

Vote Education Review Office

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 2017/18 financial year covering the following:

- A total of nearly \$29 million for evaluations (institutional and system-wide) on the quality of education provided by early childhood learning services, schools and other education service providers.
- A total of \$830,000 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

	2016/17		2017/18
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Titles and Scopes of Appropriations by Appropriation Type			
Departmental Output Expenses			
Quality of Education Reports and Services (M26) This appropriation is limited to the provision of national education evaluation reports, policy services, ministerial and contractual services.	4,285	4,285	-
Total Departmental Output Expenses	4,285	4,285	-
Departmental Capital Expenditure			
Education Review Office - Capital Expenditure PLA (M26) 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.	1,879	1,879	830
Total Departmental Capital Expenditure	1,879	1,879	830
Multi-Category Expenses and Capital Expenditure			
Quality of Education: Evaluations and Services MCA (M26) The single overarching purpose of this appropriation is to provide evaluation (institutional and system-wide) on the quality of education provided by early childhood learning services, schools and other education service providers.	-	-	28,720
<i>Departmental Output Expenses</i>			
<i>Early Childhood Learning Services</i> This category is limited to evaluations of the performance of early childhood learning services.	-	-	9,979
<i>National Evaluations and Other Services</i> This category is limited to the provision of national education evaluation and other publications, policy services, ministerial services and contractual evaluation services.	-	-	3,704
<i>Schools and Other Education Service Providers</i> This category is limited to evaluations of the performance of schools, Communities of Learning and other education service providers.	-	-	15,037
Accountability Reviews MCA (M26) 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.	24,285	24,285	-
<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.	9,354	9,354	-
<i>Schools and Other Education Service Providers</i> This category is limited to evaluations of the performance of schools and other education service providers.	14,931	14,931	-
Total Multi-Category Expenses and Capital Expenditure	24,285	24,285	28,720
Total Annual and Permanent Appropriations	30,449	30,449	29,550

Capital Injection Authorisations

	2016/17		2017/18
	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	2016/17 Final Budgeted \$000	2017/18 Budget \$000	2018/19 Estimated \$000	2019/20 Estimated \$000	2020/21 Estimated \$000
Education evaluation - investing for accountability and improvement	Quality of Education: Evaluations and Services MCA Departmental Output Expenses	-	827	1,092	1,357	2,180
Total Initiatives		-	827	1,092	1,357	2,180

1.2 - Trends in the Vote

Summary of Financial Activity

	2012/13	2013/14	2014/15	2015/16	2016/17		2017/18			2018/19	2019/20	2020/21
	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	-	-	-	-	-	-	-	-	-	-	-	-
Benefits or Related Expenses	-	-	-	-	-	-	N/A	-	-	-	-	-
Borrowing Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Capital Expenditure	1,519	404	1,007	1,070	1,879	1,879	830	-	830	1,100	1,100	1,046
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	-	-	-	-	N/A	-	-	-	-
Multi-Category Expenses and Capital Expenditure (MCA)												
<i>Output Expenses</i>	27,447	27,949	27,839	28,590	28,570	28,570	28,720	-	28,720	28,997	29,262	30,085
<i>Other Expenses</i>	-	-	-	-	-	-	-	-	-	-	-	-
<i>Capital Expenditure</i>	-	-	-	-	-	-	N/A	-	-	-	-	-
Total Appropriations	28,966	28,353	28,846	29,660	30,449	30,449	29,550	-	29,550	30,097	30,362	31,131
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 Appropriations in the Details of Appropriations and Capital Injections.

Adjustments to the Summary of Financial Activity Table Due to Vote Restructuring

	2012/13 Adjustments \$000	2013/14 Adjustments \$000	2014/15 Adjustments \$000	2015/16 Adjustments \$000	2016/17 Final Budgeted Adjustments \$000	2016/17 Estimated Actual Adjustments \$000
Appropriations						
Output Expenses	(3,030)	(3,598)	(3,441)	(4,344)	(4,285)	(4,285)
Benefits or Related Expenses	-	-	-	-	-	-
Borrowing Expenses	-	-	-	-	-	-
Other Expenses	-	-	-	-	-	-
Capital Expenditure	-	-	-	-	-	-
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	-	-	-
Multi-Category Expenses and Capital Expenditure (MCA)						
<i>Output Expenses</i>	3,030	3,598	3,441	4,344	4,285	4,285
<i>Other Expenses</i>	-	-	-	-	-	-
<i>Capital Expenditure</i>	-	-	-	-	-	-
Total Appropriations	-	-	-	-	-	-
Crown Revenue and Capital Receipts						
Tax Revenue	-	-	-	-	-	-
Non-Tax Revenue	-	-	-	-	-	-
Capital Receipts	-	-	-	-	-	-
Total Crown Revenue and Capital Receipts	-	-	-	-	-	-

