

2 November 2009

Dear Chief Executives

## Today's Discussion Document

A discussion document that will be used to help shape the new Auckland Council is being published by the Auckland Transition Agency (ATA) today and we are inviting feedback from local government organisations and their employees.

As you are aware, the Local Government (Tamaki Makaurau Reorganisation) Act 2009 requires the ATA to develop an organisational structure for the new council. The distribution of the enclosed discussion document is an important step in the transition to the new organisation and its subsidiaries.

There are three parts to this document:

- Part 1: a **draft organisational structure** showing the most senior roles in the new council, including proposed groupings of functions under the Interim Chief Executive.
- Part 2: a **draft scope of workforce change** document. This includes some descriptions of the types of roles or functions which may be subject to the greatest and the least degree of change during the transition.
- Part 3: a description of the **draft protocols and processes** to be applied during the transition. This document includes the draft principles proposed when staff move from jobs with existing local councils to roles with the new Auckland Council and describes how people will be treated when a suitable job is not available.

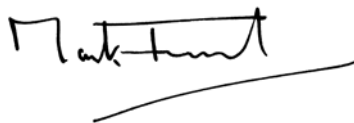
The ATA is seeking feedback on this document. In addition to setting up briefings and face-to-face meetings we are working with your teams to ensure that a feedback website may be accessed from council intranets. Hard copies of feedback documents will also be available.

I would ask you to circulate the discussion document, including this letter, as widely as possible to your staff and to engage with them in the context of the briefing I have given to you. ATA representatives will begin a series of meetings with council staff and unions during the coming days as part of the engagement process.

We are committed to a fair, transparent change process and we continue to seek the knowledge and expertise of you and your staff to get this right. As much information as practicable will continue to be communicated in a clear and timely way so that those affected by change can make informed decisions.

Thank you for the time, energy and commitment you and your colleagues have put into this process so far.

Yours sincerely



Mark Ford

Executive Chairman



Auckland Transition Agency

Discussion Document  
– Organisational Structure & Staff Transition

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2 November 2009

**Part 1**  
Draft organisational structure

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## Introduction

The Auckland Transition Agency is required under the Local Government (Tamaki Makaurau Reorganisation) Act 2009 to develop an organisational structure for the Auckland Council which enables the council to operate efficiently and effectively from 1 November 2010.

Preliminary work has now been completed on a draft structure for Auckland Council in parallel with the information-gathering activities that have been underway across work streams with the support of councils.

The ATA has committed to sharing its work to date with councils and other stakeholders, in the overall context of the approach to staff and stakeholder communication set out in this discussion document.

It is expected that this draft structure will be refined as ATA work streams progress through detailed analysis and design activity, as well as from the feedback received by the ATA from councils and other parties on this discussion document. A further update on the decisions of the ATA on organisational structure following feedback on the discussion document is planned by January 2010.

The draft structure outlined in this document is to tier 4 (the Interim Chief Executive role being tier 1) for the Auckland Council.

## Guiding principles

The following principles have been considered in the development of the draft structure for the new Auckland Council:

1. Consistent with the Royal Commission's recommendations and the Government's response in its Making Auckland Greater document, the Auckland Council will not simply replicate the current practices or structures within existing councils.
2. The structure will reflect a change to the governance model from what we have been used to in Auckland. The Auckland Council will be a unitary authority undertaking the role of a regional council and a local council and will have a two-tier governance structure:
  - i. The governing body (Mayor and councillors) and
  - ii. Local boards.

Decision-making will be shared between the two tiers, which have a complementary relationship. Both are responsible and democratically accountable for the decisions of the Auckland Council with respect to their allocated areas of responsibility.

The Mayor will have specific responsibilities with dedicated resources and budget.

3. The Auckland Council (i.e. the Mayor, councillors and local boards) will have appropriate support to engage with the community.
4. There will be clear linkages and management accountabilities to community outcomes and customer service.

5. The structure will support effective strategic planning and communication linkages between the governing body, local boards, the Auckland Transport Agency, Watercare Services, the Waterfront Development Agency and other council-controlled organisations (CCOs).
6. Where possible, the number of management tiers will be minimised, ensuring that decision-making is at the appropriate level of the structure and that management roles are significant and meaningful, with appropriate spans of control.
7. There will be a small core executive team, both to minimise administrative costs and to ensure clear leadership direction and momentum through the transition.
8. The structure is intended to be easy to understand for staff, citizens, customers and other stakeholders.
9. The intention is to generally maintain the current mix of in-house and outsourced services, subject to the completion of the analysis and design activities within individual ATA work streams.
10. The organisation will allow for the progressive integration of systems and processes over time, while ensuring a focus on maintaining or enhancing service delivery.

## Overview of draft structure

Along with consideration of local and overseas precedents for similar re-organisations, the principles outlined above have been applied to propose a clear functional model for Auckland Council comprising three major organisational groupings:

- Operations (including the delivery of community and customer services);
- Strategy and planning (covering all aspects of council regional planning); and
- Finance (including support functions).

In addition to these three major groups, specific additional functions will report directly to the Interim Chief Executive (human resources, communications, risk, and emergency management). It is considered appropriate that critical transition functions, such as HR and communications have direct reporting lines to the Interim Chief Executive. Post-transition it is expected these arrangements would be reviewed.

A temporary Establishment Director role has been allowed for in the structure, recognising there will be significant transition activities to co-ordinate and complete post November 2010, particularly in relation to establishing common processes, plans and systems and in finalising transitional HR matters.

In accordance with the Local Government (Tamaki Makaurau Reorganisation) Act 2009, the Mayor will have her or his own staff and independent budget. The Mayoral Office is therefore included in the draft structure diagram for completeness but is independent of the management structure of the new council.

Local Board support will be provided through the Manager – Local Board Services reporting to the Chief Finance Officer. The appropriate structure to deliver these services will be finalised once the roles and functions have been developed in more detail and Local Board boundaries have been determined by the Local Government Commission, early in 2010.

The Manager – Democracy Services will be responsible for delivering all necessary support to Auckland councillors and committees.

Regional Iwi relationships will be co-ordinated for the council through the Manager – Community Development and Maori relationships role. The structure and reporting relationships for CCOs will be subject to legislation.

## Implementation considerations

The draft structure will be further refined both through the feedback gained from this discussion document and the detailed design activities that are underway within the ATA work streams with the support of councils.

In particular, important factors that may influence the design and implementation of the final structure that are not yet finalised at the time of publication of this discussion document include:

- The number, boundaries, roles and functions of Local Boards.
- The preferred structure for existing or new CCOs.
- The timescales within which systems and processes may be integrated, which in turn will drive the extent to which some functions may be integrated or rationalised;
- Completion of the analysis and design activities within individual work streams arising from the ATA's published project plan; and
- Input from new management following their appointment into the detailed design of their functional areas of responsibility within the structure.

Along with feedback gained through the discussion document process, the ATA aims to finalise its proposed structure and transition approach by January 2010 to enable the employee mapping, change process and executive team recruitment activities described in the draft protocols and processes for the transition of staff accompanying this organisational structure to commence.

The timeframe to gain the advantages of consolidation of some functions (e.g. Finance, IT and HR) will be determined by the constraints of establishing common systems. While preliminary planning is underway, it is likely that upon establishment, the Auckland Council will rely mainly on current individual council systems and processes. This will limit the extent of consolidation of functions or the need to change staff locations prior to November 2010 and is reflected in the initial statements in Part 2: the Draft Scope of Workforce Change section of the discussion document.

In assessing areas of potential change for each function, the key assumptions on service delivery and consolidation of functions are as follows:

- There will be no degradation of service levels at 1 November 2010.
- Existing service centres and offices continue to provide frontline services at 1 November 2010.
- Service delivery will change following the development and adoption of consistent and integrated service strategy and progressive integration of systems.

