

The Treasury

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Cabinet Document Details

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Cabinet

Minute of Decision

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2021 Budget Package: Vote Labour Market

On 12 April 2021, Cabinet:

- 1 **approved** the Budget initiatives for the above Vote for inclusion in the 2021 Budget package, as listed in the summary below and detailed in the attached initiative documents:

Summary of initiatives included in the attached initiative documents:

Operating Initiatives (Impact on Operating Balance)

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
13098	Government Response to Whakaari/White Island: Litigation Costs and Policy Reform of the Adventure Activities Regime	-	0.330	-	-	-
13481	Reprioritisation of Funding - He Poutama Rangatahi	(1.000)	-	-	-	-
13480	Reprioritisation of Funding - Jobs and Skills Hubs	(1.300)	-	-	-	-
13496	Supporting Emergency Road Ambulance Services	-	7.857	7.857	7.857	7.857
Total Operating		(2.300)	8.187	7.857	7.857	7.857

- 2 **approved** changes to appropriations to implement the initiatives, as set out in the attached initiative documents;
- 3 **approved** the additional recommendations to give effect to the initiatives, as set out in the attached initiative documents;
- 4 **agreed** that the proposed changes to appropriations for 2020/21 above be included in the 2020/21 Supplementary Estimates and that, in the interim, the increases be met from Imprest Supply;
- 5 **authorised** the Minister of Finance and the Appropriation Minister to approve jointly any technical adjustments to baselines necessary to remove any errors or inconsistencies identified while finalising the 2020/21 Supplementary Estimates, the 2021/22 Estimates and the fiscal forecasts;

- 6 **authorised** the chief executives of departments that monitor Crown entities directly affected by decisions in this minute to inform the chair and/or chief executive of a Crown entity, on a Budget-in-confidence-until-Budget-day basis, of decisions that directly affect that Crown entity for the purpose of planning and preparation of their Statement of Intent;
- 7 **noted** that all communications relating to the 2021 Budget are co-ordinated by a Budget communications committee, and that any requests for early announcement will need to have both the written approval of the Minister of Finance and sign-off from the Prime Minister's office;
- 8 **agreed** that initiatives in the following tables and as detailed in the attached initiative documents be contingency items and that the corresponding funding for each operating initiative contingency be a charge against the Operating Allowance and that each capital initiative contingency be a charge against the Multi-Year Capital Allowance:

Summary of contingency initiatives included in the attached initiative documents:

Operating Contingency

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
13095	Implementing Fair Pay Agreements and Screen Industry Bargaining Systems	-	6.333	9.226	10.031	10.211
Total Operating		-	6.333	9.226	10.031	10.211

Capital Contingency

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
13095	Implementing Fair Pay Agreements and Screen Industry Bargaining Systems	-	1.205	0.130	-	-
Total Capital		-	1.205	0.130	-	-

- 9 **approved** the additional recommendations relating to the contingency initiatives, as set out in the attached initiative documents.

Michael Webster
Secretary of the Cabinet

Vote: Labour Market

Appropriation Administrator: Ministry of Business, Innovation and Employment

Title: Government Response to Whakaari/White Island: Litigation Costs and Policy Reform of the Adventure Activities Regime

Description: This initiative will allow WorkSafe to complete the existing Whakaari litigation process while maintaining core workplace safety activities, and will allow for the development and implementation of further policy reform of the adventure activities regulatory regime. Projected outcomes of this initiative are continued trust in the health and safety at work system, fewer injuries and fatalities in the adventure tourism sector, and positive change to New Zealand health and safety culture.

Appropriation changes

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Operating Balance Impact	-	0.330	-	-	-
Debt Impact	-	-	-	-	-
No Impact	5.654	5.954	5.587	1.035	-
Total	5.654	6.284	5.587	1.035	-

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Non-Departmental Output Expense:					
Workplace Relations and Safety - Workplace Health and Safety	5.654	5.954	5.587	1.035	-
Multi-Category Expenses and Capital Expenditure:					
Policy Advice and Related Services to Ministers (MCA)					
<i>Departmental Output Expense:</i>					
Policy Advice and Related Services to Ministers - Workplace Relations and Safety (funded by revenue Crown)	-	0.330	-	-	-
Total Operating	5.654	6.284	5.587	1.035	-

