



## AIDE MEMOIRE

### Workplace Relations and Safety Portfolio Funding and Savings Summary

<b>Date:</b>	07/02/2025	<b>Priority:</b>	High
<b>Security Classification:</b>	Budget Sensitive	<b>Tracker number:</b>	2324-1968

<b>Information for Minister(s)</b>	
Hon Brooke van Velden <b>Minister for Workplace Relations and Safety</b>	

<b>Contact for telephone discussion (if required)</b>			
Name	Position	Telephone	1st contact
Anna Clark	General Manager, Workplace Relations and Safety Policy	Privacy of natural persons	✓
Privacy of natural persons	Senior Policy Advisor, Health and Safety Policy		

<b>The following departments/agencies have been consulted</b>					
<input type="checkbox"/> Treasury	<input type="checkbox"/> MoJ	<input type="checkbox"/> NZTE	<input type="checkbox"/> MSD	<input type="checkbox"/> TEC	<input type="checkbox"/> MoE
<input type="checkbox"/> MFAT	<input type="checkbox"/> MPI	<input type="checkbox"/> MfE	<input type="checkbox"/> DIA	<input type="checkbox"/> TPK	<input type="checkbox"/> MoH
<input type="checkbox"/> Other:			N/A		

**Minister's office to complete:**

- |   |  |
|---|--|
| <input type="checkbox"/> Approved             | <input type="checkbox"/> Declined            |
| <input type="checkbox"/> Noted                | <input type="checkbox"/> Needs change        |
| <input type="checkbox"/> Seen                 | <input type="checkbox"/> Overtaken by Events |
| <input type="checkbox"/> See Minister's Notes | <input type="checkbox"/> Withdrawn           |

**Comments**



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### Purpose

This paper provides an overview of the key points of the briefing Budget 2024: Workplace Relations and Safety - Summary portfolio information for your discussion [Briefing 2324-1082], to support your upcoming discussion with the Associate Minister of Finance. It includes an A3 which summarises spending and savings options in your portfolio.

*amclark*

Anna Clark  
**General Manager, Workplace Relations and Safety Policy**  
Ministry of Business, Innovation and Employment  
07 / 02 / 2024

### Summary of Funding and Savings Options in Your Portfolio

#### Funding in the Portfolio

- In 2024/25 **\$203.148m** will be appropriated to fund activities in the Workplace Relations and Safety Portfolio. Of this, **\$196.302m** was identified as being 'in-scope' for the purpose of the current Budget savings exercise.
- However, it is important to note that approximately two thirds of funding in the portfolio is third party (levy recovered).

*In-Scope Funding in the Portfolio 2024/25 (\$m)*

	<b>Crown</b>	<b>3rd Party</b>	<b>Total</b>
<b>Dept</b>	58.950	3.400	<b>62.350</b>
<b>Non-Dept<sup>1</sup></b>	3.390	130.562	<b>133.952</b>
<b>Total</b>	<b>62.340</b>	<b>133.962</b>	<b>196.302</b>

<sup>1</sup> Excludes \$6.846m in funding for ERA member salaries and allowances – out of scope as funded through a Permanent Legislative Authority.

## Identified Savings Options

3. MBIE has identified Workplace Relations and Safety Portfolio savings of between **\$10.239 and \$19.027m in 2024/25** and **\$14.876 in 2025/26 and outyears**. This outyear total amounts to approximately 7.5% of funding in scope for the savings exercise (Crown and 3<sup>rd</sup> party). The difference between the two years is accounted for by:
- An increase of \$0.500 appropriated for Support for Fair Pay Agreements and Screen Industry occupational bargaining appropriation between 2024/25 and 2025/26 – all of which is available for savings should you wish.
  - A one off 2024/25 saving of \$4.331m from WorkSafe through returning Plant and Structures funding reserves.

*Identified Savings Options in the Portfolio (\$m)*

	2024/25	2025/26 & outyears	Outyears Savings as % of In-Scope Funding
<b>Crown Savings</b>	4.372	4.872	<b>7.81%</b>
<b>3rd Party Savings<sup>2</sup></b>	14.655	10.004	<b>7.47%</b>
<b>Total incl. 3<sup>rd</sup> Party</b>	<b>19.027</b>	<b>14.876</b>	<b>7.58%</b>
<b>Total excl. 3<sup>rd</sup> Party</b>	<b>4.372</b>	<b>4.872</b>	<b>2.48%</b>

4. To achieve these savings, MBIE has counted savings realised in areas that receive 3rd party funding through the Health and Safety at Work Levy. It is important to note however that this funding would be returned to the Health and Safety Levy Memorandum Account, not the central Crown accounts. Utilising savings from 3rd party funded areas in the portfolio has enabled us to identify substantive savings. However, it has been the Treasury's advice that while 3rd party funding is included in in-scope funding, any savings in these areas would not count towards our savings total.
5. If MBIE is unable to 'count' savings in 3<sup>rd</sup> party funded activity then savings of approximately 23% of all all direct Crown funded activities in the portfolio would be required. This would unduly impact MBIEs Employment Relations Service and the provision of Workplace Relations and Safety policy support for Ministers. It would require a significant reduction in frontline services and policy capability.

