



# Te tauākī kawatau o ngā mahi

Statement of  
Performance Expectations

2020 – 2021



NEW ZEALAND QUALIFICATIONS AUTHORITY  
MANA TOHU MĀTAURANGA O AOTEAROA

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

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

## Kia Noho Takatū Ki Tō Āmua Ao Qualify for the Future World

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

### Te manu ka kai i te miro, nōna te ngahere. 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.

ISSN 2382-168X (Print) June 2020

ISSN 2382-1698 (Online) June 2020

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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 2020 to 30 June 2021.

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

Signed on: 29 April 2020



**Neil Quigley**  
ACTING BOARD  
CHAIRPERSON



**Lyn Provost**  
RISK AND ASSURANCE  
COMMITTEE CHAIR

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# He whārangī ihirangi

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# Te whakataki kōrero

## Introduction

### COVID-19 statement:

The financial and non-financial information as set out in this document were developed prior to COVID-19 and will be impacted by COVID-19. The extent of this impact is unknown at present but could mean that some of the measures set out are no longer relevant, unable to be met or measured, or that new measures are required. Any variances will be explained through our existing reporting mechanisms. However, if the variance of the change is significant the final Statement of Performance Expectation may be amended, and this may happen at any time as set out in Section 149K of the Crown Entities Act 2004.

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**The 2020 – 2021 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 2021, 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 2020 – 2021 Annual Report.**

### Tō mātou tāpaetanga ki te pūnaha mātauranga

#### Our contribution to the education system

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

- Learners at the Centre
- Barrier-Free Access
- Quality Teaching and Leadership
- Future of Learning and Work
- World class inclusive public education.

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

<sup>1</sup> <https://education.govt.nz/news/shaping-a-stronger-education-system-with-new-zealanders/>

We work closely and in collaboration with the wider government sector, colleague education agencies and other key stakeholders to gain synergies and deliver the best impact. We recognise that through working together we can more effectively help create the acceleration in learner achievement and system performance required for New Zealand's success. Refer to Principles for Success diagram on page 5.

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

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

## **Te wāhi ki a mātou**

### **Our role**

Our primary role is to ensure that New Zealand qualifications are accepted as credible and robust, both nationally and internationally. We do this through our work to quality assure non-university tertiary education, regulate tertiary education, deliver robust senior-secondary-school-level assessments and credentialing, and improve the qualifications system. We are responsible for the NZQF and oversee the setting of standards and New Zealand qualifications development. In addition, we administer the Education (Pastoral Care of International Students) Code of Practice 2016 (the international code) and the Education (Pastoral Care of Domestic Tertiary Students) Interim Code of Practice 2019 (the interim domestic code).

Our vision, 'Qualify for the Future World: Kia Noho Takatū Ki Tō Āmua Ao', encapsulates our role and ambition for learners and for New Zealand. Our performance is a vital element of making New Zealand's education system world leading and accessible to all learners.

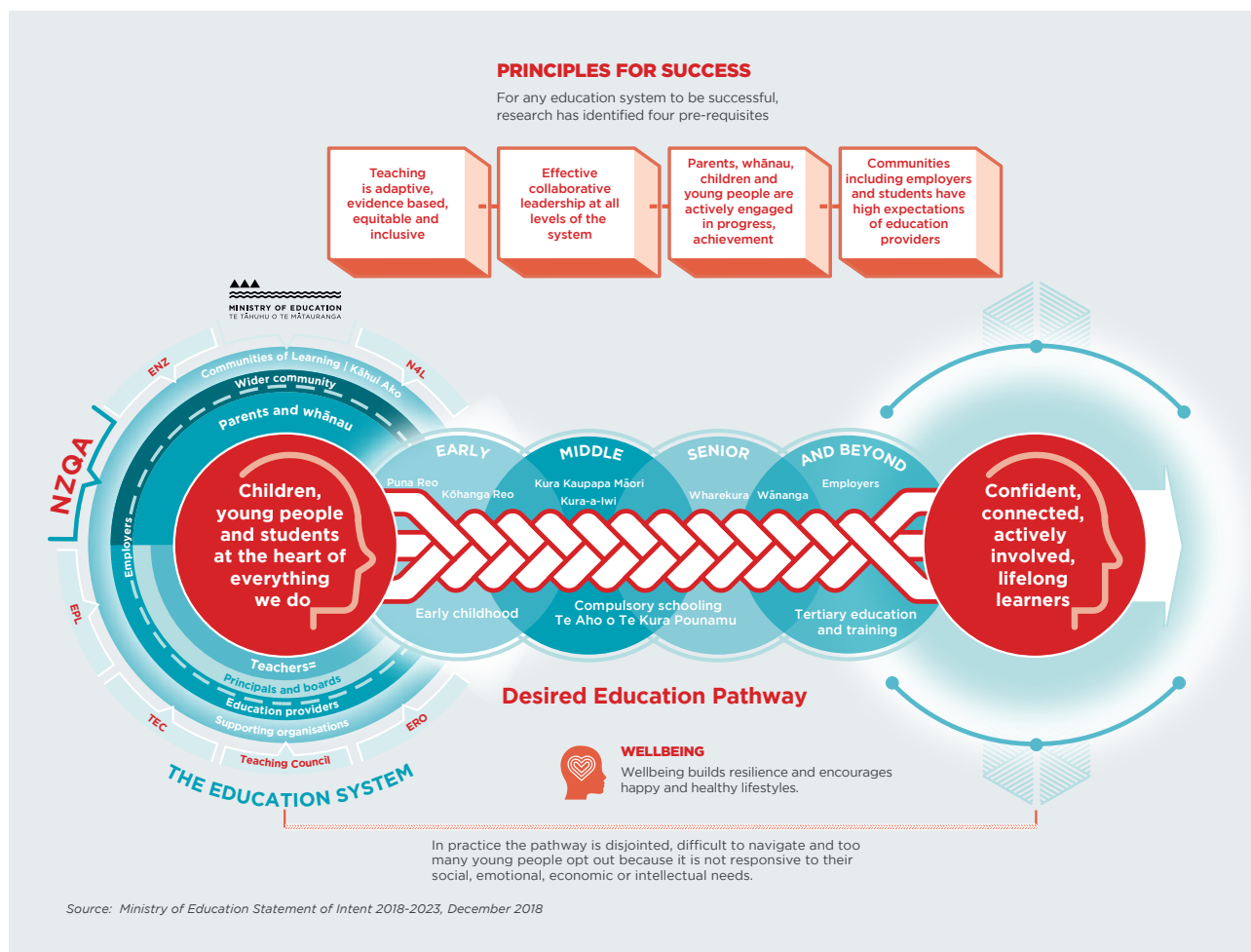
## **Ngā mahi matua**

### **Key functions**

#### **Ngā tohu:**

##### **Qualifications:**

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



**Te whakaū kounga:**

**Quality assurance:**

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

**Aromatawai:**

**Assessment:**

We administer, quality assure and report on three NCEA levels for senior secondary learners

