

Performance Information for Appropriations

Vote Labour

MINISTER(S) RESPONSIBLE FOR APPROPRIATIONS: Minister of Labour (M43)

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 of Labour is responsible for appropriations in the Vote for the 2012/13 financial year covering the following:

Departmental appropriations consisting of:

- a total of \$25.696 million to provide employment relations services, including support services provided to employment relations institutions
- a total of \$3.516 million to provide hazardous substances and amusement devices services
- a total of \$50.625 million to provide health and safety services
- a total of \$8.988 million to provide policy advice on matters relating to employment relations, health and safety (including Hazardous Substances and New Organisms), international labour commitments and ministerial servicing.

Non-departmental appropriations consisting of:

- a total of \$500,000 to purchase services from non-departmental providers in relation to the Employment Relations Education Contestable Fund (ERE)
- a total of \$869,000 to collect the Health and Safety in Employment (HSE) Levy
- a total of \$15,000 for the Bad Debt Expense write-off for non-recovered hearing fees
- a total of \$3.580 million for other labour-related payments, such as salaries and allowances of the Employment Relations Authority Members (ERA)
- a total of \$1.400 million for subscription to the International Labour Organisation (ILO)
- a total of \$396,000 to promote equal employment opportunities (EEO) and better relations through the Joint EEO Trust
- a total of \$15,000 for the New Zealand Industrial Relations Foundation.

Capital appropriations consisting of:

- a total of \$49.007 million for capital expenditure in the Department of Labour.

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"> • Build a more competitive and productive economy. • Rebuild Christchurch. • Deliver better public services. • Responsibly manage the Government's finances. <p>The Government priorities for Vote Labour are:</p> <ul style="list-style-type: none"> • Deliver on the Government's policy commitments to improve flexibility and fairness in the labour market. • Strengthen the health and safety system and respond to the Royal Commission of Inquiry into the Pike River Coal Mine Tragedy. • Improve labour standards on foreign chartered fishing vessels. 	<p>Safe and fair workplaces.</p>	<p>Departmental Output Expenses</p> <p>Employment Relations Services Hazardous Substances and Amusement Devices Services Health and Safety Services Policy Advice and Related Outputs MCOA</p> <hr/> <p>Non-Departmental Output Expenses</p> <p>Employment Relations Education Contestable Fund Health and Safety in Employment Levy - Collection Services</p> <hr/> <p>Non-Departmental Other Expenses</p> <p>Bad Debt Expense Employment Relations Authority Members' Salaries and Allowances International Labour Organisation Joint Equal Employment Opportunities Trust New Zealand Industrial Relations Foundation</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
Appropriations												
Output Expenses	79,443	81,725	77,680	78,385	81,931	81,190	88,825	1,369	90,194	89,399	90,164	90,516
Benefits and Other Unrequited Expenses	-	-	-	-	-	-	N/A	-	-	-	-	-
Borrowing Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	4,912	5,178	5,410	6,499	5,426	5,426	-	5,406	5,406	5,406	5,406	5,406
Capital Expenditure	15,397	16,027	19,975	23,927	25,593	25,593	49,007	-	49,007	51,095	30,781	20,886
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	-	-	-	-	N/A	-	-	-	-
Total Appropriations	99,752	102,930	103,065	108,811	112,950	112,209	137,832	6,775	144,607	145,900	126,351	116,808
Crown Revenue and Capital Receipts												
Tax Revenue	-	-	-	-	-	-	N/A	-	-	-	-	-
Non-Tax Revenue	38,438	41,583	49,487	44,271	44,646	44,646	N/A	46,183	46,183	47,774	49,420	51,124
Capital Receipts	-	-	-	-	-	-	N/A	-	-	-	-	-
Total Crown Revenue and Capital Receipts	38,438	41,583	49,487	44,271	44,646	44,646	N/A	46,183	46,183	47,774	49,420	51,124

