

VOTE Education Review Office

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OVERVIEW

Appropriations sought for Vote Education Review Office in 1998/99 total \$19.136 million (GST inclusive). This is intended to be spent as follows:

- \$4.248 million (22% of the Vote) on accountability reviews of preschool service providers.
- \$13.190 million (69% of the Vote) on accountability reviews of schools and other education service providers.

These are reviews of the performance of education service providers in discharging the various accountabilities placed on them by legislation, regulations and other contractual obligations.

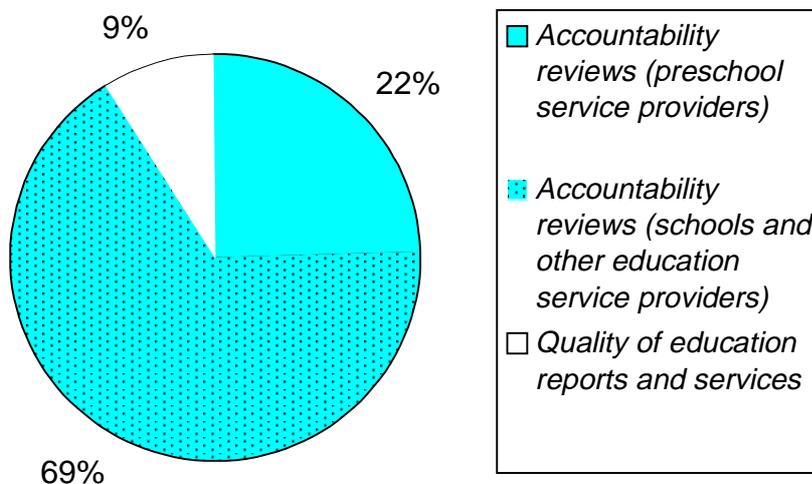
- \$1.698 million (9% of the Vote) on Quality of Education Reports and Services.

These include education evaluation reports providing cross-sectorial analysis and national evaluations of significant strategic issues, policy advisory services, ministerial services and contractual services.

The Office expects to earn \$595,000 (GST inclusive) of revenue from third-party sources.

Details of how the appropriations are to be applied appear in Parts B1 and C of this Vote.

Figure 1 - 1998/99 Level of Annual Appropriations for Each Output Class



Source: Education Review Office

Footnotes

Note 1	<i>Amounts shown are inclusive of GST.</i>
Note 2	<i>Not applicable as Crown revenue is not appropriated.</i>
Note 3	<i>Appropriations are stated GST inclusive (where applicable).</i>
Note 4	<i>For 1998/99 specific compliance audits were merged with accountability reviews. Previously these were accounted for separately (1997/98 3-10).</i>
Note 5	<i>For 1998/99 specific compliance audits were merged with accountability reviews. Previously these were accounted for separately (1997/98 5-15).</i>

VOTE Education Review Office

VOTE MINISTER: MINISTER RESPONSIBLE FOR THE EDUCATION REVIEW OFFICE
ADMINISTERING DEPARTMENT: EDUCATION REVIEW OFFICE

Part A - Statement of Objectives and Trends

Part A1 - Objectives for Vote Education Review Office

Statement of Outcomes

The Government aims at achieving progress towards a more highly knowledgeable and skilled nation through policies and delivery strategies that:

- maximise educational gains in cost-effective ways
- are responsive to the changing skill and knowledge requirements for a modern international economy
- encourage excellence and lifetime learning
- are responsive to individuals and groups with diverse and special needs and/or are at risk of poor educational outcomes.

Output Classes

To assist in achieving these outcomes the outputs purchased from the Office include:

- Accountability reviews (preschool service providers)
- Accountability reviews (schools and other education service providers)
- Quality of education reports and services.

