
PERFORMANCE IMPROVEMENT FRAMEWORK

Review of the Department of Conservation (DOC)

JULY 2014

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

Lead Reviewers' Acknowledgement

As Lead Reviewers for this Performance Improvement Framework Review for the Department of Conservation (DOC) we would like to acknowledge the open, considered and generous input made by the DOC Senior Leadership Team (SLT) and staff, including the team that pulled together the very thoughtful self-review. We appreciate the efforts made by all to provide us with their time in the midst of a very busy period of change within DOC.

In addition, we had considerable input from a cross section of DOC's external partners and stakeholders. We also had the benefit of input from officials from the Department of the Prime Minister and Cabinet, the State Services Commission and the Treasury, and excellent support during our review.

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

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

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AGENCY'S RESPONSE

Current Context

The Department of Conservation is at a crucial stage of transformation in responding to the way New Zealanders value conservation. New Zealanders identify strongly with their natural heritage and our intention is to leverage the real and potential value of conservation and embed it as a core part of our national identity and economic growth.

The Department began this transformation process with a shift in strategy to better enable all New Zealanders to engage in caring for biodiversity and to experience its benefits – environmental, social and economic.

The second phase of transformation was to restructure the organisation to align with the strategic direction. Initially, we implemented shared services to create efficiencies and integrate functions across the business. Next, we restructured our field operations to enable us to maintain core conservation operations while working in specific ways to grow conservation outcomes by working with others. Our focus in this area is to engage communities, iwi, whānau and hapū and business in innovative partnerships that enable all parties to achieve results that are of value to them. In this way, we will help iwi and communities achieve their local aspirations through more efficient means. We will also help to increase the value of New Zealand's brand reputation internationally and support businesses (tourism, farming, energy, fishing etc) to build sustainable operations that maintain New Zealand's environmental health over generations.

The third phase of our transformation has only just begun. With the structural change complete, the heart of the next four years' work is to embed the new model internally and build strong, productive external relationships that achieve the benefits described. This drive is being led from the top, with all managers accountable for producing results in ways that support achievement of the Government's goals.

What We Will Do

There are two primary areas we will focus on:

- i Purpose and outcomes.* Continue to mature the Department's purpose and outcomes and develop a compelling story of the value of conservation to New Zealand.
- ii Operating model.* Align and integrate the organisation to realise the goals and intentions of the strategic direction. This includes transforming the way we work, underpinned by integrated systems, building new capability and enhancing the things we do well but on a larger scale and with more complex relationships across sectors.

Purpose and Outcomes

The Department's people are passionate about conservation and growing conservation through working with others – communities, businesses, iwi etc. This has been a feature of our work for decades, however, the scale and complexity of these relationships and focus on mutuality has increased. Our number one priority in the foreseeable future is to ensure that our efforts are focused on the areas that achieve the greatest results for conservation.

We are aware that a clear story of our purpose and the 'why' of conservation is required, as a matter of urgency, to enable people both internally and externally to understand the reasons for the changes in the Department, the real value that our natural environment brings and how all sectors can contribute to its sustainability. We have begun working on this with staff and will be communicating the approach more widely within the next two months.

Our priority focus area for the next 12 months is to articulate clearer priorities across our key performance areas to enable greater clarity for staff who need to make choices about where to invest their time and effort. We are committed to ensuring that these priority areas are grounded in sound evidence and based on robust criteria.

The performance framework enables the Department to drive national priorities in natural and historic heritage, recreation and partnerships. A review of the Department's application of this framework is already under way to align our Intermediate Outcomes to our strategy and gain greater clarity regarding the results we will deliver to the Government and the New Zealand public.

Conservation is a core part of our national identity and prosperity and the Department is at a key stage of transformation in responding to the value New Zealanders' place on their natural environment and its conservation. The health of these ecosystems determines the quality and quantity of clean air, water, fertile soils, pollination and sustainable ocean fisheries, ie, ecosystem services, on which the economy relies.

The Department is working on natural capital and sustainability in collaboration with other natural resource sector agencies, local authorities and business leaders. We will also continue to work with the natural resources sector and local authorities to ensure a coordinated approach to how we measure, monitor and manage New Zealand's natural assets.

Operating Model

A core design feature of our new structure is the interdependency of our functional areas with the new Conservation Services, Conservation Partnerships and the strengthened Kahui Kaupapa Atawhai Groups. This design is intended to achieve integrated and consistent delivery of services across the country and manage the way national and local objectives interact.

Our strategy of broader engagement in conservation demands a profound change in the way we in the Department work. The new Conservation Partnerships group is the structural foundation of this. To be effective, the new demands that will be created must be met through changing internal work flows to meet these demands.

Critically, how we respond to partners, including the public, will determine their willingness to engage further in the growth of conservation. So the way that the Department works must become more agile than it is today.

After assessing the state of the organisation post 'Go Live' in September 2013, the first stage of an integrated plan to achieve cultural change is under way and being led by the Director-General and SLT. It is clear that driving clear role accountabilities and authorities that give effect to the new structure and goals will be critical over the next twelve months. Additionally, we will focus on improving the way we communicate so that people internally and externally are aware of what is happening, why and what value we contribute to them. This work has begun with the senior leadership team and Directors and will become a performance measure for all leaders.

Success will result from the way we embed the new model in the organisation and that requires urgent and sustained attention on implementing the new operating model, including simplified and streamlined systems and capability building.

The workstream needed to design and implement the new operating model will describe how priority result areas are achieved through accountable line managers using systems and processes that are more agile, integrated and customer focused. The current work on solving span-of-control issues through properly implementing the organisational design will enable managers to do this new work effectively.

Our current planning and reporting systems will be re-focused on collecting and reporting data that illustrates achievement of results required in DOC's new era and will help staff and our partners to have line of sight from their contributions to the results. We have begun moving from focusing on output delivery to being a results-based organisation that relies on the contribution of others but we need to continue to improve our core systems and incentives to reflect this shift.

The increased focus on results drives prioritisation, resource allocation and capability decisions. Owing to high workloads and uncertainty over the time of the restructure and the last six months, we have begun to tackle how we prioritise work and allocate resources. Changes being made include providing web conferencing as a default method of undertaking business at distance; simplifying administrative processes and tools; reviewing our infrastructure planning and management to simplify, streamline and place tools in the hands of frontline staff and customers that make their decision-making easier, eg, mobile tools and systems to access integrated information.

We will continue to encourage innovative approaches to achieving these results. The approach taken by SLT to cultural and system change is to use service design and rapid prototyping to speed the design and implementation of tools and new processes. This work has begun in priority areas and will be built on over the next two years.

Our drive on health and safety to achieve an injury-free workplace for all Department staff and volunteers is a critical aspect of the cultural change because, apart from avoiding injury, it will focus on understanding and managing risk in an area that is the responsibility of everyone in the organisation. As the focus on health and safety is built into all of our systems and processes, the foundations will be set for a culture that is able to manage the risks and opportunities that emerge from deeper engagement with partners.

The new organisation requires some new capability. We have been building some of these skills over several years through recruitment and development, however, there is more to be done. Our approach to leadership development will be to embed learning processes and support in teams as they work together on the ground, including using process improvement and service design methods to drive out inefficiencies and increase productivity. We will also continue to work on building our capability through partnering with resource sector agencies, local government and business to share innovative professional development practices that lead to greater sharing of good practices and increased effectiveness.

Ensuring Success

While the Department recognises the urgency and criticality around implementing transformation, it also recognises the risks associated with tackling too many things at once. Feedback from our stakeholders indicates that we have made inroads into changing their perception of our business (from negative to positive). More must be done, though, to bring our staff and traditional allies with us, together with these new supporters.

The Department is committed to its vision and direction and the next phase presents significant opportunities to transform not only the Department but New Zealand as a nation, by helping New Zealanders appreciate the true value of conservation of our natural environment to their prosperity.

I am personally grateful for the considerable work Dr Peter Bushnell and Dr Mike Pratt, supported by the State Services Commission (SSC), have put into the drafting of this PIF Report to assist us, and the contribution by so many staff and external stakeholders to its key findings.

Additionally, I wish to thank the Public Service Association (PSA) and all staff who have given so willingly of their time to suggest how we can make this new structure work better to deliver on our strategy.

Lou Sanson

Director-General

THE PERFORMANCE IMPROVEMENT STORY SO FAR

There are two contexts that are important to understand in order to appreciate the performance challenge facing DOC. The first concerns the changes under way within DOC itself. The second is the extent to which there are increases in the expectations of organisational capabilities and performance across the public sector.

DOC had its first PIF Review in 2010. At that time DOC was an organisation in transition with a significant number of large strategic projects. Key findings in that review were the need for:

- more proactive strategic leadership from the senior executive team, including clarity of vision, values, and strategy; and the setting of priorities for activities that would really make a difference
- stronger capability and strategic positioning with respect to Māori, including on Treaty issues.

A Progress Review carried out in 2011 focused on DOC's progress towards achieving the stated goals in its 2010 Performance Improvement Action Plan. The Progress Review found that significant progress had been made in specific areas and identified a number of further changes to take the work to date through to a full effect.

DOC rethought its strategic approach to place much greater weight on partnering, both along traditional lines with communities and non-government organisations (NGOs) groups and with business partners. In support of this, DOC also conducted a sequence of internal reviews. In 2011 the Organisational Review Implementation Project examined the core services that support operations that led to the current Shared Services arrangements. In 2012 the Delivery Project examined the rest of DOC and led to the new structural arrangements now being implemented.

This current PIF Review takes place against this background. DOC is just emerging from a quite lengthy organisational reshaping, moving from regional Conservancies to a strategic partnering model with a strong focus on delivering a range of outcomes, using functional operational lines with a shared services model for back-office support.

The critical point to note is that DOC has begun one of the biggest and most challenging transformations to be undertaken in the public sector. In our view it is headed in the right direction but although a lot has been done already, much of the change implementation still lies ahead.

Much effort has gone into developing the strategy, structure and on processes that should be used and there is a base of thinking about resource management, particularly in relation to the natural heritage, that provides the capability for better use of resources. We heard of a huge amount of excellent development under way across DOC and some excellent progress, particularly through the partnership processes.

However, there is still much work needed to ensure processes adequately support decision-making and operations under the new strategic priorities and structural arrangements. Many of these used now have been carried over from the old mode of operating, which has left a lack of clarity around roles, responsibilities and decision-making frameworks. There is also a lack of infrastructure for managing such a complex, spatially dispersed operational business. As a consequence there are a number of pressure points generating stress for staff, such as is occurring with Tier 4 managers in the field.

The second main element of the context is that since DOC's first review there have been some significant upgrades to the PIF reports and the expectations of organisational capabilities.

One change is that the reviewers set out their perspectives on the challenges the agency needs to meet if it is to demonstrate excellence in responding to the future situation. This is labelled the 'Four-year Excellence Horizon'.

The upgrades reflect raising expectations of organisational capabilities that are occurring within the public service. More is expected of most elements of organisational capability, as agencies are expected to be more strategic, more customer focused, better engaged with other agencies, continuously learning from experience and improving performance over time.

Those who seek to contrast this PIF Review against its predecessor need to be aware of the shifts in the challenge facing DOC and these lifts in expectations of performance for all public sector agencies.

What has not changed over time is the forward emphasis seen in all PIF reports on what challenges the agency being reviewed needs to address if it is to demonstrate excellent performance in the next four years.

THE FOUR-YEAR EXCELLENCE HORIZON

In undertaking this Review the Lead Reviewers considered: *“What is the contribution that New Zealand needs from DOC and, therefore, what is the performance challenge? And if DOC is to be successful at meeting the future performance challenge, what would success look like in four years? And does DOC have the change capability to get there?”*

Background

DOC has responsibility for conservation across Crown land amounting to more than 30% of New Zealand, for fresh water habitats and indigenous species, for marine mammals, marine ecosystems and marine protection areas, historic heritage, especially where associated with natural heritage, and for recreation on Crown conservation land. In addition, it has an advocacy mandate for conservation more generally. Overall, this constitutes a wide scope of activity and demands a broad range of scientific and technical skills in complex environments many of which are under pressure from natural sources, such as climate change, pests, such as possums, rats and stoats, introduced terrestrial species, such as wilding pines, and the expansion of human activity and demand for natural resources.

DOC is the operational agency at the cusp of the interactions between social, economic and environmental issues. Much of what DOC does goes to the heart of the New Zealand positioning of 100% pure, which underpins the tourism industry and the provenance of some food exports, as well as the ecosystem services that DOC-managed Crown land provides to New Zealand society and economy more generally.

This is played out often in the context of the passionate commitment that many New Zealanders feel about natural heritage as being the essence of what it means to be a New Zealander. DOC is an agency much loved by the public. Media and public interest is high in DOC’s work. Expectations are high and this sets the context for the Performance Challenge.

DOC has developed the strategy of being a catalyst for widespread involvement in conservation. Although DOC has engaged with a range of organisations and stakeholders in the past, this is an altogether more ambitious strategy and one that will call for a new range of skills to complement existing expertise.

DOC has outstanding capability and excellent models and methods in its three core business areas of natural heritage, historical heritage and recreation; there is potential to be world-leading in conservation and to make an even greater contribution to New Zealand.