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
Review of Funding for the Remuneration Authority	Employment Relations Services Departmental Output Expenses	-	283	161	89	216
Improving Health and Safety in High Hazard Industries	Services to Promote and Support Safe and Healthy People and Workplaces (new name in 2012/13) Departmental Output Expenses	857	-	-	-	-
	Health and Safety Services (new name from 2012/13) Non-Departmental Output Expenses	-	1,454	1,505	1,565	1,565
Efficiency Savings	Employment Relations Services Departmental Output Expenses	-	(569)	(572)	(566)	(566)
	Hazardous Substances and Amusement Devices Services Departmental Output Expenses	-	(78)	(79)	(78)	(78)
	Health and Safety Services Departmental Output Expenses	-	(1,060)	(1,069)	(1,053)	(1,053)
	Policy Advice and Related Outputs MCOA Policy Advice - Labour Departmental Output Expenses	-	(272)	(273)	(271)	(271)
Enabling Improved Delivery of Immigration Services: Immigration Global Management System	Departmental Capital Injection Department of Labour Capital Expenditure	6,774	27,887	30,425	10,111	216
Health and Safety in Employment Act Levy: Proposal to Increase Investment in Safe and Skilled Workplaces Using Unallocated Revenue	Health and Safety Services Departmental Output Expenses	-	6,750	8,660	8,960	8,960
	Departmental Capital Injection Department of Labour Capital Expenditure	-	450	-	-	-
Reprioritisation of Funding to Reflect Increased Focus on Policy and Research Services in Vote Employment	Health and Safety Services Departmental Output Expenses	-	(219)	(165)	(165)	(165)
Reprioritisation Across Years to Meet Cost Pressures	Employment Relations Services Departmental Output Expenses	-	(67)	441	(374)	-
	Health and Safety Services Departmental Output Expenses	-	(474)	(474)	948	-
	Policy Advice and Related Outputs MCOA Policy Advice - Labour Departmental Output Expenses	-	(51)	-	51	-

Policy Initiative	Appropriation	2011/12 Budgeted \$000	2012/13 Budget \$000	2013/14 Estimated \$000	2014/15 Estimated \$000	2015/16 Estimated \$000
Reprioritisations Across Votes to Meet Cost Pressures	Employment Relations Services Departmental Output Expenses	-	-	-	1,422	473
	Health and Safety Services Departmental Output Expenses	-	-	-	(1,013)	771
Vote Realignment to Reflect Changes in Cost Allocation and Reprioritisations	Employment Relations Services Departmental Output Expenses	-	1,524	1,437	1,297	1,244
	Hazardous Substances and Amusement Devices Services Departmental Output Expenses	-	222	216	196	190
	Health and Safety Services Departmental Output Expenses	-	274	170	209	127
	International Services Departmental Output Expenses	-	(104)	(102)	(102)	(102)
	Policy Advice and Related Outputs MCOA	-	-	-	-	-
	Policy Advice - Labour Departmental Output Expenses	-	(781)	(701)	(529)	(373)

Analysis of Significant Trends

Total Vote: All Appropriations

The total appropriations are mainly impacted by the fluctuations in the capital expenditure appropriations. The variation in output expenses is mainly due to time limited initiatives.

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 Ministerial Services and Policy Advice - Labour.

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 Labour was a reduction in 2011/12 of \$495,000.

From 2012/13, efficiency savings of \$1.979 million have been identified.

Policy Advice - Labour

Policy advice funding decreased from 2007/08 to 2009/10 due to time limited funded initiatives including the Skills Strategy. There is an increase in 2011/12 due to funding for the Workplace Productivity - High Performance Work Initiative. Reprioritisation of funding enabled the Department to successfully implement free trade agreements.

Employment Relations Services

This appropriation was previously called Services to Promote and Support Fair and Productive Employment Relationships. It has remained fairly constant overall. However, there have been fluctuations due to time limited funding for the private members' bills and reprioritisation of funds from the Employment Relations Education Contestable Fund.

Health and Safety Services

This appropriation was previously called Services to Promote and Support Safe and Healthy People and Workplaces. The growth from 2007/08 to 2011/12 is largely due to changes in the work programmes in 2007/08 funded from the unallocated revenue associated with the Health and Safety in Employment Levy.

Hazardous Substances and Amusement Devices Services

This appropriation was previously called Services to Promote and Support the Safe Management of Hazardous Substances in the Workplace and Amusement Devices. There was growth from 2007/08 to 2010/11, due to work programmes in 2010/11 being funded from Vote Employment and within Vote Labour. Funding from 2010/11 decreased as a result of no additional funds being reprioritised to this activity.

