

VOTE Employment

VOTE Employment

OVERVIEW

Appropriations sought for Vote Employment in 1998/99 total \$454.221 million. This is intended to be spent as follows:

- \$4.377 million (1% of the Vote) on the purchase of policy advice and ministerial servicing from the Department of Labour.
- \$281.135 million (62% of the Vote) on the purchase of services from the Department of Labour to minimise the duration of unemployment and maximise participation in community work and training.
- \$8.948 million (2% of the Vote) on the purchase of contracts and grants management services from the Department of Labour.
- \$13.821 million (3% of the Vote) on the purchase of services related to the implementation of the Government's employment strategy.
- \$19.379 million (4% of the Vote) on the purchase of services from non-departmental providers to enhance training and employment opportunities for job seekers.
- \$108.645 million (24% of the Vote) on subsidised work for job seekers.
- \$3.700 million (less than 1% of the Vote) on financial assistance to job seekers.
- \$13.596 million (3% of the Vote) on community employment projects.
- \$620,000 (less than 1% of the Vote) on modification grants for disabled job seekers and for the Maori.

Details of what the appropriations are to be spent on appear in Parts B1 and C of this Vote.

Terms and Definitions Used

CEG	<i>Community Employment Group</i>
DoL	<i>Department of Labour</i>
DSW	<i>Department of Social Welfare</i>
IS	<i>Income Support</i>
LEC	<i>Local Employment Coordination</i>
NACEW	<i>National Advisory Council on the Employment of Women</i>
NZES	<i>New Zealand Employment Service</i>
TOP	<i>Training Opportunities Programme</i>

Footnotes

Note 1	<i>This integration will require adjustments to employment and income support funding arrangements during 1998/99.</i>
Note 2	<i>Not applicable as Crown revenue is not appropriated.</i>
Note 3	<i>Appropriations are stated GST inclusive (where applicable).</i>
Note 4	<i>Job seekers unemployed for more than 10 years will be a particular priority.</i>
Note 5	<i>Community work and training is defined as the participation of job seekers in the Expanded Community Taskforce, Job Link/Job Intro, Taskforce Green, Job Plus Training, other pre-employment training initiatives, Wahine Ahuru, Limited Service Volunteers or Residential Motivational Training, Community projects promoting positive activity and personal development for participants, and Vote Employment funded participation in TOP.</i>
Note 6	<i>This level of participation represents between 13% and 17% of job seekers in receipt of a work-tested benefit (April 1998 estimate).</i>
Note 7	<i>At any one time is calculated as a monthly average.</i>
Note 8	<i>Estimated to be 14,900 (April 1998).</i>

Note 9	<i>Stable employment is defined as placements of job seekers into full-time employment, or part-time work employment over 15 hours per week who stay off the register for three months or more.</i>
Note 10	<i>This measure of compliance assumes the mix of subsidised and unsubsidised placements remaining at a similar level to that of 1997/98.</i>
Note 11	<i>Estimate as at April 1998.</i>
Note 12	<i>Full-time labour market participation is defined as placements of job seekers (with duration 26 weeks plus) into paid work over 20 hours per week, adding up to at least 13 weeks over the immediately preceding 26-week period.</i>
Note 13	<i>Part-time labour market participation is defined as placements of job seekers (with duration 26 weeks plus) into paid work of under 20 hours per week that adds up to at least 13 weeks over the immediately preceding 26-week period.</i>
Note 14	<i>Work experience is defined as participation in Taskforce Green, Job Link, Job Intro and Job Connection, short duration placement, part-time work under 20 hours per week, and placements into full time, part-time work over 20 hours, or temporary employment if the person rejoins the register within 91 days.</i>

VOTE Employment

VOTE MINISTER: MINISTER OF EMPLOYMENT
ADMINISTERING DEPARTMENT: DEPARTMENT OF LABOUR

Part A - Statement of Objectives and Trends

Part A1 - Objectives for Vote Employment

Related Government Outcomes

The appropriations in Vote Employment will contribute to the broad spectrum of the Government's economic growth and social cohesion objectives and meeting the Government's objectives as specified in the Coalition Agreement. They will resource policy advice and delivery of strategies designed to achieve the dual outcomes of:

- significantly reducing the duration of unemployment
- significantly increasing the numbers of job seekers participating in community work and training during periods of unemployment.

Output Classes

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

- provision of policy advice and analysis on employment assistance to individuals and communities, and the interface between employment policy and other government policy areas
- provision of strategies designed to achieve the outcomes of significantly reducing the duration of unemployment and significantly increasing the numbers of job seekers participating in community work and training during periods of unemployment
- administration, evaluation and monitoring of employment assistance measures to promote the employment of job seekers
- provision for transitional costs resulting from the implementation of the Government's employment policies.

