NSLHD New Restructure and Reform policy

The union has received a new policy based on all aspects of dealing with restructures in the Northern Sydney Local Health District.

The policy explains the level of detail required to gain approval for a restructure and moves through to its implementation.

The union has a number of issues with the new policy. Of immediate concern is the proposed change in direct appointments to positions, by current standards within 5 per cent or 1 Grade. The proposal contains only the 5 per cent differential and curiously does not detail the measure points in comparing grades, i.e. levels at each grade level. This is a very important point because it could mean the difference between a direct appointment and being declared ‘excess’. The latter meaning you no longer have a job.

Members are encouraged to read the attached documents and provide any feedback to the your local sub-branch representative or your organiser; Stuart Miller on 0407 804 325 or email stuart.miller@hsu.asn.au

Yours sincerely,

Gerard Hayes
Secretary, HSU NSW/ACT
# Reform and Restructuring in Northern Sydney Local Health District

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<td>This policy sets out the steps that apply when implementing a restructure at Northern Sydney Local Health District.</td>
<td>Melissa Collins, Workplace Relations and Policy, Workforce Directorate</td>
<td>8877 5282</td>
<td>Director Workforce and Culture</td>
<td>NSLHD</td>
<td>All NSLHD employees</td>
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<td>PD2011_050 NSW Health Restructuring Policy and Procedures PD2012_021 Managing Excess Staff of NSW Health Service PD2011-002 Industrial Consultative Arrangements PD2012-028 Recruitment and Selection of Staff of the NSW Health Service</td>
<td>Reform, restructure, change management, reorganise, streamline, redundancy, affected, excess, management, human resources, Union consultation.</td>
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Title: Reform and Restructuring in Northern Sydney Local Health District

1. Scope of Practice

Northern Sydney Local Health District (NSLHD) is a dynamic organisation that aims to provide the best health service to the communities we serve. This means that the organisation needs to be flexible and responsive to change. This may result in reforms and restructures that impact on the whole organisation or on a single department.

Any reforms, whether a restructure or minor work flow alterations, must occur with a view to creating an improved and sustainable health services.

This document sets out the process for managing the restructure of individual services and defines the responsibilities of managers and employees involved in the restructure. It outlines the four stages of the restructure process and provides guidance to managers on how to develop a restructure plan, business plan, seek approvals, establish new structures, consult with staff and unions and implement a restructure.

It is important that a consistent and co-ordinated approach to reform and restructuring is taken across NSLHD to ensure a smooth and transparent transition process for employees, management and unions.

Employees affected by or declared excess as a result of a restructure will be managed in accordance with the PD2012_021 NSW Health Managing Excess Staff policy directive

2. Expected Outcome

Application of this policy will ensure that NSLHD restructures are compliant with legislative, Award and Ministry of Health requirements.

This policy is intended to be a practical guide for managers who restructure in NSLHD. It sets the standards and expectations for employees when a restructure occurs.

Application of the policy will ensure all restructures within NSLHD are conducted in accordance with the principles of merit, fairness and transparency and that they provide a fiscally responsible framework for improved performance.

Compliance with this policy will ensure managers and employees work co-operatively to minimise disruptions to individuals and the work of the areas affected, as far as possible.

3. Definitions

The following definitions apply in this document:

**Affected Employees:**
Permanent employees whose position has been deleted, substantially altered, regraded or relocated as a result of organisational change and who may become excess if they are unable to be placed in a position within the new structure.
Consultation:
The process where a restructure intent is communicated to employees and relevant stakeholders, which may include unions, and their views are sought and considered. Consultation must occur before implementing a restructure.

Excess Employees:
Permanent employees who have been declared excess as the substantive position they held, within the LHD, has been deleted or substantially changed. Such employees are declared excess at the completion of a restructure if they cannot be placed into an alternative position.

Impact on Employees:
For the purposes of this policy ‘impact on employees’ is defined as organisation change which may result in any position being deleted or substantially altered. It also includes any changes which may result in a change in composition, operation, service delivery, promotional opportunities, need for training, transfer of role to another location, change in work hours or change in skills required to perform a role.

Multi-disciplinary Positions:
Multi-disciplinary positions refer to positions which have multiple Award classifications. For example a position which could be filled by a Registered Nurse or an Allied Health Professional.

Restructure:
Organisational change that affects a Ward, Unit, Department, Portfolio, Directorate or Service and results in changes to staffing. These changes may include the creation and deletion of positions, changes to the duties or grading of positions, or a review of skill mix to meet organisational service needs.

Restructure Plan:
A restructuring plan must be developed where the restructure will have a significant impact on whole units or groups of staff members or where employees are likely to be affected or made excess.

