



Department of Conservation

FOUR-YEAR PLAN

BUDGET 2016



Department of
Conservation
Te Papa Atawhai

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Introduction

Director-General

Our nature has shaped who we are. It is intrinsic to our Kiwi way of life and our national identity, and it underpins our economy.

Conservation is what makes New Zealand special and many New Zealanders are actively engaged in it. Conservation 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.

Healthy nature is necessary for healthy people and a healthy economy and is a key underpinning to New Zealanders' wellbeing. Our vision for New Zealand – 'the greatest living space on Earth' reflects an overall desire for social and economic wellbeing, environmental health, wealth and personal wellbeing. This vision is larger than the Department of Conservation (DOC) and larger than just conservation. It recognises that conservation has more than intrinsic value, and it forms the foundation of DOC's strategy – that conservation benefits all New Zealanders and is therefore everyone's responsibility.

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

- Work with whānau, hapū, iwi and communities to protect, restore and manage our natural places and native species
- Grow conservation by working in partnership with others
- Ensure that caring for nature is seen by New Zealanders as everyone's responsibility
- Continue to embed the new structure and strategy, and focus on improving the efficiency and effectiveness of core work programmes.

Additionally, in order to focus our efforts even more strongly, we have developed a set of stretch goals for the next 10 years.

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

Statement of responsibility

(Relevant to the strategic intentions of the Department of Conservation, pages 5 to 29)

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



Lou Sanson

Chief Executive/Director-General
Department of Conservation
27 May 2016

Vision, purpose and outcomes

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. We manage natural and historical 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.

Maintaining the persistence of native species and the health of New Zealand's public conservation lands and waters is core work for the Department. This work

is increasingly seen within a 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 2014.

The Department has four intermediate outcomes around which its work is organised. These are shown in the outcomes model diagram below. The stretch goals provide a 10-year focus for the organisation within this context.

DOC's vision and outcome statement reflects the importance of working in partnership with others.

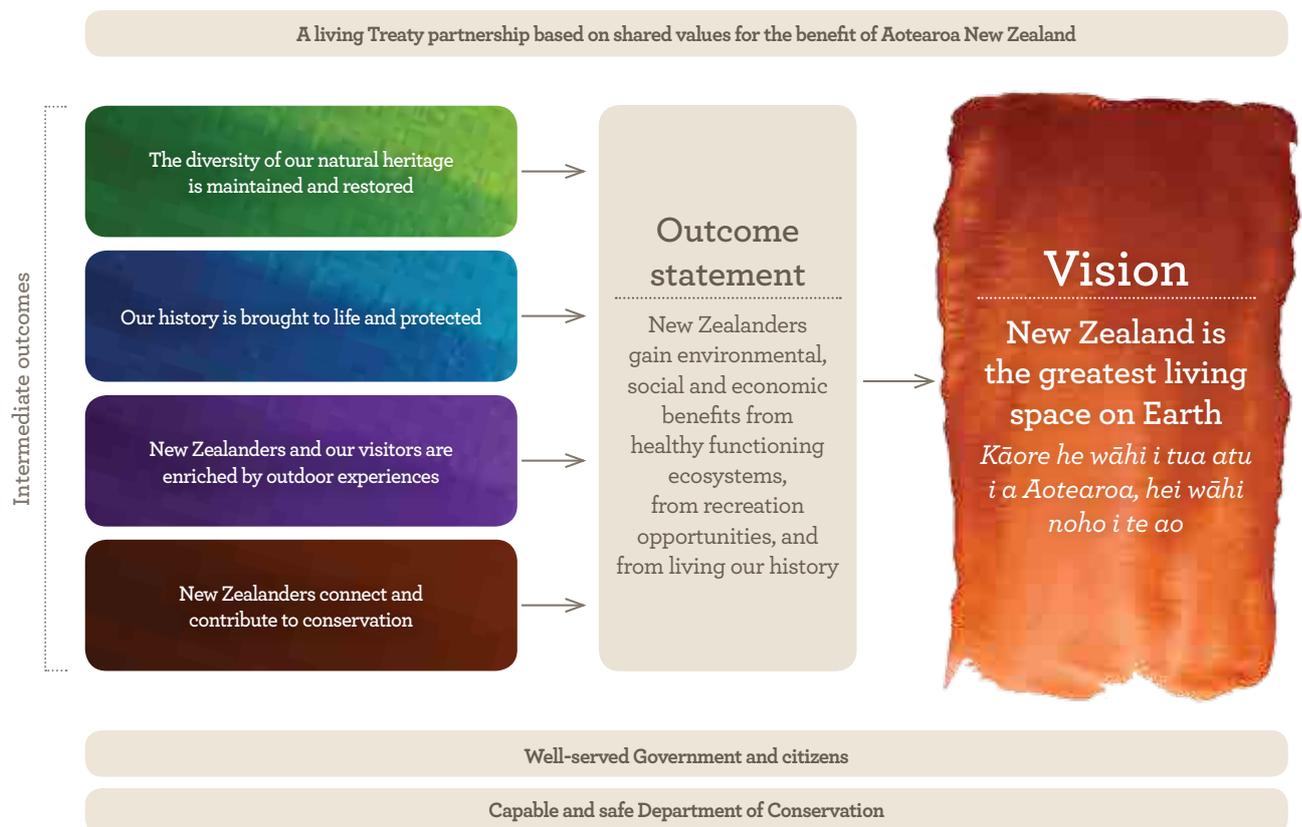


Figure 1: Conservation outcomes model.

DOC's overarching purpose statement is 'Conservation leadership for our nature'. This recognises the role that we all play as guardians of 'our nature'.

DOC has a legislative mandate to protect and care for New Zealand's natural environment and historic/cultural heritage. Individuals, community groups, businesses and other agencies also lead conservation through volunteering, sponsorship and partnerships for conservation. 'Our nature' also recognises the value of the natural environment to New Zealanders. It underpins our natural identity, economy and lifestyles.

The Department's main functions are:

- Managing land, fresh and coastal waters that have been protected for conservation purposes – about 8.6 million hectares of land, 44 marine reserves (covering a total of 1.74 million hectares), and 8 marine mammal sanctuaries (covering approximately 2.8 million hectares).

DOC's work is heavily focused on pest management on areas of land or water where natural heritage values are high, and on support of visitor experiences where historic and recreation/tourism values are high. Community engagement underpins these management programmes.

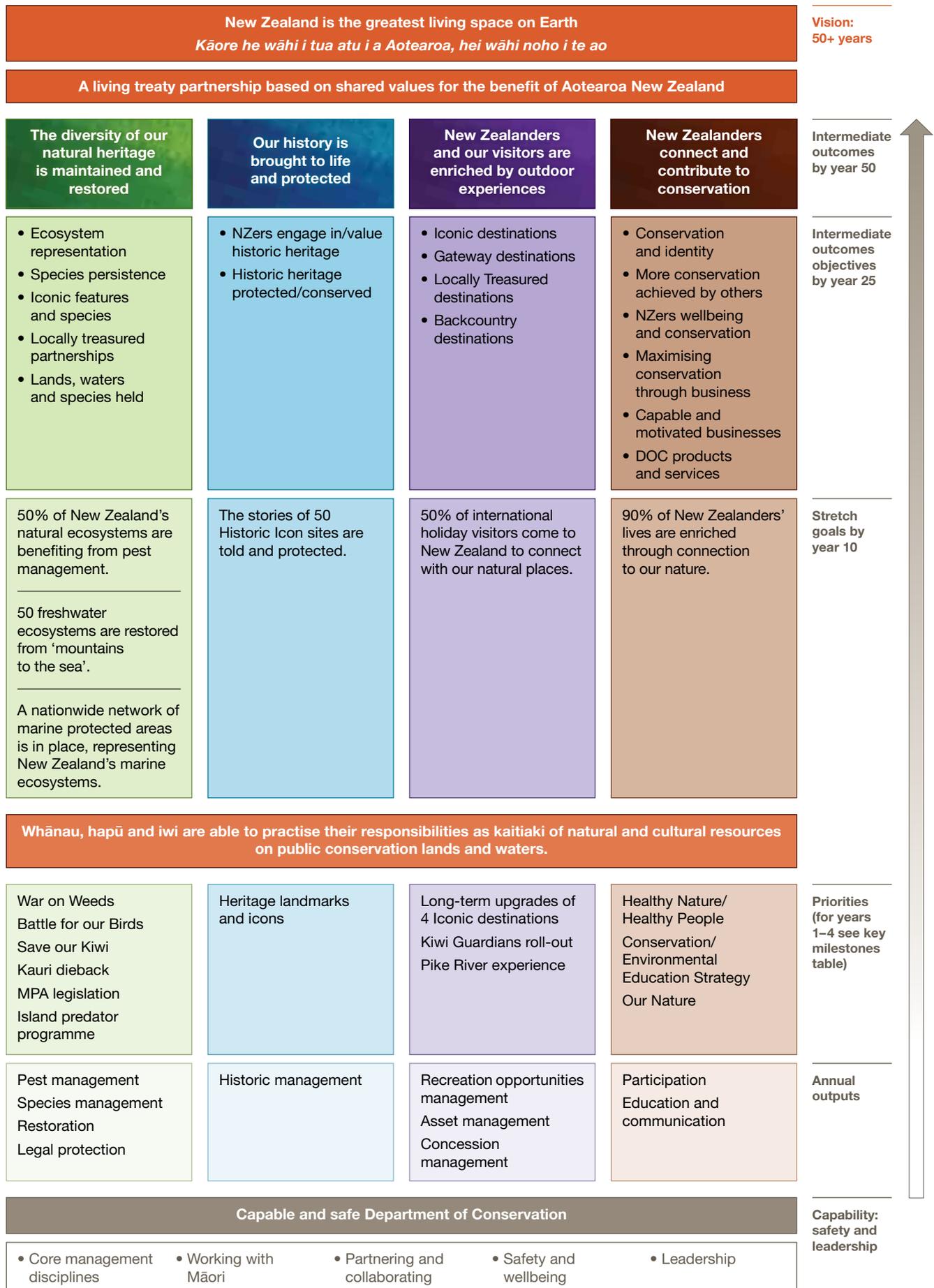
- Encouraging recreation on public conservation lands and waters by providing visitor facilities, including tracks for walking, biking and four-wheel driving, as well as huts, campsites, visitor centres and access to historic sites.
- Authorising tourism operations and other third parties to use sites 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 accessible to the public.
- 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 scientific, 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.