Links Between the Output Classes and the Government's Outcomes

The links between the Government's strategic objectives and the classes of outputs being purchased under Vote Employment are:

Departmental Output Classes	Related Outcomes
<p>Policy Advice - Employment</p> <p>Services to Minimise the Duration of Unemployment and Maximise Participation in Community Work and Training</p> <p>Contracts and Grants Management</p> <p>Transition</p>	<p>Enhancing the ability of individuals, families and communities to actively participate in New Zealand's economic, social and cultural development through coordinated policies and delivery that:</p> <ul style="list-style-type: none"> • address causes of poor outcomes for individuals and families • foster community participation • are based on principles of respect, compassion and responsibility. <p>Particular emphasis will be placed on, wherever possible, moving people from being financially dependent on welfare benefits or ACC towards self-reliance and employment by developing and implementing policies and service delivery approaches that:</p> <ul style="list-style-type: none"> • are based on reciprocal obligations • involve communities • will reduce the duration of unemployment • promote participation in community work and training while unemployed. <p>Significant progress towards negotiating and implementing fair and affordable settlements to well founded grievances arising under the principles of the Treaty of Waitangi and, consistent with the Crown as Treaty partner, development of policies and processes that lead towards closing the economic and social gaps between Māori and non-Māori.</p>

Departmental Output Classes	Related Outcomes
	Particular emphasis will be placed on enhancing and improving the design, access to, delivery and monitoring of policies and programmes which impact on Maori economic opportunity and social outcomes.

Non-Departmental Output Classes	Related Outcomes
Employment Support for People with Disabilities	Particular emphasis will be placed on providing comprehensive and integrated care and support services to maximise the potential of individuals with mental health and disability support needs.
Limited Service Volunteers	
Student Placement Services	

Part A2 - Trends in Vote Employment

The time series of departmental and Crown flows detailed in the Trends in Vote Employment table shows a general maintenance of outputs purchased by the Crown, with an increase in recent years as a result of the Government's response to the recommendations of the Prime Ministerial Task Force on Employment and as a result of the implementation of the Government's Employment Strategy. The development of the Government's Employment Strategy will continue during 1998/99. New organisational arrangements will be introduced to deliver employment and income support services. A new integrated service department will be established on 1 October 1998, and will include the service delivery functions of New Zealand Employment Service (NZES), Community Employment Group (CEG), and Local Employment Coordination (LEC) from within the Department of Labour (DoL), and Income Support (IS) functions from within the Department of Social Welfare (DSW) (see note 1). Employment policy and purchase advice functions will remain with the DoL.

Output Trends: 1993/94 to 1998/99

In 1998/99, the key objectives of reducing the duration of unemployment and increasing participation in community work and training will be continued and strengthened. Significant Training Opportunities Programme (TOP) resources have been transferred into Vote Employment from Vote Education, with a view to gaining better alignment of TOP with other employment and training initiatives. In addition, and as a result of the Government's benefit reform initiatives, significant numbers of additional beneficiaries will be subject to work testing obligations and will require employment-related services.

In 1997/98, the previous output classes D2 Job Seeker Services, D4 Community Employment Services and D5 Local Employment Coordination were amalgamated into a new D2 Services to Minimise the Duration of Unemployment and Maximise Participation in Community Work and Training.

NZES and CEG continued to deliver initiatives which were introduced as a result of the Government's Focus on Employment strategy, developed in response to the report of the Prime Ministerial Task Force on Employment. In addition, NZES responded to increased flows of beneficiaries (ie, Domestic Purposes beneficiaries, Widows beneficiaries and spouses of Unemployment beneficiaries with no children or a youngest child aged 14 years or more) who were subject to work testing on a part-time basis for the first time.

NZES and CEG also began implementing the Government's employment initiatives as outlined in the Coalition Agreement. The focus in 1997/98 was on two key outcome measures: minimising the duration of unemployment; and maximising participation in community work and training. Participation in the Community Taskforce programme (Interim Community Work and Training initiative) was progressively expanded to achieve the participation of between 7,000 and 10,000 people at any one time by the end of 1997/98. The Limited Service Volunteers programme was also expanded, as was a range of other community work and training programmes. In addition, NZES targeted its services designed to reduce long-term unemployment by focusing on job seekers registered more than two years and four years respectively. CEG assisted communities to develop local opportunities for self-sufficiency.

