

*In Confidence*

# **RBNZ CHANGE PROPOSAL FOR SENIOR LEADERSHIP ROLES.**

27 September 2020

# Contents

## Section

## Slide

- |  |    |
|--|----|
| 1. Drivers for Change                        | 3  |
| 2. Design Process and Principles             | 6  |
| 3. Proposed Changes                          | 9  |
| 4. Summary of Proposed Impacts               | 15 |
| 5. Proposed Selection Process and Transition | 17 |
| 6. Feedback Process, Timeframes and Support  | 19 |



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**Drivers for  
change.**

# Drivers for Change

The Reserve Bank operates in a complex and changing environment. To effectively deliver on all that is expected of us requires us to work collaboratively, evolve our culture, and set ourselves up to successfully anticipate, navigate and respond to change.

The Bank is advancing well in its deliberate transformation process to continue to meet our broadening mandate. We are well underway in refreshing how we work with our stakeholders, how we embed Diversity and Inclusion and Te Ao Māori, how we grow and develop our tools, processes, capabilities and culture to strengthen our foundations for the future.

We are also now aware of our future governance expectations under new legislation. The leadership of the Reserve Bank needs to be prepared to operate under the new legislation, Board, and corresponding changes in the governance of the Bank.

All change is interconnected and needs coordination, especially in terms of the impact on our people. We are reviewing how we operate holistically (our "Operating Model review"). All this work all comes together as a portfolio of enterprise change and transformation aimed at enabling our vision of Great team, Best Central Bank – [Matangirua ki Matangireia](#).

This consultation document outlines a proposed design of the Tier 2 roles and the associated purpose statement for each of the associated functional areas. The aim of the proposed design is to ensure we have the right functions represented in the Senior Leadership Team, the best leadership structure to ensure we can adequately manage our risks (operational, legal, financial, and reputational) and meet Te Pūtea Matua's current and future requirements.

The roles and associated portfolios of the Senior Leadership Team (SLT) are designed to align with the strategy, drive culture change, and enable sustained success for the RBNZ.



# Preparing for the Future – Insights from the Team

Initial insights gathered through the design process highlighted the future conditions the RBNZ needs to prepare for and the current characteristics of the way the RBNZ operates. Both aspects require consideration through design.

Future Conditions	Current Characteristics
<ul style="list-style-type: none"> <li>• Increased expectations in role of RBNZ – breadth and quality of service</li> <li>• Financial inclusion focus</li> <li>• Meeting our Te Ao Māori intentions and commitments</li> <li>• Stronger role in supporting Pacific Island financial stability</li> <li>• Managing cyber threats</li> <li>• A more integrated global community</li> <li>• Climate change</li> <li>• Financial innovation and Central Bank Digital Currency</li> <li>• Increased partnerships and integrated work across government agencies</li> <li>• Regulation of increasing number of new financial and payments services</li> <li>• Rising competition of scarce skills</li> <li>• Need for diverse and inclusive workforce to support thought leadership</li> <li>• Increase of flexible working and remote working requirements</li> <li>• Importance of collaborative, supportive and empowering culture</li> </ul>	<ul style="list-style-type: none"> <li>• Under investment in developing people, systems and leadership capability</li> <li>• Need for enhanced utilisation of technology, data and innovative ways of working</li> <li>• Ongoing limited collaboration across functional areas and cross-utilisation of talent and expertise</li> <li>• Lack of enterprise frameworks and need for enhanced clarity of decision-making authority and functional responsibilities</li> <li>• Enabling/Support functions need to develop approach to Business Partnering to ensure solutions and services support the sustained success of the Bank</li> <li>• Greater strength required in information management and data services to better leverage internal capability and build RBNZ offering to external parties</li> <li>• Early steps being taken in role of RBNZ in bringing effect to Te Tiriti and supporting financial achievement for all New Zealanders.</li> </ul>

