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OIA-2024-4916

5 March 2024

Dear [REDACTED]

I refer to your email of 9 February 2024 requesting the following information under the Official Information Act 1982 (OIA):

- 1. Any correspondence received by you between 1 December 2023 and today from your agency's responsible minister, the Minister of Finance, Treasury, or any other Minister or Agency regarding the fiscal sustainability programme, including any savings required by your agency.*
- 2. Any letters of expectation or guidance from Te Kawa Mataaho received by you between 1 December 2023 and today regarding change management or employment relations.*

With respect to part one of your request, information concerning the fiscal sustainability programme is closely associated with Budget 2024. It is therefore withheld in full in accordance with section 9(2)(f)(iv) of the OIA.

With respect to part two of your request, enclosure one provides extracts concerning employment relations/change management from meeting notes for public service heads of human resources. Guidance regarding the principles of managing change is provided at enclosure two.

You have the right, under section 28(3) of the OIA, to ask an Ombudsman to review this response to your request. Information about how to make a complaint is available at [www.ombudsman.parliament.nz](http://www.ombudsman.parliament.nz) or freephone 0800 802 602.

Please note that responses to official information requests are proactively released where possible. This response to your request will be published shortly on the NZDF website, with your personal information removed.

Yours sincerely

**AJ WOODS**

Air Commodore

Chief of Staff HQNZDF

**Enclosure:**

1. Meeting Notes extracts
2. Key principals of managing change – fiscal sustainability programme 2024

Thursday 7 December 2023

## Employment Relations update

In the last couple of months we've spoken about fiscal sustainability, particularly engaging with your people and their representatives on ways for meeting the expected fiscal challenges. As we see changes being implemented across the sector, it's timely to highlight the issue of re-employing someone that had recently received a redundancy payment.

A high-level overview of restrictions on redundancy payments - Section 88 of the Public Service Act notes the restrictions:

*1. A public service employee who has received a notice of termination by reason of redundancy is not entitled to a redundancy payment if, before the employee's employment has ended, the employee—*

*a) is offered and accepts another position as an employee in the State services (either in the employee's current department or interdepartmental venture or elsewhere in the State services) that—*

*i) begins before, on, or immediately after the date on which the employee's current position ends; and*

*ii) is on terms and conditions of employment (including redundancy and superannuation conditions) that are no less favourable; and*

*iii) is on terms that treat service within the State services as if it were continuous service; or*

*b) is offered an alternative position as an employee in the State services (either in the employee's current department or interdepartmental venture or elsewhere in the State services) that—*

*i) begins before, on, or immediately after the date on which the employee's current position ends; and*

*ii) is a position with comparable duties and responsibilities to those of the employee's current position; and*

*iii) is in substantially the same general locality or a locality within reasonable commuting distance; and*

*iv) is on terms and conditions of employment (including redundancy and superannuation conditions) that are no less favourable; and*

*v) is on terms that treat service within the State services as if it were continuous service.*

There are some simple actions that can be taken:

- **The current employer** – during the change management process, educate staff about the provisions in the Act. If an employee is at risk of redundancy, they can be advised that if they receive an offer from another employer from the State services prior to their last day, they must advise the HR team. HR staff can meet with the employee and discuss the offer in relation to the Act.
- **The prospective employer** – during recruitment, likely at preferred candidate stage, can ask any applicant who is currently employed in the public sector, if they have received notice of redundancy, or left employment with a redundancy payment. During reference checks, they should also ask if under notice of redundancy.
- **The employee** – be transparent about job offers, the timing and conditions of employment offers

We have seen that the Public Service Association (PSA) has produced material for their members that refers to these restrictions, so it likely that your staff are already aware of this legislation. As always, where agencies have concerns about any particular issues they are facing, they may wish to seek their own legal advice.

Thursday 18 January 2024

## **Change management and new Change Resource Hub**

We have been working on how the Commission can support agencies and entities across the system with change decisions and implementation. While each agency will be thinking about its own unique set of options and proposals, there will be aspects that will be common to many agencies going through change, and this is where we can work together to take a system-wide approach to best practice and supporting our people.