Links Between the Output Classes and the Government's Outcomes

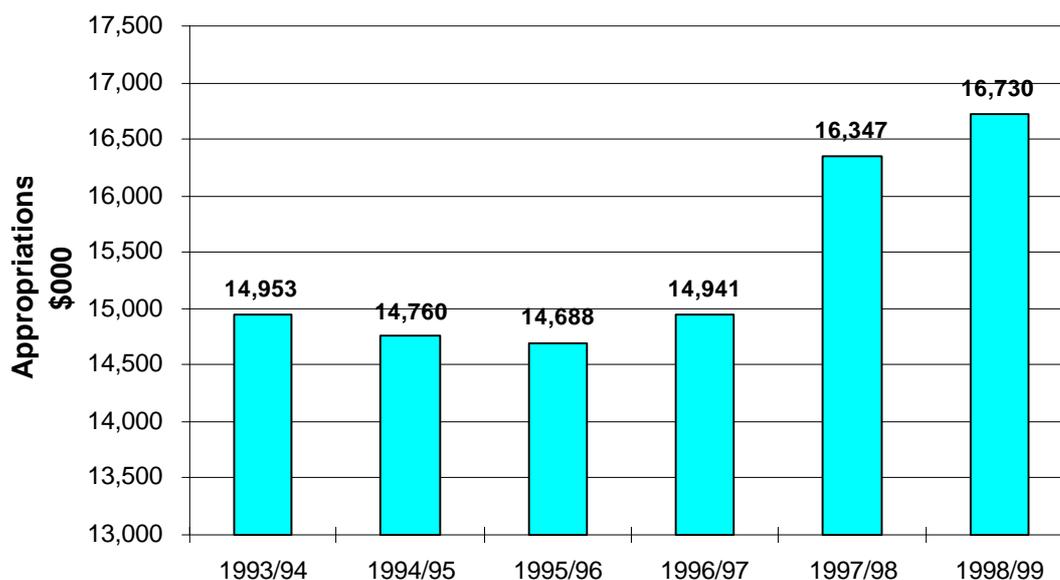
Departmental Output Classes	Related Outcomes
Accountability Reviews (Preschool Service Providers)	<ul style="list-style-type: none"> The achievement of progress towards a more highly knowledgeable and skilled nation by providing high-quality, independent evaluative information.
Accountability Reviews (Schools and Other Education Service Providers)	<ul style="list-style-type: none"> At the local level, this informs decision-making by the governing/managing bodies and staff of education institutions and by other education service providers.
Quality of Education Reports and Services	<ul style="list-style-type: none"> At the national level, it strengthens the ability of the Government to make high-quality decisions about New Zealand education in terms of the quality of service delivery and educational outcomes.

Part A2 - Trends in Vote Education Review Office

Introduction

Appropriation levels (GST and capital charge exclusive) for outputs supplied by the Education Review Office have increased from \$14.953 million in 1993/94 to \$16.73 million in 1998/99.

In the period from 1993/94 to the forecast year 1998/99, the purchase of services from the Office has changed with respect to the nature of the evaluative services themselves (the output classes), the legislative powers of the Chief Review Officer under which evaluative services are provided, and the level of revenue Crown for the provision of those services. The changes in the Vote over the past five years are demonstrated in the following graph based on appropriations for each year.

Figure 2 - Comparison of Total Appropriations (GST and Capital Charge Exclusive)

Source: Education Review Office

Expenditure Trends: 1993/94 to 1998/99

Departmental outputs

The Education Review Office was established in October 1989. In 1990 the Government appointed a review committee to review the new education agencies. The Crown then reduced its spending on Vote Education Review Office by about \$5 million (GST exclusive) in 1990/91. Since then, other baseline reductions were made for a variety of reasons, including the following:

- The Office was required to make a \$1.3 million (GST exclusive) Vote reduction for each of the 1991/92, 1992/93 and 1993/94 financial years.
- The Office was required to reduce the level of revenue Crown by 1.5% or \$227,000 (GST exclusive) for each of the 1994/95 and 1995/96 financial years.

Increases to Vote Education Review Office since the 1995/96 fiscal year were made as follows:

- The Vote was increased in 1995/96, 1996/97, and 1997/98 by \$130,000, \$88,000, and \$67,000 respectively (GST exclusive), for reviews of Kohanga Reo.
- The Vote was increased in 1996/97 by \$202,000 (GST exclusive) and in 1997/98 by a further \$150,000 (GST exclusive) as a new initiative to increase the level of evaluative reporting in schools, the frequency of reporting in the early childhood sector and for follow-up reporting in underperforming institutions.

