

VOTE Education Review Office

vOTE Education Review Office

OVERVIEW

Appropriations sought for Vote Education Review Office in 1999/2000 total \$20.454 million (GST inclusive). This is intended to be spent as follows:

- \$3.452 million (17% of the Vote) on Accountability Reviews of Pre-school Service Providers.
- \$13.931 million (68% of the Vote) on Accountability Reviews of Schools and Other Education Service Providers.

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

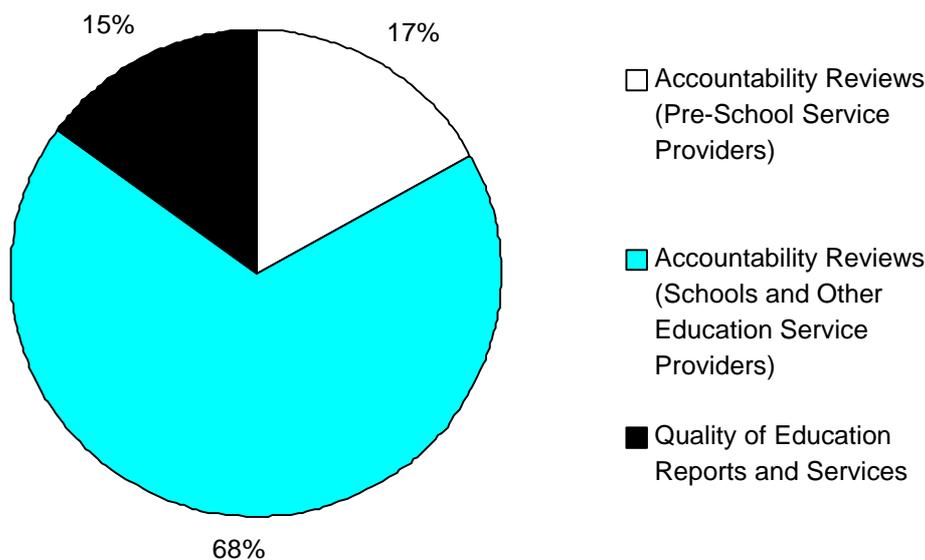
- \$3.071 million (15% of the Vote) on Quality of Education Reports and Services.

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

The Office expects to earn \$933,000 (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 - 1999/2000 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 1999/2000 a revised calculation for pre-school service providers has been used, which excludes Early Childhood Development funded groups (1998/99 revised total 3,263).</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

Government Goals and Priorities

The Government set out its goals and priorities for 1999 to 2002 in a statement published on 9 December 1998.

In this, the Government states:

“We value innovation and our ability to build on ideas and technologies. Our future prosperity depends on our ability to adapt and we must be prepared to create and take advantage of new opportunities. As Government, we are committed to lifting educational standards and achievement. We want to encourage New Zealanders to gain and use the new skills and knowledge needed to enable us to participate in the global knowledge economy.”

With regard to education, the Government is focusing on the following priorities:

- Lifting educational standards and achievement, particularly in the areas of literacy and numeracy.
- Significantly improving the education status of Māori.
- Enabling greater involvement of parents and communities in the education of their children.
- Preparing young New Zealanders for the technologically rich skills based 21st Century.
- Better addressing the needs of at-risk students.

Output Classes

The outputs purchased from the Education Review Office are Accountability Reviews of Pre-school Service Providers (output class 1) and of Schools and Other Education Service Providers (output class 2), and Quality of Education Reports and Services (output class 3).

The Education Review Office evaluates the performance of early childhood centres, schools and other providers in the pre-tertiary education sector in terms of their effectiveness in the education of young people, including the areas of priority interest to the Government, and their accountability for resources. The Office's reports provide evaluative feedback on performance to these providers, to the Government and to other stakeholders.

Links Between the Output Classes and the Government's Outcomes

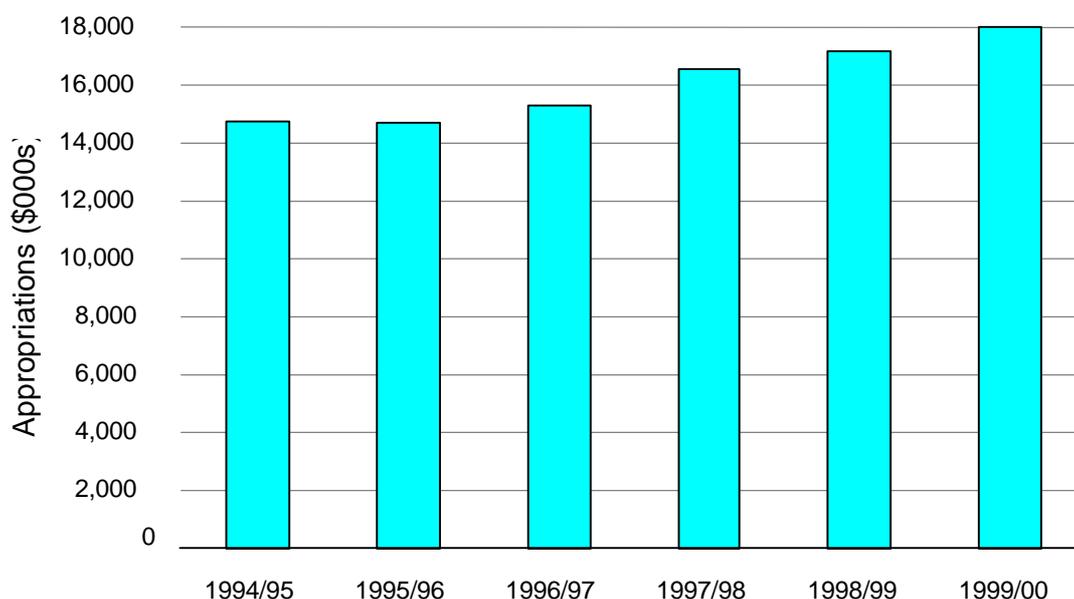
At the local level, output class 1 and 2 reports inform decision-making by the governing/managing bodies and staff of education institutions and by other education service providers. At the national level, output class 3 reports and analytical services strengthen the ability of the Government to make 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 \$14.760 million in 1994/95 to \$17.988 million in 1999/2000.

