



Department of Conservation  
Four-year Plan  
BUDGET 2015

Certain information in this document has been withheld under one or more sections of the Official Information Act 1982. This applies to:

Annex 1, Section 1.3 Workforce costs

Annex 2, Section 2.2 Summary of Departmental operational cost pressures

Section 2.3 Actions that enable a balanced 4YP

Annex 4, Section 4.1 Risks to the assumptions underpinning 4YPs.

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# PART I: OVERVIEW

## Introduction

Conservation is at the core of our national identity. It is what makes New Zealand special. It is the ‘engine room’ of New Zealand’s tourism industry and drives our global reputation. Our environmental credentials differentiate New Zealand’s primary produce exports in a very competitive world. We also rely on many of the essential natural services our environment provides, from the fresh air we breathe and the food we eat, to the natural processes that provide clean water for people and businesses and prevent flooding and erosion.

A healthy environment is necessary for healthy people and a healthy economy – without it, New Zealand would not prosper. Our vision *New Zealand is the greatest living space on Earth* reflects a desire to be prosperous in all ways – in social, economic and environmental health, wealth and wellbeing. This vision is larger than the Department of Conservation (DOC, ‘the Department’ or ‘we’ as appropriate) and larger than just conservation. It recognises that conservation has more than just intrinsic value and it forms the foundation of DOC’s strategy – that conservation benefits all New Zealanders and is therefore everyone’s responsibility.

## Partnerships are how we work

New Zealand’s special species and places are under constant threat from pests, climate change and from human activities. The task of improving our natural and historic heritage is huge and DOC’s resources are limited – we cannot do it alone. Partnerships with people and groups with a shared interest are critical, including whānau, hapū and iwi (our Treaty partners), businesses, sponsors, organisations, volunteers and communities. Because conservation benefits us all, we all have a stake.

DOC has always worked in partnerships. Now we are now putting partnerships at the heart of the way we work and making them as important as the conservation work we do ourselves. This requires us to change the way we think. It’s not about DOC knowing what’s best and telling others what to do or about tying people up in red tape. It’s about working side-by-side with other people who care about conservation and want to make a difference too, and it’s about making it easier for others to contribute in whatever way suits them best.

Already, there have been many successes for conservation. These include projects like Predator Free New Zealand, Kiwis for Kiwi, partnerships with Air New Zealand and Fonterra, and a hut maintenance arrangement with the New Zealand Outdoor Recreation Consortium. We are working in new types of arrangements with our Treaty partners to plan and deliver conservation. And we could never succeed without the thousands of passionate Kiwis who lead and contribute to conservation projects. We are all in this together, and it’s very exciting.

The same partnership philosophy is being applied across the Government sector. The Government has made it clear that it expects its agencies to join forces to make a powerful collective impact for New Zealanders. An example of this is a proposed cross-sector initiative to tackle wilding pines, which today occupy about the same area as the commercial pine forests they seeded from. Removing wilding pines will not only benefit native biodiversity but will free up areas of farmland and improve water quality and quantity – so again, it’s a win-win for all.

## Meeting the challenge

To meet the challenge and make progress in the medium term, the Department intends to:

- Continue to embed the new structure and strategy within DOC
- Work with whānau, hapū and iwi and communities to protect, restore and manage our natural places and native species
- Grow conservation by working in partnership with others
- Increase external funding from more business and other partnerships
- Ensure that caring for nature is seen by New Zealanders as everyone's responsibility

Additionally, in response to the Performance improvement Framework (PIF) Report/Four-Year Excellence Horizon<sup>1</sup> and to focus our efforts even more strongly, we are identifying a small set of stretch goals for the next 10 years. Our strategy of engaging with others means key stakeholders will be involved in further developing and clarifying these goals. They are currently worded as follows:

- 50% of New Zealand's natural ecosystems are benefiting from pest management.
- 50 freshwater ecosystems restored ('mountains to the sea').
- A nationwide marine protection network representative of New Zealand's marine ecosystems is in place.
- 50 historic Icon Sites are protected and their stories are told.
- 90% of New Zealanders' lives are enriched by connection to our nature.
- 50% of international visitors come to New Zealand to connect with our natural places.
- Whānau, hapū and iwi are able to practice their responsibilities as kaitiaki of natural and cultural resources on public conservation lands and waters.

## Performance Improvement Framework and the Four-Year Excellence Horizon

The Department had its first formal PIF Review in 2010, followed by a progress review in 2011. A second review was undertaken in February/March 2014 which included DOC's first Four Year Excellence Horizon assessment. This described the critical shifts DOC needed to make to be successful in 4 years' time, focusing on environment, business strategy, operating model and change capability. It noted that DOC was emerging from lengthy organisational re-shaping – 'one of the biggest and most challenging transformations to be undertaken in the public sector'. While there was some excellent progress, much work was still needed to ensure processes adequately supported decision-making and operations under the new strategic priorities and structural arrangements.

This Four-year Plan describes how the Department is dealing with these challenges. For the first time, it also includes DOC's four-year strategic intentions, previously reported in the annual Statement of Intent.

## Director-General's Statement of Responsibility

In signing this statement, I acknowledge that I am responsible for the information on the strategic intentions of the Department of Conservation. This information has been prepared in accordance with Section 38 and Section 40 of the Public Finance Act 1989.

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<sup>1</sup> The review of DOC's performance was completed by the State Services Commission in July 2014. Visit <http://www.ssc.govt.nz/sites/all/files/pif-review-doc-july14.PDF> for a copy of the report.

# PART II: STRATEGIC INTENTIONS

## Who we are

The Department of Conservation is responsible for protecting native wildlife, and overseeing the management of about a third of New Zealand's land area and the natural and historical resources it contains. This work sits at the very heart of New Zealand's nationhood – what it is to be 'Kiwi'.

## What we do

The Department manages 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 use and enjoyment by the public. The state of native species, and the health of New Zealand's public conservation land and waters, is core work for the Department. This work is increasingly seen within the broader economic and environmental context. With an extensive visitor asset infrastructure, the Department is well placed to support local businesses that underpin the New Zealand tourism industry, worth \$24 billion in 2013.

The Department's main functions are:

- Managing land, fresh and coastal waters that have been protected for conservation purposes – about 8.5 million hectares of land, 44 marine reserves (covering a total of 1.77 million hectares), and 6 marine mammal sanctuaries (covering approximately 2.4 million hectares). DOC's work is focused on areas of land or water where conservation values are high, whether that is for natural or historic heritage or in support of visitor experiences or community engagement.
- Encouraging recreation on these public conservation lands and waters by providing visitor facilities, including tracks for walking, biking and four-wheel driving, as well as huts, campsites, Visitor Centres and access to historic sites.
- Authorising tourism operations and other third-parties to use sites on public conservation lands and waters for a variety of activities – such as grazing, electricity generation and transmission, mining, and telecommunication purposes.
- Protecting marine mammals, preserving native freshwater fisheries, protecting recreational freshwater fisheries and freshwater fish habitats, and conserving protected native wildlife.
- Protecting 13,000 historic sites, and bringing the history of New Zealand to life through the active management of 650 sites that the public can visit.
- Providing booking services, information services and safety services such as weather and avalanche forecasting.
- Advocating generally for the conservation of natural and historic resources, providing conservation information, and supporting international agreements designed to improve environmental management in New Zealand and internationally.
- Supporting the Minister of Conservation in exercising responsibilities under other legislation; for example, under the Resource Management Act 1991 for the coastal and marine environment, including in relation to councils' policies and plans, and consent applications regarding these environments.
- Providing policy and legal advice to the Minister of Conservation, contributing to whole-of-government policy processes, and servicing ministerial advisory committees, the New Zealand Conservation Authority and Conservation Boards.

## **The context within which we operate**

New Zealand's natural heritage shapes our cultural identity. For many, recreation in the outdoors helps to improve health and wellbeing and contributes to a sense of personal achievement.

Conservation contributes strongly to tourism, and the Department is one of the country's main tourism providers. The businesses that support or complement tourism are major contributors to our national, regional and local economies.

Conservation protects our natural capital and delivers the infrastructure on which many of our key industries depend. Sound management of the natural environment delivers ecosystem services such as quality fresh water and fertile soil, and these in turn underpin New Zealand's primary production sector, provide high-quality drinking water, and determine New Zealanders' prosperity.

Conservation plays a critical role in supporting the New Zealand brand – the market advantage on which our producers and society rely. Investing in conserving and protecting our natural resources and heritage is an investment in New Zealand's long-term wellbeing and prosperity.

New Zealand's native flora and fauna are unique. However the biodiversity challenge is great: despite a significant proportion of the country being public conservation land, New Zealand has one of the highest proportions of threatened species and one of the highest extinction rates in the world. This is due to the recent impacts of fragmentation and introduced species. Our native biodiversity is also vulnerable to the increasing impacts of human-induced climate changes, including more frequent and severe storms and potentially an increase in predators and weeds.

While biodiversity protection and recovery is being achieved in areas under intensive management, the overall trend outside these areas is that biodiversity is declining and ecosystem services are being reduced.

DOC sits at the heart of New Zealand's tourism industry, with 35% of all international visitors coming primarily to experience our natural landscapes. The Department manages most of New Zealand's major natural tourism attractions and provides extensive opportunities for recreation on conservation land and waterways, including for businesses that support tourism. However the Department must adapt to changes in New Zealand society. With more people living in the top half of the North Island and an increasingly urbanised and multi-cultural society, the Department's networks of tracks, campsites and other visitor facilities will need to change to meet the needs of New Zealanders today and in the future.

The challenges the Department faces are large, and the resources available for conservation work are constrained by an ongoing tight fiscal environment and the effects of inflation.

## **Our strategic response is to engage with our partners**

The Department recognises that the cost of saving all the species and restoring the health of all the places it has a stewardship role over is well beyond the resources it could realistically expect from the public purse. This reality drives the Department's strategic direction – to partner and engage widely with others to achieve more for conservation than the Department can achieve on its own. It has resulted in a new organisational structure and re-designed frontline activities that allow us to more easily deliver conservation outcomes in partnership with others.

We realise that, to succeed in the long term, partnerships must provide clear value to the partner as well as to conservation. This is a new way of thinking for DOC and provides another level of complexity.

There are two strands to the Department's strategy. The first involves achieving immediate, urgently-needed conservation gains through partnerships that deliver direct, powerful conservation impacts,



such as work on recognised national biodiversity priorities. The second strand is to build the groundswell of societal support required for transformational conservation growth over coming decades. Here, DOC's activities are focused on:

- building a wider range of relationships
- growing people's awareness, knowledge and skills
- involving people in conservation-related activity
- supporting the initiatives they lead, both on and outside of conservation lands and waters

These activities aim to foster a greater sense of responsibility and increased contribution over time. This is the long-term game, as both strands require resources from DOC; the challenge is to find the right balance between the two.

### **Treaty partners and whānau, hapū and iwi**

All of DOC's partnership work needs to recognise the ongoing partnership obligations with whānau, hapū and iwi. DOC's partnerships with all hapū and iwi (through the Treaty of Waitangi and DOC's obligations under Section 4 of the Conservation Act 1987) are also crucial to achieving greater conservation outcomes.

Treaty settlements offer opportunities for confirming ongoing partnerships and strengthening relationships between the Department and hapū and iwi as primary partners. As settlements are implemented, iwi have a greater role and influence in the governance of public conservation land. Currently DOC has ongoing commitments to 37 settlements, and the fast pace of future settlements is likely to increase pressure on DOC's capability and capacity, even though DOC is funded for Treaty settlement implementation activity. Te Pukenga Atawhai Programme and initiatives such as the Māori Conservation Cadetship Programme are helping improve staff capability in this area. However more capability-building is required to meet these future needs, particularly when implementing settlement arrangements and understanding how to reflect iwi aspirations.

### **Working with other agencies for collective impact**

DOC is increasingly engaging in strategic partnerships across local, regional and national government and non-government sectors to gain efficiencies and make a stronger collective impact.

The Department works within the Natural Resources Sector (NRS), a grouping of central government agencies responsible for the management and stewardship of New Zealand's natural resources.<sup>2</sup> Many of the Department's work programmes align to important sector themes such as freshwater improvements, marine protection and climate change adaptation. Significant joint initiatives include the Battle for Our Birds pest control programme, kauri dieback response, great white butterfly eradication, freshwater reform and management, Marine Protected Area policy changes, and growing the network of Marine Protected Areas. The Department is also working within the NRS on New Zealand's first Natural Capital Assessment and the refresh of the New Zealand Biodiversity Strategy.

The Department is also involved in partnerships with local councils, such as Nature Central in the lower North Island which is building on common areas of focus to deliver better services more

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<sup>2</sup> In addition to DOC, the agencies of the Natural Resources Sector are: the Ministry for the Environment (MfE); the Ministry for Primary Industries; the Ministry of Business, Innovation and Employment; Land Information New Zealand; Te Puni Kōkiri; and the Department of Internal Affairs. For background and details of the NRS work programme, visit the MfE website at <http://nrs.mfe.govt.nz>

efficiently. Other important relationships include those with the education sector, the tourism and recreation sector, the Sustainable Business Council, heritage agencies such as Heritage NZ and the Ministry of Culture and Heritage, and the new Game Animal Council.

## Vision, purpose and outcomes

The Department’s vision is that *New Zealand is the greatest living space on Earth* – a place where, increasingly, the knowledge and commitment of New Zealanders is focused on restoring and sustaining a natural environment. To achieve this vision, DOC’s outcome statement is that *‘New Zealanders gain environmental, social and economic benefits from healthy functioning ecosystems, recreation opportunities, and living our history’*.

New Zealanders want their natural and historic heritage conserved. To foster that commitment, the Department’s overarching purpose statement is *‘Conservation leadership to protect and conserve our nature’*. This leads to enhanced care of New Zealand’s unique heritage for people to benefit from and enjoy.

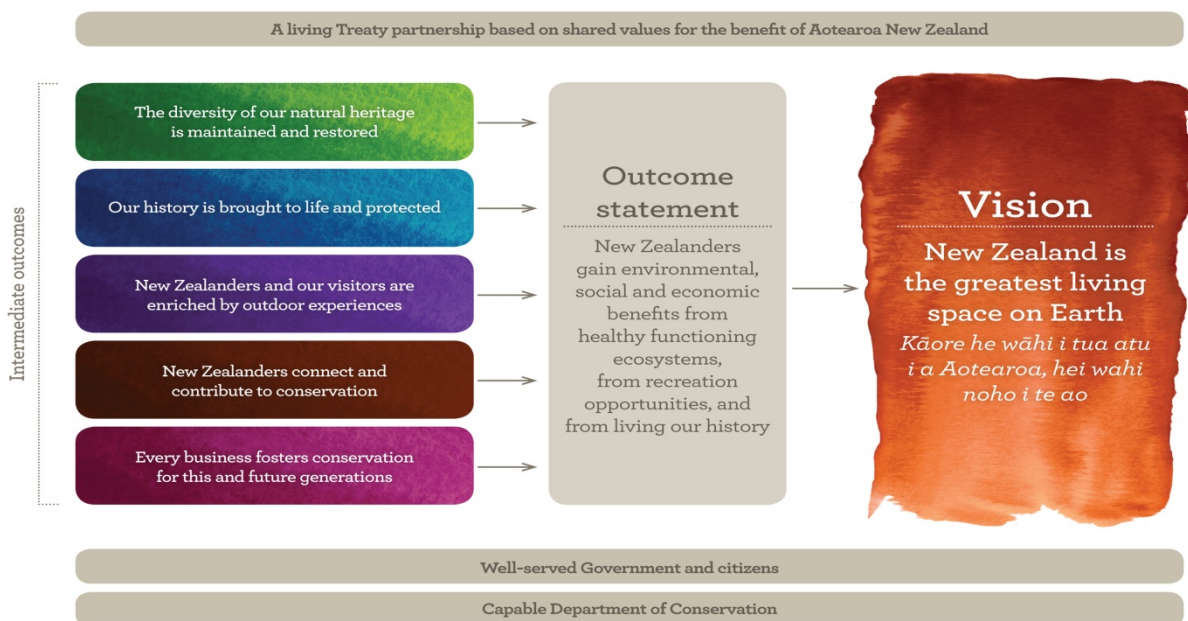
The Department has developed five intermediate outcomes around which its work is organised, and that express the results we are seeking to achieve through our interventions. These are shown in the Outcomes Model diagram below.

We recently updated four of the five intermediate outcome statements – those related to historic heritage, recreation, engagement and business partnerships – to sharpen their intent and make them easier to understand and communicate.

We have also strengthened and expanded on the foundation statement related to the Department’s relationship with Treaty partners: *A living Treaty partnership based on shared values for the benefit of Aotearoa New Zealand*.

The updated Department of Conservation Outcomes Model is shown below:

### Department of Conservation Outcomes Model



## **Our customers**

While DOC's strategy focuses on working within productive partnerships, the organisation also provides products and services to hundreds of thousands of customers annually. These include those New Zealanders and international tourists who walk on tracks, sleep in huts, listen to stories about their history, watch birds, take part in education programmes, are involved in consultation processes, seek advice, operate tourism businesses, hunt for deer, apply for permits, buy Visitor Centre products or support community conservation projects.

Understanding the drivers, motivations and barriers to New Zealanders contributing to conservation will be a priority for DOC over the next 4 years. DOC is committed to designing products, services and systems that place customers' needs at the centre, working with customers to identify issues and barriers to them working effectively with us and to understand their drivers and needs. Two current initiatives to achieve this are: improving processes for permit applications and streamlining recreation asset co-management agreements.

The Department approaches customers in different ways across the intermediate outcomes discussed above. For example, in natural heritage DOC responds to the desires of communities to conserve their special local places and species by supporting them with training, technical advice and materials. In the historic heritage area, DOC designs experiences that connect people with their history and seeks opportunities for them to share in the development and telling of these stories.

Visitor asset standards are directly related to customer needs. For example, visitors to nationally iconic sites expect and want different facilities than those staying in backcountry huts. The shift to managing 'destinations' rather than individual assets means whole destinations can be maintained to a consistent standard and makes it easier for others to contribute to managing them. DOC provides services to customers to allow them to book DOC experiences in the way that best suits them, including via online booking sites. The Department is working to improve the ease with which people access its products and services through digital channels, either online via our website, through third parties, or through mobile applications. Currently, about 26% of hut and track bookings are completed online.

The Department uses a range of methods for evaluating customer response. These include the National Survey of New Zealanders, stakeholder surveys and visitor satisfaction surveys (when exiting sites). DOC seeks feedback from people attending education initiatives, and the results are set out in the Annual Report.

To improve visibility of customers and our interactions with them, a priority is to develop a Customer Relationship Management System that will record relationship information and activity. DOC is also developing Conservation Insight, an online one-stop-shop for information such as customer surveys and research results.

## **Transforming how we work**

The Department is emerging from a period of considerable structural reform to improve organisational effectiveness and efficiency, and to orientate its structure towards a new future: focused on working with others to achieve more conservation for New Zealand. The changes included a shift to a shared services model for support and service functions, and changes in conservation operational delivery to a regional model to create efficiencies.

This transformation is perhaps the most significant change in the Department's history, requiring a shift in culture and the way managers and staff work. The heart of the next 4 years' work is to embed the new model internally and build strong, productive internal and external relationships that achieve

the benefits described above. This will be achieved through a Transformation Plan managed by our senior leadership team (SLT).

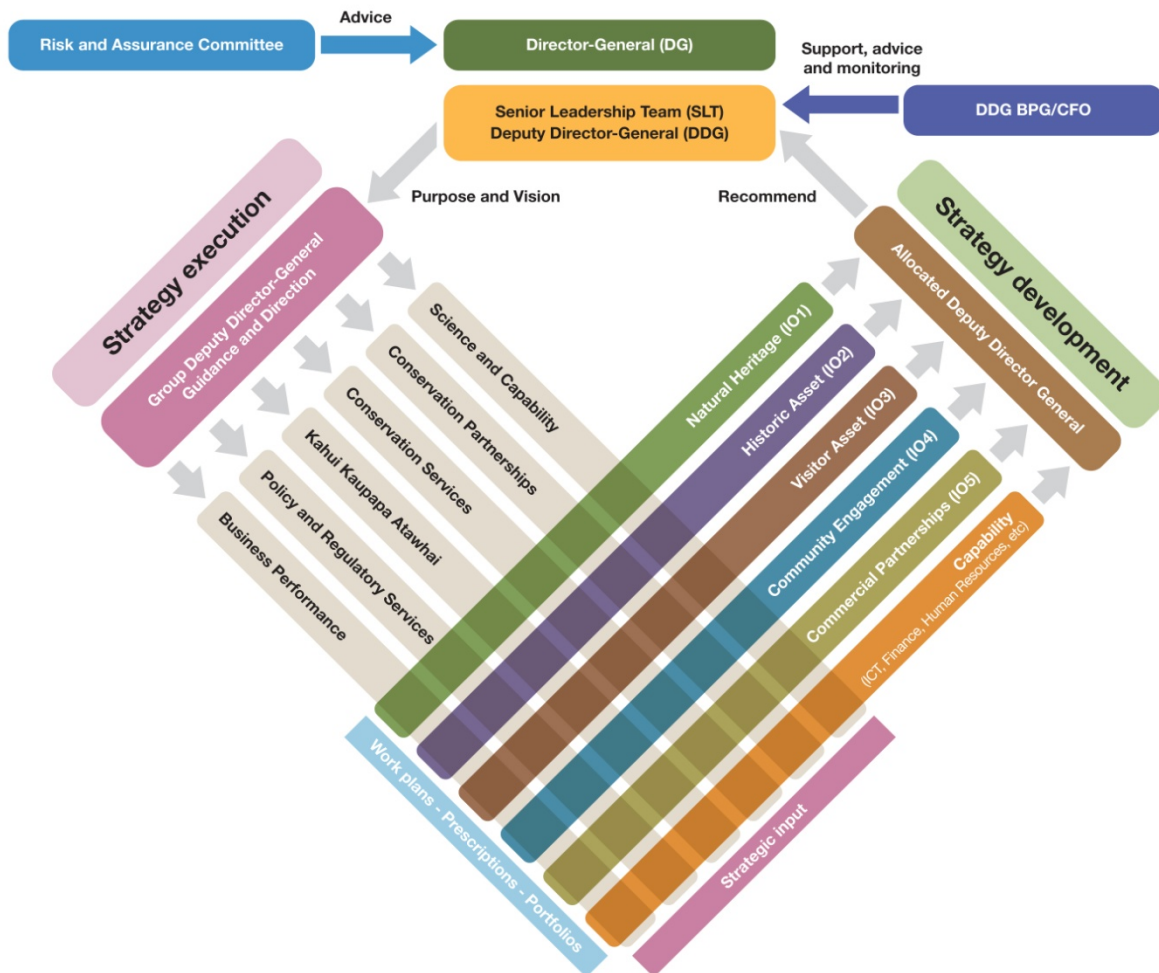
The table below sets out the transformation required: 'how we do what we do'.

