



EDUCATION REVIEW OFFICE  
Te Tari Arotake Mātauranga

# Annual Report Te Pūrongo ā-Tau 2022/23

Presented to the House of Representatives pursuant to  
Section 44 of the Public Finance Act 1989, section E39



Te Tari Arotake Mātauranga | Education Review Office  
Annual Report 2022/23

Published September 2023

ISSN: 2422-8583 (print)

ISSN: 2422-8591 (online)



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**Our Whakataukī**

**Ko te Tamaiti te  
Pūtake o te Kaupapa**

**The Child – the Heart  
of the Matter**

## Tō mātou awhero | Our ambition



### **Ko te tautika me te angitu i ngā hua ki ngā ākonga katoa** Equity and excellence in outcomes for all learners

We're passionate about enabling every learner to have a good experience in every early learning service, school and kura. Our whakataukī is at the centre of all that we do: Ko te tamaiti te pūtake o te kaupapa. The child – the heart of the matter.

We know New Zealanders place a great deal of trust in the institutions that provide their children's learning. The Education and Training Act 2020 sets out clear obligations for school boards and management of early learning services. We carry out impartial reviews to ensure those institutions are meeting their obligations. When we identify issues, we take action to get them back on track. Where we identify opportunities, we make recommendations to help them enhance their practices.

We support early learning services, schools and kura to excel at the things learners and their whānau value – quality education, in an inclusive environment where all learners can thrive.

Our work is guided by the principles of Te Tiriti o Waitangi and te ao Māori. We're on the path to becoming a bicultural and bilingual

organisation, with a focus on te reo Māori and tikanga Māori. We're committed to building trusting relationships with iwi to promote equity and success for Māori learners. We strive to foster culturally inclusive education and learning practices that support the full potential of Māori learners.

We recognise that our communities are diverse, and we work with school boards, centre managers, government agencies, and the wider education sector to foster an education system that works for everyone.

We're very proud of our mahi and are striving for all learners to have equitable access to high quality education. We want all New Zealand's young learners to reach their educational potential, so they have the best opportunity to lead rewarding lives.

## Our values



### **Poutokomonawa**

**We are grounded, resilient, purposeful, resolute, and focused.**



### **Whakawhānaungatanga**

**We build relationships based on care, trust, integrity, inclusiveness, and learner agency.**



### **Mahi tahi**

**We work together to achieve a common goal and purpose through collaboration, and collective responsibility.**

# Ko te 2022/23 hei karapatanga 2022/23 at a glance

**127** ERO Review officers/ evaluation partners worked with 31 leadership partners in:



**969**

+



**1120**

## SCHOOLS + KURA

**75%**

of all schools now onboarded in the new schooling review approach

**68%**

of schools surveyed said our evaluations are contributing to decisions to improve learner outcomes

**38%**

of all schools and kura were assessed for compliance with legal and regulatory requirements

**72%**

of schools surveyed said our evaluations had helped to identify or confirm opportunities for more effective practice and building capacity

## EARLY CHILDHOOD SERVICES

**86%**

of services surveyed said our evaluations are contributing to decisions to improve learner outcomes

**84%**

of services surveyed said they found our reports useful for identifying or planning improvement within the system or its component parts

## RESEARCH AND EVALUATION



**10**

evidence-based review and insight reports for equity and excellence



**96%**

of key audiences said they found our reports useful for identifying or planning improvement within the system or its component parts



We are the Government's evaluation agency, supporting education improvement in approximately 4600 licenced early learning services and 2500 schools and kura.



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# 2022/23 He tirohanga whānui nā Te Tumu Whakarae mō te Arotake Mātauranga



He whakaotinga tēnei pūrongo ā-tau i te haerenga i tīmata mai ai i ā mātou Whāinga Rautaki 2020-2024. I roto i ngā tau e toru kua hori, kua tika te ū ki tā mātou whāinga kia tautokona ngā kura me ngā whare kōhungahunga kia tū mai ai te mātauranga kounga i tētahi horopaki kauawhi e puāwai ai ngā ākongā katoa. E koa ana taku ngākau i ngā mea kua tutuki nei i a mātou i tēnei wā, me ngā whakapakaritanga kua arahina puta noa i te rāngai, i a tātou e urutau tonu ana ki ngā wero tāpua hou. Ko tētahi o ngā hua matua o ā mātou mahi, ko te ārahi i ngā whare kōhungahunga, i ngā kura hoki ki te whakaū i te arotake whaiaro me te whakapakari tonu hei wāhanga mō ngā mahi o ia rā.

I rere tahi te tau tuatahi o ā mātou Whāinga Rautaki 2020-2024 me te huanga mai o te KOWHEORI-19. I konei tonu te huaketo i te upoko o te tau ahumoni 2022, me ngā kano rerekē o te Omikoroni e āmiomio ana i ō tātou takutai. I hua mai he tau uaua, he tau tōhenehene hoki, tae atu hoki ki ngā māuiuitanga o te hōtoke o ia tau.

I te Hānuere 2023, i pāngia te haurua o raro o Te Ika a Māui e ngā waipuke kino, ā, i whai mai ko te huripari o Kapiera i pā ki ngā moutere e rua ā hua noa mai he whakataunga ohotata puta noa i te motu i te 14 o Pēpuere. I tāpua te pāngia o tō mātou āheinga ki te whakahaere i ngā arotake torowhare e ēnei āhuetanga taumaha hārukiruki o te huarere.

I pīngore tā mātou whakahaere i ngā wā i taea, inarā, i Te Ika a Māui e kino nui nei te turakina o ōna wāhi. I pīngore hoki tā mātou toro atu ki ngā kura me ngā whare kōhungahunga, nā runga i te pūnaha hangarau hou me tā mātou whakawhirinaki atu ki ngā pūnaha kei te kapua.

Nā runga i te āhuetanga o te tamō kāore anō i pēnei te kino i roto i ngā whare kōhungahunga me ngā kura, me te uaua o te tū tonu mai o tētahi wāhi ako, kua arotahi nui mātou ki te rangahau, ki te arotake, ki ngā aratohu mahi, ki ngā taputapu hoki hei tautoko i te oranga me te angitu. Ko te wātea mai o te tangata, ko te angitu, ko te oranga hoki o ngā ākongā me ngā kaiako tonu tētahi wāhanga e mānukanuka tonu nei mātou.

Hei urupare, i whakamātāmuahia tā mātou hōtaka o te rangahau me te arotake kia hāngai ai te aro ki ngā wāhanga e kitea nuitia nei te pīrangī puta noa i te rāngai, pēnei i te tamō me te tautoko i ngā ākongā kei raro e putu ana nā runga i te mate urutā. I aro pū tā mātou rangahau me te arotake, i whakanikohia hoki ā mātou kohinga aratohu me ngā rauemi hei tautoko i te tukanga o te whakarauora i muri iho i te mate urutā.



## Ko ētahi o ngā āhuetanga hirahira ko:

### He Taura Here Tangata

Te whakapakari tonu i ō mātou pūkenga kia reorua ai, kia ahurearua ai hoki te whakahaere mā roto mai i He Taura Here Tangata — i tā mātou rautaki Māori e pai ake ai tā mātou whakatutuki i ngā haepapa i raro i Te Tiriti o Waitangi me ngā kawatau o Te Arawhiti. E whakaaturia ana ki ngā putanga o te patapatai a Te Arawhiti i tēnei tau ngā hua pai o aua mahi, arā, e 88% o te marea e tohu ana i te kokenga o tā rātou whakamahi, me te horahanga i te reo Māori.

### Ngā Whare Kōhungahunga

He koanga ngākau ki te kite, i runga i tā mātou ārahi, he rite tonu tā ngā ratonga whakahaere i ngā mahi me ngā tikanga kia whakapakaritia ai ngā āhuetanga ki ngā tamariki, kia haere tonu ai rānei tā rātou whakatū i ngā pūnaha, i ngā mahi me ngā tukanga hoki, me te waihanga ngātahi i te māramatanga kia kounga ake ai mō ngā tamariki. Heoi, e māharahara tonu ana mātou mō ngā ratonga kāore nei i te whai mai, inarā, ko ērā e noho nei ngā tamariki ki ngā āhuetanga o te tūraru kāore nei i te tika.

### Te Ara Huarau

ko tā mātou ara hou o te arotake i ngā kura e arotahi nei ki te whakapakari tonutanga. Kua warea katoatia mātou ki ngā whakahokinga kōrero pai i ngā kura mō te whai hua o ā mātou mahi arotake i ngā hua o te ākonganga. E kitea ana, i ngā raraunga o te Strategic Improvement Framework hou katoa, ā-titiro whānui nei, ahakoa hoki tōna iti (ko te 1.8%), kei te pai haere te kokenga, e nui katoa nei te kokenga i te arotakenga mō te whakapakaritanga (3.4%). I roto i te tau kua hori, i nui te panonitanga ā-tukanga, ā-hanganga hoki o tō mātou rōpū pakihi o te arotake me te whakapakari, i whakawhiti ai i tētahi whakahaere ā-rohe, ki tētahi whakahaere ā-motu. Mā tēnei whakawhitinga, e whāiti ake ai te titiro i roto i ā mātou ratonga whare kōhungahunga me ā mātou mahi ki te taha o ngā kura.

### Te Poutama Reo

Te Poutama Reo — i Te Reo Māori Quality Framework, e kitea ana he ara whakaahu whakamua e arotake ai, e whakapakari ai hoki ngā kura auraki i tā rātou whakaako i te reo Māori. Mā aua mahi e tautokona ai ngā kura kia mārama, kia urupare hoki ki ō rātou here me ō rātou haepapa mō te reo Māori.

### Te pou tarāwaho o ‘Afa

Tā mātou waihanga i te pou tarāwaho o ‘Afa, he rauemi e māraakerake ai tō mātou, tō te rāngai hoki, mārama ki ngā āhuetanga hei tautoko kia angitu ai te ākona o ngā reo Pasifika. Mā tēnei kohinga tohu e ārahi ngā mahi whakamahere, ngā mahi whakangungu, te kounga hoki o te whakaako ki ngā kura.

### ‘Learning in Residential Care’

Te whakawhiwhia o tā mātou pūrongo mō te Learning in Residential Care ki te 2022 Australian Evaluation Society Public Sector Evaluation Award. Koia ko te wā tuarua anake nō tōna pūaotanga kua whakawhiwhia te tonu nei ki tētahi rangahau i Aotearoa.

### Te Aroturuki Tamariki — Ko te Independent Children’s Monitor

Kua whai hua tā mātou whakatū i te Aroturuki Tamariki i roto i ā mātou whakahaere me ngā pūnaha o muri, kia whai rātou i ngā ratonga e pīrangitia ana. Nō Aroturuki Tamariki te haepapa ki te aroturuki i te pūnaha o Oranga Tamariki, mā roto i te tuku whakamārama e whakapakaritia ai te pūnaha, ngā hua hoki ki ngā tamariki.

### I te tau 2022, i kitea mātou i te Royal Commission of Inquiry into Abuse

He whakamaumaharatanga kaha kia takatū tātou, me te haepapa tāpua kei runga i ngā

poari kura kia mōhio rātou ki te whaitake o tā rātou whakahaere i ngā pūnaha haumarua kia tiakina ai ngā tamariki i te tūkinotanga. Kua whāia ngā akoranga kua puta i te Pakirehua hei ara ki te whakaaroaro ki ngā āhuetanga o nāianeī, ki te arotahi hoki ki ngā pakirehua e mōhioia ai he wāhi haumarua ā-kare ā-roto, haumarua ā-tinana hoki ki ngā ākongā. I muri tata iho i taua Pakirehua, i waitohu hoki mātou i tētahi Tauākī Whakaaetanga ki te taha o te Matatū Aotearoa kia tiria ngā pārongo ina hua mai he mānukanukatanga.

Ko ō mātou tāngata tonu te rawa whai hua, tō mātou amo hoki e kaha katoa ana. E takatū ana mātou ki te whakatau i te tautika-kore o te ia, e mōhioia ai kei te tōkeke ngā mahi, kei te wātea hoki ngā ara kia hāpai, kia tipu hoki ko rātou. Kua arotahi hoki mātou ki ngā ara e pakari ake ai tā mātou tautoko i te oranga o ō mātou tāngata, inarā, i ngā wero āpiti kua hua ake i ngā tau e toru o te KOWHEORI-19 me ngā tūāhuetanga huarere kino.

## Hei anga whakamua

Hei anga whakamua, kua arotakehia ā mātou take mātāmua, kua waihangahia hoki he Strategic Intentions 2023-2026 hou e mōhioia ai kei te arotahi tonu mātou ki ngā kaupapa whakahirahira mō ā tātou ākongā me ō rātou whānau.

Ka haere tonu tā mātou whakamahi i ngā pūnaha, i ngā rauemi, i ngā raraunga me te āheinga o te mōhioia kua whakapakaritia kia kōkiritia ai te whakapakaritanga puta noa i te rāngai, kia whai wāhi ngā ākongā katoa ki te mātauranga e kōunga ana.

E whakatinana ana mātou i tā mātou whakatauākī: Ko te tamaiti te pūtake o te kaupapa. The child – the heart of the matter.

Me mihi au ki te ngākau titikaka me te rīkarika o ō mātou kaimahi e kōkiri nei i tā mātou whāinga o te tautika me te angitu i ngā hua ki ngā ākongā katoa.

Ehara taku toa i te toa takitahi, engari he toa takitini. My strength is not that of one, but that of many.



**Nicholas Pole**

Te Tumu Whakarae mō te Arotake Mātauranga  
September 2023

# 2022/23 Overview from the Chief Review Officer



This annual report completes the journey we started in our Strategic Intentions 2020-2024. Over the past three years we've stayed true to our mission to support schools, kura and early learning services to provide quality education in an inclusive environment where all learners can thrive.

I'm proud of what we've achieved in this time, and the improvements we've helped drive across the sector all the while continuously adapting to meet significant new challenges. A key outcome of our mahi is to provide guidance to early learning services, schools and kura to make self-review and continuous improvement part of their regular practices.

The first year of our Strategic Intentions 2020-2024 coincided with the emergence of COVID-19. The virus was still very much with us at the start of the 2022 financial year, with Omicron variants circulating our shores. It proved to be yet another demanding and disruptive year, on top of the usual winter illnesses.

In January 2023, the upper North Island experienced widespread catastrophic floods followed by the cyclone Gabrielle affecting both islands to the point where a national state of emergency was declared on 14 February 2023. These extreme weather events had a significant impact on our ability to conduct institutional reviews.

We took a flexible approach where this was possible, specifically in the North Island where several regions suffered considerable damage. More flexibility in how we work and engage with schools, kura and early learning services, was also made possible because of our modernised technology systems and the more recent move to cloud-based systems.

With early learning services, schools and kura experiencing unparalleled non-attendance, and struggling with the complexity of keeping a space for learning, we've placed a special focus on research, evaluation, practice guides and tools to support wellbeing and achievement. People availability, achievement and the wellbeing of learners and teachers continued to be areas of concern.

In response, we reprioritised our research and evaluation work programme to place special focus on areas where we'd seen the biggest needs across the sector, such as non-attendance and how to support learners who had fallen behind because of the pandemic. We carried out targeted research and evaluation, and enhanced our suite of practice guides and tools to support the post-pandemic recovery process.

## Highlights of the last year include:

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### He Taura Here Tangata — our Māori strategy

We continue to grow our skills in becoming a bilingual and bicultural organisation through He Taura Here Tangata — our Māori strategy to better meet our commitments to Te Tiriti o Waitangi and the expectations of Te Arawhiti. The results of this year's Te Arawhiti survey show that this work is having a positive impact, with 88% of our people indicating they've made progress in their daily use and normalisation of te reo Māori.

### Early Childhood Services

We are encouraged to see that with our guidance, most services are consistently implementing practices and processes to enable improvement in quality for children, or are in the process of establishing the systems, practices and processes (conditions) and building shared understandings to improve quality for children. However, we remain concerned about services with non-compliances, in particular where these pose an unacceptable risk to children.

### Te Ara Huarau

Our new approach to evaluation in schools places the focus on continuous improvement. We've had positive feedback from schools that our evaluation activities are contributing to learner outcomes. The latest Strategic Improvement Framework data shows that overall, albeit small (at 1.8%), we're starting to see a positive shift, with the greatest increase being in evaluation for improvement (3.4%). Over the last year our largest review and improvement services business group

underwent process and structural change, moving from a regional to a national approach. This shift means more specialisation in early childhood services and in our work with schools.

### Poutama Reo

Our Te Reo Māori Quality Framework provides a progressive pathway for English-medium schools to review and improve their provision of te reo Māori. This mahi supports schools to understand and respond to their requirements and responsibilities for te reo Māori.

### The 'Afa Framework

We developed the 'Afa Framework, a tool that provides clarity for us and the sector on the conditions that support Pacific language learning success. This set of indicators will help guide planning, professional development, and quality teaching in schools and kura.

### 'Learning in Residential Care'

Our report on Learning in Residential Care won the 2022 Australian Evaluation Society Public Sector Evaluation Award. It's only the second time since the award was introduced that a New Zealand study has received this recognition.

### Aroturuki Tamariki — the Independent Children's Monitor

We successfully managed the establishment of Aroturuki Tamariki within our administrative and back-office systems so they have the services they need. Aroturuki Tamariki is responsible for monitoring the Oranga Tamariki system, providing insights to drive system improvement, and improved outcomes for tamariki.

## Royal Commission of Inquiry into Historical Abuse in State Care and in the Care of Faith-based Institutions

In 2022 we appeared at the Royal Commission of Inquiry into Historical Abuse in State Care and in the Care of Faith-based Institutions. It was a strong reminder of how vigilant we all need to be, and the significant responsibility placed on school boards to ensure they're operating effective safety mechanisms to protect children from abuse. We've used the learning from the Inquiry as an opportunity to reflect on our current settings and place a stronger focus on inquiries that ensure schools are emotionally and physically safe environments for learners. Following the Inquiry, we also signed a Memorandum of Understanding with the Teaching Council of Aotearoa New Zealand to share information when we have concerns.

## Our people continue to be our greatest asset and strength

We're actively working to ensure that all our people are treated fairly, and that they're provided with opportunities to contribute and grow. We've also been focusing on how to strengthen our support for the wellbeing of our people, especially with the additional challenges experienced in the last three years with the impacts of COVID-19 and severe weather events.

## Looking ahead

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Looking ahead, we've reviewed our priorities and developed a new Strategic Intentions for 2023-2026 to ensure we're still focused on what's most important for our learners and their whānau.

We will continue to use our improved systems, tools, data and intelligence capability to drive improvements across the sector, so all learners have access to high quality education.

We live by our whakataukī: Ko te tamaiti te pūtake o te kaupapa. The child – the heart of the matter.

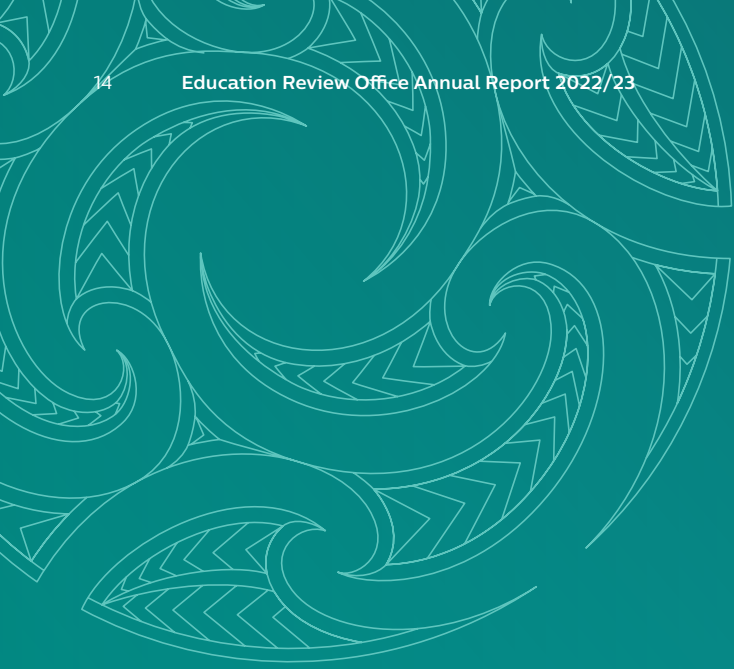
I'd like to acknowledge the dedication and enthusiasm of our people in driving our ambition of equity and excellence in outcomes for all learners.

Ehara taku toa i te toa takitahi engari, he toa takitini. My strength is not that of one, but that of many.



**Nicholas Pole**

Chief Executive and Chief Review Officer  
September 2023



# 1.

## Mō mātou | About us

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Our institutional reviews and system-wide evaluation and research aim to improve education system performance, promote and inform quality teaching practices, and provide information and advice to policymakers, education sector leaders, and guidance to government agencies.

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# Our purpose and functions

The Education Review Office was established on 1 October 1989 under the State Sector Act 1988 as an independent public service department. The Chief Executive is the Chief Review Officer, a statutory role. Under legislation, we're required to review the performance and assess the quality of pre-tertiary education providers in relation to the educational services they provide.

The functions and powers of the Chief Review Officer are described in the Education and Training Act 2020. The Act gives the Chief Review Officer the powers to initiate institutional reviews (general or special), prepare reports for the Minister of Education, and give the Minister assistance and advice on the performance of education institutions. The Chief Review Officer designates approximately 127 review officers to undertake reviews across the country.

In response to the Tomorrow's Schools Review, released in 2020, we've been focusing on strengthening the capability of schools to undertake self-evaluation, including ensuring effective engagement with whānau and communities. Our role is also to conduct research and evaluation that provide system level information to inform prioritisation, action and improvement.

We translate our evaluation evidence into performance insights to improve learning outcomes for tamariki and young adults across New Zealand. We support a high-quality learning environment for all learners through inquiry and inspection into areas that affect their learning experience. We achieve this in two ways:

- **At a provider level** — we carry out impartial review and evaluation to inform and facilitate improvement in Māori, English and Pacific education settings. We identify issues and opportunities at the individual provider level to support them in improving their practice.
- **At a system level** — we carry out system-wide inquiry, evaluation and research to generate insights on areas that effect equitable participation, engagement and learner achievement. We translate our findings and add them to our evidence base, so they can be applied in learning settings by education practitioners, boards, and service managers.

The Chief Review Officer initiates most of our work, while the Minister of the day may also request reviews of specific aspects of education. We make recommendations to the Minister and other education agencies (such as the Ministry of Education, The New Zealand Qualifications Authority, The Teaching Council of Aotearoa New Zealand, and individual schools and early learning service providers). Our findings often include recommendations for action in respect of policy settings and investment, or identify areas to improve practice. The publication of our reports remains the prerogative of the Chief Review Officer and is free from influence. All our reviews and evaluations support positive outcomes for all learners.

# Our operating environment

The New Zealand Government has set a significant agenda for reform across the education system with a 30-year strategic approach that aims to build the best education system in the world. The Government's long-term plan<sup>1</sup> sets out priorities and steps to build a modern and fairer society, including an education system that strives to bring out the very best in everyone.

The Statement of National Education and Learning Priorities (NELP)<sup>2</sup> outlines the Government's priorities for education. Our work aligns with the five overarching objectives of the NELP:

## Learners at the centre

Learners with their whānau are at the centre of education.

## Barrier-free access

Great education opportunities and outcomes are within reach for every learner.

## Quality teaching and leadership

Quality teaching and leadership make the difference for learners and their whānau.

## Future of learning and work

Learning is relevant to the lives of New Zealanders today and throughout their lives.

## World-class inclusive public education

New Zealand education is trusted and sustainable.

Our Strategic Framework 2023-2026 sets out our long-term ambitions and a firm commitment to honour our obligations under Te Tiriti o Waitangi.

We operate in a highly dynamic environment, which means we often need to quickly adapt to trends and issues that influence our strategic direction. We have a well-established system in place for carrying out reviews and evaluations of early learning services, schools and kura. This gave us a strong foundation to respond to the challenges of COVID19 and severe weather events. We're well placed to support the Government in navigating these complex issues. As an organisation we also look internally to strengthen our processes, capabilities and culture to support the delivery of high-quality education in New Zealand.



