
PERFORMANCE IMPROVEMENT FRAMEWORK

Formal Review of the Department of Conservation (DOC)

SEPTEMBER 2010

State Services Commission, the Treasury and the Department of the Prime Minister and Cabinet

Lead Reviewers' Acknowledgement

The Lead Reviewers for this Performance Improvement Framework (PIF) review for the Department of Conservation (DOC) have acknowledged the thoughtful and generous input made by DOC staff and the Leadership Team. In addition, they had considerable input from a large cross section of the Department's external partners and stakeholders, who were equally committed to building stronger collaboration in the future. They have also acknowledged the insightful and thorough assistance provided by the team of officials from the Department of the Prime Minister and Cabinet, the State Services Commission and the Treasury, which supported the review.

The Reviewers state that "the Department of Conservation recognised this as an opportunity to identify and make performance improvements and therefore volunteered to be one of the first Government Departments to be reviewed. There was open and robust engagement in the process and we note that, even as we undertook the review, the Leadership Team began responding to issues under active discussion. This bodes well for the future of conservation outcomes".



**Performance Improvement Framework
Formal Review: Department of Conservation**

**State Services Commission, the Treasury, and the Department of the Prime Minister and Cabinet
Wellington, New Zealand**

Published September 2010

ISBN 978-0-478-36116-2

Web address: www.ssc.govt.nz/pif

Crown copyright 2010

Copyright / terms of use



This work is licensed under the Creative Commons Attribution-Noncommercial-No Derivative Works 3.0 New Zealand licence. [In essence, you are free to copy and distribute the work (including in other media and formats) for non-commercial purposes, as long as you attribute the work to the Crown, do not adapt the work and abide by the other licence terms.] To view a copy of this licence, visit <http://creativecommons.org/licenses/by-nc-nd/3.0/nz/>. Attribution to the Crown should be in written form and not by reproduction of any such emblem, logo or Coat of Arms.

CENTRAL AGENCIES' OVERVIEW

The Challenge

Both the Government and New Zealanders have high expectations of our State Services, and these expectations are rising. The combination of high expectations and prolonged fiscal constraint requires us to work continuously to improve the performance of the State Services by focusing on our highest priorities and delivering services in different, more innovative and cost-effective ways.

While individual boards and chief executives can work to improve the effectiveness of their agencies, the ability to learn from others with similar challenges, operating in the same system, will speed up the process of performance improvement. Agencies increasingly must work together to get the job done. The challenge of lifting performance is therefore one shared between all of us who are responsible for leading and managing the State Services.

It would be wrong, however, to consider that the New Zealand State Services are broken – they are not. On many measures the sector performs well. A recent Institute of Policy Studies paper¹ noted that New Zealand is consistently seen internationally as among a small group of top performers on international measures of public service effectiveness. But in the current world we need to run fast just to keep up, let alone improve.

The Response

Learning from each other and identifying the need for sectoral and system change requires a common framework and language. We have looked to find world best practice in terms of performance improvement methodologies and have agreed to adopt and adapt the framework used successfully in the UK Civil Service. We have used its concepts to develop a framework suitable to our circumstances, focusing on results (what we have to do) and organisational management (our ability to do it well).

The use of a common and comprehensive framework, by a pool of respected organisational leaders, to review agencies and highlight their strengths and weaknesses, serves a number of purposes.

The reviews will:

- provide insights that chief executives can use to further improve their agencies – leveraging off their strengths and working on areas that require development
- provide all State Services leaders with examples of best practice, places we can go to find out how it should be done
- enable chief executives with similar issues to consider whether and how they can combine their scarce resources to get the job done
- ensure actions for improvement are identified and performance expectations are clarified
- allow us to measure over time whether we are in fact improving our performance.

In the future we will also apply this framework to sectors. The agency reviews will help us to build a picture of performance across the State Services. They will enable us to identify sectoral and systems issues and constraints that are beyond the capacity of individual chief executives and that require collective action or a response from central agencies.

1. 'The Future State' Institute of Policy Studies Working Paper 10/08 Gill, Pride, Gilbert and Norman – May 2010.

Implementation

In 2009 the Department of Internal Affairs (DIA) and the Ministry of Agriculture and Forestry (MAF) volunteered to pilot the Performance Improvement Framework (PIF). The pilot was viewed by chief executives as a worthwhile exercise, particularly in providing an authoritative, independent view of agency performance. Central agencies reviewed, refined and re-evaluated the framework following the pilot and will continue to do so as it is implemented progressively across the system.

We extend our thanks to the agencies and chief executives who took part in the pilot and helped us to trial and build this new tool. Since the pilot, we have undertaken four formal reviews as part of the roll-out – the Ministry of Foreign Affairs and Trade (MFAT), the Department of Conservation (DOC), Te Puni Kōkiri (TPK) and Land Information New Zealand (LINZ).

Some issues have been raised by agencies in relation to the use of ratings – the ‘traffic lights’. Our approach to rating agencies using traffic lights is consistent with the UK model and enables us to identify the range of areas that require improvement. Central agencies expect that we will all be looking at ways to lift our performance and the rating system provides a clear picture for chief executives, Ministers and the wider public of where improvements can be made.

Our experience has been that in the first tranche of reviews, all organisations have recognised they need to improve in some way. This is evidenced by the larger numbers of red/orange ratings than green. Where agencies are in transition the ‘needs development’ rating often reflects the reviewers’ judgement that an issue has been identified and planning is underway, but the change is not sufficiently embedded to rate ‘well placed’. The process for applying the rating indicators is still new and we will improve the level of consistency of judgements between reviews as the review process beds down.

Next Steps

The agencies that participated in this first tranche (along with the pilot agencies, MAF and DIA) are now using the reviews and their action plans to drive enhanced performance. We will monitor their progress in implementing their action plans, offering advice, assistance and support as necessary. In due course, we will revisit these agencies to see what progress has been made. A core objective of the PIF is to look at progress across a number of agencies over time to see whether we are achieving a systemic lift in performance.

We have commenced the second tranche of reviews involving the New Zealand Transport Agency, the Treasury, the Ministry of Education and the Department of Building and Housing.

Iain Rennie
State Services Commissioner

John Whitehead
Secretary to the Treasury

Maarten Wevers
Chief Executive
Department of the
Prime Minister and Cabinet

DEPARTMENTAL RESPONSE

The Department of Conservation strongly supports the Performance Improvement Framework initiative to help develop a world leading public service for New Zealanders. The department welcomed the opportunity to be among the first state sector organisations to benefit from the process.

We are encouraged by the reviewers' findings that the department's core conservation work is of a high standard, and the support and service required to achieve that work is strongly managed. It is also gratifying that the report notes that staff engagement is high and the department is responsive to the drive for increased effectiveness in the public sector. This confirms we have a solid performance base to build on.

As the report notes, the department is undergoing transformational change. Our extensive programme includes internationally ground-breaking work in the monitoring and assessment of the health of New Zealand's unique plants and wildlife. It also includes projects to refocus the department in a strategic and organisational sense.

The reviewers rightly point out that this significant programme of change will test the department's leadership and resolve. They raise issues about how well the department can hold the change programme together, and deliver the clarity of vision, values and strategy needed to underpin it.

At the time of the assessment work was already underway to address these issues, but it is helpful to focus our attention on them. The priority actions identified by the reviewers show how the issues raised are being addressed, and sets out where those actions are either completed or close to completion.

The reviewers were particularly critical of the department's approach to the Treaty settlement process and raised issues requiring attention. These points were flagged during the review, and the department has responded with the targeted steps outlined in the priority action plan.

DOC has welcomed a "fresh pair of eyes" looking at how we work and our sense of direction. It has been a valuable exercise in clarifying where our performance is strong and, importantly, where things can be improved. The transformational change we have underway is challenging, and the PIF process has strengthened our ability to achieve the improved conservation outcomes we are seeking.