**Transformation in culture and operation towards an outward focus**

Internally focused	Outwardly focused
DOC knows best	We trust others
Governing for citizens	Governing with citizens
Organisational silos	Organisational networks
DOC as service provider	DOC as service facilitator, collaborator, enabler
DOC-only inputs and processes	DOC and citizens' own outcomes
Rigid process	Agility
Risk averse	Managed risk

## Operating and governance model

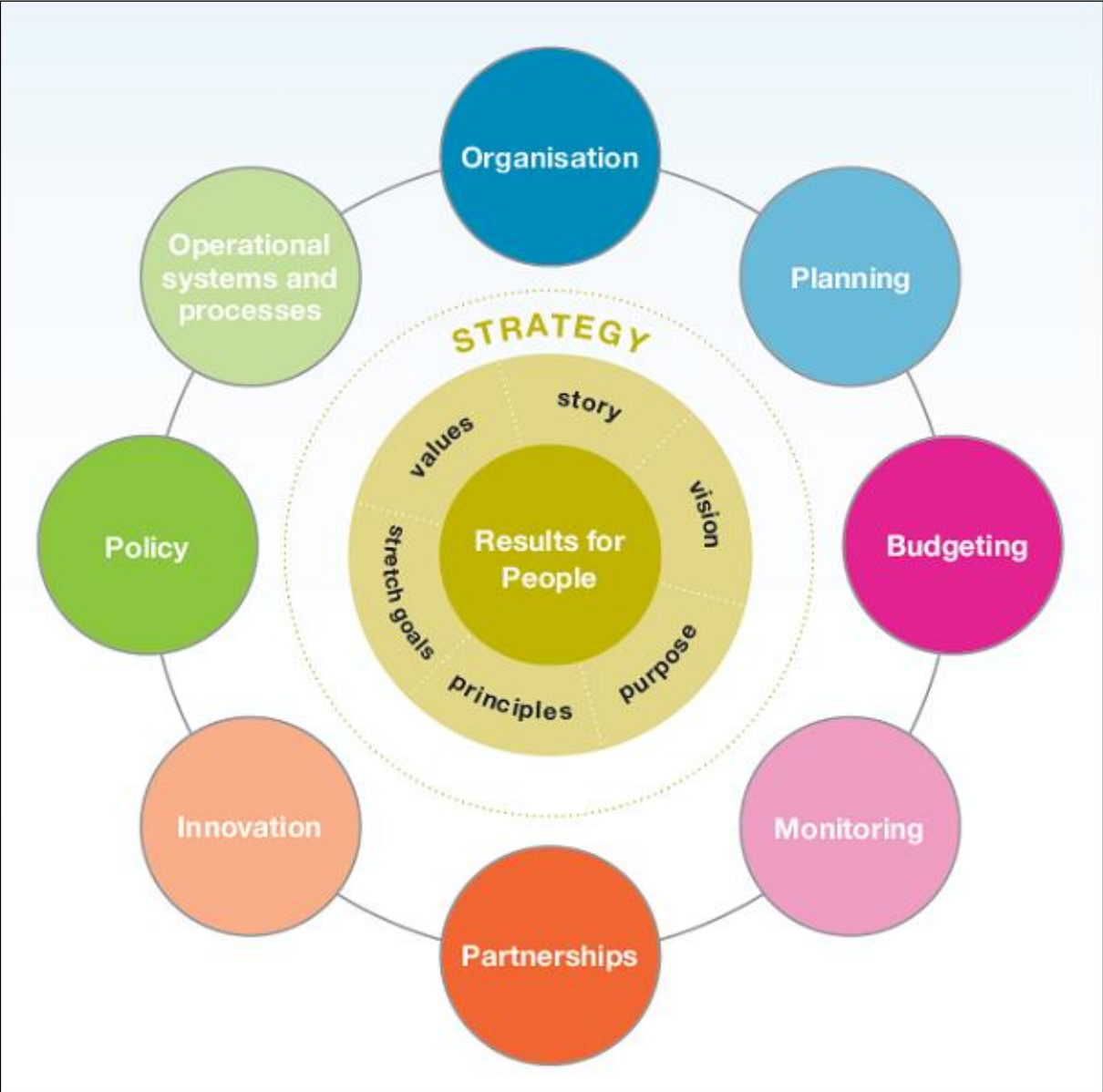
The graphic below represents the Department’s operating and governance model. It shows how the organisation is shaped to integrate across functions and to ensure that activities align with outcomes and results.



In early 2014/15 the Department conducted a 12-month post-implementation review of the new structure. After assimilating the review recommendations, the Department intends to complete the operating model to ensure it provides a full, coherent representation of how the organisation operates and goes about its work. Components will need to be prioritised and sequenced; they include:

- organisational measures of performance
- the people capacity and capability required to deliver on goals
- systems and processes
- infrastructure and communications.

Elements of DOC’s Operating Model



**Move to Single Point Accountability to improve decision-making**

In response to the post-implementation review, the Senior Leadership Team (SLT) has already adopted a management approach called Single Point Accountability, which requires that a single person holds accountability for the success of a project or programme over its whole life, thus ensuring improved clarity and consistency of decision-making. As a result of the change in approach, two key responsibilities will now sit with specific members of the SLT rather than with committees. They are:

- Ensuring the right work is undertaken to achieve DOC’s strategic intentions, and ensuring that this work is integrated and interdependencies are understood. This was previously carried out by the Outcomes Management Team (OMT) with recommendations made either to SLT or the Finance Committee. It now sits with individual allocated Deputy Director-Generals (DDGs), supported by teams.

- Approving significant business case decisions, previously held by the Finance Committee (a subcommittee of SLT) which made financial decisions under delegation from the Director-General. This accountability now sits with either an individual DDG or the Director-General, supported by the DDG Business Performance Group/Chief Financial Officer. The latter will also be accountable for monitoring and for keeping others informed of critical issues.

The Finance Committee and OMT are now disbanded and DDGs are reviewing all other committees to ensure they also support Single Point Accountability.

### **Changes to the Senior Leadership Team**

The Director-General has made changes to the SLT to ensure it is clearly focused on strategy, innovation and building the strong external relationships needed to deliver step-change growth in conservation.

This builds on the work that is already underway to get the new structure and operating model working better, such as the Regional Pilot in the North and Western South Island. The changes to SLT are the next step to support our ongoing change and accelerate the pace of transformation.

### **Three phases of transformation**

The Department's transformation – to build strong and productive external relationships and embed the new model – will take some time to be fully realised. There are three key phases to achieving this:

- Phase one: enabling others to contribute – gearing ourselves up for engaging/collaborating with others to achieve results
- Phase two: realigning the organisation to the strategic direction
- Phase three: embedding the new model and building strong productive external relationships that achieve the desired goals.

The Department has now entered the third phase.

Over the next 4 years, DOC will meet this challenge by:

- Further articulating the operating model to align strategy, structure and staff.
- Putting in place the systems, processes and culture needed to improve the efficiency of operational delivery. This will enable the Department to:
  - Set clear business planning targets and output key performance indicators
  - Implement the workflow processes in the integrated planning system
  - Use organisational data (HR, finance, business planning etc) to improve the efficiency and effectiveness of resource deployment by linking budgets with activity/methods and capability needs, and ensuring work is matched appropriately with staff, tasks and locations
  - Use work order management and monthly operating reviews (MORs) to ensure individuals and teams are working to role and are delivering to standard
- Analysing available data to identify opportunities to reduce costs, for example by adapting visitor asset maintenance regimes in ways that reduce costs but do not impact on visitor experience or safety (refining service delivery standards)
- Continuing to build the capability of others to contribute to the achievement of the intermediate outcomes discussed [above]
- Completing development of a simple, compelling narrative to build staff and stakeholder understanding of the social, economic and environmental benefits that conservation provides

to all New Zealanders, and DOC's role in supporting these (in line with our Four-year Excellence Horizon, discussed on page 6 above)

- Developing additional business analytics capability to undertake some of these activities.

## Risks to sustainability and delivery

DOC's leadership and governance philosophy increasingly reflects the principles of systems leadership applied in a complex organisation. The approach focuses on effective decision-making in uncertainty; it assumes that an adaptive learning approach to problem-solving is needed in a complex, uncertain world where difficult problems are common.

Risk management is part of this systems-thinking approach. The tools and techniques supporting the risk framework provide leaders with ways to explore complex risk environments and to identify practical, optimised responses to risk without being overwhelmed by detail.

Using this approach the Department has identified the four most powerful sources of strategic risk for the organisation. They are:

- Transformation overload (complexity, workload, change fatigue, confusion)
- Leadership complexity and overload
- Internal blockers of internal communication
- Ineffective setting of shared context for DOC's work.

If these four sources of risk are well managed (or their impacts are reduced), there will be a strong reduction in risk as a whole. The focus is therefore on implementing strong, long-term, whole-of-business response plans to these strategic risks.

### Operational risks

The Department is familiar with a wide range of operational risks that it manages in its annual work programme. However, some risks do not conform to annual cycles; the Department manages these specifically as events unfold. These include:

- Flooding, fire and other extreme weather events. The Department relies on prioritisation approaches to manage responses to these environmental impacts.
- Other events that rely on the Department's ability to move resources around to manage risks. For example, the Department is currently responding to a key, though irregular, risk in natural heritage related to the natural cycle of beech masting. This type of event results in large-scale predator irruptions that severely impact on fledglings from species such as mohua and kea. Management is responding by shifting Departmental resources around, and timing operations and the funding required to best effect when mast years are predicted.

This approach often means that resources need to be prioritised and then reserved until field conditions allow DOC to make the greatest impact on these predator populations. This management strategy will be further advanced as communities' skills in pest control techniques are improved, and communities engage in priority work at the right time to maximise their impact. This is informed by predictions derived from our 'status and trend' monitoring programmes.



## Government and ministerial priorities

The Minister and the Department have agreed to progress several ministerial priority areas in the next 4 years:

<b>Stretch Goal</b>	<b>Minister's Priority</b>
<b>50% NZ's natural ecosystems benefitting from pest management</b>	<b>War on Weeds</b> This programme includes a focus on Marram, Wilding Pines and a top 'Dirty Dozen' weeds
	<b>Battle for Our Birds (landscape scale pest management)</b> This programme's focus is on predator control and includes a ramp up of 1080 treatment and significant projects with partners (for example Project Janszoon)
	<b>Nature Watch</b> Nature Watch provides for Citizen Science input to monitoring the state of the natural environment
	<b>Kiwis for kiwi</b> Initial focus in this programme is on support to North Island community conservation targeting kiwi
	<b>Kauri Dieback</b> Implementation of the Kauri Dieback Programme has a focus on track upgrades, new hygiene station installations, and research into tools to manage the disease
<b>Nationwide network of marine protection in place, which is representative of New Zealand's marine ecosystems</b>	<b>MPA Legislation and Otago MPA</b> This programme supports the Otago MPA decision-making process and the new MPA legislative process
<b>The stories of 50 historic Icon Sites told and protected</b>	<b>Heritage Landmarks and Icons</b> This programme is aimed at aligning and linking Ministry of Arts, Culture and Heritage and 'landmarks' and DOC 'icon' sites; and increasing Maori Icon sites
<b>90% of New Zealanders lives are enriched through connection to our nature</b>	<b>Healthy Parks/Healthy People</b> Initial stages of this programme involve building relationships with key partners and establishing pilot programmes
	<b>Conservation/Environment Education Strategy</b> Confirmation and implementation of the strategy with Ministry of Education and Ministry for the Environment
	<b>Our Nature</b> Communicating the story behind our unique environment
<b>50% of international holiday visitors come to New Zealand to connect with our natural places</b>	<b>Pike River</b> Progress Pike River Families Group proposals for Pike River mine site and surrounding area
<b>Christchurch Recovery</b>	Support Christchurch visitor centre development and DOC regional office relocation into the government frame

## Better Public Services results

To assist the Government’s Better Public Service results, the Department is:

- Working with businesses to achieve conservation gains in ways that deliver environmental, social and economic benefits to New Zealanders
- Changing where the Department works and what it focuses on, to improve both efficiency and effectiveness of its work programmes
- Emphasising partnerships, building relationships, sharing skills and knowledge, and involving others, including other public service agencies
- Working with all NRS agencies to implement medium-term priorities agreed by Government for the sector, as set out in the Business Growth Agenda and reported through the Building Natural Resources progress reports.

## Our focus areas for the next 4 years

The Department measures its impact and that of its partners in each intermediate outcome area using three to four key indicators. Progress on these is reported annually through DOC’s Annual Report. The table ‘*Department of Conservation national performance indicators*’ below shows the 2013/14 Annual Report Performance Summary, and highlights specific areas that DOC has prioritised for significant improvement over the next 4 years.

Key focus areas for the next 4 years are to:

- Work with others to protect a full range of terrestrial, freshwater and marine ecosystems and to increase the amount of land being managed for pests
- Implement five additional Historic Icon sites and bring their stories to life
- Upgrade four visitor Icon destinations, make it easier for school groups and families to visit Gateway destinations, and work with partners and other stakeholders to grow their contribution to the backcountry visitor network
- Harness partnership opportunities that have potential to transform outcomes for natural heritage, historic heritage and recreation
- Support the development of opportunities for new business sectors to bolster regional development in a wider range of locations.

The Department has developed an integrated monitoring and reporting framework for its outcome and five intermediate outcomes. The information derived from the framework will guide targets and the focus of effort in future.

The Department monitors two key performance indicators to show its progress in achieving the outcome *New Zealanders gain environmental, social and economic benefits from healthy functioning ecosystems, from recreation opportunities and from living our history*. These are set out in the table below.

### Key performance indicators

Measure	Current status	Four-year Target
Trends in the benefits that New Zealanders seek and receive from the natural, historic and cultural heritage managed by DOC	➡ Performance maintained	➡ Performance maintained
The relative value of conservation to New Zealanders as an indicator of support for conservation	➡ Performance maintained	⬆ Performance improving

Work is currently underway within the Department and externally (nationally and internationally) that will enable the Department to better demonstrate the benefits people seek and receive from conservation and help increase understanding of this concept.









National performance indicators and 4-year targets for the five intermediate outcomes and their objectives and for capability are set out in the tables below.

## Department of Conservation national performance indicators

Measure	Current status	Four-year target
<b>Natural heritage</b>		
Indigenous dominance – ecological processes are natural	➡ Performance maintained	➡ Performance maintained
Species occupancy – the species present are the ones you would expect naturally	➡ Performance maintained	➡ Performance maintained
Ecosystem representation – the full range of ecosystems is protected somewhere	⬇ Performance declining	➡ Performance maintained
<b>Historic heritage</b>		
The condition of actively conserved historic places (607) (seeking a stable and not deteriorating condition)	⬇ Performance declining	➡ Performance maintained
The trend in New Zealanders' awareness of the Department as a manager of historic places	⬆ Performance improving	⬆ Performance improving
The trend in visitor numbers at Historic Icon sites	➡ Performance maintained	⬆ Performance improving
The trend in visitor satisfaction with the quality of the experience provided at historic places	➡ Performance maintained	➡ Performance maintained
<b>Recreation</b>		
The trend in New Zealanders' awareness of the Department as a recreation provider	➡ Performance maintained	⬆ Performance improving
The trend in participation in recreation on public conservation lands and waters	➡ Performance maintained	⬆ Performance improving
The trend in visitor satisfaction with the quality of the experience and opportunities provided	➡ Performance maintained	➡ Performance maintained
<b>Engagement</b>		
Change in the importance of conservation to New Zealanders	➡ Performance maintained	⬆ Performance improving
Change in the quality of the Department's engagement with key stakeholders	➡ Performance maintained	⬆ Performance improving
Change in the satisfaction of tangata whenua with the Department's activities to help them maintain their cultural relationships with taonga	○ No current benchmark	⬆ Performance improving
<b>Business partnerships</b>		
Increase in engagement of the commercial sector in conservation partnerships	⬆ Performance improving	⬆ Performance improving
Change in the level of investment in conservation from the commercial sector	⬆ Performance improving	⬆ Performance improving
Improvement in the level of return on investment for key Department products and services	⬆ Performance improving	⬆ Performance improving

We will be maintaining the current status across the full span of capability over the next 4 years – this is shown below.

### Status of current capabilities

Capability	Overall Status 
Leadership: DOC has the leaders it needs to perform well now and in the future	
Relationships: DOC identifies, builds and manages relationships critical to achieving results	
Culture: DOC has the type of culture it needs to achieve results now and in the future	
People: DOC has the skills and competencies to achieve its results in collaboration with others	
Information and communications technology (ICT): DOC has the ICT it needs to achieve results and contribute to others	
Asset management: DOC's asset-related decisions support current and future service delivery	
Structure: DOC's structure is linked to its future business needs	

## Performance summary

The Department measures progress towards long-term goals in five core business streams and seven categories of capability.

### Natural heritage

*The diversity of our natural heritage is maintained and restored.*

### Historic heritage

*Our history is brought to life and protected.*

### Recreation

*New Zealanders and our visitors are enriched by outdoor experiences.*

### Engagement

*New Zealanders connect and contribute to conservation.*

### Business partnerships







*Every business fosters conservation for this and future generations.*

### Capability

*Our business is supported by a capable workforce and sound systems.*

The table below shows the Department's performance this year.

### Key

-  Performance improving
-  Performance maintained
-  Performance declining
-  Performance maintained, but limited dataset
-  Performance data being collected or between surveys
-  Performance measures yet to be developed

One or more of the conditions listed may apply. These results are for some outcomes, notably natural heritage, reflecting a composite of indicators and measures that may individually be improving or declining, therefore, the performance rating is a generalisation.

### Definitions

**Improving** – Progress towards the outcome described is positive; overall conditions are improving; numbers are increasing; targets are being met or exceeded.

**Maintained** – The state of the outcome described is stable; overall conditions are neither improving nor declining; numbers are stable; if targets are being met, then the outcome is being achieved.

**Declining** – Progress towards the outcome described is negative; overall conditions are degrading; numbers are decreasing; targets are not being met.

## Key milestones

In response to the medium-term operating environment, the Department has set key milestones to drive performance for the 4-year targets for each intermediate outcome, as set out on the Department of Conservation National Performance Indicators table. The milestones to be progressed over the next 4 years are described below.

Intermediate Outcome Objective	Target	Year
<i>The diversity of our natural heritage is maintained and restored</i>		
A full range of New Zealand's ecosystems is conserved to a healthy functioning state	Consolidate the top 500 terrestrial, freshwater and marine ecosystems and implement to standard. Seek support from others, especially for rare ecosystems outside public conservation land. Commence a multi-year programme to re-categorise the protection status of stewardship lands with high conservation values. Develop a multi-year programme to implement Marine Protected Area policy.	Years 1-4
Nationally threatened species are conserved to ensure persistence	Lift from 100 species to 300 species by integrating with ecosystem representation. Grow involvement of others in building knowledge of data-deficient species.	Years 1-4
Nationally iconic natural features and species are maintained or restored	Engage with whānau, hapū and iwi, community, business and others about nationally-iconic natural features and species by providing a set of sites/species as basis for discussion.	Years 1-2
Locally treasured natural heritage is maintained or restored in partnerships	Create a baseline set of up to 50 Local Treasure partnerships and support and up-skill partners so they can work more independently.	Years 1-2
Public conservation lands, waters and species are held for now and future generations	Grow activity with others both in partnership and in support of others working independently. Implement Tier 1 monitoring for freshwater as part of a collective action programme with other agencies.	Years 1-2
<i>Our history is brought to life and protected</i>		
More New Zealanders engage in their heritage and value the benefits of interacting with it	Implementation of five additional Historic Icon sites. Acquire knowledge of the best ways to bring heritage to life. Develop and implement an action plan to bring history to life in collaboration with other agencies/partners.	Years 1-4 Years 1-2 Years 2-4
Historic heritage is protected and conserved for future generations	Work with whānau, hapū and iwi and communities to engage them in bringing history to life and in historic heritage asset management.	Years 1-4

<b><i>New Zealanders and our visitors are enriched by outdoor experiences</i></b>		
Icon destinations support the growth of tourism and generate economic benefit	Implement long-term upgrades of four iconic destinations. Grow visitation through marketing and engaging with others who share an interest in economic development through tourism.	
More New Zealanders enjoy Gateway destinations	Prioritise improvements to Gateway destinations near to or easily accessible from main population centres. Work with others to reduce barriers, making it easier for school groups and families to visit Gateway destinations.	Years 1-4
More people enjoy Locally Treasured destinations	Engage with communities to jointly decide how they can be involved in managing locally treasured destinations.	Years 3-4
More people enjoy the backcountry	Work with partners and other stakeholders to enable and grow their involvement in and contribution to the backcountry network. Implement a programme to match service delivery standards in the backcountry network to changing market demand.	Years 1-2
<b><i>New Zealanders connect and contribute to conservation</i></b>		
Conservation is core to New Zealanders' identity, values and thinking	Refresh and implement the Outreach Strategy. Implement conservation education in schools. Refresh teaching and learning resources.	Years 3-4 Years 2-4 Years 1-2
More conservation is achieved by others	Build healthy partnerships by working alongside whānau, hapū and iwi. Harness partnership opportunities with potential to transform outcomes for natural heritage, historic heritage and recreation. Target support for community conservation through the Community Conservation Partnerships Fund and other funds. Develop tools for reporting community contribution to conservation.	Years 1-4 Years 1-4 Years 1-4 Years 1-2
Conservation is seen as an essential investment in New Zealand's prosperity and brand	Build relationships with key natural capital audiences and stakeholders.	Years 1-2
<b><i>Every business fosters conservation for this and future generations</i></b>		
Conservation outcomes are maximised from business partnerships	Develop an additional set of six national business partnerships. Develop a larger set of more than 50 regional partnerships. Increase revenue from concessions, leases and licences by 3%. Increase in partnership revenue by 5%.	Years 1-4 Years 1-4 Annually Annually

Businesses are more motivated and capable to undertake conservation independently of DOC	Lift the contribution to conservation outcomes from concessionaires by at least 10%.	Years 1-4
DOC's own products, services and brand maximise conservation and business outcomes	Develop and market five new products and services better suited to our range of customers that deliver a real return to conservation. Continue with a strong Visitor Centre network, focused on a collection of conservation hubs.	Years 1-4
<b><i>Capable Department of Conservation</i></b>		
People – DOC has the people capability and culture needed to deliver its strategic direction and operating model, to enable more conservation through others and to demonstrate the broader value of conservation	DOC has the leaders it needs to perform well now and in the future. DOC identifies, builds and manages relationships critical to achieving results. DOC has the type of culture it needs to achieve results now and in the future. DOC has the skills and competencies to achieve results in collaboration with others . DOC's structure is linked to its future business need.	Years 1-2
Systems, processes and IT – DOC has the integrated and transparent systems, processes and IT needed to deliver its operating model and outcomes framework	DOC has access to the Information and Communication Technologies (ICT) it needs to achieve results and contribute to others.	Years 1-4
Infrastructure – DOC has the effective and efficient infrastructure needed to deliver its operating model and outcomes framework	DOC's asset-related decisions support future service delivery.	Years 1-3

## People and ICT capability focus areas

To achieve the key milestones above, the Department is focused on building capability in the areas outlined in the table below.

<b>DOC's capability focus areas over the next 4 years</b>		
<i>Specific work area</i>	<i>Growing DOC people capability – key focus areas</i>	<i>Growing DOC ICT capability – key focus areas</i>
<i>Natural heritage</i>	Working with others Understanding whānau, hapū world view and iwi aspirations for natural heritage Conservation psychology	Digital data capture Improve management of and ability to share biodiversity monitoring and other information Reporting tools for partnerships
<i>Historic heritage</i>	Ability to develop and share stories about our history Communicating and engaging with people about heritage Skills in use of asset management tools	Pilot business analytics programme Customer-focused online solutions, eg visitor site information on in-car GPS
<i>Outdoor experiences</i>	Skills in use of asset management tools	Pilot business analytics programme Customer-focused online solutions, eg visitor site information on in-car GPS
<i>Engagement</i>	Conservation psychology Relationship management Customer-focused communications	Management of relationship information Online tools for wildlife and other authorisations
<i>Business partnerships</i>	Business acumen Business development Account management	Management of relationship information
<p>Core capability focus for all work areas (skills, knowledge, behaviour):</p> <ul style="list-style-type: none"> <li>• Help others to build their capability to deliver conservation outcomes.</li> <li>• Continue to build the skills, knowledge and behaviours necessary to deliver conservation on the ground.</li> <li>• Grow capability in leadership, customer-centricity, collaboration internally and externally, systems design and relationship management. In particular, relationship management includes improving our capability and confidence in engaging with Māori and with whānau, hapū and iwi, understanding their perspectives, aspirations, tikanga/protocols; and understanding DOC's responsibilities under the Treaty of Waitangi.</li> <li>• Improve planning, project management and financial skills.</li> <li>• Grow analysis skills to enable evidence-based decision-making and problem solving.</li> </ul>		
<p>ICT capability focus for all work areas (systems, processes, information):</p> <ul style="list-style-type: none"> <li>• Adopt all-of-Government and software-as-a-service approaches.</li> <li>• Shift existing internal-facing information systems to more open, external facing systems with transparent access to Department's information.</li> <li>• Improve people's access to DOC products and services through digital channels such as mobile applications.</li> <li>• Support others to contribute to conservation growth using online tools and resources, including online learning modules, mobile apps and online videos.</li> <li>• Wider adoption of videoconferencing, increased used of the DOCLearn learning management system, refinements to permit processing systems.</li> <li>• Develop and implement a business analytics strategy, which involves technology and practices for the continuous exploration of past business performance to gain insight and drive business planning.</li> </ul>		



## Financial sustainability and managing cost pressures

The Department uses three main interconnected strategic levers to achieve financial sustainability and manage cost pressures over the next 4 years and beyond. These are:

1. Partnership strategy – increasing engagement, working with others. The aim is to grow conservation through working with and enabling others
2. Prioritisation tools – natural heritage, historic and recreation prescriptions, working on priorities to achieve the greatest contributions to outcomes
3. Operating discipline – now that major structural change is complete, DOC's focus is to embed the new structure and operate efficiently and effectively

The partnership strategy is outlined in the strategic intentions section above. DOC's prioritisation tools are described in Part III.

The focus on operating discipline seeks to instil a culture that places greater importance on cost-efficiency and eliminating waste, supported by simple customer-centric processes. The Department's financial management practice is to maintain a monthly four-year financial forecast, which enables timely action to manage cost pressures. Future initiatives will build on the success achieved with a range of current savings initiatives, including the Support Services Review and the Delivery Project. To date, these initiatives have saved the Department over \$11m per annum.

Initiatives to address cost pressures are included in Annex 2.

