

ORGANISATIONAL STRUCTURE FOR THE DEPARTMENT OF INTERNAL AFFAIRS

Decision Document Summary

November 2010

THE DEPARTMENT OF INTERNAL AFFAIRS



Te Tari Taiwhenua



1. Introduction

Tēnā koutou kātoa, ngā kaimahi o ngā Tari. Ānei tētahi pānui nunui

Introductions to documents such as this are often read last, if at all. It is natural for people to turn to the part of the decision document which most directly affects them, and then to read on to get the whole picture. As Chief Executive it is my job to do it the other way: to begin with the big picture, and work on to the detail of the placement of each of the 2100 roles in the new, integrated Department. This document provides a summary of the decisions that I have made on the structure of the new Department. A more detailed description and explanation of my decisions is provided in the longer decision document that is available for staff to read.

The picture of change

The big picture is this: New Zealand is a small country which will always be vulnerable to the economies of its trading nation partners. New Zealand is wealthy by some standards, but international circumstances are now such that any government must seek ways to ensure that every dollar spent by government is a dollar spent wisely. The smaller picture is this: there will be no let-up in the pressure on the public service to increase productivity (that is: to deliver more for the same, or less) and to stop waste. In particular, the drive to better serve the people by cutting down on 'back-room' functions and transferring funding to improved services, will continue and intensify.

These pictures are familiar to older public servants and to historians. Since the modern public service was established in 1913, there have been waves of similar efforts at transformation. Sometimes centralisation has been strengthened, as in the 1960s. Sometimes departments have been given more direct responsibility, as was done in the 1990s. Sometimes, as in the 1930s and 1980s, there have been significant cuts.

ICT as a driver

In the 2010s we have a new tool: affordable, fast, secure and reliable information capture, storage, access and networking. Computers have been part of the New Zealand workplace since the 1960s. What we are experiencing now is a revolution in the ability of the public service to meet the needs of the people, and to do so better, faster, and at all times of the day and night.

ICT, it is rightly said, is just an enabler, only a tool: it is effectively a bigger, better, faster and more reliable version of manual systems of paper records, counter service and rubber stamps. The people's needs remain and we provide services as before. The point that is missed is that the present development of networking power makes the enabler into a driver: that is, it increases the possibility of better productivity, and increases the pressure on the public service to perform. It also makes it more likely that government will look for structural reorganisation to position the public service to make the best use of ICT enablers and drivers.

Government has put money behind this: a \$1.5 billion investment in ultra high-speed broadband. I am excited by the prospect of using our combined expertise to use this 'big pipe'

by filling it with a stream of services and information to improve people's dealings with government, and their access to content and information. The result sought is better public services, a better ability to tap into the nation's heritage material, and a more prosperous nation.

This integration is only the first part of change

Seen in this context, the decision to integrate Archives New Zealand and National Library with Internal Affairs seems straightforward; and obviously aligned with both government strategy and the real world in which we work. But it should also be obvious that simple integration is only a step to the better public services the government seeks.

There will be more change in Internal Affairs after the initial integration. The structure that I have decided upon will need to be implemented by the DCEs and their managers. For some groups this will involve more detailed change processes as further structural and design work is done to ensure the benefits of the high level structure are passed on to all levels of the Department. I am expecting that this 'cascade' of change processes will take place from now until July 2011.

It is important to acknowledge that organisational structure is only an initial enabler that will drive our performance. It sets the foundation for relationships, flows of information, and clear accountability for carrying out our functions. However, it is far from being the only determinant of our success. Collaborative, innovative, and service-oriented culture, behaviours, and capability are essential. They need to be supported by the right operating models and governance.

The leadership team of the new Department will focus closely on all of these dimensions as a matter of priority. They will ensure that we have clarity of purpose and vision for the new Department, and that our focus, ways of working and behaviours align with these. I intend to develop a clearer collective view of the Department's 'essence and purpose' early on, and I would like to be able to represent this in visual form. I am also committed to involving people from across the new Department in telling the story of who we are, what we do, and the way we go about it. I need you to help me make that happen.

I am not filling the roles of Deputy Chief Executives to simply administer the Department. I am expecting them to bring further change, so that we can be more productive, be able to develop new services, and better serve government and the people. I am determined that the Department will be one which leads its own change, and does so in a way which respects and includes its staff and the public it services. This is what we have done with the 321 Toru ki te Tahi programme and it is what we will do in future.

Our futures as professionals

In many parts of the Department, the work will continue on in much the same way, despite changes in work patterns, in the use of ICT, and in the organisation of groups. But future change will always involve the creation of new roles, and the redundancy of others. I do not expect this process to stop. Staff should think through their careers in this knowledge, and use the opportunities we offer to develop new and wider skills in anticipation of what is to come.

