

# *Performance Information for Appropriations*

## *Vote Employment*

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MINISTER(S) RESPONSIBLE FOR APPROPRIATIONS: Minister for Tertiary Education, Skills and Employment (M14), Minister for Social Development (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 Tertiary Education, Skills and Employment is responsible for appropriations in the Vote for the 2012/13 financial year covering the following:

- a total of \$3.429 million to provide labour market information and facilitation services, and
- a total of \$5.896 million to provide labour market policy advice and ministerial servicing.

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	Government Outcomes	Appropriations
<p>The Government priorities are:</p> <ul style="list-style-type: none"> <li>• build a more competitive and productive economy</li> <li>• rebuild Christchurch</li> <li>• deliver better public services, and</li> <li>• responsibly manage the Government's finances.</li> </ul> <p>The Government priorities for Vote Employment are:</p> <ul style="list-style-type: none"> <li>• develop and monitor a cross-government skills action plan that supports businesses to access the skills they need</li> <li>• develop and provide advice on how to lift labour productivity in New Zealand to support improved economic outcomes through more effective operation of the labour market, and</li> <li>• develop and provide advice on how to increase labour market participation, including consideration of policies that support beneficiaries and those with low skills to move into and progress within the labour market.</li> </ul>	<p>People thrive through work. Best people brought to New Zealand.</p>	<p><b>Departmental Output Expenses</b> Labour Market Information and Facilitation Services Policy Advice and Related Outputs MCOA</p>

## Part 1.3 - Trends in the Vote

### Summary of Financial Activity

	2007/08	2008/09	2009/10	2010/11	2011/12		2012/13			2013/14	2014/15	2015/16
	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
<b>Appropriations</b>												
Output Expenses	15,090	17,570	12,497	12,715	8,806	8,624	9,325	-	9,325	9,118	9,246	9,305
Benefits and Other Unrequited Expenses	-	-	-	-	-	-	N/A	-	-	-	-	-
Borrowing Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Capital Expenditure	-	-	-	-	-	-	-	-	-	-	-	-
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	-	-	-	-	N/A	-	-	-	-
<b>Total Appropriations</b>	15,090	17,570	12,497	12,715	8,806	8,624	9,325	-	9,325	9,118	9,246	9,305
<b>Crown Revenue and Capital Receipts</b>												
Tax Revenue	-	-	-	-	-	-	N/A	-	-	-	-	-
Non-Tax Revenue	4	-	-	-	-	-	N/A	-	-	-	-	-
Capital Receipts	-	-	-	-	-	-	N/A	-	-	-	-	-
<b>Total Crown Revenue and Capital Receipts</b>	4	-	-	-	-	-	N/A	-	-	-	-	-

## New Policy Initiatives

Policy Initiative	Appropriation	2011/12 Budgeted \$000	2012/13 Budget \$000	2013/14 Estimated \$000	2014/15 Estimated \$000	2015/16 Estimated \$000
Efficiency Savings	<b>Labour Market Information and Facilitation Services</b> Departmental Output Expenses	-	(106)	(106)	(105)	(105)
	<b>Policy Advice and Related Outputs MCOA</b> <b>Labour Market Policy Advice</b> Departmental Output Expenses	-	(110)	(111)	(110)	(110)
Reprioritisation of Funding to Reflect Increased Focus on Policy and Research Services in Vote Employment	<b>Policy Advice and Related Outputs MCOA</b>	-	872	659	659	659
	<b>Labour Market Policy Advice</b> Departmental Output Expenses	-	463	239	239	239
	<b>Ministerial Services</b> Departmental Output Expenses	-	409	420	420	420
Reprioritisation Across Votes to Meet Cost Pressures	<b>Labour Market Information and Facilitation Services</b> Departmental Output Expenses	-	-	-	-	(55)
	<b>Policy Advice and Related Outputs MCOA</b>	-	-	-	-	(36)
	<b>Labour Market Policy Advice</b> Departmental Output Expenses	-	-	-	-	(36)
Vote Realignment to Reflect Changes to Cost Allocation and Reprioritisations	<b>Labour Market Information and Facilitation Services</b> Departmental Output Expenses	-	(4,781)	(4,741)	(4,663)	(4,605)
	<b>Policy Advice and Related Outputs MCOA</b>	-	(481)	(425)	(324)	(232)
	<b>Labour Market Policy Advice</b> Departmental Output Expenses	-	(481)	(425)	(324)	(232)

## Analysis of Significant Trends

### *Total Vote: All Appropriations*

The policy related appropriations were reorganised following the Review of Expenditure on Policy Advice. This resulted in the establishment of a new Departmental Multi-Class Output Expense Appropriation called Policy Advice and Related Outputs, which includes Labour Market Policy Advice and Ministerial Services.

Expenditure trends from 2007/08 to 2008/09 reflect the introduction of a new initiative for Skills Strategy - Literacy, Language and Numeracy. In 2009/10, time limited funding for the Upskilling the Workforce initiative expired, reducing appropriations by \$3 million per annum. Also in 2009/10, ongoing departmental savings of \$2.038 million were identified in a review of expenditure.