- The Vote was increased by \$310,000 (GST exclusive) in 1996/97 and \$285,000 (GST exclusive) in 1997/98, to conduct audits of attestations made by the boards of secondary and area schools on the performance of teachers eligible for salary increases. This audit service was an outcome of the final 1996 settlement of the secondary and area schools teachers' pay negotiations.
- The Vote was increased by \$329,000 (GST exclusive) in 1997/98 for a technical adjustment to recognise the cost of sublet accommodation.
- The Vote was increased by \$242,000 (GST exclusive) in 1998/99, to perform audits of primary schools' systems for managing teacher performance. This audit service was an outcome of the final 1998 settlement of the primary school teachers' pay negotiations.
- The Vote was increased in 1998/99 by \$200,000 (GST exclusive), to provide more focused evaluation of the delivery of education to Pacific Islands students.
- As part of the key policy initiatives in the Coalition Agreement:
 - the Vote was increased by \$405,000 (GST exclusive) in 1997/98, and \$500,000 (GST exclusive) in 1998/99, to implement an increase in the number of accountability reviews for students granted exemption from schooling
 - the Vote was increased in 1997/98 by \$150,000 (GST exclusive), to increase reviews of Kohanga Reo by the Education Review Office. This was additional to the 1995/96 budget initiative for Kohanga Reo reviews
 - the Vote was increased by \$150,000 (GST exclusive) in 1997/98, for an external review of the Education Review Office.

Following recommendations resulting from the external review of the Office:

- the Vote was increased in 1998/99 by \$17,000 (GST exclusive), to allow the Education Review Office to include in Accountability Review reports a contextual statement from the institution being reviewed
- the Vote was increased by \$88,000 (GST exclusive) in 1998/99 to allow the Education Review Office to provide information on relevant good practice during reviews.

Other expenses

In 1994/95 the Office incurred significant other expenses of \$238,000 (GST exclusive) for restructuring costs. In addition, in 1993/94 the Office incurred asset write-down costs of \$489,000 to create a provision for actual staff leave entitlement costs.

Capital contributions

The major changes in capital contributions relate to restructuring costs.

Trends in Vote Education Review Office - Summary of Appropriations and Crown Revenue^(see note 1)

Types of Appropriation	1993/94	1994/95	1995/96	1996/97	1997/98		1998/99 Appropriations to be Used				
	Actual \$000	Actual \$000	Actual \$000	Actual \$000	Budget \$000	Estimated Actual \$000	By the Department Administering the Vote		For Non-Departmental Transactions		Total \$000
						Annual \$000	Other \$000	Annual \$000	Other \$000		
Operating Flows											
Classes of Outputs to be Supplied	17,193	16,831	16,733	17,161	18,903	18,704	19,136	-	-	-	19,136
Benefits and Other Unrequited Expenses	-	-	-	-	-	-	N/A	N/A	-	-	-
Borrowing Expenses	-	-	-	-	-	-	N/A	N/A	-	-	-
Other Expenses	489	257	-	-	-	-	-	-	-	-	-
Capital Flows											
Capital Contributions	-	222	-	-	-	-	-	-	-	-	-
Purchase or Development of Capital Assets	-	-	-	-	-	-	N/A	N/A	-	-	-
Repayment of Debt	-	-	-	-	-	-	N/A	N/A	-	-	-
Total Appropriations	17,682	17,310	16,733	17,161	18,903	18,704	19,136	-	-	-	19,136
Total Crown Revenue and Receipts (see note 2)	-	-	-	-	-	-	N/A	N/A	N/A	N/A	-

Part B - Statement of Appropriations

Part B1 - Details of 1998/99 Appropriations (see note 3)