The current assumptions on how services will be delivered after November 2010 are provided below for information. The detailed plans and timetable are the subject of work stream analysis and design activities and will not be confirmed until early in 2010 along with any implications for premises and staff locations. Note that the term centralised does not imply a pre-determined physical location, rather whether a consolidated council-wide function will be established.

## Draft Service Delivery Assumptions – Post November 2010

### Citizen and Customer Facing Functions

Function	Centralised	Distributed
Call centre	√	
Complaints management	√	√
Customer payments	√	√
Customer information	√	√
Property information	√	√
Consenting		√
Licensing <sup>1</sup>		√
Arts, community, parks and recreation		√

### Support functions

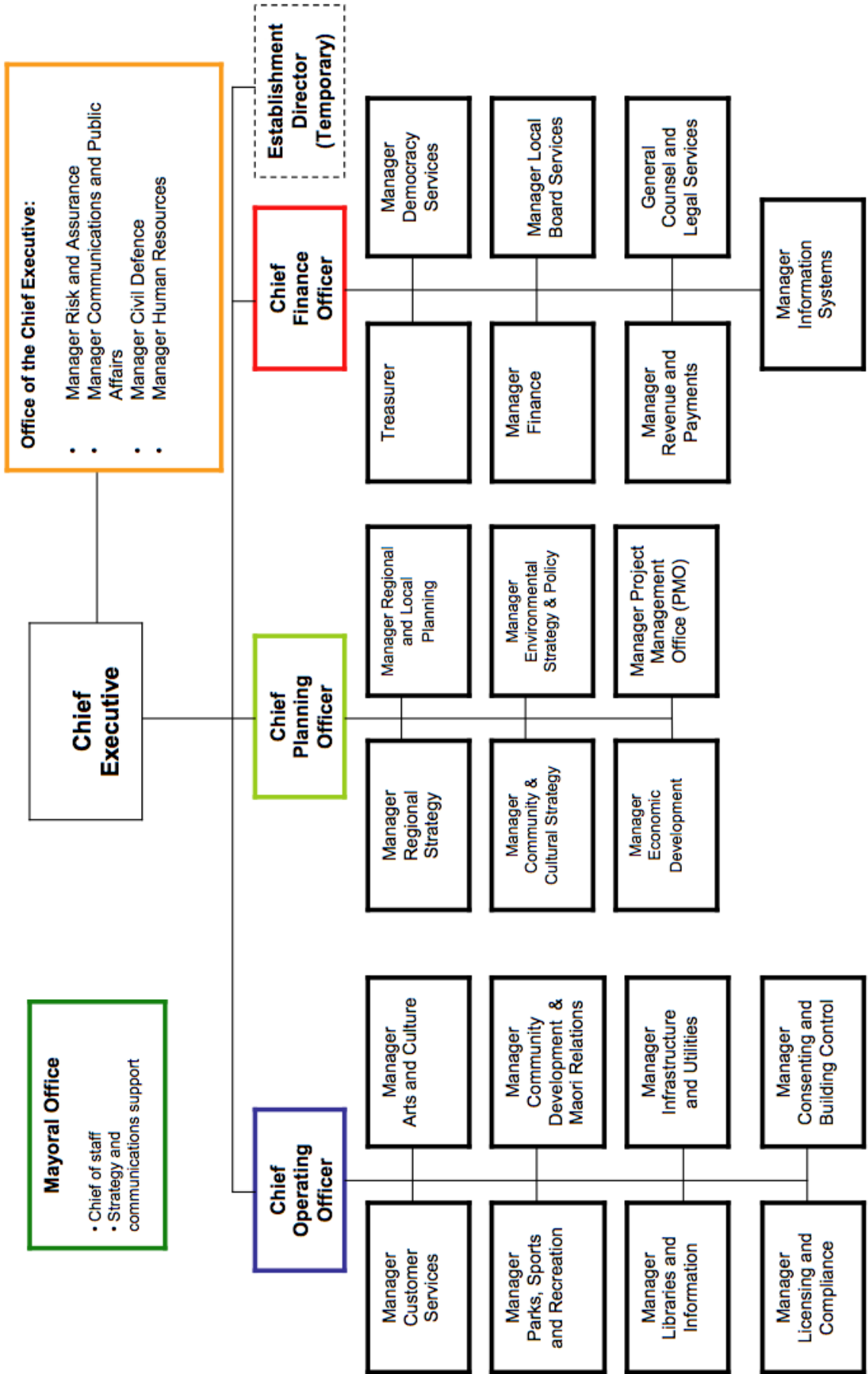
Function	Centralised	Distributed
Strategy	√	
Planning	√	√
Infrastructure	√	
Finance	√	
Human Resources <sup>2</sup>	√	
IT <sup>2</sup>	√	
Other corporate functions	√	
Council and Local Board Support	√	√

Any potential changes in this regard prior to 1 November 2010 will also be reviewed in the context of ATA's stated principle of ensuring that existing services are fully maintained through transition.

<sup>1</sup> Consolidated IT and common processes supporting local service delivery

<sup>2</sup> Consolidated support functions but with local (on-site) support available

# Auckland Council



## Chief Operating Officer

	Manager Customer Services	Manager Parks, Sports & Recreation	Manager Libraries & Information	Manager Licensing & Compliance
Direct Reports	<ul style="list-style-type: none"> <li>• Online</li> <li>• Call Centre</li> <li>• Service Centre Areas</li> <li>• Customer Correspondence</li> </ul>	<ul style="list-style-type: none"> <li>• Regional Parks</li> <li>• Local Park Areas</li> <li>• Sport Park Areas</li> <li>• Community &amp; Recreation Facility Areas</li> </ul>	<ul style="list-style-type: none"> <li>• Local Library Areas</li> <li>• Central Library</li> <li>• Digital Libraries</li> <li>• Back of House</li> </ul>	<ul style="list-style-type: none"> <li>• Environmental Health</li> <li>• Liquor</li> <li>• Animal Welfare</li> <li>• Noise</li> <li>• Incidents</li> <li>• Monitoring</li> <li>• Bio-security</li> <li>• Harbour Master</li> </ul>
Activities	<ul style="list-style-type: none"> <li>• Website development including: <ul style="list-style-type: none"> <li>- E-business</li> <li>- Internet and Intranet content management</li> </ul> </li> <li>• All first line calls and queries</li> <li>• Resolution of queries</li> <li>• Reception/switchboard facility</li> <li>• Facilities management</li> <li>• Customer information</li> <li>• Service centre coordination</li> <li>• Complaints/issues management</li> <li>• Responses to customer queries – where not handled at initial touch point, e.g. mail</li> <li>• Online email issues management</li> </ul>	<ul style="list-style-type: none"> <li>• Premier parks</li> <li>• Botanic gardens</li> <li>• Cemeteries</li> <li>• Operational and acquisition planning</li> <li>• Projects</li> <li>• Operations</li> <li>• Leisure centres</li> <li>• Pools</li> <li>• Bookings and permits</li> <li>• Community centres and halls</li> </ul>	<ul style="list-style-type: none"> <li>• Library area management</li> <li>• Local libraries</li> <li>• Historic collections</li> <li>• Rare books</li> <li>• City records</li> <li>• Region-wide book purchasing</li> <li>• Cataloguing</li> <li>• Distribution</li> <li>• Systems</li> <li>• Mobile libraries</li> </ul>	<ul style="list-style-type: none"> <li>• Food premises</li> <li>• Food safety education</li> <li>• Brothels</li> <li>• Hazardous substances permits</li> <li>• Bar manager training</li> <li>• Licence approvals processing</li> <li>• Dog registrations</li> <li>• National dog database</li> <li>• Complaints investigation</li> <li>• Animal shelters</li> <li>• Education</li> <li>• Stock</li> <li>• Water quantity and quality</li> <li>• Land and coastal management</li> <li>• Air quality research and monitoring</li> <li>• Pollution control</li> <li>• Beach testing</li> <li>• Bio-security - research eradication and education</li> <li>• Harbour Master services</li> </ul>

