

# PERFORMANCE IMPROVEMENT FRAMEWORK

## Follow-Up Review of the Department of Conservation

June 2016

New Zealand Government

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

STATE SERVICES COMMISSION  
Te Komihana O Ngā Tari Kāwanatanga



THE TREASURY  
Kaitohutohu Kaupapa Rawa



DEPARTMENT of the  
PRIME MINISTER and CABINET

Te Tari o Te Pirimia me Te Komiti Matua

# Lead Reviewer's Acknowledgement

As Lead Reviewer for this Performance Improvement Framework (PIF) Follow-up Review for the Department of Conservation (DOC) I would like to acknowledge the open, considered and generous input made by DOC senior leadership team (SLT) and staff and Sharon Alderson and Sandra Griffiths who did a great job of choreographing my field trips, focus groups and interview programme. I appreciate the efforts made by all to provide their time and insights.

In addition, there was considerable input from a cross section of DOC's external partners and stakeholders. In total I spoke with about 110 people.

I also had the benefit of valuable support and advice from officials from the State Services Commission (SSC) and, in particular, from my Lead Reviewer colleague Dr Peter Bushnell, who worked with me closely on the project as advisor.

Dr Mike Pratt

**Published June 2016**

**ISBN 978-0-478-43456-9**

**Web address: [www.ssc.govt.nz/pif](http://www.ssc.govt.nz/pif)**

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## Executive Summary

In undertaking this Follow-up Review the Lead Reviewer considered “is the Department on track to meet its Performance Challenge and fulfill its Four-year Excellence Horizon, given anticipated course and speed”. In addition, nine focus areas identified by the Director-General were considered and feedback on progress is included in this Report. One additional matter – the development of a DOC Philosophy, arising out of the fieldwork, is briefly discussed. Finally, consideration is given to the likely direction of the next Performance Challenge.

The 2014 PIF Review was conducted shortly after the current Director-General took up his appointment and following an extensive period of strategy redevelopment, the adoption of a Partnering Strategy and consequential restructuring. A key finding of our 2014 PIF Review was that although the Partnering Strategy was generally regarded as a positive way forward, the extensive restructuring had impacted significantly on morale, in particular, because the Operating Model for the Strategy was not sufficiently developed to provide clarity of goals, roles, responsibilities, systems, decision rights and communication. As a consequence, our Performance Challenge recommendations focused on Purpose and Outcomes, Operating Model and Transformation. We identified 16 specific factors that would lead to successful delivery of the Performance Challenge. This Report sets out my conclusions under these three headings followed by brief comments and examples under each of the 16 success factors.

A compelling DOC Story has been developed, together with seven aspirational Stretch Goals, to give clarity to priorities and direction. Further work is required to clarify the relationship between these Stretch Goals, Intermediate Outcomes and Non-financial Performance Levels.

The structure for the Strategy has been further realigned, in a process that involved further change, but was widely seen as necessary. In particular, partnerships and community engagement responsibility was vested back within Operations, with a new Partnership business unit created and assigned responsibility for step-change growth through partnerships. This recent change has been well received internally and externally as providing clarity of roles, responsibilities and communication but further work is required to clarify and communicate the new direction for Partnerships. There are exciting opportunities for turbo charging contributions to biodiversity, heritage, recreation and tourism through this new unit. The focus now should be to move beyond discontinuous change to continuous improvement.

Key aspects of the Target Operating Model necessary to implement the Strategy are already in place and a roadmap to complete this transformation is in development. Well-received team process and leadership programmes have been rolled out around the regions, with high involvement from senior DOC leaders. The rollout to National Office has not yet been fully implemented. A lot of work remains to be completed in regard to management processes, people development and customer-focused systems (including but not limited to information technology (IT) systems) to sustainably lift performance but DOC is now generally seen to be on track.

Morale has improved considerably during the period since our 2014 PIF Review and managers, staff and Public Service Association (PSA) members seem to be positively involved in a High Performance Engagement project. The development of a customer-centric Operating Model, with a highly engaged staff, is a core DOC commitment. Of note is the significant progress DOC has made in regard to a culture, systems and processes and equipment choices that infuse health and safety considerations into the way it operates.

The Director-General's focus areas are fully aligned with the Performance Challenge, and good progress has been made on all of them. Although a lot of work remains to be completed to deliver the very substantial transformation necessary, with the current pace, momentum, direction and commitment, DOC is well positioned to deliver on the Performance Challenge within the Four-year Excellence Horizon.

DOC's purpose and work in conservation is at the operational interface of differing and often contested and deeply held philosophies about conservation and sustainable development and the interplay between environmental, economic, social and cultural considerations. The development of a clearly articulated Philosophy, to underpin strategic choice and to share perspectives with others advocating differing views, would add considerable strength to the DOC Story. DOC leaders need to become extremely skilled at engaging with others, including ministers, other government agencies, iwi and environmental non-government organisations (NGOs) about the Philosophy that underpins choices, so that DOC exhibits leadership on conservation issues and that views can be debated and mutual understandings developed at a level of principle beyond the particularities of specific decisions.

The groundwork has been laid for addressing the twin challenges of enhancing biodiversity and contributing to the sustainable growth of tourism and recreation. Success will require reimagining DOC's Business Model(s) to include enhanced revenue options, demonstration of the efficiency gains through the new Operating Model to ensure that DOC is operating efficiently with current resources, and explanation of the additional public value that could be created through enhanced investment.

There is potential for the further development of shared strategy across the Natural Resources sector. The challenge will be for DOC to step up to the leadership contributions needed. The next Performance Challenge for DOC is likely to involve ensuring that people and financial resources, capacity and capability are in place to deliver sustainably (economically, socially, culturally and environmentally) on its Purpose and Strategy into the future.

## Agency Response

The Department of Conservation acknowledges the work and insight of Lead Reviewers Mike Pratt and Peter Bushnell in their 2016 PIF Follow-up Review and also the 110 people, both internal and external, who spoke to them for them to prepare their report.

We are pleased with the progress we have made towards our original Performance Challenge recommendations in the 2014 PIF Review and concur that we need to continue our focus on embedding the new Operating Model and culture to deliver on our strategy of “working in partnership with others to grow conservation”.

We welcome the Lead Reviewers’ feedback that “DOC is on the right track” but recognise there is more work to do.

