



Report of the
Department of Labour
Te Tari Mahi

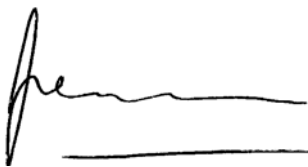
for the year ended
30 June 2002

*Presented to the House of Representatives pursuant
to Section 39 of the Public Finance Act 1989*

Department of Labour
Wellington
October 2002

The Hon Minister of Labour

I have the honour to present the Annual Report of the Department of Labour for the period 1 July 2001 to 30 June 2002.

A handwritten signature in black ink, consisting of a stylized 'J' followed by 'M' and 'Chetwin' in a cursive script. Below the signature is a horizontal line.

J M Chetwin
Secretary of Labour

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TERMS AND DEFINITIONS USED

ACC	Accident Compensation Corporation
AIR	Accident Insurance Regulator
BMLU	Business Migrant Liaison Unit
CEDAR	Community Economic Development Action Research
CEG	Community Employment Group
ECP	Electronic Channels Programme
EEO	Equal Employment Opportunities
EMPSOG	Employment Senior Officials Group
ERA	Employment Relations Act 2000
ERS	Employment Relations Service
ESOL	English for Speakers of Other Languages
DoL	Department of Labour
DWI	Department of Work and Income
HSC	Higher Salaries Commission
HRMIS	Human Resources Management Information System
HSE	Health and Safety in Employment
HSNO	Hazardous Substances and New Organisms
ICT	Information and Communications Technology
IT	Information Technology
ILO	International Labour Organisation
LMPG	Labour Market Policy Group
MAF	Ministry of Agriculture and Forestry
MFAT	Ministry of Foreign Affairs and Trade
MPIA	Ministry of Pacific Island Affairs
MPU	Māori Perspective Unit
MSD	Ministry of Social Development
NACEW	National Advisory Council on the Employment of Women
NZIPS	New Zealand Injury Prevention Strategy
NZIS	New Zealand Immigration Service
OCE	Office of the Chief Executive
OSH	Occupational Safety and Health
SSC	State Services Commission
TPK	Te Puni Kokiri
UNHCR	United Nations High Commissioner for Refugees
WHS	Workplace Health and Safety Group

Chief Executive's Overview

John Chetwin
Chief Executive

The past 12 months have been exceptionally busy and interesting for the Department of Labour. We have managed events ranging from the unplanned arrival of refugees from the Tampa, to bringing social entrepreneurs together to strengthen communities, to implementing paid parental leave. We faced increased demand for our services across the board. Throughout, we contributed to achieving the Government's desired outcomes, and enhanced our own capability to respond and deliver customer-focused service long-term.

Highlights

A feature of the year has been a real growth in demand for our services, well above expected levels, and the positive response of the Department's people in meeting those demands. Details are in the relevant sections of this report, but highlights are:

- our work under the first full year of the Employment Relations Act 2000 was acknowledged as a success by the Minister and external commentators. Services that support the Act, including our Information Centre, Labour Inspectors, Mediation Services and the Employment Relations Authority, all responded well to much higher than expected demand for information and service
- we successfully managed the arrival and resettlement of 130 refugees from the Tampa. The Immigration Service put in long hours and intensive work preparing for the arrival and processing of the group, and continued to successfully oversee their stay at the Mangere Refugee Centre – including the Centre manager becoming legal guardian for 36 teenage boys. The Service also faced a huge increase in demand for both temporary and residence decisions
- the Workplace Health and Safety Group carried out more advice and information visits, health and safety assessments and investigations than forecast, and continued to target higher-risk areas with health and safety information
- the Community Employment Group ran a lively and successful conference where social entrepreneurs shared ideas; and CEG's assistance to communities and support for community employment development exceeded targets
- the Department's Labour Market Policy Group progressed substantial work on better matching the supply of skills with current and future demands. We moved into new areas, including co-ordinating the Tairāwhiti Forestry and Labour Skills strategy, researching the future of work, and planning a labour market information portal and regular skills reports.

We also continued to develop our own Departmental capability and customer focus for the long term, through strategic projects and work with staff.

Outcomes

An integrated outcome framework for the Department was a major initiative in 2001/02. Our work is aimed at contributing to a society where *people have high-quality working lives* and are members of *thriving and inclusive communities*. We adopted this overarching outcome as a focus for all we do, with a second tier of outcomes that identify our contributions in more detail. These outcomes are linked to

the key goals of Government and the Department's mission *Wired for Work and Wellbeing*, and are the cornerstones for our strategic planning and accountability documentation for 2002/03 and the future.

The move from outputs to outcomes promotes a collaborative approach between our Services and the many agencies which contribute to the outcome for New Zealand of diverse and dynamic communities where people have access to satisfying and rewarding work in safe and healthy workplaces. The framework includes measures to assess and report on our progress towards these outcomes.

Having identified the outcomes we wish to achieve, and our operating framework, we considered the critical factors we must have in place throughout the Department to ensure our ability to contribute. Work continued on strategic projects aimed at building our managers' and staff capability in a number of areas. Individual Services also addressed their own specific development issues. Further information on these initiatives is contained in the *Departmental Capability* section of this report.

Details of the 2001/02 year are in each Service overview. The key developments are summarised below.

Employment Relations

A public information campaign on paid parental leave and preparations for its implementation created a peak of demand for information through the Employment Relations Infoline and the Department's website. An innovative on-line paid parental leave entitlement calculator was developed to assist potential applicants and employers, and received a huge number of 'hits' and a very positive response. Delivery is through a very productive partnership with the Inland Revenue Department.

The Service's policy work programme also included substantive work on proposed changes to the Holidays Act 1981, EEO issues and pay equity.

Mediation Services and the Employment Relations Authority entered their second year confidently, and responded well to increased workflows. The work of Mediation Services included a substantial increase in demand for assistance with collective bargaining. Significant progress was also made with the disposal of cases lodged with the Employment Tribunal under the previous Employment Contracts Act 1991. The Tribunal is to close in September 2002, and any remaining cases will be transferred to the Authority for completion.

Workplace Health and Safety

A major focus for the Workplace Health and Safety Group was supporting the development of the Health and Safety in Employment Amendment Bill, and preparing for its implementation. WHS continued their preparations for the full implementation of the Hazardous Substances and New Organisms legislation, which gives the Group responsibility for overseeing the safety of explosives, dangerous goods and pesticides used in workplaces. WHS also continued to work with ACC on a complementary programme of accident prevention activity.

Over the year, WHS bedded down the Occupational Safety and Health network of field offices and related management structure for direct service delivery, and started implementing results of a review of WHS central support services.

Immigration

The Government's immigration programme saw 52,856 people approved for residence in New Zealand – 68% of them in the skilled and business stream. Growth in numbers of international students coming to New Zealand to study was significantly higher than anticipated, and the Service largely managed this increased demand, though there were backlogs and a need for increased resources. Planning

continued for on-line transactions for visas and permits, which will help to manage such demands in the future.

A new crisis management and risk management system was implemented during the year, and was successfully applied to managing real-life situations such as the arrival of the Tampa refugees. NZIS' response, together with other agencies, was smooth and well co-ordinated, and received praise from the Minister.

The Refugee Status Branch worked through most of the backlog and made approximately 2,700 determinations, although the arrival of refugee claimants from the Tampa put added pressure on this team. The Branch now expects to be able to determine most new claims within three months.

NZIS continued to build relationships with the community, including training in immigration matters for Pacific community leaders; and there was good progress in the longitudinal study of migrants' experiences.

Employment

The Department of Labour led work on implementation of the Government's employment strategy, and co-ordinated the Government's programmes in relation to skill shortages and skills matching.

We continued to chair and contribute to the Employment Senior Officials Group (EMPSOG), a strategic forum for debate and information exchange across the Public Sector; and co-led the review of Training Opportunities and Youth Training.

The process of consolidating the Community Employment Group within the Department of Labour continued, and the management, staffing and infrastructure to support CEG's fieldworkers in their work with communities was well-established. The Group produced a number of resources explaining employment development in action, including the video *Journeys Together* and targeted material for Pacific communities.

The *Ecoworks* and *Connecting Communities* strategies were major initiatives for CEG this year; along with a successful Conference for social entrepreneurs. Under the Community Employment Organisations (CEOs) initiative, 58 community-based enterprises have been established since 2000.

The Community Economic Development Action Research (CEDAR) project – a joint project between communities, CEG and the Labour Market Policy Group - continues to build knowledge and understanding about what helps and hinders communities in working towards economic development.

Accident insurance

Work continued on accident insurance reforms, including developing the regulations to support the new Injury Prevention, Rehabilitation and Compensation Act 2001 that came into force on 1 April 2002. We also contributed to developing the New Zealand Injury Prevention Strategy, and continued to work with ACC on a range of workplace safety issues.

Conclusion

Our achievements during the year are a reflection of the commitment, energy, enthusiasm and talents of the people who work in the Department. I am confident that we will continue to contribute positively to opportunities for all in New Zealand to have high-quality working living in thriving and inclusive communities.

The Department of Labour

Purpose and Mission

The Department of Labour works to contribute to:

People with high-quality working lives in thriving and inclusive communities

This contribution is through service delivery across a range of related areas, and input into broader policy advice to the Government on issues with labour market and community development impacts.

Purpose

The Department of Labour exists to:

Link social and economic issues to enable people to develop and utilise their potential for the advantage of themselves and New Zealand.

Mission

The Department's mission is to be:

Wired for work and wellbeing

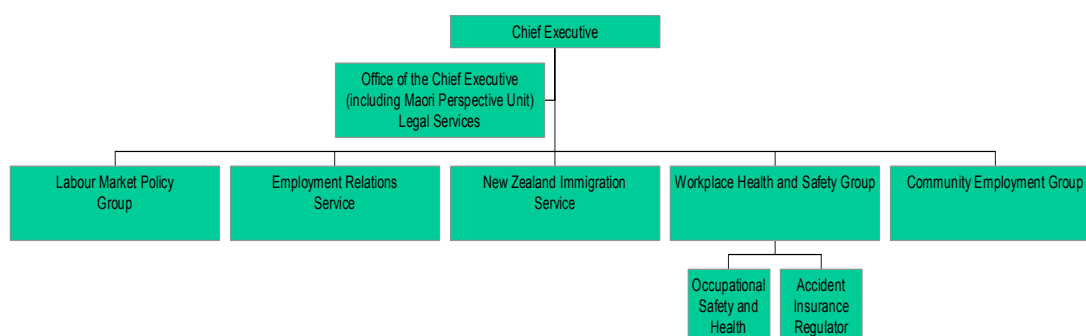
<i>Wired</i>	<i>Work</i>	<i>Wellbeing</i>
Developing and maintaining great organisational connections – within the Department, across Government, with customers, communities, and businesses and with international institutions – to help deliver integrated services to customers.	Building capacity, opportunities and matching mechanisms that work for all New Zealanders, through promoting balanced immigration, safe and satisfying work opportunities, and proactively responding to labour market issues.	Providing seamless advice and services that advance fair and safe working conditions, thriving, well-settled and inclusive communities.

When the Department has achieved our mission, the result will be ***People with high-quality working lives in thriving and inclusive communities***. This is what all our Services, brought together, are working to achieve in partnership with other Government departments and agencies, and many labour market and community organisations.

Departmental Structure

The Department of Labour employs approximately 1,350 staff across five business units (Services) - Workplace Health and Safety; Employment Relations Service; New Zealand Immigration Service; Community Employment Group and the Labour Market Policy Group – and an Office of the Chief Executive.

Each business unit is headed by a general manager, and has its own management structure, its own service delivery networks and policy capability, with the Labour Market Policy Group focusing on strategic and broader labour market policy advice. Our advice to the Government involves both a strategic and operational focus from the Department as a whole.



Centres of Excellence within departmental business units provide a range of financial, human resource, information, and technology support services to the Department as a whole.

The Department has 60 offices in 20 locations in New Zealand, and 16 offices overseas, plus staff in some MFAT posts.

Functions

The areas the Department had direct responsibility for during 2001/02 were

Employment

- We provided policy, purchase and monitoring advice to the Government on employment and related issues, including community employment.

Community Employment

- We helped build the capacity of communities and assisted them to identify and achieve new opportunities for sustainable economic and employment outcomes.

Employment Relations

- We provided policy advice to the Government and supported the operation of employment legislation policy.
- We provided information to employers, employees and unions about employment relations matters, and assistance to employers and employees in resolving problems in workplaces.

Workplace Health and Safety

- We provided policy advice to the Government, information to workplaces on occupational safety and health issues, and enforcement of health and safety legislation.

Accident Insurance

- We provided policy, purchase and monitoring advice to the Government on accident prevention, compensation and rehabilitation issues.
- We monitored accident insurance claims made against contracts entered into in 1999/2000 and maintained the Accident Insurance database.

Labour Market Policy Advice, Research and Analysis

- We provided policy advice to the Government on the labour market impacts of a wide range of policy initiatives.
- We provided analysis on labour market trends and the economic outlook, evaluated the effectiveness of policies and programmes, and undertook research on labour market dynamics to inform policy advice.

International Labour Issues

- We managed the Government's relationship with the International Labour Organisation.

Immigration

- We provided immigration policy advice, facilitated workers, students, visitors and new residents into New Zealand and ensured compliance with immigration policy.
- We were responsible for New Zealand's refugee programme and provided settlement information and services and continued research on refugees' and migrants' settlement experiences in New Zealand.

Office of the Chief Executive

- We provided support to the Chief Executive, Department's Management Board and Ministers including strategic advice and overview on the Department's management issues, accountability and reporting obligations, and legal advice and services.
- We provided monitoring and purchase advice to the relevant Ministers on the performance of the Accident Compensation Corporation and on employment service delivery by the Ministry of Social Development.
- We facilitated relationship management with key Māori and Pacific peoples stakeholders and advice on service delivery and partnership issues with Māori and Pacific peoples.

Key Relationships

The Department maintains close working relationships with a broad range of Government Agencies and other contacts, including:

- Ministry of Social Development
- Department of Prime Minister and Cabinet
- The Treasury

- Ministry of Economic Development
- Ministry of Education
- Te Puni Kokiri
- Ministry of Pacific Island Affairs
- Ministry of Women's Affairs
- Ministry of Youth Affairs
- Ministry of Research Science and Technology
- Ministry of Foreign Affairs and Trade
- Career Services
- Skill New Zealand
- Business New Zealand
- Industry New Zealand
- Education Review Office
- Council of Trade Unions
- Accident Compensation Corporation
- border control agencies including the Ministry of Agriculture and Forestry and the New Zealand Customs Service
- Tourism New Zealand.

Strategic Direction

The Department's Management Board (comprising the Chief Executive, the five Service General Managers, the Chief Legal Adviser, Director of the Office of the Chief Executive and the Chief Financial Officer) is collectively responsible for the strategic direction of the Department.

The Department of Labour's strategic direction is supported by the values and management philosophy of the Department.

Values

Customers and their needs – We are responsive to our customers through listening, understanding and acting. We work in partnership with our customers to achieve high-quality results.

Giving and taking responsibility – We are all responsible for our actions and the outcomes we achieve.

Excellence and continuous development – We engage in learning and development which supports and motivates us to achieve results.

Diversity for the strength that it brings – We appreciate and encourage difference.

Working together – We support and encourage each other and share our successes.

Management Philosophy

The Department of Labour's management philosophy guides our decision-making and operations. This philosophy holds that:

Decision-making takes place at the point closest to the customer, by the people who have the greatest understanding of customers' needs, with lead times minimised and customised decision-making maximised.

To achieve this we need:

- Staff who have all the skills, information and authority to do their job and are held accountable for their actions.
- Managers who are outcome-focused and work within a framework of principles and policies to achieve agreed goals.

Key Government Goals

During 2001/02, the Department contributed to the following Government goals:

1. Strengthen national identity and uphold the principles of the Treaty of Waitangi

A guiding principle for the organisation, and all departmental activities took Treaty responsibilities into account.

2. Grow an inclusive, innovative economy for the benefit of all

The whole of the Department of Labour, especially through employment policy advice, community employment and immigration services, focused on this goal.

3. Restore trust in Government and provide strong social services

Through policy advice and service delivery across the organisation.

4. Improve New Zealanders' skills

Through employment policy advice, labour market analysis and immigration.

5. Reducing Inequalities in Health, Education, Employment and Housing

A particular emphasis of the Community Employment Group and employment policy, purchase advice and monitoring; but also through all areas of policy advice and service delivery.

6. Protect and enhance the environment

Through the Workplace Health and Safety Group (which also assumed some transitional enforcement responsibilities under the Hazardous Substances and New Organisms Act 1996) and the New Zealand Immigration Service's work on the joint border strategy.

Departmental Key Priorities

During 2001/02, the following were the Department's key areas of focus.

1. Promote understanding of labour market dynamics in terms of the ability and opportunity of all individuals, including migrants, to participate safely in a cohesive society and a growing economy.

Links to Key Government goals 1-5. Contributed to by the Labour Market Policy Group (LMPG), the Employment Relations Service (ERS), the New Zealand Immigration Service (NZIS) and the Workplace Health and Safety Group (WHS).

Major areas of activity in 2001/02 were:

- Advice on future trends in work and their implications for the workplace and the workforce. This included analysis of occupational trends, globalisation of labour flows, and population trends. A Future of Work Advisory group was established, a report on work-life balance completed and a number of related projects substantially advanced.
- Policy advice and legislative support for the review and implementation of minimum employment standards. This included:
 - supporting the legislative and Select Committee process for the Minimum Wage (Training Wage) Amendment Bill and the paid parental leave amendments to the Parental Leave and Employment Protection Act 1987
 - providing advice on technical and consequential issues relating to proposed changes to the Holidays Act 1981 and to shop trading restrictions
 - liaising with other departments on options for contracting out and on pay equity.
- Implementing a strategy to improve the business sector's understanding of immigration policy and services through:
 - planning an NZIS-wide communications strategy to improve access to settlement information
 - reviewing existing migrant research and interviews with external stakeholders including employers and employer organisations
 - developing communications on the talent and work visa policy and updating the business migrant website
 - piloting in Singapore and London a booklet for migrants on employment and business opportunities in Canterbury in conjunction with the Canterbury Development Corporation and Canterbury businesses
 - a regional immigration initiative currently being piloted in Southland and Wellington in conjunction with the Ministry of Education and regional representatives.
- Completion of the first phase of the pilot of the Longitudinal Survey of Immigrants to improve understanding of the experiences of recent migrants and preparation for phase two, with field work to be carried out in July and August 2002.

2. Develop employment policy initiatives that are appropriate and responsive to people and communities, that increase employment opportunities, and which link into export-led economic development.

Links to Key Government goals 1-5. Contributed to by LMPG and the Community Employment Group (CEG).

Major areas of activity in 2001/02 were

- Chairing and contributing to the Employment Senior Officials Group to ensure co-ordination and alignment of economic and social policy and delivery agencies who impact on employment outcomes.
- Continuation of the three-year Community Economic Development Action Research (CEDAR) pilot project examining the link between development assistance provided and the achievement of community outcomes. Field research continued in the first community (Twizel) and commenced in Napier and Christchurch.
- Successful implementation of the Government's new Ecoworks, Pacific Women's Development and Social Entrepreneurs community employment initiatives together with continuation of the 2000 Community Employment Organisations initiative.
- Continued liaison with industry and regional groups including support and monitoring implementation of the Tairāwhiti Forestry Labour and Skills Strategy.
- Advice on improving economic growth through a higher-skilled workforce, in particular through co-ordination of the Government's skill shortages programme. This included monitoring skills imbalance data, completion of a Skills Information Action Plan and a stocktake of skill shortages; and monitoring implementation of these initiatives.
- Contributing to the Industry Training review led by the Ministry of Education and Skills New Zealand to implement the Industry Training strategy; and advice on the amendments to the Industry Training Act 1992 contained in the Tertiary Education Reform Bill.

3. Develop programmes and services that effectively contribute to reducing disparity and improving outcomes for Māori and Pacific peoples.

Links to Key Government goals 1-5. Contributed to by LMPG and CEG plus other areas of the organisation implementing Service-specific initiatives.

Major areas of activity in 2001/02 were:

- Continued contribution to improving the employment, economic and social development of Māori and Pacific peoples and other disadvantaged people as set out in the Reducing Inequalities Overview section of this report. This included starting to implement the review of vocational services for people with disabilities and the proposed repeal of the Disabled Persons Employment Promotion Act 1960; and leading or contributing to the development and implementation of strategies for reducing disparity related to employment and training such as the Training Opportunities and Youth Training review, the Industry Training review and the Tertiary Education reforms.

- As part of the digital opportunities strategy, leadership in the *Connecting Communities* strategy launched in June 2002 to enhance community access to information and communications technology (ICT).
- Development of a Pacific Access immigration category to facilitate links with Pacific communities and to provide opportunities for Pacific peoples. Implementation included providing information to inform bilateral negotiations, undertaking training of leaders from local Pacific communities in all main New Zealand centres and promoting the new category throughout New Zealand and the Pacific.

4. Contribute to the establishment of infrastructure/delivery mechanisms to support achievement of the Government's initiatives, particularly in the areas of industrial relations, occupational safety and health, accident insurance and employment.

Links to all Key Government goals. Contributed to by ERS, WHS, LMPG, CEG and the Office of the Chief Executive (OCE).

Major areas of activity in 2001/02 were:

- Advice and legislative support for the passage and implementation of the Injury Prevention Rehabilitation and Compensation Act 2001 that came into force on 1 April 2002, together with the completion of regulation changes to support the new Act.
- Extensive contribution to the Government's injury prevention work programme and implementation of the injury prevention framework, including
 - ongoing advice on the co-ordination of the Government's injury prevention interventions including the interface between the Health and Safety in Employment Act 1992 and ACC legislation and operations
 - injury prevention analysis, including developing enhanced performance measures for inclusion in ACC's accountability documents for 2002/03, and a meta-evaluation of injury prevention programmes to identify best practice in injury prevention evaluation
 - input into various other ACC-led initiatives including the NZ Injury Prevention Strategy (NZIPS) and Injury Prevention Steering Group
 - appointment of Statistics New Zealand as the Injury Surveillance Information Manager and related transition process.
- Monitoring and review of institutional arrangements and services provided under the ERA and quarterly reports to the Minister.
- Research into the impact of employment relations reforms on the workplace.
- Developing methods of evaluating labour market outcomes, including a qualitative study of dispute resolution in enterprises, preparation of best practice guidelines, and a proposed consultation and negotiation publication.
- Support and advice to Ministers and the Transport and Industrial Relations Select Committee on the review and amendment of the Health and Safety in Employment Act 1992, and to the Implementation Advisory Panel made up of employer and employee representatives. Supporting work included presentations to organisations and individuals, developing best practice documents and a compliance strategy, planning for information dissemination, monitoring emerging issues, and the development of an information service.

- Implementation of the WHS strategic development plan, with the main focus on internal capacity and capability improvements. These included re-aligning the head office structure to take account of a more explicit outcomes focus, and a stronger whole of government approach with other agencies to improve New Zealand's workplace health and safety performance.
- Completion of rebuilding the Community Employment Group's capability to deliver for communities, including introduction of a new regional management structure, planning framework and integrated strategic and business planning process for 2002-2005.
- Continued oversight of implementation of the Hunn Inquiry into the Department of Work and Income, particularly increased focus on employment and regional flexibility. A report-back on implementation was completed, a revised regional responsiveness package approved, and a joint DOL/MSD workplan agreed.

5. Develop positive migrant settlement and refugee policies to ensure the benefits of immigration are shared by migrants and refugees and New Zealand as a whole, both economically and socially.

Links to Key Government goals 2 and 3. Contributed to by NZIS.

Major areas of activity in 2001/02 were:

- Completion and implementation of a major review of work visa and permit policy in line with Government's economic and social objectives, including the introduction of the Talent Visa and the Labour Market Skills Shortage List, and streamlining of other special categories.
- Enhanced migrant settlement through strengthening community linkages and relationships with regional representatives, and working in collaboration with other agencies and groups providing services to new migrants.
- Monitoring the implementation of the new immigration target framework including establishment of a new residence mechanism to ensure the supply and demand for residence are in balance in the medium term, and identification of key operational or funding issues to ensure capacity meets the target.
- Detailed design of two options (enhanced self-regulation; and self-regulation within a statutory framework) for industry standards for immigration consultants to ensure that potential migrants receive quality services.

6 Contribute to the joint border agency strategy to improve strategic co-ordination of border management.

Links to Key Government goals 2 and 6. Contributed to by NZIS and also by the Ministry of Agriculture and Forestry and the New Zealand Customs Service.

Major areas of activity in 2001/02 were:

- Development of a draft inter-agency business plan in support of the border strategy, in conjunction with New Zealand Customs' Service and MAF, following consultation with key stakeholders including Māori.
- Input to joint six-monthly reports to Ministers on the border strategy and associated business plan.

- Contribution to the improvement of border security, through development of a business case for the implementation of an Advanced Passenger Processing (APP) system for New Zealand.

7 Continue to develop the Department's capability in terms of research base, understanding, and capacity to respond to the Government's strategies, including effectiveness in reducing inequalities.

Links to Government's ownership interest in the Department and Key Government goals 3 and 5. Contributed to by all areas of DoL.

Major areas of activity in 2001/02 were:

- Continued development and implementation of the Department's research strategy and programme, including establishing links with other agencies
- Continued implementation of a range of strategic projects to increase capability as detailed in the next section of this report
- Implementation of the Department's Māori and Pacific strategies to improve customer service and responsiveness, provide development opportunities for staff and contribute to the Department's effectiveness in reducing inequalities. See the separate Reducing Inequalities report at Appendix 8.

Departmental Capability

HUMAN CAPABILITY FRAMEWORK

New Zealand's prosperity relies on the capability of its people and the successful use of their skills and abilities. Key to achieving the Government's goals and Department's outcomes is the ability of New Zealand's people to develop skills, generate income and promote an inclusive and thriving community and economy. The *Human Capability Framework*, developed by the Department of Labour in 1999, is an integrated way of looking at all the elements in this process and how they work together. The framework also demonstrates the links across the work of the Department, as Services work together to achieve our outcomes.

Working together goes well beyond the bounds of the Department of Labour. The work of a number of other departments and agencies also has major effects within this framework. Our alliances with these departments and agencies are critical for New Zealand to increase its overall human capability for the benefit of both individuals and wider society.

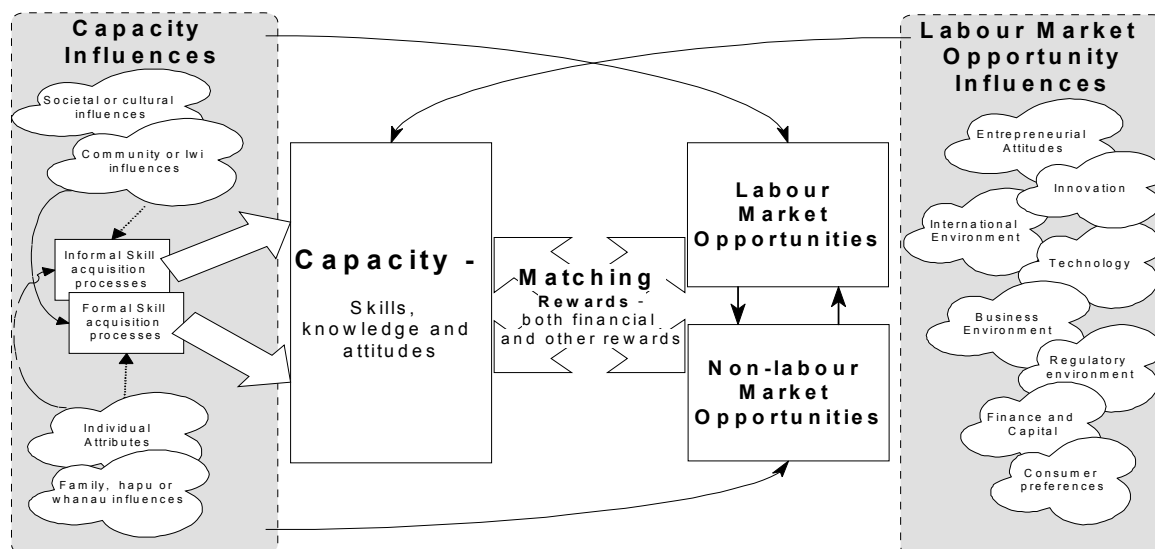
The Human Capability Framework has three elements:

Capacity: this refers to peoples' skills, knowledge and attitudes, including any ability to do something, such as care for children or speak in public. These abilities are both innate and learned, with learning taking place in a multitude of situations, for example, on the marae, in the home and in formal learning environments.

Opportunities: places where people can use their capacity (their skills, knowledge and attitudes) to generate income and other rewards. Many of these opportunities are in the labour market in the form of paid work. However, the framework recognises that non-labour market opportunities are also important, and that people's capacity is used in many ways which contribute to society.

Matching Capacity with Opportunities: all the processes involved in connecting people's abilities to opportunities. These processes include rewards for skills, safety nets, rules around contracting, problem-resolution systems, immigration policies and information that helps people make informed choices.

The diagram of the framework shows the range of influences that affect human capability and wellbeing.



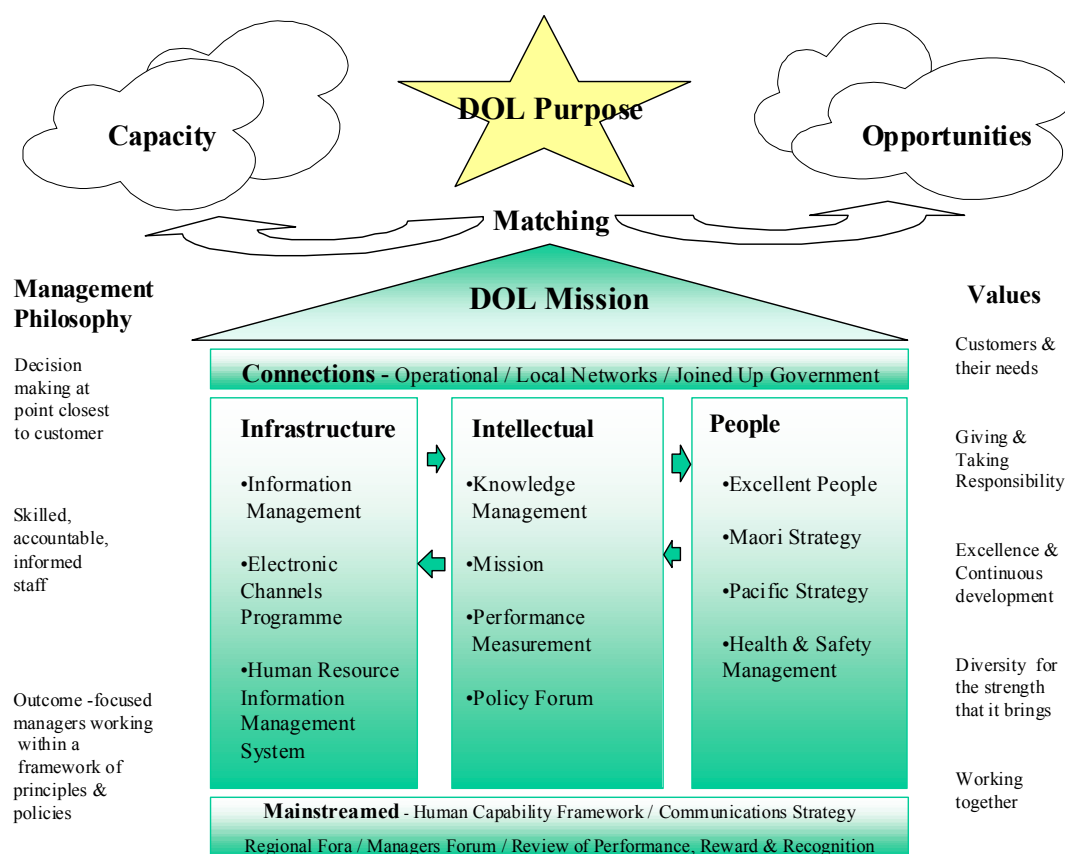
STRATEGIC DEVELOPMENT PROJECTS

Over recent years, the Department has initiated a number of strategic development projects aimed at building departmental capability. The Human Capability Framework is fundamental to these projects.

These projects fall into three main groups: people strategies, strategies to develop and enhance our intellectual base, and strategies that relate to the Department's infrastructure.

A number of other projects have been "mainstreamed" as they are past the development stage and have been integrated into the ongoing management activities of the Department.

The relationship between the components of the Department's business strategy as at July 2001 is illustrated in this diagram:



During 2001/02, good progress was made on these strategic projects with a number of further projects mainstreamed. Progress is detailed below.

INFRASTRUCTURE STRATEGIES

The aim of this set of projects is to ensure that the Department's infrastructure is robust.

Communications Strategy

The Communications Strategy supports the Department's strategic direction. Communication helps achieve our purpose, outcome, mission and values, and encourages cross-Service linkages. The strategy focuses primarily on internal communication and information-sharing across the Department's Services to support operational aims and strategic projects; and includes external relations and media management. In addition to the DoL communications strategy, Services manage public information campaigns; internal communications and Service-related media issues.

During 2001/02, overall DoL internal communications focused on strategic project support and integrated Service information. Other communication activities included the revision of the DoL website; design and guidelines to support a cohesive look and feel across the Department; cross-Service information sharing and support; planning for managers' and regional fora and an entry in the public service innovation awards. The revision of the Department's Intranet - eLAB - continued. Major publications included the Department's Annual Report for 2000/01; *Strategic Directions* for 2001/02 and the *Statement of Intent* for 2002/03, in addition to service delivery-related publications from Services. The Department's entries in the New Zealand Yearbook, Government Directory, Directory of Official Information and other guides were updated, and regular issues of internal magazines and newsletters were published. Public and media queries were answered, emerging issues managed, and information about the Department's service delivery and activities was issued throughout the year.

Information Technology Strategy

The Department's Information Technology (IT) strategy developed in 2000 provides an overarching framework focused on ensuring inter-Service connectivity within the Department, the effective development and management of any shared infrastructure and systems, and IT security.

During 2001/02, the IT Security Review was completed in March 2002. The business drivers and requirements for a review of IT policies and standards were completed in late 2001, the terms of reference and business case in March 2002 and work on the review commenced in June 2002.

Within the framework of this strategy the Department's Services manage their individual IT infrastructure and develop their own applications, both aligned with their specific business needs.

Electronics Channels Programme

In 2000/01, the Department commenced an Electronic Channels Programme (ECP) for strategy development and implementation of electronic service delivery through the Internet, phone systems and related emerging technologies. This programme is about giving our customers – Ministers, communities, employers, employees, migrants, other government agencies, businesses – seamless access through electronic channels to DoL information, services and transactions. These channels

will be aligned with our other service delivery methods, and provide a useful, easily accessible alternative.

As a first step the programme created a strategic framework within which Service electronic service delivery initiatives could be managed. The framework includes a departmental vision, guiding principles and an approach for co-ordination between Services. The Department's Services continued to work towards electronic service delivery by progressing and defining projects that included the NZIS *Access from Anywhere* strategy, the ERS/WHs *WorkInfo* project and LMPG's work leading the development of a whole-of-government *Labour Market Information Portal*.

This work is closely aligned with, and is the Department's response to, the overall e-government strategy being facilitated by the State Services Commission's (SSC) e-Government unit. DoL electronic services will become part of the whole-of-government portal that will eventually provide access to all government and local authority services through a single Internet site.

The Department's Chief Executive is a member of the e-Government Advisory Board and the Department is represented on the e-procurement steering committee. During the year, the Department also supported the SSC's e-government unit in a variety of ways including metadata collection for the e-government portal and the development of the e-Government interoperability framework.

DOL Website Redevelopment

In conjunction with the Electronic Channels Programme, the Department's website is being updated to provide an easy-to-navigate, customer-friendly, current website that supports and advances DoL's strategic direction and meets government guidelines.

In the first half of the year, work focused on scoping the redevelopment, including research on customers and range of site content. Specifications for the upgrade were identified and the structure, navigation and content decided, based on the concept of the site acting as a portal to all Service sites.

By 30 June 2002, navigation tools and design were well advanced and initial testing had commenced, with wider testing to be undertaken in August 2002.

Human Resource Management Information System (HRMIS)

This project aims to develop an information technology system to better manage the Department's human resource information. Initially the project scoped departmental requirements for human resource strategic and operational information, and established whether the Department needed further options to meet our information needs.

During the year, a project stocktake was conducted and consultation undertaken with Service managers on their strategic and operational HR information needs. The current HRMIS was reviewed against these needs, and by the end of the year cost, benefits and risks of options had been identified to inform a decision on the strategic and business approach.

INTELLECTUAL STRATEGIES

These projects are directed at developing and enhancing the intellectual base of the Department. The Human Capability Framework was one of the original projects in this area.

Knowledge Management

This programme establishes effective stewardship of the Department's knowledge and improves awareness, access and dissemination of knowledge within the Department.

The first phase of this programme focused on establishing fundamental guidelines and policies and launching the Department's new Intranet, e-LAB, as a primary delivery mechanism for large parts of the knowledge management strategy. A Knowledge Management steering committee was established to continue the momentum and guide Services in their own initiatives.

The next phase commenced in late 2001 to define the action steps for implementing Knowledge Management into business processes throughout the Department. This was further underpinned by the adoption of the Service Delivery Concept as part of the revised strategic direction for the Department, which requires staff to have effective access to the Department's knowledge assets. Specific developments are currently underway in individual Services.

Strategic Direction Alignment

This project is to ensure that all strategies, policies and processes within the Department, now and in the future, are aligned with the strategic direction of the Department. It follows on from the Mission project in 2000/01 which developed the new mission articulated on page 10 of this report. At the time it was recognised there would be new areas of work flowing from the new mission, including establishing outcome statements to measure progress in its achievement. In late 2001 and early 2002, the Management Board reviewed the Department's overall strategic direction, and this Strategic Direction Alignment Project (SDAP) was established to plan and help implement the outcomes of that review. By 30 June 2002 good progress had been made on developing criteria for assessing the alignment of strategies, policies and processes that fall within the scope of the project. The piloting phase of the draft assessment process is to be undertaken in 2002/03.

Outcome Performance Indicators

The first phase of this project defined key outcomes for the whole of the Department. These outcomes are aligned with the Government's key goals and the Department's strategic direction. Outcomes applicable to the whole Department and its Votes were developed by a project team established in August 2001, and used as a framework for each Service to develop their own outcomes and performance measures. The Departmental and Service outcomes and related outcome-focused performance indicators were included in the Department's Statement of Intent and four Vote Output Agreements with Ministers for the 2002/03 year.

In conjunction with this project the Department continued to be an active participant in the Pathfinder project, sponsored by the State Services Commission and the Treasury, which is seeking to encourage and support the development of outcome definitions and implementation of outcome measurement across the Public Service.

Excellent Policy Advice

The objective of this project is to enhance the quality of the Department's policy advice to Ministers, including operational policy advice. During 2001/02 achievements included:

- completion of a combined research/evaluation strategy
- revision of the Department's Official Information Act 1982 guidelines, and workshops on the Official Information Act 1982, the Privacy Act 1993 and the Protected Disclosures Act 2000
- production of the Department's *Guide to Excellent Policy Advice* in late 2001 and the *Guide to Excellent Writing* in February 2002, including workshops for staff and information on the Department's Intranet, and identification and prioritisation of further training needs for policy and related staff.

A number of proposals to ensure the Department has processes in place for 2002/03 to assess and ensure the quality of its policy advice were considered. Key amongst these was the development and testing of a stakeholder feedback and peer review process in May/June 2002. This will be implemented in 2002/2003.

PEOPLE STRATEGIES

This set of projects assists our people to grow, develop and achieve excellence in fulfilling the Department's purpose, values and mission. The projects focus on leadership identification and development, providing continuity in people planning, and developing a skilled, motivated group of staff and managers.

Excellent People

Excellent People is a range of Department-wide projects connected with building on staff ability and skills through opportunities, training, development and better tools. It helps bring DoL values and purpose into everyday work.

This strategy is designed to:

- up-skill and measure our managers against clear standards of managerial performance to ensure they have the skills to mentor staff and support excellence
- build leadership capability for all staff.

The Excellent People project comprises a number of sub-projects. Prior to 2001/02, several former sub-projects were "mainstreamed": the review of Performance Reward and Recognition (PRR) and the managers' forum, policy forum and regional staff fora. These fora are used to improve communications, inter-Service linkages, and working relationships, and encourage engagement in and commitment to the Department's strategic direction and strategic projects.

During 2001/02, a number of implementation milestones were also achieved and several further sub-projects mainstreamed.

Personal leadership

Personal Leadership is designed to provide opportunities for staff to take the lead at work, use their life skills and build creativity and achievement. It encompasses capability, taking the initiative, and learning and self-development. Its aims are to

increase staff satisfaction, help retain good people, help embed our values, and lift the overall performance of the Department.

Workshops are run by trained volunteer facilitators. Participants set goals and action plans to improve their personal leadership through personal development, career development and contributing to their teams and the Department.

In the first half of the year, a training provider was selected to develop the personal leadership workshops and training for facilitators. Nominations were sought from across the Department for pilot sites and volunteer facilitators, and ten pilot sites were selected. Facilitator training was completed in May 2002 and workshops held at eight of the ten pilot sites by the end of June, with the remaining two workshops to be held in August. Feedback from these workshops is being evaluated in 2002/03.

360 degree feedback and Seven Manager Skills

The purpose of the 360-degree feedback is to provide managers with an objective picture of their specific strengths and areas for development, using multiple sources of information-gathering and feedback from colleagues, staff, managers and customers.

The programme was designed around the Seven Manager Skills, a set of management competencies developed in 1998 in consultation with DoL managers. The skills are team leadership, communication, customer focus, risk management, strategic thinking, change management, and making connections.

A second round of 360° feedback was initiated in 2001. Workshops for managers were held to receive individual feedback reports, and develop action plans as a result of feedback. Evaluation of the results will determine future application.

Managing for Excellence

This skills-based programme is designed to ensure high standards in the performance-management of staff. All managers (to the fourth tier) continued to complete this programme in 2001, with the final three courses held in July and August 2001. This project has now been mainstreamed.

Excellent People Communications

The focus of this sub-project is communication to staff to report progress and developments, generate interest and engender active participation in the Excellent People project.

A specific section on Excellent People was added to the Department's Intranet in November 2001 to cover information, links to training and development resources, contacts, and progress on sub-projects. In addition, stories on various aspects of the Excellent People project were included in Department newsletters, a regular newsletter reporting specifically on Excellent People was introduced, and the project was discussed at regional fora for staff.

Monitoring and Evaluation

The objectives of this sub-project are to develop a framework that allows an assessment of progress to date towards Excellent People outcomes, and that provides a basis for ongoing monitoring of the results of the Department's people strategies. A framework for monitoring and evaluation of people strategies has been piloted and tested in the Employment Relations Service. Based on this experience, options for monitoring and evaluation throughout the Department will be developed and implemented during 2002/03.

Health and Safety Partnership

As part of the Department's commitment to the health and safety of our staff, this project aims at ensuring best practice across the Department. Services have adopted health and safety as a prime business target and all managers have received specific training. Service health and safety committees have been established, together with regional and executive committees to deal with central issues. The Workplace Health and Safety Group provides technical expertise as required to line managers.

