IMPLEMENTATION PLAN – INVESTMENT MANAGEMENT

Prepared by:  Sally Smith
General Manager, Investment Management

Date:  8 April 2015
IMPLEMENTATION PLAN

1. BACKGROUND

Following the appointment of Michael Deegan to the role of Chief Executive on 28 July 2014 the Department of Planning, Transport and Infrastructure (DPTI) began a departmental rejuvenation. As with any change in stewardship there is an opportunity to look to the future and build on the strengths of DPTI.

DPTI’s goal is to exceed the Premier’s expectation of the public service to innovate, simplify regulation and adopt a ‘can do’ attitude with a clear focus on customer outcomes. The alignment of DPTI functions will support improved service delivery.

The Chief Executive announced the commencement of the rejuvenation accompanied with a draft organisational structure on 8 August 2014. Shortly thereafter a transition plan and functional structures were released.

The department has three divisions located across the central business district, metropolitan Adelaide and rural South Australia:

- The People and Business Division brings together our people and financial strengths
- The Safety and Service Division has safety and service at the forefront of everything we do and brings together the enormous skills in our project development / building management
- The Development Division provides a focus upon the economic opportunities that need to be realised to bring investment and employment to the State.

As at 30 June 2014 DPTI comprises:

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<th>Long-term contract</th>
<th>Other (casual)</th>
<th>Total</th>
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As at 28 February 2015 there were 139 temporary labour hire engagements within DPTI via the whole of government contract.
The department works in partnership with a number of private sector professional service contractors who offer a 'contract for services' undertaken as a procurement activity in line with departmental and whole of government policies and procedures.

2. SCOPE

This implementation plan is established having regard to the Transition Principles and details the process for establishing the Investment Management section within the Development Division.

The Investment Management Section currently comprises:

**Assessment**

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<th>CLASS</th>
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**Land Registration (Land Titles Office)**

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</table>
No labour hire arrangements exist in the Investment Management Section via the whole of government contract.

The following private sector professional service contractors offer a 'contract for services' to the section: Damian Dawson (Planning Chambers) and Simone Fogarty (GHD). Both professionals provide specialised technical support to the statutory functions of the section, in relation to the assessment of complex applications and the streamlining of the major development process.

**The Scope of the transition is made up of the following four components:**

1. **Enhance the role of the State’s peak assessment authority**

The Development Assessment Commission (DAC) is the peak assessment body appointed by the Governor on advice from Cabinet. The DAC, while provided with support and advice from the Investment Management Section is independent in its decision making, and is integral to the business. The Investment Management section provides professional and secretariat support to the DAC, and in many cases acts as the DAC’s delegate in decision making. DAC (or their delegate) is also responsible for decision making in the rural and remote areas, where land is located outside of Council boundaries. In these circumstances the DAC acts as the Council for development decisions and compliance.

Any structural reform will need to ensure the independence of the DAC and its delegates in making decisions (i.e. separation of advisory and decision making roles).

In order for consistent and quality decision making the section will ensure professional and consistent delivery of advice to the DAC (presentations, review and amend templates, conditions etc). In working with the DAC, the section will also look to improve the transparency of decision making and working more collaboratively with affected communities. This will involve a review of procedural and administrative practices and ensuring consistency of advice and decision making.

Opportunities for greater delegations to staff will be explored to better manage resources and to provide staff with professional development opportunities and greater access to mentoring from senior staff. Opportunities should also be provided for staff to be champions of certain types of development or localities (i.e. regional issues, high rise development etc), which reduces the reliance on managers and senior staff for on-going advice, while still offering a breadth of assessment experience.

The pre-lodgement process for assessment will be expanded beyond the city and inner metropolitan area, with applicants encouraged to work collaboratively with the Department, council and referral agencies to solve issues early in the planning and design process. This approach takes time and effort but reaps huge rewards in terms of improved development outcomes that meet business and community expectations. This will include the continuation of pre-briefings.
to the DAC, as a means of allowing the members to identify issues early in the process and establish expectations.

