

Senate Community Affairs Committee

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH PORTFOLIO

Supplementary Budget Estimates 2013-14, 20 November 2013

Question: E13-229

OUTCOME: 0 - Whole of Portfolio

Topic: Change Management

Type of Question: Written Question on Notice

Senator: Moore

Question:

- a) Can we get a copy of what went out to section leaders to go out to the staff to say 'This is what is happening'?
- b) Can we actually get something about what the process has been and staff support you are providing?
- c) Can we get from you specifically what staff have been told in a general sense in the various line areas about what is going on and what the process is?

Answer:

a) to c)

A range of change support and guidance materials were provided for managers and staff in establishing the Business Services Centre.

This includes:

- All staff messages from the Secretary explaining organisational changes (Attachment A);
- Guidance for managers regarding the process to identify staff in unfunded positions (Attachment B); and.
- All staff information (also available on the intranet) on change management, how the Business Services Centre operates, and support services including change workshops and the Employee Assistance Program (Attachment C).

The table at Attachment D provides an overview of the change support sessions provided for staff in the Department of Health.

Executive Connect messages

New department structure - Secretary's Exec Connect message

Date: 02 Oct 2013



Australian Government
Department of Health

A MESSAGE FROM SECRETARY

Jane Halton

EXECUTIVE CONNECT

Colleagues

I am writing to provide you with a copy of a proposed new departmental structure. This is an important organisational change that I have referred to in recent presentations and communication with all staff. This proposed structure takes into account the recent Machinery of Government (MoG) changes and has been developed based on strong input from our SES team and organisational design principles including:

- Delivers on government priorities
- Transparent to external stakeholders
- Client service needs and expectations are met
- Flexible, efficient and agile structure, which is workable over time, allowing for future contraction and expansion
- Balanced workload across the department
- Supports integration across the health portfolio.

In moving to a new organisational structure it is important that we position the department to be best prepared to meet not only a tightening financial position but, importantly, the health challenges and priorities for the future. This means we need to do more than simply change our structure—we need to work differently and even more collaboratively across the department.

Feedback from our Executive and SES teams has provided a strong direction to maximise the benefits of the proposed new structure, with a particular emphasis on collaboration and avoiding working in silos.

To encourage and support cross-divisional approaches to key health priorities, we propose to introduce 'shared outcomes' for which deputy secretaries and other senior staff are accountable. This will improve accountability for our departmental outcomes as well as ensuring work on specific themes is undertaken collaboratively across divisions. The concept of shared outcomes is something that will be articulated in our new Corporate Plan—which will give a clear view of our key priorities.

Examples of shared outcomes themes are included on the proposed structure, and include such things as health system performance, Commonwealth state relations, red tape cutting and deregulation, diabetes and cardiovascular disease.

Communities of Practice (CoP) have also been strongly supported by our SES team as a way to better support cross-divisional building of skills, collaboration and a more flexible approach to the way we work. Ideas for CoP themes so far include: data and analytics, epidemiology, strategic policy, accounting/finance, human resources/industrial relations and health economics.

State and territory offices

Our state and territory presence is important to the way we do our business and we will continue to maintain a state and territory

presence.

In the proposed new structure state and territory offices (STOs) will be much smaller in size as a result of the MoG changes and are proposed to no longer be managed by an SES officer. All staff in the future STOs will be part of Grant Services Division (GSD). Accordingly EL2 staff from GSD will be the most senior positions in all STOs, with the exception of Tasmania in which an EL1 is proposed to lead the office, reporting to an EL2 in the Victorian STO. The senior staff in STOs will also undertake representational duties and report to a GSD branch head in Central Office.

We also propose not to have a presence in Townsville and Alice Springs as these would be too small to be viable.

Business Management Units

You will see that the proposed structure shows a change to the current operating model for BMUs, with one unit shared across multiple divisions. Key drivers for thinking about changing the way our BMU functions are undertaken include needing to streamline our resources and to encourage work across divisional silos.

A consultative process review of BMU functions will shortly be undertaken to identify more efficient, shared operating models. This review will take into account the different requirements of divisions and will involve BMU staff and division and branch heads to ensure we identify an effective and flexible operating model.

Managing staff numbers

The proposed new structure is not a tool for reducing staff numbers but it has been designed to maximise the department's capacity to undertake work with the smaller number of staff that we are moving towards. Although we have reduced in size with the MoG changes we will be further reducing the total number of divisions and branches, resulting in a reduction in the number of SES staff of more than 10 per cent.