Departmental Capital Expenditure

The growth from 2007/08 to 2010/11 reflects investment in the core information technology framework of the Department, including financial and human resource information systems. The growth from 2011/12 is to provide for the costs associated with purchase and development of the Immigration Global Management System.

Other Non-Departmental Expenses

Most of these appropriations remain constant through the years, with the exception of the International Labour Organisation subscription and the Employment Relations Education Contestable Fund.

The appropriation for the International Labour Organisation increased in 2009/10 in line with forecast foreign exchange movements.

The appropriation for the Employment Relations Education Contestable Fund changed in line with timing of payments to external providers. However, in the future the appropriation has been reprioritised to meet departmental work pressures.

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
Departmental Output Expenses						
Policy Advice - Labour	8,933	Transferred to Policy Advice and Related Outputs MCOA	(7,999)		-	-
		Ministerial Services	(2,131)			
		Policy Advice - Labour	(5,868)			
		Transferred to Services to Promote and Support Fair and Productive Employment Relationships	(833)			
		Transferred to Services to Promote and Support the Safe Management of Hazardous Substances in the Workplace and Amusement Devices	(101)			
		Transferred from Policy Advice - Labour	7,999	Transferred to Policy Advice and Related Outputs MCOA	8,890	8,988
		Transferred from International Services	776	Ministerial Services	2,131	2,069
		Transferred from Services to Promote and Support Safe and Healthy People and Workplaces	115	Policy Advice - Labour	6,759	6,919
International Services	902	Transferred to Policy Advice and Related Outputs MCOA	(776)		-	-
		Policy Advice - Labour	(776)			
		Transferred to Services to Promote and Support Fair and Productive Employment Relationships	(39)			
		Transferred to Services to Promote and Support Safe and Healthy People and Workplaces	(13)			
		Transferred to Services to Promote and Support the Safe Management of Hazardous Substances in the Workplace and Amusement Devices	(74)			

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
Services to Promote and Support Fair and Productive Employment Relationships	23,520	Transferred from Policy Advice Labour	833	Employment Relations Services	24,392	25,696
		Transferred from International Services	39	This appropriation has been renamed		
Services to Promote and Support Safe and Healthy People and Workplaces	42,281	Transferred to Policy Advice and Related Outputs MCOA	(115)	Health and Safety Services	42,179	50,625
		Policy Advice - Labour	(115)			
		Transferred from International Services	13			
Services to Promote and Support the Safe Management of Hazardous Substances in the Workplace and Amusement Devices	4,059	Transferred from Policy Advice - Labour	101	Hazardous Substances and Amusement Devices Services	4,234	3,516
		Transferred from International Services	74	This appropriation has been renamed		
Total Changes in Appropriations	79,695		-		79,695	88,825

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
Outcome Safe and fair workplaces. Intermediate Outcome Employment relationships are fair and sustainable.	Employment Relations Services
Outcome Safe and fair workplaces. Intermediate Outcome Workplaces are healthy and safe.	Hazardous Substances and Amusement Devices Services
Outcome Safe and fair workplaces. Intermediate Outcome Workplaces are healthy and safe.	Health and Safety Services
Outcome Safe and fair workplaces. Intermediate Outcomes Workplaces are healthy and safe. Employment relationships are fair and sustainable.	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.

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

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	23,520	23,302	25,696
Revenue from Crown	23,200	23,200	25,696
Revenue from Other	320	275	-

Reasons for Change in Appropriation

This appropriation was previously called Services to Promote and Support Fair and Productive Employment Relationships. The increase in funding is mainly due to a fiscally neutral transfer of \$465,000 from Policy Advice - Labour (M43) and additional funding for the Remuneration Authority of \$283,000. This has been partially offset by efficiency savings identified from 2012/13 of \$569,000.

