



Te tauākī kawatau o ngā mahi

Statement of
Performance Expectations

2021 – 2022



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.

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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 2021 to 30 June 2022.

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

Signed on: 31 May 2021



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

The 2021-2022 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 2022, 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 2021-2022 Annual Report.

Tō mātou tāpaetanga ki te pūnaha mātauranga

Our contribution to the education system

The Government's statement of National Education and Learning Priorities (NELP) and the Tertiary Education Strategy (TES)¹ are based on the following objectives for education:

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

NZQA's strategic outcomes framework outlined in this 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.

¹ <https://www.education.govt.nz/assets/Documents/NELP-TES-documents/FULL-NELP-2020.pdf>

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

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

Te wāhi ki a mātou

Our role

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

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

Te whakahaere tika i te wāhi mahi

Our 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 kōunga:

Quality assurance:

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

Aromatawai:

Assessment:

We administer, quality assure and report on three NCEA levels for senior secondary learners (and for a smaller number of learners outside

the secondary school system) and New Zealand Scholarship examinations. We do this through:

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

Ngā rautaki takune

Strategic intentions

Te āhua me te whakahaere i te taiao mahi

Our operating environment

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

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

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

NZQA is using digital learning and assessment to support changes in how and what learners learn; this also provides opportunities to support those with additional learning needs.

There is an increased focus on learner wellbeing as reflected in the interim Domestic Code.²

We are working to assure learner wellbeing as administrator of both the international student code³ and the interim code covering domestic tertiary students.

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

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

We remain focused on ensuring equitable access for other learners with disabilities and learning support needs and 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.

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

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

These two outcomes form the cornerstone of our strategic outcomes framework, which is outlined on pages 9 and 12. 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.

To meet our work programme this year NZQA will incur a financial deficit. Details are contained in Part 2 Prospective financial statements on page 27.

² Education (Pastoral Care of Domestic Tertiary Students) Interim Code of Practice 2019 (the interim Domestic Code).

³ The Education (Pastoral Care of International Students) Code of Practice 2016.

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

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

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

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

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

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

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

Ngā pātanga mō te 5 – 10 tau

Ngā hua ake mō te 3 – 5 tau

1.1.1 Mā te wheako kiritaki anō ngā rākongā o NZQA e ārahi

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

1.1.3 Ka whakatau tika nei ngā ākongā 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 ākongā

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

1.3.1 Ka tāharatia ngā tauārai o te whai tohu mātauranga ki ngā ākongā, ā, ka hāpatia hoki ngā hiahia whāiti o te ako

2.1.1 Ko ngā mahi aromatawai auaha he hāpai i te ākongā kia māwhitihiti i te marautanga ako

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

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

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

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

Qualify 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



2.2 Qualifications are accepted as credible and robust nationally and internationally



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

5 – 10 years
Focus areas
(outcomes)

5 – 10 years
Impacts

3 – 5 years
Intermediate
outcomes

1.1.1

Customer experience informs the delivery of NZQA services

1.1.1.1

Learners access qualification pathways that are right for them

1.1.2

Whānau and education organisations are engaged and confident in supporting learners

1.1.2.3

Māori and Pasifika learners benefit from innovative partnerships

1.2.1

NZQA is a te reo Māori learning organisation

1.2.3

Māori and Pasifika learners benefit from innovative partnerships

1.2.2

Mātauranga Māori is advanced to support learners

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

2.2.3

Greater qualification recognition enables mobility

2.2.2

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

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 other 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.

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 I.I:**Ka hangaia mai ngā rātonga katoa o NZQA i te mana taurite****IMPACT AREA I.I:****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 other 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 I.I.I:**Mā te wheako kiritaki anō ngā rātonga o NZQA e ārahi****INTERMEDIATE OUTCOME I.I.I:****Customer experience informs the delivery of NZQA services**

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 ākonga

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 ākonga i ngā ara tohu e tika ana ki a rātou

INTERMEDIATE OUTCOME 1.1.3:

Learners access qualification pathways that are right for them

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 ākonga Māori me ngā ākonga 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.**

Credible and robust qualifications promote recognition and mobility across national and international boundaries, while flexible qualifications and credentials recognise learning and skills acquired throughout a person's life. Hence the quality of assessment practice is critical in underpinning ongoing learning and career pathways.