In 1997/98, a new output class, D4 Transition, was created, which provided funding for the transitional costs associated with the development and implementation of the Government's employment strategies. Annual appropriations for departmental output class, D1 Policy Advice, increased by \$564,000 (GST inclusive) in 1997/98 relative to 1996/97 to reflect the transfer of funding for the National Advisory Council on the Employment of Women (NACEW) and the full cost of work undertaken by the Department's Labour Market Policy Group in respect of employment matters to Vote Employment.

In 1996/97, the previous output class D2 Initiatives to Assist Priority Job Seekers was restructured as Job Seeker Services, reflecting a move by NZES to place a greater emphasis on measuring the effectiveness of its outputs. Although NZES places a high priority on disadvantaged job seekers, it still needs to provide appropriate assistance to newly unemployed people. Therefore, this new output class contains performance measures relating to both new job seekers and priority job seekers.

1996/97 also saw the progressive implementation of a range of employment initiatives initially introduced during 1995/96, developed in response to the report of the Prime Ministerial Task Force on Employment and the Multi-Party Group Memorandum of Understanding. These include the expansion of individualised employment assistance under the Job Action and Youth Action programmes, changes to work testing, and a range of programmes and pilot programmes targeted at Maori and Pacific Island job seekers. In 1996/97 successful CEG strategies aimed at its four priority groups (Maori, rural/urban disadvantaged people, Pacific Island people and women) were expanded.

Other changes included the merger of the output class Policy Advice - Community Employment into output class D1 Policy Advice - Employment for 1996/97 and the introduction of a new output class Local Employment Coordination in 1995/96, which was part of the Government's Focus on Employment strategy.

During 1995/96, CEG identified four priority target groups - Maori, rural/urban disadvantaged people, Pacific Island people and women - and began refocusing its activities to better meet the needs of these groups. CEG also began the process of identifying suitable agencies to assume support for a number of its national strategies. During the year, work on the development of labour market strategies for Maori and Pacific Island people was also jointly undertaken by NZES and CEG.

Crown Expenditure and Revenue Trends: 1993/94 to 1998/99

Other expenses to be incurred by the Crown

Other Expenses to be Incurred by the Crown appropriations are reduced in 1998/99 owing to the expiry of some funding related to initiatives started in response to the report of the Prime Ministerial Taskforce on Employment, and as a result of other savings made from the Vote.

In 1997/98 the Other Expenses to be Incurred by the Crown category of appropriation was restructured. In 1996/97 the funding was separated into a number of different initiatives which essentially fall into two categories - subsidised work and financial assistance to job seekers. The funding for these initiatives was therefore recategorised in this manner for 1997/98. In addition, Community Employment Projects was transferred from a non-departmental output class into Other Expenses.

Trends in Vote Employment - Summary of Appropriations and Crown Revenue

Types of Appropriation	1993/94	1994/95	1995/96	1996/97	1997/98		1998/99 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		
							Annual \$000	Other \$000	Annual \$000	Other \$000	
Operating Flows											
Classes of Outputs to be Supplied	85,994	96,641	117,115	146,724	171,598	171,598	308,281	-	19,379	-	327,660
Benefits and Other Unrequited Expenses	-	-	-	-	-	-	N/A	N/A	-	-	-
Borrowing Expenses	-	-	-	-	-	-	N/A	N/A	-	-	-
Other Expenses	129,437	126,433	107,879	120,718	155,728	154,628	-	-	126,561	-	126,561
Capital Flows											
Capital Contributions	-	-	-	-	-	-	-	-	-	-	-
Purchase or Development of Capital Assets	-	-	-	-	-	-	N/A	N/A	-	-	-
Repayment of Debt	-	-	-	-	-	-	N/A	N/A	-	-	-
Total Appropriations	215,431	223,074	224,994	267,442	327,326	326,226	308,281	-	145,940	-	454,221
Total Crown Revenue and Receipts (see note 2)	342	115	120	150	-	103	N/A	N/A	N/A	N/A	-

Part B - Statement of Appropriations

Part B1 - Details of 1998/99 Appropriations (see note 3)

Appropriations	1997/98				1998/99		Description of 1998/99 Appropriations
	Vote		Estimated Actual		Vote		
	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
Departmental Output Classes (Mode B Gross)							
D1 Policy Advice - Employment	5,061	-	5,061	-	4,377	-	Purchase of a comprehensive range of services including policy advice, analysis, monitoring, research and evaluation on employment policies and initiatives and their interface with other government policies.
D2 Services to Minimise the Duration of Unemployment and Maximise Participation in Community Work and Training	132,216	-	132,216	-	281,135	-	Purchase of a range of strategies designed to achieve the outcomes of: <ul style="list-style-type: none"> • significantly reducing the duration of unemployment • significantly increasing job seeker participation in community work and training during periods of unemployment.
D3 Contracts and Grants Management	9,098	-	9,098	-	8,948	-	Purchase of administrative and monitoring services on employment assistance measures and work experience programmes to promote the employment of priority job seekers.