*The Department of Conservation's Action Plan in response to this report is published at:
www.ssc.govt.nz/pif*

TABLE OF CONTENTS

Central Agencies' Overview	1
Departmental Response	3
Lead Reviewers' Summary	5
Summary of Ratings	7
Agency Context	9
Results Section	11
Part One: Delivery of Government Priorities	11
Part Two: Delivery of Core Business	17
Organisational Management Section	23
Part One: Leadership, Direction and Delivery	23
Part Two: External Relationships	27
Part Three: People Development	30
Part Four: Financial and Resource Management	32
Other Observations	35
Summary of Priority Areas for Action	36
Appendix A	37
Overview of the Model	37
Lead Questions	38
Appendix B	40
List of Interviews	40

LEAD REVIEWERS' SUMMARY

The Department of Conservation (DOC) is the government organisation charged with promoting conservation of the natural and historic heritage of New Zealand on behalf of, and for the benefit of, present and future New Zealanders. DOC is primarily a large operational department, though it has a small policy function.

In line with DOC's continuous improvement ethos, DOC volunteered to be a part of a new performance improvement process, known as the Performance Improvement Framework (PIF). The PIF is a joint central agency initiative to help senior leaders drive performance improvement across the State Services. It is both a framework for analysis and a formal review process. The PIF is based on leading international private and public sector performance improvement models, which have been tailored for the New Zealand State Services.

At the time of the formal DOC PIF review, which was undertaken in the first six months of 2010, DOC can be described as an organisation in transition. It has a significant number of large strategic projects under way, which will assist it in being more responsive and effective in prioritising and partnering with third parties to achieve increased and improved sustainable conservation for the benefit of all New Zealanders. The majority of these transition projects are in the early stages of development or implementation, and the benefits and implications for DOC are yet to be fully determined. Against this background, DOC chose to participate in the PIF review.

Strategic clarity, leadership and risk management will be critical to DOC improving its performance in the future. The PIF review identified a lack of clear strategic leadership from the Executive Leadership Team (ELT) as the key risk area facing the organisation. Clarity of 'future state' is needed and ELT must pull together, focus and prioritise the current strategic projects to ensure the organisation moves to achieve this 'future state'. The lack of robust strategic leadership has impacted performance in many of the areas assessed in the PIF review.

The PIF review found that DOC is well placed in delivering on the specific current Government priorities (except in the area of Treaty Settlements). However, DOC has tended to see each initiative as an individual project.

DOC is a key player in the area of Treaty Settlements. However, performance in this area was assessed as a weakness. This assessment arises from a lack of clear strategic leadership on the matter and the need to improve relationship management with the other key parties involved in this Government priority. DOC's capability in Treaty Settlements needs to be strengthened both in terms of strategic leadership and in relationship management.

The Department's output achievements in the management of Natural Heritage are strong, with very few exceptions, and its core conservation work is of a high standard.

The PIF review found that operationally DOC is very well managed, with sophisticated financial and non-financial systems to underpin performance and control.

DOC is also recognised for its leadership in cost management and responsiveness to the Government's priorities of increased effectiveness and efficiency in the public sector.

Financial and resource management is strong.

Significant variability was observed in the quality, consistency and effectiveness of external relationships, which creates risk for the organisation.

Existing systems for people development are strong. The risk for the future will be the identification of the 'future state' of organisational strategy, values, and design (which will arise from the various current strategic projects). Staff engagement is relatively high for the public sector, but higher levels of engagement will be necessary to achieve the changes needed to implement its strategic projects. DOC must ensure clear organisational alignment and commitment from its people on its journey towards its 'future state'. DOC must also ensure clear organisational values (over and above personal values) are in place to underpin the behaviours and commitment needed from staff for the future.

In summary, the four key areas for future focus from this PIF review are:

- proactive strategic leadership from ELT, including clarity of vision, values, and strategy; the need to get in front of the optimal organisational design for the future; and prioritising activities that will really make a difference
- strengthening DOC's capability and strategic positioning with respect to Māori, including Treaty issues
- strategic stakeholder relationship management, including prioritisation, consistency, transparency and sophistication to assist achievement of objectives and to minimise risk
- effective evaluation, review, prioritisation and follow through.

DOC recognises the scale of the change programme it has under way is very challenging. The PIF review is an opportunity to identify and make performance improvements.

DOC has responsibility for addressing any legislative impediments that, in DOC's review, prevent it from responding to this report's recommendations.

The receptiveness and cooperation from within DOC (demonstrated during the review) and the strong base of operational performance, provide an excellence platform for it to tackle and leverage the opportunity for performance improvement areas identified in this review.

Paula Rebstock
Lead Reviewer

Sue Suckling
Lead Reviewer

SUMMARY OF RATINGS

Results

GOVERNMENT PRIORITIES	RATING
Tourism Development	
New Kauri National Park	
Camping Opportunities	
Cycle-ways	
Tax Treatment – Private Landowners Conservation	
Minerals and Other Activity	
New Forests and Carbon Credits	
Contribution to Durable Treaty Settlements	
Prioritising for the Future	

CORE BUSINESS	RATING (EFFECTIVENESS)	RATING (EFFICIENCY)
Management of Natural Heritage		
Management of Historic Heritage		
Conservation with the Community		
Management of Recreational Opportunities		
Policy Advice		?
	RATING	
Regulatory impact		

Rating System

 Strong	 Well placed	 Needing development	 Weak	? Unable to Rate
--	---	---	--	------------------

Organisational Management

LEADERSHIP, DIRECTION AND DELIVERY	RATING
Vision, Strategy & Purpose	
Leadership & Governance	
Culture & Values	
Structure, Roles and Responsibilities	
Review	

EXTERNAL RELATIONSHIPS	RATING
Engagement with the Minister(s)	
Sector Contribution	
Collaboration & Partnerships with Stakeholders	
Experiences of the Public	

PEOPLE DEVELOPMENT	RATING
Leadership & Workforce Development	
Management of People Performance	
Engagement with Staff	

FINANCIAL AND RESOURCE MANAGEMENT	RATING
Asset Management	
Information Management	
Efficiency	
Financial Management	
Risk Management	

Rating System

 Strong	 Well placed	 Needing development	 Weak	? Unable to Rate
--	---	---	---	------------------

AGENCY CONTEXT

The Department of Conservation (DOC) is the government organisation charged with promoting conservation of the natural and historic heritage of New Zealand on behalf of, and for the benefit of, present and future New Zealanders. DOC is primarily a large operational department, but has a small policy function. The Hon. Kate Wilkinson is the Minister responsible for DOC. DOC's work is funded through Vote: Conservation.

DOC was established by the Conservation Act 1987, and its key functions are set out in that Act. DOC interprets and administers the Conservation Act to give effect to the principles of the Treaty of Waitangi, in accordance with section 4 of the Act. DOC also has functions under a number of other Acts, including the National Parks Act 1980, the Marine Reserves Act 1971, the Reserves Act 1977, the Wild Animal Control Act 1977, the Wildlife Act 1953 and the Marine Mammals Protection Act 1978.

Much of DOC's work takes place on the more than 8 million hectares of conservation land and 33 marine reserves (covering almost 1.28 million hectares), and six marine mammal sanctuaries that it manages on behalf of New Zealanders. Conservation land makes up about one-third of the country and includes national parks, high country parks, forest parks, offshore and sub-Antarctic Islands and historic sites.

DOC is responsible for encouraging recreation opportunities on the lands and waters it manages. To that end, it provides and manages historic sites and visitor facilities, including walking, biking and four-wheel-drive tracks, huts and campsites.

DOC works within the statutory concessions framework to authorise tourism operators and other third party activities and uses on public conservation lands and waters. These include grazing, mining, and telecommunications sites.

Some of DOC's functions go beyond the boundaries of public conservation lands and waters. It protects marine mammals, indigenous freshwater fisheries, recreational fisheries and freshwater habitats, and is responsible for conserving indigenous wildlife, wherever it lives. It advocates generally for the conservation of natural and historic resources, provides conservation information, and promotes the economic, environmental and social benefits of conservation.

DOC supports the Minister of Conservation to exercise their responsibilities under the Resource Management Act 1991 for the coastal and marine environment. This includes providing policy advice to the Minister, and input into councils' policies, plans and consent applications regarding the coastal and marine environment.

The National Office in Wellington contributes to whole-of-government policy processes and provides organisational service and support functions. National Office also services ministerial advisory committees and the New Zealand Conservation Authority.

Fieldwork and conservation outputs are delivered mainly from the network of 49 area offices, grouped into 12 conservancies, each with a conservancy office to provide support. The conservancies are led and managed by two General Managers, Operations; one working from the Northern Regional Office in Hamilton and the other from the Southern Regional Office in Christchurch.