We are also contributing to the Better Public Service results areas by:

- Working with businesses to achieve conservation gains in ways that deliver environmental, social and economic benefits to New Zealanders
- Making changes to where the Department works and what it focuses on, to improve both the 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 on the core focus areas and cross-cutting themes agreed by Government for the sector, as set out in the Business Growth Agenda and reported through the Building Natural Resources progress reports.

Stretch goals and priorities



Stretch goal milestones and priorities

The stretch goal milestones outlined below drive performance and progress will be reported through the Department of Conservation Annual Report.

Table 1: Year 2: 2016/17 and out-year priorities

Intermediate outcome		Year
<i>The diversity of our natural heritage is maintained and restored</i>		By year 50
Intermediate outcome objective		
<ul style="list-style-type: none"> • A full range of New Zealand's ecosystems is conserved to a healthy functioning state • Nationally threatened species are conserved to ensure persistence • Nationally iconic natural features and species are maintained or restored • Locally treasured natural heritage is maintained or restored in partnerships • Public conservation lands, waters and species are held for now and future generations 		By year 25
Stretch goal milestones		By year 10
<ul style="list-style-type: none"> • 50% of New Zealand's natural ecosystems are benefiting from pest management • Whānau, hapū, and iwi are able to practise their responsibilities as kaitiaki of natural and cultural resources on public conservation lands and waters 	Priorities	Years 1–4
	<p>War on Weeds</p> <ul style="list-style-type: none"> • Increase wilding pine control and profile for the 'Dirty Dozen' weeds • Complete a National Dune Management Plan • Revitalise the Weedbusters programme <p>Battle for our Birds</p> <ul style="list-style-type: none"> • Ramp up aerial pest treatment by 50,000 ha/year • Respond to significant beech/podocarp mast events to prevent local extinction of iconic species populations • Continue support for Project Janszoon/Cape to City <p>Support the landscape-scale restoration project Taranaki Mounga</p> <p>Island Predator programmes</p> <ul style="list-style-type: none"> • Antipodes Islands mouse eradication programme • Resolution/Secretary Island stoats <p>Save our Kiwi</p> <ul style="list-style-type: none"> • North Island community focus with Kiwis for kiwi • Increase South Island linkage to Battle for our Birds <p>Kauri dieback</p> <ul style="list-style-type: none"> • Implement the plan with focus on facility development 	

Stretch goal milestones	By year 10
<ul style="list-style-type: none"> • 50% of New Zealand's natural ecosystems are benefiting from pest management • Whānau, hapū, and iwi are able to practise their responsibilities as kaitiaki of natural and cultural resources on public conservation lands and waters 	<p data-bbox="488 533 1479 573">Priorities</p> <p data-bbox="488 589 1479 618">Ecosystem management</p> <ul style="list-style-type: none"> • Consolidate EMUs – consolidate the top 500 terrestrial, freshwater and marine ecosystem management units and focus on the priority pests when implementing to standard • Species integration – integrate species into ecosystem management units to ensure persistence of more than 300 threatened species • Rare ecosystems – support others to focus on rare ecosystems outside public conservation lands and waters • Priority pests – focus on the priority pests that make the greatest contribution to the stretch goals across all management units • 50 Local Treasure partnerships – create a baseline of up to 50 Local Treasure natural heritage partnerships. Support and upskill partners to work independently • ZIP/Bioheritage National Science Challenge – expand ZIP to include Callaghan Institute • Wasps – confirm and begin implementing National Plan • McKenzie Agreement – implementation and fundraising plan <p data-bbox="1345 589 1479 618">Years 1–4</p> <p data-bbox="1345 909 1479 938">Year 2</p> <p data-bbox="1345 976 1479 1005">Year 2</p> <p data-bbox="1345 1043 1479 1072">Year 2</p> <p data-bbox="1345 1088 1479 1117">Year 2</p>
<ul style="list-style-type: none"> • 50 freshwater ecosystems are restored from 'mountains to the sea' 	<ul style="list-style-type: none"> • Living Water and Arawai Kākāriki – implement plans for Living Water and Arawai Kākāriki • Significant freshwater ecosystems – work with others to identify and restore additional significant freshwater ecosystems • Freshwater water reform – strategic involvement in RMA and support for the water reform work programme • Tier 1 monitoring for freshwater – implement as part of a collective action programme with other agencies <p data-bbox="1345 1133 1479 1162">Years 1–4</p>
<ul style="list-style-type: none"> • A nationwide network of marine protected areas is in place, representing New Zealand's marine ecosystems 	<ul style="list-style-type: none"> • Marine – develop a multi-year programme to implement Marine Protected Area policy • Citizen science – enable a citizen science approach where practicable to marine protected area monitoring • Marine forums – identify future marine forums, continue to progress South East Marine Protection Forum and support Hauraki Gulf Forum • Marine legislation – work with MfE on legislation for Kermadec Ocean Sanctuary and a new Marine Protected Area Act <p data-bbox="1345 1402 1479 1431">Years 1–4</p>

Intermediate outcome		Year
<i>Our history is brought to life and protected</i>		By year 50
Intermediate outcome objective		
<ul style="list-style-type: none"> • More New Zealanders engage in their heritage and value the benefits of interacting with it • Historic heritage is protected and conserved for future generations 		By year 25
Stretch goal milestones		By year 10
<ul style="list-style-type: none"> • The stories of 50 Historic Icon sites are told and protected • Whānau, hapū, and iwi are able to practise their responsibilities as kaitiaki of natural and cultural resources on public conservation lands and waters 	Priorities	
	Historic Icon sites – develop and tell stories at 2 icon sites each year	Years 1–4
	Bringing history to life – develop and implement an action plan to bring history to life in collaboration with other agencies/partners including the Landmarks programme	Years 2–4
	Engaging others in historic heritage – 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

Intermediate outcome		Year
<i>New Zealanders and our visitors are enriched by outdoor experiences</i>		By year 50
Intermediate outcome objective		
<ul style="list-style-type: none"> • Icon destinations support the growth of tourism and generate economic benefit • More New Zealanders enjoy Gateway destinations • More people enjoy Locally Treasured destinations • More people enjoy the backcountry 		By year 25
Stretch goal milestones		By year 10
<ul style="list-style-type: none"> • 50% of international holiday visitors come to New Zealand to connect with our natural places 	Priorities	
	Icon destinations – implement long-term upgrades of four iconic destinations Tourism industry relationships – form relationships with the tourism industry so that increasing tourism numbers can be managed effectively Pike29 – Great Walk – construction phase	Years 1–4
<ul style="list-style-type: none"> • 90% of New Zealanders' lives are enriched through connection to our nature • Whānau, hapū, and iwi are able to practise their responsibilities as kaitiaki of natural and cultural resources on public conservation lands and waters 	Gateway destinations – prioritise improvements to Gateway destinations near to or easily accessible from main population centres Kiwi Guardians – national roll-out Removing barriers – work with others to reduce barriers, making it easier for school groups and families to visit Gateway destinations	Years 1–4
	Engaging others in Locally Treasured destinations – engage with communities to jointly decide how they can be involved in managing Locally Treasured destinations	Years 3–4
	Engaging others in the backcountry network – Work with partners and other stakeholders to enable and grow their involvement in and contribution to the backcountry network Backcountry service delivery standards – implement a programme to match service delivery standards in the backcountry network to changing market demand	Years 1–2

Intermediate outcome		Year
<i>New Zealanders connect and contribute to conservation</i>		By year 50
Intermediate outcome objective		
<ul style="list-style-type: none"> • Conservation is core to New Zealanders' identity, values and thinking • More conservation is achieved by others • Conservation is seen as an essential investment in New Zealand's wellbeing and brand • Conservation outcomes are maximised from business partnerships • Businesses are more capable and motivated to undertake conservation independently of DOC • DOC's own products, services and brand maximise conservation and business outcomes 		By year 25
Stretch goal milestones		By year 10
<ul style="list-style-type: none"> • 90% of New Zealanders' lives are enriched through connection to our nature • Whānau, hapū, and iwi are able to practise their responsibilities as kaitiaki of natural and cultural resources on public conservation lands and waters 	Priorities	
	Healthy Nature/Healthy People	Years 1–3
	Conservation/Environmental Education – implement strategy	Year 1
	Conservation and Environmental Science Roadmap – complete first draft with MfE/DOC/MBIE	Year 2
	Whānau, hapū and iwi partnerships – build healthy partnerships by working alongside whānau, hapū and iwi	Years 1–3
	Transforming outcomes through partnerships – harness partnership opportunities with potential to transform outcomes for natural heritage, historic heritage and recreation	Years 1–3
	DOC Community Fund – target support for community conservation through the DOC Community Fund and other funds	Years 1–3
	Reporting partnership contributions – develop tools for reporting partners' contribution to conservation	Year 2
National business partnerships – develop additional set of six national business partnerships	Years 1–4	
Regional business partnerships – develop larger set of more than 50 regional partnerships	Years 1–4	