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.



Credit: Ebony Wingfield Te Aho o Te Kura Pounamu (Excellence NCEA Level 3 – Painting)

TE WĀHANGA TUATAHI:

Ngā kawatau o ngā mahi

PART ONE:

Performance expectations

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

The information outlined in this SPE enables the public, Ministers, Parliament and external monitoring agencies to track our progress in achieving the objectives set out in our SOI 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 category of expense is provided by the Crown.

Cost and funding	Budget 2021-2022 \$000
Revenue	
Crown	3,309
Other	-
Total revenue	3,309
Expenses	3,539
Net (deficit)	(230)

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 60 percent of the total revenue for this category of expense is provided by the Crown. The remaining 40 percent is funded through third-party revenue, including private training establishment (PTE) registration fees, Te Pūkenga – New Zealand Institute of Skills and Technology and its subsidiaries' quality assurance fees, external evaluation and review charges, approval and accreditation charges, and consistency review charges.

Cost and funding	Budget 2021-2022 \$000
Revenue	
Crown	9,845
Other	6,570
Total revenue	16,415
Expenses	17,690
Net (deficit)	(1,275)

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 25 percent of the total revenue for this category of expense is provided by the Crown. The remaining 75 percent is funded through third-party revenue, including fees for credit reporting and recognition of overseas qualifications.

Cost and funding	Budget 2021-2022 \$000
Revenue	
Crown	6,049
Other	17,901
Total revenue	23,950
Expenses	24,902
Net (deficit)	(952)

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 95 percent of the total revenue for this category of expense is provided by the Crown. The remaining 5 percent is funded through third-party revenue, including international NCEA fees and non-government funded secondary examination and assessment fees.

Cost and funding	Budget 2021-2022 \$000
Revenue	
Crown	55,765
Other	3,143
Total revenue	58,908
Expenses	59,530
Net (deficit)	(622)

Te paearu o ngā mahi

How performance will be assessed

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

Measure ID.	Measure	2019/20 Actual	2020/21 Standard	2021/22 Standard
i	The overall satisfaction rating given by the Minister of Education on the New Zealand Qualifications Authority ⁴	8	8	8
ii	The percentage of Ministerial items that achieve the deadlines agreed with the Minister's office	99.5%	99%	99%

⁴ The survey measures Minister's satisfaction with the quality of advice on a scale from 1 to 10, where 1 means unsatisfied and 10 means extremely satisfied.

I.0 Mā te mana taurite ki te whai tohu mātauranga te ahunga tātai oranga e tautoko

I.0 Equity of access to qualifications supports intergenerational wellbeing

Measure ID.	Measure	2019/20 Actual	2020/21 Standard	2021/22 Standard
IMPACT I.1: NZQA services are designed for equity				
Intermediate Outcome I.1.1: Customer experience informs the delivery of NZQA services				
I.1.1a	The proportion of survey respondents who agree/strongly agree that information they received from NZQA met their needs ⁵	68.6%	75%	75%
I.1.1b	The proportion of survey respondents who agree/strongly agree that the NZQA website is easy to use	55.8%	70%	70%
Intermediate Outcome I.1.2: Whānau and education organisations are engaged and confident in supporting learners				
I.1.2a	Co-design solutions to benefit learners		Narrative	Narrative
Intermediate Outcome I.1.3: Learners access qualification pathways that are right for them				
I.1.3a	Participation in digital external assessment increases as a proportion of overall participation in external assessment	11.3% (baseline)	Upward trend (Baseline established from 2019 data available in June 2020)	Upward trend (Baseline established from 2020 data available in June 2021)

⁵ 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	2019/20 Actual	2020/21 Standard	2021/22 Standard
IMPACT 1.2: Innovative partnerships support equitable access for Māori and Pasifika learners				
Intermediate Outcome 1.2.1: NZQA is a te reo Māori learning organisation				
1.2.1a	The percentage of NZQA staff who have a te reo Māori plan	N/A	N/A	90%
1.2.1b	The percentage of NZQA staff who reach higher levels of proficiency through te reo Māori language planning and development	N/A	N/A	25%
Intermediate Outcome 1.2.2: Mātauranga Māori is advanced to support learners				
1.2.2a	The percentage of applications (which meet the criteria to be approved) that are quality assured using Te Hono te Kahurangi ⁶	4.4%	≥3%	≥3%
1.2.2b	The rate of Māori learner participation in digital external assessment is the same as or higher than their non-Māori learner peers	NCEA Level 1: baseline = 7.5% NCEA Level 2: baseline = 8.9% NCEA Level 3: baseline = 10.2%	Upward trend (Baseline established from 2019 data available in June 2020)	Upward trend (Baseline established from 2020 data available in June 2021)