As at 31 March 2010, DOC employed 1,850.6 permanent full-time equivalent staff and 403.7 temporary full-time equivalent staff.

DOC works across the government sector primarily, but not exclusively, through the natural resources sector group. It works with tangata whenua, landowners, regional and local government, science providers, recreation, outdoor and conservation organisations, community groups, and businesses.

At the time of this review DOC can be described as an organisation in transition. It is committed to increasing effectiveness and supporting the Government's six drivers of growth. DOC has a significant number of large strategic projects under way which will assist it in being more responsive and effective in prioritising and partnering with third parties to achieve increased and improved sustainable conservation for the benefit of all New Zealanders. The majority of these transition projects are in the early stages of development or implementation. All focus on 'the way DOC will deliver in the future' (including being more effective on a broader front) and include:

- completion of a positioning paper to underpin the vision for the organisation, which will clarify the strategy for the future and define the organisation's values to deliver this
- recent establishment of a Commercial Business Unit (previously part of the Commercial Framework Project and then Prioritisation for the Future (PftF) project) and the approach it is taking in regard to commercial relationships
- the implementation (if approved by the Minister) of the recently completed Concessions Review
- the recreation activities refocus (part of the Destination Management Framework project)
- the unfinished review of the internal Standard Operating Procedures (SOPs) and associated implementation consequences
- the review of internal efficiencies, including the approach to support service delivery, projects related to procurement processes, simplifying planning processes and streamlining services (part of the PftF project)
- the four specific areas of focus building and strengthening capability through information technology, including considering opportunities on an all-of-government basis
- finalisation of the draft strategy 'People 2020' to support the development of staff, and related sub-projects (such as the three pieces of work currently under way focusing on improving the diversity of DOC's workforce and improving equality of opportunity)
- full implementation of the Natural Heritage Management System (NHMS) project, which will assist DOC's ability to prioritise natural heritage work that will provide the best conservation returns for the available resource
- working with the Office of Treaty Settlements (OTS) to meet the Government policy to complete outstanding settlements by 2014.

Against this background, DOC chose to undertake the PIF review to: give itself assurance on areas of strong performance; to identify areas that are 'well placed' to deliver improved performance but require more work to achieve the benefits; and to identify areas of risk that must be addressed to enable DOC to achieve its desired performance aspirations.

RESULTS SECTION

Part One: Delivery of Government Priorities

This section reviews DOC’s current ability to deliver on the priorities agreed with the Government. The review is based on the completeness of its plans, the stage at which the priority is at, and the capability and capacity of DOC to deliver on the priority. Consideration of identified risks also informs the review.

Strategic: Tourism development	
<p>PERFORMANCE RATING</p> 	<p>Performance Rating: Well placed</p> <p>DOC is responsible for the management of almost a third of New Zealand’s land and, as a result, the Government has asked DOC to “look at conservation issues and opportunities including how the Department could evolve its approach to tourism and how best it could meet its extensive land management responsibilities”. The Destination Management Framework is responsive to local and international tourism opportunities. The project looks at responding to demand in a sophisticated manner. The project is well structured, with clear milestones, and once implemented should contribute to enhanced tourism activity. The key risk lies in effective implementation. The extensive work in external communications and community involvement also supports this Government priority.</p>

Operational: New Kauri National Park	
<p>PERFORMANCE RATING</p> 	<p>Performance Rating: Well placed</p> <p>The Government has committed to the development of a small new Kauri National Park covering 30,000 hectares located at Waipoua Forest, Dargaville for completion in 2011. The land is currently under the control of DOC. DOC has a project plan in place, under the responsibility of the local Conservator, to achieve this objective.</p> <p>The major risks are related to iwi support for the project. Dialogues at the local level, as part of relationship management, continue. Overall, this project is meeting milestones and progressing on target, however, if DOC cannot gain local iwi support, meeting the completion target in 2011 will be under threat. The project must ensure it has a robust strategy and appropriate resource in place.</p>

Operational: Camping opportunities

<p>PERFORMANCE RATING</p> 	<p>Performance Rating: Well placed</p> <p>The National Party manifesto resulted in DOC being directed to develop 25 new campgrounds. DOC approached the project with a strategic review to identify gaps. This included looking at demand gaps by location and time, receiving input from the sector and relevant research. DOC has prepared a strategy for ministerial approval and is awaiting formal response on the proposal.</p> <p>Seven new campsites are being built by DOC and one concession agreement has been given for an additional development on public conservation land by a private sector operator. North and South Island have lists of potential areas for camping sites (87) but DOC is recommending that they will only be pursued when there is clear and demonstrated demand, and no private operator in the local area has plans to develop additional capacity. Three campervan sites are being developed in Coromandel and the West Coast. DOC’s strategy also recommends increasing the capacity and quality of some existing campsites.</p> <p>While the strategy may not result in 25 new campsites it addresses the Government’s objectives for camping site demand and the affordability of these in a different and more effective manner.</p>
--	--

Operational: Cycle-ways

<p>PERFORMANCE RATING</p> 	<p>Performance Rating: Strong</p> <p>DOC currently has responsibility (accountable to the Ministry of Tourism) for four cycle-way development projects. Rather than a ‘single point’ of accountability, project management is divided between the two General Managers (GMs) Operations.</p> <p>A project plan, with milestones, is in place for each project. All four projects are progressing well and are scheduled to be delivered by the agreed timeframes.</p> <p>There are no further cycle ways projects that DOC has responsibility for at this point in time.</p>
--	---

Operational: Tax treatment private landowners conservation
 Review of the tax treatment of private landowners undertaking conservation work.

<p>PERFORMANCE RATING</p> 	<p>Performance Rating: Well placed</p>
	<p>The original ministerial brief to DOC was to investigate ways in which the tax system might help encourage private land owners to undertake work of a conservation nature.</p> <p>DOC identified Inland Revenue Department (IRD) as the lead agency for this work but noted that it would work closely with IRD to identify options. Treasury and IRD (which have a joint responsibility for tax policy advice) developed draft advice but advised that owing to pressures of the Joint Tax Policy Programme, will not commence work until late 2010, with a Bill for introduction mid-2011. DOC’s cooperation and input with this process and timeline is on track.</p>

Operational: Minerals and other activity
 Identification of minerals and subsequent activity on conservation land

<p>PERFORMANCE RATING</p> 	<p>Performance Rating: Well placed</p>
	<p>DOC has multiple mining access arrangements in place and considers the 82 existing mining operations are working satisfactorily but acknowledges future options cannot be assessed until sites are known. DOC has a ‘centre of excellence’ (based in the West Coast Conservancy) to support this area.</p> <p>DOC worked with relevant Crown agencies to finalise a public consultation document on the Government’s announcement to review areas currently listed on Schedule 4 of the Crown Minerals Act to enable mining. Final decisions by Cabinet are expected in mid-2010. In the event that areas are removed from Schedule 4, policy work may be needed to guide decision-makers in case-by-case consideration of mining proposals and what, if any, controls are needed to minimise impact on conservation values.</p> <p>While Ministry of Economic Development (MED) is the lead agency on this priority, DOC has undertaken significant work in information collection and mapping to support ministerial requests for advice. There was both reprioritisation within the policy group and support from other parts of DOC to meet the information collation and analysis requirements of this priority. DOC has a strong working relationship with MED.</p> <p>DOC is working with the minerals industry on a new Standard Operating Procedure (SOP) to ensure greater consistency in processing applications for access to public conservation land for exploration and mining. In the longer term, the new Commercial Unit, and reviews of concessions policy and processing, should ensure a more consistent and transparent approach to processing these applications.</p>

Strategic: Establishing new forests on conservation-managed land
Operational: Realising the carbon credit earnings potential of conservation lands

<p>PERFORMANCE RATING</p> 	<p>Performance Rating: Well placed</p>
	<p>A report was due on forest carbon sink pilot projects on public conservation land but was overtaken by agreement to make 35,000ha available for a consortium of five iwi.</p> <p>The lead role for this project is now with Ministry for the Environment, however, DOC has been charged with identifying the 35,000ha, with input from MAF.</p> <p>DOC has identified the first draft of the sites and is on track to meet the agreed timeline. DOC’s Geographic Information System (GIS) has enabled this work to be undertaken in a sophisticated, efficient manner.</p> <p>Work continues to identify suitable sites for planting or restoration to earn carbon credits, and implementing public-private carbon farming agreements. Solid Energy New Zealand has funded a herbivore pest control project on the West Coast to investigate if pest control can increase carbon stocks in pre-1990 native forests.</p>

