

Business Case for Change – Clean Car Discount, Te Mahau | Customer and Services

DATE	26/01/2024
TO	Sarina Pratley, Chief Customer and Services Officer Karen Jones, Acting GGM People, Culture and Safety Sara Lindsey, GGM Commercial & Corporate
FROM	Tracy Moore, Head of Customer Operations Tayla Pickering, HR Business Partner Rohan Wong, Senior Project Manager
SUBJECT	Business Case for Change – Approval to Proceed
ENDORSE	Karen Jones, GGM Engagement and Partnership and Acting GGM People, Culture and Safety Sara Lindsey, GGM Commercial & Corporate
APPROVE	Sarina Pratley, Chief Customer and Services

PURPOSE

To seek your approval to:

- proceed with consultation on the proposed structure change in response to government directive to close out the Clean Car Discount (CCD) Scheme.
- reallocate funding from CCD to Clean Car Standard (CCS) for multiple roles, as detailed in the financial impacts section.

The DRAFT consultation document, containing additional details is attached for your reference.

BACKGROUND AND RATIONALE

The Government confirmed the closure of the CCD Scheme with effect from 31 December 2023 and commissioned The New Zealand Transport Agency | Waka Kotahi to ensure the close out of the scheme and associated activities by 31 April 2024.

OBJECTIVES OF CHANGE

- Revise the Low Emission Vehicles Operating Model to remove all Clean Car Discount activities as outlined in the government's 100-day plan.
- Ensure the right resource and capabilities remains to deliver the emissions reduction work programme moving forward.

LINK TO WAKA KOTAHİ STRATEGY

As a Public Service Agency, the proposed revision to the Low Emission Vehicle (LEV) Operating Model complies with the direction of the government of the day. The proposed organisational structure further ensures the continuity of LEV initiatives aligned to Te Kāpehu and our system outcomes by contributing to a safe and environmentally sustainable system.

OVERVIEW OF INTENDED CHANGES

The current structure is designed with cross functional teams servicing several emission initiatives which are funded by multiple appropriations (CCD, CCS and BAU) on a 1 FTE basis. Funding assigned to a position does not exclusively dictate the tasks performed. Separating and removing one of these initiatives necessitates a realignment of funding for multiple positions to retain the right resource and capability to deliver on the remaining emissions reduction work programme.

The proposed change removes all CCD activities from the LEV Operating Model (excluding data and system management), subsequently resulting in a reduction in the number of positions across two teams (LEV Team and Performance and Compliance Team). There are minor changes proposed for roles within the Vehicle Emissions Team.

Note: This proposal aligns with New Zealand Transport Agency | Waka Kotahi Organisational Design Principles.

The proposed changes are summarised below:

- Disestablish 16 LEV Officer positions and retain 6. This is well supported by workforce planning modelling and best practice principles.
- Retain and realign funding for 2 LEV Officers. This will accommodate the downsized operating model as identified by workforce planning modelling.
- Disestablish 1 Team Manager position and retain 2. This considers the Team Managers own individual workload alongside the volume, and complexity of tasks escalated, and the level of leadership oversight and support.
- Retain and realign funding for 1 Team Manager. This allows for a more manageable workload and ensures reasonable span of control.
- Disestablish 1 Principal Advisor and retain 1. This has been evaluated based on an evenly distributed workflow between the two initiatives.
- Retain and realign funding for 1 Senior Operations Analyst. Ensuring the continuity of data, analysis and reporting capability for LEV initiatives.
- Minor changes to all position descriptions to remove reference of CCD work.

All proposed changes will undergo employee consultation with both affected and unaffected employees within the designated scope.