6 A tertiary education organisation can select the quality assurance approach used to approve applications. NZQA is strengthening its guidance and support for tertiary education providers seeking approval of mātauranga Māori applications to request quality assurance using the Te Hono te Kahurangi framework. An increase in the percentage of applications that meet the criteria to be approved is an indication that guidance and support is meeting the needs of a tertiary education provider.

Measure ID.	Measure	2019/20 Actual	2020/21 Standard	2021/22 Standard
Intermediate Outcome 1.2.3: Māori and Pasifika learners benefit from innovative partnerships				
1.2.3a	The percentage of Pacific parents and families who attended NCEA Ma le Pasifika workshops who report increased knowledge of NCEA and more confidence to support their children	100%	90%	90% ⁷
1.2.3b	The percentage of parents & whānau who attended NCEA and the Whānau workshops who report increased knowledge of NCEA and more confidence to support their children	98.6%	90%	90% ⁸
1.2.3c	The rate of Pacific learner participation in digital external assessment is the same as or higher than their non-Pacific learner peers	NCEA Level 1: baseline = 7.7% NCEA Level 2: baseline = 6.8% NCEA Level 3: baseline = 9.3%	Upward trend (Baseline established from 2019 data available in June 2020)	Upward trend (Baseline established from 2020 data available in June 2021)
IMPACT 1.3: Learners with disabilities and learning support needs, and/or socio-economic disadvantage have access to qualifications that meet their needs and aspirations				
Intermediate Outcome 1.3.1: Barriers to learners accessing qualifications are reduced and additional learning needs are supported				
1.3.1a	The percentage of targeted ⁹ schools that found NZQA's package of SAC support useful in helping them manage SAC for learners	N/A	N/A	60-80% 2021-2022 will act as baseline

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

⁹ Targeted schools are those which have a lower than expected number of SAC (Special Assessment Conditions) applications from the prior year and are identified through a matrix of factors.

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

2.0 New Zealand qualifications enable lifelong learning

Measure ID.	Measure	2019/20 Actual	2020/21 Standard	2021/22 Standard
IMPACT 2.1: Assessment and credentialing support innovation in teaching and preparation for a changing world of work				
Intermediate Outcome 2.1.1: Innovative assessment practices enable learners to make connections across learning areas				
2.1.1a	The percentage of assessors who are more likely to use innovative assessment practices after completing NZQA's learning module on integrated assessment	N/A	N/A	60-80% 2021-2022 will act as baseline
2.1.1b	The percentage of NCEA examinations available in a digital mode	N/A	N/A	60%
Intermediate Outcome 2.1.2: Learner voice informs digital assessment methods and builds confidence and engagement in assessment				
2.1.2a	Learner feedback is actively used in design and development of digital assessment activities	Narrative	Narrative	Narrative
IMPACT 2.2: Qualifications are accepted as credible and robust nationally and internationally				
Intermediate Outcome 2.2.1: The NZQF facilitates lifelong learning				
2.2.1a	The proportion of New Zealand qualifications (that have graduates) that undergo a consistency review in any one financial year ¹⁰	N/A	15%	15%

¹⁰ Some NZQF-listed qualifications do not yet have any graduates and can therefore not participate in Consistency Reviews.

