

Vote Education Review Office

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

DEPARTMENT ADMINISTERING THE VOTE: Education Review Office (A8)

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 2021/22 financial year covering the following:

- a total of just over \$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 \$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	2020/21		2021/22
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Departmental Output Expenses			
Evaluations of the Quality of Education (M26) (A8) This appropriation is limited to evaluations of national and local education programmes and providers and to evaluation services provided to third parties under contract.	35,150	35,150	34,253
Total Departmental Output Expenses	35,150	35,150	34,253
Departmental Capital Expenditure			
Education Review Office - Capital Expenditure PLA (M26) (A8) 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.	2,023	1,313	1,710
Total Departmental Capital Expenditure	2,023	1,313	1,710
Total Annual Appropriations and Forecast Permanent Appropriations	37,173	36,463	35,963

Capital Injection Authorisations

	2020/21		2021/22
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Education Review Office - Capital Injection (M26) (A8)	-	-	-

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

	2016/17	2017/18	2018/19	2019/20	2020/21		2021/22			2022/23	2023/24	2024/25
	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	27,846	29,509	29,210	30,636	35,150	35,150	34,253	-	34,253	35,295	35,295	35,295
Benefits or Related Expenses	-	-	-	-	-	-	N/A	-	-	-	-	-
Borrowing Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Capital Expenditure	535	2,549	672	2,257	2,023	1,313	1,710	-	1,710	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	28,381	32,058	29,882	32,893	37,173	36,463	35,963	-	35,963	36,295	36,295	36,295
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's 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 expenses between 2016/17 and 2021/22 include:

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

ERO's departmental output expense appropriation level will decrease in 2021/22 mainly due to an in-principle expense transfer of \$1 million for 2020/21 to enable ERO to complete its evaluation programme that was disrupted in 2019/20 by COVID-19.

There are no significant trends in capital expenditure appropriation levels.

Part 2 - Details of Departmental Appropriations

2.1 - Departmental Output Expenses

Evaluations of the Quality of Education (M26) (A8)

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

	2020/21		2021/22
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	35,150	35,150	34,253
Revenue from the Crown	34,450	34,450	33,753
Revenue from Others	700	700	500

How Performance will be Assessed and End of Year Reporting Requirements

	2020/21		2021/22
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Monitor and Evaluate			
Proportion of hours of evaluation services provided to ERO's high priority providers (see Note 1)	New Measure for 2020/21	New Measure for 2020/21	Up to 40%
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	>85%	>85%	>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	>85%	>85%	>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%

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 institutions are those that are new, or that require in-depth evaluation for accountability and improvement and to build internal evaluation capacity.

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.

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	2020/21 Final Budgeted \$000	2021/22 Budget \$000	2022/23 Estimated \$000	2023/24 Estimated \$000	2024/25 Estimated \$000
Improving the Quality of the Education System	2019/20	4.239	4.542	5.584	5.584	5.584
Previous National-led Government						
Education Evaluation - investing for accountability and improvement	2017/18	2.180	2.180	2.180	2.180	2.180

Reasons for Change in Appropriation

The decrease in this appropriation for 2021/22 year is due to:

- a decrease of \$1 million due to an in-principle expense transfer for 2020/21 only
- a decrease of \$200,000 due to lower levels of contractual services provided by ERO forecasted in 2021/22 compared to 2020/21, and
- an increase of \$303,000 in additional funding provided to ERO through Budget 2019, which partially offset the decrease. This additional funding is 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.

2.3 - Departmental Capital Expenditure and Capital Injections

Education Review Office - Capital Expenditure PLA (M26) (A8)

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

	2020/21		2021/22
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Forests/Agricultural	-	-	-
Land	-	-	-
Property, Plant and Equipment	1,251	541	1,360
Intangibles	772	772	350
Other	-	-	-
Total Appropriation	2,023	1,313	1,710

What is Intended to be Achieved with this Appropriation

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

How Performance will be Assessed and End of Year Reporting Requirements

	2020/21		2021/22
	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 by \$313,000 for 2021/22 is mainly due to the reduction in the capital expenditure budget for computer systems and the completion of ERO's vehicle fleet replacement programme in 2020/21.

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

Details of Net Asset Schedule	2020/21 Estimated Actual \$000	2021/22 Projected \$000	Explanation of Projected Movements in 2021/22
Opening Balance	3,907	3,907	
Capital Injections	-	-	
Capital Withdrawals	-	-	
Surplus to be Retained (Deficit Incurred)	-	-	
Other Movements	-	-	
Closing Balance	3,907	3,907	