

Organisational Growth Business Case

For submission to the Organisational Design Council (ODC)

Business Case Title: Embedding Te kāpehu in Te Ama – Phase 1	
Author(s):	Marilyn Jones, Executive Advisor Jake Rance, Corporate Services Manager
Business Group(s):	Te Ama Commercial and Corporate
Team(s) Impacted:	Te Ama: Enterprise Change, EPMO, Organisational Performance, Corporate Services, Procurement, Financial Accounting and Analysis System Leadership: Environment and Sustainability Transport Services: Business Alignment Te Rōpū Waeture Regulatory: Regulatory Strategic Programmes Te Aukaha Digital: Digital Performance
Number of Positions:	12

Purpose

This paper seeks endorsement to progress to consultation on proposed changes to support Phase One of the embedding of Te kāpehu objectives in Te Ama Commercial and Corporate (Te Ama) and for approval of some immediate capacity and capability requirements.

Key Points

Te Ama has commenced a three-year journey to embed Te kāpehu into the way we operate. This journey will focus on all our levers – process, systems, ways of working, culture and structure. We will not be looking to do one big structure change for all of Te Ama and instead, take a phased approach to change. This will allow us to engage in an open, transparent work programme that is achievable.

Stage One of Te Ama change, proposes to do the following:

- Set the shape and composition of the Te Ama Group Leadership Team (tier 3).
- Devolve change delivery functions and portfolios to the business groups accountable for delivering change.
- Establish the roles necessary for a high performing EPMO function, which is critical to supporting a decentralised change-delivery model.
- Add immediate capacity to targeted areas of Te Ama, ahead of future (stage 2) design – notably in Procurement, Finance, Organisational Performance and Legal.
- Align the deployment of Enterprise Change resources with the approved Waka Kotahi business plan.
- Establish a dedicated business improvement function within Te Ama with a primary focus on delivering value for money, efficiencies and effectiveness gains for Waka Kotahi with Lean capability.

Early in 2023, Te Ama reconciled vacancies and establishment numbers. 12 FTE were identified as being necessary to retain for future growth and to support Te Ama alignment with Te kāpehu.

The proposals described within this business case result in a net increase of 12 FTE but is headcount neutral as we are reducing contractor numbers. Funding for additional roles will be met from existing Group operating budgets and utilisation of a portion of the \$3.8m Te Ama identified as savings at the beginning of this FY. This is an appropriate funding approach given the intent of the right-sized capacity is to deliver savings in an enduring manner. We also foreshadow the future reductions of FTEs from phase 2 of the Te Ama changes being centralised Procurement and Business Support Services.

Recommendations

We recommend the ODC:

1. **Endorses** progressing to consultation on the following proposed changes:
 - a) Enable the right capability on the Te Ama Leadership Team that focus on corporate capability, support and organisational performance.
 - b) Establish a corporate capability and support function to continue the delivery of corporate support services and also lead continuous improvement and the corporate change portfolio, and drive efficiency.
 - c) Build the appropriate capability and capacity of the Organisational Performance team to support new, statutory climate reporting requirements.
 - d) Strengthen the EPMO to support the appropriate organisational guidance and assurance on how we deliver change.
 - e) Create change delivery functions within Transport Services, Te Aukaha Digital, Te Rōpū Waeture Regulatory, and Te Ama.
 - f) Deploy permanent Enterprise Change resources from unfunded, continuous improvement activities to funded programmes to replace contractors.
 - g) Establish business improvement capability in the Corporate Portfolio.
2. **Endorses** progressing to consultation on disestablishment of 13 roles and repurposing them to address some of required capability and capacity as follows:

Disestablish	Establish	FTE	Yes / No
Corporate Services Manager (Te Ama LT)	Head of Corporate Capability & Support – Te Ama LT	1	
Senior Manager Enterprise Change (Te Ama LT)	Head of Organisational Performance - Te Ama LT	1	
Senior Manager Business Support (Corporate Services)	Senior Manager Service & Support – Corporate Capability & Support	1	
Manager Organisational Performance (Organisational Performance)	Team Leader - Organisational Performance	1	

Disestablish	Establish	FTE	Yes / No
Lead Advisor, Governance & Assurance (EPMO)	Lead Advisor (P3M Maturity) - EPMO	1	
Consulting Manager, Change Design (Enterprise Change)	Lead Advisor (Change Maturity) - EPMO	1	
Lead Advisor Practice & Capability (EPMO)	Manager P2M Practice & Capability - EPMO	1	
Manager Business Analysis (Enterprise Change)	Senior Advisor (Business Process) - EPMO	1	
Senior Advisor Capability (EPMO)	Senior Advisor (PPM Toolsets) - EPMO	1	
Principal Advisor (EPMO) – currently vacant	Senior Advisor (Portfolio Management) - EPMO	1	
Senior Advisor Compliance & Enforcement (EPMO)	Senior Advisor (Benefits Management) - EPMO	1	
Manager Technology Strategy & Reporting	Portfolio Director Digital – Digital change delivery function	1	
Portfolio Director Transport (Enterprise Change)	Principal Analyst (Efficiency) – Corporate Capability & Support	1	
Total		13	

3. **Notes** that Te Ama retained 12 FTE vacancies in June 2023 to help manage the additional capability and capacity required to successfully embed Te kāpehu in Te Ama.
4. **Endorses** progressing to consultation on using eight of the 12 FTE Te Ama retained to establish the following additional permanent FTE:

Team	Role	FTE	Yes / No
Corporate Capability & Support	Principal Advisor (Corporate Capability)	1	
Organisational Performance	Senior Analyst (Climate)	1	
EPMO	Senior Advisor (Business Planning)	1	
EPMO	Senior Advisor (Governance & Assurance)	1	
Corporate Portfolio	Team Leader Corporate Business Improvement	1	
Corporate Portfolio	Business Improvement Specialist	3	
Total		8	

5. **Notes** there are other minor changes to roles proposed, e.g. reporting line or clarification of accountabilities in job descriptions, and these are outlined in Attachment 1.
6. **Approves** using four of the 12 FTE Te Ama retained for the establishment of the following priority permanent FTE, for immediate recruitment:

Team	Role	FTE	Yes / No
Organisational Performance	Principal Advisor (Climate)	1	
Financial Accounting & Analysis	Senior Financial Accountant	1	

Team	Role	FTE	Yes / No
Procurement Strategy & Methods	Principal Procurement Manager	1	
Procurement Strategy & Methods	Senior Procurement Advisor	1	
Total		4	

7. **Approves** the establishment of a six-month secondment for a Team Manager Organisational Performance to manage span of control while consultation occurs.

Request is in relation to: (Please select from the drop-down options)

Other - Explain in section below

Finance Criteria (Select the criteria that matches your current situation)

Other - Explain in section below

Next Steps

If the recommendations are approved, Te Ama will:

- Seek approval of the business case from the Chief Executive.
- Pending approval from the CE, move to consultation on 7 November 2023 for two weeks.
- Subject to consultation, complete design and announce decisions on 5 December 2023.
- Implement decisions by 1 March 2024.

Concurrently, Te Ama will initiate discovery and design work for Phase Two changes likely to include Procurement and Business Support Services.

Background

- Te Ama was established as a new business group in August 2022 and further detail on the purpose and objectives of Te Ama was confirmed through the Te kāpehu decisions document (December 2022).
- Te kāpehu outlined the purpose of Te Ama as, by demonstrating sound commercial acumen:
 - Providing business planning (including NLTP), financial, investment, and assurance services for Waka Kotahi and the land transport sector, ensuring value for money and expected benefits are being realised, enabling Waka Kotahi to run efficiently and effectively.
 - Delivering corporate services that underpin effective performance, including legal, governance, risk and assurance, business planning and budgeting, programme management, business support, and corporate properties and workplace services.
- The December 2022 decisions document set out clear expectations for what Te Ama would deliver, which are set out in Attachment 2. As part of the organisational wide

changes in February 2023 minimal change occurred to the structure or roles in Te Ama, with the expectation that this would occur progressively through 2023/24.

Aspiration for Te Ama

4. As Te Ama, we enable Waka Kotahi to go further and faster. Safely. This means providing efficient and effective corporate and commercial services to keep the organisation stable, safe and enabled to deliver value for money outcomes.
5. Te Ama has identified the four big shifts that are required to meet strategic objectives:
 - a) Commercial approach: embedding a commercial approach to our end-to-end processes, decision making and culture in fulfilment of our role as kaitiaki of how Waka Kotahi spends public money with a focus on benefits realisation.
 - b) Funding & Investment Management: implementing step changes from the Plan, Invest, Fund workstream and optimise our funding management and assurance operations through simplification and ensuring robust, best practice.
 - c) Corporate Excellence: ensuring Te Ama has joined up, proactive corporate services that effectively enable our people to deliver value and do the right thing.
 - d) Performance Measures & Management: enabling better decision-making, greater accountability and improved performance through meaningful insights and targets.
6. All of our work is underpinned by delivering value for money in an efficient and effective way.

Drivers for Change

7. As identified in the development of Te kāpehu proposals and decisions, there are a number of specific challenges and opportunities driving the need for changes across Te Ama.
 - a) We require additional specialist capability to drive commercial value for Waka Kotahi. In order to achieve this without a significant increase in budget or headcount, consideration must be given to how our functions can be performed more efficiently, and how existing capacity can be deployed into high priority areas.
 - b) There is limited consistency or deliberateness in the current design of 'operating models' across a number commercial and corporate functions, contributing to complicated ways of working and unclear accountabilities across Waka Kotahi. This includes Enterprise Change, Procurement and Business Support. Current ways of working in Enterprise Change, notably the recharge model and deployment of resource on unfunded activities, are not sustainable.
 - c) A number of corporate functions require a significant uplift in capability and maturity. In order to meet current and future needs, we require a stronger focus on the delivery of improvement and change across corporate business functions. Te Ama currently has no business improvement resourcing.
 - d) Te Ama leadership structures and roles are not fully consistent with Te kāpehu design principles and emerging organisational design principles. In particular, spans of

control, layers and the composition of the Group Leadership Team require consideration, to enable effective leadership and efficient operation.

- e) There are opportunities for our corporate and commercial functions to be more aligned and integrated – with each other – and with other Groups and functions across Waka Kotahi.
- 8. A key focus for Te Ama will be developing the agility of our services and workforce to ensure we can meet current and future demand, as well as ensuring we demonstrate kotahitanga in how we deliver our work and show up to the business.
- 9. We are committed to ensure we build appropriate growth opportunities for our people into how we change and how we deliver our services.

Approach to Group Design and Change

A phased approach to delivering objectives

- 10. Te Ama has commenced a three-year journey to embed Te kāpehu into the way we operate. This journey that will focus on all our levers – processes, systems, ways of working, culture and structure.
- 11. We will not be looking to do one big structure change for all of Te Ama and instead, take a phased approach to change. This will allow us to engage in an open, transparent work programme that is achievable and ensures the best outcome for Te Ama and Waka Kotahi.
- 12. We expect to complete the first two phases in the 2023-2024 year:
 - a) **Phase One, now through February 2024:**
 - how we support change at Waka Kotahi and enable business improvement within the Corporate Portfolio: through a focus on enterprise change and the EPMO.
 - establishing the Te Ama GLT.
 - targeted capacity within finance, procurement, organisational performance, and new capacity to support an efficiency focus.
 - b) **Phase Two, November through June 2024:**
 - how we deliver administration and shared services: through a focus on business support.
 - advisory and leadership support roles across the Group.
 - commercial leadership and delivery: through a focus on investment and finance, and procurement.
 - c) **Concurrent, enduring Phase (Ways of Working, System and Process Improvement)**
 - PIF (Plan, Invest and Fund) improvements
 - Procure to pay improvements including spend and procurement delegations

- SAP upgrade programme
- Cost control activities
- Performance Culture with Care.

13. Further phases will be identified as we continue with our discovery work.

Our design principles

14. When considering changes that may be required to support the embedding of Te kāpehu, we used the design principles agreed by ELT to support Te kāpehu (see Attachment 3). In addition, we considered two Te Ama specific design principles:
- a) Enables us to take a 'what's best for Waka Kotahi' enterprise view
 - b) Makes it easier for Waka Kotahi to do business well – with ourselves and with others
15. We also are using this business case to trial the proposed organisational design principles as discussed by ELT on 24 October 2023.

How we will navigate our changes

16. We have committed to the people in Te Ama and our key partners within Waka Kotahi that we will navigate these changes in line with our values and behaviours, as described in Attachment 4.
17. We are incorporating te ao Māori approach to Te Ama changes by adopting an incremental growth approach, starting with activities we can implement now while we develop the capability and confidence to incorporate more te ao Māori practices in Phase 2.
18. In Phase 1 we will focus on Te Whare Tapa Whā, a Māori wellbeing model. This holistic approach aligns with recent change management research that highlights the recognition and management of the emotional side of change as critical for success. A further description of how we will embrace this change approach is provided in Attachment 5.

Te Ama Leadership Team

19. To ensure Te Ama's leadership team can meet expectations around a performance culture with care and delivering effectiveness and efficiency, we propose to make the following changes to the Group Leadership Team:
- a) Replace the existing Corporate Services Manager role with a Head of Corporate Capability and Support role. This role will ensure corporate and commercial business functions are strategically aligned and, collectively, capable of meeting the current and future needs of Waka Kotahi, drive improved efficiency and effectiveness from Waka Kotahi operations, and lead the delivery of shared and enabling business support services across Waka Kotahi.
 - b) Establish a Head of Organisational Performance role reporting the GGM Te Ama. This will be achieved through elevating the existing organisational performance team from within Investment and Finance. This will also serve to address feedback from

previous Te kāpehu consultation about the span of control for the Chief Financial Officer by reducing direct reports by one.

- c) Disestablish the Senior Manager Enterprise Change role as we are proposing to disestablish the centralised enterprise change function (see Supporting Change section below).