We agree our next Performance Challenge is to take proactive steps to ensure DOC is equipped to address the twin challenges of enhancing biodiversity and contributing to the sustainable growth of tourism and recreation.

We endorse the Lead Reviewers’ conclusion that the next big opportunity for DOC is to work with the National Resources Sector, in particular Ministry for the Environment (MfE) and Ministry for Primary Industries (MPI), to create a new value proposition for New Zealand. The challenge is to develop shared outcomes around the economy and environment with other key agencies, “a shared Purpose, Vision and Strategy across the National Resources Sector”.

## The DOC Journey

Our key focus areas over the past two years have been:

### Purpose and Outcomes

- ▶ Development of the DOC Story (‘Our Nature’), a unifying story that aligns DOC with a common purpose. Making the ‘DOC Story’ a subset of the ‘NZ Story’, emphasising the role DOC plays in the New Zealand tourism industry and primary industry.
- ▶ Introducing seven 2025 Stretch Goals to provide the organisation with a critical focus.

### Operating Model

- ▶ Realigning Partnerships and Operations groups around the work of delivering conservation to others (Operations Group) and achieving step-change growth in conservation (Partnerships Group).

- ▶ Commitment to establishing the key pillars of Single Point Accountability (SPA), Leader-Led communication and Team Process as common language.<sup>1</sup> More than a quarter of staff (500+) have attended 2.5 day or one-day training workshops on the new tools in the past 12 months. DOC staff use these tools at place<sup>2</sup> to clarify roles and responsibilities, enhance review capability and move DOC towards becoming a learning organisation.
- ▶ Health and safety systems and culture embedded across all parts of DOC, “this is how DOC does business”.
- ▶ Establishing an organisational structure where line delivery, support and service functions are clearly defined.
- ▶ Increasing emphasis on the importance of Treaty Partner relationships to the future of DOC Te Papa Atawhai, including integrating Pou Tairangahau into regional Operations teams.
- ▶ Starting work on a High Performance Engagement project with the PSA (based on a similar industrial relations framework at Air New Zealand).
- ▶ Reviewing existing systems and processes using ‘rapid prototyping’ and ‘design-led thinking’ and using these ways of working to drive continuous improvement at DOC.
- ▶ Starting work on new systems (risk management, relationship management, statutory processes).

## Meeting our Performance Challenge

We acknowledge there is more work to do on our Performance Challenge recommendations, particularly:

- ▶ ensuring our Operating Model is customer-centric and our systems support this
- ▶ evolving the DOC Story into a compelling future story that “explains the wider benefits of conservation to support the growth of a New Zealand that is flourishing, socially, economically and environmentally”, and thereby justifies the investment to achieve these benefits
- ▶ alignment of the Stretch Goals, Intermediate Outcomes and Non-financial Reporting Levels so they are connected and provide a framework for prioritisation and goal setting

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<sup>1</sup> We have established a **common language** and processes to promote a shared understanding of how we work in DOC. This aims to improve efficiency and consistency across the organisation.

**Single Point Accountability:** clear decision making right through the line – from SLT to rangers in the field. For each piece of work, a single person is accountable for exercising judgement and decision-making. This applies across all work and all staff.

**Team Process:** leaders are accountable for engaging with their team members using social process and assigning them the right work to solve problems and achieve output.

**Leader Led:** this is about our leaders taking personal accountability for communication to their teams, role modelling appropriate behaviour and the performance, development and wellbeing of their staff.

<sup>2</sup> A DOC term to denote places of operation

- ▶ ensuring the Strategy sitting behind the 2025 Stretch Goals is measurable and a roadmap is in place to achieve those goals
- ▶ sustainability – ensuring the organisation is equipped to address biodiversity and infrastructure challenges (accepting the need to demonstrate efficiency gains from the new Operating Model) and looking at options to increase revenue from non-government sources
- ▶ development of a Business Model showing DOC's value to the customer and New Zealanders
- ▶ DOC as a lead player in the National Resources Sector – developing a shared narrative around the tensions and synergies between economic development and sustainable management of natural capital
- ▶ ensuring DOC is well positioned to support legislative changes that could enhance its efficiency and customer focus (The National Park Act 1980 and Wildlife Act 1953).

## **Responding to the challenges we face: DOC's priority actions**

- ▶ Initiate a new project to build an effective interface between the service and support parts of the organisation and those parts that undertake conservation delivery and step-change growth. This will cement the new Operating Model and further embed use of the DOC Story and Team Process amongst staff.
- ▶ Begin a process to segment our customer relationships, with a specific focus on the value we create for them.
- ▶ Develop a uniquely New Zealand Conservation Philosophy integrating nature and culture – linking the Western conservation ethic of guardianship with tiakitanga and whanaungatanga
- ▶ Actively engage with staff and stakeholders to ensure they know where we are going, how we are going to get there and how we will measure our success.
- ▶ Set up a deputy director-general-led task force which aims to clearly define the value(s) of our conservation work to the Government and stakeholders and describe what can be achieved at various resourcing levels.
- ▶ Making our systems and processes fit for purpose (each DD-G has been assigned a system improvement task to kick-start this work).
- ▶ Completion of 2025 Stretch Goals roadmap.
- ▶ Continuing focus on improving staff capability – setting our staff up to succeed through the redesign of our Performance Management system and Induction system, completion of a plan to improve our workforce diversity and identify skill gaps, which are required for us to reach our Stretch Goals.
- ▶ Continued focus on positioning DOC as a thought leader in the Natural Resources Sector.



## DOC Philosophy

The development of DOC's Philosophy is work in progress and will form an important part of our future work.

Toitū te marae a Tāne-Mahuta, toitū te marae a Tangaroa, toitū te tangata. If land is well and the sea is well, the people will thrive.

New Zealand has a world leadership opportunity to integrate our culture, people and the environment to create a compelling advantage for New Zealand's leadership role within the world ("Our Gift to the World"), by drawing on our unique emergent conservation philosophy that interweaves western and ancient Māori notions of stewardship and conservation – a tiakitanga ethos. This ethos carries within it an intrinsic sense of duty of care for people and planet. It is in our nature to look after nature.

We have the opportunity to show the world another way - a way that values and marries both knowledge systems – Western Science and Mātauranga Māori in a distinctly New Zealand conservation philosophy that we have coined Kura (or Mana) Taiao; a way that demonstrates the value of whānaungatanga through forming and fostering relationships and connections to conserve our environment which in turn will take care of us, for us and for future generations and places a powerful expectation on us as the current guardians of place.

