

VOTE *Labour*

Labour

Overview

Appropriations sought for Vote Labour in 2001/02 total \$63.217 million. This is intended to be spent as follows:

- \$7.400 million (11.7% of the Vote) on purchasing analysis, research and policy advice on the labour market, industrial relations, and occupational safety and health including monitoring and ministerial servicing
- \$0.400 million (less than 1% of the Vote) on managing the Government's relationship with the International Labour Organisation and maintaining an overview of the linkages between international labour-related developments and domestic policy issues
- \$8.302 million (13.1% of the Vote) on purchasing support services to the Employment Relations Authority, Employment Court, and Higher Salaries Commission and residual Employment Tribunal functions
- \$12.177 million (19.3% of the Vote) on dispute resolution including providing information to the public, the enforcement of legislation and regulations, mediation services and registration of unions
- \$25.127 million (39.7% of the Vote) on purchasing services designed to promote excellence in self-managing occupational safety and health hazards and enforcing health and safety legislation in workplaces
- \$2.183 million (3.4% of the Vote) on purchasing services to promote compliance with legislation other than the Health and Safety in Employment Act 1992 such as the Hazardous Substances and New Organisms Act 1996 and administration of the Machinery Act 1950
- \$2.946 million (4.7% of the Vote) on purchasing services from non-departmental providers in relation to the collection of the Health and Safety in Employment Levy, the Promotion Of Equal Employment Opportunities, and the Employment Relations Education Contestable Fund
- \$4.682 million (7.4% of the Vote) on other labour-related payments such as the Employment Court Judges' and Employment Relations Authority Members' salaries and allowances and subscription to the International Labour Organisation.

The Department expects to collect \$28.130 million of Crown Revenue in 2001/2002: \$0.260 million from Employment Court, Employment Relations Authority and Employment Tribunal Fees; \$27.170 million from the Health and Safety in Employment levy; \$0.500 million for Recovery of HSC costs of setting Local Authority Members' remuneration and \$0.200 million from Occupational Safety and Health fees and licences.

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
EEO	Equal Employment Opportunities
ERB	Employment Relations Bill
HSC	Higher Salaries Commission
HSE	Health and Safety in Employment
HSNO	Hazardous Substances and New Organisms
ILO	International Labour Organisation
OSH	Occupational Safety and Health
NACEW	National Advisory Council on the Employment of Women

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 Labour

Related Government Outcomes

The appropriations in Vote Labour will make a contribution to the following Government key goals:

- strengthen national identity and uphold the principles of the Treaty of Waitangi
- grow an inclusive and innovative economy for the benefit of all
- restore trust in Government and provide strong social services
- improve New Zealanders' skills
- reducing inequalities in health, education, employment and housing
- protect and enhance the environment.

The Department contributes to these through policies and delivery strategies which:

- reflect a sound knowledge and understanding of the decisions and behaviour of employers and employees regarding entry to, exit from and the nature, form and level of labour market participation
- inform individuals' and firms' decisions about work and the workplace
- assess, support and improve the quality of labour market frameworks, interventions and outcomes in the areas of employment relationships, and health and safety
- reduce labour market and other barriers to the ability of individuals to undertake, and firms to provide, fair, safe and satisfying employment.

Output Classes

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

- a comprehensive range of labour market monitoring and analysis, and policy advice on the enhancement of New Zealand's labour market, the operation of New Zealand's regulatory framework and systems for employment relations and occupational safety and health
- representing New Zealand at international fora on labour market issues
- ensuring the effective operation of Employment Institutions

- providing services focussed on dispute resolution including information to the public, the enforcement of legislation and regulations, mediation services and the functions of the Registrar of Unions
- promoting excellence in self-managing occupational safety and health hazards
- promoting compliance with some specific health and safety legislation.

Links Between the Output Classes and the Government's Outcomes

Output classes purchased under Vote Labour all contribute to the Government's key goals. Linkages between Departmental Output Classes and the outcomes are set out in the Statement of Intent.

