

# *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 2025/26 financial year covering the following:

- a total of nearly \$39 million for reviews, evaluation, monitoring and assurance of education programmes and providers, provision of evaluation services and the delivery of regulatory services, and
- a total of just over \$3 million in departmental capital expenditure mainly for the purchase by the Education Review Office (ERO) of vehicles, leasehold improvements and technology assets.

The Minister for Social Development and Employment is responsible for appropriations in Vote Education Review Office for the 2025/26 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	2024/25		2025/26
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Departmental Output Expenses</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.	12,172	12,172	<b>12,087</b>
<b>Review, Evaluate, Monitor and Assure the Quality of Education Provision and Deliver Regulatory Services (M26) (A8)</b> This appropriation is limited to reviews, evaluation, monitoring and assurance of education programmes and providers, provision of evaluation services and the delivery of regulatory services.	39,460	39,460	<b>38,842</b>
<b>Total Departmental Output Expenses</b>	51,632	51,632	50,929
<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.	1,224	1,224	3,380
<b>Total Departmental Capital Expenditure</b>	1,224	1,224	3,380
<b>Total Annual Appropriations and Forecast Permanent Appropriations</b>	52,856	52,856	54,309

## Capital Injection Authorisations

	2024/25		2025/26
	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

	2020/21	2021/22	2022/23	2023/24	2024/25		2025/26			2026/27	2027/28	2028/29
	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	34,621	34,514	39,384	48,236	51,632	51,632	50,929	-	50,929	50,558	49,094	49,094
Benefits or Related Expenses	-	-	-	-	-	-	N/A	-	-	-	-	-
Borrowing Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Capital Expenditure	887	129	794	511	1,224	1,224	3,380	-	3,380	1,338	1,221	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>	35,508	34,643	40,178	48,747	52,856	52,856	54,309	-	54,309	51,896	50,315	50,315
<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>	-	-	-	-	-	-	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 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 2020/2021 and 2028/29 include:

- 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
- funding from 2023/24 to address remuneration cost pressures within ERO arising from the Public Sector Pay Adjustment, 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 2020/21 and 2028/29 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 meet 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 planned replacement of ERO's vehicles, next forecast for 2026.

## Part 2 - Details of Departmental Appropriations

### 2.1 - Departmental Output Expenses

#### 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*

	2024/25		2025/26
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	12,172	12,172	12,087
Revenue from the Crown	12,172	12,172	12,087
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*

	2024/25		2025/26
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Prepare and provide final reports as defined in the Oversight of Oranga Tamariki System Act 2022	100%	100%	100%
Complete visits to at least three regions each year to understand how the oranga tamariki system is experienced (see Note 1)	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 2)	Maintain and Improve	Maintain and Improve	Maintain and Improve
All agencies who are the subject of a final report make commitments to implement changes based on our report findings	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	Maintain & Improve	Maintain & Improve	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 3)	90%	90%	90%

Note 1 - 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 2 - Oversight system partners are the Ombudsman and the Children's and Young Person's Commission.

Note 3 - 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	2024/25 Final Budgeted \$000	2025/26 Budget \$000	2026/27 Estimated \$000	2027/28 Estimated \$000	2028/29 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	-
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	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 decrease in this appropriation for 2025/26 is due to:

- a decrease 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, and
- a decrease of \$160,000 as a result of funding in 2024/25 to support the Independent Children's Monitor becoming an Independent Crown Entity which does not reoccur in 2025/26.

This is offset by an increase of \$365,000 due to a transfer from 2022/23 to 2025/26 as a contribution to ongoing cost pressures.



## Review, Evaluate, Monitor and Assure the Quality of Education Provision and Deliver Regulatory Services (M26) (A8)

### *Scope of Appropriation*

This appropriation is limited to reviews, evaluation, monitoring and assurance of education programmes and providers, provision of evaluation services and the delivery of regulatory services.

