products.

We supported the Review of Achievement Standards (RAS) by reviewing the quality assurance processes. We also reviewed the application of the Pacific Values Framework to outline how the guidelines provided by the panel will support more robust and inclusive quality assurance.

*Supports: 1.2.3 Māori and Pasifika learners benefit from innovative partnerships; Letter of Expectations theme: Supporting equitable outcomes for Pacific*

## Pūhoro STEM Academy partnership

NZQA supports the mahi of the Pūhoro STEM Academy to increase Māori student participation in science, technology, engineering and mathematics related subjects.

The Engineering Young Māori Minds (EYMM) initiative is delivered in Auckland, Hawkes Bay, Manawatū and Christchurch and involves up to 600 Year 9 and 10 rangatahi Māori. Schools compete in science and engineering challenges based on pūrākau Māori (Māori legends and stories). The intention is to inspire and excite young people to pursue STEM pathways.

COVID-19 restrictions meant that the scheduled EYMM events were deferred into 2022 and will be offered in five locations, with Waikato being a new location.

*Supports: 1.2.3 Māori and Pasifika learners benefit from innovative partnerships; Letter of Expectations theme: Supporting equitable outcomes for Māori*

## Special Assessment Conditions

Formal reviews of school Special Assessment Conditions (SAC) processes were curtailed in quarter two due to the ongoing impact of the COVID-19 lockdown.

The number of SAC applications received continues to grow but disparities remain. The results listed below are as at 16 December 2021.

- Over 16,800 applications had been received, approximately 16% more than the number of applications submitted at the same time in 2020.

- The growth in the number of applications from lower decile (1-3) schools is higher than the average, and the growth in the number of applications from higher decile (8-10) is lower than the average.
- Over 85% of all applications made under the learning category are supported by school-based evidence with about 15% supported by independent assessments. In lower decile (1-3) schools, 94% of these applications are supported by school-based evidence – in higher decile (8-10) schools this number is 72%.
- The number of computer-only notifications received is almost double the number received at the same time last year (2,262 notifications were received in 2021 as opposed to 1,119 received in 2020). Where possible (e.g. where the subject is examined digitally through NCEA Online) we encourage students to take that route.

We continue to engage with the Ministry on the future development of SAC and implications for the changing NCEA environment. This includes the SAC action plan. Note that SAC is most effective when it follows both a structured programme of learning support in the time leading up to NCEA, and a correct diagnosis of the specific need (for example it is not an undiagnosed learning gap).

*An NZQA cross-business unit group is being established to work on the operationalisation of Universal Design for Learning principles and accessibility in the assessment environment, including culturally inclusive practices. 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; Letter of Expectations theme: Supporting equitable outcomes for all*

## Te Hono o Te Kahurangi

Te Hono o Te Kahurangi applications continue to be steady as Tertiary Education Organisations (TEOs) and wānanga prepare for the 2022 academic year.

We continue to work with our external evaluation team to finalise the updated consistency guidelines and the External Evaluation and Review (EER) indicators for Te Hono o Te Kahurangi.

We have been working with the Ministry to complete the quality assurance of standards to be piloted as part of the RAS (and in particular Te Marautanga O Aotearoa standards), as well as checking New Zealand Curriculum standards for mana ōrite mō te mātauranga Māori in NCEA. This work will continue into 2022 with an increase in the number of subjects and, therefore, standards planned.

*Supports: 1.1.2 Whānau and education organisations are engaged and confident in supporting learners; Letter of Expectations theme: Supporting equitable outcomes for Māori*

## Ensuring quality customer experience

### Customer Experience Improvement Programme

Our vision for the Customer Experience Improvement Programme is to encourage lifelong learning by creating personalised online experiences that are accessible, equitable, and useable for everyone.

Work on the new website has progressed and the first section to be released is our international content. The website is now live (but not discoverable) and reusable design features are being developed and are available in production for the content creators to use.

We continue to conduct user testing with our customers to ensure we obtain valuable insights and feedback on the designs we are creating.

Our design vendors incorporate accessibility principles into their designs and builds and work closely with an accessibility company ensuring they develop work in line with government standards. Our testers and content writers are also incorporating accessibility throughout their processes.

Procurement for the Customer Relationship Management (CRM) system vendor is being finalised and a preferred vendor has been selected. The CRM will assist us to consolidate customer information and interaction history.

*Supports: 1.1.1 Customer experience informs the delivery of NZQA services; Letter of Expectations theme: Supporting equitable outcomes for Māori; Delivering more equitable products and services for all; Transforming products, services, and delivery for the future*

## Success indicators supporting Outcome 1

SOI #	Indicator	Measured by	Current results
SOI 1.1a	Feedback from customer groups demonstrates ease of access to our services	The likelihood to recommend and/or speak positively about NZQA services	<p>The year-to-date Net Promoter Score of 19.6 reflects the views of the 760 respondents who have completed our customer satisfaction survey.</p> <p>A link to the survey was sent to customers who contacted us via our email forms from July 2021 to the end of November 2021, and who did not opt-out of being invited to complete the survey.</p> <p>Survey respondents are stakeholders including employers, education providers, students and whānau.</p> <p>A score of 19.6 is considered a good score.</p>



