

## Budget and Staff Sensitive

# Summary of Proposed Department of Conservation People Change to meet Savings Target and Cost Pressures 2024/25

### Context and Rationale

DOC is preparing to consult with staff on a change proposal. The main driver for this change is savings and efficiencies to meet the Government savings target and address known cost pressures for 2024/25. The proposed changes will also realign people and teams to a more efficient operating model.

In 2022/23 we went through a cost savings exercise when our revenue dropped by \$28m because of fewer visitors using our facilities post Covid. At the time we absorbed costs, froze recruitment, and found savings in our back office/enabling functions.

In developing the current proposals, SLT has looked across our enabling functions, operating expenditure and programmes and assessed each potential saving against the following criteria:

- How the work aligns with government priorities
- Non-essential back-office functions
- The impact on core services and outcomes
- Our ability to implement and realise the savings by 1 July 2024

Through this work, we have:

- Already implemented actions to save money, including managing our sensitive expenditure, reducing contractors and consultants, and have paused recruitment since November 2023.
- Identified other areas for savings, some of which have been suggested by our people, e.g. reducing our mobile phone costs and our pool of leased vehicles
- Proposed changes to our permanent workforce outlined below.
- Proposed reductions to operating expenditure and a number of programmes and services, including some that are awaiting decisions from Ministers as part of Budget 2024.

### Summary of proposed changes to roles (provisional until final consultation document is approved)

- **263** roles are proposed to be disestablished
- **93** of these are vacant due to recruitment freeze implemented in November 2023.
- The proposed net reduction in positions, subject to consultation and final decisions, is **124**. This is approx. 4% of the total DOC funded FTE of **2,647**.
- 170 people are affected by the change proposal
- 139 new roles are being created that impacted people can apply for. If every person is placed in the management of change process, the number of redundancies would be 31.
- The final number of redundancies will not be known until after consultation, final decisions, and the completion of the management of change process.
- These proposals equate to an \$11M saving, which will contribute to an overall savings target of \$41M for 2024/25.

## Further work to do

DOC has cost pressures in future that it will need to adjust for. The outcome of this work will be determined by:

- A Financial Sustainability Review, agreed to by the Minister of Conservation which will determine the future role of DOC and how it is funded.
- Further work to improve and strengthen the organisation through DOC's efficiency programme.

## Key messages - Internal

<b>We have a dedicated work programme to make sure DOC achieves the Government's savings target, is financially sustainable and makes smart decisions to get the best outcomes for nature.</b>		
<b>Acknowledge</b>	<b>Context</b>	<b>Action</b>
<p>Cutting our budget is difficult for everyone – most parts of the organisation are feeling the impact of the changes.</p>	<p>Like all public sector agencies, we're being asked to make savings to meet the Government's targets.</p>	<p>We're making good progress on making DOC a better place to work for and to work with.</p>
<p>We absorbed a \$28m reduction in revenue post Covid.</p> <p>We have already improved our business processes, financial management and technology.</p>	<p>We have focused on finding savings that have the least impact on our people and on conservation.</p> <p>Given most of our costs relate to workforce, we can expect impacts on people.</p>	<p>We have good information now about what drives our costs, thanks to the financial sustainability review.</p> <p>This will determine how we are funded in future – once we put options to Ministers.</p>
<p>The scope and scale of DOC's role is immense. Climate change, biosecurity threats and land management issues are making our job more difficult.</p> <p>We have an ageing visitor network and significant cost pressures we need to absorb in future years.</p>	<p>We've already made great progress saving money.</p> <p>Thanks to the recruitment freeze we started in November, we have reduced the impact on staff and will have fewer redundancies.</p> <p>We can't do everything, everywhere. We need to get smarter and prioritise.</p> <p>We have a financial sustainability review underway, which will give advice to Ministers on the future role of DOC.</p> <p>We continue our programme on savings and efficiencies.</p>	<p>Our priorities are to:</p> <ul style="list-style-type: none"> <li>- build a sustainable funding base</li> <li>- sharply focus on making a difference for biodiversity</li> <li>- improve regulatory services</li> <li>- strengthen commercial disciplines</li> <li>- meet our Treaty obligations</li> <li>- turn our strategy into action.</li> </ul> <p>We will continue to update you as we can.</p>

## Key Messages - External

- Like all government agencies, DOC has been asked to make savings
- We have had a programme of work in place to identify where savings can be found.
- We are now consulting with our people on the proposed changes to achieve these savings.
- No final decisions have been made.

## Key dates

Monday 8 April	Consultation with PSA begins
Wednesday 10 April	Consultation document released
Monday 29 April 2024	Closing date for submissions
Thursday 16 May 2024	Decisions communicated