In the period from 1994/95 to the forecast year 1999/2000, the purchase of services from the Office has changed with respect to the nature of the evaluative services themselves (the output classes) 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: 1994/95 to 1999/2000

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, baseline changes have been made for a variety of reasons, including the following:

- The Vote was increased in 1995/96, 1996/97 and 1997/98 for reviews of Kohanga Reo.
- The Vote was increased in 1996/97 and in 1997/98 to increase the level of evaluative reporting on schools, the frequency of reporting in the early childhood sector and for follow-up reporting on underperforming institutions.
- The Vote was increased in 1998/99 and 1999/2000 only, to conduct 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 to provide more focused evaluation of the delivery of education to Pacific Islands students.

- The Vote was increased in 1997/98 and in 1998/99 to implement an increase in the number of accountability reviews for students granted exemption from schooling (homeschooling).
- The Vote was increased in 1997/98 to increase the number of reviews of Kohanga Reo (additional to the 1995/96 Budget initiative), and for an external review of the Education Review Office.

Following recommendations resulting from a 1998 Ministerial review of the Office the Vote was increased in 1998/99 to allow the Office:

- to include in accountability review reports a contextual statement from the institution being reviewed
- to provide information on good practice.

The Vote was reduced in 1998/99:

- to allow for a reduction in the number of reviews of exempted (homeschooled) students, to meet the requirement for departments to make savings equal to 1% of operating costs
- to allow for the reduced cost of employer contributions to the Government Superannuation Fund.

Following a price increase for the outputs purchased, the Vote was increased in 1998/99 and 1999/2000 to enable the Office to continue to recruit and retain review officers with appropriate skills and experience.

In addition, the Vote was increased in 1998/99 to allow for increased revenue earned from third-party contract services.

Changes to Vote Education Review Office in the 1999/2000 year are as follows:

- An increase in 1999/2000 only:
 - for evaluation of pre-employment teacher training services
 - to allow for a transfer of revenue from the Ministry of Research, Science and Technology for a comparative international evaluation of teaching capability and practice in mathematics and science
 - for evaluation of the use made of assessment to improve teaching programmes in literacy and numeracy for children aged four to six
 - for evaluation of inservice training for teachers.
- A decrease to allow for a reduction in the number of reviews of exempted (homeschooled) students.

Other expenses

In 1998/99 a one-off technical increase in other expenses of \$597,000 was made to allow for the cost of actuarial calculation of employee leave entitlements.

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	1994/95	1995/96	1996/97	1997/98	1998/99		1999/00 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	16,831	16,733	17,161	18,644	19,621	19,405	20,454	-	-	-	20,454
Benefits and Other Unrequited Expenses	-	-	-	-	-	-	N/A	N/A	-	-	-
Borrowing Expenses	-	-	-	-	-	-	N/A	N/A	-	-	-
Other Expenses	257	-	-	-	597	597	-	-	-	-	-
Capital Flows											
Capital Contributions	222	-	-	-	-	-	-	-	-	-	-
Purchase or Development of Capital Assets	-	-	-	-	-	-	N/A	N/A	-	-	-
Repayment of Debt	-	-	-	-	-	-	N/A	N/A	-	-	-
Total Appropriations	17,310	16,733	17,161	18,644	20,218	20,002	20,454	-	-	-	20,454
Total Crown Revenue and Receipts (see note 2)	-	-	-	-	-	-	N/A	N/A	N/A	N/A	-

Part B - Statement of Appropriations (see note 3)