For DOC, we will continue to exercise our legislative functions and duties, in light of this philosophical approach, but will shift from a service oriented organisation, looking after parks, species and marine environments to enabling New Zealanders to connect to and care about their country's unique environment. DOC's critical focus must be to make people better off through connection to nature and leaving a better place for our children – our nature.

## Conclusion

We welcome the PIF Lead Reviewers' conclusion that DOC is making substantial progress on a journey that is one of the biggest transformations in the New Zealand Public Sector through a new approach of "working with others to grow conservation". We recognise and agree, however, that there is more work to be done.

**Lou Sanson**

Director-General

Department of Conservation

## Context and Scope

In undertaking this Follow-up Review the Lead Reviewer considered “is the Department on track to meet its Performance Challenge and fulfill its Four-year Excellence Horizon given anticipated course and speed”.

In addition, the Director-General asked for a number of focus areas to be considered. These are included throughout this Report and commented on specifically in a separate section.

Finally, consideration is given to a possible next Performance Challenge.

DOC is an operational department with conservation policy responsibilities that involve the interplay between environmental, social, economic and cultural considerations, in the spotlight of considerable public interest. It is focused on delivering four Intermediate Outcomes for New Zealand. These are:

- ▶ The diversity of our natural heritage is maintained and restored
- ▶ Our history is brought to life and protected
- ▶ New Zealanders and our visitors are enriched by outdoor experiences
- ▶ New Zealanders connect and contribute to conservation.

DOC's broad range of activities, spanning biodiversity and natural heritage, historical heritage, recreation and tourism, is significant in scope and scale across the whole of New Zealand. These activities are of considerable interest to the public of New Zealand and are, as a consequence, subject to close media scrutiny. The interplay between environmental, social, cultural and economic factors integral to the nature of DOC's work makes for a complex policy context.

DOC manages more than \$5 billion in capital assets involving public conservation land made up of approximately one-third of New Zealand's land area (8.6 million hectares) and New Zealand's marine coastland (a total of 3.68 million hectares). This involves management of 13 national parks, 960 huts, 14,000 kilometres of track, 2,200 kilometres of road, 595 actively conserved historic places, 330 campsites, 24 visitor centres, 44 marine reserves and eight 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. The 2014/15 total revenue was \$358 million. This includes third party revenue of \$44 million received from users, retail sales, sponsorships and other activity. Non-departmental revenue of \$15 million was also generated through concessions.

DOC has a total staff of 2,178 as at 31 December 2015, with a split of full-time and temporary staff of 74% and 26% respectively. Operations staff are geographically dispersed across eight regions, with shared support services staff primarily based in Wellington.

There is significant pressure on biodiversity in New Zealand, with more than 2,800 threatened animal, plant and fungi species. Some of the nationally significant pressures include the spread of wilding conifers that currently threaten over 245 DOC-administered sites, Kauri dieback disease, where 200 DOC tracks require preventative measures, the

estimated predation of 25 million native birds each year by rats, stoats and possums, and pressure on the estimated 17,000 species living in marine ecosystems through commercial activities and the pollution of rivers and lakes. DOC is fighting battles on many fronts, together with local government, community groups, business partners and NGOs.

There has been a significant increase in recent years in the number of international tourists arriving in New Zealand, leading to rising demand on the iconic tourist routes and sites, upwards of 10% a year. At peak season some sites are now operating beyond capacity. At the same time patterns of recreation and tourism demand are changing. For example, urban intensification and a different mix of countries of origin, are leading to the need for different experiences, including of shorter duration and closer to urban centres. This growth is placing additional operating costs on DOC and requiring it to forecast the development of alternative infrastructure and facilities.

The Director-General asked for the following focus areas to be considered as part of this PIF Follow-up Review – revised Operating Model; revised approach to partnering; extent of operating discipline; risk management, including health and safety; test the overriding story; check the Vision – are people using it? role clarity, review and culture; support to the frontline. See page 24 for a brief summary on each focus area.

## The Performance Improvement Story so far

During 2010-11 DOC rethought its strategic approach to place much greater weight on partnering, both along traditional lines with communities and NGO groups, and with business partners. In support of this DOC also conducted a sequence of internal reviews examining the core services that support operations leading to Shared Services arrangements. In 2012 DOC examined its delivery functions, which led to new structural arrangements.

At the time of the 2014 PIF Review DOC was just emerging from this 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. A major finding in the PIF Review was that although the restructure had been implemented, the Operating Model necessary to make it work had not been fully developed.

We wrote that, “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”. In making this observation we were mindful of:

- ▶ the radical restructuring to more centralised management
- ▶ a geographically widely spread organisation
- ▶ a multifaceted, complex set of outcomes
- ▶ misalignment of systems with the needs of the organisation
- ▶ poor customer performance
- ▶ the centrality of DOC to the New Zealand story<sup>3</sup>
- ▶ the infrastructure contribution of DOC to New Zealand’s major industry of tourism
- ▶ the positioning of DOC at the operational interface of contested and passionately held political, citizen and lobby group perspectives on the importance and interpretation of sustainability and conservation.

Given the above, the change process was never going to be easy.

We noted in our 2014 PIF Review that while the new Strategy looks promising, “there is much work still 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”.

During the implementation process DOC leadership came to the conclusion that aspects of the revised structure could not be made to work effectively to deliver on the Strategy, even with aligned systems and processes, and that productivity, morale and external relationships were suffering as a consequence. Staff focus group conversations during this Follow-up Review confirmed this view.

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<sup>3</sup> Now articulated at [www.nzstory.govt.nz](http://www.nzstory.govt.nz)

As a consequence, DOC's SLT made some significant realignment changes to the structure. Key features of this were the:

- ▶ implementation of single point accountability 'at place'<sup>4</sup>, this addressed the dual accountability of the Partners and Operations deputy director-generals (DDGs) under the original restructure
- ▶ creation of a new Partner business unit that focuses on new business development and 'step-change' projects with partners to dramatically enhance conservation. Responsibility for business-as-usual partnering and community engagement was vested back in Operations
- ▶ introduction of a supervisor level reporting to operations managers to support effective operational execution.