<sup>1</sup> <https://www.beehive.govt.nz/feature/our-plan-modern-new-zealand-we-can-all-be-proud>

<sup>2</sup> <https://assets.education.govt.nz/public/Documents/NELP-TES-documents/FULL-NELP-2020.pdf>



## Our people

We have approximately 250 people, including 127 review officers and evaluation partners. Our evaluation partners also work with school leaders as part of our Leadership Partners programme. This programme provides school leaders the opportunity to work alongside our evaluation partners and develop skills of evaluation for improvement. Our people have broad skillsets related to research, evaluation, analysis, education, organisational performance, and development. Our teams carry out the following functions:

**Review and Improvement Services:** Evaluates early learning services, schools and kura in English medium to provide information on their performance and to support ongoing improvement for high quality education.

**The Schools National Team:** Strengthens the evaluative capability of schools to identify priority areas for improvement, including effectiveness of engagement with whānau, iwi and the wider community.

**The Early Childhood Services National Team:** Reviews and evaluates centre-based, home-based, and hospital-based services with a focus on accountability and improvement.

**Te Tāhū Whare – Evaluation and Review Māori:** Carries out reviews of kura, wharekura, kōhanga reo and puna reo. This team also conducts research that influences learner outcomes across kaupapa Māori education and Māori-medium education, using specialist skills in kaupapa Māori, te ao Māori, te reo Māori, tikanga Māori and mātauranga Māori.

**Te Ihuwaka – Education Evaluation Centre:** Draws on local and international research to build a stronger evidence base to better support decision-makers at all levels of the education system.



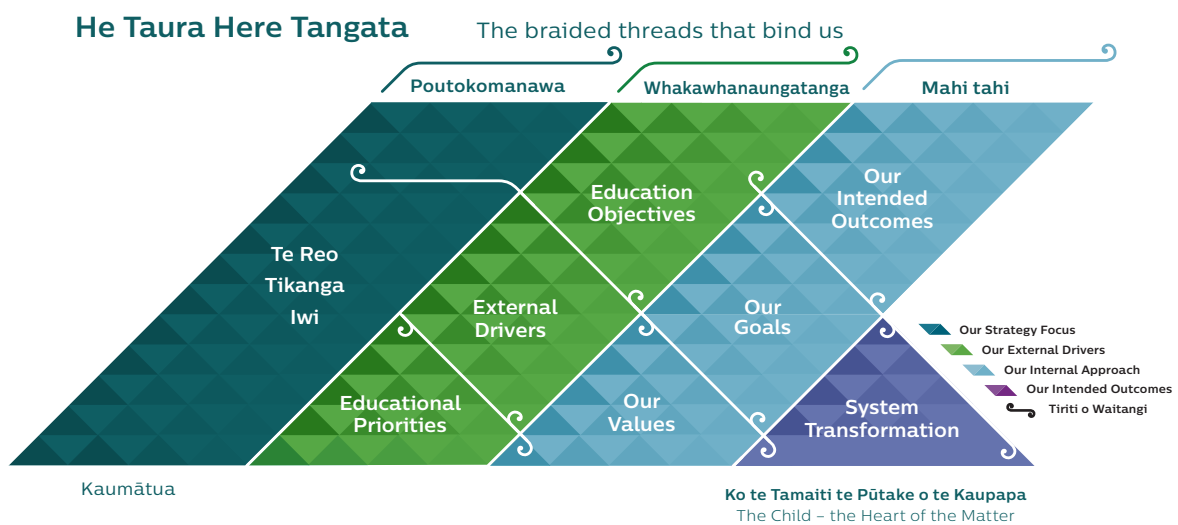
**Methodology and Professional Practice:**

Develops our frameworks, methodologies and approaches for reviews of English-medium schools and early childhood services.

**Corporate Services:** Provides core business services such as human resources, finance, payroll, security and information services for ourselves and Aroturuki Tamariki – the Independent Children’s Monitor.

# Te āheinga i ngā Hononga i waenga i te Māori me te Karauna

## Māori Crown Relations capability



## He Taura Here Tangata | Our Māori Strategy

This strategy delivers on the commitments for the Whāinga Amorangi Plan and Te Taura Whiri Māori Language Plan. We're committed to becoming a bilingual, bicultural organisation with te ao Māori braided into the ethos of our mahi.

'He Taura Here Tangata' (2021) is supported by our 'Growth Framework', which aligns with the aims and aspirations of Te Arawhiti's Individual Capability Framework. The 'Growth Framework' is used to identify where our cultural capabilities are at, set goals, and then measure our progress in te reo Māori, tikanga and te ao Māori, and Te Tiriti o Waitangi.

All our people have access to modules (Te Rito) to help grow cultural capability and help us meet the expectations of the Public Service Act 2020.

We focused our resources and training on te ao Māori, tikanga Māori, Te Tiriti o Waitangi and New Zealand history, and the impact and consequences of colonisation and strategies to address inequity.

The approximate implementation investment to implement this plan is \$236,000. Progress made towards building people capability in te Reo Māori, tikanga Māori and iwi Māori as set out in our strategy is as follows:

## Te reo Māori

“Learning... well organised and pitched at the right level with challenge built in”

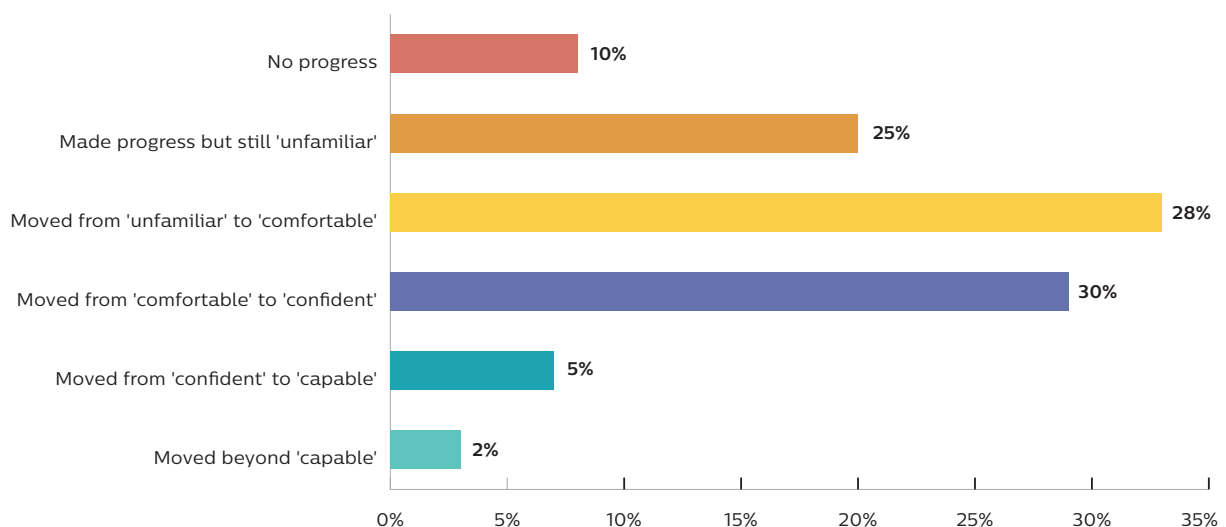
**Goal 1:** A bilingual organisation that promotes, values, understands, and uses te reo Māori.

- 90% of our people have engaged in regular te reo Māori training, with most feeling positive about te reo training opportunities.
- 88% indicated progress in their daily use and normalisation of te reo Māori.
- Te reo Māori resources support our people to build knowledge, understanding, and learn the correct pronunciation in everyday use.
- Bilingual forewords and executive summaries feature in our publications.
- Our website normalises te reo Māori.
- Annual Te Wiki o Te Reo Māori participation in waiata, karakia, korero.
- Awarded a fourth scholarship for te reo Māori immersion study to encourage the growth and flourishing of te reo Māori capability.
- 10% of our people are involved in te reo Māori immersion settings across the country.

**Goal 2:** Research and evaluations that influence the quality of te reo Māori teaching and learning.

- Launched Poutama Reo te reo Māori Quality Framework. This tool supports schools with self-assessment and planning in progression of te reo Māori. [See page 55.](#)
- Established a dedicated team, Te Pou Reo, to support immersion and bilingual units in English medium schools. [See page 56.](#)

**Figure 1: % of our people who have indicated progress in te reo Māori in 2022/23**



## Tikanga Māori and Te Ao Māori

**“It has been useful to learn about keeping waiata and karakia in the same realm — eg, te ao Māori vs Christian.”**

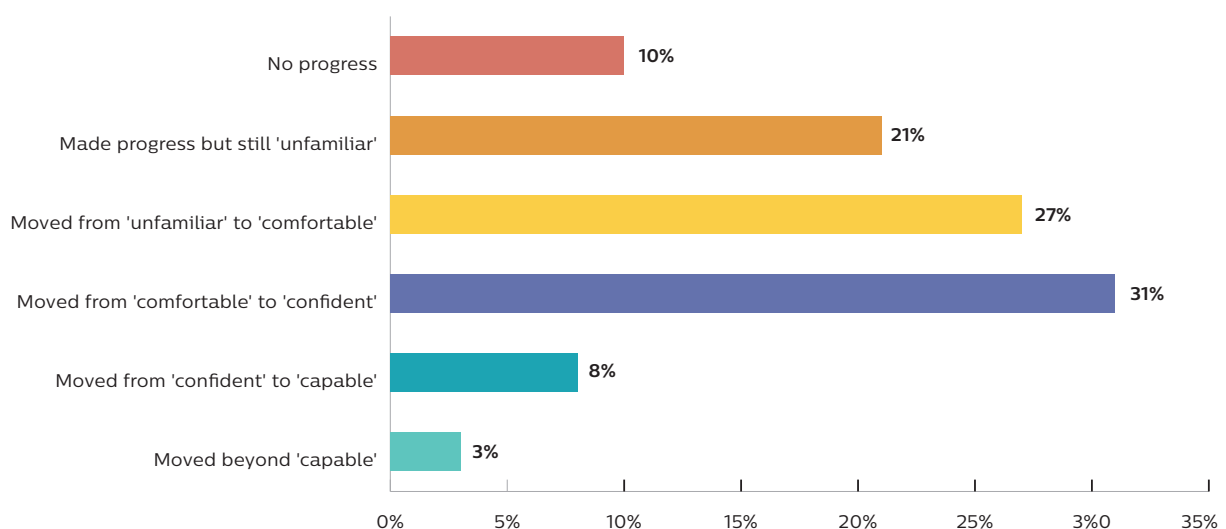
**Goal:** A bicultural, inclusive organisation that values te ao Māori and upholds competence through responsive practice.

- 86% of our people have completed four Te Rito learning modules on tikanga Māori and another four modules on te ao Māori.
- Staff feedback shows the learning modules have been positive in growing knowledge and understanding. Te reo Māori tutoring has further supported this learning, integrating tikanga and te ao Māori into the regular sessions.
- Updated guidance on pōwhiri and whakatau participation and te ao Māori traditions, such as organising pōwhiri and whakatau.
- Provided advanced training for our people who work nationally in kaupapa Māori settings to understand the differences in tikanga Māori across the motu and learning new kupu, tikanga, whakatauki and pūrākau.

**Goal:** Focus on equity and excellence, and conduct research into and evaluate the quality of culturally responsive teaching and learning.

- ERO has undertaken research that highlight equity, and culturally responsive teaching and learning. [See page 27.](#)
- Research to understand the readiness of schools and kura to implement te marau ā-kura. [See page 31.](#)
- Research to understand the effectiveness of the pilot processes to support kaiako and learners, and evaluated the achievement standards and assessments in our report ‘NCEA Evaluation: Te Marautanga o Aotearoa and Kaupapa Ako Māori.’ [See page 32.](#)

**Figure 2: % of our people who have indicated progress in tikanga and te ao Māori in 2022/23**



## Iwi Māori

“...increased my understanding of the historical events that led to the injustices of colonisation...”

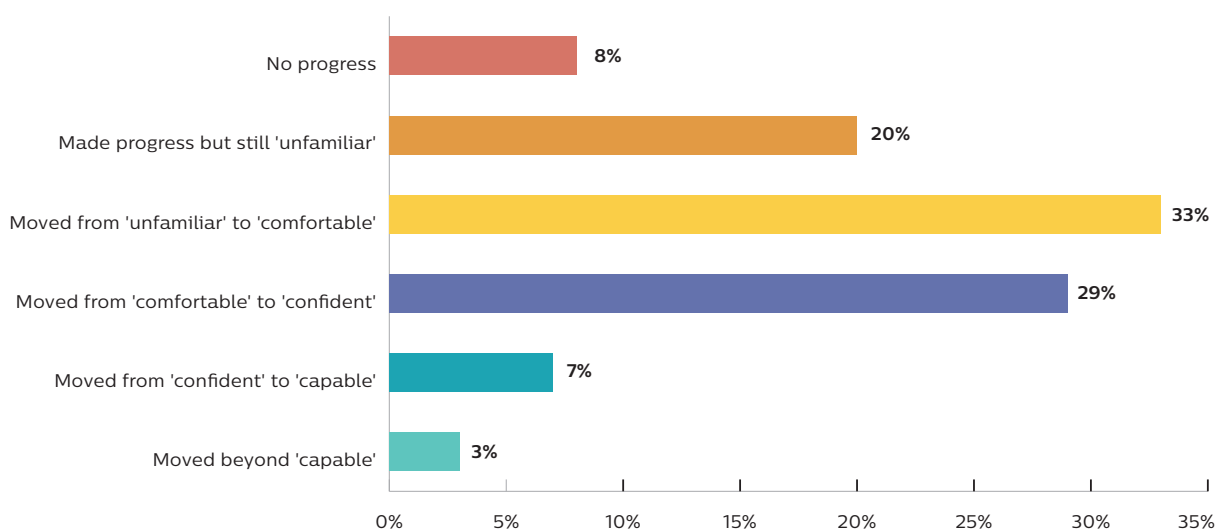
**Goal:** Building purposeful, authentic, trusting, collaborative relationships with whānau, hapū and iwi.

- 88% of our people have completed four Te Rito learning modules on New Zealand History and Te Tiriti o Waitangi.
- 82% of frontline people have completed five or more Te Rito modules on colonisation and racial inequities.
- Staff feedback on the Te Rito learning modules has been overwhelmingly positive, providing deep reflection and growth in understanding our history and subsequent impact.

**Goal:** Evaluations and research across a range of settings with whānau, hapū and iwi aspirations’ for ākonga in mind.

- Te Arawhiti principles, framework and guidelines support our mahi in various initiatives, including:
  - partnerships with Māori governing groups in Māori-medium into English-medium contexts
  - partnering with Ngāti Kahungunu Iwi Inc on the co-design of an evaluation approach
  - working with Tokona Te Raki — Māori Futures Collective and the Mātauranga Iwi Leadership Group (represents 83 iwi) on Kōkirihiā, a call to action to end streaming
  - encouraging schools to use the School Improvement Framework to build effective partnerships with whānau, hapū and iwi.

**Figure 3: % of our people who have indicated progress in NZ history and Te Tiriti o Waitangi in 2022/23**





# 2.

## **Tā mātou pou tarāwaho** Our strategic framework 2020-2024

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Our institutional reviews and system-wide evaluation and research aim to improve education system performance, promote and inform quality teaching practices, and provide information and advice to policymakers, education sector leaders, and guidance to government agencies.

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## © Tā mātou i whai ai | What we aim to achieve

### Tō mātou awhero | Our ambition



# Ko te tautika me te angitu i ngā hua ki ngā ākonga katoa

## Equity and excellence in outcomes for all learners

### Ā Mātou Whāinga Rautaki 2020-2024 | Our Strategic Intentions 2020-2024



#### High quality education for all learners

We work to ensure that every early learning service, school and kura is a great place to learn, has excellent teaching, and contributes to the success and wellbeing of every learner.



#### Māori success as Māori

We work for the revitalisation of te reo Māori, place a spotlight on outcomes for Māori learners, and ensure that our system recognises the aspirations of parents, whānau and iwi for their tamariki.



#### An improvement-oriented system

We're committed to finding solutions to the most difficult challenges in education. We promote and contribute to continuous improvement, where evidence and evaluation are fundamental to decision-making at all levels.



#### A strong and effective system

We assess the effectiveness of existing programmes and policy settings. We contribute to the knowledge base about what works, and create insights which support innovation and improvement in teaching and learning.

## How we plan to deliver on our strategic intentions



### Enhancing our multi-year, multi-method evaluation and research programme

1. Establish system-wide priorities for research and evaluation.
2. Monitor the delivery of the government's system reform and inform policy and practice by eliciting new insights.
3. Build a knowledge and evidence base in support of effective policy and practice in priority areas.
4. Grow capabilities in kaupapa Māori approaches in our research and evaluation.
5. Embed evaluative thinking and promote evidence-informed decision making.



### Strengthening the quality and performance of early learning services

6. Evaluate all licensed services in New Zealand at least once every three years.
7. Strengthen monitoring and assurance of new early childhood services.
8. Embed a new quality framework for early childhood services to drive improvement.
9. Provide parents and stakeholders with better access to information on quality.
10. Undertake regular assessments of the quality assurance and service development activities of umbrella organisations and corporate entities with multiple services in support of their own improvement focus.
11. Identify and ensure action for those services that are not providing high-quality learning.



### Encouraging and supporting improvement in school performance

12. Develop and implement a new approach to school reviews that ensures that we're a valued evaluation partner in the improvement journey of providers, and places a priority on working with those providers with the greatest needs.
13. Work in partnership with schools and their communities in support of their continued improvement.
14. Provide parents with better access to information on school quality and performance.
15. Share insights and expertise with providers and their communities to ensure that their practices deliver equity in outcomes for all learners.
16. Increase alignment between external and internal evaluation and the linkages of both within schools' planning and improvement cycles.



### Adding value in Māori-medium settings through partnerships and innovation

17. Work collaboratively with individual kaupapa Māori and Māori-medium providers to share insights and contribute to their ongoing improvement.
18. Continue to deliver evaluations where whānau, hapū, iwi and learner agency is acknowledged and respected from the onset.
19. Maintain a shared Māori-medium governing body wrap around service to those needing focused development for improvement.
20. Support and influence Māori success as Māori in English-medium schools.



## Ā mātou rautaki tautoko me ō mātou haepapa

Our supporting strategies  
and commitments

### Our enabling strategies (page 58)

- Enhance our frameworks, methodologies and tools.
- Develop new skills and make the best use of our capabilities.
- Build enduring partnerships and networks.
- Modernise our technology systems.
- Use our information for better insights.
- Boost our confidence in te reo Māori.
- Grow leadership in our people.

### Our supporting strategies

- He Taura Here Tangata — our Māori strategy
- Pacific Strategy
- Te Waka Hourua — our leadership strategy

### Our commitments

- Supporting health, safety and wellbeing.
- Enhancing our diversity and inclusion.
- Reducing our environmental footprint.



Te Ara Huarau is a differentiated approach that reflects an individual school's context, culture and needs.

# 3.

## Ā mātou mahi Our performance 2022/23

Our 2022/23 performance reflects the improvements we've helped drive across the sector while also having to adapt to the challenges of illness, severe weather events and staff availability. A key outcome of our mahi is to provide guidance to early learning services, schools and kura to make self-review and continuous improvement part of their regular practices.

### © Tā mātou i whai ai | What we aimed to achieve

- Enhancing our multi-year, multi-method evaluation and research programme
- Strengthening the quality and performance of early learning services
- Encouraging and supporting improvement in school performance
- Adding value in Māori-medium settings through partnerships and innovation

### Where to find information about significant budget initiatives

- **Budget significant initiatives:** Funding to Support Māori Language Education Provision and Growth
- **Budget year funded:** 2022/23
- **Location of performance information:** [Page 56](#) – Te Pou Reo

# Te whakakaha i tā mātou hōtaka tau tini, ara tini hoki o te arotake me te rangahau

## Enhancing our multi-year, multi-method evaluation and research programme

Our system-level insights support a better understanding of what works in education, so we can drive positive change across the sector. We continue to grow our evidence base through research and evaluation, and share our findings to promote best practice and improvement.

### ✔ Summary of what we did this year

Research and evaluation continue to be key focus areas for us. Our evidence-based insights have provided a strong basis for driving effective system-level improvement in education.

We continued to grow and build our research and evaluation capability through our two specialist units:

- **Te Ihuwaka** — our Education Evaluation Centre for English-medium schools and early learning services.
- **Te Pou Mataaho** — our specialist research unit for kura kaupapa Māori, Māori-medium and high population Māori settings.

We established a small data and intelligence unit. This will enable us to draw on the expertise and insights of Te Ihuwaka and Te Pou Mataaho, to make better use of data to inform best practice and decision-making.

This year the evaluation centre's research and evaluation reports have had significant impact and reach. The 10 reports released this year were covered in over 120 media stories,

driving public and sector awareness of our insights and how they can be used to support education in New Zealand.

We partner and work closely with key sector and community groups to ensure our insights are reaching the people who can best use them to support learners. For example, for our Long-Term Insights Briefing on ethnic diversity, we partnered with the Ministry for Ethnic Communities to ensure expert input into our work and to reach ethnic communities through already established channels. We worked closely with key sector and government stakeholders to ensure we could reach educators. We've received positive feedback on how our insights are increasingly useful, both in schools and in driving change at a policy level. This partnership approach has enabled our insights to have more reach and impact, demonstrated by our research website pages having been visited over 110,000 times in this period.

Following each published report, we do a survey on how useful these publications have been to key audiences. 96% rated our national evaluations useful and informative for identifying or planning improvement within the system or its component parts.

# Te Ihuwaka

## Education Evaluation Centre

We carried out extensive research to improve our understanding of education performance in New Zealand and how it can be strengthened. Together with Te Pou Mataaho, we delivered insights that have had a real impact on learners, through informing decision-makers, supporting teaching practice, and bringing education issues to the fore.

A key emphasis has been supporting evidence into practice, by producing tailored guides, webinars, and other resources for the education sector.

Our work focuses on four key areas: education system performance, priority groups, key aspects of education, evaluating initiatives, and shining a light on good practice.



### Education system performance

#### Improving school attendance

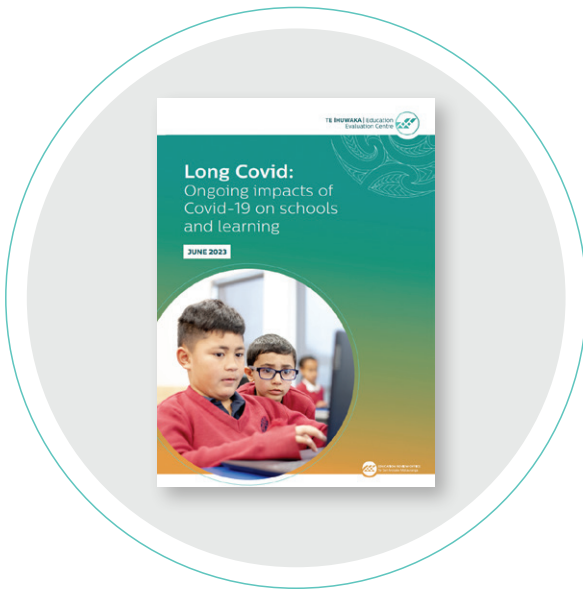
Regular attendance at school is critical to achievement, yet our attendance is lower than other comparable countries, and has been falling since 2015. We produced two reports on school attendance:

- **'Missing Out: Why Aren't Our Children Going to School'.**
- **'Attendance: Getting Back to School'.**

Our research showed that parent and learner attitudes, and how learners experience school, are key drivers that impact whether learners go to school. Our reports were provided to school leaders with insights on what might be affecting attendance, and practical actions they can take to improve this. Our research has also drawn attention to the importance of regular school attendance, which is a key step to shifting parent and learner attitudes.