(and for a smaller number of learners outside the secondary school system) and New Zealand Scholarship examinations. We do this through:

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

# Ngā rautaki takune

## Strategic intentions

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

#### **Our context and the operating environment we are working in**

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

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

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

We have a key role to play in addressing these challenges and opportunities through our quality assurance and assessment and credentialing roles;

however, we cannot do this by ourselves. We work closely with our sector colleague agencies as well as education organisations, teachers and whānau.

NZQA contributes to the following government strategic priorities:

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

These strategic priorities will be supported by operational priorities of supporting system outcomes, sustainable business practices and responsive systems.

Our strategic outcomes framework incorporates the essence of the Government's *Shaping a Stronger Education System with New Zealanders Portfolio Work Programme* as well as the above strategic and operational priorities. As a result, we have sharpened our focus on two key outcomes:

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

These two outcomes form the cornerstone of our strategic outcomes framework, which is outlined on pages 7 and 8. Our Statement of Performance Expectations (SPE) ensures that there are clear links between the framework and the measures to enable readers to see and understand the connection between the Statement of Intent (SOI) and the SPE.



# Kia Noho Takatū Ki Tō Āmua Ao

**Ngā aronga mō te 5 – 10 tau (ngā hua)**

**1.0**  
Mā te mana taurite ki te whai tohu mātauranga te ahunga tātai oranga e tautoko

**2.0**  
Ka hāpaitia ngā tohu mātauranga o Aotearoa kia ako mō te oranga tonutanga

**Ngā pātanga mō te 5 – 10 tau**

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

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

**1.3** Ka tautokohia ngā ākonga whaikaha, rawakore rānei, kia whāia ngā tohu mātauranga e tika ana, e tutuki ana hoki i 5 rātou hiahia me 5 rātou tūmanako

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

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

**Ngā hua ake mō te 3 – 5 tau**

**1.1.1** Mā te wheako Kiritaki ano ngā rātonga o NZQA e ārahi  
**1.1.2** Ka angitū ai te whānau me ngā whare ako katoa ki te tautoko i te ākonga  
**1.1.3** Ka whakatau tika nei ngā ākonga i ngā ara tohu e tika ana ki a rātou

**1.2.1** He tari ako i te reo me ngā tikanga Māori a NZQA  
**1.2.2** Ka kōkiri takatika i te mātauranga Māori hei tautoko i ngā ākonga  
**1.2.3** Ka whai hua ngā ākonga Māori me ngā ākonga Pasifika i ngā rangapū auaha

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

**2.1.1** Ko ngā mahi aromatawai auaha he hāpaitia i te ākonga kia māwhitiwhiti i te marautanga ako  
**2.1.2** Mā te reo o te ākonga ano ngā mahi aromatawai mathiko me te pāheko tika i te tangata e tautoko

**2.2.1** He mea tautoko Te Taura Here Tohu Mātauranga o Aotearoa (NZQF) kia ako te tangata mō te oranga tonutanga  
**2.2.2** Mā te whakaiti kōunga ka noho tika ka noho pono nei ngā pūkenga whāiti me ngā tohu mātauranga o Aotearoa  
**2.2.3** Mā te mana tonu o ngā tohu mātauranga ka āheitia te tono atu ki te ao

# Quality for the Future World

## 1.0

Equity of access to qualifications supports intergenerational wellbeing

## 2.0

New Zealand qualifications enable lifelong learning



**1.1 NZQA services are designed for equity**



**1.2 Innovative partnerships support equitable access for Māori and Pasifika learners**



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



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



**2.2 Qualifications are accepted as credible and robust nationally and internationally**

**3 – 5 years  
Intermediate  
outcomes**

**5 – 10 years  
Impacts**

**5 – 10 years  
Focus areas  
(outcomes)**

**1.1.1** Customer experience informs the delivery of NZQA services  
**1.1.2** Whānau and education organisations are engaged and confident in supporting learners  
**1.1.3** Learners access qualification pathways that are right for them

**1.2.1** NZQA is a te reo Māori learning organisation  
**1.2.2** Mātauranga Māori is advanced to support learners  
**1.2.3** Māori and Pasifika learners benefit from innovative partnerships

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

**2.1.1** Innovative assessment practices enable learners to make connections across learning areas  
**2.1.2** Learner voice informs digital assessment methods and builds confidence and engagement in assessment

**2.2.1** The NZQF facilitates lifelong learning  
**2.2.2** Quality assurance provides trust and confidence in New Zealand credentials and qualifications  
**2.2.3** Greater qualification recognition enables mobility

**TE HUA NUI I:****Mā te mana taurite ki te whai tohu mātauranga te ahunga tātai oranga e tautoko****OUTCOME I:****Equity of access to qualifications supports intergenerational wellbeing**

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

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

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

- Impact area 1.1: NZQA services are designed for equity
- Impact area 1.2: Innovative partnerships support equitable access for Māori and Pasifika learners
- Impact area 1.3: Learners with disabilities and learning support needs and/or socio-economic disadvantage have access to qualifications that meet their needs and aspirations.

The following section outlines these impact areas and the measures of success for each area.