The new world in which we find ourselves leads us to redefine public service professionalism. We need our ethics. We need our traditions. We need our collective memory. But we also need to become professionals who not only accept change, but work for change. We need to manage risk, and protect Ministers. But we also need to seize opportunities, and empower Ministers to carry out the changes they are elected to lead.

The release of this decision document marks nine months of hard work by people within Archives New Zealand, National Library and Internal Affairs, who have sought to implement the Government's decisions in the best possible way. Many individuals did so even in the knowledge that they are themselves affected by the reorganisation, and that their personal futures were insecure. This is in the finest traditions of public service, and exactly the sort of professionalism required for the future. Among those who have worked hard are some who will not immediately find a role in the integrated department; some have already moved on. I am confident that their careers will be enhanced by their experience of accepting and promoting change.

A cultural sector leader

For most of its history, the Department was responsible for culture and heritage. It created and was home to the Dominion Museum (now Te Papa), National Archives (now Archives New Zealand), and the Alexander Turnbull Library. It also developed and was home to the functions now undertaken by the Ministry for Culture and Heritage. For the last 10 of its 170 years, the Department has not been a significant part of the cultural sector, except (and this is important) as a funder through the Lottery Grants Board and other schemes.

We have some things to re-learn that we have forgotten over the past decade, and some lessons to take from the experiences of the past. These have been repeated to us by helpful stakeholders of both Archives New Zealand and National Library, including the Alexander Turnbull Library. I have listened, and I have learned. I am committed to the support of Archives New Zealand and National Library in the exact terms of the legislation on which they each rely and which establishes both as part of the essential make-up of government in New Zealand and as major cultural institutions. These institutions are not the same thing as the several business groups within the Department which will support them. They are owned by the people, represented by Ministers, and not by us as public servants. The professionalism of Archives and National Library staff throughout the 321 process is a tribute to them, and to those who have led the two Departments; each of which is correctly described as professional and well-run. I believe the same is true of Internal Affairs.

Better together

We are being brought together because we are strong departments that will do even better together. The decisions I have made result from my own thinking and that of people throughout the three departments who have contributed ideas, criticisms and analysis. I take this opportunity to thank all those who made submissions to the consultation document. I greatly appreciated your feedback and your views have helped form my final decisions. I look forward to working with you to implement these decisions so that we are well positioned for the future.

In my view the decisions represent the best way for us to organise ourselves in readiness for future change, and to better serve government and the people of New Zealand.

Kia ora mai.

A handwritten signature in black ink, consisting of a large, stylized 'B' followed by a horizontal line and a small dot.

Brendan Boyle
Chief Executive
The Department of Internal Affairs Te Tari Taiwhenua

2. Changes to organisational structure following consultation

Overview

One hundred and 87 submissions were received, including individual and group submissions. A number of common themes emerged. Submitters generally supported the overall proposed design and could see that it will provide a range of benefits. There was strong support for bringing a knowledge and information 'cluster' of functions together, and for bringing policy functions together.

As hoped, feedback provided a better understanding about a range of practical details that have helped to challenge and test the proposed design. I have made several revisions to the design to bring it into line with practical realities, particularly the need for the structure to support close internal relationships and connections between certain functions, and cluster 'like' functions and skillsets together more effectively.

Some submitters suggested alternative design options in a range of areas. I have considered these carefully. Several presented alternatives that offered different advantages and disadvantages to the design originally proposed. I balanced the pros and cons of different options to reach my decisions. Feedback has also been useful in indicating where there are areas of the proposed design that are more complex and require further work to ensure that the best design is adopted. In these areas, I am hoping (through the detailed decision document) to set out the principles and intention that will guide further design work.

The design set out in this document marks a shift towards a more functionally-based structure, as opposed to a 'topic-based' structure. Each of these approaches has its own advantages and disadvantages. A topic-based structure helps to promote a good 'end-to-end' oversight of activities that serve a common objective, by ensuring good integration and communication across related activities. A functionally-based structure helps to build critical mass in skills and focus around certain functions (e.g. policy or service delivery), enabling more flexibility in how resources are used, and in building common capabilities and shared practices. A functionally-based structure can also help to sharpen the focus on delivery of outputs to common client groups, e.g. Ministers, the public, or particular sectors.

In moving towards a functionally-based structure, I acknowledge that among the trade-offs is the risk of losing established connections within existing groups. On balance I believe that a more functionally-based structure will help to future proof the Department, which is not only diverse, but also dynamic in its areas of responsibility. However, I haven't been purist in applying this model right across the structure where it makes sense to do things a different way.