#### Embracing and supporting diverse ethnicities in schools

We published our final **'Long-Term Insights Briefing — Education For All Our Children: Embracing Diverse Ethnicities'**. The report highlighted that although learners from ethnic communities achieve well at school, they



encounter widespread racism — a third reported that they don't think their school takes racist bullying seriously. As New Zealand becomes more ethnically diverse it is increasingly urgent that education delivers equitably for all learners. Our report emphasised the shifts needed to achieve this, including providing schools with actionable strategies, and building the evidence base to inform decision-making.

### Addressing the ongoing impacts of Covid-19

Since the start of the pandemic, we've been looking at the impacts of Covid-19 on education, so we can support the sector to respond to key challenges and opportunities. Our latest report in this series is **'Long Covid: Ongoing Impacts of Covid-19 on Schools and Learning'**. Our findings show the pandemic has had a lasting and significant impact on education in New Zealand, particularly on learner progress and attendance, and on the workloads of principals and teachers.

## Priority groups

### Promoting improved education outcomes for disabled learners

We produced two reports on education for disabled learners in New Zealand:



- **'Thriving at School? Education for Disabled Learners in Schools'**.
- **'A Great Start? Education for Disabled Children in Early Childhood'**.

We found disabled learners often face exclusion from education, and that many teachers are not confident in teaching them. Our recommendations set out the coordinated action that needs to be taken to significantly improve education outcomes for these priority learners. Our reports include examples of good practice, and what schools and early learning services can do to support disabled learners to thrive.

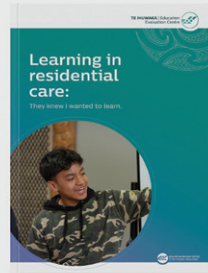
### Alternative education — supporting our most disengaged learners

We produced a report on our latest research into alternative education in New Zealand:

- **'An Alternative Education? Support for Our Most Disengaged Young People'**.

Our research found the current model is inadequate, with a lack of qualified teachers, inadequate funding, and no accountability. In our report we call for a complete reform of alternative education at the system level, and highlight the need for earlier action to meet young people's needs, so they can remain and thrive in mainstream schools.

“The education students receive in residence has the power to reconnect them to their learning and change their lives.”



## 2022 Australian Evaluation Society Public Sector Evaluation Award

A major achievement for us was winning the 2022 Australian Evaluation Society Public Sector Evaluation Award for our evaluation of learning in residential care. This is only the second time since the award was introduced that a New Zealand study has received this recognition.

The evaluation, '**Learning in Residential Care: They Knew I Wanted to Learn,**' looked at the quality of education in Oranga Tamariki Residential Care and provided recommendations to significantly improve education for these priority learners.

This achievement was made possible through the work of experts from Te Tāhū Whare, Review and Improvement Services, and key stakeholders. We acknowledge the guidance and challenge from our expert advisory group, which included Māori and Pacific academics who worked with children in care or in youth justice facilities, experts in managing residences, and one of the government's chief science advisors.



## Evaluating initiatives

### Counselling in schools initiative

We've been evaluating the new counselling initiative for learners in primary and intermediate schools. This year we released our interim finding from Phase 2 of the evaluation. This looks at early outcomes for learners accessing counselling in schools, and lessons learnt about the implementation and ongoing delivery of the initiative. Our report includes examples of good practice we identified through our case studies, and will inform the Ministry of Education to drive improvements and future policy developments.

## Good practice

### Best practice for teacher aides

We researched how schools can best support teacher aides for success, by having teacher aides and teachers working as a team in the classroom. We produced a good practice report, '**Working Together: How Teacher Aides Can Have the Most Impact**'. We also produced accompanying guides that include real-world examples to inspire and motivate teacher aides, teachers, and school leaders, and used webinars to reach more schools, and drive change in practice across the sector.

# Te Pou Mataaho

## Māori research unit

Our research provides examples of good practice, effective leadership, and vignettes of learner and educator experiences in their own words, for learners, whānau, hapū, iwi and educators in both kaupapa Māori, and non-kaupapa Māori settings.

### Supporting Māori learner success through change

We published two reports evaluating areas of change impacting the learning experiences of tamariki Māori. Our insights will support planning and policy work within commissioning agencies. We look forward to seeing how future approaches within both agencies, schools and kura incorporate the evaluative findings to drive effective learning and leading through times of change.



### Understanding school readiness to implement marau ā-kura

We conducted research to understand the readiness of schools and kura to implement te marau ā-kura. Our findings will support the redesign of Te Marautanga o Aotearoa, and guide other education settings in developing their marau ā-kura.

Our research consists of a collection of four case studies, and examines how a school or kura has developed their individualised marau ā-kura. The case studies share rich information such as the background, development stages, relationships and experiences, teaching and learning. Wherever possible insights are shared through voices of the school/kura.

A key understanding for the Ministry of Education was an appreciation of the depth and breadth of work and commitment required of schools and kura to develop a meaningful marau ā-kura.

“Pou ārahi. Building the right team around you makes a difference.”

*Senior Leader voice, Te Wharekura o Rakaumanga*



## Centering learner experiences through change: NCEA Evaluation Te Marautanga o Aotearoa and Kaupapa Ako Māori evaluation

We partnered with the Ministry of Education and the New Zealand Qualifications Authority to carry out a full evaluation of the Te Marautanga o Aotearoa and Kaupapa Ako Māori NCEA Level 1 mini pilots and Te Ao Haka pilot. We looked at the effectiveness of the pilot processes to support kaiako and learners, and evaluated the achievement standards and assessments. We documented our findings in the report – **‘NCEA Evaluation: Te Marautanga o Aotearoa and Kaupapa Ako Māori’**.

The evaluation demonstrated the impact of the Te Ako Iho Pumanawa role to implement change, and influenced the Ministry of Education to continue their resourcing of the Te Ako Iho Pumanawa role beyond the pilot. The Ministry of Education also implemented a plan to improve onboarding and resourcing for pilot schools and kura at the beginning of 2023.

## From research to resource: turning kaupapa Māori research into outcomes for learners in New Zealand and the Pacific

### Te reo Māori Revitalisation and Normalisation

Our te reo Māori research first published in 2020 not only helped inform educators and agencies next steps for their te reo Māori work, it also informed our own work. We used this research as a foundation to create resources, tools, and the expertise required to respond to the needs of learners and educators and the cross-agency Māori-language strategy Tau Mai Te Reo.

### Te reo Māori research June and September 2020

‘Te Tāmata Huaroa’ (June 2020) examined how schools support students learning te reo Māori across different locations, regional contexts, and school types in English-medium learning. This research was followed by **‘Nihinihi Whenua’** (September 2020) highlighting learners and whānau aspirations for te reo Māori.

Both pieces of research found that learners, teachers and schools were largely united in their support for te reo Māori. At the same time the research identified how blockers including a





lack of clarity, guided support on best practice, and a lack of visibility of learner and whānau voice was preventing schools achieving their te reo Māori goals for learners.

### September 2022: Poutama Reo: the improvement journey

Two years on from **'Nihinihi Whenua'**, The Education Review Office launched **'Poutama Reo: the improvement journey'**, a framework to support te reo Māori provision school-wide, and respond to the needs identified in our 2020 research.

**'Poutama Reo'** is a self-review quality framework that schools can use to determine where they are at, and explore possible next steps on their te reo Māori journey.

The self-review process guides schools to explore te reo Māori provision through the perspectives of students, whānau, hapū, iwi, teachers, and leaders. Insights gathered inform the development of a comprehensive te reo Māori improvement plan, guiding effective teaching and learning opportunities school-wide.

In 2023 we continued this work by distributing copies of **'Poutama Reo'** to every English-medium school across Aotearoa, and undertaking mahi to support peak bodies, school leaders and evaluators to best use **'Poutama Reo'** through an expert team — Te Pou Reo.

## The 'Afa Framework: Pacific Bilingual and Immersion Education Indicators

In 2019, we investigated the provision of Pacific bilingual education across a range of schools. We found that Pacific bilingual education programmes tended to be developed locally, and that there was limited guidance or resources to support Pacific language immersion or bilingual provision. We recommended that a more strategic and consistent approach to Pacific bilingual and immersion education provision was required.

This year we developed the **'Afa Framework'**, a tool that provides clarity for us and the sector on the conditions that support Pacific language learning success.

This set of indicators and examples of effective practice will help guide planning, professional development, and quality teaching. The indicators articulate what we know about high quality practice in Pacific bilingual and Immersion education programmes and the conditions that support this.

The **'Afa Framework'** has been shared with the sector to evaluate and provide feedback. The final framework will be published in 2024 based on feedback.

The **'Afa Framework'** joins **'Poutama Reo'**, enabling our evaluation partners to offer well-researched resources guiding self-review, and effective practice.

“Language provides a unique window into understanding one’s own culture and the culture, values, and beliefs of others.”

*Chief Review Officer, Nicholas Pole*

# Strengthening the quality and performance of early learning services

## Te whakapakari i te kounga me ngā mahi i ngā whare kōhungahunga

New Zealand's youngest learners deserve high quality early learning education experiences where strong learning foundations are developed through intentional teaching and play. We play a critical role in the early learning education sector, shining a light on quality and compliance. Through our mahi, we aim to raise the bar on quality early learning education, so children can thrive in the services that educate and care for them.

### ✔ Summary of what we did this year

In 2022/23 we completed 1120 reviews across all early learning services. These include 950 mostly standalone early childhood education services (509 Akanuku | Assurance Reviews, and 441 Akarangi | Quality Evaluations), seven governing organisations (with a total of 66 services sampled), 99 kōhanga reo and 5 puna reo.

Since 2019/2020, we've placed a significant focus on compliance through our individual review programme, evaluation, and engagement with the sector. We're already seeing a marked decrease in the compliance issues that need to be addressed at the services we've reviewed. This tells us that awareness and compliance are steadily increasing.

This year's survey results showed 86% have indicated that our evaluations are making a contribution to their decisions about how



to improve learner outcomes. 84% of the respondents indicated that the evaluation had helped to identify or confirm opportunities for more effective practice and building capacity.

## Tools and resources to support early childhood services focus on compliance, quality teaching and learning experiences

‘Ngā Ara Whai Hua Quality Framework for Evaluation and Improvement’ guides our approach to review and evaluation. It helps ensure that services are complying with regulatory standards and associated licencing criteria, and that they’re meeting the learning, safety and wellbeing needs of children in their care.

The framework uses two review processes to evaluate the performance of an early childhood education service.

### → Akanuku | Assurance Review –

This process ensures services are complying with all regulatory standards and licensing requirements and identifies any matters to be addressed.

→ Akarangi | Quality Evaluation – Once compliance matters have been satisfied, the review moves on to an evaluation process that focuses on improvement for equity and excellence. If compliance matters are identified during this process, the reviewers will return to conducting an assurance review.

## Snapshot of early childhood services in 2022/23

Of the 950 services reviewed in 2022/23, only 54% met the regulatory standards/ licensing criteria when we visited. However, most services could address the identified non-compliances by the time our reports were confirmed, resulting in an overall rate of 85% compliance. We’re encouraged that with our guidance, most services are consistently implementing practices and processes to enable improvement in quality for children,

or are in the process of establishing the systems, practices and processes (conditions) and building shared understandings to improve quality for children.

We’re concerned about the 9% of services that had non-compliances still to be addressed at the time of our confirmed report. Even more concerning is the 7% of services that had outstanding non-compliances that pose an unacceptable risk to children.

**Table 1: Compliance with regulatory standards and licensing criteria in 2022/23**

ERO’s approach	Reports in sample	Regulatory Standards met (confirmed reports)	Meeting when ERO was onsite	Non-compliance addressed during or since ERO was onsite	Non-compliance reported still to be addressed	Non-compliance posing unacceptable risk
Akanuku   Assurance Review	509	402 (79%)	211 (41%)	191 (38%)	45 (9%)	62 (12%)
Akarangi   Quality Evaluation	441	401 (91%)	290 (66%)	111 (25%)	40 (9%)	0
<b>Total</b>	<b>950</b>	<b>803 (85%)</b>	<b>501 (54%)</b>	<b>297 (32%)</b>	<b>85 (9%)</b>	<b>62 (7%)</b>

## What we're seeing in compliance – Akanuku | Assurance Reviews

Of the 509 services we reviewed, only 41% met regulatory standards/licensing criteria when we visited. This increased to 79% by the time our reports were confirmed. However, 9% of non-compliances were still to be addressed at the time of our confirmed report, and the rate of non-compliance that poses an unacceptable risk to children has remained at 12% for the past three years. This includes 62 services, catering for 2,289 children, of which 37% are Māori and/or Pacific.



**Table 2: Akanuku | Assurance Review data from 2019/20 to 2022/23**

Year	Meeting regulatory standards/licensing criteria in confirmed report	Non-compliances still to be addressed	Non-compliance that poses unacceptable risk
2022/23	79%	9%	12%
2021/22	78%	10%	12%
2020/21	76%	12%	12%
2019/20	74%	18%	8%

When we identify that a service has non-compliances still to be addressed, we recommend the Ministry of Education follow up with the service. For services where we've reported non-compliances that pose an unacceptable risk to children, we recommend that the Ministry of Education reassess the service's licence.

We reported 917 instances of non-compliance with licensing criteria in 107 services, however 48% of these were addressed before we confirmed our report. We're concerned that 78% of the non-compliances identified posed an unacceptable risk to children, across 62 services.

### The most common areas of non-compliance are:

**Health and Safety** – emergency drills and emergency plans, hazard checking, sleep

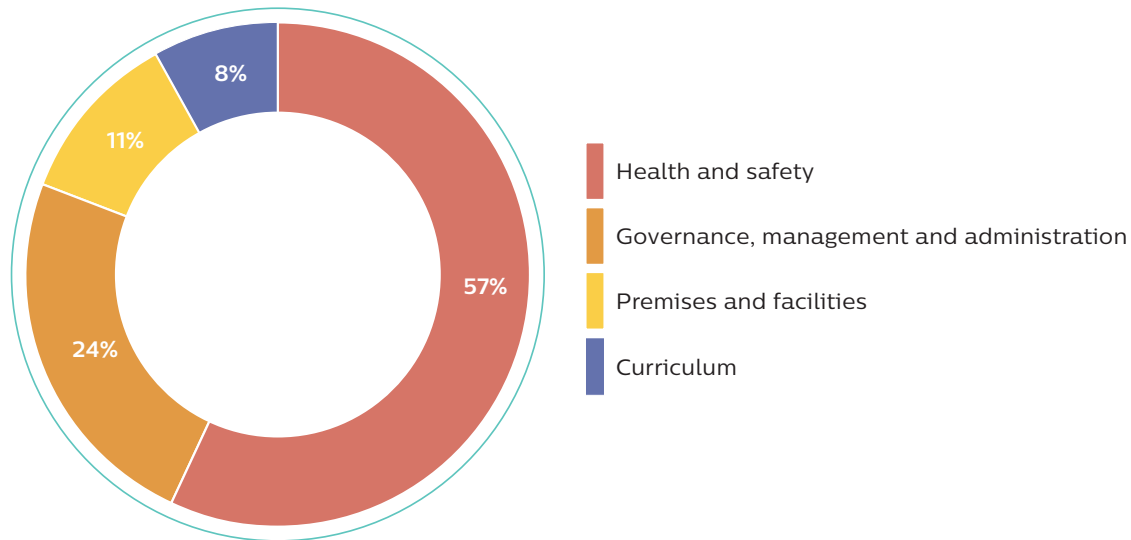
monitoring, administration of medicines, securing heavy objects/items and furniture, and excursions.

**Governance, management and administration** – checking of staff/children's workers.

**Premises and facilities** – suitable bedding and safety of windows.

**Curriculum** – provision of a curriculum consistent with Gazetted Curriculum framework. In home-based education and care services the curriculum-related non-compliances were about the range of experiences provided for children that enhance and extend their learning and development. Communicating with parents and whānau and involving them in decisions concerning their child's learning and seeking information and guidance, when necessary, from agencies/services to enable educators and coordinators to work more effectively with children and their parents.

**Figure 4: The four most common areas of non-compliance identified in Akanuku | Quality Assurance reviews**



## What we're seeing in quality assurance — Akarangi | Quality Evaluations

Our Akarangi | Quality Evaluations focus on what the service knows about children's learning, in relation to the learning outcomes in Te Whāriki, and the learning and development of Māori children, children of Pacific heritage, children with additional learning needs, and children up to the age of three. We also discuss the service's priorities for children's learning, why the service decided on these priorities, what they know about how well the learning and organisational conditions are supporting equitable and excellent outcomes for all children, and what improvement area the service is currently focusing on.

During the review, we make judgements on three areas:

- outcomes for learners (what the service knows about their children and their development)
- the learning conditions
- the organisational conditions at the service.

We make these judgements using '**Ngā Rāpupuku — indicators in Te Ara Poutama/ indicators of quality for early childhood**

**education: what matters most**' and the '**Evaluation Judgement Rubric**'. These judgements help to build a picture of the overall quality of education and learning at a service.

In 2022/23, we completed 441 Akarangi | Quality Evaluations.

### Across the three judgements we can see that:

- **42% of services are Whakaū | Embedding**, which means the service has established and is embedding coherent systems, processes and practices (conditions), and is consistently implementing practices and processes to enable improvement in quality for children.
- **38% of services are Whāngai | Establishing**, which means the service is establishing the systems, practices and processes (conditions) and building shared understandings to improve quality for children.
- **At the lower end of the scale, 10% of services are Whakatō | Emerging**, where the service is at an early stage of developing the systems,

processes and practices (conditions) to improve quality for children.

- **10% of services are Whakawhanake | Sustaining**, meaning the service has evidence of its capability and capacity to sustain ongoing improvement to its systems, processes and practices (conditions) and the impact of this improvement in realising equitable outcomes for children.

This Akarangi | Quality Evaluation data mainly refers to standalone services or services that are not part of our governing organisation evaluations. It includes centre-based and home-based education and care services, and a mix of community-based and privately owned services.

### When compliance issues come up during quality evaluations

During an Akarangi | Quality Evaluation, we also look at compliance. In 2022/23, we found that just 66% of services met regulatory standards at the time we were onsite. 25% of these services addressed the identified non-compliances during or after our reviewers were onsite, and 9% of services still had non-compliances when our report was confirmed.

Over time, we expect to see more services meeting regulatory requirements, allowing us to focus on quality learning conditions, leading to equity and excellence for all learners.

### Feedback from early childhood services

#### Survey results for Akanuku | Assurance Reviews

In 2022/23, we received 132 responses to our post review survey. 95% of services reported that our Akanuku | Assurance Review helped them understand what they are required to do to meet and maintain compliance with regulatory standards. The survey also shows that 88% of services had addressed the actions for compliance identified in our report.

#### Survey results for Akarangi | Quality Evaluations

Our 2022/23 survey results based on 179 responses, 84% said our evaluations are helping services to be more intentional about what they can do to improve learning for children in relation to the outcomes of Te Whāriki. The results also showed our reviews assisted most services to have a clearer focus on outcomes, child learning and organisational conditions.

**Figure 5: Feedback from services about our Akarangi | Quality Evaluations in 2022/23**



## Evaluation of early learning governing organisations

We have a specific approach to evaluating governing organisations that have oversight of 15 or more individual services. These can be services that are centre-based, home-based, and those who offer a mix of centre and home-based provision. Governing organisations represent 30% of all early childhood services.

Our approach aims to develop a collective, system-wide positive contribution to high quality education and care, that will have the biggest possible impact across early childhood services. It focuses on what the governing organisation knows about its services' performance, the role the organisation plays in supporting each service's continuous improvement journey, and evaluating system-wide approaches that the governing organisation has in place. We intend to return to the governing organisations every 12-18 months to review progress.

To evaluate a governing organisation, we sample a number of the organisation's individual services to get assurance that the organisation's policies, systems and practices are effectively implemented.

We rolled out this approach in 2022/23 and evaluated seven governing organisations that represent a total of 333 individual services. As part of these evaluations, we undertook detailed sampling of 66 services.

As we've only just implemented this new way of carrying out reviews for governing organisations, it's too soon to measure impact and shifts in performance. Once we start revisiting these organisations, we'll be in a better position to comment about the impact of our reviews on their performance.

## Evaluation that supports kaimahi and whānau to build success

This year we reviewed and produced reports for 99 kōhanga reo and five puna reo and immersion learning services. Our reviews respond to these services' unique cultural and philosophical approaches, their own priorities, planning and processes, areas of national interest, growing self-evaluation capabilities, and record compliance with regulations affecting a kaupapa Māori and te ao Māori service.

### Working with whānau to develop evaluative approaches that drive improvements for tamariki

Through this approach, we collaborate with whānau to develop an evaluative focus that sits alongside our evaluation of planning, process, and regulatory compliance. The kinds of evaluative questions kōhanga reo and puna reo whānau focus on highlights what is important to them, what they are working on as part of their own planning processes, and their unique philosophical perspectives.

### Some of the questions in 2022/23 evaluations included:

- How well do mokopuna show whanaungatanga?
- How well do mokopuna show their enjoyment for learning?
- How well do mokopuna understand te reo Māori me ōna tikanga?

As we continue with this mahi, we're focusing on tracking the kinds of evaluative questions developed and how they impact a focus on self-review, learning plans and tamariki outcomes.

# Te hāpai me te tautoko i ngā whakapakaritanga i ngā mahi i te kura | Supporting performance improvement in schools and kura

Our reviews and evaluations drive improvements in schools and kura. We promote high quality teaching practices and support schools and kura to deliver excellent and equitable education outcomes for all learners. We support schools to embed self-review and continuous improvement locations within planning cycles.

Our approach to reviewing English-medium state and state-integrated schools (Te Ara Huarau) has a strong emphasis on quality and improvement, effective teaching, and ensuring wellbeing for learners. During our reviews, we work with school boards and school leaders to identify priority areas for improvement and support schools to develop action plans to improve learner outcomes.

The approach allows our evaluation partners (review officers) to better support schools on their improvement journey, with a focus positioning the strategic direction of the school in areas for improvement that contribute to lifting the quality of teaching and learning.

We know that no two schools are the same. Some schools require more intensive support than others, and our approach to reviewing allows us to spend more time working with the schools that need it most. Over time, we expect to see continuous improvement shifts to achieve better outcomes for all learners and the system as a whole.

## ✔ Summary of what we did this year

This year, we brought a further 442 schools (17% of all schools) into the new school review approach, with a total of 1,724 schools (75%) now onboarded. Our review programme was interrupted by weather events across several regions in early 2023, however, we expect to have all schools transitioned to the new review process by the end of the next financial year.

This year, we worked with 20 kura and 949 schools (39% of all schools and kura). We spend more time working in schools that need it most and allocate review resources according to the school's needs. We have identified a small group of schools (7%) that require more support to improve, and they receive extended (high level) resourcing.

As part of our review process, we ask school boards to attest to meeting regulatory and legislative requirements. We completed 20 kura and 902 Board Assurance with Regulatory and Legislative Requirements school reports (38% of all schools and kura), with just 9% of schools having non-compliances to be addressed.



**Figure 6: Feedback from schools in 2022/23 on the positive impact of our evaluations**



Where schools have international students or hostels for students, we review these provisions. This year, we completed 277 reviews of Provision for International Students, and 22 reviews of Hostels.

As part of our discussions and evaluation activity with schools, we use our **School Improvement Framework** to determine how schools are performing across ten domains. The latest analysis of 2021/22 and 2022/23 periods showed an overall, albeit small (at 1.8%) shift towards having a positive impact. This lift has occurred in 9 of the 10 domains monitored by us (see Figure 5). The greatest increase can be seen in evaluation for improvement (3.4% improvement).

We also surveyed school leaders to assess their view of how our evaluation activities are contributing to learner outcomes. 588 leaders responded with the majority (68%) saying our evaluation activities are having a positive impact on learners by contributing to decisions about how to improve learner outcomes. The survey also asked if our evaluations helped schools to identify opportunities for improvement for more effective practice for school improvement. 1179 responded with the majority (72%) agreeing that they do.

“Our evaluation partner was very proactive, great communicator and easy to work with. She was knowledgeable and able to contribute to our strategic thinking.”

“We have narrowed the focus and refined our inquiry. We have a clear sense of direction and alignment between our strategic goals, our inquiry and our ongoing work.”

