

VOTE

Employment

Employment

Overview

Appropriations sought for Vote Employment in 2004/05 total \$46.304 million. This is intended to be spent as follows:

- \$9.242 million (20.0% of the Vote) providing labour market policy analysis, advice, research, evaluation and information dissemination on labour market participation. This output class also provides for purchase advice on and monitoring of the performance of the Ministry of Social Development and Tertiary Education Commission in contributing to the Government's employment goals.
- \$13.292 million (28.7% of the Vote) for the provision of community employment development policy advice and assistance to communities facing limited opportunities to engage in high quality work, significant barriers to labour market participation, or significant labour market change in order to increase their capacity and sustainability. This output class also includes the management of grants to assist communities that are addressing labour market disadvantage.
- \$21.770 million (47.0% of the Vote) on community employment development projects leading to increased capacity and sustainability to better assist disadvantaged communities that face limited opportunities to engage in high quality work, significant barriers to labour market participation, or significant labour market change.
- \$2.000 million (4.3% of the Vote) on services to promote enterprise development and provide capital finance for Māori women through the Māori Women's Development Fund.

Details of what the appropriations are to be spent on appear in Parts B1, C and D of this Vote. Details of Crown Revenue appear in Part F1.

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 Employment

The output classes in Vote Employment contribute to the Government's core purpose for the Department of Labour - *to help people achieve high quality working lives in thriving and inclusive communities, through linking their economic and social interests.*

The output classes in Vote Employment make a contribution to achieving the employment objectives of the Government through the following three departmental intermediate outcomes:

Intermediate Outcome	Contribution
<i>Workforce</i> - Overall contribution to society will increase as the skills of the workforce increase and the number of people participating in the skilled workforce and their communities increases	<p>Provide policy advice and information to identify groups who are disadvantaged in the labour market and assist in the development of programmes to increase skills for the unemployed and the employed.</p> <p>Provide purchase and monitoring advice on the performance of the Ministry of Social Development and Tertiary Education Commission in contributing to the Government's employment objectives.</p> <p>Research and communicate information on current and future skill needs to support effective decision making in the labour market.</p> <p>Build capacity, broker relationships and improve access to resources in communities facing significant labour market barriers or change by working with other agencies and promoting best practice.</p>
<i>Work opportunities</i> - Increased high quality work opportunities generated through more productive enterprises and enterprising communities	<p>Provide advice on effective government interventions to encourage employers to create jobs.</p> <p>Invest in innovative labour market oriented activity in communities facing limited opportunities to engage in high quality work.</p>
<i>Workplace</i> - Employees and employers achieve sustainable productivity gains through having high-quality workplace environments	<p>Research, analyse and share information about work and skills with employees and employers and those who advise them.</p>

Output Classes

The output classes in Vote Employment contribute to the Government's employment goals by providing services that aim to ensure that all New Zealanders have the capacity and opportunity to participate in paid work and that any time they spend out of work is for as short a period as possible.

Accordingly, appropriations are intended to fund a range of activities, including:

- providing policy advice that is supported by research and evaluation to achieve the Government's employment goals and community employment development objectives
- providing a range of services aimed at better assisting disadvantaged communities to identify their labour market needs and to work with those communities to plan, develop and implement innovative and viable responses to address the labour market dimensions of their community's disadvantage
- providing the management of project grants to a range of local community organisations that are addressing labour market disadvantage
- researching, monitoring and reporting employment and labour market trends and sharing information with employees, employers and those who advise them
- providing purchase and monitoring advice on the performance of the Tertiary Education Commission to help ensure that the training and education provided by the sector contribute to increasing workforce participation and meeting labour market needs
- providing purchase and monitoring advice on the performance of the Ministry of Social Development to assist the Minister to make decisions about the services and performance levels that are required to contribute to the Government's objectives for employment
- overseeing and coordinating the Government's Employment Strategy, Growth and Innovation Framework workstream on Skills and Talents and the Skills Action Plan
- 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 Employment

Vote Structure Trends

Vote Employment Policy was established on 1 October 1998 to fund the Department of Labour's policy analysis and advice on employment, evaluation and labour market research functions. This Vote also provided purchase advice and monitoring of the Department of Work and Income's employment services.