Culture, behaviours, and the right capability will be pivotal to our success. I want to ensure that relationships are preserved and built across branches and groups, supported by a strong collaborative culture, and collective leadership by ELT and the Management Board.

Summary of key issues and responses

The table below briefly summarises the key questions and choices raised in submissions and my response to these. Detailed responses to specific issues, including the rationale for my decisions, are set out in the longer decision document that is available for staff to read.

Issue/question	Change	Decision
Policy, Regulatory & Ethnic Affairs (PREA) functions		
Should regulatory and compliance operations be in the same or a different branch to policy?	No change	Locate regulatory and compliance operations in PREA branch
Should the Office of Ethnic Affairs be positioned at second tier? If not, should OEA be located in the PREA or Service Delivery & Operations branch?	No change	Locate OEA in PREA branch
Should local government operations be located in the PREA branch or in the Service Delivery & Operations branch?	Change	Locate local government operations functions in PREA branch
Should Archives policy be located in the PREA branch or in KIRT branch?	Change	Locate archives policy in the Policy Group, PREA branch
Should Crown Entity Monitoring/Appointments be in the Strategy & Governance branch or in the PREA branch?	Change	Locate Crown Entity monitoring and appointments functions in PREA Branch
Should Crown Entity Monitoring/Appointments be separated from Secretariat Support?	Change	Locate Crown Entity Monitoring/Appointments in PREA; Secretariat Support in Shared Services Branch
Should Ministerials be co-ordinated and managed out of OCE (to be renamed Strategy & Governance branch) or PREA Branch?	Change	The business support group within PREA branch will act as the 'gateway' for Ministerials
Should Strategic Analysis and Information functions be located in Strategy & Governance or in PREA branch?	Change	Locate SAI in the Policy Group in the PREA Branch
Who should provide policy advice in relation to Ministerial Services	Clarify	Policy Group, PREA branch – advice 'contracted' as required by Ministerial Services Group, Shared Services branch
Where should ICT strategic policy be located?	tbc	Further discussion required with SSC regarding transition of GCIO functions

Knowledge, Information, Research & Technology (KIRT) functions		
What should be the name of the Branch?	Change	Knowledge, Information, Research and Technology branch (KIRT)
Should National Library and Archives New Zealand be second tier roles in the new Department?	No change	National Library and Archives New Zealand at third tier under KIRT branch
Should Government Technology Service be co-located with National Library and Archives New Zealand in the KIRT branch?	No change	GTS located with National Library and Archives New Zealand at third tier under KIRT branch
Where should Internal Affairs and all-of-government ICT services be provided from within the new structure?	No change	Internal Affairs and all-of-government ICT services both provided from within GTS
Should a branch be established that focuses on 'public services'?	No change	Public-facing services provided from two branches – KIRT (National Library/Archives New Zealand) and SD&O (passports, BDM, citizenship)
Should Internal Affairs information management/recordkeeping functions be in the same branch as the Chief Archivist?	No change	Internal Affairs information management and recordkeeping functions will be located within the KIRT branch
Can the number of layers of management in GTS be reduced?	Change	Collapse the Director layer in GTS and have the GM - GTS manage the remaining direct reports; elevate the Manager Supply role to third tier
Who should do ICT procurement (for government and/or for Internal Affairs) – Shared Services branch or GTS?	Clarify	Locate all ICT procurement functions in ICT Supply & Procurement group, KIRT branch
Should some ICT functions remain close to the National Library/Archives New Zealand business where they are integral to service development and delivery?	Clarify	To be worked through in next phase
Will GIS Web Information Service Delivery include substantive web-based information delivery or just the enabling environment?	Clarify	To be worked through in next phase
Service Delivery & Operations (SD&O) functions		
Changes relating to SD&O functions from the consultation document are described under policy, regulatory and Ethnic Affairs functions above, in relation to local government operations		