These significant changes have directly addressed some of our key concerns in the 2014 PIF Review being:

- ▶ lack of clarity in regard to roles and responsibilities
- ▶ lack of clarity for customers, partners and staff in regard to who to talk to and engage with
- ▶ the excessive load on mid-level managers and too wide spans of responsibility for staff.

A significant focus for this Follow-up Review will therefore be on the development of an aligned customer-focused Operating Model to deliver on the new Strategy.

This PIF Follow-up Review will be based on the Four-year Excellence Horizon recommendation in the 2014 PIF Review<sup>5</sup> but we will also include the implications of these changes to the PIF Agency Model for the next Performance Challenge.

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<sup>4</sup> A DOC term used to denote places of operation

<sup>5</sup> During the period since the 2014 PIF Review, the PIF Agency Model has evolved in two significant respects:

- ▶ a shift in emphasis towards value to the customer and to New Zealanders
- ▶ an expectation of customer-centric operating models

## Performance Challenge

In the 2014 PIF Review we identified three aspects to the Performance Challenge:

- A. Purpose and Outcomes
- B. Operating Model
- C. Transformation.

This Follow-up Review will consider progress under each of these headings.

### A. PURPOSE AND OUTCOMES

In the 2014 PIF Review we observed that:

“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.”

Substantial progress has been made in this regard, with the development of a succinct and compelling story that is now starting to be shared widely internally and externally. This connects well with the New Zealand story; indeed DOC has a significant role in the New Zealand story as a whole and in particular to the Kaitiaki<sup>6</sup> core value. The story has been well received within DOC. A valuable best practice aspect of this story sharing has been the expectation that the contributions of the various elements of DOC will be developed and articulated by deputy director-generals, directors and managers, both within their own teams and widely within the organisation.

DOC has produced, ‘2016 *Vision, Priorities and Outcomes*’ that provides a succinct description of its contribution. The purpose is “Conservation leadership for Our Nature”. This is further explained in the document as being to “manage natural and historic resources for their intrinsic values, for the services that ecosystems provide us with today, to safeguard options for future generations and for recreational and tourism use and enjoyment by the public”.

This provides a clear reason to be and should guide strategy. Good progress has been made in reducing the complexity of the Outcomes Framework that we commented on in the 2014 PIF Review.

DOC’s four intermediate outcome statements set the strategic direction and describe the primary areas of DOC’s contribution:

- ▶ The diversity of our natural heritage is maintained and restored
- ▶ Our history is brought to life and protected
- ▶ New Zealanders and our visitors are enriched by outdoor experiences
- ▶ New Zealanders connect and contribute to conservation.

A fifth intermediate Outcome Statement “Conservation gains from more business partnerships” in existence at the time of the 2014 PIF Review, has been dropped, reflecting

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<sup>6</sup> Guardian and protector in Māori.

discussions at the time that this was more a means than an end in itself and that it was about 'connect' and so is captured within the Outcome 'New Zealanders connect and contribute to conservation'.

Seven Stretch Goals with a ten-year time horizon have recently been introduced and are included within '2016 Vision, Priorities and Outcomes':

1. 50% of New Zealand's natural ecosystems are benefiting from pest management
2. Whānau, hapū and iwi are able to practise their responsibilities as kaitiaki of natural and cultural resources on public conservation lands and waters
3. 50 freshwater ecosystems are restored from 'mountains to the sea'
4. A nationwide network of marine protected areas is in place, representing New Zealand's marine ecosystems
5. The stories of 50 Historic Icon sites are told and protected
6. 90% of New Zealanders' lives are enriched through connection to our nature
7. 50% of international holiday visitors come to New Zealand to connect with our natural places.

These Stretch Goals are intended to provide specificity and prioritisation. They have been developed by the Director-General, with input from ministers, Treaty Partners, New Zealand Conservation Authority, NGOs and DOC staff. Staff have welcomed these targets as they provide clarification on the direction for DOC and they are proving useful in sharing priorities with stakeholders. The goals are stimulating valuable discussion. However, staff are looking for further development of them and a roadmap for achieving them.

For example, goal 1 'benefiting from pest management' is seen as too loose. Many want to see a shift towards an outcome-based measure rather than input measure for this goal, and some prefer the more aspirational target of a predator-free New Zealand. Consultation is taking place towards these ends. Deputy director-generals have been tasked with developing the strategy for achieving each of the goals for inclusion within four-year plans. The goals have generally been welcomed as providing a needed sense of choice and intent.

However, it will be important for staff and stakeholders to see the strategic prioritisation framework articulated within the DOC Story. While the new Stretch Goals provide direction for DOC, are understood and cautiously accepted as part of the DOC Story, their relationship to the intermediate outcome objectives (referred to above) is not well understood and in some cases are seen to be either partial or conflicting with the objectives or as a parallel strategic framework. As a consequence, the Stretch Goals and objectives are not yet able to provide sufficiently for an organising framework for work prioritisation and goal setting.

As well as the disconnect between Stretch Goals and intermediate outcomes, there is dissonance with non-financial performance levels. The non-financial performance levels are seen as input/output focused, date back many years and do not relate well to the current Strategy and circumstances. The non-financial performance levels are significant in that to date they have formed part of the basis for external reporting and have a propensity to anchor activities to inputs and historical strategy and priorities. Discontinuing reporting on those non-financial performance activities that are no longer considered to be strategic priorities, may help to address areas of work overload within operations.



I recommend that aligning intermediate outcomes, intermediate outcome objectives, Stretch Goals and non-financial reporting levels into a coherent strategic agenda is a top priority that will both contribute to clear and concise communication and contribute significantly towards the ability of operational teams to prioritise and assign tasks. A set of intermediate targets to support the Stretch Goals will also be helpful. At one level the Stretch Goals have simplified the strategic direction but further clarification and reduction in complexity remains a priority.

To refine the strategic intent for DOC the creation of a simple Target Business Model or models for DOC should prove to be a valuable next step. A Business Model is designed to provide a succinct (preferably one page) explanation of the value (economic, social and environmental) that an organisation creates for its customers and in the case of the State services, for New Zealanders more generally. The PIF Agency Model has recently moved to adopting value to customers and New Zealanders as central to PIF agency reviews. So this development would be helpful in preparation for subsequent PIF rounds, as well as in terms of current strategic intent. A Business Model should answer the following questions:

- ▶ what value does DOC provide for customers and New Zealanders?
- ▶ who are DOC customers (appropriately segmented)?
- ▶ what products and services are offered to them?
- ▶ through what channels are services delivered?
- ▶ where does DOC play in the value chain for conservation and tourism/recreation?
- ▶ who does DOC partner with to deliver these services?
- ▶ what are the revenue streams available (and how can they be optimised)?
- ▶ what are the value drivers (how to enhance the customer experience)?