There are three primary areas we believe DOC should address to move towards excellence over the next four years in the context of radically increased ambitions of the new strategy:

- Purpose and outcomes
- Operating model
- Transformation.

Purpose and Outcomes

DOC's Outcome Statement is: *"New Zealanders gain environmental, social and economic benefits from healthy functioning ecosystems, recreation opportunities and living our history"*.

While true, this gives little clue to the ambition and impact DOC seeks. The five Intermediate Outcomes provide more specificity but there is a lack of clarity overall about what is to be done, with words such as 'more' or 'increase' providing direction but insufficient clarity to guide choices and evaluate results. There are multiple objectives with insufficient clarity around the relative priorities.

The Intermediate Outcomes are:

- 1 The diversity of our natural heritage is maintained and restored
- 2 Our history is protected and brought to life
- 3 More people participate in recreation
- 4 More people engage with conservation and value its benefits
- 5 Conservation gains from more business partnerships.

We recognise that the Intermediate Outcomes are at different levels of maturity, and that DOC is working on developing greater clarity especially around Intermediate Outcomes 4 and 5.

As one possibility, the 'full range of ecosystems' concept present within the terrestrial ecosystems technical modelling has potential as an organising idea for the intervention logic and therefore outcome statements. This perhaps could be extended to marine, historic heritage and recreation. How much conservation do we want and can afford? The modelling for ecosystems suggests 500 Environmental Management Units (EMUs) may provide for a full range of different ecosystems (147) and if this is overlain by explicit commitments to species conservation and to local treasures, then an objective can be more clearly formulated and a strategy developed for its delivery.

DOC's strategy could be enhanced through the development of a widely shared simple story of the contribution of conservation to the wellbeing of people and society. Although the Outcomes Framework is coherent it lacks specificity and impact and is therefore as yet an insufficient guide for strategy and decisions. The purpose, vision and strategy have not yet been converted into a simple compelling story through which to explain convincingly the priorities both internally and externally. The outcomes to be achieved over the next four-year period must similarly be clarified. This should be developed with urgency to channel the evident passion and enthusiasm of DOC people and partners towards collective impact. An enriched narrative along the lines above would assist in clarifying the strategy of growing conservation in partnership. Currently, this seems to mean different things to different people both internally and externally.

Further clarification of the facts of the current state across all five of the Intermediate Outcomes will be an essential starting point for determining the impact of DOC interventions and the choice of priorities. While there is a wealth of data on this, the picture is not complete. For example, more is needed on marine ecosystems and utilisation of recreation facilities and there would be considerable benefit in integrating and effectively communicating these elements through smart use of geo-spatial information. This can then lead to modelling of the desired future state (within four years) of the Intermediate Outcomes, and the integration and balance between them, and the assumptions and values in the underlying decision model. This will enable communication with clarity.

Operating Model

We were advised through many conversations that DOC was at an early stage of implementing the major structural changes and that it would take time for this to settle down. But stakeholders and many staff are feeling it has taken a long time already, so there is a potential serious disconnect that needs to be addressed with urgency if the project is to gain pace and momentum. Continuing confusion appears to us to largely result from the fact that there isn't a coherent operating model aligned to theory, strategy and structure.

What's described by DOC as an operating model in various publications is perhaps best understood as a business model that explains the intervention logic by which DOC creates value for people, organisations and society. As such it's a valuable concept and useful in strategy implementation but no substitute for an overarching operating model.

An operating model is a coherent representation of how an organisation operates and goes about its work. This is distinct from a business model, which is generally regarded as describing the basis on which an organisation creates value. The operating model should integrate at least the following: the results that are to be achieved; the necessary people capacity and capability to deliver on those results (and forecasting systems to predict this); the systems and processes necessary to deliver the required results (including innovation, quality, risk, health and safety and sustainability); the organisation design (structure) through which results are delivered; the infrastructure, including tools, plant, premises, information and technology to deliver the results; modes of end to end communication starting with the user/customer; accountability, decision-making processes and delegations; measuring and managing and improving performance; all linked to expected operating costs. An effective operating model will integrate across functions and align with outcomes and results. In the absence of a widely understood operating model aligned to delivering outcomes, the risk is that functional silos and activities, rather than outcomes, can take precedence.

The existing operating model is for the most part still aligned with the previous strategy and structure. Some great new subsystems are under development or recently in place but there is a lack of an integrated framework within which these are all occurring. There is a need for communication and decision-making processes that are designed for the new more complex structure and operating context. There is an urgent need for a roadmap for development that is understood by developers, staff, users and stakeholders.

An essential feature of an operating model is that it should have a user focus; users being both internal and external. The absence of an integrated operating model aligned with the new outcomes, strategy and structure appears to be causing confusion and inefficiencies that will impact negatively on success unless resolved with some urgency. Consideration should be given to the following:

- SLT should be visibly involved in leading the implementation and communication of strategy
- The interplay of SLT with the Outcome Stream leads (who are responsible for business outcomes) and with the Business Management Team (BMT) in decision-making should be clarified
- There needs to be a clear line of sight for each staff member from the purpose and outcomes through to users of DOC services and hence an understanding of their own contributions
- Tools and processes should be implemented that enable staff to clearly understand their responsibilities and contributions in the context of the matrix and partner relationships
- Decision principles and processes regarding priorities and actions should be developed

- Data and accessible information that provides the basis for decision-making, reporting and a compelling narrative should be available in regard to all outcomes
- Processes should be simplified to efficiently meet user requirements
- The availability of communication resources to support a mobile workforce should be a priority
- Processes that are adapted with experience should be implemented to encourage, recognise, share and embed across DOC learnings about product and process innovation that creates value for users
- Health and safety should be integrated with operational activities and priority given to an injury-free workplace
- The excess span of control, particularly for tier 4 managers, should be addressed to enable them to provide appropriate levels of staff management and development
- DOC should ensure it has a strong mutual understanding with all key partners, especially iwi, NGOs and community groups.

Transformation

The extent of transformational change required is profound. It represents the most significant change for DOC since its establishment, is extensive by any standards within the public service and involves radical change in how the organisation operates.

The organisation restructure has taken a long time and the consequential operating model changes are only in their infancy. There is a large number of recently appointed managers, some of whom are new to DOC, and many of whom are at tier 4 and new to management. There are a large number of complex changes involved that require sophisticated organisation transformation capability.

Under the previous regime each regional manager was accountable for the results in their regions under the classical hierarchy structure. Under the new model there is a matrix of Intermediate Outcomes (akin to business units) on the one axis and functions on the other. Matrix models necessitate modes of decision-making, communication and relationship management different from traditional hierarchical management structures. This means that SLT should incorporate responsibility for driving the outcome streams, ie, business results, as well as the function leads. This is commented on in more detail under the Leadership and Governance section in this Report.

The requirement for these particular organisation transformation capabilities is new to DOC, the implications are not yet fully understood and there is insufficient capacity to rapidly progress the implementation. There are a lot of balls in the air. SLT should take responsibility for the urgent implementation of the transformation process, including developing the necessary capabilities. This will involve the development of an overall transformation plan for DOC, with assigned responsibilities, priorities, timelines and visible feedback loops. Appointment of a senior person with specific responsibility for overview of the operating model transformation should be considered. To demonstrate progress it will be valuable to articulate some quick wins of the new strategy in action delivering results and improving efficiency.

What Does Success Look Like?

In four years:

- DOC will have fully implemented an operating model fully aligned to the new strategy and structure and staff will be fully engaged with the new ways of working
- organisational learning will be embraced in such a way that future organisation design change will be more evolutionary than revolutionary
- customers will report that DOC meets their requirements in an efficient and agile way and they are delighted by their experiences of working with DOC
- safe operations will be embedded within systems, shared values and ways of working
- staff, partners, stakeholders and Ministers will understand and be positively supportive of DOC's purpose, strategy and vision
- DOC's key stakeholders will report that DOC has a good understanding of their purpose and priorities
- open, constructive and mutually beneficial engagement with partners at an early stage in project development will be the normal operating mode
- the current state of all core business areas will be identifiable through geospatial information
- outcome targets for all outcome classes will be clearly articulated and reported against
- DOC will be able to quantify and share stories about tangible gains in outcomes across all Intermediate Outcomes, together with a narrative connecting to the wider benefits of conservation to support the growth of a New Zealand that is flourishing socially, economically and environmentally
- the contribution of conservation to the wider economy will be widely understood within government and society
- conservation values will be embedded within the business models of a number of key New Zealand businesses
- DOC's contribution will be seen by other government agencies as adding significant value to their policies and processes
- DOC will be an active participant within the natural resources sector, providing rich impact data to contribute to improved environmental reporting
- DOC will be regarded as helpful and innovative with iwi partnerships
- DOC will have identified any necessary changes to underlying legislation and be well positioned to support Ministers in making any changes.

Dr Peter Bushnell
Lead Reviewer

Dr Mike Pratt
Lead Reviewer

CENTRAL AGENCIES' OVERVIEW

The Government's clear priority is to deliver better public services to New Zealanders. Government agencies are expected to review and change how they operate to focus on the most effective and efficient use of resources and to deliver better public services to New Zealanders and a country that is flourishing socially and economically.

DOC has a lead responsibility for conservation, biodiversity and recreation and has adopted a strategy that the environment and conservation are everyone's responsibility. The Lead Reviewers have confirmed that DOC's strategy is sound and that the transformation under way is the correct direction. The Lead Reviewers note that successfully achieving this transformation will contribute much to New Zealand having a sustainable environment and flourishing both socially and economically.

The Central Agencies agree with the Lead Reviewers' conclusions and Four-year Excellence Horizon. DOC has been reorganised into two arms, Services, delivering a range of essential conservation programmes; and Partnerships, to engage and cooperate with wider interests, be they communities, interests groups or businesses. The reorganisation has been a major disruption for DOC staff; the ongoing commitment to delivering services and servicing customers can only be admired. With the restructuring completed DOC's management and staff can now focus their energies on critical tasks for progressing the transformation to a reality to ensure future success.

The Central Agencies agree that a successful transformation is a challenging and complex task and believe there are four priorities for DOC:

- Developing the strategy to execute the transformation process and deliver on the Four-year Excellence Horizon, this would be reflected in the Four-year Plan
- Completing a comprehensive assessment of its operating model, description of the new one and implementing its service delivery and management aspects as a priority and implementing the other aspects over time
- Ensuring its leadership and governance is strong to enable the matrix service delivery arrangements to be effective. In particular, there will need to be an integrated transformation plan that is prioritised and balances the effort and capability between delivering core business and enabling organisation transformation
- A strong focus on clarity of purpose and leadership for frontline staff as they continue to both deliver services and adjust to a new way of working in a new operating model.

The Central Agencies will work to support the Director-General and SLT to sustain the focus on these priorities. Critical tasks, such as developing and implementing the operating model, will require experienced and specialist resource. The Central Agencies will assist with access to appropriate resources.

Iain Rennie
State Services Commissioner

Gabriel Makhlof
Secretary to the Treasury

Andrew Kibblewhite
Chief Executive, Department of
the Prime Minister and Cabinet

SUMMARY OF RATINGS

Results

GOVERNMENT PRIORITIES	RATING
Obtaining value from natural resources	
Better public services	
Advancing the marine programme	
Increasing recreation and tourism use	

CORE BUSINESS	RATING (EFFECTIVENESS)	RATING (EFFICIENCY)
Natural heritage		
Historic heritage		
Recreation		
Engagement		
Business opportunities		
	RATING	
Regulatory Impact		

Rating System

 Strong	 Well placed	 Needing development	 Weak	 Unable to rate/not rated
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Organisational Management

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

EXTERNAL RELATIONSHIPS	RATING
Engagement with Ministers	
Sector Contribution	
Collaboration and Partnerships with Stakeholders	
Experiences of the Public	

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

FINANCIAL AND RESOURCE MANAGEMENT	RATING
Asset Management	
Information Management	
Improving Efficiency and Effectiveness	
Financial Management	
Risk Management	

Rating System

 Strong	 Well placed	 Needing development	 Weak	 Unable to rate/not rated
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Note: There have been three significant upgrades to the PIF Agency Model since it was implemented in 2009. The first was the inclusion of the Four-year Excellence Horizon in October 2011. The second was the Strategic Financial Management upgrade in December 2012. The most recent is the Better Public Services upgrade in January 2014. These upgrades affect comparability with previous PIF reports. For more information on the upgrades see: <http://www.ssc.govt.nz/pif-core-guide-1>.

AGENCY CONTEXT

DOC is primarily an operational department with a policy function focused on delivering the five Intermediate Outcomes for New Zealand.

DOC's broad range of activities within this strategic framework is significant in scale across the whole of New Zealand.

It manages more than \$5 billion in capital assets involving the Crown conservation estate made up of approximately one third of New Zealand's land area (8.5 million hectares) and New Zealand's marine coastland (a total of 3.68 million hectares). This involves management of 14 national parks, 970 huts, 14,000 kilometres of track, 2,200 kilometres of road, 330 campgrounds, 24 visitor centres, 34 marine reserves and six marine mammal sanctuaries. Additionally, DOC manages 4,000 concessionaires, many of whom are involved in tourism activity on the Crown conservation estate.