Capable and safe Department of Conservation		
Objective	Milestones	
People – building the capabilities needed to deliver our Stretch Goals	<p>Safety and wellbeing</p> <ul style="list-style-type: none"> • Continue culture change <p>Core management disciplines</p> <ul style="list-style-type: none"> • Remuneration system • Performance management system • Grow managers’ capability • Project management capability • Risk management system • Relationship management focus • Data and analytics <p>Sustainability</p> <ul style="list-style-type: none"> • Build a plan for a ‘Sustainable DOC’ • Enhance DOC’s potential to drive sustainability with partners 	Years 1–4
ICT – enhancing our capability and that of our partners	<p>Productivity – implement Identity and Access Management system</p> <p>Asset Management System – extend Department’s Asset Management System to biodiversity planning</p> <p>Relationship Management system – build a business case for an Enterprise Relationship Management System (ERMS) for stakeholder and volunteer management</p> <p>Migrate business-critical Permissions and Visitor Booking functions to the ERMS as a first priority</p> <p>Mobility – deploy Enterprise Mobile Management Support as a managed service</p>	Years 2–4
Infrastructure – DOC has the effective and efficient infrastructure needed to deliver its operating model and outcomes framework	<p>Infrastructure – DOC’s asset-related decisions support future service delivery.</p>	Years 1–4

The context we operate in

Context	Response
Meeting the conservation challenge	Collaboration to grow conservation
Contributing to New Zealand tourism, business, and national identity	Focus on how we engage with our customers
Working with whānau, hapū and iwi in a post-Treaty settlement context	Working with Māori, for Māori
Shifting populations	Agile learning organisation
Building a high performing, engaged organisation	Creating a culture for success

Meeting the conservation challenge

There are many challenges in conservation that this organisation is not able to solve alone. For example, the biodiversity challenge is great. New Zealand has one of the highest proportions of threatened species and one of the highest extinction rates in the world, despite a third of the country being public conservation land. This is due to the recent impacts of fragmentation of ecosystems through human settlement and establishing agriculture, and introduced species. Our native biodiversity is also vulnerable to the increasing impacts of human-induced climate change, including more frequent and severe storms and a likely 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.

There is an increasing amount of crucial conservation work undertaken by iwi, business, universities, research-based science organisations, volunteers, philanthropists, state-owned enterprises, other government agencies, Natural Resources Sector, local authorities, community groups, and other social sector groups. Working with these groups to grow conservation means DOC needs to support the work that is already being done by our partners, and involve them in the ongoing conversation about how to get the best value for New Zealand.

In parallel with this we have engaged with stakeholders to look at the value obtained from existing programmes, and to prioritise our activities on a value for money basis.



Seaview Vineyard, Marlborough. Photo: © Yealands Estate – Seaview Vineyard, Marlborough

Contributing to New Zealand tourism, business, and national identity

DOC sits at the heart of New Zealand's recreation and tourism industry, with 35 percent of international visitors coming primarily to experience our natural landscapes. New Zealand has a strong, well recognised and trusted brand with travellers. Conservation plays a critical role in supporting this – the market advantage on which our tourism industry relies. Ensuring that we maintain the integrity of our brand is critical. 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.

The businesses that support or complement recreation and tourism are major contributors to our national, regional and local economies. Additionally, 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 which underpin the success of many of our primary industries.

New Zealand's natural heritage shapes our cultural identity, and the quality of our natural environment contributes directly to our health and our standard of living. For many, recreation in the outdoors helps to improve health and wellbeing and contributes to a sense of personal achievement. Investing in conserving and protecting our natural resources and heritage is an investment in New Zealand's long-term wellbeing and prosperity, as well as protecting its natural heritage for future generations.

Working with whānau, hapū and iwi in a post-Treaty settlement context

Treaty settlements offer opportunities for confirming ongoing partnerships and strengthening relationships between the Department and whānau, hapū and iwi as Treaty partners. As settlements are implemented, iwi have a greater role and influence in the governance of public conservation lands and waters. DOC has ongoing commitments to 50 settlements, and the fast pace of

future settlements presents challenges to both DOC and Treaty partners' capability and capacity. DOC is ahead of many other departments in this regard, largely due to the obligations we have under section 4 of the Conservation Act 1987. However, it is important to shift the conversation away from these obligations towards a more integrated approach where all staff share the responsibility for understanding and maintaining the ongoing relationships we have with our Treaty partners.

Shifting populations

Our future operating environment will be characterised by ongoing demographic, social, technological, and political change. More people are living in the top half of the North Island and we have an increasingly urbanised and multicultural society. The environmental challenges we are facing are likely to continue for the foreseeable future and decisions and actions made now will have a significant impact on future generations. The location of the Department's networks of tracks, huts, campsites and other visitor facilities will need to change to meet the needs of New Zealanders today and in the future. Technological change is rapid and can provide innovative solutions as well as new issues, for example drone use on popular tracks.

Building a high-performing, engaged organisation

Organisations are only as strong as the people who make them. As our people change and grow we need to ensure the organisation is working just as hard to be fit for purpose, and a great place to work. We are emerging from a period of considerable restructuring and are now working in new model. We are in the third phase of this transformation plan which requires us to embed the new way of working in our systems, processes and culture.

- 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.

Our strategic response

Collaboration to grow conservation

The Department recognises its stewardship role in conservation is greater than the cost and resources it could realistically expect from the public purse. The conservation work being done by others extends our reach and in many places is leading the way. Supporting and leveraging the work our partners are already doing and working alongside them will greatly improve the conservation gains we can make. DOC is increasingly engaging in strategic partnerships across local, regional and national government as well as non-government sectors to gain efficiencies and make a stronger collective impact. It is essential that we engage openly

and willingly with these organisations, help them contribute to the overall wellbeing of our environment, and share our expertise and knowledge. To achieve this, we will need to continue the shift towards an increasingly collaborative way of working that asks “How can we work together to achieve the best outcomes for this place and these species?” rather than stating “I’m the expert, follow me!” Self-awareness and an appreciation and understanding of others’ perspectives is key to developing this strength.

Within government, 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.¹



Figure 2: Natural Resources Sector focus areas.

¹ In addition to DOC, the agencies of the NRS are: the Ministry for the Environment; 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 <http://nrs.mfe.govt.nz>.

Collaboration with the NRS agencies will continue to be a key focus. DOC provides policy advice and practical and scientific expertise to policy processes led by NRS agencies.

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 predator 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.

Outside the NRS, 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 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.

Focus on how we engage with our customers

It is important that we take a customer-focused approach when working alongside our partners. This means telling the conservation story with them in mind, putting them at the centre of what we do, and ensuring our engagement with them is high quality. This includes the organisations we work with as well as the thousands of 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. This is especially important for our work with iwi and private sector organisations where we need to be able to clearly articulate the value for our partners in conserving our

nature. Many people work in conservation because of their passion for the work and because they feel a connection to the land and New Zealand species. This can be a huge source of strength, and also a 'blind spot' when we assume everyone is motivated in the same way we are. The challenge for DOC is how to communicate the story of our nature to stakeholders so that they understand it, and can see themselves in it.

We are good at problem solving, however we need to balance this strength with a focus on identifying opportunities for our customers. This comes from thinking more about what New Zealanders need and how we can deliver value to them in new and innovative ways. DOC is committed to designing products, services and systems that place customers' needs at the centre, working with customers to identify the issues and barriers to them working effectively with us, and understanding 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 scope of its work. 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.

We are also working to improve the ease with which people access 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.

Additionally, as we increasingly work alongside our stakeholders, there is a need to increase our focus on the quality of these interactions. Those who interact with these partners become the 'face' of conservation to New Zealanders and the rest of the world. The Department uses a range of methods for evaluating customer response. These include the *DOC Survey of New Zealanders*, stakeholder surveys, and visitor satisfaction surveys (for post-visit feedback). 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, output performance, and research results.

Working with Māori, for Māori

All of DOC's work needs to recognise our ongoing Treaty partnership obligations. These partnerships are a crucial component to achieving more conservation outcomes. We need to continue to develop the capabilities needed to work even more effectively with whānau, hapū, and iwi; learning to listen more effectively, understand alternative perspectives, explore joint solutions, and be willing to work in new ways in order to achieve the greatest conservation gains for the country. Te Pukenga Atawhai Programme is helping grow staff capability in this area but more capability building will be required to meet

future needs, particularly when it comes to implementing settlement arrangements and understanding how to reflect iwi aspirations.

It is important that we pursue an organisation-wide approach to the way we engage with and value Māori contributions and perspectives in the work we do. This is reflected in all the elements of organisational culture including the symbols, signs, and the language we use. We are moving towards an approach that embeds the importance of working with Māori in all the work DOC does, and interventions that change perspectives as opposed to just transferring knowledge. The main shift required involves working with Māori for the benefit of Māori, and working with Māori in the design phase of our work, as opposed to consulting on solutions. This includes identifying opportunities where we can improve the way we work or get even better outcomes.