In order for the section to achieve greater efficiencies, it needs to be supported by experienced administrative support (including a para planner role). The administrative roles in supporting the staff and customers are considered quite specialised as knowledge of the state’s development and land division system are essential.

2. **Strengthen and raise the importance of State significant proposals**

Organisational reform is required to place a greater focus on projects of state significance (i.e. mines, ports, significant tourist developments etc) where the Minister for Planning and the Governor are the decision makers (i.e. Crown Development and Major Development). These projects will be critical in the provision of jobs and access to private capital and must be prioritised, including the implementation of streamlined whole of government assessment processes. This means working more closely with key delivery agencies across government including the Department of State Development, DEWNR, PIRSA and Renewal SA.

The Investment Management section has already started significant reforms in this space, through the review of the Major Development procedures and administrative practices that seek to streamline the assessment process and clearly articulate roles and responsibilities in the process.

3. **Focus on matters of state significance to help drive the economy**

The system needs an enhanced focus on matters of state significance, where the State’s planning body prioritises and focuses its effort on projects that have state level impacts. This will require significant reforms to the Development Regulations 2008 to look at opportunities to rationalise schedule 10. While a new planning legislation is being drafted, which seeks to address this issue, system reform cannot wait and Schedule 10 amendments will be pursued ahead of the new legislation as practices need to be streamlined now.

The focus on projects of state significance has grown over the last couple of years with the DAC’s role expanding to be the assessment authority for significant development proposals in the city, inner metropolitan area, Port Adelaide and Kangaroo Island. These relatively new reforms are even more reason to review Schedule 10 in its entirety, with a view to only retaining matters of state and regional significance and returning the more local matters to local government.

The expansion of the Coordinator-General’s function in August 2014 has generated a significantly increased workload for the section. The Investment Management section provides significant technical support to the Coordinator-General, which has provided an avenue to move forward projects that have been stalled in the system, helping to drive economic growth and in some respects cultural reform within agencies and councils.

The Coordinator-General has the power to call-in projects for assessment by the DAC, which has increased the workload from both a DAC perspective and
through a case management role where staff work with proponents, councils and state agencies to resolve issues and find collaborative solutions. Efforts will be focused internally on improved structures, refinements to documentation and reforms to the Regulations to meet demand. A resourcing review will also be required.

The assessment of such proposals is complex and requires skilled assessment staff to balance the range of issues. This includes expertise in the conservation of land and buildings, promotion of sustainable development, consideration and protection of the environment, housing affordability and building safety.

4. **Focus on matters of regional significance**

It is important to recognise that the Commission takes on the responsibility of a Council in relation to development in remote areas that fall outside of local government boundaries. This includes the responsibility for enforcement and compliance of development approvals. While a large number of less complex applications occur in these areas, significant employment generating development (i.e. a transport hub north of Ceduna to service Mobil’s offshore exploration program) and significant tourism developments are also considered.

It is important that the section is structured to ensure flexibility to respond to state and regional priorities that drive economic growth.

5. **Roll out of SAILIS**

In 2011 the government entered into a contract for a new land administration system, known as the South Australian Integrated Land Information System (SAILIS). SAILIS will allow for the replacement of over 28 core business systems.

Project development, and the testing and training phases are almost complete and the system is due to go live on 27 April 2015. It is important to recognise that once the system goes live there will be a ‘bedding in’ period while users and staff get acquainted with the system, as well as the need to provide an opportunity to iron out any system issues should they arise. It is for this reason that it is proposed to quarantine any transition of roles from the Land Titles Office prior to the end of the financial year to ensure all levels of service are maintained to the highest standard.

It is expected that the new system will provide efficiencies and opportunities for organisational reform which will be explored with staff over the next two months. This includes customer service functions and statutory processing under the Act. The Land Titles Office within the Investment Management section is an important generator of revenue for the State ($200M/year) and it is important that continued high levels of service are provided to the industry and community as we launch and bed in the new system.