### Cost management

- Analysis of activity-based costing data from implementation of prescription approach for planning in order to identify less efficient or effective work (2015)
- Procurement team to continue to support purchasing savings (underway)
- Improved planning and integration of support services activities to ensure they are aligned to priorities, and that there is organisational capacity to implement the work programme (2015/16)
- Simplification of concessions applications and processing, building on current work for Wildlife Act applications (2015/16)
- Use of fleet management tools and analysis to optimise vehicle fleet (underway)
- Wider use of video conferencing to reduce travel costs, supported by monthly monitoring (underway)
- Centre-led property team to achieve rental savings, leverage Property Management Centre of Excellence (PMCoE) expertise and manage property as a portfolio, ensuring appropriate quality and consistent prioritisation (underway)
- Implementation of LEAN<sup>3</sup> or similar (2016) to drive further efficiencies

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<sup>3</sup> LEAN is a methodology that relies on a collaborative team effort to improve performance by systematically removing waste.

## **Revenue growth**

- Concessions revenue growth through applying a commercial lens to concessions activities, as well as improved performance in reviewing concessions and forecast growth in the tourism market (ongoing)
- Greater recovery of costs through improved management of time and cost in processing concessions (2015/16)
- Volume growth in recreation revenue from online booking improvements and tourism growth
- Regular review of recreation charges to recover increases in costs (ongoing)

## PART III: STRATEGIC DELIVERY, STRATEGIC CHOICES AND TRADE-OFFS

The Department's strategy will be delivered through its five outcome streams as shown on the DOC Outcomes model on page 10. This next section outlines the organisation-wide delivery issues and trade-offs, and those specific to each of these streams.

### **Making the shift from service delivery to supporting others to deliver**

The main trade-off the Department is facing will be driven by the success of the engagement growth strategy. This 'trades off' service delivery resource in the short term to support increased conservation achievement in the long term as partners increasingly engage in hands-on delivery.

As the organisation moves from directly delivering of outputs (goods and services) to supporting others to deliver outputs, the current balance of DOC output performance will change and new output measures will be introduced. DOC anticipates:

- An increase in DOC output performance related to awareness, knowledge and skills transfer and DOC support for partnership initiatives (eg project management, technical advice, operational support, monitoring, and relationship management).
- An increase in natural heritage, historic heritage and recreation outputs (eg hectares of possum control) delivered by others in partnership with DOC or directly supported by DOC, both on and outside of public conservation lands and waters.
- A decrease in direct DOC delivery of natural heritage, historic heritage and recreation outputs, as effort is transitioned to the provision of advice and support for others, including whānau, hapū and iwi.
- savings from waste-reduction initiatives and more cost-efficient operational practices (eg landscape-scale pest control) will offset a proportion of the decrease in direct output delivery by DOC, but large-scale savings from restructuring are now largely completed.
- Improved outcome performance.

In order to demonstrate the overall growth in output performance by DOC and others, the Department will increasingly report on the outputs produced by its significant partnership initiatives.

### **How we prioritise, monitor and manage our work**

Based on the outcomes framework, DOC is developing and refining models and decision criteria that allow it to prioritise its conservation efforts nationally. These will also guide conversations with potential partners, and test whether partnership initiatives will provide good outcomes for both conservation and partners. At a broader level, long-term plans developed with local communities such as Conservation Management Strategies and National Park Management Plans also provide important ongoing context for business decisions.

DOC's prioritisation approach involves the use of multi-year plans (called 'prescriptions') which describe and cost the activities required to achieve specific goals, eg ecological integrity for natural heritage. Most prescriptions are linked to a location using geo-spatial references. Prescriptions are prioritised for implementation based on cost/benefit criteria showing which group of prescriptions is most likely to meet a specific intermediate outcome objective. In some cases, this involves using sophisticated prioritisation software. DOC designed this approach for components of its natural heritage work and has extended it to encompass other natural heritage objectives.

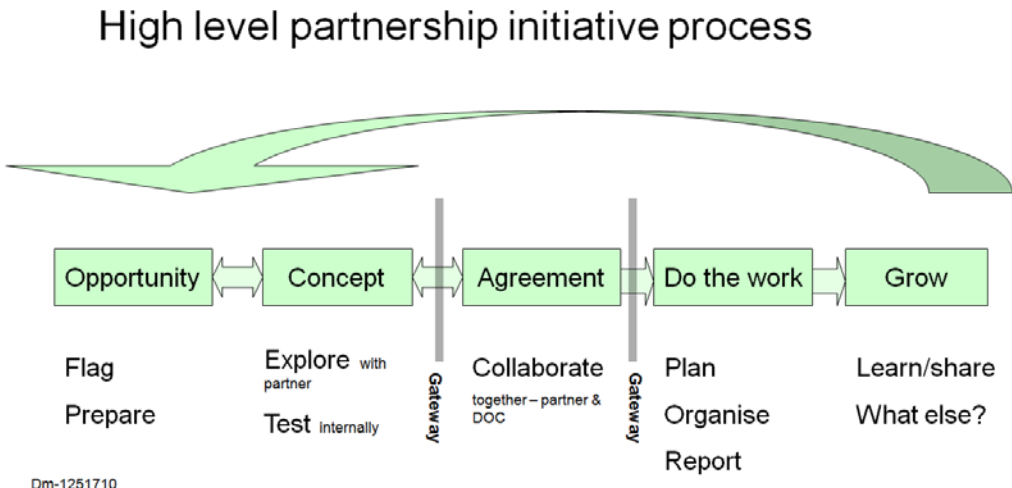
DOC’s recreation and historic heritage activities are now clustered in destination-based multi-year management prescriptions using modelled costs that can be adjusted during business planning. The natural heritage prioritisation software (Zonation) is being piloted for use in prioritising the representation of historic heritage sites. Engagement activities are now captured in prescription format as well, with activities and methods designed around the phases of engagement described in the engagement spectrum. With Eagle Technologies and DOC’s financial management system (SAP) service provider, DOC is also piloting ways to more closely align business planning and financial information for natural and historic heritage and recreation activities and to link these geo-spatially at place.

The use of multi-year, spatially-enabled prescriptions focuses DOC’s work more strongly on the achievement of strategic objectives, provides more consistent and useable information, and improves DOC’s ability to manage its finances over multiple years.

DOC’s natural heritage intermediate outcome is supported by a terrestrial outcome monitoring programme, which will be extended to encompass the freshwater environment over the next 4 years, with opportunities for freshwater monitoring as part of a NRS water quality improvement initiative. Cross-agency work on marine environment monitoring is yet to begin. An integrated monitoring and reporting framework for the whole outcomes model is almost complete and components of it will be progressively implemented in the next 4 years. This will provide much richer information about the status of each intermediate outcome area and how the efforts of DOC and its partners are contributing to that.

Investment strategies drive progress within each intermediate outcome, led by an allocated Deputy Director-General.

DOC’s new structure requires ongoing collaboration across groups to be successful. To manage this, DOC is embedding touch points into its annual business planning process to ensure that the right discussions take place between groups at the right levels, and is also refining its multi-year planning approach to allow the results of these discussions to be captured more usefully. These are supported by a high-level process for use when developing, agreeing and implementing new partnership initiatives – to ensure that projects are viable and with good conservation outcomes, and that the organisation can support their success. This is described in the graphic below:

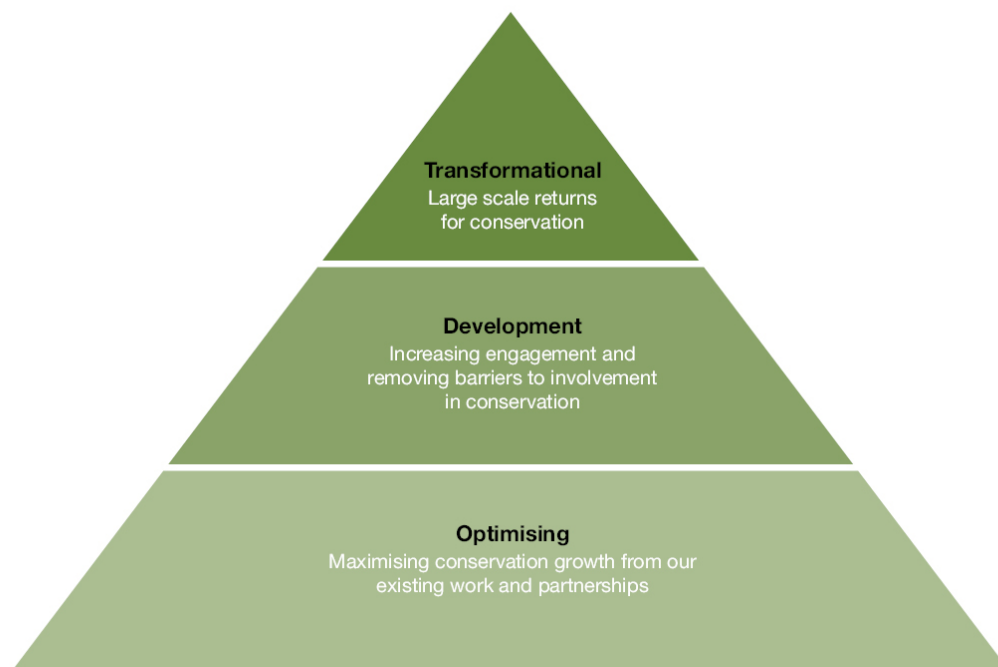


Understanding conservation priorities (such as by using DOC's prioritisation tools) is critical to entering mutually beneficial partnerships that deliver increased results for conservation in the long term. However, it will take time and experience to build both the skills and the processes/systems needed to support the approach; this is a key capability-building focus for the Department.

## DOC's growth framework

DOC's growth framework helps managers and staff decide where to invest their efforts in responding to the Department's goal of growing conservation. It takes into account the Department's capacity to support conservation growth as well as its wider strategic context (for example, Statement of Intent, Outcomes Model, Four-year Plan).

### Department of Conservation growth framework



DOC's Growth Framework is:

- Transformational – accelerating growth by generating conservation outcomes at a large scale or by significantly changing the way work is done – 10%
- Developmental – building new partnerships and removing the barriers that are preventing New Zealanders from becoming involved in conservation – 20%
- Optimising – fostering today's relationships, streamlining our work and delivering great customer experiences – 70%

Following this framework means the Department's work will:

- Provide the best gains for conservation
- Strongly influence others to contribute to conservation
- Deliver sustainable conservation benefits that will grow over time

## The diversity of our natural heritage is maintained and restored

New Zealand's special species and places are our national treasures and are at the heart of what it means to be Kiwi. New Zealanders are rightly proud of the diverse and distinctive range of natural heritage this country offers. In fact, around 90% of our birds and insects, 80% of our plants and all of our reptiles, frogs and bats are found nowhere else in the world. However, New Zealand's natural heritage has greatly reduced in diversity and extent over the past 700 to 800 years and is continuing to be degraded by introduced pests, human activities and the impacts of climate change. This affects the services that ecosystems<sup>4</sup> provide, such as clean water and healthy soils, and reduces the flow-on benefits to New Zealand's prosperity.

The New Zealand Biodiversity Strategy 2000, which aims to halt the decline in New Zealand's biodiversity, has underpinned DOC's natural heritage management activities for the past 15 years. The Department is currently coordinating the strategy's refresh and will continue to support its achievement in future years.

### What is natural heritage?

The 'natural heritage' of a place comprises the organisms, communities and ecosystems that naturally occur there, as well as the landforms, seascapes and water features. The Department's goal for natural heritage is to achieve 'ecological integrity', which comprises ecological processes, species occupancy and ecosystem representation. An ecosystem is considered to be healthy and have 'integrity' when it hosts all the native plants and animals typical of the area and when ecological processes are functioning well.

### Working with others

The Department's growth strategy recognises that the task of restoring New Zealand's biodiversity is far too big for DOC alone. To succeed we need to work much more in partnerships, and to support others to increase their contributions. This involves:

- Optimising existing partnerships, such as those with regional councils (eg by joining forces to improve the delivery of operations), primary industry not-for-profit OSPRI New Zealand<sup>5</sup> (on the eradication of Bovine Tb), and the NRS generally on significant biodiversity initiatives.
- Forming different arrangements with new partners to achieve significant biodiversity outcomes.

The Department will continue to engage with Treaty partners and whānau, hapū and iwi, including as part of the implementation of Treaty settlements, in order to achieve natural heritage and other outcomes. Treaty settlements include a large number of obligations for the Department, for which the Department receives additional funding. Identifying the obligations is a complex task, but something the Department is doing in order to estimate the costs arising from settlements and, more importantly, to ensure that it does not breach obligations towards its Treaty partners. Many settlements provide for the development of cultural material plans and procedures for monitoring

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<sup>4</sup> Ecosystem services are the goods and services provided by ecosystems from which New Zealanders derive benefit. Ecosystem services are underpinned by biodiversity. Without biodiversity, there would be no ecosystem services because these services flow directly from the presence of life on earth.

<sup>5</sup> OSPRI New Zealand Ltd is a New Zealand not-for-profit limited company, established on 1 July 2013. Its shareholders are DairyNZ, Beef+Lamb New Zealand and Deer Industry New Zealand. TBfree New Zealand Ltd and NAIT Ltd are wholly-owned subsidiaries of OSPRI New Zealand Ltd. <http://www.ospri.co.nz/Detail/tabid/287/ArticleID/4974/Overview.aspx>.

sustainable levels and methods of use of cultural materials (eg foods and fibres), and the Department needs to develop the capability and capacity to be able to support this work.

The Department will continue to engage with regional councils, iwi, businesses and the community so that resource management decision-making processes:

- Are based on an awareness of the likely impacts of proposals on natural heritage values.
- Support the development of objectives and limits that will protect those values.

### **Our approach to natural heritage management**

The Department has six inter-related objectives for its natural heritage work, as described in the milestones table in the Strategic Intentions section on page 21. Two objectives aim to ensure species persistence and restore a full range of ecosystems to health. Other objectives focus on protecting iconic species and places that are part of New Zealand's national identity, supporting what local communities or whānau, hapū and iwi value, and ensuring that the Department meets its wider responsibilities, such as responding to biosecurity incursions and managing threats like beech masting.

#### ***Restoring a full range of ecosystems and conserving threatened species to persistence***

In recent years the Department has focused on becoming more effective by identifying, prioritising and implementing those projects that will achieve the greatest gains nationally. Prioritisation decisions are informed by 50-year prescriptions, which specify the actions and associated costs required to address significant threats to species and restore ecological health at sites. Information is managed geo-spatially, using the Zonation prioritisation programme.

The Department has used this method of analysis to rank sites for management, to restore a full range of terrestrial and freshwater ecosystems. DOC is currently identifying species within the top ranked sites in order to gain cost-efficiencies by managing sites as part of a prescription's implementation. Because we do not know enough about many species to manage and monitor them successfully, the Department is progressively assessing New Zealand's 2800 threatened species. To ensure the species most under threat are protected urgently, critically-threatened species are being assessed first and prioritised for further research or information gathering. To facilitate this, the intention is to harness both internal and external expertise.

Within the next 4 years, the target is to manage to standard the highest priority 500 terrestrial, freshwater and marine prescriptions and, wherever possible, to actively conserve the species at those places. This will ensure New Zealand retains healthy examples of nearly all ecosystem types and ensures the long-term survival of at least 250 to 300 threatened species. Additional threatened species will be managed outside of these sites.

DOC is currently implementing or partially implementing over 400 ecosystem prescriptions. The focus for the next 4 years will be on shifting effort to the highest ranked (and best value for money) prescriptions, improving the quality of prescription content and ensuring that the necessary actions are undertaken to achieve a healthy, functioning state. This does not necessarily mean managing all threats at a site – we are investigating ways to calculate thresholds for achieving ecological health so we know what activities to undertake and how often, and when to stop additional actions because of the decreasing return on investment. Using electronically-captured multi-year prescriptions also makes it easier for DOC to stagger its interventions to smooth out 'bumps and hollows' in expenditure over several years.

The Department's information systems show that 80% of the total costs of interventions are contained within just 20 activity groups, which provides opportunities to fine tune these groups. It also wants to reduce the variability of costs for the same activity.

A barrier to the achievement of full terrestrial representation is that some rare and threatened ecosystems are located on stewardship land (which offers less protection) or are outside of public conservation land, including on private land. A multi-year plan for re-categorising the protection status of stewardships lands with high conservation values will help turn performance around in this area. Building partnerships with Treaty partners, whānau, hapū and iwi, councils, private land owners and others is critical. An important step is to complete the mapping of all rare ecosystems.

### ***Protecting and restoring a wider range of freshwater and marine ecosystems***

Many freshwater and marine ecosystems are located outside of public conservation land or Marine Protected Areas (MPAs), which requires a collaborative approach to protect and restore them. In the marine environment, the focus is on MPA implementation and legislation reform to develop a network of MPAs through collaborative processes involving whānau, hapū and iwi, communities and businesses. In the freshwater environment, the focus is on contributing to the freshwater reforms led by the Ministry for the Environment under the National Policy Statement for Freshwater, and supporting freshwater ecosystem restoration projects such as the Living Waters programme with Fonterra.

DOC is working closely with other NRS agencies in critical areas like freshwater reform and is contributing to a whole-of-government work programme on freshwater management, including supporting collaborative freshwater planning initiatives led by regional councils. It is conducting research and management trials to improve outcomes for indigenous freshwater species. A particular priority is to protect wetlands of national importance and rivers with high conservation values.

The Department works to encourage the protection of freshwater ecosystems located in other countries on which our own threatened species rely and also to meet New Zealand's international obligations. For example, the Department is developing strong relationships with the Government of China to help it protect waders like godwits which have feeding grounds in the Yellow Sea as well as in New Zealand. Through work led by the Ministry of Foreign Affairs and Trade, DOC also contributes to a joint New Zealand and United States initiative to establish protection in the Ross Sea.

New Zealanders value their marine environment for the wide range of benefits it provides. DOC will lead work to develop a National MPA Implementation Plan and new marine protection legislation which provides for a wider range of Marine Protected Areas, from no-take Marine Reserves to Recreation Fishing Parks, Species-Specific Sanctuaries and Sea Bed Reserves. The MPA Implementation Plan and MPA legislation will provide communities with the tools to develop and establish protection for a wider range of marine ecosystems in their local region. This is particularly important because the current grouping of marine protected areas encompasses only a small proportion of ecosystem types. At the same time, DOC will continue working with the Ministry for Primary Industries (MPI) to implement the Marine Protected Area Policy and to achieve the Government's goal for a comprehensive network of MPAs around New Zealand. An MPA planning process is already underway in the south-east South Island, from Timaru to Waipapa Point, and two more processes have been completed within the period of the 2005 MPA Policy and Implementation Plan.

### ***Protecting nationally iconic places and species***

New Zealanders attach a high level of value to 'big' landscapes and landscape features and to species like kiwi and kākāpō. The Department will continue to clarify with communities and in particular with whānau, hapū and iwi which places and species hold these values for them and how they want to see them managed.

Another example of a nationally-iconic species is the kauri. This special status is reflected in the Government's response to threats to the tree (kauri dieback) and in plans to create a kauri national



park at Waipoua Forest. The new national park will also help grow tourism and a stronger regional economy in Northland.

### ***Increasing the area of land under pest management***

Because pests like possums and wilding pines are major threats to New Zealand's biodiversity, DOC invests the majority of its natural heritage resources in pest control activities, including those focused on preventing new biosecurity incursions. Frequently, DOC shares the costs of this work with other agencies and communities.

The Department is committed to increasing the area of land being managed for pests, often through partnerships. The new service delivery model removes historic geographically-based administration barriers and allows us to more easily and cost-effectively design and implement pest control operations over large landscapes. This was tested with the launch of New Zealand's Battle for our Birds,<sup>6</sup> in which DOC, Project Janszoon, Tbfree NZ and others acted rapidly to prevent species losses resulting from a beech-seeding event.<sup>7</sup>

Important pest control and bio-security initiatives over the next 4 years are:

- Working with existing and new partners to slow biodiversity decline over large landscapes, seeking to further improve the cost-effectiveness of current pest control methods while investigating innovative new methods.
- Increasing the aerial 1080 treatment programme by 50,000 hectares per year over 5 years to take advantage of the fact that this is currently the most cost-effective form of animal pest management over large areas.
- Working with central government agencies, regional councils and community groups to implement an agreed strategy to control wilding conifers. Conifers in this category now occupy about the same area as commercial forests; they affect biodiversity and landscape values, reduce the capacity of farmlands and affect water quality and quantity.
- As part of a joint agency response, managing the spread of kauri dieback, primarily through a range of visitor behaviour changes, including the upgrade of tracks, construction of boardwalks, and installation of hygiene stations. The Department has been allocated an additional \$21 million to undertake its share of this work.
- Working with the Ministry for Primary Industries (MPI) and MfE to develop a national instrument under the Resource Management Act 1991 to reduce consent costs for 1080 operations (which can be up to half the cost of an operation) while still ensuring that operations are safe and meet relevant requirements.
- Continuing to lead a multi-agency effort to eradicate the great white butterfly in and around Nelson. This introduced pest threatens endangered native cresses and brassica crops (home and commercial) and successful eradication would be a world first.

Because animal populations can build up aversion if the same tools are used repeatedly, the Department has an ongoing development and improvement programme for pest control tools and techniques, often working in partnerships. This includes a self-resetting trap and the development of more effective lures, which continue to be refined. With partners, the Department is investigating 'remove and defend' tools and techniques that aim to eradicate pest populations within an area and then create barriers to prevent their return, so reducing the cost of ongoing pest control.

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<sup>6</sup> More information on Battle for our Birds is found [here](#)

<sup>7</sup> For more information on Project Janszoon and Tbfree NZ, visit [www.janszoon.org](http://www.janszoon.org) and [www.tbfree.org.nz](http://www.tbfree.org.nz) respectively.

### ***Monitoring and reporting on biodiversity***

The Department will continue its national biodiversity monitoring and reporting programme. Now in its 4th year of progressive implementation, the information provided by the programme is already contributing to MfE and Statistics New Zealand environmental reporting and will increasingly be used to inform business choices. Currently focused on the terrestrial environment, the programme will broaden to cover freshwater and marine ecosystems, where possible in partnerships. In order to do this, we will continue to develop indicators of the ecological integrity of freshwater and marine environments.

The Department will also continue to review and refine existing monitoring of the results of conservation actions in order to ensure that the investment is fit-for-purpose and cost-effective.

The outputs of biodiversity activities undertaken or resourced by partners will increasingly be recorded and reported through mechanisms like the DOC Annual Report. New tools will be developed so partners can contribute their monitoring information to build a more comprehensive New Zealand natural heritage story.

Sound management of the natural environment delivers ecosystem services that provide a wide range of benefits which underpin New Zealand's prosperity, including quality freshwater, fertile soil, flood protection, food, and medicine and other cultural materials. The proposed New Zealand Natural Capital Assessment, a cross sector initiative to which DOC is contributing, will assess the state, trend and value of the ecosystem services derived from New Zealand's natural capital for the first time.

### ***Managing natural heritage information***

The Department has a leadership role in managing biodiversity information for the government sector. As part of an agreed sector approach, different agencies take responsibility for hosting components of biodiversity data, which are then made available to others. For example, DOC's vegetation data are stored in the National Vegetation Survey databank, which is managed by Landcare Research. An interim database is providing improved data security for components of the rapidly increasing volume of information being collected as part of the annual monitoring and reporting programme, such as animal monitoring data. However, DOC is seeking a long-term solution for storing this information so it can be managed better and shared more easily.

DOC is focusing on capturing accurate data in the field using mobile devices that are less expensive than those used previously and so can be made more widely available to staff and others. A whio/blue duck data capture application and a new spatially-enabled application for recording and reporting on weed management are already in use by field staff. Further information management tools will be guided by a strategy that outlines priority applications.

To assist collaborative marine planning, DOC and others have developed a web-based marine mapping tool called SeaSketch that provides stakeholders with a cutting-edge platform to map out how they value and use the Hauraki Gulf. SeaSketch is also being used to assist the South-East Marine Protection Forum initiated recently by the Minister of Conservation.

### ***Supporting innovation***

Science, research and innovation are critical to achieving more efficient approaches and productivity gains in conservation. Staff have been influential in developing many of the National Science Challenges and will continue to participate in a positive way in future, particularly in the New Zealand Biological Heritage, Sustainable Seas, Deep South and Resilience to Nature challenges, and possibly the Land and Water challenges.

## ***Adapting to climate change***

A challenge for DOC is to respond to the adverse impacts of climate change on New Zealand's natural heritage (as well as our historic heritage and recreational facilities). The ice volumes in the Southern Alps have already declined dramatically, and further direct adverse impacts are expected, particularly in alpine, freshwater and coastal ecosystems. Other adverse indirect impacts are also expected, eg the establishment and spread of invasive pests advantaged by a warming climate; mitigation and adaptation activities such as increased water abstraction for irrigation and hardening of coastlines for storm protection; and increased fires. In addition to responding to direct impacts (eg of storm surges and fires), the Department will ensure that climate change impacts are accounted for in conservation planning.