Additional recommendations

- 10 **noted** that the non-departmental output expense appropriation increases above are fiscally neutral as they will be funded through the Health and Safety at Work Levy;
- 11 **noted** that there is an associated initiative in Vote Business, Science and Innovation (Initiative 13512) which includes capital funding (and debt impacts) for MBIE's ICT overheads;

Initiative No: 13095

Vote: Labour Market

Appropriation Administrator: Ministry of Business, Innovation and Employment

Title: Implementing Fair Pay Agreements and Screen Industry Bargaining Systems

Description: This initiative provides funding to implement a new Fair Pay Agreements (FPA) system in New Zealand. The FPA system will allow employers and employees to collectively bargain occupation or industry-wide minimum employment terms and conditions. This will improve labour market outcomes for employees in industries or occupations where an FPA is concluded, and facilitate greater and more mature sector-wide dialogue and co-ordination. This initiative also includes equivalent bargaining support for the related bargaining system created by the Screen Industry Workers Bill.

Tagged contingency

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Operating Contingency	-	6.333	9.226	10.031	10.211
Capital Contingency	-	1.205	0.130	-	-
Total	-	7.538	9.356	10.031	10.211

Additional recommendations

- 12 **agreed** that the expiry date for the above tagged contingency be 1 February 2022;
- 13 **authorised** the Minister of Finance and the Minister for Workplace Relations and Safety to jointly approve draw downs from the contingencies, subject to Cabinet design decisions;

Vote: Labour Market

Appropriation Administrator: Ministry of Business, Innovation and Employment

Title: Reprioritisation of Funding - He Poutama Rangatahi

Description: This portion of the COVID-19 Response and Recovery Fund (CRRF) relates to funding for He Poutama Rangatahi that is not expected to be committed and therefore no longer required.

Appropriation changes

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Operating Balance Impact	(1.000)	-	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	(1.000)	-	-	-	-

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Non-Departmental Other Expense:					
Employment - He Poutama Rangatahi	(1.000)	-	-	-	-
Total Operating	(1.000)	-	-	-	-

Additional recommendations

- 14 **noted** that Cabinet previously agreed that this funding totalling \$155.5 million across five years would be counted against the COVID-19 Response and Recovery Fund [CAB-20-MIN-0219.16];
- 15 **agreed** that, as not all of this funding was required, the savings will be returned to the COVID-19 Response and Recovery Fund;

Vote: Labour Market

Appropriation Administrator: Ministry of Business, Innovation and Employment

Title: Reprioritisation of Funding - Jobs and Skills Hubs

Description: This portion of the COVID-19 Response and Recovery Fund (CRRF) relates to funding for Jobs and Skills Hubs that was no longer required.

Appropriation changes

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Operating Balance Impact	(1.300)	-	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	(1.300)	-	-	-	-

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Departmental Output Expense:					
Employment - Employment Sector Analysis and Facilitation (funded by revenue Crown)	(1.300)	-	-	-	-
Total Operating	(1.300)	-	-	-	-

Additional recommendations

- 16 **noted** that Cabinet previously agreed that this funding totalling \$34.250 million over five years would be counted against the COVID-19 Response and Recovery Fund [CAB-20-MIN-0219.16];
- 17 **agreed** that, as not all of this funding was required, these savings will be returned to the COVID-19 Response and Recovery Fund;

Vote: Labour Market

Appropriation Administrator: Ministry of Business, Innovation and Employment

Title: Supporting Emergency Road Ambulance Services

Description: This initiative provides funding for price and volume pressures in emergency ambulance services to support existing capacity and performance of essential emergency road ambulance services (ERAS) for New Zealand communities. This funding will support safe and effective road ambulance and communications services for all New Zealanders.

Appropriation changes

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Operating Balance Impact	-	7.857	7.857	7.857	7.857
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	7.857	7.857	7.857	7.857

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Non-Departmental Output Expense:					
ACC - Rehabilitation Entitlements and Services	-	7.857	7.857	7.857	7.857
Total Operating	-	7.857	7.857	7.857	7.857

Additional recommendation

18 **noted** that related funding has also been provided through Vote Health (Initiative 13187).