

Briefing report

Education Review Office (ERO): 2018/19 Supplementary Estimates Documents for Vote Education Review Office

Date	3 April 2019
Security Level	N/A
ERO Priority	Medium
ERO Reference	M19-12
Date requested	ERO initiated
Date due	ERO initiated
Proactive release	Recommended

Addressee	Action sought	Deadline
Minister of Education	It is recommended that you: sign and forward the attached letter and supporting documentation to the Minister of Finance by 1pm, Thursday 11 April 2019.	1pm 11 April 2019



Attachments:

**Education Review Office (ERO):
2018/19 Supplementary Estimates
Documents for Vote Education
Review Office**



Comments:

Minister's Office to complete

Noted	<input type="checkbox"/>
Seen	<input type="checkbox"/>
Approved	<input checked="" type="checkbox"/>
Referred to:	letter forwarded to MUF 9.4.19
Date signed by Minister:	Letter signed 9.4.19

M19-12

3 April 2019

Hon Chris Hipkins
Minister of Education
Parliament

Dear Minister

2018/19 Supplementary Estimates Documents for Vote Education Review Office

Action Required

Attached, for your approval are:

- the documentation for the 2018/19 Supplementary Estimates and Supporting Information for Vote Education Review Office, and
- a draft letter to the Minister of Finance.

Background

The Budget 2019 process requires that:

- the Estimates documentation for ERO is completed by 11 April 2019, and
- as the appropriation Minister for all of the appropriations in the Vote, you confirm to the Minister of Finance that this material is correct and in a form suitable for publication.

Supplementary Estimates and Supporting Information Documents

I confirm that the information provided for your approval:

- is consistent with the policies and performance expectations of the government, and has been prepared in accordance with the Public Finance Act 1989
- is consistent with the proposed appropriations to be set out in the Appropriation (2018/19 Supplementary Estimates) Bill, as entered by ERO into the Treasury's CFISnet system
- is consistent with existing appropriations, financial authorities, and Cabinet decisions up to 11 April 2019

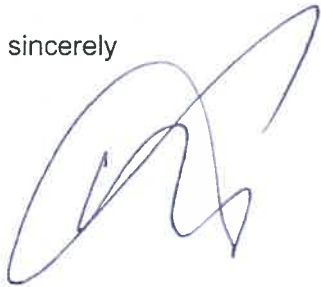
- has been prepared in the required format, and in accordance with the guidance that has been issued by the Treasury
- has been appropriately reviewed by ERO's senior management team – with a particular focus on areas where new strategic information, such as statements about what an appropriation is intended to achieve, is now required, and
- has been through an appropriate quality assurance process and is free of material errors and omissions.

The budget process requires that you review the Estimates documentation, and then confirm to the Minister of Finance that it is fit for publication.

Recommendation

I recommend that you **sign and forward** the attached letter and supporting documentation to the Minister of Finance by 1pm, Thursday 11 April 2019.

Yours sincerely

A handwritten signature in blue ink, appearing to be 'N. Pole', written in a cursive style.

Nicholas Pole
Chief Executive and Chief Review Officer



MP for Rimutaka

Minister of Education

Minister of State Services

Leader of the House

Minister Responsible for Ministerial Services

09 APR 2019

Hon Grant Robertson
Minister of Finance
BEEHIVE 7.6

Dear Minister

2018/19 Supplementary Estimates: Ministerial Sign-off for Vote Education Review Office

I advise that the *Supplementary Estimates of Appropriation 2018/19 and Supporting Information* documents for Vote Education Review Office, for which the Education Review Office is the administering department, have been completed - and that it is accurate and suitable for publication. I confirm that the information provided:

- is consistent with the policies and performance expectations of the government, and has been prepared in accordance with the Public Finance Act 1989
- is consistent with the proposed appropriations to be set out in the Appropriation (2018/19 Supplementary Estimates) Bill, existing appropriations and financial authorities, and with Cabinet decisions up to 11 April 2019
- is provided in the required format, and has been prepared in accordance with the guidance that has been issued by the Treasury, and
- has been through an appropriate quality assurance process and is free of material errors and omissions.

In signing this statement, I acknowledge that I am responsible for the information for Vote Education Review Office administered by the Education Review Office included in the *Supplementary Estimates of Appropriations 2018/19 and Supporting Information*.

Yours sincerely

A handwritten signature in blue ink, appearing to be 'CH', representing Chris Hipkins.

Hon Chris Hipkins
Minister of Education

Vote Education Review Office

Estimates Production Process Notes

- The CFISnet version of this document is the one that will be printed to form the Estimates of Appropriations
- Any changes made to this document will ultimately need to also be made in the CFISnet version to be included in the Estimates of Appropriations
- Final formatting including page breaks and page numbering for printing will be done when all Vote chapters are consolidated.
- It is important to refer to your most recent **Audit Management Letter** and address any concerns identified around the quality of Supporting Information, and in particular any performance measures.

