

VOTE *Labour*

Labour

Overview

Departmental Appropriations

Departmental appropriations sought for Vote Labour in 2006/07 total \$71.092 million. This is intended to be spent as follows:

- \$15.257 million (21% of departmental appropriations in this Vote) on the provision of analysis, research and policy advice on the labour market and workplace issues including monitoring and ministerial servicing.
- \$827,000 (1% of departmental appropriations in this Vote) on managing the Government's relationship with the International Labour Organisation (ILO) and maximising connections between international labour-related developments and domestic policy issues.
- \$22.098 million (31% of departmental appropriations in this Vote) on providing services to promote and support fair and productive employment relationships including support services provided to employment relations institutions.
- \$28.730 million (41% of departmental appropriations in this Vote) on providing services to promote and support safe and healthy people and workplaces.
- \$4.180 million (6% of departmental appropriations in this Vote) on providing services to promote and support the safe management of hazardous substances in the workplace and amusement devices.

Non-Departmental Appropriations

Non-departmental appropriations sought for Vote Labour in 2006/07 total \$8.834 million. The appropriations are intended to be spent as follows:

- \$1.778 million on purchasing services from non-departmental providers in relation to the Employment Relations Education Contestable Fund.
- \$889,000 on purchasing services from non-departmental providers in relation to the Pay and Employment Equity Contestable Fund.
- \$869,000 on collection of the Health and Safety in Employment (HSE) Levy.
- \$2.925 million on other labour-related payments such as salaries and allowances of the Employment Relations Authority Members.
- \$1.400 million on subscription to the ILO.
- \$943,000 on promoting equal employment opportunities (EEO) and better relations through the Joint EEO Trust.
- \$15,000 on the New Zealand Industrial Relations Foundation.
- \$15,000 on Bad Debt expense.

Crown Revenue and Receipts

The Department expects to collect \$29.790 million of Crown Revenue in 2006/07.

- \$250,000 as recovery of Remuneration Authority costs of setting local authority members' remuneration.
- \$193,000 from the Employment Relations Authority.
- \$29.067 million from the HSE Levy.
- \$33,000 from Occupational Safety and Health fees and licences.
- \$247,000 from Infringement Notice Fines.

Details of how the appropriations are to be applied appear in Parts B1 and C of this Vote. Details of Crown Revenue appear in Part F1.

Terms and Definitions Used

ACC	Accident Compensation Corporation
APEC	Asia-Pacific Economic Cooperation
EEO	Equal Employment Opportunities
ERA	Employment Relations Act
ERMA	Environmental Risk Management Authority
GIF	Growth and Innovation Framework
HSC	Higher Salaries Commission
HSE	Health and Safety in Employment
HSNO	Hazardous Substances and New Organisms
ILO	International Labour Organisation
NACEW	National Advisory Council on the Employment of Women
NOHSAC	National Occupational Health and Safety Advisory Committee
OECD	Organisation for Economic Cooperation and Development
UN	United Nations

Footnotes

Note 1	Workplace participants include employers, employees, principals, self-employed, volunteers and anyone else covered by the Health and Safety in Employment (HSE) Act 1992.
Note 2	Table summaries Vote structural changes and figures do not include new initiatives summarised in the table of "New Policy Initiatives by Appropriations".
Note 3	Funding for these new policy initiatives were further redistributed across Votes administered by the Department of Labour at a later date.