Agile learning organisation

Amidst the demographic, social, technological, and political changes we are likely to face, it is essential that our workforce has the expertise to continue to grow



conservation activity in New Zealand and to work with others to achieve common goals. We need to develop greater organisational agility in our systems and processes, embrace innovative approaches to solving challenges, and improve our ability to look ahead to ensure we are prepared for the future. Learning agility, being open to experimentation, learning from our experiences, refining and adapting becomes critical to our future success. We will develop a core competence in reviewing and being adaptable, and for this to be ingrained in how we work.

Creating a culture for success

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. We are also trying to change behaviours in order to lift the speed and quality of decision-making, drive accountability and consistency,

and ensure we are all working in the same direction. To achieve this, we need all staff to understand the dynamics of the social and team process, and what good team leader and team member behaviours look like. Our success will depend on a clear vision and strategy outlining how our work hangs together at a local, national, international level, and in an economic and social context. In this way, all our people will be able to use their judgement to make good local decisions within an organisation-wide framework.

Internally, we are continually working to shape and grow an organisation that our people are proud to work for. We have an increased focus on staff engagement, safety and wellbeing, and are looking at how we can make meaningful and sustainable improvements to ensure DOC is a great place to work. 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 work over the next 4 years is to embed the new model internally and build strong, productive internal and external relationships that achieve the benefits described above.

The table below sets out the cultural and operational transformation required.

Table 2: Transformation in culture and operation.

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

We will embed the new model 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 intermediate outcomes and stretch goals.
- Embedding the State Services leadership success profile to articulate the behaviours and attributes expected of our staff.

- 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.

A focus on improving our systems and processes

- The Department regularly reviews its regulatory processes to make them more efficient and easier for business and the public to engage with. The reviews frequently recommend changes to legislation administered by the Department, which are progressed, where possible, through policy initiatives raised by the Department. Other changes are made by amending internal policies and procedures.

Operating model

In early 2014/15 the Department conducted a 12-month post-implementation review of the organisational structure implemented in September 2013. 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. For the 2016–2020 period the focus will be on ensuring that DOC has the capacity and capability required to deliver on stretch goals, and the leadership and core management disciplines this requires. While this is the major focus, work is also underway to grow step-change partnerships, and drive further productivity from the planning and budgeting operating model segments.



Figure 3: Elements of DOC's operating model.

Critical risks and mitigation strategies

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 a 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.

Systems leadership practices and the use of leadership models such as team process, task assignment and operating reviews (OR) enhance DOC's ability to manage risks to achieve results. More specifically, there is a focus on enabling and requiring leaders to take uncertainty into account when applying judgement and making decisions.

The approach DOC is taking to risk management includes:

Items
<ul style="list-style-type: none"> • Providing a strong, clear, internal risk management policy direction.
<ul style="list-style-type: none"> • Establishing an expectation across DOC of enhanced results through agility and through taking managed risks.
<ul style="list-style-type: none"> • Holding leaders accountable for the quality of the work they do to ensure uncertainty is understood and taken into account.
<ul style="list-style-type: none"> • Adapting DOC's core business systems and processes to be effective in uncertainty.
<ul style="list-style-type: none"> • Providing education, training and tools to enrich leaders' ability to work in uncertainty.
<ul style="list-style-type: none"> • Risk management capability and performance monitoring and feedback.
<ul style="list-style-type: none"> • Ongoing systems diagnostic review.

Operational risk

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 planning an urgent response to its second major beech masting event in 2 years. This type of event results in large-scale predator irruptions that severely impact on fledglings from species such as mohua and kea. While the management response is to shift Departmental resources around, and time operations and funding required to best effect, a second major mast event following on from the 2014/15 event will likely require more resources than the Department can release through re-prioritisation.

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, based on monitoring programme predictions.

Financial sustainability and managing cost pressures

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

1. Partnership step-change strategy – increasing engagement 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 – with major structural change complete, DOC's focus is to embed leadership behaviours and core management disciplines in order to improve operational efficiency and effectiveness.

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.

Capability pressures

Our stretch goals are ambitious. In order to reach them, DOC needs to bring in and grow internal capability in several areas. These areas are identified below along with our key initiatives in this space, the relevant time frames, and how we will measure our impact.

Leadership and core management disciplines

Strong leadership is critical for all our staff in order to drive the behaviour change needed to deliver on our stretch goals. We need to ensure that all staff have a clear understanding of what they are accountable for, and that there is a common understanding of expected behaviours. The leadership success profile (LSP) describes these behaviours for the whole public service and we are well placed to start embedding this within our systems and processes.

In order to progress, measure and deliver on the stretch goals, we need managers within DOC to have a firm grasp of the fundamentals: managing people, finance, risk, projects, relationships, and governance. We are upskilling many of our managers and are considering how we provide ongoing support to these areas. This investment includes ensuring greater role clarity around what being a manager involves, and lifting some of our managers out of the technical detail they are familiar with. We are also redesigning our people management processes to ensure they are simple, integrated, and fit for purpose. Most of DOC's managers and directors have participated in 360° surveys which provided us with detailed information about the themed strengths and development areas across the organisation. From an LSP perspective, these development areas sit largely in the leadership character and talent management sections.

As well as the initiatives below, we also plan to use the information from State Services' Leadership Insight (<https://www.ssc.govt.nz/leadershipandtalent-tools>) and from talent mapping as it is rolled out to drive more targeted development interventions.

Key initiatives	Time frame	Measures
Work with SSC to design an LSP roll-out plan starting with recruitment processes (underway)	2015–2017	Plan designed by end of 2015. LSP embedded in systems and processes by mid 2017
'Embedding key leadership models in DOC' workshops – 3-day workshops for all managers and supporting resources to ensure a common understanding of the way we work, and developing solid operating models. This includes coaching training for managers using the GROW coaching and mentoring model	2015–2016	Evaluation survey for all staff and positive change to 360° results and engagement survey results
Organisation-wide peer coaching programme based on strengths and development needs outlined in 360° results	Ongoing	2016/17 360° results show an improvement in self-awareness (leadership character) as well as talent management competencies
Develop the maturity of our talent management systems (in line with SSC guidelines) to improve visibility of the 'leadership growth model' and become more targeted around our development offerings	Ongoing	By 2019, we will have embedded all the 'integrating' phases as laid out by the SSC maturity model
10 participants per year sent on the Natural Resources Sector Aspiring Leaders Programme to build our succession of leaders	Annual	90% of participants step into formal leadership roles in the year following their participation on the programme
People management system workshops and resources	2016	Tested through DOC pilot roll-out, will be reviewed, revised and then rolled out wider with evaluation in place (to be designed after pilot)
Needs assessment and design of modular-based learning modules for managers	2016	Numbers of workshops and attendance
<p>Overall measure: engagement questions relating to confidence in DOC leadership, clarity of vision, and effective communication</p> <p>360° feedback changes, decrease in the use of HR assistance, decrease in personal grievances, business plans that show a clear link to stretch goals</p>		

Partnering and collaborating in multi-stakeholder settings

Achieving our stretch goals relies on an organisation-wide ability to work with others, and involve them in all phases of conservation work. We are recognised across the public service for the work we do partnering with others. For example our Living Water partnership with Fonterra aims to improve biodiversity and water quality across New Zealand. Another example is our work with Corrections which contributes towards their reducing

reoffending goal while DOC benefits from the increased labour to enable conservation work. We need to look for more opportunities to model a collaborative approach internally within DOC, and build our effectiveness in the way we work with our external partners. As well as sharing expertise across the organisation, we will build on this strength by continuing to invest in our understanding of conservation psychology. This research has the potential to significantly influence the way we tell the conservation story, and bring others on the journey with us.

Key initiatives	Time frame	Measures
Cross-function coaching and mentoring programme	2016–ongoing	Annual review and revisions
Internal social scientists investing in greater understanding of conservation psychology and behaviour change, and looking at how to share and embed this across DOC	2016–2020	To be developed alongside research
Identifying success stories and profiling these across the organisation	Ongoing	Increase in number of successful partnerships, stakeholder survey results, intranet hits
Transparently publishing stakeholder survey results, with all teams committing to actions	Annual	Stakeholder survey – measuring change in results
Training in partnership skills for Partnerships staff, as well as transferring facilitation skills to deliver more broadly internally	2016–ongoing	Manager feedback, stakeholder survey results

Working with Māori

In order to embody a living Treaty partnership we need to improve the capability of all our staff to work alongside Māori from design to delivery in order to achieve outcomes that benefit both parties. As more iwi settle, they are reconnecting with their land and it is through this common connection that we must work together as partners. Increasingly we need to support iwi in their ability and desire to grow conservation as we enter a

post-settlement phase. We need to shift the conversation away from section 4 and our obligations, and more towards what a genuine Treaty partnership would look like. This involves embedding a cultural perspective in all our people processes, to ensure a consistency of understanding at all levels about our Treaty partnership that fosters inclusivity and a joint sense of responsibility to maintain relationships.

Key initiatives	Time frame	Measures
Socialise intervention logic document with directors (t3) to ensure they can all articulate what section 4 looks like in their work, and how they are embedding a living Treaty partnership	2016	Integration of Treaty partnerships in the Department's results framework
Use LSP roll-out to embed a cultural component in all phases of the people management cycle (e.g. recruitment, selection, development, performance plans)	2016–2017	Our Treaty partnership is emphasised in all people management processes
Continue to upskill staff through existing programmes such as Te Pukenga Atawhai	2016–ongoing	30% of staff through the programme by the end of 2018
Continue to bring young Māori into the Department through cadetships and trainee ranger programmes	2016–ongoing	Retention within DOC and iwi partners. Feedback from iwi partners
Kahui Kaupapa Atawhai participation in Operations talent management.	2016–ongoing	Recognition of cultural values in leaders across the organisation

Safety and wellbeing

DOC continues to have an unacceptable level of injuries. At an organisational level we need to ensure our systems and processes are all well positioned, and our people are well informed and equipped to take a proactive approach to managing safety and wellbeing, in order to deliver on our goals.