“Teachers more closely analyse their class data on a termly basis and feed this information through to our leadership team. Teachers are therefore much more engaged with schoolwide data and understand their role in making a difference one child at a time.”

“It clarified our goals more and enabled us to share them in a deeper way with all stakeholders.”

“Our evaluation partner asks questions that allow us to be reflective and seek our own answers/solutions/plans that lead to improvements. The evaluation partner is facilitating us to extend on the ways that we draw evaluation evidence.”

“We have been listened to. The workload was set out in manageable chunks. Having our whole team involved in the approach (board of trustees and staff) - not just the principal and board of trustees chair. The highlight for me was having the whole team participate and answer questions when asked, this shows we understand our school.”

“Feedback has helped us identify strengths and weaknesses, enabling us to make more informed decisions for improvement. We integrate feedback into ongoing evaluation and improvement cycles. This may involve developing action plans, implementing changes, monitoring progress, and regularly reviewing and adjusting strategies to enhance educational outcomes.”

“ERO helped us to see the magic that we are doing because we can become bogged down in the challenges we forget about the good things that are happening.”



### Shifting schools' practice for improved outcomes

We support schools to identify areas that need strengthening and make changes to the school's practice where needed. 77% of schools surveyed said that following engagement with us, the school generated new knowledge about its practice, with 74% of schools reporting a change in teaching or leadership practices as a result. Importantly, 64% of schools say that as a result of our engagement with them, the school has seen improved outcomes/equity for their learners.

### Supporting schools' improvement actions

We asked school leaders about the School Improvement Framework and how this has supported them in identifying areas for improvement. 81% of schools report using the School Improvement Framework with their evaluation partner and gave a rating of 3.89 out of 5 for its usefulness in supporting the school's thinking about improvement priorities and actions.

## Lifting schools' performance

### What we are finding

Our School Improvement Framework supports each school in the internal and external evaluation process, identifying and sharpening the focus for improvement and progress across specific domains. As part of our evaluation activity with schools, we use the School Improvement Framework to determine how schools are performing across the ten domains.

### Where schools are placed on their journey of improvement

The School Improvement Framework scores for the schools that we've worked with in the two-year period from 2021 to 2023 provide insights into current state of schooling across New Zealand.

**Figure 7: Where schools are placed on their journey of improvement**

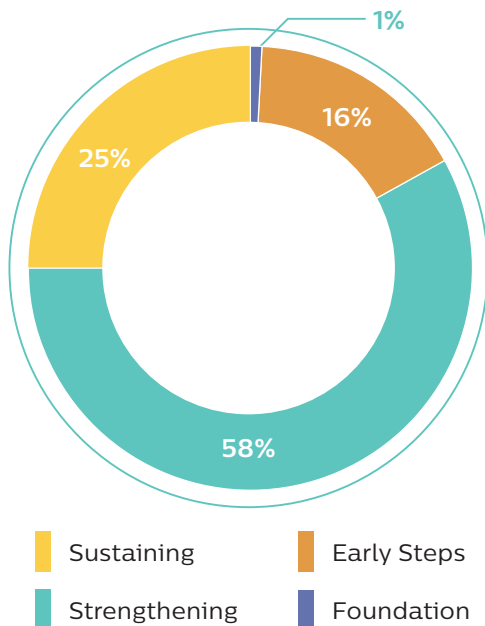


Figure 7 describes our latest assessment of where schools are placed on their journey of improvement based on our judgements across 10 domains.

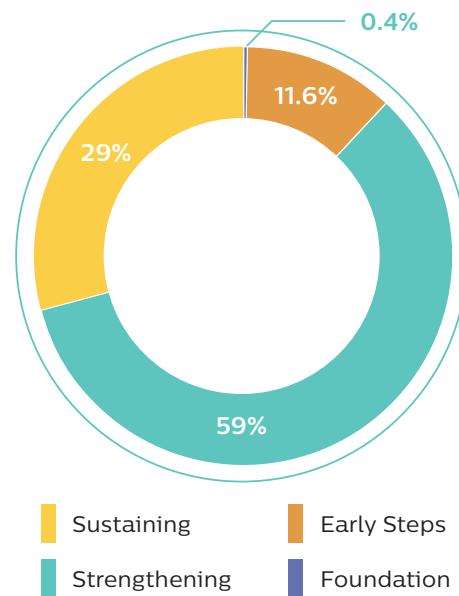
## School Improvement Framework domains

- 1 Learner progress and Achievement
- 2 Te Tiriti o Waitangi
- 3 Inclusive Learning Climate
- 4 Wellbeing and Safety
- 5 Responsive Curriculum/Planning
- 6 Effective Teaching
- 7 Leadership and Capability
- 8 Partnership
- 9 Stewardship
- 10 Evaluation for Improvement

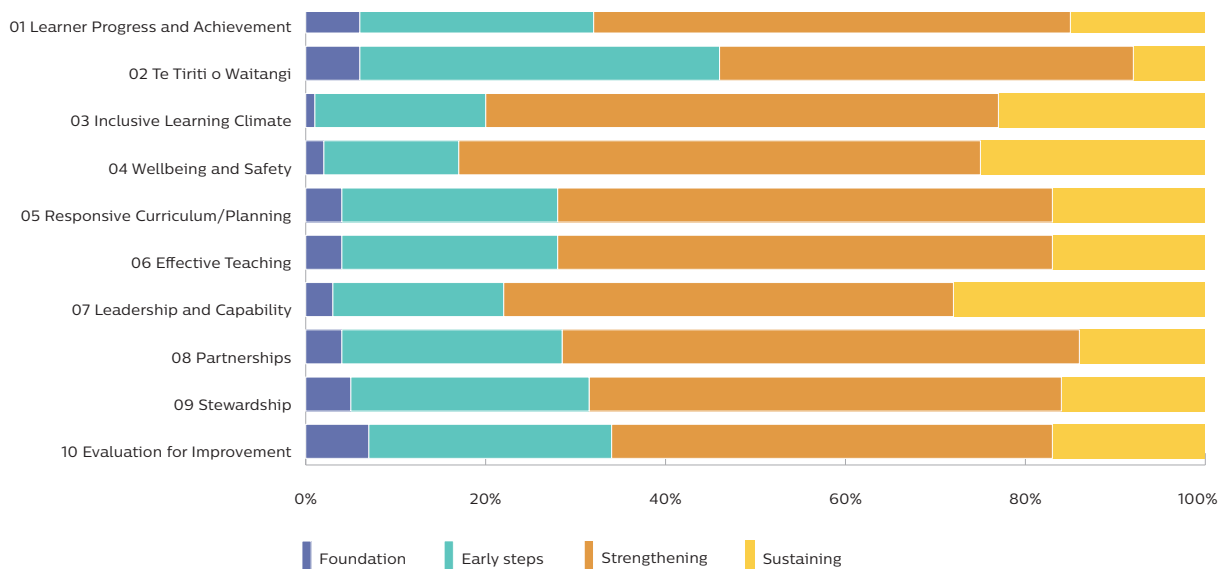
Just under 60% of New Zealand’s English-medium state and state integrated schools that we have worked with have been judged as ‘strengthening’ (with established and embedded systems, processes and practices), with one quarter (25%) being found to have the conditions for ongoing sustained high performance (figure 7). Approximately 17% of schools have been judged as requiring intensive effort across multiple domains to bring about improved learner outcomes.

Fig 8 shows most students (88%) in our sample are attending schools identified as ‘strengthening’ and ‘sustaining’. About 12% of learners are in schools where overall quality has been judged as a concern.

**Figure 8: Where schools are placed on their journey of improvement, by student numbers**



**Figure 9: Current assessment of where 1182 schools sit across 10 performance domains**



*Methodology: The above sample includes all schools with at least one Schools Improvement Framework indicator judgement/score – a sample of 1182 schools. Where a school has more than one score, the latest score is chosen. Scores of zero are excluded from the analysis. Where a school does not contain all ten domain scores, we use the average of the school’s existing domain scores to project a total score out of 80.*

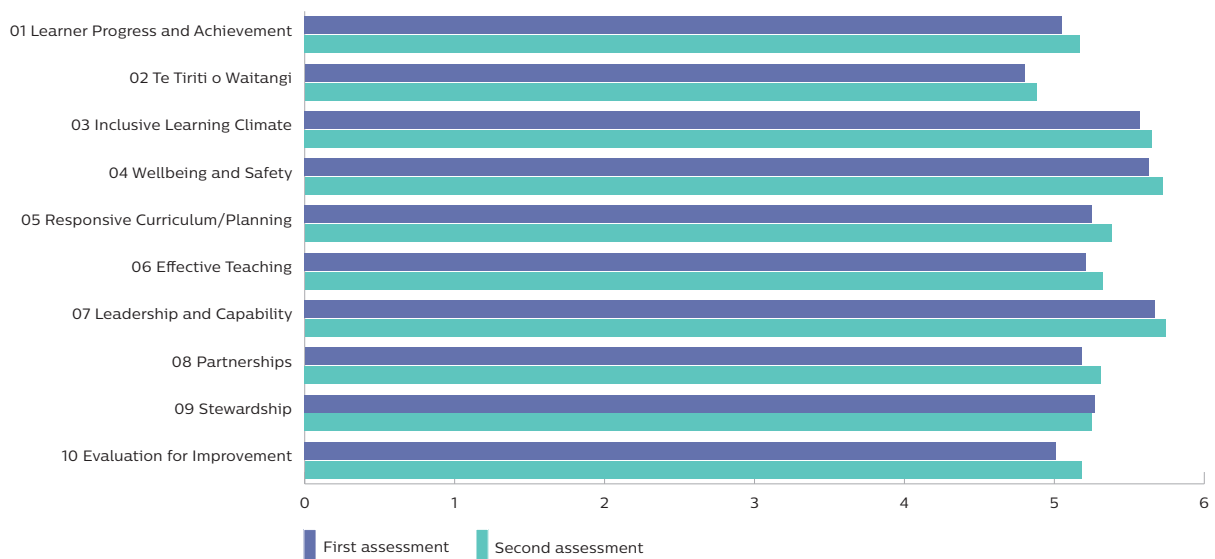
*The analysis uses the data as of 30 June 2023, and school roll data from the Ministry of Education from 1 July 2022 roll returns (Education Counts). Limitations: Some schools are yet to receive a School Improvement Framework assessment. These schools may be different from the population of schools.*

Figure 9 provides a further breakdown on how schools are performing within the domains, from foundation (those schools that are found to have low levels of maturity in a particular domain) to sustaining (high performing).

A large proportion of schools (46%) are in the early stages or establishing their systems and practices to embed Te Tiriti o Waitangi into

the fabric of the school. Just over a quarter of schools were judged as having effective leadership and processes for capability building, and a quarter had a strong focus on learner wellbeing.

**Figure 10: Changes in School Improvement Framework Indicators over the past two years**



*This analysis uses a sample of schools with two assessment rounds – a sample of 569 schools.*

*Note: Indicators scores are out of 8. The number of schools varies by domain.*

Figure 10 shows the School Improvement Framework data for the 569 schools in our sample (schools that have been assessed twice from 2021/22 to 2022/23, giving an overall average score out of 8 across 10 domains over the past two years. It shows that schools have improved on average across nine domains and are showing relative strength in areas of Wellbeing and Safety, providing an Inclusive Learning Climate, and Leadership and Capability.

While these are positive indications, we're concerned to see that overall, schools are weakest in the areas of Learner Progress and Achievement, Evaluation for Improvement, and Te Tiriti o Waitangi. These domains will require considerable improvement.

**Figure 11: Changes in School Improvement Framework indicators – percentage of schools that increased, stayed the same or decreased in 2022/23**

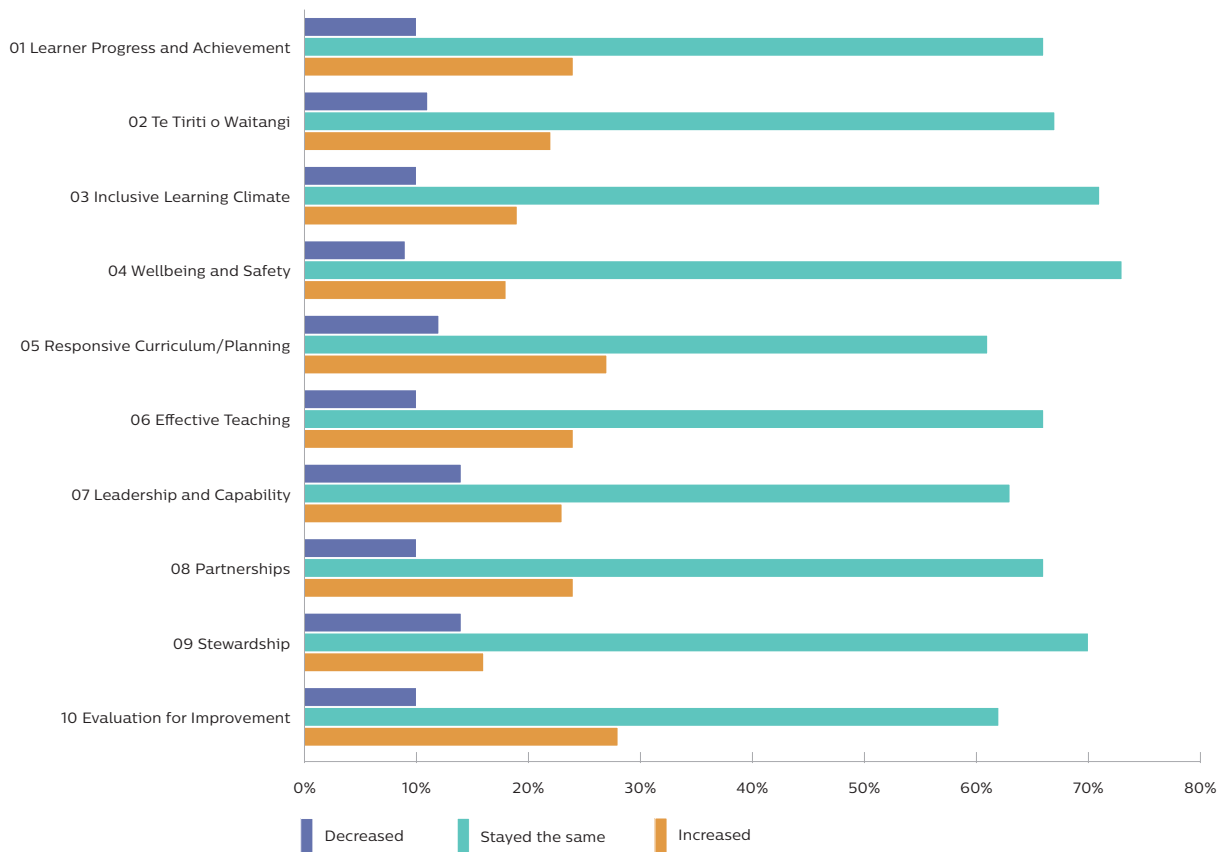


Figure 11 shows whether schools improved on their previous assessment, stayed the same, or went backwards. Most schools have stayed the same, but we can see that some schools have improved, with only a small proportion worsening.

With the level of disruption across the sector, including weather events, missed school due to strikes and COVID-19 in the community, a level of decline might have been expected. We're supporting schools to focus on areas of concern, including evaluation for improvement, learner progress and achievement, and embedding Te Tiriti o Waitangi into the fabric of the school.

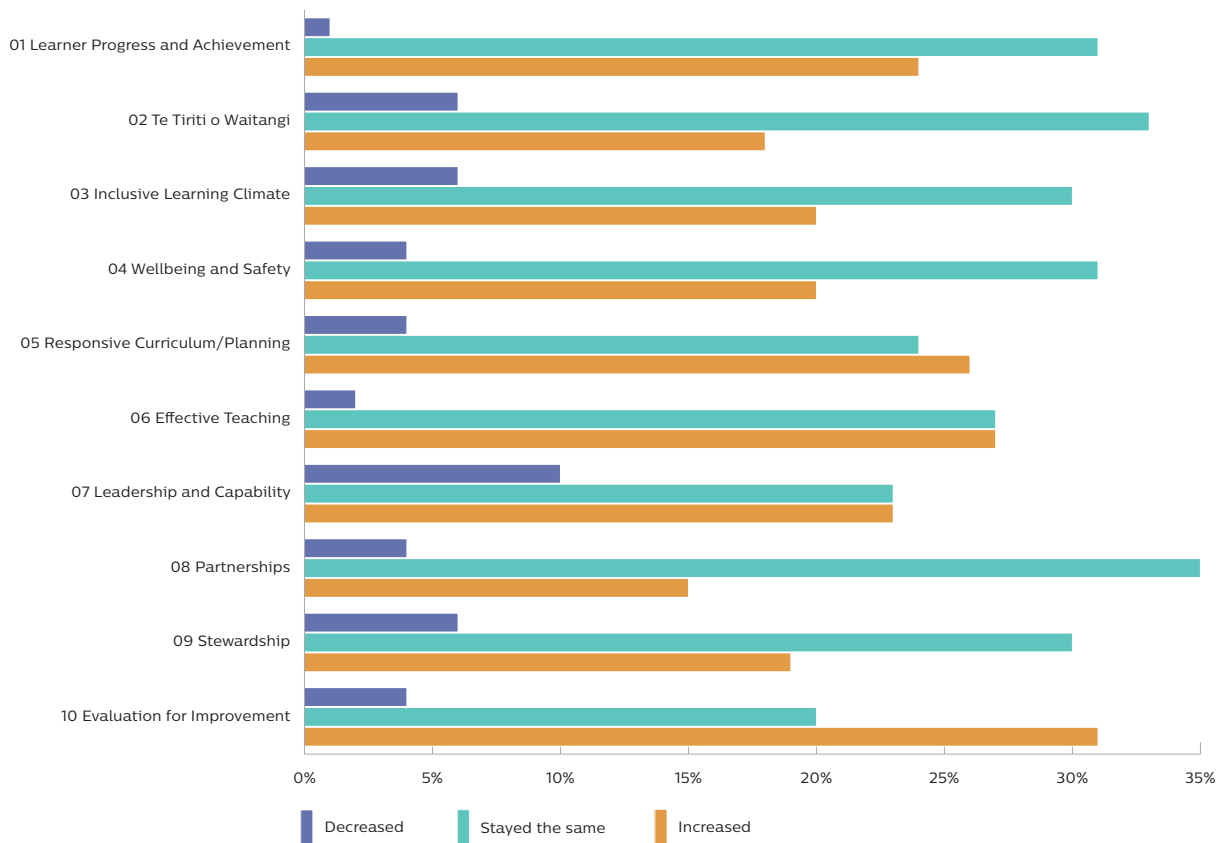
Figure 12. We would expect that over time, we will see all schools showing positive shifts across all domains.

Looking at the schools that we've worked with most intensely, we find that these schools are more likely to have increased their scores in each domain.

"We enjoyed using the School Improvement Framework as a catalyst for change. I believe that we have a better understanding of the school's evaluation capability and believe as a school we have grown considerably in this area."

*School leader*

**Figure 12: Changes in School Improvement Framework indicators – percentage of schools that increased, stayed the same or decreased in 2022/23 - High priority and extended schools**



*Methodology: The sample includes schools with two School Improvement Framework indicator scores in the same domain – a sample of 569. Where a school has more than one score in a domain and assessment series, an average score is calculated. Scores of zero and excluded from the analysis. The analysis uses SIF data as of 30 June 2023. Limitations: These schools may be different from the population of schools.*

## Checking compliance in schools

Of the 902 Board Assurance with Regulatory and Legislative Requirements reports completed, 79 schools (9%) had non-compliance. Of these 79 schools, 30 had addressed non-compliance before their reports were confirmed, 44 had taken steps to address non-compliance, and five schools had not yet taken steps to address identified non-compliance. Schools of high concern are referred to the Ministry of Education for intervention or tailored support.

The most common non-compliances identified were:

- adopt a statement on the delivery of the health curriculum, at least once in every two years, after consultation with the school community
- safety checking, police vet checking of the workforce
- healthy and safe environment including policy, hazards, emergency plans, drills, health and safety of workers, accessibility for those with disabilities
- concerns with child protection policies and implementation
- the progress of the following groups has not been reported to the school's community: groups (identified through NAG 1(c)), Māori students against plans and targets referred to in NAG 1(e) (8 schools).

## Getting learners back into the classroom: a focus on attendance and engagement

In support of the Government's Attendance and Engagement Strategy, we worked with schools to ensure that they were actively monitoring their attendance data and exploring and adopting key actions to address attendance concerns when these were identified.

Overall, our discussions with schools show a concern for Māori learners being most at risk of disengagement and non-attendance (53 schools), followed by concern for Pacific learners (45 schools).

### Knowing the challenges to attendance

Feedback from schools indicates that the main challenges for achieving full attendance are families taking holidays during term time, challenges accessing support agencies, and keeping learners home when it's wet or when they or someone in the family is unwell.

### Actions to lift school attendance

We asked school leaders what actions they were taking to lift attendance and engagement. Many schools have put plans in place to tackle attendance, including the following:

#### Planning and organisation

Schools have put individualised plans and support in place, finding solutions for specific situations and learners. They've collaborated with staff to set attendance goals and targets, and implemented attendance plans and monitor weekly attendance reports. They are monitoring attendance and analysing reasons for non-attendance, and improve-school systems and initiatives within kāhui ako. Some schools provide practical support in terms of food, clothing and transport.

### Classroom interactions and programmes

Schools have found that celebrating regular attendance with learners, and providing services like breakfast clubs have helped increase attendance. They've changed class structures to better manage learner needs, introduced activities to inspire and motivate learner engagement, and implemented in-class discussions on the importance of learning. Greeting learners at the gate and having reward systems specifically for attendance were also helping to lift attendance.

“Schools I talked with all commented their data is improving but there are pockets of chronic non-attenders that require localised culturally responsive solutions.”

*Evaluation partner*

“Schools made clear that they need resourced local context solutions.”

*Evaluation partner*

“Lateness is a bigger issue for many. Traffic congestion is an issue for out of zone children. Parents working from home are on zoom work meetings, so they bring their children in after their meetings.”

*Evaluation partner*





Schools told us that the practical assistance provided to families by external agencies has been beneficial in lifting attendance. This includes helping with getting ready for school, providing food packages and sourcing counselling.

### Innovating to address attendance

We're interested in the innovative practices that schools have developed to address attendance. We've seen schools providing practical support such as firewood for the family, or school uniforms for learners. Schools are connecting with and involving local iwi, community leaders and representatives to find ways to remove barriers to attendance.

## Our observations

Our evaluation partners have provided their attendance observations when working with schools - see their comments on the previous page.

### High priority schools

In 2022/23 we identified six schools as high priority schools, requiring the highest level of support. We completed 121 assessments against the School Improvement Framework. Our high priority schools' team works closely with these schools that need more support and tools for improvement than most New Zealand schools.

## Real stories of our impact on schools and learners

The following examples demonstrate the positive influence we're having on improvement planning.

### Clear strategic planning sees reading outcomes improve

Before working with us in Te Ara Huarau, one school's strategic plan did not articulate a clear direction. The 'explore and confirm' process of our evaluation supported the school leaders to develop clarity in terms of strategic planning and to pinpoint the areas of teaching practice that they needed to strengthen. A key area for growth that was identified was formative assessment practices and responsive planning/teaching in foundation areas. Using data, leaders chose to start with a focus on reading. They have since implemented a range of practices that support teachers to:

- collaborate
- use achievement information to identify learner needs
- plan deliberate acts of teaching to meet student needs
- make learning explicit to support student agency in learning.

At the end of 2022, there were early signs that reading outcomes were improving. In 2021, 23% of learners were at or above expected level, and in 2022, this increased to 48% at or above the expected level. The principal and school board have now developed a strategic plan that reflects the improvement journey they're on.

### **School sharpens its focus on Māori learners**

When a school began to use the School Improvement Framework tool as part of their evaluation, the school's leadership realised that more attention needed to be given to Māori learners to help them enjoy and achieve education success as Māori. Through evaluation planning with us, the school sharpened its focus on progress and acceleration, and data management for Māori learners, including culturally responsive practice.