Restructure Process:
In NSLHD, restructures are managed in a four stage process;
1. scope, restructure plan and approvals;
2. consultation;
3. implementation; and
4. review.

4. Roles and Responsibilities

Chief Executive:
The Chief Executive should approve the final restructure proposals for NSLHD Directorates which involve the possibility of employees being declared excess. This responsibility is delegated to the Director Operations and Director Nursing and Midwifery.

Employees:
Are responsible for attending and actively participating in consultative meetings or discussions held by managers regarding the restructure and are to comply with this restructuring policy.
Employee Assistance Program (EAP):
Are responsible for providing a free and confidential counselling service for employees. EAP can also assist in providing advice on managing change.

Directors:
Are responsible for approving restructure plans, providing oversight of the process and ensuring the restructure aligns with NSLHD Strategic Plan and financial objectives (Tier 2 or Tier 3 Directors).

Finance and Management Accountants:
Are responsible for providing assistance to the manager in preparing their restructure plan and provide analysis of financial data, relevant financial reporting and tracking of savings.

Managers:
The manager in charge of the restructure process should be the senior line manager of the service. He/she is responsible and accountable for leading and co-ordinating the restructure. For the purpose of this policy the manager in charge of the restructure will be referred to as ‘the manager’.

The manager has the following accountabilities and responsibilities in any restructure:
- develop the restructure plan objectively and obtain the required approvals;
- Seek assistance from Human Resources and management accountants;
- actively consult all stakeholders on proposals and be flexible and receptive to suggestions, wherever possible;
- respect the confidentiality of information that employees provide regarding their personal or employment circumstances; and
- implement the restructure in a timely manner to minimise disruption to service and anxiety of employees.
- Assist in the placement of any employees which require redeployment

Workforce Directorate:
Are responsible for providing advice, guidance and support to managers through the restructure process in relation to restructure plans, organisational structures, industrial consultation, job analysis and design, grading/evaluations. Local Human Resources teams will manage any processes arising from the application of the Managing Excess Staff policy, including redeployment, declaring employees members excess, voluntary redundancy offers and forced redundancy.

5. Managing the Restructure Process

Restructures in NSLHD should occur in four distinct stages. This will assist in delivering clear and consistent messages to staff and unions and to manage expectations. The consultation and implementation stages should take place within appropriate timeframes. However, the timing for restructuring services varies - and the time it takes to consult and bring about the change will also differ according to the particular service and the complexity of the reform.
The four stages of the restructure process are:

5.1 Stage One – Scope, Plan and Approval

5.1.1 Scope the need for change:
NSLHD is committed to an ongoing process of quality improvement to achieve an improved and sustainable health service. Restructuring is often necessary to ensure NSLHD meets service, operational and strategic demands.

Change may be required for a multitude of reasons including as a result of recommendations from audits, investigations or performance reviews, changes in organisational priorities, budget and funding changes or legislative and Award variations.

A restructure must focus on positions and the roles, skills and knowledge they deliver, not individual employees. Unsatisfactory performance or allegations of unsatisfactory or poor performance are not grounds for abolishing positions. Poor performance should be managed in accordance with the PO 2007_07 NSLHD Disciplinary Policy.

Managers should scope the reasons for change and the expected benefits. Managers should utilise team meetings, working parties, Human Resources advice and discussions with peers and other LHDs to gather information as part of evidence based decision making process.

Managers should seek the advice or assistance of Human Resources at this stage of the restructure process.
5.1.2 Restructure Plan:
A restructuring plan must be developed for all proposed restructures. A restructure plan is compulsory to gain approval for a restructure.

The restructure plan must include:
- Restructure sponsor and governance;
- Reason and purpose of the restructure, linking to the NSLHD Strategic Plan;
- Cost benefit analysis;
- Likely impact on services and functions;
- Likely impact on budget and funding;
- Likely impact on employees;
- Current and proposed organisational chart;
- Current and proposed FTE establishment;
- Current and proposed position descriptions – assessed and graded by Workforce Directorate;
- List of classifications, grades and locations of affected employees, including numbers of employees likely to be redeployed and declared excess – developed in conjunction with Human Resources;
- Proposed method of filling positions in the new structure;
- Consultation and communication strategy;
- Timetable for implementation;
- Review and evaluation methodology and timeframes including success indicators; and
- Final audit of overall plan by management accountant.

If the restructure will not impact on employees, then the restructure plan is not required to address items g – k above.

5.1.3 Grading of positions:
Prepare position descriptions for all new positions in the proposed structure. Positions which have been modified require a new position description. Human Resources Consultants will provide assistance to the manager to develop new position descriptions, conduct job analyse and provide advice on appropriate role grades.