20. The proposal maintains the same size leadership team, and ensures the right capabilities, experience and thought leadership to deliver to the expectations of Te kāpehu are represented.

21. Current and proposed structure diagrams are available in Attachment 6.

Corporate Capability and Support

Supporting commercial and corporate capability

- 22. Te kāpehu calls for Te Ama to support operational excellence and efficiencies and provide the foundational enablers to ensure Waka Kotahi achieves our four strategic priorities. It calls for corporate services that underpin effective performance, including through simplifying and modernising practices.
- 23. A combination of audit findings and self-assessments have consistently reinforced that some corporate commercial functions require considerable and sustained investment and improvement to establish the foundations necessary to support Eke panuku | Delivery excellence.
- 24. Te Ama is responsible for leading an integrated, whole of agency approach to uplifting corporate and commercial capability and driving organisational efficiency and effectiveness.
- 25. We propose to establish a Corporate Capability & Support function within Te Ama that will:
 - a) Uplift commercial and corporate functional capability: through developing and delivering an integrated, multi-year programme of investment and improvement for the business functions within the portfolio.
 - b) Invest in the continual improvement of Corporate business functions: lead the improvement of processes and ways of working, to simplify our business and drive efficiencies.
 - c) Measure and drive efficiency and effectiveness: leverage the strengths across Te Ama teams to maintain an objective, central view of Value for Money from Waka Kotahi activity.
 - d) Enable consistency and alignment in how corporate functions show up to the business, including through the delivery of efficient shared and support services across Waka Kotahi.

Proposal

- 26. We propose to group the following support functions under the new Head of Commercial Capability and Support:

- a) Service and Support (existing BSS, with greater flexibility to allow for potential changes in Stage 2 and beyond)
 - b) Corporate Property
 - c) Change Delivery for the Corporate Portfolio
 - d) Establishing a new business improvement team within the Corporate Portfolio team
27. These changes would be achieved through the disestablishment of the Senior Manager Business Support role and establishment of a new Senior Manager Service & Support, a change in reporting line for the Head of Corporate Property, and changes to Enterprise Change as set out in the relevant section below.
28. We propose two new roles to enable an enduring focus on developing corporate and commercial capability and measuring and driving organisational efficiency.
- a) One new FTE for a Principal Analyst, Corporate Capability: responsible for developing and maintaining a consolidated view of functional maturity across the Corporate Portfolio, and developing and maintaining integrated plans for how business functions will meet the future needs of Waka Kotahi. This work supports strategic alignment across Waka Kotahi, plans business improvement activity, and informs decision making on the priority, scope and sequencing of investment, improvement and change activity across the portfolio.
 - b) Repurposing one existing FTE for a Principal Analyst, Efficiency: accountable for coordinating and driving a continual programme of efficiency improvement initiatives across Waka Kotahi, designed to reduce expenditure, avoid new costs, free up capacity or improve productivity. They are responsible for maintaining a consolidated, whole of Waka Kotahi view of opportunities and activities underway, tracking the pursuit of these benefits and producing reporting on the same.
29. We propose to establish a dedicated team of business improvement specialists, that will work across Corporate business functions to make changes and improvements to processes and ways of working:
- a) Establish one new FTE Manager Business Improvement and role, reporting to the Portfolio Director Corporate Portfolio: accountable for leading and embedding effectiveness, efficiency, and quality assurance into all operational policy, processes, and procedures across Te Ama. This team will also play a critical role in driving a culture of change and embedding a continuous improvement ethos across the entire Group's functions to achieve the Waka Kotahi purpose and objectives.
 - b) Establish three new FTE Business Improvement Specialist roles: accountable for supporting delivery of effectiveness, efficiency, and quality assurance initiatives across Te Ama and driving the culture of change and continuous improvement ethos.
 - c) Appropriately funding this team through dedicated positions will un-complicate existing ways of working, accelerate improvement efforts, and free up SME resource within business teams.
 - d) The business improvement team will help give effect to capability uplift roadmaps, achieve internal efficiencies, and support Te Ama to respond to external changes.

The teams' delivery will include the tracking and reporting of benefits from improvement work.

30. Current and proposed structure diagrams are available in Attachment 6.

Future Positioning

31. Establishing this team and key leadership positions will enable the design and consideration of further (stage 2) changes, under this Tier 3 and 4 structure, including:
- a) Devolving control of dedicated administrative resource to the business.
 - b) Establishing central shared service delivery teams for common corporate activities
 - c) Alignment of workplace and corporate property teams and functions
 - d) Further resourcing of the business improvement team for the Corporate Portfolio
 - e) Addressing the balance of employees / contractors within the Change Delivery team, including resourcing for the delivery of projects involving corporate systems (e.g. P2PI / Future ERP).

Supporting a performance culture with care

32. The Te kāpehu decision document signalled the need for Waka Kotahi to have evidence-based insight into performance, effective corporate services that underpin performance, and assurance that intended benefits of its activities and investments are being realised. All of which underpin effective decision making and our ability to ensure value for money and the need for a strengthened organisation performance function.
33. The increasing reporting obligations, particularly in relation to climate reporting, are another key driver for needing change in this area. Climate reporting obligations are being met on top of business-as-usual activity by teams across Te Ama, System Leadership and Transport Services. We are reactive and only able to focus on lower-value compliance activities instead of more mature, beneficial approaches for Waka Kotahi and stakeholders. Not meeting our climate reporting obligations exposes us to legal, reputational, people and potentially financial risk.
34. A strengthened Organisational Performance Team will enable Waka Kotahi to:
- a) Lift performance measurement maturity and capability.
 - b) Reflect te ao Māori in our performance framework.
 - c) Deliver a set of operational measures that assess the contribution of each group's work to Te kāpehu to support decision-making and help us better understand and drive operational efficiency and effectiveness.
 - d) Support desired changes in our culture requested by our Board and ELT.
 - e) Meet our climate reporting obligations.

Proposal

35. We propose to take a staged approach to building the appropriate capability and visibility of the Organisational Performance team:

- a) Stage One – immediate resource required to support climate reporting obligations:
- i. one new FTE Principal Advisor Climate: accountable for supporting maintenance of external/internal stakeholder engagement, identifying and aligning reporting requirements and looking for efficiency gains, maintaining awareness of developments in the external climate related reporting environment as they relate to Waka Kotahi, including biodiversity and nature-based solutions, leading development of relevant performance measures, advice and quality assurance of team's work, overseeing benchmarking and best practices for climate reporting, developing recommendations to enhance climate-related monitoring and reporting and a target operating model if necessary, and building capability across Waka Kotahi to understand and respond to the challenges presented by climate reporting requirements.
 - ii. One temporary FTE Team Leader Organisational Performance secondment to manage span of control while consultation on team structure occurs.
- b) Stage Two – consulting on and establishing the enduring Organisational Performance team:
- i. Establish a new FTE permanent Senior Analyst (climate): accountable for collation, quality assurance and preparation of ongoing reporting, maintaining digital reporting tool(s) and data, providing support for staff interface with the climate reporting business tools, coordinating OIA, internal and external requests for climate related reporting information or data, and building internal awareness, understanding and engagement with climate related reporting obligations.
 - ii. Repurpose an existing FTE to establish a permanent Team Leader Organisational Performance: accountable for leading and managing the delivery of the Organisational Performance team's work programme, grow capability, and ensure strategic oversight of Waka Kotahi climate related reporting obligations, cross government relationships and operating model if necessary.
 - iii. Move existing Senior Advisor (x3) and Senior Reporting Analyst roles to report to the Team Lead Organisational Performance.
- c) Stage Three – consideration of further capability required to address climate reporting obligations through Phase Two of Te Ama changes.

36. Consideration of further capability and capacity to support increase climate reporting and other reporting obligations will be considered in Phase 2 or beyond of the embedding Te kāpehu in Te Ama change programme.

37. Current and proposed structure diagrams are available in Attachment 6.

Supporting Change at Waka Kotahi

38. The Te kāpehu decision document (December 2022) signalled the need to “raise our organisational change maturity and capability, using Enterprise Change (EC) and the EPMO as the drivers for this” and it was noted there may be further change in this area.

39. Change is constant and we want to ensure that Waka Kotahi can adapt quickly to shifting stakeholder demands, with the least disruption to delivery excellence and making it easy for our people and for the sector to absorb the change.

40. The decisions document was clear on the primary functions of the EPMO And EC:

- a) EPMO offers a function that sets 'the way we should do things' and then provides assurance 'that we did what we say we would'. The first part sets frameworks and quality standards for how we deliver projects to ensure a consistent and effective portfolio, programme, and project management practice. The second part provides assurance to the Crown and our investors via meeting Treasury needs, and sound benefits management that align to our strategy.
- b) EC offers a change delivery function providing focus, dedicated and/or specialist resources to assist the business to make sense of complex environments and identify better ways of working, or when to do things differently. They help ensure that Waka Kotahi is making the right change that will deliver the best value and outcome, and that the change is being managed in the right way to reduce impact and make it easier for people to absorb.

41. We considered several options for supporting change, as summarised in the table below:

	Option 1 Change Central	Option 2 Transformation Centre	Option 3 Embedded Delivery Functions	Option 4 Fully Embedded Change
Enterprise Change Delivery teams for change	<ul style="list-style-type: none"> Similar to current EC model Some changes to optimise 	<ul style="list-style-type: none"> Centralised change team for transformative initiatives Embedded change teams for BAU change 	<ul style="list-style-type: none"> Change Delivery functions in business groups with critical mass Corporate Delivery function in Te Ama to support corporate portfolio 	<ul style="list-style-type: none"> Fully decentralised change, with each business group creating change teams to suit needs
EPMO Focus on frameworks, standards and practice in all models	<ul style="list-style-type: none"> Works closely with a centralised portfolio office 	<ul style="list-style-type: none"> Focus on supporting the Transformation Centre Light touch on business group change teams 	<ul style="list-style-type: none"> Strong EPMO to ensure alignment and change coordination Mature Community of Practice framework 	<ul style="list-style-type: none"> A strong EPMO is required to coordinate across the different change functions to ensure alignment

Proposal

42. To give effect to Te Kāpehu, we propose Te Ama changes that enable robust fit-for-purpose frameworks and enterprise controls through a strengthened EPMO, and to

embed the Change Delivery capability within business groups (Option 3 above) to ensure that leaders accountable for the change can better manage project delivery and embedding into BAU operations.

43. Embedded Change Delivery capability will provide strategic portfolio planning focus and specialist resources that will help business groups identify the right change that will deliver the best value and outcome, and that the change is being managed in the right way to reduce impact and make it easier for people to absorb.
44. The EPMO will work closely with Change Delivery teams, by setting the portfolio, programme, project and change frameworks that ensure portfolios are applying best practice, and to drive a consistent approach and quality standard across the organisation.
45. How we support and deliver change at Waka Kotahi will contribute to achieving the following objectives outlined in the Te kāpehu decision document:
 - a) ensuring corporate functions are future focused, apply best practice and are effective enablers of operational excellence by delivery teams.
 - b) delivering enterprise wide, strategically led business planning and budgeting to drive our strategy into action and support operational excellence and efficiencies.

EPMO

46. We propose to strengthen the EPMO to support the appropriate organisational guidance and assurance on how we deliver change.
47. We would achieve this by moving from a flat structure to a structure with all people reporting to a single leader to one that establishes one team focusing on capability and practice and one team focusing on governance and assurance. It is important to note that all leader roles will also have significant non-people leadership accountabilities.
48. An increased focus on benefits management, governance and assurance, change maturity and our practices and capabilities will ensure the EPMO will be able to provide appropriate support and oversight to our change delivery functions.
49. To support increased capability and capacity demands, we propose to:
 - a) Disestablish five roles: Lead Advisor (Governance & Assurance), Lead Advisor (Practice & Capability), Senior Advisor (Capability), Principal Advisor, and Senior Advisor Compliance & Enforcement.
 - b) Establish five new roles using existing FTE:
 - i. Lead Advisor (Change Maturity): accountable for ensuring Waka Kotahi has outstanding change management and readiness frameworks, tools, and processes to support our Change Portfolio.
 - ii. Senior Advisor (Business Processes): accountable for ensuring a consistent fit-for-purpose enterprise approach to the identification, analysis, capturing, retrieving, and reporting of business processes. They maintain oversight and provide insight and support to optimise current and future business process and maximise Waka Kotahi's return on investment from change initiatives that impact business process.

- iii. Senior Advisor (PPM Toolsets): accountable for ensuring the Waka Kotahi Portfolio, Programme and Project management frameworks, standards and controls are engrained in the toolsets used to manage and govern its Change portfolio. This role provides the bridge between the technical capability of the toolsets and the application of the frameworks, standards and controls. This role continually looks to enhance the use of the toolsets to help to improve processes for more certainty of outcomes, and efficiencies in execution.
- iv. Senior Advisor (Portfolio Management): accountable for ensuring Portfolio Management disciplines are in place and being followed, with a particular focus on financial management and Enterprise resource management. They maintain oversight and provide insight to optimise Portfolio disciplines and maximise the return on investment from change initiatives.
- v. Senior Advisor (Benefits Management): accountable for developing and supporting and promoting a consistent fit for purpose benefits management practice, including the identification, analysis, reporting and realisation of benefits. They maintain oversight and provide insight to optimise benefit realisation and maximise Waka Kotahi's return on investment from change initiatives.
- c) Update six job descriptions to clarify accountabilities and/or change reporting lines (minor changes): Head of EPMO, EPMO Advisor, Manager Portfolio Governance & Assurance, Senior Advisor (PPM Frameworks), Senior Advisor (Reporting & Insights), Senior Advisor (Governance & Assurance).
- d) Establish two new FTE:
 - i. Senior Advisor (Business Planning): accountable for ensuring there is effective business planning at Waka Kotahi that aligns to Management of Portfolios (MoP) framework and caters for a business plan that captures Change Portfolio, Run Portfolio, and Run management investments at any given time of the planning cycle. This role ensures consistency across Waka Kotahi that allows for an Enterprise view of the business plan, through strategy alignment, capacity to deliver, financial management, and effective process and monitoring of its effectiveness.
 - ii. Senior Advisor (Governance & Assurance): accountable for ensuring the right level of oversight and control is applied to both the agency led NLTP initiatives and the agency's Business Change portfolio, through developing and implementing effective Governance and Assurance practices. This will result in improved transparency and clarity on the status of projects, drive greater consistency in the application of agreed controls, and ensure we understand and mitigate key risks and issues.