Vote Employment Policy was re-named Vote Employment in 2000/01 following the transfer of the Community Employment Group from the Department of Work and Income to the Department of Labour on 31 July 2000. This transfer had an associated increase in appropriation for Vote Employment from 2000/01 to include funding for policy analysis and advice on community employment development and community employment and development services.

Output Trends from 1999/2000 to 2004/05

In 1999/2000, Vote Employment Policy appropriations were reduced to reflect the cessation of transitional funding appropriated in 1998/99 for services related to the implementation of the Government's decision to create the Department of Work and Income. Appropriations were increased in 2000/01 to reflect the transfer of the Community Employment Group back to the Department of Labour.

During 2003/04, a fiscally neutral adjustment of \$1.397 million in 2003/04 and 2004/05 and \$1.352 million in 2005/06 and out-years was approved to move community employment policy resources to the Departmental Output Class Services to Generate Sustainable Community Wealth and Well-being Output Class. This adjustment was made in the context of managing towards outcomes. This is because the community employment policy services contribute to the same outcomes as the services provided in the Departmental Output Class Services to Generate Sustainable Community Wealth and Wellbeing.

During 2004/05 appropriations for the Departmental Output Class Policy, Purchase Advice and Monitoring were increased by \$1.276 million. This change relates to expense transfers in relation to the Linked Employer-Employee Data Set (LEEDS) project and some of the Skills Action Plan projects (the Community Economic Development Action Research project (CEDAR), the Employment Outcomes Survey and the Encouraging Diversity projects). These transfers are largely due to longer than anticipated negotiations between communities and other agencies to deliver expected milestones.

The Non-Departmental Other Expense Community Employment and Development Projects increased by \$758,000 as a result of an expense transfer to 2004/05 due to the review of the Social Entrepreneur Scheme which meant that no applications were approved after November 2003. Additional funding for the Cyber Communities initiative in 2004/05 and 2005/06 was approved as part of the Jobs Jolt Package.

Reconciliation of New Initiatives to Appropriations

Initiative	Appropriations as shown in Part B	\$000 increase/(decrease)				
		2003/04	2004/05	2005/06	2006/07	2007/08
Cyber Communities	Departmental Output Class - Services to Generate Sustainable Community Wealth and Well-being	106	195	130	-	-
	Other Expenses to be Incurred by the Crown - Community Employment and Development Projects	346	904	904	-	-
Settlement Services	Departmental Output Class - Services to Generate Sustainable Community Wealth and Well-being	-	553	553	553	553
Total Initiatives		452	1,652	1,587	553	553

Trends in Vote Employment - Summary of Appropriations and Crown Revenue

Types of Appropriation	1999/2000	2000/01	2001/02	2002/03	2003/04		2004/05 Appropriations to be Used				2005/06	2006/07	2007/08	
	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				
Operating Flows														
Classes of Outputs to be Supplied	3,638	14,125	15,821	17,990	21,041	20,853	22,534	-	-	-	22,534	19,932	19,094	18,419
Benefits and Other Unrequited Expenses	-	-	-	-	-	-	N/A	N/A	-	-	-	-	-	-
Borrowing Expenses	-	-	-	-	-	-	N/A	N/A	-	-	-	-	-	-
Other Expenses	-	18,849	23,357	22,832	23,012	23,012	-	-	23,770	-	23,770	23,370	22,466	22,466
Capital Flows														
Capital Contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase or Development of Capital Assets	-	-	-	-	-	-	N/A	N/A	-	-	-	-	-	-
Repayment of Debt	-	-	-	-	-	-	N/A	N/A	-	-	-	-	-	-
Total Appropriations	3,638	32,974	39,178	40,822	44,053	43,865	22,534	-	23,770	-	46,304	43,302	41,560	40,885
Total Crown Revenue and Receipts	-	59	92	41	103	103	N/A	N/A	N/A	N/A	-	-	-	-