Part B1 - Details of 1999/2000 Appropriations

	1998/99				1999/00		Description of 1999/00 Appropriations
	Vote		Estimated Actual		Vote		
Appropriations	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
Departmental Output Classes (Mode B Gross)							
D1 Accountability Reviews (Pre-school Service Providers)	4,186	-	4,158	-	3,452	-	Evaluations of the performance of pre-school 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)	13,231	-	13,152	-	13,931	-	Evaluations of the performance of schools and other education service providers (excluding pre-school) in discharging the various accountabilities placed on them by legislation, regulations and other contractual obligations.
D3 Quality of Education Reports and Services	2,204	-	2,095	-	3,071	-	The provision of education evaluation reports providing cross-sectoral analysis and national evaluations of strategic issues, policy advisory services, ministerial services and contractual services.
Total Appropriations for Departmental Output Classes (Mode B Gross)	19,621	-	19,405	-	20,454	-	Refer to Part C1 for a full description.
Other Expenses to be Incurred by the Department							
Provision for Retirement and Long Service Leave	597	-	597	-	-	-	Cost of actuarial calculation of employee leave entitlements. There is no appropriation in 1999/00 for employee leave entitlements.
Total Appropriations for Other Expenses to be Incurred by the Department	597	-	597	-	-	-	
Total Appropriations	20,218	-	20,002	-	20,454	-	

Part C - Explanation of Appropriations for Output Classes

Part C1 - Departmental Output Classes

Output Class D1 - Accountability Reviews (Pre-school Service Providers)

Description

Under this output class the Minister responsible for the Education Review Office purchases evaluations of the performance of pre-school service providers.

Accountability reviews in the pre-school sector are broad-based and address risk factors in the following review areas:

- Management.
- Health and safety.
- Education delivery.

Review reports inform the Crown and the governing or management bodies of centres and their staff on the quality of education they provide and their management and self-review practices.

Quantity, quality, timeliness and cost

Quantity

Accountability Reviews (Pre-school Service Providers)	Budgeted Reviews 1999/00	Budgeted Reviews 1998/99	Total Providers* (see note 4)
1.1 Accountability reviews			
• Pre-school Service Providers	770 - 845	975 - 1,050	3,305

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

Following a fiscally neutral rebalancing of the Office's output classes, an increase in funding for D2 and D3 has resulted in an equivalent reduction in D1.

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 centre or the performance of the centre 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 \$3.452 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
1999/00	3,452	3,068	3,068	2,989	79
1998/99	4,186	3,721	3,721	3,642	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 service and the centre'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 evaluations of the performance of schools and other education service providers (excluding pre-school). 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 and address risk factors in the following review areas:

- Governance.
- Management.
- Delivery of the curriculum.
- Quality of student education.

Accountability reviews for exempted students are reviews of students granted exemption from attendance at school (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 Crown and the decision-making of the governing or management bodies of schools and their professional staff on the quality of education they provide and their management and self-review practices.

Quantity, quality, timeliness and cost

Quantity

Accountability Reviews (Schools and Other Education Service Providers)	Budgeted Reviews 1999/00	Budgeted Reviews 1998/99	Total Providers*
2.1 Accountability reviews State schools			
• Primary	721 - 776	695 - 750	2,269
• Secondary	109 - 134	95 - 120	383
2.2 Accountability reviews for exempted students	600 - 640	880 - 920	5,274
2.3 Performance management system audits	980 - 1,020	380 - 420	2,269
2.4 Statutory reviews **	35 - 45	35 - 45	117

* Provider numbers are based on the Ministry of Education publication, *Education Statistics of New Zealand for 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 \$13.931 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
1999/00	13,931	12,383	12,383	12,165	218
1998/99	13,231	11,761	11,761	11,543	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 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) and analyses of particular matters under specific terms of reference agreed with the Office. Contractual reviews will be conducted on a fee-for-service basis.

Quantity, quality, timeliness and cost

Quantity

Quality of Education Reports and Services	Budgeted Reports and Services 1999/00	Budgeted Reports and Services 1998/99
3.1 Education evaluation reports*	18 - 23	15 - 20
3.2 Policy advisory services	30 - 35	30 - 35

Quality of Education Reports and Services	Budgeted Reports and Services 1999/00	Budgeted Reports and Services 1998/99
3.3 Ministerial services		
• Questions in the House	30 - 50	30 - 50
• Ministerial correspondence	50 - 65	85 - 100
• Briefing papers	85 - 100	85 - 100
• 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 may be drawn from issues arising from the 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 useful contribution to assist the policy advisory agencies.

This service will contribute to the Government's strategic objectives.

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 \$3.071 million (inclusive of GST). Expenses will not exceed actual revenue. The GST-exclusive sum of \$2.730 million will be funded by Revenue Crown of \$2.198 million and estimated revenue from third parties of \$532,000.

Year	Cost GST incl \$000	Cost GST excl \$000	Total Revenue GST excl \$000	Revenue Crown GST excl \$000	Revenue Other GST excl \$000
1999/00	3,071	2,730	2,730	2,198	532
1998/99	2,204	1,959	1,959	1,427	532

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 is no further information to that provided in Part B1.

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

In 1998/99 a change in net worth resulted from a technical increase in other expenses of \$0.597 million, to allow for the cost of actuarial calculation of employee leave entitlements.

	Balance Date	Estimated Net Worth 1999 \$ million	Forecast Net Worth 2000 \$ million
Education Review Office	30 June	1.934	1.934

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.