Ministry of Civil Defence and Emergency Management		
Should MCDEM stand alone as a separate second tier group or as a part of SD&O branch?	No change	Locate MCDEM as separate Branch
Shared Services functions		
Should Ministerial Services (formerly in EGS) be located in Shared Services or Service Delivery & Operations?	No change / Change	Locate Ministerial Services in Shared Services branch; continue with the current EGS Administrative Support team reporting to the GM Ministerial Services
Is it necessary to have the Strategy & Governance branch playing a 'purchasing/monitoring' role in relation to shared services?	Change	Services to be specified by Shared Services group with business group 'partners', and monitored by the Management Board; GTS services for Internal Affairs to be specified and monitored by the Strategy & Governance Branch.
Should Communications functions be in Strategy & Governance branch or Shared Services branch?	Change	Locate Communications in Shared Services branch
Where should Secretariat Support functions be located?	Change	Locate Secretariat Support functions in Shared Services branch
What should be included/not included in Secretariat support functions?	Change	Functions related to Lottery Grants Board support, and support for other community funding-related bodies, will be located in the Community Operations group in SD&O branch
Strategy and governance functions		
Office of the Chief Executive – change name?	Change	Strategy & Governance
Should Legal functions be in Strategy & Governance branch or Shared Services branch?	No change	Locate Legal in Strategy & Governance branch
Should an Organisational Development group be established now and if so, where should it go?	No change	Identify the purpose, fit and composition of an organisational development group in the next phase
Which Māori-related functions should be centralised or close to specific business groups?	Change	Maintain existing arrangements until further work is done to determine the best approach
Should Research and Evaluation be located in PREA branch, Strategy & Governance, or Shared Services?	Change	Locate Research and Evaluation team in the Strategy & Governance Branch, as a separate group
Other issues		
What is the generic model for 'business support'?	Clarified	Proposed approach outlined in more detail

3. Key features and benefits of the structure

Approach to Policy, Regulatory and Ethnic Affairs functions

The structure involves grouping existing policy and regulatory functions from across the three agencies into a single Policy, Regulatory and Ethnic Affairs branch. Key benefits of this approach are:

- enabling development of a greater critical mass in policy and regulatory skills and resources. There is competition in the public sector for scarce high quality policy and regulatory skills. Building critical mass will assist with attracting and retaining top talent, and will strengthen capability to develop strategic policy
- future-proofing - enabling new policy and regulatory functions to be added, or functions to be changed over time, without creating fragmentation or requiring fundamental re-design
- enabling greater flexibility to shift policy and regulatory resources to respond to changing demands and priorities over time, particularly as there is increasing demand for policy services in areas such as local government, and information policy
- recognising the key policy role for government of Ethnic Affairs by ensuring immediate access to the policy team
- enabling the Director of the Office of Ethnic Affairs to concentrate on responsiveness to communities and meeting ministerial expectations with a lessened administrative workload
- recognising and responding to the needs of Ministers as a primary stakeholder group across all areas of policy
- facilitating the development of policy frameworks and thinking in areas of opportunity presented by integration, particularly content delivery services and information management.

Approach to National Library, Archives New Zealand, and Government Technology Services

National Library, Archives New Zealand, and Government Technology Services will be grouped together into a single Knowledge, Information, Research & Technology branch, along with some information-related services that currently sit within the Executive Government Support Group (Internal Affairs). This design aims to preserve the distinct roles, identities, and day to day functioning of the National Library and Archives New Zealand, but cluster them under a single management grouping in a way that helps to realise the benefits from integration.

In particular, there are exciting potential opportunities to bring together existing skills and focus around content services, information management, and technology, to transform delivery of knowledge-related services.

Particular benefits of this approach are:

- greater effectiveness and efficiency from leveraging related skills, resources, platforms, systems and processes
- positioning these services together in a cluster that is explicitly focused on creation and preservation of, and access to, content, knowledge and information, with a strong technology dimension. The Department will have great depth of expertise in these related areas. This not only reflects one of the key purposes of the Department looking forward, it also positions the Department to integrate further related functions in future, as appropriate
- providing strong support to develop and implement existing and potential future programmes to transform content and information service delivery, such as the Next Generation Library programme.

The approach will ensure that the integrity of the existing statutory roles of National Librarian, Chief Librarian (Alexander Turnbull Library), and Chief Archivist, is preserved. This means ensuring that statutory and professional roles and accountabilities relating to these roles are maintained. In practice, it is expected that the proposed design will provide enhanced career paths around these roles within the overall structure.

Approach to other services and operational functions

The approach will be to combine a range of existing operational functions within Internal Affairs together into a single Service Delivery and Operations branch. While this involves managing a reasonably diverse range of functions at Deputy Chief Executive level, it offers the benefits of:

- enabling a sharp focus on effective and efficient approaches to service delivery and operations, and a single point of accountability for a range of services and operations provided through the Department
- supporting a strong culture of service delivery and operational excellence across functions
- structural flexibility to accommodate changes in service and operational functions in future
- an enhanced career pathway for senior managers.

Approach to corporate-type services

A shared business services model will be applied, under which a Shared Services branch will contain the core internal corporate support services. The branch will also provide the ministerial support services that are currently provided from within the Executive Government Support group in Internal Affairs.