Minister Portfolio Table

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Labour

VOTE MINISTER: Minister of Labour

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

The output expenses in Vote Labour contribute to the Government's objectives through activities directed at achieving the Department of Labour 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 Labour Contributes
Our Place in the World: New Zealand will prosper through its connections with the rest of the world	<ul style="list-style-type: none"> Managing key relationships with domestic and international stakeholders in order to meet New Zealand's international obligations, advance and facilitate the transfer of knowledge on labour related issues and profile New Zealand's domestic labour market successes and best practice. Building New Zealand's reputation as a thought leader internationally on labour market, law, policy and practice by influencing the international labour market in a way that is conducive to domestic interests, and ensuring international best practice examples and knowledge are identified and communicated domestically to inform our workplaces, our workforce and our people. Participating in bilateral and regional trade initiatives thereby creating ongoing relationships based on labour collaboration, dialogue and cooperation. Ensuring consistency, efficiency and coordination of the Department's input to international labour forums and issues.
Our Workplaces: New Zealand workplaces will lead the world in maximising the value of work while providing a high quality working life	<ul style="list-style-type: none"> Supporting and promoting the transformation of New Zealand workplaces to become high-performing workplaces, and to achieve high quality working lives by focusing on the drivers of workplace productivity, skills, safe and healthy workplace cultures, decent work, and excellent employment relationships. Research and evaluation increases knowledge about labour market trends informing policy development and enabling sectors and regions to identify and act on labour market constraints and opportunities. Providing tailored, targeted and useful information, tools and services about employees' and employers' obligations regarding good health and safety and employment relations practices. Addressing underlying causes rather than symptoms both at the strategic and sector level, and at the firm level. This includes supporting sectors and industry to lead and encourage best practice. Setting and enforcing minimum standards and investigating complaints to reduce employment relationship problems and occupational injuries and disease.

Departmental Goal	How Vote Labour Contributes
Our Workforce: The skills of our workers will ensure New Zealand enterprises are leaders internationally	<ul style="list-style-type: none"> • The Department will help industries, sectors, regions and other agencies balance the range of possible responses to skill and labour issues, including initiatives such as improving skill development and utilization and changes to industry and workplace practices that assist the retention of skilled workers. • The Department supports and promotes the transformation of New Zealand workplaces to become high-performing workplaces, and to achieve high quality working lives by focusing on the drivers of workplace productivity, including building leadership and management, promoting investment in people and skills, and encouraging innovation and the use of technology.
Our People: All New Zealanders will be able to grow and develop through access to well paid and meaningful employment	<ul style="list-style-type: none"> • Providing tailored, targeted and useful information, tools and services about employees' and employers' obligations regarding good health and safety and employment relations practices. • Developing advice regarding workplace practices and obligations, in particular those relating to work-life balance and pay and employment equity, enables New Zealand workplaces to better balance employers' and employees' needs and interests. • Increased labour market participation will result from enhancing parents and other carers' choices about work and family arrangements, assisting transition for youth into employment, and enhancing employment for groups under-represented in the labour force.

Output Appropriations

To achieve these objectives, the appropriations in Vote Labour are intended to fund a wide range of activities, including:

- a comprehensive range of labour market monitoring and analysis, and policy advice, research and evaluation on the enhancement of New Zealand's labour market, and the operation of New Zealand's regulatory framework and systems for employment relations and occupational safety and health
- managing those elements of trade that relate to the labour portfolio, managing relationships, providing or organising representation at international and local forums and coordinating reporting for international organisations to promote New Zealand's interests in international labour issues
- promoting and supporting fair and productive employment relationships by ensuring the effective operation of employment institutions and providing services focussed on problem resolution. These include providing information to the public, the enforcement of legislation and regulations, mediation services and the functions of the Registrar of Unions and the Partnership Resource Centre
- the provision of services to promote and support health and safety in workplaces and the safe management of hazardous substances in the workplace and amusement devices
- supporting the work programme of the Workplace Productivity Working Group within the Growth and Innovation Framework (GIF) that aims to lift productivity across small and medium businesses in New Zealand.

Part A2 - Trends in Vote

Output Trends: 2001/02 to 2006/07

The Department administers four Votes. They are Vote Labour, Vote Immigration, Vote Employment and Vote ACC. The main changes impacting on Vote Labour over this period have been ongoing developments from legislative changes and, more recently, the implementation of a managing for outcomes framework within the Department.

The introduction of the Employment Relations Act (ERA) 2000 emphasised the promotion of collective bargaining, good faith behaviour of the parties to employment relationships, and more proactive and informal modes of dispute resolution. The amendments passed in 2004 to the ERA enhance the promotion of key aspects of the legislation and provide protection for employees in change of employer situations.

