

Vote Education Review Office

APPROPRIATION MINISTER(S): Minister of Education (M26)

APPROPRIATION ADMINISTRATOR: Education Review Office

RESPONSIBLE MINISTER FOR EDUCATION REVIEW OFFICE: Minister of Education

Overview of the Vote

The Minister of Education is responsible for appropriations in the Vote for the 2019/20 financial year covering the following:

- a total of nearly \$33 million for evaluations (institutional and system-wide) on the quality of education provided by early childhood learning services, schools and other education service providers, and
- a total of nearly \$2 million in departmental capital expenditure.

Details of these appropriations are set out in Parts 2-4.

Details of Appropriations and Capital Injections

Annual Appropriations and Forecast Permanent Appropriations

Titles and Scopes of Appropriations by Appropriation Type	2018/19		2019/20
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Departmental Capital Expenditure			
Education Review Office - Capital Expenditure PLA (M26) This appropriation is limited to the purchase or development of assets by and for the use of the Education Review Office, as authorised by section 24(1) of the Public Finance Act 1989.	2,185	2,185	1,760
Total Departmental Capital Expenditure	2,185	2,185	1,760
Multi-Category Expenses and Capital Expenditure			
Quality of Education: Evaluations and Services MCA (M26) The single overarching purpose of this appropriation is to provide evaluation (institutional and system-wide) on the quality of education provided by early childhood learning services, schools and other education service providers.	29,912	29,912	32,701
<i>Departmental Output Expenses</i>			
<i>Early Childhood Learning Services</i> This category is limited to evaluations of the performance of early childhood learning services.	9,889	9,889	12,626
<i>National Evaluations and Other Services</i> This category is limited to the provision of national education evaluation and other publications, policy services, ministerial services and contractual evaluation services.	4,606	4,606	3,907
<i>Schools and Other Education Service Providers</i> This category is limited to evaluations of the performance of schools, Communities of Learning and other education service providers.	15,417	15,417	16,168
Total Multi-Category Expenses and Capital Expenditure	29,912	29,912	32,701
Total Annual Appropriations and Forecast Permanent Appropriations	32,097	32,097	34,461

Capital Injection Authorisations

Education Review Office - Capital Injection (M26)	2018/19		2019/20
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
	161	161	-

Supporting Information

Part 1 - Vote as a Whole

1.1 - New Policy Initiatives

Policy Initiative	Appropriation	2018/19 Final Budgeted \$000	2019/20 Budget \$000	2020/21 Estimated \$000	2021/22 Estimated \$000	2022/23 Estimated \$000
Improving the Quality of the Education System	Quality of Education: Evaluations and Services MCA					
	Early Childhood Learning Services	-	2,802	3,105	2,806	3,223
	Schools and Other Education Service Providers	-	451	920	1,409	1,916
	National Evaluations and Other Services	-	105	214	327	445
Total Initiatives		-	3,358	4,239	4,542	5,584

1.2 - Trends in the Vote

Summary of Financial Activity

	2014/15	2015/16	2016/17	2017/18	2018/19		2019/20			2020/21	2021/22	2022/23
	Actual \$000	Actual \$000	Actual \$000	Actual \$000	Final Budgeted \$000	Estimated Actual \$000	Departmental Transactions Budget \$000	Non- Departmental Transactions Budget \$000	Total Budget \$000	Estimated \$000	Estimated \$000	Estimated \$000
Appropriations												
Output Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Benefits or Related Expenses	-	-	-	-	-	-	N/A	-	-	-	-	-
Borrowing Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Capital Expenditure	1,007	1,070	535	2,549	2,185	2,185	1,760	-	1,760	560	560	560
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	-	-	-	-	N/A	-	-	-	-
Multi-Category Expenses and Capital Expenditure (MCA)												
<i>Output Expenses</i>	27,839	28,590	27,846	29,509	29,912	29,912	32,701	-	32,701	34,405	34,708	35,750
<i>Other Expenses</i>	-	-	-	-	-	-	-	-	-	-	-	-
<i>Capital Expenditure</i>	-	-	-	-	-	-	N/A	-	-	-	-	-
Total Appropriations	28,846	29,660	28,381	32,058	32,097	32,097	34,461	-	34,461	34,965	35,268	36,310
Crown Revenue and Capital Receipts												
Tax Revenue	-	-	-	-	-	-	N/A	-	-	-	-	-
Non-Tax Revenue	-	-	-	-	-	-	N/A	-	-	-	-	-
Capital Receipts	-	-	-	-	-	-	N/A	-	-	-	-	-
Total Crown Revenue and Capital Receipts	-	-	-	-	-	-	N/A	-	-	-	-	-

Note - where restructuring of the vote has occurred then, to the extent practicable, prior years information has been restated as if the restructuring had occurred before the beginning of the period covered. In this instance Total Appropriations for the Budgeted and Estimated Actual year may not equal Total Annual Appropriations and Forecast Permanent Appropriations and Multi-Year Appropriations in the Details of Appropriations and Capital Injections.