Appropriations	1997/98				1998/99		Description of 1998/99 Appropriations
	Vote		Estimated Actual		Vote		
	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
Departmental Output Classes (Mode B Gross)							
D1 Accountability Reviews (Preschool Service Providers)	4,069	-	4,061	-	4,248	-	Reviews of the performance of preschool service providers in discharging the various accountabilities placed on them by legislation, regulations and other contractual obligations.
D2 Accountability Reviews (Schools and Other Education Service Providers)	12,968	-	12,946	-	13,190	-	Reviews on the performance of schools and other education service providers (excluding preschool) in discharging the various accountabilities placed on them by legislation, regulations and other contractual obligations.
D3 Quality of Education Reports and Services	1,866	-	1,697	-	1,698	-	The provision of education evaluation reports providing cross-sectorial analysis and national evaluations of strategic issues, policy advisory services, ministerial services and contractual services.
Total Appropriations for Departmental Output Classes (Mode B Gross)	18,903	-	18,704	-	19,136	-	Refer to Part C1 for a full description.
Total Appropriations	18,903	-	18,704	-	19,136	-	

Part C - Explanation of Appropriations for Output Classes

Part C1 - Departmental Output Classes

Output Class D1 - Accountability Reviews (Preschool Service Providers)

Description

Under this output class the Minister responsible for the Education Review Office purchases reviews on the performance of preschool service providers in discharging their various accountabilities.

Accountability reviews in the preschool sector are broad-based reviews addressing in detail, as determined from an initial risk assessment, one or more of the following review areas:

- management
- health and safety
- education delivery.

Quantity, quality, timeliness and cost

Quantity

Accountability Reviews (Preschool Service Providers)	Budgeted Reviews 1998/99	Budgeted Reviews 1997/98	Total Providers *
1.1 Accountability reviews (see note 4)			
<ul style="list-style-type: none"> • Preschool Service Providers 	975-1050	938-990	3,918

* Provider numbers are based on the Ministry of Education publication, *Education Statistics of New Zealand 1998*.

Quality and timeliness

Accountability reviews will be consistent with the standard procedures approved by the Chief Review Officer and with any specific statutory obligations.

The standard procedures describe the processes to be followed, the review criteria to be used, and the accepted principles of good practice for conducting accountability reviews. The standard procedures set out quality standards, which are acceptable to the Minister, relating to the investigation and reporting processes, and to the content, presentation and timeliness of reports. They also describe the quality management procedures to be applied systematically within the Office.

No more than 3% of the governing or management bodies reviewed will formally complain to the Minister or the Office expressing sustainable disagreement with the conduct or conclusions of any accountability review.

Where the level of preparedness of the institution or the performance of the institution is such that the Office's timeliness standards are not able to be met without reducing the quality of the analysis and reporting, the timeframes may be extended with the prior approval of the Chief Review Officer.

Cost

This output class will be provided within the appropriated sum of \$4.248 million (inclusive of GST).

Year	Cost GST incl \$000	Cost GST excl \$000	Total Revenue GST excl \$000	Revenue Crown GST excl \$000	Revenue Other GST excl \$000
1998/99	4,248	3,776	3,776	3,697	79
1997/98	4,069	3,617	3,617	3,538	79

Cost information is available during the year for each accountability review. Cost variations will reflect factors such as the geographical location, the nature of the institution and the institution's ability to provide information.

Output Class D2 - Accountability Reviews (Schools and Other Education Service Providers)

Description

Under this output class the Minister responsible for the Education Review Office purchases reviews on the performance of schools and other education service providers (excluding preschool) in discharging their various accountabilities. These reviews include:

- accountability reviews (general)
- accountability reviews (for students granted exemption from schooling)
- performance management system audits
- statutory reviews.

Accountability reviews of schools and other education service providers are broad-based reviews addressing in detail, as determined from an initial risk assessment, one or more of the following review areas:

- governance
- management

- delivery of the curriculum
- quality of student education.

Accountability reviews of students granted exemption from attendance at school were previously categorised as homeschooling audits.

Performance management system audits are audits of primary schools' systems for managing teacher performance.