Output Performance Measures and Standards

Performance Measures	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Quality			
The percentage of investigations into complaints regarding breaches of regulatory standards of employment legislation completed within six months of receipt.	90%	90%	90%
The percentage of matters completed through a mediated process within expected timeframes.	75%	75%	85%
The percentage of customers who were satisfied with the overall quality of service delivery received (see Note 1).	80%	80%	80%
The percentage of requests for mediation settled at mediation.	75% - 85%	75% - 85%	75% - 85%
Activity Information (see Note 2)			
The number of phone calls and e-enquiries to the Labour Group Contact Centre relating to employment relations.	Revised measure	143,000	130,000 - 150,000
The number of investigations into complaints regarding breaches of minimum standards of employment legislation.	1,800 - 2,200	1,800 - 2,200	1,500
The number of mediations and recorded settlements completed.	Revised measure	8,700 - 10,300	9,800 - 10,800

Note 1 - Satisfaction to be measured by the Labour Group Service Excellence Survey.

Note 2 - Activity information relates to output volume measures that are demand driven and therefore outside the Department's control.

Conditions on Use of Appropriation

Reference	Conditions
Employment Relations Act 2000	Registration of receipt, processing, assessment and approval of applications made for union registration.

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
Current Government						
Reprioritisation Across Votes to Meet Cost Pressures	2014/15	-	-	-	1,422	473
Reprioritisation Across Years to Meet Cost Pressures	2012/13	-	(67)	441	(374)	-
Vote Realignment to Reflect Changes in Cost Allocation and Reprioritisations	2012/13	-	1,524	1,437	1,297	1,244
Review of Funding for the Remuneration Authority	2012/13	-	283	161	89	216
Efficiency Savings	2012/13	-	(569)	(572)	(566)	(566)
Cessation of Publications Revenue	2011/12	(202)	(202)	(202)	(202)	(202)
Funds Reprioritised from Disestablishment of the Partnership Resource Centre	2011/12	(500)	(1,173)	(1,173)	(1,173)	(1,173)
Change Management, Primary Contact Centre and Practice Leadership	2010/11	600	600	600	600	600
Departmental Savings Budget 2009 Expenditure Review	2009/10	59	59	59	59	59
Previous Government						
Information Communication Technology Infrastructure Investment	2007/08	588	588	588	588	588

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

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	4,059	3,937	3,516
Revenue from Crown	4,021	4,021	3,516
Revenue from Other	38	37	-

Reasons for Change in Appropriation

This appropriation was previously called Services to Promote and Support the Safe Management of Hazardous Substances in the Workplace and Amusement Devices. The reduction in funding is mainly due to time limited funding from 2011/12, expiring in 2012/13. This has been partially offset by a fiscally neutral transfer of \$174,000 from Policy Advice - Labour (M43).

Output Performance Measures and Standards

Performance Measures	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Quality			
The percentage of customers who were satisfied with the overall quality of service delivery received (see Note 1).	80%	80%	80%
The percentage of investigations, in relation to hazardous substances, completed within five months of notification of the event.	90%	90%	90%
Activity Information (see Note 2)			
The number of completed workplace assessments.	3,500 - 4,000	3,000	3,000 - 3,500

Note 1 - Satisfaction to be measured by the Labour Group Service Excellence Survey.

Note 2 - Activity information relates to output volume measures that are demand driven and therefore outside the Department's control.

Conditions on Use of Appropriation

Reference	Conditions
Hazardous Substances and New Organisms Act 1996	The Department has responsibility for enforcement of this Act in workplaces.

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
Current Government						
Efficiency Savings	2012/13	-	(78)	(79)	(78)	(78)
Vote Realignment to Reflect Changes in Cost Allocation and Reprioritisation	2012/13	-	222	216	196	190
Hazardous Substances and New Organisms Reprioritisation	2010/11	1,091	-	-	-	-
Departmental Savings Budget 2009 Expenditure Review	2009/10	12	12	12	12	12
Previous Government						
Information Communication Technology Infrastructure Investment	2007/08	81	81	81	81	81

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.

Expenses and Revenue

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	42,281	42,097	50,625
Revenue from Crown	41,025	41,025	50,157
Revenue from Other	1,256	1,035	468

Reasons for Change in Appropriation

This appropriation was previously called Services to Promote and Support Safe and Healthy People and Workplaces. The increase in funding is mainly due to an expense transfer from 2011/12 of \$2.760 million to fund a change programme, increased funding of \$597,000 for Improving Health and Safety in High Hazard Industries and funding of \$6.750 million for Increasing Investment in Safe and Skilled Workplaces using unallocated revenue from the Health and Safety in Employment Act Levy. This has been partially offset by efficiency savings identified from 2012/13 of \$1.060 million and reduced expenditure to match a fall in publications revenue.