In practice there may be two business models, one for recreation, heritage and community and one for biodiversity.

There are growing demands on DOC resources caused by escalating threats to bio-diversity (with consequential serious economic, environmental and social negative consequences) and the recent increases in international tourism (upwards of 10% annual growth at key icon sites). Both of these trends are applying increased cost pressures. Until recently tourist demand has not been significantly impactful because of excess capacity. DOC has entered a period of increased use of existing recreational infrastructure (necessitating greater operational expenditure) and seasonal over-capacity impact at key icon sites, which will need to be addressed.

To ensure financial sustainability it will be necessary to demonstrate evidence of a trajectory of improved efficiency, an enhanced customer-centric Operating Model, a compelling DOC Story, and a comprehensive Business Model, showing value to customers and New Zealanders. There are opportunities to significantly enhance revenue generated through business activities to benefit customer experience and conservation more generally.



## B. OPERATING MODEL

In the 2014 PIF Review we concluded that:

“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”.

A well-developed roadmap is in place for the Target Operating Model and a large amount of work has been undertaken towards implementation, with SLT visibly involved in leading the implementation and communication of Strategy. SLT is now working on developing the detail of further system improvements. Further communication of the roadmap and progress towards it within DOC is recommended. An impressive feature of the implementation has been the active involvement of the Director-General and deputy director-generals in the workshops and rollout around the country.

The following Target Operating Model framework has been used within PIF and is provided here as an Organising Framework:

<b>Leadership, governance, organisation and decision rights</b>	<b>Delivery for Customers and New Zealanders</b>	<b>Relationships and Communication</b>	<b>People and Performance Development</b>	<b>Financial, knowledge and resources systems</b>
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#### LEADERSHIP, GOVERNANCE, ORGANISATION AND DECISION RIGHTS

Team process, leader led and single point accountability concepts and processes have been implemented throughout the regions with high engagement, with well thought through packaged implementation material and 90-day programmes. These have been well received. There is an urgent need to complete this process within National Office.

The integration of the Partner and Community Engagement function back with Operations has been welcomed by staff, as well as customers and partners. The new partnership model of step-change is cautiously welcomed as it will provide capacity to move beyond business as usual. It will be important for this to work closely with Operations so that operational perspectives and ideas can be considered as part of this step-change and that Operations is not 'landed' with additional tasks for which there no resources.

There is a need for further communication about the new partnership model, what it will do and how it will work with Operations. It provides a valuable contribution to spreading the message of conservation, as well as contributing to conservation. It needs to be seen in the context of a holistic Business Model.

DOC is aware of the need to develop planning so that it provides practical guidance to priorities for those on the ground. Currently, planning does not appear to be fully integrated with operational reality so there is potential for prioritisation and scheduling improvement. This seems to work better in some areas than others. Biodiversity, recreation and heritage, and community operations use different planning systems that are not integrated. This hinders operational workload planning and allocation. Managers use different systems (usually spreadsheet based) to provide for integrated workload planning, often based on processes employed in a previous era. DOC is aware of this and a pilot to integrate these planning systems is currently under way.

#### DELIVERY FOR CUSTOMERS AND NEW ZEALANDERS

The Operating Model Framework with customers at the centre has been introduced conceptually; however, quite a lot of work is still required to align systems with the creation of customer value to make this a reality. This applies to DOC's external customers and to the internal customers of shared services and support provided through National Office teams.

For example, services to customers, such as concessions and permissions need to become more efficient and effective. Currently, this seems to vary by area and the nature of the concessions with customers or partners sometimes waiting upwards of 18 months or more to get a concession resolved. It seems that the 'clunky' computer system, inadequate policy framework, the complexity of some of the decisions and resourcing issues are all contributing to this. Enabling the line managers to deal with simple matters in their jurisdictions through

an online system with computerised policy checking may give better results through local knowledge and provide better customer service. (It would not take more management time because much time is already taken up sorting out problems.) DOC should also consider increasing fees to be more commensurate with the work involved in efficiently providing the service. DOC is exploring solutions for this.

## RELATIONSHIPS & COMMUNICATION

The relationship with the PSA has improved since our 2014 PIF Review. DOC and PSA are working together on High Performance Engagement. However, the PSA would like to see more staff engagement. It believes management performance is patchy but that the new team process work and leader training is helping. The urgent need for this development in National Office was noted. Delegates reported staff are now more hopeful about the future and positive about DOC's direction.

DOC has done a good job in communicating the DOC Story and the rollout of team process and other aspects of the target Operating Model. Further communication of the Target Operating Model roadmap and the developments under way would be valuable.

It's hard to over communicate.

Communication patterns and relationships are much more strongly developed than at the time of our 2014 PIF Review. There is still a lot of driving and travel for face-to-face meetings, with the productivity losses and safety risks this engenders. There may be potential for reducing this further through the innovative use of technology.

Although it's working better than at the time of our original review, residual concern remains about how managers who are at a distance from some of their staff can be most effective.

## PEOPLE AND PERFORMANCE DEVELOPMENT

Monthly operating reviews (MORs) are an important aspect of staff engagement and task assignment but they are inconsistently applied. Supervisors are now conducting MORs while senior rangers do planning and quality control. This is very new, has been well received for the most part and it should reduce the span of controls. The cascade of MORs should help deal with prioritisation, task assignment and clarity of goals. Further training and a more standardised approach to the timing and use of, and expectations for, MORs are required. A process for this is under way. DOC is aware that this first phase of introducing the Team Performance Model will need to be embedded and further supported with management skills training. The work on High Performance Engagement with the PSA will contribute to this.

Operations managers are accountable for performance development plans (PDPs) of their staff. Accountability seems to be practised in different ways. Some managers interpret this as doing it all themselves; others delegate to supervisors and make sure they are done. Some PDP processes don't work as well as they could. This is a really important aspect of staff development and succession planning and could be more robust.