## Impacts of Savings Options Identified

6. **MBIE Workplace Relations and Safety Policy Savings:** Savings identified are primarily achieved through release of vacancies and decreases in contractor and consultancy expenditure. This may limit flexibility to redeploy capacity across teams or take on additional work but will retain sufficient capacity for day-to-day ministerial servicing and delivery of Ministerial priorities.

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<sup>2</sup> This assumes all WorkSafe savings taken in first year. Under preferred phasing for WorkSafe savings, the 2024/5 total would be \$10.329m. 2025/26 and outyear savings would be unchanged.

7. **MBIE Employment Relations Service Savings:** This will primarily impact on the timeliness of service provided, and limit data provision Confidential advice to Government
8. **WorkSafe Savings:** These savings would result in FTE reductions in addition to those already being delivered through the WorkSafe Restructure. This would impact overall service delivery, although exact impacts are still being analysed.
9. **Non-Departmental 'Other' Savings:** The impacts of reducing or ceasing funding to Diversity Works and the Industrial Relations Foundation are still being analysed.

## Annex

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**Annex One:** Summary of Appropriated Funding and Possible Savings in the Workplace Relations and Safety Portfolio

## Annex One: Summary of Appropriated Funding and Possible Savings in the Workplace Relations and Safety Portfolio

Workplace Relations and Safety Portfolio In-Scope Funding and Savings Options (\$m)

WRS CURRENT FUNDING				WRS POTENTIAL SAVINGS			Notes	
Funding Element	Dept/Non-Dept	Source	2024/25 Funding	Options	2024/25 Savings	2025/26 & Outyears		
MBIE Workplace Relations and Safety Policy	Dept	Crown	8.313	Savings from ERES Policy	0.694	0.694	10% of personnel, contractor and consultant savings - excludes potential corporate savings.	
	Dept	3rd Party	3.400	Savings from H&S Policy	0.216	0.216		
<b>11.713</b>				<b>Total</b>	<b>0.910</b>	<b>0.910</b>		
MBIE Employment Relations Service	Dept	Crown	50.637	<b>Confidential advice to Government</b>			Note: Work not ceased - Budget 2024 savings yielded by transfer to fee-funding instead.	
				Stop non-statutory Labour Inspectorate activities related to immigration e.g. Recognised Seasonal Employer (RSE) scheme and visa eligibility assessments	0.800	0.800		
				<b>Confidential advice to Government</b>				
				<b>Negotiations</b>				
				<b>Total</b>	<b>3.025</b>	<b>3.025</b>		
Support for Fair Pay Agreements and Screen Industry occupational bargaining appropriation	Non-Dept	Crown	0.244	Remove the remaining Screen Bargaining element of this funding	0.244	0.744		
Non-Departmental Other Expenditure	Non-Dept	Crown	3.146	Reduce or Cease funding to Diversity Works New Zealand	0.394	0.394		
				Cease funding the Industrial Relations Foundation	0.015	0.015		
				<b>Total</b>	<b>0.409</b>	<b>0.409</b>		
WorkSafe New Zealand	Non-Dept	3rd Party	129.693	Return Plant and Structures Reserves	4.331	0.000		
				Return Plant and Structures ongoing funding	1.320	1.000		
				Surrender PSPA contingency funding (only taken in second year under proposed phasing option)	6.188	6.188		
				Other Operational Savings (only taken in second year under proposed phasing option)	2.600	2.600		
				<b>Total</b>	<b>14.439 / 5.650</b>	<b>9.788</b>		
Health and Safety at Work Levy Collections Services	Non-Dept	3rd Party	0.869	No options identified	0.000	0.000		
<b>FUNDING TOTAL</b>			<b>196.302</b>	<b>SAVINGS TOTAL</b>		<b>19.027 / 10.239</b>	<b>14.876</b>	First year savings \$10.239m under WorkSafe preferred phasing option.

Summary of In-Scope Funding (\$m)

FUNDING	Crown	3rd Party	2024/25 Total
Dept	58.95	3.4	62.35
Non-Dept	3.39	130.562	133.952
<b>Total</b>	<b>62.34</b>	<b>133.962</b>	<b>196.302</b>

Summary of Savings Options (\$m)

SAVINGS	2024/25	2025/26 & outyears	Outyears % Savings
Crown Savings	4.372	4.872	7.81%
3rd Party Savings	14.655	10.004	7.47%
<b>Total incl. 3rd Party</b>	<b>19.027</b>	<b>14.876</b>	<b>7.58%</b>
<b>Total excl. 3rd Party</b>	<b>4.372</b>	<b>4.872</b>	<b>2.48%</b>