SOI #	Indicator	Measured by	Current results
			Note: The result for this measure varies depending on who has answered the survey and the issues that may have arisen at the time.
SOI 1.1b	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 insights are informing the service design, website design and build of the redeveloped NZQA website and digital services such as logged-in customer portals. Key stakeholder reviews and feedback is occurring iteratively throughout the programme. Equity for Māori and Pacific customers is a key focus for the programme and we are working closely with an indigenous design agency and Pasifika designer.
SOI 1.2	Strong partnerships with NZQA drive improvements in equity	Māori and Pasifika learner participation in STEM, digital assessment and mātauranga Māori qualifications	<p>We support the mahi of the Pūhoro STEM Academy to increase Māori student participation in science, technology, engineering and mathematics related subjects.</p> <p>The Engineering Young Māori Minds (EYMM) initiative is delivered in Auckland, Hawkes Bay, Manawatū and Christchurch and involves up to 600 Year 9 and 10 rangatahi Māori. Schools compete in science and engineering challenges based on pūrākau Māori (Māori legends and stories). The intention is to inspire and excite young people to pursue STEM pathways.</p> <p>COVID-19 restrictions meant that the scheduled EYMM events were deferred into 2022 and will be offered in Waikato as well as the current four locations.</p> <p>Ākonga Māori will benefit from the proposed changes to the NZQF, which include acknowledgement of mātauranga Māori as a valued knowledge system with the progressive inclusion of mātauranga Māori in all qualifications and the use of ngā mātāpono to underpin the framework.</p> <p>Talanoa were held with the NZQA Taupulega (Pacific Advisory Group) to understand how to increase Pacific participation in NCEA Online (digital exams) with feedback being used to inform NCEA Online strategies and approaches for Pacific learners and families.</p> <p>NCEA Online data will be disaggregated by ethnicity, region, and school to identify Māori and Pacific focus communities for 2022.</p>

## Our work that supports both Outcomes 1 and 2

---

### Te Kōkiritanga/Takiala Pasifika 2020-2023

NZQA has two strategic action plans that are focused on improving equity for Māori and Pacific learners, Te Kōkiritanga 2020-2023 and Takiala Pasifika 2020-2023. The plans were published in 2020 and run until 2023. The information below provides a six-month view of progress made in 2021-2022. Both plans are published on our website. It is worth noting that many of the actions change yearly.

Te Kōkiritanga 2020-2023 outlines our commitment to work with education system agencies in achieving equity for ākonga Māori and their whānau. It reaffirms NZQA's commitment to the Crown's obligations to Te Tiriti o Waitangi and the principles of partnership, protection and participation.

Takiala Pasifika 2020-2023 outlines our commitment to enabling Pacific learners, families and communities to achieve their aspirations.

#### Overview of progress

Highlights of progress this quarter include: the establishment of Māori and Pacific student voice groups to provide key stakeholder voice insights; proposed inclusion of mātauranga Māori in the New Zealand Qualifications Framework (NZQF); PACER Plus project phase one completed with Pacific nations plans' developed for qualifications recognition and labour mobility; co-design of new NZQA website underway using indigenous Māori and Pacific design expertise; increased uptake of online NCEA workshops for parents and families; and strengthened interagency partnerships focused on increasing and improving equitable access, engagement and outcomes for Māori and Pacific learners.

Although progress has been made, there is more to be done. NZQA initiatives must be tailored and respond to the needs of Māori and Pacific learners as a one-size fits all approach will not achieve our equity objectives in the required timeframes. A key enabler is increasing the number of Māori and Pacific staff and leaders across our organisation. Equally important is ensuring that all non-Māori and non-Pacific staff can strengthen their cultural capability and confidence to address bias and racism in the system and make necessary changes to achieve equity. Actions must also be specific, measurable, achievable and time bound. In the next quarter, our internal working groups will be evaluating progress made and identifying next steps, including resourcing requirements to ensure that the

commitments outlined in Te Kōkiritanga and Takiala Pasifika are delivered by June 2023.

#### Supporting ākonga Māori and Pacific learner success

During the year, we co-hosted a series of online education fono alongside the Ministry of Pacific Peoples (MPP) and education interagency partners including the Ministry, the Tertiary Education Commission, the Education Review Office and Teachers Council.

A total of three online fono were held including an Auckland Youth and National Education fono. The fono were very well attended with hundreds of Pacific attendees at each. Pacific students, parents and families were provided with information and resources and had the opportunity to ask any specific questions and/or raise concerns. These fono allowed us to share key messages and information about NCEA Learning Recognition Credits and other support mechanisms that are in place for senior secondary students.

We are supporting MPP to implement the pilot Study Ako digital hub in South Auckland. Over 90 Pacific students from low decile schools have participated in the online workshops. In addition to the exam preparation support provided to these learners, the Pacific mental health provider Le Va is also offering wellbeing support to students involved in the Study Ako pilot.

We supported the Ministry to produce a 'Whānau Toolkit' designed for parents and whānau to communicate the NCEA changes. NZQA will support the distribution of the Whānau Toolkit via our NCEA ma le Pasifika and NCEA me te Whānau workshops.

During the year, NCEA information and resources have been shared at Pacific events. These have included Pasifika Fusion in Palmerston North, Hutt Fest in Lower Hutt and Northern Region Polyfest in Porirua. Approximately 4,000 students and families were engaged across these key events.

Plans have progressed to develop a second STEM it Up! resource. We are targeting Polyfest 2022 as an event to launch this new resource.

*Supports: 1.2.3 Māori and Pasifika learners benefit from innovative partnerships; Letter of Expectations theme: Supporting equitable outcomes for Māori*

## Te Whakapakari Tāngata/Tamata

To deliver on our focus on equity of access and outcomes for ākonga Māori requires a culturally competent workforce who can appropriately engage with and respond to our Māori customers. One way that we support staff cultural development is through our te reo Māori initiatives.

We aim to have te reo learning plans in place for all staff with 84% of staff having a plan in place at the end of this quarter. To complement our te reo Māori initiatives, we will continue to roll out 'Te Tipuranga Reo Māori' workshop in 2022. This workshop is tailored specifically for NZQA business units and is informed by their engagement with Māori stakeholders.

In quarter two we rolled out two Ngā Mātāpono (NZQA corporate values) workshops. Te Tiriti o Waitangi and te reo Māori workshops are planned for delivery in 2022.

### Tamata

In this quarter we delivered two cultural intelligence workshops to 32 staff. Staff valued the opportunity to further grow and strengthen their understanding of Pacific knowledges, worldviews and lived experiences and how this can inform their work.

Teams can request these workshops on a team basis which adds to the cultural development delivery to new starters.