Strategic: Contributing to the durability of Treaty Settlements
Operational: Treaty Settlements, including more flexible use of conservation land for redress

<p>PERFORMANCE RATING</p> 	<p>Performance Rating: Weak</p>
	<p>There are a range of strategic opportunities and risks for DOC through the Treaty Settlements process; a process that DOC contributes to, rather than leads. To date DOC indicates its focus has been to:</p> <ul style="list-style-type: none"> • work through each settlement to develop models for co-governance/management • develop a set of draft principles, currently under ELT discussion, that will guide the Department’s approach to settlement negotiations. <p>There is a mixed assessment of DOC’s performance in this area.</p> <ul style="list-style-type: none"> • Positive: the proposal to mitigate implementation cost by using land disposal revenue as offset. • Strong relations exist at a conservancy level with iwi, hapū, runanga and other Māori organisations. • At a national level there has been a tendency to focus on risks and problems at the expense of developing strategies to realise opportunities and manage post-settlement risks. <p style="text-align: right;">contd...</p>

	<p>Given the Government’s commitment to completing settlements by 2014, DOC needs to put more emphasis on identifying opportunities and improving the strategies behind settlement processes. Until recently, the urgency to get in front of developments has been a blind spot for DOC.</p> <p>DOC’s reputation is also being impacted by the view, consistently fed back from a range of external parties, that it is often difficult to deal with at the National Office level, although it is recognised for having strong and improving relationships at a local/operational level.</p> <p>DOC has put in place some Treaty settlement strategies and responses. However, a rethink of the decision-making model on Treaty issues may be desirable with a focus on how DOC interfaces with key parties on Treaty matters. A targeted communication and relationship strategy is also necessary to turn this position around. Recently, four General Managers were tasked to work on guiding principles for the DOC approach and on a Governance Model.</p>
--	---

Operational: Prioritising for the Future Programme (PftF)

<p>PERFORMANCE RATING</p> 	<p>Performance Rating: Needing development</p> <p>The Prioritising for the Future (PftF) programme is expected to bring greater efficiency to DOC through a wide range of improvements in its ‘end to end’ business operations. The result will not just improve effectiveness but also increase efficiency. The programme started in July 2009 and builds on previous reviews of effectiveness and efficiency. PftF is a significant change process for DOC. Each workstream in the programme has an ELT sponsor. Initial benefits have been identified. A robust project management methodology has been used to support PftF and includes a benefits framework component that provides clear indicators for success, as well as ongoing monitoring against achievement and risk. Weekly status reports on each workstream are provided to the Director-General. Current project milestones have been met.</p> <p>Initiatives identified in a ‘grass roots’ approach involving staff have resulted in strong awareness and ownership of the programme and its initiatives amongst staff.</p> <p>The establishment of the Commercial Business Unit in the National Office is seen as a key strategic change intending to bring greater commercial focus and value. The Unit is in its infancy. Significant work is required to finalise the modus operandi for the Unit its linkages between external parties and the local conservancies. Work is under way on this. This work needs to be done in a robust, timely and sophisticated manner to avoid the significant risk possible by misalignment of performance expectations with external parties, lack of consistency in delivery and lack of clarity of the role between the Unit and</p> <p style="text-align: right;">contd...</p>
--	---

	<p>local DOC personnel. The modus operandi and prioritisation of workload for the Unit needs to be realistic, transparent and easily understood externally and internally.</p> <p>The PftF programme includes a workstream reviewing the approach to shared services for the Department. Care must be taken to ensure this is approached in a sophisticated manner, with careful consideration of the various options for the future – it is not simply a choice between centralised or decentralised shared services. Work is needed to define the desired ‘end state’ against which to assess the options.</p> <p>While the interdependencies between the workstreams in the PftF have been identified, and are being managed, there are also fundamental changes looming in DOC’s business associated with the projects happening outside the PftF programme. Further, there is no workstream associated with considering the desired ‘end state’ organisational design (which would include the shared services solution) to support these other non-PftF projects and their linkages with PftF workstreams. The implementation phases of the various strategic projects will require consideration of future resourcing allocation, capability, and accountabilities. It is suggested that this additional workstream is introduced into this project and proactively led by the CEO.</p> <p>The PftF project structure and process is strong; the risk that must be well managed is the ‘narrowing down’ of options, locking in robust implementation, including finalising interdependencies with other projects and having ‘future-state’ clarity.</p>
--	--

RESULTS SECTION

Part Two: Delivery of Core Business

This section reviews DOC’s effectiveness and efficiency in delivering its core business. The review is based on a judgement about current performance and the trends DOC has demonstrated over the last 3 – 4 years.

Management of natural heritage	
<p>PERFORMANCE RATING</p> <p>Effectiveness</p>  <p>Efficiency</p> 	<p>Performance Rating (Effectiveness): Strong</p> <p>Performance Rating (Efficiency): Strong</p> <p>The Department administers 8 million hectares of conservation land, 33 marine reserves covering 1.28 million hectares and over 2,000 indigenous species of plants, animals and other life-forms under threat of extinction.</p> <p>The Department’s output achievements in the management of Natural Heritage are strong, with very few exceptions, and its core conservation work is currently of a high standard. Over the last five years, DOC has invested in the development of the Natural Heritage Management System (NHMS). It is an outcome-focused tool that will assist in selecting the most cost-effective way to deliver the greatest long-term conservation benefits. Two promising functions of NHMS are its ability to express objectives/outcomes into empirical optimisation formula (ie, benefits, value, chance of success and cost) and the use of GIS in area-based decision-making.</p> <p>Looking ahead, there are a number of risks to manage to ensure performance in the Management of Natural Heritage realises the current potential:</p> <ul style="list-style-type: none"> • organisational and culture change will be needed to gain full benefits from NHMS investment. The ELT needs to lead and monitor these changes, rather than do the actual prioritisation • NMHS is a decision support tool, it is not a decision-making tool. Qualitative professional judgements will still need to be made, particularly decisions on what DOC ‘not do’ in the future, and DOC will will need buy in from stakeholders. There is a need to ensure genuine retention of local judgement and input • care needs to be taken to allow for innovation gains • further incremental investments in NHMS need to meet cost benefit tests. This project has had a long gestation and in a more commercial environment there would be greater discipline around the capture of value from the investment • ever greater functionality of NHMS risks complexity and could put at risk clarity about what really matters • it is not clear that NHMS will really fix evaluation deficit. <p style="text-align: right;">contd...</p>

	In summary, DOC's core conservation work is currently of a high standard. NHMS as a decision support tool is path breaking and offers potentially large gains but this has to be balanced with the fact that a complex tool is not an answer to all management challenges.
--	--

<p>Management of historic heritage</p> <p>Protection and conservation of historic heritage, including obtaining heritage orders and designations under the Resource Management Act 1991.</p>

<p>PERFORMANCE RATING</p> <p>Effectiveness</p>  <p>Efficiency</p> 	<p>Performance Rating (Effectiveness): Needing development</p> <p>Performance Rating (Efficiency): Well placed</p> <p>There are 20 iconic sites, 660 key heritage sites, 400 local gems and 12,000 sites on public conservation land and water. Between 2007-2010 there has been a concerted shift in focus in terms of money and resources spent on iconic sites (25%-70%). This is an encouraging shift that reflects an improvement in customer and business responsiveness. There have also been gains through integrated management and operational efficiencies, with the visitors' function by DOC at sites. It is noteworthy, however, that current indicators systems/existing measures are inadequate to capture performance or current prioritisation.</p> <p>Despite the improved prioritisation of effort, however, there is a fundamental issue about whether this is really in fact core business, as it represents only 2% of DOC's budget. This 'core business' is the single contributor to the major outcome 'New Zealand history is protected and brought to life' and other outcomes related to tourism, recreation, business opportunities and public engagement.</p> <p>A number of internal and external parties observed that the sector is also suffering from a lack of leadership and support. There is a lack of shared sector vision/principles, which means full tourism potential is unlikely to be realised. In the current context, it is difficult to avoid the question about the fit of this function with DOC and, at a minimum, the Department may wish to discuss with other key stakeholders, such as the Ministry for Culture and Heritage and possibly the Historic Places Trust, about how best to support outcomes in this area.</p> <p>In the meantime, a review of indicators needs to occur to capture policy direction.</p>
---	--