DOC is funded through Vote Conservation with a 2013/14 appropriation of \$378 million. Third party revenue of approximately \$29 million is received from user and concessionaire fees and licences, as well as sponsorships.

DOC has a total staff of 1,952 as at 30 June 2013, with a split of full-time and temporary staff of 81% and 19% respectively. Frontline staff (62%) are geographically dispersed across nine regions, with back-office staff (38%) primarily based in Wellington.

DOC has been working through a significant period of change since 2011 to reposition its operating model for growing conservation, with the emphasis on partnerships getting more people involved in conservation activity. The new structure has only been fully in place since late 2013 and represents approximately a 9% decrease in staffing levels from those of 2011.

RESULTS SECTION

Part One: Delivery of Government Priorities

This section reviews the agency's ability to deliver on its strategic priorities agreed with the Government. While the questions are ex-post and guide Lead Reviewers to retrospective and current performance, the final judgements and ratings are necessarily informed by the scope and scale of the performance challenge.

Government priority 1: Obtaining value from natural resources

- *Leverage the value of natural capital through ecosystem services for New Zealand's longer-term economic prosperity*
- *Harness 'value exchange' through partnerships to grow conservation*
- *Deliver conservation gains that deliver environmental, social and economic benefits to New Zealanders*
- *Make a significant contribution in the context of the Government's Business Growth Agenda priorities for the Natural Resources Sector*

Performance rating: **Well placed**



While this priority is essentially the same as Core Business 1 it is retained as a Government priority within this PIF Review because of the important role of conservation as the platform that underpins and supports delivery of the broader Government growth agenda. Detailed commentary is dealt with in the Core Business 1 section.

Government priority 2: Better public services

- *Achieve efficiency and effectiveness gains through improved systems and processes, including legislative reform*
- *Enable others to contribute to conservation*
- *Simplify systems for permissions to undertake business and other activities on public conservation land and interact with native wildlife*
- *Contribute to Result 10 (New Zealanders complete transactions with government easily in a digital environment)*

Performance rating: **Well placed**



DOC is following several different approaches to increase the benefits of conservation to New Zealanders. The latest organisational changes have yielded fiscal savings, though the changes are incomplete and it is too early to make a robust judgement on the size and durability of the impact on outcomes. Early signs are that engagement by businesses has increased, as has visitor use and appreciation.

Delivery of Government Priorities

The outward orientation of the strategy can be seen in initial actions to review and adjust procedures set by DOC (such as the issuing of Wildlife permits) to make the processes more user friendly and less costly for stakeholders. However, many of the processes are still unnecessarily complex, expensive and slow or inadequately handled (such as with concessions and visitor vouchers). DOC has recognised this and has begun taking action.

Excellent tools have been developed for setting priorities in relation to natural heritage and recreation that accounts for the large majority of DOC expenditure. Further work remains to complete the Natural Heritage Management System (NHMS) model to fully incorporate local treasures and species and to develop comprehensive systems for collection of recreation usage data.

DOC is increasing its online presence. It has developed a very informative website that provides comprehensive and accessible information about its activities and how people can get involved. Several aspects of the website enable New Zealanders to interact directly with DOC, for example, to book facilities, such as huts. It also provides value-adding services, such as weather reports, to add to the quality of visitor experiences. An enhancement to the website would be to include greater ability to ask interrogative questions.

DOC has developed a number of innovative new technologies for animal pest control. These include self-resetting ground traps as an alternative to toxins, alternative toxins to 1080 and new methods to deploy toxins. The quantity of bait has been able to be lowered from 30kg/ha to 1-2kg/ha. Innovations with plant pest control have enabled DOC to almost double the kill rate for less chemical for the woody weed spraying carried out over the last couple of years.

Government priority 3: Advancing the marine programme

- *Develop new Marine Protected Areas*
- *Rewrite the Marine Protected Areas legislation*

Performance rating: **Needing development**



The most recent marine reserves were established in March 2014 in the Sub-Antarctic (three new marine reserves covering 435,000 hectares of ocean surrounding the Antipodes, Bounty and Campbell Islands from Perseverance Harbour, Campbell Island). A new marine reserve has been established at Banks Peninsula (475 hectares) and will be officially opened in July 2014. Work is currently under way on establishing marine reserves on the West Coast of the South Island. DOC is also working on marine protection in Kaikoura with Te Korowai and through the establishment of the Otago Marine Protected Area Forum.

A comprehensive plan 'Plan Blue' for strengthening DOC's capability in marine conservation is now in its third year of implementation. This includes marine conservation planning, ecosystem integrity and understanding marine pressures. This should result in the development of a more comprehensive information base similar to that available for terrestrial ecosystems. A similar objective to that used on land, of developing a range of marine ecosystems, is at the proposal stage.

As part of its conservation manifesto commitments the Government intends to update the Marine Reserves Act 1971 to protect marine biodiversity. DOC is advising Ministers in collaboration with officials from other agencies. The process with Ministers is still under way.

At this stage there is no agreed strategy for the implementation of regional marine protected areas although there is general consensus on the need for a systematic approach to assessing regional marine protection options. Development of an agreed strategy would help ensure that DOC is well placed to advance the Marine programme using a framework agreed by Ministers. This will involve multiple agencies, especially the Ministry for Primary Industries, as well as community groups and iwi. Although complex, this should be developed as a priority based on the ecosystems modelling work.

Government priority 4: Increasing recreation and tourism use

- *Enable people to enjoy and understand the natural environment and support New Zealander’s national tourism focus*
- *Enhance the voice of recreationalists through extending the existing scope of Conservation Boards to include recreation*
- *Bring our historic and cultural history to life*

Performance rating: **Well placed**



A fuller exposition of how DOC is responding to the priority of increasing recreation and tourism is set out in the discussion of CB3, the core business dealing with recreation, where issues of particular importance to the Government are discussed.

DOC has been heavily involved in advancing the Government’s priority National Cycleway project, Nga Haerenga. DOC has constructed three new trails: the Pureora Timber Trail, the Mountains to the Sea Trail and the St James Cycle Trail. This has involved the construction of 200 kilometres of trail. The Otago Central Rail Trail is an existing DOC initiative that is generally seen as the inspiration for many of the trails.

DOC has also facilitated the development of many of the other trails through either: funding; technical support and advice on commercial opportunities; consents and construction; authorisation (access to public conservation land); project management; consultation; marketing and promotion; and construction (where DOC is the lead organisation for a particular cycleway).

Overall, DOC has spent over \$9 million of its baseline funding to supplement the National Cycleways’ funding. The focus for DOC now is to maximise the return on this investment. That will involve enabling the private sector and communities to add value through services such as accommodation and transport and to improve the marketing and promotion of these destinations. DOC has supported the establishment of New Zealand Cycle Trails Inc to represent and market the trails as a network. Maintaining a high quality experience will be a challenge, especially for the smaller trusts, but DOC is providing advice in terms of asset management and maintenance to some of the trail trusts.

DOC is focused on improving and upgrading its existing camping grounds to ensure a quality service for site users, with the aim of achieving optimum use of sites. DOC is also repositioning itself from being supply driven to demand driven in terms of its provision of camping grounds. It is building its knowledge base of how tourism is changing, visitor and population demographics and what visitors want from a recreation experience, to inform how it can enhance recreational opportunities. DOC is assessing domestic and international tourism and its distribution of resources to maximise and prioritise its investments in recreation.

Delivery of Government Priorities

The Minister of Conservation appointed a Ministerial advisory committee (the Conservation Boards Review Panel) in September 2013 to review the role of Conservation Boards. DOC provided the secretariat for this. The Panel has recommended in its final report that an annual letter of expectations from the Minister (developed in consultation with the Chair of the New Zealand Conservation Authority) be sent to each Conservation Board, setting out the Minister's expectations for the year. This would include the expectation to foster recreational use, along with the other actions the Minister sees as being important for the Boards and DOC to achieve.

Another priority for the Government was for a Game Animal Act 2013 that establishes the Game Hunting Council. The Council will have a range of roles, including the preparation of codes of practice on aurally assisted trophy hunting, by the end of next year.

RESULTS SECTION

Part Two: Delivery of Core Business

This section reviews the agency’s effectiveness and efficiency in delivering its core business. While the questions are ex-post and guide Lead Reviewers to retrospective and current performance, the final judgements and ratings are necessarily informed by the scope and scale of the performance challenge.

Core business 1: Natural heritage	
<i>Intermediate outcome: The diversity of our natural heritage is maintained and restored</i>	
Performance rating (Effectiveness): Well placed	
Performance rating (Efficiency): Needing development	

The overall indicators for the components of this intermediate outcome were somewhat mixed; ecological processes having indigenous dominance were maintained and species being present in the locations expected were maintained but there was a decline in performance in regard to the full range of ecosystems being represented and protected somewhere.

DOC has management responsibility for about 33% of New Zealand’s land area. This is a huge responsibility and DOC enjoys a high level of public appreciation for the role it plays. It does not, however, have resources to satisfactorily maintain all of this land. This has led to the current partnership strategy and internal prioritisation. It is yet to be determined whether this strategy will be sufficient to achieve the desired outcomes, but it was clear that business as usual was no longer an option.

A proportion of the Crown land under DOC management is not significantly maintained and does not require maintenance, eg, mountain tops and some is leased out. It is arguable that maintenance of this land is not core business for DOC. The strategy in regard to land of limited conservation value is not yet developed. For example, consideration could be given to whether DOC should continue to retain responsibility for Crown land used for grazing and agricultural purposes. The Parliamentary Commissioner for the Environment has recommended that DOC look at appropriate classifications under conservation legislation for the third of public conservation land currently held as stewardship (2.5 million ha) with a focus on the land of highest ecological and recreational value. DOC has proposed a programme to re-classify stewardship land to the Minister. The re-classification process may identify land that could be considered for disposal or exchange.

DOC is continuing its long-term programme to maximise the return on the Government’s investment in natural heritage. It is doing this by developing and implementing an approach designed to optimise the achievement of natural heritage outcomes and improve its capability to report on conservation activities, results and outcomes.

DOC is developing sophisticated models and decision criteria to clarify the choices behind certain natural heritage activities and not others and what specific outcomes it seeks to achieve from these. As this understanding grows, more objective and transparent choices are being made about how to allocate resources within the natural heritage portfolio to achieve the best results. Preventing further species extinctions and ensuring New Zealand retains high quality examples of all the different types

of ecosystems is DOC's traditional core work and will continue to receive a significant share of resources. In recent years, effort here has focused on becoming more effective by identifying, prioritising and implementing those projects that will achieve the greatest gains nationally.

Priorities are set using the sophisticated NHMS model, which is based on sound science and on the objective of conserving a full range of ecosystems, taking into account resource requirements. Further developments are under way to incorporate values in respect of species and local treasures. A biodiversity offset model has been developed to facilitate the mutual pursuit of environmental and economic objectives. While currently only a minority of spending within this business line is directly influenced by these models, it is intended to move to a majority of the priorities being set using these models. This will achieve a more consistent and evidence-based set of priorities.

A project to develop a valuation model of natural capital has commenced and is progressing within the natural resources sector, where DOC is playing a key role. This should enable DOC to clarify the value of ecosystems services both to demonstrate the value of investing in conservation and to have analytically informed conversations about the interrelationships between environmental, social and economic objectives. The potential payoff in more informed policy decisions from this valuation model warrants DOC placing a high priority on its development.

As DOC works more with others, the challenge will be to balance the push for immediate and fairly certain biodiversity returns against opportunities with partners or sponsors that may achieve considerably more for natural heritage over the long term or may not. Monitoring of condition, trend and the difference DOC interventions make across public conservation lands and prioritised ecosystems will be fully established and reported during the next four years.

Though they may have valuable engagement outcomes, not all natural heritage-focused partnerships will produce significant gains in terms of biodiversity health. However, the majority of partnership projects require some form of contribution from DOC, reducing the amount of resource available for other priorities. These factors will need to be balanced and managed during decision-making.

Marine environments account for the majority of New Zealand's species. DOC's involvement is primarily with marine reserves and marine mammals. Under the Plan Blue strategy DOC is taking a more comprehensive and systematic approach to identifying and conserving marine ecosystems. Action here lags well behind terrestrial activity. International conservation groups see New Zealand's marine ecosystems as being of great significance when set in the global context.

DOC needs to develop its knowledge about the effectiveness and efficiency of its delivery of management of natural heritage. Its knowledge of what it needs to work on to achieve better results has matured in recent years. However, we were not able to observe a systematic approach to understanding the costs associated with the different activities involved in maintaining natural heritage, for performance improvement. To see a lift in efficiency we would expect to see approaches such as comparison over time, cross-sectional across regions, comparison to normative standards or benchmarked against other jurisdictions. DOC needs to develop its analytical capability to underpin effectiveness and efficiency assessment and performance improvement for protecting natural heritage. Further clarification of the intended outcomes and targets will be important. These observations should be seen in the context of complex natural systems and that DOC has already developed much of the modelling and scientific basis for this further development. DOC has already commenced a number of initiatives in this regard, including exploring options for their approach to Continuous Improvement with SSC and the establishment of the Planning Analysis and Monitoring team within the Science and Capability group to provide the analysis around efficiency. DOC is well placed to develop a world-leading system of biodiversity conservation.

