

VOTE *Labour*

Labour

Overview

Appropriations sought for Vote Labour in 2005/06 total \$75.698 million. This is intended to be spent as follows:

- \$11.599 million (15% of the Vote) on the provision of analysis, research and policy advice on the labour market and workplace issues including monitoring and ministerial servicing.
- \$691,000 (1% of the Vote) on managing 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.
- \$22.904 million (30% of the Vote) on providing services to promote and support fair and productive employment relationships including support services provided to employment relations institutions.
- \$28.178 million (37% of the Vote) on providing services to promote and support safe and healthy people and workplaces.
- \$3.672 million (5% of the Vote) on providing services to promote and support the safe management of hazardous substances in the workplace and amusement devices.
- \$3.536 million (5% of the Vote) on purchasing services from non-departmental providers in relation to the Employment Relations Education Contestable Fund and the Pay and Employment Equity Contestable Fund; and the collection of the Health and Safety in Employment (HSE) Levy.
- \$5.118 million (7% of the Vote) on other labour-related payments such as salaries and allowances of the Employment Relations Authority Members, and subscription to the ILO; and on promoting equal employment opportunities (EEO) and better industrial relations through the Joint EEO Trust and the New Zealand Industrial Relations Foundation respectively.

The Department expects to collect \$29.790 million of Crown Revenue in 2005/06: \$250,000 as recovery of Higher Salaries Commission (HSC) costs of setting local authority members' remuneration, \$193,000 from the Employment Relations Authority and Employment Tribunal Fees; \$29.067 million from the HSE Levy; \$33,000 from Occupational Safety and Health fees and licences and \$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
OECD	Organisation for Economic Cooperation and Development
UN	United Nations

Footnote

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.

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

The output expenses in Vote Labour contribute to the Government's objectives through activities directed at achieving the Department of Labour outcomes 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
Labour market participants use their knowledge and understanding of labour market dynamics and drivers	Increasing understanding of and providing evidence of the link between excellent workplace practises and improvements in workplace productivity.
Increased awareness and uptake of excellent workplace practises	<p>Setting minimum workplace standards and defining excellent workplace practises.</p> <p>Providing information and tools to assist employers and employees prevent and reduce employment relationship and health and safety problems.</p> <p>Influencing societal attitudes about the benefits of good workplace health and safety practise and employment relations.</p> <p>Providing services related to assessment and resolution of workplace health and safety, and employment relation issues.</p>
Sectors and regions engage in identifying labour market constraints and opportunities	<p>Conducting research and evaluations to increase knowledge about labour market trends.</p> <p>Ongoing work with high-risk industries such as agriculture, forestry and construction with regards to their health and safety practice.</p>
New Zealand workplaces effectively balance employers' and employees' needs and interests	<p>Providing information about good employment practises, providing mediation services, investigating complaints and enforcing minimum standards.</p> <p>Implementing the Work Life Balance work programme involving sector-based 'best practice' projects, exploring the need for out of school and holiday care programme provision, policy work on work life balance solutions, leave entitlements, and flexible working arrangements.</p>
Occupational injuries and disease are reduced	Activities aimed at improving the levels of health and safety practice in the workplace, including the management of hazardous substances in the workplace.

Departmental Goal	How Vote Labour Contributes
Our values and labour market and migration interests are promoted and supported through participation in rules-based international system	<p>Participating in, and influencing, international labour institutions.</p> <p>Contributing to international standards that are relevant and effective in the modern world.</p> <p>Ensuring that New Zealand meets and is seen to meet, its international obligations.</p> <p>Participating in bilateral and regional trade initiatives thereby creating ongoing relationships based on labour collaboration, dialogue and cooperation.</p>
Our international connections ensure that trade, foreign investment, skills and knowledge transfer improve the wellbeing of our people	<p>Ensuring consistency, efficiency and coordination of the Department's input to international labour forums and issues.</p> <p>Providing international best practice information for policy and operational purposes.</p>
Reduced barriers to labour force participation	<p>Leading implementation of the Pay and Employment Equity Plan of Action in the public service, public education and public health sectors, providing advisory services, developing tools and associated processes for the implementation of the Plan, monitoring and reporting on the Plan, and generally promoting and supporting the achievement of pay and employment equity.</p>
Responsive labour market regulation supports economic and social development	<p>Providing information and advice about legislation and the application of best practice health and safety.</p>

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
- 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 Labour

Output Trends: 2000/01 to 2005/06

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.