3. **OBJECTIVES**

In line with the objectives of DPTI and the Development Division, the Investment Management Section will:

- Provide:
o Assessment of projects of State significance by the Development Assessment Commission (or their delegate).
o Assessment of projects of State significance for decision by the Governor and/or Minister for Planning (Crown Development and Major Development).
o Management of the land division system (applications, approvals and title registration).
o Management of the $20M Planning and Development Fund.
o Support to investors in appropriate planning tools that may be available to enable investment (i.e. policy and assessment pathways).

• Deliver exceptional service provision and promote more effective business practices.

• Support organisational performance by ensuring timely, quality and consistent business standards and services.

• Support the development and management of the people within DPTI to meet challenges and enable the effective delivery of all strategic priorities today and in the future.

• Attract and retain talent, taking action to address current and future occupational skill shortages, while addressing equality and diversity issues.

• Remove barriers for our people and customers by reducing red tape, duplication and unnecessary processes.

• Maintain a safe and healthy working environment and encourage our people to respect and value others.

4. CRITICAL SUCCESS FACTORS

Critical to the success of the establishment and implementation of the investment management section is:

• Open and honest communication by all, so that change is recognised, trusted and inefficiencies are identified early and addressed.

• Commitment to the engagement process and trust that the interests of our peers, customers and key stakeholders will be genuinely considered in the change process.

• Acceptance and commitment to the change process.

• Our behaviours are aligned with our values.

• A sense of stability or ‘business as usual’ so as to not adversely affect our peers, customers and key stakeholders.

• Recognisable efficiencies are sustainable.
5. RISKS AND KEY CONSIDERATIONS

In establishing and implementing the investment management section we must consider that:

- Consolidation and refinement of matters considered by the section, to free up more time to focus on State significant projects are reliant on industry and Cabinet support.

- There were FTE reductions made within the Section in the last two years. The level of work and its complexity has significantly increased (i.e. took on the assessment function for city projects over $10M, inner rim projects over 4 storeys, Kangaroo Island development, projects through the Coordinator-General over $3M, development over $3M at Port Adelaide).

- The Section is undertaking its highest workload ever, including significant increases in revenue collected. There is a real spotlight on the outcomes generated by the section, particularly in the city and through the projects called-in by the Coordinator-General, which will continue to draw heavily on resources within the Section in 2015. This has the real potential to draw attention away from core business statutory assessment functions.

- Employees are fundamental to everything we do. We must ensure that we are available to address resistance to change (uncertainty, personal fears, bias and preconceptions)

- The roll-out and bedding in of SAILIS is a major reform for the Department, and while it will provide operational efficiencies a bedding in period needs to be respected to ensure the best structure is put in place to effectively deliver the service.

- All employees will respond differently to the transition. We must empathise with concerns and provide genuine consideration for individual needs.

- Varying strategies to support implementation buy-in and sustainability will be required. This includes consideration for employee located regionally and outside of metropolitan Adelaide

- Employees have varying capabilities and capacity.

- Broader Government change now or in the future may occur. We must ensure that we are adaptable to external and internal factors.

- Budget implications may result and we need to ensure that everything we do is budget neutral or reducing. We must ensure that we are adaptable to financial impacts.

- Poor alignment to DPTI values will negatively impact on our ability to transition. We must make sure that everything we do is consistent with our corporate values.

- There may be a real or perceived lack of honesty, transparency and connectively with the business.
• Legislative impediments may impact on reform outcomes.
• A continued entrenchment in ‘silos’ may occur.
• Competing commitments may shift focus from the change agenda.