We note that efficiency across this and the other four core business areas can be expected to improve in line with the implementation of an integrated operating model aligned with the new strategy and structure. In particular, clarity of objectives and responsibilities and systematic review will contribute to enhanced efficiency.

Core business 2: Historic heritage	
<i>Intermediate outcome: Our history is protected and brought to life</i>	
Performance rating (Effectiveness): Well placed	
Performance rating (Efficiency): Needing development	

Overall, performance indicators for the components of this intermediate outcome were mixed; the number of key historic sites where heritage assessment reports had been completed and the number of visitors at icon historic sites were maintained but there was an increase in the number of key historic sites classified as deteriorating.

Historical and cultural heritage management is a key part of DOC’s mandate. It has enormous potential to increase the level of involvement with conservation from a more diverse range of the community. Approximately 560 key heritage sites have been identified for active conservation, ensuring a representative range of heritage is conserved for present and future generations. Remaining heritage places are protected by legislation and DOC manages information about them.

Historic heritage conservation does not involve a high proportion of DOC’s work, as can be seen from the small percentage (2%) of the budget devoted to this activity. This has meant a rigorous approach has been needed to set priorities. For historic heritage these are based on the assessed historical significance of the heritage asset, total cost of ownership and the need for speed to prevent loss of the heritage value of the asset. The approach taken is to consider whether to preserve the fabric of the building, the story or both.

There is an obvious juxtaposition between natural and historic heritage (for example, Ship’s Cove in the Queen Charlotte Sound) and more could be made of this inter-relationship. This puts into focus the rationale for DOC rather than the Historic Places Trust managing urban historic assets, such as the Old Government Building and Turnbull House where there isn’t the same connection. This warrants further consideration.

There is an evolving relationship with the Ministry of Culture and Heritage and a strong relationship with the Historic Places Trust, which signs off on work on all historic sites.

Currently, core work consists of implementing a regime of maintenance across actively conserved places, undertaking repairs to those places on a prioritised basis as funds allow and ensuring the protection of other significant places from negative effects of other work programmes or decisions. Further work on the partnership strategy will focus on encouraging community engagement and others in contributing to conservation gain in this area. Given the range and extent of historic assets managed by other government agencies, it may also be timely to consider an across-agency response to the prioritisation of resources for earthquake strengthening of historic building assets. Maintenance and upgrade work conducted by DOC is aimed at stabilising the historic fabric and ensuring heritage is protected.

Key trade-offs that affect management of cultural and historic heritage are:

- choosing between the intervention/costs at each site and the overall number of sites that can be conserved. A review of the protection work DOC has completed indicates that the fabric of many historic assets continues to deteriorate. Further conservation work is planned to halt or reduce the rate of decline
- the extent to which it is financially viable to protect and extend the life of an historic place or asset
- choosing (finding a balance) between the conservation of places and assets for the historic value they represent rather than focusing on places that are most popular, ie, have highest visitation
- balancing community aspirations and perceptions of value with professional knowledge and experience to ensure what people want managed, is managed well.

DOC needs to develop analysis to underpin assessment of effectiveness and efficiency and performance improvement for protecting historic heritage. The Planning, Analysis and Reporting team tasked with this work has initially focused on biodiversity and is now extending its activities to visitor numbers and historic sites. Further clarification of the intended outcomes and targets will be important.

Core business 3: Recreation	
<i>Intermediate outcome: More people participate in recreation</i>	
Performance rating (Effectiveness): Well placed	
Performance rating (Efficiency): Needing development	

Overall, performance indicators show DOC maintaining its position in awareness, participation and satisfaction of recreation users. The national performance indicators for the components of this intermediate outcome reported for the year ended 30 June 2013 were all maintained over the year, these were: New Zealanders’ awareness of DOC as a recreation provider; participation in recreation on public conservation lands; and visitor satisfaction with the quality of the experience.

DOC manages a network of 14,000 kilometres of track, 970 huts, and more than 1,750 toilets. This work is underpinned by service standards, regular inspection against the standards and a range of technical skills (recreation planning, asset management, stakeholder management, research into visitor behaviour etc) to ensure that the network continues to be highly regarded.

The Destination Management Framework provides the context for changes to the network. It takes a segmented approach to recreation facilities with investment prioritised toward areas of highest visitor demand. There is good data to support use of the Framework for part of the visitor network. Availability is more limited for backcountry facilities.

Existing and additional Icon sites will be developed to support the growth of domestic and international tourism, while Gateway destinations will be developed to introduce new participants and to grow recreation in the outdoors. Locally, treasured destinations will be managed to grow community connection with, and use of, their locally important places, while the backcountry network will be managed in a way that attracts a wider range of visitors and, assuming demand grows, increases the use of these special places.

The suite of facilities across the country is greater than can be maintained in the future. The partnering strategy is already contributing in this regard, eg, the refurbishment of remote backcountry huts by the Permolat group; sponsorship from Dulux. Aligned with this, DOC is also reducing administrative processes to streamline the involvement of volunteers in supporting the maintenance of recreation facilities.

DOC has been very effective in building a recreational infrastructure. A future priority should be to increase its utilisation. This implies the need to develop better and more granular understanding of utilisation and an associated marketing strategy.

Increasing participation requires DOC to focus on growing the demand for outdoor recreation opportunities. This involves investing in more accessible ‘frontcountry’ places, while also maintaining access to the back country for those who want more testing experiences. To achieve this will require a change from the widespread backcountry investment pattern to one that matches current demand and is planned to meet future needs – an approach that looks at the optimal mix of opportunities in appropriate places to provide benefits to the visitors and the community.

This is likely to mean a geographic shift in investment, a change in the type of opportunities provided and development of new service provision models, for example, a model focused on a range of Departmental/partner investment mix – these might be local government or private sector partnerships.

The ability to change the investment profile while maintaining appropriate service standards and maximising recreation opportunities, will require constant trade-offs. These trade-offs may be contentious and seen as a threat to the opportunities enjoyed by some key stakeholders. DOC will have to work very closely with, and be responsive to, the needs of local communities and stakeholder groups and be willing to adjust where participation is not increasing.

A higher rating for efficiency for this business line would require more systematic efficiency measures. Achieving high efficiency would require correcting some of the existing weaknesses in operations, such as the inefficient practices around communications and excessive travel.

Core business 4: Engagement	
<i>Intermediate outcome: More people engage with conservation and value its benefits</i>	
Performance rating (Effectiveness): Well placed	
Performance rating (Efficiency): Needing development	

The national performance indicators for the components of this intermediate outcome for the year ended 30 June 2013, as reported in DOC’s annual report, were that the importance of conservation to New Zealanders had remained steady, as had the quality of DOC’s engagement with key associates. Work had not been completed on a new indicator of the satisfaction of iwi with DOC’s activities to enable them to maintain their cultural relationships with taonga (treasures).

DOC’s new business model emphasises working in partnerships, relationship building, sharing skills and knowledge and involving others in conservation. By working in new and different ways with existing and new partners and stakeholders, DOC’s aim, over time, is to support a large-scale and sustainable increase in the amount of conservation achieved across the country, and to provide diverse opportunities for more and new people to participate in and enjoy the benefits of conservation.

Delivery of Core Business

The intent of this business stream is to get more people engaged with conservation and valuing its benefits as a really important contributor to societal wellbeing. From the accountability documents it appears that this business stream has its own outcomes, in addition to being a means to the end of more conservation in the light of constrained funding by the taxpayer. Few people internally were able to express that it is aimed at moving towards a society where everyone values the importance of conservation (like health and education) and takes personal responsibility for it. In this light, engagement can be seen as taking DOC's mandate for advocacy to a whole new potent level. Most people internally expressed the intermediate outcome of engagement in terms of it being a means to the end of more conservation outcomes. This lack of internal consistency needs to be resolved to enable clearer communication and focus internally and with external stakeholders. This need is recognised by DOC and a process is under way to resolve this. DOC should ensure engagement of external stakeholders in this process because for the most part, they are confused as to the intent.

This is an area with long standing mutually valuable partnership relationships with conservation organisations. Some of these have become stressed recently through the restructure and through the declared intent to moving towards more commercial relationships. The connection of these relationships to delivering on conservation in Intermediate Outcomes 1, 2 and 3 is clear but because the purpose of Core business 4: Engagement is unclear, the role of these relationships also lacks clarity.

Excellent progress has been made with engagement with a range of regional councils. A number of valuable examples were identified of local government, DOC, local landowners, iwi and conservation groups working collaboratively on landscape scale problems (for example, in the Kaimai ranges, the lower North Island, in Canterbury and in Northland) that enabled coordinated and highly visible approaches to improved conservation outcomes. The power of role modelling collective impact on addressing large landscape scale problems, such as pests, wilding pines and fresh water, exemplifies the transformative potential of the partnering business model.

The Treaty of Waitangi provides for a partnership between Māori and the Crown. Treaty settlements are also bringing a new paradigm of engagement and partnership with tangata whenua for DOC, as agent of the Crown. To increase DOC's effectiveness in this core area, it should be prioritised for future development, to build on the experience gained in settlements and partnerships to date. Iwi reports good or improving relationships.

Post Treaty settlement relationships are being developed, along with systems of co-management relationships. It will be a key priority for future Governments that Crown Agencies deliver on the settlement obligations agreed to avoid triggering future claims for breaches of these settlements. DOC does not yet have sufficient oversight internally on all the settlement obligations, their costs and how well DOC is managing them. There are high expectations amongst iwi that DOC will exemplify the Crown's commitment to genuine partnership. This means early, open and mutual conversations on new developments and a no-surprise basis of operating. DOC understands and is committed to this. It will be important to ensure this becomes the mode of working. Kahui Kaupapa Atawhai has an important role to play in these relationships and iwi expects strong and harmonised relationships with Services and Partnerships groups of DOC.

If the version of Core business 4: Engagement adopted is that based on advocacy, then there is need for a clear strategy in regard to conservation education from early childhood education through community education and lifelong learning as a driver for greater involvement.

A number of philanthropy proposals are under way or being mooted. This presents a large new opportunity for DOC to grow conservation and conservation awareness, while posing challenges in terms of how they are managed; for example, DOC will need to:

- respond in a way that meets the donors’ expectations for agility, transparency, no surprises and delivering the results promised
- manage the ongoing resource implications from the project
- manage the consequential impact on relationships with existing NGO partners regarding the potential for competition for funds
- manage choices between alternative donors.

Consideration will need to be given to how philanthropy most effectively contributes to conservation awareness if the purpose of engagement is advocacy.

Work is under way to develop a valuation model for natural capital. This will provide the basis for a widespread conversation about the value of the benefits of ecosystems services and the value of sustaining them. This could be a big contributor to a national debate on the importance of conservation and to the enhanced understanding of its contribution to wellbeing. While it will take time to generate, there is a large potential payoff from development of a valuation model.

To achieve these objectives, DOC is implementing a new engagement growth strategy. At this stage, the Conservation Partnerships Group is in the development phase of its approach to partnerships – this will include a process of determining the agencies, sectors, community or business groups where the greatest gains can be achieved through joint work. The aim is to determine this in the first quarter of 2014. At first, the major purpose will be to ensure current partnerships are developed and sustained, rather than accelerating multiple new partnerships. DOC is undertaking a stock-take of current local level partnerships to look for further opportunities and particularly to scale up to national priorities. The thinking to develop the partner framework is under way but at an early development stage. Therefore targets and measurements remain to be developed. Internal processes for setting priorities are at a similarly early development stage.

Core business 5: Business opportunities	
<i>Intermediate outcome: Conservation gains from more business partnerships</i>	
Performance rating (Effectiveness): Needing development	
Performance rating (Efficiency): Needing development	

The national performance indicators for the components of this intermediate outcome reported for the year ended 30 June 2013 show an increase in the engagement of the commercial sector in conservation partnerships, in the level of investment from the commercial sector in conservation and in the return on investment for key Departmental products and services.

A range of significant commercial partnerships have been developed with mutual benefits to all parties, eg, Air New Zealand, Dulux, Fonterra, Mitre 10, Genesis, Crombie Lockwood. There is great enthusiasm to develop these new arrangements to grow conservation. The underlying concept of ‘value exchange’ has been developed to inform choice about partnership engagement.

Delivery of Core Business

However, clarity about the rules of engagement has not yet been fully developed and as a consequence the internal consultation and approval processes are not clearly defined. The risks arising include the potential to enter relationships that prove difficult to service or that potentially put the DOC brand at risk.

We have been advised that the intent of this business stream is to develop relationships with commercial entities to durably embed conservation values and activities into their ways of doing business. The aspiration is to achieve widespread engagement with conservation activity throughout the commercial sector. An alternative view within DOC is that this activity area is designed to expand the resources available to grow conservation activity. In discussions we found little clarity about the intent. A process is under way to generate greater clarity.

