

Performance Information for Appropriations

Vote Employment

MINISTER(S) RESPONSIBLE FOR APPROPRIATIONS: Minister for Social Development and Employment (M63)

ADMINISTERING DEPARTMENT: Department of Labour

MINISTER RESPONSIBLE FOR DEPARTMENT OF LABOUR: Minister of Labour

Part 1 - Summary of the Vote

Part 1.1 - Overview of the Vote

The Minister for Social Development and Employment is responsible for appropriations in the Vote for the 2008/09 financial year covering the following:

- a total of \$9.872 million on labour market performance, analysis and information to support national, regional and sector labour market engagements aimed at ensuring well functioning labour markets in the future
- a total of \$9.051 million providing policy research and evaluation related to the labour market and its role in improving employment, social and economic outcomes in New Zealand.

Details of these appropriations are set out in Parts 2-6 below.

Part 1.2 - High-Level Objectives of the Vote

Government Priorities and Outcomes - Links to Appropriations

Government Priorities - Themes/Sub-themes	Government Outcomes	Appropriations
Economic Transformation	The performance of the labour market will be optimised so New Zealand is a high-wage, high-skill and high-value economy	Labour Market Analysis and Knowledge
	New Zealand will have a highly skilled workforce	Policy, Research and Evaluation
	Labour market participation will be maximised	

Part 1.3 - Trends in the Vote

Summary of Financial Activity

	2003/04	2004/05	2005/06	2006/07	2007/08		2008/09			2009/10	2010/11	2011/12
	Actual \$000	Actual \$000	Actual \$000	Actual \$000	Budgeted \$000	Estimated Actual \$000	Departmental Transactions Budget \$000	Non- Departmental Transactions Budget \$000	Total Budget \$000	Estimated \$000	Estimated \$000	Estimated \$000
Appropriations												
Output Expenses	15,990	20,211	13,040	13,819	17,698	15,341	18,923	-	18,923	15,757	15,820	15,820
Benefits and Other Unrequited Expenses	-	-	-	-	-	-	N/A	-	-	-	-	-
Borrowing Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	16,314	7,072	-	-	-	-	-	-	-	-	-	-
Capital Expenditure	-	-	-	-	-	-	-	-	-	-	-	-
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	-	-	-	-	N/A	-	-	-	-
Total Appropriations	32,304	27,283	13,040	13,819	17,698	15,341	18,923	-	18,923	15,757	15,820	15,820
Crown Revenue and Receipts												
Tax Revenue	-	-	-	-	-	-	N/A	N/A	-	-	-	-
Non-Tax Revenue	160	158	71	22	-	-	N/A	N/A	-	-	-	-
Capital Receipts	-	-	-	-	-	-	N/A	N/A	-	-	-	-
Total Crown Revenue and Receipts	160	158	71	22	-	-	N/A	N/A	-	-	-	-

Budget Policy Initiatives

Policy Initiative	Appropriation	2007/08 Budgeted \$000	2008/09 Budget \$000	2009/10 Estimated \$000	2010/11 Estimated \$000	2011/12 Estimated \$000
Skills Strategy - Literacy, Language and Numeracy	Policy, Research and Evaluation Departmental Output Expense - (General)	-	1,650	2,130	2,630	2,630