To this end, we are in the process of developing a concept for a Change Resource Hub. The general idea is a one-stop-shop likely using Teams/ Sharepoint where we can share resources, templates, expertise and ideas.

This may include key messages and context, resources and examples that agencies have used effectively, awareness of courses and training for leaders and also for impacted people, things like CV building or managing through change. We will be compiling all of the relevant advice and resources the Commission has produced before, and anything new we create.

On that note, I can clarify that we are not currently intending to issue specific guidance on change management. We are looking at some agreed principles that mostly likely line up with your existing change management practices, so we are all (including unions) on the same page with what to expect.

We are also exploring the role that the Workforce Mobility Hub can play throughout this year, noting that it is normally based matching demand with supply. That means we need to think about how that will work when there may be far more supply than demand, or the timings don't line up well.

## **Voluntary redundancy**

One thing we have been asked is whether the Commission supports voluntary redundancy. The short answer is yes, in that we encourage agencies to consider all options available to them and voluntary redundancy is one that is named in the attached principles document. I would just encourage you to weigh up all the pros and cons.

That brings me to the whakataukī I wanted to close with, that I know will be familiar to all of you, but really underpins what I have been talking about:

Waiho i te toipoto, kua i te toiroa  
Let us keep close together, not wide apart

## **ER Update from Charlie Busby, Manager Workforce and Employment Relations**

### **Fiscal sustainability and change:**

Public Service Association (PSA) National Secretaries have written to chief executives regarding engagement on budget reductions and change. The Public Service Commissioner has also received a letter and will be responding in his capacity as an agency chief executive rather than on behalf of the system.

## **Change principles**

The PSA has approached the Public Service Commission seeking more explicit guidance for public service agencies. To manage expectations in a way that should be achievable for all agencies, we have worked on some principles, in consultation with a group of Heads of HR, over the last week. These will be part of a broader range of support for management of change. The principles, which have been endorsed by the PSA, are attached in this email.

## **Monitoring change activity**

Having a picture of what change processes are underway, their cost and impact on numbers, is going to be important for Ministers. We'll be sending PSLT Heads of HR a short, one-off request seeking information about current change processes where these have an impact on employee numbers or positions.

- **Heads of HR will receive this before the end of January**
- We'd appreciate **responses by 16 February**. However, as many agencies will not have current processes underway, you may be able to quickly respond to this by letting us know that this does not apply to you.

Thursday 1 February 2024

## **Change Resource Hub update**

As previously mentioned, Te Kawa Mataaho | Public Service Commission is currently designing a Change Resource Hub to assist practitioners involved in leading and delivering change programs for their organisations. This will be a one-stop-shop for practitioners to access and share resources, templates and thinking. Our approach is to start small and evolve over time; we are going for fast and useful, not perfect and elaborate, and we will learn and refine as we go.

The Hub will be a SharePoint site and will require members to register. The site build is underway, and we have begun loading content. The type of content we are thinking of sharing include examples of agency:

- Change Management plans
- Comms and Engagement Plans
- Templates for Job Change Analysis
- Transition Plans
- Presentations to Leaders and Managers of Impacted Employees
- Template letters (e.g. offer of voluntary redundancy, confirmation of voluntary redundancy)
- Decision documents.

In addition, we will be pulling the resources and material developed by the Commission into one place. As we develop the Hub, we also hope to include a calendar with dates of upcoming meetings, discussions, webinars and/or training.

Over the next week we will be getting ready to add users to the site. We think the site will primarily be for you as Heads of HR, and a couple of people who are closest to delivering change in your agency. We recognise that each of you will tackle this differently so want to seek your advice on who would get the most benefit for accessing this Hub and being part of this community. We aren't looking for entire teams of people, just those who would be best placed to add or use the resources. Depending on what change looks like for you, that might include your Change Lead, HR business partner, OD Lead, ER Lead or Agency Workforce Lead.

