

# Briefing report

## Education Review Office (ERO): 2020 October Baseline Update Submission for Vote Education Review Office

Date	19 October 2020
Security Level	N/A
ERO Priority	Medium
ERO Reference	M20-33
Date requested	ERO initiated
Date due	ERO initiated
Proactive release	N/A

Addressee	Action sought	Deadline
<b>Minister of Education</b>	It is recommended that you: <ul style="list-style-type: none"> <li>a) <b>sign</b> both copies of the attached submission.</li> <li>b) <b>agree</b> to forward the signed copies to the Minister of Finance's office</li> </ul>	1pm, Tuesday 27 October 2020



### Attachments:

***Education Review Office (ERO):  
2020 October Baseline Update  
Submission for Vote Education  
Review Office Office***

Minister's Office to complete	
Noted	<input type="checkbox"/>
Seen	<input type="checkbox"/>
Approved	<input type="checkbox"/>
Referred to:	
Date signed by Minister:	



### Comments:

Our Ref: M20-33

19 October 2020

**Hon Chris Hipkins**  
**Minister of Education**

### **2020 October Baseline Update Submission for Vote Education Review Office**

#### **Purpose**

1. I am seeking your agreement to ERO's 2020 October Baseline Update submission.

#### **Background**

2. The attached submission to the Minister of Finance documents changes to the baseline for Vote Education Review Office for the 2020/21, 2021/22, 2022/23, 2023/24 and 2024/25 financial years.
3. The changes consist of a:
  - Technical changes to incorporate the decrease in the capital charge rate from 6% to 5% in 2020/21 and the outyears. This has resulted in a decrease of \$39,000 in departmental output expense appropriation for these years matched by an equivalent decrease in Revenue Crown in 2020/21 and outyears.
  - Technical change for an in-principle expense transfer of \$1.0 million approved by Joint Ministers in June 2020 to progress 2019/20 evaluation programme deferred to 2020/21 due to disruptions arising from COVID-19. It was agreed that this amount would be confirmed after the 2019/20 audited financial statements, which has now been completed.
  - Fiscally neutral adjustment in 2020/21 has been made in the output *Evaluations of the Quality of Education* to reflect the latest forecast levels of revenue from contractual services.
  - Forecast change in departmental capital expenditure in 2020/21 to reflect ERO's latest capital replacement programme. This includes the timing of expenditure on computer software which was carried forward from 2019/20 to 2020/21 due to disruptions arising from COVID-19 and some leasehold improvements to Christchurch and Wellington premises.

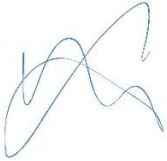
## Recommendations

4. It is recommended that you:

- a) **sign** both copies of the attached submission
- b) **forward** the signed copies to Minister of Finance's office by 1pm on Tuesday 27 October.

agree /  disagree

agree /  disagree



Nicholas Pole  
**Chief Executive**

NOTED/APPROVED



Chris Hipkins  
**Minister of Education**

21 / 10 / 20