The only acceptable target for DOC to have is an injury free workplace, and a culture of wellbeing where every

employee is aware of what they need to do to be well, and accept accountability for this. ‘Injury free’ represents an environment where injuries are not an acceptable part of working for DOC, and where we do everything possible to prevent them. Our newly appointed Safety and Wellbeing director will refresh our system and lead the work highlighted below, including the review, update and implementation of our Safety and Wellbeing plan, to ensure behaviour change is owned and modelled at all levels.

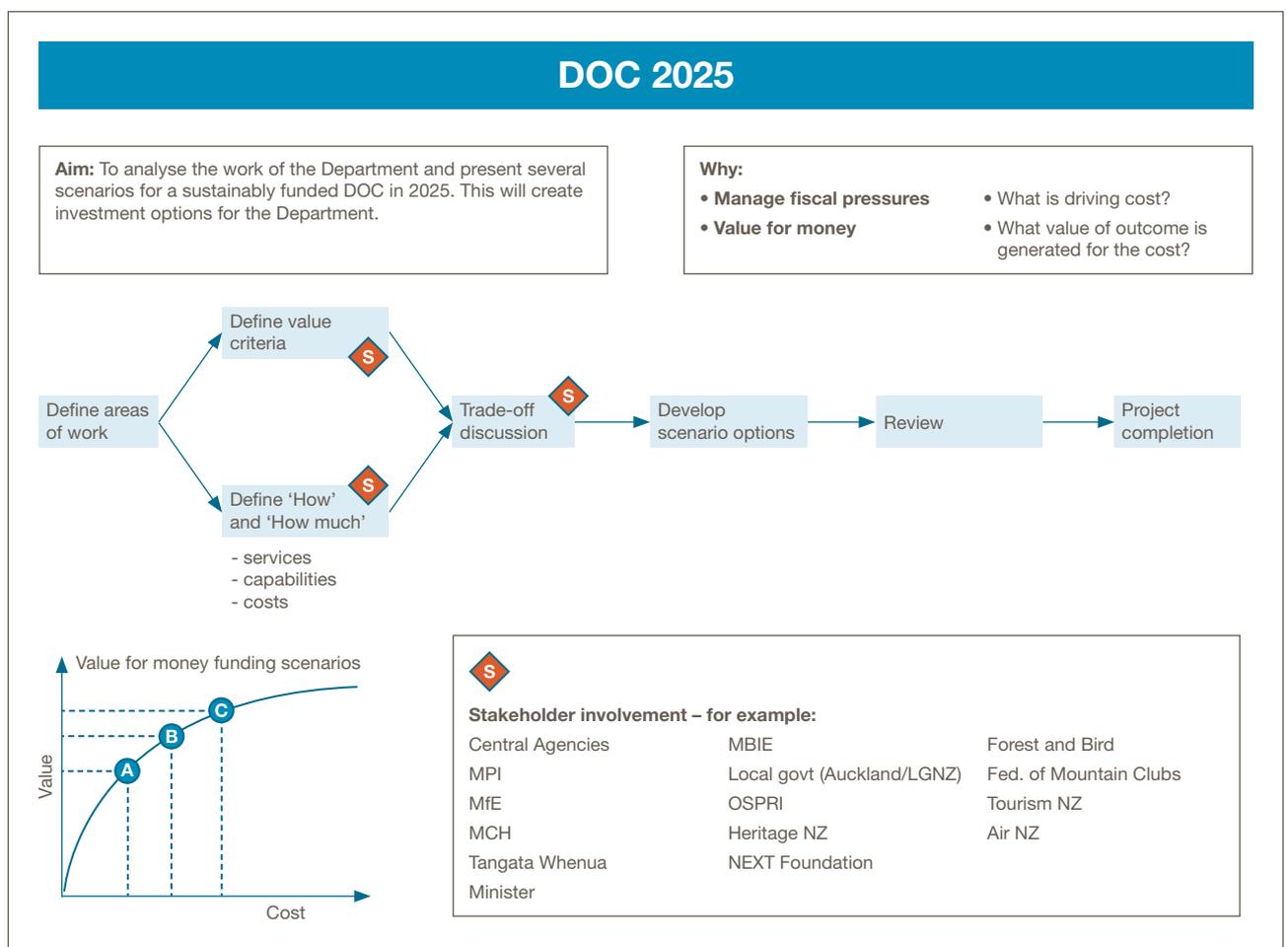
Key initiatives	Time frame	Measures
Redesign and refresh the DOC Safety Management System (SMS)	2016/17	All existing and new SMS components are redesigned and fit-for-purpose
Targeted support to DOC teams using detailed data analysis	2016/17 and ongoing	Reduction in injury rates
Fatal risk action plans	2016/17 and ongoing	Reduction in incidents relating to identified fatal risk areas
Wellbeing investigation and action plan development	2016/17 and ongoing	A wellbeing plan is deployed

Strategic delivery, strategic choices and trade-offs

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

The Department has begun a process to analyse the potential trade-offs across the Department to improve its sustainability. This approach will establish and clearly communicate the conservation value proposition.

The process that will be used is set out in the diagram below:



Together the scenarios developed form a 'model' of the Department which provides for prioritisation on relative 'value for money'. This enables development of options to meet a range of future scenarios/constraints.

Trade-offs

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 transitions from direct delivery of outputs (goods and services) to supporting others to deliver those 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 the support provided by DOC to partnership initiatives (e.g. project management, technical advice, operational support, monitoring, and relationship management).
- An increase in natural heritage, historic heritage and recreation outputs (e.g. 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.
- That savings from waste reduction initiatives and more cost-efficient operational practices (e.g. landscape scale pest control) will offset a proportion of the decrease in direct output delivery by DOC. Large-scale savings from restructuring are now largely completed.
- Improved outcome performance as a result of others engaging directly in conservation and in support of stretch goals.

In order to demonstrate the overall growth in output performance by DOC and others, the Department will be increasingly reporting on the outputs produced by significant partnership initiatives, particularly on public conservation lands and waters. Conservation delivery on private land is difficult to identify and report but other third party organisations are working in this area, e.g. Nature Space – a website for groups, individuals and landowners undertaking ecological restoration in New Zealand (www.naturespace.org.nz).

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 conservation and for the partner.

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, which describe and cost the activities required to achieve specific goals, e.g. healthy

functioning ecosystems for natural heritage. These plans are linked to a location geospatially. The plans are prioritised for implementation based on cost/benefit criteria showing which grouping of prescriptions is most likely to support our 10-year stretch goals and align with a specific intermediate outcome objective. Within prescriptions further prioritisation takes place to ensure elements that are progressed first are those that provide the greatest contribution to our stretch goals.

DOC's recreation and historic heritage activities are now also clustered in destination-based multi-year management plans using modelled costs that can be adjusted during business planning.

Engagement activities are now also captured in multi-year plan form, with activities and methods designed around the phases of engagement an individual or group goes through as they are introduced to, and participate in, conservation.

The use of multi-year, spatially-enabled plans focuses DOC's work more strongly on the achievement of stretch goals and strategic objectives, provides more consistent and useable information, and improves DOC's ability to manage its resources and capability 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 Natural Resources Sector water quality improvement initiative. Cross-agency work on marine environment monitoring is yet to begin.

Components of the monitoring and reporting framework developed in 2015 will be progressively implemented in the term of this plan. This will improve the richness of information about the status of each stretch goal and 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.

Core business as usual

While this plan highlights the initiatives that will contribute to stretch goals over the next 4 years, the Department maintains an extensive management programme year on year as part of normal business. The scale of this work can best be seen in the annual output performance and 5-year trend table set out opposite.

Summary of annual output performance

Performance trend by financial year

Significant output measures	Actual 2011/12	Actual 2012/13	Actual 2013/14	Actual 2014/15	Target 2015/16	Target 2016/17
Beech mast response – hectares under restoration	–	–	–	681,004	126,088	845,839
Rats/mustelids – hectares treated	–	–	–	–	–	711,915
Possums – hectares sustained	1,024,448	1,010,770	939,395	975,620	785,319	837,093
Possums – hectares treated	234,636	184,179	180,069	357,316	226,575	163,228
Goats – hectares sustained	2,357,373	2,310,738	2,156,704	2,125,628	2,010,822	2,068,519
Goats – hectares treated	1,410,088	1,353,319	1,222,053	1,103,331	1,149,868	1,205,573
Deer – hectares sustained	732,203	549,638	540,756	522,714	619,752	612,399
Deer – hectares treated	367,376	376,010	372,458	456,757	476,221	426,246
Weeds ecosystem – hectares sustained	1,806,266	1,752,995	1,851,778	1,220,980	1,295,782	1,460,581
Weeds ecosystem – hectares treated	475,568	492,263	454,074	525,469	710,921	420,484
Weeds – wilding conifers – hectares treated	–	–	–	–	–	137,000
Threatened species – improved security	238	212	196	258	350	260
Threatened species – managed for persistence	42	111	104	159	104	104
Ecosystems – managed for ecological integrity ²	–	151	185	507	445	500
Historic assets – remedial work to standard	29	27	17	17	18	8
Historic assets – maintenance work to standard	1,169	962	984	1,387	1,050	1,185
Recreation assets – huts to standard (90%)	87	87	70	90	90	90
Recreation assets – tracks to standard (45%)	61	58	47	56	45	45
Recreation assets – structures to standard (95%)	95	93	92	94	95	95
Engagement – volunteer workday equivalents	31,806	35,135	35,149	34,789	37,277	34,770
Engagement – partnerships	548	595	605	901	854	761

² This indicator is made up of terrestrial, freshwater and marine components. The terrestrial component has met its first milestone of more than 400 ecosystem management units under management. The marine and freshwater components will be progressed through the stretch goals established during the 2014/2015 year.

