



Briefing report

Education Review Office (ERO): June 2022 In-Principle Expense and Capital Transfers request

Date	23 May 2022
Security Level	N/A
ERO Priority	Medium
ERO Reference	M22-23
Date requested	ERO initiated
Date due	ERO initiated
Proactive release	Recommended

Addressee	Action sought	Deadline
Minister of Education	It is recommended that you: <ul style="list-style-type: none"> a) Agree to sign and forward the attached IPET request to the Minister of Finance by Tuesday 7 June 2022. b) Agree that the Education Review Office release this briefing in full as part of the 2022 October Baseline Update documents release. 	



Attachments:

Education Review Office (ERO):
June 2022 In-Principle Expense and
Capital Transfers request



Comments:

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



EDUCATION REVIEW OFFICE
Te Tari Arotake Mātauranga

NATIONAL OFFICE
LEVEL 1, 101 LAMBTON QUAY
PO BOX 2799
WELLINGTON 6140
SX10166
T 0-4-499 2489
F 0-4-499 2482
info@ero.govt.nz
www.ero.govt.nz

Our Ref: M22-23

23 May 2022

Hon Chris Hipkins
Minister of Education

June 2022 In-Principle Expense and Capital Transfers request

Purpose

1. This paper seeks your approval for an in-principle expense transfer (IPET) of \$0.500 million from 2021/22 to 2022/23 for Vote Education Review Office.

Background

2. In the 2022 March Baseline Update, the Education Review Office (ERO) sought an IPET up to \$0.500 million from 2021/22 to 2022/23 due to the impact of COVID-19 on its 2021/22 work programme.
3. The COVID-19 Omicron outbreak across New Zealand in March and April 2022 has further delayed ERO's work programme, resulting in delays to more school and early learning centre site visits. ERO has changed its review approach and progress has been made in conducting reviews remotely, but regulatory aspects (such as health and safety) and verification of the findings require on site visits.
4. ERO carried forward \$0.454 million from 2020/21 to 2021/22 relating to the disruption caused by COVID-19 in 2020/21. The funding in 2021/22 has allowed ERO to absorb the unexpected cost of the Holidays Act 2003 remediation liability which is currently estimated to be \$0.550 million.
5. In 2022/23 ERO is facing inflation driven cost pressures which mean we will not be able to fund the personnel and travel costs for the catch-up review visits, as well as our 2022/23 planned review work programme. If unspent funding from 2021/22 is available in 2022/23 this will strengthen ERO's ability to catch up its backlog as well as meet the current years' work programme.
6. Therefore, approval is sought for a further in-principle expense transfer, up to a maximum of \$0.500 million, from 2021/22 to 2022/23 in the Evaluations of the Quality of Education appropriation. This will bring the total in-principle transfer due to COVID-19 to \$1.000 million.
7. The Treasury have reviewed this submission and raised no further comments.
8. The attached submission is required to be forwarded to the Minister of Finance's office by 1 pm on Tuesday 7 June in order to give effect to this transfer.

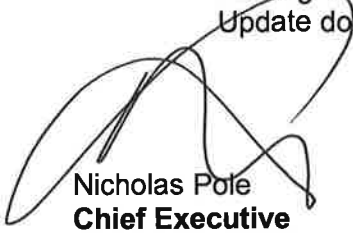
Recommendations

9. It is recommended that you:

- a) **Agree** to sign and forward the attached IPET request to the Minister of Finance by Tuesday 7 June 2022.
- b) **Agree** that the Education Review Office release this briefing in full as part of the 2022 October Baseline Update documents release.

Agreed/Disagreed

Agreed/Disagreed



Nicholas Pole
Chief Executive

NOTED **APPROVED**



Chris Hipkins
Minister of Education

25 / 5 / 2022

XX XXX 2022

Hon Grant Robertson
Minister of Finance
Parliament Buildings
WELLINGTON

June 2022 In-Principle Expense and Capital Transfers request

Submission for Vote Education Review Office

This submission requests an in-principle expense transfer for Vote Education Review Office.

I confirm that this request does not require any Cabinet decisions at this time.

In-Principle Expense Transfer due to the impact of COVID-19

In the 2022 March Baseline Update, the Education Review Office (ERO) sought an in-principle expense transfer up to a maximum of \$0.500 million from 2021/22 to 2022/23 due to the impact of COVID-19 on its work programme. The COVID-19 Omicron outbreak across New Zealand in March and April 2022 has further delayed ERO's work programme, resulting in delays to more to school and early learning centre site visits. As a result, approval is sought for a further in-principle expense transfer up to a maximum of \$0.500 million from 2021/22 to 2022/23 in the *Evaluations of the Quality of Education* appropriation. This will bring the total in-principle transfer due to COVID-19 to \$1.000 million.

Recommendations:

I agree and recommend that you:

1. **Note** that the impact of COVID-19 on ERO's work programme requires an in-principle transfer of up to the following maximum amount of operating from 2021/22 to 2022/23:

Vote Education Review Office Minister of Education	\$m – increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26
Departmental Output Expense: Evaluations of the Quality of Education (funded by revenue Crown)	(0.500)	0.500	-	-	-
Total	(0.500)	0.500	-	-	-

2. **Authorise** the Minister of Finance and the Minister of Education jointly to agree the final amount to be transferred, following completion of the 2021/22 audited financial statements, with no impact on the operating balance and/or net core Crown debt across the forecast period.

Hon Chris Hipkins
Minister of Education