DOC is pursuing a programme of efficiency improvement. Some of the approach to efficiency gains may be counterproductive where it involves non-replacement of vacancies where they occur and use of short-term contracts. Implementation of the team process approach supported by better planning processes should help to resolve this and provide a more strategic approach to work prioritisation.

Further consideration could be given to outsourcing tasks for efficiency, so that rangers work to the top of their skill levels and training. For example, routine tasks such as fence repairs, especially when at a distance, may be best outsourced, enhancing both productivity and safety by reducing travel time.

Most operations managers commented that improved administrative support could enhance their efficiency and effectiveness. I got the impression that at least in some areas administration seems to operate more as a function, rather than as providing a service. Operations managers appear to be heavily loaded and need more support.

## FINANCIAL, KNOWLEDGE AND RESOURCE SYSTEMS

The development of more effective business systems, supported by IT, has the potential to significantly enhance productivity and wellbeing. We discussed with relevant managers the Emergent Systems Strategy aimed at aligning business needs and which when implemented, has the potential to provide transformational customer service, efficiency and effectiveness. Priority needs seem to be: an integrated operations planning system, customer relationship management and customer-focused service delivery (eg, permissions and fees).

Permissions and activity fees is a good example of a paper-based system that is neither customer-centric nor efficient and is squandering the opportunity to generate increased revenue through better record keeping and enhanced compliance. A rapid prototyping project to develop a fees system has recently been instigated.

Use of more recent software and systems development techniques, such as 'agile' and 'rapid prototyping' that enable the iterative development of modules of fit-for-purpose systems that fit together within an enterprise management system should prove a valuable approach for DOC.

Investment in enhanced IT offers considerable potential for efficiency gains and the development of customer-centric systems. The tolerance for inefficient systems amongst customers is rapidly diminishing, as businesses and government agencies embrace this way of doing business. DOC's key partner, Air New Zealand, is an exemplar. DOC should aspire to this level of customer communication engagement.

Central services seem to be hard to access and the ASSYST shared services booking system is held in low regard by many being described as clunky and difficult to use. However, this isn't universally the case. The best way to use ASSYST (according to both users and providers) seems to be to ring the relevant person first (assumes knowledge of who they are) and discuss the request to frame it appropriately. A helpdesk function (such as used by Legal) and an intranet clearly explaining services and how to access them may help, as would a more user-friendly ASSYST system.

The 2014 PIF Review also emphasised the importance of visualisation of the facts underpinning the DOC Story and pointed to the contribution that geospatial information can make. The introduction of Stretch Goals, and the need for a roadmap towards their achievement, enhances the need for this development. DOC has valuable capability in this area and is already making targeted contributions. During the remaining period of this Four-year Excellence Horizon a priority should be for geospatial information to make a comprehensive contribution to planning, prioritising and sharing DOC activities and success.

## C. TRANSFORMATION

Our 2014 PIF Review noted that DOC needed to develop a Transformation Plan to implement the new Strategy and Operating Model.

DOC has performed extremely well in this regard. The new SLT has the capabilities required, an overall Transformation Plan was put in place and a Deputy Director-General was put in charge of the process. There have been high levels of face-to-face engagement between senior leaders and staff, which has been extremely well received. I was impressed by the quality, commitment and alignment of the directors and managers I met during field visits. The way in which the leaders have come to grips with the Transformation Project following the difficult restructure has been exemplary. Key learnings for the State services more widely are the importance of senior leader face-to-face involvement in the Transformation project, a senior leader in charge of the process with a mandate to make it work, well-packaged implementation materials and process, and a sustained implementation period of activity (in DOC's case over 90 days) and ongoing communication, with consistent messages.

Overall, in the field visits and interviews I found far more positive morale than in the 2014 PIF Review. Conversations were constructive about what now needs to be done and there is far more of a sense of hope. This is tempered by a weariness of change which is seen as having impeded productivity and effectiveness over a long period. There is an urgent need to move from discontinuous structural change towards continuous improvement, aligned to goals that are shared and clearly understood. There remains a great deal of work to do. The current state of Transformation is best summed up by a phrase I heard frequently from staff and external stakeholders "DOC is on the right track", although this was tempered by some uncertainty about priorities.

DOC has developed a Transformation roadmap. Embedding newly introduced processes, bringing in the remaining systems and becoming customer focused are priorities. It is important that the roadmap and progress along the journey is communicated to staff regularly and repeatedly. The roadmap should cover what is being introduced, where and when and why it is important. This will enable staff to put everything into context and to avoid seeing the improvement process as disruptive.

The DOC SLT and managers are clearly placing a great deal of emphasis on the importance of staff and staff engagement. As evidence of considerable success in this regard it was a delight to learn on the final day of this PIF Follow-up Review that DOC was awarded the Randstad most attractive place to work award in New Zealand, for the second year running. The "pleasant working atmosphere... good work-life balance and being environmentally and socially aware" were noted as reasons for this accolade<sup>7</sup>.

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<sup>7</sup> <http://www.randstad.co.nz/workforce360/articles/2016-randstad-award-winners>.

## Has the Department of Conservation made enough progress towards meeting its performance challenge?

In our 2014 PIF Review we identified 16 aspects of success. I briefly comment on progress towards each of these:

1. 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:
  - a lot of work has already been done, and much still remains to be done, but DOC is on the right track. The need for the Operating Model to be customer focused should be emphasised.
2. Organisational learning will be embraced in such a way that future organisation design change will be more evolutionary than revolutionary:
  - there is evidence that this is happening across many areas, notably risk and safety and wellbeing. The recent realignment (further restructure) is only just bedding in. Although this was widely seen as necessary and appropriate, change fatigue is evident and there is a need to tangibly and symbolically move towards the evolutionary approach.
3. Customers will report that DOC meets their requirements in an efficient and agile way and are delighted by their experiences of working with DOC:
  - more work is needed. See the comments in the Operating Model section above.
4. Safe operations will be embedded within systems, shared values and ways of working:
  - health and safety systems and culture have improved significantly since our last visit. I no longer heard narrative that “we have to accept there will be accidents”. Health and safety considerations seem to be well embedded within management practices and staff spoke clearly and appropriately about their approach to health and safety. The message of this being “how DOC does business” has got through. The appointment of a health and safety manager and the plan that has been developed will further enhance both the systemisation of health and safety practices and their embedding further. This will be further strengthened by being embedded within an overall risk management system, which based on discussions, will likely represent best practice once fully implemented. Risk must be integrated with how DOC manages and should become closely linked with strategy
  - in the immediate term, the best contribution towards safety will come from effective team process, clarity of roles and responsibilities, effective supervision and appropriate workload management and prioritisation process. The biggest risk to health and safety is inexperience – inexperienced or insufficiently trained staff, short-term contractors, inexperienced managers and staff shortages. Wellbeing is the least well-managed aspect of health and safety, along with vehicle safety (especially tiredness). These are being actively worked on
  - I was pleased to see safety being addressed in a multifaceted way – embedded within management processes and staff performance expectations, tool-box talks, refreshed and simplified standard operating procedures and preventative measures