We must therefore ensure that we:

• Build and sell a strong case for change through regular and clear communication and early, recognisable efficiencies.
• Establish and harness positive working relationships built on trust and genuine support.
• Genuinely consider the business needs and commitments when establishing strategies to ensure that there is no detrimental impact.
6. IMPLEMENTATION

Stage one: information gathering and investigation - complete by 8 April 2015 and undertake continuously throughout the transition

1. Undertake a desktop assessment of current DPTI employees to identify those that will transition to the section

2. Email and face to face communication with employees identified as transitioning to the section. Ensure that all employees, including those seconded to other areas on sabbatical, long service leave, maternity leave, workers compensation, recreation or sick leave are part of the communication. Indicate that we:

   a. Are making contact (notwithstanding that we have had the opportunity to meet with some employees already) as they have been identified as transitioning into the section.

   b. Are currently working through strategies to determine the most appropriate business model but in the meantime it is business as usual in supporting the work of DPTI.

   c. Want to hear from employees that may feel that they have been incorrectly identified as transitioning into the section.

3. Request feedback from Chief Officers, General Managers and Managers on employees identified as in scope

4. For roles that have been identified as requiring further investigation (those with ambiguous role titles and/or there is uncertainty about which section they will transition to, establish and facilitate an investigation process to determine their transition

5. Commence discussions with identified employees about their current work and functions and seek out feedback on opportunities for improvement. Explain to employees that the information gathered will be used to develop a draft implementation plan and organisational structure in line with the Transition Plan and Guiding Principles for Transition (make sure all employees have access to these)

6. In collaboration with the Chief Officer and General Manager, review the information gathered and share preliminary findings with other General Managers to identify opportunities for alignment of resources and efficiencies across the department
Stage two: development of draft implementation plan - complete by 20 April 2015

1. Consolidate and consider feedback gathered during the information gathering and investigation stage to draft an implementation plan

Stage three: consultation on draft implementation plan - complete by 4 May 2015

1. Distribute the draft implementation plan to employees and applicable unions and employee associations

2. Provide a genuine opportunity to contribute, amend for the better and advise of any gaps or barriers to successful implementation. Ensure that all employees, including those seconded to other areas on sabbatical, long service leave, maternity leave, workers compensation, recreation or sick leave are part of the consultation

Stage four: consideration of feedback and finalise the implementation plan – complete by 5 May 2015

1. Consolidate and consider feedback from the consultation stage and make amendments to the implementation plan as appropriate

Stage five: publish implementation plan – complete by 8 May 2015

1. Distribute the finalised implementation plan to employees and applicable unions and employee associations

Stage six: development of proposed new organisational structure - complete by 11 May 2015

1. Consolidate and consider feedback gathered to date to draft the proposed new organisational structure

Stage seven: consultation on proposed new organisational structure - complete by 25 May 2015

1. Distribute the proposed new organisational structure to employees and applicable unions and employee associations

2. Provide a genuine opportunity to contribute, amend for the better and advise of any gaps or barriers to successful implementation. Ensure that all employees, including those seconded to other areas on sabbatical, long service leave, maternity leave, workers compensation, recreation or sick leave are part of the consultation
Stage eight: consideration of feedback and finalise the organisational structure – complete by 27 May 2015

1. Consolidate and consider feedback from the consultation stage and make amendments to the organisational structure as appropriate

Stage nine: publish the organisational structure – complete by 27 May 2015

1. Distribute the finalised organisational structure to employees and applicable unions and employee associations

Stage ten: development of role statements and classification of roles – complete by 2 June 2015

1. For roles identified as new or changed in the structure as the building of role statements and subsequent classification assessments is required. The classification of a role statement requires an assessment of the work value of the role against established criteria for specific classification structures established under an award or enterprise agreement

2. For roles identified as unchanged roles in the structure, if a role statement exists and is simply formatted differently, a classification assessment is not required, however it must be checked to include behaviour, attitude and cultural competencies and reflect the shift DPTI has made to be a values based organisation

3. For changed and unchanged roles (in the case where no role statement previously existed) a classification assessment is required

Stage eleven: transition of employees – complete by 30 June 2015

1. Apply transition principles and transition employees to the structure

2. Some teams may be co or re-located to improve efficiencies within the workplace. This will depend on the availability of suitable accommodation and will be considered taking into account the unique needs of each working group, as required. Proposed accommodation changes will be the subject of consultation.