### **School finds new ways to engage their Pacific learners**

During our evaluation, a school highlighted concern about its Pacific learners. We supported the school to carry out a deeper analysis of their Pacific data, and it found that the school's Tongan students were underachieving. We worked with the school's leadership to develop new ways to engage Tongan whānau. This proved to be an important process, because for most of the Tongan students and their whānau, English is a second language. As a result of this focused engagement, the school employed a Tongan teacher aide. While the school is doing well in achievement overall, this example shows through an external lens how a school can be supported to rethink its engagement with ethnic groups without bias.

### **School uses targeted strategy to lift attendance**

While working together on our evaluation, the school's leaders agreed that they needed an improved understanding of achievement outcomes in literacy and mathematics. Working with the evaluation partner, the school leadership designed an evaluation focus based on gathered

evidence, with a priority of developing a cohesive strategic plan, building capability and practice, and strengthening assessment.

We also supported the school's focus on attendance and engagement. Following evaluation of the school's attendance data, 18 Māori learners were identified who were not attending school regularly. The school set a target and put in place strategies to lift the attendance of these students. This was a specific target set between us and the school's leadership, focused on 7 whānau. The school considered student and whānau voice, teacher and Senior Leadership Team decision making, including the impact of external support.

### **School becomes more inclusive**

As a result of engagement with us, a school's leaders were supported to develop a more inclusive sexuality education programme, and a more robust pastoral care system for its learners. Our effective working relationship with this leadership team has helped the school to be comfortable having these types of conversations with its learner community.

### **Two schools come together to share their good practice and expertise**

Through our evaluation programme, two schools at the same stage in their evaluation cycle have started to meet and work collaboratively, sharing good practice and expertise to benefit their schools and learners. Both schools have reported that their profile reports were well aligned and relevant to their school context, discovering similarities, differences, strengths and possibilities for ongoing sharing across the two schools.

## Home schooling education reviews

In 2022, there were 815,000 students enrolled in New Zealand schools, of which about 1.5% have been approved to be home schooled.

Home schooling education reviews are carried out either at the discretion of the Chief Review Officer or requested by the Secretary for Education. Our reviews of home schools are focused on whether the learner is taught at least as regularly, and well as in a registered school.

In 2022/23, we completed 19 home school reviews. We found that learners were taught as regularly and as well as in a registered school in the most cases, with one case being taught as regularly but not as well, and one case not regularly and not as well.



By building our understanding of good practice and capability to evaluate, our evaluation partners now have a suite of tools and resources to use while completing their hostel reviews, along with the support of experienced reviewers before, during, and after the process. As a result, hostel managers report experiencing a more robust, well-informed and improvement-focused review that leads to strengthened hostel conditions for improved outcomes.

## Strengthening our approach to reviewing hostels

There are 57 state and state-integrated hostels across New Zealand schools. 49 have already been onboarded in Te Ara Huarau and the last 8 are in the process of being onboarded. In 2022/23 we completed 22 hostel reports, with the remaining reviews in progress.

The number of standalone hostels has significantly decreased through the impact of COVID-19. There are just two remaining standalone hostels, which have both recently been reviewed.

In 2022 we looked to strengthen our oversight and approach to reviewing school hostels. This included changing the way we undertake hostel reviews to increase student participation in the evaluation, and strengthened our partnerships with relevant boarding associations. Our evaluation partners who review hostels undertook professional development to strengthen their evaluation capability.

## Evaluating the quality of education for international students

- We evaluate the overall quality of education that schools provide for international students. This includes the schools' approach to international students, their pastoral care, and the education programme. Our evaluation considers the students' academic progress, achievement and participation in school and community life.
- This year we completed 277 international students reports. These evaluations are undertaken at the same time as the school's Te Ara Huarau evaluation, and published on our website.

## Evaluating our practice

We're a learning organisation, and as such, sharing what we've learned about our own evaluation practice and the impact we're having in early childhood services and schools is a vital part of our work.

We've developed and started to trial National Quality Assurance and Improvement Panels to provide greater opportunity to unpack the implementation of our methodologies, strengthen our accountability, and learn from each other's experiences.

The first National Quality Assurance and Improvement Panel trial was held in May, and focused on the implementation and impact of Te Ara Huarau in schools, and Akarangi | Quality Evaluations in early childhood learning services.

We'll continue to test and evaluate the National Quality Assurance and Improvement Panels before implementing a regular panel programme.

## Applying the School Improvement Framework in English-medium schools

The School Improvement Framework has a specific focus on Giving Effect to Te Tiriti o Waitangi, and the expectations in the Education and Training Act 2020.

Schools are encouraged to use the School Improvement Framework to aim for effective partnerships with whānau, hapū and iwi:

- Giving full and systematic effect to Te Tiriti o Waitangi is integral to learner outcomes and the curriculum, which includes well-enacted progressions in te reo Māori me ōna tikanga and local dialects, mātauranga Māori and te ao Māori for all learners.
- Learner outcomes are well promoted through Māori whānau, hapū and iwi partnerships, which are sustained through a strategic and planned approach.

- Collaborative approaches enhance trust and nurture respectful interactions between home and school to deliver whānau aspirations.
- Relationships with whānau, hapū and iwi support learners' language, culture and identity enhance learner outcomes.

## Reviews of Māori-medium and kura kaupapa settings

Our Māori-medium and kura kaupapa review schedule was heavily impacted through 2023 due to the severe weather events across Te Ika-a-Māui, the North Island including Cyclone Hale, the Auckland floods, Cyclone Gabrielle, and related and ongoing safety and access issues.

The key areas impacted the most include Te Tai Tokerau Northland, Tāmaki Makaurau Auckland, Tairāwhiti Gisborne, Te Moana a Toi Bay of Plenty, Te Matau-a-Māui Hawke's Bay, Waikato, Hauraki, Pārāwai Thames and the Tararua District. We're working with these kura and schools to reschedule reviews through the remainder of 2023/24 as required.

This year, we undertook 20 reviews in 2022/23, representing 18% of the total kura we review. This included 3 kaupapa Māori, 6 kaupapa Māori kurara, and 11 ara Māori kura services.



# Te whakapiki i te angitu Māori hei Māori i ngā wāhi auraki mā roto i te patuitanga me te auahatanga

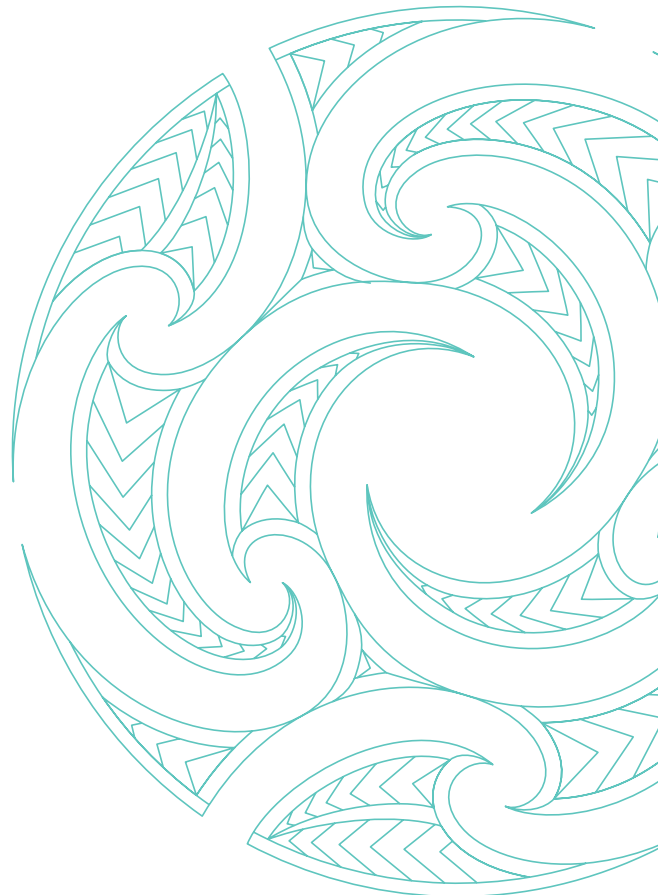
## Adding value in Māori success as Māori in English-medium settings through partnerships and innovation

We're committed to supporting kaupapa Māori determination in provision of education services. We foster greater connection and influence by Māori, with Māori, for Māori. We continue to develop a skilled and flexible workforce to achieve our strategic intention of valuing and supporting Māori success as Māori.

### ✔ Summary of what we did this year

- We supported schools in self-assessment and planning progression of te reo Māori with the launch of a new tool, Poutama Reo – our te reo Māori Quality Framework.
- We worked in partnership with whānau, hapū and iwi to ensure the aspirations for their tamariki are realised in immersion and bilingual units in English-medium schools. To support this mahi we've established a dedicated te reo Māori team, Te Pou Reo.
- We worked with Ngāti Kahungunu Iwi Inc to frame up the Learner Outcomes for Success Indicators under the Ngāti Kahungunu Iwi Inc education plan priorities.
- We worked with Tokona Te Raki – Māori Futures Collective on Kōkirihiā, a call to action to end streaming in New Zealand, and a plan for how to achieve this.

See page 18 for more information about the work we've been doing to achieve our goals and commitments under He Taura Here Tangata and Te Tiriti o Waitangi.



## Tamariki Māori whose learning takes place in English-medium schools

We're developing tools, approaches, and skills for evaluating Māori-medium in English-medium settings to support the many tamariki Māori whose learning takes place in English-medium schooling.

This year we've begun developing tools to:

- respond to the Māori-immersion parts of an English-medium school using a kaupapa Māori approach
- enable English-medium schools to better serve mana whenua goals for tamariki Māori.

Some English-medium schools, school leadership, educators, learners, whānau and hapū may request review approaches that reflect the aspirations of mana whenua. For some, Te Ara Huarau provides them the impetus to undertake this work. For others, they may request that Te Tāhū Whare undertake evaluation with them either because:

- they are providing bilingual curriculum
- they have advanced relationships with hapū and iwi and wish to progress this further
- they have a high number of tamariki Māori and want to ensure that their learning is evaluated in a way that is culturally responsive.

This year we've focused on developing approaches that meet the needs of these kura, and their tamariki.

### Approaches for meeting the needs of kura and their tamariki

#### Mana whenua focus

We've been working in partnership with Ngāti Kahungunu Iwi Inc to give effect to the aspirations of iwi for their tamariki. This includes the collaboration and co-design of the evaluation approach. We framed up the Learner Outcomes for Success Indicators under Ngāti Kahungunu Iwi Inc education plan priorities. These will be the focus of our evaluation in the pilot schools and early childhood services. We facilitated how iwi work in the education sector and empowered Ngāti Kahungunu Iwi Inc to have their education strategy enacted in schools and an early childhood service.

#### Te reo Māori focus

The newly formed te reo Māori team, Te Pou Reo, will work with English-medium schools, peak bodies and our own evaluators to drive quality te reo Māori teaching.

In 2022/23 we've been working with the sector to create tools, and approaches to enable this work, and provide clarity to Māori-immersion settings in English-medium on the conditions that nurture quality Māori-immersion learning.

This has included the creation of new tools to drive te reo Māori improvement in these settings:

- Ngā Raupapa Reo — te reo Māori criteria and quality indicators.
- Te Muka Tāera o Te Pou Reo — the methodology for Te Pou Reo.

These approaches will be tested later in 2023.

## Sharing what we know about Māori learner success with those most able to impact tamariki Māori learner outcomes

With the majority of tamariki Māori undertaking learning in English-medium education settings, we take up opportunities to share what we know about culturally located learning for Māori, what tamariki Māori have told us matters to them, and resources and tools that can drive impact.

- **The New Zealand School Leaders Summit 2022** brought education experts together to drive change for learners. It was an opportunity for principals and other school leaders to connect, and gain change-making insights into “overcoming the current challenges they face”. Here, we shared what we knew about “supporting improvements in Māori achievement”, using insights from our reviews in kaupapa Māori, Māori-medium, English-medium education settings, and evaluation of the wider system and supports for Māori learners. Some of this content was new for attendees, comprised of leaders from English-medium schools and kura.
- **All English-medium schools** have the latest insights to support tamariki Māori, through ‘Kia Manawanui’ our annual newsletter we share during Wiki o te reo Māori. Our evaluation and research insights across Māori and English-medium settings contribute to Māori enjoying and achieving success as Māori, exemplify Aotearoa tangata, Mātauranga and Hononga, and provide practical advice and insight to guide improvement.

## Supporting Māori language education provision and growth in English-medium schools

### We’ve launched Poutama Reo, a tool to support progression of te reo Māori

In September 2022, we launched Poutama Reo, our te reo Māori Quality Framework. This is a tool for schools to support self-assessment and planning progression of te reo Māori over time. Poutama Reo places mana whenua at the forefront. It asks leaders and boards to acknowledge the presence of iwi, and actively work to support their aspirations for te reo Māori. Hapū and iwi are critical to the success of te reo Māori within their rohe and across education. Poutama Reo helps ensure that all learners experience success on their journey to learn and use te reo Māori, while creating a shared experience of language and culture. Poutama Reo is being promoted in 2023 across all English-medium schools.



## We've established Te Pou Reo, a new team to ensure aspirations are realised in immersion and bilingual units in English-medium schools

We established a small and agile te Reo Māori team within our Te Tāhū Whare group. Te Pou Reo will work in partnership with whānau, hapū and iwi to ensure the aspirations for their tamariki are realised in Māori-immersion in English-medium settings. They'll work with all English-medium schools with these settings, to support improvements in the quality of the teaching and use of te reo Māori using culturally-centred approaches. The resulting reports and research are intended to provide transparency to learners, whānau, hapū and iwi, highlight good practice in schools/kura, and

identify areas to improve the provision of te reo Māori across the system.

### The focus of Te Pou Reo activity for this year has been:

- Establishing the Te Pou Reo team.
- Putting in place systems, and draft tools that will be tested throughout 2023-2024.
- Connecting with other groups working towards the revitalisation and normalisation of te reo Māori to ensure our work programs are aligned, and building from what we already know.

**Table 3: Overview of Te Pou Reo education system activity in 2022/2023**

Area of focus within English-medium schooling	Actions of Te Pou Reo in 2022/2023	Desired outcome
<b>School/kura</b>	Begun work with peak bodies and our evaluators to deliver targeted professional learning and development, ensuring English-medium schools are well supported to engage with Poutama Reo — our te reo Māori Quality Framework.	Schools have an effective te reo Māori improvement plan in place and are making efforts to achieve their te reo Māori goals.
<b>School/kura with Māori-immersion settings Level 1 and 2 in English-medium schools.</b>	Developed draft tools to support culturally responsive, and meaningful review in these settings, with a focus on te reo Māori. These tools will be tested in 2023/2024.	Support schools to understand the quality of their te reo Māori provision, and drive improvement to benefit learners in these settings.
<b>Whole-system view</b>	Provisional system analysis and research.	Build a body of ongoing research shining a light on te reo Māori provision across the system.



# Kōkirihiā call to action to end streaming in all New Zealand schools

Streaming has resulted in an education system with huge disparities and inequities. It has widespread negative impacts on learners among all demographics, but it is particularly damaging for our Māori and Pacific learners.

We've been working with Tokona Te Raki – Māori Futures Collective and the Mātauranga Iwi Leadership Group which represents 83 iwi. In 2021 the Mātauranga Iwi Leadership Group tasked Tokona Te Raki – Māori Futures Collective to bring together representatives from across the education sector and education agencies to establish a National De-streaming Design Team. Our Te Pou Waharoa manager joined this team in October 2021.

Kōkirihiā is a call to action to end streaming in all New Zealand schools, with a road map to guide schools and agencies to achieve this by 2030. This call to action has support from all corners of the education sector.

We assisted with the development of the plan and will be developing case studies that showcase the practices and actions taken by schools who have ended their use of streaming. Evaluation partners have worked to support schools to identify strategies to replace streaming.



# THE TOKONA TE RAKI JOURNEY

# Enabling strategies

## Enhancing our frameworks, methodologies and tools

We've continued to develop our methodologies, frameworks, tools and resources to support us in our work and equally support the sector in its own monitoring, review and evaluation activities.

We've tested and implemented an improvement framework for our evaluations of early childhood governing organisations. We've also focused on the implementation of Akarangi | Quality Evaluations in home-based education and care services. We're preparing to implement this approach to evaluation in hospital-based education and care services in early 2024.

The School Improvement Framework, our tool to support Te Ara Huarau (our school evaluation and improvement approach) has been well received and supplemented in 2022 with guidance on responding to student attendance challenges.

## Developing new skills and make the best use of our capabilities/growing leadership in our people

We have a strong commitment to building the skills of our workforce through a regular programme of professional learning and development. We maintain a Methodology and Professional Practice team who oversees professional development. A significant part of the last year's focus was on recruitment and training of the new Te Pou Reo team.

We're establishing a purpose-built learning management system that focuses on evaluation and the latest evidence-informed education



practice, and builds the knowledge and skills to support school, kura and early learning service improvement, portfolio management and diverse ways of working.

## Te Waka Hourua Arotake Mātauranga — our leadership strategy

We continue to develop high quality leadership through our leadership strategy, which involves both formal and informal learning and coaching. Senior leaders are taking steps to build leadership capability in areas such as leading distributed teams, decision-making, leading and working through others, inclusive leadership, accountability and achieving results, and 'tough' conversations.

We supported our people to develop their capability through the Leadership Development Centre, and our Te Kawa Mataaho module on inclusive leadership. Our people leaders use these resources to further build their understanding of inclusive leadership in the context of Papa Pounamu.

This year, seven of our people completed a pilot programme to develop aspiring leaders, which included using the Leadership Development Centre's 360-degree feedback reports and online modules. All participants graduated from this programme at the end of December 2022 with enhanced leadership capability.

Ten attended an in-house leadership course with an external provider, which focused on coaching for improved performance. Twelve managers have completed a coach training programme to help establish a coaching mindset, higher levels of accountability, problem-solving and quality practice, of which four gained a coaching qualification which is recognised by the International Coaching Federation. Five leaders have been resourced to undertake qualifications in coaching.

This year we've held two Leadership Forums for all our people leaders, to provide opportunity for discussion about leadership accountabilities, inclusive leadership and strategic goals.

Four review officers completed qualifications to improve their evaluation work in post-graduate study in evaluation at the University of Melbourne. Four review officers are currently completing their post-graduate qualifications in education topics at Waikato University, two of which include Masters qualifications based on the Poutama Pounamu programme.

## Building enduring partnerships and networks

The strength of our partnerships within the sector is crucial to our success. We've established both informal and formal relationships with rūpū across New Zealand who have an interest in education system improvement. These groups work with, or on behalf of the diverse ethnic communities, and learners with personal impairments, activity limitations, and participation restrictions.

### Our partnerships

#### Groups and agencies

We work closely with the Ministry of Education, New Zealand Council for Educational Research, Te Rūnanga Nui o Ngā Kura Kaupapa Māori o Aotearoa, Ngā Kura ā Iwi o Aotearoa and the National Te Kōhanga Reo Trust, The Teaching

Council of Aotearoa New Zealand, New Zealand School Trustees Association, unions, education sector peak bodies, and the New Zealand Qualifications Authority.

#### Te Ara Pae – Māori Advisory Group

We work together to ensure Māori learners can enjoy and achieve education success as Māori. The rūpū includes well respected Māori leaders who support us to uphold Te Tiriti o Waitangi as a cornerstone of our mahi.

#### Early Childhood External Stakeholder Group

Includes leaders of early childhood organisations across the country.

#### School Principals Reference Group

This group includes principals from across the country who guide us in our work programme and engagement with the sector.

#### Leadership Partners Programme

This programme started in 2020, and partners our people with school leaders to build sector understanding of sound evaluation practice. Since 2020, 44 Leadership Partners have completed our programme. Five have subsequently joined us as permanent employees. Retention of Leadership Partners in the one-year programme remains high at 80%. 48% of Leadership Partners who completed the full programme are designated as review officers and remain available to support us in an expanded programme.

When a Leadership Partner works alongside an evaluation partner on a school evaluation, schools benefit by hearing from an experienced and current school leader, recognising similarities in the challenges and experiences they all face, giving the evaluation currency and impact. Through the Leadership Partners programme, schools have made reciprocal visits to the Leadership Partner's school, exploring together what works to improve learner outcomes. Equally, we also benefit from the experience.

## Teaching Council of Aotearoa New Zealand

Following the 2022 Royal Commission of Inquiry into Abuse in Care, we signed a Memorandum of Understanding with the Teaching Council of Aotearoa New Zealand. Where there was an opportunity to reflect on our current settings, learn from the past, and do what we can to strengthen systems of protection for children in schools, we did so. We recognise the importance of sharing information between agencies and peak bodies, all with the goal of ensuring the wellbeing and safety of children.

## Modernising our technology and information systems

### More flexible systems

In the last year we completed our move to using Microsoft Office and SharePoint cloud-based systems. These enable us to be more flexible in how and where we work. Use of online collaborative tools has been a significant advantage in giving our people new ways of engaging with early learning services, schools and kura, especially with the challenges posed by COVID-19 and severe weather events in 2022/23.

The new systems have provided greater visibility of workflows across the organisation and cross-organisational collaboration. We'll continue to ensure we have a technology approach that aligns with the Government's technology directives and best practice.

### Finance and HR systems

In 2022/23 we introduced a new expense management system to improve the user experience and the data relating to expenditure, and gain efficiencies within our Finance function. In 2023/24 we'll explore options to improve our Finance and HR systems, and meet the increasing external reporting obligations.

## Using our information for better insights

We continue to invest in tools and processes that allow us to better target our efforts and enhance our view of system-wide performance. At the end of 2022, we've established a data and intelligence unit to provide our frontline people with information that gives a more in-depth view of a school's progress, and aids the discussions that review officers have with schools focused on improvement. We also use the new approach to provide schools with a system-view of the sector's capability in the key domains that lead to improved outcomes for children.

In early learning services, we're starting to see a gradual improvement in compliance, which will enable us to focus our resources on quality improvement. The governing organisation reviews and evaluations are enabling us to have a lens on accountability and improvement at the organisation level, and the quality and impact of their systems, processes and practices at the individual service level.

## Boosting our confidence in te reo Māori

We continue to provide meaningful opportunities for our people to learn and practice te reo Māori, and deepen their understanding of Te Tiriti and te ao Māori concepts. [See page 18](#) to read about how we're working to achieve our goals and commitments under He Taura Here Tangata and Te Tiriti o Waitangi.

# Supporting strategies

## He Taura Here Tangata — our Māori Strategy

We've been making good progress to achieve our goal of becoming a bilingual, bicultural organisation with te ao Māori braided into the ethos of our work. [See page 18](#) for more information about the work we've been doing to achieve our goals and commitments under He Taura Here Tangata and Te Tiriti o Waitangi.

## Pacific Strategy

We continue to develop our forward work programme to promote education practices where Pacific children can be confident in their languages, cultures and identities.

## Supporting language revitalisation across the Pacific

We were invited to attend the Conference of Pacific Education Ministers, bringing together Education Ministers, agencies and experts from across the Pacific to share what we collectively know about achieving the best outcomes for learners.

Joining both as delegates and sharing our work within the adjoining expo, we spoke to our body of work, highlighting culturally located learning approaches, and indigenous language revitalisation for the Pacific language of Aotearoa, te reo Māori.

Key pieces of work shared included our 2020 research Te Tāmata Huaroa, Nihinihi Whenua, and our 2021 research Kura Huanui and Poutama Reo.

We shared how this evaluative work drove the creation of Poutama Reo and underpinned the creation and approach of Te Pou Reo. Attendees spoke of the benefit this research could have for their own approaches and noted the adaptability of the Poutama Reo framework.

“...sharing this work with other Pacific nations and hearing how our approaches could inform their next steps shows the very real benefit of this research not just for our tamariki, but for all learners connected by Moana-Nui-a-Kiwa and perhaps beyond.”

*ERO participant attending the Conference of Pacific Education Ministers*

## What we did this year

We conducted a mid-term review of the Government of Samoa's Education Sector Plan and Education Sector Support Programme on behalf of The New Zealand Ministry of Foreign Affairs and Trade and the Australian Department of Foreign Affairs and Trade. This mahi aligned with our Pacific Strategy, and will help the Government of Samoa identify where they can improve education outcomes for all of Samoa's learners.