Positions which are regraded as part of a restructure are not required to be approved by a NSLHD Grading Committee. However, to ensure consistency across NSLHD, independence and separation from the restructure process, final position descriptions and recommended grades (except for Staff Specialists & for Career Medical Officers) should be endorsed by the Workplace Relations and Policy Unit within the Workforce Directorate. Allow 3 days for this endorsement.

Managers should be aware there are a number of positions and classifications which require specific assessments to be undertaken including:
- Health Service Manager (HSM) positions should have a Cullen Egan Dell (CED) evaluation conducted by at least 2 assessors, one of whom should be a Human Resources Consultant (a list of assessors is available from the Human Resources);
- Administrative positions are to be assessed for Work Level statements;
- The NSLHD Director Allied Health and NSLHD Principal Psychologist should be consulted for allied health and psychologist positions respectively and for any multi-disciplinary positions requiring a professional of either discipline;
- Site DNM should be consulted for any above base nursing / multi-disciplinary positions;
- A number of Health Awards require new positions to be determined by a joint Health Services Union/LHD grading committee, eg medical superintendents, hospital engineers, biomedical engineers, medical record librarians, library staff, social workers and
dieticians. Human Resources will provide advice on whether a specific grading committee is required;

- Creation of senior staff specialist positions need to be approved by Medical and Dental Appointments and Advisory Committee (MDAAC), and creation of new senior Career Medical Officer (CMO) positions require approval by the Ministry of Health Senior CMO Committee. Advice should be sought from the Senior Medical Staff Unit (SMSU).

5.1.4 Approval to commence:

Once the restructure plan is complete, the proposal can be submitted to a Director (Tier 2 or 3) to obtain approval for the restructure. Approval must be obtained before commencing a restructure and notifying staff of the intent to restructure.

Approval should only be granted if Human Resources and the Management Accountant have been consulted on the restructure plan.

Additional approval by the Chief Executive or delegate may be required, if there are employees which will be declared excess as a result of the restructure.

Restructures which affect a significant number of employees which includes a proposed voluntary redundancy program or which require financial assistance require Ministry of Health approval. A voluntary redundancy program is where expressions of interest for a voluntary redundancy are sought from a group of employees.

In these cases, the restructure plan must also be approved by the Chief Executive who will then submit the restructure plan to the Ministry of Health.

5.2 Stage 2 - Consultation

The manager must consult with staff and the relevant union/s on all restructures which may have an impact on employees. Consultation must occur before a new structure is put in place. Consultation with staff and unions should occur as soon as approval for the restructure has been obtained from the relevant Director.

There are Award obligations to consult with the staff and as such they should be consulted as early as possible. The manager should consult with staff at the same time as consultation occurs with the union.

The level and length of consultation will depend on the scale of the restructure. It is recommended that the minimum period of consultation is two weeks. However, all restructures which have any impact on employees require managers, in conjunction with Human Resources, to complete the following steps:

5.2.1 Notify Staff

Advise all staff in writing of the restructure and invite all staff to a consultation meeting. The letter to staff should include:

- The time and date for a staff consultation meeting;
- An outline of the Restructuring Plan proposal;
- The likely impact on position (e.g., position not affected, position may be affected or position may be deleted);
- Timeframe for the consultation period; and
- Employee Assistance Program (EAP) contact details.

The manager should ensure that staff on leave are made aware of the restructure immediately upon their return to work. If a staff member is on leave for an extended period of
time then they should be notified of the restructure by email or other appropriate method of communication and be invited to provide feedback.

5.2.2 Notify Union/s

Unions need to be notified and consulted on restructures which may have an impact on employees.

At the same time as staff are advised of the restructure, the union/s should be advised in writing of the restructure. The manager should draft the correspondence for the appropriate Director to sign.

The letter to the union/s should include:
- An outline of the restructure and its objectives;
- Potential impact on service delivery;
- Current and proposed organisational charts;
- Timeframe for union/s and its members to comment on the proposed restructure (minimum two weeks);
- Closing date for the consultation period; and
- The method for comments on the restructure to be provided eg in writing to the manager.

No confidential or private staff information should be released to the relevant union/s. The information provided to unions is to be limited to position details only. The union/s may later seek to represent its members’ interests individually.

The manager may wish to discuss the restructure with the appropriate union organiser after sending the formal correspondence.

The manager may wish to invite the union to the staff consultation meeting and allow the union time after the meeting to meet with members. This decision should be made in consultation with Human Resources.