Measure ID.	Measure	2019/20 Actual	2020/21 Standard	2021/22 Standard
Intermediate Outcome 2.2.2: Quality assurance provides trust and confidence in New Zealand credentials and qualifications				
2.2.2a	The percentage of non-university Tertiary Education Organisations which had an external evaluation and review completed ¹¹	23%	20%	20%
2.2.2b	The percentage of investigations that result in a significant NZQA intervention	30%	20-40%	Downward trend ≤40%
2.2.2c	The percentage of investigations that result in corrective action that satisfactorily resolves the identified non-compliance or quality issues identified	58%	40-60%	Downward trend ≤60
2.2.2d	The percentage of all formal ¹² complaints (including the international and domestic code) that are concluded within 65 working days	N/A	95%	≥95%
2.2.2e	Progress in embedding regulatory change reflecting the new vocational qualification system settings under the reform of vocational education	N/A	N/A	Narrative
2.2.2f	Progress in transferring qualifications and standards to Workforce Development Councils	N/A	N/A	Narrative
2.2.2g	Progress in embedding the code/s of practice for the pastoral care of international and domestic tertiary students and preparations for implementing the permanent Code from 1 January 2022	N/A	N/A	Narrative
2.2.2h	The percentage of NZQA-owned standards maintained by their planned reviewed dates	99.5%	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%
2.2.2j	The percentage of total marker judgements unaltered following Review or Reconsideration of External Assessment Result process for New Zealand Scholarship	99.9%	99%	99%

¹¹ 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.

¹² 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 and Training Act 2020, NZQA Rules, Education (Pastoral Care of International Students) Code of Practice 2016, or Education (Pastoral Care of Domestic Tertiary Students) Interim Code of Practice 2019.

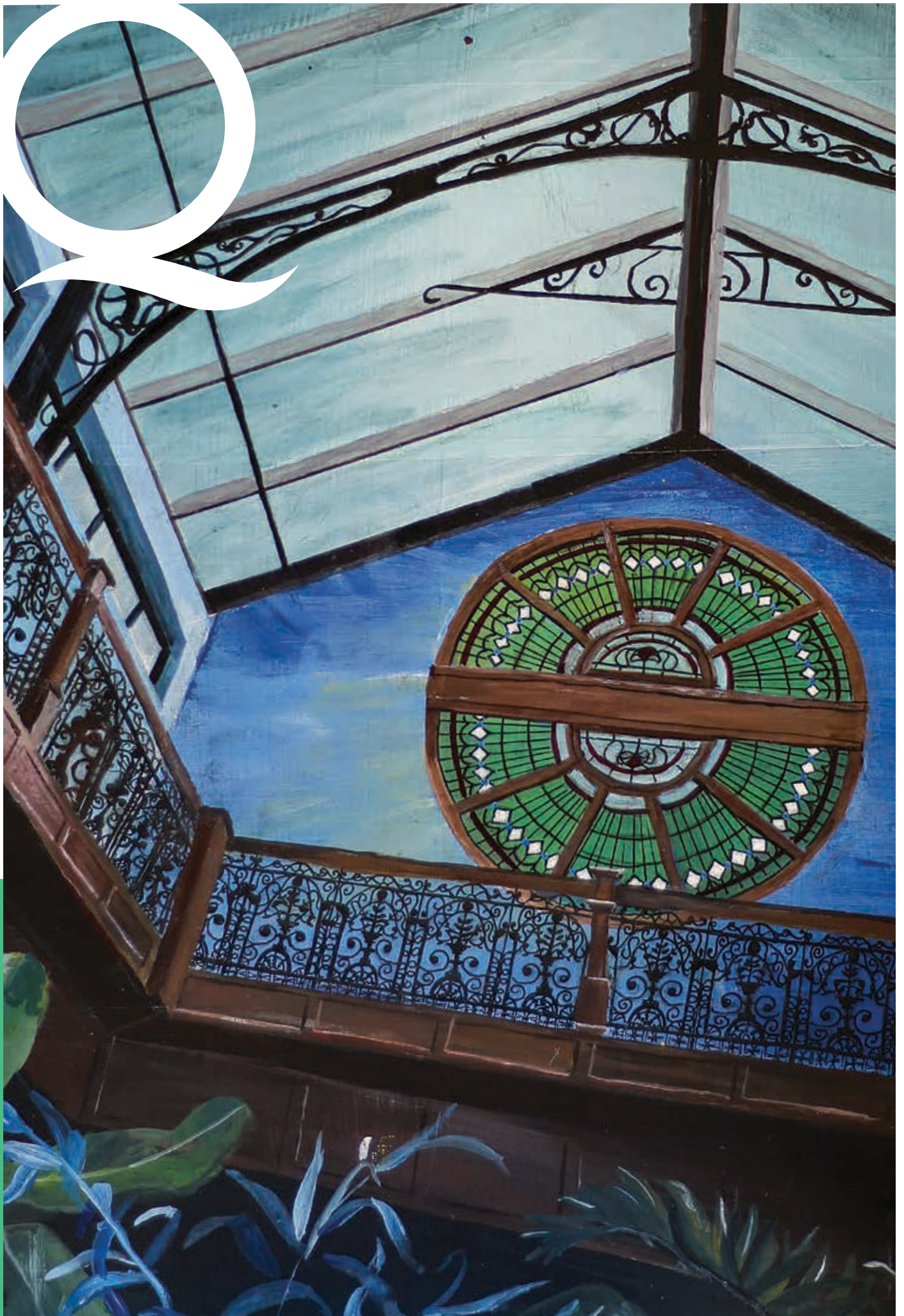
Measure ID.	Measure	2019/20 Actual	2020/21 Standard	2021/22 Standard
2.2.2k	The percentage of validated NCEA results provided to learners no later than the end of the third full week of January	99.9%	99%	99%
2.2.2l	The percentage of validated New Zealand Scholarship results provided to learners no later than the end of the second full week of February	100%	99%	99%
2.2.2m	The annual moderator/teacher agreement ¹³ rate at the level of grade ¹⁴ for a random sample of student work	81.8%	75%-85%	75%-85%
2.2.2n	The number of samples of learner work moderated for national external moderation	80,037	95,000 to 105,000	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	100%	100%
Intermediate Outcome 2.2.3: Greater qualification recognition enables mobility				
2.2.3a	The percentage of international qualification recognition products that meet their service level agreement	97%	95%	95%