The idea of a shared services branch is to create a single point of accountability for related corporate-type functions that are provided by and for the Department. A traditional model in most organisations would be a corporate support set of functions located in the same branch, providing services to business groups within the organisation. However, the Department also provides a range of corporate-type services to Ministers, along similar lines to the Internal Affairs shared services operating model. ICT services for the Department are also a shared service, but I believe that the benefits of co-locating these functions with other

information/knowledge/content functions outweigh the benefits of locating GTS in the Shared Services branch.

Approach to strategic management functions

The approach will be to continue with the current Internal Affairs model of an Office of the Chief Executive, renamed Strategy and Governance branch to more closely reflect its focus, and with some change in functions. This branch will carry out strategic management functions across the Department, and provide strategic support to the Chief Executive, the Executive Leadership Team and the Management Board.

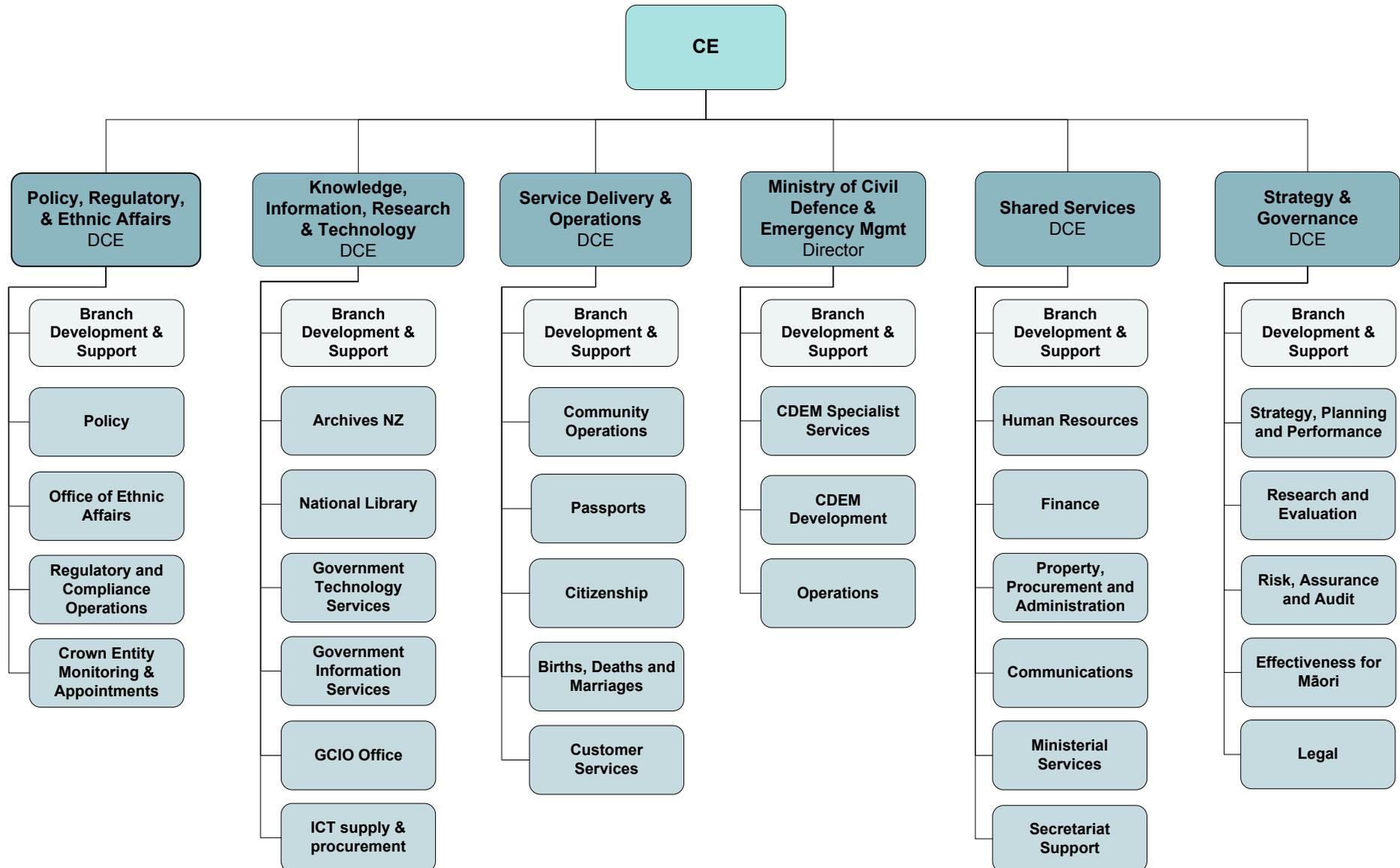
Approach to civil defence and emergency management functions

The approach will be to continue with the current model of a Ministry of Civil Defence & Emergency Management, led by a Director reporting to the Chief Executive. This recognises the fundamental responsibility of this group for the preservation of life, property, and society in large scale emergencies, the significance of the statutory powers of the Director, and the need to provide effective leadership to whole communities or even the whole nation. This has been under-scored by recent events.