## Chief Operating Officer (continued)

	Manager Arts & Culture	Manager Community Development and Maori Relations	Manager Infrastructure and Utilities	Manager Consenting & Building Control
Direct Reports	<ul style="list-style-type: none"> <li>• Art Gallery</li> <li>• Zoo</li> <li>• Local Arts Facilities and Programme Areas</li> <li>• Public Art</li> <li>• Community Art and Culture Relationships</li> </ul>	<ul style="list-style-type: none"> <li>• Social Housing</li> <li>• Relationships</li> <li>• Local Development Areas</li> <li>• Maori Relations</li> <li>• Local Community Development Programme Areas</li> </ul>	<ul style="list-style-type: none"> <li>• Stormwater</li> <li>• Major Infrastructure</li> <li>• Waste Management</li> </ul>	<ul style="list-style-type: none"> <li>• Major Development Projects</li> <li>• Building Consent Areas</li> <li>• Resource Consent Areas</li> <li>• Customer Services (Regulatory)</li> <li>• Regulatory Charges</li> </ul>
Activities	<ul style="list-style-type: none"> <li>• Street art</li> <li>• Sculptures</li> <li>• Visitor facilities</li> <li>• Community education</li> <li>• Community arts/culture programme</li> <li>• Arts and culture events</li> </ul>	<ul style="list-style-type: none"> <li>• Facilities management</li> <li>• Service planning</li> <li>• Funding schemes</li> <li>• Ethnic and cultural relations</li> <li>• Settlement initiatives</li> <li>• Relationships with agencies</li> <li>• Community development planning</li> <li>• Community liaison</li> <li>• Tangata Whenua relationships</li> <li>• Urban Maori relationships</li> <li>• RMA consultation relationships</li> <li>• Local events</li> <li>• Youth programmes</li> <li>• Safety programmes including anti-violence</li> <li>• Community initiatives including graffiti control</li> <li>• Public access and permits</li> </ul>	<ul style="list-style-type: none"> <li>• Capital projects</li> <li>• Policy and planning</li> <li>• Operations</li> <li>• Waste minimisation initiatives</li> <li>• Education</li> <li>• Rebate collection and development of projects</li> <li>• Landfill – remediation and monitoring</li> <li>• Landfill collections</li> <li>• Recycling</li> <li>• Inorganic collections</li> <li>• Hazardous site and substances</li> </ul>	<ul style="list-style-type: none"> <li>• Coordinated consent processing – major developments</li> <li>• Pre application</li> <li>• Processing</li> <li>• Inspections</li> <li>• Approvals</li> <li>• Issues and complaints</li> <li>• Infringement/enforcement</li> <li>• Pools</li> <li>• Weathertightness</li> <li>• Monitoring</li> <li>• Arborist services</li> <li>• Heritage (built)</li> <li>• Urban design</li> <li>• Public property information</li> <li>• Public counters</li> <li>• Development contributions</li> <li>• S36 RMA water use</li> <li>• Policy/planning/operation</li> </ul>

## Chief Planning Officer

	Manager Regional Strategy	Manager Community & Cultural Strategy	Manager Economic Development	Manager Environmental Strategy & Policy
Direct Reports	<ul style="list-style-type: none"> <li>• Policy Advisors</li> </ul>	<ul style="list-style-type: none"> <li>• Parks and Reserves Strategy</li> <li>• Community Infrastructure Strategy</li> <li>• Community Development Strategy</li> <li>• Heritage and Cultural Strategy</li> </ul>	<ul style="list-style-type: none"> <li>• Economic Infrastructure</li> <li>• Economic Development Planning</li> <li>• Events</li> <li>• International Relationship</li> <li>• Mainstreet Planning and Development</li> </ul>	<ul style="list-style-type: none"> <li>• District Planning</li> <li>• Environmental Policy</li> <li>• Regional Policies</li> <li>• Research, investigation and monitoring</li> </ul>
Activities	<ul style="list-style-type: none"> <li>• Regional spatial plan</li> <li>• Regional planning</li> <li>• Relationships with CCOs</li> <li>• Planning for the growth of the city</li> <li>• Shaping the city/region of the future</li> <li>• Linkages with other sectors</li> <li>• Ensuring planning alignment e.g. District Plan</li> </ul>	<ul style="list-style-type: none"> <li>• Strategy and policy</li> <li>• Facilities Strategy: <ul style="list-style-type: none"> <li>- Pools</li> <li>- Halls</li> <li>- Libraries</li> <li>- Social housing</li> <li>- Parks</li> </ul> </li> <li>• Streetscapes</li> <li>• Settlement strategy</li> <li>• Strategic relationships with central government</li> <li>• Social policy</li> <li>• Arts and events strategy</li> </ul>	<ul style="list-style-type: none"> <li>• Broadband</li> <li>• Industry interface</li> <li>• Business case development e.g. convention centre</li> <li>• Advocacy</li> <li>• Regional economic infrastructure plan</li> <li>• Research</li> <li>• Regulatory relationships management e.g. MED</li> <li>• Policy development and analysis</li> <li>• Event planning</li> <li>• Sister city civic relationships</li> <li>• Business relationships</li> <li>• Cultural exchange programmes</li> </ul>	<ul style="list-style-type: none"> <li>• The built environment – including urban design</li> <li>• Fresh water quality and quantity</li> <li>• Air</li> <li>• Coastal</li> <li>• Climate change</li> <li>• Land (soil conservation)</li> <li>• Heritage (built/natural)</li> <li>• Sustainability</li> <li>• Education and awareness</li> <li>• Regional policy statement</li> <li>• Regional plans</li> <li>• Regional policy development</li> <li>• District planning</li> <li>• Bylaws</li> </ul>

## Chief Planning Officer (continued)

Manager PMO		Manager Regional and Local Planning
Direct Reports	<ul style="list-style-type: none"> <li>• Programmes management</li> <li>• Change management</li> <li>• Project Management</li> <li>• Systems, Process and Tools</li> </ul>	<ul style="list-style-type: none"> <li>• Annual Planning Process</li> <li>• Policy</li> <li>• Local Board Planning</li> </ul>
Activities	<ul style="list-style-type: none"> <li>• As above</li> </ul>	<ul style="list-style-type: none"> <li>• LTCCP</li> <li>• Annual Plan</li> <li>• Asset management plan coordination</li> <li>• Annual reporting</li> <li>• Local Board plans</li> <li>• Board reporting</li> <li>• Coordination with central planning</li> </ul>