D4 Transition	8,117	-	8,117	-	13,821	-	Purchase of services related to the implementation of the Government's Employment Strategy. These services will include the establishment of an integrated employment and income support service as a government department, the appointment of senior management for the new department, and the provision of information to existing customers and the general public, particularly in relation to any new requirements or service delivery arrangements introduced as part of the Employment Strategy.
Total Appropriations for Departmental Output Classes (Mode B Gross)	154,492	-	154,492	-	308,281	-	Refer to Part C1 for a full description.
Non-Departmental Output Classes							
O1 Employment Support for People with Disabilities	12,400	-	12,400	-	16,226	-	Through this output class, the Government purchases individualised funding for support services leading to employment opportunities for people with disabilities.
O2 Limited Service Volunteers	2,713	-	2,713	-	1,250	-	Through this output class, the Government purchases programmes provided by the New Zealand Defence Force that provide personal development and are designed to improve the ability of young disadvantaged job seekers to move towards employment.
O3 Student Placement Services	1,993	-	1,993	-	1,903	-	Through this output class the Government purchases placement services for students for vacation and term employment.
Total Appropriations for Non-Departmental Output Classes	17,106	-	17,106	-	19,379	-	Refer to Part C2 for a full description.

Part B1 - Details of 1998/99 Appropriations (Continued)

	1997/98				1998/99		Description of 1998/99 Appropriations
	Vote		Estimated Actual		Vote		
Appropriations	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
Other Expenses to be Incurred by the Crown							
Community Employment Projects	18,355	-	18,355	-	13,596	-	This appropriation funds community employment and enterprise development projects leading to opportunities for employment, self-sufficiency or positive activity.
Financial Assistance to Job Seekers	3,500	-	2,400	-	3,700	-	This appropriation provides income tested assistance to job seekers for initial employment-related expenses to overcome barriers to taking up a job opportunity.
Māori Women's Development Fund	500	-	500	-	500	-	This appropriation provides services to promote enterprise development and provide capital finance for Māori women.
Modification Grant for the Disabled	120	-	120	-	120	-	This appropriation provides grants to fund modifications to the workplace, equipment or access to help employers recruit job seekers with disabilities.

Subsidised Work	133,253	-	133,253	-	108,645	-	<p>This appropriation provides:</p> <ul style="list-style-type: none"> • Work experience opportunities for long-term job seekers through projects of benefit to the community • Job Plus subsidies paid to employers to help long-term and disadvantaged job seekers into permanent employment • Subsidies to employers providing full-time work experience opportunities which are environmentally based and of benefit to the community • Funding for initiatives targeted at youth.
Total Appropriations for Other Expenses to be Incurred by the Crown	155,728	-	154,628	-	126,561	-	
Total Appropriations	327,326	-	326,226	-	454,221	-	

Part C - Explanation of Appropriations for Output Classes

Part C1 - Departmental Output Classes

Output Class D1 - Policy Advice - Employment

Description

Under this output class the Minister of Employment purchases policy advice and labour market analysis related to:

- advising on the policy requirements to achieve the Government's labour market and employment goals
- monitoring and reporting on developments in employment, and labour market trends and statistics
- related research and evaluation
- providing advisory support and information for Ministers as required in Cabinet committees, select committees and Parliament
- ministerial servicing including replies to ministerial correspondence, parliamentary questions, official information requests, speech and briefing notes and other information required by the Minister
- administrative, advisory and research services to NACEW on behalf of the Minister.

Performance measures - quantity, quality and timeliness

Policy advice

The quantity and nature of advice and other services on employment policy will be explicitly agreed with the Minister of Employment.

The Minister's views of the timeliness and quality of policy advice will be sought six-monthly through questionnaires or other appropriate means.

The Minister expects to receive advice consistent with the following quality standards:

- **Issue definition:** a clear and succinct description of the nature and scope of the issue or problem to be addressed is provided, meeting the needs of Ministers and reflecting or recognising previous government decisions.
- **Data and analysis:** an appropriate search of data is undertaken, the data used are robust and appropriate analytical techniques are used.
- **Objective:** a clear and succinct statement of the policy objective(s) to be achieved is provided, and the link to government priorities or strategic objectives is clear.