A Business Services Centre (BSC) is being proposed as a new work unit designed to bring together staff from across the department who are in unfunded positions, to enable specific work to be undertaken for divisions. This could be to provide surge capacity to undertake funded work that would otherwise be filled with non-ongoing staff or to undertake significant projects or pieces of unfunded work for divisions.

This model would replace the current Reassignment Stream. Ongoing staff members in the BSC will be considered first for all internal vacancies and provided with appropriate training and development opportunities.

Next steps

Over the next week, you will be actively engaged by your division and branch heads through divisional and branch meetings to discuss the benefits and challenges that you can see in the way the proposed structure will work, including your views on the shared outcomes and Communities of Practice concepts.

Alternatively, should you wish to provide your feedback directly you can email [Organisational Realignment](#). Feedback is sought by COB 9 October.

Following the consultation period and finalisation of the structure, it will be necessary to relocate staff to align with the new arrangements. I would like us to move to the new organisational structure from 1 December, following a new round of business planning, allowing all of us to end the year knowing what our future structure looks like and to be clear about our reporting lines. I expect that most physical moves will occur early in the new year.

It is important that our new structure helps us to become a more capable and flexible organisation and position us best to improve health outcomes for all Australians.

Staff support

I recognise the proposed changes will impact groups and individuals and we all need to make sure that we support each other appropriately during this period of change.

Whatever the impact of these changes on you, your work friends or your team, the department will provide support. Our EAP provider has been running seminars on the topic of resilience and in the near future all staff will also have access to a series of change management workshops.

Jane Halton
Secretary

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Executive Connect messages

New department structure - Secretary's Exec Connect message

Date: 17 Oct 2013



Australian Government
Department of Health

A MESSAGE FROM SECRETARY

Jane Halton

EXECUTIVE CONNECT

Dear colleagues

I am writing to inform you of our new departmental structure which I am confident will help to position our department to meet the challenges and priorities for the future.

I thank those of you who took the time to really consider the implications of this change and provided comments about how we can continue to refine the structure at a section level. All feedback was welcome and considered by the Executive Leadership Team, comprising all Deputy Secretaries and myself.

The new structure will formally come into effect on 1 December 2013, with planning for the changes occurring over that time and existing reporting lines being maintained. However some changes are required immediately to enable the Grant Services Division (GSD) to be operational from next Monday 21 October.

Janet Quigley and Lou Andreatta will be moving from their current roles to take up the 'Regional Services Grants' and 'Grant Process and Policy Support' Branch Head positions respectively. Lou will commence on Monday and Janet when she returns from leave on Monday 28 October. Interim arrangements will be made by the Population Health and Health Workforce Divisions to accommodate their early movement into the new structure until 1 December. I would like to acknowledge the significant contribution of Robyn Brunner, who headed up the Transition Branch with responsibility for staff consultation, establishment and transition of grant activity to the GSD.

Full details of the SES management structure will be announced soon, following discussions between the SES staff affected by the changes and their Deputy Secretaries.

The high level structure will inform the business planning process which will run from next Monday until mid-November. The certainty of the new structure means that divisions involved in structural changes will be able to work effectively together to identify priority work and staffing implications of the changes.

There will, of course, be ongoing refinement of things like division and branch names and some further functional alignment as part of the business planning process. You will have the opportunity to be involved in this process.

You might also remember that the consultation draft included concepts of 'shared outcomes' and 'communities of practice'. These were strongly supported as ways to work collaboratively across silos and people were keen to understand how this will work at a practical level. More information on these concepts will be provided over the coming weeks, and I encourage you to get involved and bring your ideas forward.

Business Management Units

We will continue to review our BMU functions to identify the most efficient operating models that can be shared whilst still meeting the needs of different divisions.

New Corporate Plan

An SES working group has been busy developing a draft Corporate Plan for 2014-17. The Executive Leadership Team is pleased to provide this draft version for all staff to have an opportunity to comment. A [blog](#) has been created where you will be able to comment on all elements of the proposed plan. If you would like to provide input, but prefer not to post a comment on the blog, you can send your input to [healthcommunications](#). Any comments provided over the next week will be collated by PCCD and an updated plan will be circulated as part of the business planning process.