*Supports: 1.2.1 NZQA is a te reo Māori learning organisation; Letter of Expectations theme: Supporting equitable outcomes for Māori*

## Showcasing student achievement

### Ringa Toi Student Exhibition

Ringa Toi is an annual exhibition that showcases the artwork of secondary school students with a focus on Toi Māori. The in-person 2021 event was cancelled, due to the disruptions caused by COVID-19.

To provide exposure for the young artists an online album<sup>2</sup> is now live at the NZQA website showcasing the 2021 exhibition. We are also profiling the student artists and their kura at the Ringa Toi Facebook page.

*Supports: 1.2.2 Mātauranga Māori is advanced to support learners; Letter of Expectations theme: Supporting*

<sup>2</sup> <https://www.nzqa.govt.nz/about-us/events/ringatoi/ringa-toi-2021/>

## NCEA online

### Digital assessment is improving accessibility for all learners

NZQA successfully delivered end of year digital external assessments to New Zealand's ākonga. This year, a total of 24 digital subjects were offered through NCEA Online across 68 sessions.

NZ Scholarship Media Studies was successfully offered digitally for the first time this year, with 62 students completing the assessment in this mode.

Scanning of most end of year paper student responses is also another first for NCEA Online where the scanned responses were marked on-screen. Marked student responses are being returned to candidates digitally, accessed through their NZQA Learner login.

With scanning, two immediate improvements for schools and students are for:

- students being able to see their marked scripts a few days after results release (normally one to three weeks after); and
- NZQA to be able to release the marking schedule soon after results release, instead of having to wait until the Reviews and Reconsiderations process is completed in May.

Having heard that Māori students would like to hear as well as read the content of an exam, we implemented voice over instructions in the 2021 Te Reo Rangatira digital practice exams and end of year digital exams.

As at the end of year external assessments, the following digital assessment summaries and achievements are worth noting:

- 341 separate exam centres entered to participate with 311 having completed sessions;
- Otago had the best region completion rate with 71.3%, followed by the West Coast with 65.2% and Hawkes Bay with 64.3%; and
- the best subjects for student assessment completion were English with 18,973 students completing, followed by History with 5,863 students and Media Studies with 1,943 students.

Completed assessments in the digital assessment platform can be attributed to 311 schools and 26,290 students. This is a 25% increase in schools from 2020 and a 16% increase in students.

Over 30,000 students participated in all digital assessments offered in 2021, including RAS mini-pilot assessments, Te Ao Haka mini-pilots, the Literacy, Numeracy | Te Reo Matatini me te Pāngarau mini-pilots (including nearly 1000 students for the Numeracy assessment) and digital practice exams (11,782 students).

Quality assured participation data with additional ethnicity, decile and other analyses will be available at the end of Quarter 1 2022/23.

In 2021, we carried out a range of research and innovation projects covering remote examination supervision, automated essay scoring, marker responses to scanned and digital exam responses, commissioning Massey University to investigate the use of digital pens in assessment.

The NCEA Online programme is scheduled to be completed in 2022. A transition governance group has been established to ensure a smooth and successful transition of digital assessment to business as usual.

#### Accessibility

We continue to make improvements to our digital assessment environment, including:

- validating a list of assistive technology commonly used by ākonga and creating a framework to enable ākonga to use their assistive technology in their assessments (current);
- improving compliance with web content accessibility guidelines (future);
- embedding audio into digital language assessments, with ākonga able to use headphones (future); and
- making text-to-speech available in te reo Māori (future).

*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 and additional learning needs are supported; 2.1.2 Learner voice informs digital assessment methods and builds confidence and engagement in attainment; Letter of Expectations theme: Supporting system priorities*

## Building sector capability

### Leading National Assessment seminars / Assessment guidance

NZQA continues to promote our case studies on innovative assessment and to respond to assessor queries about innovative approaches to assessment.

We are supporting the development of internal assessment activities for the Ministry-led Review of Achievement Standards (RAS).

We are currently consulting with schools about future assessor support options which may include pre-moderation of innovative assessment.

Planning is underway for the 2022 Leading National Assessment Seminars, whose theme will be managing the balance between regulation and support. In parallel with these seminars, NZQA will also be running design workshops to seek sector input into the refreshed Managing National Assessment review cycle, also focusing on the balance between regulation and support.

*Supports: 2.1.1 Innovative assessment practices enable learners to make connections across learning areas; Letter of Expectations theme: Ensuring the delivery of BAU*

### Sharing best practice

NZQA has sent out posters and leaflets to all schools promoting our new assessor support offerings including online learning via Pūtake (our Learning Management System), workshops and speakers. This includes the Transforming Assessment Praxis programme which includes integrated assessment and how to recontextualise assessment.

Planned fono settings (face-to-face moderation panel meetings) to support contracted moderators of Pacific languages were cancelled as the Auckland-based moderators were under COVID-19 lockdown. Moderation and support were conducted online. We are planning on two to three face-to-face fono next year.

We are also planning a fono to develop online material specifically focussed for Pacific languages and Pacific studies teachers as part of the Transforming Assessment Praxis programme in quarter four. This fono was originally scheduled for quarter two but was postponed due to the latest COVID-19 outbreak.

*Supports: 2.1.1 Innovative assessment practices enable learners to make connections across learning areas; Letter of Expectations theme: Ensuring the delivery of BAU*

## COVID-19 resilience in the secondary sector

NZQA continue to support the Ministry's response to COVID-19 disruptions and to monitor the impacts of COVID-19 across New Zealand on our learners. School relationship managers have been in close contact with their respective schools since the commencement of lockdown.

The 2021 examination round was successfully executed, though with lower than usual attendance in Auckland. An analysis of the effectiveness of the 2021 COVID-19 response will be done in partnership with the Ministry after the results release in early 2022. This analysis will inform planning for potential disruptions in 2022, just as the analysis of the 2020 response informed 2021.