- Options: all viable options from a Department of Labour and wider government perspective are identified and assessed in terms of benefits, costs, risks, consequences, fiscal implications, practicality and relationship with other policy. Underlying assumptions are stated.
- Internal consultation: involvement at all stages of the policy development process takes place with all groups with an interest in or contribution to the development of policy.
- External consultation: other relevant government departments and agencies, or sector and interest groups with an interest in the issue, are consulted as appropriate.
- Managerial review: all significant policy papers are reviewed by relevant managers in at least two Services; policy issues of strategic importance are discussed and approved by the management board.
- Style and presentation: the report uses language familiar to the intended readership, and appropriate presentational aids; the format meets Cabinet Office requirements where applicable; the recommendations are explicit, unambiguous, and provide clear authority for the decision.
- Implementation: where appropriate, guidance is provided on the implementation of the selected option(s).
- Evaluation strategy: a high-level evaluation plan is developed in tandem with the recommended option(s).
- Compliance cost assessment: all policy will be subject to an analysis of the compliance cost implications for the private and public sectors.
- Advice will be produced in sufficient time to allow thorough consideration prior to decision-making or within the timeframe agreed with the Minister.

Application of standards

Note that all aspects of the standards may not apply to specific pieces of policy advice, given considerations of urgency or the particular nature or materiality of the advice to be provided.

Ministerial servicing

The Minister's view on ministerial servicing will be sought through six-monthly questionnaires or through other appropriate means.

The Minister expects the following services to be timely, accurate, accessible and have all relevant issues highlighted:

- Draft replies to ministerial correspondence will be provided within 15 working days unless specific approval for late replies is agreed. An estimated 550 draft replies to ministerial correspondence will be provided.

- Draft replies to all parliamentary questions will be provided within the deadlines specified by the Speaker of the House. An estimated 365 draft replies to parliamentary questions will be provided.
- Support to the Minister in select committees, Cabinet committees and Parliament will be provided as required and within agreed timeframes.
- Draft replies to requests for official information will be provided within 15 working days unless specific approval for late replies is agreed.
- Speech notes, briefing notes and other information to the Minister will be provided within agreed timeframes.

NACEW support

Priority work will be completed as agreed, or as subsequently amended by agreement, between the Department of Labour and the NACEW chairperson.

- Minutes of quarterly NACEW meetings and subcommittee meetings will be produced as the meetings occur.
- An annual report for NACEW will be produced and distributed.
- Briefing papers, submissions, correspondence and other documents will be produced as requested by the Council.
- All NACEW briefings will conform with the quality criteria set out under Policy Advice above.
- All reports and discussion papers provided to NACEW will adequately identify women's employment issues and the diversity of women's employment experiences.
- NACEW members will be surveyed annually to establish the level of satisfaction with the relevance, timeliness and quality of services provided.

Cost

Expenses will not exceed actual revenue.

Year	Cost GST incl \$000	Cost GST excl \$000	Total Revenue GST excl \$000	Revenue Crown GST excl \$000	Revenue Other GST excl \$000
1998/99	4,377	3,891	3,891	3,891	-
1997/98	5,061	4,499	4,499	4,499	-

Output Class D2 - Services to Minimise the Duration of Unemployment and Maximise Participation in Community Work and Training

Description

The purpose of this output class is to deliver a range of strategies designed to achieve the outcomes of:

- significantly reducing the duration of unemployment
- significantly increasing the numbers of job seekers participating in community work and training during periods of unemployment.

These strategies will vary according to the need of the particular labour market, community or individual job seeker that receives assistance. The appropriate type and mix of interventions chosen and provided to clients will be determined at the local level taking into account the particular needs of the community or job seeker and the opportunities available within the local area. While the range of interventions provided will be tailored to the need of the individual client they will all be aimed at assisting individual job seekers to move towards stable employment and communities to increase their capacity for self-sufficiency. Participation in community work is aimed at encouraging job seekers to contribute to the community in exchange for the income support provided to them by the community.

These strategies will include initiatives to support communities to develop their own responses to reducing long-term unemployment. Particular emphasis will be given to supporting projects and groups which seek to address the disparity in Maori/non-Maori employment outcomes, as well as other groups facing significant barriers to employment and for whom locally driven initiatives can provide a useful alternative to mainstream services. Such groups will include women, Pacific Islands people and those living in disadvantaged urban and rural communities.

Community organisations will also have the opportunity to play a significant role in brokering community work and training opportunities for disadvantaged job seekers in their area.

These strategies will be informed by specific evaluations of employment interventions, as part of a comprehensive ongoing evaluation programme. All evaluations will incorporate a measure of the effectiveness of the intervention, and how the intervention contributes to the other measures of the Department's performance.

It is anticipated that the activities in this output class will assist in the order of at least 250,000 individual job seekers. In addition, it is anticipated that in the order of 6,000 community employment groups will be assisted.