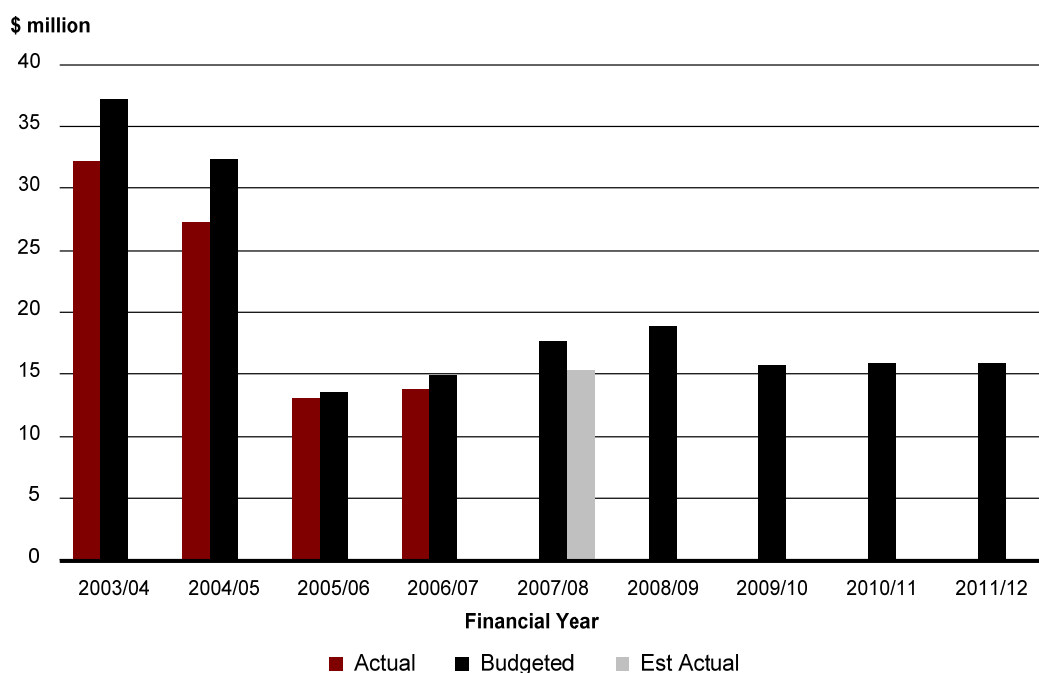
Analysis of Significant Trends

Total Vote: Appropriations

Significant changes in departmental and non-departmental appropriations in Vote Employment are discussed briefly below.

Trends in comparative actual and estimated total expenses and capital expenditure are shown in Figure 1 below, including budgeted and estimated actual figures for the preceding year.

Figure 1 - Trends in total actual and estimated expenses



Source: Department of Labour

Commentary

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

As a result of the Government's repositioning of community employment activities the Department of Labour was directed to develop a knowledge role in relation to labour market performance and information capacity, particularly in relation to national, regional and industry/sector labour market engagement, and strategy alignment. A new departmental output expense Labour Market Information was created within Vote Employment for this new function (renamed in 2006/07 to Labour Market Analysis and Knowledge). The departmental output expense Policy, Purchase Advice and Monitoring,

was also renamed Policy, Research and Evaluation to more accurately describe the scope of that output expense.

In addition, \$2 million for the non-departmental other expense Māori Women's Development Fund was transferred to Vote Māori Affairs in 2005/06.

In 2006/07, funding includes \$1.090 million of transfers from previous financial years for two research and evaluation initiatives (the Workplace Information Survey and the Linked Employer-Employee Dataset), reflecting their longer implementation timeframes. Additional funding was received in 2006/07 to identify and implement a series of initiatives to shift workplace practices to help employers improve the literacy, numeracy and language skills of their employees and better utilise their skills. This funding ends in 2008/09. This will be replaced by new funding from a budget initiative in 2008/09.

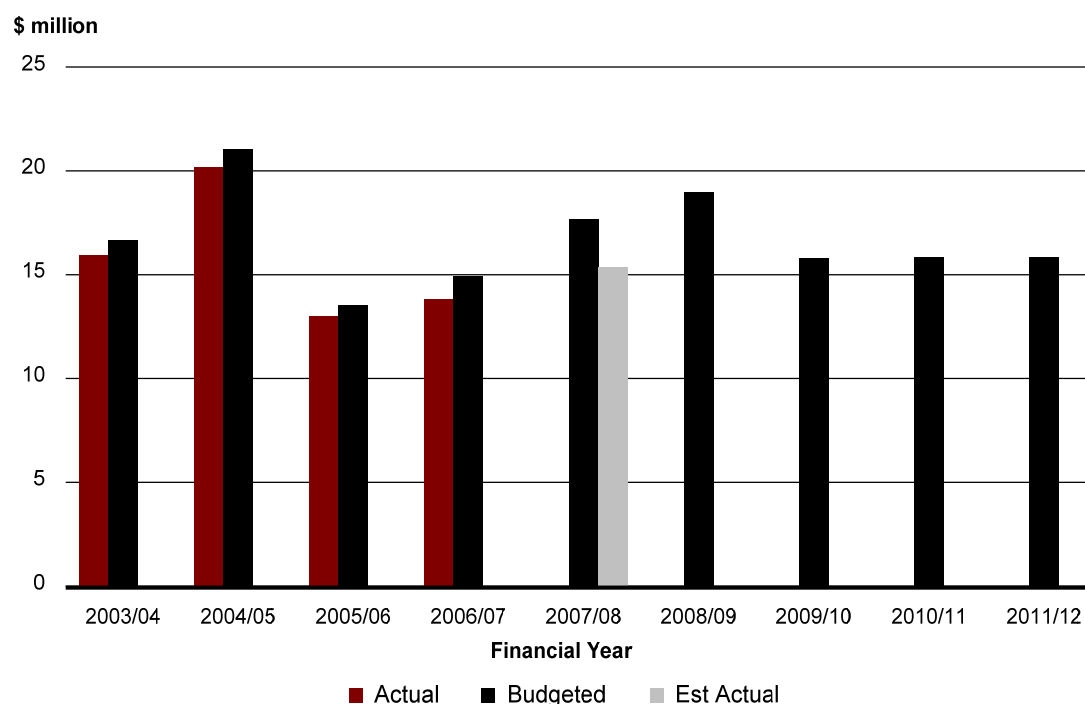
The Government will fund new measures to raise demand for literacy, numeracy and language training among employers, employees and people who are near work. Research, monitoring and evaluation for the Literacy, Language and Numeracy Strategy will also be funded. (Increased provision and sector capability building will be funded through Vote Education).

