

A large, decorative graphic consisting of three overlapping, wavy bands in shades of blue and teal, positioned above the main title.

# **WaterNSW: Restoring Financial Sustainability Initiative**

[DRAFT] Change Management Plan

August 2025

<b>Revision history</b>	<b>Name</b>	<b>Review task</b>
	Beth Winchester	Approve
	Sam Ebzery	Review
	Bronte Wright	Review
	Ajay Mehta	Review

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## Background & case for change

WaterNSW is undertaking a major transformation, the Restoring Our Financial Sustainability program, to address a significant budget shortfall and ensure long-term viability. Recent regulatory pricing decisions (IPART determinations) have left a funding gap of ~\$80 million per year. We have already implemented substantial savings (deferring \$860 million of capital projects and cutting \$133 million in operating costs over five years), but further measures are needed to secure our financial future. This transformation is a “fundamental reset” of the organisation – we will become a leaner, smaller and more focused business, refocused on core priorities and simpler operations.

As part of these changes, we are consolidating our structure from seven portfolios down to four to eliminate overlaps and improve efficiency. Unfortunately, these efficiency gains mean reducing our total workforce by approximately 300 roles, beginning with a voluntary redundancy program. Executive and senior management levels will shrink by over 30%, and additional employee reductions will occur across the organisation.

## Our people commitment

While the scope of change is substantial, our top priority is supporting our people throughout the transition. A formal consultation on the proposed changes commences on 4 August 2025, ensuring employees have a voice in shaping the outcome before final decisions are made. We are fully committed to minimizing negative impacts on employees and ensuring we comply with all legislative and industrial instrument requirements; all possible steps will be taken to treat everyone with fairness, compassion, and respect.

WaterNSW will continue to have hundreds of expert employees across NSW after the restructure and is committed to retaining a strong local presence and critical capabilities in our workforce.

We will provide comprehensive support to affected employees, including wellbeing services and other assistance as needed. This Change Management Plan outlines how we will achieve these goals via four key workstreams – People Impact Analysis, Stakeholder Engagement, Communications Planning, and Capability Gap Assessment – to deliver the change in a structured, empathetic, and effective manner.

## Consultation with our Unions

We note the opportunity provided within the WaterNSW Enterprise Agreement to work in collaboration with our unions in developing our consultation plan. This initially started with a preliminary meeting held on Monday 4 August 2025 when we launched our message to the business and will continue as we work through this process. Feedback will be sort from the PCG at various stages of this process- we will call PCG meetings at regular intervals throughout this process.

- (f) Where the proposed change is major change, WaterNSW must:
- (i) communicate with the employees affected and their representatives as soon as practicable that a problem, issue or opportunity exists that gives rise to the potential for major change. In this clause "as soon as practicable" means when WaterNSW has enough information to convey about the problem, issue or opportunity to make the communication worthwhile; and
  - (ii) refer the problem, issue or opportunity to the Peak Consultative Group that may establish a Consultative Working Group comprised of representatives of WaterNSW, the employees affected and their representatives. The Peak Consultative Group or the Consultative Working Group will develop a Consultation Plan that will set out a joint program of collaboration and consultation to address the problem, issue or opportunity.

### People Impact Analysis

Thoroughly assess how each team and individual is affected by the restructure, and plan tailored support for those impacted.

### Stakeholder Engagement

Engage all internal stakeholders – leaders, managers, staff, HR, Safety, and unions – to ensure collaboration, buy-in, and coordinated support.

### Communications Planning

Provide clear, timely information through multiple channels and maintain open feedback loops throughout the change journey.

### Capability & Skills Support

Identify skill gaps emerging from the restructure and support upskilling, reskilling or redeployment to meet new organisational needs.

## 1. People impact analysis

### Objective

Understand all impacts on our people and use that knowledge to plan, support and mitigate harm. We have begun a comprehensive change impact analysis on potential impacts to map out how the restructure will affect employees at every level. A high-level impact assessment at the portfolio level was completed during planning, identifying which functions and senior leadership roles are likely to change as we move from 7 to 4 portfolios. Now, as we progress the consultation period and move into organisational design, we are extending this into detailed team and individual impact assessments. Each team will review the proposed changes to pinpoint impacts on specific positions, work practices, reporting lines, and work locations. This ensures no aspect of people impact is overlooked.

## Key activities in the People impact analysis stream

### Collaborating with Leaders on Org Design

We will work closely with WaterNSW's people, organisation's leaders and subject matter experts to co-design the new structure. Their input ensures we account for critical roles and institutional knowledge in the future state. This collaborative design process has produced draft Level-3 org charts and team structures used in portfolio briefings on 5 August 2025. This will be enhanced as we progress through consultation.