The purpose of the evaluation was to understand the challenges and strengths of current approaches in the Samoan education sector, inform changes and enhancements that will deliver on improved education outcomes, support ongoing conversation to achieve the desired outcomes, and improve the implementation and governance of the Education Sector Plan and Education Sector Support Programme.

Over the next year, we'll trial a new tool to support quality language provision, this time for Pacific languages.

## Te Waka Hourua Arotake Mātauranga — our leadership strategy

See Developing new skills and make the best use of our capabilities/growing leadership in our people on page 58 for more information.

## Other commitments

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Our people are our greatest strength. We're actively working to support their wellbeing, address inequities, and ensure they have opportunities to contribute and grow.

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### Enhancing our wellbeing and diversity

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#### Health, safety and wellbeing

Over the past year we've moved away from the cloud of COVID 19, and focused on ensuring our systems and processes work for all our people.

The national Health Safety & Wellbeing Committee (which includes staff representatives) continues to meet quarterly. Key agenda items are feedback from our meetings across the offices, managing our risks, and ensuring oversight of the work programme.

This year we initiated a working group to look at the impacts of our new methodology on workloads, support for our people working from home (particularly those from our Whanganui office where our lease was not renewed) and included an additional employee assistance provider. We've continued operating a hybrid working approach, and monitoring the possible impacts of these arrangements. We also offered access to wellbeing seminars, using the mental Health Awareness week as the catalyst.

We regularly share health, safety and wellbeing information through the Chief Executive's updates, and have enhanced the information and resources available on our Intranet — Te Tūi.

An external review of our physical security confirmed we're low risk, however there were some recommendations for improvement. We'll address these in our next year's work programme, as well as improving our digital offering for incident reporting, and increasing the training and development opportunities available to our managers.

#### Diversity

We're a small geographically spread organisation. Our workforce is predominantly female (around 82%), New Zealand European (56%), with an average age of 51. 50% of our workforce have under five years' service.

These figures reflect the demographics of the wider education sector from where most of our new hires are sourced, mostly into just two roles which account for the majority of our workforce. This makes it difficult for us to recruit a more diverse workforce.

However, over the last year we have seen some small differences. Around the same number of people left ERO as were hired. In net terms, we hired fewer women than the number who left over the period, increasing diversity. We also hired more Māori than the number who left over the period. Our biggest net loss in terms of ethnicity was the Pacific group. Most of our Pacific staff that left did so for career progression. We're actively looking for ways to nurture our Pacific people to both attract and retain them.

#### Employee-led networks

We have two employee-led networks — Te Uepū ā-Motu and Fono Pasifika. We've realised that their focus needs to be less about the business and more about the people, for them to be truly employee-led networks. The Executive Leadership Team is taking an active interest in sponsoring these networks and bringing about the changes we seek.

Following the Cross Agency Rainbow Network conference in June 2023, we have a small group working to create a Rainbow Network within the organisation.

Our organisation is also a member of the Government Women's Network.

## Responding to other dimensions of Papa Pounamu

At our Leadership Forum, we focused on inclusive leadership, and we're building this more explicitly into our overall leadership development planning. We've established a diversity and inclusion advisory group to provide a channel for our people to feel heard, and to provide us with access to a broad a range of perspectives. We've also set up a discrete diversity and inclusion page on our intranet, Te Tūi, to provide a platform for finding and sharing relevant material.

## Closing the pay gap

As at June 2023, 76% of our workforce had the option to be covered by the Collective Employment Agreement, of which 88% are union members. Salary ranges and movements are set for all staff covered by the Collective Employment Agreement. Our pay gaps action plan is published on our website<sup>3</sup>.

In providing a context for considering any pay gaps, as mentioned earlier our workforce is predominantly female with most people being employed in two roles; review officers and administrative roles. For the remaining roles the numbers employed are either very small or the role is a one-off with consequently no gap.

The focus of our new Collective Employment Agreement was on improving the pay for those at the bottom, over and above the movement provided by the Public Service Pay adjustment. This has resulted in the pay gap for our administration roles virtually being eliminated at less than 1% with an average movement of the salary range for these people of 11% at the mid-point.

## Reducing our environmental footprint

We're committed to reducing our environmental impact wherever possible towards becoming carbon neutral. We're making better use of collaborative tools to minimise travel (our biggest CO<sub>2</sub> contributor), and have converted our entire road fleet to hybrid vehicles.

We're piloting the use of electric vehicles, and looking at reducing the number of vehicles overall. We'll continue to look at other emission sources, such as buildings and commuting, to find reductions where possible.

## Our sustainability reporting

The effective management of our emissions is key to our environmental and sustainability objectives. We're committed to meeting the requirements of the Carbon Neutral Government Programme (CNGP) and operating in an emissions and energy-efficient environment.

Using the Toitū Envirocare certification process, we established an emissions base position in accordance with the requirements of CNGP. We've achieved Toitū Carbon reduce certification for the third consecutive year.

Our sustainability reporting highlights the areas where we need to make organisational, behavioural, and investment changes to reduce our operational greenhouse gas emissions.

## Carbon emission results

In 2022/23 we emitted 608.15tCO<sub>2</sub>e which is a 30% increase on the previous year (467.67 t CO<sub>2</sub>e), and a 12.3% lower than our 2020/21 base year (693.69 t CO<sub>2</sub>e).

Our 2022/23 results reflect our reviewers' increase in travel related emissions to reengage with schools and Early Learning Centres after the disruption of COVID-19 in 2021/22.

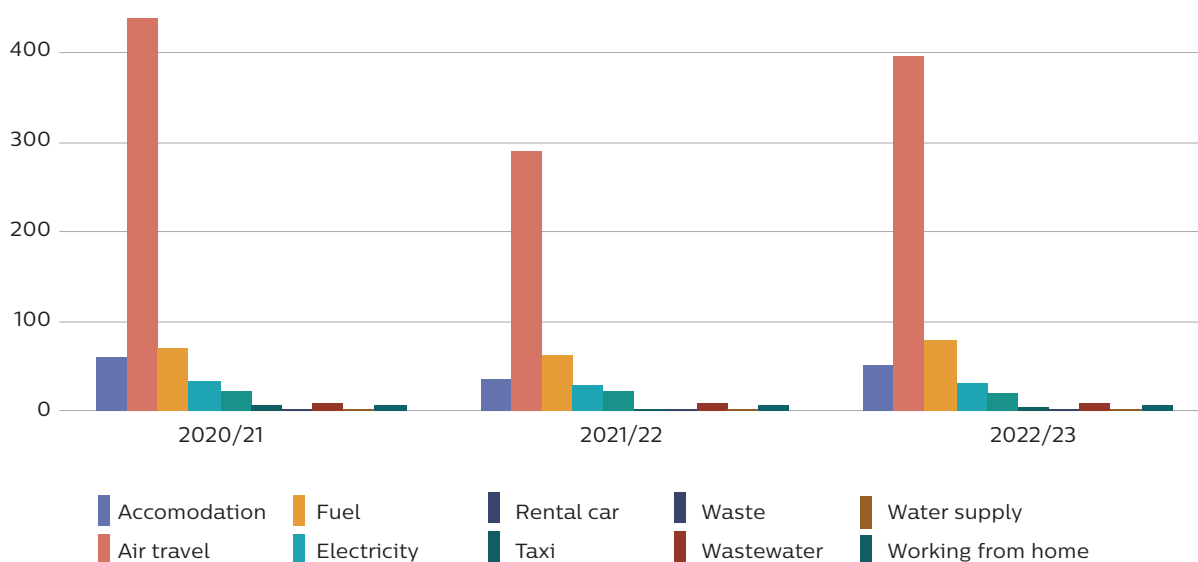
Despite the increase in emissions from travel-related activities, we achieved our targeted reduction in emissions compared to our base year in 2022/23 and remain committed to achieving our targets in future years.

3 <https://ero.govt.nz/working-for-ero/gender-pay-action-plan>

**Table 4: Emissions profile broken down by scope and total annual emissions (tCO<sub>2</sub>-e) for financial years**

Category	Scopes	2021	2022	2023
<b>Category 1:</b> Direct emissions	Scope 1	71.03	62.82	78.02
<b>Category 2:</b> Indirect emissions from imported energy (location-based method*)	Scope 2	31.17	26.16	28.18
<b>Category 3:</b> Indirect emissions from transportation		574.83	362.05	486.22
<b>Category 4:</b> Indirect emissions from products used by organisation	Scope 3	16.65	16.64	15.74
<b>Category 5:</b> Indirect emissions associated with the use of products from the organisation		0.00	0.00	0.00
<b>Category 6:</b> Indirect emissions from other sources		0.00	0.00	0.00
Total direct emissions		71.03	62.82	78.02
Total indirect emissions		622.66	404.85	530.13
<b>Total gross emissions (All measured emissions) in tCO<sub>2</sub>e</b>		693.69	467.67	608.15

**Figure 13: Total emissions by source (tCO<sub>2</sub>) 2020/21 to 2022/23**



Our role requires us to visit schools and early learning centres across New Zealand. This is reflected in our GHG emissions which as at 30 June are mainly related to travel and servicing our six offices across New Zealand.



## Progress towards our targets

### Air travel

**Goal:** 5% year-on-year reduction to air travel from 1 July 2021 to 2025/26.

**Result:** We reduced our flights by 17% since our base year in 2020/21. A 5% reduction on 2021/22 was not achievable, as that year was so heavily impacted by COVID-19. Unusually low levels of visits to schools and ECE in 2021/22 due to COVID-19 reduced our air travel by 39% from the base year.

### Office lease NABERS rating

**Goal:** As our office leases expire, we'll consider buildings that have NABERS rating of 5 or more, if we decide to move to different premises.

**Result:** During 2022/23 we did not relocate to any new premises.

### Replace hybrid vehicles with an electric vehicle fleet

**Goal:** Replace 5 hybrid vehicles with full electric vehicles in 2022/23.

**Result:** We replaced 5 hybrid cars with full electric vehicles in our Auckland office in 2022/23. The rollout of these, along with the charging infrastructure, will inform the replacement of the remainder of our fleet.

## Our emission reduction targets

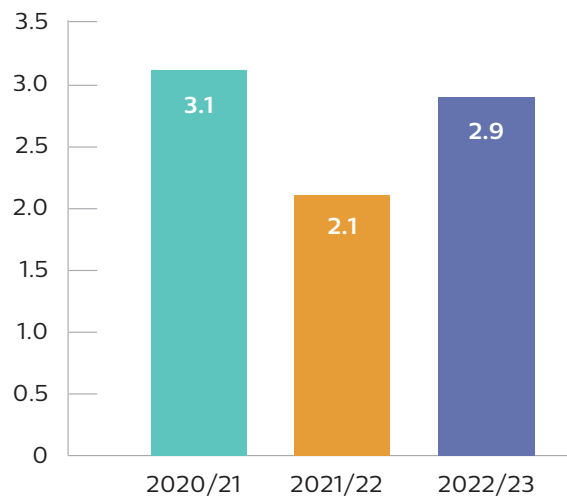
We set the following emission reduction targets to align with the CNGP target to keep global warming to less than 1.5 degrees of warming:

### 2025 target

Gross emissions (all Categories) to be no more than 561.89 t CO<sub>2</sub>e, or a 19% reduction in gross emissions (all categories) compared to base year (2020/21).

### 2030 target

Gross emissions (all Categories) to be no more than 402.34 t CO<sub>2</sub>e, or a 42% reduction in gross emissions (all categories) compared to base year (2020/21).



**Figure 14: Total Gross Greenhouse Gas Emissions Per Full Time Equivalent 2020/21 to 2022/23**

Our emissions per FTE (t CO<sub>2</sub>e) have decreased by 6% compared to our 2020/21 baseline year. This is mainly due to lower people numbers in 2022/23.

## Our reduction plan and future reporting

### Challenges

Travel remains essential for our onsite reviews of schools and early learning services, but it also represents our highest areas of carbon emissions. Reducing travel related emissions while maintaining our required level of reviews poses a significant challenge. However, by continuing our focus on this area, we have the potential to make the most significant gains in our sustainability efforts.

In 2023/24 we'll focus on developing and embedding longer term initiatives to allow us to meet our long-term sustainability goals.

### Plans

We continue our efforts to reduce our carbon footprint in line with the commitment for the public service to be carbon-neutral by 2025. Our plans for the 2023/24 financial year include:

- Updating our travel policy and guidance to sustainably achieve our target of a 5% year-on-year reduction in air travel to 2025/26.
- As our building leases come up for expiry in the next 3 years, we'll review how to utilise floor space more effectively, lighting and heating options, and opportunities to relocate to higher NABERSNZ rated premises.
- Reducing taxi and rental car emissions, by exploring options to switch to electric taxis and electric and low-emission rental cars.
- Transitioning to a fully electric vehicle fleet by year 2025/26.

## Data quality

Due to materiality and unavailability of data the following sources were not included in our emissions inventory results in 2022/23:

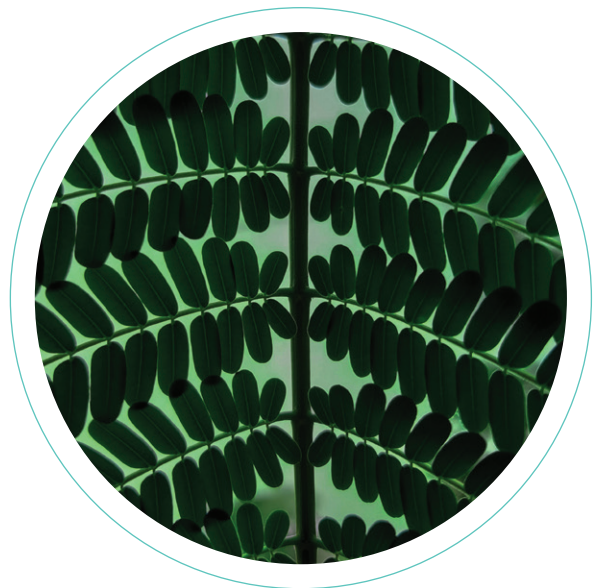
- Electricity for Whanganui office.
- Small value travel.

In 2022/23 we'll focus on improving data in the following areas:

- Working with waste pickup providers to obtain more accurate waste weights.
- Conducting working from home surveys twice a year with encouragement for a higher response rate.

We'll continue to monitor excluded sources to ensure they remain immaterial.

Note: Previous years' results have been adjusted to reflect the latest carbon factors available, so there is consistency across years. The changes do not materially alter our results but ensure previous years are comparative with 2022/23.





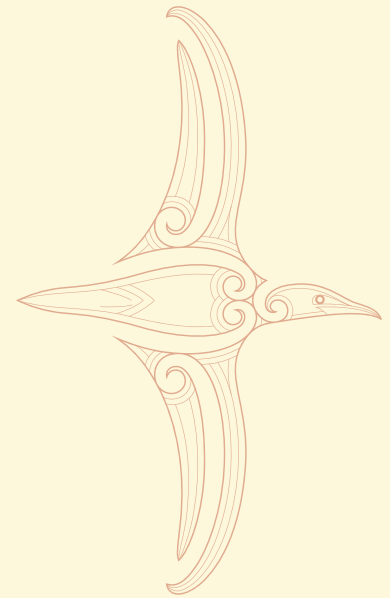
# 4.

## **Aroturuki Tamariki** The Independent Children's Monitor

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On 1 May 2023 Aroturuki Tamariki — the Independent Children's Monitor became an operationally independent departmental agency. It is hosted by the Education Review Office, which means we provide back-office services such as finance, payroll and technology.

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## What we did this year

We strengthened and developed administrative and back-office systems to ensure we can provide Aroturuki Tamariki – the Independent Children’s Monitor with the services they need. These include human resources, finance, payroll, security and information technology. The Corporate Services team will continue to do further work in this area.

Aroturuki Tamariki has full operational autonomy from us, ensuring that their work, and focus on the tamariki in the oranga tamariki system remains their priority.

From 1 July 2019 to 1 May 2023, Aroturuki Tamariki was a business unit of the Ministry of Social Development. It was initially established to monitor compliance with the National Care Standards (NCS) Regulations, publishing three initial reports on Regulations 69 and 85, followed by two full annual reports for 2020/2021 and 2021/2022 on compliance with all NCS Regulations.

The Oversight of the Oranga Tamariki System Act 2022 formally established the role of Independent Monitor of the oranga tamariki system. From 1 May 2023, Aroturuki Tamariki monitors compliance with the Oranga Tamariki Act 1989 and associated standards and regulations, including the NCS Regulations.

Aroturuki Tamariki does this by monitoring system performance and uses an outcomes approach for tamariki and rangatahi who are in care, or at risk of coming into care. In other words, all tamariki and rangatahi who are known to Oranga Tamariki. It also looks at quality of practice, and identifies areas for improvement, across the system.

The stories and lived experiences of tamariki and rangatahi, their whānau, caregivers and community are at the centre of its monitoring approach. It also listens to kaimahi from government organisations (such as Oranga Tamariki, Police, health and education) and community organisations including iwi and Māori organisations and those with care and custody of tamariki and rangatahi.

In the 2022/2023 year, it listened to more than 1,000 voices of experience. It combines this information with data it requests from monitored agencies, such as Oranga Tamariki to inform its reports.



## Aroturuki Tamariki will report on monitoring findings through the following:

- annually reporting on compliance with the National Care Standards Regulations
- annually reporting on the performance of the oranga tamariki system in respect of outcomes being achieved for tamariki and rangatahi Māori and their whānau
- three-yearly reporting on the state of the oranga tamariki system
- several review reports per year on any topic within the oranga tamariki system.

Aroturuki Tamariki works closely with the Office of the Children and Young People's Commission and the Ombudsman to provide oversight of the oranga tamariki system, ensuring there is no wrong door for tamariki, rangatahi and whānau.

By 1 May 2023, Aroturuki Tamariki had a bigger team in place ready for its expanded role, including the appointment of its own Chief Executive, who is also a statutory officer of Parliament.

The emphasis of the mahi of Aroturuki Tamariki is to be out in communities listening to the voices of those experiencing the Oranga Tamariki system. This means around 60% of its kaimahi are operational. Its monitoring teams are based in Tāmaki Makaurau (Auckland), Te Whanganui-a-Tara (Wellington) and Ōtautahi (Christchurch).

As an appropriation within Vote Education Review Office – Independent Monitoring and Assurance of the Oranga Tamariki System – financial and performance reporting for Aroturuki Tamariki appears in this annual report. Aroturuki Tamariki will operate under its own Strategic Intentions and will report on performance against these in its own annual report from 2023/2024 onwards.



# 5.

**Ngā pūrongo pūtea,  
ngā tutukihnga  
ratonga hoki**

Financial Statements  
and Performance

# Statement of responsibility

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I am responsible, as Chief Executive of the Education Review Office (ERO), for:

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- the preparation of ERO's financial statements, and statements of expenses and capital expenditure, and for the judgements expressed in them;
- having in place a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting;
- ensuring that end-of-year performance information on the appropriations administered by ERO is provided in accordance with section 19A to 19C of the Public Finance Act 1989 included in this annual report; and
- the accuracy of any end-of-year performance information prepared by ERO included in this annual report.

In my opinion:

- the annual report fairly reflects the operations, progress, and the organisational health and capability of ERO;
- the financial statements fairly reflect the financial position of ERO as at 30 June 2023 and its operations for the year ended on that date; and
- the forecast financial statements fairly reflect the forecast financial position of ERO as at 30 June 2024 and its operations for the year ending on that date.

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke, representing the signature of Nicholas Pole.

**Nicholas Pole**

Chief Executive  
28 September 2023



# Te pūrongo a te kaitātari kaute motuhake

## Independent Auditor's Report

To the readers of Education Review Office's Annual Report for the year ended 30 June 2023

The Auditor-General is the auditor of Education Review Office (the Department). The Auditor-General has appointed me, Grant Taylor, using the staff and resources of Ernst & Young, to carry out, on his behalf, the audit of:

- the financial statements of the Department on pages 84 to 106, that comprise the statement of financial position, statement of commitments, statement of contingent liabilities and contingent assets as at 30 June 2023, the statement of comprehensive revenue and expense, statement of changes in equity, and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information;
- the performance information for the appropriations administered by the Department for the year ended 30 June 2023 on pages 26 to 52 and 76 to 81;
- the statements of expenses and capital expenditure of the Department for the year ended 30 June 2023 on pages 82 to 83.

### Opinion

In our opinion:

- the financial statements of the Department on pages 84 to 106

- present fairly, in all material respects:
  - its financial position as at 30 June 2023; and
  - its financial performance and cash flows for the year ended on that date; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity reporting standards.
- the performance information for the appropriations administered by the Department for the year ended 30 June 2023 on page 26 to 52 and 76 to 81:
  - presents fairly, in all material respects:
    - what has been achieved with the appropriation; and
    - the actual expenses or capital expenditure incurred as compared with the expenses or capital expenditure that were appropriated or forecast to be incurred; and
  - complies with generally accepted accounting practice in New Zealand.
- the statements of expenses and capital expenditure of the Department on pages 82 to 83 are presented, in all material respects, in accordance with the requirements of section 45A of the Public Finance Act 1989





Our audit was completed on 28 September 2023. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Chief Executive and our responsibilities relating to the information to be audited, we comment on other information, and we explain our independence.

## Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Responsibilities of the Chief Executive for the information to be audited

The Chief Executive is responsible on behalf of the Department for preparing:

- financial statements that present fairly the Department's financial position, financial performance, and its cash flows, and that comply with generally accepted accounting practice in New Zealand.
- performance information that presents fairly what has been achieved with each

appropriation, the expenditure incurred as compared with expenditure expected to be incurred, and that complies with generally accepted accounting practice in New Zealand.

- statements of expenses and capital expenditure of the Department, that are presented fairly, in accordance with the requirements of the Public Finance Act 1989.

The Chief Executive is responsible for such internal control as is determined is necessary to enable the preparation of the information to be audited that is free from material misstatement, whether due to fraud or error.

In preparing the information to be audited, the Chief Executive is responsible on behalf of the Department for assessing the Department's ability to continue as a going concern. The Chief Executive is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to merge or to terminate the activities of the Department, or there is no realistic alternative but to do so.

The Chief Executive's responsibilities arise from the Public Finance Act 1989.

## Responsibilities of the auditor for the information to be audited

Our objectives are to obtain reasonable assurance about whether the information we audited, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions



of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of the information we audited.

For the budget information reported in the information we audited, our procedures were limited to checking that the information agreed to the Department's information on strategic intentions.

We did not evaluate the security and controls over the electronic publication of the information we audited.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit.

Also:

- We identify and assess the risks of material misstatement of the information we audited, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive.
- We evaluate the appropriateness of the reported performance information for the

appropriations administered by the Department.

- We conclude on the appropriateness of the use of the going concern basis of accounting by the Chief Executive and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Department's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the information we audited or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Department to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the information we audited, including the disclosures, and whether the information we audited represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Chief Executive regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

## Other information

The Chief Executive is responsible for the other information. The other information comprises the information included on pages 11 to 26 and 53 to 69, but does not include the information we audited, and our auditor's report thereon.



Our opinion on the information we audited does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the information we audited or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Independence

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We are independent of the Department in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) (PES 1) issued by the New Zealand Auditing and Assurance Standards Board.

Other than in our capacity as auditor, we have no relationship with, or interests, in the Department.

A handwritten signature in black ink, appearing to be 'Grant Taylor', with a long horizontal flourish extending to the right.

**Grant Taylor**  
Ernst & Young

On behalf of the Auditor-General  
Wellington, New Zealand

# Performance information for appropriations

for the year ended 30 June 2023

This section provides an assessment of our delivery against the performance measures set out in the Vote Education Review Office 2022/23 Estimates of Appropriation and those as amended by the 2022/23 Supplementary Estimates.

## Education Review Office

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### Evaluations of the Quality of Education

#### Scope

This appropriation is limited to evaluations of national and local education programmes and providers and to evaluation services provided to third parties under contract.