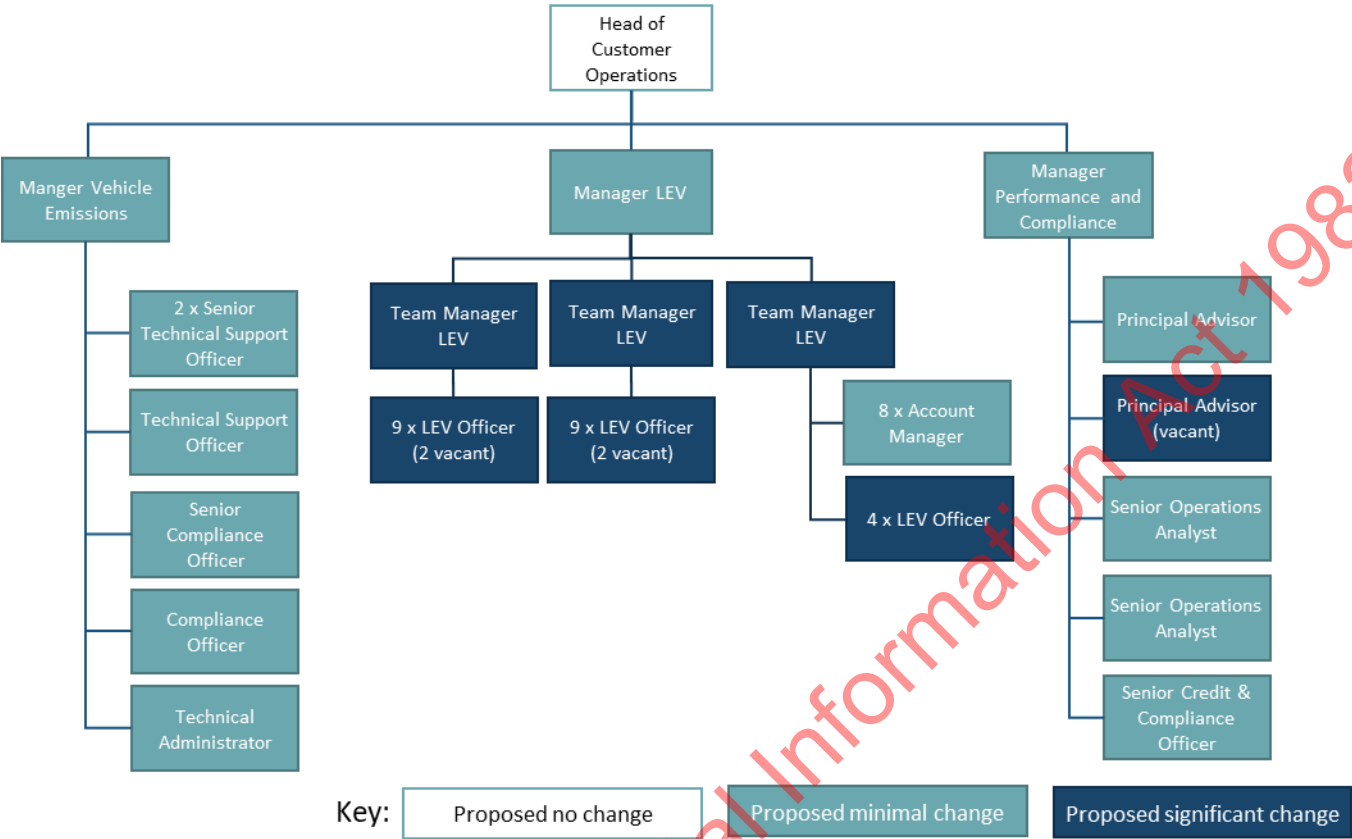
BENEFITS

- Aligns with the intentions and outcomes sought by Government.
- Retains the capabilities and expertise needed to deliver the LEV work programme.
- Ensures effective ongoing service to our customers.