Output Performance Measures and Standards

Performance Measures	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Quality			
The percentage of customers who were satisfied with the overall quality of service delivery received (see Note 1).	80%	80%	80%
The percentage of health and safety investigations completed within five months of notification of the event.	90%	90%	90%
Further develop a monitoring system to provide quality assurance of decision-making for health and safety enforcement action decisions.	Revised measure	Progress made	Implemented by 30 June 2013
Percentage of files recommended for prosecution that have sufficient evidence and are consistent with the Department's enforcement criteria (see Note 2).	New measure	New measure	95%
The percentage of workplace assessments targeted at industries identified in the Workplace Health and Safety Strategy Action Plan.	70%	70%	80%

Performance Measures	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Delivery of services as identified in the High Hazard Unit business plan, including: <ul style="list-style-type: none"> • Audit of enterprise based safety systems. • Workplace assessments. • Review of safety cases for offshore oil installations. • Development of industry health and safety standards and other guidance material. 	New measure	New measure	Delivered by 30 June 2013
Activity Information (see Note 3)			
Completed investigations of health and safety incidents and complaints.	New measure	New measure	3,500
The number of completed workplace assessments.	5,000 - 5,500	5,000 - 5,500	7,500
The number of phone calls and e-enquiries to the Labour Group Contact Centre relating to health and safety.	Revised measure	20,900 - 26,200	26,000 - 32,000
The number of standards developed in accordance with the standard setting framework.	75 - 100	50	20 - 35

Note 1 - Satisfaction to be measured by the Labour Group Service Excellence Survey.

Note 2 - 'Sufficient evidence' is considered to have achieved a rating of 8 out of 10 on Legal Services review of files.

Note 3 - Activity information relates to output volume measures that are demand driven and therefore outside the Department's control.

Conditions on Use of Appropriation

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

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
Current Government						
Reprioritisations Across Votes to Meet Cost Pressures	2014/15	-	-	-	(1,013)	771
Efficiency Savings	2012/13	-	(1,060)	(1,069)	(1,053)	(1,053)
Health and Safety in Employment Act Levy: Proposal to Increase Investment in Safe and Skilled Workplaces Using Unallocated Revenue	2012/13	-	6,750	8,660	8,960	8,960
Reprioritisation of Funding to Reflect Increased Focus on Policy and Research Services in Vote Employment	2012/13	-	(219)	(165)	(165)	(165)
Reprioritisation Across Years to Meet Cost Pressures	2012/13	-	(474)	(474)	948	-
Vote Realignment to Reflect Changes in Cost Allocation and Reprioritisation	2012/13	-	274	170	209	127
Improving Health and Safety in High Hazard Industries	2011/12	857	1,454	1,505	1,565	1,565

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
Current Government - cont'd						
Funds Reprioritised from Research to Cover Adventure Tourism Health and Safety	2011/12	400	400	300	-	-
Reprioritise Completion of Workplace Productivity Research and Demonstration Projects	2011/12	595	595	572	572	572
Funds Reprioritised from Disestablishment of the Partnership Resource Centre	2011/12	500	1,173	1,173	1,173	1,173
Reprioritise Joint Equal Employment Opportunities (EEO) Trust Funding	2011/12	547	547	547	547	547
Reprioritise Employment Relations Education (ERE) Funding	2011/12	678	678	678	678	678
Departmental Savings Budget 2009 Expenditure Review	2009/10	88	88	88	88	88
Previous Government						
Energy Safety Funding	2008/09	163	163	163	163	163
HSE Levy Proposal to use Unallocated Revenue	2007/08	8,172	8,172	8,172	8,172	8,172
Information Communication Technology Infrastructure Investment	2007/08	875	875	875	875	875

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

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	-	-	8,988
Ministerial Services	-	-	2,069
Policy Advice - Labour	-	-	6,919

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Revenue from Crown	-	-	8,988
Ministerial Services	-	-	2,069
Policy Advice - Labour	-	-	6,919
Revenue from Other	-	-	-
Ministerial Services	-	-	-
Policy Advice - Labour	-	-	-