related to the types of vehicles and plant employed, a move from quad bikes to ATVs and a move away from 4WDs where the use is mainly on road, radios in vehicles and a trial of GPS in vehicles. Many of these changes improved both efficiency and safety. For example, the move to saloon cars from 4WDs for on road use is both cheaper and safer.

5. Staff, partners, stakeholders and ministers will understand and be positively supportive of DOC's Purpose, Strategy and Vision:
  - the new DOC Story has been extremely well received. There is a need for crisper articulation of the Strategy.
6. DOC's key partners and stakeholders will report that DOC has a good understanding of their purpose and priorities:
  - partners seem to hold DOC in high regard. The hiatus period following the restructure, where partners were confused who to talk to, seems to have resolved. Partners and community leaders talk of the positive relationships and excellent professional leadership.
7. Open, constructive and mutually beneficial engagement with partners at an early stage in project development will be the normal mode of operating:
  - I spoke with partners from business, iwi, community group, local government and other government agencies. Partners spoke warmly of the positive and mutually rewarding relationships with DOC. Most work on this success factor is needed with iwi and other government agencies.
8. The current state of all areas of core business will be identifiable through geospatial information:
  - it's not clear that sufficient progress has been made to deliver this success factor within the Four-year Excellence Horizon.
9. Outcome targets for all outcome classes will be clearly articulated and reported against:
  - further work is required on the relationship between Stretch Goals, intermediate outcome targets and non-financial performance levels.
10. DOC will be able to quantify and share the 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 DOC Story is succinct, compelling and has been well received. Managers are starting to embrace this to tell their local stories 'at place'
  - this needs to be taken to the next level, with a compelling strategic future story that explains "the wider benefits of conservation to support the growth of a New Zealand that is flourishing socially, economically and environmentally" in such a way that justifies the necessary investment to achieve these benefits.

11. The contribution of conservation to the wider economy will be widely understood within government and society:
  - there is evidence that this understanding is becoming more widespread. As tourism has become a major industry, with anticipated continued significant growth, there is a growing understanding of DOC's contribution as New Zealand's nationwide underlying tourism infrastructure manager with responsibility for iconic historic and natural heritage sites. There is more realisation that DOC's work in the protection of biodiversity and the eradication of invasive pests, predators and plants will have a positive impact on primary industry. Much more work is needed across natural resources sector agencies (in which DOC can play a leading role) to develop a shared narrative around the tensions between short-term economic exploitation and sustainable management of natural capital for now and future generations.
12. Conservation values will be embedded within the business models of a number of key New Zealand businesses:
  - this is happening with key DOC partners, such as Air New Zealand, that speak extremely highly of their relationship with DOC. These partners are in turn playing a role with DOC in communicating widely with the business community on the importance and value of conservation. Lifting this to the next level will be an important aspect of the new Partner business unit's agenda.
13. DOC's contribution will be seen by other government agencies as adding significant value to their policies and processes:
  - DOC has the opportunity to shape opinion and play more of a leading role in the Natural Resources Sector and this should be a significant emphasis over the next period. Coherence within the Natural Resources Sector, led by MfE and with significant contribution from DOC and close engagement with MPI and MBIE, is an important priority
  - useful conversations have been held with other agencies involved with tourism to determine DOC's recreation Strategy but this is at an early stage. Given the dramatically increased impact on DOC infrastructure through international tourism growth and certain icon sites being overcapacity at peak season, enhanced strategic alignment is needed.
14. Within the Natural Resources Sector DOC will be an active participant in providing rich impact data to contribute to improved environmental reporting:
  - DOC has established capability in this regard but further work and capacity is required to make this a reality.
15. DOC will be regarded as helpful and innovative with iwi partnerships:
  - further upskilling staff and the development of an appropriate model and policy framework is required for working with iwi under post-settlement conditions, both in terms of protocols and policy, such as how to work together in regard to concessions and new business opportunities. More specialist capacity may also be required.



16. DOC will have identified any necessary changes to the underlying legislation and be well positioned to support ministers in making any changes:

- the National Park Act and Wildlife Act are essentially constructs of the 1960s. It may be time these are brought up to date and incorporate a much stronger Maori and Treaty Partner dimension. DOC could also look at any legislative changes that can further enhance the department's efficiency and customer focus.

## Matters arising from the Director-General focus areas not covered above that may impact success

The following list of focus areas was agreed with the Director-General prior to this Follow-up Review:

- ▶ Revised Operating Model
- ▶ Revised approach to partnering
- ▶ Extent of operating discipline
- ▶ Risk management, including health and safety
- ▶ Test the overriding story
- ▶ Check the vision. Are people using it?
- ▶ Role clarity, Review, Culture
- ▶ Support to the frontline.

All of these matters were included within this Follow-up Review and reported on. Brief summary comments follow:

### Revised Operating Model

- ▶ A roadmap has been developed. The primary action should be to emphasise the Operating Model is customer focused, fully implemented and supported by further development and training where necessary. There is a need to communicate the roadmap more effectively to staff.

### Revised approach to partnering

- ▶ The revised approach to partnering has been well received. It is early days in implementation as the responsible DDG has only just resumed the role, following secondment to lead the Transformation rollout.

### Extent of operating discipline

- ▶ This can be enhanced by clearer strategy, improved planning and the more consistent use of team process and MORs.

### Risk management, including health and safety

- ▶ Directors have been recently appointed to lead both of these areas. The strategy seems sound and good progress has been made as outlined above.

### Test the overriding story

- ▶ The overall DOC Story is well received. There needs to be a crisper articulation of the Strategy.