Conservation with the community

<p>PERFORMANCE RATING</p> <p>Effectiveness</p>  <p>Efficiency</p> 	<p>Performance Rating (Effectiveness): Needing development</p> <p>Performance Rating (Efficiency): Well placed</p> <hr/> <p>Major outputs of conservation with communities are: partnerships with 400 community groups, between 8,000-9,000 volunteers and 300 events, and initiatives to build conservation skills. Measures include more education and participants’ responses, volunteer participation, partnerships and partners’ responses to working with DOC.</p> <p>DOC is currently rationalising the use of non-departmental funds for improving community participation in conservation.</p> <p>There are measurement issues re quality of engagement and even quantity measures. A review of appropriate indicators of community participation would be timely.</p> <p>Given DOC’s commitment to partnering, there are a number of fundamental strategic questions, including:</p> <ul style="list-style-type: none"> • Does the decision-making process need to move from the ELT to a composite group of National Office, conservancy staff and local community representatives? • Should the role of ELT be focused on leading change, agreeing strategy and monitoring progress? • Should DOC help the community to govern itself on conservation outcomes: does DOC trust the community to be able to do that? • In shifting the focus to quality of partnerships (away from quantity of volunteers) how would this fit with new optimisation support tools?
---	---

Management of recreational opportunities
 Recreational opportunities review.

<p>PERFORMANCE RATING</p> <p>Effectiveness</p>  <p>Efficiency</p> 	<p>Performance Rating (Effectiveness): Well placed</p> <p>Performance Rating (Efficiency): Well placed</p> <hr/> <p>DOC currently manages approximately 954 huts, 13,000 kilometres of track and 13,600 recreational facilities, with an annual budget of \$121 million.</p> <p>The core business of managing recreational opportunities is entering a phase of significant change. In particular, a demand/customer-driven optimisation model is being developed to drive greater participation in outdoor recreation. There is also improved focus on economic and commercial priorities and interest in both recreation and concession management. The changes</p> <p style="text-align: right;">contd...</p>
---	--

	<p>to recreation management are being driven through the Destination Management Framework (DMF), which has four broad steps:</p> <ul style="list-style-type: none">• determine market demand• optimise recreation facilities towards meeting demand• partner with others to provide quality destination management• test that expectations are being met. <p>Destinations will be managed as either icons, which underpin New Zealand tourism products; gateways to encourage people to start; <i>local gems</i>, supporting recreation for nearby communities; or <i>backcountry networks</i>, to provide challenging adventures.</p> <p>DOC has also recently completed a Concessions Review (awaiting ministerial signoff) aimed at improving concessions processes, which, coupled with the new Commercial Business Unit, links strongly with the improved focus of commercial and business interests and service components also the focus for the PftF programme.</p> <p>These changes will deliver significant efficiency and effectiveness improvements if well implemented.</p> <p>Looking ahead, there is plenty of room for improvement on measurements/ indicators and outcome evaluation.</p> <p>The same organisational challenges are at play for the DMF/Concessions Review as noted for those involving the NHMS project. See the section on Management of Natural Heritage.</p> <p>It is not clear that the DMF or the Concessions Review/Commercial Team will fix the evaluation deficit.</p> <p>DMF as a decision support tool is path breaking and offers potentially large gains, but this has to be balanced with the fact that a complex tool is not an answer to all management challenges.</p>
--	---

<p>Policy advice Servicing the Minister and statutory bodies, and statutory planning.</p>	
<p>PERFORMANCE RATING</p> <p>Effectiveness</p>  <p>Efficiency</p> <p>?</p>	<p>Performance Rating (Effectiveness): Needing development Performance Rating (Efficiency): Unable to rate</p> <p>DOC has a small policy group of 30 people. The Group’s budget is \$4.1 million in the current year, while the full output class, including statutory bodies and servicing the Minister, is \$6 million (2% of annual appropriation). The Group aims to focus on strategic policy, with a three-year or longer timeframe, and has recently expanded to include Treaty and Planning teams. Seventy percent of its work is driven from outside the Department and there is a need to be strategic about what policy matters the Department gets involved in.</p> <p>Along with the new intermediate outcomes and vision of conservation being seen as part of the economy, there has been an attempt to add economic, cultural and social perspectives. It is recognised the Department could benefit from up-skilling with respect to economic argument presentation and options presentation.</p> <p>The Policy Group is seen as performing best in areas where it has the lead role, leveraging well off the Department’s core conservation technical knowledge and frontline skills.</p> <p>ELT needs to make quicker policy decisions and provide better direction (eg, to/on Treaty issues.)</p> <p>DOC is generally seen as good at identifying risks and adverse policy impacts but less accomplished at advancing solutions or alternative options. There is an urgent need to demonstrate a problem-solving attitude across the Department. There is significant advantage still available should the Department better capture operational expertise in policy development. There is a counterproductive distrust between operational and strategic policy within the Department. This means a potential competitive advantage is at least partially foregone.</p> <p>Servicing of the Minister is of a good standard. There is a sense of trust and confidence in the relationship. There have been some timeliness concerns and potential to give more strategic advice has been noted.</p> <p>Statutory planning is improving with the new accountability framework. There is further scope for improvement on a range of indicators and on the clearer connection of strategies to outcomes.</p>

Regulatory impact How well does the agency’s regulatory work achieve its required impact?	
<p>PERFORMANCE RATING</p> 	<p>Performance Rating: Well placed</p> <p>The regulation undertaken by DOC relates primarily to activities governed by the Conservation Act, and its corresponding statutory bodies. There is a Regulatory Impact Analysis Guidance template on the DOC intranet. DOC has also undertaken a Regulatory Scan and categorised acts and regulations for future review (or not), and has developed a draft Regulatory Plan for January 2010 to June 2011, as required for all Government departments.</p> <p>DOC is proposing a Bill for revision, consolidation and rationalisation of the conservation law enforcement system (powers, offences, penalties, etc) across all of DOC’s acts, and the introduction of an infringement fee system. There is a degree of dissatisfaction with DOC’s perceived failure to enforce concession requirements in a consistent manner.</p> <p>DOC needs to assess its legislative framework to ensure it reflects best practice governance arrangements and aligns with Government Priorities. There is a positive theme within DOC of reducing third party burdens through revised policies and strategies and through initiatives such as Prioritising for the Future, aimed at efficient processing. A leading example is the Concessions Review, which has identified considerable scope for improvement throughout the concessions process, particularly in the timeliness and efficiency of decision-making, the level of transparency and certainty the process offers applicants and DOC’s organisational behaviour regarding concessions work.</p> <p>Another example is the review aimed at streamlining certain regulatory processes, such as those relating to marine mammal watching permits, access to whale bone, and whitebait regulations.</p> <p>There is scope for DOC to be seen as negative even when it is acting as flexibly as it can within its own legislative scope, and for perceptions of conflict to arise when it is acting under other legislation, such as the Resource Management Act, or acting as an advocate of conservation.</p> <p>Clarity of role, transparency, consistency of messaging and the management of expectations are critical to future performance. Care needs to be taken to consider interdependencies so as not to raise expectations above what can be delivered, given other commitments (eg, around consultation with iwi). Where a trade-off has to be made and prior commitments cannot be met, this needs to be handled openly, respectfully and directly.</p> <p>While a number of encouraging reviews are under way, successful implementation and follow through will require considerable leadership and culture change across the organisation. This will require even more attention and focus than the reviews themselves.</p>