**TE WĀHANGA 1.1:****Ka hangaia mai ngā rātonga katoa o NZQA i te mana taurite****IMPACT AREA 1.1:****NZQA services are designed for equity**

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

The following three intermediate outcomes will assist in achieving this impact area:

**TE HUA 1.1.1:****Mā te wheako kiritaki anō ngā rātonga o NZQA e ārahi****INTERMEDIATE OUTCOME 1.1.1:****Customer experience informs the delivery of NZQA services**

At NZQA the customer is at the centre of everything we do. Our customers are diverse and include learners, whānau, education organisations and employers. Understanding the customer experience is the best way we have of establishing whether the range of services we provide meets

their needs. Through understanding the customer experience, we are able to improve and further tailor the range of services we deliver.

**TE HUA 1.1.2:**

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

**INTERMEDIATE OUTCOME 1.1.2:**

**Whānau and education organisations are engaged and confident in supporting learners**

Support is critical to enable learners to be as successful as possible. This support comes from various sources, including whānau and education organisations. NZQA plays an important role in providing information to these groups and others, to enable them to better understand the education system. It is vital that learners and their whānau have good information about qualifications. With this greater understanding comes greater confidence to support learners and therefore greater engagement. This leads to better outcomes.

**TE HUA 1.1.3:**

**Ka whakatau tika nei ngā ākongā i ngā ara tohu e tika ana ki a rātou**

**INTERMEDIATE OUTCOME 1.1.3:**

**Learners access qualification pathways that are right for them**

For learners to be engaged in their learning, they need access to qualification pathways that are right for them. This is not a one-size-fits-all approach, as the interests of learners vary.

NZQA's role in this is to provide a range of data that supports schools and learners to understand their qualification pathway options. This will enable them to be confident that their learning pathways are setting them up for the futures they want.

**TE WĀHANGA 1.2:**

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

**IMPACT AREA 1.2:**

**Innovative partnerships support equitable access for Māori and Pasifika learners**

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

The following three intermediate outcomes will assist in achieving this impact area:

**TE HUA 1.2.1:**

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

**INTERMEDIATE OUTCOME 1.2.1:**

**NZQA is a te reo Māori learning organisation**

NZQA recognises it is important that staff learn te reo Māori. This matters because understanding the language leads to better understanding of Māori culture and identity. With that understanding we are better able to be effective in improving equity outcomes.

Our goal to be a te reo Māori learning organisation demonstrates our commitment to Maihi Karauna (the Crown Māori Language Strategy) and Tau Mai Te Reo (the Māori Language in Education Strategy).

**TE HUA 1.2.2:****Ka kōkiri takatika i te mātauranga Māori hei tautoko i ngā ākonga****INTERMEDIATE OUTCOME 1.2.2:****Mātauranga Māori is advanced to support learners**

Te Hono o Te Kahurangi quality assurance framework enables NZQA to evaluate the quality and integrity of mātauranga Māori qualifications, programmes and educational delivery. This specialised quality assurance role supports learner access to mātauranga Māori.

**TE HUA 1.2.3:****Ka whai hua ngā ākonga Māori me ngā ākonga Pasifika i ngā rangapū auaha.****INTERMEDIATE OUTCOME 1.2.3:****Māori and Pasifika learners benefit from innovative partnerships**

NZQA recognises the value and builds on the benefits of partnerships with whānau, communities, iwi and education organisations to enable learners to be more successful.

**TE WĀHANGA 1.3:****Ka tautokohia ngā ākonga whaikaha, rawakore rānei, kia whāia ngā tohu mātauranga e tika ana, e tutuki ana hoki i ō rātou hiahia me ō rātou tūmanako****IMPACT AREA 1.3:****Learners with disabilities and learning support needs and/or socio-economic disadvantage have access to qualifications that meet their needs and aspirations**

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

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

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

The following intermediate outcome will assist in achieving this impact area:

**TE HUA 1.3.1:****Ka tāharatia ngā tauārai o te whai tohu mātauranga ki ngā ākonga, ā, ka hāpaitia hoki ngā hiahia whāiti o te ako****INTERMEDIATE OUTCOME 1.3.1:****Barriers to learners accessing qualifications are reduced and additional learning needs are supported**

We recognise that not all learners have equal access to qualifications. They may face barriers to access and/or require additional support. Digital technologies provide opportunities for new types of support and services that have the potential to reduce barriers significantly. We are committed to working with learners, their whānau and education organisations in reducing barriers.

**TE HUA NUI 2:****Ka hāpaitia ngā tohu mātauranga o Aotearoa kia ako mō te oranga tonutanga****OUTCOME 2:****New Zealand qualifications enable lifelong learning****NZQA is responsible for quality assuring qualifications that are listed on the NZQF.**

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

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

- Impact area 2.1: Assessment and credentialing support innovation in teaching and preparation for a changing world of work
- Impact Area 2.2: Qualifications are accepted as credible and robust nationally and internationally.

**TE WĀHANGA 2.1:****Ko tā te mahi aromatawai me ngā pūkenga whāiti he tautoko i te ākongā kia noho takatū ki tōna āmua ao****IMPACT AREA 2.1:****Assessment and credentialing support innovation in teaching and preparation for a changing world of work**

At NZQA we recognise the role that assessment and credentialing play in supporting innovation

in teaching and how these can engage learners in lifelong learning, therefore preparing them for a changing world of work. We want assessment to be a positive and seamless experience that is aligned with the learning methods used. NZQA seeks to extend the assessment capabilities of teachers and assure high-quality, authentic responses from innovation and assessment. Good assessment practice supports the achievement of qualification outcomes.

It is important that the assessment methods used allow learners to show what they have learnt. This may be through assessments that cover multiple areas of learning. It may enable learners to make greater connections between subject areas to see how this learning is used in practice. A positive assessment experience incorporating the above factors may assist in promoting an interest in lifelong learning.

The following two intermediate outcomes will assist in achieving this impact area:

**TE HUA 2.1.1:****Ko ngā mahi aromatawai auaha he hāpai i te ākongā kia māwhitiwhiti i te marautanga ako****INTERMEDIATE OUTCOME 2.1.1:****Innovative assessment practices enable learners to make connections across learning areas**

There are two important aspects to innovation in assessment: assessment that enables learners to make powerful connections across learning areas; and methods of assessment that give learners broader opportunities to demonstrate validly what they know and what they can do. Digital assessment is a key tool in providing these opportunities.

