

# *Vote Education Review Office*

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APPROPRIATION MINISTER(S): Minister of Education (M26)

APPROPRIATION ADMINISTRATOR: Education Review Office

RESPONSIBLE MINISTER FOR EDUCATION REVIEW OFFICE: Minister of Education

## *Overview of the Vote*

The Minister of Education is responsible for appropriations in the Vote for the 2016/17 financial year covering the following:

- a total of over \$24 million for evaluations of early childhood education service providers, schools and other education service providers
- a total of over \$3 million for education evaluations, policy services, ministerial and contractual services, and
- a total of nearly \$1 million in departmental capital expenditure.

Details of these appropriations are set out in Parts 2-4.

# Details of Appropriations and Capital Injections

## Annual and Permanent Appropriations

Titles and Scopes of Appropriations by Appropriation Type	2015/16		2016/17
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Departmental Output Expenses</b>			
<b>Quality of Education Reports and Services (M26)</b> This appropriation is limited to the provision of national education evaluation reports, policy services, ministerial and contractual services.	4,509	4,359	3,458
<b>Total Departmental Output Expenses</b>	4,509	4,359	3,458
<b>Departmental Capital Expenditure</b>			
<b>Education Review Office - Capital Expenditure PLA (M26)</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.	2,110	1,831	1,095
<b>Total Departmental Capital Expenditure</b>	2,110	1,831	1,095
<b>Multi-Category Expenses and Capital Expenditure</b>			
<b>Accountability Reviews MCA (M26)</b> The single overarching purpose of this appropriation is to provide assurance on the quality of education provided by early childhood education services, schools and other education service providers.	24,371	24,371	24,255
<i>Departmental Output Expenses</i>			
<i>Early Childhood Education Services</i> This category is limited to evaluations of the performance of early childhood education services.	9,492	9,492	9,403
<i>Schools and Other Education Service Providers</i> This category is limited to evaluations of the performance of schools and other education service providers.	14,879	14,879	14,852
<b>Total Multi-Category Expenses and Capital Expenditure</b>	24,371	24,371	24,255
<b>Total Annual and Permanent Appropriations</b>	30,990	30,561	28,808

## Capital Injection Authorisations

	2015/16		2016/17
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Education Review Office - Capital Injection (M26)	-	-	-

# Supporting Information

## Part 1 - Vote as a Whole

### 1.1 - New Policy Initiatives

Policy Initiative	Appropriation	2015/16 Final Budgeted \$000	2016/17 Budget \$000	2017/18 Estimated \$000	2018/19 Estimated \$000	2019/20 Estimated \$000
Share of costs for Budget 2015 whole-of-government initiatives	Quality of Education Reports and Services	(8)	(8)	(6)	(4)	(4)
	Accountability Reviews MCA	(58)	(59)	(42)	(32)	(32)

## 1.2 - Trends in the Vote

### Summary of Financial Activity

	2011/12	2012/13	2013/14	2014/15	2015/16		2016/17			2017/18	2018/19	2019/20
	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	3,327	3,030	3,598	3,441	4,509	4,359	3,458	-	3,458	3,449	3,440	3,433
Benefits or Related Expenses	-	-	-	-	-	-	N/A	-	-	-	-	-
Borrowing Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Capital Expenditure	689	1,519	404	1,007	2,110	1,831	1,095	-	1,095	822	1,092	1,092
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	-	-	-	-	N/A	-	-	-	-
Multi-Category Expenses and Capital Expenditure (MCA)												
<i>Output Expenses</i>	25,370	24,417	24,351	24,398	24,371	24,371	24,255	-	24,255	24,283	24,304	24,311
<i>Other Expenses</i>	-	-	-	-	-	-	-	-	-	-	-	-
<i>Capital Expenditure</i>	-	-	-	-	-	-	N/A	-	-	-	-	-
<b>Total Appropriations</b>	29,386	28,966	28,353	28,846	30,990	30,561	28,808	-	28,808	28,554	28,836	28,836
<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 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

Vote ERO contains appropriations for output expenses and capital expenditure.

From 2011/12 to 2015/16 total departmental output expense appropriation levels for outputs supplied by ERO were steady, including:

- a decrease in 2015/16 and outyears arising from ERO's contribution to the Budget 2015 System Package agreed by Cabinet
- an increase in 2015/16 due to higher levels of contractual services
- an increase in 2012/13 to 2014/15 for additional evaluations of schools that are non-compliant with National Standards
- a decrease in 2012/13 due to the efficiency savings target agreed by Cabinet to drive down costs of core government administration while maintaining the quality and quantity of public services.

There are no significant trends in capital expenditure appropriation levels.

## Part 2 - Details of Departmental Appropriations

### 2.1 - Departmental Output Expenses

#### Quality of Education Reports and Services (M26)

##### *Scope of Appropriation*

This appropriation is limited to the provision of national education evaluation reports, policy services, ministerial and contractual services.

##### *Expenses and Revenue*

	2015/16		2016/17
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	4,509	4,359	3,458
Revenue from the Crown	2,792	2,792	2,907
Revenue from Others	1,717	1,567	551

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

This appropriation is intended to achieve improvements in learner outcomes by influencing and informing on the development and implementation of education policy and practices through ERO's system-wide evaluations.