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

APPROPRIATION ADMINISTRATOR: Education Review Office

RESPONSIBLE MINISTER FOR EDUCATION REVIEW OFFICE: Minister of Education

Details of Appropriations and Capital Injections

Annual Appropriations and Forecast Permanent Appropriations

Titles and Scopes of Appropriations by Appropriation Type	2018/19		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
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.	1,100	1,085	2,185
Total Departmental Capital Expenditure	1,100	1,085	2,185
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.	29,027	885	29,912
<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.	9,735	154	9,889
<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.	3,735	871	4,606
<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.	15,557	(140)	15,417
Total Multi-Category Expenses and Capital Expenditure	29,027	885	29,912
Total Annual Appropriations and Forecast Permanent Appropriations	30,127	1,970	32,097

Capital Injection Authorisations

	2018/19		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Education Review Office - Capital Injection (M26)	-	161	161

Supporting Information

Part 1 - Vote as a Whole

1.2 - Trends in the Vote

Summary of Financial Activity

	2018/19				
	Estimates \$000	Supplementary Estimates			Total \$000
		Departmental Transactions \$000	Non- Departmental Transactions \$000	Total Transactions \$000	
Appropriations					
Output Expenses	-	-	-	-	-
Benefits or Related Expenses	-	N/A	-	-	-
Borrowing Expenses	-	-	-	-	-
Other Expenses	-	-	-	-	-
Capital Expenditure	1,100	1,085	-	1,085	2,185
Intelligence and Security Department Expenses and Capital Expenditure	-	-	N/A	-	-
Multi-Category Expenses and Capital Expenditure (MCA)					
<i>Output Expenses</i>	29,027	885	-	885	29,912
<i>Other Expenses</i>	-	-	-	-	-
<i>Capital Expenditure</i>	-	N/A	-	-	-
Total Appropriations	30,127	1,970	-	1,970	32,097
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	-	-	-

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

	2018/19		Total \$000
	Estimates \$000	Supplementary Estimates \$000	
Forests/Agricultural	-	-	-
Land	-	-	-
Property, Plant and Equipment	750	344	1,094
Intangibles	350	741	1,091
Other	-	-	-
Total Appropriation	1,100	1,085	2,185

Reasons for Change in Appropriation

The increase in this appropriation by \$1.085 million to \$2.185 million is due to the timing of expenditure on motor vehicles and computer systems carried forward from 2017/18.

Capital Injections and Movements in Departmental Net Assets

Education Review Office

Details of Net Asset Schedule	2018/19 Main Estimates Projections \$000	2018/19 Supplementary Estimates Projections \$000	Explanation of Projected Movements in 2018/19
Opening Balance	3,746	3,746	Supplementary Estimates opening balance reflects the audited results as at 30 June 2018.
Capital Injections	-	161	Retention of insurance proceeds received in 2017/18 arising from one of our premises damaged by the November 2016 Kaikoura earthquake.
Capital Withdrawals	-	-	
Surplus to be Retained (Deficit Incurred)	-	-	
Other Movements	-	-	
Closing Balance	3,746	3,907	

The increase in this appropriation by \$161,000 in 2018/19 is due to the retention of insurance proceeds received in 2017/18 arising from one of our premises damaged by the November 2016 Kaikoura earthquake.

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

4 - 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

	2018/19		Total \$000
	Estimates \$000	Supplementary Estimates \$000	
Total Appropriation	29,027	885	29,912
Departmental Output Expenses			
Early Childhood Learning Services	9,735	154	9,889
National Evaluations and Other Services	3,735	871	4,606
Schools and Other Education Service Providers	15,557	(140)	15,417
Funding for Departmental Output Expenses			
Revenue from the Crown	28,162	-	28,162
Early Childhood Learning Services	9,708	152	9,860
National Evaluations and Other Services	2,953	-	2,953
Schools and Other Education Service Providers	15,501	(152)	15,349
Revenue from Others	865	885	1,750
Early Childhood Learning Services	27	2	29
National Evaluations and Other Services	782	871	1,653

	2018/19		Total \$000
	Estimates \$000	Supplementary Estimates \$000	
Schools and Other Education Service Providers	56	12	68

How Performance will be Assessed for this Appropriation

Assessment of Performance	2018/19		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Schools and Other Education Service Providers			
Percentage of schools evaluated previously on the 1-2 year review cycle moving to the 3 year review cycle (Note 1)	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 (Note 1)	12%-15%	12%-15%	12%-15%

Note 1: From 1 March 2019, ERO education reports will no longer include "return times" but will include a clear judgement about school or service performance. Schools will be assessed using the same criteria we have employed in determining return times, but instead categorised along a continuum: needs development; developing; well placed; and strong. The length of time since any previous review and the findings of that review will still be an important consideration, but will include more current information to better enable ERO to target our resources and determine the nature of our reviews. ERO's judgement will be supported by comment on the key strengths of the schools and the next steps for sustained improvement and future learner success.

Reasons for Change in Appropriation

The increase in this appropriation by \$885,000 to \$29.912 million is due to greater demand for contractual services provided by ERO.