Performance Measures

Measures of performance in meeting key objectives

- A reduction in the number of registered unemployed of four years or more duration^(see note 4), from 10,000 to 11,000 (the estimated total as at 1 July 1998) by 1,000 to 2,000 in the 12 months to 30 June 1999.

- Limit the expected increase in the number of registered unemployed of two years or more duration, from 27,000 to 28,000 (the estimated total as at 1 July 1998) to between 5,000 and 7,000 in the 12 months to 30 June 1999.
- A gradual increase in the scale of community work and training^(see note 5) over the 1998/99 year from 17,000 to 21,500 (the estimated total as at 1 July 1998) to 22,000 to 26,500 job seekers^(see note 6) at any one time^(see note 7). This will include a gradual increase in the scale of the existing Community Taskforce over the 1998/99 year from 7,500 (the estimated total as at 1 July 1998) to 10,000 to 12,000 job seekers at any one time.
- At least 50 community organisations will be contracted to assist with the delivery of community work and training.
- Maintain the number of registered unemployed^(see note 8) 26 weeks or greater moving to stable employment^(see note 9) during the year.

Measures of quality

- An audit programme confirming that at least 92% of a sample of placements into paid employment meet government policy and departmental procedures and standards^(see note 10).
- Undertaking client satisfaction surveys:
 - Job seeker clients will show a satisfaction rating of at least 61%, the current level of satisfaction with the service provided by NZES
 - Employer clients will show a satisfaction rating of at least 72%, the current level of satisfaction with the service provided by NZES. (Satisfaction ratings will be measured by an independent survey).
- An annual survey of a sample of clients (individuals and groups) will be conducted to confirm that at least 80% of those surveyed are satisfied that services provided to assist communities to increase their capacity for self-sufficiency contributed significantly to their group's employment goals.

Activity monitors

Reducing and preventing long-term unemployment

The Department will monitor and report monthly to the Minister on:

- the number of job seekers unemployed for 3 to 12 months' duration who move into stable employment, and who on enrolment were considered at risk of long - term unemployment
- the number of job seekers unemployed for 3 to 12 months' duration who participate in community work and training
- the number of job seekers unemployed for one to two years' duration who move into stable employment

- the number of job seekers unemployed for one to two years' duration who participate in community work and training
- the number of job seekers unemployed for more than 10 years' duration who move into stable employment
- the number of job seekers unemployed for more than 10 years' duration who participate in community work and training
- the percentage of job seekers who face barriers to employment (Maori, Pacific Island people, newly work-tested job seekers, and youth 15 to 19 years, and clients identified as being at risk of long-term unemployment) who achieve stable employment. Comparable figures for 1997/98^(see note 11) are 21% of Maori job seekers, 21% of Pacific Island job seekers, and 33% of youth job seekers. Newly work-tested job seekers and clients at risk have been included for the first time in 1998/99, thus previous years' figures are not available
- the percentage of job seekers on the job register who have achieved full time labour market participation^(see note 12)
- the percentage of job seekers on the job register who have achieved part-time labour market participation^(see note 13)
- the percentage of placements of job seekers into work experience^(see note 14)
- the percentage of placements of job seekers into unsubsidised stable employment.

Administration of the work test

The Department will monitor and report monthly to the Minister on:

- numbers of potential work test failures identified
- numbers of work test failures recommended
- numbers of work test failures approved
- numbers of appeals
- numbers of appeals upheld at each stage of the review and appeals process
- timeliness of processing cases.

Local employment coordination

- A minimum of 30 contracts will be maintained with local employment coordinators.
- A minimum of 30 employment profiles and strategic employment plans will be developed or updated.
- All groups will develop or maintain effective networks with the government, business and community sectors.

- All contracts will be monitored monthly through progress reports from local employment coordinators, outlining achievements against contracted objectives, and through monitoring visits from the managers, LEC.
- Arrangements for payment will be made following receipt of a signed and valid contract.
- Payments will be made at the agreed rate following receipt of a monthly report from each coordinator.

Implementation of community work and training

The Department will monitor and report quarterly to the Minister on:

- the percentage of work-tested beneficiaries placed into community work
- the percentage of work-tested beneficiaries placed into training.

Increasing community self-sufficiency

The following information will be collected:

- An evaluation will be completed of the effectiveness of community organisations contracted to assist with brokering opportunities for community work and training.
- A survey of funded and unfunded community employment projects will be undertaken to determine the percentage of projects which provide positive activity, self-sufficiency, or employment opportunities for the long-term unemployed.
- Further monitoring/evaluation will be undertaken of 10 projects selected in 1997/98 to assess their contribution over time to the Government's desired employment outcomes. This will be the second year of a three-year monitoring/evaluation programme of these selected projects.
- An account of 100 community impact reports from field workers summarising the contribution of individual projects to minimising long-term unemployment and maximising participation in community work and training will be provided.
- The total number of community interventions, broken down by the percentage of:
 - planning activities, including community strategic planning
 - project guidance, mentoring and upskilling interventions
 - contract monitoring interventions
 - referral, brokerage and networking interventions
 - contribution to LEC activities
 - facilitation of local and national employment coordination initiatives

- interventions which target priority groups - Maori, women, disadvantaged urban and rural communities, and Pacific Island people.