Reasons for Change in Appropriation

Establishment of the appropriation with funding transferred from policy related appropriations Departmental Output Expenses - International Services, Policy Advice - Labour, Employment Relations Services, Health and Safety Services and Hazardous Substances and Amusement Devices Services 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
Ministerial Services			
The Minister of Labour 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
Policy Advice - Labour			
The Minister of Labour is satisfied with the quality of the Department's policy advice (including research and evaluation) (see Note 1).	Satisfied	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 of Labour and the Secretary of Labour.	100% delivered within agreed timeframes	100% delivered within agreed timeframes	100% delivered within agreed timeframes
Meet New Zealand's International Labour Organisation's related commitments through protecting and promoting New Zealand's labour interest, including submitting all required reports and questionnaires within specified timeframes.	Revised measure	100% met	100% met

Performance Measures	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Policy Advice - Labour - cont'd			
Tripartite partners and senior officials are satisfied with the quality of support, and representation, including stakeholder consultation, provided to meet New Zealand's labour-related international commitments (see Note 1).	Satisfied	Satisfied	Satisfied
Provide support to the Ministry of Foreign Affairs and Trade in negotiation of trade labour agreements as part of all free trade agreements, and implemented in accordance with each agreement.	New measure	New measure	Support provided as requested

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.
New Zealand's membership obligations to the International Labour Organisation (ILO)	By being a member of the ILO, New Zealand is required to fulfil obligations including: reporting, tripartite consultation and attendance by a tripartite delegation to the annual ILO Conference.
New Zealand's trade labour agreement obligations	New Zealand is committed to commencing negotiations for new, and implementing obligations from existing, free trade agreements.

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
Current Government						
Efficiency Savings	2012/13	-	(272)	(273)	(271)	(271)
Reprioritisation Across Years to Meet Cost Pressures	2012/13	-	(51)	-	51	-
Vote Realignment to Reflect Changes in Cost Allocation and Reprioritisations	2012/13	-	(781)	(701)	(529)	(373)
Policy Advice - Labour						
Reprioritise Completion of Workplace Productivity Research and Demonstration Projects	2011/12	(595)	(595)	(572)	(572)	(572)
Workplace Productivity - High Performance Work Initiative	2010/11	1,275	1,000	1,000	1,000	1,000
NZ Productivity Commission	2010/11	(327)	(350)	(350)	(350)	(350)
Policy Advice Reprioritised	2010/11	(310)	(310)	(310)	(310)	(310)
Free Trade Agreements	2010/11	310	310	310	310	310
Departmental Savings Budget 2009 Expenditure Review	2009/10	1,111	1,111	1,111	1,111	1,111
HSE Levy Proposal to use Unallocated Revenue	2007/08	184	184	184	184	184
Previous Government						
Information Communication Technology Infrastructure Investment	2007/08	6	6	6	6	6

Part 2.2 - Non-Departmental Output Expenses

Intended Impacts, Outcomes and Objectives

Intended Impacts, Outcomes or Objectives of Appropriations	Appropriations
Outcome Safe and fair workplaces.	Employment Relations Education Contestable Fund
Outcome Safe and fair workplaces.	Health and Safety in Employment Levy - Collection Services

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.

Expenses

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	1,367	1,367	500

Reasons for Change in Appropriation

The decrease in funding is due to the cessation of an expenditure transfer in 2011/12.

Output Performance Measures and Standards

Performance Measures	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Timeliness			
Applications to the Fund are processed within the timeframes agreed with the Minister of Labour.	100% processed within agreed timeframes	100% processed within agreed timeframes	100% processed within agreed timeframes

Conditions on Use of Appropriation

Reference	Conditions
2000/01 Budget	<p>Proposed courses should be linked to the objectives of the Employment Relations Act 2000 or the Health and Safety in Employment Act 1992 or both, and may include:</p> <ul style="list-style-type: none"> education initiatives to increase skills in and knowledge of employment relations matters, to improve relationships in the workplace and enable employers, employees and unions to deal with each other in good faith specific training courses, approved under the Health and Safety Employment Act 1992, for health and safety training representatives.