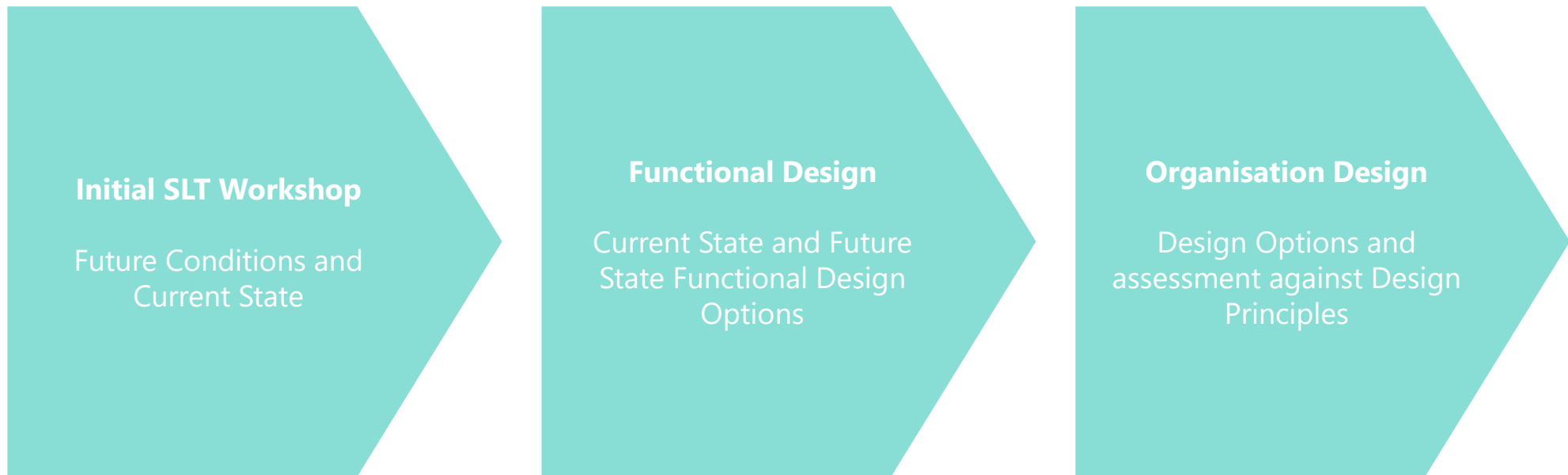


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# Design process and principles.

# Design Process

SLT have contributed to all phases of the design that has now reach the point of consulting on the proposed Tier 2 organisational design. The design steps have been as outlined below:



# Design Principles

- 1. Enables Purpose, Vision & Values:** Ensure the Bank is best aligned and organised to deliver on its Purpose, Vision and Values and deliver on agreed strategies, outcomes and core services. Enables effective delivery of the RBNZ Te Ao Māori strategy.
- 2. Enables Agility and Responsiveness:** Ability to respond to changing demands, expectations and new opportunities both internally and externally (now and in the future). Leverages opportunities to utilise external expertise for non-core/ specialist delivery.
- 3. Sustainability:** Balanced SLT portfolios to enable excellence in foundational delivery as well as space for continuous improvement, innovation and bank-wide strategic and operational alignment. Encourages investment in our people and in 'forward thinking, data driven' capability to support sustained growth and delivery. Supports the requirement for growth of RBNZ presence in Auckland.
- 4. Transparency and Clarity:** Enable enterprise direction and decision-making with clear functional delivery responsibilities, delegation and ease of navigation.
- 5. Functional Alignment and Efficiency:** Like functions should be grouped together where possible, to minimise duplication and support efficiency and effective delegation. Balanced with enterprise responsibilities.
- 6. Span of control:** Spans and layer management is workable. Direct reports should be consistent with the size and scale of the function.
- 7. Career pathways:** Provides our staff with opportunities that are engaging and relevant experiences that meet their professional goals and actively improve their skills.
- 8. Enable SLT to focus on governance (looking up) and external (looking out):** Sufficient resourcing and capability at Tier 3 to enable SLT to focus more on governance and RBNZ external facing work.
- 9. Alignment with Committees:** Roles, responsibilities and delegations across functional areas are clear and aligned with the mandate of each relevant committee.