**TE HUA 2.1.2:**

**Mā te reo o te ākongā anō ngā mahi aromatawai matihiko me te pāheko tika i te tangata e tautoko**

**INTERMEDIATE OUTCOME 2.1.2:**

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

The learner voice is critical in developing high-quality, meaningful assessment and for innovation in assessment. In the development of online assessment we will co-design the assessment experience with learners to ensure that the online features work for the learners. Through this co-creation, learners will be more confident and engaged in undertaking assessment.

**TE WĀHANGA 2.2:**

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

**IMPACT AREA 2.2:**

**Qualifications are accepted as credible and robust nationally and internationally**

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

The following three intermediate outcomes will assist in achieving this impact area:

**TE HUA 2.2.1:**

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

**INTERMEDIATE OUTCOME 2.2.1:**

**The NZQF facilitates lifelong learning**

The NZQF articulates the relationship between qualifications and other quality-assured credentials. This enables learners to engage flexibly in learning opportunities to maintain the currency of their skills in the workplace.

**TE HUA 2.2.2:**

**Mā te whakaū kounga ka noho tika ka noho pono nei ngā pūkenga whāiti me ngā tohu mātauranga o Aotearoa**

**INTERMEDIATE OUTCOME 2.2.2:**

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

In order to ensure that New Zealand's credentials and qualifications are trusted, NZQA's quality assurance systems must be robust. NZQA's quality assurance role is directed towards supporting higher levels of trust and confidence in education outcomes for the tertiary education system. NZQA sets the statutory rules for the whole tertiary education sector and manages quality assurance in the non-university part of the tertiary sector.

NZQA operates an integrated quality assurance system in which all components support each other.

**TE HUA 2.2.3:**

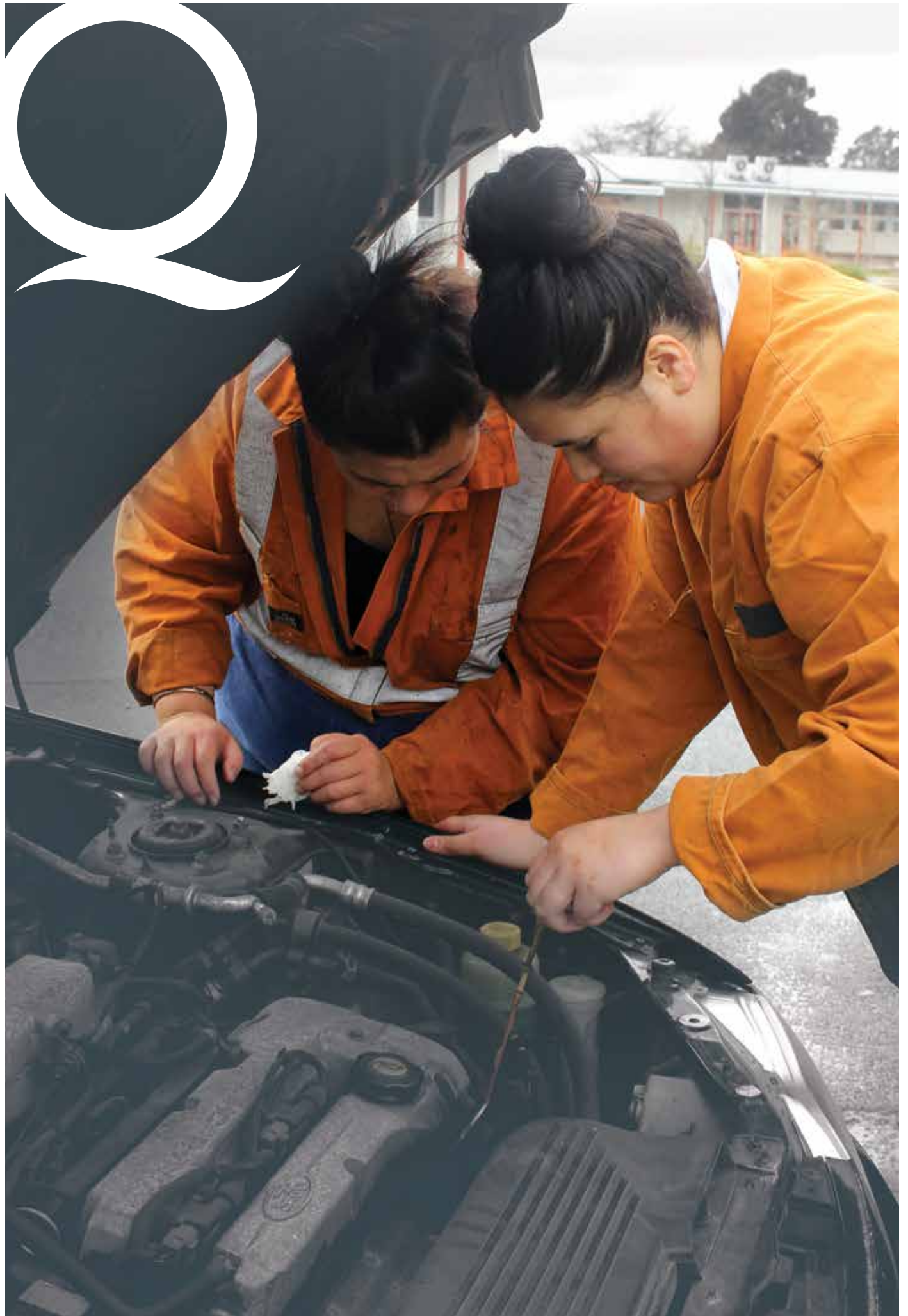
**Mā te mana toru o ngā tohu mātauranga ka āheitia te tono atu ki te ao**

**INTERMEDIATE OUTCOME 2.2.3:**

**Greater qualification recognition enables mobility**

Greater qualification recognition has benefits for both international and domestic learners, as well as those wishing to immigrate to New Zealand. The international recognition of New Zealand qualifications not only encourages international learners to study in New Zealand, it also allows domestic learners to have their qualifications more readily recognised overseas. Those wishing to immigrate to New Zealand can have confidence that their overseas qualifications will find parity with the types and levels of New Zealand qualifications.