5.2.2a. Holding a Union Specific Consultation Meeting

If the restructure will significantly impact on a whole unit or group of staff (eg 5 positions or more), in addition to the notification to the union as outlined above, the manager, in conjunction with Human Resources, should invite union/s to attend a Union Specific Consultation Committee (USCC) meeting with the manager and Human Resources. The PD2011_002 Industrial Consultation Arrangements policy directive should be referred to when setting up these meetings

A USCC is a formal (minuted) meeting for answering questions, hearing (and responding) to concerns and considering the comments of staff and unions. The USCC agenda should include:
- in what order the implementation will occur; and
- at what point staff members will be affected or declared excess (if required);

If a USCC meeting is to be held - the notification letter to the union/s as outlined in step two above should also include an invite to the USCC members with a proposed date and time for the meeting (within 2 weeks of the date of the letter).
5.2.2b Ensuring Union Consultation

If the union/s do not respond to the notification of the restructure and do not provide feedback, the manager should again write to the union to request comments within one week of the date of the letter or to attend a meeting upon which the consultation period will close. Include alternate times and dates for the meeting.

If no comments are received, the manager should proceed with the restructure as planned.

5.2.3 Staff consultation meeting/s
The manager should hold a staff consultation meeting. The purpose of this meeting is for the manager to explain the proposed restructure to staff and detail the reasons for the restructure and its objectives.

The staff consultation meeting is an opportunity to discuss the restructure with staff and seek comments and feedback. The manager should be prepared to answer questions on the restructure.

The manager should clearly outline the timeframes for the consultation period and the closing date for the consultation period in which all comments must be received.

The number of meetings through the consultation process should be appropriate to the complexity of the reform or restructure. It may be necessary for the manager to hold additional staff consultation meetings or discussions to ensure all staff have the opportunity to fully understand the restructure and provide comments and feedback.

5.2.4 Meet with individual staff
The manager should make themselves available to meet with staff individually to discuss the restructure and potential impact, if any, on the employee’s position.

5.2.5 Notification to other interested parties
There may be groups, services or individuals who are not directly or significantly affected that may have a professional interest in the reform. The manager should ensure that interested parties are made aware of the restructure and given the opportunity to provide input.

5.2.6 Assessment of Staff and Union Comments
The manager must review and consider any comments provided by staff and the union/s.

Managers should consider a change in approach and be flexible and responsive to the suggestions offered by staff and or unions. Consultation must be genuine, however consultation is not negotiation or joint decision making and the decisions around structure and services are made by the NSLHD.

Where comments are considered but not accepted, the manager, with support from Human Resources, must inform the unions and staff and provide a response to staff and union comments.

Where comments are accepted and the manager has agreed to modify the restructure, additional approval will required from the Director. The manager will also be required to update relevant staffing and financial information.
5.2.7 Closing the consultation
The process should not be unnecessarily delayed due to disagreement around minor or irrelevant issues.

The timeframes for the consultation period and consultation end date must be made clear to all parties at the commencement of the consultation stage. Extensions to the consultation period may be needed however, it is important to close the consultation process at the appropriate point to avoid delays in implementation leading to extended uncertainty, possible disruption to service delivery or anxiety among employees.

5.2.8 Approval of Restructure
If any changes have been made to the original approved restructure, as a result of the consultation process, the modified restructure must be again approved by the Director and, where necessary, the Chief Executive. Restructures will only be approved if there has been evidenced consultation with staff and the union/s.

If there are no alterations to the original restructure proposal, notify the Director of this progress and provide evidence of consultation with staff and the union/s. If appropriate, seek confirmation of approval to commence implementation.

5.2.9 Outcome of the Consultation
Once the consultation has been completed and if required, additional approval has been obtained, the manager must advise staff and union of the outcome of consultation, final structure and implementation timetable.

5.3 Stage 3 - Implementation

5.3.1 Directly Appoint
Human Resources should lead this process in partnership with the manager with a view to ensuring compliance with relevant Award, employment or legislative requirements.

Affected staff may be directly appointed to a position in the new structure at their existing classification and grade, where the duties of their position are not substantially altered.

As a general principle, affected staff members are to be matched to positions of equivalent salary. Equivalent salary is within 5% of the staff member’s existing salary.

To directly appoint staff, the maximum salary in the award classification salary range of the matched position must be within 5% of the maximum salary of the award classification salary range of the affected staff member’s former substantive position.

For example, a restructure has occurred and a Health Manager Level 1 position has been regraded to a Health Manager Level 2 position. The maximum salary of a Health Manager Level 1 is $84,580; the maximum salary of a Health Manager Level 2 is $98,037. This is a difference of 13.7% and exceeds the 5% requirement.