# Chief Finance Officer

	Treasurer	Manager Finance	Manager Revenue & Payments	Manager Democracy Services	Manager Local Board Services
Direct Reports	<ul style="list-style-type: none"> <li>• Assistant Treasurer</li> <li>• Treasury Deals</li> </ul>	<ul style="list-style-type: none"> <li>• Financial Planning &amp; Reporting</li> <li>• Financial Accounting</li> <li>• Treasury Accountant</li> <li>• Procurement</li> <li>• Property Facilities</li> </ul>	<ul style="list-style-type: none"> <li>• Transactions</li> <li>• Rating</li> <li>• Non-rating Revenue</li> </ul>	<ul style="list-style-type: none"> <li>• Council and Committees</li> <li>• Democracy Support</li> </ul>	<ul style="list-style-type: none"> <li>• Local Board services</li> <li>• Board Support</li> </ul>
Activities	<ul style="list-style-type: none"> <li>• Bank relationships</li> <li>• Debt</li> <li>• Private placement</li> <li>• Forecast requirements</li> <li>• Credit rating</li> <li>• Risk</li> <li>• Interest rates</li> <li>• Risk management</li> <li>• Cash forecasting</li> </ul>	<ul style="list-style-type: none"> <li>• Annual planning and reporting</li> <li>• Business performance and advice</li> <li>• Financial strategy and policies</li> <li>• Taxation</li> <li>• CCO and trust monitoring</li> <li>• Acquisition, investments and business case review</li> <li>• External audit relationships</li> <li>• Settlements</li> <li>• Hedge accounts</li> <li>• Treasury management reports</li> <li>• Treasury controls and monitoring</li> <li>• Preferred supplier relationships</li> <li>• Procurement strategy</li> <li>• Contracts and tenders</li> <li>• Insurance</li> <li>• Facilities management</li> <li>• Property facilities</li> </ul>	<ul style="list-style-type: none"> <li>• Accounts receivable</li> <li>• Accounts payable</li> <li>• Policy</li> <li>• Rating modelling</li> <li>• Processes</li> <li>• Valuation</li> <li>• Debt collection</li> <li>• Revenue modelling</li> <li>• Monitoring</li> <li>• Revenue policy and development including rates, development contributions</li> </ul>	<ul style="list-style-type: none"> <li>• Committee management</li> <li>• Secretarial and administrative support</li> <li>• Hearings</li> <li>• Management boards</li> <li>• Advisory groups/panels</li> <li>• LGOIMA</li> <li>• Privacy issues</li> <li>• Ombudsman</li> <li>• Citizenship</li> <li>• Civic events</li> <li>• Catering</li> <li>• Records and archives</li> <li>• Delegations</li> <li>• Standing orders</li> <li>• Community consultation procedures</li> </ul>	<ul style="list-style-type: none"> <li>• Board management</li> <li>• Local plans</li> <li>• Community consultation</li> <li>• Council/CCO liaison</li> <li>• Meeting management</li> <li>• Secretarial and administration</li> </ul>

## Chief Finance Officer (continued)

	General Counsel & Legal Services	Manager Information Systems
Direct Reports	<ul style="list-style-type: none"> <li>• Property</li> <li>• Regulatory</li> <li>• Contracts</li> <li>• Prosecutions</li> <li>• Public Law</li> </ul>	<ul style="list-style-type: none"> <li>• Records management</li> <li>• Enterprise Applications</li> <li>• Enterprise Architecture</li> <li>• Enterprise Security</li> <li>• Service Delivery</li> <li>• Programme Management</li> <li>• Information Manager</li> <li>• Infrastructure and Operations</li> </ul>
Activities	<ul style="list-style-type: none"> <li>• As above</li> </ul>	<ul style="list-style-type: none"> <li>• Applications architecture</li> <li>• IT strategy</li> <li>• Packaged applications</li> <li>• Software development</li> <li>• GIS</li> <li>• Document management</li> <li>• Testing</li> <li>• Implementation</li> <li>• Training</li> <li>• Corporate data standards</li> <li>• Data warehousing</li> <li>• Security</li> <li>• DBA</li> <li>• Telecommunications</li> <li>• Network/system administration</li> <li>• Operations support</li> <li>• Data centres</li> </ul>

## Office of the Chief Executive

	Manager HR	Manager Communications & Public Affairs	Manager Civil Defence	Manager Risk & Assurance
Direct Reports	<ul style="list-style-type: none"> <li>• HR Services</li> <li>• Organisation Development</li> <li>• Transactions</li> <li>• Recruitment</li> <li>• Employment Relations</li> <li>• Health &amp; Safety</li> </ul>	<ul style="list-style-type: none"> <li>• Internal Communications</li> <li>• Strategy</li> <li>• Services</li> <li>• Media</li> <li>• Research and Consultation</li> </ul>	<ul style="list-style-type: none"> <li>• Emergency Management</li> <li>• Rural Fire</li> </ul>	<ul style="list-style-type: none"> <li>• Internal Audit</li> </ul>
Activities	<ul style="list-style-type: none"> <li>• Development and delivery of HR strategy and policy</li> <li>• Day to day advice</li> <li>• Change management</li> <li>• Coaching</li> <li>• Performance</li> <li>• Equity/EEO</li> <li>• Staff development programmes</li> <li>• Payroll and HR administration</li> <li>• Remuneration analysis and policy</li> <li>• Collective agreements</li> <li>• Promoting Health and Safety</li> <li>• Hazards management</li> <li>• Accident investigation and reporting</li> <li>• Audits</li> </ul>	<ul style="list-style-type: none"> <li>• Strategy</li> <li>• Branding</li> <li>• Web design</li> <li>• Marketing</li> <li>• Communications</li> <li>• Production of printed collateral</li> <li>• Media liaison and monitoring</li> <li>• Issues management</li> <li>• Media policy</li> <li>• Public and stakeholder engagement</li> <li>• Research policy and strategy</li> </ul>	<ul style="list-style-type: none"> <li>• Council disaster response and recovery planning</li> <li>• Community awareness</li> <li>• Rural fire</li> <li>• Management of civil defence exercises</li> <li>• Civil defence emergency management plan</li> </ul>	<ul style="list-style-type: none"> <li>• Internal audit</li> <li>• Risk reviews</li> <li>• Risk framework</li> <li>• Policies and procedures</li> </ul>

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**Part 2**  
Draft scope of workforce change

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## General assumptions in planning and managing change

The Auckland Transition Agency (ATA) wants to give as much clarity as possible to employees of existing local government organisations about the changes they will face. However it is too early to give all employees a definite view as to whether the work that they carry out will be subject to change as a result of the establishment of new structures before 1 November 2010 or in the transition period after that.

First, there is still a lot of information to analyse and a detailed strategy and design process to go through to reach a view as to how each part of the new structures should operate.

Second, the integration of the IT and other systems and processes which support local government activities will take time.

Third, government policy decisions regarding the ATA's mandate in dealing with existing or the creation of new council controlled-organisations (CCOs) are needed before the full organisational structure can be shaped.

Having said that, it is possible to give staff a clearer sense of what kind of change processes will be a priority up to 1 November 2010 and in the transition period following the establishment of the new organisations.

In general, the work of the ATA will be guided by the following assumptions:

1. Corporate services to the organisations (including services to the governance body and local boards) will be re-organised and located to align with the new governance and operational structures and to meet the needs of the Auckland Council, the Auckland Transport Agency, the Waterfront Development Agency, the expanded Watercare, and any other CCOs.
2. Where there are no systems constraints the aim will be to complete these reorganisations before 1 November 2010, with effect either before or from that date. Services in this category are likely to include strategy, policy and planning functions; Maori Relations; HR (subject to reviewing payroll and HRIS dependent operations); Democracy Services; Communications and Public Affairs; Project Management (including PMO services); Property; Treasury; Procurement, Legal services; Risk and Assurance; Chief Executive/Mayoral Office services; and executive group support staff.
3. Where there are systems constraints, any change to staffing arrangements will be dependent on the timeframe for consolidating systems. Services in this category are likely to include HR roles dependent upon payroll and/or HRIS systems; call centres; information systems services; planning, consenting and regulatory services; and finance functions including rating, collections and payment functions. Particular priority will be given to systems changes required for the separation of transport functions and the integration of water and wastewater services.
4. The ATA does not intend generally to review staff numbers or roles of staff whose jobs are specific to particular community facilities such as libraries, parks and recreational facilities.