Additional funding totalling \$1.500 million in 2005/06 and out-years has also been appropriated to enable the provision of services following the enactment of the Employment Relations Law Reform Amendment Bill, the Holidays Act 2003, and amendments in 2004 to the Parental Leave and Employment Protection Act 1987.

The 2001 Cabinet decision to incorporate a labour component into free trade agreements undertaken by New Zealand has led to a steady increase in demand for preparation, negotiation and implementation of the labour component of free trade agreements. GIF funding was appropriated from 2003/04 onwards for a series of GIF interdepartmental funding pools to resource activities in relation to New Zealand's free trade agreement agenda.

Three new initiatives were funded for the first time in 2004/05. The first of these is the establishment of a unit in the Department to implement the Government Plan of Action on Pay and Employment Equity. The Partnership Resource Centre was set up as a facility to assist with the promotion and implementation of partnership arrangements in workplaces between employers and unions. The third initiative aims to implement a small business outreach function that promotes the value of investing in good workplace practice with specific focus on health and safety and employment relations, provide targeted information and tools to assist its adoption, and facilitate learning back into the Department about the needs of the small business community.

In January 2005 the Workplace Productivity Agenda was launched to promote the methods and benefits of improving workplace productivity. The Agenda is promoted through the use of case studies of effective practice and through the use of a diagnostic tool for businesses to assess themselves against the seven drivers of workplace productivity.

The Workplace Health and Safety Strategy for New Zealand to 2015 was launched on 22 June 2005. The Strategy addresses the New Zealand Injury Prevention Strategy national priority that the Department leads - Workplace injuries (including occupational diseases). The Strategy provides a framework for the workplace health and safety activities of government agencies, local government, unions, employer and industry organisations, other non-government organisations, and workplaces.

A three-year work programme on work-life balance was started in 2005/06 in response to the issues raised by the public consultation on work-life balance in 2003/04. The project involves working with organisations to develop and trial processes to improve work-life balance.

For each year from 2006/07 to 2008/09, \$2.2 million is provided for information provision and enforcement activity to support the safe management of hazardous substances in workplaces. This funding enables existing activity to continue while the long-term options for the management of hazardous substances are investigated.

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
Implementation of Workplace Productivity Agenda	Departmental Output Expense - Policy Advice - Labour	1,333	1,333	1,333	1,333	1,333
Workplace Health and Safety Strategy for New Zealand to 2015	Departmental Output Expense - Policy Advice - Labour	455	455	455	455	455
	Departmental Output Expense - Services to Promote and Support Safe and Healthy People and Workplaces	1,462	1,464	876	876	876
Information Systems Infrastructure	Departmental Output Expense - Policy Advice - Labour	2,178	1,722	1,562	1,562	1,562
Services to Support the Safe Management of Hazardous Substances in Workplaces	Departmental Output Expense - Services to Promote and Support the Safe Management of Hazardous Substances in the Workplace and Amusement Devices	2,198	2,198	2,198	-	-
Total Initiatives		7,626	7,172	6,424	4,226	4,226

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	52,778	51,669	55,064	60,768	75,158	68,898	71,092	-	3,536	-	74,628	73,379	71,940	69,652
Benefits and Other Unrequited Expenses	-	-	-	-	-	-	N/A	N/A	-	-	-	-	-	-
Borrowing Expenses	-	-	-	-	-	-	N/A	N/A	-	-	-	-	-	-
Other Expenses	4,914	5,415	5,589	4,956	5,298	4,851	-	-	2,373	2,925	5,298	5,298	5,298	5,298
Capital Expenditure	-	-	-	-	-	-	N/A	N/A	-	-	-	-	-	-
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	-	-	-	-	-	N/A	N/A	-	-	-	-
Total Appropriations	57,692	57,084	60,653	65,724	80,456	73,749	71,092	-	5,909	2,925	79,926	78,677	77,238	74,950
Crown Revenue and Receipts														
Tax Revenue	-	-	-	-	-	-	N/A	N/A	N/A	N/A	-	-	-	-
Non-Tax Revenue	15,584	28,727	30,754	32,446	29,790	34,197	N/A	N/A	N/A	N/A	29,790	29,790	29,790	29,790
Capital Receipts	-	-	-	-	-	-	N/A	N/A	N/A	N/A	-	-	-	-
Total Crown Revenue and Receipts	15,584	28,727	30,754	32,446	29,790	34,197	N/A	N/A	N/A	N/A	29,790	29,790	29,790	29,790