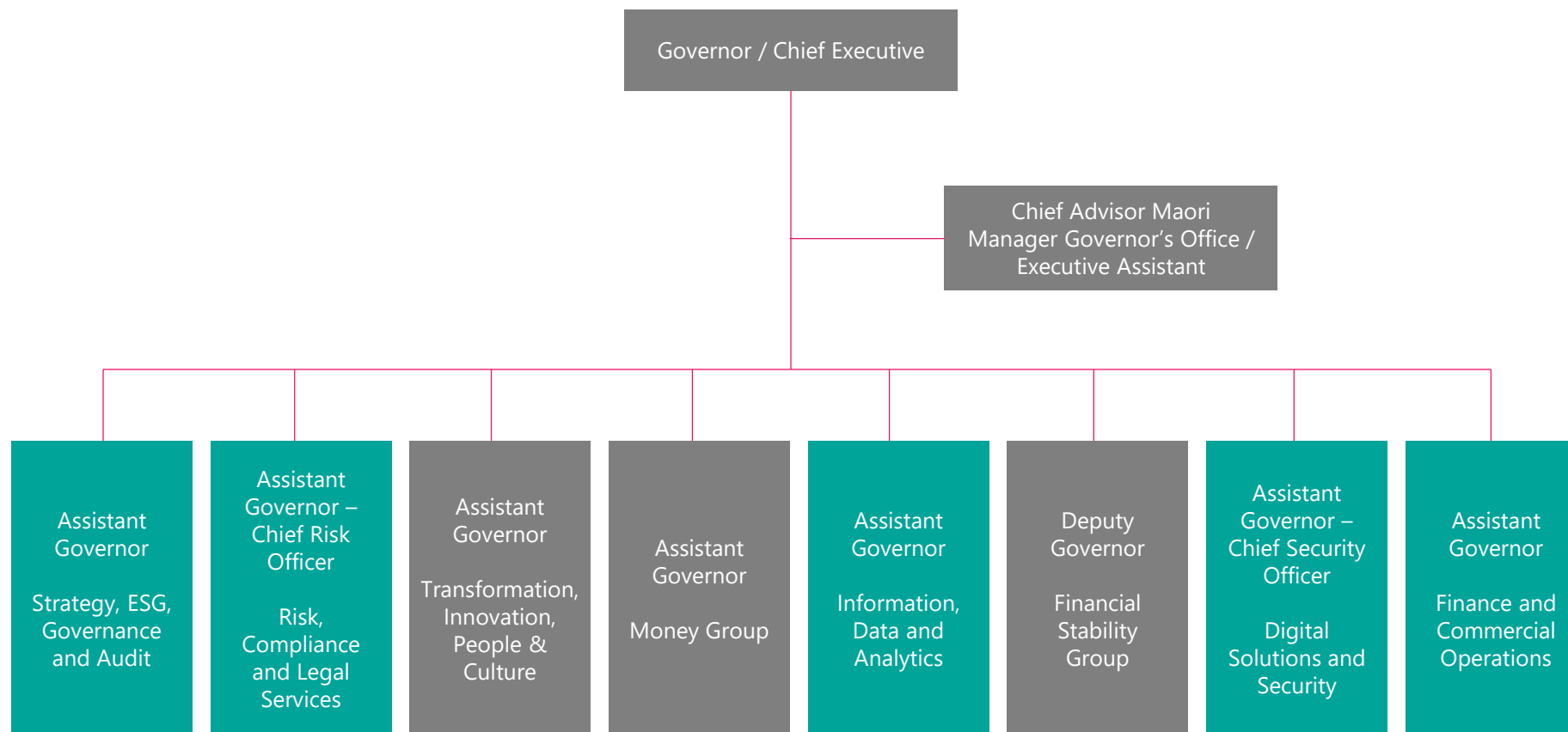




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Proposed changes.