50. Future considerations (Phase 2 Te Ama change) will include strengthening our business planning capability to ensure strategically led business planning.

51. Current and proposed structure diagrams are available in Attachment 6.

Change Delivery

52. We propose to embed change delivery functions within business groups with enough change activity to support a dedicated function:
- a) Transport Services
 - b) Te Aukaha Digital
 - c) Te Rōpū Waeture Regulatory
 - d) Te Ama – this change delivery function would support Te Ama change, including continuous improvement, as well as Corporate Portfolio business plan approved change delivery requirements in Pūmanawa Tāngata People & Safety, System Leadership, Te Waka Kōtuita Engagement & Partnerships, and the Office of the Chief Executive
53. We have worked with each of the receiving business groups to develop proposed structures for change delivery functions that work within their existing structures and using existing Enterprise Change FTE:
- a) Transport Services (TS) the change delivery function is proposed to sit under the National Manager Business Alignment and be led by a Business Improvement Manager role.
 - i. TS has identified a Portfolio Director is not the right role for the TS structure. It is their decision to establish a Business Improvement Manager role that will be responsible for the delivery of business improvement and change initiatives for both the Agency and NLTP. Critical for this role will be the relationships across Waka Kotahi to ensure and align TS business improvement and change to Te kāpehu and the Waka Kotahi business plan.
 - ii. Transport Services has agreed to request and fund this FTE through a separate process. If this proposed role is confirmed, TS will ensure this role is in place by the go live date.
 - b) Te Aukaha Digital: the change delivery function is proposed to sit under the Head of Digital Performance and be led by a Portfolio Director.
 - i. Digital does not currently have a Portfolio Director assigned from Enterprise Change. Digital has agreed to the propose disestablishment of the Manager Technology Strategy & Reporting role in Digital and repurpose it for the Portfolio Director Digital role.
 - c) Te Ama: the change delivery function is proposed to sit under the Head of Corporate Capability and Support and be led by a Portfolio Director.
 - d) Te Rōpū Waeture Regulatory: Through Te kāpehu, Regulatory Strategic Programmes (RSP) was established to drive change and transformation across the land transport regulatory system, which includes the regulatory functions of Waka Kotahi. Te Rōpū Waeture is the more complex business group in terms of size and scale of the operational and strategic change, and the number of employees and contractors proposed to move into RSP. The change delivery function is proposed to sit under the Head of Regulatory Strategic Programmes and change delivery resources will be

led by various current and new roles in the Regulatory Strategic Programmes leadership team, including a Portfolio Director and Programme Enablement Manager.

- i. The Programme Enablement Manager will be accountable for developing, implementing and maintaining a fit for purpose resource model for Regulatory change projects and programmes, which considers the appropriate mix of FTEs and Contractors and retention of capability and knowledge, identifying and leading programme and project capability uplift activities to drive efficient and quality delivery, ensuring Programmes and Projects have the capability and capacity to deliver. This structure allows for future growth and reorganisation, as we look to rebalance the FTE contractor mix, and realign Practice Managers to disciplines.
- ii. Regulatory have also identified the potential need for an additional Manager Strategic Programmes to support the size and complexity of the Strategic Programmes portfolio. RSP was established in June 2023 with one Manager Strategic Programmes role. The sponsorship that the role provides along with strong assurance and governance oversight has resulted in strong risk mitigation and good disciplines.
- iii. Due to the size and scale of Regulatory change, an additional role is required to manage the current requirements. This will be considered separately to this proposal.

54. Current and proposed structure diagrams are available in Attachment 6.

55. To ensure ongoing connection, growth and development for our change delivery people, the EPMO will be accountable for ensuring active Communities of Practice for the change delivery disciplines are in place.

56. As we expect the specific resource requirements for each change delivery functions will change over time as the Waka Kotahi business plan changes, the Portfolio Directors are accountable for long-term resource pipeline management, working with other Portfolios across Waka Kotahi to maximise resource capability as projects change over time.

People impacts for embedding change delivery

57. All permanent staff within Enterprise Change will be impacted by this proposed change, but the level of impact varies significantly:

- a) Disestablish roles – we are proposing 4 roles are disestablished:
 - i. Senior Manager Enterprise Change
 - ii. Consulting Manager, Change Design
 - iii. Manager Business Analysis
 - iv. Portfolio Director Transport
- b) Roles with significant change – we are proposing seven people whose roles have greater than 20% change in the job descriptions:
 - i. Portfolio Director x1
 - ii. Programme Manager x3

iii. Portfolio Change Lead x3

- c) Roles with minimal change – we are proposing 55 roles will have minor changes such as reporting line change or small adjustments to the job description. These are outlined in Attachment 1.

Allocation of Enterprise Change resources and re-charge model

58. The current recharge model involves Enterprise Change resources (such as Project Managers, Change Managers, Business Analysts, etc), being charged to projects at a higher rate than their actual cost. This is to support the management overhead required to run Enterprise Change, including the cost of people leaders, and non-chargeable activity including leave and training. As such, Enterprise Change has a very small operating budget.
59. We have identified that there is systemic under-recovery of costs, with some resources unable to be fully offset against recharges to projects in the business plan.
60. A significant cause of this issue is the allocation of Enterprise Change delivery resources to work that is not in the Waka Kotahi approved business plan of 61 initiatives. This work includes continuous improvement, business planning and related advisory activity, generally through project managers, change managers and business analysts working as 'squads'.
61. The Waka Kotahi business plan does not include continuous improvement initiatives, and Enterprise Change is not funded to carry non-rechargeable delivery resource. Increasing recharge rates to cover the cost of this activity would exacerbate funding challenges for projects and distort the cost of project delivery.
62. After a deep dive into Enterprise Change resources, we have identified an opportunity to re-allocate staff working on continuous improvement or other unfunded work to initiatives that are within the approved business plan. Doing so would give effect to ELT's expectation that we stick to the agreed business plan, would enable the replacement of some contractors, and begin to close budget gaps.
63. Reassigning Enterprise Change resources to business plan activity does not involve a formal impact on the individuals currently working within 'squads', as all are employed under standard position descriptions reflecting their speciality (e.g. 'Change Manager').
64. Business Groups proposed to receive Enterprise Change resources and teams may elect to assign resource to non-business plan activity, however this will require funding from within the business group.
65. The existing re-charge model operated by Enterprise Change will not be sustainable under the proposed changes. Investment and Finance will lead work ahead of FY 24/25 budgeting to establish new practices suitable for a devolved change delivery model.

Financial Accounting

66. There has been a significant increased demand for financial accounting work due to increased growth and complexity of appropriations, greater number of budget bids and cost pressures, the number of new initiatives requiring financial accounting input, and an

increasing need for advice to support review and reprioritisation of existing appropriations.

67. The core Financial Accounting team has stayed the same size for a number of years and capacity can no longer sustain the significant increase to workloads, resulting in delayed month end reporting and an increasing number for errors.
68. Pro-longed periods of excessive hours expose the team and Waka Kotahi to a high level of risk. A quote from the recent KPMG report stated: *We identified other errors in the CFIS offline returns that indicate appropriate QA review was not undertaken. The circumstances in the Finance team at the time mean we consider the root cause was capacity, rather than capability.*
69. We propose to establish one new FTE:
- a) Senior Financial Accountant: accountable for providing expert technical financial leadership so that Waka Kotahi meets its mandatory financial planning, accountancy and reporting requirements from an organisational accountability and governance perspective. The primary aspects of this role will be to lead the appropriations management and budget bid processes (for Finance) and be a key contributor to the accounting treatments on new projects.
70. The current structure diagram including the proposed role is available in Attachment 6.

Procurement

Infrastructure Services

71. The team focuses on large, high-complexity and high-risk procurement (such as NZUP) and takes active lead roles in infrastructure procurement Planning and Sourcing, working in close collaboration with the project teams. It also supports Transport Services with advice, guidance, support, and education in terms of low touch engagement on small to medium scale procurement activity and has an essential role in the Transport Services End-to-End Project Management model.
72. The team has significant challenges in achieving its objectives:
- a) Flat structure of the leadership role means the current leader has 11 direct reports.
 - b) Capacity and capability of the team is not sufficient to meet the required range of services to Transport Services.
 - c) Need to grow our commercial capability and adopt good strategic procurement practice when we are engaging market solutions.
 - d) The ability to deliver to commitments outlined in the Government Policy Statement on Rooding (GPS) and role of the team in leading the Infrastructure Procurement Strategy (IPS).
73. We propose to:
- a) establish one Principal Procurement Manager (new FTE).

- b) second two Principal Procurement Managers to interim Team Lead roles in Auckland and Wellington, noting they will take on the people leadership accountabilities in addition to their existing work.
- c) repurpose three vacancies to establish three Senior Procurement Manager roles.

74. Current and proposed structure diagrams are available in Attachment 6.

Procurement Strategy & Methods

75. The Procurement Strategy & Methods (PSM) team manages a broad portfolio of key procurement activities that support Waka Kotahi in the delivery of its commercial outcomes. The portfolio comprises; Corporate commercial (non-infrastructure), commercial advisory, contract and supply relationship management, social and sustainable procurement, analytics and reporting, and practice and excellence.
76. While there is a good mix of commercial experience, competencies and skills across the team, there are insufficient resources at the right level to effectively manage increased demand or provide sufficient commercial leadership into other significant procurement events and activities. Key challenges for the team are:
- a) Responding to Board, Chief Executive and GGM Commercial & Corporate demand for tighter controls around procurement activities (post KPMG audit report).
 - b) Supporting the Procure-to-Pay Improvement (P2PI) project to deliver improved, streamlined and more efficient processes and practices across the procurement landscape.
 - c) Delivering Value for Money (VfM) outcomes through the Commercial Capability Uplift Programme, ie; Contractors (circa \$10m savings identified), Consultants and other key categories of spend (as shared with ELT under the 5% savings targets).
 - d) Leading the development and shaping of commercial strategies and outcomes for Significant Commercial Events; Driver Licensing & Testing, ERP replacement, Safety camera's transition.
 - e) Supporting multiple procurements (advice, leading) across Waka Kotahi business groups, ie; volume in excess of 30 activities
77. We propose to:
- a) establish of two new FTE (one Principal Procurement Manager and one new Senior Procurement Advisor).
78. Current and proposed structure diagrams are available in Attachment 6.

Explain why this request is critical to achieving Te kāpehu and Kāhui whetū

79. This request will help enable Te Ama to meet the following expectations outlined in the December 2022 Te kāpehu decisions document:

- a) Uplift the commercial capability and acuity, modernising our commercial practices in partnering, contract management and procurement to drive outcomes and value for NZ.
- b) Investment leadership, driving this more integrated and commercial approach to our investment and funding decisions.
- c) Increased focus on performance management and business planning that provides insights and measures aligned to benefits that underpins our strategic plans and informs our decision-making, this includes commercial analytics.
- d) Efficient and effective corporate functions that enable us to achieve operational excellence and deliver against the four strategic priorities.

Explain the consequences of any work you are stopping or deferring, to free up budget (If applicable)

- 80. We propose that unfunded activities being performed by Enterprise Change resource (e.g. continuous improvement) will be reduced, as resources are re-assigned to funded initiatives within the business plan. We are not proposing to stop or defer any other work to free up budget.
- 81. However, in June 2023, Te Ama released 29 unfilled vacancies and has adopted an approach to critically assessing whether resignations require backfilling or can be used to offset new capability and capacity requirements to meet Te kāpehu objectives.
- 82. Te Ama also identified \$3.8m (3.92% of our operating budget) of savings to contribute to the Chief Executive's contingency fund in the recent cost savings exercise.

What options have you explored to avoid the need to recruit?

- 83. A table summarising rationale, risks of not having additional resources, impacts on delivering to Te Ama and Waka Kotahi objectives and statutory requirements, as well as alternate options explored for all new FTE requests is in Attachment 7.

Requests that will go to consultation

- 84. We will enable expressions of interest (EOI) for the impacted roles to ensure we follow a fair process for individuals impacted through the proposal. Once we have completed an internal EOI Process we will advertise internally within Waka Kotahi creating development opportunities for our kaimahi.

Request for immediate resource requirements

- 85. Consideration was given to whether these requests could be included in the consultation for the wider Te Ama change process. However, it was determined the need for this capability was significant and enduring and there was value in acting now to enable Waka Kotahi to meet statutory reporting requirements and delivery to key procurement workplans.

Risks and Mitigation

86. The proposed devolution of change delivery is complex, involving changes to ways of working, and the review and remedy of existing funding models (internal recoveries). These business challenges are being worked through concurrently with preparation of consultation documentation.