### Identifying Affected Employees and Roles

Using the **proposed** org structure, we will identify all impacted positions; whether roles are proposed to be made redundant, merged, changed in responsibility, or moved to a different part of the organisation. For each impacted role, we will document the nature of impact (e.g. job will cease, role will change portfolio, new manager, expanded scope, etc.) and the individuals in those roles. Around 300 roles are expected to become redundant (subject to consultation outcomes) as part of achieving the cost savings target. In addition, many employees will see changes such as new reporting lines or team compositions due to the portfolio consolidation.

### Managing and Supporting Remaining Employees

As we transition to a leaner organisation, we recognise the importance of actively supporting the employees who remain. These individuals are critical to our future success and may experience increased pressure during the change. We are committed to:

- **Adjusting workloads** to reflect reduced employees levels, ensuring expectations are realistic and sustainable.
- **Providing emotional and wellbeing support**, including access to EAP services and resilience-building sessions.
- **Recognising contributions** and reinforcing the value of those who continue with WaterNSW.
- **Creating opportunities for growth**, including upskilling, career development, and involvement in shaping the new organisation.
- **Maintaining team cohesion**, through clear communication, leadership support, and inclusive decision-making.

### Interim Business Continuity

During the change, it's vital that day-to-day business carries on with minimal disruption. We have planned interim arrangements to maintain continuity in the current structure throughout the consultation period. For approximately the next four weeks, the existing 7 portfolio structure will remain in place with acting leaders filling any vacant roles, so that teams continue with their usual reporting lines and responsibilities.

### Expressions of Interest for Voluntary Redundancy

We are offering a Voluntary Redundancy (VR) Expression of Interest (EOI) process as a first step. This gives employees the option to exit on generous terms if they wish, helping to minimise compulsory job losses. The VR EOI will open on 6 August, at the start of consultation along with a "ready-reckoner" tool to help

employees estimate their severance package. Volunteers for redundancy will be prioritised, meaning some redundancies can be achieved voluntarily, reducing the need for declaring employees excess.

For employees moving to new roles or teams, we will arrange handovers and onboarding. Each team will receive clarity on responsibilities and any expectations. In cases where impacts are still uncertain (pending final decisions), we will maintain open communication with those employees, letting them know their status is being considered and when they can expect clarity (to reduce anxiety from uncertainty).

### **Workload Management for Remaining Employees**

As part of our mitigation planning, we will assess the workload implications for teams that remain post-restructure. Where headcount reductions occur, we will ensure that remaining employees are not overburdened. This includes reviewing task allocations, streamlining non-essential activities, and prioritising work that aligns with our core mission. Managers will be supported to redistribute responsibilities fairly and transparently, and additional resources may be provided where needed to maintain wellbeing and performance.

### **Incorporating Feedback on Impacts**

The consultation period is giving employees an active role in identifying impacts. We've invited all employees to provide feedback on the proposed changes (see Communications section). We will genuinely consider all feedback. Our goal is that every single affected employee will know what the change means for them by 31 October 2025, and will have either a path forward within the organisation or know that they are impacted. There will be continual communication with our employees and their representatives.

## **2. Stakeholder Engagement & Management**

### **Objective**

Proactively engage all internal stakeholders and coordinate their roles in the change. Key elements of our stakeholder management approach

### **Leadership Alignment and Sponsorship**

Strong visible sponsorship from top leadership is critical. Andrew George, our CEO and the Executive Leadership Team (ELT) (including Acting Executives) are fully involved in communicating and supporting the change. Manager Engagement and Change Agents

People managers (at all levels: general managers, team managers, supervisors) are a crucial link to our workforce. We are treating managers as a primary stakeholder group and enabling them to lead their teams through the change.

Specific actions include Senior Leadership Team briefings. Provision of communication toolkits so they can effectively communicate with their employees and support their people.

### **Safety, People & Culture**

Our Safety, People & Culture team are key partners in managing the human side of this transformation. They have been involved from the planning stage and are embedded in the change delivery.

- Policy Guidance & Compliance.

- Employee Wellbeing.
- Support the business in consultation and organisation redesign.

### **PCG and Union Consultation**

We recognise the importance of engaging with union representatives and employee associations throughout this process. Formal notices of the proposed changes were provided to relevant unions at the start of consultation. We have identified a single point-of-contact from the leadership team to coordinate union communications, to ensure consistent and timely responses.

By being transparent and responsive with the unions, we aim to maintain a constructive relationship and address any potential issues early. This also helps in disseminating accurate information to members in a partnership model. We recognise the need to work together to achieve a sustainable future.

### **All Employee Engagement**

Every WaterNSW employee is a stakeholder in this change. Beyond the formal communications (detailed in the next section), we are encouraging a culture of open dialogue and involvement. Employees are invited to participate in the consultation by asking questions, submitting feedback, and engaging in discussion forums. During the consultation period, all employees can contribute ideas or express concerns through the dedicated Queries and EOI inboxes.

We emphasise that “no question is a bad question”: all queries will be answered either directly or via FAQs. This inclusive approach ensures employees at all levels feel heard and considered. It also helps us gauge the pulse of the organisation. We are treating stakeholder engagement not just as one-way communication but as a two-way collaboration. By keeping people involved and by responding to their input, we hope to build the future collaboratively and build trust that management is handling the change responsibly. This will help maintain morale and goodwill even as difficult decisions (like employee reductions) are executed.

