

Vote Labour

APPROPRIATION MINISTER(S): Minister of Labour (M43)

APPROPRIATION ADMINISTRATOR: Ministry of Business, Innovation and Employment

RESPONSIBLE MINISTER FOR MINISTRY OF BUSINESS, INNOVATION AND EMPLOYMENT:
Minister for Economic Development

Supplementary Estimates of Appropriations

Details of Appropriations

Annual and Permanent Appropriations

| Titles and Scopes of Appropriations by Appropriation Type | 2013/14 | | |
|---|------------------------------|---|--------------------------|
| | Estimates Budget \$000 | Supplementary Estimates Budget \$000 | Total Budget \$000 |
| Departmental Output Expenses | | | |
| Employment Relations Services (M43) This appropriation is limited to the provision of information, guidance, investigation, mediation and decision-making regarding employment rights and upholding regulatory standards including support services provided to employment relations institutions. | 26,667 | 3,883 | 30,550 |
| Hazardous Substances and Amusement Devices Services (M43) This appropriation is limited to the provision of information, education and enforcement services relating to the safe management of hazardous substances in the workplace, and the registration and inspection of amusement devices. | 3,631 | (3,631) | - |
| Health and Safety Services (M43) This appropriation is limited to the provision of information, education and support for workplaces regarding effective workplace health and safety practice, and enforcement action to promote compliance with the Health and Safety in Employment Act 1992 and related regulations. | 50,044 | (11,476) | 38,568 |
| Policy Advice and Related Outputs MCOA (M43) | 8,588 | (891) | 7,697 |
| <i>Ministerial Services</i> This output class is limited to the provision of services to Ministers to enable them to discharge their portfolio (other than policy decision-making) responsibilities. | 2,069 | (900) | 1,169 |
| <i>Policy Advice - Labour</i> This output class is limited to the provision of advice (including second opinion advice and contributions to policy advice led by other agencies) to support decision-making by Ministers on government policy matters relating to employment relations, health and safety (including Hazardous Substances and New Organisms) and international labour commitments. | 6,519 | 9 | 6,528 |
| Total Departmental Output Expenses | 88,930 | (12,115) | 76,815 |
| Non-Departmental Output Expenses | | | |
| Employment Relations Education Contestable Fund (M43) Grant funding for programmes that promote improved employment relationships and good faith behaviour, and good health and safety practices amongst employers, unions and employees. | 500 | 970 | 1,470 |
| Health and Safety in Employment Levy - Collection Services (M43) This appropriation is limited to the provision of collection services from the Accident Compensation Corporation (ACC), to collect the HSE Levy on behalf of the Crown. | 869 | - | 869 |
| Workplace Health and Safety (M43) This appropriation is limited to information, education and support for workplaces regarding effective health and safety practice, and enforcement action to promote compliance with any and all legislation for which WorkSafe New Zealand has powers or responsibility. | - | 44,112 | 44,112 |
| Total Non-Departmental Output Expenses | 1,369 | 45,082 | 46,451 |

| Titles and Scopes of Appropriations by Appropriation Type | 2013/14 | | |
|--|------------------------------|---|--------------------------|
| | Estimates Budget \$000 | Supplementary Estimates Budget \$000 | Total Budget \$000 |
| Non-Departmental Other Expenses | | | |
| Bad Debt Expense (M43) To cover the expected cost of writing off hearing fees for hearings of longer than a day in length at the Employment Court (hearings pre 1 December 2004) and the Employment Relations Authority where the applicant is granted hardship or where debt recovery is unsuccessful after three months. | 15 | - | 15 |
| Employment Relations Authority Members' Salaries and Allowances PLA (M43) As set by the Remuneration Authority in order to administer and enforce employment-related legislation (section 171 of the Employment Relations Act 2000). | 3,780 | 200 | 3,980 |
| International Labour Organisation (M43) New Zealand's annual subscription to the ILO. | 1,400 | - | 1,400 |
| Joint Equal Employment Opportunities Trust (M43) Funding to promote EEO as a good management practice, delivered in partnership with the private sector. | 450 | - | 450 |
| New Zealand Industrial Relations Foundation (M43) Funding for education to promote better industrial relations. | 15 | - | 15 |
| Total Non-Departmental Other Expenses | 5,660 | 200 | 5,860 |
| Total Annual and Permanent Appropriations | 95,959 | 33,167 | 129,126 |