Approach to GCIO functions

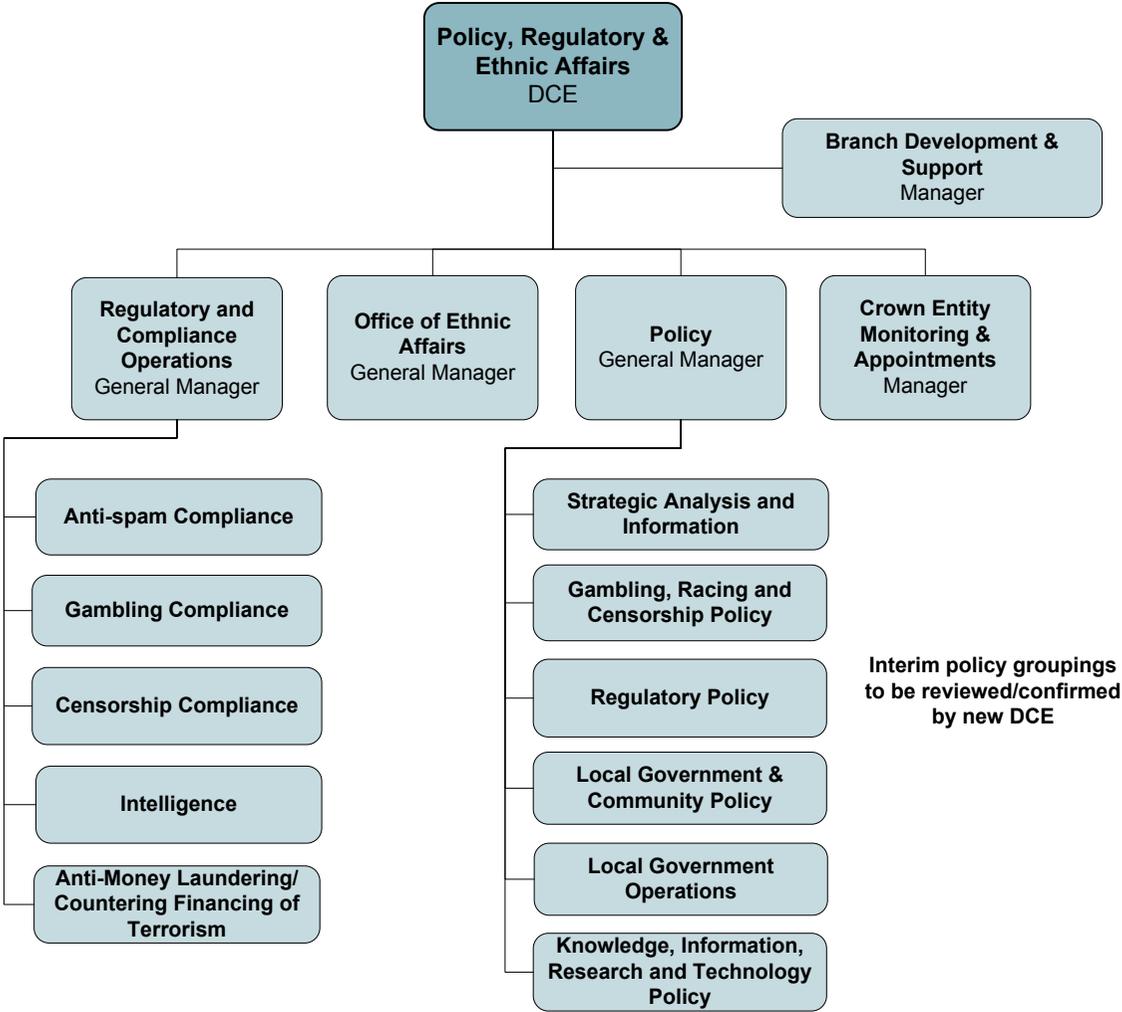
Strategic functions relating to the establishment of a Government Chief Information Officer are to be transferred from SSC to the Department in early 2011. How these functions will be reflected in the organisational design, in terms of location, accountabilities and governance, are still being worked through.