Output Expenses - Departmental and Non-Departmental

Significant changes in departmental and non-departmental appropriations in Vote Employment are discussed briefly below.

Trends in comparative actual and estimated total expenses and capital expenditure are shown in Figure 2 below, including budgeted and estimated actual figures for the preceding year.

Figure 2 - Trends in total actual and estimated expenses for both departmental and non-departmental output expenses



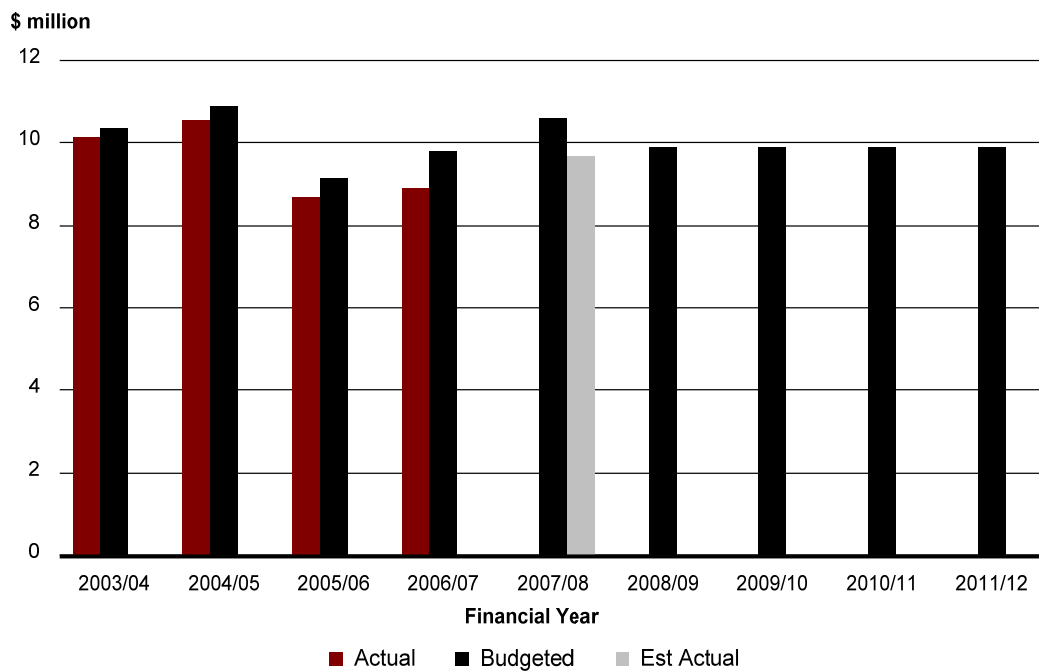
Source: Department of Labour

Commentary

The specific trends are discussed under the respective output expenses.

Trends in comparative actual and estimated expenses for departmental output expense Labour Market Analysis and Knowledge are shown in Figure 3 below, including budgeted and estimated actual figures for the preceding year.

