

# *Vote Education Review Office*

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APPROPRIATION MINISTER(S): Minister of Education (M26), Minister for Social Development and Employment (M63)

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 2023/24 financial year covering the following:

- a total of just over \$39 million for evaluations of national and local education programmes and providers and to evaluation services provided to third parties under contracts
- a total of just over \$1 million in departmental capital expenditure mainly for the purchase by the Education Review Office (ERO) of vehicles, leasehold, and technology assets, and
- a total of \$150,000 to complete the establishment of the Aroturuki Tamariki - Independent Children's Monitor (Aroturuki Tamariki) as a departmental agency hosted by ERO.

The Minister for Social Development and Employment is responsible for appropriations in Vote Education Review Office for the 2023/24 financial year covering a total of nearly \$12 million for Aroturuki Tamariki to provide an independent monitoring and assurance function of the Oranga Tamariki system.

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	2022/23		2023/24
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Departmental Output Expenses</b>			
<b>Establishing the Independent Children's Monitor (M26) (A8)</b> This appropriation is limited to establishing the Independent Children's Monitor as a departmental agency hosted by the Education Review Office.	1,850	1,850	<b>150</b>
<b>Evaluations of the Quality of Education (M26) (A8)</b> This appropriation is limited to evaluations of national and local education programmes and providers and to evaluation services provided to third parties under contract.	38,076	38,076	<b>39,458</b>
<b>Independent Monitoring and Assurance of the Oranga Tamariki System (M63) (A8)</b> This appropriation is limited to independent monitoring of compliance with, and delivery of, the Oranga Tamariki system and related regulations and standards.	2,800	2,800	<b>11,568</b>
<b>Total Departmental Output Expenses</b>	42,726	42,726	51,176
<b>Departmental Capital Expenditure</b>			
<b>Education Review Office - Capital Expenditure PLA (M26) (A8)</b> 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.	876	876	1,177
<b>Total Departmental Capital Expenditure</b>	876	876	1,177
<b>Total Annual Appropriations and Forecast Permanent Appropriations</b>	43,602	43,602	52,353

## Capital Injection Authorisations

	2022/23		2023/24
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Education Review Office - Capital Injection (M26) (A8)	6,798	6,798	-

# Supporting Information

## Part 1 - Vote as a Whole

### 1.1 - New Policy Initiatives

Policy Initiative	Appropriation	2022/23 Final Budgeted \$000	2023/24 Budget \$000	2024/25 Estimated \$000	2025/26 Estimated \$000	2026/27 Estimated \$000
Aroturuki Tamariki - Independent Children's Monitor Operations Cost Pressures	<b>Independent Monitoring and Assurance of the Oranga Tamariki System</b> Departmental Output Expense	-	700	700	700	700
Education Review Office Operations Cost Pressures	<b>Evaluations of the Quality of Education</b> Departmental Output Expense	-	754	754	754	754
<b>Total initiatives</b>		-	1,454	1,454	1,454	1,454

## 1.2 - Trends in the Vote

### Summary of Financial Activity

	2018/19	2019/20	2020/21	2021/22	2022/23		2023/24			2024/25	2025/26	2026/27
	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
<b>Appropriations</b>												
Output Expenses	29,210	30,636	34,621	34,514	42,726	42,726	51,176	-	51,176	49,587	49,587	49,587
Benefits or Related Expenses	-	-	-	-	-	-	N/A	-	-	-	-	-
Borrowing Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Capital Expenditure	672	2,257	887	129	876	876	1,177	-	1,177	3,000	1,094	444
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	-	-	-	-	-
<b>Total Appropriations</b>	<b>29,882</b>	<b>32,893</b>	<b>35,508</b>	<b>34,643</b>	<b>43,602</b>	<b>43,602</b>	<b>52,353</b>	<b>-</b>	<b>52,353</b>	<b>52,587</b>	<b>50,681</b>	<b>50,031</b>
<b>Crown Revenue and Capital Receipts</b>												
Tax Revenue	-	-	-	-	-	-	N/A	-	-	-	-	-
Non-Tax Revenue	-	-	-	-	-	-	N/A	-	-	-	-	-
Capital Receipts	-	-	-	-	-	-	N/A	-	-	-	-	-
<b>Total Crown Revenue and Capital Receipts</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>N/A</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

#### Departmental Expenditure

##### *Education Review Office*

One-off funding of \$2 million was provided across the 2022/23 and 2023/24 years for the Education Review Office (ERO) to complete activities required to establish Aroturuki Tamariki as a departmental agency hosted by ERO.

Significant changes in departmental output expenses relating to ERO's evaluations of education programmes and providers between 2018/19 and 2026/27 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
- funding from 2023/24 to address operational cost pressures within ERO including increased information technology and property costs, and
- varying levels of contractual evaluation services provided by ERO which is driven by demand mainly from other government agencies.