*Supports: 2.2.1 The NZQF facilitates lifelong learning; Letter of Expectations theme: Supporting sector resilience toward adverse events*

## COVID-19 resilience in the tertiary sector

We continue to support tertiary education providers as they work within COVID-19 restrictions to ensure the safety and wellbeing of students. Examples include rescheduling compliance activities and offering Private Training Establishments (PTEs) an 'inactive' period, approving applications for online delivery, sending out information to PTEs as COVID-19 alert levels change and keeping our website information up-to-date.

*Supports: 2.2.1 The NZQF facilitates lifelong learning; Letter of Expectations theme: Supporting sector resilience toward adverse events*

## Changes supporting the education work programme

### Reform of Vocational Education (RoVE)

In October 2021, relevant qualifications and unit standards, along with staff, were transferred to the Workforce Development Councils (WDCs). Since then, the focus for Ngā Poutoko Aromatawai Māori has been on building and maintaining relationships with the WDCs.

We continue to support some 'inflight' projects for WDCs while they are being established.

NZQA is working with WDC representatives to establish a sector working group to progress the design of Skills Standards. Membership will include representation from WDCs and other stakeholders.

*Supports: 2.2.1 The NZQF facilitates lifelong learning; Letter of Expectations theme: Supporting system transformation*

## Implementing NCEA Review changes

During this quarter, NZQA continued to work with the Ministry on implementing the NCEA Change Programme.

In addition to the work on the RAS standards and mini-pilots and the Literacy and Numeracy | Te Reo Matatini me te Pāngarau mini-pilot, we also provided advice and comment to the Ministry on their options and policy work in developing the Vocational Entrance Award.

*Supports: 1.1.3 Learners access qualification pathways that are right for them; Letter of Expectations theme: Supporting system transformation*

## Supporting Te Reo Matatini me te Pāngarau | Literacy and Numeracy

The pilot assessments for Te Reo Matatini me te Pāngarau | Literacy and Numeracy were deferred from September to the last week of October in response to COVID-19. The assessment window was also extended by a week to enable affected schools and kura to participate if their students were in a position to do so.

Due to COVID-19 restrictions, only 61% of our original pilot schools, kura and tertiary institutes participated in the 2021 pilot assessments. 1,144 ākonga / students from 11 schools and kura participated in assessments for one or more of the five standards, with a total of 2,313 entries. Nearly 1000 students completed the Numeracy assessment on the NCEA Online platform.

Results from the pilot assessments were released in early December 2021. The evaluation process is underway, and results will be used to inform improvements to standards and assessment activities and to identify areas of weaknesses in students' knowledge and skills on which to focus teaching and learning.

Planning is underway with the Ministry for the 2022 pilot, with 217 schools and kura participating. Over 400 attendees attended an orientation webinar in November. We will engage again early in 2022.

*Supports: 1.1.3 Learners access qualification pathways that are right for them; Letter of Expectations theme: Supporting system transformation*

## Supporting the Review of Achievement Standards (RAS)

We continued to support the development of the RAS and management of the mini-pilots for the four Level 1 New Zealand Curriculum (NZC) subjects (Religious Studies, English, Science and Visual Arts) and Te Ao Haka (TAH) Level 1-3 standards. Final grades for the three NZC and one TAH assessments, held in

November, will be available to students with the release of NCEA results in January 2022.

We also supported the progressive evaluation of the RAS mini pilots throughout the year. The final report is due end of January 2022.

We continued to provide assessment expertise and advice in the development of the non-pilot Level 1 standards to support the Ministry's NZC Subject Expert Groups and as part of the Wānanga to develop standards for the nine wāhanga ako of Te Marautanga o Aotearoa (TMOA).

Our Quality Assurance division undertook the final quality assurance of the draft standards so they can be listed on the Directory of Assessment Standards as 'pilot ready' for the 2022 mini-pilots. This process included an evaluation of the TMOA standards to ensure a te ao Māori perspective, and of the NZC standards to ensure mana-ōrite mō te mātauranga Māori was being embedded validly and appropriately.

Planning advanced for the 2022 delivery of the NCEA Level 1 mini-pilots:

- 116 achievement standards across 29 NZC subjects;
- eight achievement standards across two NZC Kaupapa Ako Māori subjects;
- 36 achievement standards across nine TMOA subjects; and
- five unit standards across Literacy and Numeracy | Te Reo Matatini me te Pāngarau.

We also redeveloped the support model for pilot kaiako and teachers ahead of the 2022 pilots. Most recently, we worked closely with the Ministry to onboard to our online collaboration space (Te Aka) teachers from the 263 pilot kura and schools.

*Supports: 1.1.3 Learners access qualification pathways that are right for them; Letter of Expectations theme: Supporting system transformation*

## Our work that supports Outcomes 2: New Zealand qualifications enable lifelong learning

---

### Student wellbeing through the codes of pastoral care

#### The Code

We continue monitoring compliance with the current international and interim domestic Codes in response to the changing COVID-19 alert levels and the introduction of the COVID-19 Protection Framework.

A key focus this quarter has been actively supporting providers to prepare for the new Code which is effective from 1 January 2022. Our work has included:

- running workshops to provide an overview of the new Code;
- publishing guidance and other tools to assist providers understand the requirements of the new Code;
- surveying tertiary providers to gauge readiness for the new Code and inform NZQA's approach to capability building; and
- publishing for the first time a Code Administrator Plan outlining how NZQA intend to deliver on its administrator responsibilities in 2022.

*Supports: 2.2.2 Quality assurance provides trust and confidence in New Zealand credentials and qualifications; Letter of Expectations theme: Supporting student wellbeing and success*

### Ensuring qualifications are fit for purpose

#### Assessment and Aromatawai Principles

We sought further feedback from selected stakeholders on the *Aromatawai and Principles of Assessment document*. We are in discussion with WDCs to meet with their Community of Practice for Quality Assurance group early in the new year. We expect NZQA Board approval of the finalised Principles in March, and aim to have the document published in early April 2022.