Achievements during 2001/02 included:

- appointment of a Health and Safety Co-ordinator for a two-year period to champion health and safety best practice within the Department
- finalisation of a project plan covering scope, commitment to best practice, improved documentation, implementation strategy, participation in the Approved Employer Scheme, and work towards proposed entry into the ACC Partnership Programme
- completion of a departmental Health, Safety and Security policy and procedures (including injury and absence management planning)
- training of health and safety representatives at regional workshops in the first half of 2002, with managers' training completed in August 2002
- development of health and safety induction training for new employees, a workplace self-assessment tool and an employee questionnaire.

A stocktake audit against the ACC Accredited Employers Programme (AEP) standard was undertaken in October 2001 and the results indicate that Services have sound health and safety practices. The ACC Partnership Programme audit is tentatively set for November 2002.

Disability Strategy

The Department of Labour is one of the key departments involved in implementing the New Zealand Disability Strategy *Making a World of Difference: Whakanui Oranga* launched by the Prime Minister in April 2001. The strategy sets the Government's overall direction on disability issues, and requires, among other things, that the Government "foster an aware and responsive public service". Its aim is to identify and remove barriers faced by people with disabilities to enable their full participation in society.

A cross-Service working party was established in the Department in August 2001 to create a specific Department of Labour Disability Strategy that looks at the Department as employer, adviser and service deliverer. The Department's aim is to be an organisation that enhances the full participation in the labour market of people with disabilities. Three departmental goals were developed:

- the Department provides opportunities and flexibility that support the full participation of people with disabilities in our organisation
- the Department delivers products and services that enhance the full participation in the labour market of people with disabilities
- the Department develops innovative policy advice that contributes to people with disabilities achieving their economic and social aspirations.

As part of a ten-year plan, draft objectives were identified under each of these goals based on the overall New Zealand Disability Strategy. Following staff input on these proposed objectives, the final strategy was presented to the Ministry of Health in January 2002.

A Departmental disability workplan was also developed to describe policy work, corporate projects or operational changes to be undertaken across the Department during 2001/02.

Responsiveness to Māori and Pacific Peoples

The Department's Māori and Pacific strategies have twin objectives: to improve customer service and responsiveness to Māori and Pacific peoples, and to improve our internal capability. This includes providing development opportunities for Māori and Pacific employees.

Māori Strategy

The Department's Māori Strategy ensures that policy advice reflects Māori concerns, and the services we deliver address the needs of Māori customers and communities. The strategy builds on the collective experience, knowledge and skills of staff and our Māori network, and incorporates initiatives at local, regional and national levels across the Department.

The key strategic goals the Department's Services are collectively responsible for achieving over the five years to 2006 are:

- establish active relationships with other government departments to ensure a co-ordinated approach to achieving Government's key goals for Māori
- design products and services that will be effective in building Māori social and economic development
- increase the Department's capability to support Māori social and economic development
- develop direct linkages with Māori to achieve long-term sustainable relationships
- develop flexible and responsive policy and operational processes to ensure Māori participation.

During 2001/02, the Department continued to develop our internal capability to support Māori social and economic development. Managers worked to guidelines to aid recruitment and retention of Māori staff; Te Reo classes were offered to staff at all levels; and we continued to redevelop a Māori Scholarships programme. Hui were held for Māori staff across the Department to further develop inter-Service networks and engage staff in implementing the strategy.

The Department also consulted with Māori on relevant policy issues to ensure a Māori perspective was incorporated, particularly into areas aimed at improving outcomes for Māori facing labour market disadvantage. We continued to build formal relationships with iwi, including a presentation of the Department's work to Tainui, and working with Ngai Tahu on specific service initiatives in the South Island.

Each of the Department's Services works directly or indirectly with Māori to help reduce inequalities, and achievements during 2001/02 are covered in depth in the Department's *Reducing Inequalities* report for 2001/02 in Appendix 8. Below is a brief overview.

Community Employment Group

Community employment development assistance assists Māori to build capacity and create their own social, economic and employment opportunities. Over the course of the year, 55% of CEG's 40,178 fieldwork interventions included Māori as a key target group.

In addition to work with Māori as core business, CEG continued to support valuable Māori capacity-building initiatives, with over \$5.6 million provided in grants for Māori communities, organisations and Māori women's development.

A key feature was support for Māori tourism partnerships, networks and initiatives, with a tourism resource kit and the formation of a pilot 'virtual' tourism incubator park planned for 2002/03.

Employment Relations Service

ERS continued to improve information and service delivery tailored to Māori. During the year, ERS held seminars, talks and visits to enhance Māori community groups' and training organisations' understanding of employment relations issues; published fact sheets on key employment relations issues in Māori, and provided access for callers to speak to a Māori staff member through the Infoline.

Internally, ERS continued to build staff capability through involvement in hui, and Te Reo and Tikanga classes, and employing mediators with Tikanga Māori who can provide cultural dimensions to mediation. The Service also supports two Māori scholars who work in the Information Centre and with other ERS staff during university vacations.

Workplace Health and Safety

During 2001/02, WHS extended its relationships with Māori and service providers to Māori through regional fora, Māori business networks, and meetings with local iwi, Runanga and Trusts.

To help improve Māori understanding of workplace health and safety issues and reduce injuries, WHS focused on industries with high Māori participation, such as agriculture, forestry and construction. This included ongoing involvement with the Waipareira Trust's health and safety programme, and providing health and safety advice to job seekers, apprentices, and construction workers. The Group also developed a Māori-English glossary of health and safety terms for use in training organisations, Māori organisations and schools; and held seminars for Māori starting new businesses.

WHS continued to build understanding of Māori issues internally, with all inspectors attending a training programme that covered Māori customary practices and the appropriate response in the event of fatalities.

Immigration

During 2001/02, NZIS continued to involve Māori in immigration issues and to increase NZIS staff capacity. The Service began to develop regional relationships with hapu and iwi groups, and Māori organisations and providers, as the first stage in establishing a basis for initiatives with Māori.

Internal capacity was developed through Treaty, protocol and language training, and development of personal leadership skills in Māori staff.

Pacific Strategy

The Department's Pacific strategy aims to ensure the Department is well-equipped to provide assistance, information, support and advice to Pacific peoples and communities. It focuses on building the skills, knowledge and experience of staff, and strengthening relationships between the Department and the Pacific community.

The strategy has three date-related outcomes:

- **Leadership:** By 2003 the Department of Labour will be recognised by Pacific people as a preferred employer who offers opportunities to staff.
- **Building influence:** By 2003 the Department of Labour will have strong internal networks and links with the Pacific community we serve, to help inform and influence our approach to how we work and to policy development.
- **Policy advice and service delivery:** By 2005 Department of Labour will be recognised as a mainstream agency that is a leading edge provider of labour market policy advice on and service delivery to Pacific peoples.

During the year the Department's Pacific Coach and Implementation team worked with Services to progress and develop initiatives based on these outcomes. The Pacific Coach role is a development opportunity for Pacific staff, offering an 18-month secondment to the Office of the Chief Executive, and the opportunity to work closely with all Services on Pacific strategy development.

Our attendance at the Pasifika Festival in March 2002, co-ordinated by the Pacific strategy team, reached thousands of Pacific people with relevant information about workplace rights and responsibilities, health and safety, and immigration.

We continued to work with the Ministry of Pacific Island Affairs on Pacific communities' *Programmes of Action* delivered in eight key communities around New Zealand. Our activities included community training in Immigration policy and procedures, working in partnership with Pacific community organisations to promote traditional skills, and assisting in strengthening the organisational capacity of Pacific groups.

Each of the Department's Services works directly or indirectly with Pacific groups to help reduce inequalities, and achievements during 2001/02 are covered in depth in the Department's *Reducing Inequalities* report for 2001/02 in Appendix 8. Below is a brief overview.

The Department consulted on relevant policy issues with Pacific peoples to ensure a Pacific perspective was incorporated into policy proposals. Prime emphasis was on policies affecting community employment development aimed at improving outcomes for Pacific peoples facing labour market disadvantage.

Pacific communities were a key target group for 23% of the Community Employment Group's 40,178 fieldwork interventions during the year. \$1.2 million in grants was provided through initiatives to develop the capacity of Pacific organisations and to develop Pacific women's leadership.

The Immigration Service worked with Pacific communities to train Pacific community leaders in awareness of immigration policies and services, to enable them to advise and support people within their communities. NZIS maintained close links with community reference groups, and made excellent progress on the MPIA *Programme of Action*.

The Employment Relations Service continued to improve information and service delivery for Pacific peoples. ERS held seminars, talks and visits to enhance Pacific groups' understanding of employment relations issues; published fact sheets on key employment relations issues in Pacific languages, and provided access for callers to speak to Pacific staff members through the Infoline.

Workplace Health and Safety Group also improved targeted information and service delivery for Pacific peoples, aimed at reducing workplace injuries; and started a pilot programme to work directly with Pacific communities on community training in basic health and safety issues.

Policy Advice: Overview

The Department provides policy advice under the four Departmental Votes: Labour, Immigration, Accident Insurance and Employment, in the areas of employment relations, workplace health and safety, immigration, accident compensation and employment.

The New Zealand Immigration Service, Workplace Safety and Health Group, Employment Relations Service, Community Employment Group and Labour Market Policy Group all contribute to the Department's policy analysis and advice. LMPG provides strategic policy advice, supported by its labour market analysis, research and evaluation capabilities, whilst the other Services bring perspectives and expertise based on their knowledge of the sectors they operate in and informed by their service delivery. Services work with LMPG to develop co-ordinated Department of Labour advice to the Government.

The Office of the Chief Executive supports Service policy advice under all four Votes; and also provides direct purchase advice and monitoring to Government in the areas of employment and ACC.

Significant policy issues considered during the year are discussed in the Service Overviews that follow.

Labour Market Policy Group: Overview

Geoff Bascand
General Manager
Labour Market Policy Group

The Labour Market Policy Group (LMPG) provides a strategic overview of all policies affecting the labour market, and the links between labour market policies and other economic and social policies. This knowledge is used to advise Government on key issues and policy decisions affecting the labour market and is also distributed to participants and intending participants in the labour market.

LMPG provides analysis and advice on:

- policies aimed at helping to enhance individuals' and the country's human resource capacity
- opportunities and peoples' access to earnings and employment
- management of, and protection against, risks to peoples' ability to earn an adequate income.

The Department is the Government's principal adviser on employment policy and ACC policy, with LMPG taking the lead role. LMPG also contributes to advice on issues such as future of work, immigration, the interaction of education and training within the labour market, labour market regulation, job creation, labour market disadvantage, and safety and health issues. LMPG works in co-operation with Services of the Department and other government agencies on these issues.

LMPG provides breadth of perspective on what matters for achieving our outcome of people with high-quality working lives in thriving and inclusive communities. We do this through:

- evidence-based advice - research and evaluation is integrated into advice
- developing and maintaining frameworks for explaining outcomes and the effects of policies
- drawing connections between ideas and issues and assessing policy priorities
- disseminating information about the labour market to help inform decision-makers
- connecting stakeholders with the provision of information
- monitoring and reporting on labour market trends and the economic outlook.

LMPG's goal is fully-informed advice - advice that is analytically rigorous, and informed by evidence, on-the-ground observation, and community interaction.

During 2001/02, the Group undertook substantial work on the nature of skills shortages and the scope for better matching the supply of skills with current and future demands. Work continued in the Tairāwhiti region addressing skills shortages specific to the forestry industry. A Tairāwhiti Forestry Regional Labour and Skills Committee was set up bringing together local iwi, representatives from industry, unions, training organisations and Government. The Group led the labour/skills work for the wood processing strategy.

The Minister of Social Services and Employment agreed in March 2002 to a number of proposals to increase the public's knowledge on skills information relating to job seeking and employment opportunities. LMPG has begun working on a number of these proposals including:

- a skills report to provide easy access to the key skill-related information needed to inform decisions
- a labour market information portal
- an integrated employer-employee dataset
- a vacancies survey
- an investigation into a survey of graduate employment outcomes.

There was significant work on the Future of Work project during the year. An Advisory Group was established and is consulting with end users of the Future of Work website. Research was carried out on issues relating to the future of work in New Zealand, and a report on work-life balance was completed.

The Department (in conjunction with Statistics New Zealand, Treasury, Ministry of Social Development, Ministry of Economic Development, Ministry of Education and the State Services Commission) organised a Data Integration Conference in March 2002. Speakers from around the world discussed the possibilities of linking data across multiple sources to enable further depth in research analysis; and the associated privacy questions. Work continued on developing research projects on data integration, and exploring its use to broaden knowledge of the labour market.

The Community Economic Development Action Research (CEDAR) project has established links with communities in Napier, Twizel and Christchurch. The project continues to build knowledge and understanding about the factors that help and hinder communities in making their journey towards economic development, using an action research approach. The project team includes representatives from the Community Employment Group and the communities themselves, and is working towards building closer connections between policy and practice.

The annual review of the minimum wage was completed, and further work in 2001/02 included reports on youth transitions, low income earners, labour market outcomes for youth with low skills and the role of minimum wages. Work also began on analysing data sets as part of the youth labour market project, to gain more information on young labour market participants.

The Injury Prevention, Rehabilitation and Compensation Act 2001 came into force on 1 April 2002. LMPG was involved in providing advice and input to Ministers on the legislation and regulations that support the Act. LMPG also contributed to the Department's advice on amendments to the Health and Safety in Employment Act 1992 and a project on social consequences and economic costs of injury.

The Group continued to address health and treatment provider issues including advice on the recognition of treatment providers, and amending treatment cost regulations including changes to the level of subsidy. A major review of medical misadventure was established during the year.

LMPG managed the phase of the Injury Data Review that was responsible for advising Ministers on the selection of an Information Manager to undertake injury-related data collection and management, and the transition towards this new role. LMPG also initiated a project to measure the cost of injury.

The Department has a role in providing purchase and monitoring advice to the Minister of Social Services and Employment on employment services provided by the Ministry of Social Development and LMPG contributed to this.

The Group analysed data from the Household Labour Force Survey to ascertain employment outcomes for migrants. A report on population and sustainable development was completed in conjunction with the Ministry of Social Development and the Ministry of Economic Development. The Group continues to work with the New Zealand Immigration Service on immigration policy advice.

LMPG provided regular briefing notes to Ministers on a range of economic and statistical trends including skill imbalances, economic forecasts, labour market outlook and key statistical releases. In addition, six-monthly regional labour market reports were prepared for the Ministry of Social Development.

Work continued on the nation-wide evaluation programme to establish the impact the Employment Relations Act (ERA) 2000 has had on fair and productive employment relationships. Employers and employees were surveyed and case studies were undertaken, to contribute to the evaluation due in the 2002/03 year.

During the year, the Group collaborated with Services and other departments on a range of evaluation and research projects, including:

- researching the value of post-school qualifications
- analysing the risk of unemployment and the effectiveness of employment programme interventions, using administrative databases
- research about the effects of location on the labour market
- qualitative and quantitative research into the reforms of the Domestic Purposes Benefit
- examining the effects of changes to ACC policy on premiums and levies, accident rates and workplace management through evaluation of Government reforms in workplace accident compensation.

Employment Relations Service: Overview

Andrew Annakin
General Manager
Employment Relations Service

The Employment Relations Service (ERS) exists to promote and support fair and productive working relationships between employers and employees. It does this by:

- providing information and assistance to the public on employment rights and obligations that promote best practice
- providing mediation services aimed at facilitating the voluntary, consensual, resolution of problems between employers, employees and unions
- supporting the specialist employment institutions that provide dispute and grievance resolution services
- providing policy analysis and advice to the Government on the operation of the employment relations framework and systems
- enforcing minimum employment standards
- administering the Employment Relations Education (ERE) Contestable Fund that supports productive employment relationships through developing and running courses that improve employer and employee understanding of employment relations
- administering the Promotion of Equal Employment Opportunities Fund which purchases programmes that promote EEO in the private sector.

The Service also provides administrative support to the Higher Salaries Commission.

A priority for the 2001/02 year was bedding down employment relations functions under the Employment Relations Act 2000 to ensure our responsiveness to customer needs. The year was notable for the higher than expected demand for services in all areas of activity.

The ERS service delivery objective is to resolve problems at the lowest level of intervention and to build best practice in employment relationships. This starts with information provided by the ERS Information Centre and via the website. ERS is enhancing these channels to better meet the needs of those wanting information and assistance on employment relationship matters. Information and assistance was also provided through other means, including seminars, talks and proactive visits to targeted sectors to improve knowledge of the employment relations framework. ERS released several best practice guides on employment relationship issues; more are planned.

Inquiries about employment rights continued to increase, with the ERS Infoline processing 203,230 inquiries by year's end, compared to 198,765 in 2000/01. There were also more than 220,000 visits to our website.

The Mediation Service received 8,134 new applications for mediation assistance and completed 8,187 in the year.

The Labour Inspectorate workload increased over the year, with complaints received about breaches of the minimum code increasing from 1,720 in 2000/01 to 2,020 in

2001/02. Customer satisfaction surveys show continued high levels of satisfaction with enforcement activities amongst both employers and employees.

The 2001/02 year saw the appointment of three additional Employment Relations Authority members to handle the volumes of applications lodged with the Authority. The Authority received 2,098 applications in 2001/02 and completed 1,720.

The Employment Tribunal performed well in 2001/02 in working through the backlog of applications. The Tribunal was able to complete 1,773 applications during the year, leaving 105 applications outstanding at 30 June 2002. This includes 95 new cases received during the year. The Tribunal will formally close on 30 September 2002.

Policy development and implementation for paid parental leave was a significant project for ERS and culminated in a Service Level Agreement with the Inland Revenue Department for the joint administration of enforcement and payment.

Other policy issues during the year included proposed amendments to the Holidays Act 1981 and to shop trading hours, and minimum wages including the proposed minimum training wage. The Service also worked with other agencies on equal employment opportunities and pay equity.

Workplace Health and Safety: Overview

Bob Hill
General Manager
Workplace Health and Safety Group

This Group encompasses the Occupational Safety and Health Service (OSH) and the Accident Insurance Regulator (AIR).

Occupational Safety and Health

The purpose of the Occupational Safety and Health Service (OSH) is to reduce workplace illnesses and injuries and promote compliance with health and safety legislation. This work includes administering health and safety legislation, developing a regulatory framework and delivering services to promote occupational safety and health. Services include inspections, assessments, providing information and advice, and a range of actions to enforce compliance.

Field Operations and Statistics

During 2001/02, under the Health and Safety in Employment Act 1992, OSH visited 20,560 workplaces to promote and advise on health and safety. During the same period, OSH also conducted 10,971 investigations, and initiated 145 prosecutions.

There were 73 workplace deaths investigated by OSH during the year – an increase of 33 from the previous year's total of 40. The greatest increase in deaths was in the general industrial/commercial category. There were a wide variety of causes, including six homicides, with no one particular trend apparent. Going against the overall trend was the forestry sector, which recorded a three-year low of two deaths.

In the agricultural sector, all terrain vehicle (ATV) accidents continued to be the leading cause of deaths. In the construction industry, falls from heights were the leading cause. In the forestry sector where felling of trees has traditionally been a leading cause of death there was one death from tree-felling in 2001/02.

HSE Amendment Bill

The Government introduced the Health and Safety in Employment Amendment Bill to Parliament during the year. WHS provided support to the Minister of Labour and to the Transport and Industrial Relations Select Committee as they considered the Bill.

An Implementation Advisory Panel was established to provide advice to the General Manager on implementing the Bill. This included advice on the development of information resources for stakeholders, and operational policies to guide the Department's staff.

The Social and Economic Consequences of Occupational Injury and Illness Study

Detailed case study research was undertaken to obtain a deeper understanding of the full consequences of workplace injury and illness. The study used fifteen case studies to understand the social and economic costs of injury and illness through the employees' own experiences and perspectives, and those of their social, work, and family groups.

The objectives of the study were to explore the social and economic consequences of workplace injury and illness for injured and ill employees, their families, and the workplace; and to identify key characteristics that determine social consequences.

Hazardous Substances and New Organisms (HSNO) Act 1996

The hazardous substances provisions of the Hazardous Substances and New Organisms (HSNO) Act 1996 came into effect on 2 July 2001. Since that time, OSH has been operating under transitional regulations and planning the post-transitional enforcement arrangements in conjunction with the Ministry of the Environment and the Environmental Risk Management Authority (ERMA). This involved training an additional 34 staff in the enforcement of the HSNO Act.

Strategic Development Plan

2001/02 was the second year of implementation of WHS' strategic direction development plan. The main focus continued to be on internal capacity and capability improvements. Particular attention was given to customer needs analysis, organisational design to provide centrally located and responsive services, a staff consultation process, and establishing new management roles to improve leadership capability.

The organisational design took into account our outcomes focus and a whole of government approach, enabling WHS to work with other agencies (such as ACC) to improve New Zealand's workplace health and safety performance.

Field staff training was further enhanced, and an acknowledged technical field leadership group (Senior Inspectors) was established within OSH. The process used to filter and prioritise its investigative field work was further refined.

WHS also developed a Compliance Strategy to provide a clearer delivery framework to underpin amendments to the Health and Safety in Employment Act 1992; and additional training and operational policy development related to the implementation of the Hazardous Substances and New Organisms Act 1996.

Together to Zero Business Strategies

WHS continued refining its key business activities, including targeted industry sector plans and complementary injury-prevention activity with ACC to progress the "Together to Zero: Eliminating Workplace Deaths" strategic goal.

Knowledge and Information Management

Planning for the knowledge/information requirements necessary to support WHS business activities, including support for implementation of the HSE Amendment Bill, was started. This included working with the Employment Relations Service to start developing a joint information initiative to provide more integrated service for our common customers.

Accident Insurance Regulator

The Accident Insurance Regulator was established by the Accident Insurance Act 1998 to monitor the performance of the accident insurance market. The provision of accident insurance returned to a single public fund administered by ACC from 1 July 2000, and since that time all employers have been covered by ACC. All private insurance contracts terminated on 30 June 2000.

In 2001/02 the Regulator's office managed residual functions related to:

- monitoring the performance of registered insurers with respect to claims made against accident insurance contracts during 1999/2000

- completing penalty action against those employers who failed to have an accident insurance contract in force at all times they were employing during 1999/2000
- managing enquiries relating to the Regulator's functions prescribed by the Accident Insurance Act 1998 (functions preserved in the Injury Prevention Compensation and Rehabilitation Act 2001)
- managing the Non-Compliers Fund which funds claims made by claimants whose employer did not have a private accident insurance contract in force for injuries occurring between 1 July 1999 and 31 March 2000
- negotiating the transfer of responsibility for the Non-Compliers Fund to ACC with effect from 1 July 2002
- collecting information relating to personal injury claims made under the Accident Insurance Act 1998
- publishing statistics relating to claims information collected
- facilitating the transfer of the injury claims information management function to Statistics New Zealand.

New Zealand Immigration Service: Overview

Chris Hampton
General Manager
New Zealand Immigration Service

The New Zealand Immigration Service (NZIS) manages immigration for national advantage on behalf of the Government. The Service provides advice on New Zealand's immigration policies to achieve Government's immigration objectives, and facilitates the entry of people into New Zealand while managing the risks involved. NZIS operates a resettlement programme for refugees, supports initiatives and leads research to improve settlement outcomes for migrants.

Key Achievements

The Refugee Status Branch eliminated its backlog of refugee status claims and during the year made 2,694 determinations. Three years ago there were over 3,000 refugee status claims on hand and this has now been reduced to 572 claims. The branch is now well-placed to determine the majority of new claims within three months.

During the year, in response to Operation Tampa, approximately 130 additional determinations were required. Priority was given to these cases and this did have an impact on the determination timeframes of some of the older backlog cases. NZIS's response to Tampa, together with other agencies, was well co-ordinated and successful, and the refugees from Tampa formed part of the annual refugee quota.

The Immigration Amendment Act 2002 was passed in June 2002. It was one of several Acts arising out of the Transnational Organised Crime Bill, which contained provisions that were required to implement the obligations of the United Nations *Convention against Transnational Organised Crime*, and its protocols against migrant-smuggling and people-trafficking. The Act strengthened immigration laws relating to people-trafficking and smuggling operations, notably through the introduction of greater penalties for employers who employ or exploit people not legally entitled to work in New Zealand. Other changes in the Act enabled information disclosure to assist New Zealand's participation in global intelligence networks, closed potential legal loopholes in the border control system, and introduced the option of conditional release for people detained after being refused a permit on arrival in New Zealand.

Another key area of policy work in 2001/02 was completing a major review of work policy to contribute to New Zealand's capacity building. The new policy offers highly-skilled workers a pathway to gaining residence in New Zealand.

Good progress was made on the longitudinal survey of migrants to New Zealand and phase one of the pilot study was completed. NZIS also carried out short-term research into migrant settlement outcomes during the year (see Appendix 7 for details). As part of the departmental work on outcomes, NZIS also made significant progress on establishing an outcomes framework for Vote: Immigration.

Service Delivery

Demand for temporary entry was significantly greater (325,796 applications decided) than originally forecast (220,000 applications forecast). Higher than expected numbers of visitor, student and work applications were received. The number of

visitor, student and work applications decided exceeded the previous year by 16% for visitors (152,115 decisions in 2001/02 compared to 130,950 decisions in 2000/01), 23% for work (74,780 decisions in 2001/02 compared to 60,697 decisions in 2000/01) and 64% for students (98,901 decisions compared to 60,408 decisions in 2000/01). The Service maintained timeliness and quality standards for processing temporary entry applications in 2001/02 and an upper quartile rating was achieved in an independent customer satisfaction survey.

The growth in the student market has been significant. NZIS recognises the importance of international education to the New Zealand economy and contributed to the development of a Code of Conduct to ensure appropriate pastoral care for students. Our Beijing branch, responsible for approximately 16,000 of the Asia Middle East market's 35,500 strong student market, streamlined the decision-making processes. The introduction of a new risk assessment process meant that timeframes were reduced from three months to two months, which is a significant achievement considering the verification involved.

The Government's Immigration Programme was achieved and 52,856 people were approved for residence in New Zealand. Of these, 68% were part of the skilled/business stream. The family sponsored stream and humanitarian stream represented 27% and 5% of people approved respectively.

General skills applications received during the year (25,633) were double the number received the previous year (12,772) and increases to the General Skills category passmark were required throughout the year to limit demand. As at 30 June 2002, 24,558 residence applications were on hand, compared to 11,640 as at 30 June 2001. The backlog of applications will take nearly two years to work through and managing queues will become increasingly important where the programme continues to be oversubscribed.

During the year the Service continued to develop relationships with the community, notably through community training programmes, the Pacific strategy and work with NGOs and agencies involved in immigration at a local level. NZIS has also started to hold public clinics so that the general public and key groups such as employers can ask questions about immigration policy and services.

Settlement pilots continued during the year and an evaluation was completed. The evaluation results were generally positive, in particular as a mechanism for encouraging collaboration and sharing across the sector. During the year, NZIS's settlement services included the settlement information programme, migrant helpline, business migrant liaison unit and an employment referral service.

Relationships with other government agencies, NGOs and stakeholder groups have been well-managed throughout the year. As always, relationships with New Zealand agencies offshore (MFAT, Tourism NZ and Trade NZ) have provided opportunities for collaboration and joint initiatives to promote New Zealand. Increasingly a whole of government approach is being adopted successfully for cross-sectoral issues such as settlement and regional development. Such collaboration will become more and more important as the Service places a greater emphasis on the achievement of outcomes for New Zealand.

Community Employment Group: Overview

Charlie Moore
General Manager
Community Employment Group

The Community Employment Group (CEG) works with communities that face a range of disadvantages in the labour market; in particular Māori, Pacific peoples, women and those living in disadvantaged urban and rural areas. Through an extensive network of field advisors, CEG works alongside communities and organisations within them to strengthen collective human capabilities; grow skills and knowledge; establish effective working partnerships; and build capacity for positive change. Assistance is tailored case-by-case to meet the specific needs of diverse communities. CEG is also able to support many communities by providing grants at appropriate stages of development. In doing this work, CEG assists communities develop sustainable local economic and employment opportunities.

CEG also has a small policy team which contributes advice to Government on employment-related policy and reducing inequalities for disadvantaged groups.

Service Delivery

During the year, CEG assisted 3,477 community organisations, providing a record 40,178 fieldwork interventions. Grants worth \$23.357 million were expended, including \$8.837 million on capacity-building and development initiatives for Māori and Pacific peoples. Capacity-building also forms the core component of field intervention work. Targets for work with Māori and Pacific communities were once again exceeded, reflecting the key priority for CEG to contribute towards the reduction of inequalities for these communities. The Community Employment Organisations initiative continued, with 58 community-based enterprises now established since the start of the initiative in 2000.

CEG continued to develop its published resources available to communities in support of community employment development. A further twelve editions of the long-established *Employment Matters* publication were produced, with on-line editions becoming available during the year through a dedicated web-site. An index is also available to provide access to archival stories on a huge range of enterprise and development experiences to help inspire and inform community responses to local development opportunities. CEG also produced *Journeys Together*, a video resource of employment development in action, told in the words of the community groups and individuals who had put ideas into action.

Two new initiatives, Ecoworks and Social Entrepreneurs were successfully implemented during the year. Twenty-four social entrepreneurs, providing leadership and innovative approaches in their communities were supported. CEG co-ordinated an inaugural Social Entrepreneurship conference held in November 2001 which attracted over 200 participants, and helped to launch and establish the concept in New Zealand.

During the year, CEG developed and began implementing a Māori tourism strategy. This included the development of tourism sector relationships and networks, and holding three regional wananga for Māori interested in tourism development. The creation of a tourism resource kit and the formation of a pilot 'virtual' tourism incubator park are two further projects arising from the strategy that continue to be

developed beyond the end of the financial year. CEG is also leading the *Connecting Communities* strategy, which aims to co-ordinate government assistance to enhance community access to information and communications technology (ICT). The strategy was formally launched in June 2002.

CEG has continued a phase of growth and improvement in services to contribute to creating sustainable community economic and employment development outcomes for communities.

Office of the Chief Executive: Overview

During 2001/02, the Office of the Chief Executive supported the Chief Executive, Department's Management Board and Ministers by providing:

- strategic advice on and overview of management issues including human resources, financial advice and reconciliation, communication, and information and knowledge management within the Department; and establishing a framework for policies and standards for information technology
- an overview of quality assurance and aggregation of the Government's and Department's accountability and reporting framework, including the Statement of Intent, Main and Supplementary Estimates and the Output Agreements with Vote Ministers
- relationship management, including external and internal linkages with key stakeholders
- quality assurance and overview of risk-management strategies across the Department, including an internal audit function
- legal advice and services for the Chief Executive, Services and Ministers
- managing the Government's relationship with the International Labour Organisation (ILO) and other institutions with an interest in labour market administration
- facilitating relationship management with key Māori stakeholders and advice on Māori service delivery and partnership issues
- facilitating relationship management with key Pacific peoples stakeholders and advice on service delivery to Pacific peoples
- monitoring and purchase advice to the relevant Ministers on the performance of the Accident Compensation Corporation; and on employment service delivery by the Ministry of Social Development.

Strategic and Organisational Performance

During the year, OCE supported the Management Board in their review of the Department's strategic direction, and in communicating and starting to implement elements of the revised direction.

A related and significant development was the establishment of a Department of Labour outcomes framework to support a move towards an outcomes focus, which is reflected in the Department's accountability documentation for 2002/03. In conjunction with this project, the Department, through OCE, continued to be one of eight agencies participating in the Pathfinder project, supported by the State Services Commission and the Treasury, which is seeking to integrate better outcome-based performance information into the public sector management system.

OCE also developed and supported two rounds of regional staff fora held in November 2001 and April 2002, and the Managers' Forum in March 2002. These fora provide an important opportunity to engage departmental staff nation-wide in the development of the Department's strategic direction and projects; gain their commitment; and improve inter-Service linkages, networks and working relationships.

OCE also facilitated or contributed to many other strategic development projects aimed at building departmental capability. These included the Strategic Direction

Alignment project, Excellent People Strategy, Disability Strategy, Communications, Knowledge Management, Information Technology Strategy and Electronic Channels Programme as detailed in the Departmental Capability section of this report. The Office also co-ordinated the implementation of the Department's overall Māori and Pacific strategies through the Māori Perspective Unit and Pacific Strategy Coach (see below).

Purchase Advice and Monitoring

OCE continued to provide purchase advice and monitoring to the Minister for ACC in respect of Vote: Accident Insurance and the performance of the Accident Compensation Corporation; and to the Minister of Social Services and Employment in respect of the employment aspects of Vote: Work and Income.

This included monthly and quarterly monitoring reports to the Minister for ACC on key issues and trends for ACC, its subsidiaries and the Accounts. Advice and quality assurance was also provided on ACC forecasts for the Economic and Fiscal updates and on ACC's premium recommendations. ACC's annual accountability documents for 2002/03 were also negotiated on the Minister's behalf. A review of ACC's investment policy and practices was completed. OCE also provided advice and administrative support for the upcoming appointment of members to the ACC Board and to the new ACC Scheme Ministerial Advisory Panel and Injury Surveillance Manager Advisory Panel. A key focus was joint work with ACC on evaluation strategies, including the rehabilitation strategy. Outcomes from the Injury Prevention, Rehabilitation and Compensation Act 2001 form the core of this work, and the Act's introduction marks a move into more formal monitoring of progress towards those outcomes.

Advice and support provided to the Minister of Social Services and Employment included commentary on DWI and MSD quarterly reports to the Minister, and leading value for money and Budget processes within the Social Services and Employment portfolio. The latter included development of a fiscally neutral package of initiatives to further develop regional best practice and increase regional responsiveness within MSD. Advice was also provided on the relevant elements of MSD's annual accountability documents for 2002/03.

Relationship management with the new Ministry of Social Development (MSD) involved the agreement and signing of a Charter of Co-operation between DoL and MSD and the development of a MSD/DOL joint work programme.

Māori Perspective Unit

The Māori Perspective Unit (MPU) provides strategic advice to the Department on issues relating to Māori, to ensure that policy development and service delivery impacting on Māori communities meet Māori needs, reflect Māori perspectives, processes and practices, and recognise the regional variances within Māori communities. MPU fieldworkers build links between the Department and Māori communities and organisations, to support Māori development and participation. A major role of the Unit is to oversee and assist with implementing the Department's Māori strategy, through working with Services and field advisers to achieve the goals of the strategy.

Throughout the year, MPU continued to act as a catalyst to build and strengthen relationships between the Department and the Māori community. As a complement to Service-specific Māori strategies, an inter-Service regional approach to meeting goals was implemented. Regional Service Managers committed to collective action plans to increase our capacity to understand and work effectively with Māori; and to develop ongoing and sustainable relationships.

Pacific Strategy Coach

In 2001 a Pacific Strategy coach was seconded into OCE to provide advice and assistance to managers on implementing the Department's new Pacific strategy, and liaise with Service representatives on progress with the strategy and other Pacific peoples-related activities. This was a one-year trial, and the success of this approach led to the position being established as an ongoing 18-month secondment, providing development opportunities for Pacific staff within the Department. A new Pacific coach was appointed in June 2002. OCE also continued to work with MPIA and contribute to the Pacific communities Programmes of Action.

Legal Services

The Department's Legal Services Group is an in-house legal bureau that supplies legal advice and services to managers and staff of the Department, and to Ministers. As well as advising on legal matters, the Legal group represents the Department in courts and tribunals, such as conducting health and safety prosecutions. Legal Services also perform a key role in the development of legislative reforms and their passage through Parliament.

The group had another busy year. On top of the steady flows of health and safety prosecutions and general advisory work, the Group was involved in a series of significant legislative exercises – the Injury Prevention Rehabilitation and Compensation Act 2001, Health and Safety in Employment Amendment Bill, Paid Parental Leave legislation, Trans-National Organised Crime Bill, and Holidays Bill development.

International Services

The International Services unit works with other parts of the Department to manage the Government's relationship with the International Labour Organisation (ILO), and maintain an overview of the two-way linkages between international labour-related developments and domestic policy issues.

During the year New Zealand increased the level of direct dialogue and information-sharing with the ILO. The visit by the Director of the International Labour Standards Department to New Zealand in early February 2002 led to greater opportunities for discussing issues of compliance and standards-related reform.

Child labour continued to be a major area of focus. The Child Labour Officials Advisory Committee was formed and began working on initiatives to raise public awareness and understanding of ILO Convention 182 *Concerning the Worst Forms of Child Labour*.

Examination began of the implications of New Zealand ratifying Convention 87, *Freedom of Association and the Right to Organise* and Convention 98, *Right to Organise and Collective Bargaining*. This included consultation with the ILO, New Zealand's Council of Trade Unions and Business New Zealand on the domestic implications of ratification.

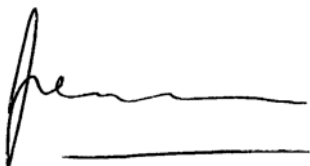
New Zealand attended meetings of the Governing Body of the ILO in Geneva, as a Deputy Member representing the Far East, Asia and the Pacific sub-region. In August 2001 a tripartite New Zealand delegation attended the Asian Regional Meeting in Bangkok. In June 2002, a tripartite New Zealand delegation attended the Annual ILO Conference in Geneva. During the Conference New Zealand was re-elected onto the Governing Body of the ILO as a Deputy Member. The Department's Chief Executive chaired the Resolutions Committee at the Conference.

Statement of Management Responsibility

In terms of sections 35 and 37 of the Public Finance Act 1989, I am responsible, as Chief Executive of the Department of Labour, for the preparation of the Department's financial statements and the judgements made in the process of producing those statements.

I have the responsibility of establishing and maintaining, and I have established and maintained a system of internal control procedures that provide reasonable assurance as to the integrity and reliability of financial reporting.

In my opinion, these financial statements fairly reflect the financial position and operations of the Department for the year ended 30 June 2002.



J.M Chetwin
Secretary of Labour
30 September 2002



Countersigned by:
Brett Mudgway
Chief Financial Officer
30 September 2002

REPORT OF THE AUDITOR-GENERAL

TO THE READERS OF THE FINANCIAL STATEMENTS OF THE DEPARTMENT OF LABOUR FOR THE YEAR ENDED 30 JUNE 2002

We have audited the financial statements on pages 51 to 149. The financial statements provide information about the past financial and service performance of the Department of Labour and its financial position as at 30 June 2002. This information is stated in accordance with the accounting policies set out on pages 115 to 119.

Responsibilities of the Secretary of Labour

The Public Finance Act 1989 requires the Secretary of Labour to prepare financial statements in accordance with generally accepted accounting practice in New Zealand that fairly reflect the financial position of the Department of Labour as at 30 June 2002, the results of its operations and cash flows and service performance achievements for the year ended on that date.

Auditor's responsibilities

Section 15 of the Public Audit Act 2001 and section 38(1) of the Public Finance Act 1989 require the Auditor-General to audit the financial statements presented by the Secretary of Labour. It is the responsibility of the Auditor-General to express an independent opinion on the financial statements and report that opinion to you.

The Auditor-General has appointed H C Lim, of Audit New Zealand, to undertake the audit.

Basis of opinion

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

- ▲ the significant estimates and judgements made by the Secretary of Labour in the preparation of the financial statements; and
- ▲ whether the accounting policies are appropriate to the Department of Labour's circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with the Auditing Standards published by the Auditor-General, which incorporate the Auditing Standards issued by the Institute of Chartered Accountants of New Zealand. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

We have carried out assurance related assignments for the Department of Labour in the areas of quality assurance over an internal audit review, additional audit procedures at a branch office and the provision of taxation compliance services. Other than these assignments and in our capacity as auditor acting on behalf of the Auditor-General, we have no relationship with or interests in the Department of Labour.

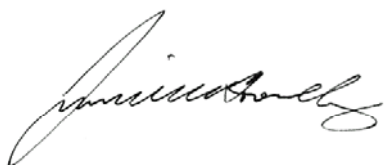
Unqualified opinion

We have obtained all the information and explanations we have required.

In our opinion the financial statements of the Department of Labour on pages 51 to 149:

- ▲ comply with generally accepted accounting practice in New Zealand; and
- ▲ fairly reflect:
 - the Department of Labour's financial position as at 30 June 2002;
 - the results of its operations and cash flows for the year ended on that date; and
 - its service performance achievements in relation to the performance targets and other measures set out in the forecast financial statements for the year ended on that date.

Our audit was completed on 30 September 2002 and our unqualified opinion is expressed as at that date.



H C Lim

Audit New Zealand

On behalf of the Auditor-General

Wellington, New Zealand

Statement of Objectives and Service Performance

VOTE: LABOUR

Contributed to by the Employment Relations Service, the Occupational Safety and Health Service, the Labour Market Policy Group and the International Services section of the Office of the Chief Executive.

Summary Financial Performance: Vote Labour

Year ended 30 June 2002	Actual \$000	Voted ¹ \$000	Variance Fav / (Unfav) \$000
<u>Revenue Crown (GST excl)</u>			
Policy Advice – Labour	6,339	6,339	-
International Services	355	355	-
Support Services - Industrial Relations Institutions	7,498	7,498	-
Dispute Resolution	10,761	10,761	-
Promoting Excellence in Self Managing Occupational Health and Safety Hazards in the Workplace	22,035	22,035	-
Regulatory Functions Outside the Health and Safety in Employment Act 1992	1,928	1,928	-
Sub total	48,916	48,916	-
<u>Revenue Department (GST excl)</u>			
Policy Advice – Labour	858	933	(75)
Sub total	858	933	(75)
<u>Revenue Other (GST excl)</u>			
Support Services - Industrial Relations Institutions	254	180	74
Promoting Excellence in Self Managing Occupational Health and Safety Hazards in the Workplace	193	300	(107)
Regulatory Functions Outside the Health and Safety in Employment Act 1992	13	12	1
Sub total	460	492	(32)
Total	50,234	50,341	(107)

¹ Voted figures include adjustments made in the Supplementary Estimates and transfers under section 5 of the Public Finance Act 1989.

Year ended 30 June 2002	Actual \$000	Voted¹ \$000	Variance Fav / (Unfav) \$000
<u>Departmental Output Classes (GST excl)</u>			
Policy Advice – Labour	6,799	7,272	473
International Services	354	355	1
Support Services - Industrial Relations Institutions	7,457	7,678	221
Dispute Resolution	10,754	10,761	7
Promoting Excellence in Self Managing Occupational Health and Safety Hazards in the Workplace	22,315	22,335	20
Regulatory Functions Outside the Health and Safety in Employment Act 1992	1,903	1,940	37
Total	49,582	50,341	759
<u>Non-Departmental Revenue (GST excl)</u>			
Employment Court, Employment Relations Authority and Employment Tribunal Fees	350	340	10
Recovery of Higher Salaries Commission costs of setting Local Authority Members' remuneration	278	500	(222)
Health and Safety in Employment Levy	14,697	12,665	2,032
OSH Fees and Licences	256	282	(26)
Programme Recoveries	3	3	-
Total	15,584	13,790	1,794
<u>Output Classes Supplied by Other Parties (GST incl where applicable)</u>			
Employment Relations Education Contestable Fund	1,597	2,000	403
Health and Safety in Employment Levy - Collection Services	1,896	1,896	-
Promotion of Equal Employment Opportunities	91	140	49
Sub total	3,584	4,036	452

¹ Voted figures include adjustments made in the Supplementary Estimates and transfers under section 5 of the Public Finance Act 1989.

Year ended 30 June 2002	Actual \$000	Voted ¹ \$000	Variance Fav / (Unfav) \$000
<u>Other Expenses to be Incurred by the Crown (GST incl where applicable)</u>			
Employment Court Judges' Salaries and Allowances	1,265	1,400	135
Employment Relations Authority Members' Salaries and Allowances	1,794	1,850	56
International Labour Organisation	1,186	1,400	214
Joint EEO Trust	736	736	-
New Zealand Industrial Relations Foundation	15	15	-
Sub total	4,996	5,401	405
Total	8,580	9,437	857

¹ Voted figures include adjustments made in the Supplementary Estimates and transfers under section 5 of the Public Finance Act 1989.