Adjustments to the Summary of Financial Activity Table Due to Vote Restructuring

There have been no restructuring adjustments to prior year information in the Summary of Financial Activity table.

1.3 - Analysis of Significant Trends

Vote ERO contains appropriations for output expenses and capital expenditure.

Significant changes in output expense between 2015/16 and 2020/21 include:

- higher levels of contractual evaluation services provided by ERO
- additional investment in education evaluations for accountability and improvement, and
- an insurance payment for property and equipment in ERO's Revera House office that was damaged during the 2016 Kaikōura earthquake.

ERO's departmental output expense appropriation levels will increase in 2019/20 onwards due to additional Budget 2019 funding needed to meet the continued costs of external evaluations of early childhood learning services and schools, and to increase the frequency of early childhood provider reviews.

There are no significant trends in capital expenditure appropriation levels.

Part 2 - Details of Departmental Appropriations

2.3 - Departmental Capital Expenditure and Capital Injections

Education Review Office - Capital Expenditure PLA (M26)

Scope of Appropriation

This appropriation is limited to the purchase or development of assets by and for the use of the Education Review Office, as authorised by section 24(1) of the Public Finance Act 1989.

Capital Expenditure

	2018/19		2019/20
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Forests/Agricultural	-	-	-
Land	-	-	-
Property, Plant and Equipment	1,094	1,094	1,410
Intangibles	1,091	1,091	350
Other	-	-	-
Total Appropriation	2,185	2,185	1,760

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve the renewal and replacement of ERO's assets that supports the delivery of its services.

How Performance will be Assessed and End of Year Reporting Requirements

	2018/19		2019/20
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Expenditure is in accordance with ERO's capital expenditure plan	75%-100%	75%-100%	75%-100%

ERO is not a capital intensive department. Assets are purchased according to a planned assets replacement programme to maintain and upgrade capability essential to the operation of ERO. The major areas of capital investment for ERO are office accommodation, motor vehicles and computer equipment.

End of Year Performance Reporting

Performance information for this appropriation will be reported by ERO in its Annual Report to be tabled in the House.

Reasons for Change in Appropriation

The decrease in this appropriation for 2019/20 is mainly due to a one-off expenditure on computer systems in 2018/19 only.

*Capital Injections and Movements in Departmental Net Assets***Education Review Office**

Details of Net Asset Schedule	2018/19 Estimated Actual \$000	2019/20 Projected \$000	Explanation of Projected Movements in 2019/20
Opening Balance	3,746	3,907	
Capital Injections	161	-	Retention of insurance proceeds received in 2017/18 arising from one of Education Review Office's premises damaged by the November 2016 Kaikōura earthquake.
Capital Withdrawals	-	-	
Surplus to be Retained (Deficit Incurred)	-	-	
Other Movements	-	-	
Closing Balance	3,907	3,907	

Part 4 - Details of Multi-Category Expenses and Capital Expenditure

4 - Multi-Category Expenses and Capital Expenditure

Quality of Education: Evaluations and Services (M26)

Overarching Purpose Statement

The single overarching purpose of this appropriation is to provide evaluation (institutional and system-wide) on the quality of education provided by early childhood learning services, schools and other education service providers.

Scope of Appropriation

Departmental Output Expenses

Early Childhood Learning Services

This category is limited to evaluations of the performance of early childhood learning services.

National Evaluations and Other Services

This category is limited to the provision of national education evaluation and other publications, policy services, ministerial services and contractual evaluation services.

Schools and Other Education Service Providers

This category is limited to evaluations of the performance of schools, Communities of Learning and other education service providers.

Expenses, Revenue and Capital Expenditure

	2018/19		2019/20
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	29,912	29,912	32,701
Departmental Output Expenses			
Early Childhood Learning Services	9,889	9,889	12,626
National Evaluations and Other Services	4,606	4,606	3,907
Schools and Other Education Service Providers	15,417	15,417	16,168
Funding for Departmental Output Expenses			
Revenue from the Crown	28,162	28,162	31,785
Early Childhood Learning Services	9,860	9,860	12,595
National Evaluations and Other Services	2,953	2,953	3,089
Schools and Other Education Service Providers	15,349	15,349	16,101
Revenue from Others	1,750	1,750	916
Early Childhood Learning Services	29	29	31
National Evaluations and Other Services	1,653	1,653	818
Schools and Other Education Service Providers	68	68	67

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve improvements in learner outcomes by using evaluation to influence and inform schools and early childhood learning services and influence the development and implementation of education policy and practices, while assuring the Government and communities of the quality of education provided.