### **Please let us know:**

1. If your agency has any documents or material that you would be happy sharing with the wider system. If so, please feel free to email these through directly.
2. Who within your agency you would like to have access to this Hub.

### **Change-related mobility: engaging with the Mobility Hub**

The Workforce Mobility Hub is an inter-agency brokering service that supports mobility across the public service. When your agency is going through change, we can connect supply agencies with demand agencies and vice versa to explore opportunities to second or redeploy kaimahi.

If your agency is going through change, please talk to your Agency Workforce Lead - they can contact the Mobility Hub using the contacts they have. Alternatively, agencies can email the Mobility Hub at [deployment@publicservice.govt.nz](mailto:deployment@publicservice.govt.nz), and we will loop your Agency

Workforce Lead in. See the attached document to learn more about the Mobility Hub and Agency Workforce Leads.

When you contact the Mobility Hub, as a starting point please let us know:

- The timing of your agency's change process
- What the affected professions or areas of capability will be
- How many kaimahi will likely be affected
- Where the kaimahi are located
- Whether or not you have outplacement / career transition services in place.





*The following does not constitute legal advice. Legal advice should be sought in individual cases as required.*

The Commission notes that whilst there is no ‘one size fits all’ approach to change management, each agency should have a clear vision of the purpose of change and commit to a process that follows legislation and their existing policies, treating people with respect and taking into account agency context and employee engagement structures:

- **Agencies should follow their management of change policies and** procedures, noting that these should reflect individual and collective employment agreements and other contractual commitments (see footnote below). Change processes need to be transparent.
- **People doing the work are well placed to identify efficiencies or improvements** that may improve effectiveness and minimise the extent of redundancies. Proposals for changed staffing arrangements should be developed and discussed with the potentially affected staff and their union/s, prior to any final decisions being made.
- **Agencies will commit to a meaningful consultation** with sufficient time for potentially affected staff and their representatives to provide input to proposals and provide feedback on the final draft of proposals. Appropriate release time for employee representatives should be provided.
- **Retention of skilled public servants in employment is preferable to the extent possible** and options to enable this are actively developed and considered through the consultation process. Approaches should consider attrition, reconfirmation, reassignment, redeployment or retraining into alternative roles in the agency, or redeployment into (suitable alternative) vacancies across the system.
- **Agencies should support individual development** to assist redeployment or appointment of people at risk of redundancy and build public service capability to deliver effective, efficient and responsive services.
- **Where reductions in staffing occur, this should not simply result in sharing the same work across remaining employees**, but agencies will need to explore whether different, improved or more efficient ways of working will be needed to maintain public services.
- **Voluntary redundancy from a pool of affected employees, can be considered** as a selection criterion, at the employer's discretion. Agencies that intend to use voluntary redundancy as part of a change programme should consider carefully the retention of key public service skills, the point at which volunteers are sought and the criteria for approval of requests.
- If staff are likely to be released by reason of redundancy, then agencies should be aware of, and discuss with impacted individuals, the **restrictions on redundancy payments** as set out in Public Service Act 2020 [ss88](#).





- **Staff are engaged and supported** whilst the management of change is continuing, including the post-implementation phase of the process as the organisation moves into business as usual. This may include post-implementation review of the change.
- **Agencies should engage the Public Service Commission's Mobility Hub**, which can act as a broker to support matching of Public Service vacancies with those seeking redeployment.
- **Effective communication** with staff and their representatives is vital throughout the process.
- Agencies should also **note the heightened good employer obligation** that public service agencies are expected to meet under the Public Service Act 2020 and any commitments under tikanga<sup>1</sup> and agencies should ensure that their staff understand their obligations under the Code of Integrity and Conduct for Public Servants– [He Aratohu](#)

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<sup>1</sup> <https://www.employmentcourt.govt.nz/assets/Documents/Decisions/2023-NZEmpC-101-GF-v-Comptroller-of-Customs-Judgment.pdf>