Enterprise Change

Risk	Description	Mitigation
Continuity of relationships with stakeholders	Potential change in leadership roles and changes to team profiles could disrupt some existing relationships	<ul style="list-style-type: none"> The change is designed to further develop and enhance existing relationships Pro-active communication throughout process Inform stakeholders of final decisions Ensure key messages are sent throughout the process
Engagement of staff through the change process	Change processes can be unsettling for staff, which can cause a decrease in performance and engagement	<ul style="list-style-type: none"> Regular catch ups/check-ins by people managers Ensure regular communication throughout the change process
Embedding of changes	This change in process could also have a less positive impact as any change takes time to embed	<ul style="list-style-type: none"> Robust communication plan that includes discussions about the change and the impact on business groups held with managers and staff across the key business groups

Other risks and mitigation

Risks	Issues	Mitigations
Organisational headcount constraints	Constraints on the ability to get approvals to recruit additional permanent FTE could result in delays to us implementing changes aligned to Te kāpehu.	The methodology followed to validate requirements and to consider alternative options means that there is confidence in the rationale and business justification for the permanent roles requested in this business case as being required to successfully deliver Te Ama purpose under Te kāpehu.
Employee wellbeing	<p>The information and advice received from the relevant Business Managers is that further capacity is required to deliver what has been asked of them.</p> <p>However, if the requested roles are not approved, the burden of work will be placed onto current employees who may experience adverse impacts</p>	

Financial Implications

87. Financial impact of new FTE requests:

Position Title	Position Band	Perm/ FT/ Contract	Remuneration/ Pay Rate	Expected Start date	Expected End Date (for Fixed Term and Contractors)
Principal Advisor (Corporate Capability)	18*	perm	s 9(2)(a)	March 24	
Senior Analyst (Climate)	17	perm	s 9(2)(a)	March 24	
Senior Advisor (Business Planning)	17	perm	s 9(2)(a)	March 24	
Senior Advisor (Governance & Assurance)	17	perm	s 9(2)(a)	March 24	
Principal Advisor (Climate)	18	perm	s 9(2)(a)	December 23	
Senior Financial Accountant	18	perm	s 9(2)(a)	December 23	
Principal Procurement Manager	19	perm	s 9(2)(a)	February 24	
Senior Procurement Advisor	18	perm	s 9(2)(a)	February 24	
Team Leader Corporate Business Improvement	19*	perm	s 9(2)(a)	March 2024	
Continuous Improvement resource	18*	perm	s 9(2)(a)	March 2024	
Continuous Improvement resource	18*	perm	s 9(2)(a)	March 2024	
Continuous improvement resource	18*	perm	s 9(2)(a)	March 2024	
Team Leader Organisational Performance	19	secondment	s 9(2)(a)	Mid-November 2023	31 March 2024
Practice Lead	18	Fixed Term	s 9(2)(a)	March 2024	February 2025

* Indicative sizing

Total for Permanent Hires

This Financial Year (pro-rata)	\$662,802
Next Year (full 12 months)	\$1,707,960

Total for Fixed Term/Secondment Hires

This Financial Year (Months remaining)	\$120,470
Next Year (Number of months cost)	\$97,507

88. Financial implications of proposed disestablished roles that would result in redundancy:

Position Title	Remuneration/ Pay Rate	Expected End date	Redundancy costs
Consulting Manager, Change Design (Enterprise Change)	s 9(2)(a)	29 Feb	s 9(2)(a)
Manager Business Analysis (Enterprise Change)	s 9(2)(a)	29 Feb	s 9(2)(a)
Senior Advisor Capability (EPMO)	s 9(2)(a)	29 Feb	s 9(2)(a)
Portfolio Director Transport (Enterprise Change)	s 9(2)(a)	29 Feb	s 9(2)(a)
Manager Technology Strategy and Reporting*	s 9(2)(a)	29 Feb	s 9(2)(a)
Total			\$349,864

* Redundancy costs funded by Digital

Consultation

89. Consultation was undertaken as per the RAPID frameworks in Attachments 8 and 9.

Attachments

Attachment 1 Minor and major role impacts table

Attachment 2 Te kāpehu expectations

Attachment 3 Te kāpehu design principles

Attachment 4 How Te Ama will navigate change

Attachment 5 Approach to embedding te ao Māori

Attachment 6 Current and proposed structure diagrams

Attachment 7 New FTE rationale

Attachment 8 RAPID framework – Phase 1 Te Ama Change

Attachment 9 RAPID frameworks – immediate resource requirements

Attachment 10 Timeline

ODC Approval

Secretary to Complete	Resolution / decision		
	Approved	<input type="checkbox"/>	Recommendations and comments
	Deferred (Revise and resubmit)	<input type="checkbox"/>	
	Declined	<input type="checkbox"/>	
	Approval Conditions (If any)	<input type="checkbox"/>	1.
		<input type="checkbox"/>	2.
	Conditions Met	Choose an item.	
	Date Conditions Met (if different from meeting date)	Click here to enter a date.	
	Name	Karen Jones	
	Position	Acting GGM People & Safety, Chair of the ODC	
	Signature		
	Date	Click here to enter a date.	

Attachment 1 – Minor and major role impacts table

- Please note this structure does not require any non-employee resources to support delivery (e.g., contractors and consultants).

Role	No. of staff impacted	Team	Potential impact of proposed changes
Business Analyst	2	Enterprise Change	Reconfirmation – change in reporting line
Senior Business Analyst	3	Enterprise Change	Reconfirmation – change in reporting line
Principal Business Analyst	2	Enterprise Change	Reconfirmation – change in reporting line
Change Advisor	1	Enterprise Change	Reconfirmation – change in reporting line
Senior Change Advisor	2	Enterprise Change	Reconfirmation – change in reporting line
Change Manager	12	Enterprise Change	Reconfirmation – change in reporting line
Portfolio Coordinator	3	Enterprise Change	Reconfirmation – change in reporting line
Project Administrator (fixed term)	1	Enterprise Change	Reconfirmation – change in reporting line
Project Coordinator	5	Enterprise Change	Reconfirmation – change in reporting line
Senior Programme Coordinator	1	Enterprise Change	Reconfirmation – change in reporting line
Senior Project Manager	11	Enterprise Change	Reconfirmation – change in reporting line
Principal Project Manager	5	Enterprise Change	Reconfirmation – change in reporting line
Programme Manager (fixed term)	1	Enterprise Change	Reconfirmation – change in reporting line
Senior Technical Writer	1	Enterprise Change	Reconfirmation – change in reporting line
Portfolio Change Lead	3	Enterprise Change	Redeployment – is a comparable or a suitable alternative
Strategic Change Lead	1	Enterprise Change	Reconfirmation – change in reporting line
Practice Lead (fixed term)	1	Enterprise Change	Reconfirmation – change in reporting line
Practice Lead	1	Enterprise Change	Redeployment – is a comparable or a suitable alternative
Practice Lead Delivery (fixed term)	2	Enterprise Change	Reconfirmation – change in reporting line
Programme Manager	3	Enterprise Change	Redeployment – is a comparable or a suitable alternative
Consulting Manager, Change Design	1	Enterprise Change	Role is disestablished. Will look for redeployment opportunities
Manager Business Analysis	1	Enterprise Change	Role is disestablished. Will look for redeployment opportunities
Portfolio Director Transport (Enterprise Change)	1	Enterprise Change	Role is disestablished. Will look for redeployment opportunities
Portfolio Director (Corporate)	1	Enterprise Change	Redeployment – is a comparable or a suitable alternative

Role	No. of staff impacted	Team	Potential impact of proposed changes
Portfolio Director (Regulatory)	0	Enterprise change	No impact. Role vacant.
Senior Manager Enterprise Change	0	Enterprise Change	Role disestablished. No impact role vacant.
Head of EPMO	1	EPMO	Reconfirmation. Minor change to PD.
EPMO Coordinator	1	EPMO	Reconfirmation. Minor change in PD and job title change
Senior Advisor Capability	2	EPMO	Redeployment. EOI process.
Lead Advisor, Practice & Capability	1	EPMO	Redeployment – is a comparable or a suitable alternative
Lead Advisor, Governance and Assurance	1	EPMO	Redeployment – is a comparable or a suitable alternative
Senior Advisor, Governance and Assurance	1	EPMO	Reconfirmation – change in reporting line
Senior Reporting Analyst	1	EPMO	Reconfirmation – change in reporting line. Change in job title.
EPMO - Lead Advisor, Portfolio and Insights	1	EPMO	Reconfirmation – minor change in PD and change in job title.
Principal Advisor	0	EPMO	Role disestablished. No impact role vacant.
Senior Advisor	0	EPMO	Role disestablished. No impact role vacant.
Corporate Services Manager	1	Business support	Role disestablished. Redeployment – likely is a comparable or a suitable alternative. EOI process
Senior Manager Business Support	0	Business Support	Role disestablished. No impact role vacant.
Head of Corporate Property	1	Business Support	Reconfirmation – change in reporting line.
Head of Organisational Performance	1	Organisational Performance	Redeployment – likely is a comparable or a suitable alternative.
Principal Advisor	4	Organisation Performance	No change
Senior Advisor	2	Organisation Performance	Reconfirmation – change in reporting line.
Senior Reporting Analyst	1	Organisation Performance	Reconfirmation – change in reporting line.
Senior Advisor (climate) (fixed term)	1	Organisation Performance	Reconfirmation – change in reporting line.

Attachment 2 – Te kāpehu expectations

The December 2022 decisions document set out clear expectations for what Te Ama would deliver:

- a) driving a more commercial approach to investment and funding and procuring and managing contracts.
- b) accountability for ensuring we have a commercial and procurement strategic framework in place and for assuring that it is being used appropriately, resulting in improved value for money from service providers and favourable long-term commercial outcomes for Waka Kotahi.
- c) developing outcome-focused, funded, national improvement programmes and place-based packages with our partners that are underpinned by shared evidence, sufficient business casing and national diagnostic and prioritisation tools.
- d) making it easier for others to work with us, our investment policies, business casing and investment assurance practices will become outcome focused and fit for purpose.
- e) investing in whole of Government outcome based, multi-year packages and programmes with our partners, including leveraging commercial opportunities where appropriate. This will enable us to increasingly provide clear, certain and stable transport investment programmes and packages.
- f) ensuring corporate functions are future focused which apply best practice and are effective enablers of operational excellence by delivery teams.
- g) delivering enterprise wide, strategically led business planning and budgeting to drive our strategy into action and support operational excellence and efficiencies.

Attachment 3 – Te kāpehu design principles

When considering changes that may be required to support the embedding of Te kāpehu, we used the design principles agreed by ELT to support Te kāpehu:

- Strengthens our ability to partner and adapt to changes in requirements
- Supports simplification, prioritisation with less bureaucracy and rework
- Cluster functions to focus accountabilities, responsibilities and deliverables
- Strengthen centralised services and consistent practice, without duplication in the business
- Capability, particularly specialist skills, and critical mass is retained and enhanced
- Single point of accountability for activities, end-to-end business processes and decision making
- Appropriate spans of control for people leaders to have capacity and capability for strategic management and operational delivery
- Minimal tiers to reduce complexity, improve organisational agility, and empower our people to get things done quickly

Attachment 4 – how Te Ama will navigate change

We have committed to the people in Te Ama and our key partners within Waka Kotahi that we will navigate these changes in line with our values and behaviours:

- h) **Ngākau aroha | Care for our people and each other:** Putting people in the centre of our work and providing support to those affected by change.
- i) **Kotahitanga | Trust and transparency:** Being upfront about what we want to achieve and how, genuinely listening to feedback and different views.
- j) **Kia Māia | Balances perfection with performance:** We will work across the organisation to align our approach, but we acknowledge that we might not get it all right the first time or done in one go.
- k) **Mahia | Achievable scale and pace:** We implement change and initiatives in way that is do-able, recognising our internal capacity, the external environment, stakeholder demands and critical deliverables.

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Attachment 5 – Using a te ao Māori approach to change

We are incorporating te ao Māori approach to Te Ama changes, so we reinforce the pathway for the Waka Kotahi to fulfil its Te Tiriti o Waitangi obligations.

We have adopted a growth approach, starting with activities we can implement now while we develop the capability and confidence to incorporate more te ao Māori practices in Phase 2. For this, we need Kaumātua and Te Matangi guidance, while we also leverage people in Te Ama that are already invested in this space.

In Phase 1 we will focus on Te Whare Tapa Whā, a Māori wellbeing model developed by Kaumātua Sir Mason Durie. This holistic approach aligns with recent change management research that highlights the recognition and management of the emotional side of change as critical for success.

Examples of how we will embrace this approach immediately include:

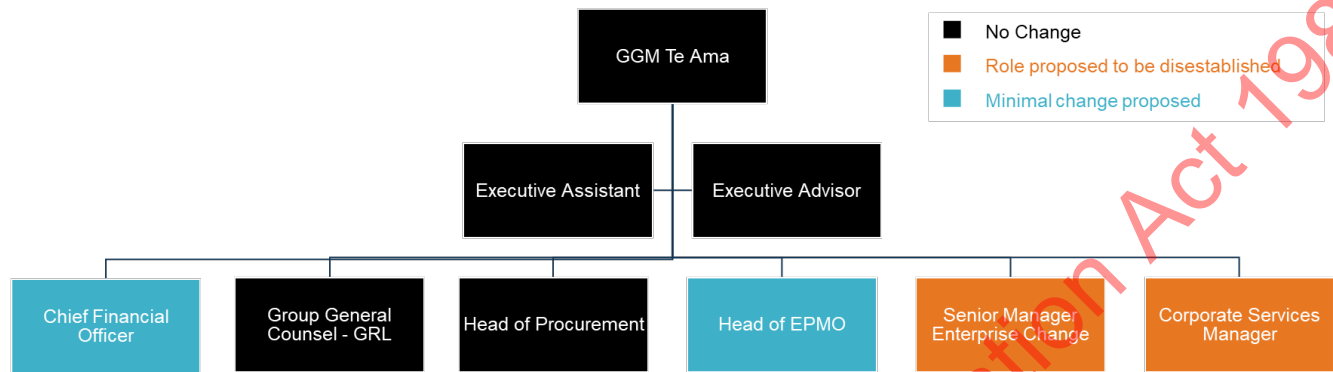
- Getting Māori support for GGM, Te Ama leadership and Te Ama change design team.
- Identifying roles that need stronger te ao Māori capability.
- Extensive engagement and education of our people leader community of Te Whare Tapa Whā approach.
- Face to face consultation opportunities.
- Dedicated section for feedback on our Māori approach in Consider This online consultation tool.
- Forums dedicated to the emotional and social aspects of wellbeing as part of the change process.
- Events that celebrate past successes and set the tone / welcome the formation of new teams.