*Supports: 2.2.1 The NZQF facilitates lifelong learning; Letter of Expectations theme: Supporting system transformation*

#### International recognition

##### International work that supports qualification recognition

Through our continued engagement with other jurisdictions on qualification recognition and quality assurance, New Zealand can influence and support the developing regional approaches. In this quarter our work included:

- working with the Ministry on a response to the UNESCO invitation to New Zealand to join the Global Convention on the Recognition of Qualifications concerning Higher Education - participation in this treaty would help New Zealand to maintain the relevance of its qualifications at a time of significant changes in tertiary education;
- presenting to the APEC Education Network and the Association of South East Asian Nations (ASEAN) countries workshop; and
- representing New Zealand at the virtual annual meetings of the UNESCO Tokyo Convention Committee and the Asia-Pacific Network of National Information Centres (APNNIC).

##### PACER Plus project: improving labour mobility and employment through improved systems for qualification recognition

We have continued to develop the draft regional plan and the nine Pacific Island countries (PICs) plans. These plans will inform the business case which is due at the end of this financial year. The focus of the plans is strengthening the relationships between national and regional qualification frameworks, quality assurance practices, and the underpinning information systems.

To progress the work, we hosted a regional online fono with senior education and trade officials from eight of the nine PICs along with MFAT diplomats and New Zealand-based staff working on the project.

We presented to the Pacific Labour Mobility Annual Meeting (PLMAM) 2021 on enhancing the mobility and skills of Pacific workers through skills recognition in the Pacific. This virtual forum was hosted by the Government of Samoa.

*Supports: 2.2.3 Greater qualification recognition enables mobility; Letter of Expectations theme: Ensuring the delivery of BAU*

## Micro-credentials

We continue to receive a steady number of applications for micro-credentials in fields such as health, veterinary, food and beverage, building and infrastructure and corporate services.

We intend to develop and publish an insights paper to share information about the evolution and use of micro-credentials as part of a relevant, modern, and authentic qualifications system, specifically to increase the engagement of industry and providers in developing and using micro-credentials.

*Supports: 2.2.1 The NZQF facilitates lifelong learning; Letter of Expectations theme: Supporting system transformation*

## New Zealand Qualifications Framework Review

We continued the development of a values-based, bicultural perspective for the New Zealand Qualifications Framework (NZQF). We have explored whether the mātauranga underpinning Te Hono o Te Kahurangi quality assurance could also underpin qualifications. We are preparing to consult for a final time on proposed changes to the NZQF early in 2022.

Our ongoing engagements with key stakeholders have indicated strong support for progressively strengthening the focus of mātauranga Māori in qualifications. However, some reservations and concerns have been noted about the support, capacity and capability required for this to be achieved authentically.

Work is on track to rename the NZQF as the New Zealand Qualifications and Credentials Framework (NZQCF) as proposed in the amendment to the Education and Training Act.

*Supports: 2.2.1 The NZQF facilitates lifelong learning; Letter of Expectations theme: Supporting system transformation*

## Qualification recognition

NZQA is New Zealand's designated National Education Information Centre (NEIC) under two UNESCO regional conventions for the recognition of qualifications – the Lisbon and Tokyo Conventions.

To support international education and to improve the information we provide as an NEIC, we added an International section to our website<sup>3</sup>. The changes to the website make it easier to find information about New Zealand qualifications,

qualification recognition processes, and how NZQA supports qualifications recognition. The refreshed information also informs people about using overseas qualifications for enrolment and employment decisions.

The website work also supports New Zealand students affected by the pandemic to use New Zealand qualifications (including NCEA) overseas.

*Supports: 2.2.3 Greater qualification recognition enables mobility; Letter of Expectations theme: Ensuring the delivery of BAU*

## Performing our regulatory functions

### Quality assurance

#### Approvals and accreditations

There appears to be an upward trend in applications for subcontracting as providers work together to share costs and resources. This may lead to a reduction in applications for new programmes from providers going forward, however more analysis over time will be required.

We continue to see applications for online offshore delivery, possibly in response to providers managing uncertainty about the duration of border closures and changes in tertiary education arising from RoVE.

Te Pūkenga has submitted their first application for a unified programme for delivery across multiple subsidiaries.

All but one of the panel processes required for degree applications this year have been completed online rather than onsite. The effectiveness of running panels online will be reviewed in the next quarter to inform our future practice.

There was an increase in Transitional Industry Training Organisation (TITO) applications due to qualifications and standards being updated for the transfer to WDCs on 4 October.

#### Monitoring and assessment

We have completed 29 monitoring activities with 23 (79%) meeting or partially meeting the monitoring criteria. Some monitoring activities have been postponed due to regional COVID-19 alert levels.

<sup>3</sup> <http://www.nzqa.govt.nz/international>

This year our priorities include moderation of targeted information technology and health programmes, as well as monitoring providers granted permanent approval to deliver programmes online to learners based offshore. We continue to monitor provider's internal moderation systems which provides valuable insights into the quality of assessment and moderation across a wide range of programmes.

To support good practice in the sector we are preparing to publish our findings and recommendations from monitoring the programme review processes for providers offering the New Zealand Certificates in Foundation Skills and Career Preparation.

#### Evaluation

Almost all External Evaluation and Reviews (EERs) continue to be conducted online due to restrictions in place arising from COVID-19. Stakeholder feedback and internal quality assurance confirm that this change in mode has not affected quality or timeliness.

We have deferred the EERs of some PTEs, on a case-by-case basis and after considering the risk to learners and the Crown. This supports particularly those PTEs reliant on international students and affected by closed borders.

EER results continue to mirror recent years with over 80% of TEOs attaining Category 1 or 2 status. Overall, we see improved access for priority learners but mixed improvement in achievement rates shown through course completions and qualifications. We will review the data to identify reasons and share good practice when it occurs.

