

VOTE *Employment*

Employment

Overview

Departmental Appropriations

Departmental appropriations sought for Vote Employment in 2006/07 total \$15.187 million. This is intended to be spent as follows:

- \$9.359 million (62% of departmental appropriations in this Vote) on labour market performance, analysis and information to support national, regional and sector labour market engagements aimed at ensuring well functioning labour markets in the future.
- \$5.828 million (38% of departmental appropriations in this Vote) providing policy research and evaluation related to the labour market and its role in improving employment, social and economic outcomes for New Zealand.

Details of what the appropriations are to be spent on appear in Parts B1 and C of this Vote.

Terms and Definitions Used

CTU	New Zealand Council of Trade Unions
ITOs	Industry Training Organisations
MED	Ministry of Economic Development
MoE	Ministry of Education
MSD	Ministry of Social Development
MTfJ	Mayor Taskforce for Jobs
TEC	Tertiary Education Commission

Minister Portfolio Table

63	Minister for Social Development and Employment
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Employment

VOTE MINISTER: Minister for Social Development and Employment

ADMINISTERING DEPARTMENT: Department of Labour

The Minister of Labour is the Responsible Minister for the Department of Labour

Part A - Statement of Objectives and Trends

Part A1 - Objectives for Vote

Government Goals

The funding in Vote Employment will assist the achievement of the Government's priorities of economic transformation and families - young and old.

The output expenses in Vote Employment contribute to achieving the outcome of the Government's employment and labour market strategy, *Better Work, Working Better*, which is:

High-quality employment in productive and innovative industries, regions and businesses, that drives sustainable economic growth and opportunities for all New Zealanders.

Within *Better Work, Working Better* the government, Business New Zealand, New Zealand Council of Trade Unions (CTU), New Zealand Chambers of Commerce and the Mayor Taskforce for Jobs (MTfJ), have identified the following overarching and interdependent goals:

- High-quality employment in productive and innovative industries, regions and businesses, that drives sustainable economic growth and opportunities for all New Zealanders.
- High levels of participation in high-quality, well-paid and diversified employment.
- A diverse, adaptable and highly-skilled workforce.
- High-quality and productive workplaces within an effective regulatory environment.
- High performing sector and regional labour markets.

Outcomes for Vote Employment

The Department of Labour leads and co-ordinates policy and action to achieve these goals, much of which is funded through other Votes. Work under Vote Employment contributes to the Government's objectives through activities directed at achieving the Department of Labour's outcome of:

Productive Work and High Quality Working Lives

The table below summarises how the activities funded through this Vote contribute to achieving goals that are part of the Department of Labour's managing for outcomes framework.

Departmental Goal	How Vote Employment Contributes
<p>Our Workplaces: New Zealand workplaces will lead the world in maximising the value of work while providing a high quality working life</p>	<ul style="list-style-type: none"> • Working with key agencies and industry groups to implement a series of initiatives to shift workplace practice that will help employers improve the literacy, numeracy and language skills of their employees, to better utilize those skills and to lift productivity. • Provide strategic advice and information about the role the labour market, and intervention into the labour market, can play in the economic transformation of New Zealand, and in improving outcomes for families. • Provide independent labour market analysis and trends that inform the national regional and sector planning process, as well as the likely effectiveness of actions developed. • Analyse and validate information from other organisations by comparing it with, for example, projections from the Department's information data series, to test the reliability of employment and skill forecasts.
<p>Our Workforce: The skills of our workers will ensure New Zealand enterprises are leaders internationally</p>	<ul style="list-style-type: none"> • Engage with industry around possibilities for future growth and development, and work with the MSD and the TEC to align education and training policies to support industry. • Lead the Government's overarching labour market and employment strategy to help sectors adjust to skill and labour constraints, and to use labour in more sustainable and productive ways. • Participate in regional and sector groups; the provision of tailored information to these groups about their group; and examples of other regions and sectors with similar labour market issues and opportunities. • Targeted sectors for the 2006/07 year include horticulture and viticulture, food and beverage, roading and construction, tourism, fishing and specialised manufacturing. • Feed back information, gained through connections at the regional and sector level, into central government processes, to enrich the overall knowledge about the New Zealand labour market and to inform policy development.
<p>Our People: All New Zealanders will be able to grow and develop through access to well paid and meaningful employment</p>	<ul style="list-style-type: none"> • Lead policy development and debate on workforce and labour market issues, in order to influence the action of government agencies, employers, employees and others such as potential learners. • Collect and analyse information on the performance of the labour market, and trends and occupations within the national picture.

