

Review of Agency Capability - Advice to Stakeholders

On behalf of the National Disability Insurance Agency I welcome the outcome of the review into Agency capability and the opportunity it presents to continue to build and improve the Agency's systems, processes and culture.

The Agency has accepted all of the recommendations in the report and a detailed action plan has been developed and approved by the Board.

The review confirms again the Agency's enormous achievements as it prepared for and commenced the National Disability Insurance Scheme. The analogy used in the report, that of building the plane while also flying it, aptly captures the challenge faced by the Agency.

The Agency has benefited from the enormous support provided by the Department of Social Services but it is the case that as a start-up, stand-alone organisation, the significant demands and time pressure on the Agency have led to a short-term management approach by senior management, which is neither appropriate nor sustainable. The Agency accepts the need to have systems based on 'run, plan, build, learn'. Work is already underway and will continue to reframe our program and project management to ensure that we build a learning organisation focussed on continuous improvement.

The review team has identified that the main strength of the Agency is the strong motivation and commitment of staff. I can give my personal commitment to nurturing that strength, recognising that the greatest resource of the Agency is our people and that their resilience, innovation, professionalism and passion are critical to the ongoing success of the Scheme.

Encouraging internal communication and building a strong culture

As the Agency has grown it has become increasingly important to formalise channels of communication rather than rely on the personal networks of staff. I have placed responsibility for internal communications within the functions of the people and culture branch in recognition of the critical importance of good communication to building the culture of the Agency.

The Agency is finalising an internal communication strategy and in the meantime has implemented a number of changes such as a fortnightly e-mail from the CEO, regular communications from senior managers on topics within their responsibilities and greater use of the intranet to publish the minutes and papers of the internal governance committees. These actions are designed to ensure that the whole Agency can share a single culture.

Establishing clear responsibility for functions

During the initial phase of the Agency, functions were delivered quite organically, responding to the need for flexibility and rapid response. I have reconsidered the way functions are delivered across the National Office of the Agency with a view to ensuring that work is undertaken by the area of the Agency with the expertise to best deliver the function. I have

finalised and published a new organisational structure that will streamline the delivery of the work of the National office without compromising on quality.

The new structure also encourages collaboration between the different divisions and avoids duplication. A number of cross divisional projects, within the clear responsibility of one General Manager each, will ensure that all appropriate areas of the Agency are involved in major changes to processes.

Ensuring continuity in capability and continuous improvement

The Agency faces a major loss of capability as the National Office moves from Canberra to Geelong and key staff members seek opportunities elsewhere. In the longer term it will benefit from being headquartered in a major regional centre and so closer to the community that the Agency serves.

Senior management have identified specific areas of risk and are ensuring knowledge transfer either through securing a reasonable hand over period or otherwise recording key corporate knowledge. I want to take this opportunity to thank those staff members who continue to work toward the success of the Agency while knowing that their long term career future lies elsewhere.

I have created a new governance committee focussed on change management that will capture the many suggestions for changes to how the Agency operates and inject rigour into the process for deciding whether suggestions should be accepted. This committee will also ensure that there is a shared understanding and ownership of key changes to the way the Agency does business.

I thank the reviewing team Mr Jeff Whalan AO, Dr Peter Acton, and Dr Jeff Harmer AO for their insight and professionalism in reviewing the Agency. The Agency will be better for this work.

David Bowen

Chief Executive Officer

RESPONSE TO REVIEW OF CAPABILITY – ACTION PLAN

Action 1: Get the senior management on board

Strategy	Activities/Status	Timeline	Person/s responsible
Finalise the appointment of the SES	<ul style="list-style-type: none"> - Recruitment schedule established. - Three SES positions to be finalised, BM Communications, BM People and Culture, Chief Risk Officer 	Until End March (note slippage is possible due to APSC interim arrangements)	GM Governance
Project manage arrival of SES	<ul style="list-style-type: none"> - Hand over and key briefings are occurring as each new SES joins; - Adequate time for handover (including time in Canberra) has been built into SES schedules. 	Until End March (note slippage is possible due to APSC interim arrangements)	GM Governance
Appoint a Deputy CEO	<ul style="list-style-type: none"> - The GM Governance will be the Deputy CEO for matters such as sign-off of papers during short absences (noting that the legislative authority to appoint an acting CEO rests with the Board). The matters identified as being appropriate for a Deputy CEO fall within the existing responsibility of the GM Governance. 	Complete	CEO