Part A2 - Trends in Vote Labour

Output Trends: 1995/96 to 2000/2001

The main changes impacting on Vote Labour since 1995 have been ongoing developments from legislative changes enacted immediately prior to this period.

The repeal of the Employment Contracts Act 1991 and its replacement by the Employment Relations Act 2000 has emphasised the promotion of collective bargaining, "good faith" behaviour of the parties to employment relationships and more proactive and informal modes of dispute resolution presents a significant refocusing of the statutory framework and the activities and institutions required to support the new emphasis. These are reflected in the output classes Support Services – Industrial Relations Institutions and Dispute Resolution.

The Health and Safety in Employment (HSE) Act 1992 created an environment that promotes self-management by employers of safety and health hazards in workplaces. The new environment has led to a steady increase in demand for information and other services. In 1995/96 the output class Promoting Excellence in Safety and Health Management and Administering Occupational Safety and Health (OSH) Legislation was replaced by output class Initiatives to Promote Self Management of Occupational Safety and Health Hazards in the Workplace and Regulatory Functions Outside the Health and Safety in Employment Act 1992. The change in the output classes was necessary to reflect better the intent of the HSE Act 1992 with its emphasis on those in the workplace taking primary responsibility for health and safety.

In 1998/99 responsibility for the disposal of Improvised Explosive Devices transferred from the Department of Labour to Defence. Accordingly appropriations within departmental output class Regulatory Functions Outside the Health and Safety in Employment Act were reduced with transfer of funding for this activity to Defence. The Mining Inspection Group transferred to the Department of Labour from the Ministry of Commerce and appropriations were transferred from the Ministry of Commerce to output class Initiatives to Promote Self-Management of Occupational Safety and Health Hazards in the Workplace.

During the 2000/01 year responsibility and funding for support services provided to the National Advisory Council on the Employment of Women (NACEW) transferred to Vote Labour from Vote Employment.

Analysis by Appropriation Type: 2000/2001 and 2001/2002 Compared

Appropriations were increased by \$1.000 million including GST for Departmental Output Class Dispute Resolution for 2001/02 for operating costs of the Mediation Service.

Trends in Vote Labour - Summary of Appropriations and Crown Revenue

Types of Appropriation	1996/97	1997/98	1998/99	1999/2000	2000/01		2001/02 Appropriations to be Used				Total \$'000	
	Actual \$'000	Actual \$'000	Actual \$'000	Actual \$'000	Budget \$'000	Estimated Actual \$'000	By the Department Administering the Vote	For Non-Departmental Transactions	Other \$'000	Annual \$'000		Other \$'000
Operating Flows												
Classes of Outputs to be Supplied	41,612	41,566	45,598	48,796	63,903	63,875	55,589	-	-	2,946	-	58,535
Benefits and Other Unrequited Expenses	-	-	-	-	-	-	N/A	N/A	N/A	-	-	-
Borrowing Expenses	-	-	-	-	-	-	N/A	N/A	N/A	-	-	-
Other Expenses	3,273	1,758	4,283	3,147	3,982	3,942	-	-	-	1,482	3,200	4,682
Capital Flows												
Capital Contributions	8,721	2,940	500	1,430	2,269	2,269	-	-	-	-	-	-
Purchase or Development of Capital Assets	-	-	-	-	-	-	N/A	N/A	N/A	-	-	-
Repayment of Debt	-	-	-	-	-	-	N/A	N/A	N/A	-	-	-
Total Appropriations	53,606	46,264	50,381	53,373	70,154	70,086	55,589	-	-	4,428	3,200	63,217
Total Crown Revenue and Receipts	27,117	29,233	21,835	38,854	26,808	24,808	N/A	N/A	N/A	N/A	N/A	28,130