#### What we intended to achieve

This appropriation is intended to achieve improvements in teaching and learning practices by assisting early childhood learning services, schools and other education service providers to improve their capacity in internal evaluation, governance and leadership through ERO's independent evaluations. It also includes 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.

## What we achieved

Actual 2022		Note	Actual 2023	Target 2023
<b>Monitor and Evaluate</b>				
New measure	Review resources are applied in accordance with the priority framework	1	31%	Baseline year
55%	Progress of bringing schools onto the new schooling review approach	2	75%	>80%
New measure	Percentage of schools/kura that have been assessed for compliance with legal and regularity requirements	3	38%	>33%
<b>Influence</b>				
74%	Percentage of early childhood learning services that indicate ERO's evaluations are making a contribution to their decisions about how to improve learner outcomes	4	86%	>80%
76%	Percentage of early childhood learning service respondents that indicate that their ERO evaluation had helped to identify or confirm opportunities for more effective practice and building capacity	4	84%	>80%
68%	Percentage of schools that indicate ERO's evaluations are making a contribution to their decisions about how to improve learner outcomes	5	68%	>80%
72%	Percentage of school respondents that indicate that their ERO evaluation had helped to identify or confirm opportunities for more effective practice and building capacity	5	72%	>80%
100%	Key audiences report that ERO's national evaluations are informative and useful for identifying or planning improvement within the system or its component parts.	6	96%	100%

*Note 1: Under the new schooling review approach for English-medium schools when schools are onboarded, they are assessed against a priority framework that determines their ongoing resourcing requirements. The resourcing requirements allow for between 3 to 24 days per school across a three-year review cycle. The calculation allows for flexibility in the application of resources. The results this year reflect those schools that had a Profile Report completed before 30 June 2022.*

*Note 2: This is the proportion of eligible schools that were notified and ERO had completed some evaluation activity on or before 30 June 2023. The actual result reflects that ERO had vacancies in its schooling team during 2022/23 which resulted in a limit in the number of schools we could onboard and the higher levels of illness during the year.*

*Note 3: This is measured through a confirmed Board Assurance Statement which is conducted every three years for English medium which, under the new schooling review approach, has an ongoing relationship and in Māori medium as part of each periodic review. More information on this assessment can be found on ERO's website*

*Note 4: ERO conducts online surveys of services that they have reviewed that year.*

*Note 5: ERO conducted an online survey of schools that received a Profile Report during the year. ERO and the sector are adjusting to the new review approach and both managing ongoing workforce issues of absence due to illness and turnover, whilst schools faced challenges of student attendance and engagement.*

*Note 6: Surveys are carried out for each of the research projects, or evaluations. For each piece of work a group of key stakeholders are identified, which can include education peak bodies, unions and government agencies as well as the teachers, kaiako, and leaders that attended any webinars or events. Each report has a different set of key stakeholders, depending on the nature of the material and the intended impact of the evaluation. The responses are summarised below:*

	Not Useful	Somewhat useful	Useful	Very useful	Total
Not informative	2	0	0	1	3
Somewhat informative	1	1	0	0	2
Informative	1	3	19	2	25
Very Informative	0	1	9	40	50
<b>Total</b>	<b>4</b>	<b>5</b>	<b>28</b>	<b>43</b>	<b>80</b>

### Financial performance

Actual 2022 \$000		Actual 2023 \$000	Unaudited main estimates 2023 \$000	Unaudited supps. estimates 2023 \$000
<b>Revenue</b>				
34,807	Revenue Crown	36,826	36,795	36,826
775	Other revenue	1,102	1,000	1,250
<b>35,582</b>	<b>Total revenue</b>	<b>37,928</b>	<b>37,795</b>	<b>38,076</b>
<b>34,514</b>	<b>Total expenses</b>	<b>35,789</b>	<b>37,795</b>	<b>38,076</b>

### Establishing Aroturuki Tamariki – Independent Children’s Monitor

#### Scope

This appropriation is limited to establishing Aroturuki Tamariki—Independent Children’s Monitor as a departmental agency hosted by the Education Review Office (ERO).

#### What we intended to achieve

This appropriation is intended to achieve the establishment of Aroturuki Tamariki as a departmental agency hosted by ERO. ERO’s activities include project implementation and oversight and setting up systems and processes to support the ongoing hosting arrangements for Aroturuki Tamariki so that it can deliver on its legislative purpose. This appropriation is limited to 2022/23 and 2023/24 to complete the establishment activities.

#### What we achieved

Actual 2022		Note	Actual 2023	Target 2023
New measure	ERO will manage the establishment of Aroturuki Tamariki – Independent Children’s Monitor within ERO within the agreed budget	1	Achieved	Achieved

Note 1: This appropriation was underspent in 2022/23.

## Financial performance

Actual 2022 \$000		Actual 2023 \$000	Unaudited main estimates 2023 \$000	Unaudited supps. estimates 2023 \$000
<b>Revenue</b>				
-	Revenue Crown	1,850	-	1,850
-	Other revenue	-	-	-
-	<b>Total revenue</b>	<b>1,850</b>	<b>-</b>	<b>1,850</b>
-	<b>Total expenses</b>	<b>1,438</b>	<b>-</b>	<b>1,850</b>

## Capital Expenditure Permanent Legislative Authority

## Scope

This appropriation is limited to the purchase or development of assets by and for the use of the Education Review Office (ERO), as authorised by section 24(1) of the Public Finance Act 1989.

## What we intended to achieve

This appropriation is intended to achieve the renewal and replacement of ERO's assets that support the delivery of its services.

## What we achieved

Actual 2022		Note	Actual 2023	Target 2023
11%	Expenditure is in accordance with ERO's capital expenditure plan	1	62%	75%-100%

*Note 1: ERO's capital expenditure during the year was lower than expected due to delays in the refit of its Napier office and delays in planned asset replacements due to the additional work required to establish the new departmental agency.*

## Financial performance

Actual 2022 \$000		Actual 2023 \$000	Unaudited main estimates 2023 \$000	Unaudited supps. estimates 2023 \$000
129	Total capital expenditure	541	1,000	876

## Aroturuki Tamariki

### Independent Children's Monitor

#### Independent Monitoring and Assurance of the Oranga Tamariki System

##### Scope

This appropriation is limited to independent monitoring of compliance with, and delivery of, the Oranga Tamariki system and related regulations and standards.

##### What we intended to achieve

This appropriation is intended to achieve a strengthened independent monitoring and assurance function to provide oversight of the Oranga Tamariki system.

##### What we achieved

Actual 2022		Note	Actual 2023	Target 2023
New measure	Reports on the Monitor's findings in relation to compliance with the Oranga Tamariki (National Care Standards and Related Matters) Regulations will be provided to the Minister for Children within timeframes agreed with the Minister	1	Achieved	Achieved
New measure	Complete visits to at least three regions each year to understand how the Oranga Tamariki system is experienced	2	Achieved	Achieved

Aroturuki Tamariki operated as a business unit within the Ministry of Social Development (MSD) until 30 April 2023. Performance is reported across the 2022/23 year which includes activity completed under MSD. Additional information is available in MSD's 2022/23 annual report.

*Note 1: The Experiences of Care in Aotearoa report on findings in relation to compliance with the Oranga Tamariki (National Care Standards and Related Matters) Regulations for 2021/22, was provided to the Minister for Children on 2 December 2022 and published on the Aroturuki Tamariki website on 1 February 2023. This measure will be retired and replaced in 2023/24 to reflect the expanded scope of Aroturuki Tamariki from 1 May 2023 under the Oversight of Oranga Tamariki System Act 2022.*

*Note 2: Our monitoring schedule aims to cover all 10 regions of the country every three years, with over three regions visited most years and three completed visits every year. A monitoring schedule usually takes approximately 14 weeks and for two to three of those weeks, our monitoring teams are out visiting in a community. The monitoring period ends with a share back report, where we share with the community what we heard from them. Aroturuki Tamariki completed sharing back to the Lower South region in November 2022 and the Greater Wellington and Waikato regions in June 2023.*



## Financial performance

Actual 2022 \$000		Actual 2023 \$000	Unaudited main estimates 2023 \$000	Unaudited supps. estimates 2023 \$000
<b>Revenue</b>				
-	Revenue Crown	2,800	-	2,800
-	Other revenue	-	-	-
-	<b>Total revenue</b>	<b>2,800</b>	<b>-</b>	<b>2,800</b>
-	<b>Total expenses</b>	<b>2,156</b>	<b>-</b>	<b>2,800</b>

## Reconciliation of Appropriations to Comprehensive Revenue and Expenses

	Establishing the Independent Children's Monitor \$000	Evaluations of the Quality of Education \$000	Independent Monitoring and Assurance of the Oranga Tamariki System \$000	Comprehensive Revenue/ Expenses \$000
Revenue Crown	1,850	36,826	2,800	41,476
Revenue Department and Other	-	1,102	-	1,102
Eliminations of inter-entity transactions	-	(46)	-	(46)
<b>Total Revenue after Eliminations</b>	<b>1,850</b>	<b>37,882</b>	<b>2,800</b>	<b>42,532</b>
Expenses	1,438	35,789	2,156	39,383
Eliminations of inter-entity transactions	-	-	(46)	(46)
<b>Expenses after eliminations</b>	<b>1,438</b>	<b>35,789</b>	<b>2,110</b>	<b>39,337</b>

# Ngā tauākī wāwāhinga

## Appropriation statements

The following statements report information about the expenses and capital incurred against the appropriations administered by ERO for the year ended 30 June 2023. They are prepared on a GST exclusive basis.

### Statement of budgeted and actual expenses and capital expenditure incurred against appropriations for the year ended 30 June 2023

Expenditure after remeasurements 2022 \$000		Expenditure before remeasurements 2023 \$000	Expenditure after remeasurements 2023 \$000	Approved Appropriation 2023 \$000
	<b>Vote Education Review Office</b>			
	<b>Departmental output expenses</b>			
34,542	Evaluations of Quality Education	35,789	35,691	38,076
-	- Establishing the Independent Children's Monitor	1,438	1,438	1,850
-	- Independent Monitoring and Assurance of the Oranga Tamariki System	2,156	2,152	2,800
	<b>Permanent Legislative Authority (PLA)</b>			
129	Capital Expenditure PLA	541	541	876
<b>34,671</b>	<b>Total Annual and Permanent Appropriations</b>	<b>39,924</b>	<b>39,924</b>	<b>43,602</b>

The appropriation figures are those presented in the 2022/23 Estimates of Appropriations, as amended by the 2022/23 Supplementary Estimates.

End of year performance information for each appropriation can be found on pages 76 to 88.

## Statement of expenses and capital expenditure incurred without appropriation or other authority, or in excess of an existing appropriation or other authority for the year ended 30 June 2023

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ERO has not incurred expenses or capital expenditure without, or in excess of appropriation, or other authority (2022: nil).

## Statement of Departmental Capital Injections for the year ended 30 June 2023

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Actual 2022 \$000		Actual 2023 \$000	Approved appropriation 2023 \$000
-	Capital Injection	6,507	6,798

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## Statement of departmental capital injections without, or in excess of, authority for the year ended 30 June 2023

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ERO has not received any capital injections during the year, without, or in excess of, authority (2022: nil).

# Ngā tauākī pūtea

## Financial statements

### Statement of comprehensive revenue and expense for the year ended 30 June 2023

Actual 2022		Notes	Actual 2023	Unaudited Budget 2023	Unaudited Forecast 2024
\$000			\$000	\$000	\$000
<b>Revenue</b>					
34,807	Revenue Crown	2	41,476	36,795	50,176
775	Other revenue	2	1,056	1,000	1,000
<b>35,582</b>	<b>Total revenue</b>		<b>42,532</b>	<b>37,795</b>	<b>51,176</b>
<b>Expenses</b>					
25,045	Personnel	3	26,342	27,274	36,596
8,076	Other expenses	4	11,690	9,095	13,032
1,198	Depreciation and amortisation	8,9	1,140	1,241	1,200
195	Capital charge	5	165	165	348
<b>34,514</b>	<b>Total expenses</b>		<b>39,337</b>	<b>37,775</b>	<b>51,176</b>
<b>1,068</b>	<b>Surplus</b>		<b>3,195</b>	<b>20</b>	<b>-</b>
-	Other comprehensive revenue and expense		-	-	-
<b>1,068</b>	<b>Total comprehensive revenue and expense</b>		<b>3,195</b>	<b>20</b>	<b>-</b>

Explanations of major variances against the original 2023 budget are provided in Note 18.  
The accompanying notes form part of these financial statements.

## Statement of financial position

As at 30 June 2023

Actual 2022 \$000		Note	Actual 2023 \$000	Unaudited Budget 2023 \$000	Unaudited Forecast 2024 \$000
<b>Assets</b>					
<b>Current assets</b>					
6,988	Cash and cash equivalents	6	15,035	3,801	8,923
17	Receivables	7	120	65	65
130	Prepayments		334	103	103
<b>7,135</b>	<b>Total Current Assets</b>		<b>15,489</b>	<b>3,969</b>	<b>9,091</b>
<b>Non-Current Assets</b>					
3,199	Property, plant, and equipment	8	2,723	3,463	2,969
288	Intangible assets	9	173	922	72
<b>3,487</b>	<b>Total Non-Current Assets</b>		<b>2,896</b>	<b>4,385</b>	<b>3,041</b>
<b>10,622</b>	<b>Total Assets</b>		<b>18,385</b>	<b>8,354</b>	<b>12,132</b>
<b>Liabilities</b>					
<b>Current Liabilities</b>					
1,558	Payables and deferred revenue	10	2,946	1,325	1,325
-	Derivative financial instruments	15	1	-	-
1,068	Repayment of surplus		3,195	20	-
208	Provisions	11	361	263	263
67	Lease incentive	12	67	67	67
2,906	Employee entitlements	13	3,497	1,922	2,065
<b>5,807</b>	<b>Total Current Liabilities</b>		<b>10,067</b>	<b>3,597</b>	<b>3,720</b>
<b>Non-Current Liabilities</b>					
-	Derivative financial instruments	15	4	-	-
1,073	Provisions	11	1,074	1,018	1,018
159	Lease incentive	12	92	92	92
276	Employee entitlements	13	334	340	340
<b>1,508</b>	<b>Total Non-Current Liabilities</b>		<b>1,504</b>	<b>1,450</b>	<b>1,450</b>
<b>7,315</b>	<b>Total Liabilities</b>		<b>11,571</b>	<b>5,047</b>	<b>5,170</b>
<b>Equity</b>					
3,307	Taxpayers' funds		6,814	3,307	6,962
<b>3,307</b>	<b>Total Equity</b>		<b>6,814</b>	<b>3,307</b>	<b>6,962</b>
<b>10,622</b>	<b>Total Liabilities and Equity</b>		<b>18,385</b>	<b>8,354</b>	<b>12,132</b>

Explanations of major variances against the original 2023 budget are provided in Note 18.  
The accompanying notes form part of these financial statements.

## Statement of changes in equity

for the year ended 30 June 2023

Actual 2022 \$000		Actual 2023 \$000	Unaudited Budget 2023 \$000	Unaudited Forecast 2024 \$000
3,907	Balance at 1 July	3,307	3,307	6,962
1,068	Total comprehensive revenue and expense	3,195	20	-
	<b>Owner transactions</b>			
-	Capital withdrawals	(3,000)	-	-
(600)	Capital injections	6,507	-	-
(1,068)	Repayment of surplus to the Crown	(3,195)	(20)	-
<b>3,307</b>	<b>Balance at 30 June</b>	<b>6,814</b>	<b>3,307</b>	<b>6,962</b>

Explanations of major variances against the original 2023 budget are provided in Note 18.  
The accompanying notes form part of these financial statements.

## Statement of cash flows

for the year ended 30 June 2023

Actual 2022		Actual 2023	Unaudited Budget 2023	Unaudited Forecast 2024
\$000		\$000	\$000	\$000
<b>Cash flows from operating activities</b>				
34,807	Receipts from Revenue Crown	41,476	36,795	50,176
813	Receipts from other revenue	897	1,000	1,000
(24,307)	Payments to employees	(25,892)	(27,252)	(36,596)
(8,299)	<b>Payments to suppliers</b>	(10,531)	(9,201)	(13,032)
(195)	Payment for capital charge	(165)	(165)	(348)
<b>2,819</b>	<b>Net cash flows from operating activities</b>	<b>5,785</b>	<b>1,177</b>	<b>1,200</b>
<b>Cash flows from investing activities</b>				
-	Receipts from sale of property, plant and equipment	72	5	131
(92)	Purchase of property, plant and equipment	(540)	(650)	(1,177)
(30)	Purchase of intangible assets	-	(350)	-
<b>(122)</b>	<b>Net cash flows from investing activities</b>	<b>(468)</b>	<b>(995)</b>	<b>(1,046)</b>
<b>Cash flows from financing activities</b>				
(600)	Capital withdrawal	(3,000)	-	-
-	Capital Injection	6,798	-	-
(527)	Repayment of surplus to the Crown	(1,068)	(20)	-
<b>(1,127)</b>	<b>Net cash flows from financing activities</b>	<b>2,730</b>	<b>(20)</b>	<b>-</b>
<b>1,570</b>	<b>Net increase/(decrease) in cash</b>	<b>8,047</b>	<b>162</b>	<b>154</b>
<b>5,418</b>	<b>Cash at start of the year</b>	<b>6,988</b>	<b>3,639</b>	<b>8,769</b>
<b>6,988</b>	<b>Cash at the end of the year</b>	<b>15,035</b>	<b>3,801</b>	<b>8,923</b>

Explanations of major variances against the original 2023 budget are provided in Note 18. The accompanying notes form part of these financial statements.

## Statement of cash flows

for the year ended 30 June 2023 (continued)

### Reconciliation of surplus/(deficit) to net cash flow from operating activities

Actual 2022 \$000		Actual 2023 \$000
1,068	Surplus/(deficit)	3,195
	<b>Add/(less) non-cash items</b>	
1,198	Depreciation and amortisation expense	1,140
<b>1,198</b>	<b>Total non-cash items</b>	<b>1,140</b>
	<b>Add/(less) items classified as investing or financing activities</b>	
127	(Gains)/losses on disposal of property, plant and equipment and intangibles	(14)
<b>127</b>	<b>Total items classified as investing or financing activities</b>	<b>(14)</b>
	<b>Add/less movements in statement of financial position items</b>	
4	(Increase)/decrease in receivables	(103)
(44)	(Increase)/decrease in prepayments	(204)
(125)	Increase/(decrease) in payables	1,393
(67)	Increase/(decrease) in provisions and lease incentive	(271)
658	Increase/(decrease) in employee entitlements	649
<b>426</b>	<b>Net movements in working capital items</b>	<b>1,464</b>
<b>2,819</b>	<b>Net Cash flow from operating Activities</b>	<b>5,785</b>

The accompanying notes form part of these financial statements.



## Statement of commitments

as at 30 June 2022

Actual 2022 \$000		Actual 2023 \$000
	<b>Non-cancellable operating lease commitments</b>	
1,608	Not later than one year	1,777
3,694	Later than one year and not later than five years	2,383
-	Later than five years	-
<b>5,302</b>	<b>Total non-cancellable operating lease commitments</b>	<b>4,160</b>
<b>5,302</b>	<b>Total commitments</b>	<b>4,160</b>

### Non-cancellable operating lease commitments

ERO leases all its seven offices in New Zealand, which have a non-cancellable leasing period of up to nine years.

The non-cancellable leases have varying terms, an escalation clause and renewal rights.

There are no restrictions placed on ERO by any of its leasing arrangements.

The amounts disclosed above as future commitments are based on the current rental rates.

## Statement of contingent liabilities and contingent assets

as at 30 June 2023

### Contingent assets

ERO has no contingent assets (2022: \$nil).

### Quantifiable and non-quantifiable contingent liabilities

ERO has one quantifiable contingent liability of \$28,000 (2022: nil).

ERO has no non-quantifiable contingent liabilities (2022: nil).

*The accompanying notes form part of these financial statements.*

## Notes to the financial statements

for the year ended 30 June 2023

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### 1. Statement of accounting policies

#### Reporting entity

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The Education Review Office (ERO) is a government department as defined by section 5 of the Public Service Act 2020 (PSA) and is domiciled and operates in New Zealand. The relevant legislation governing ERO's operations include the Public Finance Act 1989 (PFA), Public Service Act 2020, and the Public Accountability Act 1998. ERO's ultimate parent is the New Zealand Crown.

Aroturuki Tamariki, the Independent Children's Monitor (Aroturuki Tamariki) is a departmental agency as defined by section 2 of the Public Finance Act 1989, which is hosted within ERO. Unless explicitly stated references to ERO in these financial statements covers both ERO and Aroturuki Tamariki.

The primary objective of ERO is to provide services to the public rather than making a financial return. ERO does not operate to make a financial return. Accordingly, ERO has designated itself as a Public Benefit Entity (PBE) for financial reporting purposes.

The financial statements of ERO are for the year ended 30 June 2023 are consolidated financial statements including both ERO and Aroturuki Tamariki. They were approved for issue by the Chief Executive on 28 September 2023.

#### Basis of preparation

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The financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period.

#### Statement of compliance

The financial statements of ERO have been prepared in accordance with Tier 1 PBE Accounting Standards and the requirements of the PFA, which include the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP) and Treasury Instructions.

The financial statements have been prepared in accordance with and comply with PBE Accounting Standards.

#### Presentation currency and rounding

The financial statements are presented in New Zealand dollars (NZ\$) and all values are rounded to the nearest thousand dollars (\$000).

#### Changes in accounting policies

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##### New standards applied

##### PBE IPSAS 41 Financial instruments

PBE IPSAS 41 replaced PBE IFRS 9 Financial Instruments. The amendment does not impact ERO's financial statements due to the simple nature of ERO's financial instruments, and the requirements are similar to those contained in PBE IFRS 9.

### **PBE FRS 48 Service Performance Reporting**

PBE FRS 48 replaces the service performance reporting requirements of PBE IPSAS 1 Presentation of Financial Statements. The new standard requires ERO to provide users with:

- Sufficient contextual information to understand why the entity exists, what it intends to achieve in broad terms over the medium to long term, and how it goes about this
- Information about what the entity has done during the reporting period in working towards its broader aims and objectives.

This information has been reflected in pages 14 to 69 in this annual report.

### **Other changes**

There have been no other changes in ERO's accounting policies since the date of the last audited financial statements.

### **Standards issued and not yet effective and not early adopted**

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There are no standards and amendments, issued but not yet effective that have not been early adopted, and which are relevant to ERO.

### **Summary of significant accounting policies**

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Significant accounting policies are included in the notes to which they relate. Significant accounting policies that do not relate to a specific note are outlined below.

#### **Foreign currency transactions**

Foreign currency transactions (including those for which forward foreign exchange contracts are held) are translated into New Zealand dollars (the functional currency) using the spot exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at balance date exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the surplus or deficit.

#### **Goods and services tax (GST)**

All items in the financial statements and appropriation statements are stated exclusive of GST, except for receivables and payables, which are stated on a GST-inclusive basis. Where GST is not recoverable as input tax, then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department is included as part of receivables or payables in the statement of financial position.

The net GST paid to or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

#### **Income tax**

ERO, as a government department, is exempt from the payment of income tax. Accordingly, no provision for income tax has been provided.

## Critical accounting estimates and assumptions

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In preparing these financial statements, ERO has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are in respect of measuring:

- provision for reinstatement — refer Note 11
- retirement leave and long service leave — refer Note 13.

## Critical judgements in applying accounting policies

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Management has exercised the following critical judgements in applying accounting policies:

- Software as a Service — refer to Note 9.

## Budget and forecast figures

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The 2023 budget figures are for the year ended 30 June 2023 and were published in the 2021/22 annual report. They are consistent with ERO's best estimate financial forecast information submitted to the Treasury for the Budget Economic and Fiscal Update (BEFU) for the year ending 30 June 2023.

The 2024 forecast figures are for the year ending 30 June 2024, which are consistent with the best estimate financial forecast information submitted to Treasury for the BEFU for the year ending 30 June 2024.

The forecast financial statements have been prepared as required by the PFA to communicate forecast financial information for accountability purposes.