In 2011/12, internal structural changes in corporate and policy functions within the Department of Labour resulted in a fiscally neutral realignment of costs across the Votes that it administers. The impact on Vote Employment was a reduction in 2011/12 of \$4.973 million.

From 2012/13, efficiency savings of \$216,000 have been identified.

## Part 1.4 - Reconciliation of Changes in Appropriation Structure

2011/12 Appropriations in the 2011/12 Structure	2011/12 (Current) \$000	Appropriations to which Expenses (or Capital Expenditure) have been Moved from or to	Amount Moved \$000	2011/12 Appropriations in the 2012/13 Structure	2011/12 (Restated) \$000	2012/13 \$000
<b>Departmental Output Expenses</b>						
Labour Market Analysis and Knowledge	3,721	<b>Transferred to Policy Advice and Related Outputs MCOA</b> Ministerial Services	(177) (177)	Labour Market Information and Facilitation Services This appropriation has been renamed	3,544	3,429
Policy, Research and Evaluation	5,085	<b>Transferred to Policy Advice and Related Outputs MCOA</b> Labour Market Policy Advice Ministerial Services Transferred from Labour Market Analysis and Knowledge Transferred from Policy, Research and Evaluation	(5,085) (4,164) (921) 177 5,085	<b>Policy Advice and Related Outputs MCOA</b> Labour Market Policy Advice Ministerial Services	- 5,262 4,164 1,098	- 5,896 4,382 1,514
<b>Total Changes in Appropriations</b>	<b>8,806</b>		<b>-</b>		<b>8,806</b>	<b>9,325</b>

Explanations of the reasons for changing the appropriation structure are noted in the details of each appropriation in Parts 2-6.

## 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
<b>Outcome</b> People thrive through work. <b>Intermediate Outcomes</b> New Zealand has a well-performing labour market. People participate in productive work. Employers and communities have greater access to the skills and people they need. <b>Outcome</b> Best people brought to New Zealand. <b>Intermediate Outcome</b> Employers and communities have greater access to the skills and people they need.	Labour Market Information and Facilitation Services  Policy Advice and Related Outputs MCOA

For further information on the intended impacts, outcomes and objectives of the departmental output expense appropriations, please see the Statement of Intent for the Department of Labour.

#### Labour Market Information and Facilitation Services (M14)

##### *Scope of Appropriation*

This appropriation is limited to the provision of information and regional and sector engagement on labour market effectiveness and employment.

##### *Expenses and Revenue*

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	3,721	3,621	3,429
Revenue from Crown	3,426	3,426	3,429
Revenue from Other	295	56	-

##### *Reasons for Change in Appropriation*

This appropriation was previously called Labour Market Analysis and Knowledge. The decrease in funding is mainly due to efficiency savings identified from 2012/13 and a fiscally neutral transfer to Policy Advice and Related Outputs MCOA (M14).

## Output Performance Measures and Standards

Performance Measures	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
<b>Quality</b>			
All significant labour market and, sectoral and regional development papers, are assessed by the New Zealand Institute of Economic Research (NZIER) at the described performance standard.	New measure	New measure	Labour market reports and, sectoral and regional development papers assessed as at least "adequate" (7 on NZIER's rating scale), with 80% of the submitted labour market reports to be assessed as "good" or above (8 or above on NZIER's rating scale)
Web users surveyed respond that they 'found information that met their needs' in relation to labour market information.	New measure	New measure	80% of respondents report finding the information they required
The following stakeholders are satisfied with the quality of their engagement with the Department of Labour: <ul style="list-style-type: none"> <li>• Chief Executive, Canterbury Earthquake Recovery Authority</li> <li>• Director, Auckland Policy Office</li> <li>• Manager, Economic Development Unit, Auckland Council, and</li> <li>• Executive Director, Committee for Auckland (see Note 1).</li> </ul>	New measure	New measure	Satisfied
<b>Timeliness</b>			
Labour market information (such as the Household Labour Force Survey and 'Jobs Online') is published on the Department's website for use by stakeholders to agreed timeframes (and any subsequent amendments) as negotiated between the Minister for Tertiary Education, Skills and Employment and the Secretary of Labour.	Revised measure	100% delivered within agreed timeframes	100% published within agreed timeframes
Labour market scorecard reports are delivered quarterly to agreed timeframes (and any subsequent amendments) as negotiated between the Minister for Tertiary Education, Skills and Employment and the Secretary of Labour.	100% delivered within agreed timeframes	100% delivered within agreed timeframes	100% delivered within agreed timeframes
<b>Quantity</b>			
Engagement with the stakeholders of priority sectors, regions and industries is delivered as per the work programme agreed with the Minister for Tertiary Education, Skills and Employment.	Revised measure	100% of agreed engagements are delivered	100% of agreed engagements are delivered

Note 1 - Satisfaction ratings are: Very Good, Good, Satisfied, Poor and Very Poor.

## Conditions on Use of Appropriation

Reference	Conditions
Work programme	Work programme includes initiatives outlined in the Department of Labour's Statement of Intent 2012-2015.

*Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2011/12 Budgeted \$000	2012/13 Budget \$000	2013/14 Estimated \$000	2014/15 Estimated \$000	2015/16 Estimated \$000
<b>Current Government</b>						
Reprioritisation Across Votes to Meet Cost Pressures	2015/16	-	-	-	-	(55)
Efficiency Savings	2012/13	-	(106)	(106)	(105)	(105)
Vote Realignment to Reflect Changes to Cost Allocation and Reprioritisations	2012/13	-	(4,781)	(4,741)	(4,663)	(4,605)
NZ Productivity Commission	2010/11	(140)	(150)	(150)	(150)	(150)
Departmental Savings Budget 2009 Expenditure Review	2009/10	(1,538)	(1,538)	(1,538)	(1,538)	(1,538)
<b>Previous Government</b>						
Information Communication Technology Infrastructure Investment	2007/08	96	96	96	96	96

**Policy Advice and Related Outputs MCOA (M14)***Scope of Appropriation***Labour Market Policy Advice**

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 the labour market and employment policy.

**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.

*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 Employment.

*Expenses and Revenue*

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Total Appropriation</b>	-	-	5,896
Labour Market Policy Advice	-	-	4,382
Ministerial Services	-	-	1,514
<b>Revenue from Crown</b>	-	-	5,896
Labour Market Policy Advice	-	-	4,382
Ministerial Services	-	-	1,514



	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Revenue from Other	-	-	-
Labour Market Policy Advice	-	-	-
Ministerial Services	-	-	-

### *Reasons for Change in Appropriation*

Establishment of the appropriation with funding transferred from Departmental Output Expenses - Policy, Research and Evaluation and Labour Market Analysis and Knowledge arising from the reorganisation of appropriations for Policy Advice.

### *Output Performance Measures and Standards*

Performance Measures	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
<b>Labour Market Policy Advice</b>			
The Minister for Tertiary Education, Skills and Employment is satisfied with the quality of the Department's policy advice (including research and evaluation), labour market analysis, and the results of sector engagement (see Note 1).	Revised measure	Satisfied	Satisfied
All significant policy papers assessed by the New Zealand Institute of Economic Research (NZIER) at the described performance standard.	Revised measure	Policy papers assessed as at least "adequate"	Policy papers assessed as at least "adequate" (7 on NZIER's rating scale), with 80% of the submitted policy papers to be assessed as "good" or above (8 or above on NZIER's rating scale)
Policy advice (including research and evaluation) is delivered according to the policy work programme and timeframes (and any subsequent amendments) as negotiated between the Minister for Tertiary Education, Skills and Employment and the Secretary of Labour.	100% delivered within agreed timeframes	100% delivered within agreed timeframes	100% delivered within agreed timeframes
<b>Ministerial Services</b>			
The Minister for Tertiary Education, Skills and Employment is satisfied with the quality and timeliness of the Department's ministerial servicing (see Note 1).	Satisfied	Satisfied	Satisfied
Responses to Parliamentary Questions, Ministerial correspondence and Ministerial Official Information Act requests are to be completed within either specified or statutory timeframes.	New measure	New measure	95% or above
Responses to Parliamentary Questions, Ministerial correspondence and Ministerial Official Information Act requests are to be completed without return due to predictable errors.	New measure	New measure	95% or above

Note 1 - Satisfaction ratings are: Very Good, Good, Satisfied, Poor and Very Poor.

*Conditions on Use of Appropriation*

Reference	Conditions
Policy work programme	Policy work programme includes initiatives outlined in the Department of Labour's Statement of Intent 2012-2015.

*Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2011/12 Budgeted \$000	2012/13 Budget \$000	2013/14 Estimated \$000	2014/15 Estimated \$000	2015/16 Estimated \$000
<b>Current Government</b>						
<i>Labour Market Policy Advice</i>						
Reprioritisation Across Votes to Meet Cost Pressures	2015/16	-	-	-	-	(36)
Efficiency Savings	2012/13	-	(110)	(111)	(110)	(110)
Reprioritisation of Funding to Reflect Increased Focus on Policy and Research Services in Vote Employment	2012/13	-	463	239	239	239
Vote Realignment to Reflect Changes to Cost Allocation and Reprioritisation	2012/13	-	(481)	(425)	(324)	(232)
<i>Ministerial Services</i>						
Reprioritisation of Funding to Reflect Increased Focus on Policy and Research Services in Vote Employment	2012/13	-	409	420	420	420
<i>Policy, Research and Evaluation</i>						
Departmental Savings Budget 2009 Expenditure Review	2009/10	38	38	38	38	38
Savings in the Literacy, Language and Numeracy Action Plan Information Package	2009/10	(500)	(500)	(500)	(500)	(500)
<b>Previous Government</b>						
Literacy, Language and Numeracy Strategy for Upskilling the Existing Workforce	2008/09	2,380	2,380	2,380	2,380	2,380
Information Communication Technology Infrastructure Investment	2007/08	45	45	45	45	45