Part B - Statement of Appropriations

Part B1 - Details of 2001/02 Appropriations

Appropriations	2000/01			2001/02		
	Vote		Estimated Actual	Vote		Other \$000
	Annual \$000	Other \$000		Annual \$000	Other \$000	
Departmental Output Classes (Mode B Gross)						
D1 Policy Advice - Labour	8,313	-	8,313	7,400	-	Description of 2001/02 Appropriations
D2 International Services	375	-	375	400	-	Purchase of analysis research and policy advice on the labour market, employment relations and occupational safety and health.
D3 Support Services - Industrial Relations Institutions	11,265	-	11,265	8,302	-	Management of the Government's relationship with the International Labour Organisation (ILO) and maintaining an overview of the linkages between international labour related developments and domestic policy issues.
D4 Dispute Resolution	13,284	-	13,284	12,177	-	Purchase of support services to the Employment Relations Authority, Employment Court, Higher Salaries Commission and residual Employment Tribunal applications.
D5 Promoting Excellence in Self Managing Occupational Health and Safety Hazards in the Workplace	25,163	-	25,135	25,127	-	Purchase of information provision, enforcement services, mediation services and Registrar of Unions functions.
D6 Regulatory Functions Outside the Health and Safety in Employment Act 1992	1,938	-	1,938	2,183	-	Purchase of initiatives to achieve and promote the self-management of occupational safety and health hazards in the workplace.
Total Appropriations for Departmental Output Classes (Mode B Gross)	60,338	-	60,310	55,589	-	Purchase of services to ensure compliance with legislative requirements where the public is affected by work activities, amusement devices, hazardous equipment, explosives and dangerous goods.
Non-Departmental Output Classes						

O1 Employment Relations Education Contestable Fund	1,000	-	1,000	-	2,000	-	-	-	-	-	-	Purchase of programmes that promote improved employment relationships and good faith behaviour amongst employers, unions and employees.
O2 Health and Safety in Employment Levy - Collection Services	2,308	-	2,308	-	515	-	-	-	-	-	-	Purchase of collection services from the Accident Compensation Corporation (ACC), to collect the Health and Safety in Employment Levy on behalf of the Department of Labour.
O3 Promotion of Equal Employment Opportunities	257	-	257	-	431	-	-	-	-	-	-	Purchase of programmes that promote EEO in the private sector by focusing on changing employer practices at the workplace level.
Total Appropriations for Non-Departmental Output Classes	3,565	-	3,565	-	2,946	-	-	-	-	-	-	
Other Expenses to be Incurred by the Crown												
Employment Court Judges' Salaries and Allowances	-	1,200	-	1,200	-	1,200	-	-	-	-	1,200	As set by the Higher Salaries Commission in order to administer and enforce employment-related legislation (Section 206 of the Employment Relations Act 2000).
Employment Relations Authority Members' Salaries and Allowances	-	1,300	-	1,300	-	2,000	-	-	-	-	2,000	As set by the Higher Salaries Commission in order to administer and enforce employment-related legislation (Section 171 of the Employment Relations Act 2000).
International Labour Organisation	1,022	-	982	-	1,022	-	-	-	-	-	-	New Zealand's annual subscription to the ILO.
Joint Equal Employment Opportunities Trust	445	-	445	-	445	-	-	-	-	-	-	In partnership with the private sector to promote EEO as a good management practice.
New Zealand Industrial Relations Foundation	15	-	15	-	15	-	-	-	-	-	-	To promote better industrial relations through education.
Total Appropriations for Other Expenses to be Incurred by the Crown	1,482	2,500	1,442	2,500	1,482	3,200						
Capital Contributions to the Department												
Capital Investment	2,269	-	2,269	-	-	-	-	-	-	-	-	In order to implement the ERB, costs were involved in upgrading the infrastructure required to support the legislation such as IT systems, changes to and increases in accommodation, call centre equipment upgrades, vehicles and IT hardware.

Total Appropriations for Capital Contributions to the Department	2,269	-	2,269	-	-	-	-	-
Total Appropriations	67,654	2,500	67,586	2,500	60,017	3,200		

Part C - Explanation of Appropriations for Output Classes

Part C1 - Departmental Output Classes

For more detailed analysis of Departmental Output Classes, including financial and non-financial performance measures, please refer to the Department of Labour's Statement of Intent.