Resolving this is of some urgency because it not only affects internal priorities about what partnerships but shapes the reactions of some stakeholders. External conservation organisations regard this as being about getting more money to compensate for the reduction in Government funding and that this is a diminution of the commitment to biodiversity and species conservation activities.

This business stream is at an early development stage: targets and measurements remain to be developed. Internal processes for setting priorities are at a similarly early development stage.

Regulatory Impact

How well does the agency exercise its stewardship role over regulation?

Performance rating: **Needing development**



DOC was formed in 1987 when the Conservation Act 1987 was passed to integrate conservation management functions. This Act sets out the majority of DOC's responsibilities and roles. There is also specific legislation for such things as wildlife, reserves and national parks.

DOC is primarily an operational agency but it does manage regulations on behalf of the Crown and these regulations directly affect its operations. DOC administers 25 Acts of Parliament and has functions under several others. Of these the most significant are the Conservation Act, Marine and Coastal Areas Act 2011, National Parks Act 1980, Reserves Act 1977 and the Wildlife Act 1953.

Throughout this Report we note areas of opportunity to enhance the efficiency and effectiveness of DOC's activities through refreshed legislation. This particularly applies to the Conservation Act, which dates back to 1987 and was described to us as being 'clunky' and outdated, and to the Marine Reserves Act 1971. We discussed the Marine issues under Government priority 3.

The most significant way in which DOC's activities impact on the public through regulation is through concessions and permits. Concessions are required to run a commercial business or non-profit activity, occupy land or build a structure on conservation land. Authorisation is needed to collect and/or undertake research on plants, animals or geological samples or to take, hold, release or kill protected species. Permission from DOC is required to use a prospecting, exploration or mining permit on public conservation land. Permission is required to hold protected wildlife in captivity. Permits are required to undertake activities that impact the environment in Marine Reserves. Marine mammal permits are needed to run a business for whale watching, swimming with dolphins, viewing seals or carrying out anything involving marine mammals, including filming above or below the water. Other permissions needed include hunting and fishing permits, trade in endangered species and access to certain nature reserves, including Kapiti Island and islands in the Hauraki Gulf.

Throughout this Report we comment on the ways in which DOC manages concessions and permissions. The experience is mixed.

Useful technological innovation has occurred in some permissions to streamline the process, for example, introduction of online applications for hunting permits. But in other areas, notably concessions, users described the processes as 'clunky', inefficient, time consuming and ineffective. For example, tourism operators experience long delays (many months) in applications for renewal of concessions. The monitoring and collection of revenue from short-stay tourism operators seems haphazard to the point where established operators who try to do the right thing are frustrated by others who 'seem to get away with it'.

The recent organisation redesign seems to have exacerbated some of these poor process problems, in that under the new regime concessions or permissions are processed at centres away from the region where the concession is needed. Local knowledge that previously may have expedited a concession or permission has been lost.

We recommend that priority is given to reviewing permissions and concessions processes from a user perspective to ensure they are fit-for-purpose and use appropriate technology and that systems are in place to capture all revenue due from concessions.

ORGANISATIONAL MANAGEMENT SECTION

This section reviews the agency's organisational management. The questions focus on ex-ante and often guide Lead Reviewers to future and current performance. Final judgements and ratings are informed by the scope and scale of the performance challenge.

Part One: Leadership, Direction and Delivery

Purpose, Vision and Strategy

How well has the agency defined and 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?

Performance rating: **Needing development**



Leadership and Governance

How well does the senior team provide collective leadership and direction to the agency?

Performance rating: **Needing development**



Values, Behaviour and Culture

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

Performance rating: **Needing development**



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?

Performance rating: **Weak**



Review

How well does the agency encourage and use evaluative activity?

Performance rating: **Weak**



Purpose, Vision and Strategy

DOC's purpose, vision and strategy have been clearly defined in DOC's strategic documents and extensively communicated internally and to a lesser extent externally. Not all staff or external stakeholders necessarily agree with DOC's purpose and some feel there is a disconnect between this and work happening on the ground. The Purpose is explained as, "Conservation leadership for a prosperous New Zealand". Prosperous is explained within DOC planning documents and on the website as, "we mean a country that is flourishing socially, economically and environmentally", but some people read prosperous more literally as the dictionary definition emphasising "wealth, success, affluence...". Taken with the new commercial partnerships outcome stream and emphasis on business deals, and a perceived reduced focus on advocacy, this has caused some people internally and externally to view DOC as, "having lost its way".

A unifying philosophy and a simple story needs to be developed that connect purpose, values and vision with the desired outcomes and the strategy for their accomplishment. More work is required to help staff translate the big picture into something meaningful for them in their roles. Although outcomes are directionally clear they lack the specificity that will enable impact measurement and help staff develop a line of sight between their actions and accomplishments and the goals of the organisation.

There is still work to be done with stakeholders and staff to help them to understand DOC's new strategy of growing conservation through partnerships. What the strategy means in practice is unclear externally and is patchy internally. There is still some confusion amongst some stakeholders about what DOC will be doing differently and what this means for them. Stakeholders are very supportive of DOC and its work and specifically spoke of giving time to see how the new structure settles in but we sensed an expectation of increased urgency. DOC is aware of this and is working hard to build relationships through its stronger focus on partnerships and community engagement.

The strategy of growing conservation through partnering and engagement is broadly well received but lacks a robust set of underpinning principles and a decision framework. Intermediate Outcomes streams 4 and 5 relate to this new strategy. From a wide range of conversations it was not clear to us whether Intermediate Outcomes 4 and 5 are means to the end of greater conservation (Intermediate Outcomes 1, 2, 3) or outcomes/ends in their own right. A few people within DOC were able to articulate this as a new form of advocacy with the objectives of engaging a large number of New Zealanders and companies with the value and benefits of conservation, such that conservation becomes everyone's role. This ambiguity is acknowledged and a process is under way to resolve it.

The Outcomes Framework is intellectually sophisticated with underpinning intervention logic and there is an agreed process for further development and implementation. Output objectives are confirmed by SLT as part of the planning process and linked to outcomes. However, the outcomes, objectives and measures as yet lack the clarity, specificity and interlinkage to tell the story of the impact of DOC's work consistently and convincingly. A number of managers advised us that the culture within DOC has not significantly embraced the use of goals and analysis to understand and drive performance.

DOC is taking the lead on the early stages of developing modelling of the value of natural capital in the form of ecosystem services that underpin the New Zealand economy and way of life. This development is encouraging and may lead to a more robust way of demonstrating the economic and social contributions of its activities.

Leadership and Governance

SLT is in a rebuilding phase, with a new Director-General (D-G) in place, as well as changes to the make up of the rest of the team. Feedback indicates that the collective leadership of SLT has improved over recent years and that they share a common and coherent vision. However, individual Deputy Directors General (DD-Gs) are often seen as leading their own particular areas, as opposed to leading across the organisation. Many people we interviewed expressed concern about the risk of development of new functional silos instead of the regional silos that contributed to the perceived need for the new organisation design.

There is a general sense that SLT has low visibility across the organisation other than within their own functional lines and that it seems to operate a little in isolation from the rest of DOC. More work needs to be done to ensure SLT is connected across the organisation. It has commenced implementing a DD-G-led engagement plan to gain a deep understanding of the organisation and its culture.

It appears to us that SLT is not sufficiently connected into strategy execution, which is the key to the success of any strategy. An outstanding strategy poorly executed will be much less effective than an adequate strategy superbly executed. We believe SLT needs to have a heavy focus on execution and to lead this process with pace and momentum.

Many senior managers shared their views with us about confusion existing between the roles and responsibilities of SLT, the Finance Committee (a subcommittee of SLT) and the Business Management Team (BMT) (Tier 3 managers chaired by a member of SLT on a rotating basis). There is a lack of clarity over how decisions are made and who is able to make them. BMT does not seem to be working as intended, although it has potential to work across functional silos and align investment to the strategy.

The organisation is now looking to SLT to provide direction on how it needs to be working. At a high level, people understand the direction; however, this needs to be translated into something that can be practically understood on the ground. Staff are seeking a period of stability to allow time for the structural changes to bed down.

The organisation design is akin to a matrix model of Intermediate Outcomes (similar to business units) and functions that work across these outcomes. DOC is accountable for delivering on the Outcome Statement, made up of Intermediate Outcomes as the core business streams. The Intermediate Outcome stream leads should be vital contributors to organisation leadership because they are responsible for business results. It is essential the D-G has confidence that the stream leads are able to manage Intermediate Outcome delivery. However, the roles of stream leads for the most part are add-ons to people's day-jobs and the Outcomes Frameworks and objectives are underdeveloped, except for Intermediate Outcome 1. These roles should be elevated in visibility and importance within the organisation and resourced appropriately, such that DOC demonstrably prioritises achieving results. Governance systems involving matrix models are more complex than traditional hierarchies and require sophisticated communication and modes of engagement. These modes are not clearly specified yet.

Values, Behaviour and Culture

DOC has five core organisation values but these are not strongly embedded or well known across the organisation. They were well communicated when first introduced but are not reinforced on an ongoing basis.

Many people who work for DOC are strongly values-based and passionate about the work of conservation but do not necessarily feel the same level of commitment to DOC. We noted high degrees of energy and enthusiasm and perceive an urgent need to channel this enthusiasm through enabling people to understand the line of sight between DOC's aspirations and their own roles.

There is not a consistent view of what working as one organisation means across DOC. It takes a different set of behaviours to make a matrix model work, compared with a traditional regional-based hierarchy and it's not evident these behaviours have been well articulated.

DOC undertook a diagnosis of the behavioural shifts needed to operate within the new strategy and identified key behaviours critical to its future success. An organisation development programme has been formulated to ground these behaviours in the everyday work of staff but leadership is required to ensure this work is given priority. This may need to be revised once the operating model has been reviewed and developed.

We observed a genuine willingness to do things differently and this is manifest in the vast array of transformational change under way. However, a number of aspects of the culture are likely to inhibit future success unless directly addressed:

- An unduly risk-averse approach and tendency to over-engineer compliance-based processes that are supply driven, rather than user driven; we heard that this can lead to workarounds, failure to comply or manager override (also we learned of several recent counter-examples to this)
- The view that injuries are an unfortunate but to be expected part of working at DOC; a commitment to an injury-free workplace and the policies, systems and practices, management expectations and 'the way we do things around here' that support this must be an urgent priority
- Risk management – in regard to strategy, operations, financial, reputation – is not a significant part of the culture; the systems and leadership to support this should be a priority development
- DOC is founded in science and technical analysis but lacks the same rigour when it comes to managing the business; the culture of using analysis to inform decision-making needs to be elevated.

Structure, Roles and Responsibilities

DOC's realisation that it was not set up to deliver on its vision and goal of achieving more conservation in collaboration with others, was the main catalyst of the past few years of change. The first two phases of the Delivery Project (restructure of Operations) began with a scenarios planning exercise that examined the role of conservation in 2050, followed by a process of identifying the most appropriate operating model to achieve DOC's outcomes. These phases were both completed before structure was focused on.

DOC now needs to consolidate these changes and enable staff to engage with new ways of working. To ensure it continues to adapt effectively to future changes, DOC needs to ensure it consistently looks out to wider social trends and global changes to help inform decision-making. This should help ensure that change is evolutionary rather than revolutionary.

DOC has in effect designed the organisation around a matrix model of outcome streams/result areas, which are the equivalent of business units, and functions. The functions and the activities they undertake hold the resources and their leaders constitute SLT, with the result areas being somewhat less visible. BMT has the responsibility of aligning resources to the strategy and outcome areas but this group is subordinate to SLT and functions. There is a consequential risk in the structure of

privileging activities over outcomes. A matrix model adds an element of complexity to organisational communication but tends to be necessary as organisations increase in size and shift their emphasis towards customers. In DOC's case this complexity is exacerbated by its wide geographic spread and by the adoption of a professional services style operating model of services and partners.

DOC is working out how the separate parts of the new structure need to line up to ensure it can take a 'one organisation' approach. While the structure is in place, there is not enough focus on how people should work together and the required behaviours needed to ensure its success. Although the new structure has been implemented, the consequential changes to the operating model to give effect to the new strategy are still unclear. This affects role clarity, efficiency and effectiveness. DOC is still, for the most part, operating off the framework of the earlier regional hierarchical model.

Most roles in the new structure are documented in new position descriptions. The first set of Team and Functional Portfolios have been introduced to provide team members with clear areas of responsibility depending on the work demands and requirements of the team. In a customer-focused matrix model and with innovation as a core value, staff and managers will need to learn to work with some degree of role ambiguity in dealing with users and customers. At Director level we experienced regional partnerships and services working effectively in a coherent joined-up fashion, based on trust from strong personal relationships and this can provide a role model for the whole of DOC.

An issue consistently raised is the need for simplification of DOC's systems and processes. These are currently complex and prescriptive, which takes away a sense of ownership and the need for good judgement.