# Proposed design of SLT roles



## Key:

Proposed No/Minimal Change

Proposed new role



# Proposed SLT Roles and Purpose

SLT Role	Proposed Functional Purpose
Assistant Governor – Strategy, ESG Governance and Audit	Lead the process for developing and communicating the RBNZ Strategy and for monitoring its delivery and performance. Lead on RBNZ Climate & Sustainability Strategy & Financial Inclusion. Ensure the RBNZ has robust governance, auditing frameworks and corporate policies in place that provide clear direction and enable effective delivery. Responsible for Corporate Relations, External Stakeholders (including COFR and International) and Communications in support to the Chief Executive.
Assistant Governor (Chief Risk Officer) – Risk, Compliance and Legal Services	Lead the development and embedding of a broad Risk, Compliance and Legal strategy and function for the Bank. Lead the implementation of a fit-for-purpose Enterprise Risk and Compliance Framework and ensure there are effective practices of continuous improvement across the bank. Operates as a Centre of Excellence for Legal Services, Risk, Compliance, Health and Safety and Business Resilience.
Assistant Governor – Transformation, Innovation, People & Culture	Lead the RBNZ Transformation strategy, function and portfolio. Establish enterprise change frameworks, programmes and culture required for the Bank to support the RBNZ strategy and vision. Ensure the Bank has the capability and practices to enable successful delivery of priority change projects. Function as a key business partner to support RBNZ's strategic and operational needs around Transformation, Innovation, People, Leadership and Culture. Lead the shaping of Organisational Culture, Organisational Development and the embedding of Te Ao Māori and Diversity and Inclusion.
Assistant Governor – Money Group	Lead policy and operational activities relating to our role of steward of New Zealand's monetary system, including the money and cash system, protecting the purchasing power of our money through setting monetary policy, implementing monetary policy in financial markets and operating the large value payment system across our balance sheet. Lead on South Pacific Strategy and steward FinTech. Lead financial innovation initiatives for the Bank.



# Proposed SLT Roles and Purpose

SLT Role	Proposed Functional Purpose
Assistant Governor – Information, Data and Analytics	Lead and grow the data analytics function and systems of the RBNZ which includes setting bank-wide information and data policy, developing policies and processes for the collection, storage, manipulation, and dissemination of data to support evidence-based decision-making across the RBNZ. Manages data repositories (e.g. CRM) for bank-wide partnership activities. Conducts research and analysis to provide insights to the RBNZ and its stakeholders. Works in partnership with Digital Solutions who own the platforms and products that house RBNZ data.
Deputy Governor – Financial Stability Group	Lead strategy and delivery to protect and promote the stability of New Zealand’s financial system. Lead oversight of regulatory policy and analysis, supervision and enforcement. Sets the rules to guide the soundness of our regulated entities and monitor and sanction them if they put their customers and the wider financial ecosystem at risk. Ensure that financial institutions are licensed, effectively supervised, and where applicable, enforcement action is taken. Responsibility also resides within this group for the Financial Stability Report, recovery, resolution and crisis management of distressed financial institutions, Anti-Money Laundering (AML) and Countering Financing of Terrorism (CFT).
Assistant Governor (Chief Security Officer) – Digital Solutions and Security	Support RBNZ's strategy, transformation, and operational needs through leadership across the Digital function. Ensures the architecture, infrastructure, security and systems are enablers of the strategy, appropriately risk assured and that users have the tools and training to work efficiently, effectively and in collaboration with each other. Deliver system innovation and automation for the enhanced utilisation of technology across the RBNZ in conjunction with Business needs. Leads the Banks Protective Security Requirements across all aspects of security – Security Governance, Personnel, Physical and Information Security.
Assistant Governor – Finance & Commercial Operations	Enable RBNZ's strategy, transformation and operational needs through leadership across the finance and commercial function. This function ensures the business has the underpinning financial systems, physical infrastructure, processes and reporting in place to support the Bank's direction and ensure the Bank's operations are efficient and represent value for money. Supports management and strategic reporting. Provides, oversees and operates the framework for commercial procurement, asset management and RBNZ property and facilities strategy. Oversees the administration of regulatory fees, levies, the Deposit Insurance Scheme, and related regulatory administration.