Reports for the targeted evaluations of Te Pūkenga subsidiaries have now been published. The results indicate generally strong performance in the polytechnic sector, as well as some opportunities for improvement in standardising good assessment and moderation practice.

The scheduling of Assuring Consistency Review (ACRs), undertaken to provide confidence in the equivalence of graduates of New Zealand qualifications, has been affected by the capacity of the newly formed WDCs to participate fully. However, the overall impact on the review schedule has been less than anticipated. As with EERs, all ACRs are now run online. The sector has supported this shift as it is easier for key staff to participate. The quality of recent self-assessment submissions for ACRs indicates that NZQA's work to improve and expand guidance for self-assessment has been effective.

Despite disruptions to the EER and ACR workflow, all measures for timeliness, volume and quality continue to be met.

#### Risk management

We have seen an increase in the number of concerns and complaints from students, staff, industry, and the public compared with last year. Further analysis is underway to identify the key issues and ongoing trends.

The most significant risk facing the PTE sector continues to be financial viability and maintaining business continuity especially for those PTEs delivering primarily to international students. PTEs without students are at risk of having their registration lapse because they are not able to meet the legislative requirements to deliver at least one approved programme, training scheme, or micro-credential within a 12-month period unless an exemption or extension is approved by NZQA. To manage this, we have developed a process for PTEs to apply for an extended period of inactivity resulting from a significant event (such as a pandemic).

We are reviewing our investigation and monitoring processes and practices to incorporate changes coming from the reform of vocational education and the implementation of the new Code of pastoral care for students.

We continue to work with TEOs on active correction to address issues or concerns as they arise, thereby reducing the need for statutory action.

*Supports: 2.2.2 Quality assurance provides trust and confidence in New Zealand credentials and qualifications; Letter of Expectations theme: Ensuring the delivery of BAU*

## Supporting and building our internal capability

### Our good employer activities, including diversity and inclusion

We are progressing our diversity and inclusion activities and have begun scoping further initiatives and planning in line with Papa Pounamu.

We have managed all of our employment relations matters in line with the good employer expectations as set out in the Employment Relations Act 2000.

### Our People Plan

This quarter we launched a new People Strategy, which has an 18 month delivery horizon. Scoping of some deliverables has begun.

### Risk management

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

The Strategic Leadership Team monitors risks monthly and reports them to the Board according to the mitigated level of risk.

Risks affecting the strategic, operational, and transformational objectives of NZQA are systematically identified, assessed and treated as an integral part of doing business, in accordance with a defined risk appetite. Our goal is to achieve

sustained benefit through improved decision-making, performance and accountability.

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

## Success indicators supporting Outcome 2

SOI #	Indicator	Measured by	Current results
SOI 2.2	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	<p>We continue to support the Ministry's teacher supply initiatives through ongoing maintenance and a quarterly review of the Pre-approved Overseas Teaching Qualifications List. The list assists people that hold relevant overseas qualifications to move through the system faster.</p> <p>We are also working closely with the Ministry on the Teacher Border Exception project which has been established to support the entry of qualified teachers to work in New Zealand. To date we have reviewed approximately 60 applications.</p> <p>To improve the processing efficiency and the quality of qualifications recognition outcomes, we have undertaken a review of our qualification recognition operating model. Changes to systems and staffing are now underway and we expect these will be embedded by April 2022.</p>

# Financial Information

## Financial KPIs<sup>1</sup>

	Actual	Target
Total Revenue	\$62,145,614	\$64,088,263
Total Expenditure	\$50,242,467	\$64,568,178
Net Surplus/(Deficit)	\$11,903,147	-\$479,915
Cash against current debt ratio	3.72:1	1.10:1
% of Staff Cover Costs to Direct Personnel Costs	1.24%	3.00%
Cash Available for Capital Investment (Excl Future Depreciation)	\$14,027,383	\$9,683,000
Net Capital Investment	\$7,693,523	

## Consolidated Financial Report to the Board

	Month			Year to Date			Full Year	Full Year
	Actual Dec	Budget Dec	Variance Dec	Actual Dec YTD	Budget Dec YTD	Variance Dec YTD	SPE Budget 2021/22	Forecast 2020/22
<b>REVENUE</b>								
Crown Revenue	5,569,500	5,569,500	-	46,826,505	46,826,505	-	74,968,000	83,287,481
Fees And Charges	2,462,852	3,214,958	(752,106)	14,604,347	16,573,414	(1,969,067)	26,722,167	25,505,955
Interest Revenue	52,216	40,000	12,216	243,819	210,000	33,819	369,000	489,371
Other Income	15,445	3,543	11,902	470,943	478,344	(7,401)	892,351	851,688
<b>Total Revenue</b>	<b>8,100,013</b>	<b>8,828,001</b>	<b>(727,988)</b>	<b>62,145,614</b>	<b>64,088,263</b>	<b>(1,942,649)</b>	<b>102,951,518</b>	<b>110,134,496</b>
<b>EXPENDITURE</b>								
Personnel & Board	5,688,213	10,948,697	5,260,484	27,519,111	33,861,582	6,342,472	57,320,377	60,053,045
Specialist Workforce	3,171,009	6,011,049	2,840,040	4,399,629	11,203,219	6,803,590	12,140,637	13,750,033
Professional Services	962,361	730,996	(231,365)	6,457,839	5,622,275	(835,564)	9,601,020	14,734,243
ITO Moderation Fees	(0)	306,575	306,575	682,034	1,738,276	1,056,242	3,452,746	682,034
Publ, Print & Distrib	763,637	697,294	(66,343)	3,079,420	3,058,873	(20,547)	4,216,095	3,811,207
Other Operating	1,565,085	1,692,186	127,100	6,309,990	7,188,051	878,061	15,483,840	16,448,019
Depreciation	296,275	417,957	121,682	1,794,444	1,895,901	101,457	3,815,897	3,735,007
<b>Total Expenditure</b>	<b>12,446,580</b>	<b>20,804,754</b>	<b>8,358,174</b>	<b>50,242,467</b>	<b>64,568,178</b>	<b>14,325,711</b>	<b>106,030,611</b>	<b>113,213,588</b>
<b>Net Surplus/(Deficit)</b>	<b>(4,346,567)</b>	<b>(11,976,753)</b>	<b>7,630,186</b>	<b>11,903,147</b>	<b>(479,915)</b>	<b>12,383,062</b>	<b>-3,079,092</b>	<b>-3,079,092</b>