### **Trade-offs**

- As every partnership requires some level of resource from DOC, the Department must ensure that these initiatives deliver strong biodiversity outcomes while still providing value for the partner.
- The Department must find the right balance between funding delivery of the work and funding the monitoring required to understand how effective it was and what outcomes it achieved.
- With the tight fiscal situation, the Department increasingly has to choose between activities that provide more direct returns or are urgent new priorities, and the less visible research and development required to provide potentially transformational returns in the longer term.

### **Risks**

- Sometimes the Department cannot support its partners' proposals (eg when a translocation proposal is not in the overall best interest of a species) and this can result in disappointment and fractured relationships. The Department will manage this risk by becoming more strategic about management of sites and species with input from Treaty partners and others. The Department will also ensure that sufficient capacity is available to provide technical advice to help partners develop proposals aligned with conservation priorities and best practice, and using robust and transparent approaches to assessing proposals.
- It may not be possible to protect and restore enough examples of some types of rare and threatened terrestrial, freshwater and marine ecosystems because they are primarily located on stewardship land (which offers less protection) or are outside of public conservation land or marine protected areas.

## **Our history is brought to life and protected**

Our heritage defines our nation and identity. Once gone, it is lost forever – so we must look after what survives and do it now, often on behalf of those who are too young to realise its value. New Zealand's built heritage is especially vulnerable and non-renewable, and successful management is a challenge. The decisions DOC makes have to balance loss, protection and likelihood of success to ensure New Zealand's heritage continues to inform and enhance our identity as individuals, communities and as a nation.

New Zealand has a rich Māori and European history, with important sites and structures located across the landscape. Working with others, DOC brings this cultural and built heritage to life by restoring and highlighting these sites and providing a rich range of opportunities for people to engage with New Zealand's culture, history and identity. This contributes to our well-being through improved social connectedness, health, identity and employment in tourism services.

The Department manages the largest proportion of historic heritage in New Zealand. There are over 13,000 known archaeological and historic sites recorded on public conservation lands. This includes farms, buildings, bridges, roads, tracks, pā sites, lighthouses, huts, railways and government buildings, which all have special historical and/or cultural value.

Historic heritage is of particular cultural significance to whānau, hapū and iwi. As part of giving effect to the principles of the Treaty of Waitangi, the Department manages places significant to whānau, hapū and iwi in partnerships at the local level. Whānau, hapū and iwi often have a distinctive relationship to place, landscape and narrative that, where appropriate, is acknowledged and interpreted.

Consulting with communities, and encouraging their participation in heritage management and storytelling, is key to sustaining heritage values. The Department is actively seeking opportunities to engage a more diverse range of people in historic heritage conservation. In particular, DOC will increasingly focus on working with others – especially whānau, hapū and iwi – to develop meaningful stories about heritage places and to share these stories in memorable ways. To succeed we will need to build the capability of our staff and the people we work with to enable them to bring their stories to life.

### **Effective use of resources**

The historic heritage sector is relatively small, and effective use of resources across the sector is vital to ensure collective national priorities are achieved. DOC works closely with Heritage NZ and the Ministry for Culture and Heritage on strategic and national projects where there are common goals.

Given the range and extent of historic assets managed by DOC and other government agencies, it is important that a cross-agency response is taken to the prioritisation of resources for earthquake strengthening of built heritage. For DOC this is particularly important with Turnbull House in Wellington, which is still closed because of earthquake damage.

### **Managing and protecting historic and cultural heritage**

The Department has three management categories for historic heritage – Historic Icons, Actively Conserved Historic Places, and Protected Historic Places.

- *Historic Icons* are nationally significant, high profile places that make a significant contribution to the tourism industry. DOC is extending the Historic Icon network from 20 to 25 sites. It will continue to improve visitor experiences, working where possible with whānau, hapū and iwi, regional tourism organisations, concessionaires, heritage interest groups, local communities and others.
- *Actively Conserved Historic Places* warrant active conservation because of their high heritage and/or visitor value. Just over 600 sites are identified for active conservation, helping to ensure a representative range of heritage is conserved for generations to come.
- *Protected Historic Places* include all known historic places on public conservation lands, most of which are archaeological sites. There are more than 13,000 of these sites recorded in the ArchSite database owned by the NZ Archaeological Association, which is administered and managed by DOC. We will continue to assess, provide advice on and, if required, seek to change proposals that might adversely affect this heritage.

DOC's challenge is to maximise the protection of historic sites and to provide access and meaningful experiences for visitors. This means making informed choices about how and where to apply resources to protect and deliver what stakeholders and the public want. To support this, DOC is drawing on the Destination Management Framework, used for prioritising recreation management,

and is embedding this approach at regional and site-based levels through statutory strategies and plans.

Historic heritage is a fragile and non-renewable resource. Climate change-induced weather events and coastal erosion are increasingly threatening heritage sites and assets. Rising sea levels pose the greatest threat to coastal archaeological sites. DOC will take this vulnerability to natural events into account when prioritising its work programme.

DOC has a very good understanding of the history and physical characteristics of places but has to learn more about the way that people connect to, or want to connect to, these places so that it is better able to provide experiences that engage visitors. With the potential for establishing partnerships unknown for most sites, DOC will be working with others to identify how they could be engaged. This may be through sponsorship or volunteer work or opportunities available through the Community Conservation Partnerships Fund.

DOC uses life-cycle management models to establish long-term cost projections which underpin the heritage management programme and is developing a standard fabric monitoring framework to support systematic management of heritage sites.

Other significant improvement activities include standardising the asset inspection programme, developing risk management planning tools for historic values and progressively implementing monitoring and reporting of DOC's work and the contribution of others.

DOC is creating new tools, systems and processes to support staff and to help others to take responsibility and ownership of historic work. Sound asset management practices are supported by the DOC Asset Management Information System (AMIS) and the Asset Management Plan (AMP), which are being enhanced to provide decision-making and reporting functions. There will also be work to clarify and communicate roles and responsibilities and to identify and address specific skill/capability needs across the organisation. One key need is to engage people in the technical aspects of our heritage management.

Taking a customer-focused approach to heritage site management requires a further shift in the attitude of destination managers and more information about people's preferences to inform decision-makers. This includes being aware of knowledge gaps about the value New Zealanders hold for their heritage, understanding demand, and establishing an informed response to emerging markets. Building on this information, there is a need to grow our skills in communicating and engaging people effectively with New Zealand's heritage.

## **Opportunities**

Making the past meaningful for people in the present will ensure their support for protection of our heritage into the future. This requires growing the knowledge base of how to most engagingly bring the country's history to life for New Zealanders and tourists. One imminent opportunity to profile New Zealand's colonial history is the 250th anniversary (in 2019) of James Cook's landing in New Zealand. This story intrinsically connects New Zealanders to an important aspect of their national identity.

Heritage management in New Zealand is a major focus for DOC, the Ministry for Culture and Heritage, and Heritage New Zealand. A more coordinated approach to policy and site protection between these agencies will ensure a more targeted approach to heritage conservation, and deliver more value for New Zealanders. A key focus is looking at earthquake-prone heritage assets.

### **Trade-offs**

- There are not the resources to protect from harm the fabric and formations at all 13,000 sites. The trade-off is the choice between sites where fabric protection is undertaken and those that are left to decay through natural processes.
- DOC cannot protect all historic sites so must decide which ones to invest in, which ones to encourage others to invest in, and which ones to provide a minimum level of management (eg recording location and general physical state and possible threats).
- The discipline of heritage management focuses on cultural heritage value and cultural heritage significance.<sup>8</sup> The values and significance may vary depending on who is being asked, and decisions need to balance what is important because of how unique it might seem with what is important because of how appealing the place might be.

### **Risks**

- Increasing costs of managing the current network of actively managed sites will reduce the resources available to bring them to life and/or provide protection.
- Climate change-induced weather events and coastal erosion are increasingly threatening heritage sites and assets.
- The nature of work by third parties at heritage places may not be sufficient to ensure they are protected.

### **Historic heritage intervention approach**

The table below describes the Department's approach to the three different management categories for historic heritage.

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<sup>8</sup> See ICOMOS New Zealand Charter 2010 p2 [http://www.icomos.org.nz/docs/NZ\\_Charter.pdf](http://www.icomos.org.nz/docs/NZ_Charter.pdf)

## Historic heritage intervention approach

	<b>Icons</b> Selected on the potential to bring history to life, these are New Zealand's best places to tell great stories about Kiwi identity, grow tourism, and generate economic benefits (20 sites)	<b>Actively Conserved Historic Places</b> Historic places that warrant active conservation because of their high heritage value and /or visitor value (607 sites)	<b>Protected Historic Places</b> All known historic places on Public Conservation Lands, most of which are legally protected archaeological sites (13,000+ sites)
<b>Management driver</b>  ↓	Network state Highly interesting heritage places are identified and heritage fabric is restored and stable, but potential to bring history to life is unfulfilled.  Action(s) Increase understanding of what will best bring history to life, and maintain fabric stability	Network state Insufficient knowledge of heritage value, fabric condition, and potential to bring to life  Action(s) Understand better the relevance of value, fabric, and bringing history to life	Network state Assess, advise, and if required revise proposals that adversely impact on heritage  Action(s) Maintain approach
<b>Optimised protection/investment</b>  ↓	Network state Selection considered reasonably representative  Action(s) Ensure representative selection of sites and maintain as visitor-driven heritage, and explore the addition of five additional places	Network state Wide-ranging selection of types of heritage is protected, but not sufficiently prioritised  Action(s) Continue progress to understand heritage value, maintain fabric, and bringing history to life	Network state All eligible for protection from avoidable harm, and some legally protected under HNZPT  Action(s) Undertake Assessment of Environmental Effects (AEE) investigation, and continue to protect from harm
<b>Work with others</b>  ↓	Network state Partnership potential not fully realised  Action(s) Do more with concessionaires, communities, and heritage interest groups	Network state Partnership potential not realised  Action(s) Identify potential key partners, and work more with communities	Network state Opportunity-driven only  Action(s) Maintain opportunity-driven conservation action
<b>Quality</b>  ↓	Network state Quality experiences not yet provided across the network  Action(s) Develop and maintain engaging experiences at those places currently falling short of visitor expectation, part of which is to maintain basic integrity at a high standard	Network state Heritage fabric largely deteriorating, with on-site experiences falling short of visitor expectations  Action(s) Address highest priority maintenance tasks, and progressively improve the visitor experience at places of highest potential	Network state AEE capacity is under-resourced  Action(s) Improve AEE capacity and staff capability, provide better access to heritage data, and promote tools
<b>Awareness and Marketing</b>  ↓	Network state Not sufficiently marketed to New Zealand and international tourists  Action(s) Market to holiday-makers, and identify corporate sponsorship opportunities	Network state Current level of marketing considered fit-for-purpose, yet insufficient basic public awareness of heritage  Action(s) Progressively provide core information online =(and other for-for-purpose media)	Network state Not a priority, with current level considered fit-for-purpose  Action(s) Maintain approach, and increase intra-agency awareness
<b>Evaluation</b>	Network state Understanding of outcomes considered fit-for-purpose  Action(s) Maintain current measures	Network state Evaluation of fabric condition considered insufficiently standardised, and demand is insufficiently understood  Action(s) Develop/maintain fabric monitoring framework, and explore demand evaluation framework	Network state Framework not considered sufficient to provide transparency  Action(s) Explore fit-for-purpose framework

## New Zealanders and our visitors are enriched by outdoor experiences

Outdoor experiences enrich the lives of New Zealanders. Nearly three quarters of adult New Zealanders are visiting public conservation land at least once every year to walk, bike, tramp, hunt, sightsee or enjoy other activities, often with family and friends. Having these types of experiences contributes to their improved health, relationships and general wellbeing.

For example the health benefits of cycling are valued at \$1.30 per cyclist/km and \$2.70 per walker/km for each new participant.<sup>9</sup> Using this ratio, it is estimated that the recent development of the Hakarimata Summit Track in Ngaruawahia, a comparatively short track, generates approximately \$45,000 per annum in additional savings to the New Zealand health budget.<sup>10</sup>

The 1,250 concessionaires who provide outdoor experiences on public conservation lands and waters are estimated to contribute more than \$320 million annually to the New Zealand economy.<sup>11</sup> In addition, public conservation lands are a significant backbone of the tourism industry in New Zealand.

The Department manages a network of 14,000 kilometres of track, 977 huts, more than 1,900 toilets, 485 camping areas, and safety and information services. 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.

DOC's recreation work aims to enrich the lives of people through outdoor experiences. However, New Zealand society is changing and as a result the current network is becoming less aligned with where people live and how they want to enjoy the outdoors. The Department's challenge is to re-align its network from the very widespread investment pattern, and create more accessible places that match current demand and meet future needs by making incremental changes as resources and opportunities allow.

Because these changes will impact on some traditional users, success will require being responsive to community and stakeholder needs and on building partnerships that will deliver services, such as the maintenance of visitor assets in backcountry locations.

### Four investment profiles

DOC's investment in its network is guided by the Destination Management Framework,<sup>12</sup> which identifies four investment profiles:

*Icon sites* are developed to support the growth of domestic and international tourism. The Department's current Icon network is considered fit-for-purpose, so the priority is to maintain the infrastructure while implementing a long-term programme of upgrades, refurbishing four destinations over the next 4 years. The partnership potential of Icon sites is not yet fully realised. The

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<sup>9</sup> NZ Transport Agency 2013: Economic evaluation manual. NZ Transport Agency, Wellington, p.223-225.

<sup>10</sup> This is based on New Zealanders walking the Tongariro Alpine Crossing, and excludes international visitors.

<sup>11</sup> Based on the contribution of Nature Reserves and Conservation Parks to New Zealand's GDP (see Dalziel, P. 2011: The economic and social value of sport and recreation in New Zealand. Research Report No. 322. Lincoln University, Lincoln, p.39. Statistics New Zealand 2013: Tourism satellite account: 2013. Wellington: Statistics New Zealand, p.14-16. [www.stats.govt.nz/browse\\_for\\_stats/industry\\_sectors/Tourism/tourism-satellite-account-2013.aspx](http://www.stats.govt.nz/browse_for_stats/industry_sectors/Tourism/tourism-satellite-account-2013.aspx))

<sup>12</sup> For more information on the Destination Management Framework, see <http://www.doc.govt.nz/Documents/about-doc/role/policies-and-plans/cms/dmf-overview.pdf>.



primary opportunity is to work with concessionaires and regional tourism organisations to build market share, and assist each other in maintaining the quality of customer services. Growing visitation requires an emphasis on marketing and engaging with concessionaires and others who share an interest in tourism and economic development. DOC will maintain current measures to evaluate the outcomes.

The aim of *Gateway sites* is to connect more people to the outdoors. In light of New Zealand's changing population patterns, we need to better understand the interests and motivations of new migrant groups, older people, how to meet the needs of families, and those rarely participating. Some parts of the network are unappealing or difficult to get to. Improving our understanding of people's needs will help identify places best suited to meet demand. The Department will develop infrastructure to make these places feel safer and more welcoming, and work with others to remove barriers, making it easy for school groups and families to visit and enjoy. Currently marketing is not targeting these primary customers, so we will have to also focus on promoting the use of places in people's home regions. Our research will focus on identifying potential visitors, their preferences, and the degree to which they gain the intended benefits of being connected to the outdoors.

*Local treasures* will be managed to grow community connection with, and use of, their locally important places. Currently the Department lacks knowledge of customer needs, so the focus is on understanding more about the places special to communities, the values they attribute to them, and which places are important to local businesses and tourism providers. The approach is to engage with communities to identify those places they value most, and jointly decide how these places should be managed and how each community can be involved. Marketing will focus on tourists seeking the 'local' experience. Addressing our knowledge gaps about community aspirations, and ways to evaluate outcomes, are priorities.

The *Backcountry network* will be managed in a way that attracts a wider range of visitors and to increase the use of these special places. A large number of these Backcountry places have are little used but have high operating costs. Improving affordability will require a reduction in the overall size/standard of the Backcountry network and growing the contribution of stakeholders to the management of these places. DOC will continue to work with these groups to enable and grow their input and will also explore the potential to reduce service delivery. As Backcountry destinations are reasonably well marketed, they will not be a marketing focus. Understanding potential visitor preferences is essential if we are to grow use of these places.

Over the past 4 years, use of Visitor Centres has been steadily declining.<sup>13</sup> Understanding tourism trends, the customer journey and how visitors want to receive recreation information needs to be further understood. This will help to guide investment decisions in DOC Visitor Centres and across other channels.

The safety of visitors is crucial and to facilitate this DOC provides facilities and services to support visitors. The Department's restructuring and new operating model, particularly the development of community-based partnerships, requires new visitor safety systems. We will develop systems that engage the wider community in safety services, and ensure that facilities are safely situated in accordance with the predominant visitor group, that visitors are informed of the hazards/risks present and have the level of skill and competence required to cope with these risks.

To inform decision makers, a customer-focused approach to destination management requires more information about people's preferences. This includes being clear about knowledge gaps regarding understanding of demand, and establishing an informed response to emerging markets. The asset

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<sup>13</sup> Nielsen Company 2014: *Annual Survey of New Zealanders*, p.36. Report prepared for the Department of Conservation. The Nielsen Company, Wellington.

management tools (AMIS and Recreation and Historic Asset Management Plan) provide a strong platform for a more systematic and effective approach to managing the recreation network. More focus should now be applied to use of these tools, and growing the knowledge of managers to use these tools for planning and delivery.

### **Opportunities**

- Working more within the wider recreation and tourism sector.
- The recreation and tourism opportunities managed on public conservation lands are part of a very wide and varied offer for leisure and challenge seekers in New Zealand. Coordination within the relevant sectors (outdoor recreation and tourism sectors in particular) could be more deliberate. Points of focus could be facility provision and asset management, marketing and community engagement.
- Working with the New Zealand Transport Agency to grow the co-management of DOC's public roads, notably where these provide access to Icon and Gateway destinations.
- Implementation of the Inspiring Experiences programme to better develop three tourist attractions (Waipoua Forest, Bowen Falls at Milford Sound, and Cathedral Cove in the Coromandel).

### **Trade-offs**

A key challenge for DOC is to get a good balance in opportunity provision across the investment profiles, already described above. While very much a simplification of the situation, a greater focus on high quality Icon and Gateway destinations means a reduced focus on Local Treasures and the Backcountry. A greater focus on research to understand demand and on providing information about opportunities will mean some reduction in overall facility provision or maintenance.

### **Risks**

- Not delivering operational efficiencies within the new structure.
- Losing community and stakeholder/partner support if unable to demonstrate a strong commitment to good facility management.
- Adding to issues that compromise New Zealand's reputation as a desirable adventure tourism destination if visitor safety is not well managed.
- High-country tenure review continues to grow the amount of public conservation land under management and associated recreation opportunities. However these are accessible to few New Zealanders, and add cost to an already stretched recreation budget.
- Critical programmes involving highly complex social and technical challenges (eg the kauri dieback initiative) carry a high level of dependency on third parties meeting their obligations, and on the Department's capability to deliver very complex programmes of work.

The table below describes the approach being taken to the four different categories for recreation management.

## Recreation intervention approach

	<b>Icons</b> New Zealand's national outdoor treasures, and the best places to grow tourism and generate economic benefits (55 destinations)	<b>Gateways</b> The best places to introduce the next generation, and grow family participation, and confidence in the outdoors by making visitors feel safe and places welcoming (115 destinations)	<b>Local Treasures</b> The places that local communities identify with and cherish as their own, enabling greater community ownership, and contributing to local tourism (270 destinations)	<b>Backcountry</b> A unique outdoor 'adventure playground' that empowers a wide range of people to be self-reliant and 'at one with nature', also enabling greater stakeholder ownership and contributions (225 destinations)
<b>Customer need</b> ↓	Network state Considered sufficient to understand customers. Action(s) Maintain our understanding of what people want	Network state Understanding considered not sufficient in regards to NZ's changing population pattern and accelerating ethnic diversity Action(s) Understand more the interests/motivations of new immigrant groups	Network state Network not considered to meet this need Action(s) Understand more which places are special to communities, the values they attribute, and what they want to see, and those important to local tourism providers	Network state Network increasingly unaligned due to changes in demography and activity preferences Action(s) Better understand the effects of changes to NZ population and the activities they enjoy
<b>Optimised investment</b> ↓	Network state Network considered fit-for-purpose Action(s) Maintain current infrastructure, and start long-term initiative of upgrades at four places over next 3 years	Network state Parts of the network are well located and appeal to people while other parts are not Action(s) Locate and upgrade those close to urban populations, and ensure that places feel safe and welcoming	Network state Network unlikely to enable greater community partnerships and contributions Action(s) Identify those places communities identify with and cherish, and once identified, decide jointly what they should look like	Network state Large number of places have a comparatively low use Action(s) Reduce overall size of the network, and open PCL to new user groups (eg 4x4 enthusiasts)
<b>Work with others</b> ↓	Network state Partnership potential not fully realised Action(s) Work more with concessionaires, (because they share our interest in meeting customer demand)	Network state Network not considered to meet this need Action(s) Work with those able to make it easier for school groups and families to enjoy these places, ie remove barriers	Network state Lack of understanding of the places valued Action(s) Engage with communities to identify the places they treasure, secure their involvement, and make them own these places	Network state Increasing focus on establishing stakeholder ownership Action(s) Continue finding stakeholders to take ownership and contribute
<b>Quality</b> ↓	Network state Places considered to meet visitor expectations Action(s) Maintain quality of visitor expectations and customer service provided	Network state Network not considered to meet this need Action(s) Establish fit-for-purpose management	Network state Network not considered to meet this need Action(s) Establish jointly what these special places should look like and how to provide them to an appropriate standard, and to share know-how supporting community contributions	Network state Network possibly over-delivering in terms of quality of facilities provided Action(s) Explore potential to reduce quality of facilities, what maintaining fit-for-purpose network that provides primary facilities
<b>Marketing</b> ↓	Network state Not sufficiently marketed to holiday-makers Action(s) Work jointly with concessionaires and RTOs to focus promotion on holiday-makers	Network state Marketing not sufficiently targeting the primary customer group Action(s) Focus on markets most likely to access these places, ie families and people enjoying the outdoors in their home regions	Network state Communities and independent travellers not considered an important marketing target Action(s) Connecting people with places via focus on community partnerships and tourists seeking the 'local' experience (staying that extra day)	Network state Not a marketing focus Action(s) Little required in order to provide those enjoying the backcountry with necessary information
<b>Evaluation</b>	Network state Understanding of outcomes considered fit-for-purpose Action(s) Maintain current level of measures	Network state Framework not considered to provide understanding required Action(s) Develop new methods allowing a more nuanced evaluation of intervention outcomes	Network state Framework not considered to meet this need Action(s) Explore/develop new methods allowing a more nuanced evaluation of intervention outcomes	Network state Framework not considered to meet this need Action(s) Explore new methods allowing a more nuanced evaluation of intervention outcomes

## Managing visitor assets: The recreation and historic heritage challenge

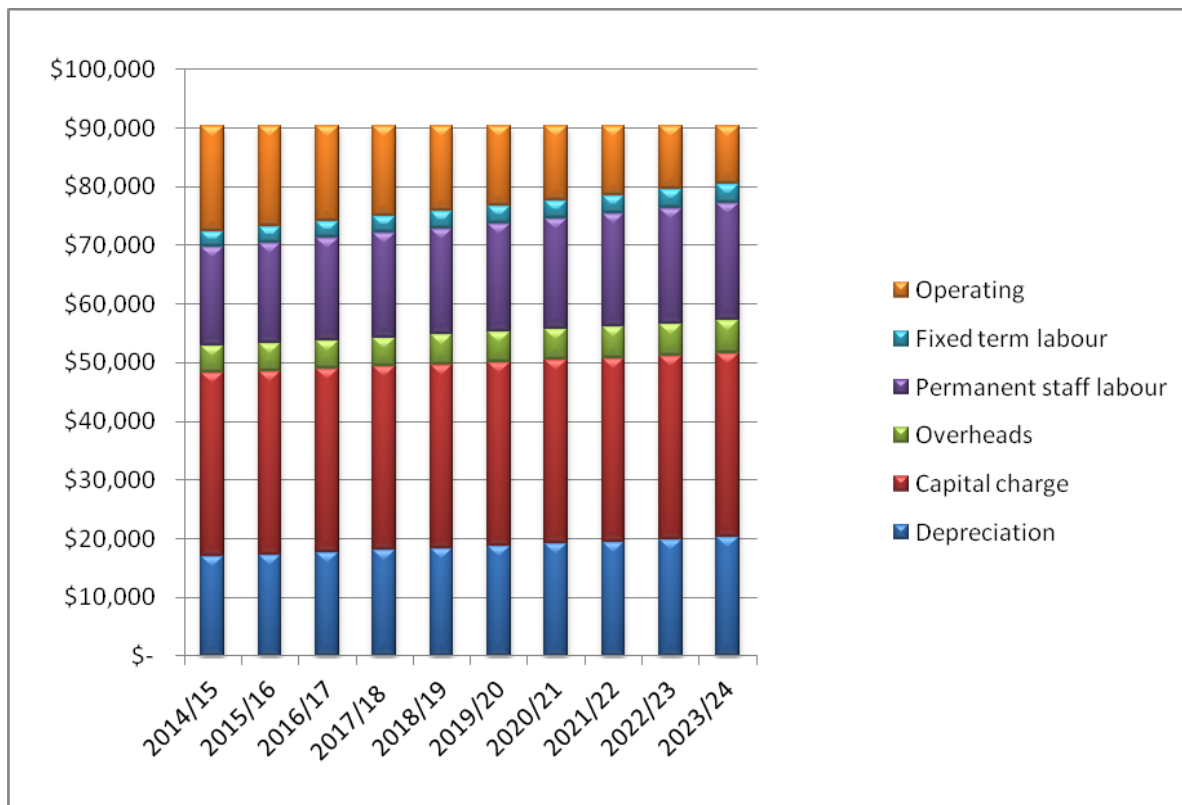
DOC manages an extensive network of visitor facilities with a net book value of \$365m and an annual maintenance expenditure of \$49 m (direct costs only including staff time), or 13% of the asset value. DOC's AMP sets out all asset costs and enables the Department to prioritise the level of capital investment in order to best manage lifecycle costs. The Department is gradually moving from the asset supply-based delivery model it has used for 25 years to a customer-focused site-based model that can respond to changing demand.