How Performance will be Assessed for this Appropriation

Assessment of Performance	2018/19		2019/20
	Final Budgeted Standard	Estimated Actual	Budget Standard
Total number of evaluations of education service providers and national evaluations	>1,850	>1,850	>2,000
Percentage of education service providers that indicate ERO's evaluations are making a contribution to their decisions about how to improve learner outcomes	>80%	>80%	>80%
Key audiences report that ERO's national evaluations are informative and useful for identifying or planning improvements within the system or its component parts	>80%	>80%	>80%

What is Intended to be Achieved with each Category and How Performance will be Assessed

Assessment of Performance	2018/19		2019/20
	Final Budgeted Standard	Estimated Actual	Budget Standard
Departmental Output Expenses			
Early Childhood Learning Services			
This category is intended to achieve improvements in teaching and learning practices by assisting early childhood learning services to improve their capacity in internal evaluation, governance and leadership through ERO's independent evaluations.			
Number of early childhood learning service evaluations (include umbrella organisations)	1,200-1,460	1,200-1,460	1,350-1,600
Level of compliance with approved standard procedures for a sample of early childhood learning service evaluations as assessed by a moderation panel	90%-100%	90%-100%	>90%
Percentages of draft (near final) findings sent to early childhood learning services for confirmation of accuracy and comment will meet target for reporting to the Minister within 20 working days of the end of the last week on site	>80%	>80%	>80%
Percentage of early childhood learning services that indicate ERO's evaluations are making a contribution to their decisions about how to improve learner outcomes	>80%	>80%	>80%
Percentage of early childhood learning service respondents that indicate that their ERO evaluation has helped to identify or confirm opportunities for more effective practice	New measure for 2019/20	New measure for 2019/20	>80%
Percentage of early childhood learning service respondents that indicate that their ERO evaluation will help to build the early childhood learning service's capability in the medium to long term	New measure for 2019/20	New measure for 2019/20	>80%

Assessment of Performance	2018/19		2019/20
	Final Budgeted Standard	Estimated Actual	Budget Standard
National Evaluations and Other Services			
This category is intended to achieve improvements in learner outcomes by influencing and informing on the development and implementation of education policy and practices through ERO's system-wide evaluations and through the provision of other services.			
Number of national evaluations and other publications	Up to 20	Up to 20	Up to 20
National evaluations are consistent with approved plans and procedures	100%	100%	100%
Schools and Other Education Service Providers			
This category is intended to achieve improvements in teaching and learning practices by assisting schools and other education service providers to improve their capacity in internal evaluation, governance and leadership through ERO's independent evaluations.			
Number of schools education evaluations (include homeschools, Communities of Learning and private schools)	650-840	650-840	650-840
Level of compliance with approved standard procedures for a sample of schools and other education service providers as assessed by a moderation panel	90%-100%	90%-100%	>90%
Percentages of draft (near final) findings sent to schools and other education service providers for confirmation of accuracy and comment will meet target for reporting to the Minister within 20 working days of the end of the last week on site	>80%	>80%	>80%
Percentage of schools that indicate ERO's evaluations are making a contribution to their decisions about how to improve learner outcomes	>80%	>80%	>80%
Percentage of school respondents that indicate that their ERO evaluation had helped to identify or confirm opportunities for more effective practice	>80%	>80%	>80%
Percentage of school respondents that indicate that their ERO evaluation will help to build the school's capability in the medium to long term	>80%	>80%	>80%

ERO recognises an education evaluation as an output at the time it is available for delivery to the Minister of Education. Partially complete evaluations are not reported.

National education evaluations provide information on significant education issues and sector performance. In particular, ERO will provide information for individual schools, communities and the Government on what effective practice looks like, how well schools are supporting their students to achieve educational standards and qualifications, and promoting equitable educational success particularly for Māori and Pacific learners. The information for these evaluations is gathered during the regular reviews carried out by ERO or by specialist ERO teams for particular topics.

Policy services, ministerial and contractual services are subject to external demand factors making these activities difficult to forecast. No assessments of performance have been reported for these services as these activities only account for less than 10% of ERO's total Vote and therefore are not deemed to be material.

End of Year Performance Reporting

Performance information for this appropriation will be reported by ERO in its Annual Report to be tabled in the House.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2018/19 Final Budgeted \$000	2019/20 Budget \$000	2020/21 Estimated \$000	2021/22 Estimated \$000	2022/23 Estimated \$000
Current Government						
Improving the Quality of the Education System:	2019/20					
Early Childhood Learning Services	2019/20	-	2,802	3,105	2,806	3,223
Schools and Other Education Service Providers	2019/20	-	451	920	1,409	1,916
National Evaluations and Other Services	2019/20	-	105	214	327	445
Previous Government						
Education evaluation - investing for accountability and improvement	2017/18	1,092	1,357	2,180	2,180	2,180
Share of costs for Budget 2015 whole-of government	2015/16	(36)	(36)	(36)	(36)	(36)

Reasons for Change in Appropriation

The total increase to the appropriation in the 2019/20 year is \$2.789 million. The appropriation increased by \$3.358 million due to additional funding provided to ERO through Budget 2019 to meet the continued costs of external evaluations of early childhood learning services and schools, and to increase the frequency of early childhood provider reviews. This increase was partially offset by lower levels of contractual evaluation services provided by ERO forecasted in 2019/20 compared to 2018/19, which decreased the appropriation by \$834,000.