Action 2: Build the new Leadership Team

Strategy	Activities/Status	Timeline	Person/s responsible
Finalise the Strategic Plan	<ul style="list-style-type: none"> - Strategic Plan is finalised and published. 	Complete	GM Governance
Finalise organisational structure	<ul style="list-style-type: none"> - Organisational chart has been settled by CEO and GMs and has been published internally. - High level chart (all SES) has been published on the website in accordance with the Information Publishing Policy 	Complete	CEO
Build 'united leadership' amongst the Leadership Team	<ul style="list-style-type: none"> - Regular formal GM meetings are held fortnightly. - Cross divisional teams in the process of being implemented - GMs are to regularly set aside time to collectively assess strategy and planning - GM and CEO Planning Day is being organised early April 	Implemented and ongoing	CEO
Build an appropriate culture for the organisation	<ul style="list-style-type: none"> - A draft internal communications strategy has been endorsed by the the CEO and Executive committee. - Training in what it means to be a learning organisation is being built into TAP templates. - Yearly staff climate survey to identify what projects are most critical to culture in the eyes of staff will be implemented. This will also involve benchmarking against other organisations. - Initiatives put forward by staff are being supported (for example the weekly NOISE meeting). - Part of the intranet redevelopment project (identified in the draft internal communications strategy) will include a space for staff to put forward ideas for improvements that will reinforce the positive aspects of Agency culture. - Formal internal feedback processes are in place. - The position of Branch Manager Enabling Services has been redesigned as the Branch Manager People and Culture with a focus on building and sustaining a values-based culture. 	Implemented and ongoing	GM Governance

Action 3: Finalise recruitment for National Office and trial sites

Strategy	Activities/Status	Timeline	Person/s responsible
Make the Deputy CEO responsible	<ul style="list-style-type: none"> Recruitment activity is well underway and on schedule for completion by March. 	Most (80%) recruitment finalised. Panels convened and interviews scheduled for remaining positions.	GM Governance
Project manage to ensure oversight	<ul style="list-style-type: none"> Recruitment activity is well underway and on schedule for completion by March. Delivery times and panels have been identified for all roles. Schedule has been designed in a way that ensures the most efficient approach to panels for each level and competency group. 	Most (80%) recruitment finalised. Panels convened and interviews scheduled for remaining positions.	GM Governance
Dedicate staff to the panels who can select well and do not sacrifice quality of those selected for speed in filling.	<ul style="list-style-type: none"> Panel selection is complete for all positions. Each GM has taken responsibility for ensuring that workloads are adjusted to allow focus on recruitment 	Most (80%) recruitment finalised. Panels convened and interviews scheduled for remaining positions.	Each GM

Action 4: Plan for continuity and knowledge transfer

Strategy	Activities/Status	Timeline	Person/s responsible
Extend all National Office staff who are required, to after the date that permanent staff are expected to arrive so that knowledge transfer can occur	<ul style="list-style-type: none"> GMs have met collectively to discuss key areas critical to knowledge transfer and are now individually specific personnel. Specific contracts/transfers are being extended. The timing for recruitment of most new staff is on track to be finalised by end-March (therefore minimising the potential shortfall). 	Complete	Each GM in consultation GM Special Projects

Action 5: Get clarity over who is responsible for what

Strategy	Activities/Status	Timeline	Person/s responsible
Publish the organisation chart	– Organisational chart has been finalised and published.	Complete	CEO
Make it clear who is responsible for what	– Organisational chart has been finalised and published.	Complete	CEO
Ensure that the governance committees meet and make their decisions available	<ul style="list-style-type: none"> – Status report on all governance committees is being prepared by committee chairs – New chairs are being identified where necessary – Better use of intranet to explain internal governance structure and minutes and outcomes is in the process of being implemented. – Calls for new members will be made after April when the bulk of new staff are on board. – Oversight and support will sit in the new People and Culture Branch. 	Implemented and ongoing.	Current chairs of committees Incoming chairs of committees Oversight by GM Governance

Action 6: Develop clear internal decision-making processes

Strategy	Activities/Status	Timeline	Person/s responsible
The CEO / Deputy CEO should chair regular meetings	– SES meetings are currently held fortnightly alternating with the fortnightly GM meeting	Implemented and ongoing	CEO
Formal papers should be considered	<ul style="list-style-type: none"> – Formal papers are currently considered – The intranet will be better utilised to disseminate papers and minutes to non-attendees (where appropriate) 	Implemented and ongoing	CEO
All relevant SES stakeholders consulted before decisions are made.	– A change management framework has been endorsed and implemented. This process will ensure that key decisions are made in a collaborative way.	Implemented and ongoing	CEO

Action 7: Improve internal communication

Strategy	Activities/Status	Timeline	Person/s responsible
Give someone accountability	- The new Organisational Structure places internal communication in People and Culture	Complete	BM People and Culture (BM Communications in interim)
Make it clear that all SES are to cascade important messages to their staff	- An instruction has been given in SES meetings that information is to be flowed to staff.	Complete	CEO
Update to staff at least once a fortnight	- Fortnightly e-mail is currently being sent by CEO and a commitment made to ongoing communication.	Complete	BM People and Culture (BM Communications in interim)
Barwon have adopted a process of summarising each day what is new and what documents each category of staff should read. Adopt this nationally.	- The Operations area is exploring the best way to communicate information drawing on better practice. A process of communication utilising the intranet, talking points for Service Directors, and 'communities of practice' meetings is currently being used.	Implemented and ongoing	GM Operations and incoming BM People and Culture

