

Estimates Hearing – Ministry Workforce (FTE, Operating Model, Restructure) – Minister Bishop

Topic	Talking Points
<p>How has the Ministry’s staffing changed?</p>	<ul style="list-style-type: none"> • In 2023/24, the Ministry was funded for 1,230 FTE. • At 1 November 2024 (when the Ministry’s new structure took effect), funding reduced to 836 FTE: <ul style="list-style-type: none"> ○ 708 permanent FTE ○ 128 fixed-term FTE • Subsequent decisions allowed for 26 contingency-funded roles in Resource Management Reform and Fast-track Consenting – taking the total FTE to 862. • At 28 February 2025, the Ministry has: <ul style="list-style-type: none"> ○ 714 permanent FTE. ○ 77 fixed-term FTE. Many of these roles will come to an end on or before 30 June 2025. • At 30 April 2025, the Ministry has: <ul style="list-style-type: none"> ○ 714 permanent FTE. ○ 64 fixed-term FTE. Many of these roles will come to an end on or before 30 June 2025. <p>What impact has the reduction in staffing had on work programme delivery?</p> <ul style="list-style-type: none"> • The Ministry reset its work programme for 2024/25 to align with the Government’s cost savings expectations and priorities. • The Ministry has also updated its strategic framework and Strategic Intentions (published in February 2025) and is updating its performance measures. <p>How will the Ministry’s staffing change in the future?</p> <ul style="list-style-type: none"> • Future FTE numbers may change depending on the outcomes of internal business planning which is yet to be finalised. • New funding has been provided in Budget 2025 to deliver RMA replacement over the next two years. This will fund approximately 70 new fixed-term roles in 2025/26, dropping to about 60 new fixed-term roles in 2026/27. These roles will help support the work going on at a fast pace now, to get the two Bills introduced into the house by the end of this year. • A number of these roles have already been appointed. We will begin recruiting for other, mainly specialist roles, soon. • This process is separate from last year's change programme.
<p>What organisational reviews have driven staffing changes at the Ministry?</p>	<p>There have been two organisation-wide reviews:</p> <ol style="list-style-type: none"> 1. Operating Model Phase 1 Review (2023): <ul style="list-style-type: none"> • The outcomes of Phase 1 of the Operating Model Review were implemented on 1 December 2023 and resulted in a new business group structure, a smaller senior leadership team (Tiers 2 and 3), and a blueprint for transforming our ways of working. <ul style="list-style-type: none"> ○ 13 permanent roles at Tiers 2 and 3 were disestablished, mainly through the early ending of fixed-term or secondment arrangements. 2. Operating Model Phase 2 Review (2024): <ul style="list-style-type: none"> • Phase 2 of the Operating Model Review involved a whole-of-Ministry reset driven in large part by the Government’s cost savings initiatives coupled with the Ministry’s already declining baseline. • The resulting structure, informed by the principles of the operating model, was implemented on 1 November 2024 and as a result: <ul style="list-style-type: none"> ○ 120.1 permanent roles were disestablished. ○ 148 fixed-term contracts were ended early. ○ 128 fixed-term roles were created most of which would end on 30 June 2025. 81 of these were filled by permanent staff entitled to delayed redundancy at the end of the fixed term. ○ Under these decisions, permanent funded FTE was due to reduce to 714 FTE at 30 June 2025. <p>What further organisational change is planned?</p> <ul style="list-style-type: none"> • The Ministry is mindful that its baseline decline is set to generally continue over time, and in line with this the Ministry anticipates further reductions in FTE (noting that we have some new short-term funding to deliver RMA replacement legislation). • The Ministry intends to use cost-neutral mechanisms to help achieve anticipated future reductions, such as holding vacancies and ending fixed-term roles early, as well as targeted formal change processes should this be necessary.

What redundancies has the Ministry made, and how much did these cost?

- There are 278 expected redundancies following the Ministry's recent change process and restructure which took effect on 1 November 2024.
- This includes 197 permanent staff members that have already taken redundancy and left the Ministry. Of these:
 - 156 were voluntary
 - 41 were not placed or opted out of the process
- A further 81 permanent staff members accepted delayed redundancy via new fixed-term contracts, most of which end in June 2025. (At 30 April 2025 we had 72 staff remaining in a delayed redundancy role.)
- This number may reduce if these staff members are reassigned into permanent roles that may become vacant, or they resign before the end of the fixed-term roles they may be filling.

How much has the Ministry spent on redundancies?

- Actual redundancy costs to date resulting from the operating model changes are \$6.996m (\$1.485m in 2023/24 and \$5.511m as at 28 February 2025).
 - *[Update: March and April 2025 paid out total = \$271,512.36, taking the total as at 30 April 2025 to \$5.783m]*
- The Ministry is holding a provision of \$4.637m as of 28 February 2025 to cover delayed redundancies and equalisation costs.

How has the Ministry sought to minimise redundancy costs?

- The Ministry avoided significant redundancy costs by taking steps in 2023 to hold unfilled about 230 funded roles and employ most new staff on fixed term contracts.
- Through the savings-driven restructure in 2024 we ended many fixed term contracts early – avoiding a large number of redundancies.
 - The Ministry employed a cohort approach to selecting staff for its new structures so that it could redeploy staff according to skills, thereby minimising the number of staff that may need to be made redundant.
- Only once all other options were exhausted were redundancies made.
- Expressions of interest for voluntary redundancy were only accepted if there were known reductions required in that cohort and there would not be a need to backfill in future.