Supporting Information

Part 1 - Vote as a Whole

1.2 - Trends in the Vote

Summary of Financial Activity

| | 2013/14 | | | | |
|---|--------------------|---------------------------------------|---|--------------------------------|----------------|
| | Estimates \$000 | Supplementary Estimates | | | Total \$000 |
| | | Departmental Transactions \$000 | Non- Departmental Transactions \$000 | Total Transactions \$000 | |
| Appropriations | | | | | |
| Output Expenses | 90,299 | (12,115) | 45,082 | 32,967 | 123,266 |
| Benefits and Other Unrequited Expenses | - | N/A | - | - | - |
| Borrowing Expenses | - | - | - | - | - |
| Other Expenses | 5,660 | - | 200 | 200 | 5,860 |
| Capital Expenditure | - | - | - | - | - |
| Intelligence and Security Department Expenses and Capital Expenditure | - | - | N/A | - | - |
| Multi-Category Expenses and Capital Expenditure (MCA) | | | | | |
| <i>Output Expenses</i> | - | - | - | - | - |
| <i>Other Expenses</i> | - | - | - | - | - |
| <i>Capital Expenditure</i> | - | N/A | - | - | - |
| Total Appropriations | 95,959 | (12,115) | 45,282 | 33,167 | 129,126 |
| Crown Revenue and Capital Receipts | | | | | |
| Tax Revenue | - | N/A | - | - | - |
| Non-Tax Revenue | 47,944 | N/A | 7,032 | 7,032 | 54,976 |
| Capital Receipts | - | N/A | - | - | - |
| Total Crown Revenue and Capital Receipts | 47,944 | N/A | 7,032 | 7,032 | 54,976 |

Mapping the Layout of the 2013/14 Supplementary Estimates to the Layout of the 2013/14 Estimates

| Supplementary Estimates Structure 2013/14 | | Estimates Structure 2013/14 | |
|---|---|-----------------------------|---|
| Part # | Part Name | Part # | Part Name |
| 2.1 | Departmental Output Expenses | 2.1 | Departmental Output Expenses |
| 2.2 | Departmental Other Expenses | 5.1 | Departmental Other Expenses |
| 2.3 | Departmental Capital Expenditure and Capital Injections | 6.1 | Departmental Capital Expenditure |
| 3.1 | Non-Departmental Output Expenses | 2.2 | Non-Departmental Output Expenses |
| 3.2 | Non-Departmental Benefits and Other Unrequited Expenses | 3.2 | Non-Departmental Benefits and Other Unrequited Expenses |
| 3.3 | Non-Departmental Borrowing Expenses | 4.2 | Non-Departmental Borrowing Expenses |
| 3.4 | Non-Departmental Other Expenses | 5.2 | Non-Departmental Other Expenses |
| 3.5 | Non-Departmental Capital Expenditure | 6.2 | Non-Departmental Capital Expenditure |
| 4 | Multi-Category Expenses and Capital Expenditure | N/A | Did not exist in the Estimates |

Part 2 - Details of Departmental Appropriations

2.1 - Departmental Output Expenses

Employment Relations Services (M43)

Scope of Appropriation

This appropriation is limited to the provision of information, guidance, investigation, mediation and decision-making regarding employment rights and upholding regulatory standards including support services provided to employment relations institutions.

Expenses and Revenue

| | 2013/14 | | |
|------------------------|--------------------|-------------------------------------|----------------|
| | Estimates \$000 | Supplementary Estimates \$000 | Total \$000 |
| Total Appropriation | 26,667 | 3,883 | 30,550 |
| Revenue from the Crown | 26,667 | 3,883 | 30,550 |
| Revenue from Others | - | - | - |

Reasons for Change in Appropriation

This appropriation increased by \$3.883 million to \$30.550 million for 2013/14. The increase relates to:

- \$283,000 in 2013/14 as a result of an expense transfer from 2012/13 to provide funding due to the delay in the passage of the Members of Parliament (Remuneration and Services) Bill due to late amendments being made, and
- \$3.600 million in 2013/14 as a result of a fiscally neutral adjustment across votes and appropriations administered by MBIE to reflect the introduction of one cost allocation methodology following the establishment of MBIE and implementation of the organisation's management structure.