A further level of complexity arises from the fact that although key elements of a new operating model, eg, partner/services, are known, a schema for a comprehensive and coherent operating model is unclear. The operating model should integrate at least the following: the results to be achieved; the necessary people capacity and capability to deliver on those results, and forecasting systems to predict this, the systems and processes necessary to deliver the required results, including innovation, quality, risk, health and safety and sustainability; the organisation design (structure) through which results are delivered; the infrastructure, including tools, plant, premises, information and technology to deliver the results; modes of end to end communication starting with the user/customer; accountability, decision-making processes and delegations; measuring and managing and improving performance; all linked to expected costs of operating. An effective operating model will integrate across functions and align with results. If this is absent there is the risk that functional silos and activities rather than outcomes predominate.

There are excellent subsystems under development but there needs to be an overall simple framework and a roadmap for system and process development that all staff understand. Meanwhile, leaders and managers must step up to develop a coherent story and engage with staff on roles and responsibilities through the Monthly Operating Reviews (MORs) and other interactions. Their ability to do so is inhibited by the unrealistic spans of control.

Review

DOC does not have an overarching monitoring and evaluation framework, although the output and outcome measures and indicators in the *Statement of Intent* and *DOC Output Plan* are reported through the *Annual Report*. This activity is principally impact and outcome evaluation. A monitoring framework is currently being established across all of the Intermediate Outcomes using the natural heritage monitoring framework as a model.

The Chief Assurance Officer leads a small team conducting a programme of internal audit and risk analysis, which is determined each year in discussion with the Audit and Risk Committee and DOC external auditors (KPMG). This is typically focused on process evaluation. Further process evaluation is periodically undertaken across the organisation but this sort of activity is ad hoc, not well connected and sometimes duplicated. We were impressed by the work of the Assurance team regarding analytical review using computer-assisted auditing techniques on financial and non-financial data. This work is able to identify anomalies that can then be investigated if necessary, thereby providing a level of confidence in the overall integrity of the data.

There seems to be limited enthusiasm for evaluation as a regular part of DOC business activity, beyond the existing monitoring and reporting requirements. Feedback loops and systematic learning from experience and continuous improvement does not seem endemic to DOC in relation to its management practices, although informal feedback from partners, stakeholders and customers is obtained.

DOC has expressed an aspiration to become a learning organisation but has not recognised the need to put systems in place to achieve this. A vast array of new approaches is under development but we did not see evidence of a systematic approach to assessing the effectiveness of these changes and sharing the learning across DOC. Organisational learning needs to focus on the experience of customers and users and needs to be built into ongoing ways of working. Embedded organisational learning, combined with deliberate foresight processes, may reduce the need for the periodic and disruptive organisation change projects that seem to have characterised DOC in recent years.

ORGANISATIONAL MANAGEMENT SECTION

Part Two: External Relationships

Engagement with Ministers	
How well does the agency provide advice and services to Ministers?	
Performance rating: Well placed	
Sector Contribution	
How effectively does the agency work across the sector?	
Performance rating: Well placed	
Collaboration and Partnerships with Stakeholders	
How well does the agency generate common ownership and genuine collaboration on strategy and service delivery with stakeholders and the public?	
Performance rating: Needing development	
Experiences of the Public	
How well does the agency understand customers and citizens' satisfaction?	
Performance rating: Well placed	

Engagement with Ministers

DOC continues to have a close working relationship with the Minister for Conservation. DOC has close and positive interactions with the Minister of Treaty Settlements in relation to the content of settlements. Conservation advice to other Ministers is provided particularly through collaborative work undertaken with other natural resource sector agencies.

DOC provides policy advice across a range of issues, which is sufficiently wide to be challenging for any small policy unit. There is a risk of becoming overstretched by contributing to more issues than can be managed with the available skills. DOC has worked to lift policy skills with a well designed policy guide drawing on similar work within the Ministry for the Environment. Feedback from the Minister expressing satisfaction with the advice has been augmented with internal and external quality assessments. Quality is reported to have lifted and continued gains need to be sustained.

One area identified for improvement in DOC advice is for a range of options to be provided and for advice to be more decisive and succinct. Advice from DOC is increasingly demonstrating an understanding of the positions of others and advice is being prepared collaboratively with other officials. To ensure that conservation perspectives are sufficiently understood across government, DOC should continue extending this engagement with a wider range of officials, including central agency colleagues.

An issue for consideration is whether advice pays sufficient weight to achieving improvement rather than the best possible result, ie, overlooking the good in search of the perfect.

It is highly likely that DOC could be more persuasive about the significance of conservation if it was able to tell a coherent story and quantification of the ways ecosystem services, in total and from each of the parts (biodiversity, recreation, historic and engagement), contribute to the ongoing wellbeing of New Zealanders. Work on a valuation of natural capital led by DOC with other natural resource sector agencies will help DOC tell that story.

One consequence of having such a small policy group has been that some policy papers have been prepared in the science-based units and submitted to Ministers without adequate oversight and input from the policy specialists. We were advised that papers without adequate policy input and management have at times been unhelpful to Ministerial decision-making. This points to a need within DOC to ensure rigorous management processes over all advisory papers to Ministers.

The first PIF Review identified that DOC needed to significantly improve its contribution to the process of Treaty settlements. We received wide acknowledgement of the constructive contribution now from DOC and an expression of satisfaction from Ministers. DOC has contributed well to post-settlement processes and has recognised a need to more systematically record and monitor the ongoing obligations. As the settlement process tapers down the emphasis must go on Crown agencies, including DOC, delivering on the obligations agreed in the existing settlements

Over the past three years the Treasury regulatory review process has found that DOC's regulatory framework is fit-for-purpose. DOC has also developed a Regulatory Plan, as required by all government departments. DOC complies with the Treasury's regulatory requirements, including its regulatory reviews.

Sector Contribution

DOC engages broadly and effectively with the NRS agencies, with positive results particularly in the biosecurity area. The sector has adopted DOC's Leadership Development and Professional Specialists Leadership Programmes for staff, which are working well and there are other collaborative opportunities over organisational development. DOC is a member of various NRS working groups and is taking a lead role in the natural capital dialogue within the sector and in the refresh of the New Zealand Biodiversity Strategy.

We heard of several examples of a collaborative and integrated approach to work with territorial authorities, sometimes together with iwi and private land owners, especially in dealing with environmental issues across large landscapes. The Kaimai-Mamaku Project aims to improve environmental impacts within Kaimai through integrated action. In the lower North Island, 'Nature Central' is a formal collaboration in the management of natural resources and recreation. It is a joint initiative with Hawke's Bay, Horizons and Greater Wellington regional councils and DOC. A similar initiative is under way in Canterbury.

DOC is starting to work more strategically with local government. An example of this is the Memorandum of Understanding with Auckland City Council outlining how the two organisations will work together in outdoor recreation and wild spaces to enhance the health of the region's environment and its natural and historic heritage sites and promote outdoor recreation and eco-tourism opportunities.

More widely within the public sector DOC made a major contribution to the Government response in relation to the Rena oil spill and to the Canterbury earthquakes.

Collaboration and Partnerships with Stakeholders

In general, stakeholders think highly of DOC but the restructure process has caused confusion, reduced contact and stalled relationships. Many partners like the new strategy. The concept of DOC being more outwardly focused and seeking mutual benefit with partners is welcomed as indicating a shift from a 'DOC knows best' approach and a move to much greater transparency.

NGOs, for instance, have welcomed the prospect of moving nationally to a deeper and more collaborative engagement, earlier in the process where they have an opportunity to contribute.

Treaty partners (iwi) are generally positive about the improvement in relationships and have expectations of a genuine partnership with DOC as agent of the Crown. As noted in the section on engagement with Ministers, DOC has obligations arising from Treaty settlements in terms of ongoing relationships with iwi and will need to be vigilant in delivering on those obligations. A much richer relationship than this is being sought by some iwi, which has potential for substantial longer-term benefits for conservation outcomes.

However, some reservations have been expressed. Some, such as NGOs, expressed concern that the strategy implies a diminution of the value attached to biodiversity, ecosystems and habitats or a reduction in advocacy. There has not been sufficient engagement to ensure mutual understanding. Hapū, iwi, and other stakeholders have raised concerns about the lack of transparency in DOC's restructuring and this will need to be a key part of future communications on why and how DOC restructured and where the connectors are. Community groups are unsure there is sufficient mutual understanding to enable them to contribute most effectively.

Others wondered about DOC's readiness to take on a much wider range of partnerships. They asked whether DOC would be able to deliver on much earlier engagement, open and transparent communication and a more agile response. They saw these changes as being necessary to succeed with non-traditional partners.

This concern is heightened by the reported lack of nimbleness with existing partners. Stakeholders, such as concessionaires seeking new concessions or renewals, report unduly complex, costly and slow processes. There are also complaints that monitoring and payment conditions are not enforced which leads not only to resistance from those who would otherwise be compliant but also to a loss of revenue to DOC.

Some of this may be owing to the strains of restructuring but a lot appears owing to the unduly complex processes set by DOC. If it can be carried through to a prompt resolution streamlining the process for granting permits under the Wildlife Act may be a model for wider changes to granting permissions.

It is clear that DOC needs to spend time listening to others and understanding their priorities. This includes conversations with community conservation groups about DOC's new direction of doing more with others. There is also a need to allay fears it is competing with community conservation groups for funding. The emphasis should be that DOC can bring a whole range of skills to work collaboratively with others to grow conservation.

Experiences of the Public

There is high public appreciation of the performance of DOC. DOC commissions an annual survey in which people selected randomly from the Electoral Roll are asked questions relating to it and conservation. The most recent survey took place between 23 April and 2 June 2013. The results showed that:

- 79% of New Zealanders actively enjoy New Zealand's healthy environment, recreation opportunities and history
- 79% of New Zealanders have a favourable opinion of DOC.

DOC has also undertaken brand research since 2008, which shows how it is perceived and rated by the public in relation to other public and private sector organisations. This survey, conducted by BrandCapital has a representative sample of 2,250-2,500 New Zealanders aged 18-65 years. This tranche was launched on 11 April 2013 and ran over a 10-day period. In summary it shows:

- DOC has a strong image or brand equity
- The more familiar people are with what DOC does, the more likely they are to feel its work is both relevant and more highly regarded.

Building familiarity with DOC's work is key to engage more people in conservation. Since 2006 DOC, through quantitative surveys, has annually tracked New Zealanders' awareness and understanding of conservation and its benefits. The desired trend is for an increase in New Zealanders' awareness and understanding of important conservation issues over time. There appears to be a slight downward trend since 2010/11 (83%), with 81% of people this year saying that conservation is 'very important' or 'important' to them.

DOC has begun to shift towards a customer focus in designing its services and facilities and this needs to be applied comprehensively. One example is the use of data on visitor numbers and facilities utilisation to drive priorities for the development and maintenance of recreation facilities.

Another illustration of a customer/user-driven approach is that taken with the Outside-In project. This is redesigning the process for granting permits to the public under the Wildlife Act. It is using feedback from users to radically redesign the complete process to better meet customer needs, while still safeguarding the animals concerned. This project might serve as a model to review other areas of regulatory actions by DOC to ensure that they obtain their required effects at much less cost and inconvenience to users.

To lift the rating for experiences of the public to 'strong', DOC needs to more comprehensively and systematically build in feedback from the public (and other stakeholders) to refine and shape services and permissions being provided. It needs to be more organised in the way it receives, evaluates and acts on this information.

DOC needs to maintain a strong focus on changes occurring in customer demand and the extent to which proactive marketing and market understanding can enhance facilities utilisation and customer experiences, especially in the context of a shift towards a more commercial model.

ORGANISATIONAL MANAGEMENT SECTION

Part Three: People Development

Leadership and Workforce Development

How well does the agency develop its workforce (including its leadership)?

How well does the agency anticipate and respond to future capability requirements?

Performance rating: **Needing development**



Management of People Performance

How well does the agency encourage high performance and continuous improvement among its workforce?

How well does the agency deal with poor or inadequate performance?

Performance rating: **Needing development**



Engagement with Staff

How well does the agency manage its employee relations?

How well does the agency develop and maintain a diverse, highly committed and engaged workforce?

Performance rating: **Needing development**



Leadership and Workforce Development

DOC has a People Strategy 2020 in place that articulates the emerging context it is working in, the pressures it is facing and its main focus areas regarding organisational leadership and support for staff. Although this strategy provides the basis for DOC's capability and organisational development work, it is not highly visible across the organisation. There is an opportunity to refresh this and make visible to the organisation in the context of embedding the new operating model.

A capability mapping exercise carried out in early 2013 provided a snapshot of common capability strengths and gaps across all of the business groups and the wider organisation. This exercise highlighted key areas DOC needs to develop to effectively deliver on its strategy and embed its new operating model. The need to recruit people skilled in working with, and influencing others, was identified as a priority. Since this time there has been significant change to DOC leadership, and the complexities arising from the new structure have become apparent. We are not confident that sufficient capability and experience in transformational leadership within a complex matrix customer-focused environment is available to sustain the huge amount of change activities under way. Capacity and capability issues will need to be linked to the new strategy, structure and leadership and a coherent workforce development plan communicated to deal with future requirements.

DOC's approach to talent management is described as deliberate, yet informal. DOC seeks opportunities for those employees who are showing aspiration or ability in developing themselves and who wish to extend and grow their leadership skills. DOC has made a conscious decision not to develop a talent management system because the system is then very dependent on the quality of individual managers and the propensity of staff to seek out opportunities. We asked most groups "what does it take to get ahead around here?" and the answers were unclear and inconsistent. One common characteristic was a supportive manager. Development opportunities are available but staff have to hunt for them unless they have particularly supportive managers (which some are).