5. The ATA does not intend generally to review staff numbers or roles of staff whose jobs are specific to particular operational work in community services such as social housing; local community development and funding; youth, safety and other community programmes and initiatives; and local events; or in infrastructural services such as stormwater, transport and water services. However where this work is located may change.
6. Staff who deal directly with customers will generally remain in their current locations. Except in relation to the changed management structure, the ATA does not intend generally to review numbers or roles of such staff. This includes customer services and regulatory services staff. There may be some aggregation of processing and specialist functions within the region.
7. As noted at point 2) above, staff whose primary functions relate to strategy, policy and planning are likely to be involved in significant change as these functions will generally be centralised.
8. Where staff are being brought together into a centralised or otherwise substantially reorganised function, the norm will be to transfer all current staff into the function with appointment in alternative positions or redundancy generally only considered where there is a duplication of responsibility. This is most likely an issue at supervisory/management and administrative support levels. The change process for most staff in such reorganisations is likely to involve changes in job descriptions and/or location and/or reporting line.
9. Some advisory services to functions within the organisation may be provided by staff located with the function they are advising – such as HR and finance advisory services and communications support. As well as the staff whose role is directly related to local board support there will also be staff from other functions assigned to provide support to the local boards.
10. Where staff roles may fit with more than one of the organisations involved, every effort will be made to align the timing of transition processes so that the greatest possible range of options is available to those affected.

## **Part 3**

Draft protocols and processes for the transition of staff to the Auckland Council and other entities

This section of the discussion document is structured as follows:

- |   |   |
|---|---|
| 1. Context                                    | Where you will find an overview of the role and responsibilities of the ATA to develop a change management plan, including protocols and processes for the transition of staff.   |
| 2. General approach to the transition         | Where you will find the responsibilities of the different organisations in relation to workforce change, the principles that give guidance in respect of how the staff transition process will operate, and broad transition timeframes.  |
| 3. Protocols and processes relating to change | Where you will find detail on the methods by which roles in the Auckland Council and other organisations will be filled, the terms and conditions of employment that will apply and employees' rights to have representation and support. |

## 1. Context

### 1.1 The ATA's responsibilities

The ATA's primary responsibility is to develop an organisational structure for the Auckland Council.

Section 13 (2) (b) of the Local Government (Tamaki Makaurau Reorganisation) Act 2009 requires the ATA to:

Develop a change management plan that includes protocols and processes for managing the transition of:

- (i) assets ... and
- (ii) staff from existing local government organisations to the Council structure ... having regard to the existing employment agreements applying to the staff.

The ATA is working within what Cabinet has described as "a bold transition timeframe option which seeks to have the rationalisation of, and transition to, the new core arrangements significantly completed by October 2010" while noting that "some transition activities [are] to be completed after October 2010."

The ATA is in the process of defining the new core arrangements and developing a timetable for transition to these arrangements up to and beyond November 2010.

The Royal Commission on Auckland Governance recommended that the transition should establish the groundwork for a transformation in working practices and culture for the Auckland Council. It emphasised

the importance of staff to the Auckland Council's establishment. Among the key requirements it saw for the Auckland Council's vision was a "strong and committed Auckland local government workforce."

The first two of the Royal Commission's six key considerations for the transition are:

- stability and certainty for staff
- the need to ensure that existing council staff, services, and operations are not significantly disrupted and that business is undertaken "as usual" in the period prior to Auckland Council's establishment

It recommended that, in implementing the change, the ATA should "[s]ettle staffing arrangements expeditiously and consider HR issues to be a primary and urgent consideration, including wage harmonisation, the movement of people and the retention and attraction of talent."

The Commission emphasised the desirability of carrying staff and institutional knowledge needed into the new organisation.

The Select Committee, in reporting back the Auckland Council Bill, urged the ATA "to manage this process so as to affect as few employees as possible, and to retain as much institutional knowledge ... as practicable." The Committee called for "a fair and transparent restructuring process ... and mechanisms .... to help people who lose their current roles to promptly find appropriate employment elsewhere."

## **1.2 ATA and local government responsibilities for workforce change**

The ATA is accountable to Government, through the Minister of Local Government and its functions and powers are set out in legislation. The ATA is required to develop a change management plan, including protocols and processes for the transition of staff to the Auckland Council, the Auckland Transport Agency and the Waterfront Development Agency.

The Interim Chief Executive of the Auckland Council (and, prior to her/his appointment, the ATA) may employ staff on behalf of the Council. S/he is required to follow the ATA's change management plan in doing so.

Existing local government organisations (ELGOs) remain responsible for the employment of their current staff. They are also required to co-operate with the ATA and every other ELGO to facilitate the re-organisation.

In particular, the ATA is not bound by the Local Government (Tamaki Makaurau Reorganisation) Act 2009 to consult with ELGOs, or with employees of those organisations regarding the transition process.

Any consultation obligations remain the responsibility of the existing local government organisations, as employers of the staff.

However, the ATA is working closely with the ELGOs, and engaging with staff and unions to ensure that the transition process is managed in a co-operative manner, with minimal disruption to staff and the community.

Watercare Services Ltd (Watercare) must plan and manage the integration of water and wastewater services. The ATA must approve and oversee this process. Watercare's plan will reflect the protocols and processes in this document.

The processes and protocols relating to the transition of water and wastewater staff will reflect the fact that Watercare continues as a legal entity and is being expanded, rather than disestablished and merged with other water entities. This means that only positions in Watercare that are new or are substantially changed as a result of the integration of water and wastewater services will be available to employees of other ELGOs.

Where new roles are created in Watercare or Watercare roles are changed to enable Watercare to adopt the water and wastewater functions of other ELGOs, the process for defining and filling those roles will be consistent with the protocols and processes set out in this document, including where an employee currently engaged in the provision of water or wastewater services is not confirmed in or appointed to a role in Watercare as part of the integration process.

## 2. General approach to the staff transition

### 2.1 Guiding principles

The transition and recruitment of staff to the Auckland Council and CCOs will result in multiple changes during the transition period leading up to and following 1 November 2010. These will include role changes and/or changes to work location for many staff. Reorganisation of current council functions into functions of the Auckland Council and its CCOs will also result in changes to staffing numbers, including reduced staffing, in some areas.

For many individuals the impact of the transition won't be known until the staffing requirements of those functions that are to be reorganised have been identified in the timeframes set out below.

It is important that staff have confidence in the integrity of the change process so that they can consider all the options and opportunities available in so far as they impact on their employment. This means establishing principles to guide the nature and timing of workforce changes.

The broad principles which will be applied by the ATA are:

1. Decisions relating to staffing will reflect the commitment to maintain or improve current service levels and activities.
2. Change will be managed in a consistent and transparent way, and as issues arise they will be handled as consistently as practicable across the process.
3. All staff and/or any group of staff will be treated fairly and equitably in all staff related change processes with equal opportunity, transparency and consistency and the good employer provisions of the Local Government Act applying to any recruitment or appointment process.\*
4. A prudent approach will be taken to staff reduction where services are reorganised to minimise the loss of institutional knowledge and skills and to maintain staffing flexibility where this may be required by the new organisations.
5. The individual impact of staff reductions will be minimised wherever possible by the use of less disruptive approaches, such as attrition, appointment in alternative roles, and voluntary redundancy.
6. As much information as practicable will be communicated in a clear and timely way so that those affected by change can make informed decisions and that current employers are able to meet their responsibilities to staff through the change process.

7. There will be opportunities for staff and their unions to provide input on service design, development of the resulting staffing plans and their implementation.
8. There will be a process and time for affected staff to provide feedback in respect of ATA change proposals which may impact on their role.
9. Systems and the associated staff will only be moved when necessary.
10. Regard will be had to employment agreements and the ELGOs' obligations under them.
11. Maximum possible support will be given to all employees affected by change.

\* See note water/wastewater integration under previous section

## 2.2 The Transition Timeframe and Timeline

The protocols and processes established by the ATA for the transition of staff in the new organisational structure have been developed to apply to change that will be commenced and/or completed before 1 November 2010 or by the Auckland Council and other organisations in a transition period following 1 November 2010.

