

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 2020/21 financial year covering the following:

- a total of nearly \$34 million for evaluations of national and local education programmes and providers and to evaluation services provided to third parties under contracts
- a total of nearly \$700,000 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	2019/20		2020/21
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Departmental Output Expenses			
Evaluations of the Quality of Education (M26) This appropriation is limited to evaluations of national and local education programmes and providers and to evaluation services provided to third parties under contract.	-	-	33,989
Total Departmental Output Expenses	-	-	33,989
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.	2,765	2,765	688
Total Departmental Capital Expenditure	2,765	2,765	688
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.	33,085	33,085	-
Departmental Output Expenses			
Early Childhood Learning Services This category is limited to evaluations of the performance of early childhood learning services.	12,626	12,626	-
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.	4,291	4,291	-
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.	16,168	16,168	-
Total Multi-Category Expenses and Capital Expenditure	33,085	33,085	-
Total Annual Appropriations and Forecast Permanent Appropriations	35,850	35,850	34,677

Capital Injection Authorisations

	2019/20		2020/21
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Education Review Office - Capital Injection (M26)	-	-	-

Supporting Information

Part 1 - Vote as a Whole

This part provides trend information for the vote.

1.2 - Trends in the Vote

Summary of Financial Activity

	2015/16	2016/17	2017/18	2018/19	2019/20		2020/21			2021/22	2022/23	2023/24
	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	28,590	27,846	29,509	29,210	33,085	33,085	33,989	-	33,989	34,292	35,334	35,334
Benefits or Related Expenses	-	-	-	-	-	-	N/A	-	-	-	-	-
Borrowing Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Capital Expenditure	1,070	535	2,549	672	2,765	2,765	688	-	688	1,000	1,000	1,000
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	-	-	-	-	N/A	-	-	-	-
Multi-Category Expenses and Capital Expenditure (MCA)												
<i>Output Expenses</i>	-	-	-	-	-	-	-	-	-	-	-	-
<i>Other Expenses</i>	-	-	-	-	-	-	-	-	-	-	-	-
<i>Capital Expenditure</i>	-	-	-	-	-	-	N/A	-	-	-	-	-
Total Appropriations	29,660	28,381	32,058	29,882	35,850	35,850	34,677	-	34,677	35,292	36,334	36,334
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

	2015/16 Adjustments \$000	2016/17 Adjustments \$000	2017/18 Adjustments \$000	2018/19 Adjustments \$000	2019/20 Final Budgeted Adjustments \$000	2019/20 Estimated Actual Adjustments \$000
Appropriations						
Output Expenses	28,590	27,846	29,509	29,210	33,085	33,085
Benefits or Related Expenses	-	-	-	-	-	-
Borrowing Expenses	-	-	-	-	-	-
Other Expenses	-	-	-	-	-	-
Capital Expenditure	-	-	-	-	-	-
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	-	-	-
Multi-Category Expenses and Capital Expenditure (MCA)						
<i>Output Expenses</i>	(28,590)	(27,846)	(29,509)	(29,210)	(33,085)	(33,085)
<i>Other Expenses</i>	-	-	-	-	-	-
<i>Capital Expenditure</i>	-	-	-	-	-	-
Total Appropriations	-	-	-	-	-	-
Crown Revenue and Capital Receipts						
Tax Revenue	-	-	-	-	-	-
Non-Tax Revenue	-	-	-	-	-	-
Capital Receipts	-	-	-	-	-	-
Total Crown Revenue and Capital Receipts	-	-	-	-	-	-

The prior year information in the Summary of Financial Activity table has been restated to reflect the current Vote structure.

The adjustments in the table above reflect the replacement of ERO's multi-category appropriation Quality of Education: Evaluations and Services MCA (M26) with a single departmental output appropriation Evaluations of the Quality of Education from 2020/21 onwards. The table shows how past expenditure has been changed if the restructured appropriations had been in place.

1.3 - Analysis of Significant Trends

Vote ERO contains appropriations for output expenses and capital expenditure.

Significant changes in output expenses between 2016/17 and 2021/22 include:

- higher levels of contractual evaluation services provided by ERO, and
- additional investment in education evaluations for accountability and improvement.

ERO's departmental output expense appropriation levels will increase in 2020/21 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.

1.4 - Reconciliation of Changes in Appropriation Structure

2019/20 Appropriations in the 2019/20 Structure	2019/20 (Current) \$000	Old Structure		New Structure		
		Appropriations to which Expenses (or Capital Expenditure) have been Moved from or to	Amount Moved \$000	2019/20 Appropriations in the 2020/21 Structure	2019/20 (Restated) \$000	2020/21 \$000
Multi-Category Appropriation: Quality of Education: Evaluations and Services MCA (M26)	33,085	Transferred to Departmental Output Expenses Appropriation: Evaluations of Quality of Education	(33,085)	To Departmental Output Expenses Appropriation: Evaluations of Quality of Education	33,085	33,989
	-	Transferred from Multi-Category Appropriation: Quality of Education: Evaluations and Services MCA (M26)	33,085			
Total Changes in Appropriations	33,085		-		33,085	33,989

Explanations of the reasons for changing the appropriation structure are noted in the details of each appropriation in Parts 2-4.