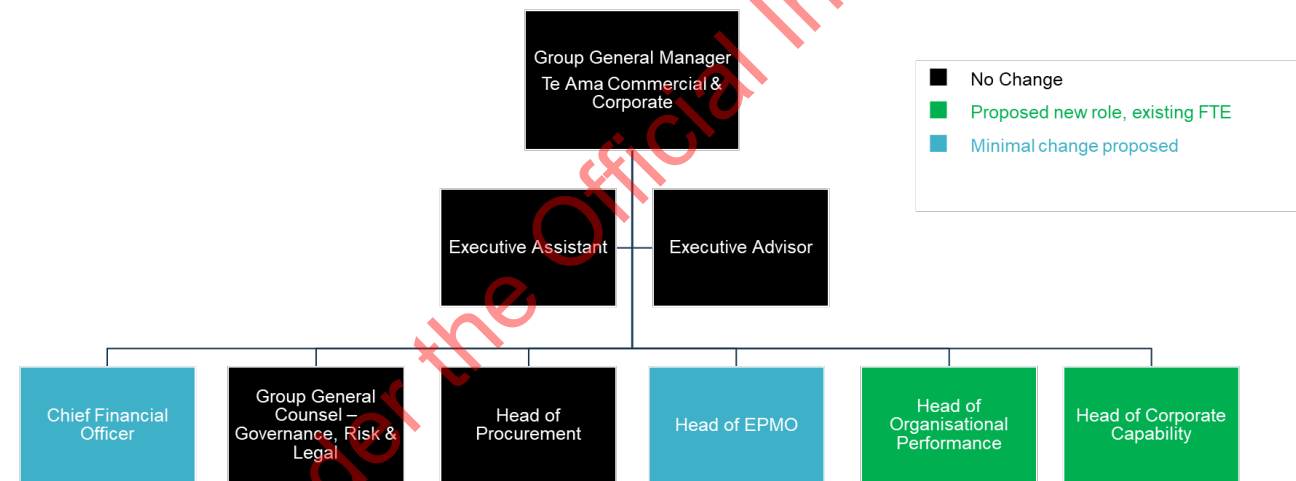
Attachment 6 – Current and proposed structures

Te Ama Group Leadership Team

Current structure

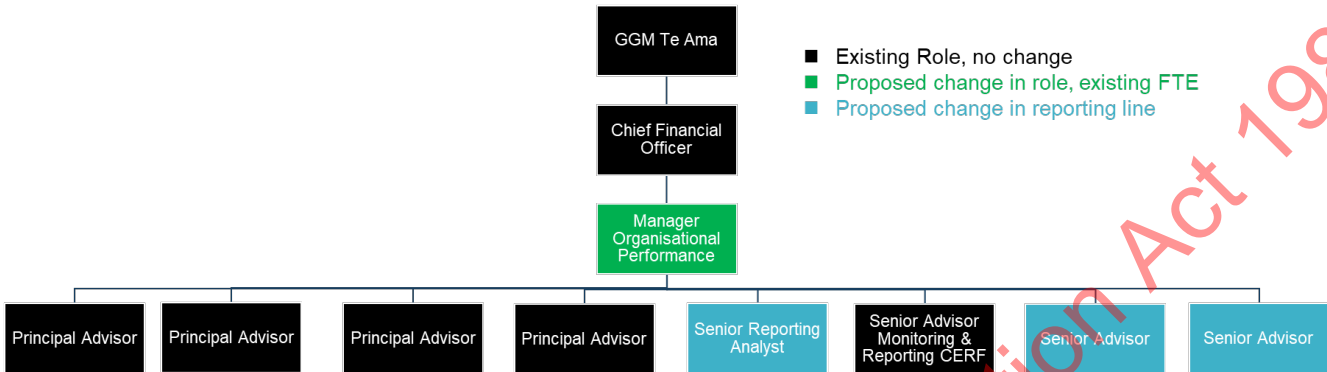


Proposed structure

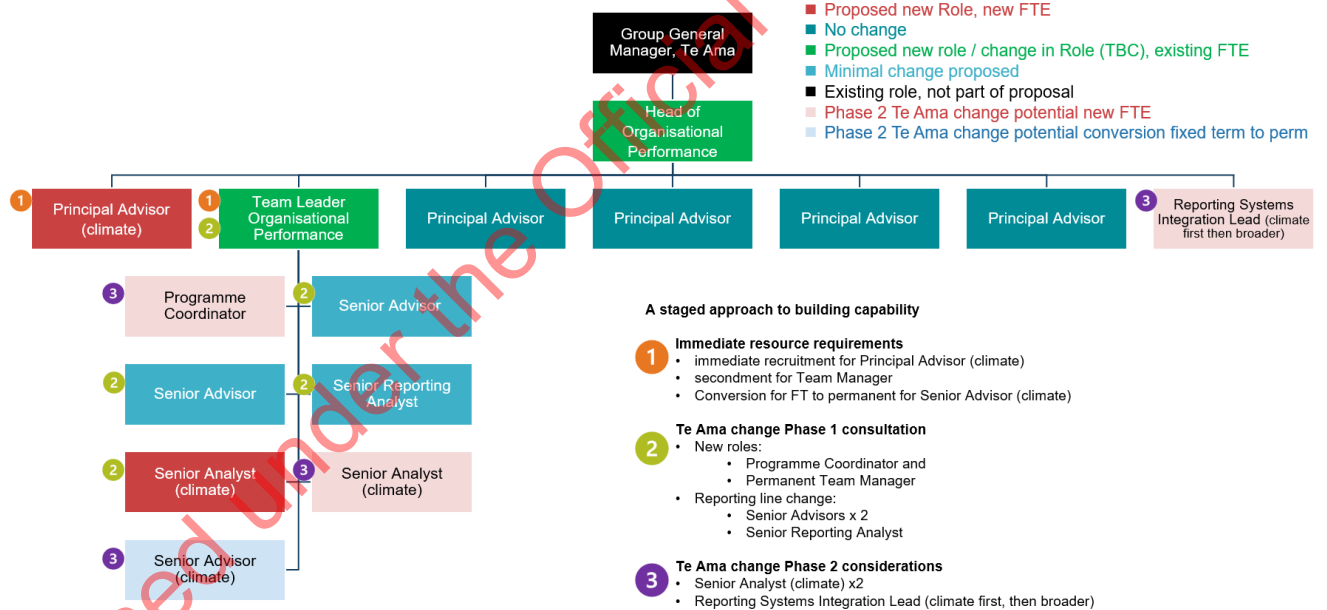


Organisational Performance

Current Team

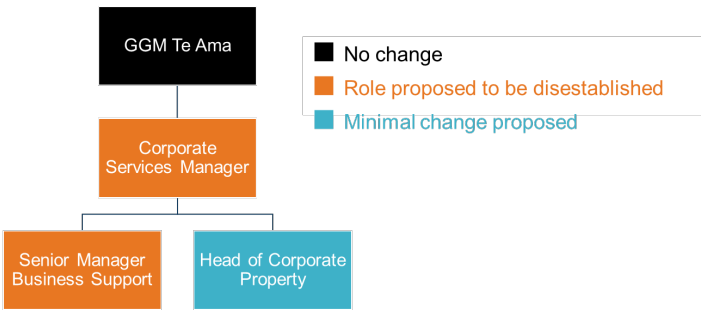


Proposed Structure

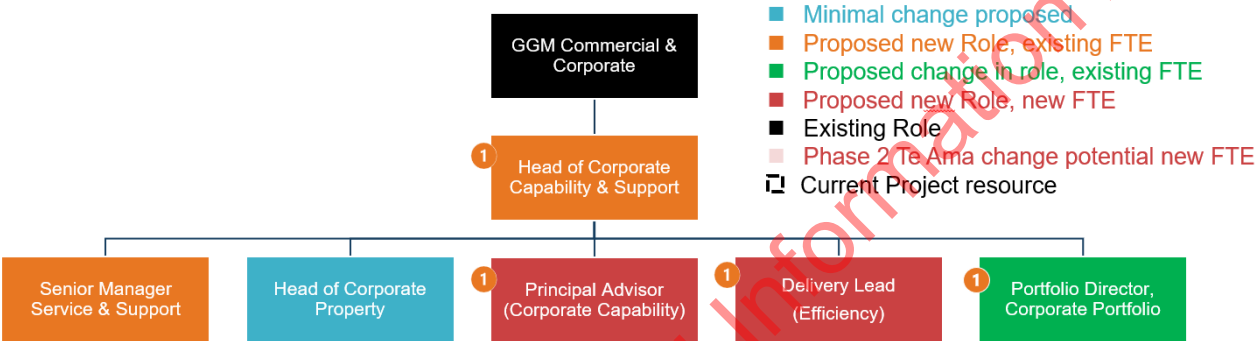


Corporate Capability & Support

Current Structure

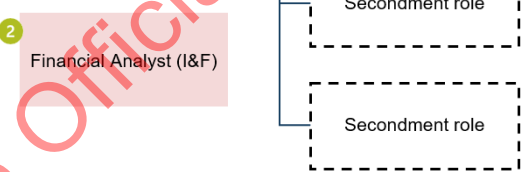


Proposed Structure



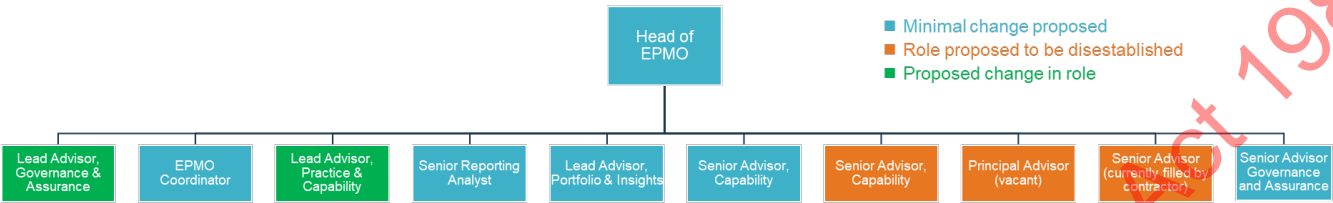
A staged approach to building capability

- 1 Phase 1 consultation**
 - Head of Corporate Capability
 - Principal Advisor (Capability & Alignment)
 - Delivery Lead (Efficiency)
 - Senior Manager Service & Support
- 2 Phase 2 considerations**
 - Financial Analyst (dotted line from I&F)
 - Potential other roles identified through discovery work

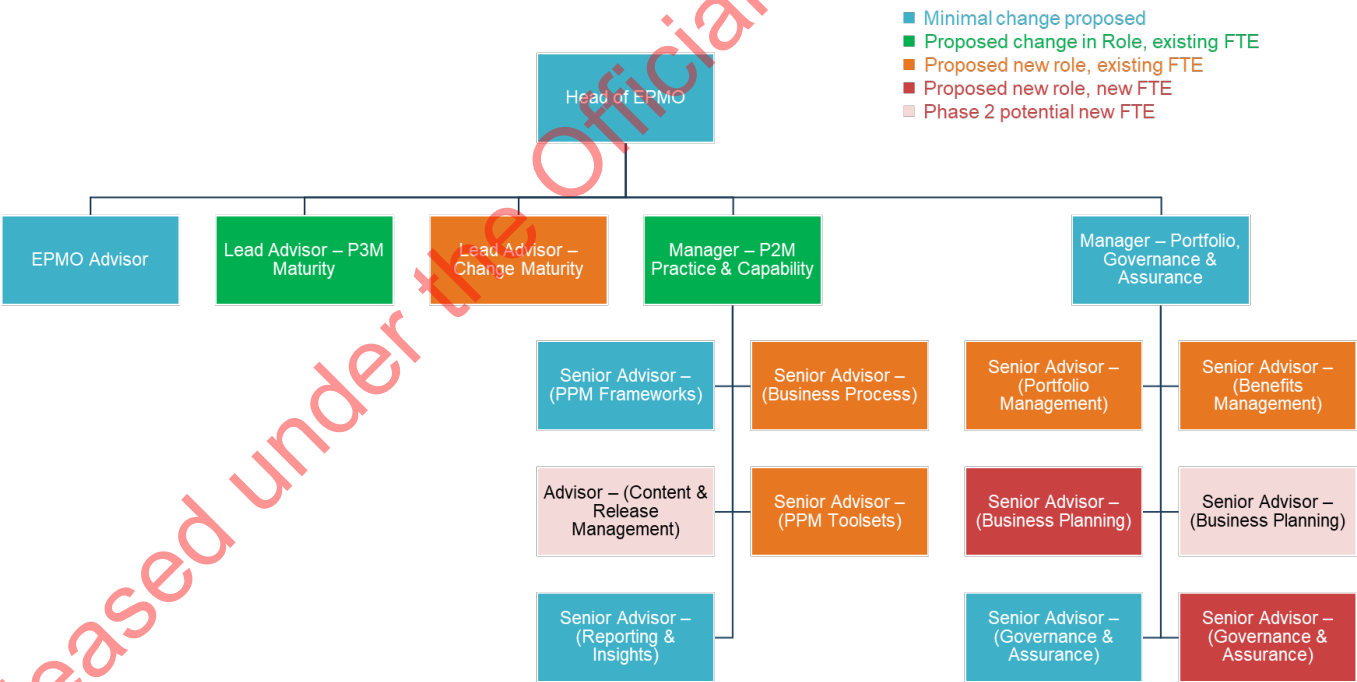


Enterprise Portfolio Management Office (EPMO)