Date/Timeframe	Activity
2 - 26 November 2009	Discussion document process
26 November 2009	Closing date for comment on discussion document
Later in November 2009	Development of process for recruitment of new executive team positions and opportunity for staff to have input
26 November to mid-December 2009	Review draft organisational structure and draft protocols and processes for staff transition in light of feedback
Mid-December 2009 or January 2010	Decisions and release of revised organisational structure and protocols and processes for staff transition followed by confirmation of which functions will be the subject of an ATA-led change process
January/February 2010	Map all existing employees to the relevant place in the new organisational structure, so that their future employment can either be confirmed without change or identified as subject to a potential change
February 2010	Recruitment to new executive group roles starts
January/February 2010 to 1 November 2010 and beyond	<p>First specific workforce change proposals developed. Each specific proposal will be developed within work streams, followed by a process involving staff impacted by the change proposal before final decisions are made. This process is subject to the guiding principles.</p> <p>Development of recommendations regarding post 1 November reorganisation of functions, systems and processes, including handing over the associated change process for post 1 November to the relevant organisation.</p> <p>Working towards the harmonisation of terms and conditions of employment within the Auckland Council and CCOs through agreement by the parties to collective and individual agreements.</p>

### 2.3 Commitment to communication and engagement

Successful change management puts a high value on engagement and communication with all those involved throughout the process. This includes staff, unions and ELGOs as employers. The following will guide communication and engagement through the change process.

- a) Providing opportunities for staff to have input on the strategy and design relating to their functional/service area:
  - 1 work stream leaders will involve nominated ELGO officers/staff in the strategy and design work
  - 2 ELGO representatives involved in the work streams will engage with staff from their organisations, ensuring that they have an opportunity to provide input where appropriate, including input from local union representatives
  - 3 proposals developed through this process will be taken to staff and unions for feedback, discussion and comment through the appropriate processes
  - 4 the ATA will additionally discuss, with unions at a regional level, the options under consideration in those areas identified by unions as having a significant impact on their members and across work streams when considering the employment and employment relations implications of strategy and design options.
- b) Maintaining open communication particularly with those who may be affected by decisions:
  - 1 existing employer, staff and union communication systems and channels will be used wherever possible
  - 2 the ATA will continue to develop its own communications channels, including its website and publications.
- c) Having regard to the applicable provisions of the various employment agreements in relation to changes under consideration, which may have or do have an impact on the employment relationships.

### 2.4 Location Planning

The transition to the new organisational structures will result in location changes for many staff.

This will include centralisation of most corporate service, planning, policy and strategy functions in appropriate locations and the aggregation of some operational and customer services work either in area offices or a centralised location. Existing council accommodation will be used where ever possible.

Location planning will follow decisions on organisational structure and service delivery models. Aggregated and centralised functions will need to be located where most appropriate. Especially in the short-term, this will be dependant on the ability to provide inter-connectivity between existing locations. Relevant factors may include the need to access records, information systems and other data; the size of the aggregated teams and the space available within existing buildings to accommodate these teams and whether other teams should be located in the same building or near-by.

The location choice for the Transport Agency functions will also be key, as this will free up space in the existing council locations.

### 3. Protocols and processes relating to workforce change

#### 3.1 Mapping existing employees to the new organisational structure

Once the ATA has determined the new organisational structure, all existing employees will be mapped to the relevant part of the structure. This process will be undertaken alongside current employers and with input from staff and unions using a tool to be developed by the ATA. There will be an associated quality assurance process.

The purpose of mapping will be to ensure that each employee can be advised as to whether at this stage:

- a) they are in a role that will not be subject to a change process and how their position will be transferred to the Auckland Council or other organisations; or
- b) they are in a role that will be subject to a change process and given an indication as to nature and timing of that process.

#### 3.2 Process in relation to executive group changes

This discussion document provides all employees, including managers directly affected by the establishment of a new organisational structure, with an opportunity to provide input into the design of the new organisational structure.

The intention is to commence recruitment of the executive group early in 2010. There will be further engagement before the end of 2009 with managers whose positions will eventually be disestablished as a direct result of the creation of the new or changed organisations on the recruitment process for new executive group roles.

It is recognised that executive group support staff will also be impacted by the establishment of the new executive group. A specific process will be developed in relation to these staff.

#### 3.3 Process in relation to changed functions below executive group level

Where the ATA is proposing changes which may impact on employees below executive levels, the following process will apply:

- a) Ongoing engagement through the work streams on strategy and design of functions within the new organisational structure.
- b) Once the strategy and design process is complete, and if there is a potential workforce impact, a 2-6 week period in which the relevant work stream will work with the Workforce/HR work stream to identify the staffing impact of any changes proposed and develop a change proposal. Resources will be developed and support provided to ensure this process is carried out in a consistent way across work streams and functions and according to the principles set out earlier in this document.
- c) This will be followed by a feedback process involving staff impacted by the proposed change. The time allowed for this will generally be 4 weeks but could be longer in some circumstances.
- d) Decisions and implementation in accordance with the final plan.

### 3.4 Transfer and Recruitment

There will be two methods by which roles will be filled and staff employed in the new organisational structure.

These are through:

- transfer of position where the roles are the same or substantially similar, or
- appointment to new roles where existing roles are substantially different or new roles are established.

Each of the above employment methods has specific associated protocols and processes, as depicted in the accompanying diagrams. It is important to note that these proposed protocols and processes are subject to any future legislation which addresses the issue of staff transfer processes and entitlements.

The proposed process for appointments to roles which are new or substantially different will be open to input through the change proposal process. The final process will be determined by the official with responsibility for the process – which may be the Executive Chair of the ATA, the Interim Chief Executive of the Auckland Council or the Chief Executive of Watercare – or a person delegated by them.

Staff who do not transfer or are not appointed to another role will be declared redundant in accordance with the terms of their employment agreement.

The protocols indicated below will be applied.

#### **3.4.1 Transfer to the same or substantially similar roles**

Whether roles are substantially the same as existing roles will be a matter for consideration in each case, and will form part of the change proposal which affected staff and their unions will have an opportunity to give feedback on. The following factors will be considered in each case:

- a) the overall purpose and focus of the role - for example, a management position has an overall purpose of management
- b) the primary objectives and key outcomes of the role
- c) the actual skills, levels of knowledge, experience, qualifications and other attributes required of the role holder
- d) the actual duties and tasks associated with the role
- e) the effective level of decision-making and influence that is reasonably associated with the role
- f) the level of responsibility for other staff
- g) terms and conditions associated with the role, including remuneration, career opportunities, location, hours of work and other terms of employment.

Unless covered by one of the exceptions below, the following will apply when a role in the new operational structure is the same or substantially similar as an existing role:

- a) the employee will be given the opportunity to transfer to the role which is the same or substantially similar to their existing role
- b) unless agreed, there will be no change to the employee's existing terms and conditions of employment
- c) there will be no entitlement to redundancy compensation in either case [Note: this assumes legislation will cover this, or the existence of an applicable technical redundancy clause or other provision of the employment agreement or terms agreed between the parties].

#### **Exceptions:**

##### *3.4.1.1 Same or substantially similar roles but requiring relocation*

A role in the new organisational structure may be the same or substantially similar to an existing role, but may require a change in work location. This change in work location may in some circumstances give rise to a redundancy situation, in which case the employee will be given the opportunity to transfer to the role in the new work location.

If relocation to the role in the new work location rather than redundancy results then no entitlement to redundancy compensation will arise. [Note: this assumes legislation will cover this, or the existence of an applicable technical redundancy clause or other provision of the employment agreement or terms agreed between the parties]. However if this change in work location gives rise to a redundancy situation and the employee chooses not to relocate to the role in the new location, and they are not appointed to an alternative role within the new organisation, the employee will be redundant in accordance with the terms of their existing employment agreement.