Output Class D1 - Policy Advice - Labour

Description

Through this output class the Minister purchases policy advice and labour market analysis related to enhancing the ability and opportunity of all individuals to participate in the labour market. This includes supporting employment relationships and ensuring employees work in a safe environment.

Activities include:

- advising on the policy requirements to achieve the Government's labour market, employment relations, and workplace safety and health goals
- monitoring and reporting on developments in the employment relations framework and system, on workplace safety and health, and on labour market trends and statistics
- providing advisory support and information for Ministers as required in Cabinet committees, select committees and Parliament
- ministerial servicing
- administrative, advisory and research services to the National Advisory Council on the Employment of Women (NACEW).

Output Class D2 - International Services

Description

This output class comprises the management of the Government's relationship with the ILO, and maintaining an overview of the linkages between international labour-related developments and domestic policy issues. This work involves:

- providing advisory support to the Minister on relevant issues
- assessing the impact of international developments on New Zealand's labour interests
- co-ordinating the preparation of interdepartmental advice to Ministers on the implications of ratifying ILO Conventions
- providing regular reports to the ILO about New Zealand's compliance in law and practice with ILO Conventions

- consulting with designated representative organisations of employers and workers on all reports submitted to the ILO and other related matters
- reporting to Parliament on the texts of newly adopted ILO standards
- arranging and funding the attendance of New Zealand delegates at:
 - the annual ILO Conference
 - two sessions of the ILO Governing Body per year
 - regional ILO conferences
- arranging visits to New Zealand by ILO fellows and other overseas labour officials.

Output Class D3 - Support Services - Industrial Relations Institutions

Description

This output class provides support services to the Employment Relations Authority and to the Employment Court, which operate in terms of the Employment Relations Act 2000, and to the Higher Salaries Commission which was established by the Higher Salaries Commission Act 1977. It also provides transitional servicing to the Employment Tribunal for residual applications made under the Employment Contracts Act 1991.

The support services relate to:

- processing cases and providing administrative support for the Employment Relations Authority
- providing legal, research and monitoring services to the Employment Relations Authority
- processing applications and servicing hearings in the Employment Court
- providing legal, library and monitoring services to the Employment Court
- promulgating Determinations on Remuneration issued by the Higher Salaries Commission
- during the transitional period, processing residual applications and servicing hearings in the Employment Tribunal.

Output Class D4 – Dispute Resolution

Description

This output class is focussed on the resolution of disputes in the workplace. It covers the provision of a nation-wide mediation service. It also covers the provision of public information concerning statutory minimum terms and conditions of employment and the employment relations framework delivered through the Information Centre and the Labour Inspectorate. The investigation and resolution of complaints relating to breaches of statutory and regulatory provisions including, where necessary, enforcement action by the Labour Inspectorate and the functions of the Registrar of Unions are also included in this class.

Output Class D5 - Promoting Excellence in Self Managing Occupational Health and Safety Hazards in the Workplace

Description

Through this output class the Minister of Labour purchases services designed to reduce workplace illnesses and injuries and in particular to promote compliance with the HSE Act 1992. The goal of these services is to achieve a 30% improvement in workplace health and safety by 2005/2006. These services are provided through information delivery, compliance assessment visits, investigations and enforcement activities.

Targeting of activities is used to have the maximum impact on workplaces with the highest rates of workplace illnesses and injuries through national strategies.

Injury prevention and health promotion activities include:

- marketing excellence in workplace health and safety practice
- facilitating industry initiatives to improve workplace health and safety
- developing information products for small businesses
- presenting seminars, workshops, lectures and displays on the obligations of workplace health and safety legislation
- responding to requests for information (including carrying out workplace visits to deliver information to promote compliance).

Compliance assessment visits are undertaken proactively by approaching the workplace to assess whether it meets the requirements of the HSE Act 1992. If the compliance assessment visit shows that a site does not comply with the legislation, appropriate action is taken to ensure that it is brought up to the standard required.