The Department has completed multi-year site-based management prescriptions for its 659 visitor destinations. With the total costs averaged (annualised over 50 years), the prescription costs confirm a widening gap between the funding currently available and the amount required to maintain the current visitor network. This indicates that the Department cannot maintain the delivery of services to the current standard over the term of this Four-year Plan. In the current year DOC can deliver 90% of the required outputs but this will drop to 75–80% by 2018/19, assuming static funding levels.

The drivers of the shortfall are inflation and public/stakeholder expectations that the entire visitor network will be maintained to current standards and with the current level of facilities regardless of changing visitor demographics.

The following table and graph depict cost pressures on the proposed operating budget for 2015/16 and out-years based on a financial planning level of \$90.408m and a forecast of the likely effect of an (optimistic) inflationary increase of 2% per annum applied to depreciation and labour.

	Financial Year OPEX estimates (\$000)									
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
<b>Depreciation</b>	\$17,000	\$17,340	\$17,687	\$18,041	\$18,401	\$18,769	\$19,145	\$19,528	\$19,918	\$20,317
<b>Capital Charge</b>	\$31,300	\$31,300	\$31,300	\$31,300	\$31,300	\$31,300	\$31,300	\$31,300	\$31,300	\$31,300
<b>Overheads</b>	\$4,700	\$4,794	\$4,890	\$4,988	\$5,087	\$5,189	\$5,293	\$5,399	\$5,507	\$5,617
<b>Permanent staff labour</b>	\$16,750	\$17,085	\$17,427	\$17,775	\$18,131	\$18,493	\$18,863	\$19,240	\$19,625	\$20,018
<b>Fixed term labour</b>	\$2,700	\$2,754	\$2,809	\$2,865	\$2,923	\$2,981	\$3,041	\$3,101	\$3,163	\$3,227
<b>Direct</b>	\$17,958	\$17,135	\$16,296	\$15,439	\$14,566	\$13,675	\$12,766	\$11,840	\$10,894	\$9,930
<b>Total</b>	\$90,408	\$90,408	\$90,408	\$90,408	\$90,408	\$90,408	\$90,408	\$90,408	\$90,408	\$90,408



Last year’s organisational restructure introduced changes to reduce the predicted shortfall, including an assumed improvement in the efficiency of operational delivery. While the structural changes are now in place, many of the underpinning systems and processes – and the cultural shifts needed to support them – are not yet developed enough to achieve the benefits sought. In addition, the original assumptions about the efficiency, effectiveness and sustainability of the changes to support visitor asset management need further analysis as we gain experience with the new structure.

The Department has a programme of work underway to embed recent changes, as described in the Strategic Intentions section under *Transforming how we work*. In addition, we will:

- Continue to build the capability of key stakeholders to own and manage parts of the network
- Continue to re-shape the visitor network to better match current demand and future needs, making incremental changes as resources allow
- Develop a communications programme to better inform visitors and the New Zealand public of the network changes required in response to changing population and visitor demographics
- Develop additional business analytics capability for some activities.

# New Zealanders connect and contribute to conservation

DOC's new engagement and partnerships model, in place since September 2013, is strongly focused on achieving two interrelated outcomes:

- 1. *Connecting* New Zealanders to conservation and its social, cultural, economic and environmental values and benefits
- 2. *Shifting* our society towards taking personal responsibility for conservation and *contributing* towards it

The nature of these dual outcomes means that the engagement workstream not only enables conservation work (both on and off public conservation lands) but has ambitious outcomes in its own right.

It is now recognised that the support and delivery of DOC's outputs and outcomes in historic heritage, natural heritage and recreation depend on work in building New Zealanders' connection and contribution to conservation. This means that strategy, systems and performance information are at a much earlier stage of development compared to other parts of the organisation. It is a priority to take specific action in this area to ensure DOC has the right evidence-based approaches in place to meet future challenges and opportunities.

DOC uses the 'Engagement and Contribution Spectrum' model as a framework for planning, investing in and implementing its activity in building the connection and contribution to conservation. The aim is to ensure that both DOC and others are working right across the spectrum with targeted interventions at each stage. We will be carrying out work that inspires people to move from being uninvolved, unconnected and unskilled in conservation to those that value conservation and its benefits, to the extent that they commit to long-term independent contribution and action.

## Engagement and Contribution Spectrum model



## Connecting people to conservation

Over the past few years the percentage of New Zealanders who believe conservation is important has remained reasonably unchanged at around 80%<sup>14</sup>. In 2014 54% of those surveyed indicated they took some form of conservation action. This presents a significant opportunity to reach new audiences and

<sup>14</sup> Ibid.

build a deeper commitment to natural heritage, historic heritage, recreation and the values of New Zealanders. DOC will focus on:

- Developing the segment of the population that already recognises the importance of conservation.
- Providing opportunities and tools for participation, and skill- and knowledge-building (developing further within the ‘Inform and Activate’ stage and moving to ‘Consult and Develop’ in the Engagement Spectrum).

Education remains a key mechanism for connecting New Zealanders to conservation. Work between DOC, the Ministry of Education, the MfE and the NEXT Foundation is underway to develop a more strategic direction for the delivery of environmental education in schools. DOC will also seek to support education and conservation outcomes for teachers and schools by developing quality teaching and learning resources for experiential learning and growing advocacy and action. Community education will target both adults and young people and will concentrate on promoting behavioural change in local communities and its impact on conservation outcomes.

Conservation Management Plans, National Park Management Plans, and the reclassification of stewardship lands are formal engagement processes to consult with communities, interest groups, and whānau, hapū and iwi. These processes are our statutory ‘handshakes with communities’ about how public conservation lands should be managed. A more nationally consistent approach to formal consultation processes will be implemented over the next 4 years.

A healthy environment plays a fundamental role in our social wellbeing and economic prosperity. Despite this there is still a poor understanding of the need to invest in the protection of our natural environment to ensure it provides the essential resources and services we rely on. Developing capability in telling the natural capital story and understanding the key audiences for whom valuing nature has the most relevance and who will gain the most from the value of benefits is a priority. DOC will work with other NRS agencies to develop compelling stories, promotional collateral, tools and resources that will build the relevance and understanding of valuing nature and its economic, cultural and environmental benefits to broader communities and to New Zealand’s current and future economic development prosperity.

Capability needs to be developed in better understanding the drivers, motivations and barriers that all New Zealanders have for connecting to conservation. Engagement training will provide staff with the skills to more deeply understand the use of the Engagement Spectrum and to form strategies and tactics to engage a broader range of people at all stages. A strong model of behaviour change applied consistently across the country is also necessary to successfully implement this area of work over the next 4 years.

### **Supporting others to contribute to conservation**

An important component of DOC’s engagement and partnerships model is to develop more customer-centric relationships and partnerships based on mutual benefit, where DOC leads, co-leads or supports others.<sup>15</sup> Ensuring that our partners gain value while contributing to optimal natural heritage, historic heritage and recreation outputs increases the awareness of the wider benefits of conservation and the partners’ importance to them. The existing partnership between DOC and the Department of Corrections demonstrates the skill-building and conservation gains that can occur from this value exchange. This partnership will continue to be developed across New Zealand.

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<sup>15</sup> These are the final three stages of the Engagement Spectrum discussed on page 49,

DOC has several mechanisms through which it will support its partners (and others) to achieve their visions and aspirations for conservation. Targeted support will be provided for priority community conservation work through the Community Conservation Partnerships Fund, and other funds. Work will primarily focus on understanding and increasing the value of our existing partnerships and relationships. Significant results have already been achieved through identifying and progressing large-scale initiatives (eg DOC's work with Project Janszoon).

Further work will be undertaken to harness partnership opportunities with the potential to transform outcomes for historic heritage, recreation and natural heritage. Priority will also be given to leading and supporting more initiatives working across Government or with a multi-stakeholder approach. This will help all involved to achieve common goals, by harnessing the resources and drive of several agencies and organisations (eg Nature Central) and the South East Marine Protection Forum.

DOC's primary partnership is with iwi through the Treaty of Waitangi and our obligations under Section 4 of the Conservation Act 1987. DOC recognises the exercise by whānau, hapū and iwi of their customary duty as kaitiaki over their natural and historic taonga according to tikanga, and by recognising and respecting mātauranga Māori conservation practices and associated cultural values.

There will be a focus on continuing to build healthy partnerships with Māori and meeting the Crown's obligations to Māori under Section 4 of the Conservation Act by applying the principles of the Treaty of Waitangi practically in our work. Giving effect to the Treaty will continue to progress our work in Treaty settlements and support a greater number of mātauranga Māori-based initiatives in partnership with whānau, hapū and iwi. The post-Treaty settlement environment is providing an increasing number of opportunities to work alongside whānau, hapū and iwi to co-manage projects or to support them in their own aspirations for conservation growth as kaitiaki.

DOC uses a wide range of statutory and non-statutory processes to engage with stakeholders and partners. Work has already started in developing a more customer-oriented approach to understanding the conservation values of others and improving systems and processes for more meaningful engagement. The Department will focus on:

- Understanding our stakeholders and partners, and their engagement needs
- The barriers that exist across all processes and how these can be removed or streamlined
- Understanding how some of our processes may contribute to or impede conservation growth

A strong need has emerged across customer types for effective and efficient online tools to make engagement with DOC easier. Treaty settlement statutory management plans scheduled over the next 4 years will provide collaborative platforms between DOC, communities and iwi including co-approval by Conservation Boards and relevant iwi. The 'Outside In' programme to review wildlife, research and collection authorisations is identifying customer needs across approximately 700 applications received per annum.<sup>16</sup>

With an increasing amount of conservation work being carried out in partnership or being led by others, the need to have people who are skilled in working with, influencing, and brokering relationships between others is a strong capability requirement for DOC. The greatest needs lie in the areas of relationship management skills, customer focused communication and in the planning and project management of conservation work, particularly in conjunction with others. Providing capability support through training, tools and resources for community organisations to increase their achievement of conservation gains will also feature heavily over the medium term.

More capacity is required for DOC to successfully meet its partnership obligations to tangata whenua and give effect to the Treaty of Waitangi. It is also a high priority for DOC staff to build capability in

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<sup>16</sup> Also discussed in Annex 1.



deeper knowledge of the responsibilities of Section 4 of the Conservation Act, mātauranga Māori and kaupapa Māori as it relates to supporting whānau, hapū and iwi in the kaitiakitanga of taonga.

Increasingly technology-savvy partners and customers are demanding DOC use effective and efficient online means of communication. DOC's internal and external systems and tools require more development or refinement to ensure we are operating as a customer-centric organisation with a clear focus on making it easy for others to work with us. The medium term priority is to implement a Customer Relationship Management system to manage DOC's engagement with current and future stakeholders and partners (including volunteers). DOC has a broad range of relationships including those with large national agencies and organisations (which often operate at a national and local level) as well as with local community groups. It is critical that these interactions are monitored to ensure a consistent and integrated face for engagement right across the organisation.

DOC needs to urgently introduce more meaningful and robust monitoring information to measure and understand performance in engagement. This information will meet government reporting requirements and serve as a base for more effective strategy and management decision-making.

DOC's immediate need is to identify how DOC's performance has impacted the community conservation sector – but also to improve community understanding of the value of their contribution to the sector. A capability gap exists in the use and analysis of data and evidence for decision-making, with a particular need for greater understanding of social science (human behaviour and psychology) and economic (investment and value) information.

To encourage use and uptake of this information for general business improvement both internally and externally DOC intends to deploy an online dashboard that those working in the conservation sector can use to enter and access information. This would also include a geospatial data layer. This information can then be used by DOC and the community to guide the prioritisation of relationships, partnerships and partnership projects; identify patterns in community conservation activity, potential gaps and networks; measure the value of return on investment in partnerships; and develop strong investment or funding cases.

Provision of more accessible online information supports Result 10 for Better Public Services.<sup>17</sup>

### **Trade-offs**

- The organisation's priority is to focus efforts on the contributions of others to achieve more conservation gains in historic heritage, natural heritage and recreation. However there is a trade off between the investment in this area and investment in connecting New Zealanders to conservation to ensure that there is a sustainable contribution to conservation in the long term.
- Delivering a more customer-focused approach to communities may require DOC to invest in community conservation initiatives that are not high priority for DOC, or that may not contribute towards long-term conservation growth.
- There are several high-priority statutory processes (Conservation Management Strategies, National Park Management Plans, Treaty Settlement Management Plans and the Reclassification of Stewardship Lands) that will require significant dedication of resources to advance over the next 4 years. As DOC does not have the resources or funding to progress all of these within the required timeframes, trade-offs will have to be made around those that are completed.

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<sup>17</sup> See [www.ssc.govt.nz/bps-results-for-nzders](http://www.ssc.govt.nz/bps-results-for-nzders)

## Risks

- The more partnerships DOC leads, co-leads or supports, the greater the expectation that DOC will be expected to invest in those partnerships to achieve outcomes for natural heritage, historic heritage and recreation. While these outcomes may produce greater conservation gains, the level of funding available for investment is declining – and therefore the scale of partnership activity to support other outcomes across the organisation may not be sustainable.
- Unlike other areas of DOC the engagement workstream relies heavily on the resources and investment in people. There are minimal efficiency savings to be made (particularly in the medium-term) as DOC continues to prioritise efforts to improve capability in delivering a more customer-centric engagement model. Coupled with increasing customer interest in using online tools, there is a risk of not having the capacity to fully and effectively support the engagement needs of outcomes across DOC as well as the community.
- While DOC's engagement and partnerships model is still at an early stage of development, work in this area has traditionally been without a strong information and analysis base. There is a much stronger imperative to understand the value, costs and returns of our investments in community engagement and partnerships, to avoid inefficient and ineffective investment.
- It may be difficult to measure DOC's influence on the community conservation sector and the community's contribution to conservation if the community is reluctant, or does not have the capacity to share information on outputs.

## Every business fosters conservation for this and future generations

The commercial sector is a vital and leading part of the wider community. As such, DOC will proactively grow the engagement of the business sector in conservation and develop 10-15 highly visible national business partnerships, and a larger set of 50-60 regional partnerships. These partnerships create value for both the partner and DOC, and demonstrate the symbiotic nature of conservation and business and that NZ investment in conservation actively benefits business.

Meaningful business partnerships generate opportunities to work alongside large corporates to communicate the conservation story – transforming how corporates think about and interact with conservation and overall deepening their connection to conservation.

### ***Conservation outcomes are maximised from business partnerships***

As partnerships with business are a mechanism to connect more people to conservation through their active communication of the conservation story and promotion of the DOC brand. While revenue is an element of business partnerships, the true value is reflected in three key areas:

- Reach – the ability of our partners to reach and influence audiences far beyond DOC's reach
- Recreation – our partners promote and support the public engaging in activity on Public Conservation Land, and through building partnerships we will build innovative conservation experiences meeting contemporary customer needs
- Restoration – all partners provide the ability for us to deliver more biodiversity gains on the ground

### ***DOC's own products, services and brand will be developed to maximise conservation and business outcomes.***

We will take a commercial customer-focused lens to how we manage our products services and brands. We will develop and market new products and services better suited to today's customers, and

we will make sure that these products deliver a real return to conservation. As our products and services become increasingly relevant to a wider range of New Zealanders, the strength of our brand will increase – enhancing the attractiveness and value of working in partnership with DOC.

Giving effect to the Treaty and Crown relationship underpins how we operate. In particular when developing business partnerships iwi, hapū and whānau will be brought into the partnership development process and meaningful consultation/joint decision making will occur early in the process. The intent is that we will work in an environment of no surprises. The Department will also look to develop three-way partnerships between business, whānau, hapū and iwi and conservation.

## **Building partnerships**

DOC's strategy to build partnerships over the next 4 years is focused across six core areas.

1. *Building partners who are champions for conservation.*

We will develop six new innovative partnerships with a range of different industries, as we seek to connect with a representative sample of the New Zealand business community. As a primary focus we will be seeking to deepen our relationships with current customers and we will focus resource into actively account managing our current core conservation partnerships. At the same time we will be working to develop partnerships in new sectors and business and to develop innovative new business models for these partnerships. Another area is in working with our suppliers and considering partnerships within these relationships. In all our business partnerships we will seek to link our business partners with community groups.

2. *Proactively supporting the development of business opportunities on public conservation land and waters.*

In support of the Governments Business Growth Agenda and regional development, DOC will proactively ensure that public conservation lands and waters deliver more opportunities for business. As we connect to a more representative range of New Zealand businesses, this means we will look to support development of new opportunities in new areas and connect with new sectors and industries that are low-impact and that further conservation.

We will do this by seeking to enable others to be more effectively involved in statutory management and planning processes. We also intend to:

- Improve and streamline our regulatory processes, for example by improving our activity-reporting processes.
- Proactively work at an industry level to develop DOC's approach. For example, DOC will be working with the tourism industry to develop DOC's response to 2025.
- Work with the beehive industry and iwi to alter DOC's role in the industry and how we allocate sites.
- Work with concessionaires, developing mechanisms for them to act as champions for conservation and become conservation partners rather than transactional customers. Through these partnerships we seek to lift the contribution to conservation from concessionaires by 10% over the next 4 years.

3. *Driving a customer focus and developing products and services which deliver to customers' needs.*

Customer centricity is a critical aspect of DOC's success; our work is undertaken from the perspective of the customer and delivering customer needs.<sup>18</sup> We are seeking to cement DOC's

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<sup>18</sup> For further discussion of DOC's customers, see page 11.

reputation as the biggest tourism operator, and will increase the use of DOC assets through delivering quality tourism experiences suited to the needs of today's customer. We will engage customers through developing five new demand-driven products and services which are easy to think of, find and buy. To improve the ability for customers to find and buy DOC and other conservation experiences we will work with the tourism trade, regional tourism operators and build relationships with third-party distributors. We will also continue to invest in DOC's own e-channels and booking engine.

#### 4. *Improving the strength of the DOC brand*

Maintaining and building the brand is critical to the Department's ability to find and maintain successful business partnerships and to attract new groups of people to the conservation experiences DOC offers. We are seeking to build New Zealanders awareness of the DOC brand and its relevance to their lives by 20%. We will achieve this by building on our already strong brand values of being environmentally and socially responsible, of being helpful and 'down-to-earth'. An element of this will be working with the Sustainability Council to build our own sustainability story. We will be building the bicultural nature of the DOC brand through developing experiences which are uniquely New Zealand and highlight the bi-cultural nature of conservation and DOC experiences.

The Visitor Centre network is an important way for DOC to connect with customers; Visitor Centres are therefore an important aspect of our brand. We will be investing into our network and developing a strong cohesive collection of conservation hubs.

#### 5. *Developing the necessary platforms to work in partnership with businesses.*

While working in partnership with business is not new it has been undertaken in an ad-hoc, bespoke manner. The Department is essentially scaling up and to do so effectively requires the necessary systems tools and capabilities. We will focus effort in developing these nationally. For example we will be developing:

- a mechanism to record customer relationship information and activity
- an agile 'customer facing' digital platform
- an image library
- a booking system and customer database
- use of modern communication tools (eg Skype)
- new concession fee models and a compliance framework for our concessions

We will also continue to undertake customer research and invest in customer segmentation tools. In addition DOC will develop and put in place a comprehensive suite of measures to ensure we can track progress and the contribution partnership effort provides to conservation. These measures will include return on investment measures, economic contribution measures, compliance tracking, financial monitors and customer awareness and satisfaction monitors.

#### 6. *Providing a commercial lens to conservation activities*

Bringing a commercial lens and commercial thinking enables DOC to do things differently and provides new opportunities to work with others. As we work with business partners we need to ensure that we do so as an equal partner. We need to understand and articulate the value we offer within a business framework. Providing a commercial lens requires new expertise within the Department: we need to build business acumen, business development and account management skills across the Partnership group and across DOC's leadership teams.

## Trade-offs

- The initial focus on working to deepen relationships with our current customers limits the resources available to develop new relationships and thereby broaden our reach into different industries. However, deep relationships are required to fully explore the symbiotic nature of business and conservation.
- Focusing effort on building platforms slows the Department's initial ability to develop and manage new partnerships. However once platforms are built there will be a much faster growth and the Department will be more efficient in both developing and managing new partnerships.
- Working to deliver benefits to both conservation and partners will require the Department to place resources and effort in areas of mutual interest – areas which may not be the highest priority for DOC. We will therefore need to determine the return on investment from these partnerships.
- Working with commercial entities will require us to work within commercial time frames to take advantage of opportunities. These timeframes are at odds with the Department's current processes; for example, prescriptive 10 year management plans.

## Risks

- As a result of the Department not acting in a commercial manner (for example, by not adhering to timeframes or understanding commercial imperatives), the Department's reputation and brand are weakened, leading to a reluctance by business to engage with us.
- Due to information gaps and lack of understanding we fail to calculate the value, costs and returns for partnerships. As a result we do not deliver optimal gains to conservation. We risk undervaluing conservation and, critically, we risk unknowingly delivering a negative return on investment for conservation.
- The partnership story fails to be compelling enough, and a resulting loss of confidence and belief erodes momentum

### **Living Water – a Fonterra/DOC partnership**

The Department of Conservation and Fonterra are working together to improve the natural habitats of five key waterways in significant dairying regions around New Zealand. Quality waterways are pivotal to maintaining the healthy environments that protect native wildlife, and also underpin a sustainable dairy industry.

DOC and Fonterra signed the 10-year/\$20 million partnership agreement called Living Water in 2013. The agreement focuses on improving water quality at five biodiversity-significant sites near Fonterra's farms and factories. Like many of DOC's national partnerships it involves local communities in the conservation effort, in this case including farmers, iwi, councils and environmental care groups. The partnership also invests in research and development of new habitat enhancement and nutrient management techniques that will be shared with the farming community and other conservation providers.

The Department's conservation advice and expertise along with Fonterra's on-farm environmental programme and support will provide working examples of the Living Water vision – "a sustainable dairy industry as part of healthy, functioning ecosystems that together enrich the lives of all New Zealanders." Both organisations are making a commitment to the success of the partnership. Fonterra is providing farmer shareholders and staff time, dairying and marketing expertise, volunteers, two full-time project managers and the programme's operating funding. The Department is providing staff time, technical expertise, community and iwi engagement skills and a Fonterra funded full-time national project manager.

DOC staffing commitment, as outlined in the Living Water annual operational plans, will be included within the Department's annual business planning process. Operational funding for the site activities is also included in the Department's business prescription and work planning. Each site will have a 3-year strategic plan that will signal future DOC resource commitment.

The programme has five key performance areas:

- Achieving biodiversity and water-quality improvement
- Developing environmental sustainability on-farm and off-farm
- Fostering a close working partnership with iwi
- Working in partnership with stakeholders, landholders and community
- 'Sharing our story'

Outcome targets based upon the results of baseline surveys will be set through the strategic planning process and reported in future years. Selected output and outcome measures (such as area planted and habitat restored) have been chosen as Key Performance Indicators and these will be used for national reporting.