Leadership development is taken seriously and there has been significant investment and commitment. One hundred and sixty-five DOC participants have now completed the Conservation Leadership Development Programme (LDP). The Professional Specialists Leadership Programme is a variation on the LDP and was designed for those in thought leadership or technical specialist roles. Both DOC programmes have been extended to the wider public sector and are run as an NRS programme. DOC needs to ensure there is appropriate follow up to embed the learning from these programmes. Visible demonstration and leadership role modelling, especially from SLT, will be important.

We heard that there can be an over-reliance on individuals in senior roles and more work should be done on succession planning for key roles. There is a need for a refreshed focus on core management disciplines, particularly given the number of new managers recruited during the change process. DOC is now offering professional coaching to all new managers appointed during the last change process.

All DOC employees are required to have a performance and development plan (PDP) in place and they are encouraged to identify their development needs. DOC does well with technical training but there needs to be more focus given to working together under the revised operating model. Our conversations with staff revealed that experience with, and completion of, PDPs, varied widely and there doesn't seem to be a system to ensure effective implementation.

There has been a gap identified in DOC staff's understanding of the responsibilities of Section 4 of the Conservation Act, Mātauranga Māori and Kaupapa Māori relating to conservation management. Ensuring all staff are aware of DOC's responsibilities under this Section and how it relates to individual roles is important. Te Pukenga Atawhai has received good feedback over recent years, however, more work needs to be done to ensure that Section 4 principles are embedded and understood throughout DOC.

DOC has realised that it needs to build others' capability so they can in turn build the capability of their communities, businesses, iwi, whānau and hapū. Many of DOC's internal courses are now accessible to all New Zealanders and DOC partners. DOC has designed modularised training material to ensure that community groups and iwi can select course modules most relevant to them and have these modules delivered locally. Blended learning resources have been developed, which include online courses and a YouTube site – 'DOCskillable'. DOC has also focused on strengthening the capability of volunteers, including offering free courses to volunteers, community groups and regional councils.

Management of People Performance

The span of control for tier 4 managers is too wide to be effective in a matrix model, with customer focus and learning organisation expectations and widespread geographic distribution. Typical spans appear to be between 12 and 16 staff and this is often exacerbated by additional responsibility for casual or part-time staff. Supporting supervisory level staff at level five were eliminated as part of the restructure but there is evidence similar roles are creeping back in through necessity. This is a structural issue but the implications play out in managers' ability to manage performance effectively. We met extremely dedicated and enthusiastic groups of tier 4 managers who were struggling to do their best in these circumstances. Extensive travel is required, often for short meetings and the ability to manage staff relationships is further hampered by distributed positions and inadequate or non-existent communication technology. We are anxious about the potential for stress in this group of staff and about the inefficiencies and costs of extensive travel. Uncertainties in the operating model exacerbate the situation and demand more manager time to assist staff to determine priorities and execute them effectively.

While all staff are required to have PDPs in place this does not seem to be the case. There doesn't seem to be a system of ensuring these are completed effectively or consequences for managers if they are not. Staff had mixed views on their utility in practice but valued and wanted the development conversations.

All staff should have a monthly operating review (MOR) with their manager, with exceptions for casual staff or those on a contract of two years or less. We are unclear why manager conversations are any less important for this group. Some managers are implementing these meetings fully with monthly face to face conversations with all of their staff, but practice and experience varies significantly. Some staff reported very few of these conversations, others reported that most were by phone, sometimes they were done in a team or group format and sometimes by a tier 5 senior staff member acting on behalf of the manager and some staff had these conversations only every other month. These various modes reflected managers endeavouring to cope in dealing with the workload.

We are aware that some managers and staff have adopted their own much simpler one-page format for MORs as a basis for monthly conversations. We understand that the forms for these processes have recently been simplified based on feedback from managers to encourage joint conversations between management and staff. We believe the forms are over-engineered, too complex and insufficiently prospective. It is not surprising there are workarounds and non-compliance. Improvements to, and consistent implementation of, regular monthly prospective conversations with staff would significantly enhance the ability to inspire performance and clarify expectations of operating in the new environment.

The new operating model and structure requires a different 'style' of leadership and managers are being encouraged to adopt a more empowering, facilitative and coaching approach. This necessitates emphasising a forward-looking view at regular management discussions. Ongoing support will be required to ensure managers have the necessary tools to help their teams move into a new way of working.

Feedback has indicated that high performance is not consistently recognised and rewarded. Many find the annual salary review process restrictive in its ability to acknowledge strong performance. Managers need to ensure they can provide appropriate recognition outside of the formal remuneration process. More guidance on the use of non-financial reward and recognition could be developed to assist managers.

DOC's senior leaders need to be more explicit in setting clear expectations of high performance and required behaviours across the organisation. DOC has the appropriate systems and tools in place to deal with poor or inadequate performance; however, these are not always used. Managers reported strong support from human resources (HR) when faced with difficult performance management issues and processes.

Feedback from staff highlighted that there is room for improvement with how DOC deals with poor performance management. There is a sense that there has been reluctance in some areas to deal with inadequate performance, have difficult conversations and make tough decisions. We found willingness to front up to these issues amongst many managers but we are not confident there is sufficient skills and training in how best to manage poor performance effectively and speedily. Managers are aware of the damage to morale that comes from failing to deal with poor performance, especially in circumstances where this may affect probity, reputation, health and safety or impose excessive burden on others. There is a sense that people are getting better at confronting unacceptable behaviour.

Engagement with Staff

DOC has a passionate and committed workforce, with a rich array of skills and backgrounds. Staff are highly engaged with conservation but not necessarily with the organisation. The lengthy period of restructuring over several years in several phases has taken its toll and it will need care and continuous communication to rebuild engagement. More could be done by senior leaders to ensure regular, consistent and empathetic communication about DOC's direction and how people can contribute effectively.

In general, tiers 2, 3 and 4 are engaged with the strategy and the cause. The greatest risk of disengagement is amongst some tier 5 staff, where some people are struggling to understand expectations in the new structure, especially where their managers have large spans of control.

More leadership from SLT and other senior leaders is required to demonstrate DOC's commitment to engagement. Managers are encouraged and supported to run workshops and have discussions with their teams about the Engagement Survey results and this is effective in pockets. Owing to the scale of structural change implemented in September 2013, the survey was not carried out. Instead a 'taking the pulse' mini review examined staff opinions at several sites and the PSA delegates conducted extensive information gathering, which was provided to the Director-General in March. Obtaining systematic feedback on engagement needs to be a focus area as DOC embeds its new operating model and structure.

The 'taking the pulse' mini review and feedback from PSA delegates provided a picture of variable staff morale, with some areas having quite low morale staff with high stress levels with others being more optimistic. Support was expressed for the direction DOC had taken but significant problems were noted with a lack of clarity over roles and responsibilities, poor communication, inconsistency in and a lack of leadership and management, inadequate systems and a perceived unwillingness to stop some existing activities when new responsibilities were taken on.

Furthermore, feedback from staff indicates that DOC isn't always open to diverse ideas and ways of doing things. There are mixed messages between freedom to act and be innovative versus application of rules and procedures. Innovation tends to be driven by individuals but this is not necessarily encouraged or promoted. As innovation is one of DOC's core values, more support could be provided to encourage a culture of growing and developing new ideas. There needs to be a greater understanding of the circumstances in which it is appropriate to take greater risk and experiment

People Development

with new ideas and prototypes and areas where it is not (such as health and safety). Not all innovations will succeed and there needs to be an acceptance of failure, so long as there is learning from it.

Union leaders and DOC leadership express commitment to a constructive relationship. DOC doesn't have a stand-alone Employment Relations strategy but it is represented in all strategic documents. DOC has worked hard to build a close working relationship with the PSA, which has been challenged at times through the ongoing period of change. DOC has a feedback mechanism through the local and national partnership forum. There is an expressed wish from union leaders for open minded and early stage involvement of staff in developing new and improved ways of working.

An increase in injury rates is concerning. During the last year, six serious harm incidents with staff were recorded, one of which was investigated by the Ministry of Business, Innovation and Employment (MBIE). DOC was also prosecuted for a fatality in November 2012 for failing to take all practicable steps to protect a volunteer working on Raoul Island.

Feedback indicates that health and safety is strongly promoted, well embedded and typically well managed. However, it seems that the culture is to focus on the hazard, rather than the awareness and management of risk. DOC needs to move towards a commitment, rather than a compliance culture for its staff, contractors and volunteers. The D-G has signalled that change in culture in relation to safety is one of his top priorities.

A range of new initiatives are being developed or are in place. Fundamentally though, six changes are required:

- a cultural change towards an expectation of a no-injury workplace
- a systemic shift towards simpler systems that emphasise engagement, commitment and judgement, as well as mandatory compliance with key requirements
- a management change to emphasise health and safety requirements in staff and managers' job specifications, expectations and management
- a learning change to ensure that learnings from near misses and any injuries are derived and implemented across DOC
- an infrastructural and ways of working change to ensure continuous reviews to identify opportunities for 'poka yoke' – making error proof, and
- most importantly, an operating model change that moves health and safety from an add-on to full integration with risk, innovation, quality, sustainability and continuous improvement in all DOC systems.

There is a sense that although wellbeing is espoused as an important DOC value, this does not work so well in practice, with some staff concerned about ongoing workplace stress; travel distances required; increased span of control; work/life balance and the general pressure of getting the new structure working. There are well established practices to enhance wellbeing and these could form the heart of the staff engagement agenda.

ORGANISATIONAL MANAGEMENT SECTION

Part Four: Financial and Resource Management

Asset Management

How does the agency manage agency and Crown assets, and the agency balance sheet, to support delivery and drive performance improvement over time?

Performance rating: **Needing development**



Information Management

How well does the agency manage information as a strategic asset?

Performance rating: **Needing development**



Improving Efficiency and Effectiveness

How robust are the processes in place to identify and make efficiency improvements?
How well does the agency evaluate service delivery options?

Performance rating: **Needing development**



Financial Management

How well does the agency plan, direct and control financial resources to drive efficient and effective output delivery?

Performance rating: **Needing development**



Risk Management

How well does the agency identify and manage agency and Crown risk?

Performance rating: **Weak**



Asset Management

DOC manages just under \$5.4 billion in capital assets. Nearly 91% of these are Crown-owned assets (predominately Crown land) and 9% are DOC-owned assets (predominately visitor assets, such as tracks, huts and structures).

DOC has some world-leading systems with NHMS and the ecological offsets model to enable much more systematic use of Crown land for natural heritage purposes. However, currently a minority of spending in relation to natural heritage is driven by use of these models. The intention is to move to

the majority of this spending being determined using these modelling tools, rather than being based on historical patterns of expenditure. This further development should be prioritised and should position DOC well for enhanced efficiency and effectiveness in line with the new strategy.

Along with its restructuring, DOC has moved to centre-led property and fleet management systems to generate national visibility and drive efficiencies. There are Asset Management Plans in place for DOC's radio network and its national property and fleet systems. An asset management system for DOC's information and communications technology (ICT) network is close to completion. This latter has to be a particular priority. IT and communication assets are inadequate for the mobile workforce, which is generating significant inefficiencies.

This need has been recognised. Short-term solutions of video-conferencing are in train until a more complete solution is introduced as part of wider system changes in about two years' time. The current document management system is no longer supported by the manufacturers. Replacement with a more flexible content management system is in process.

A key development issue and a strategic risk for DOC is the need for an asset management plan for its visitor assets and historic infrastructure. This is large and will be difficult to sustain with current resourcing and the existing management approach and needs further systems development to prioritise replacement and new investment. In setting priorities consideration needs to be given to determining utilisation rates for all visitor facilities and examining options for better marketing and management to more fully use existing assets.

DOC is moving towards strategic management of these assets and better balance sheet management to make considered investments with visibility of ongoing expenditure commitments. DOC has work to do in driving performance improvement. This should come out of the investment portfolio supporting achievement of recreation and historic Intermediate Outcomes and integrated planning over time. DOC is aware of the challenges around divestment. Its strategy has been outlined its Four-year Plan.

Processes have been set up to review and measure DOC's performance and to encourage continuous improvement. The gap in resourcing between replacement and maintenance costs and funding through depreciation is the subject of current work to develop models to encourage community and partners to engage in management of the visitor asset network.

The primary asset managed by DOC is the use of Crown land for the natural estate. Valuable tools have been developed to assist in this regard but these remain to be fully implemented for use in the determination of the most appropriate use of resources. There are some significant shortcomings in the extent to which other key assets, particularly the ICT assets, support the strategic priorities. DOC needs to continue to improve the management of these assets to ensure they assist a spatially distributed workforce, linked to customer requirements.

Information Management

Radically improved mobile information systems are needed for a mobile and distributed workforce, using the ICT assets yet to be put in place. Work is well advanced in designing such systems. The approach behind this development is to meet a core set of ICT user requirements in the field. Further enhancements are expected following introduction as users find new applications or uses that can be added for their own needs. This is a commendable approach to user-led development but lacks pace and momentum.