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

	2015/16		2016/17
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Number of education evaluations	Up to 20	Up to 20	Up to 20
Education evaluations are consistent with approved plans and procedures	100%	100%	100%
Key Audiences report that ERO's evaluations are informative and useful for identifying or planning improvements within the system or its component parts	80%-100%	80%-100%	80%-100%
Level of public satisfaction	70%	70%	70%

Education evaluations provide information on significant education issues and education sector performance. In particular, ERO will provide information for individual schools, communities and the Government on how well schools are assisting their students to achieve educational standards and qualifications, using assessment, and promoting the educational success of students, particularly Māori and Pacific. This information will be used by government education policy agencies to determine the effectiveness of current initiatives and to establish priorities, and by schools and early childhood education services in their own internal evaluation. Education evaluations include guides to good practice. The information for these evaluations is gathered from the institutional evaluations carried out by ERO.

ERO uses the State Services Commission's Kiwi Count survey to assess the level of public satisfaction with ERO's evaluation work. ERO also commissions sample studies to ascertain the extent to which particular evaluations are found useful and used by key audiences.

Policy services involve advice to, or on behalf of, the Minister of Education, on policy proposals or any other issues referred to, or identified by, the Chief Executive. ERO is not primarily a provider of policy advice. From its regular presence in schools and early childhood services it is, however, in a position to make a useful contribution to assist the policy agencies. This service will contribute to the Government's policy priorities for schools and early childhood education service.

Ministerial services include 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 include advice to the Minister on the implementation of recommendations arising from institutional evaluations and education evaluations, or any other matter on which the Minister seeks additional information or feedback.

Contractual services include additional one-off evaluations outside ERO's normal work programme. These may be requested at short notice to look at particular matters under specific terms of reference. Contractual services are conducted on a fee for service basis.

Policy services, ministerial and contractual services are subject to external demand factors making these activities difficult to forecast. No assessments of performance have been reported for these services as these activities only account for less than 10% of ERO's total Vote and therefore are not deemed to be material.

### *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	2015/16 Final Budgeted \$000	2016/17 Budget \$000	2017/18 Estimated \$000	2018/19 Estimated \$000	2019/20 Estimated \$000
Share of costs for Budget 2015 whole-of-government initiatives	2015/16	(8)	(8)	(6)	(4)	(4)
Efficiency saving target	2012/13	(59)	(59)	(59)	(59)	(59)

### *Reasons for Change in Appropriation*

The decrease in this appropriation for 2016/17 is mainly due to lower revenue levels for contractual services compared to 2015/16.



## 2.3 - Departmental Capital Expenditure and Capital Injections

### Education Review Office - Capital Expenditure PLA (M26)

#### *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*

	2015/16		2016/17
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Forests/Agricultural	-	-	-
Land	-	-	-
Property, Plant and Equipment	1,627	1,348	577
Intangibles	483	483	518
Other	-	-	-
<b>Total Appropriation</b>	<b>2,110</b>	<b>1,831</b>	<b>1,095</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 supports the delivery of its services.

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

	2015/16		2016/17
	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 ERO. The major areas of capital investment for ERO are office accommodation, motor vehicles and computer equipment.

#### *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 decrease in this appropriation for 2016/17 is mainly due to a building re-fit in ERO's new Auckland premise in 2015/16.

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

Details of Net Asset Schedule	2015/16 Estimated Actual \$000	2016/17 Projected \$000	Explanation of Projected Movements in 2016/17
Opening Balance	3,746	3,746	
Capital Injections	-	-	
Capital Withdrawals	-	-	
Surplus to be Retained (Deficit Incurred)	-	-	
Other Movements	-	-	
<b>Closing Balance</b>	<b>3,746</b>	<b>3,746</b>	

## Part 4 - Details of Multi-Category Expenses and Capital Expenditure

### Multi-Category Expenses and Capital Expenditure

#### Accountability Reviews (M26)

##### *Overarching Purpose Statement*

The single overarching purpose of this appropriation is to provide assurance on the quality of education provided by early childhood education services, schools and other education service providers.

##### *Scope of Appropriation*

###### **Departmental Output Expenses**

###### *Early Childhood Education Services*

This category is limited to evaluations of the performance of early childhood education services.

###### *Schools and Other Education Service Providers*

This category is limited to evaluations of the performance of schools and other education service providers.

##### *Expenses, Revenue and Capital Expenditure*

	2015/16		2016/17
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Total Appropriation</b>	24,371	24,371	24,255
<b>Departmental Output Expenses</b>			
Early Childhood Education Services	9,492	9,492	9,403
Schools and Other Education Service Providers	14,879	14,879	14,852
<b>Funding for Departmental Output Expenses</b>			
<b>Revenue from the Crown</b>	24,322	24,322	24,206
Early Childhood Education Services	9,477	9,477	9,388
Schools and Other Education Service Providers	14,845	14,845	14,818
<b>Revenue from Others</b>	49	49	49
Early Childhood Education Services	15	15	15
Schools and Other Education Service Providers	34	34	34

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

This appropriation is intended to achieve improvements in learner outcomes by using evaluation to influence and inform schools and early childhood services, while assuring the Government and communities of the quality of education provided.

