

**EXTRAORDINARY COUNCIL MEETING AGENDA****1 JUNE 2020****6.2 NIRC ORGANISATIONAL RESTRUCTURE****Author: Andrew Roach, General Manager****BACKGROUND**

I commenced the role of General Manager on 6 January 2020. Since that time Council has adopted a Strategic Action Plan, commenced significant capital programs, addressed water shortages, engaged in the sea freight solution, and the latest and most difficult challenge of managing a pandemic. Added to this challenge for me is analysing our financial position, and how this can support the challenges facing this Council and its community for the next few years.

Through the Covid-19 crisis we have uncovered the dire financial position facing the Council and it should be noted that these financial challenges were always there, as a result of poor decisions made by former Management. However, through the efforts of the current Executive Officers and staff including Roger Nielsen (our interim contracted Finance Manager), we have identified these issues and worked diligently to provide an urgent solution in this short period of time - knowing that financial stability and accountability is paramount.

In searching for solutions, it is also important to note that Council has a number of contractual obligations that it cannot change, therefore hard fiscal decisions are now required to correct our course.

As a new General Manager it is always within my purview to assess the operational aspects of a structure within the first 6 to 12 months, to ensure that it meets the objectives set for me by Council. The Strategic Action Plan has influenced this proposal, but it has mostly been driven by our precarious fiscal position we find ourselves in.

**RELEVANCE TO THE STRATEGIC PLAN AND RESOURCING STRATEGY**

Objective 1 – Use and Manage our Resources wisely

Objective 4 – We work together to achieve our goals

Objective 6 – Strong, diverse and vibrant business environment

Objective 7 – A skilled and competitive workforce

**DISCUSSION**

Attached to this report is the existing structure (**Attachment 1**) and the newly proposed structure (**Attachment 2**).

**Benefits of new structure:**

- Whilst not desirable, there are more direct reports to the General Manager, which allows more direct input into the operation of Council
- Economic Development is created to drive the change in direction Council requires for recovery, but more importantly creation of new revenue streams (diversification)
- Considerable savings are created by this structure (\$2.2M), which will include redundancies for 20 permanent roles which also includes a significant reduction in casuals and non-replacement of some vacant positions.
- Removing silos that exist between teams within Council
- Alignment with TAAPIL goals and objectives

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- Reallocates existing resources into new positions to provide them with an opportunity, but will require a formal application process in 12 months
- Addresses opportunities to maximise support programs from the existing SDA arrangement with the Department
- Provides opportunity to the local economy to ensure some stimulus (legal panel)
- Decision will remove the anxiety in the organisation that has been building now for 2 months

The proposed process will be as follows:

- Council adopts the proposed structure
- General Manager works with Manager People & Culture to finalise the redundancy program, which includes engagement with the Staff Consultative Committee
- General Manager meets with each affected employee
- General Manager has all of Council communication
- Media Release on actions taken to inform community

**GOVERNANCE/POLICY IMPLICATIONS**

The coronavirus has permanently changed the way we live and work beyond travel restrictions and Social Distancing. Governance and Policies will have to be reviewed and aligned to what this 'New Normal' transpires for us. As such, more direct reporting positions will allow the General Manager to personally oversight the recovery and transition period of each of NIRC's sectors going forward post COVID19.

**LEGAL IMPLICATIONS**

NIL

**ENVIRONMENTAL IMPLICATIONS**

NIL

**FINANCIAL IMPLICATIONS**

This organisational restructure will yield \$2.2M in savings. This will reduce total employment costs from \$11.9M to \$10.5M. This is a positive step in addressing community concerns that have been raised with me since arriving in the role and shows community leadership during this difficult time of fiscal constraint.

**RECOMMENDATION**

That:

Council endorse the General Managers report on the Organisational Restructure and approve application as a matter of urgency to address the fiscal challenges facing the Council.

**ATTACHMENTS**

1. 2019\_2020 NIRC Organisational Structure
2. 2020\_2021 NIRC Organisational Structure

# Norfolk Island Regional Council

## Organisational Functions Structure