*Further information on our strategic intentions, functions and operations is contained in our 2019/20 – 2022/23 SOI.*





## TE WĀHANGA TUATAHI:

# Ngā kawatau o ngā mahi

## PART ONE:

### Performance expectations

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**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 2019/20 – 2022/23.

We have one multi-category appropriation funded by the government through Vote Education:

### **Te tirohanga whānui me te whakahaere pūnaha tohu mātauranga**

#### **Oversight and administration of the qualifications system**

#### **Te tauākī aronga whānui**

#### **Overarching purpose statement**

The single overarching purpose of this appropriation is for the New Zealand Qualifications Authority to provide effective oversight and administration of the qualifications system.

#### **He aha ngā hua ka puta**

#### **What is intended to be achieved**

This appropriation is intended to provide effective oversight and administration of the qualifications system by the New Zealand Qualifications Authority to ensure New Zealand's qualifications system is valued as credible, robust and meet the needs of learners, employers and other stakeholders.

## Ngā whakamārama me ngā tohutohu mō ngā tohu mātauranga

### Expense Category 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 output is provided by the Crown. \$1,218,000 of the revenue is for the administration of the capital charge.

Cost and funding	Budget 2020-2021 \$000
<b>Revenue</b>	
Crown	3,448
Other	-
<b>Total revenue</b>	<b>3,448</b>
Expenses	3,252
<b>Net surplus</b>	<b>196</b>

## Te whakaū kounga

### Expense Category 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 48 percent of the total revenue for this output is provided by the Crown. The remaining 52 percent is funded through third-party revenue, including private training establishment (PTE) registration fees, institutes of technology and polytechnics' quality assurance fees, external evaluation and review charges, approval and accreditation charges, and consistency review charges.

Cost and funding	Budget 2020-2021 \$000
<b>Revenue</b>	
Crown	6,372
Other	6,897
<b>Total revenue</b>	<b>13,269</b>
Expenses	15,735
<b>Net (deficit)</b>	<b>(2,466)</b>

## Ngā pūnaha tautoko o ngā tohu mātauranga

### Expense Category 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 22 percent of the total revenue for this output is provided by the Crown. The remaining 78 percent is funded through third-party revenue, including fees for credit reporting and recognition of overseas qualifications.

Cost and funding	Budget 2020-2021 \$000
<b>Revenue</b>	
Crown	6,049
Other	20,859
<b>Total revenue</b>	<b>26,908</b>
Expenses	23,859
<b>Net surplus</b>	<b>3,049</b>

## Ngā mahi aromatawai o ngā kura tuarua

### Expense Category 4: Secondary school assessments

#### Te Korahi

##### Scope

This category is limited to the New Zealand Qualifications Authority delivering external assessment for national secondary school qualifications, including the National Certificate of Educational Achievement 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 93 percent of the total revenue for this output is provided by the Crown. The remaining 7 percent is funded through third-party revenue, including international NCEA fees and non-government funded secondary examination and assessment fees.

Cost and funding	Budget 2020-2021 \$000
<b>Revenue</b>	
Crown	42,421
Other	3,173
<b>Total revenue</b>	<b>45,594</b>
Expenses	46,373
<b>Net (deficit)</b>	<b>(779)</b>

# Te paearu o ngā mahi

## How performance will be assessed

**NZQA revised its SOI in 2019/20. As part of that revision, the strategic outcomes framework was re-aligned.**

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

Measure ID.	Measure	2018/19 Actual	2019/20 Standard	2020/21 Standard
i	The overall satisfaction rating given by the Minister of Education on the New Zealand Qualifications Authority <sup>2</sup>	N/A	8	8
ii	The percentage of Ministerial items that achieve the deadlines agreed with the Minister's office	99.3%	99%	99%

<sup>2</sup> The survey measures Ministers' satisfaction with the quality of advice on a scale from 1 to 10, where 1 means unsatisfied and 10 means extremely satisfied.

Measure ID.	Measure	2018/19 Actual	2019/20 Standard	2020/21 Standard
<b>IMPACT 1.1: NZQA services are designed for equity</b>				
<b>Intermediate Outcome 1.1.1: Customer experience informs the delivery of NZQA services</b>				
I.1.1a	The proportion of survey respondents who agree/strongly agree that information they received from NZQA met their needs <sup>3</sup>	77.7%	75%	75%
I.1.1b	The proportion of survey respondents who agree/strongly agree that the NZQA website is easy to use	74.8%	70%	70%
<b>Intermediate Outcome 1.1.2: Whānau and education organisations are engaged and confident in supporting learners</b>				
I.1.2a	Co-design solutions to benefit learners	N/A	Narrative	Narrative
<b>Intermediate Outcome 1.1.3: Learners access qualification pathways that are right for them</b>				
I.1.3a	Participation in digital external assessment increases as a proportion of overall participation in external assessment	N/A	Upward trend	Upward trend (Baseline established from 2019 data available in June 2020)
<b>IMPACT 1.2: Innovative partnerships support equitable access for Māori and Pasifika learners</b>				
<b>Intermediate Outcome 1.2.1: NZQA is a te reo Māori learning organisation</b>				
I.2.1a	The increase in number of NZQA staff who: 1. have a Te Reo Māori plan 2. reach higher levels of proficiency through language planning and development	N/A	a. Increase from baseline b. Increase from baseline	a. Increase from baseline of 89 b. Increase from baseline of 17.4%

<sup>3</sup> 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.