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
Current Government						
Reprioritise Employment Relations Education (ERE) Funding	2011/12	(678)	(678)	(678)	(678)	(678)
Employment Relations Education (ERE) Reprioritised for Primary Contact Centre	2010/11	(600)	(600)	(600)	(600)	(600)

Health and Safety in Employment Levy - Collection Services (M43)

Scope of Appropriation

Provision of collection services from the Accident Compensation Corporation (ACC), to collect the HSE Levy on behalf of the Department of Labour.

Expenses

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	869	869	869

Output Performance Measures and Standards

Performance Measures	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Quantity			
ACC collects a levy at the rate prescribed in the HSE (Rates of Funding Levy) Regulations.	\$0.05 in every \$100 of total liable earnings	\$0.05 in every \$100 of total liable earnings	\$0.05 in every \$100 of total liable earnings
ACC pays the Secretary of Labour (on behalf of the Crown) all of the levy collected, less a provision for doubtful debts (see Note 1).	100%	100%	100%
Timeliness			
The Department of Labour remits the funding received from ACC into the Crown Bank Account within one month of receipt.	100% remitted within one month	100% remitted within one month	100% remitted within one month

Note 1 - The HSE levy is collected along with the residual claims levy for the levy year.

Conditions on Use of Appropriation

Reference	Conditions
Health and Safety in Employment (Rates of Funding Levy) Regulations	The levy rate is \$0.05 in every \$100 of total liable earnings.

Summary of Service Providers for Non-Departmental Outputs

Provider	2011/12 Budgeted \$000	2011/12 Estimated Actual \$000	2012/13 Budget \$000	Reporting Mechanism	Expiry of Funding Commitment
Non-government organisations					
Employer and Union training providers	1,367	1,367	500	N/A	June 2013
<ul style="list-style-type: none"> • Employment Relations Education Contestable Fund 					

The above table summarises funding to be allocated through Vote Labour to non-departmental providers, along with an indication of the mechanism to be used for reporting actual performance and (where determined) the length of the funding commitment.

Part 5 - Details and Expected Results for Other Expenses

Part 5.2 - Non-Departmental Other Expenses

Intended Impacts, Outcomes and Objectives

Intended Impacts, Outcomes or Objectives of Appropriations	Appropriations
Objective Where hardship is granted, or debt recovery is unsuccessful, hearing fees can be written off.	Bad Debt Expense
Objective Employment Relations Authority members' salaries and allowances are paid in accordance with Remuneration Authority determinations.	Employment Relations Authority Members' Salaries and Allowances
Objective Manage New Zealand's subscription to the International Labour Organisation.	International Labour Organisation
Objective Funding promotes equal employment opportunities as a good management practice.	Joint Equal Employment Opportunities Trust
Objective Funding facilitates the acquisition and dissemination of knowledge and expertise within the New Zealand industrial relations community.	New Zealand Industrial Relations Foundation

Bad Debt Expense (M43)

Scope of Appropriation

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.

Expenses

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	15	15	15

Expected Results

	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Where hardship is granted, or debt recovery is unsuccessful, hearing fees can be written off.	In accordance with the write-off procedures set out in the Department's Debtors Management Procedure policy	In accordance with the write-off procedures set out in the Department's Debtors Management Procedure policy	In accordance with the write-off procedures set out in the Department's Debtors Management Procedure policy

Conditions on Use of Appropriation

Reference	Conditions
Employment Relations Authority	Decision processes can be subjected to external audit.

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).

Expenses

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	3,580	3,580	3,580

Expected Results

	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Employment Relations Authority members' salaries and allowances are paid in accordance with Remuneration Authority determinations.	100% paid in accordance with determinations	100% paid in accordance with determinations	100% paid in accordance with determinations

Conditions on Use of Appropriation

Reference	Conditions
Employment Relations Act 2000 - Section 171	Employment Relations Authority members' salaries and allowances are paid in accordance with the agreed schedule.

International Labour Organisation (M43)*Scope of Appropriation*

New Zealand's annual subscription to the ILO.

Expenses

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	1,420	1,420	1,400

Expected Results

	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Timely payment of ILO invoices.	100% of invoices paid by required date	100% of invoices paid by required date	100% of invoices paid by required date

Conditions on Use of Appropriation

Reference	Conditions
International Labour Organisation Subscription	Manage New Zealand's subscription to the International Labour Organisation.