4. Final organisational structure

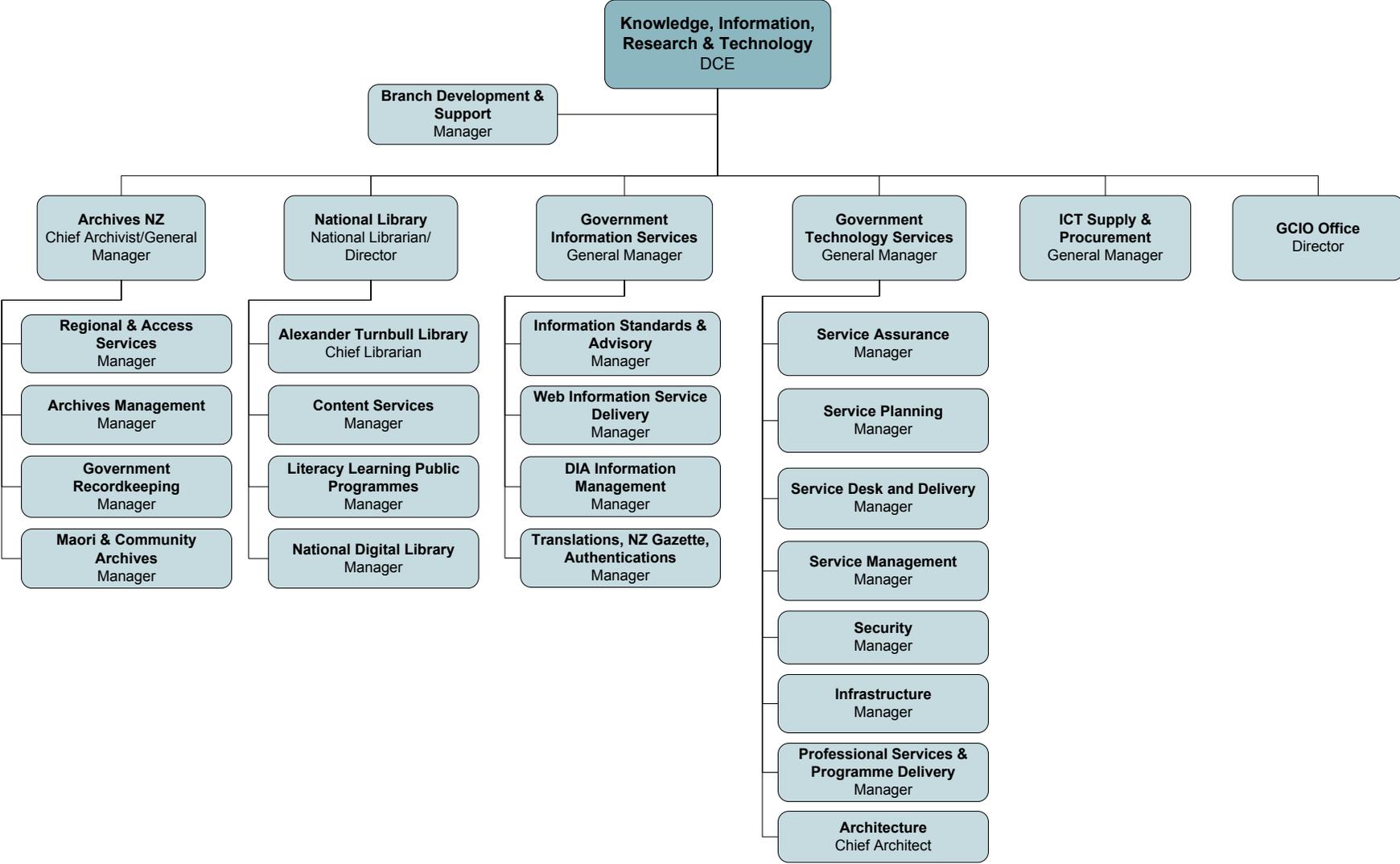


5. Branch structures

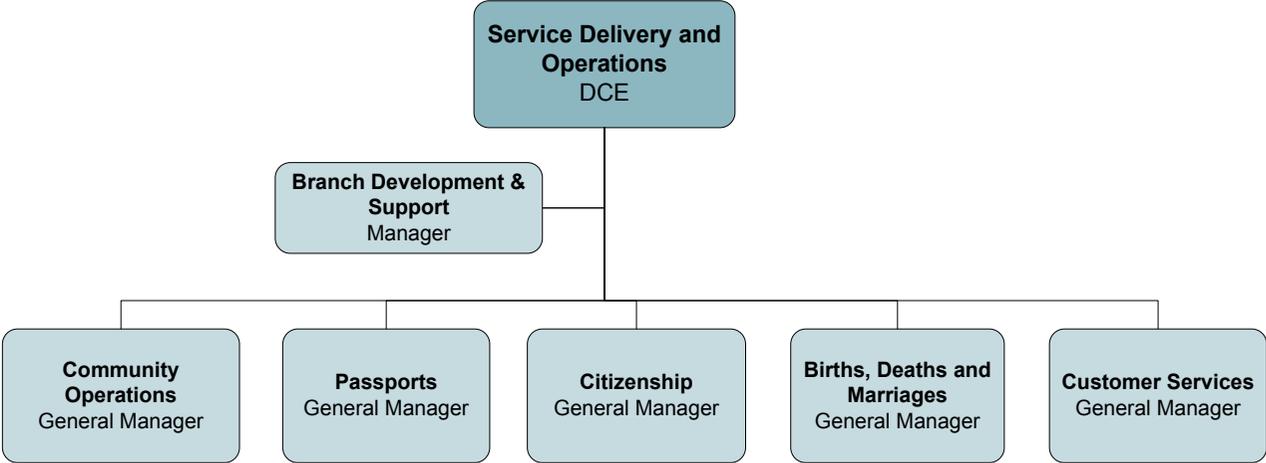
Policy, Regulatory and Ethnic Affairs Branch