Measure ID.	Measure	2018/19 Actual	2019/20 Standard	2020/21 Standard
<b>Intermediate Outcome 1.2.2: Mātauranga Māori is advanced to support learners</b>				
I.2.2a	The percentage of all applications that are quality assured using Te Hono o Te Kahurangi that meet the criteria to be approved	N/A	≥ 3%	≥ 3%
I.2.2b	The rate of Māori learner participation in digital external assessment is the same as or better than their non-Māori learner peers	N/A	Upward trend	Upward trend (Baseline established from 2019 data available in June 2020)
<b>Intermediate Outcome 1.2.3: Māori and Pasifika learners benefit from innovative partnerships</b>				
I.2.3a	The percentage of Pasifika parents and families who attended NCEA Ma le Pasifika workshops who report increased knowledge of NCEA and more confidence to support their children	99.8% (confidence)  99.3% (knowledge)	100%	90%
I.2.3b	The percentage of parents and whānau who attended NCEA and the Whānau workshops who report increased knowledge of NCEA and more confidence to support their children	83.9% (confidence)  98.9% (knowledge)	100%	90%
I.2.3c	The rate of Pasifika learner participation in digital external assessment is the same as or better than their non-Pasifika learner peers	N/A	Upward trend	Upward trend (Baseline established from 2019 data available in June 2020)

Measure ID.	Measure	2018/19 Actual	2019/20 Standard	2020/21 Standard
<b>IMPACT 1.3: Learners with disabilities and learning support needs, and/or socio-economic disadvantage have access to qualifications that meet their needs and aspirations</b>				
<b>Intermediate Outcome 1.3.1: Barriers to learners accessing qualifications are reduced and additional learning needs are supported</b>				
1.3.1a	The percentage of targeted schools that have confidence NZQA's processes enable Special Assessment Conditions access for their learners <sup>4</sup>	N/A	N/A	75-80%
<b>IMPACT 2.1: Assessment and credentialing support innovation in teaching and preparation for a changing world of work</b>				
<b>Intermediate Outcome 2.1.1: Innovative assessment practices enable learners to make connections across learning areas</b>				
2.1.1a	Case studies for innovative approaches to internal assessment in schools are identified and shared by NZQA with teachers	N/A	N/A	3-6
<b>Intermediate Outcome 2.1.2: Learner voice informs digital assessment methods and builds confidence and engagement in assessment</b>				
2.1.2a	Learner feedback is actively used in design and development of digital assessment activities	N/A	Narrative	Narrative
<b>IMPACT 2.2: Qualifications are accepted as credible and robust nationally and internationally</b>				
<b>Intermediate Outcome 2.2.1: The NZQF facilitates lifelong learning</b>				
2.2.1a	The proportion of New Zealand qualifications (that have graduates) that undergo a consistency review in any one financial year	N/A	15%	15%
2.2.1b	The proportion of NZQA consistency reports (interim or final) that are published within 3 months of the consistency review date	N/A	85%	85%

<sup>4</sup> Targeted schools are those with lower than expected uptake of Special Assessment Conditions given a range of factors such as their size, decile, ethnic or gender makeup, as measured against schools with similar profiles.

Measure ID.	Measure	2018/19 Actual	2019/20 Standard	2020/21 Standard
<b>Intermediate Outcome 2.2.2: Quality assurance provides trust and confidence in NZ credentials and qualifications</b>				
2.2.2a	The percentage of non-university Tertiary Education Organisations which had an external evaluation and review completed <sup>5</sup>	N/A	20%	20%
2.2.2b	The percentage of investigations that result in a significant NZQA intervention <sup>6</sup>	N/A	20-40%	20-40%
2.2.2c	The percentage of investigations that result in corrective action that satisfactorily resolves the identified non-compliance or quality issues identified <sup>7</sup>	N/A	40-60%	40-60%
2.2.2d	The percentage of all formal <sup>8</sup> complaints (including international and domestic code) that are concluded within 65 working days	N/A	N/A	95%
2.2.2e	The percentage of non-university tertiary education organisations which have undergone monitoring	N/A	N/A	50%
2.2.2f	The percentage of external evaluation and reviews finalised <sup>9</sup> in 65 working days	N/A	N/A	90%
2.2.2g	The percentage of all applications processed to a decision within published timeframes	N/A	N/A	90%
2.2.2h	The percentage of NZQA-owned standards maintained by their planned reviewed dates	99.64%	95%	95%
2.2.2i	The percentage of total marker judgements unaltered following Review or Reconsideration of External Assessment Result process for NCEA	99.8%	99%	99%

5 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.

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

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

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

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

8 A formal complaint is a written complaint from a student about their experience at an education provider, which (i) has been necessary to escalate to NZQA, (ii) NZQA has assessed and accepted as falling within its jurisdiction, (iii) the student has authorised NZQA to investigate and (iv) is related to the education provider's compliance with the Education Act 1989, NZQA Rules, Education (Pastoral Care of International Students) Code of Practice 2016, or Education (Pastoral Care of Domestic Tertiary Students) Interim Code of Practice 2019.

9 "Finalised" means the issuing of a full and final EER report to the tertiary education provider.



Measure ID.	Measure	2018/19 Actual	2019/20 Standard	2020/21 Standard
2.2.2j	The percentage of total marker judgements unaltered following Review or Reconsideration of External Assessment Result process for New Zealand Scholarship	99.97%	99%	99%
2.2.2k	The percentage of validated NCEA results provided to learners no later than the end of the third full week of January	99.98%	99%	99%
2.2.2l	The percentage of validated New Zealand Scholarship results provided to learners no later than the end of the second full week of February	100%	99%	99%
2.2.2m	The annual moderator/teacher agreement <sup>10</sup> rate at the level of grade <sup>11</sup> for a random sample of student work	81.7%	85%	75%-85%
2.2.2n	The number of samples of learner work moderated for national external moderation	110,013	Approx. 100,000	95,000 to 105,000
2.2.2o	The percentage of draft Managing National Assessment reports provided to schools within six weeks from the date of completion of onsite work	100%	98%	98%
2.2.2p	The percentage of schools on a 1–2 year review cycle or undergoing a 1 year targeted review which have a monitored action plan	N/A	N/A	100%
<b>Intermediate Outcome 2.2.3: Greater qualification recognition enables mobility</b>				
2.2.3a	The percentage of international qualification recognition products that meet their service level agreement	97%	95%	95%

<sup>10</sup> The Technical Overview Group Assessment (TOGA) recommend agreement rates of between 75% and 85% as robust for a mature assessment system internationally.