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)							
International Services (M43)	899	-	899	-	827	-	- Managing the Department's multilateral, bilateral, and regional engagement and influence on labour and related employment issues, including the Government's obligations and interests through the International Labour Organisation, and the Government's trade agenda as it relates to the labour portfolio.
Policy Advice - Labour (M43)	14,563	-	12,563	-	15,257	-	- Provides policy advice and facilitation of policy implementation through developing and delivering tools and resources, research and evaluation about the labour market and workplace practices and includes ministerial servicing and administrative and advisory support to NACEW and NOHSAC.
Services to Promote and Support Fair and Productive Employment Relationships (M43)	22,262	-	21,262	-	22,098	-	- Provision of information, guidance, investigation, mediation and decision making regarding employment rights and upholding minimum standards including support services provided to employment relations institutions.
Services to Promote and Support Safe and Healthy People and Workplaces (M43)	28,520	-	27,020	-	28,730	-	- Provision of information, education and support for workplaces regarding effective workplace health and safety practice, and enforcement action to promote compliance with the HSE Act.
Services to Promote and Support the Safe Management of Hazardous Substances in the Workplace and Amusement Devices (M43)	3,756	-	3,756	-	4,180	-	- Provision of information, education, and enforcement services relating to the safe management of hazardous substances in the workplace, and the registration and inspection of amusement devices.
Total Departmental Output Expenses (General)	70,000	-	65,500	-	71,092	-	
Non-Departmental Output Expenses							
Employment Relations Education Contestable Fund (M43)	3,132	-	1,582	-	1,778	-	- Grant funding for programmes that promote improved employment relationships and good faith behaviour, and good health and safety practices amongst employers, unions and employees.
Health and Safety in Employment Levy - Collection Services (M43)	869	-	869	-	869	-	- Provision of collection services from the Accident Compensation Corporation (ACC), to collect the HSE Levy on behalf of the Department of Labour.
Pay and Employment Equity Contestable Fund (M43)	1,157	-	947	-	889	-	- Funding of applications received from employer or union organisations that are directly involved (or represent collections of organisations that are involved) in pay and employment equity reviews or negotiations within or across the public sector.
Total Non-Departmental Output Expenses	5,158	-	3,398	-	3,536	-	

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	
Other Expenses to be Incurred by the Crown							
Bad Debt Expense (M43)	15	-	15	-	15	-	To cover the expected cost of writing off hearing fees for hearings of longer than a day in length at the Employment Court (hearings pre 1 December 2004) and the Employment Relations Authority where the applicant is granted hardship or where debt recovery is unsuccessful after three months.
Employment Relations Authority Members' Salaries and Allowances (M43)	-	2,925	-	2,925	-	2,925	As set by the HSC in order to administer and enforce employment-related legislation (section 171 of the Employment Relations Act 2000).
International Labour Organisation (M43)	1,400	-	953	-	1,400	-	New Zealand's annual subscription to the ILO.
Joint Equal Employment Opportunities Trust (M43)	943	-	943	-	943	-	Funding to promote EEO as a good management practice, delivered in partnership with the private sector.
New Zealand Industrial Relations Foundation (M43)	15	-	15	-	15	-	Funding for education to promote better industrial relations.
Total Other Expenses to be Incurred by the Crown	2,373	2,925	1,926	2,925	2,373	2,925	
Total Appropriations	77,531	2,925	70,824	2,925	77,001	2,925	

Part C - Explanation of Appropriations for Output Expenses

Part C1 - Departmental Output Expenses

Policy Advice - Labour

This output expense includes policy advice and facilitation of policy implementation through developing and delivering tools and resources, research and evaluation about the labour market and workplace practices. The output expense also includes ministerial servicing; and administrative and advisory support to the National Advisory Council on the Employment of Women (NACEW) and the National Occupational Health and Safety Advisory Committee (NOHSAC).