##### *Aroturuki Tamariki - Independent Children's Monitor*

Significant changes in departmental output expenses relating to Aroturuki Tamariki's oversight of the Oranga Tamariki System between 2018/19 and 2026/27 include:

- the transfer of funding from Vote Social Development for the period from 1 May 2023 onwards to deliver the functions of Aroturuki Tamariki as set out in the Oversight of the Oranga Tamariki System Act 2022, and
- funding from 2023/24 onwards to cover the increased costs of Aroturuki Tamariki operating as a departmental agency rather than a business unit.

#### Capital Expenditure

There are no significant trends in capital expenditure appropriation levels other than the five yearly replacement of ERO's vehicles, next forecast for 2025.

## Part 2 - Details of Departmental Appropriations

### 2.1 - Departmental Output Expenses

#### Establishing the Independent Children's Monitor (M26) (A8)

##### *Scope of Appropriation*

This appropriation is limited to establishing the Independent Children's Monitor as a departmental agency hosted by the Education Review Office.

##### *Expenses and Revenue*

	2022/23		2023/24
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	1,850	1,850	150
Revenue from the Crown	1,850	1,850	150
Revenue from Others	-	-	-

##### *What is Intended to be Achieved with this Appropriation*

This appropriation is intended to achieve the establishment of the Aroturuki Tamariki - Independent Children's Monitor (Aroturuki Tamariki) as a departmental agency hosted by the Education Review Office (ERO). ERO's activities include project implementation and oversight and setting up systems and processes to support the ongoing hosting arrangements for Aroturuki Tamariki so that it can deliver on its legislative purpose. This appropriation is limited to 2022/23 and 2023/24 to complete the establishment activities.

##### *How Performance will be Assessed and End of Year Reporting Requirements*

	2022/23		2023/24
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
ERO will manage the establishment of Aroturuki Tamariki - Independent Children's Monitor within ERO within the agreed budget (see Note 1)	Achieved	Achieved	Achieved

Note 1 - This was a new performance measure in 2022/23 to reflect ERO's support in the establishment of the Aroturuki Tamariki - Independent Children's Monitor occurring in late 2022/23. This indicator is time limited to the period of establishment.

##### *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 2023/24 is due to this appropriation being time limited to the establishment of the Aroturuki Tamariki as a Departmental Agency hosted by ERO in May 2023.

## 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*

	2022/23		2023/24
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	38,076	38,076	39,458
Revenue from the Crown	36,826	36,826	38,458
Revenue from Others	1,250	1,250	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*

	2022/23		2023/24
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
<b>Monitor and Evaluate</b>			
Percentage of schools/kura that have been assessed for compliance with legal and regularity requirements	>33%	>33%	>33%
Progress of bringing schools onto the new schooling review approach (see Note 1)	>80%	>80%	100%
Review resources are applied in accordance with the priority framework (see Note 2)	Baseline year	Baseline year	Maintain and improve
<b>Influence</b>			
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%
<ul style="list-style-type: none"> <li>Governing organisations (see Note 3)</li> </ul>	New measure	New measure	>80%
<ul style="list-style-type: none"> <li>Individual Services</li> </ul>	>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			
<ul style="list-style-type: none"> <li>Governing organisations (see Note 3)</li> </ul>	New measure	New measure	>80%
<ul style="list-style-type: none"> <li>Individual Services</li> </ul>	>80%	>80%	>80%



Assessment of Performance	2022/23		2023/24
	Final Budgeted Standard	Estimated Actual	Budget Standard
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 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 4)	>80%	>80%	>80%
Percentage of school respondents that the Poutama Reo improvement framework has been used to inform their strategy for the planning, monitoring and delivering of te reo Māori (see Note 5)	New measure	New measure	Baseline year

Note 1 - This is a measure of progress and the change from 2022/23 to 2023/24 reflects that ERO will have completed the onboarding of schools by the end of 2023/24.

Note 2 - This was a new measure in 2022/23. The budget standard in 2023/24 reflects that ERO aims to maintain and improve on its performance.

Note 3 - The Governing Organisation methodology is a new approach for early childhood education provider that has oversight of 15 or more services. A new indicator has been added to reflect the new approach in 2023/24.

Note 4 - 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 of Education and the sector.

Note 5 - The Poutama Reo improvement framework is a new tool for English-medium schools to review and improve their provision of Māori language in New Zealand. A new indicator has been added to reflect the new tool in 2023/24.

### *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	2022/23 Final Budgeted \$000	2023/24 Budget \$000	2024/25 Estimated \$000	2025/26 Estimated \$000	2026/27 Estimated \$000
Education Review Office Operations Cost Pressures	2023/24	-	754	754	754	754
Funding to Support Māori Language Education Provision and Growth	2022/23	2,000	2,000	2,000	2,000	2,000
Improving the Quality of the Education System	2019/20	5,584	5,584	5,584	5,584	5,584

### *Reasons for Change in Appropriation*

The increase in this appropriation for 2023/24 year is due to:

- An increase of \$1.878 million as a result of an one-off transfer of \$939,000 from 2022/23 to 2023/24 to complete activities planned in 2022/23 but deferred due to the transition Aroturuki Tamariki into ERO on 1 May 2023, and
- funding of \$754,000 for ERO's operational cost pressures, including increased information technology and property costs.

