

# *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 2024/25 financial year covering the following:

- a total of nearly \$39 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 nearly \$4 million in departmental capital expenditure mainly for the purchase by the Education Review Office (ERO) of vehicles, leasehold, and technology assets.

The Minister for Social Development and Employment is responsible for appropriations in Vote Education Review Office for the 2024/25 financial year covering a total of just over \$12 million for the Independent Children's Monitor, Aroturuki Tamariki (the Monitor) 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	2023/24		2024/25
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Departmental Output Expenses</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.	40,041	40,041	<b>38,806</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.	11,578	11,578	<b>12,012</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.	150	150	-
<b>Total Departmental Output Expenses</b>	51,769	51,769	50,818
<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.	881	881	3,519
<b>Total Departmental Capital Expenditure</b>	881	881	3,519
<b>Total Annual Appropriations and Forecast Permanent Appropriations</b>	52,650	52,650	54,337

## Capital Injection Authorisations

	2023/24		2024/25
	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	2023/24 Final Budgeted \$000	2024/25 Budget \$000	2025/26 Estimated \$000	2026/27 Estimated \$000	2027/28 Estimated \$000
Education Review Office Budget 2024 Savings of 6.5%	<b>Evaluations of the Quality of Education</b> Departmental Output Expense	-	(2,456)	(2,456)	(2,456)	(2,456)
Total initiatives		-	(2,456)	(2,456)	(2,456)	(2,456)

## 1.2 - Trends in the Vote

### Summary of Financial Activity

	2019/20	2020/21	2021/22	2022/23	2023/24		2024/25			2025/26	2026/27	2027/28
	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	30,636	34,621	34,514	39,384	51,769	51,769	50,818	-	50,818	49,813	50,558	49,094
Benefits or Related Expenses	-	-	-	-	-	-	N/A	-	-	-	-	-
Borrowing Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Capital Expenditure	2,257	887	129	794	881	881	3,519	-	3,519	1,315	1,338	1,221
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>32,893</b>	<b>35,508</b>	<b>34,643</b>	<b>40,178</b>	<b>52,650</b>	<b>52,650</b>	<b>54,337</b>	<b>-</b>	<b>54,337</b>	<b>51,128</b>	<b>51,896</b>	<b>50,315</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

#### *Output Expenses*

##### **Education Review Office**

Significant changes in departmental output expenses relating to ERO's evaluations of education programmes and providers between 2019/2020 and 2027/28 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
- varying levels of contractual evaluation services provided by ERO which is driven by demand mainly from other government agencies or internationally, and
- reduction in operating spending due to the baseline savings of \$2.456 million from 2024/25.

##### **Independent Children's Monitor**

Significant changes in departmental output expenses relating to the Monitor's oversight of the Oranga Tamariki system between 2019/20 and 2027/28 include:

- the transfer of funding from Vote Social Development for the period from 1 May 2023 onwards to deliver the functions of the Monitor 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 the Monitor 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

#### 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*

	2023/24		2024/25
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	40,041	40,041	38,806
Revenue from the Crown	39,041	39,041	37,806
Revenue from Others	1,000	1,000	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 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*

	2023/24		2024/25
	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%
Number of reports published - Schools (see Note 1)	New Measure in 2024/25	New Measure in 2024/25	25-33%
Number of reports published - ECEs (see Note 2)	New measure in 2024/25	New measure in 2024/25	25-33%
Completed reviews conformed to ERO's quality assurance standards (see Note 3)	New measure in 2024/25	New measure in 2024/25	Establish baseline

Assessment of Performance	2023/24		2024/25
	Final Budgeted Standard	Estimated Actual	Budget Standard
<b>Influence</b>			
Percentage of early childhood learning service respondents that indicate their ERO evaluation had helped to identify or confirm opportunities for more effective practice and building capability in:			
• Individual Services	>80%	>80%	>80%
• Governing Organisations (see Note 4)	>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 in:			
• Individual Services	>80%	>80%	>80%
• Governing Organisations (see Note 4)	>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 and building capability	>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 5)	>80%	>80%	>80%
Number of views of ERO's research and evidence on the website (see Note 6)	New measure in 2024/25	New measure in 2024/25	Baseline year
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 7)	Baseline year	Baseline year	Maintain and improve

Note 1 - ERO has introduced new reporting measures for schools and early learning services in 2024/25. Published reports reflect ERO's schooling review approach.