¹³ The Technical Overview Group Assessment (TOGA) recommend agreement rates of between 75% and 85% as robust for a mature assessment system internationally.

¹⁴ Agreement at the level of grade is where a moderator's grade of a learner's work agrees with the teacher's grade.



Credit: John Wong Christ's College (Excellence NCEA Level 3 – Painting)



Credit: Emily Blennerhassett Cashmere High School (Excellence NCEA Level 3 – Painting)

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 2021/22. 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 has a planned deficit in 2021/22 in order to fund some internal investment initiatives.

Pūtea whiwhi

Revenue

Revenue from the Crown is based on the information contained in the 2020/21 Estimates of Appropriation, Vote Education.

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

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

Ngā whakapae ahumoni matua

Key volume forecasts

	Forecasted outturn volume in 2020/21	Forecast volume in 2021/22
No. of NZQF credits earned by learners	7,490,346	7,398,255
No. of PTEs registered with NZQA	397	377
No. of applications for qualifications recognition	13,218	13,400

The volume forecast for NZQF credits is based on the 2020/21 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 \$0.4 million and \$1 million. This risk is being mitigated by maintaining a prudent level of available cash reserves.

Ngā whakapaunga

Expenditure

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

Ngā nama

Output expense allocations

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

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

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

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

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

Ngā kaupapa here mō ngā whakautu matua

Key costing and pricing policies

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

- Core business output and non-output expense products and services are assessed at their full cost, including overhead costs
- With the exception of secondary examination and assessment fees, charges to learners (including qualifications credit and registration fees) are based on a medium-term full-cost-recovery model, which includes quality assurance and development costs including overhead costs. Secondary examination and assessment fees are largely funded by the Crown
- 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 31 May 2021 and are based on the information available at the time.

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

Prospective Statement of Comprehensive Revenue and Expense

For the year ended 30 June

	Budget 2021–2022 \$000
Revenue	
Funding from the Crown	74,968
Other revenue	27,614
Interest revenue	369
Total revenue	102,951
Expenditure	
Personnel and Board	57,320
Specialist workforce	12,140
Professional services	12,943
Publication, printing and distribution	4,216
Audit fees	111
Other operating costs	15,484
Depreciation and amortisation	3,816
Total expenditure	106,030
NET (DEFICIT)	(3,079)
Other comprehensive revenue and expense	-
TOTAL COMPREHENSIVE REVENUE AND EXPENSE	(3,079)