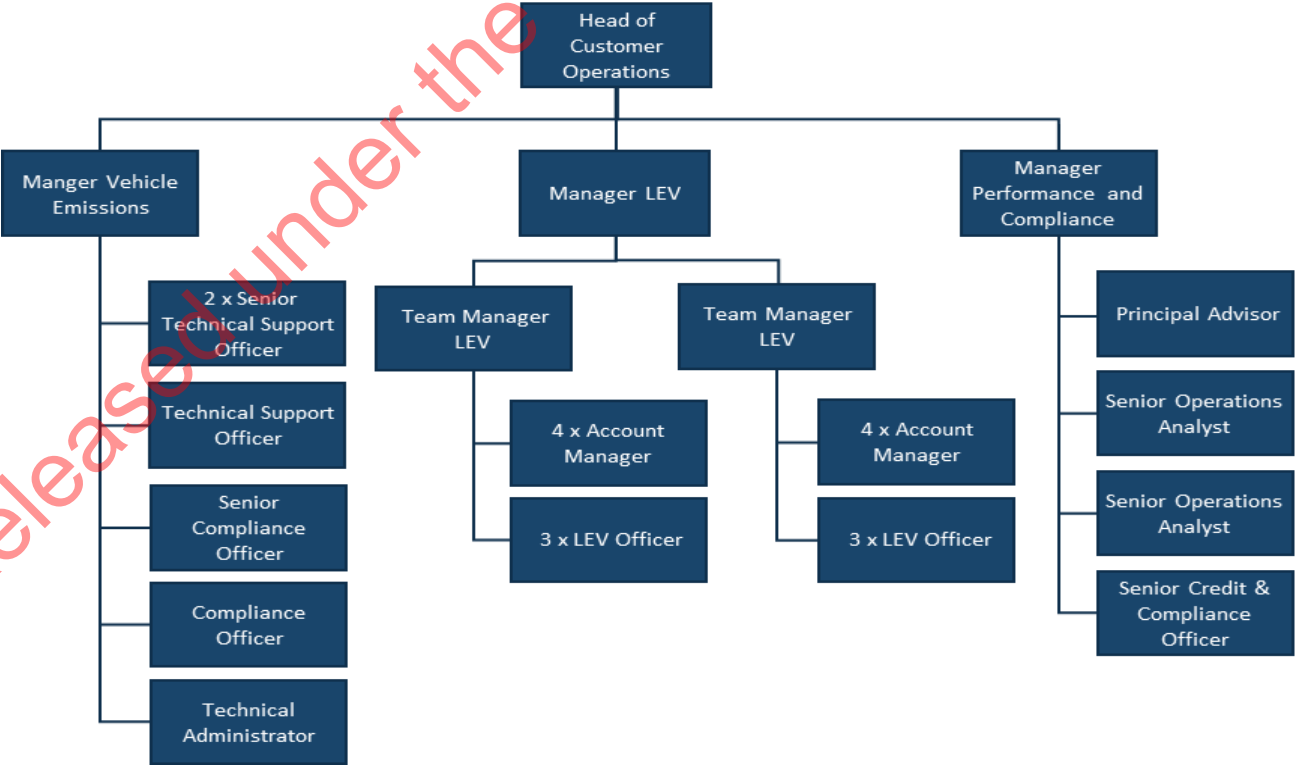
WORKFORCE IMPACTS

The potential workforce impacts of this proposal are illustrated on the current organisational structure below:

Removal of the Clean Car Discount Scheme – Business Case for Change



The proposed organisational structure is below:



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There are 42 staff (47 positions) within scope of the review. For most people this proposed new structure would only result in minor changes to their position and employees would be automatically reconfirmed. However, the proposed reduction in positions affects 21 employees (26 positions). Should the change proceed, a selection process will follow for the remaining 8 roles and 18 positions would be disestablished.

Following the selection process, alternative employment opportunities will be explored for remaining employees. However, if they were unsuccessful in securing an alternative position, the 13 permanent employees would be eligible for redundancy compensation in accordance with their employment agreement.

FINANCIAL IMPACT

The estimate cost implications of this proposed structure are outlined below and in conjunction with the Senior Business Accountants – Cheryl Schofield and Florian Trani.