# Consequential Tier 3 reporting line changes to align with proposed Tier 2 changes

The below table outlines the proposed reporting lines of the current Tier 3 roles\* to align with the proposed Tier 2 positions:

AG Strategy, ESG Governance and Audit	AG Risk, Compliance and Legal Services	AG Transformation, Innovation, People & Culture	AG Money Group	AG Information, Data and Analytics	DG Financial Stability Group	AG Digital Solutions and Security	AG Finance & Commercial Operations
<ul style="list-style-type: none"> <li>• Group EA</li> <li>• Head of Communications</li> <li>• Head of Performance and Corporate Relations</li> <li>• Manager Governance Services</li> <li>• Manager Audit Services</li> <li>• Head of Risk and Audit</li> </ul>	<ul style="list-style-type: none"> <li>• General Counsel</li> <li>• Business Continuity and Resilience Advisor</li> </ul>	<ul style="list-style-type: none"> <li>• Group EA</li> <li>• Head of Transformation</li> <li>• Head of OD – Culture &amp; Capability</li> <li>• Head of Human Resources</li> <li>• Head of Diversity &amp; Inclusion</li> <li>• Head of PMO</li> </ul>	<ul style="list-style-type: none"> <li>• Group EA</li> <li>• Head of Economics / Chief Economist</li> <li>• Head of Financial Markets</li> <li>• Head of Money and Cash</li> <li>• Head of Payments and Settlements</li> </ul>	<ul style="list-style-type: none"> <li>• Head of Data and Statistics</li> </ul>	<ul style="list-style-type: none"> <li>• Group EA</li> <li>• Manager Enforcement</li> <li>• Head of Financial System Policy and Analysis</li> <li>• Head of Supervision</li> </ul>	<ul style="list-style-type: none"> <li>• Group EA</li> <li>• Business Operations Strategy Lead</li> <li>• Chief Information Security Officer</li> <li>• Manager Property, Assets &amp; Security</li> <li>• Chief Information Officer</li> <li>• Business Operations Advisor</li> </ul>	<ul style="list-style-type: none"> <li>• Coordinator</li> <li>• Procurement Advisor</li> <li>• Finance Advisor</li> <li>• Manager Treasury Unit</li> <li>• Financial Controller</li> </ul>

Feedback is welcomed through this phase of consultation on the proposed alignment of the current Tier 3 roles.

Once final decisions are made on the final Tier 2 structure, the design process will be completed for any proposed redesign of the Tier 3 roles. Feedback will be sought on that proposed design through an independent consultation process which is planned to be held in October 2021.

**Note:**

- Some of the positions listed above are currently vacant but they are represented due to them being current roles and included in the FTE of RBNZ
- Project roles are not listed above but stay reporting to SLT project sponsor.
- Where a Tier 3 role could report to more than one AG role, the role is proposed for reporting to the AG that is most aligned to current state. Phase 2 consultation will address any changes required once a new structure is confirmed.



# Design principle assessment

Design Principle	Does the design support the principle?	How
Enables Purpose, Vision & Values	✓	Brings greater focus on development of clear enterprise strategy and RBNZ frameworks and lifts focus on ensuring coordinated and connected delivery of strategic programmes through the Enterprise Change PMO
Enables Agility and Responsiveness	✓	Supports enhanced responsiveness with increased number of SLT roles focusing on critical areas of activity. Work required on culture and ways of working to support this being embedded.
Sustainability	✓	Focus on people and data at the SLT and more ability enhance diverse representation and have roles in Auckland. More balanced and sustainable portfolios than current design.
Transparency and Clarity	✓	Clear lines of responsibility with further focus required on effective collaboration and integration across the groups.
Functional Alignment and Efficiency	✓	Like functions have been grouped together. Requires matrix working styles and strong working relationships to bring to life.
Span of control	✓	Span of control higher but still considered within appropriate range for Tier 2 leadership roles.
Career pathways	✓	Greater number of career pathways opened for SLT roles. More opportunities for career development will be available through RBNZ Committees.
Enable SLT to focus on governance (looking up) and external (looking out)	✓	Gives more capacity for the SLT to focus on the right areas; will bring some new roles and ideas into the SLT.
Alignment with Committees	✓	Committee Review currently in process. That review will ensure there is alignment, clarity of responsibility and opportunities to develop talent through the committee framework.