Our Corporate Plan sets out our high level strategic direction – our vision, priorities and expectations about how we will go about achieving these. It is vital that everyone has a clear line of sight from our individual roles to the Corporate Plan. In many different ways, everyone in this department contributes to achieving our vision. To this end, I encourage you to take the opportunity to review the draft plan and to engage in it when developing or reviewing your Performance Development Scheme agreement.

Staff support

The Executive Leadership Team recognise the proposed changes will impact people in different ways. The department will continue to provide support, directly from managers and through the change management workshops. Our [Employee Assistance Program](#) is also available to all staff members and immediate family members for confidential counselling and support by phoning 1300 361 008.

Jane Halton
Secretary

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Executive Connect messages

Organisational changes - Secretary's Exec Connect message

Date: 15 Nov 2013



Australian Government
Department of Health

A MESSAGE FROM SECRETARY

Jane Halton

EXECUTIVE CONNECT

Colleagues

I'd like to take this opportunity to update you on how the department is progressing towards our new structure on 1 December.

The organisational change we are undertaking is significant and is touching all areas of the department. I would like to thank you for your professionalism and for the support that you are showing each other as we go through this change.

I am confident that in moving to our new structure from 1 December we will be in a much more sustainable position and well placed to continue to deliver our core work.

Our business planning is almost complete and divisions are working hard to determine effective and affordable structures to deliver their work over the next two years. As you all know, we need to reduce our staffing numbers and as part of the business planning process divisions are identifying specific functions, roles and staff that exceed the available budgets.

I realise that this is a difficult process for everyone to go through and I encourage you to continue to be respectful to each other, and to access the various support services that we have available, including our [EAP service](#) which we have on-site in the department over the next few weeks. Voluntary redundancies will be available to staff that would like one and who do not have skills and experience that are important for us to retain in the new structure.

I have previously discussed with you the measures that we have put into place to manage our staffing numbers, including the establishment of a Business Services Centre (BSC) as a replacement for the Reassignment Stream. Staff identified by divisions as no longer being in funded roles will transfer to the BSC when we move to the new departmental structure on 1 December. Staff are not being made excess as a result of this process -- voluntary redundancies are being offered through an [EOI process](#) open to all staff which closes today.

The BSC will provide the department with the opportunity for specific unfunded work to be undertaken for divisions and also provide surge capacity for unfunded work that would otherwise usually be undertaken by non-ongoing staff.

There are two important aspects of how the BSC will operate that I would like to ensure are clear to staff. Firstly, all staff in the BSC will most certainly have work to do. I have asked all divisions to identify, through business planning, the work that they cannot deliver within their allocated budget and staffing levels. This work will be allocated to staff in the BSC to deliver on a project basis.

Secondly, all staff in the BSC will be our first priority for filling any funded roles as soon as they become available across the department. We will also work across the APS to assist staff to transfer to other agencies where the opportunity arises. Staff in the BSC will all have a PDS agreement and access to training and development support.

I have been asked 'how long will staff work in the BSC?'. No time limit has been set for how long staff can work in the BSC. I expect that we will continue to use this mechanism to help us efficiently reassign staff to funded positions for as long as we have the need. Our priority is to reassign staff to funded positions as soon as possible.

Information about the Business Services Centre is available on the intranet and queries can be emailed to Organisational Change.

I'd like to thank you for your hard work, particularly over the last two months and for the positive way many of you have contributed to this organisational change.

Jane Halton
Secretary

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Supporting Guidance for Identifying Unfunded Positions

Attachment

Guidance for determining divisional structure

B

- The business planning process will inform divisional priorities, noting these may be different in the new structure.
 - Determine priorities.
 - Consider budget allocation (this will determine available resourcing in TM1).
 - Identify funded and unfunded work (see process for identifying unfunded work).
 - Consultation with other divisions may be required.
- Commence consultation about proposed structure and provide staff with the opportunity to discuss.
 - Staff must be given a reasonable opportunity to express their views and to contribute to the decision making process.
 - Continue to update staff throughout the process (at a minimum consider regular division/branch meetings and emails).
- Develop staff profile to ensure priorities are met within agreed resources.
 - Determine staffing classifications required to deliver objectives and outcomes (see business plan guidance on section team sizes).
 - Consider EL:APS ratio in line with the organisational design principles (see Attachment A for principles). Flexibility will be required as some divisions will have difficulty meeting their planned EL:APS ratio this financial year as the full impacts of the MOG moves and the establishment of the GSD are not yet fully known.
 - Job size positions* and subsequent conversations with staff identified in positions requiring reclassification (consider using role evaluation tool).
 - Identify skills, knowledge and competencies needed in the new environment.
 - Define or review generic job descriptions* to determine work-related qualities of positions (generic job descriptions are available from Recruitment).
 - Consider principles for managing staff numbers e.g. ceasing or not extending non-ongoing contracts and opportunities for job sharing.
- Develop proposed structure.
 - Determine which staff will move to the new structure; consideration must be given to staff that are on leave (see guidance for matching staff to positions and identifying unfunded positions).
- Implement structure by 1 December 2013.
 - Advise staff of the outcome in a timely manner.

