

**From:** [Nicole Jury](#)  
**To:** [Kushla Beacon](#)  
**Cc:** [Caz Jackson](#)  
**Subject:** RE: Business Case - Digital Your Sign off and Approval required  
**Date:** Thursday, 2 May 2024 2:17:24 pm  
**Attachments:** [FINAL Business Case for Change Digital - May 2024 signedLM CJ.pdf](#)  
[image002.png](#)  
[image003.png](#)

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Hi Kushla

As discussed, signed and attached for Caz

Kind regards

Nic

**Nicole Jury** (she/her)

**Kaiwhakahaere Taituarā | Executive Assistant to Caz Jackson, GGM of People, Culture & Safety**

Pūmanawa Tāngata | People & Safety Group

Īmēra / e-mail: [nicole.jury@nzta.govt.nz](mailto:nicole.jury@nzta.govt.nz)

Waea kawē / phone: s 9(2)(a)

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**From:** Kushla Beacon <[Kushla.Beacon@nzta.govt.nz](mailto:Kushla.Beacon@nzta.govt.nz)>  
**Sent:** Thursday, May 2, 2024 2:13 PM  
**To:** Nicole Jury <[Nicole.Jury@nzta.govt.nz](mailto:Nicole.Jury@nzta.govt.nz)>  
**Subject:** Fw: Business Case - Digital Your Sign off and Approval required

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**From:** Jacqui Gee <[Jacqui.Gee@nzta.govt.nz](mailto:Jacqui.Gee@nzta.govt.nz)>  
**Sent:** Wednesday, May 1, 2024 3:51 PM  
**To:** Kushla Beacon <[Kushla.Beacon@nzta.govt.nz](mailto:Kushla.Beacon@nzta.govt.nz)>  
**Subject:** RE: Business Case - Digital Your Sign off and Approval required

Hi Kush

Attached with Liz's signature.

Thanks

Jacqui

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**From:** Kushla Beacon <[Kushla.Beacon@nzta.govt.nz](mailto:Kushla.Beacon@nzta.govt.nz)>

**Sent:** Wednesday, May 1, 2024 3:38 PM

**To:** Liz Maguire <[liz.maguire@nzta.govt.nz](mailto:liz.maguire@nzta.govt.nz)>; Jacqui Gee <[Jacqui.Gee@nzta.govt.nz](mailto:Jacqui.Gee@nzta.govt.nz)>

**Subject:** Business Case - Digital Your Sign off and Approval required

Hi Liz

Please find attached finalised Digital Change Business Case for you to sign and approve.

Once you have signed this I can send through to Caz and Sara for endorsement.

Let me know if you have any questions or want to chat through anything.

☐ [FINAL Business Case for Change Digital - May 2024.docx](#)

Jacqui - can I grab Liz' e-signature to drop into the document so i can send it off?

Thanks heaps

K

## Kushla Beacon

**Organisation Design & Change Lead | Pūmanawa Tāngata – People & Safety Group**

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## Business Case for Change – Digital Change

DATE	26/04/2024
TO	Nicole Rosie, Chief Executive Caz Jackson, GGM People, Culture and Safety Sara Lindsay, GGM Commercial & Corporate
FROM	Liz Maguire, Chief Digital Officer
PREPARED BY	Rowena Wong, Natalie Garrity and Kushla Beacon
SUBJECT	<b>Business Case for Change – Approval to Proceed</b>
ENDORSE	Caz Jackson, GGM People, Culture and Safety Sara Lindsay, GGM Commercial & Corporate
APPROVE	Nicole Rosie, Chief Executive

### PURPOSE

To seek your approval to proceed with consultation on the proposed Digital | Te Aukaha structure change in response to the government's 7.5 percent savings target and to further evolve our Agile Operating Model. This proposed consultation and change will be across three change processes. The proposed impacts are:

- Disestablishing 30 existing positions,
- Establishing 18 new positions,
- An overall reduction of 12 Full Time Equivalents (FTE),
- Estimated annual cost savings of \$1.44m.

The [DRAFT Consultation Document](#), containing additional details is attached for your reference.

### BACKGROUND AND RATIONALE

ELT signalled some time ago that we would need to work more efficiently and effectively as an organisation to deliver on a new direction for the Government.

When considering where we can reduce our costs (7.5 percent savings target to meet our new FY24/25 Budget), ELT has considered the broader direction of the current government, including the draft Government Policy Statement (GPS) and the letter of expectation from the Minister of Transport.

With a clear direction and a reduced budget for the agency and business groups for next year, it is important that we act now so we can implement the required changes at pace and focus on the successful delivery of our new programme of work. This means I've had to reconsider our existing baseline, our agile operating model and resourcing requirements and I am seeking approval to commence consultation on proposed changes.