<sup>11</sup> Agreement at the level of grade is where a moderator's grade of a learner's work agrees with the teacher's grade.



## 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 2020/21. 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 will all affect NZQA and its forecast results.

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 expects to be in an approximately fiscally neutral position in 2020/21.

#### Pūtea whiwhi

##### Revenue

Revenue from the Crown is based on the information contained in the 2019/20 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 institutes of technology and polytechnics) and some non-government funded secondary examination and assessment fees.

## Ngā whakapae ahumoni matua

### Key volume forecasts

	Forecasted outturn volume in 2019/20	Forecast volume in 2020/21
No. of NZQF credits earned by learners	8,594,162	<b>8,550,000</b>
No. of PTEs registered with NZQA	397	<b>392</b>
No. of applications for qualifications recognition*	18,833	<b>19,099</b>

\*Due to changes in the product offering for qualifications recognition, the numbers quoted are not directly comparable.

The volume forecast for NZQF credits is based on the 2019/20 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 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 \$0.5 million and \$1.2 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
- 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.

In order to ensure this, the Board of NZQA will:

- Maintain net assets/equity at a level sufficient to sustain the organisation
- 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 29 April 2020 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

	<b>Budget 2020–2021 \$000</b>
<b>Revenue</b>	
Funding from the Crown	58,290
Other revenue	30,929
Interest revenue	359
<b>Total revenue</b>	<b>89,578</b>
<b>Expenditure</b>	
Personnel and Board	49,183
Specialist workforce	12,383
Professional services	6,615
Publication, printing and distribution	4,180
Audit fees	109
Other operating costs	13,122
Depreciation and amortisation	3,986
<b>Total expenditure</b>	<b>89,578</b>
<b>SURPLUS</b>	<b>-</b>
Other comprehensive revenue and expense	-
<b>TOTAL COMPREHENSIVE REVENUE AND EXPENSE</b>	<b>-</b>

Since NZQA is a wholly owned Crown entity, the entire net surplus 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

	<b>Budget 2020–2021 \$000</b>
<b>Assets</b>	
<b>Current assets</b>	
Cash and cash equivalents	2,889
Receivables	2,629
Prepayments	1,647
Investments	18,000
<b>Total current assets</b>	<b>25,165</b>
<b>Non-current assets</b>	
Property, plant and equipment	1,144
Intangible assets (including WIP)	9,048
<b>Total non-current assets</b>	<b>10,192</b>
<b>TOTAL ASSETS</b>	<b>35,357</b>
<b>Liabilities</b>	
<b>Current liabilities</b>	
Payables	6,137
Employee entitlements	3,399
Deferred revenue	363
GST payable	549
<b>Total current liabilities</b>	<b>10,448</b>
<b>Non-current liabilities</b>	
Employee entitlements	625
<b>Total non-current liabilities</b>	<b>625</b>
<b>TOTAL LIABILITIES</b>	<b>11,073</b>
<b>NET ASSETS/PUBLIC EQUITY</b>	<b>24,284</b>

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

### Prospective Statement of Changes in Net Assets/Public Equity

For the year ended 30 June

	<b>Budget 2020–2021 \$000</b>
<b>Balance at start of the year</b>	24,284
Net surplus	-
<b>Total comprehensive revenue and expense</b>	<b>-</b>
Crown capital contribution	-
<b>Balance at end of the year</b>	<b>24,284</b>
<b>Comprising:</b>	
Contributed capital	20,308
Accumulated comprehensive revenue and expense	3,976
<b>Net assets/public equity as at 30 June</b>	<b>24,284</b>



## Ngā tauākī matapae pūtea hokohoko

### Prospective Statement of Cash Flows

For the year ended 30 June

	<b>Budget 2020–2021 \$000</b>
<b>Cash flows from operating activities</b>	
Receipts from the Crown	58,290
Receipts from other revenue	30,978
Interest received	359
Payments for employee and Board costs	(49,208)
Payments to other suppliers	(35,419)
<b>Net cash flow from operating activities</b>	<b>5,000</b>
<b>Cash flows from investing activities</b>	
Purchases of property, plant and equipment	(500)
Purchases of intangible assets	(5,500)
Purchases of investments	(35,500)
Receipts from sale of investments	36,500
<b>Net cash flow from investing activities</b>	<b>(5,000)</b>
<b>Cash flows from financing activities</b>	
Crown - capital contribution	-
<b>Net cash flow from financing activities</b>	<b>-</b>
<b>Net increase in cash and cash equivalents</b>	<b>-</b>
Cash and cash equivalents at the beginning of the year	2,889
<b>Cash and cash equivalents at the end of the year</b>	<b>2,889</b>

## **Te tauākī o ngā kaupapa here pūtea**

### **Statement of accounting policies**

#### **Te hinonga rīpoata**

##### **Reporting entity**

NZQA is a Crown Entity as defined by the Crown Entities Act 2004 and is domiciled and operates in New Zealand. The relevant legislation governing NZQA's operations includes the Crown Entities Act 2004, the Education Act 1989 and the Industry Training Act 1992. NZQA's ultimate parent is the New Zealand Crown.

NZQA's core business is to provide services to the New Zealand public. NZQA ensures that New Zealand qualifications are valued as credible and robust both nationally and internationally. NZQA is accountable for managing the NZQF, administering the secondary school assessment system, independent quality assurance of non-university education providers, qualifications recognition, and standard setting for some specified unit standards.

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 2021.

#### **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**

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

While NZQA has not fully assessed all new standards and amendments, issued but not yet effective, it does not expect any significant changes other than future changes to the accounting for leases (requiring assets and liabilities to be shown on the Statement of Financial Position) which are expected to be introduced and will impact the financial statements accordingly.

#### **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
- 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 asset's 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 IFRS 9 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 āpitianga****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 whakahaūātanga 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
- The present value of the estimated future cash flows.