ORGANISATIONAL MANAGEMENT SECTION

Part One: Leadership, Direction and Delivery

<p>Vision, Strategy & Purpose</p> <p>How well has the agency articulated its purpose, vision and strategy to its staff and stakeholders? How well does the agency consider and plan for possible changes in its purpose or role in the foreseeable future?</p>	
<p>PERFORMANCE RATING</p> 	<p>Performance Rating: Needing development</p> <p>The Department's purpose is to 'sustain and enhance ecosystems and connect people to the source of their wellbeing, prosperity and sense of identity'.</p> <p>In July 2009, ELT, working with some conservators and National Office staff, developed a vision for the Department: 'New Zealand is the greatest living space on earth'.</p> <p>The Department also has a Vision and Core Conservation Message Project that aims to support the Government's driving goal to grow New Zealand's economy to deliver greater prosperity, security and opportunities to all New Zealanders, and ultimately deliver a stronger society. In this regard DOC seeks to demonstrate that conserving natural resources is an investment in New Zealand's ongoing wellbeing and prosperity.</p> <p>The purpose and vision are recognised, by a large number of stakeholders, as having been repositioned and well articulated by DOC, though most report that the implementation of the supporting strategies are in transition, with significant variations evident across the Department.</p> <p>In terms of strategy, it appears that staff and stakeholders have greater recognition of the Department's core conservation and economic (including recreation) strategies than realised by the DOC ELT. On the other hand, it is also clear that external stakeholders and staff are less clear, and therefore more concerned, about DOC's strategy around Treaty matters, than National Office seems to realise. Both of these findings raise their own concerns.</p> <p>DOC has a strong clarity of purpose and vision regarding core conservation work; it is well placed on economic areas, including recreation; but further work is needed on Treaty settlement issues and how these relate to DOC's purpose and vision.</p> <p>Other observations include:</p> <ul style="list-style-type: none"> • DOC uses Managing for Outcomes Framework for the Statement of Intent (SOI) using it as planning tool and rationale for action. NHMS/DMF aims for technical complexity and perfection but for vision purposes DOC needs simplicity and clarity <p style="text-align: right;">contd...</p>

	<ul style="list-style-type: none"> • there is sense of common purpose around base conservation purpose, driven from personal views. This is not consistently articulated by tier two personnel but is more often well articulated by tier three, four and operational staff. However, there are fundamental differences of views across DOC about how best to achieve vision and this is reflected back to stakeholders • finally, there are real questions about whether ELT prioritises and crystallises strategy and performance indicators succinctly enough to reinforce purpose, vision and strategy.
--	---

<p>Leadership & Governance How well does the senior team provide collective leadership and direction to the agency?</p>
--

<p>PERFORMANCE RATING</p> 	<p>Performance Rating: Needing development</p> <p>ELT, under the direction of the Director-General, is widely recognised (internally and externally) as initiating a change of direction and improving the responsiveness of DOC over the past few years. However, this is seen very much as work in progress by most of these stakeholders, with varying degrees of effectiveness across areas. In core conservation and economic (including recreation) work, leadership is the most advanced but on Treaty Settlements direction, leadership needs strengthening – though steps are being taken to address this.</p> <p>Other observations include:</p> <ul style="list-style-type: none"> • “Once ELT agree, very supportive and cohesive, but can take years to agree”; • ELT are good at raising issues, discussing, but not solution focussed; • Inconsistency of messaging; lack of confidence/trust across the organisation. Leadership is about creating ‘followship’ – has this happened sufficiently? • Some old debates linger: operational policy versus strategic policy (robust policy formation marries the two) and centralisation versus devolution (but can be centre led in a devolved structure); • ELT is good at initiating projects, but cannot deliver its ambitious strategy and vision?; and • Is the ELT sufficiently open to alternative views and challenge?
--	--

Culture & Values
 How well does the agency develop and promote the organisational culture, behaviours and values it needs to support its strategic direction?

<p>PERFORMANCE RATING</p> 	<p>Performance Rating: Needing development</p>
	<p>No values are included in the draft 2010 SOI or the outcome model- only behaviours. This lacks the sophistication needed to underpin the transformation the Department seeks.</p> <p>Consistent feedback on ‘What kind of place this is’ was heard, without concise articulation of culture and values found. While most employees are strongly values-based, this may reflect their individual values rather than the Department’s.</p> <p>Principles used to articulate the behaviours the Department expects of its staff include: build rapport; be agile; innovate; and be credible. These are aspirational and support the vision and strategy but there is significant room for improvement in realising these behaviours. Clear organisation values could help leverage this.</p>

Structure, Roles and Responsibilities
 How well does the agency ensure that its organisational planning, systems, structures and practices support delivery of government priorities and core business?
 How well does the agency ensure that it has clear roles, responsibilities and accountabilities throughout the agency and sector?

<p>PERFORMANCE RATING</p> 	<p>Performance Rating: Needing development</p>
	<p>The organisation is very well placed with systems and accountabilities and reporting for getting things done, although completion of the SOP review has been drawn out. Development is needed in organisational design, systems and accountabilities that will support the future strategic directions and initiatives, (PftF, concessions review, NHMS, DMF, etc) noting this is an organisation in transition. Some aspects of the Conservation Act may become increasingly out of step as the Department evolves.</p>

<p>Measurement and Review</p> <p>How well does the agency monitor, measure, and review its policies, programmes and services to make sure that it is delivering its intended results?</p>	
<p>PERFORMANCE RATING</p> 	<p>Performance Rating: Needing development</p> <p>DOC does extensive monitoring of specific programmes and projects. There is some indication that the Department may not be hard-nosed enough about the information it decides to collect and the weight given to simplicity/relevance as compared with ‘nice to know – just in case someone may someday like to know it’.</p> <p>Information is strong on programme inputs and outputs but weak on measuring overall effectiveness and connections with outcomes. Complex, detailed measures at programme level are not summarised into meaningful, simple outcomes measures. This makes it very difficult for ELT to effectively monitor delivery against things that really make a difference to performance. It also undermines strategic clarity.</p> <p>DMF and NHMS will potentially help clarify objectives of intervention and in theory could provide a platform for better outcome measures/evaluation but this will require concerted effort in the organisation. Importantly, a step in this direction needs to be made without overly complicating the process.</p>

ORGANISATIONAL MANAGEMENT SECTION

Part Two: External Relationships

Engagement with the Minister(s)	
How well does the agency provide advice and services to its Minister(s)?	
PERFORMANCE RATING 	Performance Rating: Well placed
	DOC has a positive, respectful, two-way relationship with its Minister. Opportunities exist to improve timeliness.

Sector Contribution	
How well does the agency provide leadership to, and/or support the leadership of other agencies in the sector?	
PERFORMANCE RATING 	Performance Rating: Needing development
	<p>Operationally, DOC adequately supports the leadership of related statutory bodies within the sector. These include New Zealand Conservation Authority (NZCA), Conservation Boards, Fish and Game. However, DOC could review how best to work with the various statutory bodies to achieve its own strategic objectives (rather than just adequately service them).</p> <p>DOC makes a very positive contribution to the across-government Natural Resources Group and has a positive, effective working relationship with some key agencies, such as Ministry for the Environment (MfE) and MED. However, the relationship with the Office of Treaty Settlements (OTS) needs significant work.</p>

Collaboration & Partnerships with Stakeholders How well does the agency generate common ownership and genuine collaboration on strategy and service delivery with stakeholders and the public?	
<p>PERFORMANCE RATING</p> 	<p>Performance Rating: Needing development</p> <p>Performance in this area varies significantly both at a national and local level, and has the potential to create high reputational risk for DOC.</p> <p>It is acknowledged that tension will exist between DOC and key stakeholders as DOC will not always agree to their requests. However, this tension does not create the risk. It is the lack of consistency and transparency that creates the risk.</p> <p>A robust, prioritised ‘across organisation’ stakeholder plan does not exist and there is a lack of transparency internally and externally on where priorities lie. At one extreme, strong robust partnering relationships with key external stakeholders exists at multi levels throughout the organisations, with shared long-term planning and effective collaborative implementation. At the other extreme, stakeholders who have an important relationship with DOC are given limited priority and support; or they do have effective day to day communications but are frustrated with the action/inconsistency that follows post communication. In the middle are a number of successful operational relationships (eg, in education) that lack proactive strategic leadership and have the potential to be even more effective if this was introduced.</p> <p>Timeliness with commercial stakeholders can also be an issue even with reasonably positive relationships. This must be addressed with the implementation of the new Commercial Business Unit.</p> <p>Results from a stakeholder survey, in June 2009, are being fed into the development of concise organisational strategy and values. Finalising this will assist in significantly reducing risk in this area.</p> <p>Operational relationships with iwi in the field are strong, with pockets of strength at a strategic level from National Office; however the latter requires significant work.</p>