Part B - Statement of Appropriations

Part B1 - Details of Appropriations

	2003/04				2004/05		Description of 2004/05 Appropriations
	Vote		Estimated Actual		Vote		
Appropriations	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
Departmental Output Classes (Mode B Gross)							
Policy, Purchase Advice and Monitoring	7,967	-	7,812	-	9,242	-	- This appropriation funds labour market policy analysis, advice, research, evaluation and information dissemination on labour market participation. It also provides for purchase advice on and monitoring of the performance of the Ministry of Social Development and Tertiary Education Commission in contributing to the Government's employment goals.
Services to Generate Sustainable Community Wealth and Wellbeing	13,074	-	13,041	-	13,292	-	- This appropriation funds community employment development policy advice and assistance to better assist disadvantaged communities to identify the labour market needs and to work with those communities to plan, develop and implement innovative and viable responses to address the labour market dimensions of their community disadvantage. The output class also includes the management of project grants provided to a range of local community organisations that are addressing labour market disadvantage.
Total Appropriations for Departmental Output Classes (Mode B Gross)	21,041	-	20,853	-	22,534	-	
Other Expenses to be Incurred by the Crown							
Community Employment and Development Projects	21,012	-	21,012	-	21,770	-	- This appropriation funds community employment development projects leading to increased capacity and sustainability of communities that face limited opportunities to engage in high quality work, significant barriers to labour market participation or significant labour market change.

Māori Women's Development Fund	2,000	-	2,000	-	2,000	-	This appropriation provides services to promote enterprise development and provide capital finance for Māori women.
Total Appropriations for Other Expenses to be Incurred by the Crown	23,012	-	23,012	-	23,770	-	
Total Appropriations	44,053	-	43,865	-	46,304	-	

Part C - Explanation of Appropriations for Output Classes

Part C1 - Departmental Output Classes

Output Class - Policy, Purchase Advice and Monitoring

This output class provides for the provision of policy, purchase advice and monitoring, research and evaluation to the Minister for Social Development and Employment to support the Government's objectives for employment.

Activities under this output class in 2004/05 include:

- providing policy advice that is supported by research and evaluation to achieve the Government's employment goals
- researching, monitoring and reporting employment and labour market trends and sharing information with employees, employers and those who advise them
- providing purchase and monitoring advice on the performance of the Tertiary Education Commission to help ensure that the training and education provided by the sector contributes to increasing workforce participation labour market needs
- providing purchase and monitoring advice on the performance of the Ministry of Social Development to assist the Minister to make decisions about the services and performance levels that are required to contribute to the Government's objectives for employment
- overseeing and coordinating the Government's Employment Strategy, the Growth and Innovation Framework workstream on Skills and Talents and the Skills Action Plan
- ministerial servicing including replies to correspondence, parliamentary questions, official information requests, speech and briefing notes and other information required by the Minister.

Output Class - Services to Generate Sustainable Community Wealth and Wellbeing

This output class provides the Minister for Social Development and Employment with a range of community employment development services along with policy advice (including research and evaluation) to support the Government's objectives for employment.

Activities under this output class in 2004/05 include:

- supporting the development of strategic opportunities to optimise the growth and sustainability of community employment
- working with other agencies and promoting best practice to build community capacity and improve labour market participation
- provision of community employment development grant assistance, and
- providing policy advice and ministerial services related to community employment development.

Part D - Explanation of Appropriations for Other Operating Flows

Part D3 - Other Expenses

Community Employment and Development Projects

This appropriation funds community-based employment development projects leading to increased capacity and sustainability of organisations and communities to contribute to their own community economic development. Priority is given to communities facing limited opportunities to engage in high quality work, significant labour market barriers to participation, or significant labour market change.

Community groups initiate and implement the projects with Community Employment Group fieldwork assistance. Grants are provided in response to an identified resource need for each project and are tailored on a case by case basis. This approach to project development encourages effective working partnerships between community, local government, private sector, and central government stakeholders.

Māori Women's Development Fund

This appropriation funds the Māori Women's Development Fund Inc. to promote enterprise development and provide capital finance for Māori women. Māori women are assisted to enter into business by providing access to capital through business loans and providing business advice and support services.

Part F - Crown Revenue and Receipts

Part F1 - Current and Capital Revenue and Receipts

	2003/04		2004/05	Description of 2004/05 Crown Revenue
	Budgeted \$000	Estimated Actual \$000	Budget \$000	
Current Revenue				
Non-Tax Revenue				
Programme Recoveries	103	103	-	
Total Non-Tax Revenue	103	103	-	
Total Current Revenue	103	103	-	
Total Crown Revenue and Receipts	103	103	-	