1

- Current Ratio equals: Total Current Assets to Current Liabilities as a ratio. Target is a minimum.
- % of Staff Cover costs to direct Personnel costs is spend on independent contractors used for staff backfill compared to all other staff costs. Target is a year-end maximum.
- Cash Available for Capital Investment equals Total Taxpayers funds less Non-Current Assets. This represents the amount of funding NZQA has available to invest in fixed assets, or other organisation development over and above current year depreciation. Target is a year-end target.
- Net Capital Investment = Non-Current Assets

## Commentary: NZQA Overview

The YTD net Surplus is \$11.903M against a main budget deficit of \$0.480M giving a favourable variance

of \$12.383M. However, the variance is largely due to lower expenditure being incurred in December due to the deferral of the NCEA examinations by two weeks arising from COVID's impact on the exam cycle, that is expected to substantially reduce by February 2022.

## REVENUE

Revenue for December YTD is \$62.146M against the main budget of \$64.088M being \$1.943M (3.0%) below the main budget.

Fees and Charges are \$1.969M below budget, this was mainly due to the following reasons:

- Examination Fees are \$0.531M below budget. This is mostly due to a reduction in examination fees received from international students, although an invoice will be issued to schools in January/February for the final international student enrolment numbers for the recent NCEA and scholarships exams.
- Credit Fee revenue was \$0.309M below budget. This was driven by lower than budgeted number of credits reported through to NZQA by TEOs. The overall credits reported from July/August and Oct/November were comparable to previous year's returns. However, in September there was a significant drop in credits reported from ITOs and PTEs which has resulted in this unfavourable variance. Based on the last quarter (October-December) volumes, NZQA is now forecasting that the future months' credit reporting will return to normal position. NZQA will continue to monitor this trend closely and provide further updates in future monthly reporting cycles.
- Qualification Assessment Fees are \$0.797M below budget. This is due to a significant reduction in applications received compared to last year. A right sizing of this business unit has been implemented in December to account for this medium to long term anticipated reduction.
- Approval and Accreditation revenue is \$0.200M below budget due to a lower volume of chargeable applications being processed compared to the previous year due to the ongoing impact of Covid and the Reform of Vocational Education (RoVE). This has particularly reduced the level of programme approvals received compared to the previous year. As new processes are established under ROVE the level of applications is expected to increase.
- External Evaluation revenue is \$97,118 below budget as the timing of several EERs have been shifted to later in the future to accommodate some providers due to Covid lockdowns and also those heavily affected by the lack of international students. This has now been reflected in the latest forecast track.

## EXPENDITURE

Expenditure for December YTD is \$50.242M against the main budget of \$64.568M being \$14.326M (22.1%) below the main budget. However, the favourable variance (circa \$10M) is expected to be largely a timing variance due to NCEA examinations been deferred for two weeks due to COVID restrictions.

### Personnel and Board is \$6.342M below budget

Personnel and Board is below budget due mainly due to the following:

- Salaries are \$1.128M below budget because of vacancies across NZQA which are currently being recruited for.
- Wages are \$5.296M below budget due to costs for examiner centre managers being \$5.276M below budget. This was attributed to NCEA examinations been deferred for two weeks due to Covid restriction as per the Ministry directive. These costs will be incurred in January rather than December as initially anticipated, and the variance is therefore temporary.

### Specialist Workforce is \$6.804M below budget

Specialist Workforce (SWF) is below budget mainly due to the following:

- SWF costs for Secondary Examination are \$5.014M below budget. This was mostly attributed to

NCEA examinations been deferred for two weeks due to Covid restriction as per the Ministry directive. This is therefore a temporary variance with costs to be incurred January and February, although these costs are likely to be lower than budgeted based upon the lower attendance of students at examinations held to date.

- SWF costs for the Review of Achievement Standards are \$1.137M below budget due to the revised programme plan as announced by the Ministry. The programme timeframe and deliverables have now been revised and reflected in the in forecast track.

#### Professional Services are \$0.836M above budget

Professional Services are below budget mainly due to the following:

- Organisational Performance and Insight costs are \$0.544M above budget due to work completed on the CXIP project which has been rephased in the forecast based on the signed contract with the vendor (Silverstripe).
- Reform of Vocational Education (ROVE) costs are \$0.121M above budget due to work completed on the Qualifications and Credentials repository (QCR) which has been rephased in the forecast based on the signed contract with the vendor (Provoke).

#### ITO Moderation Fees are \$1.056M below budget

The contribution for moderation fees is no longer being paid to ITOs since the disestablishment of Industry Training Organisations (ITOs) in October. This will be a permanent difference due to changed roles in the new VET system and has been reflected in the forecast exercise in November. NZQA will look for opportunities to reduce the associated Credit Reporting Fees.

#### Other Operating is \$0.878M below budget

Other Operating is below budget due to the following significant items:

- Travel and accommodation costs for the organisation are \$0.629M below budget. This is spread across multiple cost centres of NZQA and is mostly due to deferred meetings with external parties, with COVID being a significant reason.
- External catering costs (\$69,150) and Meeting expenses (\$97,709) were also below budget for the year due to the same reason.

#### Forward Looking

The first forecast for 2021/22 has now been finalised. This new forecast track reflects salary movements from the performance round and updated technical volume assumptions across revenue and expenditure. The November Forecast has a \$ 3.079M net deficit position, which is unchanged from the phased Main Budget position.