Investigations, under the HSE Act 1992, cover the investigation of notified events such as 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 1992 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. These include:

- improvement notices
- prohibition notices
- prosecutions.

Output Class D6 - Regulatory Functions Outside the Health and Safety in Employment Act 1992

Description

Through this output class the Minister of Labour purchases services which are designed to promote compliance with safety legislation where the public is affected by work activities, amusement devices, hazardous substances, equipment, and explosives or dangerous goods.

It covers the provision of advice to the Environmental Risk Management Authority on the operation of the transitional provisions of the HSNO Act 1996. It also provides enforcement services for the HSNO Act 1996. As the provisions of the HSNO Act 1996 are progressively activated they will replace the application of the Explosives Act 1957 and the Dangerous Goods Act 1974 as they apply to workplaces.

The output class also covers the administration of the Machinery Act 1950 and the Amusement Devices Regulations made under that Act.

This output class promotes compliance through:

- Information delivery and marketing
- Compliance assessment visits
- Investigations of notified events
- Enforcement activities including improvement notices, stop notices, infringement notices and prosecutions.

Part C2 - Non-Departmental Output Classes

Output Class O1 – Employment Relations Education Contestable Fund

Description

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

Significant providers

Any group or individual is eligible to seek funding from this output class, 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

The total cost of this output class is \$2.000 million including GST. The 2000/01 final appropriated sum for this output class was \$1.000 million including GST.

Output Class O2 - Health and Safety in Employment Levy - Collection Services

Description

Through this output class, 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 2001/02, 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).
- This sum will be paid in arrears, in the year following that in which the levy was payable, as detailed in the Accident Insurance Act 1998.

Cost

The total cost of this output class is \$0.515 million including GST. The 2000/01 final appropriated sum for this output class was \$2.308 million including GST.

Output Class O3 - Promotion of Equal Employment Opportunities

Description

Through this output class the Government funds programmes that promote EEO in the private sector by focusing on changing employer practices at the workplace level.

Programmes include:

- projects developing and implementing EEO programmes within a specific private sector workplace
- programmes producing resource material which promotes EEO as good management practice.

Significant providers

Any group or individual is eligible to seek funding from this output class, with applications being assessed against predetermined criteria. Groups, which have received funding in the past, include employers, unions, consultants, joint employer/consultant applications, organisations with an EEO focus and the Equal Employment Opportunities Trust.

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

The total cost of this output class is \$0.431 million including GST. The 2000/01 final appropriated sum for this output class was \$0.257 million including GST.

Part D - Explanation of Appropriations for Other Operating Flows

Part D3 – Other Expenses

Information about these appropriations is provided in Part B1.

Part E - Explanation of Appropriations for Capital Flows

Part E1 - Capital Contributions

Information regarding this appropriation is provided in Part B1.

Net Worth of Entities Owned;

Statement of Estimated and Forecast Net Worth

	Balance Date	Estimated Net Worth 2001 \$ million	Forecast Net Worth 2002 \$ million
Department of Labour	30 June	18.029	17.729

Part F - Crown Revenue and Receipts

Part F1 - Current and Capital Revenue and Receipts

	2000/01		2001/02	Description of 2001/02 Crown Revenue
	Budgeted \$000	Estimated Actual \$000	Budget \$000	
Current Revenue				
Non-Tax Revenue				
Recovery of HSC Costs of Setting Local Authority Members' Remuneration	-	-	500	Cost recovery contained in the proposed Local Government Act.
Employment Court, Employment Relations Authority and Employment Tribunal Fees	350	350	260	Fees and charges as per regulations prescribed under the Employment Relations Act 2000 and the Employment Contracts Act 1991.
Health and Safety in Employment Levy	26,190	24,190	27,170	Levy collected to cover costs of administering the HSE Act 1992.
OSH Fees and Licences	268	268	200	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.
Total Non-Tax Revenue	26,808	24,808	28,130	
Total Current Revenue	26,808	24,808	28,130	
Total Crown Revenue and Receipts	26,808	24,808	28,130	