Note 2 - Reported numbers include the governing organisations which is an early childhood education provider that has oversight of 15 or more services. These can include services that are centre-based, home-based and those with mixed centre and home-based provision. ERO reports publicly on its findings of each governing organisation. Governing organisation reports include findings from the services sampled.

Note 3 - This is a new measure in 2024/25. We will carry out an internal moderation exercise on a sample of review records to confirm the review standards were met.

Note 4 - The Governing Organisation methodology is a new approach for early childhood education provider that has oversight of 15 or more services.

Note 5 - 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 policy agencies such as the Ministry of Education and the sector.

Note 6 - ERO launched [evidence.ero.govt.nz](https://evidence.ero.govt.nz) in February 2024. This is a measure of our engagement with the sector. A new measure has been added in 2024/25 for this new site.

Note 7 - 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.



### *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	2023/24 Final Budgeted \$000	2024/25 Budget \$000	2025/26 Estimated \$000	2026/27 Estimated \$000	2027/28 Estimated \$000
<b>Current Government</b>						
Education Review Office Budget 2024 Savings of 6.5%	2024/25	-	(2,456)	(2,456)	(2,456)	(2,456)
<b>Previous Government</b>						
Public Sector Pay Adjustment - Education Review Office Remuneration Cost Pressure	2023/24	1,663	1,663	1,663	1,663	1,663
Education Review Office Operations Cost Pressures	2023/24	754	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

### *Reasons for Change in Appropriation*

The decrease in this appropriation for 2024/25 is mainly due to:

- a decrease of \$2.456 million due to the baseline savings from 2024/25 onwards, and
- a 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 of the Monitor into ERO which does not reoccur in 2024/25.

This is partially offset by a one-off transfer of \$1.080 million from 2023/24 to 2024/25 to meet one-off cost pressures relating to baseline savings, manage future cost pressures, and system improvements to enable operational efficiencies.

## **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*

	2023/24		2024/25
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	11,578	11,578	12,012
Revenue from the Crown	11,578	11,578	12,012
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	2023/24		2024/25
	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)	100%	100%	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 the Independent Children's Monitor's, Aroturuki Tamariki, reports to support them in their functions and duties (see Note 1 and 3)	Baseline	Baseline	Maintain & Improve
All agencies who are the subject of a final report make commitments to implement changes based on our report findings (see Note 1)	100%	100%	100%
The Māori Advisory group is satisfied that the Independent Children's Monitor, Aroturuki Tamariki, have regard to their views when developing priorities, work programmes and monitoring approaches (see Note 1)	Baseline	Baseline	Maintain & Improve
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)	90%	90%	90%

Note 1 - The Monitor 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 the Monitor as set out in the Oversight of the Oranga Tamariki System Act 2022.

Note 2 - The Monitor will visit its ten regions every three years to inform the functions of the Monitor 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 - The Monitor'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 the Monitor 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	2023/24 Final Budgeted \$000	2024/25 Budget \$000	2025/26 Estimated \$000	2026/27 Estimated \$000	2027/28 Estimated \$000
<b>Previous Government</b>						
Public Sector Pay Adjustment - Aroturuki Tamariki - Independent Children's Monitor Remuneration Cost Pressure	2023/24	300	300	300	300	300
Aroturuki Tamariki - Independent Children's Monitor Operations Cost Pressures	2023/24	700	700	700	700	700
Establishing and Operating the Independent Children's Monitor (see Note 1)	2021/22	10,368	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 2024/25 is mainly due to:

- an increase of \$354,000 due to a transfer from 2022/23 as a contribution to ongoing cost pressures, and
- an increase of \$290,000 as a result of a one-off transfer from 2023/24 to 2024/25 to manage a one-off cost pressure to achieve the Monitor's baseline savings and for system improvement.

This is partially offset by 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 which does not recur in 2024/25.

## 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*

	2023/24		2024/25
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Forests/Agricultural	-	-	-
Land	-	-	-
Property, Plant and Equipment	881	881	3,519
Intangibles	-	-	-
Other	-	-	-
<b>Total Appropriation</b>	<b>881</b>	<b>881</b>	<b>3,519</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*

	2023/24		2024/25
	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 the Monitor 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 2024/25 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	2023/24 Estimated Actual \$000	2024/25 Projected \$000	Explanation of Projected Movements in 2024/25
Opening Balance	6,814	6,814	
Capital Injections	-	-	
Capital Withdrawals	-	-	
Surplus to be Retained (Deficit Incurred)	-	-	
Other Movements	-	-	
<b>Closing Balance</b>	<b>6,814</b>	<b>6,814</b>	