Our operating model provides a new framework for how Te Aukaha will operate over time and aligns with how modern digital teams collaborate, helping us accelerate delivering digital capability for a more safe, efficient, and sustainable transport system [\[Auahatanga | Accelerating Digital\]](#).

Since the realignment of Digital | Te Aukaha in December 2022, we've identified further changes to our structure that will drive greater efficiency and effectiveness in how we deliver our digital outcomes and build our digital capability.

The proposed changes will cover:

- **Domain Leadership** structure changes to consolidate and deliver better digital outcomes and efficiency to NZTA and stakeholders
- **Modelling tech best practices** by shifting to a **chapter model** (embedded in centres of excellence) and platform leadership ways of working,
- **Addressing capability and resource gaps** in our squads while being intentional about how we organise ourselves for the future in the context of cost reduction and reduced budgets.
- **Embedding further capabilities** by introducing new positions, changing reporting lines, reviewing and better clustering activities and looking at how the teams work together to enable quality cost and efficient delivery.

These changes will help drive greater efficiency and effectiveness across Digital and support our continued efforts to evolve our operating model and agile transformation. This change will strengthen Auahatanga | Accelerating Digital capability by incorporating digital/tech best practice functional skills and knowledge embedded in centres of expertise.

## LINK TO WAKA KOTAHI STRATEGY

As a Public Service Agency, the proposed change and evolution of the Digital Operating Model aligns with the direction of new government, Te Kāpehu and our [Digital Strategy](#).

The proposed organisational structure changes outlined in this business case further ensures the continuity of Digital's initiatives aligned to Te Kāpehu and Auahatanga Accelerating Digital and our system outcomes by increasing the focus on developing capability in line with best practice ways of working.

## OVERVIEW OF INTENDED CHANGES

We've identified and proposed three priority Change Processes (CP) that will help drive greater efficiency and effectiveness across Digital | Te Aukaha and help to evolve our current agile operating model transformation. (Please note we are signalling further small changes to organisational structure once these changes are in place).

**CP#1: Strengthen and consolidate the Chief Digital Officer (CDO) Domain leadership structure and activities** by re-organising our Domain Leadership function and roles to achieve our goals with clearer alignment of activities and how our teams deliver support to NZTA and stakeholders.

### Current State

1. Domain Lead – Enterprise & Data
  2. Domain Lead - Transport
  3. Domain Lead – Customer & Reg
  4. Lead Advisors – Domain specific (2 FTE)
- TOTAL = 5 FTE



### Future State

1. Domain Lead – Transport & IOT
2. Domain Lead – Regulatory, Customer & Corporate
3. Domain SME (1 FTE)
4. TOTAL = 3 FTE



### FTE Impact

FTE Reduction = 2

### CP#2: Establish a Chapter model

We will strengthen our capability and reduce costs by establishing a Chapter Model that reduces the number of tier 4 leaders from 12 FTE to 9 FTE.

### Current State

1. Practice Managers (8 FTE)
  2. Digital Design Manager
  3. Design Manager
  4. Head of Engineering
  5. Head of Architecture
- TOTAL = 12 FTE



### Future State

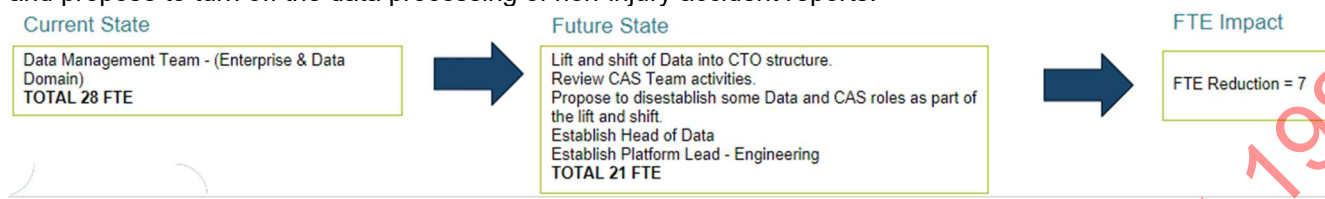
- Chapter Lead - Project Delivery (x2 FTE)
  - Chapter Lead - Technical Business Analysis
  - Chapter Lead - Engineering
  - Chapter Lead - Architecture
  - Chapter Lead - QA
  - Chapter Lead - UX/UI/Service Design
  - Chapter Lead - Data
  - Contingent Workforce Manager
- TOTAL = 9 FTE



### FTE Impact

FTE Reduction = 3

**CP#3: We will enhance and realign data capability** by proposing to lift and shift the Data Management team under Chief Technology Officer (CTO). Following Efficiency & Effectiveness Working Group recommendations we have reviewed Crash Analysis System (CAS) team activities that have low business criticality or low usage and propose to turn off the data processing of non-injury accident reports.