Outcome streams

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 ecosystems³ provide, such as clean water and healthy soils, and reduces the flow-on benefits to New Zealand's prosperity.

Working with others

Reaching the stretch goal milestones for natural heritage requires the Department to work much more in partnerships and to support others to increase their contribution. It involves forming significant 'step-change' partnerships with new partners to achieve significant biodiversity outcomes as well as optimising existing partnerships, such as those with regional councils (e.g. by joining forces to improve the delivery of operations), primary industry not-for-profit OSPRI New Zealand⁴ (on the eradication of Bovine Tb), and the Natural Resources Sector generally on significant biodiversity initiatives.

The Department will continue to engage with Treaty partners and whānau, hapū and iwi about a wide range of natural heritage topics, including as part of the implementation of Treaty settlements, in order to achieve natural heritage and other outcomes.

We will continue to engage with regional councils, iwi, business and the community to enable resource management decision-making processes to be based

on an awareness of the likely impacts of proposals on natural heritage values and to support the development of objectives and limits that will protect those values.

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

Preventing species extinction and ensuring New Zealand retains high quality examples of all the different types of ecosystems are the Department's core objectives, and will continue to receive a significant share of our resources. In recent years, effort here has focused on becoming more effective by identifying, prioritising and implementing those projects that will achieve the greatest gains nationally. 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 geospatially, using prioritisation software called Zonation.

The Department has used this method of analysis to rank sites for management aimed at restoring a full range of terrestrial and freshwater ecosystems and has made progress towards managing the top 500 of these sites. All current marine reserves are also being managed as part of this priority set of sites. We are currently identifying species within the top ranked sites to gain further cost-efficiencies by integrating these as part of a prescription's implementation programme.

Because not enough is known about many species to manage and monitor them successfully, the Department is progressively assessing the status of New Zealand's native species to identify which ones are suitable for immediate management and what research or additional information is required for others. Currently, 985 are classified as 'Threatened', 2772 as 'At Risk' (not in immediate danger of extinction, but of concern), and 4342 as 'Data Deficient'. A critical information gap is distribution information for some species. To ensure

³ 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.

⁴ OSPRI is a 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>.

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 500 ecosystem management units, the priority now is to implement the pest and species management actions that will make the greatest gains for the stretch goals and outcomes objectives. This will ensure New Zealand retains healthy examples of nearly all ecosystem types and progresses the initial target of at least 300 threatened species managed for long-term survival. Additional threatened species will continue to be managed outside of these sites where the focus is on the security of local populations of threatened species.

The focus of the next 4 years in shifting effort to the highest ranked (and best value for money) prescriptions is on 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.

One method of reviewing prescriptions at site and focusing work on the priority actions is shown in the diagram below. The staff who develop and implement prescriptions have information on the pest 'pressures' that impact on the ecosystems and species at the site. The initial focus of work programmes is on the pests that have the greatest impact on health and function (e.g. rats, possums, goats, weeds) using large-scale relatively cheap methods, e.g. 1080 aerial to knock them down before working on pest species that may only sparsely occur and for which control techniques are relatively expensive if not used at scale.

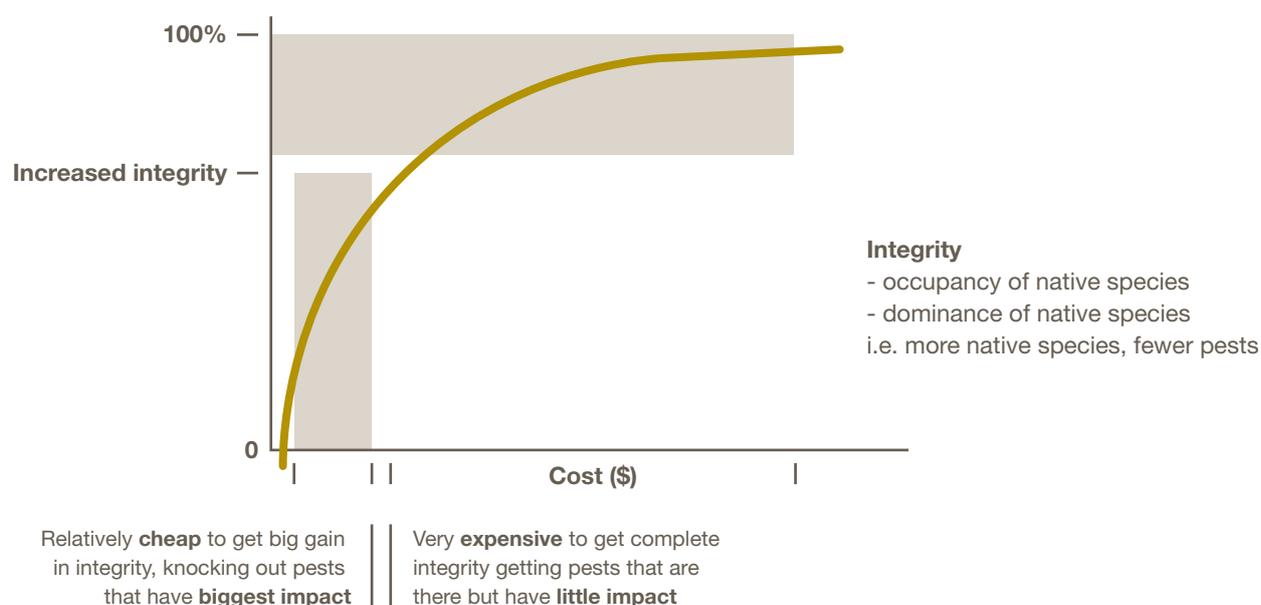


Figure 4: Integrity/cost curve for natural heritage.

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 also 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 lands and waters 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 MfE under the National Policy Statement for Freshwater, and supporting freshwater ecosystem restoration projects such as the Living Water programme with Fonterra.

DOC is working closely with other Natural Resources Sector 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.

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 work with MfE on 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 of Primary Industries to implement 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.

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, as it looks to progress the pest management stretch goals. We are also moving to design and implement pest control operations over larger landscapes, which are significantly more cost-effective, and have an annual target to ramp up aerial 1080 pest treatment by 50,000 hectares each year for 5 years (completion year is 2019/20).

Related to the increased use of 1080 is a programme of work with the Ministry for Primary Industries and the Ministry for the Environment to develop a national instrument under the Resource Management Act 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.

Monitoring and reporting on biodiversity

The Department will continue its national biodiversity monitoring and reporting programme. Now in its fourth

year of progressive implementation, the information provided by the programme is already contributing to MfE and Statistics NZ 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 through collective action with other agencies. In order to do this, we will continue to develop indicators of the ecological integrity of freshwater and marine environments.

Supporting innovation

Science, research and innovation are key to achieving more efficient approaches and productivity gains in conservation. A Science Plan has been developed and positions the Department's science advice to strongly support stretch goal and outcomes achievement. 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: 'New Zealand's biological heritage, sustainable seas, the deep south, our land and water, and resilience to nature's challenges.

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 (e.g. 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 to 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 lands and waters 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 yet 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 wellbeing through improved social connectedness and health, identity and employment in tourism services. Increasingly we will be working with Heritage New Zealand through the Landmarks programme so that our stories and approach to visitors are aligned and consistent.

Telling the story of our history

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 are key to sustaining heritage values. The Department is actively seeking opportunities to engage a more diverse range of people in heritage conservation. In particular, DOC will integrate with the Ministry of Culture and Heritage's Landmark programme for icon sites, and 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. Success in this approach will require building the capability of both staff and the people we work with to enable them to bring their stories to life.

A significant opportunity for profiling New Zealand's colonial history is the 250th anniversary in 2019 of Captain James Cook landing in New Zealand. This story is one that intrinsically connects New Zealanders to an important aspect of their national identity.

The 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 of 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 be 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 and administered and managed by DOC. DOC will continue to assess, provide advice on and, if required, seek change to 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.

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 DOC Community Fund.

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.

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 for 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, which are being enhanced to provide decision-support 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 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.

Heritage management in New Zealand is a major focus for DOC, the Ministry of Culture and Heritage, and Heritage New Zealand (formerly the New Zealand Historic Places Trust). A more coordinated approach to policy, site protection, and the way we tell historic stories to visitors 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 insufficient 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.
- Our strategy is to encourage others to invest in heritage management to grow the total being actively managed.
- The discipline of heritage management focuses on cultural heritage value and cultural heritage significance.⁵ The values and significance may vary depending on who is being asked, and decisions require some balance between what is important because of how unique it might seem and 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 severe weather events and coastal erosion are increasingly threatening heritage sites and assets.