Experiences of the Public	
How well does the agency meet the public's expectations of service quality and trust?	
<p>PERFORMANCE RATING</p> 	<p>Performance Rating: Needing development</p> <p>DOC has recently undertaken segmented consumer research with the general public. At the same time it undertook qualitative research with key stakeholders with whom DOC partners. The consumer research focused on understanding how well the wider public understands the importance of conservation and the role of DOC. There were very positive results, showing strong understanding. While this response was strong, the research also identified that New Zealanders do not generally feel a personal connection with environmental conservation and DOC. The qualitative research showed that DOC has the potential to add significantly more value to individual stakeholders, as well as to New Zealand as a whole. It was the first time DOC has used qualitative research; the results show the cost-effectiveness and value of this type of research and DOC should consider using this methodology again in the future.</p> <p>The most recent Kiwis Count statistics were completed during the review but will not be published until later in 2010. The Reviewers understand there has been a small but statistically significant drop in the satisfaction rating of visitors to National Parks.</p> <p>These research findings are being fed into the strategic vision and positioning plan currently being prepared to support the future direction of the organisation.</p> <p>The approach to research is sound, and the findings will be very useful, but it shows there is significant work required to attain strong public support (including from interested stakeholders).</p>

ORGANISATIONAL MANAGEMENT SECTION

Part Three: People Development

<p>Leadership & Workplace Development</p> <p>How well does the agency develop its workforce (including its leadership)?</p> <p>How well does the agency anticipate and respond to future capability requirements?</p>	
--	--

<p>PERFORMANCE RATING</p> 	<p>Performance Rating: Well placed</p>
	<p>The Leadership programme is strong and supports talent identification and development. However, the organisational design to support the future and various key strategic programmes is yet to be developed. Reliance on this falling out of the PftF shared services workstream is weak. The current People Plan 2020 is well structured but is still in draft and does not encompass future organisational design. The approaches to leadership and workforce development are strong and as such the assessment is 'well placed'. The issues identified relate to strategic leadership, which are assessed elsewhere.</p>

<p>Management of People Performance</p> <p>How well does the agency encourage high performance and continuous improvement among its workforce?</p> <p>How well does the agency deal with poor or inadequate performance?</p>	
---	--

<p>PERFORMANCE RATING</p> 	<p>Performance Rating: Strong</p>
	<p>All employees have agreed objectives for the year that they negotiate with their managers. These relate to the business plan for the area they are accountable to. The Department has an effective formal 'monthly review process' whereby each employee has progress against objectives reviewed with their manager and actions are agreed. Compliance with this programme is audited and is high. This process is valued by staff. In addition to the regular operational review, there is a formal performance management process in place that has very high effective compliance. DOC is strong in managing staff performance. The area identified for improvement is the remuneration regime for high performance.</p> <p>The processes described above identify areas of poor/inadequate performance and then there are appropriate processes in place to manage this. Examples of this were cited.</p>

<p>Engagement with Staff</p> <p>How well does the agency manage its employee relations? How well does the agency develop and maintain a diverse, highly committed and engaged workforce?</p>	
<p>PERFORMANCE RATING</p> 	<p>Performance Rating: Needing development</p> <p>DOC has strong acknowledged and valued formal and informal communications flow in both directions throughout the organisation. Strong safety practices exist, supported by well documented protocols. The SOP review must be completed and there may be a need to ‘recalibrate’ staff to the new guidelines once this has been done. The current SOPs, and the risk adverse culture post Cave Creek, mean that ‘on the ground’ staff are committed to the SOPs and the organisation will need to ensure they accommodate any changed approaches post the SOP review.</p> <p>DOC is well respected by the union and Crown for its transparency and strength of relationship with the union. DOC’s performance and approach is aligned with Crown sector aspirations on collective bargaining. The collective agreement DOC has with staff allows for flexibility with personnel management to support future strategies.</p> <p>DOC’s low staff turnover creates risk for the organisation given the potential need for different/new capability to support implementation of the strategic projects currently under development.</p> <p>DOC has demonstrable strong commitment to the organisation from employees and while the Gallup engagement figures are considered to be at the higher end for the public service, they would be low in the private sector. Engagement at 80-90% will be required for DOC to complete and capture value from its transition projects. However, the commitment demonstrated in the Gallup survey may well be underpinned by strong alignment of individual staff member’s personal values, rather than organisational values strongly owned by employees. DOC will have to work to maintain sufficiently high trusting engagement from staff to support the transition to the future organisation, particularly if this does not align with their personal values.</p> <p>DOC has potential to increase its strategic responsiveness to Māori and could consider the establishment of a Kaituhono/Kaitiaki group to advise ELT regarding being strategically responsive to Māori. DOC is doing well with the recruitment and training of appropriately skilled personnel in the field to support its work with Māori.</p> <p>Statistically women are underrepresented in the DOC workforce and projects are under way to address this.</p>

ORGANISATIONAL MANAGEMENT SECTION

Part Four: Financial and Resource Management

Asset Management
How well does the agency manage agency and Crown assets, and the agency balance sheet, to support delivery?

<p>PERFORMANCE RATING</p> 	<p>Performance Rating: Well placed</p>
	<p>DOC is defined as a capital intensive agency by Treasury for capital asset management (CAM) purposes. Key asset classes are the Public Conservation Estate \$6.1 billion, Visitors’ assets \$293 million, and other assets (primarily buildings and fencing but also plant, infrastructure, motor vehicles, vessels, etc) \$201 million.</p> <p>Asset Management Strategy, developed in 2006, was partly updated in 2009, and an asset planning IT tool was introduced two years ago but comprehensive long-term asset management planning is not fully in place. DOC is focusing on improving the planning and management of Visitor Assets first and it is envisioned that NHMS (National Heritage Management System) and the DMF (Destination Management Framework) will be key tools to assist with management of these assets. While DOC is not yet meeting all core asset management requirements, the Treasury is comfortable with the pragmatic approach being undertaken to implementing improvements, and agrees that DOC is meeting its reporting obligations.</p> <p>Overall, DOC is recognised as performing strongly in this area and has a programme in place to further strengthen its asset management.</p>

Information Management
How well does the agency utilise information and communications technologies (ICT) to improve service delivery?

<p>PERFORMANCE RATING</p> 	<p>Performance Rating: Needing development</p>
	<p>Information Management is complex and fragmented at DOC. There are 49 applications and 2,500 access databases. Development and support occurs not only in the Information Services Unit (ISU) but also in Information Management Units in the conservancies, Statutory Land Registers, the Business Systems Group in Finance and in Research and Development.</p> <p>While in the past management control of ICT seems to have been weak, a number of reviews, the appointment of a Chief Information Officer (CIO) in 2008, and more effective ICT governance arrangements, have led to progress in this area.</p> <p style="text-align: right;">contd...</p>

	<p>A new Information Systems Service Programme (ISSP) is being developed for 2010-2015. Major programmes within the strategy are: better collection and use of geospatial data, the technology to facilitate NHMS and DMF programmes, a joint land information system with Land Information New Zealand (LINZ), support for the PftF programme, and a technical enterprise architecture, which will ensure greater alignment of ICT at DOC. Other initiatives include improving business continuity planning and planning for the future desktop environment.</p> <p>Implementing the ISSP will require strong engagement and support from senior management if it is to result in consistent, streamlined user-friendly enterprise architecture where there is strong centre-led accountability for overall ICT performance.</p> <p>Given the number of projects under way there will be ongoing need to prioritise and/or consider appropriate levels of resourcing for the ISU.</p>
--	--

Efficiency	<p>How robust are the processes in place to test for efficiency and make efficiency improvements? How well does the agency balance cost and quality when considering service delivery options?</p>
-------------------	--

<p>PERFORMANCE RATING</p> 	<p>Performance Rating: Well placed</p> <p>DOC’s baseline funding has grown substantially over the past 10 years (departmental from \$151 million in 2000 to \$321 million in 2009; non-departmental from \$11 million to \$47 million). The 2009 Budget led to a reduction in DOC’s baselines of \$13.5 million per annum over four years (\$54 million in total), though arrangements to fund Visitors’ Assets, means the baseline will continue to appear to increase.</p> <p>DOC has a recognised ability to find and make efficiency gains in its business, as demonstrated by the outcomes of reviews such as the Overarching Strategy Cost Review, October 2006, and the Strategy and Budget Alignment Review, May 2008. In the Value for Money Review for Budget 2009, DOC was able to show the use of evidence-based science to reduce the cost of pest eradication programmes.</p> <p>The magnitude of future savings may not be able to be met by efficiency gains and may require difficult decisions about output reductions. Organisational change and implementation lead times required for the roll out of NHMS and DMF are unlikely to occur in time for the decisions needed to find these reductions. While the PftF programme started in July 2009, there remain risks around its ability to deliver the magnitude of reductions required in the timeframe available. Initiatives such as shared services and the IT stream will take time to realise gains. While a range of tools may assist decision-making, hard decisions about ‘what not to do’ in the future may test the leadership and prioritisation capability of ELT.</p>
--	--