Savings from the forecasting round have been reprioritised by the Management to new project work such as the Customer Experience Improvement Programme (CxIP), Chatbot, ECMS initiatives plus additional resources to support Client Experience and the equity work programme.

The outlook for the budget remains tight, with specific areas of focus being on the NCEA Online, Review of Achievement Standards, the Reform of Vocational Education (RoVE) and Customer Experience Improvement Programme (CxIP) initiatives. These are high value projects that are susceptible to potential cost and scope pressures; and therefore, may significantly influence the full year financial outturn.

The management team is actively monitoring the progress of high-risk projects and managing the budget towards the expected year end operations target as per the Board's approval.

## Balance Sheet

	Actual (\$000) 31st December 2021	Opening (\$000) 30th June 2021	Movement (\$000)
<b>Current Assets</b>			
Cash and Bank	5,173	3,472	1,701
Short Term Deposits	45,500	32,000	13,500
Debtors and Other Receivables	5,022	5,026	(5)
<b>Total current assets</b>	<b>55,694</b>	<b>40,498</b>	<b>15,196</b>
<b>Non-current Assets</b>			
Fixed Assets	6,630	7,839	(1,209)
Work in Progress	1,064	1,000	63
<b>Total non-current Assets</b>	<b>7,694</b>	<b>8,839</b>	<b>(1,145)</b>
<b>TOTAL ASSETS</b>	<b>63,388</b>	<b>49,337</b>	<b>14,051</b>
<b>Current Liabilities</b>			
Creditors and other payables	13,283	10,389	2,894
Provisions for employee entitlements	3,848	3,474	374
Deferred Revenue	216	899	(683)
GST Payable	344	779	(435)
<b>Total current Liabilities</b>	<b>17,691</b>	<b>15,541</b>	<b>2,150</b>
<b>Non current Liabilities</b>			
Provision for employee entitlements	955	955	-
Unclaimed Monies	4	6	(2)
<b>Total non-current Liabilities</b>	<b>959</b>	<b>961</b>	<b>(2)</b>
<b>TOTAL LIABILITIES</b>	<b>18,650</b>	<b>16,502</b>	<b>2,147</b>
<b>Net Assets</b>	<b>44,738</b>	<b>32,835</b>	<b>11,903</b>
<b>EQUITY</b>	<b>44,738</b>	<b>32,835</b>	<b>11,903</b>

### Commentary: Balance Sheet

Most movements in accounts since 30 June 2021 are relatively small and expected with significant movements noted below:

- Cash and term deposits are up \$15.2M. Refer to Statement cash flow for further details.
- Fixed assets have decreased by \$1.2M reflecting the year to date depreciation charge of \$1.8M offset by \$0.6M of computer equipment additions.
- Work in progress reflects the final stage of the costs associated with the capital build of NCEA Online. These costs are expected to be transferred to developed software later in the financial year.
- Creditors and payables have increased by \$2.9M. While there are several compensating movements the increase is largely driven by higher marker accruals (due to the proximity of exams) and higher liabilities for GST (due to deferred payment dates).
- Deferred revenue has decreased by \$0.7M. On 30 June 2021 there was \$0.5M deferred for the PACER Plus project which has now been fully recognised.
- The movement in net assets is explained by the operating result to date.

## Cash Flow Statement

<b>ACTUAL AND FORECAST 2021/22</b>	<b>Dec YTD</b>	<b>January</b>	<b>Full Year</b>
	<b>Actual</b>	<b>Forecast</b>	<b>Forecast</b>
<b>Net Cash flows-Operating Activities</b>	<b>15,849,650</b>	<b>(4,434,856)</b>	<b>(180,776)</b>
<b>Cash Provided from:</b>	<b>61,466,933</b>	<b>10,587,097</b>	<b>108,689,497</b>
Crown Revenue	46,826,505	8,808,232	83,287,481
Inter Department Revenue	-	-	-
Third Party Revenue	13,925,665	1,732,865	23,982,210
Other Income	470,943	-	925,987
Interest Revenue	243,819	46,000	493,819
<b>Cash applied to:</b>	<b>45,617,282</b>	<b>15,021,952</b>	<b>108,870,273</b>
Employees	26,810,627	9,280,219	58,563,266
Suppliers	18,806,655	5,741,733	50,307,007
<b>Net Cash flows-Financing Activities</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash was provided from:</b>			
Crown-Capital Contribution	-	-	-
<b>Cash was applied to:</b>			
Crown-Capital Withdrawal	-	-	-
<b>Net Cash flows-Investing Activities</b>	<b>(648,979)</b>	<b>(50,000)</b>	<b>(1,098,979)</b>
<b>Cash was provided from:</b>			
Sale of Intangibles & Fixed Assets (FA)	-	-	-
<b>Cash applied to</b>			
Purchase of Intangibles and FA	648,979	50,000	1,098,979
Repayment of Capital Contribution	-	-	-
<b>Net increase/decrease in cash held</b>	<b>15,200,671</b>	<b>(4,484,856)</b>	<b>(1,279,755)</b>
<b>Opening Cash</b>	<b>35,472,136</b>	<b>50,672,807</b>	<b>35,472,136</b>
<b>Closing cash balance</b>	<b>50,672,807</b>	<b>46,187,951</b>	<b>34,192,381</b>
<b>Statement of Financial Position</b>			
Cash	5,172,807	3,187,951	3,192,381
Short-term deposits	45,500,000	43,000,000	31,000,000
<b>Closing cash balance</b>	<b>50,672,807</b>	<b>46,187,951</b>	<b>34,192,381</b>

### Commentary: Cash Flow

Cash and term deposits at 31 December 2021 total \$50.7M down \$2.8M from the previous month. \$45.5M is held on term deposit with varying maturity dates to maximise interest revenue while ensuring sufficient liquid cash is on hand to meet immediate needs and any additional requirements that may result from the impact of Covid-19. Cash balances reflect the fact that exam and other funding has been received largely in advance of the corresponding expenses being incurred.