Figure 3 - Trends in labour market analysis and knowledge

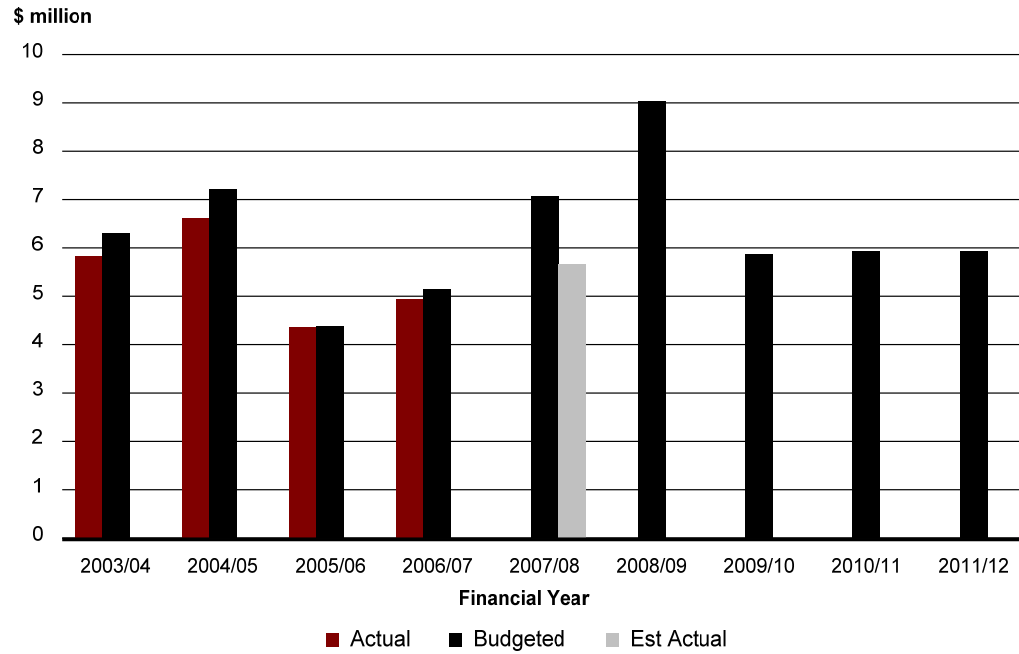


Source: Department of Labour

Commentary

Cabinet directed the Department of Labour to develop the Labour Market Analysis and Knowledge role in late 2004. Over the 2005/06 and 2006/07 financial years the work programme and ongoing baseline funding was agreed by the Ministers of Finance, Labour and Social Development and Employment under a delegation from Cabinet.

Trends in comparative actual and estimated expenses for departmental output expense Policy, Research and Evaluation are shown in Figure 4 below, including budgeted and estimated actual figures for the preceding year.

Figure 4 - Trends in policy, research and evaluation

Source: Department of Labour

Commentary

Time-limited funding was provided in 2007/08 and 2008/09 for work to identify and implement a series of initiatives to shift workplace practices to help employers improve the literacy, numeracy and language skills of their employees and better utilise their skills.

Part 2 - Details and Expected Performance for Output Expenses

Part 2.1 - Departmental Output Expenses

Intended Impacts, Outcomes and Objectives

Intended Impacts, Outcomes or Objectives of Appropriations	Appropriations
<p>Outcome: The performance of the labour market will be optimised so New Zealand is a high-wage, high-skill and high-value economy.</p> <p>Impact: Decisions in relation to the operation of the labour market will be improved as a result of information and insights; increased strategy alignment at the national, regional and industry/sector level; and improving alignment of education, social development and economic development outcomes.</p>	Labour Market Analysis and Knowledge
<p>Outcome: New Zealand businesses will be able to recruit and retain the skilled workers they need to be internationally competitive.</p> <p>Impact: Skill levels of the existing workforce will increase, be well-used, refreshed and maintained. New Zealanders will have optimal access to meaningful employment, and people's transitions into and within the labour force will be smoother.</p>	Policy, Research and Evaluation

Labour Market Analysis and Knowledge (M63)

Scope of Appropriation

Provides labour market information; analysis and validation of regional labour market information; participation on regional and sector labour market focused groups; and connections back to and across government.

Expenses and Revenue

	2007/08		2008/09
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	10,613	9,681	9,872
Revenue from the Crown	10,520	10,520	9,780
Revenue from Others	93	93	92

Reasons for Change in Appropriation

The main reason for the change in appropriation is that the appropriation in 2007/08 included \$800,000 transferred from the previous year reflecting delays in the work programme implementation.