## Organisational capability and workforce

### Change leadership

The Department is at a crucial stage in its transformation and the Senior Leadership Team (SLT) are leading a work programme to realign tools, processes, behaviours and infrastructure to give effect to the intent of the operating model. The following initiatives are planned or underway:

- Defining and clearly articulating the primary purpose and key contributions of business groups, units and individual roles within these to build role clarity.
- Realigning people management tools and processes, such as performance and development plans and monthly operating reviews to drive the desired behaviours and results
- Revisiting the 'span of control' on a case by case basis to ensure that appropriate levels of resourcing are in place to deliver expected results
- Work is underway to streamline and simplify systems and processes, as well as enable the Department to adapt, redefine and redevelop systems and processes through customer-centric system design. This is congruent with work occurring in the Better Public Services programme (in particular, Result Area 10).
- Better prioritisation and planning. A review of DOC's planning and prioritisation infrastructure has led to the design of new frameworks, systems and processes that will better measure and monitor progress as well as improve efficiency and effectiveness.
- The recognition that planning and prioritisation required a dedicated resource inspired the design of the new conservation services planning unit as an inherent part of the new structure. This unit has a role in translating the Department's strategy and outcomes into tactical and operational plans.
- Telling the natural capital story – the 'why' of conservation. The Department has an important story to tell – and part of its transformation is in articulating the value of conservation as a key contributor to the prosperity of New Zealand. We are working closely with other agencies, iwi and businesses to line up our approach to measuring the value of NZ's natural assets. An internal communications strategy is underway to ensure that all employees understand, and have the tools and support to enable them to articulate this narrative, and their part in it.
- The delivery of a transformation plan, which identifies the key interventions to support transformational change.
- The development and progressive implementation of an integrated, organisational approach to monitoring and reporting.

### Organisational culture and engagement

Systems, symbols and leadership behaviour all drive organisational culture and performance and these need to be lined up in a way that reinforces the desired behaviours and actions. This is a key focus for the next 4 years and beyond.

The behavioural shifts needed to successfully embed the new operating model have been articulated and there are initiatives underway to ground these in the Department's work.<sup>19</sup> The following describes some of these shifts and how they will occur.

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<sup>19</sup> The new operating model is discussed further on page 14.

### ***From ‘we know best’ to ‘conservation is everybody’s business’***

Since the formation of the Partnerships Group in September 2013, the Department has been gearing up to drive a fundamental shift in its intent and approach to engaging with others. The next 4 years will see a concentrated effort to:

- *connect* New Zealanders to conservation and its social, cultural, economic and environmental values and benefits and
- shift our society towards taking personal responsibility for conservation and *contributing* towards it.

### ***From silos, competition and ‘them’, to collaboration and ‘us’***

Collaboration and co-operation within the organisation and beyond is fundamental to the successful achievement of results. While this has always been a key focus for the Department, the next 4 years will see the scale and depth of collaboration increase and intensify to new levels.

Collaboration with the NRS will continue to be a key focus as the Department provides policy advice and practical and scientific expertise to whole-of government policy processes for natural resources. Across the NRS and wider public service, there are many examples where the values and behaviours of co-creation, co-design and co-production have resulted in enhanced ownership and implementation of policy, such as in the development of water policy and BIM development. Building on the learning and successes of these collaborative approaches is needed to mature and embed these values and behaviours across the sector.

### ***From small scale, species and place-based to integrated landscape scale, and broad ecosystem services***

With an increasing focus on whole ecosystem or ‘landscape-based’ prioritisation and planning approach, versus the traditional individual species or place-based approach, the joining-up of previously-siloed forces across the Department will become increasingly important. The planning and execution of initiatives will generally require teams and individuals to work together to deliver greater results and value in future.

### ***From command and control-style leadership to empowering leadership style***

Leader-led team empowerment is core to the new model. Leaders at all levels need to delegate, empower, coach and develop others if they are to deliver expected results and succeed.

A key shift is in ‘letting go’ of control by leaders to enable and empower their teams to take on more responsibility and ownership of the work. Many of DOC’s leaders have come from a tradition of valuing command and control-style leadership; compliance, tools and processes over people and interactions.

### ***From local decision-making to national priorities***

Where local prioritisation and decision making was previously the norm SLT is now driving an emphasis on national prioritisation.

Dedicated business units including the Integration function, which has a role in enabling coordinated and integrated decision making across the Department; and the recently-established planning unit, which has responsibility for translating strategy into tactical plans, will play a key role in ensuring that DOC takes a national approach to prioritisation and planning of key work programmes.



## **Employee engagement**

Employee engagement is one of the key indicators of an organisation's performance, and an organisation's culture is a significant driver of employee engagement. The Department has been measuring employee engagement using the Gallup Q12 approach since 2008/09, with the exception of 2013 where a high engagement model ("Working at DOC workshops"), led by the Deputy Director-Generals (DDGs), was introduced to understand culture.

The Department is committed to re-invigorating the employee engagement programme and the next survey is planned for March/April 2015. Follow-up workshops will build greater awareness of the results, deepen our understanding of what the results mean at organisational, team and individual levels and ensure that action is taken to increase engagement across the organisation.

A High Engagement High Productivity Agreement between the Department and the PSA was developed in 2014. The principles of the Agreement reflect the need to:

- Eliminate wasteful processes to release capacity to improve value for customers and users and the work of staff
- Involve staff in making continuous improvement to the way work is done
- Achieve public value for public money
- Ultimately, improve outcomes for DOC

Some of the desired outcomes are:

- The Department's employment brand is synonymous with a safe place to work
- Greater duty of care, resulting in better safety and wellbeing practices
- The Department's leave liability is reduced
- Workloads are more manageable
- Staff feel valued from timely feedback and recognition from their manager
- Project milestones and any variance to programmed work outputs are better understood

## **Safety and well-being**

Safety and wellbeing is a critical aspect of culture change. In 2014, a series of safety and wellbeing leadership workshops were delivered to all leaders. The intention was to reinforce the role of leaders in role modelling and driving the behaviour changes need to achieve the organisation's goal of "injury free, safe home every day."

Safe operations are critical to the Department in the way it administers New Zealand's natural resources. Government agencies are to lead in health and safety, and DOC is one of the largest operational departments. The Department wants to lead in this area, to ensure visitors can have safe and enjoyable experiences on public conservation lands and waters, and our staff, volunteer and contractors can return home safe every day.

The Department acknowledges a less than satisfactory safety record over the last few years, although a significant reduction in injuries have occurred between January and July 2014. To improve our record the Department has embarked on a significant programme to change culture and improve safety leadership. This includes the "injury free and safe home every day" vision. As a result, some systems and processes have been reviewed (eg safety planning and investigations).

The key messages being promoted are:

- We can have safe operations and strive for an injury-free workplace
- The only acceptable goal is no injuries
- Team leadership is critical to safety, as is good team membership in looking out for each other
- Importance of leadership at all levels
- Encourage speaking up and reporting

### ***Health and Safety Plan***

The Department, through its existing health and safety system and processes, is well positioned to meet the requirements of the proposed Health and Safety Reform Bill, with just a small number of minor changes needed.

The Health and Safety Plan has been developed to provide direction and outline the most significant step changes needed to improve our safety culture, and to realise the vision of an 'injury-free and safe every-day' workplace. The proposed plan, as an alternative to a strategy, sets out clearly to managers and staff the major areas of focus. The Health and Safety Plan covers the period 2014 to 2017 and identifies five key areas of work:

- Widespread understanding of team leadership/team membership models
- Investigation process
- Safety planning and risk
- Wellbeing
- Injury management

Work in all these areas is progressing.

### ***ACC Partnership Programme***

Positive benefits in injury management are being achieved through this programme. Our average cost per claim is significantly less than for similar claims managed by ACC, which indicates better 'return to work' outcomes. Sustainable reductions in injury and claims will depend on DOC's various injury management and prevention initiatives, along with changing culture and behaviours as mentioned above.

### ***Reduced accident compensation costs***

The business case for shifting to the ACC Partnership Programme projected ongoing annual operating savings of \$1m million from 1 July 2011. However ACC levies have reduced significantly during the last three years and expected savings will be less than half of this amount. As long as claim costs do not significantly increase, DOC will continue to achieve good cost savings from participation in the Partnership Programme. To reduce the risk of increased claim costs, DOC needs to continue to develop and apply robust injury prevention initiatives.

### ***Leadership***

The Department's leaders are central to driving the Department's culture and performance. Almost all our leaders have now participated in the Leadership Development Programme (LDP) which aims to increase leaders' ability to cope with increased complexity and ambiguity, and lifting the quality and level of thinking.

Most of the managers and directors appointed into newly created roles as part of the Delivery Review were internal appointments. Some appointments into management roles were graduates of the Natural Resources Sector Aspiring Leaders Programme ('Leaders Programme'), and all of those internal applicants appointed into director roles had participated in the LDP.

#### Percentage of internal versus external appointments into director and manager positions

	2011	%	2012	%	2013	%	2014	%
% internal appointments into 2nd tier	-		1	100	-			
% external appointments into 2nd tier							1	100
% internal appointments into 3rd tier	2	100	4	50	-		6	60
% external appointments into 3rd tier			4	50	-		4	40
% internal appointments into 4th tier	8	80	33	58	3	100	69	83
% external appointments into 4th tier	2	20	24	42	0		14	17

The next 4 years will build on this solid foundation of leadership development, and invest in areas that will make the most difference to leaders' effectiveness at an individual and organisational level. The Department's leadership framework is being refreshed to position leadership capabilities that are core to the Department's success at the forefront. The framework will form the basis for selection decisions, learning and development, performance management, reward and recognition and retention practices.

By setting a benchmark and 'price of entry' when selecting leaders, and reinforcing the critical capabilities throughout the entire employee lifecycle, the Department expects to see measurable shifts in leadership capabilities over the next 4 years.

The next phase will see core leadership development programmes, complemented by modular-based learning options, delivered to align with the leadership framework. In addition, 360 degree leadership surveys will continue to build self-awareness, be a catalyst for change, and ensure that leaders have insights into their strengths and limitations. Professional leadership coaching will continue to be offered to managers and directors to support them to leverage their strengths and realise their leadership potential.

#### Talent management

Since 2013 the Leaders Programme has produced five groups of graduates, many of whom have since moved into leadership roles. This programme is tailored for high performing, high potential individuals who aspire to be either people or thought leaders; and provides them with opportunities to build their self-awareness and self-confidence in leadership – as well as presenting some practical tools, concepts and resources. These graduates are an obvious 'pipeline' for future NRS leadership roles and up to three programmes are currently planned for 2015.

Another 'pipeline' of talent comes from a Department-wide internship programme that attracts highly motivated, knowledgeable students to work in areas of interest or specialist expertise. In 2015, approximately 20 interns will be selected for these development opportunities. Based on previous trends, we expect some of these interns to continue with the Department beyond the programme.

Across the organisation, the Department has adopted an inclusive approach to talent management, with the aims of:

- Gaining an organisation-wide and individual view of capability
- Building a framework for assessing and targeting development needs at an organisational as well as an individual level
- Ensuring that development is targeted and individuals are ready to step into critically important roles in future

- Recognising that talent is found at all levels and across all functions within the organisation – and that a strengths-based approach can unlock and leverage hidden potential and performance

Ensuring that all employees have regular and quality conversations with their managers about their professional development, aspirations and career goals, and following up with action, is central to the success of the talent management approach. It is also critical to reinforce the managers' role in coaching and supporting staff to realise their potential, and to ensure they have appropriate opportunities for development. These capabilities will form a key element of the next phase of leadership development.

## **Diversity**

To achieve more conversation by working with others, a deep understanding of the values, motivations and behaviours of the New Zealand public is critical. Reflecting the ethnic diversity of the NZ population in our organisation is one of the strategies to help us achieve this. Notably, the increasing Asian and Pacific Island populations in the Auckland region is a primary focus area. DOC's representative proportion of Asian and Pacific Island employees is significantly lower than the NZ population demographic, and we are currently investigating ways to bridge this gap.

To build and strengthen relationships with whānau, hapū and iwi we need to deepen our understanding of Mātauranga Māori, Māori perspectives, the Treaty of Waitangi, tikanga protocols and our Section Four obligations. The Kahui Kaupapa Atawhai group is a dedicated function with specialist expertise in engaging with whānau, hapū and iwi, however, this is a crucial element in all areas of work and needs to be embedded into the work of the whole Department. A continued focus on growing the Department's internal Māori capability is paramount to working with our whānau, hapū and iwi partners.

The Department will consult and develop a Māori Leadership Strategy that enables whānau, hapū and iwi to fully engage in decision-making processes for conservation and wider land management. Once the strategy is developed, implementation will include a work programme to deliver a Māori leadership programme for emerging Māori Leaders.

Increasing the diversity of partnerships, experiences, disciplines and ways of thinking are all fundamental to the realisation of the Department's strategy. To date, the Department's leadership programmes have had a strong focus on encouraging employees to take on different perspectives, being open to new ideas and understanding what's important to others. This is planned to continue for the foreseeable future.

## **Capability**

The Department will continue to strengthen both internal and external capability to achieve desired outcomes. The core capabilities (skills, knowledge and behaviours) necessary to deliver conservation services continue to be paramount to our success and there is an ongoing commitment to make learning more accessible to employees as well as volunteers, community groups, iwi, whānau and hapū etc.

We are building a learning environment that supports partners' participation and contribution to conservation work, by increasing the number of online tools and resources available to our volunteers, other agencies and community groups to support them to contribute to conservation growth. Building capability in this way will enable us to tap into capabilities and capacities we may not have internally. In the next 4 years, the Department will continue to leverage opportunities to grow technical skills by developing and introducing new technological learning solutions in the form of various online learning modules, mobile 'apps,' and YouTube videos.

New technology will continue to feature as the Department finds ways to make learning accessible to all staff. A Learning Management System (DOCLearn) has recently been launched, which will provide current capability-related information to enable staff with particular skills and expertise to be deployed where they are most needed. This cross-agency initiative and system has been designed and implemented in collaboration with MfE.

The Department will also start to invest in the development of more modular-based and online tools and resources to grow core capabilities. This will enable those in more remote places to access learning, and provide learners with the option to ‘deep dive’ into specific topics that are tailored to their needs.

## **Information and communication technologies (ICT)**

The Department is ensuring that ICT work is planned strategically across multiple years to enhance DOC’s capability. This is done within the context of the Government Common ICT Capability Roadmap, with the expectation of ever-larger adoption of Common ICT Capabilities and enterprise-grade cloud services.

ICT developments are designed to improve cost-effectiveness, increase staff productivity, improve financial and investment controls, support decision-making, and increase public and stakeholder access to services and information.<sup>20</sup>

Other improvement areas will include wider adoption of videoconferencing, increased use of the DOCLearn learning management system, and refinements to permit processing systems. Core ICT services will remain secure and reliable. Future systems design decisions will be driven by customer needs and supported by a ‘design thinking’ approach.

### **Supporting the strategy through smarter use of information services and support**

The Department is using technology to enhance the visitor experience, including customer-focused improvements to the Visitor Centre network, and enabling interactions such as hut bookings to be undertaken online (via our website) if possible. The emphasis is on providing services to customers to allow them to book DOC experiences in the way that best suits them: whether through selected online booking sites, travel agents, tourism operators, Visitor Centres, or online.

Currently about 26% of hut and track bookings are completed online. This responds to the Government’s BPS Result 10 target “New Zealanders can complete their transactions with government easily in a digital environment”. Over the next 4 years the Department will also be investigating and implementing where possible, IT solutions to improve the visitor experience more directly – for example, embedding visitor site information in products such as in-car GPS used by tourists to plan their days’ road travel, and deploying secure Wi-Fi within Visitor Centres.

The new operating model within the Department supports open collaboration with other government agencies, private enterprise and the public. It includes shifting the existing internal facing information systems to more open, external facing systems, with transparent access to the Department’s information. These information systems may be All of Government common capabilities or hosted by agencies other than DOC.

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<sup>20</sup> This last result area is in line with sharing by default of open government data, as directed by the Government Declaration on Open and Transparent Government.)

To further enhance the implementation of the partnership model, the Department is working to improve the ease with which visitors and citizens access products and services through digital channels, either online via our website, through third parties, or through mobile applications. The Department progressively refines its approach to be more agile and responsive to business needs, so that new lines of business are quicker to market through faster delivery.

The transformation from reactive to a proactive IT service is being achieved through early business engagement and better understanding of business needs. This is combined with creative and innovative design, adopting All of Government and software-as-a-service approaches, to provide 'fit for purpose' solutions which progressively evolve as business matures.

Cost pressures and the recent tight fiscal environment have focused the Department on looking at more efficient ways to operate the ICT environment, while supporting agility, mobility and increasing business value. Several threads are underway to accomplish this, including:

- Working closely with other agencies and All of Government providers to capitalise upon work undertaken by others
- Standardising business processes, in conjunction with business owners
- Evolving the IT infrastructure to support increased mobility
- Consolidating legacy applications

The Department's Information Systems Strategic Plan (ISSP) will outline the direction for the architectural framework, investment and solution roadmaps to accomplish this new state.

Fundamental to this new environment is the effective management of information as an asset, by the implementation and enhancement of a modern enterprise content management system that includes tools designed to reduce the duplication of effort (ie by fostering increased collaboration and ease of discovery). The core platform (consumed as an All-of-Government common capability) enables internal and external personnel to digitally engage on conservation activities. Additional ICT capability to support partnerships, volunteer management, and efficiencies in permit processing will improve management of information within the Department, in line with citizens' expectations of security and privacy.

In 2013 DOC's telecommunications strategy identified how the Department can transition to a more mobile environment. A number of options made possible via the Telecommunications as a Service common capability are expected to be implemented from 2015; this will transition to a unified voice and data network integrating mobile and desk technology, which will allow Wi-Fi connectivity on a wider scale across DOC. This will support increased mobility, ease of use and lower total cost of ownership. In addition to these initiatives, video conferencing was introduced in 2014 to improve communication within DOC teams without increasing travel.

These organisational and technology changes have been progressing over the last several years to support the emerging business models within the Department, and to differentiate between:

- Adding business value (business strategies and frameworks)
- The Department's core business
- The Department's Intellectual Property, and systems to support that IP
- Commodities (which are not core business and can be outsourced)

### **Alignment of DOC strategies to Destination 2017**

The Department has been moving over several years towards the future delivery model outlined in the 2014 Government ICT Strategy and Action Plan. This transition has included:

- Establishing (along with the New Zealand Transport Agency) the All of Government programme to respond to the expiry of Microsoft Windows XP and Office 2003

- Making greater use of the cloud-based platform, and reduce agency-dedicated infrastructure requirements
- Structuring the ICT team to differentiate between future state business engagement and management of commodities
- Actively involving DOC in several cross-Government workstreams, including Better Public Services Result 10, Enterprise Content Management, New Zealand Geospatial Office, and IT Managed Services
- Collaborating with other agencies where there is mutual benefit for working together

The collaborative way of working and commoditisation of services outlined in the Government's ICT Strategy and Action Plan has been a key driver for DOC's organisational changes undertaken over the last 5 years. This collaborative approach is expected to mature as people gain increased experience in working in this environment.

# ANNEXES

## Annex 1: Workforce capability, capacity and costs information

### 1.1 People capability

#### 1.1.1 Priority workforce groups/segments

The following workforce segments have been identified as Departmental priorities because they are critical to the achievement of our results over the next 4 years. This section:

- Explains why these segments are critical
- Summarises the work of each segment
- Gives approximate numbers of roles by segment
- Provides retention and recruitment information

We have defined the following segments according to the specialist skills, knowledge and qualifications required to perform the roles within each segment.

#### ***Research and development***

A core part of the Department's operation, and a critical workforce segment, is ecological research, analysis and development. This segment informs the key priorities and provides critical tools and systems to support the achievement of results across relevant work streams. The evidence-base of scientific research and development is a key lever for innovation, new thinking, and risk management.

Previous investment in research, analysis and development has resulted in significant improvements in the efficiency and effectiveness of conservation management, in areas such as pest control and biodiversity offsets. Research, development and analysis are vital to the protection of some of New Zealand's iconic and most critically endangered marine species, such as Māui and Hector dolphins. Records of sightings and other data contribute to the evidence-base noted above, which helps to inform our strategy and interventions.

The work of ecological research, analysis and development sits primarily within the Science and Capability Group. The Planning, Monitoring and Reporting Team has organisational oversight of the Department's prioritisation, monitoring, analysis and reporting functions. Other teams focus on research, analysis and development activities related to terrestrial, freshwater and marine ecosystems and threats. The Department also has two Chief Scientist positions with responsibility for national and international-level science strategy, foresight and advice. Other critical roles in this area include Science and Technical Managers, Advisors and Programme Managers, of which there are approximately 130 in total.

Unplanned turnover in this segment has been low historically. In the past 12 months the turnover was just 5%, which is lower than the Department's average.

A programme is underway to develop centralised systems to capture and retain natural heritage research and monitoring information, to ensure it can be accessed in future. Informal mentoring programmes are also in place to ensure that specialist knowledge and expertise is shared more widely.



## ***Prioritisation and planning***

The Department's priorities form the platform for its primary role and mandate: to manage and protect assets (natural, visitor, historic, infrastructure, capital) on behalf of the Crown and the New Zealand public. Effective prioritisation and planning, supported by strong project management methodologies and financial acumen will ensure that the Department delivers what's needed, on time and within budget, and integrated across intermediate outcomes and functional groups. Good methodologies also help leverage others' efforts by involving key stakeholders at the right time and in the right ways.<sup>21</sup>

Prioritisation skills and expertise sit across a number of business groups and specialist functional areas. There are approximately 80 roles dedicated to national planning, including Management and Delivery Planners, Integration Coordinators, Planning Managers and Advisors.

The Planning, Monitoring and Reporting team leads the planning, monitoring, analysis and reporting across DOC's full range of activities. This team interacts with regionally-based and subject area teams responsible for supporting the achievement of the Department's goals such as monitoring and evaluation, delivery of priority prescription and core work programmes.

The new Conservation Services Group has a dedicated planning unit established as part of the Delivery Review, which has a role in translating the Department's strategy into tactical 'on the ground' plans. The Group also helps ensure a nationally consistent, integrated approach to business planning, delivering work to standard and the ongoing measuring and reporting on impacts against targets.

A dedicated integration unit within the Conservation Partnerships Group, also created as part of the Delivery Review, has a role in ensuring the coordination of work across regions, national portfolios and with other business groups.

A national Outcomes Management Office is responsible for DOC's business planning functions, including performance and outcome reporting. They support the development and implementation of an integrated planning, analysis and reporting system to give effect to the outcomes framework.

Unplanned turnover across this segment has been low historically. In the past 12 months, the turnover was just 4%, which is lower than the Department's average.

All distributed offices have responsibility for planning, resourcing, managing and monitoring the achievement of outcomes, and effective project management is a core capability in this area. To improve consistency and rigour, and to support those with project management responsibility, the Department has recently refreshed its project management methodology.

## ***Social sciences***

Human behaviour is at the heart of many of the environmental issues we face. The Department's strategy is to re-orient the whole organisation towards working with others to achieve more conservation.

To succeed, we need to influence others to value and appreciate the natural environment. The Department has several mechanisms to support its partners and others to achieve their visions and aspirations for conservation, and to behave in ways that will result in greater conservation outcomes.

One of these mechanisms is to better understand human motivation and behaviour and the impact patterns of behaviour have on the natural environment. Conservation Psychology, a rapidly

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<sup>21</sup> These methodologies are derived from the Intermediate Outcome streams, which provide the direction for the delivery of work programmes across the organisation.

developing field, recognises the relationship between humans and the natural environment; how nature affects people and how they, in turn, affect the natural environment. This knowledge is crucial to our effectiveness in influencing behaviour change; growing stronger relationships with whānau, hapū and iwi, communities, businesses and regional/local government, and ultimately achieving greater conservation outcomes.

The Partnerships Group, created in the 2013 Delivery Review, is a dedicated function with the role of influencing behaviour change and growing stronger relationships in order to achieve greater conservation outcomes.

Unplanned turnover for those responsible for this area of work has been 8% over the past 12 months.

Small pockets of expertise in social research and the social sciences are found in other parts of the organisation as well. One of these is the Partnerships, Historic and Visitor Business Unit. This Unit houses two dedicated Social Scientists, who work to understand the perspectives of New Zealanders in relation to our heritage. Their work aims to find ways to more effectively engage New Zealanders in conservation, and contributes to maintaining and developing assets to support tourism growth and outdoor recreation, to match demand and future needs and returns the greatest benefit to New Zealand.

To grow DOC's skills and expertise in Conservation Psychology, Community Based Social Marketing (CBSM) and Conservation Psychology workshops were delivered in 2013-14 to targeted teams and individuals primarily within the Partnerships Group. This research base has provided an awareness of psychology and human dynamics frameworks, tools and methodologies, some of which are being applied and piloted across the organisation.

Social sciences skills and expertise are also required to enable the organisation to perform at its optimum and this is a critical segment within the Business Units of Communications, Human Resources, and Organisation Development. An in-depth understanding of psychology (neuropsychology, behavioural psychology, social psychology, positive psychology etc.) is critical to ensuring that the Department's structures, systems, organisation development programmes, 'symbols,' and capabilities enable the Department's workforce to achieve its goals. Approximately 20 employees within this Business Group have a role in researching, analysing and developing new tools, systems and initiatives to support and improve the organisation's performance.

Unplanned turnover across the Human Resources, Organisation Development and Communications units has been higher than the Department's average in the past 12 months at 23%. Current indications suggest that this is a temporary increase, and is likely to reduce over the next 4 years.