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

Te tauākī matapae pūtea ā-tūranga

Prospective Statement of Financial Position

As at 30 June

	Budget 2021–2022 \$000
Assets	
Current assets	
Cash and cash equivalents	3,202
Receivables	2,889
Prepayments	957
Investments	27,000
Total current assets	34,048
Non-current assets	
Property, plant and equipment	1,318
Intangible assets (including WIP)	7,228
Total non-current assets	8,546
TOTAL ASSETS	42,594
Liabilities	
Current liabilities	
Payables and deferred revenue	10,984
Employee entitlements	4,701
Total current liabilities	15,685
Non-current liabilities	
Employee entitlements	680
Total non-current liabilities	680
TOTAL LIABILITIES	16,365
NET ASSETS/PUBLIC EQUITY	26,229

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

Prospective Statement of Changes in Net Assets/Public Equity

For the year ended 30 June

	Budget 2021–2022 \$000
Balance at start of the year	29,308
Net (deficit)	(3,079)
Total comprehensive revenue and expense	(3,079)
Crown capital contribution	-
Balance at end of the year	26,229
Comprising:	
Contributed capital	20,308
Accumulated comprehensive revenue and expense	5,921
Net assets/public equity as at 30 June	26,229

Ngā tauākī matapae pūtea hokohoko

Prospective Statement of Cash Flows

For the year ended 30 June

	Budget 2021–2022 \$000
Cash flows from operating activities	
Receipts from the Crown	74,968
Receipts from other revenue	26,515
Interest received	369
Payments for employee and Board costs	(57,240)
Payments to other suppliers	(43,612)
Net cash flow from operating activities	1,000
Cash flows from investing activities	
Purchases of property, plant and equipment	(500)
Purchases of intangible assets	(3,500)
Purchases of investments	(36,500)
Receipts from sale of investments	39,500
Net cash flow from investing activities	(1,000)
Cash flows from financing activities	
Crown – capital contribution	-
Net cash flow from financing activities	-
Net increase in cash and cash equivalents	-
Cash and cash equivalents at the beginning of the year	3,202
Cash and cash equivalents at the end of the year	3,202

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, and the Education and Training Act 2020. NZQA's ultimate parent is the New Zealand Crown.

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

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

The reporting period for the prospective financial statements is the year ended 30 June 2022.

Te tūnga pūtea o te rōpū

Basis of preparation

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

Te tauākī tūtohu

Statement of compliance

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

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

Te whakaatu me te whakaawhiwhi pūnaha moni

Presentational currency and rounding

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

Te paearu me ngā whakamāramatanga kaute hou

New accounting standards and interpretations

All accounting policies adopted in these prospective financial statements are consistent with those of the previous year. In March 2019, PBE IPSAS 41 Financial Instruments was issued. This will supersede PBE IFRS 9 Financial Instruments and is effective for reporting periods beginning on or after 1 January 2022. As a consequence of the identical, or almost identical, requirements in PBE IFRS 9 and PBE IPSAS 41, any impact on the financial statements from PBE IPSAS 41 is likely to be minimal.

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 Leadership Team, which includes the Chief Executive.

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

Te tāke**Taxation**

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

Te tāke hokohoko**Goods and Services Tax (GST)**

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

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

Commitments and contingencies are disclosed exclusive of GST.



Te kupu taka

Glossary

Assessment	Collecting and evaluating evidence to establish the level of an individual's performance in relation to agreed outcomes.
Assessment (secondary – external)	Assessment (NCEA or New Zealand Scholarship) conducted by NZQA. This includes reports, portfolio submissions, common assessment tasks and national examinations held at the end of the school year.
Assessment (secondary – internal)	Assessment conducted by a secondary school during the school year. Independent moderation by NZQA provides assurance that assessment decisions, in relation to assessment standards, are consistent nationally, and that assessment judgements (marking of learners' work) are at the national standard.
Assessment Standards	An assessment standard is a standard listed on the Directory of Assessment Standards. There are two types of assessment standard, Achievement Standards and Unit Standards.
Education (Pastoral Care of Domestic Tertiary Students) Interim Code of Practice 2019 (the interim Domestic Code)	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.
Education (Pastoral Care of International Students) Code of Practice 2016 (the International Code)	The International Code outlines the legal requirements that education providers enrolling international students must abide by. It sets out minimum standards that can be expected by students and provides a procedure they can follow if they have concerns about the service they receive from their education providers and the agents of providers.