*How Performance will be Assessed for this Appropriation*

Assessment of Performance	2015/16		2016/17
	Final Budgeted Standard	Estimated Actual	Budget Standard
Total number of evaluations of education service providers	New Measure	New Measure	>1,850
Percentage of education service providers that indicate ERO's evaluations are making a contribution to their decisions about how to improve learner outcomes	New Measure	New Measure	80%
Level of public satisfaction - refer to Quality of Education Reports and Services (M26) above	70%	70%	70%

*What is Intended to be Achieved with each Category and How Performance will be Assessed*

Assessment of Performance	2015/16		2016/17
	Final Budgeted Standard	Estimated Actual	Budget Standard
<b>Departmental Output Expenses</b>			
<b>Early Childhood Education Services</b>			
This category is intended to achieve improvements in teaching and learning practices by assisting early childhood services to improve their capacity in internal evaluation, governance and leadership through ERO's independent evaluations			
Number of early childhood education service evaluations	1,200-1,460	1,200-1,460	1,200-1,460
ERO uses a moderation panel to assess levels of compliance with approved standard procedures for a sample of early childhood education service evaluations	90%-100%	90%-100%	90%-100%
Percentages of draft (near final) findings sent to early childhood education services for confirmation of accuracy and comment will meet target for reporting to the Minister within 20, 25 and 35 working days of the end of the last week on site	80%,90% and 98% respectively	80%,90% and 98% respectively	80%,90% and 98% respectively
Percentage of early childhood service providers that indicate ERO's evaluations are making a contribution to their decisions about how to improve learner outcomes	New Measure	New Measure	80%
Percentage of early childhood services evaluated previously within the 2 year review cycle moving to the 3 year review cycle	Establish Baseline	Establish Baseline	60%-65%
<b>Schools and Other Education Service Providers</b>			
This category is intended to achieve improvements in teaching and learning practices by assisting schools and other education service providers to improve their capacity in internal evaluation, governance and leadership through ERO's independent evaluations			
Number of state schools education evaluations	650-840	650-840	650-840
Number of home schooling education evaluations	Up to 35	Up to 35	Up to 35
Number of private school education evaluations	Up to 25	Up to 25	Up to 25
ERO uses a moderation panel to assess levels of compliance with approved standard procedures for a sample of schools and other education service provider evaluations	90%-100%	90%-100%	90%-100%

Assessment of Performance	2015/16		2016/17
	Final Budgeted Standard	Estimated Actual	Budget Standard
Percentages of draft (near final) findings sent to schools and other education service providers for confirmation of accuracy and comment will meet target for reporting to the Minister within 20, 25 and 35 working days of the end of the last week on site	80%, 90% and 98% respectively	80%, 90% and 98% respectively	80%, 90% and 98% respectively
Percentage of schools that indicate ERO's evaluations are making a contribution to their decisions about how to improve learner outcomes	New Measure	New Measure	80%
Percentage of schools evaluated previously on the 1-2 year review cycle moving to the 3 year review cycle	60%-65%	60%-65%	60%-65%
Percentage of schools evaluated previously on the 3 year review cycle moving to the 4-5 year review cycle	12%-15%	12%-15%	12%-15%
Number of Communities of Learning reports	Up to 100	Up to 100	Up to 100
Communities of Learning reports are consistent with approved presentational standards and agreed terms of reference	100%	100%	100%

ERO recognises an education evaluation as an output at the time it is available for delivery to the Minister of Education. Partially complete evaluations are not reported.

ERO's Manual of Standard Procedures is a framework used by reviewers so that there is consistency nationally in undertaking evaluations. It describes the processes to be followed, the evaluation indicators to be used, and the accepted principles of good practice for conducting evaluations. The Manual of Standard Procedures also set out quality standards relating to the investigation and reporting processes, and to the content, presentation and timeliness of evaluations. It also describes the quality management procedures to be applied systematically within ERO.

From time to time, ERO will undertake external reviews to give the Chief Executive assurance on the extent to which education evaluations are meeting its quality standards in addition to using a moderation panel.

Communities of Learning are part of the Investing in Educational Success initiative. To support this initiative, ERO provides a report for each Community of Learning to assist them in developing their 'achievement challenges' to complement the data profiles that the Ministry of Education will provide. Each ERO report will give an overview of how well schools are performing based on their recent reporting history and is tailored for each Community of Learning regarding the strengths and areas that they could consider for improved outcomes. The number of reports required will depend on the number of Communities of Learning approved by the Minister of Education.

### *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	2015/16 Final Budgeted \$000	2016/17 Budget \$000	2017/18 Estimated \$000	2018/19 Estimated \$000	2019/20 Estimated \$000
Share of costs for Budget 2015 whole-of-government initiatives	2015/16	(58)	(59)	(42)	(32)	(32)
Efficiency saving target	2012/13	(772)	(772)	(772)	(772)	(772)