### **1.1.2 Capability building**

For the next 4 years, the most critical areas of capability building include leadership, system design, customer centricity and collaborating/partnering with others.

#### ***Leadership***

Systems, symbols and leadership behaviour all drive culture and organisational performance, and strong leadership will play a vital role in our future success. Transformation of leader behaviour at all levels, driven both top-down, and bottom-up, is required to support culture change and lift employee engagement across the workforce.

A 'systems leadership' approach is being taken to align leadership behaviours, systems and symbols with the desired culture by identifying and eradicating symbols of the old and defining and embedding symbols of the new. To drive the desired behaviours the Senior Leadership Team (SLT) is introducing new systems leadership methodologies, such as 'team process' and 'task assignments', and refreshing existing people-management systems (such as the monthly operating review).

In the past five years the Department has worked closely with the wider Natural Resources Sector (NRS) to grow leadership capability by delivering leadership programmes. This collaborative approach to leadership development has given participants a common language and deeper understanding of key issues, challenges and opportunities the sector faces.

We will build on this strong foundation of leadership development by continuing to work with the NRS to design modular programmes and online resources that are tailored to our leaders' specific needs. This 'bespoke' approach will help leaders hone and deepen their specific capabilities in the areas most relevant to their specific roles.

Strengthening the capability of rangers and senior rangers who have responsibility for supervising or coordinating teams for work programmes or projects is a key focus in the coming years. Priority areas identified for development include:

- Setting clear performance expectations
- Delegation
- Having courageous performance conversations
- Providing feedback and coaching

We will continue to invest in the development of Managers and Directors to support them to lead and build the capability of their teams. The majority of directors, managers and all aspiring leaders have now participated in a customized 360 degree leadership survey. For participants, 360 degree survey feedback has provided greater insights and perspectives, to ensure development planning is targeted to the areas that will make the most difference to their effectiveness. Follow-up development planning sessions target and channel the learning and development focus (applying the 70/20/10 model) to build on existing strengths.

At an organisation-wide level, themes from 360 degree survey results have helped to inform the Department's understanding of leadership strengths and gaps and where future leadership development investment needs to be prioritized.

A panel of highly experienced and qualified leadership coaches has been established and leadership coaching is now available to all Managers and Directors, many of whom are now working with the coaches. Leadership coaching will grow in importance and continue to be offered to support leaders to strengthen their performance.

### ***System design***

System design is the process of defining the architecture, components, relationships and connections, and data needs for a system. It requires the ability to see the whole system and multiple levels of interconnections in order to evaluate the underlying patterns/drivers of issues and problems. This is a critical capability for DOC's Business Groups.

Systemic interventions need to be simplified and based on trust rather than compliance. This is one of the core principles identified by SLT, who are agreeing on common principles and an approach to system design congruent with the Better Public Services (BPS) programme (in particular, Result Area 10).

Another principle is to simplify and streamline overly complicated and process-driven systems. This will place more responsibility on everyone for making good judgments based on principles, rather than on compliance-based processes alone.

Creating systems and processes in collaboration with end-users is a worthwhile investment, given the long-term gains for both the Department and our customers. Engaging our end-users in rapid prototyping (to test a concept or process in order to learn) is a method we are using where

appropriate, to achieve quick wins and user-centric solutions. We will continue to invest in this area in the next 4 years, and also in the provision of practical tools and resources that enable systems-design principles and practices to be applied and embedded across the Department's work.

### ***Becoming customer-focused***

Placing the customer at the centre is a practice that needs to be woven through all areas of our work.<sup>22</sup> We need to better understand our customers' drivers and needs to ensure that they have a positive experience when dealing with the Department as customer, partner or co-producer of valued outcomes.

The SLT is committed to designing products, services and systems that place customers' needs at the centre. We will continue to collaborate with customers to identify and resolve issues and barriers to them working effectively with us. One such example is the Outside In programme, which aims to re-design and co-create systems and processes in conjunction with customers, to be more customer-centric. Two projects initiated from this programme include a more efficient and streamlined permissions and automated concessions process.

Another example is the recent refresh of the Destination Management Framework (DMF), which aims to ensure that the Department works with others to deliver tourism and recreation opportunities that are affordable, match what people want and provide memorable experiences. It provides a set of principles and associated actions supporting our strategic vision for conservation, with a particular focus on growing participation of people using public conservation areas. We are looking to cement our reputation as the biggest tourism operator and we are committed to delivering to the needs of today's customer.

BPS Result 10 describes the Government's strategy for joining up Government information and services to enable easy access and customer-centric channels. The Department is using the objectives of the Result 10 strategy (and its associated action plan) to set the Department's approach to the prioritisation, design and delivery of digital and other ICT products and services. The next 4 years will see further realignment and orientation towards the objectives of the Result 10 strategy.

To improve visibility of our customers and our interactions with them, one of our medium-term priorities is to develop a Customer Relationship Management system which will record customer relationship information and activity. This will help to ensure our interactions are better integrated and transparent across the Department.

### ***Collaboration and partnering with others***

Collaboration and co-operation within the Department and with others is fundamental to success and the achievement of results. While this has always been a key focus for the Department, the next 4 years will see the scale and depth of collaboration increase and intensify to new levels. The Department's strategy, structure and operating model have all been designed with this goal in mind, and we are gearing up to maximise opportunities to work with others to achieve collective outcomes, both now and in the future.

Internally, shifting to a whole ecosystem or 'landscape-based' approach versus the traditional individual species or place-based approach, will necessitate the joining-up of previously siloed functions across the Department. The planning and execution of initiatives will generally require multiple teams and individuals to work together to deliver greater results and value.

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<sup>22</sup> The Department's customers are discussed on Page 11. They also include (but are not limited to) whānau, hapū, iwi, businesses, sponsors, organisations, volunteers and communities.

The purpose-built integration and planning functions, created as part of the previously completed Organisational Delivery Review, will assist with the coordination of work across regions, national portfolios and with other Business Groups.

Cross-sector collaboration will continue to be important. Active participation in NRS goal setting and planning is expected, as is engagement of other agencies in work we lead. There are many examples across the NRS and wider Public Service where a collaborative approach to creation, design, production and delivery has resulted in enhanced ownership and achievement of results. These include:

- Nature Central – a partnership between the Department, Horizons and Greater Wellington Regional Council, created to foster an integrated approach to conservation prioritisation and planning across the lower North Island.
- Collaborations with regional councils in Auckland and Southland, Crown Research Institutes (CRIs) and Universities and the Department of Corrections to share goals, resources and capability, and to increase scale, efficiency and impact
- Development of water policy
- BIM development

We are actively learning from these collaborative approaches and fine-tuning our systems and behaviour to improve our critical capabilities in relationship management, communication, customer orientation and co-planning and project management of conservation work.

In the next 4 years, collaboration will become increasingly important as we explore ways to work in conjunction with businesses, community groups, whānau, hapū and iwi and other agencies to identify areas of mutual interest or benefit, common goals and opportunities and grow others' capability in order to grow conservation.

Under the new operating model, Partnership teams will develop their professional partnership skills, and grow their understanding of the core concepts, a common language and application of coherent and successful strategies based on the engagement and contribution spectrum. The associated concepts, tools and resources need to be embodied in the work of the whole Department.

A capability-needs analysis is currently underway across the Partnerships Group, to identify core and specific capability needs. This analysis will inform any future prioritisation and investment. Capturing and communicating the lessons from our experiences, so others can benefit, is a core component of this work. Our learning will enable us to mature and grow our approach to partnerships to increase the value of partnership agreements for everyone.

Whānau, hapū and iwi are our primary partners and work in the Treaty settlements area provides a platform for engaging with them on their future aspirations for conservation. It is crucial to connect and engage with Māori on their world view and gain perspectives on their future aspirations. Deepening our understanding of Mātauranga Māori, Māori perspectives, the Treaty of Waitangi, tikanga and our obligations under Section Four is needed to build and strengthen relationships with hapū and iwi.

To grow our capability and confidence in engaging with whānau, hapū and iwi, the Te Pukenga Atawhai programme has been revitalised. This programme is delivered to all employees to build a deeper understanding of Māori culture and protocols. Its overall focus is on integrating Kaupapa Māori in conservation management by building cultural awareness and developing organisational capability for working with Māori. The programme's revitalisation will enable us to offer programmes more often, and to extend the offer of places to other agencies.

Building the capability of our partners to deliver conservation outcomes is a key aspect of our strategy. To ensure relevance for our partners, we have created course modules that can be delivered locally at place and tailored to the specific needs of community groups. Tools and resources have also been developed with external capability development at the forefront. An example is the development

of blended learning resources, which include online courses and ‘YouTube’ videos that are freely available to external partners. We have also developed a catalogue of training courses available to everyone working in conservation so they can easily find information about available skills, courses, and workshops.

The table below highlights the high-priority people capabilities the Department seeks to build over the next 4 years. Please note that building each capability could involve developing capabilities of existing employees and/or via sourcing new people.

### 1.1.3 People capability result areas – gaps and proposed actions

Capability	Capability shift required			Description of capability gap/pressure	Proposed actions to address capability gap
	<i>High</i>	<i>Med</i>	<i>Low</i>		
Leadership		✓		We need to shift from a predominantly directive leadership style to an empowering one	<ul style="list-style-type: none"> <li>• Selection and assessment</li> <li>• Leadership development programmes and modular-based learning</li> <li>• 360-degree surveys and targeted development planning</li> <li>• Employee engagement programme</li> <li>• Coaching for managers</li> </ul>
Systems design	✓			Shift from dealing with issues in isolation to thinking in user-centric systems	<ul style="list-style-type: none"> <li>• Internally-run workshops and development</li> <li>• Outside-In programme</li> </ul>
Customer centricity	✓			Shift from technical expert-centric to customer-centric	<ul style="list-style-type: none"> <li>• Selection and assessment</li> <li>• Coaching and mentoring</li> <li>• Performance expectations</li> <li>• Customer management system</li> <li>• Destination Management Framework</li> <li>• Outside-In programme</li> </ul>
Collaboration	✓			Shift from silos, competition and ‘them’ to collaboration and ‘us’	<ul style="list-style-type: none"> <li>• Selection and assessment</li> <li>• Performance expectations</li> <li>• People Matter programme</li> <li>• Targeted programmes to build collaborative capability</li> </ul>
Strategy and planning	✓			Clear direction and strategic planning critical to embedding new model	<ul style="list-style-type: none"> <li>• SLT-led vision, purpose, strategy</li> <li>• New planning and integration function</li> <li>• Newly established Outcomes Management Team</li> <li>• Modular leadership development</li> </ul>
Project management		✓			<ul style="list-style-type: none"> <li>• New project management methodology</li> <li>• Workshops</li> </ul>
Research and analysis		✓		Gathering and analysing data is critical to building the evidence-base needed to make well informed decisions.	<ul style="list-style-type: none"> <li>• Newly-appointed Chief Science Advisor</li> <li>• Central database for natural heritage research and monitoring</li> <li>• Conservation psychology institute and community based social marketing</li> <li>• Outsourcing</li> </ul>

Capability	Capability shift required			Description of capability gap/pressure	Proposed actions to address capability gap
	<i>High</i>	<i>Med</i>	<i>Low</i>		
Stakeholder/partnership relationships	✓			We need to partner with others to achieve more conservation.	<ul style="list-style-type: none"> <li>Value exchange model and supporting resources</li> <li>Engagement spectrum framework and associated workshops</li> <li>Partnerships capability needs analysis</li> <li>Refreshed Te Pukenga Atawhai</li> <li>Dedicated Partnerships Group</li> <li>External capability development</li> </ul>
Natural capital	✓			We need to better understand and communicate the value of conservation to the prosperity of NZ.	<ul style="list-style-type: none"> <li>Developing the story of natural capital Sharing expertise and resources across the sector</li> <li>Identifying and contracting specialist expertise</li> </ul>
Commercial/business acumen	✓			We need to better understand the needs and drivers and of the commercial/ business sector and the 'value' they can gain from conservation.	<ul style="list-style-type: none"> <li>DOC placements in business sector (eg Fonterra)</li> <li>Value exchange model and supporting resources</li> <li>Specialist Commercial Business Unit</li> </ul>
Risk thinking		✓		We need to shift from being risk averse to an approach of managed risk.	Role-modelling and clear expectations from the Senior Leadership Team, cascaded through the wider organisation

#### 1.1.4 Recruitment

Difficult to fill roles/positions	Reason for capability gap/pressure
ICT Strategy and Architecture	There are cost pressures associated with recruiting the people with the required skill sets.
Solution Development (in particular Solution Architects and Business Analysts).	As above.
Policy and Senior Policy analyst	No vacancies currently but moderately difficult to fill
Scientists	High levels of specialist scientific expertise – requires us to recruit offshore when there are no suitable NZ candidates. Marine, freshwater and climate change expertise will become much more important in the next few years. Environmental economists.
Senior Technical	Shortage of experienced candidates with the skill sets we need in some specialist areas.
Planners	Shortage of experienced candidates.

## 1.2 Workforce capacity

Note: All figures are at 30 June 2014 unless otherwise stated.

### 1.2.1 Employee numbers

Permanent and temporary full-time equivalents (FTEs) June 2009 – June 2014

	2009	2010	2011	2012	2013	2014
<b>Permanent</b>	1,808	1,824	1,808	1,639	1,599	1,628
<b>Temporary</b>	254	223	227	211	280	324

In the past 5 years the Department's total permanent FTE has decreased, with 180 fewer permanent employees on 30 June 2014 than at 30 June 2009.

Temporary employee numbers declined after 2009, and since 2013 have been increasing as temporary employees filled permanent roles that were kept empty up to and during restructuring.

Permanent and temporary FTE increased from 2013 to 2014, which is partly due to the filling of roles that had been kept empty up to and during the September 2013 Delivery Review restructuring. There are still many vacancies following the Delivery Review, which provides us with some flexibility to manage budgets in the 2016/17 financial year. The Department actively manages vacancies to ensure we are operating within existing budgets. Both permanent and temporary positions are monitored centrally.

### *FTE by Business Group*

Number of full-time equivalent (FTE) staff employed in each Business Group and location as at 30 June 2014<sup>23</sup>

Business Group	Permanent staff	Temporary staff <sup>24</sup>	Total FTE
Business Performance	126.02	39.2	165.22
Science and Capability	214.3	51.08	265.38
Kahui Kaupapa Atawhai	31	19	50
Policy and Regulatory Services	137.09	21.59	158.68
Conservation Services	806.67	150.27	956.94
Conservation Partnerships	312.74	43.34	356.08
<b>Total FTE</b>	<b>1627.82</b>	<b>324.48</b>	<b>1952.30</b>

Tiers (head count)

Tier	Director-General	2009	2010	2011	2012	2013	2014
<b>Tier 2</b>	DD-G	7	8	5	6	6	6
<b>Tier 3</b>	Director	49	49	48	32	33	36
<b>Tier 4</b>	Manager	132	128	131	139	136	180
<b>Tier 5</b>	Staff	1696	1721	1714	1491	1493	1458

<sup>23</sup> This table sets out the distribution of actual staff and vacancies across all Business Groups.

<sup>24</sup> Temporary staff numbers fluctuate during the due to seasonal work demands over the September to April 'summer' field season.



This table shows an increase of tier 4 managers (+44) and reduction in tier 5 (-35) on 30 June 2014 compared to 30 June 2013. This is a direct result of the Delivery Review restructuring which removed tier 5 Programme Manager positions from the structure. Many of these accountabilities were reassigned to tier 4 manager positions.

### 1.2.2 Retention/turnover

Permanent employee	2009	2010	2011	2012	2013	2014
	%	%	%	%	%	%
<b>Annualised attrition</b>	7.77	6.59	7.86	8.72	8.35	7.45

Core unplanned turnover has remained reasonably stable over the past 6 years, with an overall decline in unplanned turnover seen in 2014.

In the 12 months since 30 June 2013, of all the employees who left the Department voluntarily, 29% had fewer than 2 years' service.

### 1.2.3 Leave

Sick leave

Permanent employee	2009	2010	2011	2012	2013	2014
<b>Average of days</b>	6.7	6.7	5.9	7.2	6.2	6.1

The average number of sick days has remained reasonably stable in the past 2 years.

#### Annual Leave >5 Days over Entitlement

Permanent employee	2009	2010	2011	2012	2013	2014
<b>% of staff</b>	17.5	16.8	18.3	20.2	22.9	21.2

The percentage of employees with more than 5 days over their entitlement is starting to track down again, after peaking in 2013 leading up to the Delivery Review. The average annual leave balance as at 30 June 2014 is 17.5 (days).

### 1.2.4 Workforce demographics

#### Age

The average age of permanent employees was 47 years on June 2014 compared to 46 years recorded on 30 June 2013.

### Management tiers by age group

	2009	2010	2011	2012	2013	2014
<b>Tier 3 Directors</b>						
20-30						
30-40	4	5	5	2	2	5
40-50	21	21	21	15	12	10
50-60	21	21	18	12	12	17
60-70	3	2	4	3	7	4
70+						
<b>Tier 4 Managers</b>						
20-30		1	1	2	2	1
30-40	16	14	12	27	22	28
40-50	47	42	45	42	37	65
50-60	51	60	58	58	60	69
60-70	15	10	15	10	15	17
70+	1					
<b>Tier 5 Staff</b>						
Under 20	3	3	2	1	0	1
20-30	197	182	164	138	119	143
30-40	451	441	440	377	361	362
40-50	522	530	543	453	431	396
50-60	388	408	431	408	436	415
60-70	92	116	132	111	142	140
70+	0	1	2	3	4	1

This table shows a significant increase in the number of tier 4 employees between the ages of 40 to 50 (n=28) in the past year. At tier 5, a significant increase in employees is seen between the ages of 20 to 30 (n=24), and an overall reduction between the ages of 40 to 70 at tier 5.

### Gender

<b>Permanent employee</b>	2009	2010	2011	2012	2013	2014
	%	%	%	%	%	%
<b>Female</b>	35	38	37.3	36.2	33.6	39.4
<b>Male</b>	65	62	62.7	63.8	66.4	60.4

The proportion of female versus male employees has increased by almost 5% since 2009.

### Management tiers by gender

Tier	2009	2010	2011	2012	2013	2014
<b>Tier 2 DD-G</b>						
<b>Female</b>	3	4	2	4	4	4
<b>Male</b>	4	4	3	2	2	2
<b>Tier 3 Director</b>						
<b>Female</b>	10	13	13	6	6	9
<b>Male</b>	39	26	35	26	27	27
<b>Tier 4 Manager</b>						
<b>Female</b>	32	32	31	42	42	60
<b>Male</b>	100	96	100	97	94	120

The percentage of females as a proportion of all managers has increased in all management tiers since 2009.

### Ethnicity

Permanent employee	2009	2010	2011	2012	2013	2014
	%	%	%	%	%	%
<b>Māori</b>	10.40	10.70	11.26	11.41	10.07	10.48
<b>Pacific Island</b>	0.27	0.37	0.37	0.41	0.36	0.42
<b>NZ European/Pākehā</b>	70.28	68.73	68.13	67.89	69.24	71.13
<b>Other European</b>	7.06	7.97	8.93	9.64	9.41	9.46
<b>Asian</b>	1.06	1.15	1.27	0.95	1.08	1.07
<b>Unknown</b>	10.93	11.07	10.04	9.70	9.23	7.44

Ethnic representation has remained reasonably stable across all ethnic groups since 2009.

### Ethnicity by tier

Permanent employee	2009	2010	2011	2012	2013	2014
<b>Tier 2 DD-G</b>						
Māori	2	2	2	1	1	1
Pacific Island	0	0	0	0	0	0
<b>Tier 3 Director</b>						
Māori	10	6	1	4	6	7
Pacific Island	0	0	1	0	0	1
<b>Tier 4 Manager</b>						
Māori	29	27	41	16	18	28
Pacific Island	1	1	0	1	0	0
<b>Tier 5 Staff</b>						
Māori	155	169	169	172	154	139
Pacific Island	5	7	7	7	6	6

While the total number of Māori at all tiers has reduced since 2009, this reduction is proportionate to the overall reduction in permanent employee numbers. Māori are more strongly represented at tiers 2 (17%), 3 (19%) and 4 (16%) compared to tier 5 (9.5%).

### **Salary**

The average salary for permanent employees at 30 June 2014 was \$67,178 compared to \$65,485 on 30 June 2013.

<b>Forecast position numbers</b>	<b>30 June 2014 (Baseline)</b>	<b>30 June 2015</b>	<b>30 June 2016</b>	<b>30 June 2017</b>	<b>30 June 2018</b>	<b>30 June 2019</b>
Position numbers – departmental	1,952	1,922	1,893	1,864	1,836	1,808
Position numbers – non-departmental						
Total position numbers	1,952	1,922	1,893	1,864	1,836	1,808

## **1.3 Workforce costs**

### **1.3.1 Direct employment costs – Departmental**

This information has been withheld under Section 9(2)(j) of the Official Information Act 1982, to enable the Crown to negotiate without disadvantage or prejudice.

## Annex 2: Supporting financial information

### 2.1 New activity that will be funded within current baselines

Operating Expenditure – Departmental	2014/15 \$0.000m	2015/16 \$0.000m	2016/17 \$0.000m	2017/18 \$0.000m	2018/19 \$0.000m
Current operating expenditure baseline	356.755	355.557	351.692	354.500	355.682
<i>Add</i> any indicative allocation advised of					
<i>Equals</i> total funding level for planning purposes	356.755	355.557	351.692	354.500	355.682
Financial movements					
<i>Add</i> cost of new activity to be funded from current baselines	0.000	0.000	0.000	0.000	0.000
<i>Add</i> total cost pressures	0.000	7.701	14.902	22.307	29.911
<i>Subtract</i> significant changes that will generate savings	0.000	7.701	14.902	22.307	29.911
<i>Subtract or Add</i> vote transfers ( <i>positive number = Transfer In</i> )	0.000	0.000	0.000	0.000	0.000
<i>Subtract</i> any indicative allocation advised of (as above)	0.000	0.000	0.000	0.000	0.000
<i>Equals</i> total funding level for planning purposes	356.755	355.557	351.692	354.500	355.682

Operating Expenditure – Non-departmental	2014/15 \$0.000m	2015/16 \$0.000m	2016/17 \$0.000m	2017/18 \$0.000m	2018/19 \$0.000m
Current operating expenditure baseline	30.627	31.820	18.478	18.478	18.478
<i>Add</i> any indicative allocation advised of					
<i>Equals</i> total funding level for planning purposes	30.627	31.820	18.478	18.478	18.478
Financial movements					
<i>Add</i> cost of new activity to be funded from current baselines	0.000	0.000	0.000	0.000	0.000
<i>Add</i> total cost pressures	0.000	0.000	0.000	0.000	0.000
<i>Subtract</i> significant changes that will generate savings	0.000	0.000	0.000	0.000	0.000
<i>Subtract or Add</i> vote transfers ( <i>positive number = Transfer In</i> )	0.000	0.000	0.000	0.000	0.000
<i>Subtract</i> any indicative allocation advised of (as above)	0.000	0.000	0.000	0.000	0.000
<i>Equals</i> total funding level for planning purposes	30.627	31.820	18.478	18.478	18.478

Capital Expenditure – Departmental	2014/15 \$0.000m	2015/16 \$0.000m	2016/17 \$0.000m	2017/18 \$0.000m	2018/19 \$0.000m
Operating balance funding available	20.000	20.376	20.079	20.835	20.791
<i>Add</i> depreciation funding received	35.967	36.403	37.906	37.906	37.906
<i>Add</i> receipts from sale of assets	0.000	0.000	0.000	0.000	0.000
<i>Equals</i> Total Baseline Funding Available	55.967	56.779	57.985	58.741	58.697
<i>Subtract</i> capital investments funded from baselines	35.591	36.700	37.150	37.950	37.950
<i>Equals</i> closing baseline funding available	20.376	20.079	20.835	20.791	20.747

Capital Expenditure – Non-departmental	2014/15 \$0.000m	2015/16 \$0.000m	2016/17 \$0.000m	2017/18 \$0.000m	2018/19 \$0.000m
Baseline funding available for the purchase or development of Crown capital assets	3.654	2.100	2.100	2.100	2.100
<i>Add</i> Capital investments in organisations other than Departments					
<i>Equals</i> Total	3.654	2.100	2.100	2.100	2.100

## 2.2 Cost pressures

### Departmental – Operating

Summary of Departmental Operational Cost Pressures	2014/15 \$0.000m	2015/16 \$0.000m	2016/17 \$0.000m	2017/18 \$0.000m	2018/19 \$0.000m
This information has been withheld under Section 9(2)(j) of the Official Information Act 1982, to enable the Crown to negotiate without disadvantage or prejudice.					

