

Vote Education Review Office

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 2026/27 financial year covering the following:

- a total of nearly \$43 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 \$4 million in departmental capital expenditure mainly for the purchase by the Education Review Office (ERO) of vehicles, technology assets and leasehold improvements.

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	2025/26		2026/27
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Departmental Output Expenses			
Review, Evaluate, Monitor and Assure the Quality of Education Provision and Deliver Regulatory Services (M26) (A8) 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.	41,297	41,297	42,726
Independent Monitoring and Assurance of the Oranga Tamariki System (M63) (A8) This appropriation is limited to independent monitoring of compliance with, and delivery of, the Oranga Tamariki system and related regulations and standards.	1,100	1,100	-
Total Departmental Output Expenses	42,397	42,397	42,726
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.	700	700	4,018
Total Departmental Capital Expenditure	700	700	4,018
Total Annual Appropriations and Forecast Permanent Appropriations	43,097	43,097	46,744

Capital Injection Authorisations

	2025/26		2026/27
	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	2025/26 Final Budgeted \$000	2026/27 Budget \$000	2027/28 Estimated \$000	2028/29 Estimated \$000	2029/30 Estimated \$000
Hostels and Private Schools - Increasing Child Safety	Review, Evaluate, Monitor and Assure the Quality of Education Provision and Deliver Regulatory Services Departmental Output Expense	-	2,000	2,000	2,000	2,000
Schools of Concern - Addressing Achievement, Attendance, and Child Safety	Review, Evaluate, Monitor and Assure the Quality of Education Provision and Deliver Regulatory Services Departmental Output Expense	-	3,000	3,000	3,000	3,000
Total Initiatives		-	5,000	5,000	5,000	5,000

1.2 - Trends in the Vote

Summary of Financial Activity

	2021/22	2022/23	2023/24	2024/25	2025/26		2026/27			2027/28	2028/29	2029/30
	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	34,514	39,384	48,236	49,448	42,397	42,397	42,726	-	42,726	42,726	42,726	42,726
Benefits or Related Expenses	-	-	-	-	-	-	N/A	-	-	-	-	-
Borrowing Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Capital Expenditure	129	794	511	696	700	700	4,018	-	4,018	1,221	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	-	-	-	-	-
Total Appropriations	34,643	40,178	48,747	50,144	43,097	43,097	46,744	-	46,744	43,947	43,947	43,947
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 information in the Summary of Financial Activity table.

1.3 - Analysis of Significant Trends

Output Expenses

The increase in 2022/23 was mainly due to the ERO initiative for the evaluation and monitoring of te reo Māori outcomes within English medium schools and the transfer of funding from Vote Social Development for May and June 2023 to deliver the functions of the Independent Children's Monitor (the Monitor) as set out in the Oversight of the Oranga Tamariki System Act 2022.

The increase in 2023/24 was mainly due to funding for ERO to address operational cost pressures (increased information technology and property costs) and remuneration cost pressures arising from the Public Sector Pay Adjustment, the transfer of funding from Vote Social Development for the full financial year to deliver the functions of the Monitor, and funding for the Monitor to meet the increased costs of operating as a departmental agency rather than a business unit within a department.

The increase in 2024/25 was mainly due to the transfer of funding from Vote Social Development to deliver the functions of the Monitor offset by a reduction in ERO's operating spending due to the baseline savings initiative of \$2.456 million.

The decrease in 2025/26 was mainly due to the transfer of funding to Vote Social Development from 1 August 2025 onwards reflecting the Monitor's establishment as an Independent Crown Entity effective from that date. The decrease was offset by funding in 2025/26 to support the transition of the Early Childhood Education Regulatory Functions from the Ministry of Education to the Education Review Office, a one-off transfer from 2023/24 to 2025/26 to manage temporary cost pressures and a reduction in the delivery of contractual services to other Departments and third parties.

Capital Expenditure

There are no significant trends in capital expenditure appropriation levels other than the planned replacement of ERO's vehicles, next forecast for 2027.

Part 2 - Details of Departmental Appropriations

2.1 - Departmental Output Expenses

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

	2025/26		2026/27
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	41,297	41,297	42,726
Revenue from the Crown	39,359	39,359	41,726
Revenue from Others	1,938	1,938	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, hostels 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

	2025/26		2026/27
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Monitor and Evaluate			
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)	Maintain and/or Increase	Maintain and/or Increase	Maintain and/or Increase
Number of days between non-compliance identified and action taken in private schools and hostels	New Measure for 2026/27	New Measure for 2026/27	Establish Baseline
Number of schools of concern that demonstrate expected improvement within 12 months	New Measure for 2026/27	New Measure for 2026/27	Establish Baseline

Assessment of Performance	2025/26		2026/27
	Final Budgeted Standard	Estimated Actual	Budget Standard
Influence			
Percentage of early childhood learning services that use ERO's evaluation findings to contribute to building teaching practices that improve outcomes for learners (see Note 4)	>80%	>80%	>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	>80%	>80%	>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 5)	Maintain and/or Increase	Maintain and/or Increase	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 6)	>80%	>80%	>80%
Number of external downloads from ERO's research and evidence site	Maintain and/or Increase	Maintain and/or Increase	Maintain and/or Increase

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's reporting process for schools/kura includes the 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 - 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 6 - 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.

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	2025/26 Final Budgeted \$000	2026/27 Budget \$000	2027/28 Estimated \$000	2028/29 Estimated \$000	2029/30 Estimated \$000
Current Government						
Schools of Concern - Addressing Achievement, Attendance, and Child Safety	2026/27	-	3,000	3,000	3,000	3,000
Hostels and Private Schools - Increasing Child Safety	2026/27	-	2,000	2,000	2,000	2,000
Education Review Office Budget 2024 Savings of 6.5%	2024/25	(2,456)	(2,456)	(2,456)	(2,456)	(2,456)
Previous Government						
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 increase in this appropriation for 2026/27 is due to:

- \$3 million for the initiative for addressing achievement, attendance, and child safety in Schools of Concern, and
- \$2 million for the initiative for increasing child safety in hostels and private schools.

This is partially offset by a one-off \$1.207 million of funding received in 2025/26 to support the transition of the Early Childhood Education Regulatory Functions from the Ministry of Education to the Education Review Office, a one-off transfer of \$900,000 from 2023/24 to 2025/26 to manage temporary cost pressures and a \$788,000 reduction in the delivery of contractual services to other Departments.

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

	2025/26		2026/27
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Forests/Agricultural	-	-	-
Land	-	-	-
Property, Plant and Equipment	500	500	3,918
Intangibles	200	200	100
Other	-	-	-
Total Appropriation	700	700	4,018

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

	2025/26		2026/27
	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 the departments. The major areas of capital investment for the departments are vehicles, technology assets and leasehold improvements.

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 2026/27 is mainly due to the timing of ERO's capital expenditure programme, primarily vehicle replacements.

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

Details of Net Asset Schedule	2025/26 Estimated Actual \$000	2026/27 Projected \$000	Explanation of Projected Movements in 2026/27
Opening Balance	7,464	4,092	
Capital Injections	-	-	
Capital Withdrawals	(3,372)	-	
Surplus to be Retained (Deficit Incurred)	-	-	
Other Movements	-	-	
Closing Balance	4,092	4,092	