Current Structure

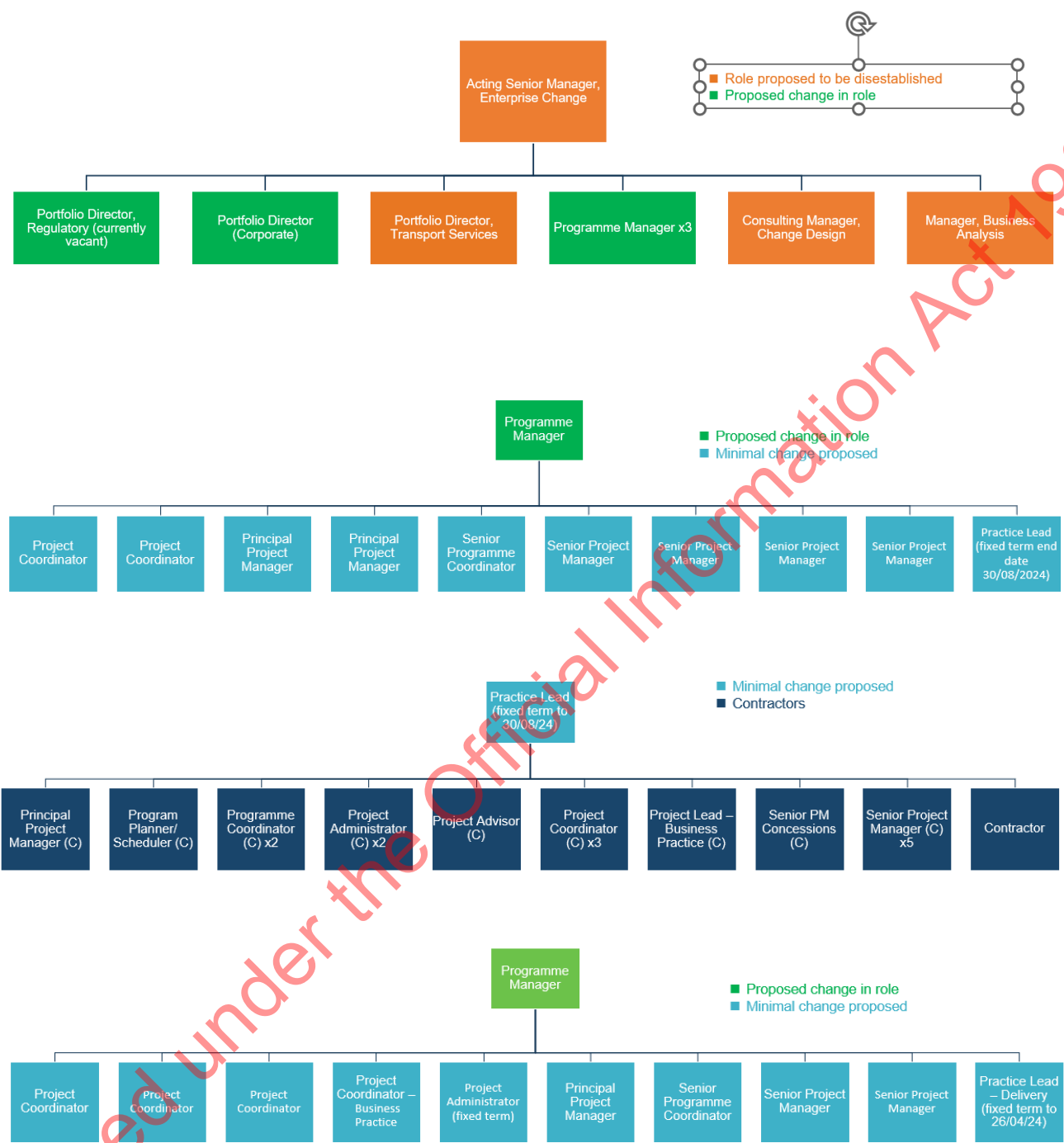


Proposed Structure



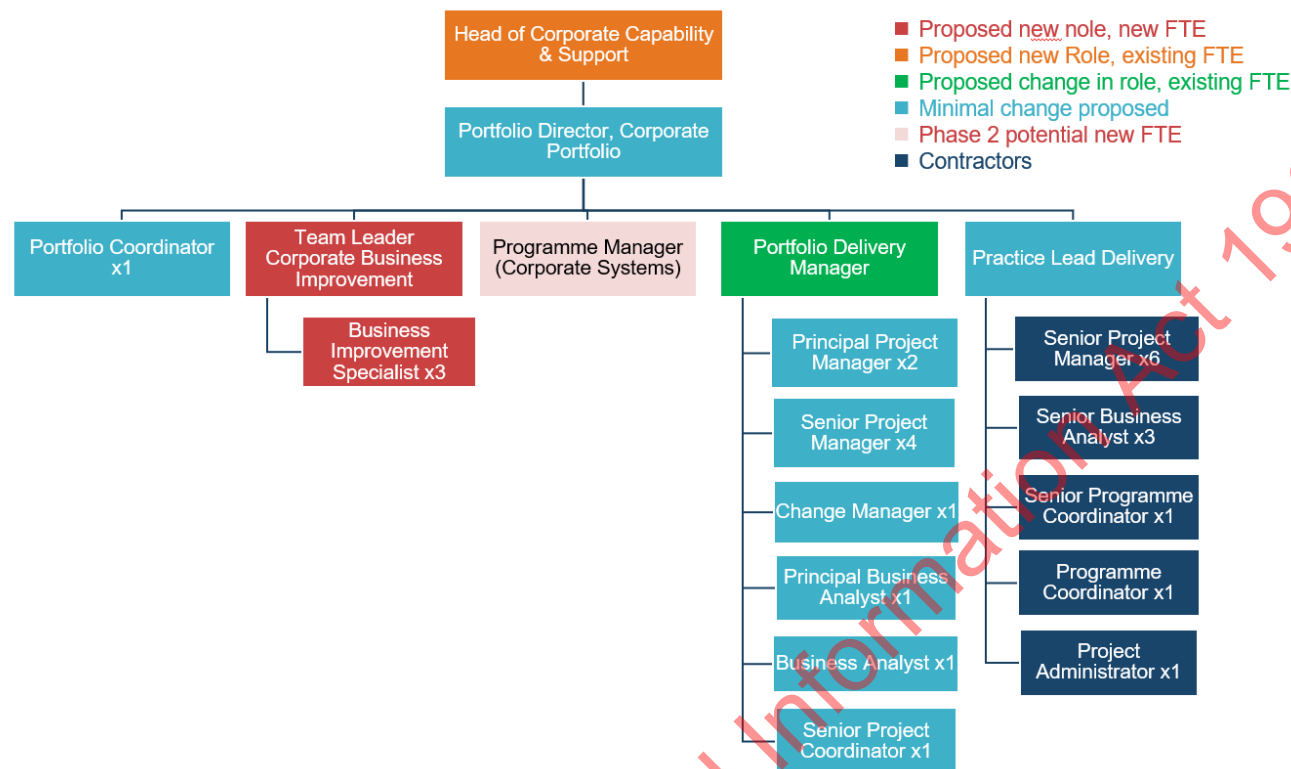
Enterprise Change

Current Structures

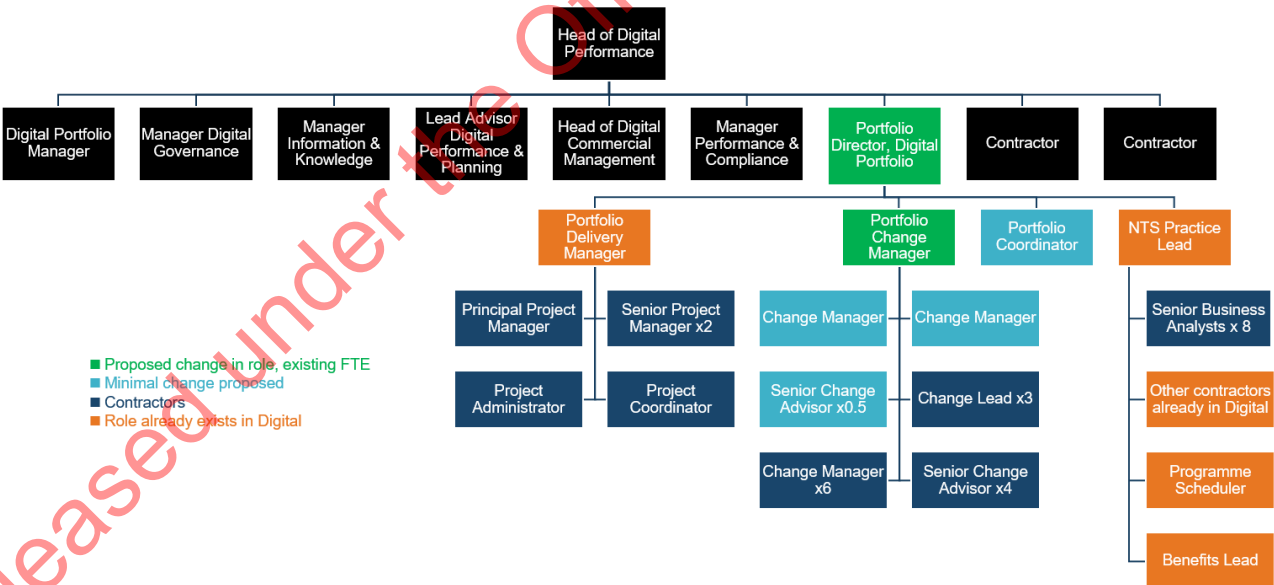


Enterprise Change – Proposed structures

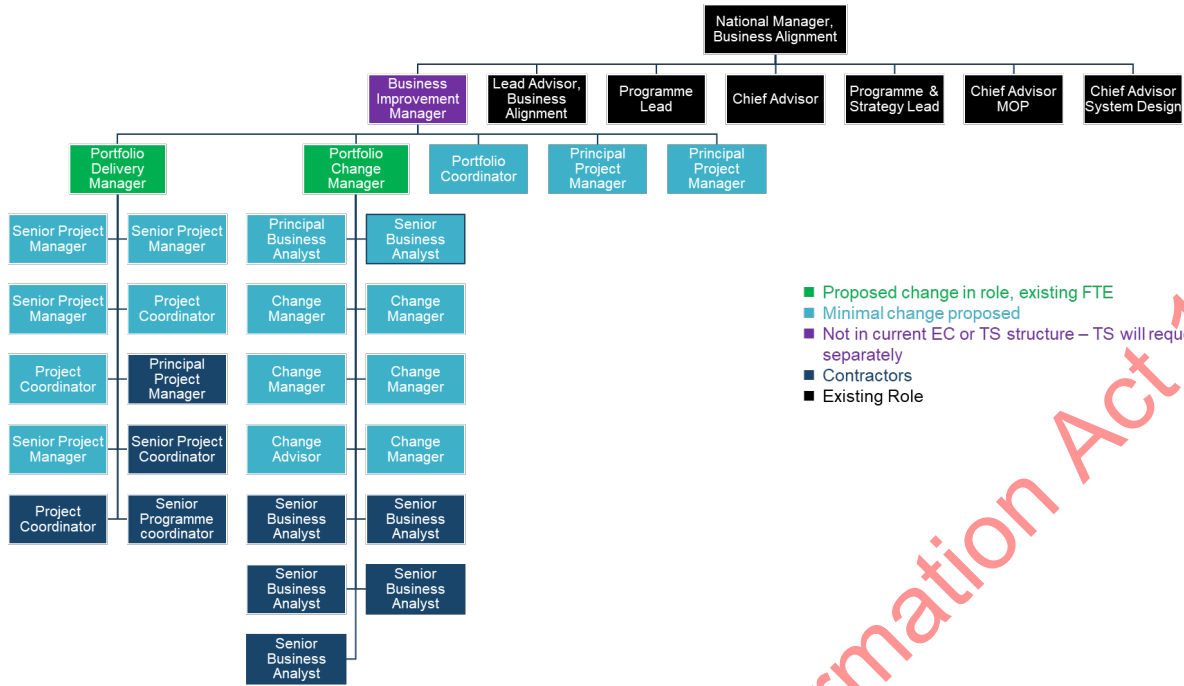
Proposed Corporate change function structure