VOTE: LABOUR

Output Class D1: Policy Advice - Labour

Description

Through this output class the Minister purchases policy advice and labour market analysis related to enhancing the ability and opportunity of all individuals to participate in the labour market. This includes supporting employment relationships and ensuring employees work in a safe environment.

Activities include:

- advising on the policy requirements to achieve the Government's labour market, industrial relations, and workplace safety and health goals
- monitoring and reporting on developments in the employment relations framework and system, on workplace safety and health, and on labour market trends and statistics
- related research and evaluation
- providing advisory support and information for Ministers as required in Cabinet committees, select committees and Parliament
- administrative, advisory and research services to the National Advisory Council on the Employment of Women (NACEW)
- ministerial servicing.

Performance Information

Performance Standard	Performance to 30 June 2002
<p>Policy Advice</p> <p>The quantity and nature of advice and other services will be explicitly agreed with the Minister.</p> <p>Quality</p> <p>The Minister's views of the quality and timeliness of policy advice will be sought six-monthly through questionnaires or other appropriate means.</p> <p>The Minister expects to receive advice consistent with the quality standards set out in Appendix 1 to this report.</p>	<p>The quantity and nature of advice and other services were agreed with the Minister.</p> <p>The Minister's views of the quality and timeliness of policy advice were sought six-monthly by way of a questionnaire.</p> <p>The Minister ranked the service provided by the Department at 3 (average) on a scale from 1 (very poor) to 5 (excellent) for both the July – December 2001 period and the January – June 2002 period. In the latter period, the levels of legislative and legal support were rated at 4 (good).</p> <p>Advice provided conformed to the quality standards set out in Appendix 1 to this report.</p>

Performance Standard	Performance to 30 June 2002
<p>Ministerial Servicing</p> <p>The Minister's views on ministerial servicing will be sought through six-monthly questionnaires or through other appropriate means.</p> <p>The Minister expects the following services to be timely, accurate, accessible and have the relevant issues highlighted:</p> <ul style="list-style-type: none"> Draft replies to Ministerial correspondence will be provided within 15 working days unless specific approval for late replies is given. An estimated 456 replies will be provided. Replies to all parliamentary questions will be provided within the deadlines as specified in Standing Orders. An estimated 100 draft replies will be provided. Draft replies to requests for official information will be provided within 15 working days unless specific approval for an extension is given. <p>Advisory support in select committees, Cabinet committees and Parliament will be provided as required and within agreed timeframes.</p>	<p>The Minister's views on ministerial servicing were sought six-monthly by way of a questionnaire.</p> <p>The Minister ranked the service provided by the Department at 3 (average) on a scale from 1 (very poor) to 5 (excellent) for the July – December 2001 period and also for the January – June 2002 period, with the exception of replies to Ministerial correspondence provided in the latter period which were rated as 4 (good).</p> <p>450 draft replies were provided during the year, compared to 573 in 2000/01.</p> <p>405 (90%) of these replies were provided within the specified timeframe. 45 draft replies were provided late.</p> <p>A total of 295 draft replies to Parliamentary Questions were provided, all within the specified deadlines. This represented almost four times the 78 draft replies in 2000/01. 165 were provided in 1999/00.</p> <p>23 draft replies to requests for official information were provided, of which 19 (83%) were within the required time frame and four were late.</p> <p>Advisory support in select committees, Cabinet committees and Parliament was provided as required and within agreed timeframes.</p>
<p>Speech notes, briefing notes and other information to the Minister will be provided within agreed timeframes.</p>	<p>Speech notes, briefing notes and other information were provided to the Minister within agreed timeframes.</p>
<p>National Advisory Council on the Employment of Women (NACEW) Support</p>	
<p>Priority work will be completed as agreed, or as subsequently amended by agreement, between the Department of Labour and the NACEW chairperson.</p> <p>Minutes of quarterly NACEW meetings and subcommittee meetings will be produced as the meetings occur.</p> <p>An annual report for NACEW will be produced and distributed.</p> <p>Briefing papers, submissions, correspondence and other documents will be produced as requested by the Council.</p>	<p>Priority work was completed as agreed between the Department and the NACEW chairperson.</p> <p>Quarterly meetings were held and minutes were produced.</p> <p>The annual report for 2000/01 was produced and distributed during the first quarter of 2001/02.</p> <p>Briefing papers, submissions and correspondence were produced as requested by the Council.</p>

Performance Standard	Performance to 30 June 2002
All NACEW briefings will conform with the quality criteria set out under Policy Advice above.	NACEW briefings conformed to the quality criteria.
<p>All reports and discussion papers provided to NACEW will adequately identify women's employment issues and the diversity of women's employment experiences.</p> <p>NACEW members will be surveyed annually to establish the level of satisfaction with the relevance, timeliness and quality of services provided.</p>	<p>All reports and discussion papers provided to NACEW adequately identified women's employment issues and the diversity of women's employment experiences.</p> <p>The survey for 2000/2001 was completed in August 2001. NACEW members reported a high level of satisfaction with the relevance, timeliness and quality of services provided.</p> <p>The annual survey for the 2001/02 year was sent to NACEW members in June 2002 with the results expected in September 2002.</p>

Vote Labour: Policy Advice - Labour

Financial Performance

Figures are GST exclusive

Year ended 30 June 2002	Actual \$000	Main Estimates \$000	Supp. Estimates \$000	Actual as a % of Supp. Estimates
Revenue:				
Crown	6,339	5,645	6,339	100.0%
Department	858	-	933	92.0%
Other	-	933	-	-
Total Revenue	7,197	6,578	7,272	99.0%
Total Expenses	6,799	6,578	7,272	93.5%
Net Surplus/(Deficit)	398	-	-	-

The increase in appropriation of \$694,000 in the Supplementary Estimates was made up of:

- a final expenditure transfer of \$132,000 from 2000/01 to 2001/02 for the evaluation of the Employment Relations Act (ERA) 2000
- funding of \$662,000 for the implementation and ongoing management of Paid Parental Leave
- a fiscally neutral transfer of (\$100,000) to Support Services – Industrial Relations Institutions output class to fund effective support services.

VOTE: LABOUR

Output Class D2: International Services

Description

This output class comprises the management of the Government's relationship with the International Labour Organisation (ILO), and maintaining an overview of the linkages between international labour-related developments and domestic policy issues. This work includes:

- providing advisory support to the Minister on relevant issues
- assessing the impact of international developments on New Zealand's labour interests
- co-ordinating the preparation of interdepartmental advice to Ministers on the implications of ratifying ILO Conventions
- providing regular reports to the ILO about New Zealand's compliance in law and practice with ILO Conventions
- consulting with designated representative organisations of employers and workers on all reports submitted to the ILO and other related matters
- reporting to Parliament on the texts of newly adopted ILO standards
- arranging and funding the attendance of New Zealand delegates at:
 - the annual ILO Conference
 - two sessions of the ILO Governing Body per year
 - regional ILO conferences
- arranging visits to New Zealand by ILO fellows and other overseas labour officials.

Performance Information

International Services

Performance Standard	Performance to 30 June 2002
<p>Advisory and administrative servicing will be provided in a timely and effective manner.</p> <p>The Minister's view of the quality and timeliness of advisory support will be sought six-monthly through questionnaires or other appropriate means.</p>	<p>Administrative servicing was provided to the full satisfaction of clients. See the last measure under this output class.</p> <p>The Minister's views of the quality and timeliness of policy advice were sought six-monthly by way of a questionnaire.</p> <p>The Minister ranked the quality and timeliness of advisory support provided by the Department at 3 (average) on a scale from 1 (very poor) to 5 (excellent) for both the July – December 2001 period and the January – June 2002 period.</p>

Performance Standard	Performance to 30 June 2002
All reporting requirements required by the ILO Constitution will be met within the timeframes requested.	<p>In September 2001, 12 of the 15 required Article 22 reports were provided to ILO within the requested timeframes. The remaining three reports were delayed by three weeks for more comprehensive consultation between Ministers.</p> <p>Two Declaration reports were also prepared in September 2001, with one of these also delayed for the above reason as was one response to questionnaires provided to ILO in December 2001 on occupational safety and health, promotion of co-operatives, and the withdrawal of recommendations.</p> <p>In April 2002, the ILO Article 19 report was completed and provided to ILO within the required timeframe.</p>
Report A7 of the New Zealand Government Delegates to the ILO Conference will be presented to Parliament within 12 to 18 months of the close of the Conference.	<p>The Report on the 2000 ILO Conference was tabled in Parliament in November 2001, 17 months after the close of the Conference.</p> <p>The Department is currently drafting the report on the 2001 Conference for presentation to Parliament within 18 months of the close of the conference in June 2001.</p>
The Government's interests will be promoted at ILO meetings through effective representation.	<p>The Government's interests were promoted through effective representation at:</p> <ul style="list-style-type: none"> the 13th Asian Regional meeting in August 2001 the November 2001, March and June 2002 sessions of the ILO Governing Body the Global Employment Forum in November 2001 the Declaration Seminar on Forced Labour in February 2002, and the 90th session of the International Labour Conference in June 2002.
This will be assisted by the provision of timely and full briefing material as assessed by delegates.	<p>Full and timely briefing material was provided to delegates to the above ILO meetings.</p> <p>Informal feedback from tripartite delegates to Asian Regional Meeting was that briefing material was timely and comprehensive.</p> <p>A survey of delegates to the ILO Conference in June 2002 is underway with the results expected in September 2002.</p>

Vote Labour: International Services

Financial Performance

Figures are GST exclusive.

Year ended 30 June 2002	Actual \$000	Main Estimates \$000	Supp. Estimates \$000	Actual as a % of Supp. Estimates
Revenue: Crown	355	355	355	100.0%
Total Revenue	355	355	355	100.0%
Total Expenses	354	355	355	99.7%
Net Surplus/(Deficit)	1	-	-	-

There was no change in appropriation during the year.

VOTE: LABOUR

Output Class D3: Support Services - Industrial Relations Institutions

Description

This output class provides support services to the Employment Relations Authority, and to the Employment Court, which operate in terms of the Employment Relations Act 2000 and to the Higher Salaries Commission which was established by the Higher Salaries Commission Act 1977. It also provides transitional servicing to the Employment Tribunal for residual applications made under the Employment Contracts Act 1991.

The support services relate to:

- processing cases and providing administrative support for the Employment Relations Authority
- providing legal, research and monitoring services to the Employment Relations Authority
- processing applications and servicing hearings in the Employment Court
- providing legal, library and monitoring services to the Employment Court
- promulgating Determinations on Remuneration issued by the Higher Salaries Commission
- during the transitional period, processing residual applications and servicing hearings in the Employment Tribunal.

Performance Information

Support Services - Industrial Relations Institutions

Performance Standard	Performance to 30 June 2002
<i>Support Services to the Employment Relations Authority</i>	
Activity Monitor	
The Authority expects to receive and process up to 850 applications for problem resolution in 2001/02. ²	A total of 2,098 applications were received by the Authority and 1,720 cases were completed by 30 June 2002. On an annualised basis nearly twice as many cases were received compared to 2000/01 when 892 cases were received.
Performance measures	
All applications made to the Authority for problem resolution will be receipted and acknowledged within 1 working day of being received by the Authority.	98% of applications were acknowledged within one working day of receipt by the Authority.

² This forecast was based on only three months' experience under the new Employment Relations Act 2000. Actual utilisation is demand driven and has far exceeded this best estimate.

Performance Standard	Performance to 30 June 2002
A decision as to the disposition of applications by way of referral to mediation or commencement of investigations in the Authority will be made and communicated to the parties within 5 working days of receipt of the application.	53% of applicants were notified within five working days of receipt of the application of the disposition of their application by way of referral to mediation or commencement of an investigation. The Employment Relations Act 2000 includes a statutory 14 day response period prior to the case being advanced, which makes delivery of the performance measure difficult to achieve. This measure has been revised for 2002/03.
External client surveys will demonstrate 90% satisfaction with the administrative services provided by the Department in respect of Authority operations.	Development of an external client survey is nearing completion and the survey is expected to be introduced in the 2002/03 year.
Service performance will also be assessed six-monthly against standards specified in the Department's service contract with the Employment Relations Authority or as advised by the Chief of the Authority from time to time. Satisfaction will be assessed 6 monthly and will confirm that the Chief of the Authority is satisfied that performance reaches at least (3) on a scale of (1) to (5) (5 being the highest).	Two surveys were completed. As at December 2001 and June 2002, the Chief of the Authority rated both performance and satisfaction at (4) on a (1) to (5) scale with (5) being the highest.
Support Services to the Employment Court	
Activity Monitors	
The Department expects to: <ul style="list-style-type: none"> Receive and process up to 400 applications. Schedule between 250 and 350 hearings. Service between 250 and 350 hearings. Produce headnotes for up to 400 judgements. 	283 applications were received and 331 were closed or completed, compared to 286 in 2000/01 and 327 in 1999/00. While this was below the 400 expected, these applications are demand-driven. 477 hearings were scheduled compared to 342 in 2000/01 and 448 in 1999/00. 266 hearings were serviced, compared to 184 in 2000/01 and 270 in 1999/00. An average of 40% of applications are withdrawn either prior to scheduling of the hearing or between the time of scheduling and holding the hearing. 168 headnotes were produced, compared to 178 in 2000/01 and 308 in 1999/00.
Performance measures	
Transcripts will be produced for the purposes of appeals to the Court of Appeal on demand within two months of receipt of appeal notice.	Transcripts of all Court hearings are produced as a matter of course and are therefore immediately available on demand.

Performance Standard	Performance to 30 June 2002
<p>Performance will be assessed six-monthly against standards specified in the Department's service contract with the Employment Court, standards contained in the Registry Handbook, or as advised by judges from time to time.</p> <p>Satisfaction will be assessed six-monthly and will confirm that the Chief Judge of the Employment Court is satisfied that performance reaches at least (3) on a scale of (1) to (5) (5 being the highest).</p>	<p>In December 2001, the Chief Judge assessed both performance and satisfaction at (3) on a (1) to (5) scale with (5) being the highest. This rating increased to (4) for both performance and satisfaction in a further survey in June 2002.</p>
Support Services to the Higher Salaries Commission	
Activity Monitor	
The Department expects to produce between 50 and 60 Determinations.	66 Determinations were produced, compared to 63 in the 2000/01 year.
Performance measures	
<p>Performance will be assessed six-monthly against standards specified in the Department's service contract with the Higher Salaries Commission, standards contained in the Commission Procedures Sheets, or as advised by Commissioners from time to time.</p> <p>Satisfaction will be assessed six-monthly and will confirm that the Higher Salaries Commission Chair is satisfied that performance reaches at least (3) on a scale of (1) to (5) (5 being the highest).</p>	<p>Two surveys were completed. As at December 2001 and June 2002, the Chair of the Higher Salaries Commission assessed both performance and satisfaction at (4) on a (1) to (5) scale with (5) being the highest.</p>
Transitional Support Services to the Residual Employment Tribunal	
Performance measures	
<p>All applications will be received and processed, and hearings to dispose of the residual work will be scheduled and serviced.</p> <p>Headnotes will be produced for all adjudication decisions.</p> <p>Transcripts will be produced for the purposes of appeals to the Employment Court on demand within 1 to 2 months of receipt of the appeal notice.</p>	<p>106 applications were received (including for general mediation) and 2,007 cases were completed or closed, compared to 2,390 in 2000/01 and 4,200 in 1999/00.</p> <p>1,628 hearings were scheduled during the year and 418 adjudication hearings were serviced.</p> <p>750 headnotes were produced, compared to 712 and 895 in each of the previous two years.</p> <p>82 transcripts were produced on demand within the set timeframe. 56 were produced in 2000/01 and 109 in 1999/00.</p>
<p>Performance will be assessed six-monthly against the standards contained in the Department's service contract with the Employment Tribunal, standards contained in the Registry Handbook, or as advised by Tribunal members from time to time.</p> <p>Satisfaction will be assessed six-monthly and will confirm that the Chief of the Employment Tribunal is satisfied that performance reaches at least (3) on a scale of (1) to (5) (5 being the highest).</p>	<p>In December 2001, the Tribunal members assessed both performance and satisfaction at (3) on a (1) to (5) scale with (5) being the highest.</p> <p>With the Tribunal closing down, no survey was undertaken at June 2002.</p>

Financial Performance

Vote Labour: Support Services - Industrial Relations Institutions

Figures are GST exclusive

Year ended 30 June 2002	Actual \$000	Main Estimates \$000	Supp. Estimates \$000	Actual as a % of Supp. Estimates
Revenue:				
Crown	7,498	7,200	7,498	100.0%
Other	254	180	180	141.1%
Total Revenue	7,752	7,380	7,678	101.0%
Total Expenses	7,457	7,380	7,678	97.1%
Net Surplus/(Deficit)	295	-	-	-

The increase in appropriation of \$298,000 in the Supplementary Estimates was made up of:

- a final expense transfer adjustment of (\$52,000) from 2000/01 to 2001/02 for the Employment Tribunal
- fiscally neutral transfers of \$350,000 (\$100,000 from Policy Advice – Labour and \$250,000 from Dispute Resolution output classes) to fund effective support services.

VOTE: LABOUR

Output Class D4: Dispute Resolution

Description

This output class is focused on the resolution of disputes in the workplace. It covers the provision of a nation-wide mediation service. It also covers the provision of public information concerning statutory minimum terms and conditions of employment, and the employment relations framework delivered through the Information Centre and the Labour Inspectorate. The investigation and resolution of complaints relating to breaches of statutory and regulatory provisions including, where necessary, enforcement action provided by the Labour Inspectorate and the functions of the Registrar of Unions are also included in this class.

Performance Information

Disputes Resolution

Performance Standard	Performance to 30 June 2002
Mediation Service	
Activity Monitor	
The Department expects to respond to between 5,500 and 6,500 requests for mediation assistance. ³	8,134 applications for mediation assistance were received during the year and 8,187 applications were completed.
Performance measures	
80% of mediations undertaken will be resolved within 3 months. ⁴	91% of mediations were resolved within 3 months.
External client surveys will demonstrate 90% satisfaction with the Mediation Service.	87% of external clients surveyed were very satisfied or satisfied with the Mediation Service.
95% of requests for mediation assistance will receive an initial response within 2 working days and mediation services will be offered within 10 working days. The remaining 5% of requests will be monitored.	88% of requests for mediation assistance received an initial response within 2 working days and 84% of applicants were offered mediation services within 10 working days. The response rate was slightly lower than the performance standard due to a higher volume of cases placing pressure on resources. The remaining cases were monitored.

³ This forecast was based on only three months' experience under the new Employment Relations Act 2000. Actual utilisation is demand driven and has far exceeded this best estimate.

⁴ "Resolved" means settlement reached or no further action taken.

Performance Standard	Performance to 30 June 2002
Where mediation cases are referred from the Employment Relations Authority, mediation will take place within 2 working days, unless the parties request otherwise.	69% of mediation cases referred from the Employment Relations Authority took place within 2 working days. The Employment Relations Act 2000 includes a statutory 14 day response period prior to the case being advanced, which makes delivery of the performance measure difficult to achieve. This measure has been revised for 2002/03.
When a notice of strike or lockout in essential industries is received an appropriately experienced Mediator will be made available within 2 days.	When a notice of strike or lockout in essential industries was received, an appropriately experienced Mediator was made available within 2 days in all cases.
Information Centre and Labour Inspectorate	
Activity Monitors	
The Department expects that: <ul style="list-style-type: none"> Approximately 180,000 inquiries will be received and responded to. 1,600 formal complaints will be received and actioned by the Labour Inspectorate. Up to 150 information talks, seminars or presentations will be given. Up to 40 applications for union registration will be received and processed. 	<p>203,230 enquiries were answered, compared to 198,765 in 2000/01 and 191,456 in 1999/00.</p> <p>2,020 formal written complaints were received during the year and 2,136 cases were completed. A total of 1,720 formal complaints were received in the previous year and 1,873 in 1999/00.</p> <p>106 informal talks, seminars or presentations were given during the year, twice the number in 2000/01.</p> <p>The target was not met due to the volumes of enquiries through the Information Centre receiving priority.</p> <p>34 applications for union registration were received and processed.</p>
<ul style="list-style-type: none"> Up to 40 Certificates of Union Registration will be issued. 	<p>36 Certificates of Union Registration were issued.</p> <p>At 30 June 2002, 170 unions were registered under the provisions of the Employment Relations Act 2000.</p>
Performance measures	
<p>90% of clients surveyed about the Inspectorate's enforcement activities will be either satisfied or very satisfied with the overall conduct of investigations.</p> <p>95% of Information Centre clients surveyed will be either satisfied or very satisfied with the quality of the information services provided.</p> <p>100% of telephone enquiries answered relating to statutory terms and conditions of employment will be responded to within one working day.</p>	<p>The averaged results of monthly surveys indicate that 95% of employee clients and 87% of employer clients surveyed were satisfied or very satisfied. The results in 2000/01 were 92% for employees and 82% for employers respectively.</p> <p>Development of the Information Centre client survey is nearing completion and the survey is expected to be introduced in the 2002/03 year.</p> <p>100% of telephone enquiries were responded to within 24 hours of receipt.</p>

Performance Standard	Performance to 30 June 2002
100% of written enquiries will be responded to within five working days by either a substantive response or an interim response giving the timeframe for a substantive response.	5,453 written enquiries were received during the year. 98.3% of written enquiries were answered within five working days. The nature or complexity of the remainder required longer response times. In 2000/01, 93.6% of responses were provided within this timeframe compared to 98.6% in 1999/00.
95% of formal complaints will have investigations commenced within one month of receipt.	In 94% of cases, Investigations commenced within one month of receipt of the formal complaint, compared to 91% in 2000/01 and 94% in 1999/00.
90% of formal complaints will be resolved, or be referred to the Employment Relations Authority, within 6 months of receipt.	89% of complaints were completed within six months of receipt, compared to 88% and 90% in the two previous years.
Applications for union registration will be processed and applicants notified of the outcome within one month of receipt.	All applications for union registration were processed and the applicants notified of the outcome within one month of receipt of the application.

Financial Performance

Vote Labour: Disputes Resolution

Figures are GST exclusive

Year ended 30 June 2002	Actual \$000	Main Estimates \$000	Supp. Estimates \$000	Actual as a % of Supp. Estimates
Revenue: Crown	10,761	10,824	10,761	100.0%
Total Revenue	10,761	10,824	10,761	100.0%
Total Expenses	10,754	10,824	10,761	99.9%
Net Surplus/(Deficit)	7	-	-	-

This appropriation was decreased by \$63,000 in the Supplementary Estimates. The change represented:

- a fiscally neutral transfer of (\$250,000) to Support Services – Industrial Relations Institutions output class to fund effective support services
- funding of \$187,000 for implementation and ongoing management of Paid Parental Leave.

VOTE: LABOUR

Output Class D5: Promoting Excellence in Self Managing Occupational Health and Safety Hazards in the Workplace

Description

Through this output class the Minister of Labour purchases services designed to reduce workplace illnesses and injuries and in particular to promote compliance with the Health and Safety in Employment Act 1992. The goal of these services is to achieve a 30% improvement in workplace health and safety by 2005/2006. These services are provided through information delivery, compliance assessment visits, investigations and enforcement activities.

Targeting of activities is used to have the maximum impact on workplaces with the highest rates of workplace illnesses and injuries through national strategies.

Injury prevention and health promotion activities include:

- marketing excellence in workplace health and safety practice
- facilitating industry initiatives to improve workplace health and safety
- developing information products for small businesses
- presenting seminars, workshops, lectures and displays on the obligations of workplace health and safety legislation
- responding to requests for information (including carrying out workplace visits to deliver information to promote compliance).

Compliance assessment visits are undertaken proactively by approaching the workplace to assess whether it meets the requirements of the Health and Safety in Employment Act 1992. If the compliance assessment visit shows that a site does not comply with the legislation, appropriate action is taken to ensure that it is brought up to the standard required.

Investigations, under the HSE Act 1992, cover the investigation of notified events such as accidents, incidents, complaints and notifiable occupational diseases. The objective of an investigation is to:

- identify causes of accidents and incidents
- identify possible non-compliance with the HSE Act 2001 and hold persons accountable for the non-compliance
- effect remedial action in terms of the site and the industry at large.

Enforcement activities are taken against those who breach the legislation. These include:

- improvement notices
- prohibition notices
- Prosecutions.

Performance Information

Promoting Excellence in Self Managing Occupational Health and Safety Hazards in the Workplace

Performance Standard	Performance to 30 June 2002
Activity Monitors	
<p><i>The following expected levels of activity will contribute to the achievement of the 5 year mission:</i></p> <p>The Department expects to complete between 9,000 and 11,000 workplace visits to deliver information about the HSE Act.</p> <p>The Department expects to develop, or assist industry groups to develop, between 10 and 15 HSE best practice standards.</p> <p>The Department expects to complete between 8,500 and 10,500 compliance assessment visits under the HSE Act.</p> <p>Of these visits between 6,800 and 8,500 will be completed in the target groups.</p> <p>The Department expects to complete between 7,000 and 10,000 investigations in response to notifications received.</p>	<p>10,437 workplaces were visited where the first visit is for delivery of information/ education. This was 70% more than in 2000/01 when 6,152 visits were undertaken.</p> <p>In addition, 613 presentations were conducted (group sessions for education and advice).</p> <p>15 best practice standards were published, with another 22 under development.</p> <p>10,123 workplaces were visited where the first visit was to assess and improve compliance with the HSE Act 1992, compared to 12,154 visits in 2000/01.</p> <p>9,931 compliance assessment visits were to target groups, representing 98% of total visits.</p> <p>10,971 investigations were completed, an increase of 22% over the 8,984 investigations completed in the previous year.</p>
<p>It is expected that there will be between 15,000 and 20,000 improvement notices or prohibition notices under the HSE Act.</p> <p>It is expected that there will be between 120 and 150 HSE prosecution cases initiated each year.</p>	<p>17,302 formal improvement notices and prohibition notices were issued under the HSE Act 1992, compared to 18,847 notices in 2000/01.</p> <p>79% of the notices were issued consequent to a compliance assessment.</p> <p>145 prosecutions were initiated during 2001/02, compared to 118 in 2000/01.</p>
Performance measures	
<p>75% of workplaces in the target groups will be aware of the HSE legislative requirements.</p> <p>90% of HSE best practice standards that the Department has developed or assisted industry groups to develop, will be within high-risk target groups.</p>	<p>Workplaces are targeted based on information that indicates that they may not be in compliance with the HSE Act 1992. This target group consisted of around 18,500 workplaces (there are 277,000 enterprises in NZ). At the time of first visit, over 51% of workplaces were both aware of the HSE requirements and could demonstrate this awareness. This figure increased to 94% following an occupational safety and health intervention.</p> <p>All standards published or under development during the year were targeted at high-risk groups.</p>

Performance Standard	Performance to 30 June 2002
Feedback from client groups will be gathered about the availability, usefulness, completeness and timeliness of information delivery and used to inform future product development.	<p>A qualitative survey of employers and employees was completed in June 2002 covering customer perceptions of information produced on occupational health and safety.</p> <p>Feedback from this survey is being used for the development of the new suite of information material to support the HSE Amendment Bill.</p>
<p>80% of workplaces, which receive improvement notices as a result of a compliance assessment visit, will have all those improvement notices closed within 14 days of the date specified in the notice.</p> <p>50% of workplaces that have received a compliance assessment visit will comply with the HSE legislation after a subsequent compliance assessment conducted 3 or more months later. (This measure does not include visits to check on the issues raised in an improvement notice).</p> <p>80% of workplaces, which receive improvement notices as a result of an investigation, will have all those closed within 14 days of the date specified in the notice.</p> <p>80% of HSE notified events (i.e. serious harm notifications and complaints) within the Department's core business will be investigated within 48 hours.</p> <p>80% of HSE improvement notices will be closed within 14 days of the date specified in the notice.</p> <p>100% of HSE improvement notices will be closed or further action documented by OSH within 60 days of the date specified in the notice.</p> <p>At least 75% of prosecutions will result in a conviction.</p> <p>Progress towards the achievement of the overall goal of a 30% improvement in workplace health and safety by 2005/2006 will be reported to the Minister annually.</p>	<p>86% of improvement notices were closed within 14 days of the date specified in the notice.</p> <p>94% of workplaces that received a compliance assessment visit were subsequently assessed as complying with the legislation.</p> <p>The data definition for this measure was refined to improve its reliability. It is now based on notices issued and closed (both written and verbal) and draws on data recorded by inspectors as part of their normal documentation of a compliance assessment case, thereby avoiding the need for a separate, extra visit.</p> <p>90% of investigation improvements were closed within 14 days of the date specified in the notice.</p> <p>95% of notified events were investigated within 48 hours, compared to 90% in the previous year.</p> <p>87% of improvement notices were closed within 14 days. 88% was achieved in 2000/01.</p> <p>96% of improvement notices were closed within 60 days.</p> <p>92% of the 143 cases determined during the year resulted in a conviction.</p> <p>An interim annual report on progress towards achievement of this overall goal was being prepared at 30 June 2002 and is expected to be completed in October 2002 with a full report completed in early 2003.</p>

Financial Performance

Vote Labour: Promoting Excellence in Self Managing Occupational Health and Safety Hazards in the Workplace

Figures are GST exclusive

Year ended 30 June 2002	Actual \$000	Main Estimates \$000	Supp. Estimates \$000	Actual as a % of Supp. Estimates
Revenue:				
Crown	22,035	22,035	22,035	100.0%
Other	193	300	300	64.3%
Total Revenue	22,228	22,335	22,335	99.5%
Total Expenses	22,315	22,335	22,335	99.9%
Net Surplus/(Deficit)	(87)	-	-	-

There was no change in appropriation during the year.

VOTE: LABOUR

Output Class D6: Regulatory Functions Outside the Health and Safety in Employment Act 1992

Description

Through this output class the Minister of Labour purchases services which are designed to promote compliance with safety legislation where the public is affected by work activities, amusement devices, hazardous substances, equipment, and explosives or dangerous goods.

It covers the provision of advice to the Environmental Risk Management Authority on the operation of the transitional provisions of the Hazardous Substances and New Organisms (HSNO) Act 1996. It also provides enforcement services for the HSNO Act. These activities replace the administration of the Explosives Act 1957 and the Dangerous Goods Act 1974, both repealed by the HSNO Act 1996.

The output class also covers the administration of the Machinery Act 1950 and the Amusement Devices Regulations made under that Act.

This output class promotes compliance through:

- information delivery and marketing
- compliance assessment visits
- investigations of notified events
- enforcement activities including improvement notices, stop notices, infringement notices and prosecutions.

Performance Information

Note: The HSNO Act 1996 came into force on 2 July 2001. The forecast activity levels below therefore represented estimates and baseline information to be gathered to form the basis for monitoring in outyears.

Regulatory Functions Outside the Health and Safety in Employment Act 1992

Performance Standard	Performance to 30 June 2002
Activity Monitors	
<p>In association with health and safety workplace compliance assessment visits, assessments will also be made on compliance with the relevant sections of the HSNO legislation when they come into force.</p> <p>A compliance assessment visit which is recorded as an HSE compliance assessment visit will also be regarded as a compliance assessment visit under the HSNO legislation.</p>	<p>It is estimated that approximately 80% (8,098) of the 10,123 HSE compliance assessment visits undertaken during the year also covered compliance with the relevant sections of the HSNO legislation.</p>

Performance Standard	Performance to 30 June 2002
The Department expects to complete between 9,000 and 11,000 compliance assessment visits to workplaces.	<p>It is estimated that a total of approximately 10,126 compliance assessment visits to workplaces were undertaken. This total covers the estimated 8,098 combined HSE/HSNO visits, together with 2,030 HSNO compliance assessment visits.</p> <p>In addition, 433 fireworks display permits were issued, a proportion of which involved compliance assessment visits, which were not separately counted.</p>
<p>Of these visits between 400 and 500 will be in relation to assessing compliance with the Machinery Act 1950.</p> <p>The Department expects to complete up to 500 investigations in response to notifications received.</p>	<p>372 compliance visits were made to assess compliance with the Amusement Device Regulations made under the Machinery Act 1950, compared to 311 in 2000/01.</p> <p>The number of visits was reduced from that forecast by the need to divert resources to prepare for implementation of the HSE Amendment Bill.</p> <p>99 investigations were completed in response to notifications received.</p> <p>This was a new activity monitor for 2001/02 and therefore the targets were set on an estimated basis. Some HSNO issues were investigated under the HSE Act 1992.</p>
Performance measures	
<p>It is expected that there will be between 20 and 100 non-HSE improvement notices, stop notices or infringement notices issued.</p> <p>It is expected that there will be up to 15 non-HSE prosecutions determined each year.</p> <p>80% of workplaces, which receive improvement notices as a result of a compliance assessment visit, will have all those improvement notices closed within 14 days of the date specified in the notice.</p> <p>50% of workplaces that have previously received a compliance assessment visit will comply with the relevant legislation after a subsequent compliance assessment conducted 3 or more months later. (This measure does not include visits to check on the issues raised in an improvement notice).</p> <p>Feedback from ERMA will indicate that it is satisfied that HSNO activities carried out by the Department meet those specified in the Memorandum of Understanding.</p>	<p>97 non-HSE enforcement notices were issued.</p> <p>No prosecutions were initiated during 2001/02.</p> <p>93% of non-HSE improvement notices were closed in 14 days.</p> <p>99% of workplaces that received a compliance assessment visit were subsequently assessed as complying with the legislation.</p> <p>The data definition for this measure was refined to improve its reliability. It is now based on notices issued and closed (both written and verbal) and draws on data recorded by inspectors as part of their normal documentation of a compliance assessment case, thereby avoiding the need for a separate, extra visit.</p> <p>An audit carried out in June 2002 by ERMA concluded that HSNO activities carried out by the Department to approve various explosives and dangerous goods applications were in accordance with the HSNO Act 1996, its associated Regulations and current occupational safety and health policy and guidelines.</p>

Performance Standard	Performance to 30 June 2002
80% of notified events (i.e. serious harm notifications and complaints) within the Department's core business will be investigated within 48 hours.	90% of notified events were investigated within 48 hours.
At least 75% of non-HSE prosecutions will result in a conviction.	The first non-HSE prosecution relating to fireworks under the Explosives Act, which was initiated in 2000/01, resulted in a conviction during 2001/02.
At least 75% of amusement device registrations and re-registrations that meet regulatory requirements will be issued within 15 working days following receipt at the processing centre.	100% of amusement device registrations were completed within 15 days.

Financial Performance

Vote Labour: Regulatory Functions Outside the Health and Safety in Employment Act 1992

Figures are GST exclusive

Year ended 30 June 2002	Actual \$000	Main Estimates \$000	Supp. Estimates \$000	Actual as a % of Supp. Estimates
Revenue:				
Crown	1,928	1,928	1,928	100.0%
Other	13	12	12	108.3%
Total Revenue	1,941	1,940	1,940	100.1%
Total Expenses	1,903	1,940	1,940	98.1%
Net Surplus/(Deficit)	38	-	-	-

There was no change in appropriation during the year.

VOTE: IMMIGRATION

Contributed to by the New Zealand Immigration Service and the Labour Market Policy Group.

Summary Financial Performance: Vote Immigration

Year ended 30 June 2002	Actual \$000	Voted⁵ \$000	Variance Fav / (Unfav) \$000
<u>Revenue Crown (GST excl)</u>			
Policy Advice – Immigration	1,195	1,195	-
Visa and Permit Management	4,728	4,728	-
Border and Investigations	5,085	5,085	-
Support Services - Appeal Authorities	7,484	7,484	-
Refugee Services	9,318	9,318	-
Settlement Services	2,626	2,626	-
Settlement Information	184	184	-
Sub total	30,620	30,620	-
<u>Revenue Department (GST excl)</u>			
Border and Investigations	147	155	(8)
Refugee Services	844	1,129	(285)
Sub total	991	1,284	(293)
<u>Revenue Other (GST excl)</u>			
Visa and Permit Management	62,898	61,811	1,087
Border and Investigations	6,074	5,212	862
Support Services - Appeal Authorities	374	427	(53)
Settlement Services	208	175	33
Settlement Information	1,904	2,024	(120)
Sub total	71,458	69,649	1,809
Interest – non NZDMO (GST n/a)	31	-	31
Total (incl Interest)	103,100	101,553	1,547

⁵ Voted figures include adjustments made in the Supplementary Estimates and transfers under section 5 of the Public Finance Act 1989.

Year ended 30 June 2002	Actual \$000	Voted ⁵ \$000	Variance Fav / (Unfav) \$000
<u>Departmental Output Classes (GST excl)</u>			
Policy Advice – Immigration	1,184	1,195	11
Visa and Permit Management	52,598	55,456	2,858
Border and Investigations	10,356	10,431	75
Support Services - Appeal Authorities	7,454	7,911	457
Refugee Services	9,799	10,214	415
Settlement Services	2,473	2,801	328
Settlement Information	2,164	2,208	44
Total	86,028	90,216	4,188
<u>Crown Revenue (GST excl)</u>			
Non-Principal Applicants English Language Fees	46	100	(54)
Migrant Levy (previously named Immigration Levy)	8,435	6,301	2,134
Total	8,481	6,401	2,080
<u>Other Expenses to be Incurred by the Crown (GST incl where applicable)</u>			
English Language Fees Refund	46	100	54
Support for Groups Working with Refugee Claimants	175	200	25
Total	221	300	79

⁵ Voted figures include adjustments made in the Supplementary Estimates and transfers under section 5 of the Public Finance Act 1989.

VOTE: IMMIGRATION

Output Class D1: Policy Advice - Immigration

Description

Through this output class the Minister purchases a comprehensive range of services in relation to policy advice on New Zealand's immigration policies. These services include:

- providing policy advice to achieve the Government's immigration objectives
- undertaking reviews, research and evaluation of immigration policies
- undertaking, where appropriate, an assessment of new policy initiatives in terms of the effect on overall human capacity, labour market opportunities and the ability of migrants to contribute to New Zealand both socially and economically
- providing advisory support and information for Ministers as required in Cabinet committees, select committees and Parliament
- ministerial servicing.

Performance Information

Policy Advice - Immigration

Performance Standard	Performance to 30 June 2002
Policy Advice	
Activity Monitors	
<p>The quantity and nature of advice and other services on immigration policy will be explicitly agreed with the Minister of Immigration.</p> <p>It is expected that the Ministerial Advisory Group will meet at least three times during the year.</p>	<p>The quantity and nature of advice and other services provided were agreed with the Minister of Immigration.</p> <p>Two meetings were held during the year. A third meeting did not take place due to timing difficulties and the announcement of the general election.</p>
Performance measures	
<p>Quality</p> <p>The Minister's views of the quality and timeliness of policy advice will be sought six-monthly through questionnaires or other appropriate means.</p> <p>The Minister expects to receive advice consistent with the quality standards set out in Appendix 1 to this report.</p>	<p>The Minister's views of the quality and timeliness of policy advice were sought six-monthly by way of questionnaires. On both occasions the Minister ranked the quality and timeliness of policy advice provided by the Department at 5 on a scale ranging from 1 (very poor) to 5 (excellent).</p> <p>Advice provided conformed to the quality standards set out in Appendix 1 to this report.</p>

Performance Standard	Performance to 30 June 2002
<p>Ministerial Servicing</p> <p>The Minister's views on ministerial servicing will be sought through six-monthly questionnaires or through other appropriate means.</p> <p>The Minister expects the following services to be timely, accurate, accessible and have the relevant issues highlighted:</p> <ul style="list-style-type: none"> Draft replies to Ministerial correspondence will be provided within 15 working days unless specific approval for late replies is given. An estimated 500 draft replies will be provided. Replies to parliamentary questions will be provided within the deadlines as specified in Standing Orders. An estimated 30 draft replies will be provided. Draft replies to requests for official information will be provided within 15 working days unless specific approval for an extension is given Advisory support in select committees, Cabinet committees and Parliament will be provided as required and within agreed timeframes. Speech notes, briefing notes and other information will be provided within agreed timeframes. 	<p>The Minister's views on ministerial servicing were sought six-monthly by way of a questionnaire.</p> <p>The Minister ranked the service provided by the Department at 4 (good) on a scale from 1 (very poor) to 5 (excellent) for the July – December 2001 period, but increased this to 5 (excellent) for the January – June 2002 period.</p> <p>A total of 486 draft replies were provided during the year, all within the specified timeframe.</p> <p>566 replies were provided within the specified timeframe in 2000/01 and 422 replies in 1999/00.</p> <p>331 draft replies to Parliamentary Questions were provided, all within the set deadlines.</p> <p>393 replies were provided in 2000/01 and 589 replies in 1999/00.</p> <p>38 draft replies to requests for official information were provided during the year. All but one were completed within the required timeframe. Procedures have been improved to ensure that there is no slippage in the future.</p> <p>Advisory support was provided as required and within agreed time frames.</p> <p>Speech notes, briefing notes and other information to the Minister were provided within agreed timeframes.</p>

Financial Performance

Vote Immigration: Policy Advice - Immigration

Figures are GST exclusive

Year ended 30 June 2002	Actual \$000	Main Estimates \$000	Supp. Estimates \$000	Actual as a % of Supp. Estimates
Revenue: Crown	1,195	1,196	1,195	100.0%
Total Revenue	1,195	1,196	1,195	100.0%
Total Expenses	1,184	1,196	1,195	99.1%
Net Surplus/(Deficit)	11	-	-	-

This appropriation was decreased by \$1,000 in the Supplementary Estimates. The change represented a fiscally neutral adjustment to correct overhead allocations to the Settlement Services and Settlement Information output classes.

VOTE: IMMIGRATION

Output Class D2: Visa and Permit Management

Description

Through this output class the Minister purchases services to manage the flow of migrants, returning residents and people seeking temporary entry.

This output class covers:

- decision-making on applications for residence, returning resident's visas and temporary entry
- servicing general inquiries (telephone, mail and counter).

Performance Information

Visa and Permit Management

Performance Standard	Performance to 30 June 2002						
<p>Activity monitors</p> <p>The number of people approved for residence in New Zealand will be approximately 53,000 (within approved levels for each stream) and at least 60% of these will be skills stream categories.⁶</p> <p>Approximately 270,000⁷ decisions will be made on temporary entry applications in accordance with Government policies. Quarterly reports will provide a breakdown of persons granted temporary entry by category. (Note: Temporary entry applications are demand driven.)</p>	<p>52,856 people were approved for residence during the year, compared to 45,011 in 2000/01 and 36,529 in 1999/00.</p> <p>68% of these were skills stream categories.</p> <p>325,796 decisions were made on temporary entry applications in accordance with Government policies.</p> <p>The major cause of the variation from forecast was the growth in the student market (especially for student permit extensions in New Zealand). This total represents an increase of 73,741 (29%) decisions over the 2000/01 total of 252,055 decisions.</p> <p>Quarterly reports giving a breakdown by category were provided to the Minister. For the full year, this breakdown was:</p> <table> <tr> <td>Visitor</td><td>152,115</td></tr> <tr> <td>Student</td><td>98,901</td></tr> <tr> <td>Work</td><td>74,780</td></tr> </table>	Visitor	152,115	Student	98,901	Work	74,780
Visitor	152,115						
Student	98,901						
Work	74,780						
<p>Approximately 22,000⁸ decisions will be made on returning residents' applications in accordance with Government policy. (Note: Returning residents' applications are demand driven.)</p>	<p>A total of 20,182 decisions on returning residents' applications were made during the year in accordance with Government policy.</p> <p>Demand for returning residents' applications was lower than anticipated and 4,013 (17%) fewer decisions were made than in the previous year.</p>						

⁶ This measure was included in the Vote Immigration Output Agreement for 2001/02 with the Minister of Immigration and replaced the original measure included in the Department's 2001/02 Statement of Intent of "The number of people approved for residence in New Zealand will be within 10% of the Government's global immigration target".