A Workplace Health and Safety Strategy for New Zealand to 2015 is currently under development. A draft of the Strategy was released for public consultation in August 2004. Subject to Cabinet approval, the final Strategy and an Action Plan for 2005-06 will focus on raising awareness of workplace health and safety and stimulating greater involvement from a wide range of stakeholders, including industry organisations and unions. They will ensure that the work of government agencies and key stakeholders is more effectively co-ordinated and prioritised and will also help create a more robust infrastructure of organisations and systems at a national level.

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. Additional 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.

New Policy Initiatives by Appropriation

Initiative	Appropriation as shown in Part B	\$000 increase/(decrease)				
		2004/05	2005/06	2006/07	2007/08	2008/09
Departmental Capability	Departmental Output Expense - Policy Advice - Labour (see Note 3)	946	5,161	5,161	5,161	5,161
	Departmental Output Expense - Transition Costs (see Note 3)	3,413	-	-	-	-
	Departmental Output Expense - Services to Promote and Support Fair and Productive Employment Relationships	98	380	380	380	380
	Departmental Output Expense - Services to Promote and Support Safe and Healthy People and Workplaces	154	603	603	603	603
	Departmental Output Expense - Services to Promote and Support the Safe Management of Hazardous Substances in the Workplace and Amusement Devices	8	33	33	33	33
Extend Paid Parental Leave to the Self-Employed	Departmental Output Expense - Policy Advice - Labour	-	300	-	-	-
Labour Market Participation - Develop Employer Toolkit	Departmental Output Expense - Policy Advice - Labour	-	222	-	-	-
Work-Life Balance Work Programme	Departmental Output Expense - Policy Advice - Labour	-	448	756	572	-
Partnership Resource Centre	Departmental Output Expense - Services to Promote and Support Fair and Productive Employment Relationships	889	1,356	1,356	1,356	1,356

New Policy Initiatives by Appropriation (continued)

Initiative	Appropriation as shown in Part B	\$000 increase/(decrease)				
		2004/05	2005/06	2006/07	2007/08	2008/09
Preventing Occupational Disease through Improved Occupational Health Services	Departmental Output Expense - Services to Promote and Support Safe and Healthy People and Workplaces	-	730	-	-	-
Workplace Productivity Working Group Agenda	Departmental Output Expense - Policy Advice - Labour	889	889	889	889	889
Maximising Gains from Trade Negotiations	Departmental Output Expense - International Services	-	265	294	290	171
Contestable Fund to support development of capability and systems to implement the Plan of Action on pay and employment equity	Non-Departmental Output Expense - Pay and Employment Equity Contestable Fund	889	889	889	889	889
Total Initiatives		7,286	11,276	10,361	10,173	9,482

Trends in Vote Labour - Summary of Financial Activity

	2000/01	2001/02	2002/03	2003/04	2004/05		2005/06 Appropriations to be Used				2006/07	2007/08	2008/09	
	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	56,157	52,778	51,669	55,064	70,178	66,358	67,044	-	3,536	-	70,580	67,692	67,504	66,813
Benefits and Other Unrequited Expenses	-	-	-	-	-	-	N/A	N/A	-	-	-	-	-	-
Borrowing Expenses	-	-	-	-	-	-	N/A	N/A	-	-	-	-	-	-
Other Expenses	3,935	4,914	5,415	5,589	5,527	5,427	-	-	2,358	2,760	5,118	5,118	5,118	5,118
Capital Expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	-	-	-	-	-	N/A	N/A	-	-	-	-
Total Appropriations	60,092	57,692	57,084	60,653	75,705	71,785	67,044	-	5,894	2,760	75,698	72,810	72,622	71,931
Crown Revenue and Receipts														
Tax Revenue	-	-	-	-	-	-	N/A	N/A	N/A	N/A	-	-	-	-
Non-Tax Revenue	23,186	15,584	28,727	30,754	29,870	29,673	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	23,186	15,584	28,727	30,754	29,870	29,673	N/A	N/A	N/A	N/A	29,790	29,790	29,790	29,790

Part B - Statement of Appropriations

Part B1 - Details of Appropriations

	2004/05				2005/06		
	Budget		Estimated Actual		Vote		
Appropriations	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	Scope of 2005/06 Appropriations
Departmental Output Expenses (General)							
Policy Advice - Labour	13,084	-	11,840	-	11,599	-	- Providing analysis, research, evaluation and policy advice on the labour market including monitoring and ministerial servicing, contributing to greater opportunities for all in New Zealand, fair and productive employment relationships, and safe and healthy people and workplaces.
International Services	518	-	516	-	691	-	- Management of the Government's trade agenda as it relates to the labour portfolio and the coordination of multilateral and bilateral activities relating to labour across the Department including managing the government's obligations and interests through the International Labour Organisation.
Services to Promote and Support Fair and Productive Employment Relationships	22,369	-	21,590	-	22,904	-	- Providing services to promote and support fair and productive employment relationships including support services provided to employment relations institutions.
Services to Promote and Support Safe and Healthy People and Workplaces	25,815	-	25,885	-	28,178	-	- Provision of services to promote and support safe and healthy people and workplaces.
Services to Promote and Support the Safe Management of Hazardous Substances in the Workplace and Amusement Devices	3,576	-	3,569	-	3,672	-	- Provision of services to promote and support the safe management of hazardous substances in the workplace under the Hazardous Substances and New Organisms (HSNO) Act 1996 and to support the safe management of amusement devices under the Amusement Devices Regulation 1978 (made under the Machinery Act 1950).