This output expense contributes to all of the Department's long-term goals; the particular focus is on Our Workplaces: New Zealand workplaces will lead the world in maximising the value of work while providing a high quality working life.

The output expense supports and promotes the transformation of New Zealand workplaces to become high-performing workplaces, and to achieve high quality working lives by focusing on the drivers of workplace productivity. Research and evaluation increases knowledge about labour market trends to inform policy development, and enables sectors and regions to identify and act on labour market constraints and opportunities.

For New Zealand to become a world leader in workforce and workplace performance, workplace participants must develop an understanding of, and demonstrate, excellent workplace practices. Undesirable practices will be reduced by setting minimum standards and defining decent workplace practice, with related information and enforcement services.

The output expense also contributes significantly to Our People: All New Zealanders will be able to grow and develop through access to well-paid and meaningful employment. It does this through the provision of advice and policy regarding workplace practices and obligations, in particular those relating to work-life balance, which enables New Zealand workplaces to better balance employers' and employees' needs and interests.

In addition, increased labour market participation will result from enhancing parents' and other carers' choices about work and family arrangements, assisting transition for youth into employment, and enhancing employment for groups under-represented in the labour force.

Activities in 2006/07 include:

- providing policy advice on workplace best practice, regulation, issues, gaps and interventions to support the Government's labour market, employment relations, and workplace health and safety goals
- promoting the Productivity Agenda involving work with intermediary bodies to promote workplace practices that contribute to increased productivity
- conducting research and evaluation to understand trends in the labour market, international developments, identify issues and gaps and assess the effectiveness of the Department's interventions
- administrative, advisory and research services to the NACEW
- administrative support for the National Occupational Health and Safety Advisory Committee
- ministerial servicing.

International Services

This output expense involves managing the Department's multilateral, bilateral and regional engagement and influence on labour and related employment issues, including the Government's obligations and interests through the International Labour Organisation, and the Government's trade agenda as it relates to the labour portfolio.

The output expense contributes predominantly to goal one (New Zealand will prosper through its connections with the rest of the world) and to all of the Department's long term goals in contributing to the Department's outcome of *Productive Work and High Quality Working Lives* by:

- managing key relationships with domestic and international stakeholders in order to meet New Zealand's international obligations, advance and facilitate the transfer of knowledge on labour related issues and profile New Zealand's domestic labour market successes and best practice
- building New Zealand's reputation as a thought leader internationally on labour market, law, policy and practice by influencing the international labour market in a way that is conducive to domestic interests, and ensuring international best practice examples and knowledge are identified and communicated domestically to inform our workplaces, our workforce and our people
- participating in bilateral and regional trade initiatives thereby creating ongoing relationships based on labour collaboration, dialogue and cooperation
- ensuring consistency, efficiency and coordination of the Department's input to international labour forums and issues.

Activities in 2006/07 include:

- leading the negotiation of the labour component of New Zealand's free trade and closer economic partnership agreements
- leading the implementation of the labour component of New Zealand's free trade and closer economic partnership agreements
- providing advice and support to Ministers on relevant international labour issues
- participating in and influencing international labour institutions/forums on labour and employment issues
- managing Asia-Pacific Economic Cooperation (APEC), United Nations (UN), Organisation for Economic Cooperation and Development (OECD) commitments and obligations across the Department related to the labour portfolio
- managing the Department of Labour international visitors' strategy
- managing Australian bilateral relations as they relate to the labour portfolio
- ensuring New Zealand meets its International Labour Organisation (ILO) reporting obligations by providing regular reports on New Zealand's compliance in law, policy and practice with ILO standards and by consulting with designated representative organisations of employers and workers on such reports
- reporting to Parliament on the text of newly adopted ILO standards as required by the ILO constitution
- coordinating inter-departmental advice to Ministers on the implications of ratifying ILO Conventions
- coordinating the Department's input to ILO Pacific capability building
- developing and coordinating the Department's process for managing technical assistance requests from other countries (particularly the Pacific)
- administering and coordinating the tripartite steering group and officials working group developing New Zealand's Decent Work Charting our Progress project.