In 2006/07, as part of the revised strategic direction of the Department of Labour, key areas of focus will be:

- improving and sharing workplace knowledge, working with sectors and industry at a strategic level, and more effectively and efficiently targeting service delivery
- assisting industries, sectors, regions and other agencies to balance the range of possible responses to skill and labour issues by using labour market information and analysis to develop initiatives such as improving skill development and utilisation, and short and longer term immigration responses
- developing a single sector leadership system for the Department that maximises the potential for effective relationships with key sector groups, and aligns activity nationally, regionally and across industry sectors

- building on existing labour market capability by developing a labour market performance and information function in order to support engagements nationally with regions, industries and sectors; in conjunction with the ongoing work of a range of organisations and government agencies, such as Industry Training Organisations (ITOs), Ministry of Social Development (MSD), Ministry of Economic Development (MED), New Zealand Trade and Enterprise, Tertiary Education Commission (TEC), and the Careers Service
- leading government engagement in regions and sectors where the primary focus is on skill and labour issues, and supporting broader sector engagements with other agencies
- providing labour market information and analysis of national and international workforces and trends, and the connection between local and international labour markets, to improve understanding, and inform decisions and actions related to employment, now and into the future.

Output Appropriations

Appropriations are intended to fund a range of activities, including:

- providing policy advice that is supported by research, analysis, and evaluation to achieve the Government's employment and associated labour market goals
- researching, monitoring and reporting employment and labour market trends and sharing information with employees, employers and those who advise them
- supporting Government initiatives to address skill and labour issues by working with key agencies such as MED, MSD and the TEC
- ministerial servicing including replies to correspondence, parliamentary questions, official information requests, speech and briefing notes and other information required by the Minister.

Part A2 - Trends in Vote

Output Trends from 2001/02 to 2006/07

In 2004/05, community employment assistance responsibilities were transferred to MSD and associated funding of \$25.611 million in 2005/06 and \$24.591 million in 2006/07 and outyears was transferred to Vote Social Development.

As a result of the government's repositioning of community employment activities the Department of Labour's knowledge role in relation to labour market performance and information capacity was strengthened, particularly in relation to industry sector and national and regional labour market engagements. A new departmental output expense, Labour Market Information, was created within Vote Employment for this new function. The departmental output expense, Policy, Purchase Advice and Monitoring, was consequentially renamed Policy, Research and Evaluation to more accurately describe the scope of that output expense.

In addition, \$2.000 million for the Non-Departmental Other Expense Māori Women's Development Fund was transferred to Vote Māori Affairs in 2005/06.

In 2006/07, funding includes \$1.090 million of transfers from previous financial years for two research and evaluation initiatives (the Workplace Information Survey and the Linked Employer-Employee Dataset), reflecting their longer implementation timeframes. Additional funding has been received in 2006/07 to identify and implement a series of initiatives to shift workplace practices to help employers improve the literacy, numeracy and language skills of their employees and better utilise their skills.

New Policy Initiatives by Appropriation

Initiative	Appropriation as shown in part B	\$000 increase/(decrease)				
		2006/07	2007/08	2008/09	2009/10	2010/11
Department of Labour's Knowledge Role	Departmental Output Expense - Labour Market Information	2,800	-	-	-	-
Upskilling the Workforce	Departmental Output Expense - Policy, Research and Evaluation	1,500	3,000	3,000	-	-
Total Initiatives		4,300	3,000	3,000	-	-

Part B - Statement of Appropriations

Summary of Financial Activity

	2001/02	2002/03	2003/04	2004/05	2005/06		2006/07 Appropriations to be Used				2007/08	2008/09	2009/10	
	Actual \$000	Actual \$000	Actual \$000	Actual \$000	Budget \$000	Estimated Actual \$000	By the Department Administering the Vote		For Non-Departmental Transactions		Total \$000	Estimated \$000	Estimated \$000	Estimated \$000
							Annual \$000	Other \$000	Annual \$000	Other \$000				
Appropriations														
Output Expenses	14,045	15,967	17,989	20,103	13,522	13,022	15,187	-	-	-	15,187	13,392	13,392	9,797
Benefits and Other Unrequited Expenses	-	-	-	-	-	-	N/A	N/A	-	-	-	-	-	-
Borrowing Expenses	-	-	-	-	-	-	N/A	N/A	-	-	-	-	-	-
Other Expenses	23,357	22,832	18,103	7,706	-	-	-	-	-	-	-	-	-	-
Capital Expenditure	-	-	-	-	-	-	N/A	N/A	-	-	-	-	-	-
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	-	-	-	-	-	N/A	N/A	-	-	-	-
Total Appropriations	37,402	38,799	36,092	27,809	13,522	13,022	15,187	-	-	-	15,187	13,392	13,392	9,797
Crown Revenue and Receipts														
Tax Revenue	-	-	-	-	-	-	N/A	N/A	N/A	N/A	-	-	-	-
Non-Tax Revenue	92	41	160	158	-	-	N/A	N/A	N/A	N/A	-	-	-	-
Capital Receipts	-	-	-	-	-	-	N/A	N/A	N/A	N/A	-	-	-	-
Total Crown Revenue and Receipts	92	41	160	158	-	-	N/A	N/A	N/A	N/A	-	-	-	-