Part 2 - Details of Departmental Appropriations

2.1 - Departmental Output Expenses

Evaluations of the Quality of Education (M26)

Scope of Appropriation

This appropriation is limited to evaluations of national and local education programmes and providers and to evaluation services provided to third parties under contract.

Expenses and Revenue

	2019/20		2020/21
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	-	-	33,989
Revenue from the Crown	-	-	33,489
Revenue from Others	-	-	500

Comparators for Restructured Appropriation

Vote, Type and Title of Appropriation	2019/20		2020/21
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Education Review Office - Multi-Category Appropriation - Quality of Education: Evaluations and Services	33,085	33,085	-
Total	33,085	33,085	33,989

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve improvements in teaching and learning practices by assisting early childhood learning services, schools and other education service providers to improve their capacity in internal evaluation, governance and leadership through ERO's independent evaluations. It also includes 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.

How Performance will be Assessed and End of Year Reporting Requirements

Assessment of Performance	2019/20		2020/21
	Final Budgeted Standard	Estimated Actual	Budget Standard
Monitor and Evaluate			
Proportion of hours of evaluation services provided to ERO's high priority providers (see Note 1)	-	-	New Measure for 2020/21

Assessment of Performance	2019/20		2020/21
	Final Budgeted Standard	Estimated Actual	Budget Standard
Influence			
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%	>85%
Percentage of early childhood learning service respondents that indicate that their ERO evaluation had helped to identify or confirm opportunities for more effective practice and building capacity	>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%	>85%
Percentage of school respondents that indicate that their ERO evaluation had helped to identify or confirm opportunities for more effective practice and building capacity	>80%	>80%	>80%
Key audiences report that ERO's national evaluations are informative and useful for identifying or planning improvement within the system or its component parts (see Note 2)	>80%	>80%	>80%
Proportion of early childhood learning services evaluated referred for licence review or support	-	-	New Measure for 2020/21
Proportion of schools evaluated referred for intervention or support	-	-	New measure for 2020/21

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.

Note 1 - ERO's high priority providers are those institutions that are new, or that require longer term evaluation capability building for improvement.

For early childhood learning services this includes new services (ie, assurance reviews) and those that were given an overall judgement of:

- in consultation with MOE, or
- not well placed, or
- require further development.

For schools this includes new schools and those that were given an overall judgement of:

- needs development, or
- developing.

In the Maori medium settings, high priority kōhanga reo are those where a follow-up supplementary review is required. In kura this includes those with an overall judgement of:

- needs development, or
- developing.

More information about ERO's overall judgement can be found on its website.

Note 2 - ERO is not primarily a provider of policy advice. From our regular presence in schools and early childhood learning services ERO is, however, in a position to make a useful contribution to assist the policy agencies such as the Ministry and the sector. This service contributes to the Government's policy priorities for schools and early learning childhood services.

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	2019/20 Final Budgeted \$000	2020/21 Budget \$000	2021/22 Estimated \$000	2022/23 Estimated \$000	2023/24 Estimated \$000
Current Government						
Improving the Quality of the Education System	2019/20	3,358	4,239	4,542	5,584	5,584
Previous Government						
Education Evaluation - investing for accountability and improvement	2017/18	1,357	2,180	2,180	2,180	2,180

Reasons for Change in Appropriation

The increase in this appropriation for 2020/21 year is due to:

- an increase of \$1.704 million in 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, and
- a decrease of \$800,000 due to lower levels of contractual services provided by ERO forecasted in 2020/21 compared to 2019/20, which partially offset the increase.

This is a new appropriation for 2020/21, created as part of implementing Step 1 of Financial Management and Accountability changes (Appropriation Consolidation).

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

	2019/20		2020/21
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Forests/Agricultural	-	-	-
Land	-	-	-
Property, Plant and Equipment	1,598	1,598	338
Intangibles	1,167	1,167	350
Other	-	-	-
Total Appropriation	2,765	2,765	688

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

	2019/20		2020/21
	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 2020/21 is mainly due to a one-off expenditure on computer systems in 2019/20 only. Also, ERO has brought forward the purchase of hybrid motor vehicles from 2020/21 to 2019/20 to reduce its carbon footprint faster.

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

Details of Net Asset Schedule	2019/20 Estimated Actual \$000	2020/21 Projected \$000	Explanation of Projected Movements in 2020/21
Opening Balance	3,907	3,907	
Capital Injections	-	-	
Capital Withdrawals	-	-	
Surplus to be Retained (Deficit Incurred)	-	-	
Other Movements	-	-	
Closing Balance	3,907	3,907	