Whether a proposal to relocate an employee results in an entitlement of that employee to elect redundancy or to receive any other compensation will in each case be determined by the relevant employment agreement.

Where an employment agreement is silent on such matters then broader legal principles will be applied.

Each case will need to be considered. Relevant factors include:

- a) distance between the old and new sites and the employee's place of residence
- b) employee's travel arrangements
- c) availability of suitable public transport
- d) personal circumstances of employee.

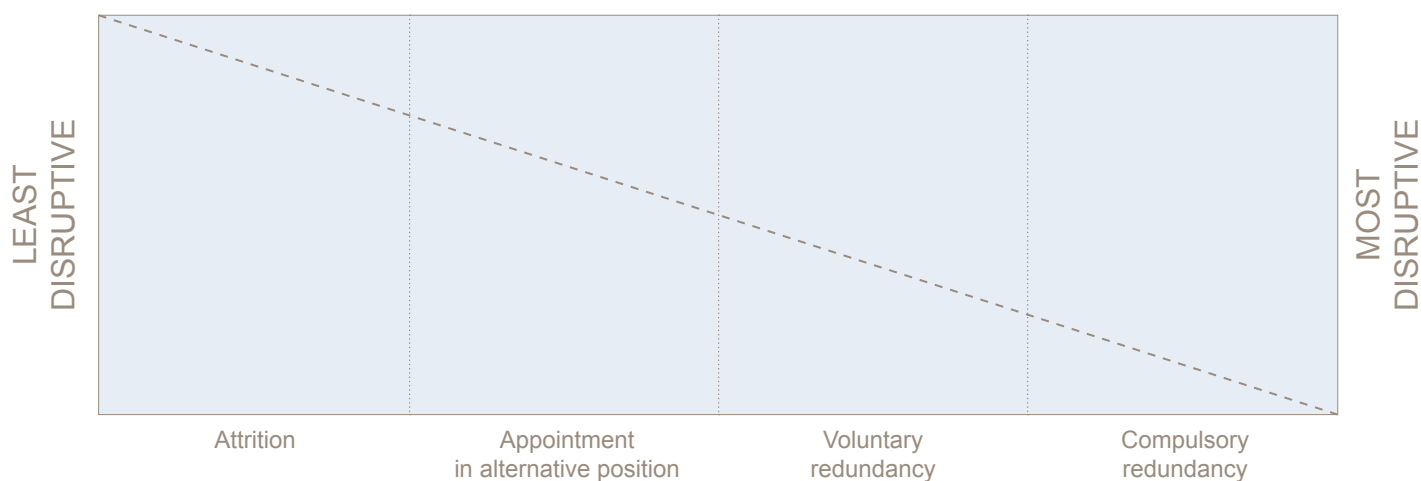
### 3.4.1.2 Fewer positions than current position holders

A role(s) in the new organisational structure may be similar or substantially similar to an existing role(s), but there may be fewer positions in the new organisational structure than there are current position holders.

The protocols detailed below will be followed before any transfer of an employee into a role is confirmed or a redundancy results.

The aim will be to manage a reduction in the numbers of staff required through the least disruptive approach that is practicable, having regard to organisational needs (including any need to mitigate the risk of a loss of institutional knowledge, specialist skill or to provide for some flexibility around staffing for the new organisations).

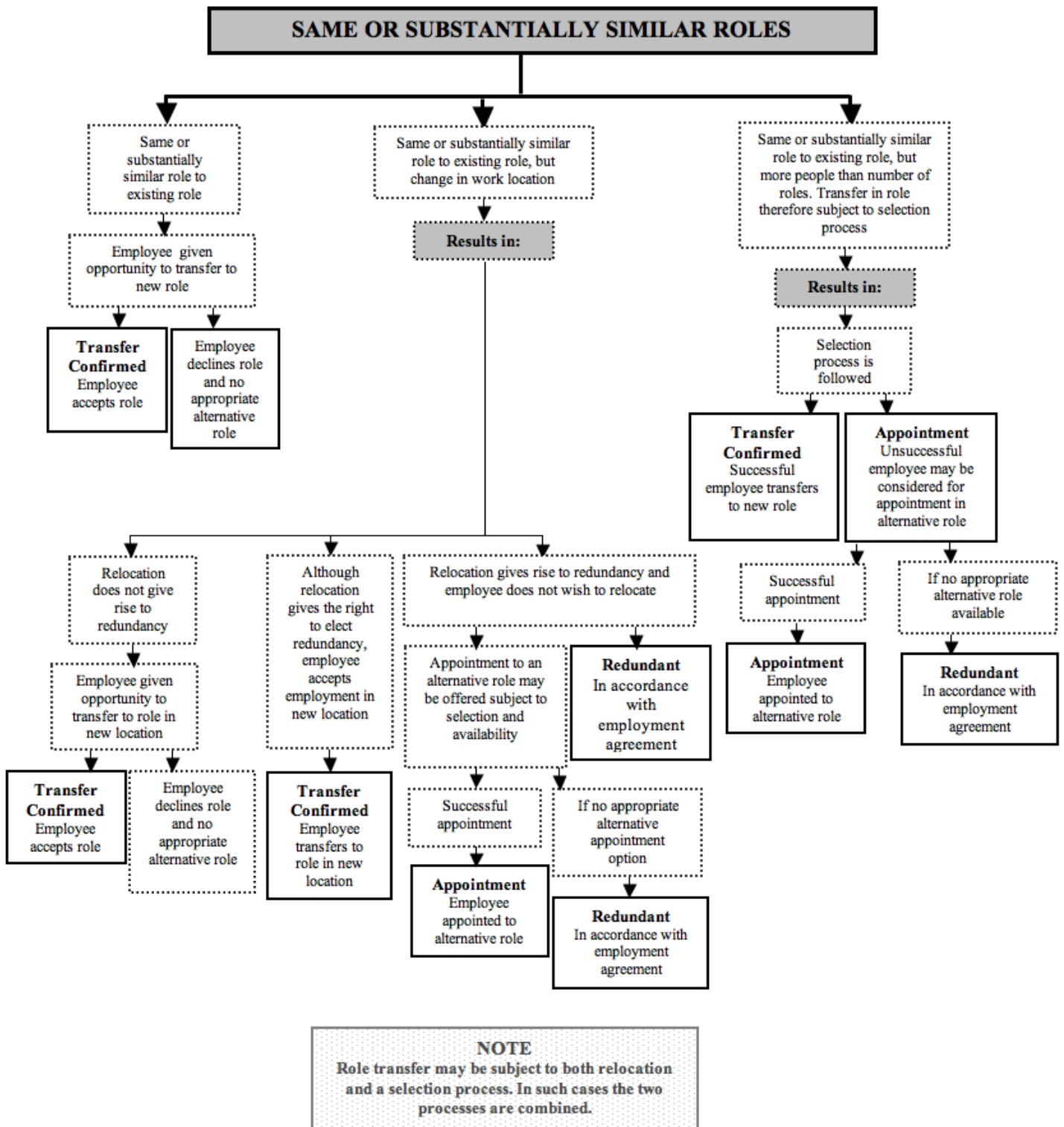
The approach to be followed in each specific planned reorganisation will be part of the change proposal developed in accordance with the process set out earlier.



Where a selection from among existing position holders is required, a fair and transparent process will be followed. Factors to be taken into account may include:

- a) assessment of merit against specific criteria
- b) service – and the general principle of last on first off
- c) the need for an appropriate balance of skills, competencies, qualifications and experience.