The adjustments in the table above reflect the new multi-category appropriation Quality of Education: Evaluations and Services set up for Vote ERO. The table shows how past expenditure would have changed if the restructured appropriations had been in place before 2012/13.

1.3 - Analysis of Significant Trends

Vote ERO contains appropriations for output expenses and capital expenditure.

From 2012/13 to 2016/17 total departmental output expense appropriation levels for outputs supplied by ERO were steady, including:

- increases in 2015/16 and 2016/17 due to higher levels of contractual evaluation services provided by ERO, and
- increases in 2013/14 and 2014/15 for additional evaluations of schools that are non-compliant with National Standards.

From 2017/18 to 2020/21 total departmental output expense appropriation levels for outputs supplied by ERO will increase due to additional investment in education evaluations for accountability and improvement. This will support the effectiveness of education evaluation by enabling ERO to undertake additional early learning service evaluations to meet the growth in this sector and address wage cost pressures.

There are no significant trends in capital expenditure appropriation levels.

1.4 - Reconciliation of Changes in Appropriation Structure

		Old Structure		New Structure		
2016/17 Appropriations in the 2016/17 Structure	2016/17 (Current) \$000	Appropriations to which Expenses (or Capital Expenditure) have been Moved from or to	Amount Moved \$000	2016/17 Appropriations in the 2017/18 Structure	2016/17 (Restated) \$000	2017/18 \$000
Departmental Output Expense				Multi-Category Expense		
Quality of Education Reports and Services	4,285	Moved to Quality of Education: Evaluations and Services MCA	(4,285)	Quality of Education: Evaluations and Services MCA	28,570	28,720
		- Moved from Quality of Education Reports and Services	4,285			
Multi-Category Expense						
Accountability Reviews MCA	24,285	Moved to Quality of Education: Evaluations and Services MCA	(24,285)			
		- Moved from Accountability Reviews MCA	24,285			
Total Changes in Appropriations	28,570		-		28,570	28,720

From 2017/18 a new multi-category appropriation Quality of Education: Evaluations and Services was established. This multi-category appropriation aggregates the two appropriations Accountability Reviews MCA and Quality of Education Reports and Services. Both of these appropriations use similar resources in working toward the same purpose of providing evaluations of quality of education provided to all young New Zealanders.

Explanations of the reasons for changing the appropriation structure are noted in the details of each appropriation in Parts 2-4.

Part 2 - Details of Departmental Appropriations

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

	2016/17		2017/18
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Forests/Agricultural	-	-	-
Land	-	-	-
Property, Plant and Equipment	1,499	1,499	480
Intangibles	380	380	350
Other	-	-	-
Total Appropriation	1,879	1,879	830

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

	2016/17		2017/18
	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 2017/18 is mainly due to two building re-fits in 2016/17 only.

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

Details of Net Asset Schedule	2016/17 Estimated Actual \$000	2017/18 Projected \$000	Explanation of Projected Movements in 2017/18
Opening Balance	3,746	4,021	
Capital Injections	-	-	
Capital Withdrawals	-	-	
Surplus to be Retained (Deficit Incurred)	275	-	Insurance proceeds for damaged property and equipment arising from the Kaikōura earthquake in November 2016.
Other Movements	-	-	
Closing Balance	4,021	4,021	

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

Multi-Category Expenses and Capital Expenditure

Quality of Education: Evaluations and Services (M26)

Overarching Purpose Statement

The single overarching purpose of this appropriation is to provide evaluation (institutional and system-wide) on the quality of education provided by early childhood learning services, schools and other education service providers.

Scope of Appropriation

Departmental Output Expenses

Early Childhood Learning Services

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

National Evaluations and Other Services

This category is limited to the provision of national education evaluation and other publications, policy services, ministerial services and contractual evaluation services.