Hazardous Substances and Amusement Devices Services (M43)

Scope of Appropriation

This appropriation is limited to the provision of information, education and enforcement services relating to the safe management of hazardous substances in the workplace, and the registration and inspection of amusement devices.

Expenses and Revenue

| | 2013/14 | | |
|------------------------|--------------------|-------------------------------------|----------------|
| | Estimates \$000 | Supplementary Estimates \$000 | Total \$000 |
| Total Appropriation | 3,631 | (3,631) | - |
| Revenue from the Crown | 3,631 | (3,631) | - |
| Revenue from Others | - | - | - |

Reasons for Change in Appropriation

This appropriation decreased by \$3.631 million to zero for 2013/14. The decrease relates to:

- \$3.231 million in 2013/14 as a result of a fiscally neutral adjustment to departmental output expense Health and Safety Services for one-off establishment costs in 2013/14 for WorkSafe New Zealand and the implementation of the Royal Commission's recommendations, and
- \$400,000 in 2013/14 as a result of a fiscally neutral adjustment to departmental output expense Policy Advice and Related Outputs MCOA Policy Advice - Labour to develop new regulations for hazardous substances use in the workplace.

Health and Safety Services (M43)

Scope of Appropriation

This appropriation is limited to the provision of information, education and support for workplaces regarding effective workplace health and safety practice, and enforcement action to promote compliance with the Health and Safety in Employment Act 1992 and related regulations.

Revenue

Expenses and Revenue

| | 2013/14 | | |
|------------------------|--------------------|-------------------------------------|----------------|
| | Estimates \$000 | Supplementary Estimates \$000 | Total \$000 |
| Total Appropriation | 50,044 | (11,476) | 38,568 |
| Revenue from the Crown | 49,576 | (18,039) | 31,537 |
| Revenue from Others | 468 | 6,563 | 7,031 |

Reasons for Change in Appropriation

This appropriation decreased by \$11.476 million to \$38.568 million for 2013/14. The decrease relates to:

- \$50.420 million in 2013/14 as a result of a fiscally neutral adjustment to non-departmental output expense Workplace Health and Safety to establish WorkSafe New Zealand, and
- \$100,000 in 2013/14 as a result of a fiscally neutral adjustment to departmental output expense Policy Advice and Related Outputs MCOA Policy Advice - Labour for monitoring WorkSafe New Zealand.

The decreases were offset by:

- \$18.261 million in 2013/14 for funding to pay for additional health and safety functions as recommended by the Independent Taskforce and the Pike River Royal Commission
- \$3.231 million as a result of a fiscally neutral adjustment from departmental output expense Hazardous Substances and Amusement Devices Services for one-off establishment costs in 2013/14 for WorkSafe New Zealand and the implementation of the Royal Commission's recommendations
- \$1.521 million in 2013/14 as a result of an expense transfer from 2012/13 for the Lifting our Game programme

- \$7.031 million in 2013/14 as a result of a fiscally neutral adjustment from non-departmental output expense Workplace Health and Safety for MBIE to continue to provide corporate support services to WorkSafe New Zealand, and
- \$9 million in 2013/14 as a result of a fiscally neutral adjustment from non-departmental output expense Workplace Health and Safety for additional costs incurred as a result of a delay in the establishment of WorkSafe New Zealand.

Policy Advice and Related Outputs MCOA (M43)

Scope of Appropriation

Ministerial Services

This output class is limited to the provision of services to Ministers to enable them to discharge their portfolio (other than policy decision-making) responsibilities.

Policy Advice - Labour

This output class is limited to the provision of advice (including second opinion advice and contributions to policy advice led by other agencies) to support decision-making by Ministers on government policy matters relating to employment relations, health and safety (including Hazardous Substances and New Organisms) and international labour commitments.

Explanation for Use of Multi-Class Output Expense Appropriation

The output classes relate to the provision of policy advice and related outputs such as Ministerial servicing within Vote Labour.