<p>Financial Management</p> <p>How well does the agency manage its financial information and ensure financial probity across the business?</p>	
<p>PERFORMANCE RATING</p> 	<p>Performance Rating: Strong</p> <p>DOC's financial management and internal control environment are of a high standard. This view was confirmed by the external auditor. Few issues have been raised in recent audit management letters or in Departmental Internal Control Environment reports. The Treasury rate DOC's variance reporting as of a 'high standard'. The SAP financial and asset management system is considered to be performing well. Planning, budgeting, and reporting practices are also of a high standard. Currently, reprioritisation occurs at the margins and to some degree within regions. A key strength is that the finance function is well integrated/connected into the business and is supported by strong internal relationships.</p> <p>Looking forward PftF should generate efficiencies in Finance and related functions. The NHMS and DMR programmes should support ongoing reprioritisation.</p>

<p>Risk Management</p> <p>How well does the agency manage agency risks and risks to the Crown?</p>	
<p>PERFORMANCE RATING</p> 	<p>Performance Rating: Needing development</p> <p>DOC has a strong systems approach to operational risk and is very good at managing this (which arose post Cave Creek). This systems approach requires refinement with the completion of the SOPS review.</p> <p>The key area requiring focus is strategic risk identification and management. The implementation of the Risk and Assurance Committee (RAC) has improved the effectiveness and accountability of the internal audit function. The RAC noted the external work DOC commissioned in 2009 on an organisational risk framework. RAC stressed the need to move the organisation to effective strategic risk assessment and management (to be led by ELT) rather than getting trapped by a sophisticated detailed framework. Illustrative strategic risks identified by the Reviewers (which the ELT must better identify and actively manage) included: variable/lack of consistency in operational delivery; prioritisation, interdependencies and implementation risk associated with the various projects under way; performance in Treaty Settlements.</p>

OTHER OBSERVATIONS

During the assessment the Lead Reviewers observed a number of themes that relate to the *modus operandi* of DOC. The Lead Reviewers believe superior performance will be achieved if attention is focused on these areas. While strands of these themes are captured in the various areas reported in the PIF Review, there is advantage in clearly articulating these themes to ensure they are not lost in the PIF reporting methodology.

- The ELT needs to strengthen its strategic leadership and clarify the ‘future state’ for the organisation. Led by the CEO, it must pull together, focus and prioritise the current strategic projects to ensure the organisation moves to achieve this ‘future state’. There was greater clarity of strategy and implications for the future observed in the field than among some ELT members.
- Effective ELT members must have time in their diaries to be responsive and reflective.
- DOC has significant intelligent technical capability throughout the organisation. This translates into a culture with a high degree of comfort with quantitative approaches, complexity, plans/frameworks, and measurement. The organisation (led by ELT) readily drops down into detail and complexity, given the chance. ELT needs to lead a culture of simplicity, clarity, and prioritisation, including qualitative effectiveness evaluation. It was noted that project reports do not always have high level ‘variation’ reporting, which clearly flags outlying performance against agreed project objectives (eg, the use of reader-friendly milestones, quality, cost performance for key areas) for managers to readily overview project status.
- Prioritisation: the organisation is encumbered by a significant number of large complex projects that will put tremendous pressure on it if all are implemented. This would have significant resource implications, including capability and numbers. The organisation is not strong at prioritisation, and being transparent (internally and externally) once the outcomes of prioritisation are finalised. The Department (including ELT) is very good at identifying problems and talking about them but not as strong at clear option identification and deciding on the solution in a timely manner.
- The organisation does not appear to effectively leverage its policy and operational expertise. There is a serious lack of connectedness, and effective communication between operations and National Office. The work on strategic positioning values and organisational design must address this.
- The Reviewers identified that it is DOC’s responsibility to identify and address any legal impediments that prevent it being more strategic in its ‘modus operandi’.
- It was noted that there was not always one clear project sponsor for whom the Director-General could demand accountability.

SUMMARY OF PRIORITY AREAS FOR ACTION

The following have been identified by the Lead Reviewers as the key priority areas for DOC.

	Recommendation	Who?	Why?
1	Proactive strategic leadership, including clarity of vision, values and 'future state' strategy; and getting in front the organisational design and prioritisation consequences.		
2	Strategy for dealing with Māori, including Treaty Settlements.		
3	Strategic stakeholder relationship management, including prioritisation, consistency, transparency and sophistication to assist the achievement of objectives and to minimise risk.		
4	Effective evaluation, review, prioritisation and follow through.		

APPENDIX A

Overview of the Model



Lead Questions

Results

Critical Area	Lead Questions
Government Priorities	1. How well has the agency identified and responded to current government priorities?
Core Business	2. How effectively is the agency delivering this core business area? 3. How efficiently is the agency delivering this core business area? 4. How well does the agency's regulatory work achieve its required impact?

Organisational Management

Critical Area	Element	Lead Questions
Leadership, Direction and Delivery	Vision, Strategy & Purpose	5. How well has the agency articulated its purpose, vision and strategy to its staff and stakeholders? 6. How well does the agency consider and plan for possible changes in its purpose or role in the foreseeable future?
	Leadership & Governance	7. How well does the senior team provide collective leadership and direction to the agency? 8. How well does the board lead the Crown Entity? (<i>For Crown Entities only</i>)
	Culture & Values	9. How well does the agency develop and promote the organisational culture, behaviours and values it needs to support its strategic direction?
	Structure, Roles & Responsibilities	10. How well does the agency ensure that its organisational planning, systems, structures and practices support delivery of government priorities and core business? 11. How well does the agency ensure that it has clear roles, responsibilities and accountabilities throughout the agency and sector?
	Review	12. How well does the agency monitor, measure, and review its policies, programmes and services to make sure that it is delivering its intended results?
External Relationships	Engagement with the Minister(s)	13. How well does the agency provide advice and services to its Minister(s)?
	Sector Contribution	14. How well does the agency provide leadership to, and / or support the leadership of other agencies in the sector?
	Collaboration & Partnerships with Stakeholders	15. How well does the agency generate common ownership and genuine collaboration on strategy and service delivery with stakeholders and the public?
	Experiences of the Public	16. How well does the agency meet the public's expectations of service quality and trust?
People Development	Leadership & Workforce Development	17. How well does the agency develop its workforce (including its leadership)? 18. How well does the agency anticipate and respond to future capability requirements?
	Management of People Performance	19. How well does the agency encourage high performance and continuous improvement among its workforce? 20. How well does the agency deal with poor or inadequate performance?
	Engagement with Staff	21. How well does the agency manage its employee relations? 22. How well does the agency develop and maintain a diverse, highly committed and engaged workforce?

contd...

Critical Area	Element	Lead Questions
Financial and Resource Management	Asset Management	23. How well does the agency manage agency and Crown assets, and the agency balance sheet, to support delivery?
	Information Management	24. How well does the agency utilise information & communications technologies to improve service delivery?
	Efficiency	25. How robust are the processes in place to test for efficiency and make efficiency improvements? 26. How well does the agency balance cost and quality when considering service delivery options?
	Financial Management	27. How well does the agency manage its financial information and ensure financial probity across the business?
	Risk Management	28. How well does the agency manage agency risks and risks to the Crown?

APPENDIX B

List of Interviews

This review was informed by input provided by a large number of DOC staff, relevant Ministers, and by representatives from the following businesses, organisations and agencies.

Agency/Organisation
Adventure South
BlackCat Cruises
Canterbury Conservation Board
Department of the Prime Minister & Cabinet
Environment Canterbury
External Risk Committee
Fish and Game New Zealand
Godley Head Trust
KPMG
Meridian Energy
Ministry for the Environment
Ministry of Economic Development
Nationally recognised environmentalist
Office of Treaty Settlements
Ruapehu Alpine Lifts
Solid Energy New Zealand Ltd
SPARC
State Services Commission
Te Runanga o te Rarawa
The Treasury
Tourism Industry Association
Tourism New Zealand