Schools and Other Education Service Providers

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

Expenses, Revenue and Capital Expenditure

	2016/17		2017/18
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	-	-	28,720
Departmental Output Expenses			
Early Childhood Learning Services	-	-	9,979
National Evaluations and Other Services	-	-	3,704
Schools and Other Education Service Providers	-	-	15,037
Funding for Departmental Output Expenses			
Revenue from the Crown	-	-	27,885
Early Childhood Learning Services	-	-	9,962
National Evaluations and Other Services	-	-	2,923
Schools and Other Education Service Providers	-	-	15,000
Revenue from Others	-	-	835
Early Childhood Learning Services	-	-	17
National Evaluations and Other Services	-	-	781
Schools and Other Education Service Providers	-	-	37

Comparators for Restructured Appropriation

	2016/17		2017/18
Vote, Type and Title of Appropriation	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Vote Education Review Office: Departmental Output Expense: Quality of Education Reports and Services	4,285	4,285	-
Vote Education Review Office: Multi-Category Expense: Accountability Reviews	24,285	24,285	-
Early Childhood Education Services	9,354	9,354	-
Schools and Other Education Service Providers	14,931	14,931	-
Total	28,570	28,570	28,720

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 learning services and influence the development and implementation of education policy and practices, while assuring the Government and communities of the quality of education provided.

How Performance will be Assessed for this Appropriation

	2016/17		2017/18
Assessment of Performance	Final Budgeted Standard	Estimated Actual	Budget Standard
Total number of evaluations of service providers and national evaluations	>1,850	>1,850	>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	80%	80%	>80%
Key audiences report that ERO's national evaluations are informative and useful for identifying or planning improvements within the system or its component parts.	80%-100%	80%-100%	>80%
Level of public satisfaction (score out of 100)	70	70	>70

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

	2016/17		2017/18
Assessment of Performance	Final Budgeted Standard	Estimated Actual	Budget Standard
Departmental Output Expenses			
Early Childhood Learning Services			
This category is intended to achieve improvements in teaching and learning practices by assisting early childhood learning services to improve their capacity in internal evaluation, governance and leadership through ERO's independent evaluations			
Number of early childhood learning service evaluations	1,200-1,460	1,200-1,460	1,200-1,460

	2016/17		2017/18
Assessment of Performance	Final Budgeted Standard	Estimated Actual	Budget Standard
ERO uses a moderation panel to assess levels of compliance with approved standard procedures for a sample of early childhood learning service evaluations	90%-100%	90%-100%	90%-100%
Percentages of draft (near final) findings sent to early childhood learning 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 learning service providers that indicate ERO's evaluations are making a contribution to their decisions about how to improve learner outcomes	80%	80%	80%
Percentage of early childhood learning services evaluated previously within the 2 year review cycle moving to the 3 year review cycle	60%-65%	60%-65%	60%-65%
National Evaluations and Other Services			
This category 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 and through the provision of other services			
Number of national evaluations and other publications	Up to 20	Up to 20	Up to 20
National evaluations are consistent with approved plans and procedures	100%	100%	100%
Policy services are consistent with approved presentational standards	N/A	N/A	100%
Ministerial services are consistent with statutory and or formal parliamentary requirements	N/A	N/A	100%
Ministerial services are consistent with formal Ministerial requirements	N/A	N/A	100%
Schools and Other Education Service Providers			
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 providers	90%-100%	90%-100%	90%-100%
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	80%	80%	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%

	2016/17		2017/18
Assessment of Performance	Final Budgeted Standard	Estimated Actual	Budget Standard
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.

National 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 or by specialist ERO teams for particular topics.

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 evaluation 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.

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	2016/17 Final Budgeted \$000	2017/18 Budget \$000	2018/19 Estimated \$000	2019/20 Estimated \$000	2020/21 Estimated \$000
Education evaluation - investing for accountability and improvement	2017/18	-	827	1,092	1,357	2,180
Share of costs for Budget 2015 whole-of-government initiatives	2015/16	(67)	(48)	(36)	(36)	(36)

Reasons for Change in Appropriation

The increase in this appropriation is due to additional investment in education evaluations for accountability and improvement partially offset by lower levels of contractual evaluation services provided by ERO forecasted in 2017/18 compared to 2016/17.