Check the vision. Are people using it?

- ▶ Some people do find the Vision aspirational and useful as part of the overall DOC Story. But it's seen as much larger than DOC and there isn't a clear line of sight to the role DOC can play. In discussion with the Director-General we agreed that an aspirational agenda would be to develop a shared Vision and Strategy across all the Natural Resources agencies, especially DOC, MfE and MPI.

Role clarity, Review, Culture

- ▶ These three areas received 'reds' in the 2014 PIF Review. Ratings are not part of a PIF Follow-up Review but if they were there would be substantial progress noted in each area. Role clarity is well placed and while the direction for both Review and Culture is promising, further development is needed.

Support to the line

- ▶ The primary area where this needs to be developed is administration. Eight new positions have recently been added, which should assist.

## Additional recommendations/emphasis arising from our field studies and interviews

### D. PHILOSOPHY

There will be value in developing DOC's underlying Philosophy. By Philosophy I mean the body of knowledge that underpins DOC's work, including ontological (a framework for knowledge), epistemological (how we know what we know) and ethical considerations (how choices are made).

A Philosophy of conservation would include environmental ethics and the social, cultural and economic reasons for conserving nature, the environment and historic heritage.

DOC's intent and therefore at the heart of its Philosophy is "to manage natural and historic resources for their intrinsic values, for the services that ecosystems provide us with today, to safeguard options for future generations and for recreational and tourism use and enjoyment by the public".

The use of ecosystem services implies that the concept of Natural Capital will be considered within the philosophy<sup>8</sup>.

The notion of meeting the needs of the current generation without compromising the needs of future generations lies at the heart of the original definition of sustainable development within the 1987 Brundtland Report "Our Common Future". So the use of this term could imply that sustainability could be central to the DOC Philosophy.

Despite the elapsed time from this foundational work, the concept of sustainability remains not well understood and is often interpreted differently or narrowly. For example, sustainability is often narrowly ascribed to environmental issues only, whereas the theoretical concept relates to the interplay between economic, social and environmental outcomes. Cultural dimensions are sometimes added as a fourth dimension of sustainability, although others would see these as subsumed within the social pillar. It will be helpful if DOC spells out its Philosophy of sustainability and engages widely on this, as it may underpin strategic choice.

Perspectives on environmental ethics will inform a Philosophy of conservation. For example, Deep Ecology<sup>9</sup> holds that the wellbeing and flourishing of human and non-human life have value, and that humans have no right to reduce this richness and diversity except to satisfy vital needs; human interference with nature is excessive and the situation is rapidly worsening.

Natural Capital, Sustainability, Deep Ecology and cultural perspectives on a Philosophy of conservation may provide for differing conclusions.

Differing perspectives on conservation Philosophy may contribute towards conflict with others committed to the cause of conservation. DOC will need to become expert at engaging with, and responding to, others about the Philosophy.

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<sup>8</sup> See [www.naturalcapitalcoalition.org](http://www.naturalcapitalcoalition.org) for a definition.

<sup>9</sup> Originally conceived by: Næss, A. (1989). *Ecology, community, and lifestyle*, Cambridge, Cambridge University Press.

Examples of ontological considerations include:

- a. In a partnering model what is the framework for knowledge about conservation and how do we measure it? Is it just the work that DOC does? Is it just the conservation estate? Or is it the whole country and surrounding maritime zone, so that it doesn't matter who does the work; all that matters is the state of biodiversity?
- b. Are Ecological Management Units the best way to conceptualise diverse ecosystems? If so, has DOC convinced partners, the public and government of this? And if this is the right ontology how do we design an appropriate measurement model?

Examples of epistemological considerations include:

- i. DOC sees the world through a scientific paradigm for the most part and is less able to embrace other dimensions, such as cultural priorities in the determination of strategic choices
- ii. Intervention logic is a pillar of public policy and is itself an epistemological choice. Intervention logic explains the justification for the expenditure of taxpayer funds for public good, usually in terms of market failure or spill-over benefits, and the utility from such expenditure. What is DOC's approach to intervention logic and how does this play out, for example, in the choice of whether to close facilities as a consequence of limited use?

The above examples are intended as illustrative. The recommendation is for DOC to give further consideration to a coherent Philosophy of conservation that could provide a unifying framework for strategic choice and enrich the DOC Story.

## **What might the next performance challenge be?**

The PIF Follow-up Reviews have been asked to consider what New Zealand needs from the Agency in future and, therefore, what its next Performance Challenge might be.

With the new Partnering Strategy embedded and the Target Operating Model to deliver on it well established, the next aspirational Performance Challenge is to move DOC towards achieving a level of financial sustainability that is commensurate with the twin challenges of escalating risks to biodiversity and escalating demands on DOC infrastructure to support the growth in tourism and recreation. This challenge will need to be framed within a comprehensive Philosophy of sustainability – economic, social and environmental – that is clearly and concisely articulated by DOC. The development of this will involve working closely with Natural Resources Sector partners, local government, iwi and business partners, as well as NGOs.

## Conclusion

The partnering approach remains robust and central to DOC's Strategy and the structure has been further realigned. Key aspects of the Target Operating Model necessary to implement the Strategy are already in place and a roadmap to complete this transformation is in development. Further refinement of the strategic goals and objectives is required and this will be enhanced by the development of succinct business models covering DOC's four outcome areas. A lot of work remains to be completed to sustainably lift performance but DOC is now generally seen to be on track.

Morale has enhanced considerably during the period since our 2014 PIF Review and managers, staff and the PSA seem to be positively engaged in the performance improvement project.

The groundwork has been laid for addressing the twin challenges of enhancing biodiversity and contributing to the sustainable growth of tourism and recreation. Success will require reimagining DOC's Business Model(s) to include enhanced revenue options, demonstration of the efficiency gains through the new Operating Model to ensure that DOC is operating efficiently with current resources and explanation of the additional public value that could be created through enhanced investment.

There is exciting potential for the development of a shared Purpose, Vision and Strategy across the Natural Resources Sector<sup>10</sup>. The challenge will be for DOC to step up to the leadership contributions needed.

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<sup>10</sup> Disclosure – Mike Pratt and Murray Horn had conversations along similar lines with SSC and the Ministry for the Environment prior to this PIF Follow-up Review. The value of such a project was affirmed through the Review.