Statutory reviews are carried out in order to meet the Chief Review Officer's duty to report in certain circumstances, including reports on fully or provisionally registered private schools.

Review reports inform the decision-making of the governing/management body and the professional staff on the quality of education they provide and assist the ongoing development of management and self-review practices.

Quantity, quality, timeliness and cost

Quantity

Accountability Reviews (Schools and Other Education Service Providers)	Budgeted Reviews 1998/99	Budgeted Reviews 1997/98	Total Providers*
2.1 Accountability reviews State schools (see note 5)			
• Primary	695 - 750	679 - 712	2,281
• Secondary	95 - 120	101 - 123	378
2.2 Accountability reviews for exempted students	1,180 - 1,220	940 - 980	5,351
2.3 Performance management system audits	380 - 420	-	2,281
2.4 Statutory reviews **	35 - 45	10 - 20	120
2.5 Attestation audits	-	up to 6,650 teachers	-

* Provider numbers are based on the Ministry of Education publication, *Education Statistics of New Zealand 1998*.

** Statutory reporting duties relating to enforcement of charters and proposals to split a joint board of trustees (sections 64 and 112, Education Act 1989) are not included. Any demand for such reporting may impact on the above estimates.

Quality and timeliness

Accountability reviews will be consistent with the standard procedures approved by the Chief Review Officer and with any specific statutory obligations.

The standard procedures describe the processes to be followed, the review criteria to be used, and the accepted principles of good practice for conducting accountability reviews. The standard procedures set out quality standards, which are acceptable to the Minister, relating to the investigation and reporting processes, and to the content, presentation and timeliness of reports. They also describe the quality management procedures to be applied systematically within the Office.

No more than 3% of the governing or management bodies reviewed will formally complain to the Minister or the Office expressing sustainable disagreement with the conduct or conclusions of any accountability review.

Where the level of preparedness of the institution or the performance of the institution is such that the Office's timeliness standards are not able to be met without reducing the quality of the analysis and reporting, the timeframes may be extended with the prior approval of the Chief Review Officer.

Cost

This output class will be provided within the appropriated sum of \$13.190 million (inclusive of GST).

Year	Cost GST incl \$000	Cost GST excl \$000	Total Revenue GST excl \$000	Revenue Crown GST excl \$000	Revenue Other GST excl \$000
1998/99	13,190	11,724	11,724	11,506	218
1997/98	12,968	11,527	11,527	11,309	218

Cost information is available during the year for each accountability review. Cost variations will reflect factors such as the geographical location, the nature and size of the student population, the performance of each institution and the institution's ability to provide information.

Output Class D3 - Quality of Education Reports and Services*Description*

Under this output class the Minister responsible for the Education Review Office purchases:

- education evaluation reports
- policy advisory services
- ministerial services
- contractual services.

Education evaluation reports evaluate educational issues including curriculum, management structures and systems, student achievement, the delivery of teaching services, and the identification of good practices and barriers to learning across a number of institutions. Education evaluation reports may include guides to good practice.

Policy advisory services involve advice to or on behalf of the Minister responsible for the Education Review Office, based on assessments of the audit and evaluation implications of policy proposals or any other issues referred to the Chief Review Officer by the Minister.

Ministerial services involve the provision of oral briefings and briefing papers to the Minister, preparation of answers to parliamentary questions, drafting of ministerial correspondence and speech notes, and responding to general and official information requests. Ministerial services also involve advice to the Minister on the implementation of recommendations arising from institutional evaluations and reports or evaluation reports, or any other matter on which the Minister seeks additional information or feedback.

Contractual services include one-off reviews of institutions (or certain aspects of them), analyses of particular matters under specific terms of reference agreed with the Office, and the provision of on-site accreditation reporting to the New Zealand Qualifications Authority. Contractual reviews will be conducted on a fee-for-service basis.

Contractual services also include the sale of publications produced in the first instance for the Crown, or for internal Office use, on a cost-recovery basis. Such publications may require some enhancement or customising for third parties.