The budget and forecast figures are unaudited and have been prepared using the accounting policies adopted in preparing these financial statements.

The 30 June 2024 forecast figures have been prepared in accordance with PBE FRS 42 Prospective Financial Statements.

The forecast financial statements were approved for issue by the Chief Executive on 28 September 2023.

The Chief Executive is responsible for the forecast financial statements, including the appropriateness of the assumptions underlying them and all other required disclosures.

While ERO regularly updates its forecasts, updated forecast financial statements for the year ending 30 June 2024 will not be published.

## Significant assumptions used in preparing the forecast financials

The forecast figures contained in these financial statements reflect the Office's purpose and activities and are based on a number of assumptions on what may occur during the 2023/24 year. The forecast figures have been compiled on the basis of existing government policies and Ministerial expectations at the time the Main Estimates were finalised.

The main assumptions, which were adopted as at 7 April 2023 were as follows:

- ERO's activities will remain substantially the same as for the previous year.

- Personnel costs were based on current wages and salary costs, adjusted for anticipated remuneration changes.
- Operating costs were based on historical experience and other factors that are believed to be reasonable in the circumstances and are the ERO's best estimate of future costs that will be incurred.
- Estimated year-end information for 2022/23 is used as the opening position for the 2023/24 forecasts.
- Inclusion of Aroturuki Tamariki.

The actual financial results achieved for 30 June 2024 are likely to vary from the forecast information presented, and the variations may be material.

### Statement of cost allocation policies for Departmental Financial Statements

ERO has determined the cost of outputs and categories using the following cost allocation system:

- Direct costs are expenses incurred from activities in producing outputs. These costs are charged directly to the related appropriations.
- Indirect costs are expenses incurred by corporate services functions that cannot be identified with a specific output. Indirect costs are allocated to each appropriation based on full-time equivalent personnel or time allocation.

This is a new policy applied in 2022/23 with the establishment and addition of Aroturuki Tamariki.

## 2. Revenue

### Revenue Crown

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Revenue from the Crown is measured based on ERO's funding entitlement for the reporting period. The funding entitlement is established by Parliament when it passes the Appropriation Acts for the financial year. The amount of revenue recognised takes into account any amendments to appropriations approved in the Appropriation (Supplementary Estimates) Act for the year and certain other unconditional funding adjustments formally approved prior to balance date.

There are no conditions attached to the funding from the Crown. However, ERO can incur expenses only within the scope and limits of its appropriations.

The fair value of Revenue Crown has been determined to be equivalent to the funding entitlement.

### Other revenue

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ERO derives revenue from the provision of services to third parties and rent recoveries.

Services provided to third parties on commercial terms are exchange transactions. Revenue from these services is recognised at the time of completion of the services or in accordance with the terms of specific contracts.

Rental revenue under an operating sublease is recognised as revenue on a straight-line basis over the term of the lease term.

### Breakdown of other revenue

Actual 2022 \$000		Actual 2023 \$000
663	Sale of services	972
112	Rental revenue from sub-leases	63
-	Other revenue	21
<b>775</b>	<b>Total other revenue</b>	<b>1,056</b>

## 3. Personnel

### Salaries and wages

Salaries and wages are recognised as an expense as employees provide services.

### Superannuation schemes

Employee contributions to the State Sector Retirement Savings Scheme, KiwiSaver, and the Government Superannuation Fund<sup>36</sup> are accounted for as defined contribution superannuation schemes and are expensed in the surplus or deficit as incurred.

Actual 2022 \$000		Actual 2023 \$000
23,457	Salaries and wages	25,400
797	Employer contribution to superannuation schemes	815
722	Increase/(decrease) in employee entitlements	57
69	Other	70
<b>25,045</b>	<b>Total personnel</b>	<b>26,342</b>

## 4. Other expenses

### Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset.

Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

Lease incentives received are recognised in the surplus or deficit as a reduction of rental expense over the lease term.

## Other expenses

Other expenses are recognised as goods and services are received.

Actual 2022 \$000		Actual 2023 \$000
90	Fees to auditors for audit of the financial statements	116
1,395	Consultancy and contractors	2,041
1,612	Information technology costs	2,629
1,953	Property costs	2,128
173	Publication costs	601
1,390	Travel	2,090
127	Net loss on disposal of property, plant and equipment and intangible assets	7
-	Net loss on foreign exchange derivatives	5
1,336	Other expenses	2,073
<b>8,076</b>	<b>Total operating costs</b>	<b>11,690</b>

## 5. Capital charge

The capital charge is recognised as an expense in the financial year to which the charge relates.

ERO pays a capital charge to the Crown on its equity as at 30 June and 31 December each year. The capital charge rate for the year ended 30 June 2023 was 5% (2022: 5%).

## 6. Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less. ERO is permitted to expend its cash and cash equivalents only within the scope and limits of its appropriations.

## 7. Receivables

Short-term receivables are recorded at the amount due less an allowance for credit losses when probable. ERO has applied the simplified expected credit loss model of recognising lifetime expected credit losses for receivables and no loss allowance has been recognised. ERO predominantly transacts with public service entities with no credit risks.

Actual 2022 \$000		Actual 2023 \$000
17	Receivables from contractual services	120
<b>17</b>	<b>Total receivables</b>	<b>120</b>

## 8. Property, plant and equipment

Property, plant, and equipment consists of leasehold improvements, furniture and fittings, office equipment, computer hardware and motor vehicles.

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses.

The initial cost of property, plant and equipment includes the purchase consideration and those costs that are directly attributable to bringing the asset into the location and condition necessary for its intended purpose.

Capitalisation thresholds applied for individual assets or group of assets are set out as follows:

Capitalisation Thresholds	\$
Computer hardware, office equipment, furniture and fittings and leasehold improvements	1,500
Motor vehicles	5,000

### Additions

The cost of an item of property, plant, and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to ERO and the cost of the item can be measured reliably.

Work in progress is recognized at cost less impairment and is not depreciated.

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

### Disposals

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the surplus or deficit.

### Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probably that future economic benefits or service potential associated with the item will flow to ERO and the cost if the item can be measured reliably.

### Depreciation

Depreciation is charged on property, plant and equipment on a straight-line basis over their estimated useful lives, which will write off the cost of the assets to their estimated residual value.

The estimated useful life, residual values and associated depreciation rates applied to each class of property, plant and equipment are as follows:



Depreciation of Property, Plant and Equipment	Estimated Useful Life (Years)	Depreciation Rates (%)	Residual Values (%)
Computer hardware	4	25	-
Motor vehicles	4-5	20-25	25
Office equipment	5	20	-
Furniture and fittings	10	10	-

Leasehold improvements are depreciated over the shorter of the unexpired period of the lease or the estimates remaining useful lives of the improvements.

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

### Impairment

Property, plant, and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount might not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is determined using an approach based on either a depreciated replacement cost approach, a restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written down to its recoverable amount. The impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss is also recognised in the surplus or deficit.

Movements for each class of property, plant, and equipment are as follows:

	Computer Hardware \$000	Motor Vehicles \$000	Office Equipment \$000	Furniture & Fittings \$000	Leasehold Improvements \$000	Total \$000
<b>Cost</b>						
<b>Balance at 1 July 2021</b>	<b>1,225</b>	<b>2,059</b>	<b>494</b>	<b>800</b>	<b>2,908</b>	<b>7,486</b>
Additions	82	-	9	11	-	102
Disposals	(125)	-	(53)	-	(20)	(198)
<b>Balance as at 30 June 2022</b>	<b>1,182</b>	<b>2,059</b>	<b>450</b>	<b>811</b>	<b>2,888</b>	<b>7,390</b>
Additions	260	219	62	-	-	541
Transfer from MSD	-	-	-	-	253	253
Disposals	(286)	(139)	(94)	(3)	(200)	(722)
<b>Balance as at 30 June 2023</b>	<b>1,156</b>	<b>2,139</b>	<b>418</b>	<b>808</b>	<b>2,941</b>	<b>7,462</b>

	Computer Hardware \$000	Motor Vehicles \$000	Office Equipment \$000	Furniture & Fittings \$000	Leasehold Improvements \$000	Total \$000
<b>Accumulated Depreciation</b>						
<b>Balance at 1 July 2021</b>	<b>(665)</b>	<b>(535)</b>	<b>(362)</b>	<b>(325)</b>	<b>(1,508)</b>	<b>(3,395)</b>
Depreciation	(211)	(339)	(72)	(84)	(280)	(986)
Disposals – Costs	117	-	53	-	20	190
<b>Balance as at 30 June 2022</b>	<b>(759)</b>	<b>(874)</b>	<b>(381)</b>	<b>(409)</b>	<b>(1,768)</b>	<b>(4,191)</b>
Depreciation	(235)	(306)	(54)	(102)	(328)	(1,025)
Transfer from MSD	-	-	-	-	(186)	(186)
Disposals	279	88	93	3	200	663
<b>Balance at 30 June 2023</b>	<b>(715)</b>	<b>(1,092)</b>	<b>(342)</b>	<b>(508)</b>	<b>(2,082)</b>	<b>(4,739)</b>
<b>Carrying Amounts</b>						
As at 30 June and 1 July 2021	560	1,524	132	475	1,400	4,091
As at 30 June and 1 July 2022	423	1,185	69	402	1,120	3,199
<b>As at 30 June 2023</b>	<b>441</b>	<b>1,047</b>	<b>76</b>	<b>300</b>	<b>859</b>	<b>2,723</b>

There are no restrictions over the title of ERO's property, plant and equipment and no assets are pledged as security for liabilities.

## 9. Intangibles

Intangible assets with finite lives are stated at cost less amortisation and any impairment losses.

Acquired intangible assets are initially recorded at cost. The cost of an internally generated intangible asset represents expenditure incurred in the development phase of the asset only. The development phase occurs after the following can be demonstrated: technical feasibility; ability to complete the asset; intention and ability to sell or use; and when the development expenditure can be reliably measured.

Where an intangible asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

Capitalisation thresholds applied for individual assets or group of intangible assets are set out as follows:

Capitalisation Thresholds	\$
Computer software	1,500

## Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each financial year is recognised in surplus or deficit. The estimated useful lives and associated amortisation rates applied to these assets are as follows:

	Estimate useful life (years)	Amortisation rates (%)
Computer software	4	25
Review procedures	5	20

## Impairment

Intangible assets subsequently measured at cost that have an indefinite useful life, or are not yet available for use, are tested annually for impairment, irrespective of whether there is any indicator of impairment.

For further details, refer to the policy for impairment of property, plant, and equipment in note 8. The same approach applies to the impairment of intangible assets.

## Critical judgements in applying accounting policies

### Software as a Service (SaaS) arrangements

SaaS arrangements are service contracts providing ERO with the right to access the cloud provider's application software over the contract period. As such the ERO does not receive a software intangible asset at the contract commencement date.

Costs incurred for the development of software code that enhances or modifies, or creates additional capability to, existing on-premise systems and meets the definition of and recognition criteria for an intangible asset are recognised as intangible software assets.

Movements for each class of intangible asset are as follows:

	Computer Software \$000	Review Procedures \$000	Total \$000
<b>Cost</b>			
<b>Balance at 1 July 2021</b>	<b>2,007</b>	<b>1,384</b>	<b>3,391</b>
Additions	27	-	27
Disposals	(1,601)	(1,355)	(2,956)
<b>Balance as at 30 June 2022</b>	<b>433</b>	<b>29</b>	<b>462</b>
Additions	-	-	-
Disposals	-	-	-
<b>Balance as at 30 June 2023</b>	<b>433</b>	<b>29</b>	<b>462</b>

	Computer Software \$000	Review Procedures \$000	Total \$000
<b>Accumulated Amortisation</b>			
Balance at 1 July 2021	(1,464)	(1,338)	(2,802)
Amortisation	(165)	(47)	(212)
Disposals	1,484	1,356	2,840
<b>Balance as at 30 June 2022</b>	<b>(145)</b>	<b>29</b>	<b>(174)</b>
Amortisation	(115)	-	(115)
Disposals	-	-	-
<b>Balance as at 30 June 2023</b>	<b>(260)</b>	<b>29</b>	<b>(289)</b>
<b>Carrying Amounts</b>			
As at 30 June and 1 July 2021	543	46	589
As at 30 June and 1 July 2022	288	-	288
<b>As at 30 June 2023</b>	<b>173</b>	<b>-</b>	<b>173</b>

There are no restrictions over the title of ERO's intangible assets, nor are any intangible assets pledged as security for liabilities.

## 10. Payables and deferred revenue

Short-term payables are recorded at the amount payable.

Actual 2022 \$000		Actual 2023 \$000
362	Creditors	757
649	Accrued expenses	1,401
162	Income in advance for contractual services	126
<b>1,173</b>	<b>Payables and deferred revenue under exchange transactions</b>	<b>2,284</b>
385	Tax Payables (inc GST, FBT and PAYE)	662
<b>385</b>	<b>Payables and deferred revenue under non-exchange transactions</b>	<b>662</b>
<b>1,558</b>	<b>Total payables and deferred revenue</b>	<b>2,946</b>

The carrying value of creditors and other payables approximate their fair value as they are normally settled within three months.

## 11. Provisions

### Reinstatement provision

ERO and Aroturuki Tamariki have reinstatement obligations at the termination of some of their property leases.

Actual 2022 \$000		Actual 2023 \$000
	<b>Current portion</b>	
208	Reinstatement	361
<b>208</b>	<b>Total current portion at end of year</b>	<b>361</b>
	<b>Non-current portion</b>	
1,073	Reinstatement	1,074
<b>1,073</b>	<b>Total non-current portion at end of year</b>	<b>1,074</b>
<b>1,281</b>	<b>Total provisions at end of year</b>	<b>1,435</b>
	<b>Reinstatement</b>	
1,281	Balance at start of year	1,281
-	Additional provision during the year	216
-	Unused amounts reversed	(62)
<b>1,281</b>	<b>Total reinstatement provision at end of year</b>	<b>1,435</b>
<b>1,281</b>	<b>Total provisions at end of year</b>	<b>1,435</b>

## 12. Lease incentives

Lease incentives received are recognised in the surplus or deficit as a reduction in lease expense on a straight-line basis over the minimum term of the lease.

Actual 2022 \$000		Actual 2023 \$000
67	Lease incentive - current	67
159	Lease incentive - non-current	92
<b>226</b>	<b>Total lease incentives</b>	<b>159</b>

## 13. Employee entitlements

### Short-term employee entitlements

Employee entitlements expected to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave not yet taken at balance date, sick leave, and retiring and long service leave entitlements expected to be settled within 12 months.

### Long-term employee entitlements

Employee entitlements that are due to be settled beyond 12 months after the end of the reporting period in which the employee renders the related service, such as long service leave and retiring leave, are calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to our people, based on years of service, years to entitlement, the likelihood that our people will reach the point of entitlement, and contractual entitlements information; and
- the present value of the estimated future cash flows.

Actual 2022 \$000		Actual 2023 \$000
<b>Current liabilities</b>		
2,113	Annual and special leave	2,200
233	Retirement leave and long service leave	212
535	Accrued salaries	1,060
25	Sick leave	25
<b>2,906</b>	<b>Total current portion</b>	<b>3,497</b>
<b>Non-current liabilities</b>		
276	Retirement leave and long service leave	334
<b>276</b>	<b>Total non-current portion</b>	<b>334</b>
<b>3,182</b>	<b>Total employee entitlements at end of year</b>	<b>3,831</b>

Within annual leave and special leave ERO has recognised a liability relating to the remediation of the Holidays Act 2003 of \$0.383 million as at 30 June 2023 (2022: \$0.650 million).

### Critical accounting estimates and assumptions

The present value of retirement leave and long service leave obligations depend on factors that are determined on an actuarial basis using several assumptions. Two key assumptions used in calculating this liability include the risk-free discount rate and the salary inflation factor. Any changes in these assumptions will affect the carrying amount of the liability.

The present value of the estimated future cash flows using the discount rates prescribed by the Treasury as at 30 June 2023 and a salary inflation factor of 3.35% (2022: 3.01%). The risk-free

discount rates used are based on the yields on Government Bonds and range from 4.84% to 5.43% (2022: 3.34% to 4.29%).

If the risk-free discount rates were to differ by 1% from ERO's estimates, with all other factors held constant, the carrying amount of the liability would be an estimated \$14,000 higher/lower.

If the salary inflation factor were to differ by 1% from ERO's estimates, with all other factors held constant, the carrying amount of the liability would be an estimated \$18,000 higher/lower.

## 14. Related parties

ERO is a wholly owned entity of the Crown.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and condition no more or less favourable than those that it is reasonable to expect ERO would have adopted in dealing with the party at arm's length in the same circumstances. Further, transactions with other government agencies (for example, government departments and Crown entities) are not disclosed as related party transactions when they are consistent with the normal operating arrangements between government agencies and undertaken on the normal terms and conditions for such transactions.

### Related party transactions required to be disclosed

ERO has no related party transactions required to be disclosed. Any related party transactions have been entered into on an arm's length basis by ERO.

### Key management personnel compensation

#### ERO

Key management personnel include the Chief Executive and six members of the Executive Leadership Team.

#### Aroturuki Tamariki

Key management personnel include the Chief Executive and two members of the Executive Leadership Team between 1 May and 30 June 2023. See Note 17.

Actual 2022 \$000		Actual 2023 \$000
1,392	Remuneration – ERO	1,423
5.5	Full-time Equivalent Staff – ERO	5.6
-	Remuneration – Aroturuki Tamariki	156
-	Full-time Equivalent Staff – Aroturuki Tamariki	0.5

The Minister of Education does not have responsibility for planning, directing and controlling the activities of ERO. The Minister's remuneration and other benefits have therefore been excluded from the above disclosure.

## 15. Financial instruments

The carrying amounts of financial assets and liabilities in each of the PBE IFRS 9 financial instrument categories are as follows:

Actual 2022 \$000		Actual 2023 \$000
	<b>Fair value through surplus of deficit – designated as such upon initial recognition</b>	
	- Derivative financial instrument assets	-
	- Derivative financial instrument liabilities	5
	<b>- Fair value through surplus of deficit</b>	<b>5</b>
	<b>Financial assets measured at amortised cost</b>	
6,988	Cash	15,035
17	Receivables	120
<b>7,005</b>	<b>Total financial assets measured at amortised costs</b>	<b>15,155</b>
	<b>Financial liabilities measured at amortised cost</b>	
<b>1,011</b>	<b>Payables (excluding deferred income and taxes payable)</b>	<b>2,158</b>

ERO is party to financial instruments entered into during its normal operations. Except for ERO's derivatives, all financial instruments are measured at amortised cost in the statement of financial position. All associated revenue and expenses are credited to, or charged against, the net surplus/deficit.

### Derivative financial instruments

Derivative financial instruments to manage exposure to foreign exchange risk arising from some of ERO's operational activities. ERO does not hold or issue derivative financial instruments for trading purposes. ERO has not adopted hedge accounting.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance date with the resulting gain or loss recognised in the surplus or deficit.

A forward foreign exchange derivative is classified as current if the contract is due for settlement within 12 months of balance date. Otherwise, the forward foreign exchange derivative is classified as non-current.

The total notional principal amount outstanding for forward foreign exchange contracts as at 30 June 2023 is NZ\$728,222 (2022: nil). The contracts consist of the purchase of GBP£195,000 (2022: nil) and US\$194,304 (2022: nil)

The fair values of forward foreign exchange contracts have been determined using a discounted cash flows valuation technique based on quoted market prices. The inputs into the valuation model



are from independently sourced market parameters such as currency rates. Most market parameters are implied from forward foreign exchange contract prices.

### Financial instrument risks

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ERO's activities expose it to a variety of financial instrument risks, including market risk, credit risk and liquidity risk. ERO has policies to manage the risks associated with financial instruments and seeks to minimise exposure from financial instruments. These policies do not allow any transactions that are speculative in nature to be entered into.

### Market risk—currency risk

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Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

ERO's Foreign Exchange Exposure Policy requires ERO to manage currency risk arising from future transactions and recognised liabilities by entering into foreign exchange forward contracts when the total transaction exposure to an individual currency exceeds NZ\$100,000. ERO's policy has been approved by the Treasury and is in accordance with the requirements of the Treasury's Guidelines for the Management of Crown and Departmental Foreign-Exchange Exposure. There was no significant exposure to currency risk during the period.

### Market risk—fair value interest rate risk

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Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate, or the cash flows from a financial instrument will fluctuate, due to changes in market interest rates. ERO has no exposure to interest rate risk because it has no interest-bearing financial instruments.

### Credit risk

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Credit risk is the risk that a third party will default on its obligation to ERO, causing ERO to incur a loss.

In the normal course of its business, credit risk arises from receivables and deposits with banks. ERO's maximum credit exposure for each class of financial instrument is represented by the total carrying amount of cash and cash equivalents and receivables. There is no collateral held as security against these financial instruments. Although cash and cash equivalents as at 30 June 2023 are subject to the expected credit loss requirements of PBE IFRS 9, no loss allowance has been recognised because the estimated loss allowance for credit losses is trivial. ERO is permitted to deposit funds only with Westpac (Standard & Poor's credit rating of AA-), a registered bank, and enter into foreign exchange forward contracts with the New Zealand Debt Management Office (Standard & Poor's credit rating of AA+).

### Liquidity risk

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Liquidity risk is the risk that ERO will encounter difficulty raising liquid funds to meet commitments as they fall due.

ERO closely monitors its forecast cash requirements with expected cash drawdowns from the New Zealand Debt Management Office.

## 16. Events after balance date

There have been no significant events subsequent to balance date that require adjustment to the Financial Statements or disclosure.

## 17. Aroturuki Tamariki – Independent Children’s Monitor

In early 2022/23 ERO received \$2 million of funding transferred from the Ministry of Social Development (MSD) to begin work on establishing the Aroturuki Tamariki as a departmental agency hosted by ERO. This work included include project implementation and oversight, and setting up systems and processes to support the ongoing hosting arrangements for Aroturuki Tamariki so that it can deliver on its legislative purpose.

On 1 May 2023 Aroturuki Tamariki transferred from MSD with funding of \$2.8 million in 2022/23. From 1 May Aroturuki Tamariki is included within ERO’s financial statements, including the capital transferred from MSD.

## 18. Explanation of major variances against budget

The major variances to budget were as follows:

### Statement of comprehensive revenue and expense and statement of cashflows

#### Revenue Crown and receipts from Revenue Crown

Revenue Crown was \$4.7 million above budget due to:

- \$1.85 million additional funding for ERO to establish Aroturuki Tamariki as a departmental agency, and
- \$2.80 million additional funding for Aroturuki Tamariki from 1 May to 30 June 2023.

#### Payments to employees

Personnel expenses was \$0.9 million below budget and payments to employees were \$1.4 million below budget due to the less FTEs than

expected and the reversal of \$0.2 million in holiday pay as the calculation was reviewed.

#### Other expenses and payments to suppliers

Other expenses were \$2.6 million above budget due to the additional spending on establishing Aroturuki Tamariki and two months of operations by the new agency (see note 17). This caused payments to suppliers to be \$1.3 million above budget as this was offset by increased payables.

#### Capital injection and withdrawal

Cash injections of \$6.8 million relate to \$6.66 million transfer from MSD for Aroturuki Tamariki and \$0.14 million for the purchase of five electric vehicles and the return of \$3 million through a capital withdrawal of capital not required by Aroturuki Tamariki.

### Statement of financial position

#### Cash and cash equivalents

Cash and cash equivalents were \$11.2 million above budget due to:

- additional capital injection of \$6.8 million, mainly for Aroturuki Tamariki offset by the return of \$3 million,
- the surplus of \$3.2 million, and
- higher payables and employee entitlement balance of \$3.2 million.

#### Property, plant and equipment

Property, plant and equipment was \$0.7 million below budget due to the lower spending in the previous two years due to COVID-19.

#### Intangibles

Intangibles was \$0.75 million below budget due to the change in accounting treatment of software as a service which resulted in software previously budgeted for as an asset, expensed in 2021/22.

#### Employee entitlements

Employee entitlements was \$1.6 million above budget due to the inclusion of Aroturuki Tamariki and timing of the payment of salaries.