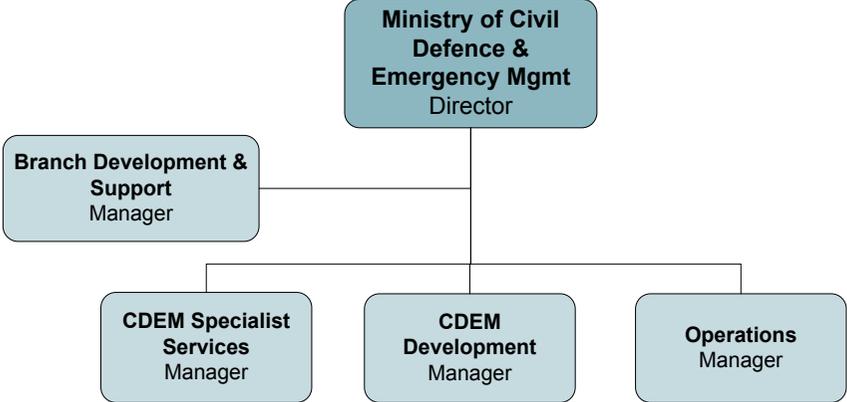
Knowledge, Information, Research and Technology Branch



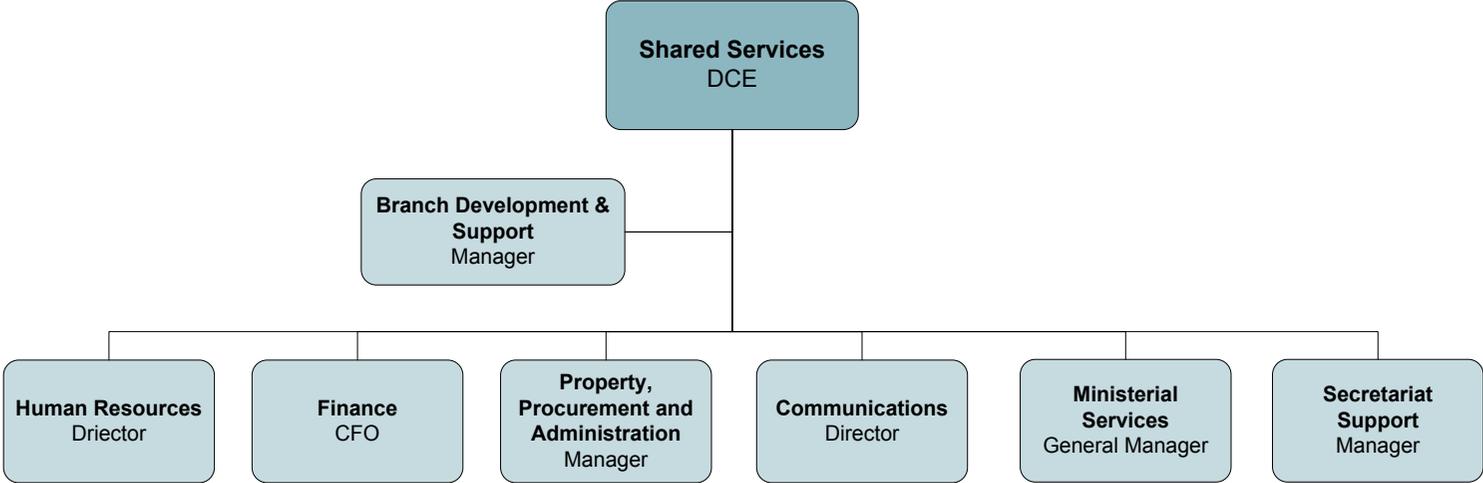
Service Delivery and Operations Branch



Ministry of Civil Defence and Emergency Management



Shared Services Branch



Strategy and Governance Branch