Total Appropriations for Departmental Output Expenses (General)	65,362	-	63,400	-	67,044	-	
Non-Departmental Output Expenses							
Pay and Employment Equity Contestable Fund	889	-	222	-	889	-	Provision of fundamental employment equity systems projects in public service departments or umbrella organisations in the health or education sectors.
Employment Relations Education Contestable Fund	3,058	-	1,867	-	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	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.
Total Appropriations for Non-Departmental Output Expenses	4,816	-	2,958	-	3,536	-	
Other Expenses to be Incurred by the Crown							
Employment Court Judges' Salaries and Allowances	-	433	-	433	-	-	As set by the HSC in order to administer and enforce employment-related legislation (section 206 of the ERA 2000). This appropriation has been transferred to the Ministry of Justice.
Employment Relations Authority Members' Salaries and Allowances	-	2,736	-	2,636	-	2,760	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	1,400	-	1,400	-	1,400	-	New Zealand's annual subscription to the ILO.
Joint Equal Employment Opportunities Trust	943	-	943	-	943	-	Funding to promote EEO as a good management practice, delivered in partnership with the private sector.
New Zealand Industrial Relations Foundation	15	-	15	-	15	-	Funding for education to promote better industrial relations.
Total Appropriations for Other Expenses to be Incurred by the Crown	2,358	3,169	2,358	3,069	2,358	2,760	
Total Appropriations	72,536	3,169	68,716	3,069	72,938	2,760	

Part C - Explanation of Appropriations for Output Expenses

Part C1 - Departmental Output Expenses

Policy Advice - Labour

This output expense involves the provision of policy advice, research and evaluation about the labour market and workplace issues, 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.

This output expense contributes to the Department's long-term goal "New Zealand's workplaces are attractive, innovative and productive". It does this by setting minimum workplace standards and defining excellent workplace practices, increasing our understanding of, and providing evidence of the link between excellent workplace practices and improvements in workplace productivity, and assessing the impact of the Department's activities on the outcome sought.

Activities in 2005/06 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
- 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 trade negotiations as they relate to the labour portfolio and the coordination of multilateral and bilateral activities relating to labour and employment across the Department, with particular responsibility for managing the Government's obligations and interests through the International Labour Organisation.

The output expense contributes predominantly to the Department's outcome of *Productive Work and High Quality Working Lives* by ensuring we have a say in global matters that affect us through:

- participating in, and influencing, international labour institutions
- contributing to international standards that are relevant and effective in the modern world

- ensuring that New Zealand meets and is seen to meet, its international obligations
- participating in bilateral and regional trade initiatives thereby creating ongoing relationships based on labour collaboration, dialogue and cooperation
- ensuring consistency, efficiency and co-ordination of the Department's input to international labour forums and issues.

The output expense also contributes by facilitating the provision of international best practice information for policy and operational purposes.

Activities in 2005/06 include:

- leading the labour component of approximately 15 bilateral and regional free trade negotiations
- implementing the labour component of Closer Economic Partnership Agreements
- providing high quality representation in approximately 10 overseas meetings on labour and employment issues, including three ILO Governing Body meetings and three International Labour Conferences
- managing the Department of Labour international visitor strategy
- coordinating the Department's input to ILO Pacific capability building
- managing Australian bilateral relations as they relate to the labour portfolio
- managing Asia-Pacific Economic Cooperation (APEC), United Nations (UN), Organisation for Economic Cooperation and Development (OECD) commitments and obligations across the Department as they relate to the labour portfolio
- providing advice as required to Ministers on relevant international labour issues
- ensuring New Zealand meets its ILO reporting obligations under Article 19 and Article 22 of the ILO constitution 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 all reports to be submitted
- reporting to Parliament on the text of newly adopted ILO standards as obligated under the ILO constitution
- coordinating inter-departmental advice to Ministers on the implications of ratifying ILO Conventions
- administering and coordinating the tripartite steering group and officials working group developing New Zealand's Decent Work Action Plan.