⁷ The forecast was increased from 220,000 to 270,000 in the 2001/02 Vote Immigration Output Agreement.

⁸ The forecast was reduced from 27,000 to 22,000 in the 2001/02 Vote Immigration Output Agreement

Performance Standard	Performance to 30 June 2002
Performance measures	
<p><i>Quality</i></p> <p>A sample audit of residence decisions will confirm that 95% of residence applications were decided in accordance with critical elements of Government policy.</p> <p>A sample audit of temporary decisions will confirm that 95% of temporary applications were decided in accordance with critical elements of Government policy.</p>	<p>91% of the sample audit of residence decisions met all critical elements of Government policy, an improvement on the 86% achieved in 2000/01.</p> <p>A small risk-based sample was selected as part of NZIS' internal audit programme. NZIS will develop an enhanced quality assurance methodology that will provide a greater level of assurance for all residence decisions made. Work is underway to improve the documentation and verification of decision-making. This includes a training programme on technical decision making skills planned for the first quarter of 2002/03.</p> <p>Sample audits of temporary decisions confirmed that 95% of temporary applications were decided in accordance with critical elements of Government policy.</p>
<p><i>Customer satisfaction</i></p> <p>An independent survey of customers will confirm that the Department has maintained its overall level of customer service in terms of customer satisfaction, in the upper quartile.</p> <p>At least 95% of applications meeting the criteria for General Skills, Work and Business category application customer service standards, will be decided within the applicable timeframe.</p>	<p>Results from an independent survey of customers confirmed that the Department maintained its level of customer service, including efficiency of processes, within the upper quartile. A score of 7.4 was achieved on a scale from 1 to 9 (9 being the best).</p> <p>This measure has been deleted with the approval of the Minister through an amendment to the Output Agreement between the Minister of Immigration and the Department.</p>
<p><i>Timeliness</i></p> <p>The number of residence cases over 12 months old will be reduced from representing 10% to 5% of the entire number of applications on hand.</p> <p>85% of social and family category applications will be decided within nine months from the date of acceptance.</p> <p>90% of high-risk⁹ temporary entry visa applications will be decided within the following timeframes:</p> <ul style="list-style-type: none"> high-risk student applications – 60 calendar days high-risk work and visitor applications – 30 calendar days. 	<p>This measure has been deleted with the approval of the Minister through an amendment to the Output Agreement.</p> <p>78% of social and family category applications were decided within nine months.</p> <p>The large number of residence applications received impacted on achievement of this timeframe.</p> <p>92% of high-risk student applications were decided within 60 calendar days.</p> <p>95% of high-risk work applications and 97% of high-risk visitor applications were decided within 30 calendar days.</p>

⁹ "High risk" status applies to nationalities for whom visas are required and the timeframes reflect extra time for checking particular details of an application.

Performance Standard	Performance to 30 June 2002
90% of moderate-risk temporary entry visa applications will be decided within 15 calendar days.	98% of moderate risk temporary entry visa applications were decided within 15 calendar days. This compares favourably to 2000/01 and 1999/00 respectively when 97% and 96% of applications were decided within 30 calendar days.
85% of temporary permit applications will be decided in 15 calendar days and 99% in 45 calendar days.	88% of temporary permit applications were decided within 15 calendar days and 98% within 45 calendar days.

Financial Performance

Vote Immigration: Visa and Permit Management

Figures are GST exclusive

Year ended 30 June 2002	Actual \$000	Main Estimates \$000	Supp. Estimates \$000	Actual as a % of Supp. Estimates
Revenue:				
Crown	4,728	3,296	4,728	100.0%
Other	62,898	43,901	61,811	101.8%
Interest non-DMO	31	-	-	-
Total Revenue	67,657	47,197	66,539	101.7%
Total Expenses	52,598	43,027	55,456	94.8%
Net Surplus/(Deficit)	15,059	4,170	11,083	-

This appropriation was increased by \$12.429 million in the Supplementary Estimates. The change was due to:

- a fiscally neutral transfer of (\$47,000) to Settlement Services and Settlement Information output classes to correct overhead allocation
- funding for implementation of new residence immigration programme and changes to family sponsored immigration policy \$1.634 million
- a revision of forecast application volumes \$8.862 million
- review of temporary work policy (including establishment of a talent visa policy) \$541,000
- establishment of a Pacific Access Category \$150,000
- amendments to Immigration Regulations introducing new fees for family quota policy \$1.2 million
- Zimbabwe Temporary Entry Provisions \$89,000.

VOTE: IMMIGRATION

Output Class D3: Border and Investigations

Description

Through this output class the Minister purchases services to enforce the provisions of the Immigration Act 1987 and promote compliance with legislation.

This output class includes:

- investigations of alleged breaches of immigration laws
- removals and deportations as required
- border management to ensure legal entry of persons into New Zealand
- an interdiction programme at high-risk airports.

Performance Information

Border and Investigations

Performance Standard	Performance to 30 June 2002
<p>Activity monitors</p> <p>Approximately 1,600 investigations and removals, granting of section 35A permits and voluntary departures of overstayers and non-genuine refugee claimants will take place during the year. Quarterly reports will provide a breakdown of these activities.</p> <p>The number of prosecutions of people involved in immigration fraud and trafficking will be monitored.</p> <p>Approximately 300 employer site visits will take place to provide information on the Immigration Act to encourage compliance.</p>	<p>A total of 1,594 investigations and removals, section 35A permits and voluntary departures took place during the year, compared to 1,555 in 2000/01.</p> <p>Quarterly reports giving a breakdown by category were provided to the Minister.</p> <p>Eight prosecutions of people involved in immigration fraud and trafficking were completed during 2001/02.</p> <p>Visits were undertaken to 285 employer sites.</p>
<p>Performance measures</p> <p>Quality</p> <p>A sample audit of enforcement activities will confirm that 95% were conducted in accordance with critical Government policy.</p> <p>A sample of border movements will be taken to produce overstayer information six monthly.</p> <p>Complete an inter-agency business plan in support of the border strategy and meet all critical success factors outlined in the plan.</p>	<p>A sample audit confirmed that 97% of enforcement activities were conducted in accordance with critical Government policy, compared to 98% in 2000/01.</p> <p>A sample of border movements was taken in November 2001 and May 2002 to provide an estimate of the overstayer population.</p> <p>The interagency (New Zealand Customs, Ministry of Agriculture and Forestry and New Zealand Immigration Service) business plan has been drafted but not finalised. It is anticipated that this will be completed in August 2002 following Ministers' agreement to the draft vision and strategy for the border.</p>

Performance Standard	Performance to 30 June 2002
Timeliness Investigative action will be taken on all non-genuine refugee cases within one month of the expiry of the 42 days to appeal.	All new cases received during the year were investigated within one month.
Customer satisfaction The views from appropriate agencies and customers will be obtained to establish the level of customer satisfaction with the services provided by the Department.	Airlines, the only agencies that were surveyed this year, gave an average rating of 7, on a scale of 1 to 9 (9 being the best), for services provided by the Department. This was the same rating as in 2000/01. Persons being removed from New Zealand gave an average rating of 3, on a scale of 1 to 5 (5 being the best) for services provided by the Department compared to a rating of 4 in 2000/01.

Financial Performance

Vote Immigration: Border and Investigations

Figures are GST exclusive

Year ended 30 June 2002	Actual \$000	Main Estimates \$000	Supp. Estimates \$000	Actual as a % of Supp. Estimates
Revenue:				
Crown	5,085	5,788	5,085	100.0%
Department	147	–	155	94.8%
Other	6,074	4,477	5,212	116.5%
Total Revenue	11,306	10,265	10,452	108.2%
Total Expenses	10,356	10,244	10,431	99.3%
Net Surplus/(Deficit)	950	21	21	-

This appropriation was increased by \$187,000 in the Supplementary Estimates. The change was due to:

- a fiscally neutral adjustment to correct overhead allocations to Settlement Services and Settlement Information output classes (\$10,000)
- Tampa Refugees Project \$57,000
- a revision of forecast application volumes \$735,000
- reimbursement from Ministry of Foreign Affairs and Trade for Tongan Project – to assist Tonga in developing and implementing an integrated border and control, immigration and passports system \$155,000
- a fiscally neutral adjustment transferring (\$750,000) to Refugee Services for increased staff and accommodation costs.

VOTE: IMMIGRATION

Output Class D4: Support Services - Appeal Authorities

Description

Through this output class the Minister purchases support services to:

- the Refugee Status Appeal Authority (RSAA)
- the Residence Appeal Authority (RAA)
- the Removal Review Authority (RRA)
- the Minister of Immigration, in terms of representations relating to decisions of the Department not to grant visas or permits and those that, in terms of the Immigration Act 1987, are outside the delegated authority of the Department.

This output class also includes funding for the decision-making of Authority members and the researching, typing, despatching and abstracting of decisions, and the provision of support services to protect the interests of the Crown in Court proceedings under the Immigration 1987.

Performance Information

Support Services - Appeal Authorities

Performance Standard	Performance to 30 June 2002
<i>Activity monitors</i>	
<p>Sufficient appeals will be referred as agreed with the Authorities and the Minister. It is estimated that the following number of referrals will be made:</p> <ul style="list-style-type: none"> - Refugee Status Appeal Authority: 900 – 1,000 - Residence Appeal Authority: 450 – 550 - Removal Review Authority: 500 - 600 <p>An estimated 2,000 draft responses to Ministerial representations will be provided by the Department, on demand.</p>	<p>The following number of appeals were referred to the Appeal Authorities:</p> <ul style="list-style-type: none"> - Refugee Status Appeal Authority: 826 (814 in 2000/01 and 823 in 1999/00). - Residence Appeal Authority: 322 (308 in 2000/01 and 460 in 1999/00). - Removal Review Authority: 322 (1,370 in 2000/01 and 602 in 1999/00). <p>Appeals are significantly lower following changes to the Immigration Act 1987 provisions on removals.</p> <p>2,710 draft responses to Ministerial representations were provided, compared to 3,612 in 2000/01 and 2,024 in 1999/01.</p>

Performance Standard	Performance to 30 June 2002
Approximately 80 proceedings will be finalised during the year.	43 proceedings were finalised, compared to 76 in 2000/01 and 74 in 1999/00. The major reason for the lower number of court proceedings was due to the provisions of the Immigration Amendment Act 1999 which tightened the removal regime. The amendments ended the need for removal orders to be issued in advance of the person being able to appeal to the Removal Review Authority, and therefore demand for court action to stop removal proceedings has reduced. The onus is now placed on people unlawfully in New Zealand to depart voluntarily or initiate an appeal to the Removal Review Authority within 42 days after the day on which they became unlawfully in NZ.
Performance measures	
<p><i>Customer satisfaction</i></p> <p>An overall rating of at least (4) on a scale of (1) to (5), (5) being the highest, will be obtained for support services provided through six-monthly surveys of the:</p> <ul style="list-style-type: none"> - Minister - Authority Members - Crown Law Office. <p>The surveys will confirm performance reaches an overall rating of at least (4) on a scale of (1) to (5), (5) being the highest rating.</p> <p><i>Quality</i></p> <p>A quality assurance programme will confirm that at least 95% of a sample of referrals to the Authorities will meet Departmental procedures and standards.</p> <p>A quality assurance programme will confirm that at least 95% of a sample of referrals to the Minister will meet Departmental procedures and standards.</p>	<p>Ratings of 4 and 5 were received from the Minister in surveys carried out in December 2001 and June 2002.</p> <p>Six monthly ratings were 4.6 and 3.6 in 2000/01 and 4 and 4 in 1999/00.</p> <p>Ratings of 4.7 and 4.5 were received from RSAA members. Ratings of 4.8 and 4.7 were received from RAA and RRA members. Six monthly ratings were 4.6 and 4.6 in 2000/01, and 4 and 4.5 in 1999/00.</p> <p>Ratings of 4.3 and 4.5 were received from the Crown Law Office.</p> <p>Six monthly ratings were 4.4 and 4.8 in 2000/01.</p> <p>The surveys confirmed an overall rating of at least 4 for the Department's performance.</p> <p>A quality assurance programme confirmed that 99% of a sample of referrals to the Authorities met Departmental procedures and standards. The same result was achieved in 2000/01 and 98% in 1999/00.</p> <p>A quality assurance programme confirmed that 97% of a sample of referrals to the Minister met Departmental procedures and standards. The same result was achieved in 2000/01 and 99% was achieved in 1999/00.</p>
<p><i>Timeliness</i></p> <p>All responses to Ministerial representations will be provided within three months of receipt.</p>	<p>All responses to Ministerial representations were provided within three months of receipt.</p>

Financial Performance

Vote Immigration: Support Services - Appeal Authorities

Figures are GST exclusive

Year ended 30 June 2002	Actual \$000	Main Estimates \$000	Supp. Estimates \$000	Actual as a % of Supp. Estimates
Revenue:				
Crown	7,484	7,668	7,484	100.0%
Other	374	427	427	87.6%
Total Revenue	7,858	8,095	7,911	99.3%
Total Expenses	7,454	8,095	7,911	94.2%
Net Surplus/(Deficit)	404	-	-	-

This appropriation was decreased by \$184,000 in the Supplementary Estimates. The change was due to:

- a fiscally neutral adjustment to correct overhead allocations to Settlement Services and Settlement Information output classes (\$7,000)
- Tampa Refugee Project \$23,000
- a fiscally neutral transfer of (\$200,000) to Refugee Services output class to cover increased costs relating to the final United Nations High Commissioner for Refugees (UNHCR) quota intake for 2001/02 only.

VOTE: IMMIGRATION

Output Class D5: Refugee Services

Description

Through this output class the Minister purchases the determination of claims for refugee status. The output class also provides for selection, travel and initial resettlement services to quota refugees who have been formally mandated by the United Nations High Commissioner for Refugees (UNHCR) in accordance with the United Nations 1951 Convention and 1967 Protocol.

Performance Information

Refugee Services

Performance Standard	Performance to 30 June 2002
<i>Activity monitors</i>	
Approximately 2,900 claims for refugee status will be determined.	2,694 claims for refugee status were determined. This was 352 more than in 2000/01 and 732 more than in 1999/00.
	1,394 new claims were received during the year.
Selection, travel to New Zealand and initial resettlement services will be provided to refugees within 10% of the 750 quota range.	Selection, travel to New Zealand and initial resettlement services were provided to 750 refugees under the Government's programme.
	Services were provided to 746 refugees in 2000/01 and to 716 refugees in 1999/00.
<i>Performance measures</i>	
<i>Customer satisfaction</i>	
The views obtained from appropriate agencies will confirm the level of services provided by the Department are in the upper quartile.	An average rating of 3.4 was achieved on a scale of 1 to 5 (5 being the best) from agencies and Non- Government Organisations involved with the refugee programme. The main area of concern was in the timeliness of responses to enquiries. This was just below the upper quartile. An average rating of 3.5 was achieved in 2000/01.
The services provided by the Department will be evaluated with a sample group of refugees to determine their satisfaction and gain feedback in order to improve the services.	The services provided by the Department were evaluated with a sample group of refugees with an average of 3.7 achieved on a scale of 1 to 5 (5 being the best).
	Efforts are being made to improve the services based on feedback from refugees.
<i>Quality</i>	
A sample audit of refugee status determinations will confirm that 99% of determinations meet the standards set out in the UNHCR Handbook on Procedures and Criteria for Determining Refugee Status, and NZ Government policy and procedures.	A sample audit confirmed that 100% of refugee status determinations met the standards set out in the UNHCR Handbook on Procedures and Criteria for Determining Refugee Status, and NZ Government policy and procedures. The same result was achieved in 2000/01.

Performance Standard	Performance to 30 June 2002
<p><i>Timeliness</i></p> <p>By 30 June 2002, the average age of refugee status cases awaiting determination will be less than three months.</p>	<p>At 30 June 2002, the average age of refugee status cases awaiting determination was 10 months.</p> <p>The average age of undecided cases is still high due to priority being given to new detainee cases.</p>

Financial Performance

Vote Immigration: Refugee Services

Figures are GST exclusive

Year ended 30 June 2002	Actual \$000	Main Estimates \$000	Supp. Estimates \$000	Actual as a % of Supp. Estimates
Revenue:				
Crown	9,318	6,980	9,318	100.0%
Department	844	-	1,129	74.8%
Other	-	846	-	-
Total Revenue	10,162	7,826	10,447	97.3%
Total Expenses	9,799	7,826	10,214	95.9%
Net Surplus/(Deficit)	363	-	233	-

This appropriation was increased by \$2.388 million in the Supplementary Estimates. The change was due to:

- a fiscally neutral adjustment to correct overhead allocations to Settlement Services and Settlement Information output classes (\$8,000)
- Tampa Refugees Project \$1.396 million
- Forecast change to the level of accommodation monies paid from Vote: Work and Income in respect of quota refugees housed at the Mangere Refugee Reception Centre (MRRC) of \$50,000
- a fiscally neutral transfer from Border and Investigations output class to cover an increase in costs of staffing and accommodation \$750,000
- a fiscally neutral transfer of funds from Appeal Authorities output class of \$200,000 to cover possible increased costs relating to the final UNHCR quota intake for 2001/02 only.

VOTE: IMMIGRATION

Output Class D6: Settlement Services

Description

Through this output class the Minister purchases the provision of research (through the Immigration Resettlement and Research Fund) designed to improve the settlement of migrants. This includes a programme of research and evaluation on migrant settlement outcomes, and English for speakers of other languages (ESOL) in the compulsory school sector. This output class also includes administration of the Migrant Levy.

Performance Information

Settlement Services

Performance Standard	Performance to 30 June 2002
<i>Activity Monitor</i> Projects on settlement issues will be undertaken in accordance with a research programme. (A six monthly report on progress will be completed by the end of December and June.)	Projects on settlement issues were undertaken in accordance with the research programme. A report on the July to December 2001 period was provided to the Minister. Submission of the January – June 2002 report has been delayed until after the general election.
<i>Performance Measures</i> <i>Quality</i> A sample audit will confirm that all migrant levies are collected in accordance with Government policy and Departmental procedures.	A sample audit confirmed that all migrant levies were collected and disbursed in accordance with Government policy and Departmental procedures. A small risk-based sample was selected as part of NZIS' internal audit programme. NZIS will develop an enhanced quality assurance methodology that will provide a greater level of assurance for all residence decisions made.
<i>Timeliness</i> The pilot of the Longitudinal survey (LisNZ) will be conducted by 30 June 2002.	Wave One of the pilot study was completed in August 2001 and preparations for Wave Two were complete by 30 June 2002.

Financial Performance

Vote Immigration: Settlement Services

Figures are GST exclusive

Year ended 30 June 2002	Actual \$000	Main Estimates \$000	Supp. Estimates \$000	Actual as a % of Supp. Estimates
Revenue:				
Crown	2,626	2,271	2,626	100.0%
Other	208	55	175	118.9%
Total Revenue	2,834	2,326	2,801	101.2%
Total Expenses	2,473	2,326	2,801	88.3%
Net Surplus/(Deficit)	361	-	-	-

This appropriation was increased by \$475,000 in the Supplementary Estimates. The change was due to:

- a fiscally neutral adjustment of \$30,000 to correct the overhead allocation to this output class
- a technical adjustment to correct the Migrant Levy of \$325,000
- a revision of forecast application volumes \$120,000.

VOTE: IMMIGRATION

Output Class D7: Settlement Information

Description

Through this output class the Minister purchases the production of information to potential migrants. This includes information for approved migrants to assist their successful settlement in New Zealand. It also provides the dissemination of information to prospective and approved business migrants including the co-ordination of information on business opportunities, New Zealand's business environment and key contacts through the operations of the Business Migrant Liaison Unit (BMLU).

Performance Information

Settlement Information

Performance Standard	Performance to 30 June 2002
<p>Activity monitors</p> <p>Approximately 12 publications will be produced by 30 June 2002.</p>	<p>11 settlement information publications were produced, compared to 12 in each of the previous two years.</p>
<p>Performance measures</p>	
<p><i>Customer satisfaction</i></p> <p>Migrant satisfaction with settlement information publications and BMLU services will be qualitatively assessed.</p>	<p>Overall the majority of migrants surveyed were "very satisfied" with the settlement information and Business Migrant Liaison Unit (BMLU) services received. The level of satisfaction increased once participants looked at all the publications available.</p>
<p><i>Timeliness</i></p> <p>All substantive BMLU inquiries via website or telephone will be replied to within three working days.</p>	<p>All website or telephone inquiries received an interim response (acknowledgement of information requirements where the inquiry is substantive) or a completed response within the timeframe.</p>
<p>95% of approved business applicants will be contacted by BMLU about settlement information needs within one week of approval.</p>	<p>An average of 83% of approved business applicants were contacted by BMLU about settlement information needs within one week of approval. Some systems difficulties were experienced with the introduction of this standard, however by year-end the 95% standard was being achieved.</p>

Financial Performance

Vote Immigration: Settlement Information

Figures are GST exclusive

Year ended 30 June 2002	Actual \$000	Main Estimates \$000	Supp. Estimates \$000	Actual as a % of Supp. Estimates
Revenue:				
Crown	184	141	184	100.0%
Other	1,904	1,528	2,024	94.1%
Total Revenue	2,088	1,669	2,208	94.6%
Total Expenses	2,164	1,669	2,208	98.0%
Net Surplus/(Deficit)	(76)	-	-	-

This appropriation was increased by \$539,000 in the Supplementary Estimates. The change was due to:

- a fiscally neutral adjustment to correct the overhead allocation to this output class of \$43,000
- a revision of forecast application volumes \$496,000.

VOTE: ACCIDENT INSURANCE

Contributed to by the Labour Market Policy Group, Workplace Health and Safety Group and the Office of the Chief Executive.

Summary Financial Performance: Vote Accident Insurance

Year ended 30 June 2002	Actual \$000	Voted ¹⁰ \$000	Variance Fav / (Unfav) \$000
<u>Revenue Crown (GST excl)</u>			
Policy and Monitoring	3,056	3,056	-
Regulatory Services	865	865	-
ACC Transition	130	130	-
Sub total	4,051	4,051	-
<u>Revenue Other (GST excl)</u>			
Non-Compliers Fund	(422)	135	(557)
Sub total	(422)	135	(557)
Total Revenue	3,629	4,186	(557)
<u>Departmental Output Classes (GST excl)</u>			
Policy and Monitoring	2,954	3,056	102
Regulatory Services	863	865	2
ACC Transition	114	130	16
Non-Compliers Fund	(455)	135	590
Total	3,476	4,186	710
<u>Non-Departmental Revenue (GST excl)</u>	-	-	-
<u>Output Classes Supplied by Other Parties (GST incl. where applicable)</u>			
Case Management and Supporting Services	32,005	32,005	-
Claim Entitlements and Services	395,950	395,950	-
Public Health Acute Services	168,923	168,923	-
Sub total	596,878	596,878	-
<u>Benefits and Other Unrequited Expenses (GST n/a)</u>			
Other Compensation	58,863	58,863	-

¹⁰ Voted figures include adjustments made in the Supplementary Estimates and transfers under section 5 of the Public Finance Act 1989.

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STATEMENT OF OBJECTIVES AND SERVICE PERFORMANCE

Year ended 30 June 2002	Actual \$000	Voted ¹⁰ \$000	Variance Fav / (Unfav) \$000
<u>Other Expenses to be Incurred by the Crown (GST incl)</u>			
Motor Spirits Excise Duty for Public Health Costs	68,799	68,799	-
Total	724,540	724,540	-

¹⁰ Voted figures include adjustments made in the Supplementary Estimates and transfers under section 5 of the Public Finance Act 1989.

VOTE: ACCIDENT INSURANCE

Output Class D1: Policy and Monitoring

Description

Through this output class the Minister purchases policy advice, purchase advice and monitoring related to protecting, maintaining and restoring people's capacities, injury prevention, and minimising the economic and social costs of injury. This work includes:

- advice on the policy, legislative and regulatory requirements to achieve the Government's injury prevention, rehabilitation and compensation objectives
- analysis, evaluation, research and monitoring on injury trends, the impacts of the accident compensation legislation and other issues related to the health and safety goals
- other evaluation projects related to the performance of the Scheme and determined by Government priorities
- negotiation of an annual Service Agreement and Statement of Intent with ACC, on behalf of the Minister for Accident Insurance
- development of a Purchase Agreement between the Minister for Accident Insurance and the ACC Board for the Non-Earners' Account
- quarterly monitoring reports that highlight key issues and trends for ACC, its subsidiaries and the Accounts against performance criteria specified in the annual Service Agreement
- monthly monitoring reports that provide a short analysis of financial and non-financial performance
- advice on ACC forecasts for inclusion in the Economic and Fiscal updates
- advice on forecast trends and expenditure in the Non-Earners' Account during baseline update processes
- administration and monitoring of Crown payments for the Non-Earners' Account and the Motor Spirits Excise Duty
- monitoring and reporting on labour market trends and statistics
- advisory and legal support and information for Ministers as required in Cabinet Committees, Select Committees and Parliament
- other ministerial servicing including replies to ministerial correspondence, parliamentary questions, official information requests, speech and briefing notes and other information required by the Minister.

Performance Information

Policy Advice and Monitoring

Performance Standard	Performance to 30 June 2002
<p>Policy Advice</p> <p>The quantity and nature of advice and other services will be explicitly agreed with the Minister.</p> <p><i>Quality</i></p> <p>The Minister's views of the quality and timeliness of policy advice will be sought six-monthly through questionnaires or other appropriate means.</p> <p>The Minister expects to receive advice consistent with the quality standards set out in Appendix 1 to this report.</p>	<p>The quantity and nature of advice and other services were agreed with the Minister.</p> <p>The Minister's views were sought by way of six-monthly questionnaires.</p> <p>For the July – December 2001 period, the Minister ranked the quality and timeliness of policy advice provided by the Department at 4.8 on a scale from 1(very poor) to 5 (excellent) but increased this to 5 for the January – June 2002 period.</p> <p>The Minister also rated legislative support at 4 (good) and legal support and monthly/ quarterly reporting) at 5 (excellent) on this scale for both periods.</p> <p>Advice provided conformed to the quality standards set out in Appendix 1 to this report.</p>
<p>Purchase Advice and Monitoring</p> <p>Development of an annual expectation letter to the Chair of ACC, on behalf of the Minister at the commencement of the 2002/03 accountability processes by 31 January 2002.</p> <p>Negotiation of an annual Service Agreement and Statement of Intent including performance measures for 2002/03 with ACC on behalf of the Minister by 30 June 2002.</p> <p>Development of a Purchase Agreement including performance measures for services to be provided for the Non-Earners' Account claims for 2002/03 by 30 June 2002.</p> <p>Provision of advice to the Minister as required (including briefing notes and participation in interdepartmental working groups) on accident insurance related issues that may affect the Service Agreement between the Minister and ACC.</p> <p>Provision of a report to the Minister with analysis of ACC's quarterly report within 10 working days of receipt of the report.</p> <p>Provision of a report to the Minister with analysis of ACC's monthly report within 5 working days of receipt of the report.</p>	<p>The annual expectation letter to the Chair of ACC was developed on behalf of the Minister and signed by the Minister on 20 February 2002.</p> <p>Negotiations were conducted with ACC on behalf of the Minister in sufficient time for the Minister to sign the 2002/03 Statement of Intent and the 2002/03 Service Agreement on 30 June 2002.</p> <p>Advice was provided to the Minister in sufficient time to allow the Minister to sign the Non-Earners' Account Purchase Agreement for 2001/02 on 30 June 2002.</p> <p>Advice was provided to the Minister on a number of accident insurance related issues that were considered to have the potential to affect the Service Agreement.</p> <p>Analyses of ACC's quarterly reports were provided to the Minister within 10 working days of receipt of each report from ACC.</p> <p>Reports analysing ACC's monthly reports were provided to the Minister within five working days of receipt of the ACC's report.</p> <p>Some monthly reports were combined to highlight and provide further clarity on performance trends and variances.</p>

Performance Standard	Performance to 30 June 2002
<p>Analysis and advice on ACC forecasts prepared for Economic and Fiscal updates will be provided within specified timeframes.</p> <p>Analysis will include specific review of the tail population.</p> <p>Analysis and advice on ACC forecasts prepared for Vote Accident Insurance baseline updates will be provided within specified timeframes. Analysis will include drivers of costs for seriously injured claims.</p> <p>Review of ACC's investment policies and procedures completed by 30 November 2001.</p> <p>Ongoing management of the process for the appointment of ACC board members, consistent with the Crown Entity Framework.</p> <p>The Minister's views on purchase advice and monitoring will be sought through six-monthly questionnaires or through other appropriate means.</p>	<p>Analysis and second-opinion advice was provided to the Treasury within the specified timeframe for the December Economic and Fiscal Update (DEFU), and the Budget Economic and Fiscal Update in February (BEFU).</p> <p>ACC provided Pre-Election Economic and Fiscal Update (PREFU) information directly to the Treasury that was based on BEFU and its Statement of Intent budget, and was not required to provide formal advice.</p> <p>The Department made Vote Accident Insurance submissions for the October Baseline Update and the February Baseline Update, within the agreed timeframes. These submissions consolidated both Departmental and Non-Departmental forecasts.</p> <p>The Department's review of ACC's investment policies and procedures was delayed to reflect the findings of two other investment policy reviews undertaken during the year. The Department's review was completed in May 2002.</p> <p>Ongoing management of the process for the appointment of ACC Board members was provided, consistent with the Crown entity framework. Agreement to a process for submission of a proposal to the Cabinet Committee on Appointments and Honours for 2002 ACC Board appointments was confirmed with the Minister in May 2002. This process will resume at the appropriate time after the general election.</p> <p>The Minister's views were sought by way of six-monthly questionnaires.</p> <p>For both the July – December 2001 and January – June 2002 periods, the Minister ranked the quality and timeliness of purchase advice and monitoring provided by the Department at 5 (excellent) on a scale from 1(very poor) to 5 (excellent).</p>
<p>Administration</p> <p>Twelve payments to the Non-Earners' Account will be made on schedule as agreed with ACC.</p> <p>Four equal payments of the Motor Spirits Excise duty will be made on dates as agreed with ACC.</p> <p>Payments will be made to the correct recipient, in accordance with appropriation or permanent legislative authority.</p>	<p>Twelve payments to the Non-Earners' Account were made on schedule, as agreed with ACC.</p> <p>Four equal payments of the Motor Spirits Excise duty were made on dates as agreed with ACC.</p> <p>Payments were made to the correct recipient, in accordance with appropriation or the appropriate authority.</p>

Performance Standard	Performance to 30 June 2002
<p>Ministerial servicing</p> <p>The Minister's view on ministerial servicing will be sought through six-monthly questionnaires or through other appropriate means.</p>	<p>The Minister's views were sought by way of six-monthly questionnaires.</p> <p>For the July – December 2001 period, on a scale from 1 (very poor) to 5 (excellent), the Minister ranked the quality of draft responses to Ministerial correspondence and to Official Information requests) provided by the Department at 3 (average). For the January – June 2002 period, the rating for draft responses to Ministerial correspondence improved to 4 (good).</p> <p>Responses to Parliamentary questions and speech notes, briefings and other information were rated at 4 (good) for the first period and 5 (excellent) for the second period.</p>
<p>The Minister expects the following services to be timely, accurate and accessible and have the relevant issues highlighted:</p> <ul style="list-style-type: none"> Draft replies to ministerial correspondence will be provided within 15 working days unless specific approval for late replies is given. Replies to all parliamentary questions will be provided within the deadlines as specified in Standing Orders. Draft replies to requests for official information will be provided within 15 working days unless specific approval for an extension is given. Advisory support in select committees, Cabinet committees and Parliament will be provided as required and within agreed timeframes. Speech notes, briefing notes and other information to the Minister will be provided within agreed timeframes. 	<p>A total of 104 draft replies to Ministerial correspondence were provided during the year, all within the specified timeframe.</p> <p>178 draft replies were provided in 2000/01, of which 17 were late and 508 draft replies were provided in 1999/00, of which 129 were late.</p> <p>Five replies to Parliamentary Questions were completed, all within the specified time frame.</p> <p>Twelve replies were provided in 2000/01 and 103 replies in the previous year.</p> <p>Five draft replies to requests for official information were provided, all within the specified time frame. 17 were provided in 2000/01.</p> <p>Support was provided where required and within the agreed timeframes.</p> <p>Speech notes, briefing notes and other information to the Minister were provided within agreed timeframes.</p>

Financial Performance

Vote Accident Insurance: Policy Advice and Monitoring

Figures are GST exclusive

Year ended 30 June 2002	Actual \$000	Main Estimates \$000	Supp. Estimates \$000	Actual as a % of Supp. Estimates
Revenue: Crown	3,056	3,056	3,056	100.0%
Total Revenue	3,056	3,056	3,056	100.0%
Total Expenses	2,954	3,056	3,056	96.7%
Net Surplus/(Deficit)	102	-	-	-

There was no change in appropriation during the year.

VOTE: ACCIDENT INSURANCE

Output Class D2: Regulatory Services

Description

The introduction of competition to the workplace accident insurance market required the establishment of an Accident Insurance Regulator. The Regulator activities are solely funded by the Crown from 1 July 2001. The role of the Accident Insurance Regulator has changed as a result of the passing of the Accident Insurance (Transitional Provisions) Act 2000 which came into force on 1 April 2000. The Act returns accident insurance to a single public fund.

From 1 July 2001, the primary functions of the Regulator are:

- Administration of the Accident Insurance Act 1998 – key stakeholder liaison, receiving and responding to enquiries and complaints (non-Ministerials).
- Compliance monitoring – identifying potential non-compliance with the Accident Insurance Act 1998, investigating non-compliance and taking enforcement action where appropriate.
- Information management – collecting contracts and claims data from registered insurers and ACC and publishing injury surveillance-related statistics and servicing information requests.
- Non-compliant claims management – managing the Non-Compliers Fund which funds claims made by claimants whose employers did not have an accident insurance contract in force at the time of injury.
- Funds management – setting various charges to be levied on registered insurers and collecting those levies.

Performance Information

Regulatory Services

Performance Standard	Performance to 30 June 2002
Compliance Monitoring	
By 30 June 2002, all registered insurers will be audited to ensure statutory entitlements have been paid to claimants in accordance with the Accident Insurance Act 1998.	<p>Issues requiring Regulator involvement that were identified in the 2000/01 annual audit of all registered insurers completed in June 2001 were resolved.</p> <p>The low volume of active claims remaining in the latter part of the 2001/02 year did not warrant full audit process.</p> <p>The six outstanding active claims were reviewed as part of the preparation for transfer of the Non-Compliers Fund to ACC. Three of these claims were closed prior to 30 June 2002, leaving three active claims only as at that date.</p>

Performance Standard	Performance to 30 June 2002
<p>The Regulator will action all complaints regarding insurer non-compliance within five working days.</p> <p>All insurers have review processes in place as prescribed by the Accident Insurance Act 1998.</p>	<p>A total of 13 complaints were received, all of which were actioned within five working days</p> <p>All insurers have review processes in place as prescribed by the Accident Insurance Act 1998.</p>
<p>Information Management</p> <p>Annual injury statistic summaries will be published by 30 November 2001.¹¹</p> <p>Aggregate claims information will be published within 60 days of the end of each quarter.</p> <p>For additional data requests, a decision on whether to release data will be given to the applicant within 21 working days of agreement on the nature of the request in all cases.</p>	<p>The final published report was released on 28 March 2002.</p> <p>Publication of aggregate claims information for the quarters ended 30 June and 30 September 2001 was withheld due to data quality issues. Both reports were released on 10 December 2001.</p> <p>Subsequent quarterly reports have been discontinued as the information is no longer requested or required by registered insurers, and will not be reported by the new Information Manager, Statistics New Zealand.</p> <p>A total of 50 requests for additional information were received during 2001/02. In all cases a decision on the release of data was made within five working days of agreement on the nature of the request.</p>
<p>Funds Management</p> <p>For the year ended 30 June 2001, the Insurers Funding Levy regulation will be approved by 31 August 2001.</p> <p>For the year ended 30 June 2001, the Insurers Funding Levy will be collected and paid to the Crown by 31 October 2001.</p>	<p>The regulation was approved in December 2001. Ministerial agreement was granted to an extension of time to allow clarification of liability issues.</p> <p>All but \$40,000 was collected and paid to the Crown by 28 February 2002. The outstanding contribution was paid by 15 April 2002.</p>
<p>Administration of the Accident Insurance Act.</p> <p>All enquiries relating to administration of the Accident Insurance Act 1998 will be responded to within five working days.</p>	<p>129 enquiries were received during the year, all of which were responded to within five working days.</p>

¹¹ The Minister agreed to defer publication of the 2000/01 report until 1 April 2002 so that data could be improved to a level suitable for statistical purposes.

Financial Performance

Vote Accident Insurance: Regulatory Services

Figures are GST exclusive

Year ended 30 June 2002	Actual \$000	Main Estimates \$000	Supp. Estimates \$000	Actual as a % of Supp. Estimates
Revenue: Crown	865	865	865	100.0%
Total Revenue	865	865	865	100.0%
Total Expenses	863	865	865	92.9%
Net Surplus/(Deficit)	2	-	-	-

There was no change in appropriation during the year.

VOTE: ACCIDENT INSURANCE

Output Class D3: ACC Transition

Description

This output class provides for the management of the transition of workplace accident insurance to a single public fund administered by the Accident Compensation Corporation. The key areas of work are risk monitoring, communication and the re-alignment of the Accident Insurance Regulator's activities.

A risk management programme will be in place to monitor risks associated with the accident insurance reforms. A key priority will be on the development of a framework for monitoring ACC's implementation of the reforms.

A communications strategy will ensure effective communication with stakeholders affected by the reforms, particularly claimants, treatment providers, employers and self-employed.

Performance Information

ACC Transition

Performance Standard	Performance to 30 June 2002
<i>Performance Measures</i>	
<p>Advice will be provided to the Minister on the risks associated with the accident insurance reforms as part of regular quarterly reporting, or as required.</p> <p>The jointly sponsored (ACC and Department of Labour) Return to Work Monitor research will continue during 2001/02. An annual report covering performance during 2000/01 will be provided in the first quarter of 2001/02. The 2001/02 study will be reported on in the first quarter of 2002/03.</p> <p>Continuation of monitoring for the first phase of the accident insurance reforms, and monitoring of ACC's capability to deliver on the second phase and the early impacts of main second phase initiatives. Main areas on which monitoring will be focused are:</p> <ul style="list-style-type: none"> The first round of the time series analysis for the Workplace Safety Management Practices and Accredited Employer Programmes. This will be completed by 30 June 2002. 	<p>Advice was provided to the Minister on ACC's implementation of the Injury Prevention, Rehabilitation and Compensation Act, including uptake of new initiatives from 1 April 2002, as part of the Department's commentary on ACC's quarterly performance reports.</p> <p>The annual report covering the 2000/01 Return to Work Monitor research was completed in August 2001.</p> <p>The draft annual report on the 2001/02 study was received in June 2002 and the final findings will be reported to the Minister in August 2002.</p> <p>The first round of a time series analysis of accident claims over recent years was completed together with a related project to integrate claims data from ACC and the Accident Insurance Regulator with data on businesses. The report on that project was received from Statistics New Zealand and future work is being discussed with them and ACC.</p> <p>This work demonstrated a methodology for use in evaluating WSMP and other ACC programmes and work will continue with ACC in 2002/03 to map out an evaluation strategy.</p>

Performance Standard	Performance to 30 June 2002
<ul style="list-style-type: none"> Lump sums, including setting an evaluation strategy by 30 June 2002. 	<p>The development of a lump sum evaluation strategy commenced in May 2002 and will be completed in 2002/03.</p> <p>Discussion is underway with ACC on the development of an overall ACC evaluation strategy for completion during 2002/03.</p>
<ul style="list-style-type: none"> Injury prevention analysis during 2001/02 culminating in the development of enhanced performance measures for 2002/03. Following the 2000/01 Rehabilitation Plan Review, developments to the performance monitoring framework will be completed in 2001/02 for application in 2002/03. CoverPlus Extra – current monitoring will continue and be reported quarterly. Changes to the monitoring approach to reflect the larger range of cover options in the Injury Prevention and Rehabilitation Bill will be in place by 1 April 2002. Rehabilitation Code – focus will be on implementation and the development of a comprehensive performance monitoring framework for 2002/03. Initial reporting on the Rehabilitation Code will occur in the final quarter of 2001/02. <p>The Minister's views on risk monitoring advice will be sought through six-monthly questionnaires or through other appropriate means.</p>	<p>Injury prevention analysis was undertaken during the year. This analysis, including enhanced performance measures, is reflected in the 2002/03 Service Agreement between the Minister and ACC. Work will continue on improving injury prevention performance measures during 2002/03.</p> <p>The findings of the 2000/01 Rehabilitation Plan Review were taken into account in the development of the 2002/03 Service Agreement and the Minister's expectations letter to the ACC Chair for 2002/03.</p> <p>Commentary covering monitoring of CoverPlus Extra was included in the Department's reports on ACC's quarterly performance reports.</p> <p>The Department's report on ACC's fourth quarter report to June 2002 due in August 2002 and all future reports will cover monitoring of all cover options.</p> <p>Measures for reporting on the implementation and evaluation of the Code of Claimants' Rights were included in the 2002/03 Service Agreement between the Minister and ACC. Due to delayed implementation of the Code, monitoring will commence in 2002/03.</p> <p>The Minister's views were sought by way of six-monthly questionnaires.</p> <p>For both the July – December 2001 and January – June 2002 periods, the Minister ranked the quality and timeliness of purchase advice and monitoring (including risk monitoring) provided by the Department at 5 (excellent) on a scale from 1 (very poor) to 5 (excellent).</p>

Financial Performance

Vote Accident Insurance: ACC Transition

Figures are GST exclusive

Year ended 30 June 2002	Actual \$000	Main Estimates \$000	Supp. Estimates \$000	Actual as a % of Supp. Estimates
Revenue:				
Crown	130	311	130	100.0%
Other	-	-	-	-
Total Revenue	130	311	130	100.0%
Total Expenses	114	311	130	87.7%
Net Surplus/(Deficit)	16	-	-	-

This appropriation was decreased by \$181,000 in the Supplementary Estimates. This was transferred to the Policy Advice and Monitoring output class and spread equally across three years (2002/03, 2003/04 and 2004/05) to continue the ACC Reform Transition Monitoring Programme.

VOTE: ACCIDENT INSURANCE

Output Class D4: Non-Compliers Fund

Description

The Accident Insurance Act 1998 established a Non-Compliers Fund to guarantee the provision of statutory entitlements to claimants whose employer failed to purchase an accident insurance contract during the period 1 July 1999 to 31 March 2000. The Accident Insurance Regulator is responsible for administering the Fund and has contracted out the management of claims made against the Fund. The cost of those claims made against the Non-Compliers Fund is met by penalties collected from non-compliant employers, with any shortfall to be met by way of a levy against registered employers.