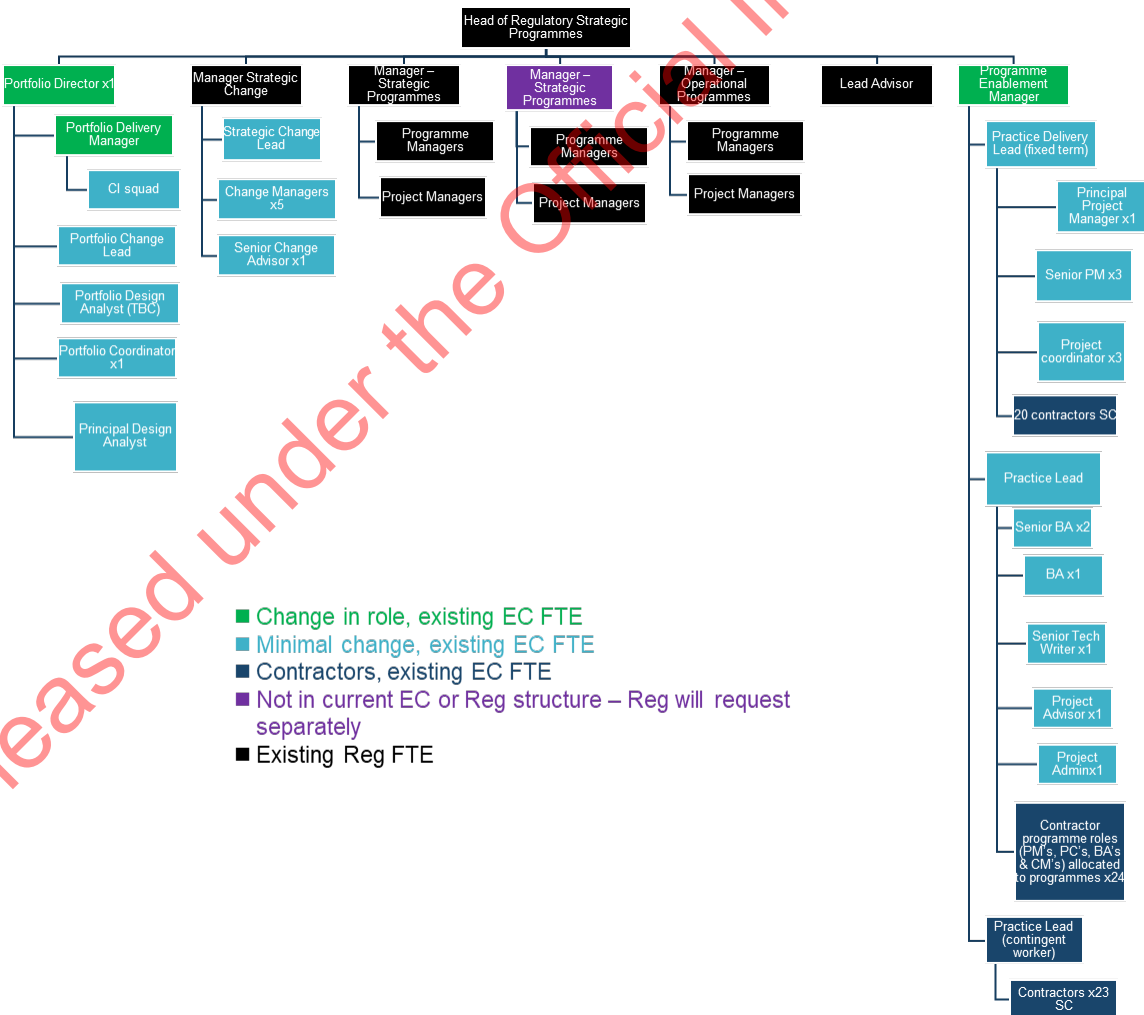
Proposed Digital change function structure



Proposed Transport change function structure

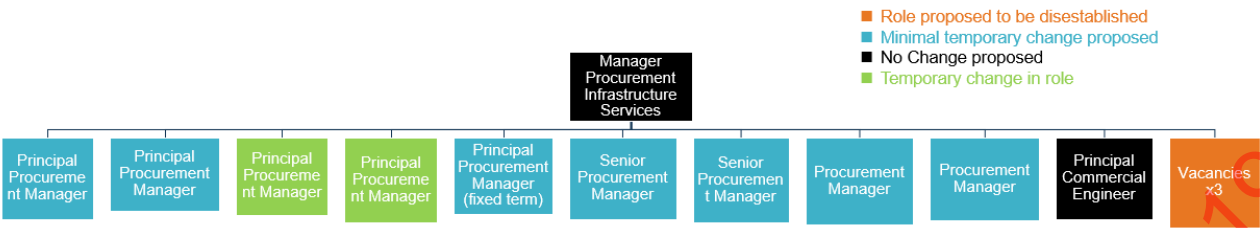


Proposed Regulatory change function structure

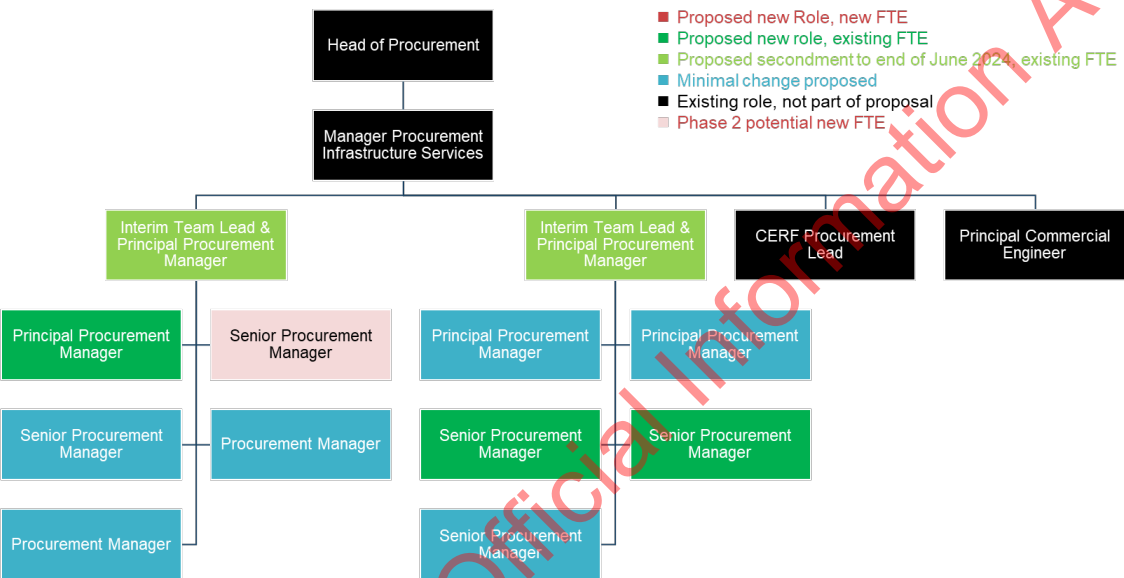


Procurement – Infrastructure Services

Current structure

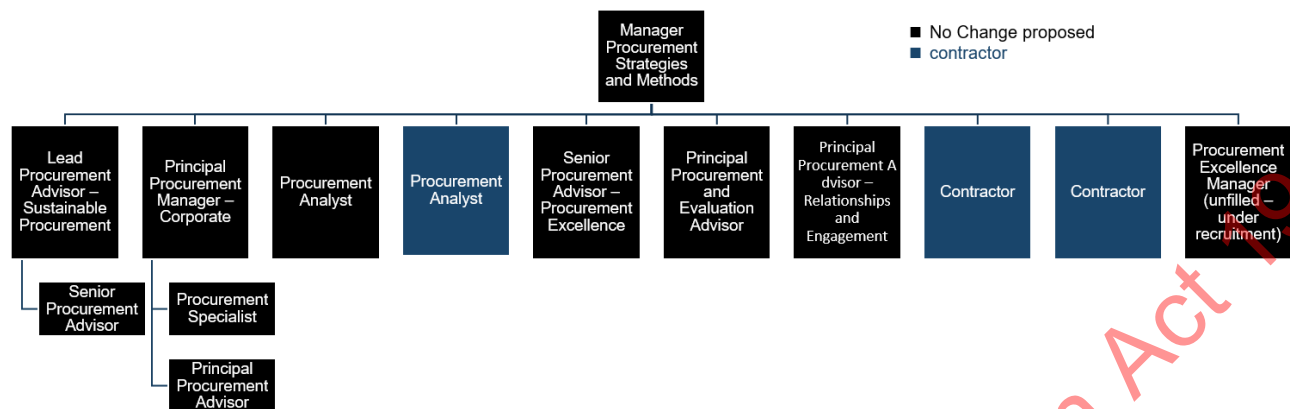


Proposed structure

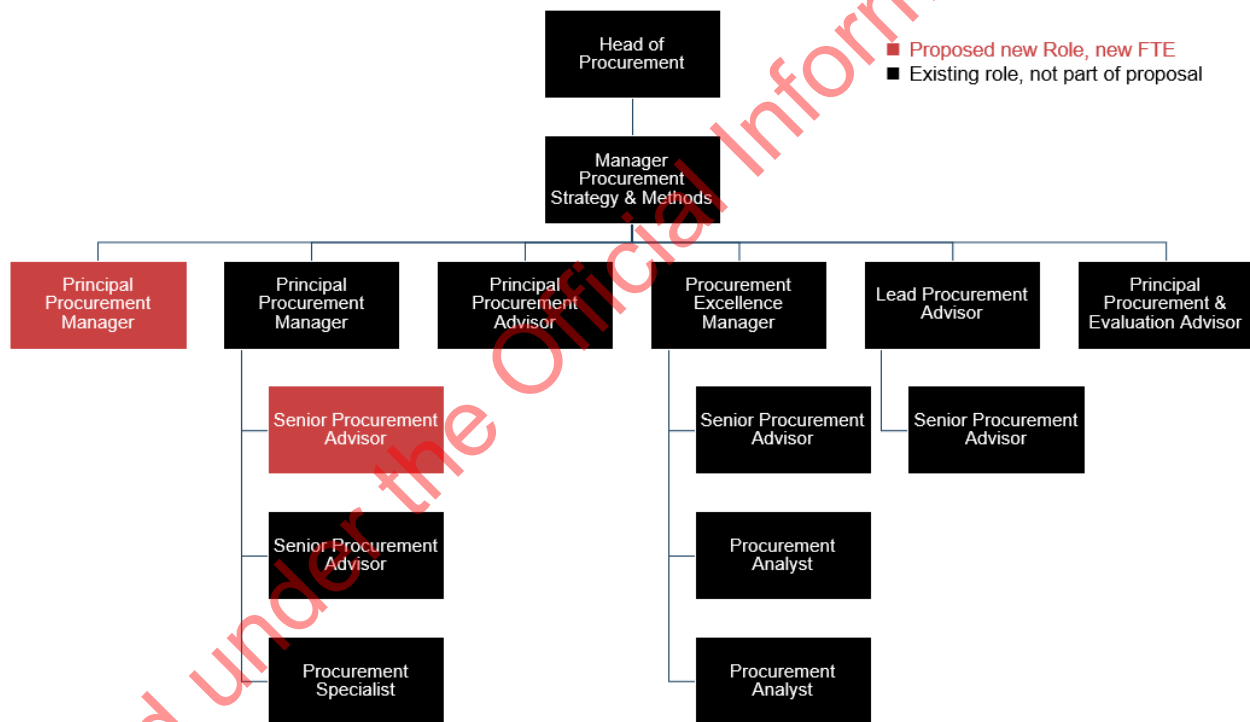


Procurement – Strategy & Methods

Current structure

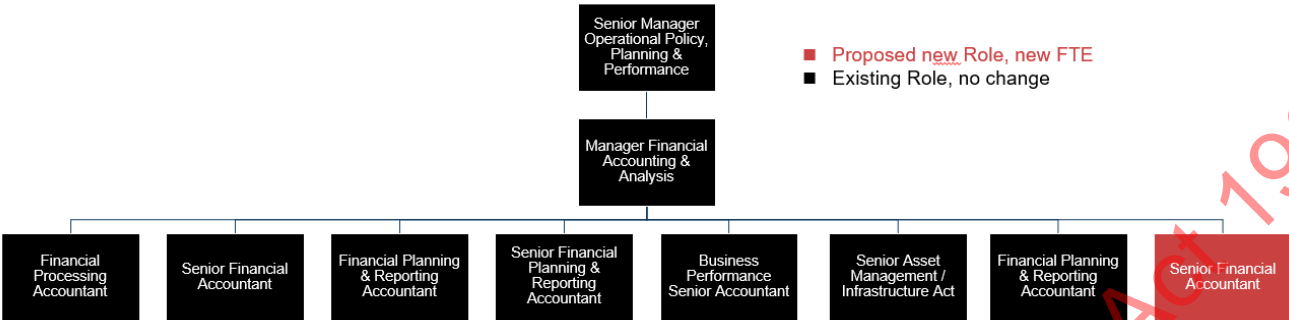


Proposed structure



Financial Accounting & Analysis

Proposed structure



Attachment 7 – New FTE rationale

Team	Role requested	Please populate this field with a statement to include: - Why you cannot absorb the work into your current teams or reprioritise people to do the work. - Or add a 'pain' statement if you are unable to recruit someone (what are the consequences of not bringing in the additional resources. How will this negatively impact on the team) - Or describe what it would mean for your group if you were not able to recruit.	Please populate this field with a risk rating: - relating to not having the additional resources and the impact on delivering to the Te Ama changes requirements	Please populate this field with a risk rating: - relating to the impact on your current team's wellbeing if you are not able to recruit the additional roles.	Please populate this field with an overview of your current vacancies (if any) within your group and what consideration have been made to offset the additional headcount against these vacancies.
EPMO	Senior Advisor (business planning) - consultation	<p>The EPMO purpose is to ensure we are doing the right things in the right way. The current EPMO model is only geared to doing things in the right way, not doing the right things. The EPMO is responsible for ensuring annual business planning is completed, yet there are currently no dedicated resources to business Planning, noting prior to 2021 there we 3 dedicated roles for this. The business planning process has eroded over this time as a result, making it a very time-consuming process with high litigation and an inability to easily adjust the business plan which causes a high volume of conversations across multiple platforms to cater for change rather than a sound process to follow.</p> <p>The ability to apply perpetual business planning annual, and 3-year cycle (including prioritisation and sequencing across Run, Change, and Improve initiatives), will not be achieved if this role is not appointed, and we will continue to produce annual business planning in an ad hoc way using resources dedicated to other full time roles.</p>	<p>High – If we are unable to recruit this role then the ability to effectively manage the business planning process and deliver on it when changes occur will continue as per current year which will not address the conflicts regarding what to get after and when.</p> <p>If this role is to be filled by another role within the EPMO then we would not be able to deliver on our measures to drive down external consultant costs on governance and assurance, thus actually costing WK more.</p> <p>If this role to be filled by external consultants to strengthen the process then we would not be able to provide an enduring function to support business planning</p>	<p>Medium - The value of the EPMO will be diminished as not appointing this role removes the ability for the hub aspect of the hub and spoke to own the business planning process across the Enterprise and work with the key spokes to ensure all aspects of business planning, including investment types are captured and managed at an Enterprise level, ensuring balanced trade-offs. Tension between business groups on what's approved and what's not will also continue.</p>	<p>There is one vacancy in EPMO which could fill this role, however it would be at the sacrifice of the new requirement for a Governance and Assurance resource. Refer row below for the need for that role to draw a conclusion of which role could be excluded.</p> <p>An option is to remove the “do the right things” responsibility from the EPMO, thus removing any need for the EPMO to provide a hub view of investment choices and the processes that support them. This could be managed at the spoke level, except for a central role in Finance. Given there are shared service models in WK, this would prove highly problematic as competition for these resources to deliver on each business group plan would notably increase. This approach is not standard in EPMO's across the industry.</p>