Services to Promote and Support Fair and Productive Employment Relationships

This output expense involves the provision of services to promote and support the outcome of fair and productive employment relationships.

This output expense contributes to the Department's long-term goal "New Zealand's workplaces are attractive, innovative and productive" by improving the quality of workplace practices and conditions which in turn contribute to employees and employers achieving sustainable productivity gains.

It also contributes to the long-term goal “All people have opportunities to participate in well paid and meaningful employment” as improved employment relations practices contributes to sustainable employment and increased participation in the workforce.

Activities in 2005/06 include:

- educating employers about good employment practices in their workplaces including information about minimum standards. The Department also 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 the development of self help tools (such as the employment agreement builder, checklists, and templates, 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 contributes to the Department’s long-term goal “New Zealand’s workplaces are attractive, innovative and productive”. Improved levels of health and safety practice in the workplace support the development of high quality work for people and create high-quality workplace environments, which contribute to employees and employers achieving sustainable productivity gains.

It also contributes to the long-term goal “All people have opportunities to participate in well paid and meaningful employment” by improving the quality of workplace practices and conditions, thereby contributing to sustainable employment and increased participation in the workforce.

The Department’s activities are targeted at specific hazards and issues, industry sectors, and occupational activities and processes that are associated with the highest rates of occupational illness or injury, or that have a potential for catastrophic failure. The priority areas are targeted with intervention strategies aimed at bringing about significant improvements in the medium to longer term.

Activities in 2005/06 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 contributes to the Department's long-term goal "New Zealand's workplaces are attractive, innovative and productive". Improved levels of health and safety practice, through the management of hazardous substances in the workplace, support the development of high quality work for people and create high quality workplace environments, which contribute to employees' and employers' achieving sustainable productivity gains.

It also contributes to the long-term goal "All people have opportunities to participate in well paid and meaningful employment" by improving the quality of workplace practices and conditions, thereby contributing to sustainable employment and increased participation in the workforce.

The Department's activities are targeted at specific hazards and issues, industry sectors, and occupational activities and processes that are associated with the highest rates of illness or injury, or that have a potential for catastrophic failure. The priority

areas are targeted with intervention strategies aimed at bringing about significant improvements in the medium to longer term.

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 as part of or concurrent with those related to promoting and administering the HSE Act.

Activities in 2005/06 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 either the HSE Act or 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

The total cost of this output expense is \$889,000 (exclusive of GST). The 2004/05 final appropriated sum for this output class was \$889,000 million (exclusive of GST).

Employment Relations Education Contestable Fund

Through this output expense 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 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

The total cost of this output expense is \$1.778 million (exclusive of GST). The 2004/05 final appropriated sum for this output class was \$3.058 million (exclusive of GST).

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 2004/05, 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

The total cost of this output expense is \$869,000 (exclusive of GST). The 2004/05 final appropriated sum for this output class was \$869,000 (exclusive of GST).

Part E - Explanation of Capital Flows

Part E1 - Explanation of Movements in Department Net Asset Schedules

Explanation of Movements in Department's Net Asset Schedule

Details of Net Asset Schedule for Department of Labour	Estimated Actual 2004/05 \$ million	Projected 2005/06 \$ million	Explanation of Projected Movements in 2005/06
Opening Balance	32.126	48.095	
Capital Injections	28.370	11.015	To enhance border and offshore security; to implement skilled migrant category and immigration health screening and to implement the prevention of occupational disease through occupational health services.
Capital Withdrawals	(3.833)	-	
Surplus to be Retained (Deficit Incurred)	(8.568)	(7.438)	Forecast deficit will be funded by a capital contribution to the Department of Labour with a corresponding decrease in the New Zealand Immigration Service Memorandum Account.
Other Movements	-	-	
Closing Balance	48.095	51.672	

Part F - Crown Revenue and Receipts

	2004/05		2005/06	Description of 2005/06 Crown Revenue
	Budgeted \$000	Estimated Actual \$000	Budget \$000	
Current Revenue				
Non-Tax Revenue				
Programme Recoveries	59	59	-	Recoveries of contestable fund grants from previous fiscal years.
Infringement Notice Fines	247	50	247	Fines collected through the implementation of the Health and Safety Amendment Act 2002.
Recovery of HSC Costs of Setting Local Authority Members' Remuneration	250	250	250	Cost recovery contained in the Local Government Act 2002.
Employment Court, Employment Relations Authority and Employment Tribunal Fees	214	214	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	29,067	29,067	Levy collected to cover costs of administering the HSE Act 1992.
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.
Total Non-Tax Revenue	29,870	29,673	29,790	
Total Current Revenue	29,870	29,673	29,790	
Total Crown Revenue and Receipts	29,870	29,673	29,790	