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# Summary of proposed impacts.

# Summary of Proposed Impacts for current Tier 2 roles

Role	Proposed Impact
Deputy Governor and General Manager Financial Stability Group	Minor change – Data and Statistics shift to proposed new role of Assistant Governor Information, Data and Analytics
Assistant Governor and General Manager Governance, Strategy & Corporate Relations	Role replaced
Assistant Governor and General Manager Transformation and People	Minor Change – inclusion of Enterprise Programme Management responsibilities, procurement of people contractors, shift of Health & Safety (retaining well-being)
Assistant Governor and General Manager Business Operations	Role replaced
Assistant Governor and General Manager Money Group	No change
Assistant Governor and Chief Financial Officer	Role replaced
Chief Advisor Maori	No change
Manager Governors Office / Executive Assistant	No change

Non  
SLT  
roles

It is proposed within this consultation process that any change to Tier 3 roles (direct reports to SLT roles) will be a change in reporting line only to align with the proposed new Tier 2 roles. The design process has commenced for Tier 3 roles but this process can not be completed until final decisions on the Tier 2 roles. Any further proposed changes at a Tier 3 level will form part of the second phase of consultation which is due to occur in October 2021.





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# Selection process and transition.

# Proposed Tier 2 Selection Process

## Transition

### Reconfirmation and Reassignment (7 – 13 October 2021)



## Phase 1

- Reconfirm current incumbents into those roles for which there is no / minimal change.
- Closed 'Expression of Interest' process for permanent and/or acting Tier 2 staff members whose current or acting role is disestablished through this process. A written indication of interest may be required.


### Advertising (13 October onwards)



## Phase 2

- Remaining vacant Tier 2 roles will be advertised.
- This advertising process will be a concurrent internal and external process.



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**Feedback process,  
timeframes and  
support.**

# Feedback Process and Timeframes

Confidential feedback is welcomed on any component of this proposal. Submissions should be in writing and submitted to [Org.Feedback@rbnz.govt.nz](mailto:Org.Feedback@rbnz.govt.nz) by 5pm, 4<sup>th</sup> October 2021. Any questions on the proposal can also be submitted to the same email address at any time during the consultation period.

Our aim will be to respond to questions as quickly as possible. If deemed appropriate and of value to the consideration of the proposed changes, anonymized questions and answers will also be made available to all current SLT members and their direct reports.

The consultation timeframes are as outlined below:

Consultation Activity	Dates and times
Consultation proposal released to Tier 2 (SLT)	27 September 2021
Consultation proposal released to Tier 3 – SLT Direct Reports	28 September 2021
Feedback required to be submitted	<b>4 October 2021 – 5pm</b>
Feedback considered	5 – 8 <sup>th</sup> October 2021
Final decisions announced to Tier 2	Target 8 October 2021
Final decisions announced to Tier 3	Target 8 October 2021
Reconfirmation and Reassignment Process	Target 8 – 13 October 2021
Advertising to commence for vacant Tier 2 positions	Target 13 October 2021 onwards



# Support

We acknowledge that change of any sort can be un-settling and we are committed to ensuring that our people, at all levels of the Bank, feel supported as they work through change.

The following support channels are available to anyone at RBNZ to utilise as they require:

- Direct Manager and/or AG Transformation and People
- Employee Assistance Programme – Vitae

0508 664 981 or [www.vitae.co.nz](http://www.vitae.co.nz)

In addition to being able to access support, staff are also entitled and welcome to seek independent advice on the details of this proposal.

**Out of respect for affected parties we will not be sharing the consultation document wider than this group. We would appreciate if you would keep this information confidential, and not share it with your teams.**