Services to Promote and Support Fair and Productive Employment Relationships

This output expense includes the provision of information, guidance, investigation, mediation and decision making regarding employment rights and upholding minimum standards. This includes the support services provided to employment relations institutions.

This output expense contributes to the Department's long term goal about Our Workplaces: New Zealand workplaces will lead the world in maximising the value of work while providing a high quality working life. It does this by supporting and promoting the transformation of New Zealand workplaces to become high-performing workplaces, and to achieve high quality working lives by focusing on the drivers of workplace productivity. For New Zealand to become a world leader in workforce and workplace performance, it is important that workplace participants understand and demonstrate excellent workplace practices. Through a mix of public pressure, regulation and commercial pressure, undesirable practices will be reduced.

This output expense also contributes to the Department's goal of Our People: All New Zealanders will be able to grow and develop through access to well-paid and meaningful employment. It does this by developing advice and policy regarding workplace practices and obligations, in particular those relating to work-life balance, enabling New Zealand workplaces to better balance employers' and employees' needs and interests.

In addition, increased labour market participation will result from enhancing parents and other carers' choices about work and family arrangements, assisting transition for youth into employment, and enhancing employment for groups under-represented in the labour force.

Activities in 2006/07 include:

- educating employers about good employment practices in their workplaces including information about minimum standards. The Department administers the Employment Relations Education Fund that funds the development and running of training courses to improve employees' and employers' understanding of employment relations, and health and safety
- enabling employers and employees to manage their employment relationships themselves. This is done through providing tools and imparting knowledge so that employers and employees can take actions themselves to prevent or reduce the frequency and impact of employment relationship problems. Specific activities undertaken include developing partnership programmes with unions and employers, the development of self help tools (such as the employment agreement builder and checklists), visits to targeted employers aimed at building their capability, provision of mediation services aimed at assisting parties to resolve their employment relationship issues, and post mediation debriefs
- enforcing so that employers and employees understand their employment relations rights and obligations including minimum standards. Specific activities include investigating complaints received by Labour Inspectors mediation decisions under section 150 of the ERA 2000, and providing support services to the Employment Relations Authority and the Remuneration Authority.

Services to Promote and Support Safe and Healthy People and Workplaces

This output expense includes the provision of information, education, and support for workplaces regarding effective workplace health and safety practice, and enforcement action to promote compliance with the HSE Act.

This output expense contributes to the Department's long term goal: Our Workplaces: New Zealand workplaces will lead the world in maximising the value of work while providing a high quality working life. It does this by supporting and promoting the transformation of New Zealand workplaces to become high-

performing workplaces, and to achieve high quality working lives by focusing on the drivers of workplace productivity.

Through encouraging and influencing employers and employees to demonstrate excellent workplace practices, New Zealand can lead the world in workforce and workplace performance. Past undesirable behaviours, that were previously tolerated, will be reduced through a mixture of public pressure, regulation and commercial drivers.

This output expense also contributes to the Department's goal about Our People: All New Zealanders will be able to grow and develop through access to well-paid and meaningful employment. Improving workplace practices and conditions promotes sustainable employment and increased participation in the workforce.

Activities in 2006/07 include:

- engaging society so that it will demand healthy and safe workplaces and will be intolerant of poor health and safety practices. This involves influencing societal attitudes about the benefits of good workplace health and safety practice, as well as raising awareness of workplace participants' (see Note 1) rights and obligations under the HSE Act 1992; and leading the development of national initiatives across Government and industry sectors to promote health and safety in the workplace
- educating workplace participants about the benefits of, and approaches to, health and safety. This involves providing information to individuals, workplaces, and industry sectors to help workplace participants understand the legislation and apply best practice
- enabling workplace participants to take proactive actions towards continuous improvement to the management of health and safety in and around the workplace. This involves supporting industry sector organisations to develop and promote workplace health and safety within their industry; responding to and investigating incidents, complaints and notifications; assessing workplace health and safety performance; and working collaboratively with other agencies
- enforcing through targeted actions that aim to reduce purposeful or serious breaches of minimum standards. This involves identifying breaches and taking appropriate compliance or enforcement action under the HSE Act.