Team	Role requested	<p>Please populate this field with a statement to include:</p> <ul style="list-style-type: none"> - Why you cannot absorb the work into your current teams or reprioritise people to do the work. - Or add a 'pain' statement if you are unable to recruit someone (what are the consequences of not bringing in the additional resources. How will this negatively impact on the team) - Or describe what it would mean for your group if you were not able to recruit. 	<p>Please populate this field with a risk rating:</p> <ul style="list-style-type: none"> - relating to not having the additional resources and the impact on delivering to the Te Ama changes requirements 	<p>Please populate this field with a risk rating:</p> <ul style="list-style-type: none"> - relating to the impact on your current team's wellbeing if you are not able to recruit the additional roles. 	<p>Please populate this field with an overview of your current vacancies (if any) within your group and what consideration have been made to offset the additional headcount against these vacancies.</p>
	Senior Advisor (governance and assurance) - consultation	<p>To date, all Treasury (TSY) requests have been ad hoc and addressed by a consortium of people across Waka Kotahi (WK), with EPMO team stopping governance and assurance work when requests come up. WK to date has only provided a collation of information role back to TSY, no role in guiding TSY on the information.</p> <p>With the disbandment of the Investment Confidence Rating (ICR), TSY now have (from 1 Nov 23) more regular requirements in Quarterly Investment Report (QIR) Risk profile assessments (RPA's), Gateway reviews, and Strategic Asset (SA) review. The purpose of this role is to be the conduit of all requests to ensure requests are being met, challenge if we believe they are not needed, reduces the need for other groups in WK to need to meet these needs, and most importantly provides insights and commentary to help TSY, rather than simply providing data for TSY to interpret.</p> <p>If this role were not to be appointed then one of the EPMO roles involved in internal governance and assurance can be redeployed to this role, with their role being backfilled with external consultants to perform governance and assurance functions</p>	<p>High - If this role is not appointed, then WK reputational risk with TSY increases based on not being able to deliver to the increased needs.</p> <p>If this role is to be filled by another role within the EPMO, then we would not be able to deliver on our measures to drive down external consultant costs on governance and assurance, thus actually costing WK more.</p>	<p>Medium - Status quo is not an option for this role given the increased requests from TSY. To absorb this work with current EPMO staff will require a reduction in other works loads for 3 of the team given it's a particular skillset required and they have been meeting previous requests around their day job which are already at capacity.</p>	<p>There is one vacancy in EPMO which could fill this role, however it would be at the sacrifice of the new requirement for a Business Planning resource. Refer row above for the need for that role to draw a conclusion of which role could be excluded.</p> <p>Another option is to either lower the level of response and service to requests that EPMO provides, or to reduce the EPMO responsibilities in the Hub and Spoke model. Both these options go against the directive of the EPMO to get consistency, improved efficiencies and lower dependency on external consultants, but can be considered. This will require extensive assessment of what roles and responsibilities to drop to free up a resource, which can be done but given the effort to do this I only want to explore this if a reduction of service and responsibilities of the EPMO is palatable.</p>

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Organisational Performance	Principal Advisor (climate) - consultation	Climate reporting obligations continue to increase, other principals in the team are supporting statutory obligations, audit recommendations, GPS 2024 or ELT priorities. Our core work programme is also more complex and challenging than usual this year with a new Minister, changes at both Waka Kotahi and Te Manatū Waka, a new SOI required and material external audit recommendations to address. Reporting obligations will not be met to an adequate standard without placing significant pressure on existing staff. We are actively turning away requests for support from areas of the business that are not statutory.	High – Waka Kotahi risks non-compliance with ERP/NAP reporting obligations and is not geared up to meet CNGP (Carbon Neural Government Programme) requirements	High – This is being absorbed on top of an already demanding and time sensitive work programme of statutory obligations	I don't have any vacancies in my team, I&F has explicitly had a conversation about whether other vacancies in I&F can be used and they are needed for other work. We do this on a regular basis.
Procurement	Principal Procurement Manager (Procurement Strategy & Methods) – immediate recruitment	Current resources within the team support review of procurement plans and advise on procurement process. There is a lack of resources to ensure we are developing robust well informed category/commercial strategies to support Regulatory Services, Digital as well as programmes to seek cost savings or increased value for money across the wider organisation e.g. Contractor spend. This role will help to develop a future programme of work for	High	Medium	Currently 5 vacancies across the whole Procurement Team 3 vacancies in Infrastructure Services (cost Centre 75142) 1 vacancy in Procurement Strategy & Methods (cost centre 75141) this role is backfilled with a contractor who is currently supporting the P2P

Team	Role requested	Please populate this field with a statement to include: - Why you cannot absorb the work into your current teams or reprioritise people to do the work. - Or add a 'pain' statement if you are unable to recruit someone (what are the consequences of not bringing in the additional resources. How will this negatively impact on the team) - Or describe what it would mean for your group if you were not able to recruit.	Please populate this field with a risk rating: - relating to not having the additional resources and the impact on delivering to the Te Ama changes requirements	Please populate this field with a risk rating: - relating to the impact on your current team's wellbeing if you are not able to recruit the additional roles.	Please populate this field with an overview of your current vacancies (if any) within your group and what consideration have been made to offset the additional headcount against these vacancies.
	Senior Procurement Advisor (Procurement Strategy & Methods) – immediate recruitment	There has been a significant increase in activity from the business following the messaging from Nicole and Sara around compliance to Procurement Policy and Processes. In addition this additional resource will allow the team greater capacity to be focused on supporting early engagement with the business (business partnering) to get involved in the procurement strategy and plan development to maximise value for money through procurement activities.	High	Medium	project and interim controls on contract registration 1 vacancy in the Procurement Team (cost centre 75140) for Lead Advisor to support the implementation of IPS due to be recruited in April 24 based on budgets. The proposed FTEs are proposed in as well as or the vacancies due to the significant increase in volume of work due to GPS and to supporting the go to market / delivery expected from the new government, the need to effectively developing commercial strategies in Transport Services, Regulatory Services and Digital.
Corporate Capability & Support	Principal Advisor (Corporate Capability) - consultation	There is currently no one fulfilling this function, nor does it fall under any area of responsibility. Without the role then capability and maturity planning across Te Ama and the Portfolio would continue to occur in an adhoc or siloed way, with no consolidated view of current maturity or future plans, and little alignment across corporate business functions.	Medium	Low	Any vacancies within Business Support are temporary only, as demand outstrips available capacity. Changes to business model (stage 2) are required in order to generate potential vacancies.
	Delivery Lead (Efficiency) - consultation	There is currently no one fulfilling this function, which directly supports ELT priorities. Without a dedicated position, we would need to draw capacity from multiple teams, adding additional complexity and overhead into managing the work.	Medium	Medium	Any vacancies within Business Support are temporary only, as demand outstrips available capacity. Changes to business model (stage 2) are required in order to generate potential vacancies.
Corporate Portfolio	Team Leader Corporate Business Improvement				

Team	Role requested	<p>Please populate this field with a statement to include:</p> <ul style="list-style-type: none"> - Why you cannot absorb the work into your current teams or reprioritise people to do the work. - Or add a 'pain' statement if you are unable to recruit someone (what are the consequences of not bringing in the additional resources. How will this negatively impact on the team) - Or describe what it would mean for your group if you were not able to recruit. 	<p>Please populate this field with a risk rating:</p> <ul style="list-style-type: none"> - relating to not having the additional resources and the impact on delivering to the Te Ama changes requirements 	<p>Please populate this field with a risk rating:</p> <ul style="list-style-type: none"> - relating to the impact on your current team's wellbeing if you are not able to recruit the additional roles. 	<p>Please populate this field with an overview of your current vacancies (if any) within your group and what consideration have been made to offset the additional headcount against these vacancies.</p>
	Business Improvement Specialist x3				
Financial Accounting & Analysis	Senior Financial Accountant – immediate recruitment	<p>The core Financial Accounting team size has remained stable for several years and capacity can no longer sustain the significant increase to workloads, resulting in delayed month end reporting and an increasing number for errors.</p> <p>The recent KPMG report stated: <i>We identified other errors in the CFIS offline returns that indicate appropriate QA review was not undertaken. The circumstances in the Finance team at the time mean we consider the root cause was capacity, rather than capability.</i></p>	High - Not having capacity and capability to undertake this work puts Waka Kotahi at significant financial and reputational risk.	High - Prolonged periods of excessive hours and frustration at a lack of progress will expose the team to a high level of risk, including personal wellbeing and our ability to retain key capability.	The I&F LT regularly considers work priorities and FTE distribution, including use of vacancies, and has confirmed there is not work that can be reprioritised or vacancies that can be utilised to offset the request for additional FTE.

Attachment 8 – RAPID framework – Phase 1 Te Ama change

RAPID Role	Who
Decision	<p>Agree to proceed to consultation on Phase 1 of embedding Te kāpehu in Te Ama.</p> <p>Approve immediate resource requirements to enable Te Ama to meet statutory requirements and enable planned procurement activity.</p>
Input	<p>All of Te Ama through drop in sessions, Teams Live calls, dedicated Teams channel</p> <p>Nicole Rosie, Chief Executive</p> <p>Regulatory: Brent Alderton, Tara McMillian, Kitty August, Regulatory GLT</p> <p>Transport Services: Brett Gliddon, Tammy Henderson, TS GLT</p> <p>Systems Leadership: Chris Bunny, Gemma Dacy, Engagement & Partnerships: Karen Jones, Richard May</p> <p>Digital: Liz Maguire, Jen Bernal, Sarah Jacobson</p> <p>Customer & Services: Sarina Pratley</p> <p>People & Safety: Chris Lokum, Erin McCredie</p>
Agree	ODC
Recommender	Sara Lindsay
Decider	Nicole Rosie
Performer	<p>Te Ama design cohort, HR:</p> <ul style="list-style-type: none"> Recruit for approved roles Develop consultation document Consultation

Attachment 9 – RAPID frameworks – Immediate resource requirements

Organisational Performance

RAPID Role	Who
Decision	To establish dedicated climate reporting capacity for Waka Kotahi
Input	<ul style="list-style-type: none"> Te Ama Leadership Team Howard Cattermole, Chief Financial Officer HR Business Partners Thubaraka Vimalanathan, Finance Business Partner <p>Please note, prior to the initiation of the Te Ama Change proposal, input and agreement was sought on establishing a more self-contained climate reporting unit with the full number of roles contained in the Te Ama change proposal and a . The following people reviewed that proposal and there was widespread support.</p> <p>Organisational Performance and Environment and Sustainability team members:</p> <ul style="list-style-type: none"> Sophie Lascarides Francis Liu Sharon Hickey <p>Climate Change and Sustainability Leadership Group, members:</p> <ul style="list-style-type: none"> Stuart Woods Galina Mitchelhill Glenn Conway Deborah Hume Katie Mayes Emma Mosely James McHardy Kevin Wright Kim Marshall Leanne Hartshorne Lisa Rossiter Maurice Marquardt Natalie Rowe Rob Hannaby Sara Rosson Teresa Weeks Chris Rodley Connie Rowe Gemma Wensor
Agree	<p>System Leadership</p> <ul style="list-style-type: none"> Chris Bunny Lisa Rossiter <p>Te Ama Commercial and Corporate</p> <ul style="list-style-type: none"> Howard Cattermole Kim Marshall
Recommender	<p>Kim Marshall, Manager Organisational Performance</p> <p>Lisa Rossiter, Senior Manager Environment and Sustainability</p>
Decider	Organisational Design Council

RAPID Role	Who
Performer	<p>Kim Marshall, Manager Organisational Performance</p> <ul style="list-style-type: none"> Recruit team members Communicate changes to key external and internal stakeholders Establish work programme for the team <p>Lisa Rossiter, Senior Manager Environment and Sustainability</p> <ul style="list-style-type: none"> Assist with recruitment of new team members Provide guidance input into roles and responsibilities of team Assist with communicating changes to key external and internal stakeholders Support establishment of staff for climate capability in Organisational Performance

Financial Accounting

RAPID Role	Who
Decision	Establish one new FTE (Senior Financial Accountant).
Input	<ul style="list-style-type: none"> Thuvarka Vimalanathan, Finance Business Partner Charlotte Hunt, Senior HR Advisor Jo Stephenson, Lead Advisor Reward John Coulter, Senior Manager Finance Howard Cattermole, Chief Financial Officer
Agree	<ul style="list-style-type: none"> Andrew Gilkison John Coulter, Senior Manager Finance Howard Cattermole, Chief Financial Officer
Recommender	Sara Lindsay, GGM Commercial and Corporate
Decider	ODC
Performer	Andrew Gilkison

Procurement

RAPID Role	Who
Decision	Seeking approval from ODC for additional resources (3) for the Procurement Team required to address existing constraints and meet increased demand, and to make a structural change to reporting lines requiring the repurposing of 3 vacant roles.
Input	Procurement Leadership Team, Procurement Team, HR Business Advisor, Te Ama Leadership Team
Agree	Head of Procurement

RAPID Role	Who
Recommender	Procurement Leadership Team
Decider	Organisation Design Committee
Performer	HR, Procurement Leadership Team, People Leaders

Released under the Official Information Act 1982

Attachment 10 – Draft timeline for change