Joint Equal Employment Opportunities Trust (M43)*Scope of Appropriation*

Funding to promote EEO as a good management practice, delivered in partnership with the private sector.

Expenses

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	396	396	396

Expected Results

	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Funding promotes equal employment opportunities as a good management practice.	100% of cases meet funding criteria	100% of cases meet funding criteria	100% of cases meet funding criteria

Conditions on Use of Appropriation

Reference	Conditions
Equal Employment Opportunities Trust	The Equal Employment Opportunities Trust is a charitable trust established jointly by the Government and the private sector in 1991. The public sector trustees are appointed by the Minister of Labour and the Minister of Women's Affairs, while the private sector trustees are appointed by the private sector members of the Trust. The Equal Employment Opportunities Trust is jointly funded from employer subscriptions and government contributions. Government funding is on dollar-for-dollar basis with the employer contributions.

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
Reprioritise Joint EEO Trust Funding	2011/12	(547)	(547)	(547)	(547)	(547)

New Zealand Industrial Relations Foundation (M43)

Scope of Appropriation

Funding for education to promote better industrial relations.

Expenses

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	15	15	15

Expected Results

	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Funding facilitates the acquisition and dissemination of knowledge and expertise within the New Zealand industrial relations community.	100% of cases meet funding criteria	100% of cases meet funding criteria	100% of cases meet funding criteria

Conditions on Use of Appropriation

Reference	Conditions
Charitable Trusts Act 1957	The Foundation is an educational trust incorporated under the Charitable Trusts Act 1957. Trustees administer the Foundation. They are the Minister of Labour (Chairperson), the President and Chief Executive of Business New Zealand and the President and Secretary of the New Zealand Council of Trade Unions. Trustees are advised by a Steering Committee consisting of the Secretary of Labour or his nominee, the Chief Executive of Business New Zealand and the Secretary of the Council of Trade Unions.

Reporting Mechanisms

Appropriation	Reporting Mechanism
Bad Debt Expense	The Department of Labour's Annual Report
Employment Relations Authority Members' Salaries and Allowances	The Department of Labour's Annual Report
International Labour Organisation	The Department of Labour's Annual Report ILO Conventions - A7 and Articles 19 and 22
Joint Equal Employment Opportunities Trust	The Department of Labour's Annual Report
New Zealand Industrial Relations Foundation	The Department of Labour's Annual Report

The above table indicates the mechanisms to be used for reporting actual performance for each non-departmental other expenses appropriation.

Part 6 - Details and Expected Results for Capital Expenditure

Part 6.1 - Departmental Capital Expenditure

Intended Impacts, Outcomes and Objectives

Intended Impacts, Outcomes or Objectives of Appropriations	Appropriations
Objective A trusted high-performing department.	Department of Labour - Capital Expenditure

Department of Labour - Capital Expenditure PLA (M43)

Scope of Appropriation

This appropriation is limited to the purchase or development of assets by and for the use of the Department of Labour, as authorised by section 24(1) of the Public Finance Act 1989.

Capital Expenditure

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Forests/Agricultural	-	-	-
Land	-	-	-
Property, Plant and Equipment	9,994	9,994	14,385
Intangibles	15,599	15,599	34,622
Other	-	-	-
Total Appropriation	25,593	25,593	49,007

Reasons for Change in Appropriation

The increase in Property, Plant and Equipment is mainly due to the forecast renewal programme for Information and Communication Technology (ICT) hardware and Leasehold Improvements for Wellington and Christchurch accommodation. The increase in Intangibles is due to the Immigration Global Management System project.

Expected Results

	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Quality and Timeliness			
Information Communication Technology Infrastructure	Deliver as per new initiative proposal	Delivered as per new initiative proposal	Deliver as per new initiative proposal
Remedial Work to the Immigration ICT System	Deliver as per new initiative proposal	Delivered as per new initiative proposal	Deliver as per new initiative proposal
Immigration Global Management System	Deliver as per new initiative proposal	Delivered as per new initiative proposal	Deliver as per new initiative proposal

Reporting Mechanisms

Appropriation	Reporting Mechanism
Department of Labour - Capital Expenditure	The Department of Labour's Annual Report

The above table indicates the mechanisms to be used for reporting actual results for each non-departmental capital expenditure appropriation.