Operational planning and service delivery aim to target those industry sectors, hazards, activities and specific workplaces with a history of poor performance in health and safety management. Targeted visits to workplaces are undertaken to provide information and to assess compliance with the HSE Act. If a workplace visit indicates a breach of the legislation, appropriate action is taken to ensure that it is brought up to the standard required.

Investigations under the HSE Act cover the investigations of reported events such as serious harm accidents, incidents, complaints and notifiable occupational diseases.

The objective of an investigation is to:

- identify causes of accidents and incidents
- identify possible non-compliance with the HSE Act and hold persons accountable for the non-compliance
- effect remedial action in terms of the site and the industry at large.

Enforcement activities are taken against those who breach the legislation and include improvement notices, prohibition notices, infringement notices and prosecutions.

Services to Promote and Support Safe Management of Hazardous Substances in the Workplace and Amusement Devices

This output expense includes provision of information, education, and enforcement services relating to the safe management of hazardous substances in the workplace, and the registration and inspection of amusement devices.

This output expense contributes to the Department's long term goal:

Our Workplaces: New Zealand workplaces will lead the world in maximising the value of work while providing a high quality working life. It does this by supporting and promoting the transformation of New Zealand workplaces to become high-performing workplaces, and to achieve high quality working lives by focusing on the drivers of workplace productivity, which includes a focus on safe and healthy workplace cultures and decent work.

For New Zealand to become a world leader in workforce and workplace performance, workplace participants must develop an understanding of, and demonstrate, excellent workplace practices. Undesirable practices will be reduced by setting minimum standards and defining decent workplace practice, with related information and enforcement services.

This output expense also contributes to the Department's goal about Our People: All New Zealanders will be able to grow and develop through access to well-paid and meaningful employment. Improving workplace practices and conditions promotes sustainable employment and increased participation in the workforce.

There is a close inter-relationship between this output expense and the previous output expense as they are both focused on enabling people to take active responsibility for achieving safe and healthy workplace environments. Activities addressing the safe management of hazardous substances in the workplace will, in the main, be carried out alongside those related to promoting and administering the HSE Act.

Activities in 2006/07 include:

- engaging society so that it will demand healthy and safe workplaces and will be intolerant of poor health and safety practices. This involves influencing societal attitudes about the benefits of good workplace health and safety practice, as well as raising awareness of workplace participants' rights and obligations under the HSNO Act 1996
- educating workplace participants about the benefits of, and approaches to, health and safety. This involves providing information to individuals, workplaces, and industry sectors to help workplace participants understand the legislation and apply best practice for the management of hazardous substances
- enabling workplace participants to take proactive actions towards the continuous improvement to the management of hazardous substances in and around the workplace. This involves supporting industry sector organisations to develop and promote safe management of hazardous substances within their industry; responding to and investigating incidents, complaints and notifications; assessing workplace health and safety performance; and working collaboratively with other agencies
- enforcing to reduce purposeful or serious breaches of minimum standards as the result of targeted enforcement actions. This involves identifying breaches and taking appropriate compliance or enforcement action under the HSNO Act to achieve minimum standards of health and safety.

The Department is also responsible for declaring emergencies relating to hazardous substances in workplaces and ensuring they are managed satisfactorily.

In carrying out these activities, the Department provides advice to the Environmental Risk Management Authority (ERMA) on the operation of the transitional provisions of the HSNO Act 1996, and on draft controls for new substances being considered by ERMA. Advice is also provided to ERMA and the Ministry for the Environment on legislative and compliance issues.

The output expense also covers the administration of the Amusement Devices Regulations 1978 (made under the Machinery Act 1950). This involves registration of amusement devices and inspection of amusement devices on site to ensure their safe design, manufacture and operation.

Part C2 - Non-Departmental Output Expenses

Pay and Employment Equity Contestable Fund

Through this output expense the Government funds applications received from employer or union organisations that are directly involved (or represent collections of organisations that are involved) in pay and employment equity reviews or negotiations within or across the sectors.