Performance Information

Non-Compliers Fund

Performance Standard	Performance to 30 June 2002
Performance Measures	
Non-Compliant Claims Management <p>Decisions on claims against the Non-Compliers Fund will be given within 21 days of the claims being lodged.</p> <p>By 30 June 2002, the Non-Complaint Claims Manager will be audited to assess compliance with the Accident Insurance Act 1998.</p>	<p>All decisions on claims against the Non-Compliers Fund were given within 21 days of the claims being lodged.</p> <p>The Claims Manager's performance was reviewed as part of the preparation for transfer of the Non-Compliers Fund to the Accident Compensation Commission. Some minor issues identified relating to over payment of entitlements were resolved prior to the Fund being transferred.</p>
Funds Management <p>The Regulator will:</p> <ul style="list-style-type: none"> Establish and collect the one-off Non-Compliers Fund levy by 30 June 2002. Maintain a claims manager to administer all accident insurance claims from employees whose employers did not purchase an accident insurance contract. Ensure that all entitlements paid for non-complying claims meet the requirements of the Accident Insurance Act 1998. 	<p>No levy on insurers was required.</p> <p>The Fund was considered to be fully funded as at 30 June 2002 after an independent actuarial assessment and inclusion of a prudential margin.</p> <p>Fusion Insurance Services were appointed claims manager in the 1999/2000 financial year and continued to administer claims throughout the 2000/01 and 2001/02 years</p> <p>This function was transferred to the Accident Compensation Commission with effect from 1 July 2002, as enabled under the Injury Prevention, Compensation and Rehabilitation Act 2001.</p> <p>Some under and over payments were identified during the industry audit for the 2000/01 year completed in June 2001 and were addressed at that time.</p>

Performance Standard	Performance to 30 June 2002
<ul style="list-style-type: none"> Ensure that the Fund has sufficient funds at all times to meet cash flow requirements arising from claims made. 	The Fund contained sufficient monies to meet all calls on the Fund during the year.

Financial Performance

Vote Accident Insurance: Non-Compliers Fund

Figures are GST exclusive

Year ended 30 June 2002	Actual \$000	Main Estimates \$000	Supp. Estimates \$000	Actual as a % of Supp. Estimates
Revenue: Other	(422)	2,364	135	312.6%
Total Revenue	(422)	2,364	135	312.6%
Total Expenses	(455)	2,364	135	337.0%
Net Surplus/(Deficit)	33	-	-	-

This appropriation was decreased by \$2.229 million in the Supplementary Estimates. The decrease related to a decrease in forecast income from penalties and levies of \$1.864 million and updated forecasts for expenditure to be incurred against the Non-Compliers Fund of (\$365,000) during the February Baseline Update round.

VOTE: EMPLOYMENT

Contributed to by the Labour Market Policy Group, the Community Employment Group and the Office of the Chief Executive.

Summary Financial Performance: Vote Employment

Year ended 30 June 2002	Actual \$000	Voted ¹² \$000	Variance Fav / (Unfav) \$000
<u>Revenue Crown (GST excl)</u>			
Policy, Purchase Advice and Monitoring	4,279	4,394	(115)
Community Employment and Development Services	9,754	9,754	-
Sub total	14,033	14,148	(115)
<u>Revenue Department (GST excl)</u>			
Policy, Purchase Advice and Monitoring	102	156	(54)
Sub total	102	156	(54)
<u>Revenue Other (GST excl)</u>			
Policy, Purchase Advice and Monitoring	76	120	(44)
Community Employment and Development Services	31	-	31
Sub total	107	120	(13)
Total	14,242	14,424	(182)
<u>Departmental Output Classes (GST excl)</u>			
Policy, Purchase Advice and Monitoring	4,347	4,670	323
Community Employment and Development Services	9,698	9,754	56
Total	14,045	14,424	379
<u>Non-Departmental Revenue (GST excl)</u>			
Programme Recoveries	92	35	57
Total	92	35	57

¹² Voted figures include adjustments made in the Supplementary Estimates and transfers under section 5 of the Public Finance Act 1989.

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Year ended 30 June 2002	Actual \$000	Voted ¹² \$000	Variance Fav / (Unfav) \$000
<u>Other Expenses to be Incurred by the Crown (GST incl)</u>			
Community Employment and Development Projects	21,357	21,744	387
Māori Women's Development Fund	2,000	2,000	-
Total	23,357	23,744	387

¹² Voted figures include adjustments made in the Supplementary Estimates and transfers under section 5 of the Public Finance Act 1989.

VOTE: EMPLOYMENT

Output Class D1: Policy, Purchase Advice and Monitoring

Description

Through this output class the Minister purchases policy advice, purchase advice, monitoring and labour market analysis which is aimed at ensuring that all New Zealanders of working age have the capacity and opportunity to participate in paid work and that the time they spend out of work is as short as possible. This work includes:

- advice on the policy requirements to achieve the Government's employment and labour market goals
- monitoring and purchase advice to the Minister of Social Services and Employment in respect of the employment aspects of Vote Work and Income
- policy analysis and advice on community employment development
- monitoring and reporting on developments in employment and labour market trends
- related research and evaluation
- advisory support and information for Ministers as required in Cabinet Committees, Select Committees and Parliament
- ministerial servicing including replies to ministerial correspondence, parliamentary questions, official information requests, speech and briefing notes and other information required by the Minister.

Performance Information

Policy, Purchase Advice and Monitoring

Performance Standard	Performance to 30 June 2002
<p>Policy Advice</p> <p>The quantity and nature of advice and other services will be explicitly agreed with the Minister of Social Services and Employment.</p> <p><i>Quality</i></p> <p>The Minister's views of the quality and timeliness of policy advice will be sought six-monthly through questionnaires or other appropriate means.</p> <p>The Minister expects to receive advice consistent with the quality standards set out in Appendix 1 to this report.</p>	<p>The quantity and nature of advice and other services provided were agreed with the Minister of Social Services and Employment.</p> <p>The Minister's views of the quality and timeliness of advice were sought six-monthly by way of a questionnaire. Overall, the Minister was extremely satisfied with the standard and quality of advice provided and rated the Department's performance highly in this regard.</p> <p>The Minister considered that advice provided conformed with the quality standards set out in Appendix 1 to this report and that this met or exceeded his requirements.</p>

Performance Standard	Performance to 30 June 2002
<p>Purchase advice and monitoring</p> <p>Advice on the Purchase Agreement for 2002/03 between the Minister and the Department of Work and Income will be provided in sufficient time for completion of the agreement by the due date.</p> <p>Advice will be provided to the Minister as required (including briefing notes and participation in interdepartmental working groups) on employment related issues which may affect the Purchase Agreement between the Minister and the Department of Work and Income.</p> <p>The Minister will be provided with analysis of the quarterly report of the Department of Work and Income within 15 working days of receipt of a final report.</p> <p>The Minister's views on purchase advice and monitoring will be sought through six-monthly questionnaires or through other appropriate means.</p>	<p>Advice was provided on the 2002/03 Purchase Agreement between the Minister and the Department of Work and Income/ Ministry of Social Development in sufficient time for the completion of the agreement in May 2002.</p> <p>Advice on a wide range of issues was provided to the Minister as required.</p> <p>Analyses of the Department of Work and Income/ Ministry of Social Development quarterly reports were provided to the Minister within the required timeframe.</p> <p>The Minister's views were sought six-monthly by way of a questionnaire covering purchase advice and monitoring as part of the overall advice and services provided by the Department. Overall, the Minister was extremely satisfied with the standard and quality of advice provided and rated the Department's performance highly in this regard.</p>
<p>Ministerial Servicing</p> <p>The Minister's views on ministerial servicing will be sought through six-monthly questionnaires or through other appropriate means.</p> <p>The Minister expects the following services to be timely, accurate, accessible and have all relevant issues highlighted:</p> <ul style="list-style-type: none"> Draft replies to ministerial correspondence will be provided within 15 working days unless specific approval for late applies is agreed. An estimated 30 draft replies will be provided. Draft replies to all parliamentary questions will be provided within the deadlines as specified in Standing Orders. An estimated 35 draft replies will be provided. Draft replies to requests for official information will be provided within 15 working days unless specific approval for an extension is given. 	<p>The Minister's views were sought six-monthly by way of a questionnaire covering ministerial servicing as part of the overall advice and services provided by the Department. Overall, the Minister was extremely satisfied with the standard and quality of advice provided and rated the Department's performance highly in this regard.</p> <p>A total of 43 draft replies to Ministerial correspondence were provided during the year, compared to 89 in 2000/01 and 59 in 1999/00.</p> <p>35 (81%) draft replies were provided within the specified timeframe. Eight were late.</p> <p>152 draft replies to Parliamentary questions were provided, compared to 11 in 2000/01 and 51 in 1999/00.</p> <p>All but three were provided within the specified deadline.</p> <p>Eight draft replies to requests for official information were provided, compared to 27 in the previous year. Five of the eight replies were provided within the specified timeframe.</p>

Performance Standard	Performance to 30 June 2002
<ul style="list-style-type: none"> Advisory support in select committees, Cabinet committees and Parliament will be provided as required and within agreed timeframes. Speech notes, briefing notes and other information to the Minister will be provided within agreed timeframes. 	<p>Support was provided where required and within agreed timeframes.</p> <p>Speech notes, briefing notes and other information were provided to the Minister within agreed timeframes.</p>

Financial Performance

Vote Employment: Policy, Purchase Advice and Monitoring

Figures are GST exclusive

Year ended 30 June 2002	Actual \$000	Main Estimates \$000	Supp. Estimates \$000	Actual as a % of Supp. Estimates
Revenue:				
Crown ¹³	4,279	4,156	4,394	97.4%
Department	102	-	156	65.4%
Other	76	-	120	63.3%
Total Revenue	4,457	4,156	4,670	95.4%
Total Expenses	4,347	4,156	4,670	93.1%
Net Surplus/(Deficit)	110	-	-	-

This appropriation was increased by \$514,000 in the Supplementary Estimates. The change was due to:

- a fiscally neutral transfer from Community Employment Development Services for additional policy work in the Output Agreement \$238,000
- the Database Integration and Linked Employer-Employee Data Conference in December, self funded by other Departments and outside participants \$276,000.

¹³The difference between Actual and Supplementary Estimate is a \$115,000 "in principle" estimated expense transfer to 2002/03 for the Community Employment and Development Action Research (CEDAR) project that was drawn down but not recognised at year-end.

VOTE: EMPLOYMENT

Output Class D2: Community Employment and Development Services

Description

Through this output class, the Minister of Social Services and Employment purchases a range of community employment and development services to achieve self-sufficiency outcomes in communities facing labour market disadvantages. These outcomes include:

- improved community capacity to achieve self-sufficiency
- sustainable local economic and employment opportunities
- increased skills and knowledge in community and employment development networks
- strengthened working relationships between community groups and their stakeholders.

Through a national office function and a nation-wide network of fieldworkers, services are provided to assist communities and the groups within them to address a range of social and economic barriers to self-sufficiency. Priority is given to communities that face concentrations of disadvantage and depressed labour market conditions, in particular Māori, Pacific people, women, and urban and rural disadvantaged communities.

Community groups are provided with planning and implementation assistance, including grants, to develop and test innovative solutions. Successful models contributing to self-sufficiency are networked with other communities to transfer expertise and technical advice. Services provided under this output class include:

- meeting facilitation and project planning advice
- skills and knowledge-building of project participants
- monitoring of grants
- network development and resource brokerage
- contributing to government interagency co-ordination of services.

Performance Information

Community Employment and Development Services

Performance Standard	Performance to 30 June 2002
<p>Performance Measures</p> <p><i>Quantity</i></p> <p>At least 900 community organisations will be provided with development assistance¹⁴.</p>	<p>3,477 community organisations were provided with development assistance. This increase was due to extra activity generated by the new initiatives introduced in 2001/02 and improvements in data collection.</p>

¹⁴ "Development assistance" includes provision of at least one intervention or grant during the year.

Performance Standard	Performance to 30 June 2002
At least 15 information resources aimed at providing access to Community Employment Group services and/or increasing the range and quality of knowledge useful to communities will be produced.	During the year, the following information resources were produced: <ul style="list-style-type: none"> • 12 editions of <i>Employment Matters</i>, including one special edition with a Māori focus. • "CEG Who we are, what we do" booklet and leaflet • "Pacific Communities in Action" booklet. • "Journeys Together" video. In addition, CEG display stands were produced, and the <i>Employment Matters</i> Web-site came online from July 2001. A Māori Tourism resource kit is also in the process of production.
At least 800 grant applications will be developed and assessed.	1,449 grant applications were developed and assessed. This increase was due to extra activity generated by the new initiatives introduced in 2001/02 and improvements in data collection.
<p>Quality</p> <p>Community Employment Group's contribution through the year to the achievement of capacity building goals of a sample of 30 community groups will be reported as at June 2002.</p> <p>80% of community employment and development interventions¹⁵ will be directed at Community Employment Group priority groups¹⁶.</p> <p>At least 50% of interventions will be directed towards Māori.</p> <p>At least 15% of interventions will be directed towards Pacific peoples.</p>	<p>A telephone survey was undertaken of 106 Pacific community groups who received support between 1 March 2001 and 28 February 2002. 64 groups were able to be contacted during the data collection period and 54 completed the questionnaire representing a response rate of 51%.</p> <p>This survey included a section on groups' perceptions of CEG's contribution to the capacity building of their organisations. Using a five-point scale where 1 equalled 'not at all' and 5 equalled 'a lot':</p> <ul style="list-style-type: none"> • 77% of respondents rated CEG's contribution to the ability of the group to carry out their activities at 4 or 5 • 81% of respondents rated the extent to which services received from CEG strengthened the group at 4 or 5 • 97% of respondents considered it was important or very important to receive CEG's contribution to their group. <p>85% of community employment and development interventions were directed at Community Employment Group priority groups.</p> <p>55% of interventions were directed towards Māori.</p> <p>23% of interventions were directed towards Pacific peoples.</p>

¹⁵ An "intervention" is a measure of activity that will assist a group or individual's project development in some way. Any such activity spanning 20 minutes or more, or that otherwise results in a significant step for a group is counted as an "intervention". It is possible to carry out up to three different interventions during one particular event e.g. during a meeting.

¹⁶ Māori, Pacific peoples, women, rural and urban disadvantaged.

Performance Standard	Performance to 30 June 2002										
<p>An annual survey of a sample of groups assisted by Community Employment Group will be conducted to confirm that at least 80% of those surveyed are satisfied that services provided to assist communities to increase their capacity for self-sufficiency contributed significantly to their group's employment goals.</p> <p>80% of community employment project grants will be directed at Community Employment Group priority groups.</p> <p>80% of fully completed grant applications will be assessed and approved or declined within 3 weeks of receipt in the general manager's office.</p>	<p>83% of respondents to the telephone survey of Pacific community groups referred to in the first Quality measure above were satisfied or very satisfied that the services provided had contributed significantly to their employment goals.</p> <p>93% of community employment project grants were directed at Community Employment Group priority groups.</p> <p>71% of fully completed grant applications were assessed and approved or declined within 3 weeks of receipt.</p> <p>Since 1 November 2001 when a new monitoring system was introduced, 76% of applications were decided within 15 working days of receipt.</p>										
<p>Activity Monitors</p> <p>Report quarterly on the total number of community interventions broken down by the percentage according to type of activity and priority targeting.</p>	<p>Quarterly reports were provided on the number of community interventions and their breakdown.</p> <p>Community interventions during the year totalled 40,178.</p> <p>Types of intervention broken down by percentage were:</p> <table> <tr> <td>Planning</td><td>42%</td></tr> <tr> <td>Project guidance</td><td>15%</td></tr> <tr> <td>Contract Monitoring</td><td>17%</td></tr> <tr> <td>Referral</td><td>23%</td></tr> <tr> <td>Other</td><td>3%</td></tr> </table>	Planning	42%	Project guidance	15%	Contract Monitoring	17%	Referral	23%	Other	3%
Planning	42%										
Project guidance	15%										
Contract Monitoring	17%										
Referral	23%										
Other	3%										

Financial Performance

Vote Employment: Community Employment and Development Services

Figures are GST exclusive

Year ended 30 June 2002	Actual \$000	Main Estimates \$000	Supp. Estimates \$000	Actual as a % of Supp. Estimates
Revenue:				
Crown	9,754	9,992	9,754	100.0%
Other	31	-	-	-
Total Revenue	9,785	9,992	9,754	100.3%
Total Expenses	9,698	9,992	9,754	99.4%
Net Surplus/(Deficit)	87	-	-	-

This appropriation was decreased by \$238,000 in the Supplementary Estimates. The change was due to a fiscally neutral transfer to the Policy, Purchase Advice and Monitoring output class for additional policy work in the output agreement.

Financial Statements

STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2002

Reporting Entity

The Department of Labour is a government department as defined by section 2 of the Public Finance Act 1989.

These are the financial statements of the Department of Labour prepared pursuant to section 35 of the Public Finance Act 1989.

In addition, the Department has reported the trust monies and memorandum account which it administers, and separate financial statements for the Non-Compliers Fund as required by section 277(2) of the Accident Insurance Act 1998. The Injury Prevention, Rehabilitation, and Compensation Act 2001 section 346(5) amends section 277(2) of the 1998 Accident Insurance Act to remove the requirement to prepare separate accounts for the Accident Insurance Regulator so no separate accounts are required for 30 June 2002. No insurers have been declared insolvent so no information has been disclosed for the Insolvent Insurers Fund.

Measurement System

The financial statements have been prepared on a modified historical cost basis except for certain items with specific accounting policies outlined below.

Accounting Policies

The following particular accounting policies, which materially affect the measurement of financial results and financial position, have been applied.

(a) Budget Figures

The Budget figures are those presented in the Budget Night Estimates (Main estimates) and those amended by the Supplementary Estimates (Supp. Estimates) and any transfer made by Order in Council under section 5 of the Public Finance Act 1989.

(b) Revenue

The Department derives revenue through the provision of outputs to the Crown, for immigration services, sale of publications to third parties and interest received from Westpac Trust and overseas bank accounts. The Non-Compliers Fund is funded by penalties imposed on non-complying employers and an annual levy on insurers. Such revenue is recognised when earned and is reported in the financial period to which it relates.

(c) Property, Plant and Equipment

Land and buildings are stated at fair value as determined by an independent registered valuer. Fair value is determined using market-based evidence. Freehold properties land and buildings in New Zealand and overseas are individually revalued on a three yearly cycle.

The results of revaluing land and buildings are credited or debited to an asset revaluation reserve for that class of asset. Where a revaluation results in a

debit balance in the revaluation reserve, the debit balance will be expensed in the statement of financial performance.

Fixed Assets are recorded at cost or valuation, less accumulated depreciation. Land and buildings in New Zealand and overseas are recorded at fair value less depreciation. All other fixed assets or groups of assets forming part of a network which are material in aggregate, costing more than \$5,000 are capitalised and recorded at cost. Any write-down of an item to its recoverable amount is recognised in the statement of financial performance.

(d) *Depreciation*

Depreciation is provided on a straight-line basis on all fixed assets, other than freehold land and items under construction, at a rate which will write-off the cost (or valuation) of the assets to their estimated residual value over their useful lives.

Leasehold improvements are depreciated over the shorter of the unexpired period of the lease and the estimated useful life of the improvements.

The useful lives and associated depreciation rates of the major classes of assets have been estimated as follows:

Buildings	40 years	(2.5%)
Leasehold improvements	Up to 10 years	(up to 10%)
Motor vehicles	4 years	(25%)
Furniture and fittings:		
Fixtures and fittings	Up to 10 years	(up to 10%)
Carpets and drapes	4 to 7 years	(14.3 to 25%)
Office equipment	4 years	(25%)
Computer equipment:		
Software	Up to 5 years	(up to 20%)
Other	Up to 4 years	(up to 25%)
Specialised equipment	8 years	(12.5%)

(e) *Operating Leases*

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases. The Department leases office premises, computer and office equipment. Payments arising from operating lease commitments are charged against earnings in the periods in which they are incurred over the period of the lease.

(f) *Taxation*

Government departments are exempt from the payment of income tax in terms of the Income Tax Act 1994. Accordingly, no charge for income tax has been provided for.

(g) *Goods and Services Tax (GST)*

The Statement of Unappropriated Expenditure and the Statements of Departmental and Non-Departmental Expenditure and Appropriations are inclusive of GST (where applicable). The Statement of Financial Position is exclusive of GST, except for Creditors and Payables and Debtors and Receivables, which are GST inclusive. All other statements are GST exclusive.

The amount of GST owing to or from the Inland Revenue Department at balance date, being the difference between Output GST and Input GST, is included in Creditors and Payables or Debtors and Receivables (as appropriate).

(h) *Debtors and Receivables*

Receivables are recorded at estimated realisable value after providing, where necessary for doubtful and uncollectable debts.

(i) *Foreign Currencies*

Foreign currency transactions are converted into New Zealand dollars at a rate approximating the exchange rate at the date of the transaction.

Short-term transactions covered by forward exchange contracts are measured and reported at the forward rates specified in those contracts. Consequently, no exchange gain or loss resulting from the difference between the forward exchange contract rate and the spot rate on date of settlement is recognised.

At balance date monetary assets and liabilities in foreign currencies are translated to New Zealand dollars at the closing exchange rate. The resulting unrealised exchange gain or loss is recognised in the Statement of Financial Performance. Other exchange gains or losses, whether realised or unrealised, are recognised in the Statement of Financial Performance in the period to which they relate.

(j) *Financial Instruments*

The Department is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, short-term deposits, debtors, creditors and foreign currency forward contracts. This includes the investment of funds not immediately required for expenditure by the Non-Compliers Fund and the Insolvent Insurers Fund as required by Section 275 of the Accident Insurance Act 1998.

All financial instruments are recognised in the Statement of Financial Position and all revenues and expenses in relation to financial instruments are recognised in the Statement of Financial Performance.

Except for those items covered by a separate accounting policy all financial instruments are shown at their estimated fair value.

The Department is exposed to currency risk and credit risk:

Currency Risk

The Department operates foreign currency bank accounts to support the operations of the overseas branches of the New Zealand Immigration Service. Funding of these accounts is limited to the amounts necessary to enable the settlement of transactions as they fall due. All material foreign exchange transaction exposures arising in the normal course of business are identified as early as possible in the budgetary cycle. The Department may utilise forward contracts to hedge exposures when

recognised. The Department has policies in place to limit foreign exchange exposure.

Credit Risk

The risk that a bank with which funds are deposited will fail or that a party with which future or current transactions are outstanding will not meet its obligations is minimised as follows:

The Department deals only, where there is a choice, with banks that have a high credit standing. Exposure to any one counterparty is limited to NZ\$5 million including unsettled forward exchange contracts, bank account balances and contracts due for settlement on the day the exposure is calculated. Where the Department deals in currencies for which liquid forward markets do not exist, approved counterparties for sale and purchase of currencies are restricted to other New Zealand Government departments and agencies.

(k) Commitments

Future expenses and liabilities to be incurred on contracts that have been entered into at balance date are disclosed as commitments (at the point a contractual obligation arises) to the extent that there are equally unperformed obligations. Commitments relating to employment contracts are not disclosed.

(l) Contingent Liabilities

Contingent liabilities are disclosed at the point at which the contingency is evident.

(m) Cost Accounting Policies

Costs that can be causally linked and assigned to an output economically are direct costs. Costs incurred to produce more than one output are indirect costs, which are allocated to outputs according to the amount of resource consumption or use.

The Department's accounting systems record costs by outputs. The costs may be direct or indirect. The direct costs of personnel, operating, depreciation and capital charge costs are assigned directly to outputs. There are two types of indirect costs that are allocated to outputs:

- Services' head/regional office costs - these are specific to a Service and, as such, are allocated across the Services' outputs according to the most appropriate base. Resource use is based on time consumption, staff numbers or resource usage analysis.
- Office of the Chief Executive costs are general across all Services and, as such, are allocated to each output according to the most appropriate base, both percentage of net funds and staff numbers were used.

For the year ended 30 June 2002, direct costs accounted for 75% of the Department's costs (2001: 74%).

(n) Employee Entitlements

Provision is made in respect of the Department's liability for annual, long service and retirement leave. Annual leave and other entitlements that are expected to be settled within 12 months of reporting date, are measured at nominal values on an actual entitlement basis at current rates of pay.

Entitlements that are payable beyond 12 months, such as long service leave and retirement leave, have been calculated on an actuarial basis on present value of expected future entitlements.

(o) *Taxpayers' Funds*

This is the Crown's net investment in the Department.

Changes in accounting policies

There have been no changes in accounting policies, including cost allocation accounting policies, since the date of the last audited financial statements.

All policies have been applied on a basis consistent with other years.

*STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR
ENDED 30 JUNE 2002*

Actual 30 June 2001 \$000		Note	Actual 30 June 2002 \$000	Main Estimates 30 June 2002 \$000	Supp. Estimates 30 June 2002 \$000
REVENUE					
96,091	Crown		97,620	93,707	97,735
2,065	Department	1	1,951	1,779	2,373
56,276	Other	2	71,572	53,244	70,396
89	Interest		31	-	-
<u>154,521</u>	Total operating revenue		<u>171,174</u>	<u>148,730</u>	<u>170,504</u>
EXPENDITURE					
62,664	Personnel costs		69,556	62,541	70,425
76,243	Operating costs	3	76,321	72,943	80,240
5,619	Depreciation	4	5,654	7,447	6,899
1,625	Capital charge	5	1,600	1,608	1,603
<u>146,151</u>	Total expenses		<u>153,131</u>	<u>144,539</u>	<u>159,167</u>
<u>8,370</u>	Net surplus		<u>18,043</u>	<u>4,191</u>	<u>11,337</u>

The accompanying accounting policies and notes form part of these financial statements.
For information on major variances against budget refer to Note 15 (page 140 – 141)

**STATEMENT OF MOVEMENT IN TAXPAYERS' FUNDS FOR THE
YEAR ENDED 30 JUNE 2002**

Actual 30 June 2001 \$000		Actual 30 June 2002 \$000	Main Estimates 30 June 2002 \$000	Supp. Estimates 30 June 2002 \$000
	Note			
15,210	Taxpayers' funds as at 1 July	18,029	18,029	18,029
8,370	Net surplus	18,043	4,191	11,337
697	Net revaluations: land and buildings	-	-	-
9,067	Total recognised revenues and expenses for the year	18,043	4,191	11,337
2,269	Capital contribution	-	-	-
(1,450)	Capital repayment	(300)	(300)	(300)
(8,370)	Provision for repayment of surplus to the Crown	9 (18,010)	(4,191)	(11,337)
1,303	Transfers between Departments	-	-	-
18,029	Taxpayers Funds at 30 June	17,762	17,729	17,729

The accompanying accounting policies and notes form part of these financial statements.
For information on major variances against budget refer to Note 15 (page 140 – 141)

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2002

Actual 30 June 2001 \$000		Note	Actual 30 June 2002 \$000	Main Estimates 30 June 2002 \$000	Supp. Estimates 30 June 2002 \$000
TAXPAYERS' FUNDS					
16,527	General funds	12	16,260	16,227	16,227
1,502	Revaluation reserve	12	1,502	1,502	1,502
18,029	Total taxpayers' funds		17,762	17,729	17,729
Represented by:					
CURRENT ASSETS					
29,690	Cash and bank balances		53,900	23,754	35,645
1,639	Prepayments		1,519	817	1,628
2,579	Debtors and receivables		1,245	2,486	2,859
33,908	Total current assets		56,664	27,057	40,132
NON-CURRENT ASSETS					
21,567	Fixed assets	6	19,185	20,373	18,369
21,567	Total non-current assets		19,185	20,373	18,369
55,475	Total assets		75,849	47,430	58,501
CURRENT LIABILITIES					
21,269	Creditors and payables	7	32,231	17,587	20,994
572	Provisions	8	333	572	250
8,370	Provision for repayment of surplus to the Crown	9	18,010	4,191	11,337
3,809	Provision for employee entitlements	10	3,982	4,126	4,527
34,020	Total current liabilities		54,556	26,476	37,108
NON-CURRENT LIABILITIES					
3,426	Provision for employee entitlements	10	3,531	3,225	3,664
37,446	Total liabilities		58,087	29,701	40,772
18,029	NET ASSETS		17,762	17,729	17,729

The accompanying accounting policies and notes form part of these financial statements.

For information on major variances against budget refer to Note 15 (page 140 – 141)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2002

Actual 30 June 2001 \$000		Note	Actual 30 June 2002 \$000	Main Estimates 30 June 2002 \$000	Supp. Estimates 30 June 2002 \$000
CASH FLOWS-OPERATING ACTIVITIES					
Cash was provided from:					
96,181	Supply of outputs to Crown		97,839	93,707	97,655
-	Supply of outputs to Department		1,951	-	2,380
57,819	Supply of outputs to Others		80,432	55,525	70,195
89	Interest		31	-	-
Cash was disbursed for:					
(135,516)	Cost of producing outputs		(142,004)	(136,051)	(150,210)
(1,625)	Capital charge		(1,600)	(1,608)	(1,603)
16,948	Net cash inflow/(outflow) from operating activities	11	36,649	11,573	18,417
CASH FLOWS-INVESTING ACTIVITIES					
Cash was provided from:					
715	Sale of fixed assets		96	401	470
Cash was disbursed for:					
(9,381)	Purchase of fixed assets		(3,625)	(6,630)	(4,262)
(8,666)	Net cash inflow/(outflow) from investing activities		(3,529)	(6,229)	(3,792)
CASH FLOW – FINANCING ACTIVITIES					
Cash was provided from:					
2,269	Capital contributions				-
Cash was disbursed for:					
(3,736)	Repayment of surplus to Crown		(8,370)	(3,716)	(8,370)
(1,450)	Capital repayments		(300)	(300)	(300)
(2,917)	Net cash inflow/(outflow) from financing activities		(8,670)	(4,016)	(8,670)
5,365	Net increase/(decrease) in cash held		24,450	1,328	5,955
22,948	Add: opening cash brought forward		29,690	22,426	29,690
274	Add: effect of exchange rate changes on foreign currency balances		(240)	-	-
1,103	Transfers between Departments		-	-	-
29,690	Closing Cash Balance		53,900	23,754	35,645
Closing Cash Balance consists of:					
29,690	Cash and bank balances		53,900	23,754	35,645

The accompanying accounting policies and notes form part of these financial statements.
For information on major variances against budget refer to Note 15 (page 140 – 141)

STATEMENT OF COMMITMENTS AS AT 30 JUNE 2002

The Department has long-term leases on premises, which are subject to regular reviews. The amounts disclosed below as future commitments are based on the current rental rates. Operating leases include lease payments for premises, computer equipment and other office equipment. Majority of the commitments relate to non-cancellable accommodation leases.

Actual 30 June 2001 \$000		Actual 30 June 2002 \$000
	Operating lease commitments	
11,428	Within one year of balance date	14,845
4,811	One to two years	9,551
6,669	Two to five years	8,089
1,692	Over five years	1,536
24,600	Total operating lease commitments	34,021
-	Capital commitments	622
24,600	Total commitments	34,643

The increase in operating commitments of \$9.421 million was mainly due to the renewal of the Unisys House lease for the Department of Labour and Information Technology contracts. The main reason for the increase in capital commitments related to project work on "Online Services" and "Advance Passenger Screening".

STATEMENT OF CONTINGENT LIABILITIES AS AT 30 JUNE 2002

Actual 30 June 2001 \$000		Actual 30 June 2002 \$000
6,220	Outstanding legal proceedings	3,220

The Department's contingent liabilities can be broken down as follows:

- a claim for salary and wages for the remainder of their warranted terms by former Employment Tribunal members following the repeal of the Employment Contracts Act 1991. The amount of the claim was not quantified by the claimants. On 6 September 2001 the High Court ruled in the Crown's favour. The claimants have subsequently lodged an appeal that was heard in September 2002.
- five claims totalling \$3.2 million based on allegations of negligence or other tortious cause of action.
- one employment related claim against the Department, totalling \$20,000.

The accompanying accounting policies and notes form part of these financial statements.

Further information usually required by Financial Reporting Standard No 15 "Provisions, Contingent Liabilities and Contingent Assets" is not disclosed on the grounds that it can be expected to prejudice seriously the outcome of the litigation.

No provision has been made in the financial statements in respect of these legal claims against the Department, as, in the opinion of the Management, no material expense is expected to be incurred.

The Department has not given any guarantees under section 59 of the Public Finance Act 1989 as at 30 June 2002 (2001: nil)

STATEMENT OF UNAPPROPRIATED EXPENDITURE FOR THE YEAR ENDED 30 JUNE 2002

The Department did not incur any unappropriated expenditure during the year.
(2001: \$872,000)

The accompanying accounting policies and notes form part of these financial statements.

STATEMENT OF DEPARTMENTAL EXPENDITURE AND APPROPRIATIONS FOR THE YEAR ENDED 30 JUNE 2002

(Figures are GST inclusive where applicable)

		Expenditure Actual 30 June 2002 \$000	Appropriation Voted* 30 June 2002 \$000
Appropriations for classes of outputs	Note		
(Mode B Gross)			
Vote: Labour			
D1 Policy Advice – Labour		7,698	8,181
D2 International Services		398	400
D3 Support Services - Industrial Relations Institutions		8,426	8,637
D4 Dispute Resolution		12,099	12,106
D5 Promoting Excellence in Self Managing Occupational Health and Safety Hazards in the Workplace		25,094	25,127
D6 Regulatory Functions Outside the Health and Safety in Employment Act 1992		2,146	2,183
		55,861	56,634
Vote: Accident Insurance			
D1 Policy and Monitoring		3,336	3,438
D2 Regulatory Services		971	973
D3 ACC Transition		130	146
D4 Non-Compliers Fund	17	(508)	152
		3,929	4,709
Vote: Immigration			
D1 Policy Advice - Immigration		1,333	1,345
D2 Visa and Permit Management		55,576	58,377
D3 Border and Investigations		11,236	11,576
D4 Support Services - Appeal Authorities		8,436	8,899
D5 Refugee Services		11,062	11,519
D6 Settlement Services		2,827	3,152
D7 Settlement Information		2,425	2,484
		92,895	97,352

continued over ...

The accompanying accounting policies and notes form part of these financial statements.

	Expenditure Actual 30 June 2002 \$000	Appropriation Voted* 30 June 2002 \$000
Vote: Employment		
D1 Policy, Purchase Advice and Monitoring	4,900	5,254
D2 Community Employment and Development Services	10,921	10,973
	<u>15,821</u>	<u>16,227</u>
Total Departmental Output Expenditure	<u><u>168,506</u></u>	<u><u>174,922</u></u>

*This includes adjustments made in the Supplementary Estimates and transfers under section 5 of the Public Finance Act 1989.

The accompanying accounting policies and notes form part of these financial statements.

STATEMENT OF NON-DEPARTMENTAL EXPENDITURE AND APPROPRIATIONS FOR THE YEAR ENDED 30 JUNE 2002

(Figures are GST inclusive where applicable)

	Expenditure Actual 30 June 2002 \$000	Appropriation Voted* 30 June 2002 \$000
Annual Appropriations		
Vote: Labour		
<i>Non-Departmental output classes:-</i>		
O1 Employment Relations Education Contestable Fund	1,597	2,000
O2 Health and Safety in Employment Levy - Collection Services	1,896	1,896
O3 Promotion of Equal Employment Opportunities	91	140
<i>Other expenses to be incurred by the Crown:-</i>		
International Labour Organisation	1,186	1,400
Joint Equal Employment Opportunities Trust	736	736
New Zealand Industrial Relations Foundation	15	15
	5,521	6,187
Vote: Accident Insurance		
<i>Non-Departmental output classes:-</i>		
O1 Case Management and Supporting Services	32,005	32,005
O2 Claim Entitlements and Services	395,950	395,950
O3 Public Health Acute Services	168,923	168,923
<i>Benefits and other unrequited expenses:-</i>		
Other Compensation	58,863	58,863
	655,741	655,741
Vote: Immigration		
<i>Other expenses to be incurred by the Crown:-</i>		
Non-Principal Applicants English Language Fee Refund	46	100
Support for Groups Working with Refugee Claimants	175	200
	221	300
Vote: Employment		
<i>Other Expenses to be Incurred by the Crown:-</i>		
Community Employment and Development Projects	21,357	21,744
Māori Women's Development Fund	2,000	2,000
	23,357	23,744
Total Annual Appropriations	684,840	685,972

Continued over ...

The accompanying accounting policies and notes form part of these financial statements.

	Expenditure Actual 30 June 2002 \$000	Appropriation Voted* 30 June 2002 \$000
Other Appropriations		
Vote: Labour		
<i>Other expenses to be incurred by the Crown:-</i>		
Employment Court Judges' Salaries and Allowances (Employment Relations Act 2000, Section 206)	1,265	1,400
Employment Relations Authority Members' Salaries and Allowances (Employment Relations Act 2000, Section 171)	1,794	1,850
	<u>3,059</u>	<u>3,250</u>
Vote: Accident Insurance		
<i>Other expenses to be incurred by the Crown:-</i>		
Motor Spirits Excise Duty for Public Health Costs (Injury Prevention, Rehabilitation, and Compensation Act 2001, Section 213 (3))	68,799	68,799
	<u>71,858</u>	<u>72,049</u>
Total Other Appropriations		
	<u>71,858</u>	<u>72,049</u>
Total Non-Departmental Expenditure and Appropriations	<u>756,698</u>	<u>758,021</u>

*This includes adjustments made in the Supplementary Estimates and transfers under section 5 of the Public Finance Act 1989.

The accompanying accounting policies and notes form part of these financial statements.

STATEMENT OF NON-DEPARTMENTAL REVENUE FOR THE YEAR ENDED 30 JUNE 2002

(Figures are GST exclusive where applicable)

		Revenue Actual 30 June 2002 \$000	Revenue Budgeted 30 June 2002 \$000
Vote: Labour	Note		
Employment Court, Employment Relations Authority and Employment Tribunal Fees		350	340
Health and Safety in Employment Levy	16	14,697	12,665
OSH Fees and Licences		256	282
Programme Recoveries		3	3
Recovery of Higher Salaries Commission costs of setting Local Authority Members' Remuneration		278	500
		<u>15,584</u>	<u>13,790</u>
Vote: Immigration			
Migrant Levy		8,435	6,301
Non-Principal Applicants English Language Fees		46	100
		<u>8,481</u>	<u>6,401</u>
Vote: Employment			
Programme Recoveries		92	35
		<u>92</u>	<u>35</u>
Total Non-Departmental Revenue		<u>24,157</u>	<u>20,226</u>

STATEMENT OF TRUST MONIES FOR THE YEAR ENDED 30 JUNE 2002

Account	As at 1 July 2001 \$000	Contribution \$000	Distribution \$000	Revenue \$000	Expense \$000	As at 30 June 2002 \$000
Industrial Relations Trust	16	225	(225)	-	-	16
Employment Court Trust	440	167	(452)	-	-	155
NZ Immigration Trust	1,800	4,127	(2,924)	-	-	3,003
Total	2,256	4,519	(3,601)	-	-	3,174

The Industrial Relations Trust and Employment Court Trust were established in 1988 to handle trust monies received by the Labour Inspectorate and trust monies held at the direction of the Employment Court. Source of Funds: Arrears collected by Labour Inspectorate on behalf of employees, monies held at the direction of the Employment Court as security against costs and interest on deposits.

The accompanying accounting policies and notes form part of these financial statements.

The NZ Immigration Trust was established in 1999 and is used as a holding account for bonds paid by medium risk applicants who are applying for visitor visas.

*MEMORANDUM ACCOUNT – VISA AND PERMITS FOR THE YEAR
ENDED 30 JUNE 2002*

Figures are GST exclusive

	Balance as at 1 July 2001 \$000	Revenue \$000	Expenses \$000	Balance as at 30 June 2002 \$000
Sales of visa and permits	7,966	63,043	(47,870)	23,139

This account summarises financial information relating to the accumulated financial surplus and deficits incurred in the sale of Visa and Permits by the Department of Labour.

The surplus/deficit levels are dependent upon the business conditions, and Government's policy settings prevailing during that period. The expectation is that with fluctuations in the immigration market, possible changes to Immigration policy and the potential need for future capital contributions for expansion and improvement of Visa and Permit services, the balance of this account will over time move to zero.

This memorandum account has been operating since 1 July 1999, and reflects forecasts based on the current strong demand for Visa and Permit services. Changes to these demand levels during or between years may mean actual outturns differ from forecast.

The Department is currently undertaking a review of costs, and if required new fees will be introduced later in the year.

The accompanying accounting policies and notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2002

1. Revenue - Department

Actual 30 June 2001 \$000		Actual 30 June 2002 \$000	Main Estimates 30 June 2002 \$000	Supp. Estimates 30 June 2002 \$000
1,342	Property rental recovery	858	933	933
-	Border and Investigations	147	-	155
723	Refugee Services	844	846	1,129
-	Policy, Purchase Advice and Monitoring	102	-	156
2,065	Total Revenue Department	1,951	1,779	2,373

2. Revenue - Other

Actual 30 June 2001 \$000		Actual 30 June 2002 \$000	Main Estimates 30 June 2002 \$000	Supp. Estimates 30 June 2002 \$000
54,282	Immigration fees	71,458	50,388	69,649
1,561	Penalties on non-complying employers and annual levy on insurers	(422)	2,364	135
433	Sale of publications	447	492	480
-	Other	89	-	132
56,276	Total Other Revenue	71,572	53,244	70,396

3. Operating Costs

Actual 30 June 2001 \$000		Actual 30 June 2002 \$000	Main Estimates 30 June 2002 \$000	Supp. Estimates 30 June 2002 \$000
115	Audit fees to auditors for audit of the financial statements	116	117	116
-	Fees to auditors for other services provided	9	-	9
20,529	Lease and rental charges	18,842	14,651	16,632
(584)	Realised Foreign Exchange (gains)/losses	893	-	-
(274)	Unrealised Foreign Exchange (gains)/losses	240	-	-
801	Bad debts written off	32	1,748	(47)
31	Change in provision for doubtful debts	(73)	(1,748)	-
179	Asset write off	196	7	47
-	Inventory write off	300	-	-
226	Net loss on sale of fixed assets	61	7	44
55,220	Other operating costs	55,705	58,161	63,439
76,243	Total Operating Costs	76,321	72,943	80,240

Note: Foreign Exchange – New Zealand Immigration Service does not budget for Foreign Exchange losses or gains because the nature of foreign movements is uncertain. Our policy is to minimise gains and losses by remitting funds to New Zealand on a regular basis.

4. Depreciation

Actual 30 June 2001 \$000		Actual 30 June 2002 \$000	Main Estimates 30 June 2002 \$000	Supp. Estimates 30 June 2002 \$000
21	Buildings	15	15	12
1,387	Leasehold Improvements	1,420		
193	Office Equipment	221		
303	Furniture and Fittings	363		
1,883	<i>sub total Furniture and Fittings</i>	2,004	2,986	2,394
38	Special Equipment	28		
2,812	Computer Equipment	2,577		
2,850	<i>sub total Plant and Equipment</i>	2,605	3,430	3,548
865	Motor Vehicles	1,030	1,016	945
5,619	Total Depreciation Charge	5,654	7,447	6,899

Note: Budget breakdowns for all the above depreciation categories were not available and have instead been disclosed using the Treasury categories.

5. Capital Charge

The capital charge represents a charge by the Crown on its taxpayers' funds as at 30 June and 31 December each year. The capital charge rate for 2001/2002 was 9.0% (2000/01: 10%).