Cost

Expenses will not exceed actual revenue.

Year	Cost GST incl \$000	Cost GST excl \$000	Total Revenue GST excl \$000	Revenue Crowne GST excl \$000	Revenue Other GST excl \$000
1998/99	281,135	249,898	249,898	249,898	-
1997/98	132,216	117,525	117,525	117,525	-

Output Class D3 - Contracts and Grants Management

Description

Through this output class the Minister of Employment purchases administration and monitoring of subsidies and grants developed to achieve the outcome of minimising the duration of unemployment and maximising participation in community work and training. This will include financial assistance to job seekers through specified activities.

This will include non-departmental expenditure which will be used for activities such as the management of careers guidance contracts, wage subsidies which assist job seekers in gaining stable employment, and community employment development projects to assist communities to increase their self-sufficiency.

In 1997/98 the Department managed the following level of activity^(see note 11):

- 21,480 job seekers through Job Plus and Enterprise Allowance
- 20,563 job seekers through Community Taskforce and Taskforce Green
- 2,311 job seekers through Job Connection
- 22,389 grants of up to the maximum of \$250 per year through Job Start received by eligible job seekers
- between 550 and 650 funded community employment projects.

It is anticipated that the mix of interventions will vary in 1998/99.

Performance measures - quantity, quality, timeliness and cost

In 1998/99 the Department, on behalf of the Crown, will contract with:

- a range of providers to provide at least 900 placements on Residential Motivational training schemes, including:
 - the New Zealand Defence Forces, to provide Limited Service Volunteer assistance to no fewer than 700 job seekers
- Student Job Search to provide no fewer than 30,000 placements for tertiary students
- supported employment providers to place 1,350 people with significant disabilities into supported employment
- Workbridge and other agencies to place between 7,000 and 7,500 people with significant disabilities into open employment, and between 3,500 and 4,000 people with significant disabilities into vocational training
- Workbridge to manage the following programmes for assisting and placing people with significant disabilities:
 - no fewer than 350 into Job Support
 - no fewer than 1,400 into Training Support
 - no fewer than 60 into Self-Start

All contracts and grants will comply with the appropriate funding criteria and a sample will be tested through survey.

Appropriate and timely payments for negotiated amounts and periods will be made and compliance tested through a sample survey.

Monitoring information on the performance of the Limited Service Volunteers in the New Zealand Defence Force and on Workbridge will be reported quarterly to the Minister.

A monthly report linking operational and financial analysis with the output's contribution to the Government's outcomes will be provided to the Minister.

Quality of contracts negotiated

All contracts will be negotiated in accordance with New Zealand law and will include information specifying the:

- purpose of the contract in terms of its contribution to the Government's outcomes
- parties to the contract
- term of the contract
- disposition of risks, including terms for amendment or renegotiation of the contract

- price to be paid for delivery of specified outputs
- payment schedule, including amount(s), timing and method
- output specifications and how they will be measured
- reporting requirements, including period(s) to be covered and date(s) due
- method for assessing results against specifications
- mechanism for resolving disputes.

Cost

Expenses will not exceed actual revenue.

Year	Cost GST incl \$000	Cost GST excl \$000	Total Revenue GST excl \$000	Revenue Crown GST excl \$000	Revenue Other GST excl \$000
1998/99	8,948	7,954	7,954	7,954	-
1997/98	9,098	8,087	8,087	8,087	-

Output Class D4 - Transition

Description

Through this output class the Minister of Employment purchases services relating to the implementation of the Government's Employment Strategy. These services will include the establishment of an integrated employment and income support service as a government department, the establishment and appointment of regional employment commissioners, and the provision of information to existing customers and the general public, particularly in relation to any new requirements or service delivery arrangements introduced as part of the Employment Strategy. These are all part of the Employment Strategy outlined in the Coalition Agreement.

Services to be provided during 1998/99 will include:

- the development and completion of strategies related to the separation of employment and income support business units from existing departments and their amalgamation into a new department
- the development and completion of strategies related to the implications for existing departments of the separation of their employment and income support business units
- the establishment of an integrated employment and income support service as a government department by 1 October 1998
- the appointment of senior management for the new department.