Significant providers

Any group or individual is eligible to seek funding from this output expense, with applications being assessed against predetermined criteria. This includes employers, employees, unions, employer organisations and private providers.

Performance measures - quantity, quality and timeliness

- Applications to the fund will be processed within timeframes agreed with the Minister.
- All approved applications will meet the specified criteria for the fund.
- Performance contracts will be negotiated and monitored with the providers of projects approved through the fund.
- A report will be provided to the Minister on project delivery at the completion of each annual fund cycle.

Cost

	2005/06 \$000	2006/07 \$000
Total output class expenses	1,157	889
Total output class revenues	-	-

Employment Relations Education Contestable Fund

Through this output expense the Government funds programmes which promote improved employment relationships and good faith behaviour and good health and safety practices amongst employers, unions and employees.

Significant providers

Any group or individual is eligible to seek funding from this output expense, with applications being assessed against predetermined criteria. This includes employers, employees, unions, employer organisations and private providers.

Performance measures - quantity, quality and timeliness

- Applications to the fund will be processed within timeframes agreed with the Minister.
- All approved applications will meet the specified criteria for the fund.
- Performance contracts will be negotiated and monitored with the providers of projects approved through the fund.
- A report will be provided to the Minister on project delivery at the completion of each annual fund cycle.

Cost

	2005/06 \$000	2006/07 \$000
Total output class expenses	3,132	1,778
Total output class revenues	-	-

Health and Safety in Employment Levy - Collection Services

Through this output expense, the Government purchases collection services from ACC to collect the HSE levy on behalf of the Department of Labour.

Significant provider

ACC.

Performance measures - quantity, quality and timeliness

- ACC will collect a levy at the rate prescribed in the Health and Safety in Employment (Rates of Funding Levy) Regulations. For 2005/06, this rate is \$0.05 in every \$100.00 of total liable earnings.
- ACC will pay the Secretary of Labour (on behalf of the Crown) 100% of the HSE Levy (which is collected along with the residual claims levy for the levy year).
- The Department will remit the funding received from ACC into the Crown Bank Account within one month of receipt.

Cost

	2005/06 \$000	2006/07 \$000
Total output class expenses	869	869
Total output class revenues	-	-

Part E - Explanation of Capital Flows

Part E1 - Explanation of Movements in Departmental Net Asset Schedules

Details of Net Asset Schedule for Department of Labour	Estimated Actual 2005/06 \$000	Projected 2006/07 \$000	Explanation of Projected Movements in 2006/07
Opening Balance	48,091	61,901	
Capital Injections	13,810	4,213	To enhance border and offshore security; to implement the skilled migrant category and immigration health screening; finance lease phase out for information and communication equipment; development of an integrated Department of Labour intranet, upgrade of network security, review of outsourced information technology contracts and backbone systems enhancements.
Capital Withdrawals	-	-	
Surplus to be Retained (Deficit Incurred)	-	-	
Other Movements	-	-	
Closing Balance	61,901	66,114	

Part F - Crown Revenue and Receipts

Part F1 - Current and Capital Revenue and Capital Receipts

	2005/06		2006/07	Description of 2006/07 Crown Revenue
	Budgeted \$000	Estimated Actual \$000	Budget \$000	
Non-Tax Revenue				
Employment Relations Authority Fees	193	193	193	Fees and charges as per regulations prescribed under the ERA 2000 and the Employment Contracts Act 1991.
Health and Safety in Employment Levy	29,067	33,474	29,067	Levy collected to cover costs of administering the HSE Act 1992.
Infringement Notice Fines	247	247	247	Fines collected through the implementation of the Health and Safety Amendment Act 2002.
OSH Fees and Licences	33	33	33	Revenue collected from fees and licences pertaining to amusement devices, explosives and dangerous goods; and from the issue of certificates of competency for safety supervision.
Recovery of Remuneration Authority Costs of Setting Local Authority Members' Remuneration	250	250	250	Cost recovery contained in the Local Government Act 2002.
Total Non-Tax Revenue	29,790	34,197	29,790	
Total Crown Revenue and Receipts	29,790	34,197	29,790	