6. Fixed Assets

30 June 2001 \$000		30 June 2002 \$000
	Land	
-	At cost	-
1,040	At valuation – 7 December 2000	1,040
<u>1,040</u>	Land - net current value	<u>1,040</u>
	Buildings	
-	At cost	-
686	At valuation – 7 and 31 December 2000	686
(17)	Accumulated depreciation	(32)
<u>669</u>	Buildings - net current value	<u>654</u>
	Leasehold Improvements	
11,841	At cost	12,051
(6,391)	Accumulated depreciation	(7,096)
<u>5,450</u>	Leasehold Improvements - net book value	<u>4,955</u>
	Specialised Equipment	
503	At cost	494
(424)	Accumulated depreciation	(397)
<u>79</u>	Specialised Equipment - net book value	<u>97</u>
	Office Equipment	
2,694	At cost	2,695
(2,024)	Accumulated depreciation	(2,146)
<u>670</u>	Office Equipment - net book value	<u>549</u>
	Furniture and Fittings	
5,246	At cost	5,341
(4,044)	Accumulated depreciation	(3,955)
<u>1,202</u>	Furniture and Fittings - net book value	<u>1,386</u>
	Computer Equipment	
14,299	At cost	14,617
(8,566)	Accumulated depreciation	(10,907)
<u>5,733</u>	Computer Equipment - net book value	<u>3,710</u>
	Motor Vehicles	
6,734	At cost	6,855
(1,789)	Accumulated depreciation	(2,665)
<u>4,945</u>	Motor Vehicles - net book value	<u>4,190</u>
	Items Under Construction	
1,072	Leasehold Improvements	1,034
707	Computer Equipment	1,442
-	Furniture and Fittings, Office Equipment, Special Equipment	128
<u>1,779</u>		<u>2,604</u>
	Total Fixed Assets	
44,822	At cost and valuation	46,383
(23,255)	Accumulated depreciation	(27,198)
<u>21,567</u>	Total Carrying Amount of Fixed Assets	<u>19,185</u>

Land and buildings in Suva were revalued at fair value as at 7 December 2000, by an independent registered valuer, Serupepeli Navuta, of Rolle Hillier Parker. Land and buildings at the Mangere Resettlement Centre in Auckland were revalued at fair value as at 31 December 2000, by an independent registered valuer, Rene McLean of Quotable Value NZ. There were no significant assumptions or limiting conditions set out in the valuation reports.

7. Creditors and Payables

30 June 2001 \$000		30 June 2002 \$000
3,863	Creditors	4,584
12,058	Accrued expenses	10,997
5,183	Income in advance	16,394
165	GST payable	256
<u>21,269</u>	Total Creditors and Payables	<u>32,231</u>

Creditors include invoices received but not paid as at 30 June 2002. Accrued expenses relate to operating goods and services received but where the invoices have not been received as at 30 June 2002. Income in advance mainly relates to unearned immigration fee revenue.

8. Provisions

Class	As at 1 July 2001	Additional provisions during the year	Charge against provision for year	Unused amounts reversed during the year	Discounting changes	As at 30 June 2002
	\$000	\$000	\$000	\$000	\$000	\$000
Legal Claim ¹	-	150	-	-	-	150
Non-Compliers Fund - Claims Reserve ²	572	-	(66)	(323)	-	183
Total	572	150	(66)	(323)	-	333

1. A provision of \$150,000 has been recognised for a tortious legal claim currently before the Courts (hearing in the Court of Appeal expected in November this year). Further information usually required by Financial Reporting Standard No 15 "Provisions, Contingent Liabilities and Contingent Assets" is not disclosed on the grounds that it can be expected to prejudice seriously the outcome of the litigation.
2. A claims reserve of \$183,000 has been provided for claims as provided by an independent actuarial assessment.

9. Provision for Repayment of Surplus to the Crown

30 June 2001 \$000		30 June 2002 \$000
8,370	Net surplus	18,010
<u>8,370</u>	Total Provision for Repayment of Surplus	<u>18,010</u>

The 2000/01 surplus was repaid to New Zealand Debt Management Office in November 2001. The large increase in surplus is mainly due to third party revenue in New Zealand Immigration Service. Joint Ministerial approval was given to retain the surplus in the Non-Compliers Fund by the Department of Labour under Section 14 of the Public Finance Act 1989, to cover future cost of claims on the Non-Compliers Fund. The 2001/02 surplus of \$33,000 will be transferred to Accident Compensation Corporation in 2002/03 along with regulator responsibilities with respect to the Non-Compliers Fund.

10. Provision for Employee Entitlements

30 June 2001 \$000		30 June 2002 \$000
	Current Liabilities	
3,271	Annual leave	3,613
177	Long service leave	259
361	Retiring leave	110
<u>3,809</u>		<u>3,982</u>
	Non Current Liabilities	
391	Long service leave	286
3,035	Retiring Leave	3,245
<u>3,426</u>		<u>3,531</u>
<u>7,235</u>	Total Employee Entitlements	<u>7,513</u>

Provisions for long service and retirement leave have been adjusted to reflect the actuarial valuation based on the present value of expected future entitlements as at 30 June 2002.

11. Reconciliation of Net Surplus to Net Cash Flow from Operating Activities for the year ended 30 June 2002

Actual 30 June 2001 \$000		Actual 30 June 2002 \$000	Main Estimates 30 June 2002 \$000	Supp. Estimates 30 June 2002 \$000
8,370	<i>Net surplus</i>	18,043	4,191	11,337
	Add/(less) non-cash items:			
5,619	Depreciation	5,654	7,447	6,899
179	Asset write-offs	196	7	-
336	Increase in non current employee entitlements	-	102	238
(274)	Unrealised foreign exchange gains/(losses)	240	-	-
(10)	Other non-cash items	-	-	47
<u>5,850</u>	Total non-cash items	<u>6,090</u>	<u>7,556</u>	<u>7,184</u>
	Add/(less) movements in working capital items:			
-	(Increase)/decrease in inventories	300	(50)	(100)
945	(Increase)/Decrease in debtors and receivables	1,034	306	(180)
(857)	(Increase)/Decrease in prepayments	120	30	11
1,836	Increase/(Decrease) in creditors and payables*	10,723	(408)	(597)
578	Increase in current employee entitlements	278	(59)	718
<u>2,502</u>	Working capital movements - net	<u>12,455</u>	<u>(181)</u>	<u>(148)</u>
	Add/(less) investing activity items:			
226	Net loss/(gain) on sale of fixed assets	61	7	44
<u>226</u>		<u>61</u>	<u>7</u>	<u>44</u>
<u>16,948</u>	Net Cash Flows from Operating Activities	<u>36,649</u>	<u>11,573</u>	<u>18,417</u>

* Adjusted for non-operating items

12. Taxpayers' Funds

Taxpayers' Funds comprises two components:

General Funds

Actual 30 June 2001 \$000		Actual 30 June 2002 \$000	Main Estimates 30 June 2002 \$000	Supp. Estimates 30 June 2002 \$000
14,405	General funds as at 1 July	16,527	16,527	16,527
8,370	Net surplus/(deficit)	18,043	4,191	11,337
2,269	Capital contribution	-	-	-
(1,450)	Capital withdrawal	(300)	(300)	(300)
(8,370)	Provision for repayment of surplus to the Crown	(18,010)	(4,191)	(11,337)
1,303	Transfers between Departments	-	-	-
16,527	General funds as at 30 June	16,260	16,227	16,227

Revaluation Reserve

Actual Land 30 June 2001 \$000	Actual Building 30 June 2001 \$000	Actual Total 30 June 2001 \$000		Actual Land 30 June 2002 \$000	Actual Building 30 June 2002 \$000	Actual Total 30 June 2002 \$000
139	666	805	Balance brought forward	754	748	1,502
615	82	697	Revaluation changes at 30 June	-	-	-
754	748	1,502	Revaluation reserve as at 30 June	754	748	1,502

13. Financial Instruments

Credit Risk

Financial instruments, which potentially subject the Department of Labour to credit risk, principally consist of cash on hand, bank balances and accounts receivable.

There were no major concentrations of credit risk with respect to accounts receivable.

Interest Rate Risk

The interest rate risk for the Department is negligible because all investments are made on term deposit with WestpacTrust.

Fair Value

Estimated fair values of the Department's financial assets and liabilities as at 30 June 2002 equate with the carrying amounts reflected in these financial statements.

Currency Risk

All significant overseas operating lease commitments have been listed, along with all foreign bank account balances as at 30 June 2002. No account is taken of projected receipts in calculating these exposures.

The Department may reduce its exposure to currency risk through the use of forward exchange contracts. There were no forward exchange contracts in place as at 30 June 2002. (Forward exchange contracts in place at 30 June 2001 was nil).

As at 30 June 2002 the Department had the following foreign currency exposures:

	Foreign Currency		New Zealand Currency	
	Operating Lease \$000	Cash at Bank \$000	Operating Lease \$000	Cash at Bank \$000
United States Dollar	165	1,284	339	2,637
Hong Kong Dollar	3,175	758	836	200
Chinese Yuan	551	1,321	137	328
British Pound Sterling	93	74	294	234
Indian Rupee	-	14,039	-	591
Singapore Dollar	308	57	358	67
Taiwan Dollar	-	1,797	-	110
Australian Dollar	-	65	-	76
Pakistan Rupee	-	1,522	-	52
Phillipine Peso	-	1,243	-	51
Thai Baht	2,779	2,242	138	111
Euro	-	85	-	174
Fijian Dollar	146	8	143	8
Other currencies	-	-	-	211
Total			2,245	4,850

14. Related Party Information

The Department is a wholly owned entity of the Crown. The Government significantly influences the roles of the Department as well as being its major source of revenue.

The Department enters into numerous transactions with other Government Departments, Crown Agencies and State-Owned Enterprises on an arm's length basis. Where those parties are acting in the course of their normal dealings with the Department, related party disclosures have not been made for transactions of this nature.

Apart from those transactions described above, the Department has not entered into any related party transactions, except for one exception:

As a result of Community Employment Group (CEG) staff actively working in local communities, certain members of staff hold executive or advisory positions within various community groups. Some of these community groups also receive grant funding from CEG. These community groups are therefore considered related parties of CEG. CEG has policies in place that requires staff with conflicts of interest not to participate in decisions with any group they are associated with.

15. Explanation of Major Budget Variations

(Figures are GST exclusive)

Statement of Financial Performance

The increases in personnel and operating costs, and the consequential increase in Revenue Crown and Revenue Other, result from the changes in outputs as outlined in the Supplementary Estimates. The significant changes were as follows:

Vote: Accident Insurance

Output D4 – Non-Compliers Fund

A decrease in appropriation of (\$2.229 million) was approved to reflect a decrease in forecast income from penalties and levies of (\$1.864 million) and an updated forecast for expenditure to be incurred against the Fund of (\$365,000).

Vote: Immigration

Output D2 – Visa and Permit Management

Changes in volume and immigration policy have resulted in an increase in appropriation of \$12.429 million; met by an increase in revenue received of \$19.3 million (Revenue Crown \$1.4 million, Revenue Other \$17.9 million). Below is a breakdown of the appropriation increase:

\$000s	Description of change
(47)	fiscally neutral transfer to Settlement Services and Settlement Information output classes to correct overhead allocation
1,634	funding for implementation of new residence immigration programme and changes to family sponsored immigration policy
8,862	a revision of forecast application volumes
541	review of temporary work policy (including establishment of a talent visa policy)
150	establishment of a Pacific Access Category
1,200	amendments to Immigration Regulations introducing new fees for family quota policy
89	Zimbabwe Temporary Entry Provisions
12,429	Total increase in 2001/02 appropriation

Output D5 – Refugee Services

The appropriation for this output class was increased by \$2.388 million. Below is a breakdown:

\$000s	Description of change
(8)	a fiscally neutral adjustment to correct overhead allocations to Settlement Services and Settlement Information output classes
1,396	Tampa Refugees Project
50	forecast change to the level of accommodation monies paid from Vote: Work and Income in respect of quota refugees housed at the Mangere Refugee Reception Centre (MRRC)
750	a fiscally neutral transfer from Border and Investigations output class to cover an increase in costs of staffing and accommodation
200	a fiscally neutral transfer of funds from Appeal Authorities output class of to cover possible increased costs relating to the final UNHCR quota intake for 2001/02 only.
2,388	Total increase in 2001/02 appropriation

Statement of Financial Position (and Cash Flows)*Cash and Bank Balances*

Year-end cash and bank balances are higher than those estimated in the Supplementary Estimates, mainly due to the following:

- cash surplus relating to underspending in Vote Immigration, Departmental output class: Visa and Permit Management of \$15.059 million and resulting increase in provision for repayment of surplus to the Crown of \$3.976 million
- timing differences resulting in increased Creditors and payables at balance date of \$11.237 million.

16. Health and Safety in Employment Levy

For the 2002/03 year ACC will be implementing an independent collection mechanism. The HSE levy that was collected by the Inland Revenue Department in May will now be collected on our behalf by ACC as part of their premium invoice. This will result in a delay in the payment of the majority of the HSE levy from ACC. The revised expected timeframe will fall in the new financial year. The HSE levy for 2001/02 was reduced by \$19.966 million to a new baseline of \$12.665 million because of this timing issue. In 2002/03 and outyears the new forecast level is \$25.569 million.

17. Non-Compliers Fund Output Class

The output class D4 Non-Compliers Fund is showing a credit for departmental expenditure of \$508,000. This credit balance is a mixture of a reduction in the provision for claims reserve and recovery of bad debts during the year.

18. Post Balance Date Events

From 1 July 2002 Accident Insurance Regulator's role in relation to the Non-Compliers Fund was transferred to Accident Compensation Corporation (ACC) pursuant to section 345 of the Injury Prevention, Rehabilitation, and Compensation Act 2001. The Statement of Financial Position has since been transferred to ACC along with responsibility for preparation of its annual accounts

Accident Insurance Regulator – from 1 July 2002 responsibility and funding for the role of Injury Surveillance Information Manager was transferred to Statistics New Zealand. Section 346 (5) of the Injury Prevention, Rehabilitation, and Compensation Act 2001 also removed the requirement to prepare separate accounts for the Regulator so no separate accounts are disclosed this year. Functions remaining with the department are Compliance and Funds Management in relation to the competitive accident market introduced in 1999/00 (Accident Insurance Act 1998), administration of the Insolvent Insurers Fund, should this be invoked and residual or transitional hand-over activity of information management to Statistics New Zealand.

NON-COMPLIERS FUND¹⁷

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2002

Actual 30 June 2001 \$000		Note	Actual 30 June 2002 \$000	Main Estimates 30 June 2002 \$000	Supp. Estimates 30 June 2002 \$000
REVENUE					
-	Crown		-	-	-
1,561	Other	1	(422)	2,364	135
20	Interest		-	-	-
1,581	Total Revenue		(422)	2,364	135
EXPENSES					
72	Personnel costs		-	50	3
1,469	Operating costs	2	(459)	2,302	125
-	Depreciation		-	-	-
-	Debt Write-offs		-	-	-
40	Interest charge	3	4	12	7
1,581	Total Expenses		(455)	2,364.	135
-	Net Surplus		33	-	-

The accompanying accounting policies and notes form part of these financial statements.
For information on major variances between actual and budget refer to Note 10 (page 149).

¹⁷ The information presented in these additional financial statements for the Non-Compliers Fund is included in the Department of Labour financial statements on pages 120 to 141.

Non-Compliers Fund

**STATEMENT OF MOVEMENT IN TAXPAYERS' FUNDS FOR THE
YEAR ENDED 30 JUNE 2002**

Actual 30 June 2001 \$000		Note	Actual 30 June 2002 \$000	Main Estimates 30 June 2002 \$000	Supp. Estimates 30 June 2002 \$000
550	Taxpayers' funds as at 1 July		300	300	300
-	Net surplus: total recognised revenues and expenses for the year		33	-	-
-	Capital contributions		-	-	-
(250)	Capital repayments		(300)	(300)	(300)
-	Provision for repayment of surplus to the Crown	6	-	-	-
300	Taxpayers Funds at 30 June		33	-	-

The accompanying accounting policies and notes form part of these financial statements.

Non-Compliers Fund

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2002

Actual 30 June 2001 \$000		Note	Actual 30 June 2002 \$000	Main Estimates 30 June 2002 \$000	Supp. Estimates 30 June 2002 \$000
TAXPAYERS' FUNDS					
300	General funds		33	-	-
-	Revaluation Reserve		-	-	-
300	Total taxpayers' funds		33	-	-
Represented by:					
CURRENT ASSETS					
476	Cash and bank balances		205	252	82
-	Prepayments		-	-	-
467	Debtors and receivables		11	-	218
943	Total Current Assets		216	252	300
NON CURRENT ASSETS					
-	Fixed Assets		-	-	-
943	Total Assets		216	252	300
CURRENT LIABILITIES					
71	Creditors and payables	4	-	252	300
572	Provisions for claims reserve	5	183	-	-
-	Provision for repayment of surplus to the Crown	6	-	-	-
643	Total Current Liabilities		183	252	300
NON CURRENT LIABILITIES					
-	Provision for employee entitlements		-	-	-
643	Total Liabilities		183	252	300
300	NET ASSETS		33	-	-

The accompanying accounting policies and notes form part of these financial statements.

Non-Compliers Fund

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2002

Actual 30 June 2001 \$000		Actual 30 June 2002 \$000	Main Estimates 30 June 2002 \$000	Supp. Estimates 30 June 2002 \$000
	Cash Flows from Operating Activities			
	Cash was provided from:			
-	Supply of outputs to Crown		-	-
1,252	Supply of outputs to others	142	2,866	110
20	Interest		-	-
	Cash was disbursed for:			
(1,052)	Cost of producing outputs	(109)	(2,604)	(197)
(40)	Capital Charge	(4)	(12)	(7)
180	Net Cash Flows from Operating Activities	29	250	(94)
	Cash Flows from Investing Activities			
	Cash was provided from:			
-	Sale of fixed assets	-	-	-
	Cash was disbursed for:			
-	Purchase of fixed assets	-	-	-
-	Net Cash Flows from Investing Activities	-	-	-
	Cash Flows from Financing Activities			
	Cash was provided from:			
-	Capital contributions	-	-	-
	Cash was disbursed for:			
-	Repayment of surplus			-
(250)	Capital repayments	(300)	(300)	(300)
(250)	Net Cash Flows from Financing Activities	(300)	(300)	(300)
(70)	Net increase/(decrease) in cash held	(271)	(50)	(394)
-	Add: Effect of exchange rate changes on foreign currency balances	-	-	-
546	Add: Opening cash brought forward	476	302	476
476	Closing Cash Balance	205	252	82
	Closing Cash Balance consists of:			
476	Cash and bank balances	205	252	82

The accompanying accounting policies and notes form part of these financial statements.

For information on major variances between actual and budget refer to Note 10 (page 149).

Non-Compliers Fund

STATEMENT OF COMMITMENTS AS AT 30 JUNE 2002

There were no Commitments for the Non-Compliers Fund as at 30 June 2002 (At 30 June 2001: nil).

STATEMENT OF CONTINGENT LIABILITIES AS AT 30 JUNE 2002

The Non-Compliers Fund had no Contingent Liabilities as at 30 June 2002 (At 30 June 2001: nil). Claims incurred but not reported (IBNR) were included in the provision for claims reserve of \$183,000.

The Non-Compliers Fund had not given any guarantees under section 59 of the Public Finance Act 1989 as at 30 June 2002 (At 30 June 2001: nil).

The accompanying accounting policies and notes form part of these financial statements.

Non-Compliers Fund

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2002

1. Revenue Other

Under sections 266 and 383 of the Accident Insurance Act 1998, the Accident Insurance Regulator has the statutory authority to recover the costs of the Non-Compliers Fund from insurers by way of a levy and from non-complying employers by way of penalties. The amount to be levied on insurers has been assessed as nil as at 30 June 2002. Penalties incurred and collected from non-complying employers continue to be paid into the Non-Compliers Fund.

2. Operating Costs

Actual 30 June 2001 \$000		Actual 30 June 2002 \$000	Main Estimates 30 June 2002 \$000	Supp. Estimates 30 June 2002 \$000
1	Audit fees to auditors for audit of the financial statements	-	-	-
768	Bad debts written off	(102)	1,748	(48)
-	Increase in provision for doubtful debts	-	(1,748)	-
700	Other operating costs	(357)	2,302	173
1,469	Total Operating Costs	(459)	2,302	125

3. Interest Charge

The interest charge rate for 2001/2002 was 10% (2000/2001: 10%). This was gazetted on the 1 July 1999 (New Zealand Gazette No. 79 refers).

4. Creditors and Payables

30 June 2001 \$000		30 June 2002 \$000
-	Creditors	-
71	Accrued expenses	-
71	Total Creditors and Payables	-

Creditors include invoices received but not paid as at 30 June 2002. Accrued expenses relate to operating goods and services received but where the invoices have not been received as at 30 June 2002.

5. Provision for Claims Reserve

30 June 2001 \$000		30 June 2002 \$000
-	Opening Balance	572
-	Additional provisions made during the year	-
572	Charged against provision for the year	(66)
-	Unused amounts reversed during the year	(323)
-	Discounting changes	-
572	Closing Balance	183

Claims reserve of \$183,000 has been provided for claims as provided by an independent actuarial assessment.

6. Provision for Repayment of Surplus to the Crown

Joint Ministerial approval was given for the retention of any surplus in the Non-Compliers Fund by the Department of Labour under Section 14 of the Public Finance Act 1989, to cover future cost of claims on the Non-Compliers Fund. This surplus will be transferred to the Accident Compensation Corporation in 2002/03 along with all regulator responsibilities with respect to the Non-Compliers Fund.

7. Reconciliation of Net Surplus to Net Cash Flows from Operating Activities for the year ended 30 June 2002

Actual 30 June 2001 \$000		Actual 30 June 2002 \$000	Main Estimates 30 June 2002 \$000	Supp. Estimates 30 June 2002 \$000
-	Net Surplus from Statement of Financial Performance	33	-	-
	Add/(less) non-cash items:			
-	Depreciation	-	-	-
-	Asset write-offs	-	-	-
-	Increase/(Decrease) in non current employee entitlements	-	-	-
	Add/(less) movements in working capital items:			
459	Decrease in debtors and receivables	457	502	249
-	(Increase) in prepayments	-	-	-
(335)	(Decrease) in creditors and payables*	(72)	(252)	(343)
56	(Decrease) in provision for claims reserve	(389)	-	-
-	Increase/(Decrease) in current employee entitlements	-	-	-
180	Net Cash Flows from Operating Activities	29	250	(94)

* Adjusted for non-operating items

8. Financial Instruments

Credit Risk

Financial instruments, which potentially subject the Non-Compliers Fund to credit risk, principally consist of bank balances and accounts receivable. Risks to the Crown are mitigated as any shortfall in funding is recovered by an Insurer Levy.

There were no major concentrations of credit risk with respect to accounts receivable.

Interest Rate Risk

The interest rate risk for the Non-Compliers Fund is negligible because funds are invested with a registered bank.

Fair Value

Estimated fair values of the Non-Compliers Fund financial assets and liabilities at 30 June 2002 equate with the carrying amounts reflected in these financial statements.

9. Related Party Information

The Non-Compliers Fund is part of Workplace Health and Safety Group of the Department of Labour. The Department is a wholly owned entity of the Crown. The Government significantly influences the roles of the Department as well as being its major source of revenue. The Department enters into numerous transactions with other Government Departments, Crown Agencies and State-Owned Enterprises on an arm's length basis. Where those parties are acting in the course of their normal dealings with the Department, related party disclosures have not been made for transactions of this nature. Apart from these transactions, the Department has not entered into any related party transactions.

10. Explanation of Major Variations between Actuals and Budgets

Statement of Financial Performance (and Cash Flows)

The decrease in operating costs, and the consequential decrease in Revenue Other, result from the decrease in outputs as outlined in the Supplementary Estimates. The significant decrease was as follows:

From 1 April 2000 workplace accident insurance was transferred back to a single fund. This reduced the period in which the Non-Compliers Fund (NCF) is required to guarantee the provision of statutory entitlements to claimants whose employer failed to purchase an accident insurance contract for the period of 1 July 1999 to 31 March 2000. The Accident Insurance Regulator remains responsible for administering the Fund while claims remain open and penalties are due for collection. Any shortfall between the cost of those claims made against the NCF and penalties collected from non-compliant employers is to be met by way of a one-off levy against registered insurers. The decrease in appropriation of (\$2.229 million) was due to a reduction in the provision.

11. Post Balance Date Events

On 1 July 2002 the Regulator's role in relation to the Non-Compliers Fund was transferred to the Accident Compensation Corporation (ACC) pursuant to section 345 of the Injury Prevention, Rehabilitation, and Compensation Act 2001. The Statement of Financial Position has since been transferred to ACC along with responsibility for preparation of its annual accounts.

Appendix 1: Policy Advice Performance Standards

Policy Advice

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

- Issue definition: a clear and succinct description of the nature and scope of the issue or problem to be addressed is provided, which meets the needs of Ministers and reflects or recognises previous government decisions.
- Data and analysis: an appropriate search of data is undertaken, the data used is robust, and appropriate analytical techniques are employed.
- Objectives: a clear and succinct statement of the policy objective(s) to be achieved is provided, and the link to government priorities or strategic objectives is clear.
- Options: all viable options from a Department of Labour and wider government perspective are identified and assessed in terms of benefits, costs, risks, consequences, fiscal implications, practicality and relationship with other policy. Underlying assumptions are stated.
- Consultation: where appropriate, internal and external groups with an interest in the issue are involved and consulted at all stages of the policy development process.
- Style and presentation: the report uses language familiar to the intended readership, and appropriate presentational aids; the format meets Cabinet Office requirements where applicable; and the recommendations are explicit, unambiguous, and provide clear authority for the decision.
- Implementation: where appropriate, guidance is provided on the implementation of the selected option(s).
- Evaluation strategy: where appropriate, advice on recommended options includes a strategy for later evaluation.
- Compliance cost assessment: where appropriate, all policy is subject to an analysis of the compliance cost implications for the private and public sectors.

Timeliness

Advice is produced in sufficient time to allow thorough consideration prior to decision-making, or within the timeframe agreed with the Minister.

Application of standards

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

Appendix 2: Legislative Framework

Statutes

During 2001/02, the Department administered the following legislation:

- Disabled Persons Employment Promotion Act 1960
- Employment Relations Act 2000
- Equal Pay Act 1972
- Health and Safety in Employment Act 1992
- Higher Salaries Commission Act 1977
- Holidays Act 1981
- Immigration Act 1987
- Injury Prevention, Rehabilitation, and Compensation Act 2001
- Labour Department Act Repeal Act 1989
- Machinery Act 1950
- Marine and Power Engineers Institute Industrial Disputes Act 1974
- Mines Rescue Trust Act 1992
- Minimum Wage Act 1983
- Parental Leave and Employment Protection Act 1987
- Seamen's Union Funds Act 1971
- Sharemilking Agreements Act 1937
- Shop Trading Hours Act Repeal Act 1990
- Trade Unions Act 1908
- Union Representatives Education Leave Act Repeal Act 1992
- Volunteers Employment Protection Act 1973
- Wages Protection Act 1983
- Waterfront Industry Reform Act 1989

Regulations

The Department also administered the following regulations:

- Abrasive Blasting Regulations 1958
- Accident Insurance ("Counsellor") Regulations 1999
- Accident Insurance (Indexation of Maximum Weekly Compensation) Regulations 1999
- Accident Insurance (Indexation of Maximum Weekly Compensation) Regulations 2000
- Accident Insurance (Indexation of Maximum Weekly Compensation) Regulations 2001

- Accident Insurance (Insurer Returns) Regulations 1999
- Accident Insurance (Insurer's Liability to Pay Cost of Treatment) Regulations 1999
- Accident Insurance (Interest on Crown Advances) Regulations 1999
- Accident Insurance (Interim Indexation) Regulations 1999
- Accident Insurance (Interim Indexation) Regulations 2000
- Accident Insurance (Interim Indexation) Regulations 2001
- Accident Insurance (Motor Spirits Duty) Order 2001
- Accident Insurance (Occupational Hearing Assessment Procedures) Regulations 1999
- Accident Insurance (Payment for Public Health Acute Services) Regulations 2000
- Accident Insurance (Payment for Public Health Acute Services) Regulations 2001
- Accident Insurance (Payment of Base Premiums) Regulations 1999
- Accident Insurance (Prescribed Rate of Interest) Regulations 1999
- Accident Insurance (Regulator's Funding Levy) Regulations 2000
- Accident Insurance (Regulator's Funding Levy) Regulations 2001
- Accident Rehabilitation and Compensation Insurance (Motor Spirits Excise Duty) Order 1998
- Amusement Devices Commencement Order 1968
- Amusement Devices Regulations 1978
- Dangerous Goods (Class 2 - Gases) Regulations 1980
- Dangerous Goods (Class 3 – Flammable Liquids) Regulations 1985
- Dangerous Goods (Class 4 - Flammable Solids or Substances and Class 5 - Oxidising Substances) Regulations 1985
- Dangerous Goods (Licensing Fees) Regulations 1976
- Disabled Persons Employment Promotion Order 2001
- Electroplating Regulations 1950
- Employment Court Regulations 2000
- Employment Relations Authority Regulations 2000
- Employment Relations (Prescribed Matters) Regulations 2000
- Explosives Amendment Act Commencement Order 1979
- Explosives Authorisation Order 1994
- Explosives Regulations 1959
- Factories and Commercial Premises (First Aid) Regulations 1985
- Framework for the Accredited Employers Programme 2000 (deemed regulations)
- Health and Safety in Employment (Asbestos) Regulations 1998
- Health and Safety in Employment (Mining Administration) Regulations 1996
- Health and Safety in Employment (Mining – Underground) Regulations 1999

- Health and Safety in Employment (Petroleum Exploration and Extraction) Regulations 1999
- Health and Safety in Employment (Pipelines) Regulations 1999
- Health and Safety in Employment (Prescribed Matters) Regulations 1993
- Health and Safety in Employment (Pressure Equipment, Cranes, and Passenger Ropeways) Regulations 1999
- Health and Safety in Employment (Rates of Funding Levy) Regulations 1994
- Health and Safety in Employment Regulations 1995
- Higher Salaries Commission Act Commencement Order 1978
- Higher Salaries Commission (Jurisdiction) Order 1988
- Immigration Act Commencement Order 1987
- Immigration (Refugee Processing) Regulations 1999
- Immigration Regulations 1999
- Immigration (Special Regularisation) Regulations 2000
- Immigration (Transit Visas) Regulations 2002
- Industrial Training Levies Order 1987
- Injury Prevention, Rehabilitation, and Compensation (Ancillary Services) Regulations 2002
- Injury Prevention, Rehabilitation, and Compensation (Earners' Levy and Earners' Account Residual Levy) Regulations 2001
- Injury Prevention, Rehabilitation, and Compensation (Employer Levies) Regulations 2002
- Injury Prevention, Rehabilitation, and Compensation (Indexation of Maximum Weekly Compensation) Regulations 2002
- Injury Prevention, Rehabilitation, and Compensation (Interest Rate for Late Payment of Levies) Regulations 2002
- Injury Prevention, Rehabilitation, and Compensation (Interim Indexation of Weekly Abatement Amounts) Regulations 2002
- Injury Prevention, Rehabilitation, and Compensation (Lump Sum and Independence Allowance) Regulations 2002
- Injury Prevention, Rehabilitation, and Compensation (Motor Vehicle Levy and Motor Vehicle Account Residual Levy) Regulations 2001
- Injury Prevention, Rehabilitation, and Compensation (Public Health Acute Services) Regulations 2002
- Injury Prevention, Rehabilitation, and Compensation (Residual Claims Levy) Regulations 2001
- Injury Prevention, Rehabilitation, and Compensation (Review Costs and Appeals) Regulations 2002
- Injury Prevention, Rehabilitation, and Compensation (Self-Employed Work Account Levies) Regulations 2002
- Labour Relations Regulations 1987
- Lead Process Regulations 1950

- Machinery Amendment Act Commencement Order 1967
- Machinery (Exclusion of Some Pressure Equipment, Cranes, and Passenger Ropeways) Order 1999
- Minimum Wage Act Commencement Order 1985
- Minimum Wage (Industry Training) Regulations 1999
- Minimum Wage Order 2002
- Minimum Wage Regulations 1946
- Noxious Substances Regulations 1954
- Parental Leave and Employment Protection Regulations 2002
- Parliamentary Salaries and Allowances Determination 2001 (deemed regulations)
- Sharemilking Agreements Order 2001
- Spray Coating Regulations 1962
- Union Representatives Education Leave Act Repeal Act Commencement Order 1992
- Workers' Compensation Order 1969

Appendix 3: Staffing as at 30 June 2002

TABLE 1: STAFFING AS AT 30 JUNE 2002

	Females		Males		Total	
	Actual	FTE	Actual	FTE	Actual	FTE
Office of the Chief Executive	43	40.8	28	26.7	71	67.5
Labour Market Policy Group	35	31.7	22	22.2	57	53.9
Employment Relations Service	102	99.5	54	53.5	156	152.8
Workplace Health and Safety	103	99.2	174	172.8	277	272
NZ Immigration Service*	456	440	225	222	681	662
Community Employment Group	53	52.6	52	52	105	104.6
Total	792	763.6	555	549.2	1,347	1,312.8

* Note: This includes locally engaged staff offshore.

FIGURE 1: SALARY SPREAD BY GENDER AS AT 30 JUNE 2002

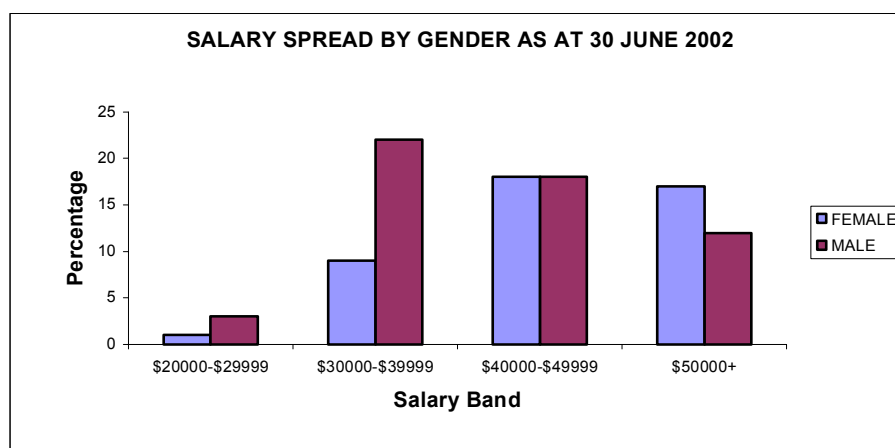
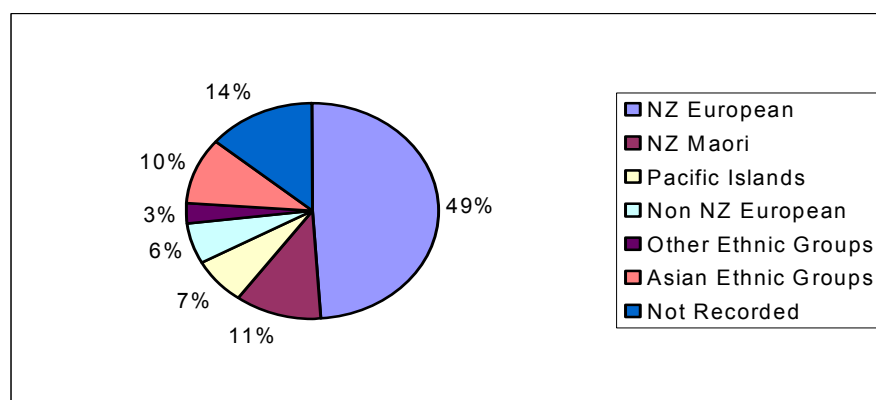


FIGURE 2: ETHNIC COMPOSITION OF THE WORKFORCE AS AT 30 JUNE 2002



Appendix 4: Operations of the Employment Relations Service

TABLE 1: LABOUR INSPECTORATE

Legislation Administered

Employment Relations Act 2000

Minimum Wage Act 1983

Holidays Act 1981

Parental Leave and Employment Protection Act 1987

Equal Pay Act 1972

Volunteers Employment Protection Act 1973

Wages Protection Act 1983

Shop Trading Hours Act Repeal Act 1990

Staffing as at 30 June 2002

Labour Inspectors	21 including Manager
Information Officers	19
Information Centre Team Leader	2
Information Centre Manager	1
Information Centre Typists/Receptionists	2

Workload

203,230 enquiries processed

2,020 formal complaints received

2,136 complaints resolved

Arrears Recovered: \$978,818.91

Penalties Awarded: \$1,500.00

Costs Awarded: \$1,670.00

Interest Awarded: \$902.28

TABLE 2: MEDIATION SERVICE

Applications outstanding at 1 July 2001	815
+ Application received	8,134
+ Applications reopened	115
- Applications disposed	8,187
Settlements	4,200
Not settled	1,073
Withdrawals	285
Transfers between locations or mediators	27
Not proceeding	1,081
Mediator decision	29
Recorded settlement	1,289
Partial settlement	107
Other	99
	8,187
= Applications outstanding at 30 June 2002	877
Received	21
Under action	803
Adjourned	53
	877

Application Type Breakdown for Settlements only

The 4,200 settlements involved 4,802 application types, as several applications involved more than one type.

Description	Number	%
Other	175	4%
Bargaining	266	6%
Collective Agreement	62	1%
Disciplinary Problems	83	2%
Dispute - Section 129	79	2%
Employee – Definition	31	1%
Good Faith	119	2%
Individual Agreement	225	5%
Interim Reinstatement	4	0%
Minimum Code	113	2%
Personal Grievance - Discrimination	54	1%
Personal Grievance - Other	0	0%
Personal Grievance - Disadvantage	762	16%
Personal Grievance - Duress	49	1%
Personal Grievance - Sexual Harassment	48	1%
Personal Grievance - Racial Harassment	11	0%
Personal Grievance - Unjustified Dismissal	2061	43%
Redundancy	339	7%
Strikes and Lockouts	19	0%
Unions	4	0%
Recovery of Wages	298	6%
TOTAL	4,802	100%

TABLE 3: EMPLOYMENT AUTHORITY

Applications outstanding at 1 July 2001		399
+ Applications received	2098	
+ Applications reopened	71	
- Applications disposed	1,720	
Determinations	500	
Withdrawals	922	
Investigation abandoned	280	
Removed to Court	10	
Referrals to mediation	4	
Transfers between Registry	3	
Strike Outs	1	
	<u>1,720</u>	
= Applications outstanding at 30 June 2002		848
Set down	157	
Filed not set down	441	
Outstanding determinations	46	
Awaiting mediation outcome	204	
	<u>848</u>	

Application Type Breakdown for Determinations only

The 500 determinations involved 631 application types, as several applications involved more than one type. A breakdown of these applications follows:

Description	Number	%
Compliance Order	71	11%
Dispute	22	4%
Directions Sought by Registrar of Unions	0	0%
Injunction	4	1%
Order Canceling or Varying Agreement	0	0%
Other	15	2%
Penalty - Breach of Employment Agreement	15	2%
Personal Grievance - Unjustified Dismissal	322	50%
Personal Grievance - Discrimination	18	3%
Personal Grievance - Disadvantage	73	11%
Parental Leave Complaint	2	0%
Recovery of Wages	104	16%
TOTAL	646	100%

TABLE 4: EMPLOYMENT COURT

Applications outstanding at 1 July 2001		266
+ Application received		283
+ Applications reopened		21
- Applications disposed		331
Judgements	137	
Withdrawals	180	
Admin withdrawals	13	
Transfers between Registry	1	
	<u>331</u>	
= Applications outstanding at 30 June 2002		238
Set down	39	
Filed not set down	160	
Outstanding judgements	27	
Adjourned sine die	12	
	<u>238</u>	

Application Type Breakdown for Judgments only

The 101 judgments issued involved 105 application types, as several applications involved more than one type. A breakdown of these applications follows:

Description	Number	%
Appeal Against Decision of the Tribunal	78	74%
Damages Claim	12	11%
Declaration	3	3%
Application to Court for Rehearing	1	1%
Harsh and Oppressive Contract	2	2%
Injunction - Other than Strike or Lockout	2	2%
Other - Court	3	3%
Referral of Question of Law from Tribunal	2	2%
Proceedings Transferred from Tribunal	2	2%
Action founded on tort	1	1%
TOTAL	<u>106</u>	<u>100%</u>

TABLE 5: EMPLOYMENT TRIBUNAL

Applications outstanding at 1 July 2001		1,771
+ Application received	106	
+ Applications reopened	78	
- Applications disposed	1,773	
Settlements	429	
Decisions	492	
Withdrawals	529	
Admin withdrawals	317	
Removed to Court	1	
Transfers between Registry	5	
	<u>1,773</u>	
= Applications outstanding at 30 June 2002		172
Set down	62	
Filed not set down	66	
Outstanding settlements	0	
Outstanding decisions	39	
Adjourned sine die	5	
	<u>172</u>	

Application Type Breakdown for Settlements and Decisions only

The 429 settlements and 492 decisions involved 343 settlement and 586 decision application types, as several applications involved more than one type. A breakdown of these applications follows:

Settlements

Description	Number	%
Compliance Order	11	3%
Dispute	5	1%
Personal Grievance - Discrimination	2	1%
Personal Grievance - Disadvantage	32	9%
Personal Grievance - Sexual Harassment	1	1%
Personal Grievance - Unjustified Dismissal	226	65%
Penalty Action	17	5%
Parental Leave Complaint	1	0%
Arrears of Wages	26	8%
Wage Recovery	22	7%
TOTAL	<u>343</u>	100%

Decisions

Description	Number	%
Compliance Order	24	4%
Dispute	15	3%
Application to Tribunal for Rehearing	4	1%
Personal Grievance - Discrimination	6	1%
Personal Grievance - Other Acts	2	0%
Personal Grievance - Disadvantage	37	6%
Personal Grievance - Sexual Harassment	2	0%
Submit Personal Grievance - Out of Time	6	1%
Personal Grievance - Unjustified Dismissal	305	52%
Penalty Action	46	8%
Parental Leave Complaint	2	0%
Arrears of Wages	78	14%
Wage Recovery	59	10%
TOTAL	586	100%

Employment Tribunal - General Mediation

Received	10
Completed	15

Appendix 5: Operations of the Workplace Health and Safety Group

TABLE 1: PUBLICATIONS PRODUCED IN 2001/2002

Extractive

- Guidelines for a Certificate of Fitness for High Pressure Gas and Liquids Transmission Pipelines
- Serious Harm Accident Summary 2001

Forestry

- Forestry Bulletins - 2

Construction

- Construction Bulletins – 5
- Guidelines for the Safe Use and Erection of Pre-Cast Concrete (Published on Internet only)

Agriculture

- Farming Bulletins - 1
- Guidelines for Safe Above-Ground Fuel Storage on Farms
- Leptospirosis – Facts for Stockyard Workers

Health

- Health and Safety Guidelines for Home-Based Health Care Services
- Workplace Exposure Standards 2002
- Workplace Health Bulletin – 1

General Workplace

- Accident Alerts – 12 (Published on the Internet only)
- English-Māori Glossary of Occupational Safety and Health Terms
- Health and Safety Guidelines for Tyre Fitters

PUBLICATIONS REPRINTED

- A Guide to the Approved Code of Practice for Operator Protective Structures on Self-Propelled Mobile Mechanical Plant
- Guidelines for Occupational Diving
- Learn the Basic Steps to Make Your Workplace Safer
- Leptospirosis - Facts for Beef Workers
- NODS Notification Cards
- Record of Serious Accident sheets
- Three Steps Video

PUBLICATIONS IN PROGRESS

Approved Codes of Practice

- Approved Code of Practice for Boilers (Revised)
- Approved Code of Practice for the Management of Noise in the Workplace (Revised)
- Approved Code of Practice for Training operators and Instructors of Powered Industrial Lift Truck (Forklifts) (Revised)

Guidelines

- Port Safety
- Ship maintenance and repair
- Spray Coating

Industry-driven Publications

- Elevated Work Platforms
- Four further best practice guidelines in association with the FITO
- Guide to Safety with Underground Services
- Health and Safety in the Flooring Industry

TABLE 2: PROSECUTIONS, CONVICTIONS AND FINES – 3 YEAR COMPARISON

	1999/2000	2000/01	2001/02
Prosecution cases initiated	118	136	145
Prosecution cases determined	147	118	143
• Withdrawn	14	5	8
• Convictions	123	108	132
• Dismissed	10	5	2
• Discharged without conviction	0	0	1
Conviction rate (% of cases determined)	84%	92%	92%
Performance Measure	At least 75% of prosecutions will result in a conviction.	At least 75% of prosecution cases will result in a conviction.	At least 75% of prosecution cases will result in a conviction.
Activity Monitor (as Performance Agreement):	It is expected that there will be between 200 and 280 HSE prosecutions determined each year.	It is expected that there will be between 120 and 150 HSE prosecution cases initiated each year.	It is expected that there will be between 120 and 150 HSE prosecution cases initiated each year.
Total fines	\$810,200.00	\$694,050.00	\$915,750.00
Average fine	\$4,765.88	\$5,298.09	\$5,144.66
Maximum fine	\$28,000.00	\$40,000.00	\$50,000.00
Number of charges resulting in conviction	170	131	178

Data Definitions

"Prosecution case" means one or more charges filed in Court against a single person in relation to a single event or incident. In other words, a case is one prosecution of one defendant, regardless of the number of charges. It is not uncommon to withdraw one charge but proceed with another. It is not uncommon for more than one person to be charged following a single event or incident. These are counted as separate cases. Prosecutions initiated in one year may not be determined until a following year.