Expenses and Revenue

| | 2013/14 | | |
|-------------------------------|--------------------|-------------------------------------|----------------|
| | Estimates \$000 | Supplementary Estimates \$000 | Total \$000 |
| Total Appropriation | 8,588 | (891) | 7,697 |
| Ministerial Services | 2,069 | (900) | 1,169 |
| Policy Advice - Labour | 6,519 | 9 | 6,528 |
| Revenue from the Crown | 8,588 | (971) | 7,617 |
| Ministerial Services | 2,069 | (900) | 1,169 |
| Policy Advice - Labour | 6,519 | (71) | 6,448 |
| Revenue from Others | - | 80 | 80 |
| Ministerial Services | - | - | - |
| Policy Advice - Labour | - | 80 | 80 |

Reasons for Change in Appropriation

Ministerial Services

This appropriation decreased by \$900,000 to \$1.169 million for 2013/14. This decrease relates to a fiscally neutral adjustment across votes and appropriations administered by MBIE to reflect the introduction of one cost allocation methodology following the establishment of MBIE and implementation of the organisation's management structure.

Policy Advice - Labour

This appropriation increased by \$9,000 to \$6.528 million for 2013/14. The increase relates to:

- \$400,000 in 2013/14 as a result of a fiscally neutral adjustment from departmental output expense Hazardous Substances and Amusement Devices Services to develop new regulations for hazardous substances use in the workplace
- \$100,000 in 2013/14 as a result of a fiscally neutral adjustment from departmental output expense Health and Safety Services for monitoring WorkSafe New Zealand, and
- \$159,000 in 2013/14 as a result of two fiscally neutral adjustments from Vote Foreign Affairs and Trade for overseas travel, one for the World Trade Organisation and Free Trade Agreement/Closer Economic Partnership negotiations and one for Trans-Pacific Partnership intercessional meetings held in Canada and United States of America.

The increases were offset by:

- \$450,000 in 2013/14 as a result of a fiscally neutral adjustment to Vote Science and Innovation non-departmental output expense Callaghan Innovation - Strategic Investment for the transfer of the High Performance Working Initiative, and
- \$200,000 in 2013/14 as a result of a fiscally neutral adjustment across votes and appropriations administered by MBIE to reflect the introduction of one cost allocation methodology following the establishment of MBIE and implementation of the organisation's management structure.

Part 3 - Details of Non-Departmental Appropriations

3.1 - Non-Departmental Output Expenses

Employment Relations Education Contestable Fund (M43)

Scope of Appropriation

Grant funding for programmes that promote improved employment relationships and good faith behaviour, and good health and safety practices amongst employers, unions and employees.

Reasons for Change in Appropriation

This appropriation increased by \$970,000 to \$1.470 million for 2013/14 as a result of an expense transfer from 2012/13 to provide funding for the Safe Rebuild Canterbury initiative.

Workplace Health and Safety (M43)

Scope of Appropriation

This appropriation is limited to information, education and support for workplaces regarding effective health and safety practice, and enforcement action to promote compliance with any and all legislation for which WorkSafe New Zealand has powers or responsibility.

Expenses

| | 2013/14 | | |
|---------------------|--------------------|-------------------------------------|----------------|
| | Estimates \$000 | Supplementary Estimates \$000 | Total \$000 |
| Total Appropriation | - | 44,112 | 44,112 |

What is Intended to be Achieved with this Appropriation

This appropriation is intended to contribute to safer and more skilled workplaces by achieving a reduction in deaths and injuries, and exposure to hazardous substances, in workplaces, and an improvement to the safety of the supply of electricity and gas.

How Performance will be Assessed and End of Year Reporting Requirements

| Performance Measures | 2013/14 | | |
|--|-----------------------|--|-------------------|
| | Estimates Standard | Supplementary Estimates Standard | Total Standard |
| Completed health and safety workplace assessments. (See Notes 1 and 2) | New measure | 10,500 - 12,500 | 10,500 - 12,500 |
| Completed Health and Safety and Hazardous Substances and New Organisms (HSNO) workplace assessments. (See Notes 1 and 2) | New measure | 3,000 - 3,500 | 3,000 - 3,500 |