Partially offset by:

- a decrease of \$1 million due to an expense transfer relating to disruption to ERO's work programme from COVID-19 for 2022/23 only, and
- decreased forecast departmental revenue of \$250,000 for contractual services provided by ERO.

### **Independent Monitoring and Assurance of the Oranga Tamariki System (M63) (A8)**

#### *Scope of Appropriation*

This appropriation is limited to independent monitoring of compliance with, and delivery of, the Oranga Tamariki system and related regulations and standards.

#### *Expenses and Revenue*

	2022/23		2023/24
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	2,800	2,800	11,568
Revenue from the Crown	2,800	2,800	11,568
Revenue from Others	-	-	-

#### *What is Intended to be Achieved with this Appropriation*

This appropriation is intended to achieve a strengthened independent monitoring and assurance function to provide oversight of the Oranga Tamariki system.

### *How Performance will be Assessed and End of Year Reporting Requirements*

Assessment of Performance	2022/23		2023/24
	Final Budgeted Standard	Estimated Actual	Budget Standard
Prepare and provide final reports as defined in the Oversight of Oranga Tamariki System Act 2022 (see Note 1)	New measure	New measure	100%
Complete visits to at least three regions each year to understand how the Oranga Tamariki system is experienced (see Note 2)	Achieved	Achieved	Achieved
Oranga Tamariki oversight system partners are satisfied with and use Aroturuki Tamariki reports to support them in their functions and duties (see Note 1 and 3)	New measure	New measure	Baseline
All agencies who are the subject of a final report make commitments to implement changes based on our report findings (see Note 1)	New measure	New measure	100%
The Māori Advisory group is satisfied that Aroturuki Tamariki have regard to their views when developing priorities, work programmes and monitoring approaches (see Note 1)	New measure	New measure	Baseline
Regional visits reflect the tikanga of the community within which we are operating including us sharing with the community what we have heard (see Note 1 and 4)	New measure	New measure	90%

Note 1 - Aroturuki Tamariki was established as a departmental agency, hosted by ERO on 1 May 2023. The new measures in 2023/24 reflect the objectives and functions of Aroturuki Tamariki as set out in the Oversight of the Oranga Tamariki System Act 2022.

Note 2 - Aroturuki Tamariki will visit its ten regions every three years to inform the functions of Aroturuki Tamariki as set out in the Oversight of the Oranga Tamariki System Act 2022.

Note 3 - Oversight system partners are the Ombudsman and the Children's and Young Person's Commission.

Note 4 - Aroturuki Tamariki's practice reflects a te ao Māori approach, and monitoring activities are tailored to reflect the tikanga of each community and those engaged with. The share-back process involves Aroturuki Tamariki sharing what was heard with the community and ensures meaningful engagement remains a priority.

### *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	2022/23 Final Budgeted \$000	2023/24 Budget \$000	2024/25 Estimated \$000	2025/26 Estimated \$000	2026/27 Estimated \$000
Aroturuki Tamariki - Independent Children's Monitor Operations Cost Pressures	2023/24	-	700	700	700	700
Establishing and Operating the Independent Children's Monitor (see Note 1)	2021/22	3,300	10,368	10,368	10,368	10,368

Note 1 - This policy initiative was through Vote Social Development and the amounts shown reflect the amounts transferred to Vote Education Review Office in 2022/23 for funding from 1 May 2023 onwards.

### *Reasons for Change in Appropriation*

The increase in this appropriation for 2023/24 is due to:

- the transfer from Vote Social Development of \$3.300 million in 2022/23 was 1 May to 30 June 2023 operating as a departmental agency compared with the \$10.368 million in 2023/24 which reflects a full year of operations
- an increase of \$700,000 for the Aroturuki Tamariki - Independent Children's Monitor Other Operating Cost Pressure initiative, and
- a one-off transfer of \$500,000 from 2022/23 to 2023/24 to complete activities associated with the establishment of the department agency and its processes required to meet its obligations under the Oversight of the Oranga Tamariki System Act 2022.

## 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*

	2022/23		2023/24
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Forests/Agricultural	-	-	-
Land	-	-	-
Property, Plant and Equipment	876	876	1,177
Intangibles	-	-	-
Other	-	-	-
<b>Total Appropriation</b>	<b>876</b>	<b>876</b>	<b>1,177</b>

#### *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*

	2022/23		2023/24
	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 and Aroturuki Tamariki are not capital-intensive departments. Assets are purchased according to a planned assets replacement programme to maintain and upgrade capability essential to the operation of the departments. The major areas of capital investment for the departments 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 increase in this appropriation for 2023/24 is mainly due to the timing of ERO's capital expenditure programme.

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

Details of Net Asset Schedule	2022/23 Estimated Actual \$000	2023/24 Projected \$000	Explanation of Projected Movements in 2023/24
Opening Balance	3,307	6,962	
Capital Injections	6,798	-	
Capital Withdrawals	(3,143)	-	
Surplus to be Retained (Deficit Incurred)	-	-	
Other Movements	-	-	
<b>Closing Balance</b>	<b>6,962</b>	<b>6,962</b>	