Part B1 - Details of Appropriations

Appropriations	2005/06				2006/07		Scope of 2006/07 Appropriations
	Budget		Estimated Actual		Vote		
	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
Departmental Output Expenses (General)							
Labour Market Information (M63)	9,133	-	8,633	-	9,359	-	- This appropriation provides labour market information; analysis and validation of regional labour market information; participation on regional and sector labour market focused groups; and connections back to and across government.
Policy, Research and Evaluation (M63)	4,389	-	4,389	-	5,828	-	- This appropriation provides strategic advice and information about the labour market and its role in improving employment, social and economic outcomes for New Zealand. Reason for Change: In 2005/06, the departmental output expense, Policy, Purchase Advice and Monitoring was renamed Policy, Research and Evaluation to more accurately describe the scope of the output expense.
Total Departmental Output Expenses (General)	13,522	-	13,022	-	15,187	-	
Total Appropriations	13,522	-	13,022	-	15,187	-	

Part C - Explanation of Appropriations for Output Expenses

Part C1 - Departmental Output Expenses

Labour Market Information

This output expense involves the provision of labour market information; analysis and validation of regional labour market information; participation on regional and sector labour market focused groups; and making connections back to and across government to inform and influence the national perspective.

Activities under this output expense in 2006/07 include:

- collecting, integrating and analysing a range of qualitative and quantitative data and information to provide a profile of New Zealand's labour market at the national, regional and sectoral level, now and into the future
- reporting on employment (including occupations) and labour market trends at the national, regional and sector level, as well as responding to requests for tailored labour market information
- translating information to a regional/local and/or sector level to ensure that appropriate interventions are designed, and feed this information to decision-makers so that local knowledge can inform policy
- progressively building an up-to-date knowledge and understanding of New Zealand's labour market dynamics, including forecasting of future trends, opportunities, and risk areas at a local, regional, and sectoral level
- building relationships with sector bodies such as industry training organisations, employee associations, employer associations, Economic Development Agencies, and local government
- developing an understanding of sectoral/regional needs and opportunities and providing contextual and comparative information on their labour market, including contributing knowledge about other similar labour markets
- enabling local development and ownership of the best response to labour market constraints/opportunities to ensure a well functioning labour market in the future
- enhancing collaborative approaches to understanding and addressing labour market issues, through engagement with sectors and regions of the labour market. This includes encouraging responsibility for identification and resolution of labour market issues to facilitate the operation of local labour markets; and contributing the data and information gained at the regional, local, sector or sub-sector level to the information held at national level
- providing ministerial servicing including replies to correspondence, parliamentary questions, official information requests, speech and briefing notes and other information required by the Minister.

Policy, Research and Evaluation

This output expense involves the provision of strategic advice and information about the role the labour market, and intervention into the labour market, can play in the economic transformation of New Zealand and in improving outcomes for families.

Activities under this output expense in 2006/07 include:

- leading policy development and debate on workforce and labour market issues, to influence the actions of government agencies, employers, employees and others such as potential learners
- providing strategic advice on employment and skills issues, ensuring that policy matches, enhances and drives the achievement of New Zealand's workforce goals for a transformative labour market
- overseeing and co-ordinating the workstreams of the Government's employment and labour market strategies, ensuring they are linked to broader objectives for economic transformation and improving outcomes for families
- leading the Government's work programme on:
 - enhancing parents' and other carers' choices about work and family arrangements
 - assisting transitions for young people into employment
 - enhancing employment for groups under-represented in the labour force
- influencing the supply of skills by working with industry and education sectors to match educational services to the needs of workers, employers and the economy
- leading Government initiatives to address skill and labour shortages by working with key agencies such as the MoE, TEC, MSD and MED
- working with key agencies and industry groups to implement a series of initiatives to shift workplace practice to help employers improve the literacy, numeracy and language skills of their employees, and better utilise those skills, in order to lift workplace productivity
- providing research and analysis of national and international workforce trends and the connection between local and international labour markets, to improve understanding, and inform decisions and actions related to employment. This includes the development of new statistical collections to support strategic policy advice and research and evaluation
- providing ministerial servicing including replies to correspondence, parliamentary questions, official information requests, speeches and briefing notes and other information requested by the Minister.