Where there are a number of affected staff with the skills and experience required for a position in the new structure at their existing grade and classification, the manager should call for Expressions of Interest (EOI). Affected staff are able to apply for multiple positions in the new structure, as appropriate.

EOIs from affected staff will be assessed using merit-based criteria. Interviews may be offered to all affected staff who meet the selection criteria. Staff members will be advised in writing as to the outcome of the EOI process, as with any normal recruitment process.
The manager will issue these letters, including, if necessary:
- new position descriptions;
- set up on Stafflink;
- completion of relevant forms eg change of employment details form
- liaison with management accountants Ensure new letter of offer is placed on employees personnel file.

5.3.2 Advertise and Appoint
If there are any unfilled positions in the restructure, managers should follow the appropriate advertising and appointment processes. Refer to PD2012_028 Recruitment and Selection of Staff of the NSW Health Service.

5.3.3 Management of affected and excess Staff
The Director Workforce and Culture is responsible for notifying staff formally if they are affected or declared excess.

During a restructure there are often affected staff members whose positions have been deleted, but who may yet be placed within the new structure.

Human Resources, in conjunction with the manager, are to inform those staff members in writing that they are affected, and that the staff member will be granted priority access to suitable vacancies across NSW Health, provided that:
- excess staff will have priority over affected staff
- affected staff will have priority within their current Health service over other affected staff from other Health Services

If a staff member’s substantive position has been deleted from the establishment, and the staff member has not been appointed to a position in the new structure and once all the positions within the new structure have been filled, the affected employees must be formally declared ‘excess’. Excess staff must be advised in writing by the Director of Workforce that they are excess.

Affected and excess staff are to be managed as per PD2012-021 Managing Excess Staff of the NSW Health Service. Human Resources will provide the leadership and management for this process including sending affected and excess letters, developing redeployment plans, voluntary redundancy estimates, registering excess staff on the NSW Health Redeployment Register, meeting with excess staff on a regular basis, facilitating job matching and monitor the progress of priority assessments using the Priority Assessment form and monitoring the progress of trial placements, and excess staff members on temporary contracts.

5.3.4 Close Implementation
Notify the Director that implementation has been completed and that formal correspondence has been provided by the Director Workforce and Culture to excess staff.

5.4 Stage 4 – Review and Evaluation

5.4.1 Monitor and finalise changes
Managers should ensure that any identified milestones are monitored. There should be a minimum time to finalise the changes and for staff to become comfortable with the new process. Managers should seek to avoid constant workplace change.
It is recommended that managers and Senior Directors attend a team meeting to determine the staff views of the revised service structure.

5.4.2 Review and evaluation
Through structured consultation with staff and any other relevant stakeholders, review actual outcomes against the expected outcomes under the restructuring plan. These should be in accordance with timeframes set in the Restructuring Plan and follow up review to ensure expected outcomes are met and/or any implementation difficulties are promptly addressed.

6. Record Keeping
Restructure plans must be retained for audit and review purposes. Managers should ensure that records of consultation processes are kept. Records must be kept in accordance with the NSLHD Corporate Records Policy [link]

7. References
PD2011-002 Industrial Consultative Arrangements
PD2012_028 Recruitment and Selection of Staff of the NSW Health Service
PD2012-021 Managing Excess Employees of the NSW Health Service

8. Revision & Approval History

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Mr Gerard Hayes  
General Secretary  
Health Services Union  
Level 2, 109 Pitt Street  
SYDNEY NSW 2000

Attn: Stuart Miller

Dear Mr Hayes

As discussed at the Northern Sydney Local Health District (NSLHD) Joint Consultative Committee on 28 August 2013, NSLHD has developed a local policy to govern restructures which occur across the Local Health District.

The new Restructure and Reform in NSLHD Policy is intended to be a practical guide for managers who restructure in NSLHD and defines the responsibilities of managers and employees involved in the restructure. It sets the standards and expectations for staff when a restructure occurs.

Please see the Restructure and Reform in NSLHD Policy attached for your consultation.

NSLHD encourages ASMOF to provide written comment on the Restructure and Reform in NSLHD Policy by 4 October 2013.

Please provide your comments and feedback to Ms Melissa Collins, Manager Workplace Relations and Policy via email Melissa.Collins@health.nsw.gov.au or Tel: (02) 8877 5282. If you have any questions please contact Ms Collins directly.

Yours sincerely

Vicki Taylor  
Adj. Assoc. Professor Vicki Taylor  
Chief Executive

Date: 25.09.13

Northern Sydney Local Health District is located on the traditional lands of the Eora Nation