Action 8: Performance expectations

Strategy	Activities/Status	Timeline	Person/s responsible
CEO to finalise his performance agreement with the Board within a month and to incorporate actions to be taken in response to key elements of this report	<ul style="list-style-type: none"> - A draft CEO performance agreement has been finalised between the Chair and the CEO and will be submitted to the Board. 	Complete	CEO
Performance agreements of all SES to be in place within two months (or a month after their arrival, whichever is the latter)	<ul style="list-style-type: none"> - Draft uniform template has been developed for use by all SES and should be finalised end March. - Each SES to prepare a performance agreement in line with the CEO's and the strategic direction of the Agency within one month of joining. 	Complete Mid April	CEO and each SES
Ensure performance agreements clearly articulate roles and responsibilities	<ul style="list-style-type: none"> - Uniform template has been developed. - Agreements will reflect appropriate work level standards and behaviours that SES are to model. 	Mid April	BM People and Culture and each SES

Action 9: Improve HR capability

Strategy	Activities/Status	Timeline	Person/s responsible
Establish an SES position for HR and an HR position in major trial sites	<ul style="list-style-type: none"> - GM Operations is working with HR to develop the most appropriate resourcing split to allow for an HR position in each site given resourcing restraints. 	End April	CEO GM Operations
Buy in assistance to bridge the capability gap	<ul style="list-style-type: none"> - Work is currently being undertaken to determine what assistance would be most effective and best value for money - A number of procurement exercises have been undertaken in areas such leadership development, e-learning, onboarding and HR infrastructure requirement. - A procurement of e-recruitment services (to streamline bulk recruitment activities) has been approved and will commence shortly. 	Implemented and ongoing	BM People and Culture (GM Special Projects in interim)

Action 10: Bridge the capability gap

Strategy	Activities/Status	Timeline	Person/s responsible
Identify systems and staffing gaps in critical areas of National Office as a result of the move to Geelong and recruitment lags	<ul style="list-style-type: none"> - Each GM is exploring where there will be a capability or staffing gap as the move to Geelong takes place. - GMs are identifying the appropriate response to those gaps (including extending some staff or bringing on short term seconded staff) - The recruitment of national office staff is on track to be finalised so that staff are available to start by the second week of April when the bulk of functions transition to Geelong. 	Implemented and ongoing	Each GM
Buy in temporary assistance in these areas	<ul style="list-style-type: none"> - Work is currently being undertaken to determine what assistance would be most effective and, if there is a procurement, what solution represents best value for money. 	Implemented and ongoing	Each GM in consultation with CFO
Maintain onsite systems assistance in trial sites (referred to as Enable IT) as this will make the existing planners more productive	<ul style="list-style-type: none"> - Negotiations with DSS have already taken place to secure ongoing EnableIT resources in the launch sites. - The CIO will communicate with affected staff to inform them on the ongoing process. 	Implemented and ongoing	CFO
Discuss with DHS their ability to help bridge the capability gap	<ul style="list-style-type: none"> - Conversations with DHS in relation to their capability to assist have been organised. 	Implemented and ongoing	CFO

Action 11: Do not reinvent the wheel

Strategy	Activities/Status	Timeline	Person/s responsible
Identify two agencies which provide good practice in terms of different areas of corporate policies and procedures. Get the agreement of their Chief Executive/Secretary to be able to use and rebadge their standard procedures	<ul style="list-style-type: none"> - The Agency has adopted many procedures from DSS. Work is currently underway to consider procedures from appropriate CAC Act bodies to see if these are more easily adapted to the work of the Agency. - There will be a natural divergence from DSS procedures as the Agency reviews its own systems and processes. 	End April	CFO

Action 12: Advice to the Minister

Strategy	Activities/Status	Timeline	Person/s responsible
The Chair and the CEO should advise the Minister on what they believe is achievable and where they recommend that changes should be made to the forward schedule to ensure the sustainability of the Scheme.	<ul style="list-style-type: none"> - The Agency has commenced work on planning for full scheme transition. - Stakeholders will be briefed once the planning is more progressed. 	Implemented and ongoing	GM Ops and Scheme Actuary

Action 13: Project management

Strategy	Activities/Status	Timeline	Person/s responsible
Develop in-house project management expertise	<ul style="list-style-type: none"> - A dedicated program management office has been created within the organisational structure and recruitment for these positions has commenced. 	Complete	CEO GM Governance
The Agency to propose to the Board, in the context of strategic directions and available resources, what the priorities should be and how resources should be allocated	<ul style="list-style-type: none"> - A paper on the prioritisation of the Agency's current programs has been agreed by the Board. 	Complete	GM – Governance leading with input from all GMs.
Where resources are unlikely to meet project needs, this advice should be provided to the Board	<ul style="list-style-type: none"> - A paper on the prioritisation of the Agency's current projects has been agreed by the Board. 	Complete	GM - Governance

Action 14: The Agency should advise staff about the outcome of this Report and the actions that are being taken in response

Strategy	Activities/Status	Timeline	Person/s responsible
Advise staff about the outcome of this Report and the actions that are being taken in response	<ul style="list-style-type: none"> - The report, including this management response to the report, will be provided to all staff once finalised by the Board. 	Complete	CEO