**It is not intended that detailed job descriptions be developed nor job sizing undertaken for every position. In most cases, the generic descriptors provided by PCCD and knowledge of work requirements and the Capability Map will suffice to inform any potential restructure or reclassification of positions.*

Approach

A considered approach should be taken to ensure staff with required skills are matched to positions in any new structure. It is suggested that a staged approach be undertaken when matching staff to positions (e.g. EL2 staff considered first).

- Where the functions of the position remain mostly the same:
 - staff follow the function to the new structure in the same position (form follows function).
- Where the functions of a position have changed substantially, new positions are created, there are less positions than staff, or there is no clear form follows function:
 - staff may be placed in the new position following a fair matching of staff to positions (fair matching process); or
 - staff may be asked to nominate their preferences to determine staff moving to the new structure (broader fair matching process).

If structural change results in too many staff at a particular classification, divisions may need to consider opportunities for staff movement and/or voluntary reduction in classification. Divisions are best placed to manage this and there will be no organisational wide EOI process to assign staff to the new structure.

Form follows function

Where the functions remain the same; or functions from more than one position have been combined and that position now consists of the majority of one of the previous positions, managers may transfer the aligning substantive occupant in the same position.

Fair matching process

Where the creation of a new position comprises equal components of previous positions, the number of staff exceeds the number of positions, or there is no clear form follows function; a fair matching process may be used to determine who is most suitable. You may wish to consider the submission of résumés from staff (this could be limited to a section/branch/division) to assist in assessing against the role requirements and justifying an outcome. This is consistent with the process used for the GSD selections and aligns with the APSC guidance on the 'fair' principle.

Broader fair matching process

An alternative option to a fair matching process is to broaden the scope of the process by asking staff to submit preferences in addition to their résumé.

Staff should be given enough detail of the proposed structure and functions to consider their suitability for a position and to ensure they submit realistic preferences. If the number of first preferences is equal to the number of available positions then the staff should be placed consistent with their preferences. Where there are more first preferences than positions, managers should negotiate with staff to offer second preference placements and so on to third preferences.

Suggested process to match staff to positions

- Determine which staff will follow their current function to the new structure (form follows function) or whether a fair matching process needs to be conducted (fair matching process or broader process).
- You might consider requesting résumés from staff (including staff on leave) where positions have substantively changed, new positions are created, there are less positions than staff, or no clear form follows function.
- Match staff using the work-related qualities of the position.
 - Compare skills and knowledge of staff to the requirements of the position and the work-related qualities and provide an overall rating. To assist in this comparison, a suggested rating scale is at Attachment B.
 - A match may be determined where the staff member is able to undertake the requirements of the position including having suitable qualifications, skills or experience.
 - Consideration must be given to maintaining appropriate diversity profiles.
- Keep documentation including the justification for the decision.
- Notify affected staff.
- If no suitable position can be identified, the relevant SES staff member advises the ongoing staff member there is no funding for the position they occupy and the division cannot identify a mobility opportunity. The staff member should be advised that they require transfer to the BSC and the process should be outlined.
 - Staff may consider expressing an interest in a VR, noting there are a limited number of corporately funded VRs being offered at this time.
 - Staff may also consider a voluntary reduction in classification, however there needs to be a position available and a fair matching process undertaken. People Management Solutions should be contacted for advice on voluntary reduction in classification.