Education Organisation	An organisation supplying education and/or training and/or assessment services that is recognised within the formal schooling, education and training system. This can include secondary schools, government organisations and private providers.
External Evaluation and Review	A review that provides a judgement on the relative quality of a tertiary education organisation. NZQA expresses this judgement in a report that states NZQA's level of confidence in the TEO's educational performance and capability in self-assessment.
Managing National Assessment	A process for achieving valid, fair, accurate and nationally consistent internal assessment in schools. It is a partnership between schools and NZQA, in which NZQA reviews the schools' processes or systems for managing assessment.
Managing National Assessment Review	A review by NZQA of schools' processes or systems for managing assessment for qualifications, including systems for achieving valid, fair, accurate and nationally consistent internal assessment.
Moderation	A process for confirming that an organisation's assessment decisions are fair, valid and consistent with the required standard across a number of assessors or assessing organisations nationally.
National Certificate of Educational Achievement (NCEA)	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.
New Zealand Qualifications Framework (NZQF)	The NZQF is the definitive source of accurate information on all quality assured qualifications in New Zealand, from secondary school qualifications to doctorates. It is based on learning outcomes, described in terms of knowledge, skills and their application. The NZQF provides information to end-users, such as employers, about what graduates can be expected to know and do.
New Zealand Scholarship	An additional examination most often undertaken by learners in the final year of secondary school (Year 13). The Scholarship is a competitive monetary award for top-performing learners who intend to enter tertiary study; it does not contribute towards a qualification.

Outputs	The goods and services produced by an entity to support the achievement of its impacts and outcomes.
Private Training Establishment	An establishment that provides post-school education and training and is registered by NZQA under Part 4 of the Education and Training Act 2020.
Qualification	A qualification listed on the NZQF.
Reform of Vocational Education (RoVE)	RoVE consists of several key changes to create a unified vocational education system. This includes the creation of Te Pūkenga – New Zealand Institute of Skills and Technology and workforce development councils.
(Secondary) School	Any (secondary) school in New Zealand, Cook Islands or Niue holding Consent to Assess for NCEA, and/or that has learners who sit New Zealand Scholarship examinations.
Self-assessment	The process that providers of post-school education and training organisations use to establish evidence of their own effectiveness and identify strengths and weaknesses. The results of the process should inform future planning and lead to actions that bring about improvements.
Special Assessment Conditions (SAC)	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).
STEM	The acronym of science, technology, engineering and mathematics.
Te Hono o Te Kahurangi	Provides quality assurance for tertiary education organisations that deliver qualifications or programmes based on mātauranga Māori, or where the whole organisational approach is based on mātauranga Māori.
Tertiary Education Organisations	Universities, wānanga, transitional industry training organisations, workforce development councils, Te Pūkenga – New Zealand Institute of Skills and Technology, private training establishments and government training establishments.
Te Pūkenga – New Zealand Institute of Skills and Technology	An institution that delivers technical, vocational and professional education and is described from Section 314 of the Education and Training Act 2020.

Te Pūkenga – New Zealand Institute of Skills and Technology subsidiary	A Crown entity subsidiary of Te Pūkenga – New Zealand Institute of Skills and Technology.
Transitional Industry Training Organisation	An industry-specific body, recognised under the Education and Training Act 2020, that sets NZQA-accredited skill standards for its industry and manages arrangements for industry training that enable trainees to attain those standards.
Wānanga	A body established under section 268 of the Education and Training Act 2020 that is characterised by teaching and research that maintain, advance and disseminate knowledge and develop intellectual independence, and assist in the application of knowledge regarding āhuatanga Māori (Māori tradition), according to tikanga Māori (Māori custom).
Workforce Development Council	A body established under section 363 of the Education and Training Act 2020, in relation to the specific industries it covers, that provides leadership, develops and sets standards and qualifications, endorses programmes and moderates assessments and provides an advisory and representative role for employers.



NEW ZEALAND QUALIFICATIONS AUTHORITY
MANA TOHU MĀTAURANGA O AOTEAROA

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KIA NOHO TAKATŪ KI TŌ ĀMUA AO!