Performance measures - quantity, quality, timeliness and cost

The Minister of Employment will expect services relating to the management of the process of implementing the Government's Employment Strategy to be provided within agreed timeframes and to the criteria agreed by the Minister and Cabinet.

Cost

Expenses will not exceed actual revenue.

Year	Cost GST incl \$000	Cost GST excl \$000	Total Revenue GST excl \$000	Revenue Crown GST excl \$000	Revenue Other GST excl \$000
1998/99	13,821	12,285	12,285	12,285	-
1997/98	8,117	7,215	7,215	7,215	-

Part C2 - Non-departmental Output Classes***Output Class O1 - Employment Support for People with Disabilities****Description*

Through this output class, the Minister of Employment will purchase flexible individualised support services leading to employment opportunities for people with disabilities. It will enable people with disabilities to join the mainstream of the economy and society by working in open employment and receiving an appropriate rate of pay for the job undertaken.

Support services will include:

- workplace modifications
- job coaching (short term or ongoing)
- mentoring
- purchase of physical support, including on-the-job physiotherapy or attendant care
- interpreter services
- special equipment
- additional costs of transport and parking
- special induction training
- temporary or long-term subsidies, or enterprise allowances
- disability awareness training for co-workers
- costs of productivity assessments (for long-term wage subsidies).

Significant Provider

Workbridge.

Performance measures - quantity, quality, timeliness and cost

- Workbridge to manage the following programmes for assisting people with significant disabilities and place:
 - no fewer than 350 into Job Support
 - no fewer than 1,400 into Training Support
 - no fewer than 60 into Self-Start.
- All people assisted by the programme will meet the disability support service eligibility criteria as set by the Ministry of Health.
- Workbridge will provide quarterly reports to the Department on the services delivered.
- All payments made by Workbridge in relation to the provision of support services will be correct and in line with Cabinet criteria, ie, individual support will be provided to a maximum of \$16,900.

Cost

The total cost of this output class is \$16.226 million including GST. The 1997/98 final appropriated sum for this output class was \$12.400 million including GST.

Output Class O2 - Limited Service Volunteers*Description*

Through this output class, the Minister of Employment will purchase residential courses for disadvantaged young (18 to 24 years old) job seekers to provide personal development and improve the participants' ability to move towards employment.

Significant Provider

New Zealand Defence Force.

Performance measures - quantity, quality, timeliness and cost

- The New Zealand Defence Force will provide 700 places in Limited Service Volunteer courses.
- The New Zealand Defence Force will, at the conclusion of each course, report to the Department of Labour on numbers of applicants, those declined, numbers at the start and completion of each course, reasons for non-completion, and gender breakdown.
- Each Limited Service Volunteer course will run for a maximum of six weeks.

Cost

The total cost of this output class is \$1.250 million including GST. The 1997/98 final appropriated sum for this output class was \$2.713 million including GST.

Output Class O3 - Student Placement Services

Description

Through this output class, the Minister of Employment purchases services to place students in vacation employment.

Significant Provider

Student Job Search.

Performance measures - quantity, quality, timeliness and cost

- In 1998/99 Student Job Search will:
 - provide 30,000 placements for tertiary students or intending tertiary students over the period 1 October 1998 to 28 February 1999
 - provide 100,000 weeks of work from these placements
 - enrol 47,500 individual students over the period 1 October 1998 to 28 February 1999.
- In 1998/99 Student Job Search will:
 - ensure that the number of weeks of work for women, Maori and Pacific Island students is proportional to their representation among student clients
 - ensure that the number of weeks of work for polytechnic and college of education students is proportional to their representation among student clients
 - measure client satisfaction to ensure that at least 90% of student clients are satisfied with the service they received from Student Job Search.

Cost

The total cost of this output class is \$1.903 million including GST. The 1997/98 final appropriated sum for this output class was \$1.993 million including GST.

Part E - Explanation of Appropriations for Capital Flows

Part E1 - Capital Contributions

There is no appropriation for Part E1.

Part E2 - Purchase or Development of Capital Assets by the Crown

There is no appropriation for Part E2.

Part E3 - Repayment of Debt

There is no appropriation for Part E3.

Part F - Crown Revenue and Receipts

Part F1 - Current and Capital Revenue and Receipts

	1997/98		1998/99	Description of 1998/99 Crown Revenue
	Budgeted	Estimated Actual	Budget	
	\$000	\$000	\$000	
Current Revenue				
Non-Tax Revenue				
Programme Recoveries	-	103	-	Recovery of non-departmental payments overpaid in previous financial years.
Total Non-Tax Revenue	-	103	-	
Total Current Revenue	-	103	-	
Total Crown Revenue and Receipts	-	103	-	