Suggested process to identify unfunded work for BSC

- The business planning process will inform divisional priorities, noting these may be different in the new structure.
- Budget allocation will determine available resourcing in TM1.
- Staff profile to be developed to ensure priorities are met within agreed resources.
- Unfunded work highlighted in the division's business plan will form bids for the initial potential work program for the BSC. This will primarily be high priority work that must be finalised.
 - Unfunded work might be projects that mitigate risk for the department or are projects required by the Executive.
 - New Policy Proposals are normally funded and work will be priority.
 - Business as usual work may also be considered priority unfunded work depending on divisional objectives.
- Following identification of the work activity in the business plan, a template (to be provided) for bids to the BSC will need to be completed by the division. Details to be provided will include, skills required to complete work, milestones, deliverables and objectives.
- Bids will be prioritised and then agreed by the Executive Committee to determine which unfunded work is to be actioned.
- Staff in the BSC with a matching skill set will be allocated work to be completed. Staff already in the BSC will report through the BSC structure. In some instances, primarily for newly identified BSC candidates, it may be less disruptive to continue co-location with a division for the duration of the task. However, in all instances reporting lines would be through the BSC to capture unfunded activity.
- It is proposed that an account manager model be established within the BSC to liaise with line areas regarding progress and consultation on work activity.
- Reports will be provided to the division and Executive on BSC staff and activities.

Attachment A – principles for organisational design

The department continues to drive change through our people. Restructuring provides an opportunity to consider the design of the organisation while striving to achieve our EL:APS target. Broader spans of control are associated with better functioning organisations.

When designing work areas should consider the principles below:

Broad objectives

- Work is undertaken at the appropriate level
- Jobs designed in line with work level standards
- Appropriate level of managerial responsibility and work complexity
- Ratio of EL:APS staff continues to improve (1:2 by 30 June 2015)

Considerations

- Section size should be no less than 9 (Service Delivery sections may be larger and Policy sections slightly smaller). Indicative section size @July 13 – Grants 7-18 (1:1:62), Policy 5-11 (1:0.9), Regulatory/Service 5-14 (1:1.33)
- A Section Head (EL2 or equivalent) should have at least 2 direct reports
- An Assistant Director (EL1 or equivalent) should have at a minimum 3 subordinate staff (unless they are clearly considered to be specialist staff or exceptional circumstances exist)
- Collaboration and networking to leverage existing capability to increase productivity
- Reduce high degrees of specialisation by building broader, transferrable capabilities
- Leaders have broader accountabilities rather than be technical experts including exercising delegation

Principles that can apply to any organisational design:

- enable strategy
- leverage people
- contain cost
- operate within constraints
- eliminate difficult tasks
- protect critical specialists
- optimise hierarchy
- clarify decision rights and responsibilities
- strengthen accountability
- improve innovation and flexibility

Attachment B – suggested rating scale

The following criteria describe the work-related qualities that may be taken into account in making an assessment of candidates' suitability to perform duties. Where the assessment determines that a staff member's work-related qualities fall across several criteria, the overall rating should be where the majority of work-related qualities are evident.

1. Critical

- a. skills and abilities are critical to achieving the objectives and outcomes of the position
- b. relevant qualifications are held where required
- c. the capabilities expected at the level of the position are consistently exceeded
- d. goals and standards are consistently exceeded
- e. personal qualities such as honesty, integrity and team work are exemplary
- f. EL and APS 6 staff should have supervisory/management experience

2. Highly transferable

- a. skills and abilities are diverse and the staff member has substantial experience which is transferable to the position
- b. relevant qualifications or equivalent experience is required
- c. the capabilities expected at the level of the position are consistently displayed
- d. goals and standards are competently and effectively met
- e. personal qualities such as honesty, integrity and team work are evident in the staff member's behaviour
- f. there is high potential for the staff member to develop skills and abilities required for the position

3. Generic

- a. skills and abilities are generic in nature and the staff member has general experience not necessarily related to the position
- b. the capabilities expected at the level of the position are consistently displayed
- c. goals and standards are competently and effectively met
- d. personal qualities such as honesty, integrity and team work are evident in the majority of the staff member's behaviour

4. Limited

- a. skills and abilities are limited in relation to those required for the position.
- b. the capabilities expected at the level of the position are not consistently displayed
- c. goals and standards are met most of the time
- d. personal qualities such as honesty, integrity and team work are sometimes displayed

Note: Assessments should consider diversity and not limit opportunities or make assumptions. The department's Workforce Diversity Program acknowledges and appreciates the differences in every employee and encourages diversity in our backgrounds, skills, talents and views to enrich our working environment and the quality of the work undertaken by the department.