"Initiated" means filed in Court during the financial year.

"Determined" means resolved by the Court; that is conviction, dismissal, or withdrawn.

"Withdrawn" means all charges were withdrawn.

"Conviction" means at least one charge succeeded.

"Dismissal" means no charges succeeded and at least one was dismissed.

"Discharged without conviction" means that after a defendant pleaded guilty or was found guilty on one or more charges, the Court determined all such charges by discharging the defendant without entering a conviction. This is regardless of whether any other charges were dismissed. A discharge without conviction is effected under section 106 of the Sentencing Act and is deemed to be an acquittal.

TABLE 3: FATAL ACCIDENTS INVESTIGATED DURING 2001/2002

73 fatal accidents were investigated in 2001/2002:

Agriculture		Extractive		Forestry		Construction		Industrial/ Commercial	
All terrain vehicles	7	Dump truck accidents	3	Crushed between trees	1	Fall from height	5	Attacked in place of work	6
Tractor accidents	6	Crushed by mine collapse	1	Hit by Hauler rope	1	Vehicle rollover	3	Trapped in machinery	5
Other vehicle accidents	4	Caught In machinery	1			Crushed by building collapse	1	Fall from height	4
Drowning	2					Crushed in lift	1	Crushed by vehicle	3
Fall from height	2					Suspected heart attack	1	Vehicle collisions	3
Crushed by hay bales	1					Crushed by collapse of walls of excavation	1	Electrocution	2
Fall whilst intoxicated	1							Explosions	2
Horse accident	1							Drowned in public pool	2
Charged by bull	1							Drowned on commercial fishing trip	1
								Trampled by horse	1
Totals	25		5		2		12		29
Persons under 18yrs	2		0		0		0		3
Customers and Passers-by	0		0		0		0		6

- **Source:** OSH Fatal Accidents Register

TABLE 4: FATAL ACCIDENTS INVESTIGATED - 3 YEAR COMPARISON

Number of Fatal Accidents	Agriculture	Extractive	Forestry	Construction	Industrial/ Commercial	Total
01/02	25 (7 ATV)	5	2 (1 from felling)	12 (6 from a fall)	29 (6 homicides)	73
00/01	17 (6 ATV)	0	7 (0 from felling)	9 (1 from a fall)	7 (0 homicides)	40
99/00	18 (4 ATV)	2	4 (2 from felling)	17 (13 from a fall)	16 (1 homicide)	57

- **Source:** OSH Fatal Accidents Register

Appendix 6: Operations of the New Zealand Immigration Service

TABLE 1: PEOPLE APPROVED RESIDENCE IN 2000/01 BY NATIONALITY AND CATEGORY

	General Skills	General Category	Investor category	Entrepreneur category	Employees of businesses	Family Marriage	Family Parent	Family de facto	Family child adult	Family Child Dependent	Family Sibling	Humanitarian	Same Sex	Refugee status	Refugee Quota	Samoa Quota	Transition 33(2)	Other	Grand Total
Afghanistan						18	6		1	2		18		175	121				504
Albania	5					2								4					11
Algeria												1		10					11
American Samoa						16	2		1	1						1			21
Angola						3													3
Argentina	23					1	1	1											26
Australia						1													1
Austria	35		1			7	2	1			2							1	49
Azerbaijan	1					3													4
Bahamas	1																		1
Bahrain	5					1													6
Bangladesh	42	19				38	5			5	4	3						4	120
Barbados						1													1
Belarus	12					3	4												19
Belgium	21					6	1	1				1							30
Belize	1			1		1													3
Bermuda	1																		1
Bhutan						2													2
Bolivia			4			2		1						1					8
Bosnia & Herzegovina	11					1	2					1						1	16
Brazil	34					25		3		1									63
Brunei Darussalam						1	2												3
Bulgaria	100					12	3			1	1								117
Burma												1							1
Burundi						1									5				6
Cambodia	14		17			131	38		4	15	11	260		11				2	503
Canada	155		6		1	84	11	32	1	2		6						5	301

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APPENDIX 6: OPERATIONS OF THE NEW ZEALAND IMMIGRATION SERVICE

	General Skills	General Category	Investor category	Entrepreneur category	Employees of businesses	Family Marriage	Family Parent	Family de facto	Family child adult	Family Child Dependent	Family Sibling	Humanitarian	Same Sex	Refugee status	Refugee Quota	Samoa Quota	Transition 33(2)	Other	Grand Total
Chad	1																		1
Chile	21					5	2	2				2							32
China	3,391		2,839	16	14	635	985	26	73	116	114	472		45				24	8,750
Colombia	23					8	5	3		1		4	1	5					50
Congo														8	2				10
Costa Rica								2											2
Croatia	7					6	7												20
Czech Republic	20					25	1	6						3					55
Democratic Republic of Congo	3													2					5
Denmark	11		4			13	1	10		2	1								42
Ecuador						1													1
Egypt	86		9			8	6				1								110
El Salvador							2												2
Eritrea						1													1
Ethiopia	1					5				2		10		8	55				81
Fiji	1,598		8	10		391	396	7	70	79	105	278	1			1		23	2,967
Finland	10					5		1											16
France	55					19	2	18		1		5						3	103
French Polynesia						1													1
Georgia	5						2			1	1								9
Germany	282		9	4		57	9	28		6	2	1	1					3	402
Ghana	8					12				5									25
Great Britain	4,524		127	5	10	866	507	338	32	27	50	64	3					40	6,593
Greece	7					2		1											10
Guinea - Bissau						1													1
Guyana								1		3									4
Hong Kong	126		84			38	24	4	6	3	2	9	1					1	299
Hungary	18					12		1											31
Iceland	5					1		1											7
India	7,370		3	2	4	481	334	8	31	54	54	74		7				8	8,430
Indonesia	327		11			41	25	2		12	2	1	1	2				1	425
Iran	14					19	16		1	1	3	14		159	75			1	303
Iraq	110					39	33		5	3	6	450		53	118			2	819

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	General Skills	General Category	Investor category	Entrepreneur category	Employees of businesses	Family Marriage	Family Parent	Family de facto	Family child adult	Family Child Dependent	Family Sibling	Humanitarian	Same Sex	Refugee status	Refugee Quota	Samoan Quota	Transition 33(2)	Other	Grand Total
Ireland	97		4			39	4	30	2		1							10	187
Israel	29		4			5	4	2	1		5								50
Italy	30			2		14	7	4					1						58
Japan	255		18	7	5	138	8	42		1		2						3	479
Jordan	46					5					1								52
Kazakhstan	7			7		2	10		4										30
Kenya	7					3						1							11
Kiribati	9					6			2			4							21
Kosovo						1													1
Kuwait														42					42
Kyrgyzstan	8					7													15
Laos						5				5		1							11
Latvia	4					3		2											9
Lebanon	1					2	1					10		4					18
Liberia						3								5					8
Libya														1					1
Lithuania	5					5	1												11
Macau	3		5			1	2	2			3								16
Macedonia	36					6	10	1	1	1	4	12						4	75
Madagascar						1								3					4
Malawi	2																		2
Malaysia	1,589		111			67	32	7	4	18	6	12	3	4			1	2	1,856
Maldives	3					1													4
Mali						1													1
Malta	1																		1
Mauritius	15																		15
Mexico	8					5													13
Moldova	10					4					1								15
Mongolia														2					2
Morocco	3					4				1				2					10
Mozambique			1																1
Myanmar	5					1					1			14	4			1	26
Namibia	16																		16
Nauru	2		4			1				3									10

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	General Skills	General Category	Investor category	Entrepreneur category	Employees of businesses	Family Marriage	Family Parent	Family de facto	Family child adult	Family Child Dependent	Family Sibling	Humanitarian	Same Sex	Refugee status	Refugee Quota	Samoa Quota	Transition 33(2)	Other	Grand Total
Nepal	35					5				2				1					43
Netherlands	194		31	2	1	37	19	20		2	1	7						3	317
New Caledonia								1											1
Nicaragua												1							1
Nigeria	34					12		1						2					49
North Korea														1					1
Norway	7					11		2											20
Oman	1		1																2
Pakistan	222		1			47	8	2		1	7	4		7				1	300
Palestine	6								1					1					8
Papua New Guinea						9		6				1							16
Peru	2					8		1		1		5						1	18
Philippines	1,066		10	1	1	166	40	2	3	60	5	12	1			3	1	10	1,381
Poland	27					12	1	2											42
Portugal	8					1	1	1			1	1							13
Qatar									1	1									1
Reunion	2																		2
Romania	290					8	12			2		1							313
Russia	365		19		4	84	56	1	4	11	10	5							568
Rwanda	5									2				1	4				12
Samoa	40					314	209	33	15	153	24	70	1			1,025	44	24	1,952
Saudi Arabia	7																		7
Sierra Leone						1								2					3
Singapore	328		16			18	8	2		6	6								384
Slovakia	17					6		2										1	26
Slovenia	2					2				1									5
Solomon Islands	11					5	5	1	1	2									25
Somalia						14	1			1		56		12	153			3	240
South Africa	3,621		5	4	2	139	305	49	29	47	27	63						12	4,303
South Korea	1,680		261			117	83	5	6	14	8	104	1	3				3	2,285
Soviet Union	2					1													3
Spain	6					7		5					1						19

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	General Skills	General Category	Investor category	Entrepreneur category	Employees of businesses	Family Marriage	Family Parent	Family de facto	Family child adult	Family Child Dependent	Family Sibling	Humanitarian	Same Sex	Refugee status	Refugee Quota	Samoan Quota	Transition 33(2)	Other	Grand Total
Sri Lanka	486		4			36	66	3	8	16	7	49		143				6	824
Stateless	8					1			1	2		3		17					32
Sudan	7																		7
Sweden	24					15	1	13											53
Switzerland	57					21	4	8			2		1						93
Syria						4						24		5					33
Taiwan	447		715			44	33	7	6	4	6	6	1						1,269
Tanzania	3					2													5
Thailand	131		7	1		246	18	32	3	46	2	6	6	2	1			6	507
Tonga	81		8			195	158	14	33	44	17	71					10	30	661
Trinidad and Tobago	1					1													2
Tunisia						1								2					3
Turkey	23		4	1		11		3		2				1	1				46
Tuvalu	14		1			8		2		5		5						7	42
Uganda	2					1													3
Ukraine	81		1			33	15	1	4	2	6	3							146
United Nations	1																		1
United States of America	526		35	14	4	284	38	30		19	2	4	3			12		22	993
Unknown	2						10				1	6		2	13		1	1	36
Uruguay	4					1													5
Uzbekistan	20					1		1				1							23
Vanuatu	1							1											2
Venezuela	2																		2
Vietnam	12					122	34	3	3	23	4	75		9					285
Yugoslavia	47					14	17	1	2	3	1	13						1	99
Zambia	22					5			1										28
Zimbabwe	685		6			20	36	1	2	6		27		4					787
Grand Total	31,340	19	4,394	77	46	5,472	3,692	853	362	849	518	2,503	27	785	552	1,042	57	268	52,856

Appendix 7: Research and Evaluation – Summary of Publications and Reports 2001/02

(1) OCCASIONAL PAPERS RELEASED IN 2001/02

Identifying functional labour market areas in New Zealand: Reconnaissance study using travel-to-work data

James Newell and Kerry Papps

Occasional Paper 2001/02

To date, analysis of the spatial dimension of New Zealand labour markets has been limited to administrative, rather than appropriately defined functional, geographic units. This paper presents a preliminary classification of New Zealand into local labour market areas using area unit travel-to-work data from the 1991 Census of Population and Dwellings and drawing on the regionalisation method of Coombes *et al.* (1986). After assessing the robustness of the preferred set of local labour market areas, the paper provides some illustrative labour market statistics for these zones. Migration between labour market areas is most likely to be accompanied by changes in job, whereas moves within a labour market are largely assumed to be non-work motivated. As a result, this study provides a more appropriate spatial unit of analysis than any administrative classification for studying migration at a sub-national level.

New Zealanders' working time and home work patterns: Evidence from the New Zealand time use survey

Paul Callister and Sylvia Dixon

Occasional Paper 2001/02

This report uses data from the New Zealand Time Use Survey 1998/99 to analyse the timing and location of paid work. It provides a detailed picture of New Zealanders' paid working time patterns, focusing particularly on work that is undertaken at non-standard times, and work that is undertaken in workers' own homes. Results are given for sub-groups in the labour force as well as for all workers.

(2) CONTENTS OF LABOUR MARKET BULLETINS PUBLISHED IN 2001/02

Articles

Labour Market Trends and Outlook

Patrick Conway and Simon McLoughlin

An article on trends in the labour market is written by Labour Market Policy Group staff and appears in each issue of the *Bulletin*. The article provides a summary of recent economic and labour market trends and discusses the outlook for the labour market over the next two years.

The unemployment spells of registered job seekers

Maria Gobbi and David Rea

This paper analyses the unemployment spell experiences of registered job seekers over a four-year period. In particular, it examines the experiences of job seekers who either registered as unemployed with the New Zealand Employment Service in 1993, or left the unemployment register in 1993.

The impact of employment policy interventions

Dave Mare

This paper estimates the impact of different categories of employment policy interventions on subsequent outcomes for job seekers. The author generates a range of estimates in an attempt to distinguish programme effects from selection effects. He also examines the robustness of the main findings for a range of sub-populations. Referrals to vacancies and job subsidies appear to be most effective in reducing the number of weeks of assistance or contact that job seekers subsequently have with the public employment agency. The favourable estimated impact of subsidies is not evident until at least a year after the subsidy starts.

There are only small differences in the estimated effectiveness of employment assistance interventions across different ethnic groups. Interventions appear to be more effective for males than for females, and to a lesser extent more effective for younger than for older job seekers. The author gives evidence to suggest that programme effectiveness is counter-cyclical.

The effects of occupational safety and health interventions

Dave Mare and Kerry Papps

This study examines the effectiveness of government legislation in reducing the incidence of workplace accidents and other health and safety risks in New Zealand. A simple model of the relationship between firms and the Occupational Safety and Health Service, which enforces these regulations, is outlined. Administrative data for the 1993/94 -1996/97 period are then used to test the relationship between interventions and health and safety outcomes at both the firm level and industry level. Overall, somewhat inconclusive evidence is found regarding the effectiveness of interventions. Although a modest specific deterrence effect is detected, it is not robust to controls for endogeneity.

Change in the distribution of income of the working age population 1976-96

Barry Martin

Census data are used to analyse changes in the distribution of income among the working age population (15 to 59 years) between 1976 and 1996. The income distribution of the population is shown at three levels of aggregation: the whole population, the labour force, and the employed. Income has become more equally distributed with respect to the whole population, due to improvements in women's employment and income. But income inequalities with respect to the labour force and the employed have grown. Changes in the structure of employment appear to account for a small part of the change, but unemployment does not appear to have had a significant effect. For the most part, the observed increase in income inequality is not captured by the variables presently used in labour market research.

[An analysis of disparity between Pacific and non-Pacific peoples' labour market outcomes in the Household Labour Force Survey](#)

Janet Humphris and Simon Chapple

This research note looks at how the employment rate gap between Pacific peoples and the rest of the population has changed over time, and examines the sources of the gap.

[Experience and suitability of job applicants: Two policy issues from a survey of employers](#)

Jane Higgins and Paul Dalziel

A survey of Christchurch employers advertising job vacancies in January 2001 found that far more positions required experience in a similar job than required a specific qualification, and that two-thirds of applicants were considered not suitable by the advertising employer. This research note discusses the survey results and the policy issues they raise.

(2) OTHER EVALUATION AND RESEARCH REPORTS

[An analysis of New Zealand's business demography database](#)

This paper presents preliminary results of the analysis of job creation and destruction in New Zealand over the period 1994-2001. The aggregate job creation rate measures the total increase in employment across expanding and new firms relative to average total employment in all firms. Similarly, the aggregate job destruction rate measures the total decrease in employment across contracting and dying firms relative to average total employment.

[Evaluating the February 1999 Domestic Purposes Benefit \(DPB\) and Widows Benefit \(WB\) reforms](#)

This paper reports on the findings of the evaluation and monitoring strategy that focused on policy reforms for Domestic Purposes Benefit (DPB) and Widows Benefit (WB) recipients, effective from 1 February 1999. Increased participation in employment was the primary means by which the reform objectives were to be achieved.

The evaluation and monitoring strategy, as requested by Government, was established at the end of 1998 to evaluate the effect of the reforms on sole parents and their families. Information collected from a number of inter-related projects in the strategy has been used to assess the impact of the policy reforms and to improve policy and delivery over time. The Department of Labour (DoL) and Ministry of Social Development (MSD) were jointly responsible for the evaluation and monitoring strategy.

[The costs and benefits of complying with the HSE Act, 1992](#)

This paper examines whether the costs imposed on businesses by the HSE Act are excessive or unnecessary and, if so how they could be minimised. The main findings of the study were that the companies visited tended not to consistently quantify the costs of compliance and were generally unable to provide specific and detailed information on costs. The research showed that how a company perceived the costs of compliance depended on that company's perception of the seriousness of the risk of its particular operation, and/or the extent to which benefits from investment in health and safety were recognised by the company.

Trends in Residence Approvals 2000/2001

'Trends in Residence Approvals' is a new annual report summarising information about people approved for New Zealand residence. The report identifies, discusses and compares residence trends for each financial year (running from July 1 to June 30). This inaugural 2000/2001-year report includes the following information: the policy categories through which migrants are approved; their source countries; the characteristics of migrants; and links between temporary permits and residence. Future reports will expand the range of information reported.

Work Visas and Permits Research

The objective of this research was to document some of the characteristics of New Zealand's work permit policy and its links with residence. The information was gathered through a series of analyses of the Immigration database. The following information was reported: the characteristics of people granted work permits; the criteria under which they were approved; the occupations and industries people on skill shortage work permits go into; and the proportion of workers who went on to become residents.

Evaluation of the Settlement Services Pilots

This report describes pilot projects set up to provide for the settlement needs of new migrants and the resettlement of refugees. Three pilots with varying levels of funding were established and were focussed on the following target groups: asylum seekers and refugees; the families of refugees; and migrants. Nineteen separate projects were funded in Auckland, Hamilton, Palmerston North, Wellington and Christchurch.

One of the main aims of the pilots, and therefore evaluation, was to provide information useful for making decisions about the scope and character of future settlement services. The main research methods used were analysis of project files and reports, face to face interviews with key stakeholders, and focus groups with project participants. Successful and innovative projects included employment related projects using new technology, such as websites, to link people with employment opportunities. Other employment projects used employment co-ordinators or mentors in a coaching role to support new migrants into employment. All other areas of the pilots, such as providing accommodation, social work support, and orientation-related services were equally successful for their target groups. Many of these latter service providers were more likely to be carrying on with essential, existing service provision or extensions of current assistance to refugees and migrants. External stakeholders spoke highly of the projects, the range of services provided and the successful models that had been established. Overall, the pilot projects demonstrated an effective way of establishing partnerships between Government and the community sector to provide a more coherent approach to service provision. Involving the community in these projects meant that there was additional leverage in terms of volunteer hours and networks that were not available to government agencies.

The Process of Dispute Resolution - A Qualitative Study Amongst Employees & Employers (UMR Research Limited/ERS)

The Employment Relations Service commissioned research into workplace disputes to collect qualitative data on employment relationship problems and the key processes and outcomes relevant to their successful (and unsuccessful) resolution in firms. The key objectives of the qualitative work were to identify and explore:

- employees and employers' experience of firm-level problems and resolution processes
- the factors or procedures contributing to successful (or unsuccessful) resolution
- the impact of the environment under the Employment Relations Act on how employment relationship problems are experienced and managed.

An initial scoping survey provided direction to the question line used, with employee fieldwork being conducted in August and September 2001. The qualitative research amongst employees consisted of six focus groups. Employer fieldwork was conducted from 29 August to 13 September 2001. There were 20 depth interviews amongst employers. Results were reported in January 2002.

Appendix 8: Reducing Inequalities for Disadvantaged Groups

Role of the Department of Labour

The five Services that make up the Department of Labour have a wide range of functions contributing to the Department's purpose of linking social and economic issues to enable people to develop and use their potential. The Services differ in their level of direct or indirect involvement in, and their approach to, reducing inequalities for disadvantaged groups, including Māori and Pacific peoples.

A considerable amount of the work of the Labour Market Policy Group (LMPG) in advising Government on policy issues relating to the labour market to promote better economic and social outcomes, contributes directly or indirectly to reducing inequalities for disadvantaged groups.

The Community Employment Group (CEG) works directly with communities that face a range of disadvantages in the labour market, in particular Māori, Pacific peoples, women and those living in disadvantaged urban and rural areas. Through an extensive network of field advisors, CEG works alongside communities and the organisations within them to strengthen capability; grow skills and knowledge; establish effective working partnerships; and build capacity for positive change. Assistance is tailored case-by-case to meet the specific needs of diverse communities and to assist them to develop sustainable local economic and employment opportunities.

The Employment Relations Service (ERS) contributes indirectly to reducing inequalities through the general promotion of fair and productive relationships between employers and employees. More specifically, ERS contributes by providing targeted information via seminars and visits; mediation services; support to the specialist institutions that provide employment problem-resolution services; and enforcing minimum employment standards.

The Workplace Health and Safety Group (WHS) contributes through their work in promoting safe and healthy workplaces and providing information, advice and enforcement. Disadvantaged groups tend to have higher levels of participation in high-risk employment sectors such as forestry, agriculture and construction, and Industry Sector Plans are targeted towards these groups.

The New Zealand Immigration Service (NZIS) contributes to reducing inequalities by overseeing resettlement services for refugees and working with Pacific communities to ensure policies and services result in positive outcomes. The Service also provides policy advice and research into the impacts of immigration on the New Zealand society and economy and outcomes for migrant and refugee groups.

The Office of the Chief Executive (OCE), as part of its role in providing purchase advice and monitoring to Ministers on the performance of agencies such as the Ministry of Social Development and the Accident Compensation Corporation, has a specific focus on the achievements of outcomes for disadvantaged groups, particularly Māori and Pacific peoples.

Department's Strategies for addressing the needs of disadvantaged groups

Introduction

A key challenge is developing a more productive and innovative economy whilst still protecting the most vulnerable in society. The New Zealand economy has been creating more jobs, and a higher percentage of New Zealanders are employed than at any other time in the past 14 years. Most ethnic, age, gender and skill groups have seen their employment grow significantly, although job growth has been strongest for the higher skilled and weakest for youth.

Table 1: Number of people employed and growth in employment

	Average year to March 1999 (000)	Average year to March 2002 (000)	Change (%)
Pakeha	1437.1	1469.5	2.3
Māori	136.6	167.4	22.5
Pacific peoples	66.6	80.2	20.3
Other ethnicity	86.3	120.6	39.7
Youth (15–24-year-olds)	291.9	305.0	4.5
Older workers (55+ years)	202.4	249.8	23.4
Male	946.3	1003.2	6.0
Female	781.1	836.1	7.0
Total	1727.4	1839.3	6.5

Source: Household Labour Force Survey

While employment growth has been strong for groups such as Māori and Pacific peoples (see table), lower relative rates of participation and higher relative rates of unemployment remain. Those who are disadvantaged in accessing job opportunities tend to be those with no or low skills – particularly Māori, Pacific peoples, youth, people with disabilities and new migrants. Unemployment rates remain high for Māori, Pacific peoples and youth, while participation rates remain relatively lower for women, especially sole parents.

Improving labour market participation and reducing the unemployment rates of those who are disadvantaged are therefore important challenges.

Policy Development and Implementation

Employment Strategy

The Department is Government's lead adviser on employment policy and monitors performance of the employment services provided by the Ministry of Social Development. Many factors affect employment outcomes – some lie within Government's direct influence, and some do not. The most significant determinants of overall employment outcomes are economic conditions and the performance of the labour market. Government interventions affect employment outcomes in a number of ways and across a number of portfolio areas.

During the year, the Department continued work on the development and/or implementation of a range of policies aimed directly or indirectly at improving outcomes for disadvantaged groups.

In particular, the Department has been working to achieve a more integrated approach in this area through the Employment Strategy that was approved by the Government in 2000. The Employment Strategy has, as one of its prime goals, lifting the quality of employment experience and opportunities, especially for those who are more disadvantaged in the labour market.

Implementing the strategy is co-ordinated through the Employment Senior Officials Group led by the Department. This Group comprises agencies such as the Ministries of Economic Development, Social Development, Education, and Research, Science and Technology; Skill New Zealand; and the Transition Tertiary Education Commission.

The Group reports to Cabinet on progress with the strategy on a regular basis to ensure that linkages are ongoing. During 2001/02, a monitoring framework, which includes assessment of cross-portfolio developments that will impact on improved outcomes, was fully implemented. The first monitoring report of outcomes and activities was completed in November 2001. Future reporting involves six-monthly activity reports in March of each year with an annual outcomes monitoring report due in September.

The Employment Strategy provides the framework within which many of the initiatives discussed below have been provided.

Job Growth and creation

New Zealand's performance in creating jobs has been good in recent years, with approximately 112,000 new jobs created between March 1999 and March 2002, an increase of 6.5%.

Activities during 2001/02 to identify the factors affecting generation and destruction of job opportunities included starting a literature review on what works (policies and practices) in terms of job creation. Employers were interviewed to identify factors that affect their decision to hire; and existing links of businesses over time and preliminary job-creation and destruction statistics sets were analysed. Considerable progress was also made on investigating the feasibility of developing integrated employer/employee data sets.

Job seekers

Steady employment growth leads to greater opportunities for participation by those currently unemployed. One of Government's main levers to improve labour market participation and outcomes, particularly for disadvantaged job seekers, is through employment assistance provided by the Ministry of Social Development as the primary provider of government funding to assist job seekers into employment.

The Department of Labour provides Government with monitoring advice about the services the Ministry of Social Development delivers, and target levels for performance. In 2001/02, the Department worked with MSD on employment performance targets for Māori, Pacific peoples, Māori and Pacific youth, as well as separate targets for different groups of unemployed job seekers with various short- and long-term durations of unemployment.

Analysis and research aimed at improving understanding of outcomes achieved by job seekers, and how these are likely to change in the future, continued. The work is based on improving register projections, and comparison of registered job seekers and official unemployment statistics. The research to date¹⁸ indicates that over 60% of job seekers may be experiencing more than one spell on the job seeker register. Younger workers tend to be more at risk of multiple spells of unemployment of shorter duration. Mature workers tend to have longer periods of unemployment

¹⁸ Based on the experiences over a four-year period of those who were registered as job seekers in 1993.

General workforce skills and skill development

Despite the recent growth in jobs, skill and labour shortages are an increasingly common constraint on employment growth. As at June 2002, 39% of firms recorded difficulties in finding skilled staff, and 12% of firms recorded labour shortages as the most limiting constraint on expanding output, a 27-year high.

Building the capacity of the existing and future workforce is vital to economic growth and improved employment outcomes. Improving skills not only meets economic objectives, it also enables communities to be more thriving and inclusive.

Lack of skills can also increase vulnerability and disadvantage, as without skills that are sought after in the job market or easily transferable from one job to the next, people may have difficulty getting or sustaining employment.

Improving educational achievement and helping those who don't have qualifications are key challenges. Priority areas include:

- ensuring that the existing and future workforce holds foundation skills to maintain employability (whether obtained in the formal education and training sector, or in the workplace)
- improving the connections between education providers and the world of work so the skills developed are relevant and transferable in the job market.

Specific initiatives during 2001/02 focused on capacity and skill building through education and training policies to strengthen foundation skills and match people to jobs.

Central to this was continued co-ordination by the Department of the Government's programme responding to skill shortages including liaison with industry groups.

Following its endorsement by Cabinet, the skills information action plan commenced. A key objective is to speed up matching of people's skills to job opportunities currently available, and to reduce future skill shortages by helping people make better decisions about education and training. The plan includes developing a labour market portal (www.work.govt.nz), with the first substantial phase to be in place from November 2002.

The Department contributed to the Industry Training Review led by the Ministry of Education and Skill New Zealand to implement Cabinet's decisions on the Industry Training strategy, including providing advice on amendments to the Industry Training Act. Advice was also provided on the overall tertiary education reforms being led by the Ministry of Education, including the establishment of the Tertiary Education Commission.

A concentration on services and employment outcomes for disadvantaged groups was a key focus for the Department in this work.

Special Initiatives for Youth

Young people aged 15–24 are participating less today in the workforce than 10 years ago, primarily due to increased participation in education and training. However, the rate of unemployment among those young people participating in the workforce remains high at 12%, with many young people neither working nor in education.

During 2001/02, jointly with the Ministry of Education, the Department led the review of training opportunities and youth training. This is aimed at improving educational and employment outcomes for those with low qualifications and who face persistent unemployment, of whom over half are Māori or Pacific peoples. The recommendations of the review will be implemented in 2002/03.

The Department also contributed to other projects led by the Ministry of Education and Skill New Zealand, such as the work programme on Youth Transitions from school to work aimed at ensuring at-risk youth are able to participate in education, training and work. Evaluation of

school-to-work assistance such as Gateway and Secondary Tertiary Alignment Resource (STAR) will continue during 2002/03.

2001/02 also saw the start of phase I of a two-year Youth Labour Market Participation project, undertaken jointly with Ministry of Youth Affairs and Treasury. The project is to investigate the feasibility of improving the base data available on the participation of youth in the labour market. A literature review on youth labour markets is to be completed in 2002/03, as is a research survey on children and work.

Women

Women are participating more in the labour market than in the past, but participation rates still remain relatively lower for women than men. Women also undertake more unpaid work and in particular bear much of the responsibility for childcare. Access to childcare, and the financial reward from work relative to welfare, are two key areas influencing a person's decision to participate in paid employment. A survey of parents in 1998 showed that 22% of women and 5% of men with children had their participation in paid work affected by limited access to childcare. Policies and settings that allow women access childcare and balance their work/life choices and commitments are likely to improve outcomes at an individual, community and national level.

A prime focus for the Department in 2001/02 was developing the paid parental leave (PPL) scheme in conjunction with the Ministry of Women's Affairs and the Inland Revenue Department (IRD). Throughout the year, the Department provided policy advice and support to Ministers and the Select Committee in respect of the passage of the Paid Parental Leave Bill. The Bill passed into law in March 2002 as planned, for effect from 1 July 2002. Work with IRD on implementation proceeded very well and included the communications and web-tools to help prospective parents, new mothers and employers determine eligibility and entitlements. Public information included a focus on using Māori and Pacific print media and radio. A review of the scheme in the 2003/04 year will consider possibilities to widen the range of people eligible and the level of entitlements provided.

The Department is also working with the Ministry of Women's Affairs on pay equity. A research programme to gain a greater understanding of the causes and nature of the gender pay gap, and to identify initiatives to reduce the gap, started during the year. The Department also contributed to work led by the Ministry of Social Development on benefit reform, including the evaluation of the Domestic Purposes Benefit (DPB) and implementation of related reforms aimed at improving the situation for sole parent beneficiaries, who are mostly women.

During the year, the Department continued to provide support to the National Advisory Council for the Employment of Women (NACEW), an independent advisory council whose focus is on providing advice to the Minister of Labour on issues that affect employment outcomes for women.

ERS provided seminars/talks for women on a range of employment-related issues through community groups, women's organisations and training organisations.

Other policies and initiatives discussed elsewhere in this report also contribute to women's participation in the labour market, including the Minimum Wage (Training Wage) Amendment Bill currently awaiting committee stage in the House.

People with disabilities

People with disabilities participated more in the workforce in 2001 than they did in 1996. However, in 2001, only 40% of adults with disabilities were employed, compared with 66% of adults without disabilities.

During 2001/02, the Department's prime focus was to ensure that disabled persons receive the same protections in the workplace as other workers. This centred on the review of

vocational services for people with disabilities, including working conditions in sheltered workshops and providing support to the drafting of legislation to repeal the Disabled Persons Employment Promotion (DPEP) Act. This Act currently allows exemptions to be granted from employment legislation (in particular, the Minimum Wage Act and the Holidays Act) for approved sheltered workshops. The aim of the Act's repeal is to ensure that such people have the same employment rights as people working in open employment. If, however, sheltered workshop clients' productivity means they are unable to earn the minimum wage, they may be eligible for an under-rate worker's permit. The repeal Bill has not yet been considered by the Cabinet Legislation Committee, with some minor policy issues still to be clarified.

Regional responsiveness

Industry and regional development policies and initiatives are key to employment growth and reducing inequalities for disadvantaged groups. There is still persistent variation across the regions, which can be addressed by regionally responsive strategies.

A joint Ministry of Social Development and Department of Labour regional responsiveness work programme approved in 2001/02 focuses on increasing the Ministry's ability to meet individual job seeker and client group needs, and to increase the ability of the Ministry's regional offices to understand and take advantage of local labour market conditions.

Monitoring continued of the Tairāwhiti Forestry Labour and Skills Strategy established to identify the causes of and reduce labour and skill shortages in the forestry and timber processing industry in the Tairāwhiti region. The strategy involves partnership between industry, community and government. Māori own 14% nationally of the land on which forests are planted. An evaluation of the impact of the strategy as a whole is planned to take place in mid 2003.

The Department also continued to build and strengthen relationships and initiatives with industry and regional groups, including the Nelson seafood cluster, horticulture, and the textile, clothing and footwear and forestry industries.

A regional immigration programme was developed and pilots commenced in Wellington and Southland during 2001/02.

Community Employment and Development

Community employment and enterprise development can be particularly useful where there is a long-term loss of capability in a community and a need to re-establish trusting relationships, both within the community itself and among community, business and government.

During 2001/02, increased effort by the Community Employment Group went into ensuring the success of capacity building initiatives, including those for Māori and Pacific peoples. A record 40,178 fieldwork interventions with community groups were made, and 1,449 grants worth \$23.357 million were expended. Of these grants, 415 grants worth \$8.837 million were paid specifically to support Māori and Pacific peoples capacity-building. Capacity building also forms the core component of field intervention work. The aim was that 80% of community interventions during the year would target priority groups – Māori, Pacific peoples, women, rural and urban disadvantaged. This target was exceeded by 5%. Similarly 55% of actual interventions targeted Māori compared to the target of 50%, while 23% of interventions targeted Pacific peoples – 8% more than the target of 15%.

The Department also continued to work on the three-year Community Economic Development Action Research (CEDAR) pilot project which engages community members on a range of issues such as community planning. This project is examining in part the link between development assistance provided by CEG and the achievement of community outcomes, to improve the effectiveness of Government's contribution by better understanding 'what works' for community development. Fieldwork in the first community (Twizel) started in

2000/01 and during 2001/02, field research began in Napier following agreement with local stakeholders including Māori. In April 2002, a third community was added to the project (Christchurch) after agreement with local Pacific groups.

To date this research has identified the importance of forging relationships between government agencies and communities, at both a policy formation and an operational level. Working with a community and understanding its needs and capabilities are critical.

There was increased emphasis on creating enterprise development opportunities that promote and support community businesses, and ensure that disadvantaged communities are connected to economic development opportunities. This included encouraging better use of the Social Entrepreneurs initiative which enables community 'movers and shakers' to enhance their knowledge and skills, and of the Community Employment Organisations initiative. These organisations tend to function in disadvantaged communities and regions and to provide employment opportunities for long-term unemployed.

CEG also led the development of the government strategy *Connecting Communities*, launched in June 2002 to co-ordinate government assistance to increase community access to information and communications technology (ICT).

The Department also provided policy advice to Ministers on community enterprise and employment development issues during the year, including reports on progress on initiatives underway and review and commentary on policies and proposals of other agencies. A community employment evaluation framework was also developed.

The Community Employment Group is working with other agencies towards better co-ordination of government delivery, and to enhance links between government and community agencies so that long-term, stable and trusting relationships are built.

Employment Relations

Women, young people, those from an ethnic minority, and people who are less skilled or educated are most likely to be in vulnerable employment. Such arrangements may include temporary or casual work at low wages. People are more likely to accept poor wages and conditions if they lack negotiating power or alternate earning opportunities. Fair and productive employment relationships are essential to developing improved labour market participation and a more skilled and knowledgeable workforce. This includes ensuring that everyone has a fair chance to gain employment to make the most of their potential through, for example, equal employment opportunities.

The premise underlying the Employment Relations Act 2000 is that the employment relationship is a human relationship as much as an economic one and requires that the relationship be based on a reasonable equality between the parties and is supported by effective means of problem resolution and relationship building.

Minimum employment standards

The employment relations framework provided by the Act is underpinned by minimum standards that protect the most vulnerable from exploitative conditions. During 2001/02, the key issues relating to minimum employment standards affecting disadvantaged groups were the Holidays Act, minimum wage setting, minimum wage protection for people in training, equal employment opportunities and pay equity.

The Holidays Act 1981 was the subject of two reports in 2001 by an advisory group of employer and union representatives. The group identified the need for an overhaul of the Act to provide for a clearer, simpler and more robust legislative framework for minimum leave entitlements, including cultural factors in leave entitlements for bereavement. During the year, the Department provided advice and undertook consultation on the possible content of a draft Bill.

The annual review of adult and youth minimum wage rates aims to provide wage protection to vulnerable workers by ensuring wages paid are no lower than a socially acceptable minimum, and incomes of people on low incomes do not deteriorate relative to those of other workers. It also seeks to provide increased incentives to people considering work, particularly the unemployed. The Department completed the annual review in December 2001, and the Minimum Wage Order 2001 came into force on 18 March 2002.

The Department also provided advice and support to the legislative process of the Minimum Wage (Training Wage) Amendment Bill. This Bill aims to offer wage protection to low income and unskilled workers, and in particular proposes an incentive for employers to train employees, and minimum wage protection for recognised trainees who meet set criteria. The Bill was reported back to the House in October 2001 but is still awaiting the committee stage.

The Department worked with other government officials to consider and implement recommendations of the Ministerial Advisory Group on Equal Employment Opportunities which was established to advise Government on the nature and scope of related legislation. In late 2001 the Human Rights Amendment Bill was passed with a provision to establish a new role of Equal Employment Opportunities Commissioner in the Human Rights Commission as from 1 July 2002. Consultations were held with key agencies with responsibility for EEO matters on the details of the functions and funding of this new role, and on options for extending current public service equal employment opportunities obligations to the wider state sector, and identifying appropriate agencies to lead and monitor progress.

Work with the Equal Employment Opportunities Trust promoted better equal employment opportunities for all disadvantaged groups as good management practice, in partnership with the private sector. Other specific initiatives included an EEO Trust resource kit aimed at training recruitment consultants to manage clients who discriminate. Assistance was provided to the Schizophrenia Fellowship to determine information, support and resources required by employers who are employing people with experience of mental illness; and to the WorkAge Trust to provide information on flexible employment options with a focus on mature workers and their participation in the labour market.

Training provided through the Employment Relations Education Contestable Fund included opportunities for disadvantaged groups such as youth, Māori and Pacific people.

Information provision

In 2001/02 a key focus for the Employment Relations Service continued to be providing information for the public generally, and target groups in particular, about the employment relations framework, to build knowledge and capability so that employment problems do not occur or are not as severe. As well as the website and publications, more than 100 seminars and visits were undertaken in 2001/02 through community groups, women's organisations, business networks and training organisations to improve understanding and knowledge amongst disadvantaged groups.

The Employment Relations Service is working closely with the Workplace Health and Safety Group to provide integrated information, including health and safety best practice, and with the New Zealand Immigration Service when migrant workers' employment can be affected by lack of knowledge of exploitative practices such as 'sweatshops'.

Workplace Health and Safety and Injury Prevention

There is a social expectation that people will not be harmed or injured in the course of their work. The quality of people's working lives and contribution to their communities are limited when they bear the avoidable social and economic costs of injury.

The Department's work on workplace health and safety, injury-prevention and related research necessarily includes those who are most disadvantaged in the labour market.

Disadvantaged groups such as the lower-paid, Māori and Pacific peoples tend to have higher levels of participation in high-risk employment sectors such as forestry, agriculture, boat building and construction.

The Injury Prevention Rehabilitation and Compensation (IPRC) Act 2002, which came into force on 1 April 2002, is aimed at improving outcomes for injured people. The Act provides for new overriding goals of minimising both the overall incidence of injury in the community and the impact of injury on the community (including economic, social, and personal costs).

In addition to providing policy development, advice and support to the legislative process for the IPRC Act, the Department continued to provide analysis and co-ordination of a range of injury-prevention activities.

There is a strong need to obtain better information on injuries and occupational disease. A number of agencies collect injury data, often using different standards for similar information. There are both gaps and duplication in coverage. Comprehensive information on injuries and occupational disease can help to establish the best ways to minimise the social consequences and economic costs of injury and illness.

During 2001/02 the injury data review, which will lead to collection and dissemination of better information on injured people and the social and economic costs of injury, was completed and the results will be published in October 2002. The new Injury Surveillance Information Manager (Statistics New Zealand) will collect and collate injury statistics from the eight agencies currently collecting data of various types, integrate and publish statistics, and provide access to the data for policy and research purposes.

Research work on the social consequences of injury and illness is exploring the economic and social consequences to those who are injured, often the most vulnerable. Inequalities in treatment are also being considered as part of the medical misadventure review being undertaken by the Department jointly with ACC.

In the longer term, better information will enable informed policy advice to reduce the incidence of injuries and to establish the best ways to minimise the social consequences and economic costs of injury and illness.