Figure 1



### **3.4.2 Appointment to substantially different (new) roles – ringfenced option**

Where a role in the new organisational structure is substantially different but is comprised of accountabilities that were in job descriptions in the existing structure, the Interim Chief Executive/ATA may opt to enable all role holders working under the relevant job descriptions (including those currently employed in higher tiers) to have the first opportunity to apply for the role. Whether this process is used in preference to a full internal and/or external process will be at the discretion of the ATA/Interim Chief Executive or Watercare CE as appropriate. Such employees will be identified and ring-fenced for first application.

If no registration of interest in the role is expressed or no internal applicants meet the requirements of the job, the role will be advertised internally and externally.

The following factors will be considered in deciding whether a role is in this category:

- a) substance/nature of the job
- b) purpose of the job
- c) accountabilities
- d) authorities
- e) salary/terms and conditions
- f) work employee has been doing – if that varies from the job description.

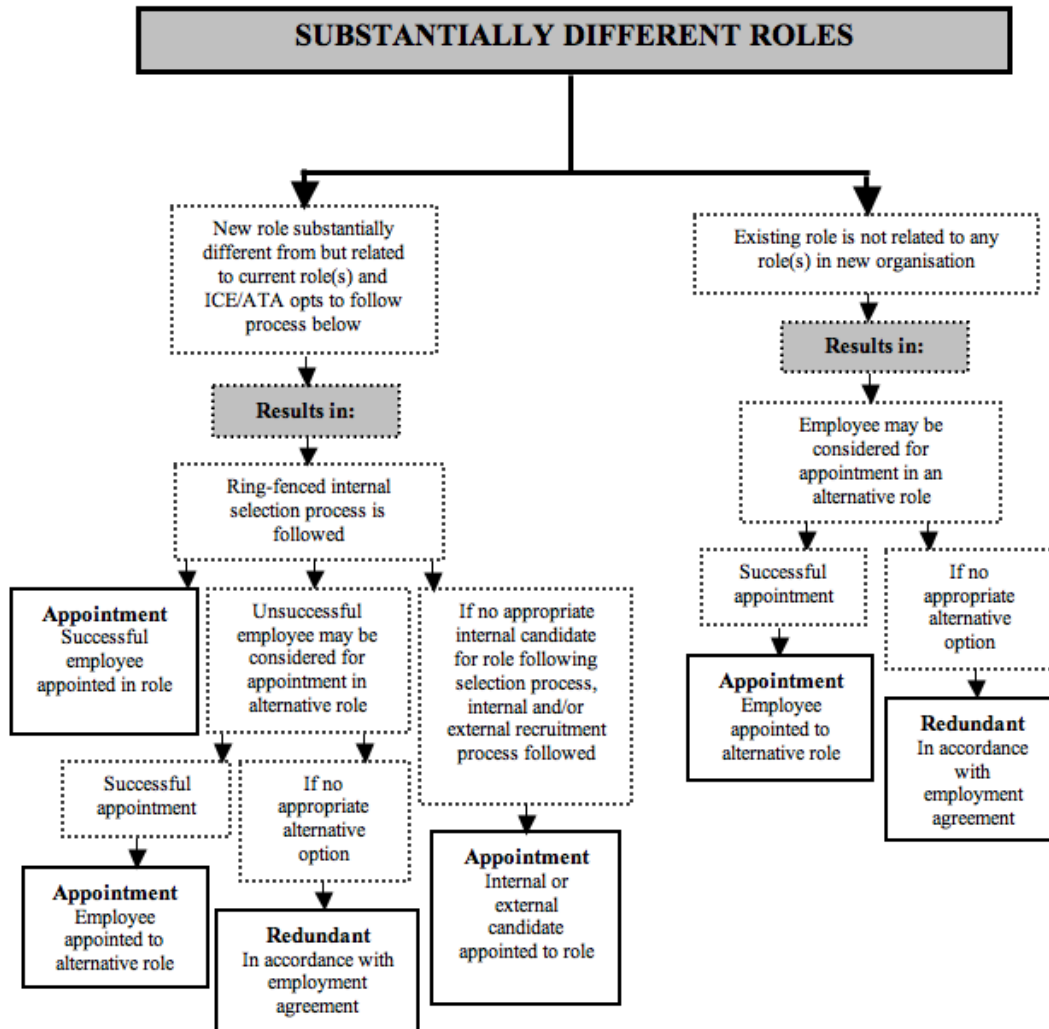
Where an existing employee is successful in obtaining such a role:

- g) s/he will be employed on a new employment agreement
- h) existing service in respect of any service-based entitlements in the new agreement will be recognised
- i) any obligations arising from the disestablishment of the employee's previous role will take into account any legislation and employment agreements.

There may be situations where an existing role is not related to any role(s) in the new organisational structure, and therefore does not exist in the Auckland Council or any of the CCOs. In these situations employees may be considered for appointment to another role in the structure. These employees will not qualify for the 'ring-fenced for first application' process above, but will be able to apply for any contestable role.

Where an employee is not appointed to an alternative role, they will be redundant in accordance with the terms of their existing employment agreement.

Figure 2



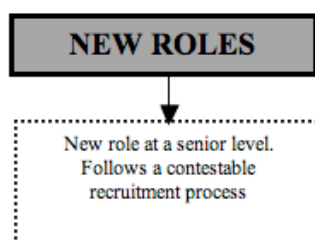
### 3.4.3 Appointment to new role – contestable recruitment option

The ATA will identify those new roles which will be advertised from the outset. Whether advertising will be internal initially will be a matter for the discretion of the ATA in each case. The identification of these roles and the recruitment/appointment process to be followed will be the subject of the change proposal process.

Where an existing employee is successful in obtaining such a role:

- a) s/he will be employed by the Auckland Council or other organisation on a new employment agreement
- b) existing service in respect of any service-based entitlements in the new agreement will be recognised
- c) any obligations arising from the disestablishment of the employee's previous role will take into account any legislation and employment agreements.

Figure 3



### 3.5 Other Changes

Where other changes occur– such as changes to job descriptions (which do not result in a substantially different role) or an employee's hours and/or days of work – the ATA/ICE will have regard to the employee's employment agreement and proposed changes will be included in the change proposal.

### 3.6 Terms and conditions of employment including applicable employment agreements

Legislation relating to the terms and conditions of employment of ELGO employees whose current roles and employment transfers to the new employers is expected to be introduced to Parliament in December.

These protocols and processes assume that where the employment of staff is transferred on current employment agreements, those agreements will be the applicable collective or individual agreement.

Where the employment is in a new or different position, then employment will be on a new employment agreement which, for union members, may be an applicable collective agreement or a new individual agreement if there is no applicable collective agreement.

What terms and conditions apply to the employee will therefore depend on:

- a) whether the job is a new job for the employee or the same or substantially the same job
- b) the legislation
- c) what is agreed between the parties to the employment agreement.

The ATA hopes to make progress towards the harmonisation of terms and conditions of employment within the Auckland Council and CCOs through agreement by the parties to collective and individual agreements.

### 3.7 Representation and Support

All employees have the right to independent representation and advice throughout this process. That representation and advice can be from a union or other support person or representative of your choice. Employees are encouraged to access support and advice from unions and other support people through this process.

It is acknowledged that the change process underway does result in uncertainty for many employees and may create stress. All organisations are committed to providing employees with a range of personal support in responding to both uncertainty and opportunities. Employees on parental leave or other extended leave also have access to these services.

## Glossary

ATA	Auckland Transition Agency
Attrition	where staff numbers are reduced by not replacing staff who resign their employment
CCO	Council Controlled Organisation
ELGO	Existing Local Government Organisations - includes all the councils and council controlled organisations affected by this change process
Executive group	those roles reporting to the Auckland Council Chief Executive, and the 2 levels of management below them
ICE	Interim Chief Executive of the Auckland Council (to be appointed by the ATA)
Watercare	Watercare Services Ltd