| Performance Measures | 2013/14 | | |
|---|--------------------|--|--|
| | Estimates Standard | Supplementary Estimates Standard | Total Standard |
| Electrical and gas appliance suppliers visited and number of products audited. | New measure | 150 suppliers and 400 products | 150 suppliers and 400 products |
| Audits of networks, distribution systems and installations undertaken. | New measure | 30 | 30 |
| Completed health and safety and HSNO on-site investigations. (See Note 2) | New measure | 800-1,000 | 800-1,000 |
| Investigations of significant gas and electricity accidents and incidents undertaken. (See Note 2) | New measure | 65 | 65 |
| Completed high-hazards assessments, inspections, audits and safety cases. (See Note 2) | New measure | 60 | 60 |
| Standards developed in accordance with the standard-setting framework. (See Note 2) | New measure | 20-35 | 20-35 |
| The percentage of on-site investigations completed within five months of notification of the event. | New measure | 90% | 90% |
| The percentage of customers who were satisfied with the overall quality of service delivery received. (See Note 3) | New measure | 80% | 80% |
| The percentage of contact centre Health and Safety phone calls answered within 20 seconds. | New measure | 80% | 80% |
| Trial and implement a management monitoring system to provide quality assurance of decision making for health and safety enforcement action decisions. | New measure | By 31 December 2013 | By 31 December 2013 |
| Percentage of files recommended for prosecution that have sufficient evidence and are consistent with the WorkSafe New Zealand's enforcement criteria. (See Note 4) | New measure | 80% | 80% |
| The percentage of workplace assessments targeted at industries identified in the Workplace Health and Safety Strategy Action Plan. | New measure | 80% | 80% |
| Percentage of safety cases for the petroleum sector assessed in accordance with policy and standard operating practices and processed within statutory timeframes. | New measure | 90% | 90% |
| Safety to consumers and industry compliance with legislation, regulations and standards will be monitored through analysis of accident investigations and a proactive, risk-based auditing programme based on previous years' auditing and accident data, and in accordance with International Organization for Standardization (ISO) 9001 standards: | New measure | Retain ISO 9001 Certification | Retain ISO 9001 Certification |
| <ul style="list-style-type: none"> • notifiable accident investigations (as defined in section 16 of the Electricity Act 1992 and section 17 of the Gas Act 1992) will be responded to and action commenced, and • audits will be conducted, completed and closed. | New measure | 95% within 24 hours of notification of the accidents | 95% within 24 hours of notification of the accidents |
| | New measure | 90% within 30 working days of the start of the audit | 90% within 30 working days of the start of the audit |

Note 1 - Projection based on at least 75% capacity throughout the year.

Note 2 - Relates to output volume measures that are demand driven and are therefore outside WorkSafe New Zealand's control.

Note 3 - Satisfaction to be measured by the Ministry of Business, Innovation and Employment's Service Excellence Survey.

Note 4 - 'Sufficient evidence' is considered to have achieved a rating of 8 out of 10 on the Legal Services review of files.

End of Year Performance Reporting

Performance information for this appropriation will be reported by the WorkSafe New Zealand in its annual report.

Reasons for Change in Appropriation

This appropriation was established in 2013/14 following a Cabinet decision establishing the Crown entity WorkSafe New Zealand. Funding for this appropriation is through the following:

- \$50.420 million in 2013/14 as a result of a fiscally neutral adjustment from departmental output expense Health and Safety Services, and
- \$2.692 million in 2013/14 as a result of a fiscally neutral transfer from Vote Energy departmental output expense Administration of Gas, Electricity and Energy Efficiency Regulations and Related Acts.

This funding was offset by a fiscally neutral adjustment of \$9 million to departmental output expense Health and Safety Services for additional costs incurred as a result of a delay in the establishment of WorkSafe New Zealand.

Conditions on Use of Appropriation

| Reference | Conditions |
|--|--|
| Health and Safety in Employment Act 1992 | Raising awareness of workplace participants' rights and obligations. |

3.4 - Non-Departmental Other Expenses

Employment Relations Authority Members' Salaries and Allowances PLA (M43)

Scope of Appropriation

As set by the Remuneration Authority in order to administer and enforce employment-related legislation (section 171 of the Employment Relations Act 2000).

Reasons for Change in Appropriation

The appropriation increased by \$200,000 to \$3.980 million for 2013/14 as a result of increases in remuneration rates.