It was surprising that there seemed to be patchy understanding among field staff of the roadmap and integration of systems under development. This is leading to frustration among some staff that their needs are not understood by National Office.

Adequate data for management purposes is lacking. Insufficient data on use of the visitor assets is limiting the ability to fully manage that asset base. Enhanced geospatial information could enable better marketing of visitor and recreational activity. Similar data in relation to the Crown estate could enable better management of marginal land. When reporting on Natural Capital is available it will enable better informed conversations about the contribution of ecosystems services to the nation's wellbeing.

DOC has identified an upgrade of its information management systems as a key support to the Government's Result 10 target "New Zealanders can complete their transactions with government easily in a digital environment". Less than 10% of DOC's information is stored in safe accessible ways where it can be shared and accessed easily. DOC's current DOCDM system is also unable to store visual or aural images, which are a key part of the information needed in conservation. The Conservation Improvement Ecosystem (CIE) Programme was implemented in December 2012 to address these issues. Implementation of the preferred replacement model will take place in 2014.

DOC has used technology to enhance the visitor experience, including providing extensive and easily accessible online information, improving safety services, such as weather forecasting, and enabling online interactions, such as hut bookings, wherever possible. Currently, about 28% of hut and track bookings are completed online.

DOC is a significant member of several cross-agency groups that support greater understanding of information as a Crown asset. In addition, there are several internal DOC activities focusing on strategic information needs, such as the CIE programme and the Biodiversity Information Oversight Group, which will provide direction for biodiversity information within DOC. While many of these are at the early stages of their development, a fundamental component is gaining understanding of the Crown's future information needs.

DOC's general approach is that all information should be available to all unless there is a good reason why not, eg, includes personal or classified information. While most of DOC's information is not classified, there is still a need to make sure it is well managed. Policies and procedures have been revised for information management and security and will be implemented along with the replacement of the document management system. Current practices include regular external penetration testing to provide assurance that the ability for unauthorised external access to DOC's information is limited.

Improving Efficiency and Effectiveness

With the completion of the Delivery Review the suite of changes implemented has resulted in ongoing savings of \$15 million per annum (4.5% of Departmental budget).

There appears to be no shared DOC organisational understanding of 'effectiveness'. In part this seems to arise from a lack of tight definition of the outcomes. For some Intermediate Outcomes, such as engagement, there are a variety of views internally whether these are ends in their own right or means to an end. A review is under way to clarify this. Resolving those basic questions is necessary if resources are to be most effectively used. Then the challenge for all outcomes is to assess the impact of departmental action.

Being clear about the desired targets is also necessary for decision-making. Some of the Intermediate Outcomes are currently expressed as 'more', but are not specific about how much more.

DOC's NHMS and DMF are both demonstrations it is seeking efficiencies of investment in natural heritage and recreation, including cost/benefit analysis. There is a programme under way to extend the natural heritage approach that allows easy comparison of common activities across delivery teams for costs, hours and output to all five outcome streams.

There is not a systematic set of efficiency measures. Partial measures exist, eg, Benchmarking Administrative and Support Services (BASS) comparisons vs standard costs across the country but these do not appear to be used consistently to improve performance. Indeed, some practices are clearly inefficient, such as the extent of travel for meetings. The costs of this practice have been recognised and remedies are under way. Centralisation, such as fleet and property management, has led to current practice reviews to identify efficiencies.

With all the changes under way, high priority should be given to establishing a systematic process to identify and embed the efficiency and effectiveness gains from the new ways of doing things.

Financial Management

Decision-making by SLT draws on financial information, supported by the Chief Financial Officer (CFO) being a member of the team. An understanding of the implications of the financial situation has resulted in the current strategy.

BMT reviews the strategic alignment of investment decisions in relation to the Outcomes Framework and financial consequences are approved by the Finance Committee, a subcommittee of SLT.

Financing decisions are shifting towards outcomes but the majority of expenditure currently remains anchored in historic patterns.

A set of activity-based costing measures is available and used as a basis for planning, although financial systems do not routinely generate activity-based information.

With the recent structural changes the number of budget holders in DOC has reduced greatly. A manager is required to authorise all purchases. This is a significant tightening of internal control, although we were informed that at manager level it is still possible for one person to order, receive and approve payment. This remains a weakness in internal control.

Variance reporting has rules attached to trigger an explanation. We were advised that there is no easy connection between financial and non-financial reporting, which makes it difficult to form an overview of the trends in non-financial performance relative to those of finances at a management level.

The move to medium-term funding commitments (eg, Four-year Plan) and longer-term priorities through NHMS and DMF, is intended to establish more certainty for delivery activity and to set the scene for decision-making with stakeholders who might partner with DOC or leverage off DOC's commitments. These changes are in train for the 2014/15 planning round across the five main Intermediate Outcomes streams.

There is a reasonably strong culture that people should not overspend their budgets. DOC's restructuring was designed to increase the 'national visibility' of budgets and allow for more strategic, nationally integrated planning, direction and control of financial resources.

Internal audit has revealed there is room to improve in performance reporting. Procedures could be simplified but this does not explain why some locations have a strong focus on reporting and others do not. A programme is under way to inform managers and staff about reporting and drive a change in reporting culture.

A national team of business accountants located around the country support business planning and reporting. Their roles have the potential to evolve to focus more on systems development and quality assurance. A more proactive approach may be needed, especially as systems are being developed to integrate the work of Services and Partnerships. Generally, there is a need to create national consistency in approach and a wider understanding of process requirements.

Risk Management

DOC has a Risk and Assurance committee comprising three external members. A tier 3 manager has oversight and a dotted line relationship with the Director-General. A small number of staff and a small budget support the manager.

Innovative analytical review methods have been employed to interrogate financial and non-financial data to identify anomalies that may reveal inappropriate use of resources. Several notable examples of success were shared with us.

DOC does not have an implemented risk framework, although a proposal for the establishment of this is currently being considered by the Risk and Assurance committee.

DOC is mixed in its risk management and risks to the Crown. There are risk registers that are regularly updated, maintained and discussed in many areas. Risks are part of the MOR form, so there is an expectation that staff and their managers will take responsibility for identifying and managing risk. Visitor asset management is strongly based around risk management, although some asset types still do not have a nationally managed dedicated inspection and maintenance approach, ie, roads, campsites and amenity areas.

We were not, however, able to identify a systematic approach to the identification of risk related to strategic and operational priorities. Risk does not appear to be integrated as an element of DOC's operating model, there is no clear expression of the risk appetite across all DOC activities and risk management does not appear to be a priority within the management culture. There appears to be a relatively narrow range of risks considered, although DOC is now paying more attention to risks to the Crown.

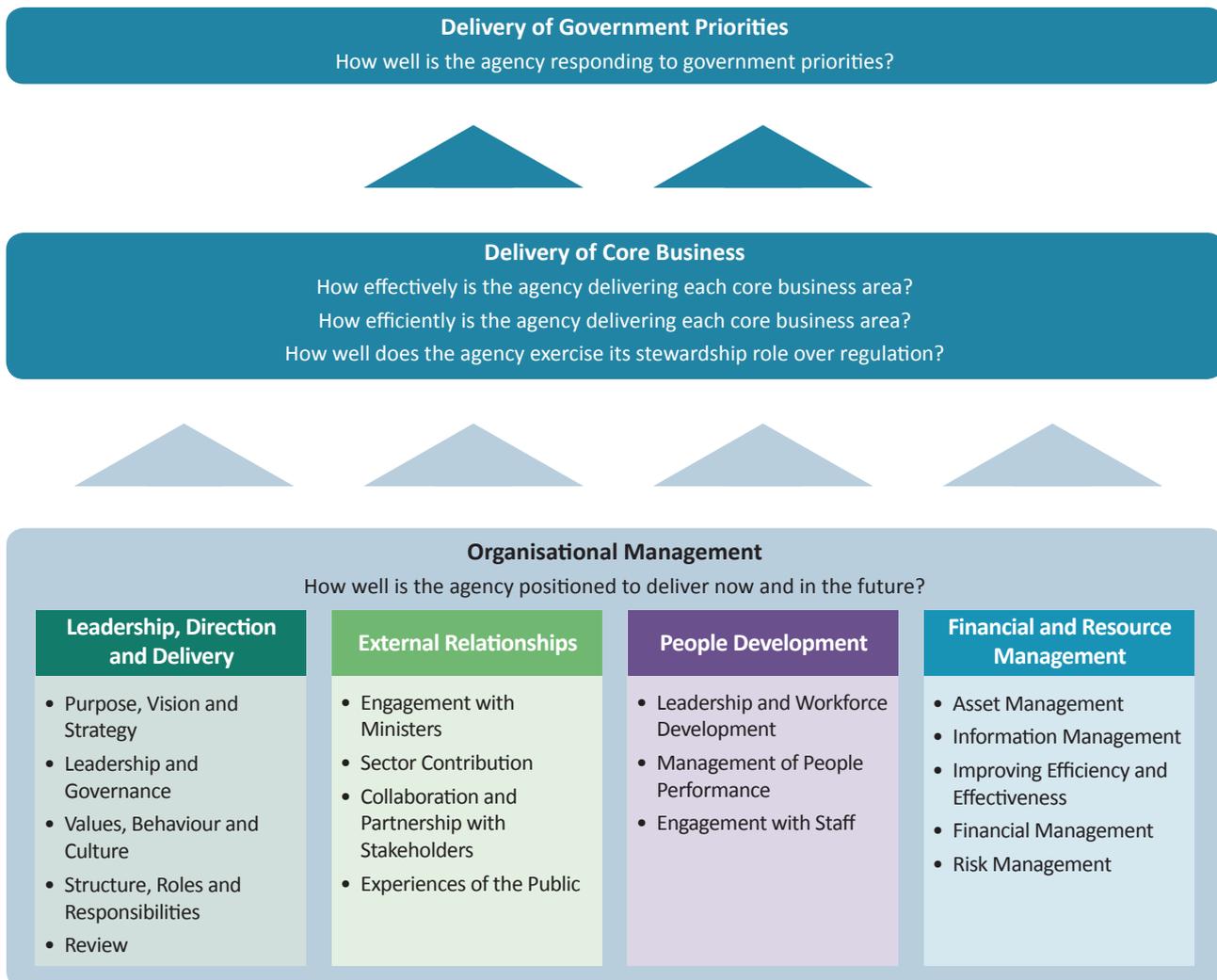
The risk management system is compliance based driven through Standard Operating Procedures (SOPs). The SOPs are unduly complex because they combine policy, guidelines and operating procedures. They are therefore difficult for users to implement in practice. There is a process under way to move towards a user friendly, one-page summary of key requirements for some SOPs.

In part because of the complexity, there is a propensity for staff to work around or simply not comply with SOPs. Managers can override SOPs and one instance was shared with us where this led to dangerous consequences.

DOC can be described as still risk averse but also averse to putting much more effort into managing risk. Risks to some degree are managed as an addition to work practices, rather than as an integral part of developing and delivering work.

APPENDIX A

Overview of the Model



Lead Questions

Results

Critical Area	Lead Questions
Government Priorities	1. How well is the agency responding to government priorities?
Core Business	2. How effectively is the agency delivering each core business area?
	3. How efficiently is the agency delivering each core business area?
	4. How well does the agency exercise its stewardship role over regulation?

Organisational Management

Critical Area	Element	Lead Questions
Leadership, Direction and Delivery	Purpose, Vision and Strategy	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 and 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? (For Crown entities only)
	Values, Behaviour and Culture	9. How well does the agency develop and promote the organisational values, behaviours and culture it needs to support its strategic direction?
	Structure, Roles and 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 encourage and use evaluative activity?
External Relationships	Engagement with Ministers	13. How well does the agency provide advice and services to Ministers?
	Sector Contribution	14. How effectively does the agency work across the sector?
	Collaboration and 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 understand customers and citizens' satisfaction?
People Development	Leadership and 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?
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 and drive performance improvement over time?
	Information Management	24. How well does the agency manage and use information as a strategic asset?
	Improving Efficiency and Effectiveness	25. How robust are the processes in place to identify and make efficiency improvements? 26. How well does the agency evaluate service delivery options?
	Financial Management	27. How well does the agency plan, direct and control financial resources to drive efficient and effective output delivery?
	Risk Management	28. How well does the agency identify and manage agency and Crown risk?

APPENDIX B

List of Interviews

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

Agency/Organisation
Air New Zealand
Environment Canterbury
Environmental Defence Society
Federated Farmers
Federation of Mountain Councils
Fish & Game
Fonterra
Forest & Bird
Greater Wellington Regional Council/Nature Central
LINZ
Ministry for the Environment
Ministry for Primary Industries
Ministry of Business, Innovation and Employment
Ministry of Culture and Heritage
New Zealand Conservation Authority
Ngāi Tahu
Ngāti Waewae Rūnanga
Public Service Association (PSA)
Real Journeys – Concessionaire
Te Puni Kōkiri
Tourism Export Council
Tourism Industry Association of New Zealand (TIANZ)
Venture Southland
Westland District Council
World Wildlife Fund