This proposal aligns with NZTA | Waka Kotahi Organisational Design Principles – in particular the following principles:

- Cost control focus
- Span of control
- Link to strategy
- Organisation layers
- Job architecture

## BENEFITS OF PROPOSED CHANGE

- Aligns with the intentions and outcomes sought by government in reducing costs.
- Retains the capabilities and expertise needed to deliver an Agile Operating Model.
- Ensures effective ongoing service to our customers.
- Addresses span of controls issues to improve pastoral care of permanent workforce.
- Continued efforts to evolve Agile ways of working.
- Helps us be a smarter client through improved use of strategic partner model to bring in specialist capability when needed.
- Standardised role description, position banding and roles expectations.

## WORKFORCE IMPACTS

Overall, we estimate a **total reduction of 12 FTE**. The potential workforce impacts of this proposal are illustrated in the tables below – mapped out by change processes:

There are **currently 205 employees across Domains and CTO teams within scope** of the change. The definitions below have been utilised to better understand the impacts of the change:

1. **Minor Change (Non-affected)** - There will be no change to the position, or the change is minor – e.g., a change in reporting line, title, or minor change to duties.
2. **Significant Change (Affected)** - The number of positions is reducing; there is a significant change to the position; or the position has been disestablished.

The impacts for our people are varied and mapped out accordingly by each change process (CP) below:

Change Process	Significant Changes # people impacted	Minor Changes # people impacted	Total # people Impacted
CP #1	4	2	6

Change Process	Significant Changes # people impacted	Minor Changes # people impacted	Total # people Impacted
CP #2	12	156	168
CP #3	14	17	31
<b>Total across changes</b>	<b>30</b>	<b>175</b>	<b>205</b>

Should the change proceed, we would **disestablish 30 existing positions**. We would look to establish **18 new positions** - an open contestable selection process will follow for the newly formed positions.

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

## FINANCIAL IMPACT

The estimated financial implications of the proposed change are outlined in Table 1 below. This is based on the band mid-point salary costs of the current impacted roles and the proposed salary bands of the new roles resulting in estimated cost savings of \$1.44m per annum.

The estimated redundancy costs are presented in table 2. The calculations represent estimates based on the average tenure of the current incumbents within the pool of impacted roles, in accordance with the standard employment agreement severance provisions. Variations may occur based on individual employment agreements, particularly where there are grand parented terms.

**Table 1: Estimated Current vs Proposed cost structure.**

	Current Estimated Personnel Costs	Proposed Estimated Personnel Costs	Estimated Cost Savings
Permanent	\$4,714,182	\$ 3,275,344	\$ 1,438,838 *

\*Noting that new positions are based on estimated bands which may changed once positions have been formally sized.

**Table 2: Estimated Redundancy costs**

	Estimated Redundancy Costs
Estimated Redundancy costs	\$595,000

## RISKS AND MITIGATIONS

Risk	Mitigation
Delays on the change process (impacts on close out dates and finances)	<ul style="list-style-type: none"> <li>Anticipate potential challenges and allocate sufficient time and resources to address them.</li> <li>Clear communication with all stakeholders involved in the change process.</li> <li>Develop contingency plans to address unexpected delays.</li> </ul>
Change disrupts the team and causes anxiety	<ul style="list-style-type: none"> <li>Clear communications and robust and concise change documentation so people are well informed and understand the purpose of the proposed changes.</li> </ul>

	<ul style="list-style-type: none"> <li>Limiting the impact to staff wherever possible.</li> <li>Ensuring that staff know what support channels are available to them and are encouraged to utilise them.</li> </ul>
Lack of engagement by staff in the process	<ul style="list-style-type: none"> <li>Clear communication about why these changes are being proposed and how staff can engage in the process.</li> <li>Ensuring it is clear how people can provide their feedback on the proposal.</li> <li>Regular communication through various channels including, catch ups/check-ins, regular FAQs, drop-in sessions where people can ask questions and provide their feedback.</li> <li>Engagement and support from the People Group and Change and Internal Communications team.</li> </ul>
Change process causes loss of focus on continuing priorities	<ul style="list-style-type: none"> <li>Clear expectations and priorities during change process that are sufficiently resourced.</li> </ul>

## INDICATIVE TIMEFRAME

The consultation period is proposed to run from 8 May 2024 to 28 May 2024, and we would anticipate bringing a final decision to you for approval by week beginning 3 June 2024. We aim to be able to implement any changes by mid-July 2024. Notice to be provided to all staff who have not received redeployment or reconfirmation offers by 15 July 2024.

**Submitted by:**

*Eranga*

01/05/2024

Date:

Chief Digital Officer

**Endorsed by:**

*Caroline Tadelon*

Date:

1/5/2024

GGM People, Culture and Safety

Date:

GGM Commercial & Corporate

**Approved by:**

Date:

Chief Executive