Output Performance Measures and Standards

Performance Measures	2007/08		2008/09
	Budgeted Standard	Estimated Actual Standard	Budget Standard
The Department communicates the labour market story at a national, sector and regional level through a variety of media to a variety of recipients.	The Department will produce a range of reports that will be disseminated regularly throughout 2007/08 in accordance with the Department's Labour Market Analysis Programme.	Achieved	Evaluate the impact of labour market analysis and knowledge on stakeholder decision making.
Work with a broad range of industry, regional and sector stakeholders to develop and implement industry, regional and sector labour market strategies.	The establishment of strategies in all Labour Market Knowledge Manager regions and reporting progress against those strategies quarterly. Advance three key sector engagements and reporting on progress quarterly.	Achieved	The establishment of Labour Market Strategies and evaluate their impact on Productivity.

Conditions on Use of Appropriation

Reference	Conditions
Quality standards for policy advice	Similar standards are used to report on and communicate the labour market story as the quality standards for policy advice, as referred to in the Policy, Research and Evaluation output expense below.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2007/08 Budgeted \$000	2008/09 Budget \$000	2009/10 Estimated \$000	2010/11 Estimated \$000	2011/12 Estimated \$000
Department of Labour's knowledge role	2005/06	6,267	6,267	6,267	6,267	6,267
Labour Market Participation - Facilitating employment of non-traditional groups of people	2005/06	178	178	178	178	178
Information Communication Technology Infrastructure Investment	2007/08	7	67	84	96	96

Policy, Research and Evaluation (M63)

Scope of Appropriation

This appropriation provides strategic advice and information about the labour market and its role in improving employment, social and economic outcomes for New Zealand.

Expenses and Revenue

	2007/08		2008/09
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	7,085	5,660	9,051
Revenue from the Crown	7,010	7,010	8,976
Revenue from Others	75	75	75

Reasons for Change in Appropriation

The main reason for the change in appropriation is an increase in funding arising from a Budget initiative in 2008/09.

The Government will fund new measures to raise demand for literacy, language and numeracy (LLN) training among employers, employees and people who are near work. Research, monitoring and evaluation for the LLN strategy will also be funded.

Output Performance Measures and Standards

	2007/08		2008/09
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Performance Measures			
The policy development process and resultant advice provided is assessed as high-quality through external and internal review of projects.	90%	Reported in the fourth quarter	90%

Conditions on Use of Appropriation

Reference	Conditions
Quality standards for policy advice	
Policy advice - Ministers expect to receive policy advice consistent with the following quality standards:	
Integrated	Advice considers the Government's priorities and the Department's goals and has been produced after involvement of all relevant contributors within the Department.
Timeliness	Advice is produced in sufficient time to allow thorough consideration prior to decision-making, or within the timeframe agreed with the Minister.
Emerging issues	Advice is provided on emerging issues that are not part of the existing work plan.
Issue and objective	A clearly defined issue or objective to be achieved is provided.
Analysis	The analysis is sound and convincing - that is, appropriate analytical techniques are employed, convincing evidence is provided and there is a clear rationale for recommendations made.
Options	All viable options recognising a wider government perspective are identified and addressed.
Consultation	Where appropriate, the right individuals, government departments and interest groups are consulted at the right time and their input is used appropriately.
Style and presentation	The report uses a satisfactory style and presentation.
Implementation	Where appropriate, information is provided on the implementation of the selected option(s), including feasibility issues, legislative implications, and assessment of fiscal, administrative and compliance costs.
Evaluation strategy	Where appropriate, advice includes how proposals have been or will be evaluated.
Impact assessment	Advice has considered the implementation impacts on private and public sector stakeholders and customers.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2007/08 Budgeted \$000	2008/09 Budget \$000	2009/10 Estimated \$000	2010/11 Estimated \$000	2011/12 Estimated \$000
Funding ongoing advice, information and support by the Department of Labour to industry and regional clusters experiencing labour market difficulties which constrain their growth potential	2003/04	336	336	336	336	336
Develop phase two of the Labour Market Information Portal (Worksite)	2003/04	101	101	101	101	101
Departmental Capability	2004/05	282	282	282	282	282
Upskilling the Workforce	2006/07	3,390	3,430	-	-	-
Information Communication Technology Infrastructure Investment	2007/08	4	32	39	45	45
Skills Strategy - Literacy, Language and Numeracy	2008/09	-	1,650	2,130	2,630	2,630