### Non-departmental – Operating

Summary of Non-departmental Operational Cost Pressures	2014/15 \$0.000m	2015/16 \$0.000m	2016/17 \$0.000m	2017/18 \$0.000m	2018/19 \$0.000m
From Increased Service Demand	0.000	0.000	0.000	0.000	0.000
From Direct Employment Costs	0.000	0.000	0.000	0.000	0.000
From Capital Planning	0.000	0.000	0.000	0.000	0.000
From Other	0.000	0.000	0.000	0.000	0.000
Total Non-departmental Cost Pressures	0.000	0.000	0.000	0.000	0.000

### 2.2.1 Cost pressures arising from increased service demand

	2014/15 \$0.000m	2015/16 \$0.000m	2016/17 \$0.000m	2017/18 \$0.000m	2018/19 \$0.000m
<b>Departmental</b>	0.000	0.000	0.000	0.000	0.000
<b>Non-departmental</b>	0.000	0.000	0.000	0.000	0.000

*Partnership new costs* – the Conservation Partnership Group expects to increase focused activities with partners to drive growth in conservation. The objective is to secure beneficial value exchanges with partners like iwi, business, local authorities, private landowners and communities.

*Partnership new revenue* – the additional costs of the Conservation Partnership Group is expected to be met by increased revenue and there is no expected impact on the funding baseline.

### 2.2.2 Cost pressures arising from direct employment costs

	2014/15 \$0.000m	2015/16 \$0.000m	2016/17 \$0.000m	2017/18 \$0.000m	2018/19 \$0.000m
<b>Departmental</b>	0.000	3.878	7.852	11.927	16.104
<b>Non-departmental</b>	0.000	0.000	0.000	0.000	0.000

### 2.2.3 Operational cost pressures arising from capital planning

	2014/15 \$0.000m	2015/16 \$0.000m	2016/17 \$0.000m	2017/18 \$0.000m	2018/19 \$0.000m
<b>Departmental</b> – move to an ICT infrastructure service consumption model (AoG initiatives)	0.000	0.820	0.980	1.180	1.410
<b>Departmental</b> – Depreciation – inflationary pressures @ 2.1% annual inflationary	0.000	0.693	1.401	2.123	2.861
<b>Total Departmental Operational Cost Pressures</b>	0.000	1.513	2.381	3.303	4.271

### 2.2.4 Other cost pressures

	2014/15 \$0.000m	2015/16 \$0.000m	2016/17 \$0.000m	2017/18 \$0.000m	2018/19 \$0.000m
<b>Departmental</b>	0.000	2.310	4.669	7.077	9.536
<b>Non-departmental</b>	0.000	0.000	0.000	0.000	0.000

*Inflation on operating costs* – The major cost drivers for the Department are field operations (including helicopter services, supplies and bait), professional fees and contractors, property costs, IT and communications, vehicle costs (including fuel) and travel. All these costs are subject to inflationary impacts, with fuel used for vehicles and helicopter services subject to international pricing and volatility.

The Department uses prioritised site-based prescriptions to ensure that operational work is effective and efficient. Zero-based budgeting is used to align support services work programmes to priorities.

An allowance of 2.1% p.a. has been made for inflationary pressures based on operating expenditure of \$110m.

## 2.3 Actions that enable a balanced 4YP

	2014/15 \$0.000m	2015/16 \$0.000m	2016/17 \$0.000m	2017/18 \$0.000m	2018/19 \$0.000m
<b>Departmental</b>	0.000	7.701	14.902	22.307	29.911
<b>Non-departmental</b>	0.000	0.000	0.000	0.000	0.000

<b>Actions that enable a balanced 4YP – Departmental</b>	2014/15 \$0.000m	2015/16 \$0.000m	2016/17 \$0.000m	2017/18 \$0.000m	2018/19 \$0.000m
<b>Revenue increases</b>					
Recreation growth (3rd party revenue increases), and concession revenue growth This information has been withheld under Section 9(2)(i) of the Official Information Act 1982, to enable the Crown to carry out commercial activities without disadvantage or prejudice.					
<b>Efficiency improvements</b>					
Improvements to cost recovery processes/policies	0.000	0.250	0.500	0.750	1.000
Improved management and prioritisation of asset portfolio	0.000	1.000	2.000	3.000	4.000
Managing vacancies This information has been withheld under Section 9(2)(j) of the Official Information Act 1982, to enable the Crown to negotiate without disadvantage or prejudice.					
Efficiency initiatives for operating costs	0.000	0.500	1.250	2.000	2.500
<b>Reprioritisation</b>					
Partner contributions	0.000	0.628	2.906	4.508	6.464
<b>Technical adjustments</b>					
Transfer Crown funding to Dept operational VA depreciation	0.000	0.500	0.500	0.500	0.500
Move to an ICT infrastructure service consumption model (AoG initiatives)	0.000	0.820	0.980	1.180	1.410
<b>Total Actions that enable a balanced 4YP – Departmental</b>	<b>0.000</b>	<b>7.701</b>	<b>14.902</b>	<b>22.307</b>	<b>29.911</b>

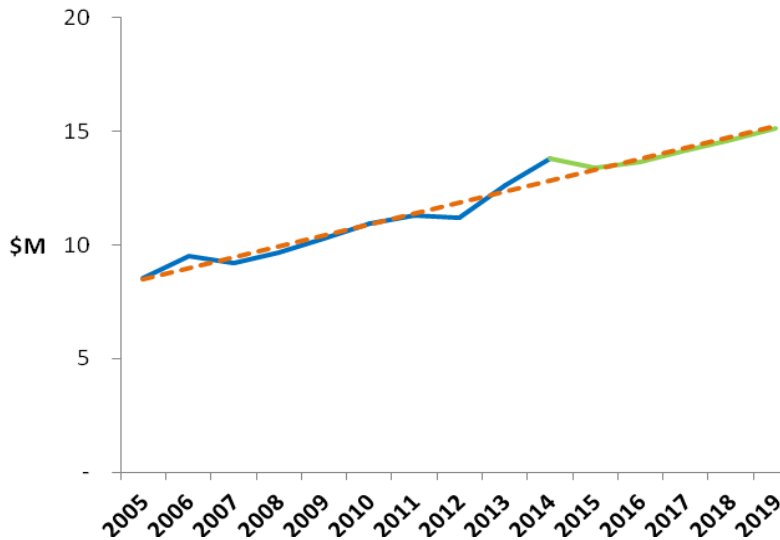
### Revenue increases

*Recreation growth (3rd party revenue increases)* – the Department’s operating model sees DOC in a more customer-focused role, including the now-established commercial partnerships unit. The Department will build its sales channels and use online booking engines to sell conservation experiences to businesses and customers. We envisage that new products and sales channels will increase visitor numbers as popularity and participation grow.

The following graph highlights the actual revenue achieved and forecast (solid line) with a trend line indicating a growth in the revenue base as a result of both price and volume increases since 2004/05.



**Recreational Revenue Actuals to 2014  
and 4YP Forecasts to 2019 with Trendline**

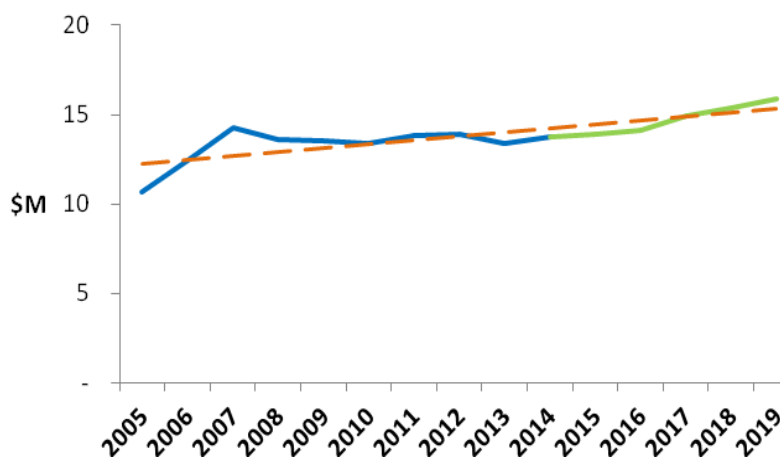


Although recreation revenue shows steady increases to 2018/19, the additional revenue will not be targeted to offset recreation cost pressures. These cost pressures will be considered along with spending on achieving strategic goals and operational priorities.

*Concession revenue growth* – with a stronger focus on understanding customer needs and working more closely with the Partnerships group, there are opportunities for operators to increase the natural heritage and recreation conservation products and product suites. Growth in tourism numbers and increasing participation is expected to increase concessionaires’ profitability. The Department benefits from increases in non-Departmental concessions revenue by receiving an equivalent budget increase.

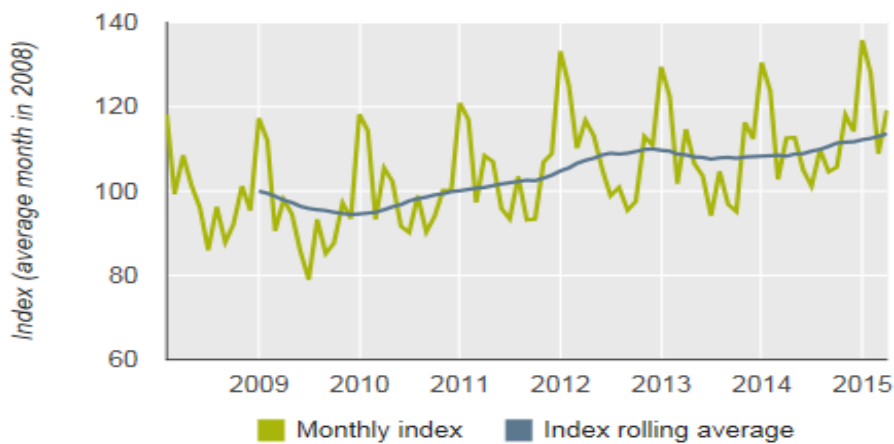
The following graph highlights the actual revenue achieved and forecast (solid line) with a trend line indicating a growth in the revenue base resulting from increases in tourist numbers – this increase in tourism is reflected in the Regional and International Tourism Indicator (RTI) graphs.

**Concessions Revenue Actuals to 2014  
and 4YP Forecasts to 2019 with Trendline**

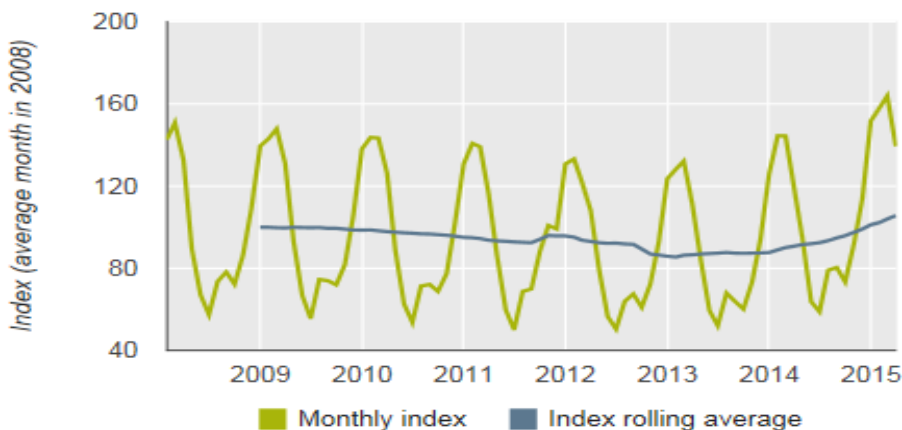


The following RTI graphs show the increased spending patterns from local and international tourists.

*Regional Tourism Indicators (RTI):*



*International Regional Tourism Indicators (RTI):*



### Efficiency improvements

*Improvements to cost recovery processes/policies* – we expect our continued programme of work around cost recovery rates and processes, together with a culture change around recovering costs from concessionaires, will contribute to managing the Department’s cost pressures.

*Improved management and prioritisation of asset portfolio* – with a number of asset management plans now considered and approved, the Department will continue to look at the affordability of the long-term capital programme, and consequential operating costs by reprioritising and deferring capital projects accordingly.

Budget 2015 includes an initiative of capital savings by reducing capital injections by \$144m over 5 years. This funding was tagged for Visitor Asset replacement but the original projections overestimated the work required within a relatively short timeframe of 20 years when Visitor Asset lives range from 10 years for signs to 100 years for structures. The funding is not required at this stage as the Department has a budgeted capital programme that is planned to meet the replacement work required over the next 5 years.

As concession and recreation revenue increases, local and international tourists will make more use of Visitor Assets. The Department therefore needs to ensure there is the right mix of assets to maintain customer service quality. The challenge is to target areas of capital spend that will maximise the benefits of the Department's assets for visitors and conservation work. This means further investment in current asset portfolios, and divesting in other areas that are not aligned to the Department's strategic outcomes. The Ten-Year Investment Plan will provide a greater understanding of the services provided by asset portfolios and the potential impact of investment on service levels.

*Managing vacancies* – increased workforce costs are expected to be met following a review of the approximately 200 existing vacancies, and a policy to reduce vacant permanent positions over time through managed attrition, while focusing on outcome delivery.

*Efficiency initiatives for operating costs* – a number of savings initiatives continue, including:

- Procurement savings
- Using fleet management tools to optimise the vehicle fleet
- Using video conferencing to reduce travel costs
- The centre-led property team managing the portfolio to ensure consistent prioritisation

The Department is also initiating specific cost saving programmes, including activity-based costing to identify less effective work, integration of support services activities to ensure alignment with priorities, simplification of concessions applications and the implementation of LEAN or similar.

## **Partnerships**

*Partner contributions* – based on existing partnerships and relationships and with the assessment of future growth and opportunities, an increasing level of partnership contributions is reasonably assumed to occur.

## **Technical adjustments**

*Transfer Crown funding to Dept operational VA depreciation* – Visitor Asset revaluations will increase the annual depreciation charge in the recreational area. This may be funded by a transfer from a Non-departmental appropriation – a transfer request is included in the October Baseline Update 2014.

Move to an ICT service consumption model (AoG initiatives) – to improve services and securing efficiencies across departments under the Government Chief Information Officer (GCIO) directive, the Department's ICT platform will move from a capital-owned model to an operating arrangement. This will result in operating cost pressures across the IT infrastructure; the Department will initially look to manage this with a transfer of capital expenditure to operating expenditure.

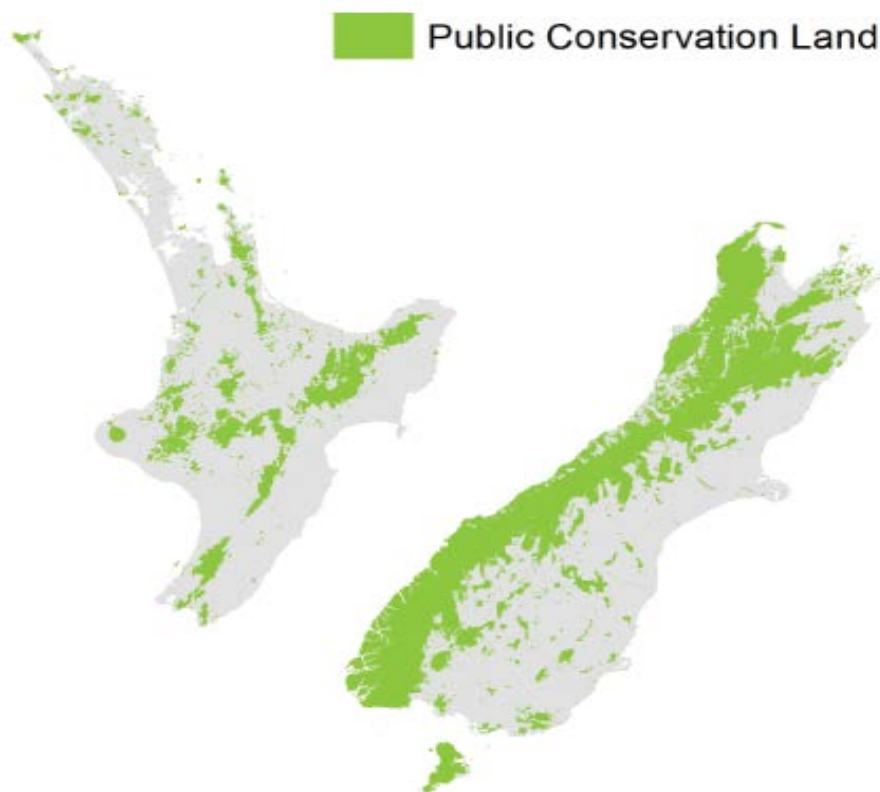
## Annex 3: Asset management and investment intentions

### 3.1 Capital intentions

The Department manages over 30% of the land area of New Zealand as Public Conservation Land (PCL). The New Zealand economy benefits from the ecosystem services derived from PCL, which contribute to:

- The primary industry sector (including agriculture, dairy, mining, forestry, and fisheries) which accounts directly and indirectly for much of New Zealand's GDP
- The service industry sector which (through tourism travel) accounts for another significant component of GDP

PCL is largely found in the upper (>1,300m elevation) and midland portions, with a relatively minor lowland (<400 m elevation) area. Indigenous forests cover about 58% of PCL, with the remaining 42% being non-forested ecosystem. Lowland areas in the North Island and eastern South Island remain poorly protected and vulnerable to development.



The condition of this land and its ability to continue to provide various ecosystem services (its functionality) is critical to New Zealand's prosperity and sustainable future. Further, the land is valued at \$5.4bn and represents a significant capital investment by New Zealand. As for any investment an adequate level of maintenance is an expected commitment. The current \$85m (direct costs only) per annum spent on land equates to 1.58% of this value, a relatively low level of asset maintenance.

The Department is progressively implementing a biodiversity monitoring and reporting system that provides a comprehensive, evidence-based assessment of the condition of terrestrial biodiversity on public conservation lands. Results are set out in the Department's Annual Reports from 2011/12 to 2014/15 and in supporting Technical Reports commissioned from Landcare, available through the Department's external website.

### **Recreation/Historic**

The Department manages more than 14,000 km of walking track, 977 huts and more than 1,900 toilets. There are approximately 13,500 bridges, boardwalks and other structures. Visitor and Historic assets have an NBV of \$365m, and an annual maintenance expenditure of approximately \$49m (direct cost only) or 13% of the asset value.

The Department is just over half-way through the \$349m 20-year programme established in 2002. Capital expenditure for 2014/15 is approximately \$24m per annum. This has been reduced from \$30m per annum in recent years, to manage down depreciation cost pressures. This investment and the impact of revaluations have resulted in growth of the net book value of visitor assets, with a flow-on increase in depreciation. Cost pressures also impact on the maintenance and operating costs of these assets. The Department's Asset Management Plan (AMP) for Visitor Assets and Historic Assets will enable prioritisation of the level of capital investment to best manage lifecycle costs.

### **Property and fleet**

As a geographically-dispersed organisation the Department has a large and diverse property and fleet holding. In the medium-term work has been completed on a Property Strategy and Property AMP, which aims to make sure property-related asset decisions support achievement of outcomes and future service performance requirements. As the strategy is implemented it is expected that this will lead to opportunities to align and rationalise the holdings.

Until September 2013 the Department managed its Property portfolio in a devolved manner, based on the 11 geographically based regions. While CAPEX planning and depreciation was managed centrally, all other data was collected and stored regionally with very limited national visibility.

The Department has now moved to a centre-led model for both property and fleet. For property, this covers commercial properties, minor properties with limited commercial opportunities, residential accommodation and shelter assets, and infrastructure assets. For fleet this covers vehicles, marine and plant. The Property Management Centre of Excellence guidance and direction and general infrastructure management best practice will guide property management. For both areas, All of Government guidance is a core element.

In terms of Category 1 (commercial) properties, DOC will seek opportunities to co-locate with other agencies – as long as this does not impact on the delivery of front-line services, and efficiency gains can be demonstrated and realised. For Category 1 and 2 (Minor Properties), generic All-of-Government fit-outs will be applied in all office refurbishments as far as practicable, on the basis that efficiency and effectiveness gains will be realised.

For fleet, a significant amount of preparatory work is required before a comprehensive AMP can be produced. A structured approach to data collection is underway. Once complete, the AMP will contain 1) 4-year maintenance forecasting 2) renewal and replacement forecasting for new assets, and 3) depreciation forecasts.

## Annex 4: Key assumptions and resilience

### 4.1 Risks to the assumptions underpinning 4YPs

Key assumptions in 4YPs	Risk	Consequence	Likelihood	Mitigation
<p>Personnel wages</p> <p>This information has been withheld under Section 9(2)(j) of the Official Information Act 1982, to enable the Crown to negotiate without disadvantage or prejudice.</p>				
Inflationary pressures on operating costs are 2.1% pa.	Inflationary costs or significant cost drivers (eg fuel) increase more than assumed.	Every 1% above the 2.1% included in the 4YP will cost an additional \$1.1m.	Unlikely	Growth of 2.1% assessed as most likely scenario. Continue to implement efficiency programmes, eg the integration of field programmes. For specific cost increases, review operating approach, eg helicopter use.
Depreciation costs increase from the revaluations of assets.	The asset portfolio increases greater than inflation indicators.	Depreciation increases will be funded by deferring or stopping capital projects and reprioritising or discontinuing activities.	Possible	Increases in depreciation charges put pressure on funding levels and require a review of the long term capital programmes included in Asset Management Plans – ensuring affordability may require deferral or cancellation of some capital projects.
Efficiency cost savings can be achieved by using established and innovative organisational processes and tools.	Cost-saving efficiencies are unable to be achieved to the required extent.	Savings will not be fully realised.	Possible	Cost savings efficiencies are already achieved for 2015/16 so there is time to plan and implement new programmes for out-years. Increased focus on operating discipline, eg DDGs are assigned responsibility for core efficiency programmes and the results are monitored and reported on regularly.
<p>Concessions revenue, and recreation and other revenue</p> <p>This information has been withheld under Section 9(2)(i) of the Official Information Act 1982, to enable the Crown to carry out commercial activities without disadvantage or prejudice.</p>				
Costs arising from the introduction of regulations under the Marine and	Government may require DOC to absorb (partially or fully) costs arising from the	If DOC is required to absorb costs other outputs will be reduced	Possible	Ensuring regulations are workable and cost impact is minimised

Key assumptions in 4YPs	Risk	Consequence	Likelihood	Mitigation
Coastal Areas Act that assign to DOC the responsibility for managing abandoned structures are funded by Government	regulations			
Changes in ICT systems can be absorbed within existing capital and operating funding.	Costs of changes cannot be funded within existing capital and operating.	Would need to re-prioritise or defer new investment until it became affordable, which means improvements in capability would not be achieved.	Likely	<ul style="list-style-type: none"> <li>• Five year strategic ICT plan (ISSP) and Asset Management Plans support forward planning.</li> <li>• Reduce bespoke system design.</li> <li>• Engage in all-of-government offerings such as licensing.</li> </ul>

**Key (likelihood column)**

**Almost certain:** More than 80% chance of occurrence over the 4 year period

**Likely:** 50-80% chance of occurrence over the 4 year period

**Possible:** 30-50% chance of occurrence over the 4 year period

**Unlikely:** 5-30% chance of occurrence over the 4 year period

**Rare:** Less than 5% chance of occurrence over the 4 year period

**Long-term:** Chance of occurrence beyond the 4 year period

## 4.2 Resilience

The table below contains an assessment of DOC's resilience to withstand and recover from shocks that could impact on the Department's ability to deliver the Four-year Plan.

Agency/sector	Staff	Information systems	Stakeholder relations/reputation	Physical capability (eg buildings)	Finances	Overall score for agency
Department of Conservation	3	4	3	5	4	19

1. No resilience to many eventualities
2. Only weakly resilient to most eventualities, exposed to significant risk in excess of appetites
3. Resilient to some eventualities but needs strengthening in some areas to be within risk appetites
4. Resilient to most eventualities, mainly within risk appetites
5. Strongly resilient to most possible eventualities, well within risk appetites

### Staff

The Department has experienced a significant restructure affecting a wide range of staff over recent years, and there are still many vacancies. This has impacted on organisational resilience to any further changes. The Department's current focus is on consolidation, and reinvigorating its employee engagement programme. The Department has a strong brand and is rated highly as a place to work.

### Information systems

Core ICT systems are well backed-up and off-site. Some systems are outside their useful life (eg time recording system) but the Department is testing alternatives for these. ICT work is planned strategically across multiple years within the context of the Government Common ICT Capability Roadmap.

### Stakeholder relations/reputation

Improving stakeholder relationships is a key strategic focus, and the Department is intent on strengthening its capability in this area. Recent restructures led to changes in roles and personnel which affected established relationship networks in some places. National surveys show that DOC has a good reputation. However, the Department has identified risks that, while unlikely, would have high consequences if they occurred. It is managing these through operating discipline.

### Physical

The Department has a widespread asset base and a relatively low value of individual assets, which spreads risks. Incidence/emergency management (eg responding to physical asset damage caused by weather events) is core work for DOC.

### Finances

The Department has a strong audit rating. Revenue streams comprise about 10% of budget and do not expose the Department unduly to external shocks. The organisation plans well ahead, through multi-year planning. We have demonstrated resilience to unexpected fiscal shocks, eg the 2014 beech-masting event.