### *Expenses and Revenue*

	2024/25		2025/26
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	39,460	39,460	38,842
Revenue from the Crown	38,460	38,460	37,842
Revenue from Others	1,000	1,000	1,000

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

This appropriation is intended to achieve improved outcomes for learners through ERO's independent reviews, evaluation, monitoring, assurance and delivery of regulatory services by holding early childhood learning services, schools and other education providers accountable for the value and quality of education provision. ERO also influences and informs the development and implementation of education policy and practices through system-wide evaluations.

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

	2024/25		2025/26
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
<b>Monitor and Evaluate</b>			
Number of ECE published reports (see Note 1)	25-33%	25-33%	25-33%
Number of school/kura published reports (see Note 2)	25-33%	25-33%	25-33%
Completed reviews conformed to ERO's quality assurance standards (see Note 3)	New Measure in 2024/25	New Measure in 2024/25	Maintain and/or Increase
<b>Influence</b>			
Percentage of early childhood learning services that use ERO's evaluation findings to contribute to building teaching practices that improve outcomes for learners (see Notes 4 and 5)	New Measure in 2025/26	New Measure in 2025/26	>80%
Percentage of schools that indicate that ERO's evaluations are making a contribution to their decisions about how to improve learner outcomes	>80%	>80%	>80%
Percentage of schools that use ERO's evaluation findings to contribute to building teaching practices that improve outcomes for learners (see Note 5)	New Measure in 2025/26	New Measure in 2025/26	>80%
Percentage of school respondents that report 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 6)	Maintain and Improve	Maintain and Improve	Maintain and/or Increase
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 7)	>80%	>80%	>80%
Number of external downloads from ERO's research and evidence site (see Note 8)	New Measure in 2025/26	New Measure in 2025/26	Establish Baseline

Note 1 - ECEs include Governing Organisations (GO), that contain services upward of 8 and reports are released per organisation rather than each service within the GO. A sample of services are selected by ERO within the GO, but there will not be a report released per service.

Note 2 - ERO has introduced a new reporting process for schools/kura that includes assessment of aspects of compliance with legal and regulatory requirements.

Note 3 - ERO carries out an internal moderation exercise on a sample of review records to confirm the review standards were met.

Note 4 - This measure includes Standalone services and services within Governing Organisations.

Note 5 - These measures are strengthened to focus on teaching practice to improve outcomes for learners.

Note 6 - The Poutama Reo Improvement Framework is a tool for English-medium schools to review and improve their provision of Māori language in New Zealand.

Note 7 - ERO is not primarily a provider of policy advice. Our regular presence in early childhood learning services and schools puts ERO into a position to make a useful contribution to assist policy agencies such as the Ministry of Education and the sector.

Note 8 - ERO launched evidence.ero.govt.nz in February 2024. The measure has been updated for 2025/26 to better scope ERO's engagement with 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	2024/25 Final Budgeted \$000	2025/26 Budget \$000	2026/27 Estimated \$000	2027/28 Estimated \$000	2028/29 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	-
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	-

*Reasons for Change in Appropriation*

The decrease in this appropriation for 2025/26 is mainly due to:

- a one-off transfer of \$1.080 million from 2023/24 to 2024/25 to meet one-off cost pressures relating to the baseline savings, manage future cost pressures, and system improvements to enable operational efficiencies, and
- a one-off transfer of \$600,000 from 2023/24 to 2024/25 to manage temporary cost pressures.

This is partially offset by a one-off transfer of \$900,000 from 2023/24 to 2025/26 to manage temporary cost pressures.

## 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*

	2024/25		2025/26
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Forests/Agricultural	-	-	-
Land	-	-	-
Property, Plant and Equipment	1,224	1,224	3,088
Intangibles	-	-	292
Other	-	-	-
<b>Total Appropriation</b>	<b>1,224</b>	<b>1,224</b>	<b>3,380</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*

	2024/25		2025/26
	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 improvements 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 2025/26 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	2024/25 Estimated Actual \$000	2025/26 Projected \$000	Explanation of Projected Movements in 2025/26
Opening Balance	6,814	7,464	
Capital Injections	-	-	
Capital Withdrawals	-	-	
Surplus to be Retained (Deficit Incurred)	-	-	
Other Movements	650	-	
<b>Closing Balance</b>	<b>7,464</b>	<b>7,464</b>	