Quantity, quality, timeliness and cost

Quantity

Quality of Education Reports and Services	Budgeted Reports and Services 1998/99	Budgeted Reports and Services 1997/98
3.1 Education evaluation reports *	15 - 20	15 - 20
3.2 Policy advisory services	30 - 35	30 - 35
3.3 Ministerial services		
• Questions in the House	30 - 50	30 - 50
• Ministerial correspondence	85 - 100	85 - 100
• Briefing papers	85 - 100	85 - 100

Quality of Education Reports and Services	Budgeted Reports and Services 1998/99	Budgeted Reports and Services 1997/98
<ul style="list-style-type: none"> Official information requests 	5 - 10	5 - 10

* These reports to include a report on EEO (section 77D State Sector Act 1988).

Education evaluation reports are provided within specific themes. These themes are drawn from issues arising from Government's education initiatives and issues of strategic importance identified by the Office from its regular reporting on schools and early childhood services.

The Office is not primarily a policy provider. From its regular presence in schools it is, however, in a position to make a valuable contribution to assist the policy advisory agencies.

The Minister responsible for the Education Review Office will expect policy advice to be delivered according to an agreed work programme that may include projects specified by the Minister, Cabinet and Cabinet committees. The programme will contribute to the Government's strategic objectives and may be updated from time to time during the year.

Quality and timeliness

All education evaluation reports in this output class will meet the quality standards included in the Office's *Departmental Forecast Report*. Specific timeframes and project budgets will be met.

The Minister responsible for the Education Review Office will be advised before each education evaluation report is published of any issues of general public interest.

All policy advisory services that are provided to or on behalf of the Minister and all briefing papers will meet the Office's presentational requirements and any specific requirements indicated by the Minister.

The Minister responsible for the Education Review Office expects ministerial services to be provided to the following standards:

- Questions in the House - all replies will meet the time, standards and format required for parliamentary questions.
- Ministerial correspondence - draft responses will be provided within 15 working days of receipt of the correspondence, with quality such that no fewer than 95% of all first drafts are acceptable to the Minister.
- Official information requests - responses to all requests to the Minister will meet the time and other specific requirements of the Official Information Act 1982.

All material that is directed to or required by the Minister will meet the requirements set out in the *Cabinet Office Manual* and all formal parliamentary requirements.

All contractual services will meet the terms of the agreements reached with third parties and the Crown will not be put at fiscal or policy risk as a direct result of any contractual service.

Cost

This output class will be provided within the appropriated sum of \$1.698 million (inclusive of GST). Expenses will not exceed actual revenue. The GST-exclusive sum of \$1.509 million will be funded by revenue Crown of \$1.277 million and estimated revenue from third parties of \$232,000.

Year	Cost GST incl \$000	Cost GST excl \$000	Total Revenue GST excl \$000	Revenue Crown GST excl \$000	Revenue Other GST excl \$000
1998/99	1,698	1,509	1,509	1,277	232
1997/98	1,866	1,659	1,659	1,427	232

Cost information is available for each education evaluation report, for policy advisory services and for ministerial services, during the year.

Part C2 - Non-departmental Output Classes

No output classes will be purchased from other parties for this Vote.

Part D - Explanation of Appropriations for Other Operating Flows

Part D1 - Benefits and Other Unrequited Expenses

There are no appropriations for Part D1.

Part D2 - Borrowing Expenses

There are no appropriations for Part D2.

Part D3 - Other Expenses

There are no appropriations for Part D3.

Part E - Explanation of Appropriations for Capital Flows

Part E1 - Capital Contributions

There are no appropriations for Part E1.

Net Worth of Entities Owned

Statement of Estimated and Forecast Net Worth

	Balance Date	Estimated Net Worth 1998 \$ million	Forecast Net Worth 1999 \$ million
Education Review Office	30 June	2.531	2.531

Part E2 - Purchase or Development of Capital Assets by the Crown

There are no appropriations for Part E2.

Part E3 - Repayment of Debt

There are no appropriations for Part E3.

Part F - Crown Revenue and Receipts

Part F1 - Current and Capital Revenue Receipts

There are no Crown revenue and receipt items.