⁵ See ICOMOS New Zealand Charter 2010 p2 http://www.icomos.org.nz/docs/NZ_Charter.pdf

- The quality of work by third parties at heritage places may not be to a standard that ensures they are protected.

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 lands and waters 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 per km and \$2.70 per walker per km for each new participant.⁶ 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.⁷

The 1250 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.⁸ Public conservation lands and waters are a significant backbone of the recreation and tourism industry in New Zealand.

The Department manages a network of 14,000 kilometres of track, 977 huts, more than 1900 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.

The aim of DOC's recreation and tourism work is 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 realign its network from the very widespread investment pattern and create more accessible places that match current demand and meet future needs, 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, 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 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,

⁶ NZ Transport Agency 2013: *Economic Evaluation Manual*. Wellington: NZ Transport Agency, p.223-225.

⁷ This is based on New Zealanders walking the Tongariro Alpine Crossing, and excludes international visitors.

⁸ 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 and Statistics New Zealand 2013: *Tourism Satellite Account: 2013*. Wellington: Statistics New Zealand, p.14-16. http://www.stats.govt.nz/browse_for_stats/industry_sectors/Tourism/tourism-satellite-account-2013.aspx)

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. Current 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.

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 what 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 they can be involved. Marketing will focus on tourists seeking the 'local' experience. Addressing 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 a very low use but high operating costs. A reduction in the overall size/standard of the Backcountry network is required to improve affordability and to grow 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 relatively well marketed, they will not be a marketing focus. Understanding potential visitor preferences will be essential if we are to grow use of these places.

Over the past 4 years, use of visitor centres has been steadily declining.⁹ 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.

A customer-focused approach to destination management requires more information about people's preferences to inform decision makers. This includes being clear about knowledge gaps regarding understanding of demand, and establishing an informed response to emerging markets. The asset management tools (AMIS and the 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 increasing managers' knowledge of how 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 and waters 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.

⁹ The Nielsen Company (2014) *Annual Survey of New Zealanders*, p.36.

- 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.
- Implementing 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; but 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 (e.g. the Kauri dieback initiative) carry a high level of dependency on third parties meeting their obligations, and on the Department's ability to deliver on very complex programmes of work.

Managing visitor assets: The recreation and historic heritage challenge

DOC manages an extensive network of visitor facilities with a net book value of \$365 m and an annual maintenance expenditure of \$49 m (direct costs only including staff time), or 13% of the asset value. An Asset Management Plan provides visibility across all asset costs and enables prioritisation of the level of capital investment to best manage life cycle costs. The Department is continuing its transition from the asset supply-based delivery model it has used for the past 25 years to a customer-focused site 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 their currently aligned standard over the term of this Four-year Plan. Delivery of the required outputs will decline to 75–80% assuming static funding levels during the life of this Four-year Plan.

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 table below and graph show cost pressures on the proposed operating budget from 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.

Table 3: Financial year OPEX estimates

	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
Depreciation	17,000	17,340	17,687	18,041	18,401	18,769	19,145	19,528	19,918	20,317
Capital charge	31,300	31,300	31,300	31,300	31,300	31,300	31,300	31,300	31,300	31,300
Overheads	4,700	4,794	4,890	4,988	5,087	5,189	5,293	5,399	5,507	5,617
Permanent staff labour	16,750	17,085	17,427	17,775	18,131	18,493	18,863	19,240	19,625	20,018
Fixed-term labour	2,700	2,754	2,809	2,865	2,923	2,981	3,041	3,101	3,163	3,227
Direct	17,958	17,135	16,296	15,439	14,566	13,675	12,766	11,840	10,894	9,930
Total	90,408	90,408	90,408	90,408	90,408	90,408	90,408	90,408	90,408	90,408

With structural changes completed and as we gain experience with the new structure, further analysis of the original assumptions about the efficiency, effectiveness and sustainability of the changes to support visitor asset management is underway. Increased funding over the past decade has increased the visitor asset cost base with bigger huts, more gravelled tracks and more tracks in general.

The cost of owning these capital assets is a significant part of the balance sheet (\$17.5m depreciation). Our initial assessment is that while we can find some short-term efficiencies from our operating funding and salary costs, in the long-term capital investment can only be sustained by a radical shift in technology and/or our visitor asset operating model. Business analytics capability is a crucial component of the work required to make such a shift.

The Department 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 communication programme to better inform visitors and the New Zealand public of the network changes required in response to changing population and visitor demographics.

New Zealanders connect and contribute to conservation

DOC's engagement and partnerships model 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 is not only an enabler of conservation work both on and off public conservation lands and waters but has ambitious outcomes in its own right.

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 being people who value conservation and its benefits to the extent that they commit to long-term independent contribution and action.

The support and delivery of DOC’s outputs and outcomes in historic heritage, natural heritage and recreation is dependent on work in building New Zealanders’ connection and contribution to conservation.

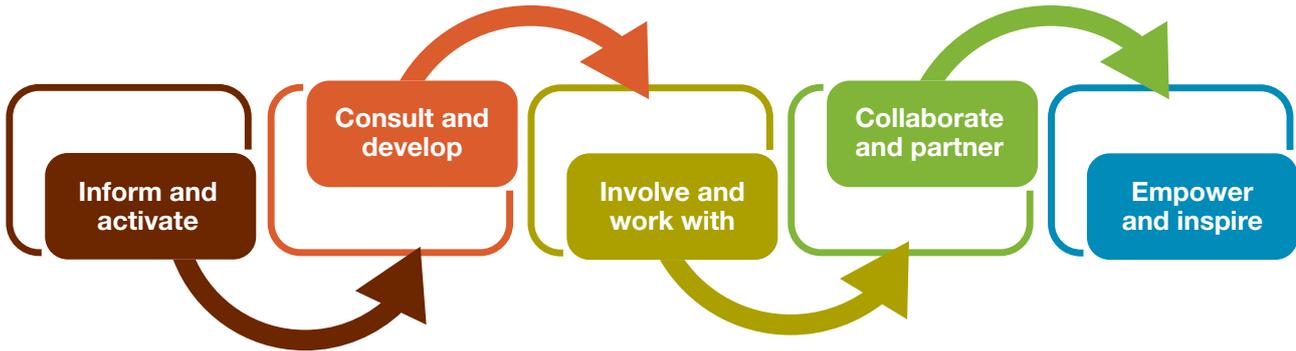


Figure 5: Engagement and contribution spectrum model.

Connecting people to conservation

Over the past few years the percentage of New Zealanders who believe conservation is important has remained relatively unchanged at around 80%.¹⁰ Just over 54% indicated that they took some form of conservation action. This presents a significant opportunity to reach new audiences and build a deeper commitment to natural heritage, historic heritage, recreation and their values. The focus is on continuing to develop the segment of the population that already recognises the importance of conservation, providing opportunities and tools for participation, and skill and knowledge building (‘inform and activate’ stage and moving to ‘consult and develop’ on the Engagement Spectrum).

Education remains a key mechanism for connecting New Zealanders to conservation. Work between DOC, the Ministry of Education, Ministry for the Environment and the NEXT Foundation is underway to develop a more strategic direction for the delivery of environmental education in schools. DOC will also be seeking 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 behaviour change in local communities and the 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 and waters should be managed. A more nationally consistent approach to formal consultation processes will be implemented during this Four-year Plan period.

A healthy environment has a fundamental role in our economic and social wellbeing, and prosperity. Despite its critical role in New Zealand’s economy there is still a relatively poor understanding of the need to invest in the protection of the health of our natural environment to ensure it continues to provide the essential resources and services we rely on. DOC will work with other Natural Resources Sector (NRS) agencies to develop compelling stories, promotional collateral, tools and resources to 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.

¹⁰ Ipsos 2015: *Survey of New Zealanders*. Report prepared for the Department of Conservation. Ipsos New Zealand, Auckland.

Capability needs to be developed within the Department to better understand the drivers that connect New Zealanders to conservation as well as any barriers the Department may be able to reduce. Engagement training will provide staff with the skills to more deeply understand how to use the Engagement Spectrum to form strategies and tactics to support the broad range of people currently engaging in conservation and increase their numbers at each stage, if possible. A strong model supporting the behaviour change that is applied consistently across the country will support further growth over the next 4 years.

Supporting others to contribute to conservation

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 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.

An important component of DOC's engagement and partnerships model is developing more customer-centric relationships and partnerships where DOC leads, co-leads or supports others (the final three stages of the Engagement Spectrum) based on mutual benefit. Ensuring that our partners gain value while contributing to optimal natural heritage, historic heritage and recreation outputs increases their awareness of the wider benefits of conservation and its importance to them.

Targeted support will be provided for priority community conservation work through the DOC Community Fund and other funds. Work will primarily be focused 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 (e.g. DOC's work with Project Janszoon, and Cape to City, as described in the case study on page 44).

Further work will 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 enables all involved to gain more impact in achieving common goals through harnessing the resources and drive of several agencies and organisations (e.g. Nature Central and the South-East Marine Protection Forum).

DOC uses a wide range of statutory and non-statutory processes to engage with stakeholders and partners. Work continues on developing a more customer-oriented approach to understanding the conservation values of others and improving systems and processes for more meaningful engagement. Focus in this area will be placed 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, and understanding how some of our processes may contribute to or impede conservation growth.

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.

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 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.

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. Implementation of an Enterprise Customer Relationship Management system to manage DOC's engagement with current and future stakeholders and partners (including volunteers) has been prioritised as part of the Relationship Management theme in the Department's ISSP (see Annex 2 Information and Communication Technologies section of this Four-year Plan).

