

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 Vote Education Review Office for the 2022/23 financial year covering the following:

- a total of nearly \$38 million for evaluations of national and local education programmes and providers and to evaluation services provided to third parties under contracts, and
- a total of \$1 million in departmental capital expenditure mainly for the purchase by the Education Review Office (ERO) of vehicles, leasehold, and technology assets.

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	2021/22		2022/23
	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.	36,107	36,107	37,795
Total Departmental Output Expenses	36,107	36,107	37,795
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.	1,191	1,191	1,000
Total Departmental Capital Expenditure	1,191	1,191	1,000
Total Annual Appropriations and Forecast Permanent Appropriations	37,298	37,298	38,795

Capital Injection Authorisations

	2021/22		2022/23
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Education Review Office - Capital Injection (M26) (A8)	-	-	-

Supporting Information

Part 1 - Vote as a Whole

1.1 - New Policy Initiatives

Policy Initiative	Appropriation	2021/22 Final Budgeted \$000	2022/23 Budget \$000	2023/24 Estimated \$000	2024/25 Estimated \$000	2025/26 Estimated \$000
Funding to Support Māori Language Education Provision and Growth	Evaluations of the Quality of Education Departmental Output Expense	-	2,000	2,000	2,000	2,000
Total initiatives		-	2,000	2,000	2,000	2,000

1.2 - Trends in the Vote

Summary of Financial Activity

	2017/18	2018/19	2019/20	2020/21	2021/22		2022/23			2023/24	2024/25	2025/26
	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	29,509	29,210	30,636	34,621	36,107	36,107	37,795	-	37,795	37,795	37,795	37,795
Benefits or Related Expenses	-	-	-	-	-	-	N/A	-	-	-	-	-
Borrowing Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Capital Expenditure	2,549	672	2,257	887	1,191	1,191	1,000	-	1,000	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	32,058	29,882	32,893	35,508	37,298	37,298	38,795	-	38,795	38,795	38,795	38,795
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

Significant changes in departmental output expenses relating to ERO's evaluations of education programmes and providers between 2017/18 and 2025/26 include:

- additional investment in education evaluations for accountability and improvement
- initiatives for the evaluation and monitoring of te reo Māori outcomes within English medium schools from 2022/23 onwards, and
- varying levels of contractual evaluation services provided by ERO which is driven by demand mainly from other government agencies.

There are no significant trends in capital expenditure appropriation levels other than the five yearly replacement of ERO's vehicles, next forecast for 2024/25.

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

	2021/22		2022/23
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	36,107	36,107	37,795
Revenue from the Crown	34,807	34,807	36,795
Revenue from Others	1,300	1,300	1,000

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

	2021/22		2022/23
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Monitor and Evaluate			
Percentage of schools/kura that have been assessed for compliance with legal and regularity requirements (see Note 1)	New Measure for 2022/23	New Measure for 2022/23	>33%
Progress of bringing schools onto the new schooling review approach (see Note 1)	New Measure for 2021/22	>40%	>80%
Review resources are applied in accordance with the priority framework (see Note 2)	New Measure for 2022/23	New Measure for 2022/23	Baseline year
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%

	2021/22		2022/23
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
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 3)	>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 - This measure will be impacted by COVID-19 due to delays in on-site visits which are required to achieve this measure. This measure has been added to recognise ERO's change in approach when completing reviews.

Note 2 - This measure has been added to recognise ERO's change in approach when completing reviews.

Note 3 - 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	2021/22 Final Budgeted \$000	2022/23 Budget \$000	2023/24 Estimated \$000	2024/25 Estimated \$000	2025/26 Estimated \$000
Funding to Support Māori Language Education Provision and Growth	2022/23	-	2,000	2,000	2,000	2,000
Improving the Quality of the Education System	2019/20	4,542	5,584	5,584	5,584	5,584

Reasons for Change in Appropriation

The increase in this appropriation for 2022/23 year is due to:

- a \$2 million increase due to the new evaluation and monitoring of te reo Māori outcomes within English medium schools' initiative, and
- an increase of \$1.042 million from the Improving the Quality of the Education System initiative. This additional funding is to meet the increasing costs of external evaluations of early childhood learning services and schools.

Partially offset by:

- a decrease of \$600,000 for a transfer from capital due to a change in the accounting treatment of some software in 2021/22 only
- a decrease of \$454,000 due to an expense transfer relating to COVID-19 for 2021/22 only, and
- decreased forecast departmental revenue of \$300,000 for contractual services provided by ERO.

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

	2021/22		2022/23
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Forests/Agricultural	-	-	-
Land	-	-	-
Property, Plant and Equipment	788	788	650
Intangibles	403	403	350
Other	-	-	-
Total Appropriation	1,191	1,191	1,000

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

	2021/22		2022/23
	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 vehicles, leasehold, and technology assets.

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 2022/23 is mainly due to the timing of capital expenditure programmes.

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

Details of Net Asset Schedule	2021/22 Estimated Actual \$000	2022/23 Projected \$000	Explanation of Projected Movements in 2022/23
Opening Balance	3,907	3,307	
Capital Injections	-	-	
Capital Withdrawals	(600)	-	
Surplus to be Retained (Deficit Incurred)	-	-	
Other Movements	-	-	
Closing Balance	3,307	3,307	