**Te whakaatu āheinga kaimahi****Presentation of employee entitlements**

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

**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 Management 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

<b>Assessment</b>	A method of collecting and evaluating evidence to establish the level of an individual's performance, whether carried out by external methods, internal methods or a combination of external and internal methods, or any other approved method.
<b>Assessment (external)</b>	Assessment (NCEA or New Zealand Scholarship) conducted by NZQA. This includes reports, portfolio submissions, common assessment tasks and national examinations held at the end of the school year.
<b>Assessment (internal)</b>	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.
<b>Assessment Standards</b>	Two types of assessment standard in the Directory of Assessment Standards: Achievement Standards and Unit Standards. Credits from all Achievement Standards and all Unit Standards count towards NCEA. Because the standards are nationally agreed, learners' achievements can be recognised in a number of contexts, and their knowledge and skills will be transferable between qualifications and providers.
<b>Education (Pastoral Care of Domestic Tertiary Students) Interim Code of Practice 2019</b>	The interim code sets out a general duty of pastoral care that all tertiary education providers must have for domestic tertiary students, and specific requirements for providers that offer student accommodation.
<b>Education (Pastoral Care of International Students) Code of Practice 2016</b>	A document that provides a framework for service delivery by education providers and their agents to international learners.  It sets out minimum standards of advice and care that can be expected and provides a procedure that learners can follow if they have concerns about the treatment they receive from their education providers or agents of providers.

<b>Education Organisation</b>	Any organisation supplying education and/or training and/or assessment services to learners. This can include secondary schools, government and private organisations.
<b>Evaluative Quality Assurance</b>	This is the basis of NZQA's quality assurance system. It uses: <ul style="list-style-type: none"> <li>• Evaluation theory and practice to reach well-informed, consistent and reliable evidence-based judgements about all aspects of organisational performance and capability</li> <li>• A practical focus on outcomes and key contributing processes</li> <li>• Awareness and improvement through organisational self-assessment.</li> </ul>
<b>External Evaluation and Review</b>	A review that provides a judgement of the quality and performance of a tertiary education organisation. This judgement includes assurance that the organisation's self-assessment processes achieve, and improve, outcomes for learners and other customers.
<b>Industry Training Organisation</b>	An industry-specific body, recognised under the Industry Training and Apprenticeships Act 1992, which sets NZQA-accredited skill standards for its industry, and manages arrangements for industry training that enable trainees to attain those standards.
<b>Institutes of Technology and Polytechnics</b>	Organisations that deliver technical, vocational and professional education.
<b>Managing National Assessment</b>	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.
<b>Managing National Assessment Review</b>	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.
<b>Moderation</b>	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.

<b>National Certificate of Educational Achievement</b>	New Zealand's main national qualification for secondary school learners. Available at levels 1–3, it is registered as part of the New Zealand Qualifications Framework.
<b>New Zealand Qualifications Framework</b>	The NZQF is a framework based on outcomes, described in terms of knowledge, skills and their application. It is the definitive source of accurate information on all quality assured qualifications in New Zealand, from secondary school qualifications to doctorates. The NZQF provides information to end-users, such as employers, about what graduates can be expected to know and do.
<b>New Zealand Scholarship</b>	An examination most often undertaken by learners in the final year of secondary school (Year 13). The Scholarship is a competitive monetary award for top-performing learners who intend to enter tertiary study; it does not contribute towards a qualification.
<b>Outputs</b>	The goods and services produced by an entity to support the achievement of its impacts and outcomes.
<b>Private Training Establishment</b>	An establishment that provides post-school education and training and is registered by NZQA under Part 18 of the Education Act 1989.
<b>Qualification</b>	A qualification listed on the New Zealand Qualifications Framework.
<b>Reform of Vocational Education (RoVE)</b>	RoVE creates a strong, unified, sustainable vocational education system that is fit for the future of work and delivers the skills that learners, employers and communities need to thrive. The Education (Vocational Education and Training Reform) Amendment Act came into effect on 1 April 2020. The three education agencies (Ministry of Education, The Tertiary Education Commission and NZQA) will continue to work together through the RoVE Programme Board, which is overseeing the implementation of the key changes in the Act.
<b>(Secondary) School</b>	Any (secondary) school in New Zealand, Cook Islands or Niue holding Consent to Assess for NCEA, and/or that has learners who sit New Zealand Scholarship examinations.
<b>Self-assessment</b>	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.

<b>Special Assessment Conditions (SAC)</b>	Special Assessment Conditions (SAC) provide support to learners with sensory, physical or medical conditions/impairments and/or specific learning disorders so they have a fair opportunity to demonstrate their skills and knowledge in internal and external assessment (in both NCEA and New Zealand Scholarship).
<b>STEM</b>	The acronym of science, technology, engineering and mathematics.
<b>Takiala Pasifika</b>	NZQA's Pasifika Strategic Action Plan, outlining NZQA's goals. The strategy can be found on our website at <a href="https://www.nzqa.govt.nz/maori-and-pasifika/pasifika">https://www.nzqa.govt.nz/maori-and-pasifika/pasifika</a>
<b>Te Hono o Te Kahurangi</b>	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.
<b>Te Kōkiritanga (Māori Strategic Action Plan)</b>	A plan setting out the strategic direction that NZQA will take to ensure Māori learners enjoy and achieve education success as Māori.
<b>Te Rautaki Māori me te Mahere Whakatinana a te Mana Tohu Mātauranga o Aotearoa</b>	NZQA's strategic and implementation plan to advance Māori education and training. The strategy can be found on our website at <a href="https://www.nzqa.govt.nz/maori-and-pasifika/te-rautaki-maori">https://www.nzqa.govt.nz/maori-and-pasifika/te-rautaki-maori</a>
<b>Tertiary Education Organisations</b>	Universities, wānanga, industry training organisations, institutes of technology and polytechnics, private training establishments, government training establishments and other providers.
<b>Wānanga</b>	A body established under section 162(2) of the Education Act 1989 that is characterised by teaching and research that maintain, advance and disseminate knowledge and develop intellectual independence, and assist in the application of knowledge regarding āhuetanga Māori (Māori tradition), according to tikanga Māori (Māori custom).









NEW ZEALAND QUALIFICATIONS AUTHORITY  
MANA TOHU MĀTAURANGA O AOTEAROA

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