Also key to the achievement of this outcome is understanding and support for safe and healthy workplaces and work practices, through information and education of employers and employees. A prime focus of the Workplace Health and Safety Group was promoting safe and healthy workplaces through providing improved information, education and advice targeted particularly to those working in high-risk sectors such as forestry.

Immigration - Migrants and Refugees

Recent high levels of people on temporary work permits and an increased residence programme has been a significant contributor to New Zealand's workforce. Labour market outcomes for recent migrants has improved, based on a comparison between the 1996 and 2001 census, however many migrants still experience difficulty in finding opportunities in the labour market. Refugees typically have additional resettlement needs and recent research has confirmed that unemployment and poor English skills are major issues for recently arrived refugees. However, with appropriate resettlement support and opportunities, many refugees do well in New Zealand and contribute to thriving communities and the economy.

During 2001/02, NZIS' activities included the settlement information programme, community training programmes, migrant helpline, business migrant liaison and the introduction of an employment referral service.

The Settlement pilots to meet the needs of new migrants and refugees continued. One of the main aims was to provide information for decision-making about the scope and character of future settlement services. Three pilots with varying levels of funding focused on asylum seekers and refugees; the families of refugees; and migrants. Nineteen separate projects

were funded in Auckland, Hamilton, Palmerston North, Wellington and Christchurch. Examples are the Auckland Regional Chamber of Commerce's *New Kiwis* website for job seekers and employers, and the Auckland New Ventures Trust's Highly Qualified Migrant (Hi-Q) programme which is showing success in matching employers with prospective migrant employees and providing migrants with information and coaching to overcome barriers to employment. Other employment projects used employment co-ordinators or mentors to support new migrants into employment.

An evaluation of the pilots was completed during the year, with the results generally positive. All other areas of the pilots, such as providing accommodation, social work support, and orientation-related services were equally successful for their target groups. Overall, the pilot projects demonstrated an effective way of establishing partnerships between Government and the community sector to provide a more coherent approach to service provision.

A new annual report, Trends in Residence Approvals, was introduced with the first report summarising information about people approved for New Zealand residence in 2000/01 and residence trends. Future reports will expand the range of information reported. Research was also undertaken to document some of the characteristics of New Zealand's work permit policy and its links with residence.

Improving outcomes for Māori and Pacific peoples

Many of the above strategies and initiatives to reduce inequalities for disadvantaged people apply to, and contribute to improving outcomes for, Māori and Pacific peoples.

The following sections concentrate on initiatives specifically applying to Māori and Pacific peoples, and on the implementation of the Department's own Māori and Pacific Strategies. Both strategies take a dual approach: building internal capability and strengthening external linkages with Māori and Pacific peoples.

Māori Strategy

The Department redeveloped its Māori Strategy in 2000/01 to ensure that policy advice reflects Māori concerns and the services the Department delivers address the needs of Māori customers and communities. The strategy builds on the collective experience, knowledge and skills of staff and our Māori network, and incorporates initiatives at regional and national levels across the Department.

It includes five key strategic goals that the Department's Services are collectively responsible for achieving over the five years from 2001 to 2006:

- establish active relationships with other government departments to ensure a co-ordinated approach to achieving Government's key goals for Māori
- design products and services that will be effective in building Māori social and economic development
- increase the Department's capability to support Māori social and economic development
- develop direct linkages with Māori to achieve long-term sustainable relationships
- develop flexible and responsive policy and operational processes to ensure Māori participation.

These goals align with the Government's key goals for Māori and provides a framework for each Service to determine how they will meet their Treaty of Waitangi obligations and respond to Māori needs, while including Māori in the process.

Implementation of the Department's Māori Strategy in 2001/02

Building Capability

During 2001/02, the Department continued to develop its internal capability to support Māori social and economic development through a variety of measures. Each Service of the Department adopted its own Service-specific Māori Strategy within the framework of the overall departmental strategy. The Department also implemented a strategy for Te Reo with courses available to staff at all levels. Departmental strategies for improving staff understanding of Tikanga and the implications of the Treaty of Waitangi for the Department's work are currently being developed.

Managers throughout the Department were provided with guidelines to aid the recruitment and retention of Māori staff and development of a Māori Scholarships programme continued. A number of hui were held for Māori staff across the Department to develop inter-Service Māori networks and engage them in the implementation of the strategy.

Engagement with Māori

A key focus of the Māori Strategy is developing relationships with iwi and Māori to ensure that policy development and operational processes reflect Māori perspectives, processes and practices, and the regional variances within Māori communities. The Māori Perspective Unit continued to act as a catalyst between the Department and the Māori community throughout the year.

Regional approach

An inter-Service regional approach to meeting the goals of the Department's Māori Strategy was implemented. The regional approach is based on the structure of Māori society - iwi, hapu and whanau. Regional Service Managers committed to action plans for collective activity. As well as new ideas, the regional plans seek to expand on actions already undertaken or planned.

Aspects of the regional plans have been able to be implemented quickly. Examples of this were: Inter-Service representation at the National Kapa Haka Festival in Auckland; collective presentation of the Department's work to Tainui at the first of six poukai to be attended during the coming year; and Hui a Iwi in Christchurch.

Policy Advice (including research and analysis)

The Department consults with Māori on relevant policy issues to ensure that a Māori perspective is incorporated. A prime emphasis is on policy analysis, advice and evaluation of community employment development aimed at improving outcomes for Māori facing labour market disadvantage. Key examples include the development of a CEG Māori tourism strategy, and participation in the whole of government response to unsafe housing in Northland, East Cape and the Bay of Plenty. (See Community Development below.)

Research in the second pilot community (Napier) participating in the three-year Community Employment and Development Action Research (CEDAR) project focuses particularly on disadvantage to Māori. This research is being undertaken with the agreement and participation of local iwi and Māori communities.

Information was prepared for Ministers on where employment and income growth for Māori had occurred, using data from the Household Labour Force Survey (HLFS). The results provided valuable new insights on growth in Māori employment and incomes, including occupational data, and showed some positive trends in employment growth for Māori. A briefing was also provided to the Māori Affairs Select Committee on the Department's policy work and research programme to help inform the Committee's decision-making role.

The Department continued its work with Ngai Tahu, including work on a formal relationship and specific service initiatives in the South Island.

Community Employment and Development

CEG continued to have a major focus on Māori in its work alongside communities during 2001/02. Community employment development assistance provides a sizeable resource to assist Māori to build capacity and create their own social, economic and employment opportunities. Over the course of the year, 55% of CEG's 40,178 fieldwork interventions included Māori as a key target group.

In addition to work with Māori as core business, CEG also continued to support four Māori capacity building initiatives with over \$5.6 million provided in grants. These covered funding to:

- Māori organisations to improve their capacity and capability by assisting with administration skills, governance issues, marketing, leadership, training and infrastructure development
- Māori communities to develop employment and training opportunities by facilitating economic ventures through use of multiple-owned Māori land
- Māori women to identify their needs and promote opportunities to enhance their entry into employment, training, economic and community development opportunities
- The Māori Women's Development Fund Inc. to promote enterprise development and provide capital finance for Māori women. Māori women are helped to enter business through business loans and advice, information and mentoring services.

Half of CEG's staff identify as being Māori. This provides a high degree of match between the skills and approach of staff and the needs of the communities they worked with.

The involvement of Māori staff has also been central in the development of CEG service delivery strategy for Māori. The strategy, which links to the broader departmental Māori Strategy, emphasises tailored on-the-ground approaches to Māori needs in each CEG region.

A key feature was the development of a specific Māori tourism strategy which supports Māori tourism partnerships, networks and initiatives as a key opportunity for Māori economic development. This included holding three regional wananga for Māori interested in tourism development. The creation of a tourism resource kit and the formation of a pilot 'virtual' tourism incubator park were under development at the end of the year.

CEG was involved with the work of senior officials across Government to monitor and make progress on reducing inequalities for Māori. CEG participated in the Te Puni Kokiri-led Capacity Building Senior Officials Group, a whole-of-government response to unsafe housing in Northland, East Coast and Bay of Plenty; the Ministry of Social Development-led Northland Social Development Strategy, the development of a whole of government memorandum with Te Rarawa Iwi and the Tairāwhiti Taskforce.

Employment Relations

The Employment Relations Service continued to focus on providing and improving information services tailored to Māori and implementing initiatives to improve future service delivery. These information services included: provision of access to speak to a Māori staff member through the Infoline; seminars, talks and visits targeted at providing information to Māori and improving their understanding of employment relations issues through community groups and training organisations; and various publications including fact sheets on key issues in Māori.

An ERS Māori Strategy working Group was established and met quarterly to progress initiatives supporting the Māori Strategy. ERS is also building a relationship with CEG field staff so that employment relations matters are understood better within the communities in which the field staff work.

ERS continued to build staff capability through involvement in hui, and Te Reo and Tikanga classes, advertising positions in Māori publications and the employment of mediators with specific knowledge of Tikanga Māori who also provide cultural dimensions to mediation where required. The Service supported two Māori scholars, who work in the Information Centre during university vacations, and assist in building the capability of staff to deal with Māori clients.

Workplace Health and Safety

During 2001/02, WHS extended its relationships with Māori and service providers to Māori (including Māori training establishments) through regional intersector fora, as well as meetings with local iwi, Runanga, Trusts, and Māori business networks.

As part of the drive to improve Māori understanding of workplace health and safety issues and reduce incidents, Industry Sector Plans focusing on industries with high Māori participation – agriculture, forestry and construction – were implemented. These included ongoing involvement with the (Māori) Waipareira Trust's health and safety programme at AFFCO, Moerewa, and the provision of health and safety advice to job seekers, apprentices, and construction workers.

Other initiatives during the year included seminars for Māori starting up new businesses and leaflets outlining the responsibility of people engaging contractors to work on marae. As stage one of a project to provide health and safety information for Māori in their own language, a Māori-English glossary of health and safety terms was published for use in training organisations, Māori organisations and schools.

A Māori Strategy Working Group was established to provide advice on implementation of the DoL Māori Strategy, together with four regional Roopu involving Māori staff to build relationships with iwi and increase understanding of local issues. A Māori Sector Plan for application by OSH Regional Service Managers in 2002/03 was also developed.

To build internal capacity within WHS, staff members continued to receive training in cultural responsiveness, and all inspectors attended a training programme covering Māori customary practices and the appropriate response in the event of fatalities.

Immigration

The objectives of NZIS' Māori Strategy during 2001/02 were to involve Māori in immigration issues and to increase NZIS staff capacity so that long-term relationships with Māori can be sustained. Increasingly NZIS is advancing its Māori strategy objectives through the Department's regional strategy and during the year, the Service began to develop regional relationships with hapu and iwi groups as well as Māori organisations and providers. This represents the first stage in establishing a basis to develop initiatives with Māori that will be evaluated in outyears.

Internal capacity was developed through Treaty, protocol and language training and development of personal leadership skills in Māori staff. As part of the departmental shift towards focusing on outcomes, the NZIS Māori strategy and planned activity was aligned with DoL outcomes.

Māori Women

Specific initiatives aimed towards Māori women were provided from Crown funds through the Community Employment Group during the year. The Māori Women's Leadership initiative provided funds for Māori women to identify their needs and promote opportunities to enhance their entry into employment, training, economic and community development opportunities.

Grants were also provided through the Māori Women's Development Fund to promote enterprise development and provide capital finance for Māori women. Māori women are assisted to enter into business by providing access to capital through business loans and

providing business advice, information and mentoring services. An independent evaluation of the Fund commenced in 2000/01 was completed in the latter half of 2001.

Pacific Peoples Strategy

The Department's Pacific strategy developed in 2000 is designed to ensure that initiatives to address the needs of Pacific peoples are co-ordinated throughout the Department and are part of an overall strategy towards achieving shared goals.

The Strategy aims to ensure that the Department is well-equipped to provide the best possible assistance, information, support and advice to Pacific peoples and communities, and that there are opportunities for input into the development of policies that affect Pacific peoples. It focuses on building the skills, knowledge and experience of all staff in relation to addressing the needs of Pacific peoples, making better use of our existing networks and strengthening relationships between the Department and the Pacific community.

The Pacific strategy has three date-related outcomes:

- **Leadership:** By 2003 the Department of Labour will be recognised by Pacific people as a preferred employer who offers opportunities to staff.
- **Building influence:** By 2003 the Department of Labour will have strong internal networks and links with the Pacific community we serve, to help inform and influence our approach to how we work and policy development.
- **Policy advice and service delivery:** By 2005 Department of Labour will be recognised as a mainstream agency that is a leading edge provider of labour market policy advice on and service delivery to Pacific peoples.

Implementation of the Department's Pacific Strategy in 2001/02

Implementation of the Department's Pacific Strategy during the year was led by a Pacific Strategy Implementation team established to work with Services to progress and develop initiatives based on the above outcomes. All Service's Pacific Strategies and related initiatives based on the departmental strategy were signed off and implementation commenced by September 2001.

Building Internal Capability

The departmental implementation team was established in 2001. The team includes one Pacific Island staff member from each Service who reports monthly on progress within their Service, and other Pacific-related activities. The Pacific strategy service coach appointed on a secondment basis provided advice and assistance on implementing the new Pacific strategy. This was a one year trial and the success of this approach led to this position being established as an ongoing 18-month secondment, providing development opportunities for Pacific Island staff within the Department.

Following the success of the fono for Pacific staff held in May 2001, a further fono attended by 80 staff took place in early July 2002 to review the achievements of the year and develop new goals for 2002/03. The Pacific strategy page on the Department's intranet was improved to encourage staff to access information on Pacific issues, and negotiations started with possible providers for the design of a programme on cultural awareness for DoL staff.

Building External Relationships and Influence

During 2001/02, the Department continued its involvement with the work of the Ministry of Pacific Island Affairs through the Chief Executives Pacific Steering Group and through participation in the Pacific communities Programmes of Action delivered in eight key communities around the country. Activity included community training in Immigration policy and procedures, working in partnership with Pacific community organisations to develop

initiatives in the promotion of traditional skills and assisting in strengthening the organisational capacity of Pacific groups. Further detail is provided below.

As in 2000/01 a highlight of the Department's collective activities in building responsiveness to Pacific peoples was representation for the second time of all the Department's Services at the Pasifika Festival in Western Springs, Auckland, in March 2002. Again, this was a valuable opportunity to demonstrate the Department's commitment to working proactively with Pacific peoples.

In late April 2002 the DOL Pacific Strategy team met with the Pacific Business Trust to provide information on DOL Services and arranged for the team to attend future meetings and run presentations.

As part of the strategy, consultation on policy issues is undertaken with Pacific peoples as appropriate and relevant to ensure that a Pacific perspective is incorporated into all relevant policy proposals. As in the case of Māori, prime emphasis is on community employment development to improve outcomes for Pacific peoples facing labour market disadvantage such as through participation in the Pacific communities Programmes of Action.

Community Employment and Development

As in previous years, Pacific peoples and groups remained one of the priorities of CEG's work with communities that face barriers to labour market participation.

Pacific communities were a key target group for 23% of CEG's 40,178 fieldwork interventions during the year compared to the initial target of 15%. In addition to this core work, \$1.2 million in grants was provided through initiatives to develop the capacity of Pacific organisations and to develop Pacific women's leadership – up from \$0.9 million in 2000/01.

With their agreement and participation, two Pacific groups in Christchurch were selected as the third pilot community to participate in the three year Community Employment and Development Action Research (CEDAR) project.

CEG's Pacific service delivery strategy adopted in 2000/01 connects to the Department's Pacific Strategy and aligns with CEG's other strategic goals. The engagement of CEG's Pacific staff in the continued development of the strategy is vital to ensuring that the delivery remains appropriate and effective.

Key delivery examples during the year included the provision of significant support to the Pasifika festival in March 2002, being invited to have a key role in the Pacific Economic Symposium held in July, and actively contributing to Pacific Community Reference Groups along with other services of the Department. A *Pacific Communities in Action* resource was published during the year, as were Pacific language leaflets promoting CEG's services.

Employment Relations

The Employment Relations Service continued to focus on providing and improving information services tailored to Pacific peoples and to implementing initiatives to improve future service delivery. These information services included provision of access to speak to a Pacific staff member through the Infoline; seminars, talks and visits targeted at providing information to Pacific peoples and improving their understanding of employment relations issues; and various publications on key issues in Pacific languages.

ERS also participated in the Ministry of Pacific Island Affairs' Community Reference Group programme with a view to improving understanding of employment relations issues.

Workplace Health and Safety

A continued focus for the Workplace Health and Safety Group was also the provision of improved information services and service delivery to Pacific peoples, aimed at reducing workplace injuries. This included commencement of the development of a pilot community liaison office project aimed at gaining greater access to Pacific communities to provide them

with information and advice on health and safety in the workplace. Liaison officers are to be recruited initially from within four major Pacific communities and trained in basic health and safety issues. They will then conduct community meetings to raise the profile of occupational health and safety and to gather information about needs for health and safety products and services.

Other initiatives included coverage on Tangata Pacifica, the holding of Pacific language health and safety seminars, and the distribution of promotional material.

Immigration

A key element of NZIS' Pacific Strategy is the adoption of a new approach to working with Pacific communities through the training of Pacific community leaders in the objectives and procedures relating to immigration policies and services. The training sessions commenced in the previous year were completed in 2001/02 to ensure community awareness both onshore and in the Pacific of immigration policies and services.

All of NZIS' onshore and Pacific branches were involved in Pacific strategy initiatives throughout the year and a new Pacific Access Category was launched. The Service maintained close links with community reference groups and excellent progress was made in terms of the MPIA Programme of Action, with positive feedback received from these groups on NZIS' contribution.

The Service also worked proactively with other government departments to achieve the Pacific strategy objectives. Examples include initiatives with the Ministry of Social Development, Ministry of Housing and Ministry of Education where a whole of government approach provides a better response to meeting Pacific customers' needs.

Evidence of effectiveness during 2001/02 includes increased Pacific staff personal leadership and career development, further development of networks with Pacific community leaders and continued community demand for community training sessions.

Pacific Women

Initiatives during 2001/02 which were aimed specifically at reducing inequalities for Pacific women included:

- A research project sponsored by NACEW which focused on the development of strategies and practices to increase the participation of Pacific Women in Early Childhood Education training and as a result the numbers of trained Pacific early childhood educators. The strategies developed will be implemented in 2002/03 and the relevant training providers will evaluate their success.
- The provision of funding through CEG's Pacific Women's Development initiative which assists organisations and communities to identify needs of Pacific women with an emphasis on developing leadership ability, including management skills and confidence building.

REDUCING INEQUALITIES FOR DISADVANTAGED GROUPS

CATEGORY (1) - DISADVANTAGED GROUPS WITHOUT PARTICULAR REFERENCE TO MÄORI AND PACIFIC PEOPLES	Group	2001/02 Actual \$000s	2001/02 Budgeted \$000s
VOTE LABOUR – Departmental Output Classes			
D1 Policy Advice – Labour			
Employment Relations			
Development of Paid Parental Leave policy and support to passage of the Paid Parental Leave (PPL) Act.	Women on low incomes	Note 2.	Note 2.
Work with the Ministry of Women's Affairs on pay equity issues.	Women	Note 2.	Note 2.
Equal Employment Opportunities.	All	Note 2.	Note 2.
Vocational Services review Including proposed repeal of Disabled Persons Employment Promotion (DPEP) Act.	Disabled persons	Note 2.	Note 2.
Annual review of minimum wage.	Low income workers Unemployed ¹	Note 2.	Note 2.
Development of Training Minimum Wage, including enactment of the Minimum Wage (Training Wage) Amendment Bill.	Low income workers Unskilled workers Women	Note 2.	Note 2.
Monitoring and evaluation of Employment Relations Act 2000.	All	Note 2.	Note 2.
Policy advice on trade /labour issues	All	Note 2.	Note 2.
Occupational Safety and Health Policy Advice			
Analysis and support associated with the Health and Safety in Employment (HSE) Amendment Bill.	ACC claimants	Note 2.	Note 2.
Advice on and monitoring of the co-ordination of government's injury prevention interventions. <i>Also applies to Vote Accident Insurance.</i>	ACC claimants	Note 2.	Note 2.
Advice appointment of Injury Surveillance Information Manager to enhance injury data collection and management. <i>Also applies to Vote Accident Insurance.</i>	ACC claimants	Note 2.	Note 2.
Labour Market Analysis			
Advice on factors affecting the generation and destruction of job opportunities. <i>Also applies to Vote Employment.</i>	All	Note 2.	Note 2.
Advice on employment growth and efficient matching of jobs and people including co-ordinating skill shortages programme, implementation of the skills information action plan, and contributing to industry and regional development policies. <i>Also applies to Vote Employment.</i>	All	Note 2.	Note 2.
Monitoring of implementation of Tairāwhiti Forestry Labour and Skills Strategy. <i>Also applies to Vote Employment.</i>	Rural disadvantaged including Māori	Note 2.	Note 2.

¹ Māori and Pacific peoples, older workers and non-English speaking migrants tend to be disproportionately represented amongst this group.

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CATEGORY (1) - DISADVANTAGED GROUPS WITHOUT PARTICULAR REFERENCE TO MĀORI AND PACIFIC PEOPLES	Group	2001/02 Actual \$000s	2001/02 Budgeted \$000s
Labour Market Research			
Youth labour market participation research.	Youth	93	160
Examination of the influence of location on labour market outcomes and/or migration decisions. <i>Applies to all Votes.</i>	Urban and Rural Disadvantaged	Note 2.	Note 2.
Analysis of risk of unemployment and effectiveness of employment programme interventions. <i>Also applies to Vote Employment.</i>	Unemployed ¹	Note 2.	Note 2.
Literature review - Precarious non-standard employment. <i>Also applies to Vote Employment.</i>	All	Note 2.	Note 2.
Labour market monitoring			
Monitoring of and reporting on the labour market, including inequalities in labour market outcomes, including Household Labour Force Survey, Skills imbalances quarterly report, Labour market outlook. <i>Applies to all Votes.</i>	All	Note 2.	Note 2.
Ministerial Servicing			
Support to the National Advisory Council of the Employment of Women (NACEW).	Women	Note 2.	Note 2.
D4 Dispute Resolution			
ERS Information services, including Infoline to increase knowledge of employment relations issues.	All including Women and Youth	Note 2.	Note 2.
TOTAL VOTE LABOUR –DEPARTMENTAL OUTPUT CLASSES		93 (Also Note 2.)	160 (Also Note 2.)
VOTE LABOUR - Non-Departmental output classes			
O3 Promotion of Equal Employment Opportunities			
\$38K to the Equal Employment Opportunities Trust for a resource kit aimed at training recruitment consultants to manage clients who discriminate.	All Disadvantaged groups	91	140
\$37k to the Schizophrenia Fellowship to determine information, support and resources required by employers who are employing people with experience of mental illness.	People with mental illness		
\$16K to WorkAge Trust to provide information on flexible employment options with a focus on the aging workforce and their participation.	Mature workers		
O1 Employment Relations Education Contestable Fund - This programme has been concerned that funding has focussed on disadvantaged groups such as youth, Māori and Pacific people.	Youth Māori Pacific peoples		
VOTE LABOUR Other Expenses to be Incurred by the Crown			
Joint Equal Employment Opportunities Trust - Promotion of better equal employment opportunities as good management practice, in partnership with the private sector.	All Disadvantaged groups	736	736
TOTAL VOTE LABOUR – CROWN ACTIVITIES		827	876
TOTAL VOTE LABOUR		920 (also see Note 2)	1,036 (also see Note 2)

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CATEGORY (1) - DISADVANTAGED GROUPS WITHOUT PARTICULAR REFERENCE TO MĀORI AND PACIFIC PEOPLES	Group	2001/02 Actual \$000s	2001/02 Budgeted \$000s
VOTE EMPLOYMENT – Departmental Output Classes			
D1 Policy, Purchase Advice and Monitoring			
Employment strategy – implementation.	All	Note 2.	Note 2.
Advice on participation in work, training and other activities and effectiveness of employment related programmes including review of Training Opportunities / Youth Training.	All	Note 2.	Note 2.
Contribution to education and training policies and issues, including Industry Training changes, tertiary education reforms, school to work transition and links with education policy.	All	Note 2.	Note 2.
Advice on delivery of employment related services by MSD.	All	Note 2.	Note 2.
Reports on international developments in employment related policies and initiatives.	All	Note 2.	Note 2.
Contribute to MSD-led work on benefit reforms, including Future Directions project.	Unemployed	Note 2.	Note 2.
Employment evaluation strategy - projects arising from interagency evaluation and monitoring strategy for employment and welfare reform, and advice on evaluations led by other agencies.	Unemployed	Note 2.	Note 2.
Labour Market Research - Analysis of risk of continued benefit dependency.	Unemployed	Note 2.	Note 2.
Purchase Advice and Monitoring -Advice to Minister on the development of employment performance targets for jobseekers, and commentary on the Ministry of Social Development performance against these targets.	Unemployed	Note 2.	Note 2.
Registered Job Seekers- Analysis and research including comparison of registered job seekers and official unemployment statistics.	Unemployed	Note 2.	Note 2.
Advice on early childhood education strategy and childcare policy.	Low income parents	Note 2.	Note 2.
Contribute to MSD-led work on implementation of Domestic Purposes Benefit (DPB) reforms, including joint evaluation and monitoring trends in benefit levels, duration and exits from benefits such as DPB.	Solo parent beneficiaries (mostly women).	Note 2.	Note 2.
LMPG - Advice on community development policies including Community Employment and Development Action Research (CEDAR) project in three communities, Community Enterprise Organisations (CEOs), including development of a monitoring and evaluation strategy, and potential for the community and voluntary sector to generate employment opportunities	Rural Disadvantaged	Note 2.	Note 2.
CEG – Policy advice and evaluation. Includes leading the <i>Connecting Communities</i> strategy to increase community access to information and communications technology (ICT); and the Community Employment and Development Action Research (CEDAR) pilot above.	All	513	537
Labour Market Analysis			
Advice on factors affecting the generation and destruction of job opportunities. <i>Also applies to Vote Labour.</i>	All	Note 2.	Note 2.
Advice on employment growth and efficient matching of jobs and people including co-ordinating skill shortages programme, implementation of the skills information action plan, and contributing to industry and regional development policies. <i>Also applies to Vote Labour.</i>	All	Note 2.	Note 2.

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APPENDIX REDUCING INEQUALITIES FOR DISADVANTAGED GROUPS

CATEGORY (1) - DISADVANTAGED GROUPS WITHOUT PARTICULAR REFERENCE TO MĀORI AND PACIFIC PEOPLES	Group	2001/02 Actual \$000s	2001/02 Budgeted \$000s
Monitoring of implementation of Tairāwhiti Forestry Labour and Skills Strategy. <i>Also applies to Vote Labour.</i>	Rural, including Māori	Note 2.	Note 2.
Labour Market Research			
Examination of the influence of location on labour market outcomes and/or migration decisions <i>Applies to all Votes.</i>	Urban and Rural Disadvantaged	Note 2.	Note 2.
Analysis of risk of unemployment and effectiveness of employment programme interventions <i>Also applies to Vote Labour.</i>	Unemployed ¹	Note 2.	Note 2.
Literature review - Precarious non-standard employment <i>Also applies to Vote Labour.</i>	All	Note 2.	Note 2.
D2 Community Employment and Development Services			
CEG - Community employment development assistance to communities and groups to address a range of social and economic barriers to self-sufficiency and labour market participation, including management of project grant funding.	All	7,488	7,531
Total Vote Employment –Departmental Output Classes		8,001 (also see Note 2)	8,068 (Also see Note 2)
Vote Employment - Other expenses to be incurred by the Crown			
CEG - Community Employment Projects. Funding of projects leading to opportunities for employment, self-sufficiency or positive activity, with priority given to communities that face concentrations of disadvantage and depressed labour market conditions.	All	14,520	14,905
Total Vote Employment - Crown activities		14,520	14,905
TOTAL VOTE EMPLOYMENT		22,521 (also see Note 2)	22,973 (also see Note 2)
VOTE IMMIGRATION			
Departmental Output Classes			
D1 Policy Advice – Immigration - Policy advice on settlement services for migrants and refugees		See Note 2	See Note 2
D5 Refugee Services - Selection, funding of travel and escort of quota refugees formally mandated by UNHCR.	Refugees	4,317	4,697
D6 Settlement Services - Refugee Voices” research project.		99	117
Total Vote Immigration – Departmental Output Classes		4,416 see Note2	4,814 see Note 2
Vote Immigration - Other expenses to be incurred by the Crown Settlement Pilots - Support for groups working with refugee claimants including completion of evaluation.		197	200
Total Vote Immigration – Crown Activities		197	200

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CATEGORY (1) - DISADVANTAGED GROUPS WITHOUT PARTICULAR REFERENCE TO MĀORI AND PACIFIC PEOPLES	Group	2001/02 Actual \$000s	2001/02 Budgeted \$000s
TOTAL VOTE IMMIGRATION		4,613 (also see Note 2)	5,014 (also see Note 2)
VOTE ACCIDENT INSURANCE – Departmental Output Classes			
D1 Policy and Monitoring - Support for the passage and implementation of the Injury Prevention, Rehabilitation and Compensation Act	All	Note 2.	Note 2.
Cost of injury project.	ACC Claimants	Note 2.	Note 2.
Advice appointment of Injury Surveillance Information Manager to enhance injury data collection and management. <i>Also applies to Vote Labour.</i>	ACC Claimants	Note 2.	Note 2.
Medical Misadventure Review, including inequalities.	ACC Claimants	Note 2.	Note 2.
Advice on and monitoring of co-ordination of government's injury prevention interventions. <i>Also applies to Vote Labour.</i>	ACC claimants	Note 2.	Note 2.
Evaluation of Government reforms in workplace accident compensation to discover effects of changes.	ACC Claimants	Note 2.	Note 2.
TOTAL VOTE ACCIDENT INSURANCE		Note 2.	Note 2.
TOTAL – ALL VOTES			
Vote Labour		920 (also see Note 2)	1,036 (also see Note 2)
Vote Employment		22,521 (also see Note 2)	22,973 (also see Note 2)
Vote Immigration		4,613 (also see Note 2)	5,014 (also see Note 2)
Vote Accident Insurance		Note 2.	Note 2.
TOTAL CATEGORY (1) - ALL VOTES		28,054 (also see Note 2)	29,023 (also see Note 2)

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APPENDIX REDUCING INEQUALITIES FOR DISADVANTAGED GROUPS

CATEGORY (2) - Programmes and Services aimed at improving outcomes with particular reference to effectiveness for Māori	2001/02 Actual \$000s	2001/02 Budgeted \$000s
ALL VOTES - Department Of Labour Māori Strategy	Note 1.	Note 1.
VOTE LABOUR – Departmental Output Classes		
D1 Policy Advice – Labour		
ERS - Proposed changes to the Holidays Act to take into account cultural factors in leave entitlements for bereavement.	Note 2.	Note 2.
ERS - Equal Employment Opportunities	Note 2.	Note 2.
LMPG - Tairāwhiti Forestry Labour and Skills Strategy	Note 2.	Note 2.
WHS - Consultation on Occupational Safety and Health policy issues with Maori as appropriate and relevant.	Note 2.	Note 2.
D4 Dispute Resolution		
ERS Pacific Strategy - Information services to Maori and building staff capacity.	Note 2.	Note 2.
D5 Promoting Excellence in Self Managing Occupational Health and Safety Hazards in the Workplace and D6 Regulatory Functions Outside the Health and Safety in Employment Act 1992		
WHS Pacific Strategy - Information services to Maori and building staff capacity, Industry Sector Plans focus on industries with high Māori participation, ongoing involvement with the (Māori) Waipareira Trust's health and safety programme at AFFCO, Moerewa.	Note 3	Note 3
TOTAL VOTE LABOUR	See Notes 2–4	See Notes 2–4
VOTE EMPLOYMENT – Departmental Output Classes		
D1 Policy, Purchase Advice and Monitoring		
CEG – Policy advice and evaluation. - Policy analysis, advice on and evaluation of community employment development including the developing CEG Māori tourism strategy, and participation in the whole of government response to unsafe housing in Northland, East Cape and the Bay of Plenty	174	182
LMPG – Policy advice, research and evaluation. Community development policies, including Community Employment and Development Action Research (CEDAR) in second pilot community (Napier) focusing on Māori disadvantage, briefing Ministers on employment and income growth for Māori based on HLFS data and presentation on policy work and research programme to Maori Select Committee.	Note 2.	Note 2.
OCE - Continued discussions on a draft memorandum of understanding with Ngai Tahu.	Note 2.	Note 2.
D2 Community Employment and Development Services		
CEG - Delivery of assistance to Māori communities and groups, including management of project grant funding and delivery of four Māori capacity building initiatives and the implementation of Māori tourism strategy	2,546	2,561
Total Vote Employment –Departmental Output Classes	2,720 see Note 2	2,743 see Note 2

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APPENDIX REDUCING INEQUALITIES FOR DISADVANTAGED GROUPS

CATEGORY (2) - Programmes and Services aimed at improving outcomes with particular reference to effectiveness for Māori	2001/02 Actual \$000s	2001/02 Budgeted \$000s
VOTE EMPLOYMENT – Other Expenses to be incurred by the Crown		
Community Employment Projects. Funding for initiatives to: <ul style="list-style-type: none"> Māori organisations to improve their capacity and capability through assistance with administration skills, governance issues, marketing, leadership, training and infrastructure development. Māori communities to develop employment and training opportunities by facilitating economic ventures through use of multiple-owned Māori land Māori women to identify their needs and promote opportunities to enhance their entry into employment, training, economic and community development opportunities. 	5,637	5,639
Māori Women's Development Fund. Funding to promote enterprise development and assist Māori women to enter into business by providing access to capital through business loans and providing business advice, information and mentoring services.	2,000	2,000
Total– Crown activities	7,637	7,639
TOTAL VOTE EMPLOYMENT	10,357 see Note 2	10,382 see Note 2
VOTE IMMIGRATION – Departmental Output Classes		
First stage of NZIS' Māori Strategy focused on Involving Māori in immigration issues by developing regional relationships with hapu and iwi groups as well as Māori organisations and providers and on Increasing NZIS staff capacity.		
D1 Policy Advice – Immigration	1	1
D2 Visa and Permit Management	34	52
D3 Border and Investigations	10	15
D4 Support Services – Appeal Authorities	8	13
D5 Refugee Services	6	11
D6 Settlement Services	4	6
D7 Settlement Information	1	2
TOTAL VOTE IMMIGRATION	65	100
TOTAL CATEGORY (2) - ALL VOTES	10,422 see Notes 1 – 4	10,482 see Notes 1 – 4

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APPENDIX REDUCING INEQUALITIES FOR DISADVANTAGED GROUPS

Category (3) – Programmes and Services aimed at improving outcomes with particular reference to effectiveness for Pacific peoples	2001/02 Actual \$000s	2001/02 Budgeted \$000s
ALL VOTES - Department Of Labour Pacific Strategy	Note 1.	Note 1.
VOTE LABOUR – Departmental Output Classes		
D1 Policy Advice – Labour		
Proposed changes to the Holidays Act to take into account cultural factors in leave entitlements for bereavement.	Note 2.	Note 2.
Support to the NACEW research project to increase the participation of Pacific Women in Early Childhood Education training.	Note 2.	Note 2.
Consultation on WHS policy issues with Pacific peoples as appropriate.	Note 3.	Note 3.
D4 Dispute Resolution		
ERS Pacific Strategy - Information services to Pacific peoples and building staff capacity.	Note 2.	Note 2.
D5 Promoting Excellence in Self Managing Occupational Health and Safety Hazards in the Workplace and D6 Regulatory Functions Outside the Health and Safety in Employment Act 1992		
WHS Pacific Strategy - Information services and building staff capacity.	Note 3.	Note 3.
TOTAL VOTE LABOUR-	Notes 2-3	Notes 2-3
VOTE EMPLOYMENT – Departmental Output Classes		
D1 Policy, Purchase Advice and Monitoring		
CEG Policy analysis, advice on and evaluation of community employment development, including Pacific communities Programmes of Action.	60	63
LMPG Community development policies, including Community Employment and Development Action Research (CEDAR) in third pilot community (Christchurch) focusing on Pacific disadvantage	Note 2.	Note 2.
D2 Community Employment and Development Services		
CEG - Delivery of assistance to Pacific communities and groups, including management of project grant funding, Pacific communities Programmes of Action, and Pacific women's leadership initiative.	876	881
Total Departmental Output Classes	936 Note 2	944 Note 2
CROWN ACTIVITIES - - Other expenses to be incurred by the Crown		
Community Employment Projects funding for initiatives to develop and strengthen the organisational capacity and capability of Pacific peoples community groups to deliver services related to the labour market.	1,200	1,200
Funding to assist organisations and communities to identify needs of Pacific women with emphasis on developing leadership ability, management skills and confidence building.	Including 300	Including 300
TOTAL VOTE EMPLOYMENT	2,136 Note 2	2,144 Note 2
VOTE IMMIGRATION – Departmental Output Classes		
D2 Visa and Permit Management - NZIS Pacific Strategy initiatives	90	90
TOTAL VOTE IMMIGRATION	90	90
TOTAL CATEGORY (3) ALL VOTES	2,226 Notes1 - 4	2,234 Notes1 - 4

FINANCIAL SUMMARY

TOTAL – ALL CATEGORIES	2001/02 Actual \$000s (GST incl. where applicable)	2001/02 Budgeted \$000s (GST incl. where applicable)
(1) All Disadvantaged groups	28,054 (also see Note 2)	29,023 (also see Note 2)
(2) Māori	10,422 (also see Notes 1 – 4)	10,482 (also see Notes 1 – 4)
(3) Pacific peoples	2,226 (also see Notes 1 – 4)	2,234 (also see Notes 1 – 4)
Sub-Total plus	40,702	41,739
Vote Labour – OSH Categories (2) and (3)		
D5 Promoting Excellence in Self Managing Occupational Health and Safety Hazards in the Workplace – Note 4	56.5	71.6
D6 Regulatory Functions Outside the Health and Safety in Employment Act 1992 Note 5	4.5	6
Sub-Total	61	77.6
TOTAL ALL VOTES	40,763	41,816.6

NOTES:

1. The costs of implementing the Department's overall Māori and Pacific Strategies are spread over all four Votes (Employment, Labour, Accident Insurance and Immigration) and over all Services within the Department. These costs cannot easily be separately identified.
2. These programmes/services/projects are subsets of overall programmes/services/projects. In the main, these are projects under Output Class D1 (Policy, Purchase Advice and Monitoring) of the relevant Vote. Systems are not yet in place that allow the direct costs of these individual projects, and in particular those parts of the costs relating to disadvantaged groups, to be isolated.
3. These programmes/services are subsets of Vote Labour, Output Class D5, Promoting Excellence in Self-Managing Occupational Health and Safety Hazards in the Workplace. Provision for expenditure on these services/projects was included in an overall Communications budget appropriation of \$71,600, with estimated actual expenditure of the order of \$56,500. These projects/services and related expenditure related to both Category (2) Māori and Category (3) Pacific peoples.
4. These programmes/services are subsets of Vote Labour, Output Class D6, Regulatory Functions Outside the Health and Safety in Employment Act 1992. Provision for expenditure on these services/projects was included in an overall budget appropriation of \$6,000, with estimated actual expenditure of the order of \$4,500. These projects/services and related expenditure related to both Category (2) Māori and Category (3) Pacific peoples. The actual activities were subsumed with the activities under Output Class D5 - Promoting Excellence in Self-Managing Occupational Health and Safety Hazards in the Workplace.

LIST OF EVALUATION AND RESEARCH PROJECTS CONDUCTED DURING 2001/02 THAT FOCUS ON OUTCOMES FOR DISADVANTAGED GROUPS

Vote/Output Class	Evaluation/Research Project – Title and Short Description	Summary of Key Findings
Vote immigration, Refugee Services	<i>New Zealanders' Working Time and Home Work Patterns: Evidence from the New Zealand Time Use Survey</i> , Occasional Paper 2001/5 by Paul Callister and Sylvia Dixon	This report uses data from the New Zealand Time Use Survey 1998/99 to analyse the timing and location of paid work. It provides a detailed picture of New Zealanders' paid working time patterns, focusing particularly on work undertaken at non-standard times, or in workers' own homes. Results are given for sub-groups in the labour force as well as for all workers.
Vote Employment: Policy, Purchase Advice and Monitoring	<i>Evaluating the February 1999 Domestic Purpose Benefit and Widows Benefit Reforms: Summary of key findings</i> , Department of Labour and Ministry of Social Development, February 2002	<p>Completed in November 2001, this paper reports on the findings of the evaluation and monitoring strategy that focused on reforms to policy for Domestic Purposes Benefit (DPB) and Widows Benefit (WB) recipients, effective from 1 February 1999. The reforms involved changes to reciprocal obligations, facilitative assistance, abatement rules, financial incentives and childcare subsidies. Increased participation in employment was the primary means by which the objectives of reforms would be achieved.</p> <p>The evaluation and monitoring strategy was established at the end of 1998 to evaluate the effect of the reforms on sole parents and their families. The Department of Labour, Ministry of Social Policy and Department of Work and Income (DWI)²⁰ were jointly responsible for the evaluation and monitoring strategy.</p>
Vote immigration: Settlement Services	Refugee Resettlement Research Project: "Refugee Voices"	<p>NZIS is undertaking a three-year research project called "Refugee Voices" to provide information about the experiences of refugees settling in New Zealand. The first stage carried out in 2000/01 was a literature review to help develop the project. The literature review summarised international and New Zealand literature on various aspects of refugee resettlement.</p> <p>The second stage involves interviewing refugees over their first two to five years in New Zealand to provide information on their experiences and perceptions of resettlement in New Zealand. Two different groups will be interviewed for the research: recently arrived refugees who will be interviewed at six months and then again two years after arrival (or approval of refugee status) in New Zealand; and refugees who have been in New Zealand for around five years. The first wave of interviews was completed during 2001/02.</p> <p>"Refugee Voices" will be used to inform government, communities, NGOs and refugees of the factors that lead to successful resettlement and the barriers that hinder resettlement. It will provide refugees with a voice by collating their views, experiences and expectations.</p> <p>The outcome of the research will be known following the analysis of second wave interviews of refugees on their experiences and perceptions of resettlement in New Zealand.</p>

²⁰ The Ministry of Social Policy and the Department of Work and Income were separate agencies at the beginning of evaluation and monitoring strategy in October 1998 but on 1 October 2001 they merged to become the Ministry of Social Development.

DIRECTORY

Office of the Chief Executive

Department of Labour

PO Box 3705

WELLINGTON

Phone (04) 915-4400

Fax (04) 915-4015

www.dol.govt.nz

New Zealand Immigration Service

Department of Labour

PO Box 3705

WELLINGTON

Phone (04) 915-4222

Fax (04) 915-4242

www.immigration.govt.nz

Employment Relations Service

Department of Labour

PO Box 3705

WELLINGTON

Phone (04) 915-4500

Fax (04) 915-4567

www.ers.govt.nz

Immigration Service Freephone

0508 558 855

Labour Market Policy Group

Department of Labour

PO Box 3705

WELLINGTON

Phone (04) 915-4742

Fax (04) 915-4040

www.dol.govt.nz

Employment Relations Infoline

0800 800 863

Workplace Health and Safety Group

Department of Labour

PO Box 3705

WELLINGTON

Phone (04) 915-4444

Fax (04) 499-0891

www.osh.govt.nz

Community Employment Group

Department of Labour

PO Box 3705

WELLINGTON

Phone (04) 915-4300

Fax (04) 914-4901

www.ceg.govt.nz