## **3. Communication & Engagement Plan**

### **Objective**

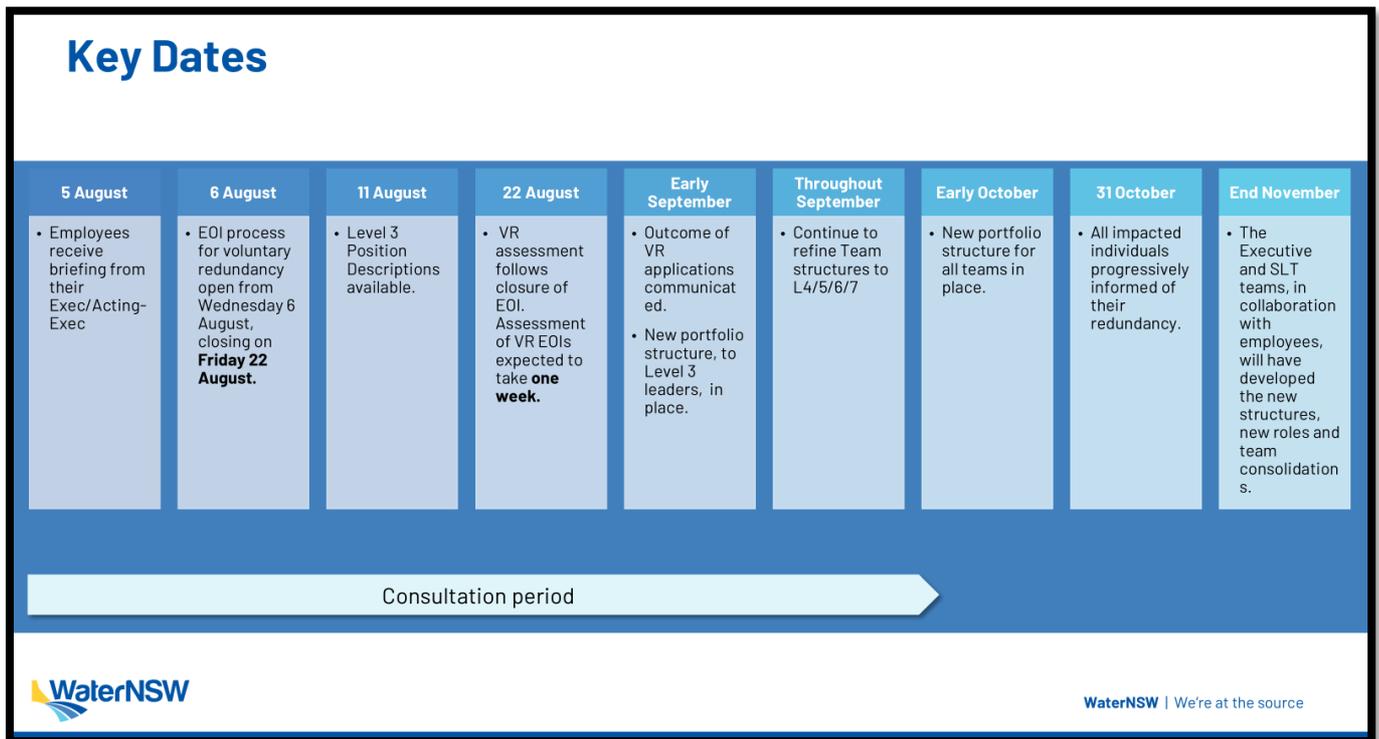
Ensure timely, transparent, and two-way communication so that all employees understand what is happening, why, and can voice their concerns. Our communications approach is built on the principles of clarity, consistency, and compassion, with a strong emphasis on keeping employees informed and engaged at every stage.

### **Communication Channels & Tactics**

- All-Employees announcements (Town Halls & emails)
- Intranet Hub (“The Source”)
- Frequently asked questions (FAQ)
- Dedicated query channels
- Manager updates to teams
- Continuous feedback loop

## 5. Timeline and Key Milestones

The diagram below outlines the high-level timeline for the change. This has been shared with all employees.



## Conclusion

By addressing people impacts, stakeholder engagement and communications in an integrated way, WaterNSW's Change Management Plan is designed to deliver the restructuring program successfully while keeping our people at the centre. We acknowledge that a reduction of ~300 roles and significant reorganisation is challenging and can be unsettling for our employees. However, through the measures in this plan, we aim to mitigate the impact of change and support every individual as much as possible.

WaterNSW's leadership and transformation team will continue to lead with empathy, communicate with transparency, and act with integrity throughout this journey. We thank all our people for their professionalism, input, and resilience during this period. Together, we will navigate this change and ensure WaterNSW can prosper in the years to come, delivering water when and where it matters. s