Approximate Severance Costs

The calculations below are derived from the average salary of affected employees. The number of FTE reflects the total number of employees affected following the contestable reconfirmation process. Actual financial implications will be determined once notice is provided to staff who have been unsuccessful through a selection process and where alternative employment opportunities have not been identified.

*Variations may occur based on individual employment agreements, particularly where there are grandparented terms.

Roles	Band	FTE	Notice payments (4 weeks)	Redundancy costs	Severance costs (30%)	Total
Team Manager LEV	17	1	\$ 9(2)(a)	\$ 9(2)(a)	\$ 9(2)(a)	\$ 9(2)(a)
LEV Officer	13	12	\$ 9(2)(a)	\$ 9(2)(a)	\$ 9(2)(a)	\$ 9(2)(a)
Total		13	\$54,170.05	\$265,040.14	\$79,512.04	\$398,722.23

****Potential notice payment + approximate redundancy costs (minus legal costs, minus outplacements, minus leave liability)**

*****Severance costs 30% markup (includes legal costs, outplacements costs, leave liability etc.)**

All severance costs will be met by the CCD appropriation fund. No additional funding from NZ Transport Agency | Waka Kotahi is required.

Ongoing Costs – Realignment of funding

If the proposal proceeds, it is recommended to have funding transitioned from CCD to CCS appropriation for the following positions:

- 1 Team Manager.
- 2 LEV Officer.
- 1 Senior Operations Analyst.
- 1 Border and Entry Certification Officer – this position is deemed out of scope for the consultation. However, is a required capability to service certification audits (this role provides a generic service to LEV).

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The Transition of funding from CCD to CCS would incur an estimated increase in CCS expenditure of \$482K. The additional funding is available within the current and ongoing CCS appropriation underspend.

All ongoing Personnel costs will be met by the CCS appropriation fund. No additional funding from NZ Transport Agency | Waka Kotahi is required.

RISKS AND MITIGATIONS

Risk	Mitigation
Delays on the change process (impacts on close out dates and finances)	<ul style="list-style-type: none">• Anticipate potential challenges and allocate sufficient time and resources to address them.• Clear communication with all stakeholders involved in the change process.• Develop contingency plans to address unexpected delays.
Change disrupts the team and causes anxiety	<ul style="list-style-type: none">• Clear communications and robust and concise change documentation so people are well informed and understand the purpose of the proposed changes.• Limiting the impact to staff wherever possible.• Ensuring that staff know what support channels are available to them and are encouraged to utilise them.
Lack of engagement by staff in the process	<ul style="list-style-type: none">• Clear communication about why these changes are being proposed and how staff can engage in the process.• Ensuring it is clear how people can provide their feedback on the proposal.• Regular communication through various channels including, catch ups/check-ins, regular FAQs, drop-in sessions where people can ask questions and provide their feedback.• Engagement and support from the People Group and Change and Internal Communications team.
Change process causes loss of focus on continuing priorities	<ul style="list-style-type: none">• Clear expectations and priorities during change process that are sufficiently resourced.
Lack of meaningful engagement with diverse groups	<ul style="list-style-type: none">• Understand the specific needs, preferences of our people and how to ensure meaningful engagement.• Seek input from diverse stakeholders when planning and implementing engagement initiatives.• Promote inclusive leadership that champions diversity and encourages involvement through diverse means i.e., incorporating tikanga principles.

INDICATIVE TIMEFRAME

The consultation period is proposed to run from 7 February 2024 to 23 February 2024, and we would anticipate bringing a final decision to you for approval by 1 March 2024. We aim to be in a position to implement any changes by 1 April 2024. Notice to be provided to all staff who have not received redeployment or reconfirmation offers by 12 April 2024.

Date: _____

Removal of the Clean Car Discount Scheme – Business Case for Change

Submitted by: _____
Head of Customer Operations

Endorsed by: _____ **Date:** _____
GGM People, Culture and Safety

_____ **Date:** _____
GGM Commercial & Corporate

Approved by: _____ **Date:** _____
Chief Customer and Services Officer

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