There is urgency for DOC to measure and understand performance in engagement as a base for more effective strategy and management decision making. DOC's immediate need is to identify how DOC's performance has impacted on the community conservation sector but also to support a greater understanding by the community 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.

The commercial sector is a vital and leading part of the wider community. DOC will proactively grow the engagement of the business sector in conservation and develop a set of highly visible national business

partnerships (10–15) and a larger set of 50–60 regional partnerships.

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

The three key areas of 'reach' (the ability of our partners to reach and influence audiences far beyond DOC's reach), 'recreation and tourism' (our partners promote and support the public engaging in activity on public conservation lands and waters and through building partnerships we will build innovative conservation experiences meeting contemporary customer needs), and 'restoration' (all partners provide the ability for us to deliver more biodiversity gains on the ground) continue to represent the true value of business partnerships as opposed to revenue generation.

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 businesses, whānau, hapū and iwi, and conservation.

DOC's strategy to build partnerships over the next 4 years continues the focus on six core areas and is progressed through the stretch goal priorities set out in Table 1 on page 8.

- Building partners who are champions for conservation.
- Proactively supporting the development of business opportunities on public conservation land and waters.
- Driving a customer focus and developing products and services that deliver to customers' needs.
- Improving the strength of the DOC brand.
- Developing the necessary platforms to work in partnership with businesses.
- Viewing conservation activities through a commercial lens.

Trade-offs

- The priority across the organisation 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 ensuring 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 aren't 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 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.
- The initial focus on working to deepen relationships with our current customers limits the resources available to develop new relationships and thereby broadening our reach into different industries. However, deep relationships are required to fully explore the symbiotic nature of business and conservation.
- Focusing effort on building relationship management systems slows the initial ability for the Department to develop and manage new partnerships, however once 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 DOC to place resources and effort in areas of mutual interest and these may not be the highest priority areas for DOC. DOC will thus need to determine the return on investment from these partnerships.
- Working with commercial entities will require DOC to work within commercial time frames to take advantage of opportunities. These are at odds with the Department's current processes, for example prescriptive 10-year management plans.

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 the scale of partnership activity to support other outcomes across the organisation may not be sustainable.
- As in other areas within the Department, the engagement work stream relies heavily on the resources and investment in people. 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 outcomes across DOC as well as the community.
- While DOC's engagement and partnerships model is still at an early stage of development, the work that has traditionally taken place in this area has done so without a strong information and analysis base. There is a much stronger imperative to understand the value, costs and returns from 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.
- As a result of the Department not acting in a commercial manner, for example meeting time frames or understanding commercial imperatives, the Department's reputation and brand are weakened leading to a reluctance by business to engage.
- As a result of information gaps and lack of understanding we fail to calculate the value, costs and returns for partnership and as a result do not deliver optimal gains to conservation. We risk undervaluing conservation and, critically, we risk the possibility we could unknowingly deliver a negative return on investment for conservation.
- The partnership story fails to be compelling enough and a general loss of confidence and belief erodes momentum.

CAPE TO CITY CASE STUDY

For New Zealand, with two-thirds of the country in private land use and much of that area in primary agricultural production, the maintenance and restoration of our biodiversity must include the ability to integrate restoration into day-to-day farming practice. This needs to be in a way that delivers both production and environmental benefits to land users and the broader community.

Cape to City and Poutiri Ao ō Tāne are large scale projects aimed at integrating biodiversity restoration into business-as-usual primary production landscapes in ways that deliver economic, social and environmental outcomes. These projects are managed by a partnership between Aotearoa Foundation, Hawke's Bay Regional Council, Department of Conservation, Cape Sanctuary, and Landcare Research – Manaaki Whenua. Iwi, hapū and marae groups are also key partners, with engagement anticipated at the governance, project and community level.

Experience and knowledge gained from Poutiri Ao ō Tāne over the past 4 years created an opportunity to scale up predator control and ecological restoration in the new Cape to City initiative. The objectives of this partnership are underpinned by research, habitat protection,



pest control, species reintroductions, community engagement and education.

Poutiri Ao ō Tāne is an existing large-scale ecological restoration project which has been running for 4 years. This project (8,800 ha) covers a variety of land uses and is located on the Maungaharuru Range, with Boundary Stream Mainland Island at its heart.

Cape to City is a new initiative of 26,000 ha that lies between Hastings and Cape Kidnappers, and extends southwards to include Waimarama and forest remnants at Kahuranaki.

It is only when we add this to the work already being undertaken on high conservation value areas that we have greatest chance of significant, long-term biodiversity recovery across New Zealand.

Cape to City and Poutiri Ao ō Tāne will provide solutions that can apply to the rest of New Zealand.

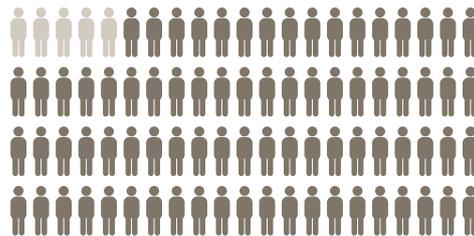
Annex 1: Capability

Workforce and capacity information

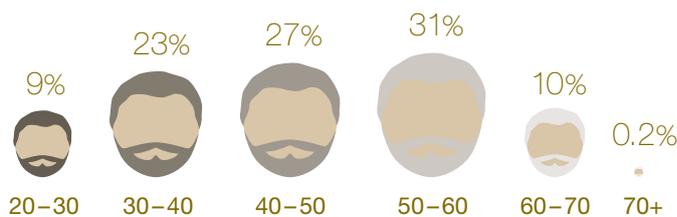
DOC workforce profile (as at June 2015)



105 Fewer staff than in 2010



Overall staff numbers (permanent and temporary) have dropped from **2,047 in 2010** to **1,942 in 2015**



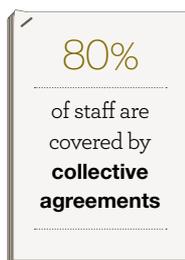
The **average age of an employee is 47**, with the largest percentage of staff sitting within the 50-60 age bracket.



Average turnover is 8.12% compared to public sector average of **10.7%**



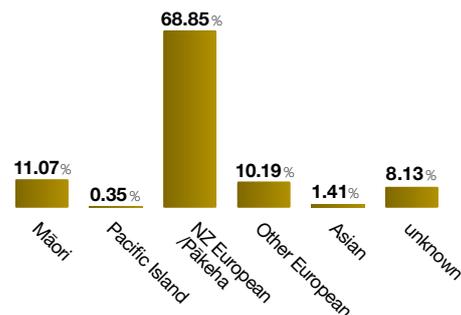
Staff engagement level is **62** compared to State Sector benchmark of **70**



Workforce costs account for **45.2%** of overall costs



Average sick leave **6.6 days**



NZ European/Pākeha make up **68.85%** of our permanent workforce.

People capability

Priority workforce groups

The groups outlined below are priority segments for DOC or the NRS sector. The reason they have been chosen is that these roles are critical to the achievement of DOC or NRS strategic objectives over the next 4 years.

Conservation Partnerships Group

The Conservation Partnership Group (Kāhui Manutātaki) is responsible for driving growth in conservation through partnerships. Their work is focused on four main areas:

1. Securing new agreements with partners to benefit conservation.
2. Project-managing new, large-scale value exchanges to ensure they are delivered successfully on the ground (locally, regionally and nationally).
3. Maintaining and enhancing strong working relationships with external partners.
4. Being a strong advocate for conservation locally, regionally and nationally.

This area of the business is critical to achieving our strategic objectives as partnerships with others increase our capacity to deliver conservation work. The skill set required for working in partnership with others is one we want to grow throughout the organisation and our Partnerships team is our in-house expertise. We do not currently have recruitment or retention issues in this area. We continue to invest in capability to ensure we are leaders in this field.

Middle management (including supervisors)

DOC's middle managers and supervisors have a significant influence on the experience and behaviours of our staff. In recent years we have underinvested in new managers and supervisors, resulting in a need across the organisation to provide learning and development opportunities, especially in core management disciplines (people, projects, finance, governance and risk). We do not have recruitment or retention issues in this group but historical restructuring has affected capability and engagement levels. The main body of this Four-year Plan (page 23) gives examples of how we are investing in

strengthening the capability of this group. Implementing the pilot roll-out should also provide some stability.

Science and technical

Science and technical staff work as part of the broader Science and Policy group to develop investment strategies that deliver step-change growth in conservation. These people have specialist expertise in a range of conservation areas (such as marine, ecosystems, threats), and their knowledge drives leading conservation work. We do not have recruitment, retention, or capability issues but we do have an aging workforce – particularly within this group. We are planning to share institutional knowledge through organisation-wide coaching and mentoring. We also continue to bring young people into this field through initiatives such as the trainee ranger programme.

Frontline staff

Frontline rangers are responsible for delivering conservation work on the ground through biodiversity, recreation/historic, community engagement and visitor centre teams. This group of people is seen as the face of conservation work, and often engage directly with customers. They deliver a large amount of the work we are measured on, and they also have firsthand experience with our customers and are well placed to anticipate their needs. We do not have recruitment issues, however we have high turnover of young people in these roles. We continue to bring staff into the organisation through internships and trainee ranger roles, and encourage leadership development through the Aspiring Leaders programme where most participants are frontline staff.

Diversity focus

Part of the desired shift we are trying to make includes empowering our people to think customer, and identify innovative opportunities to get better value for New Zealand. One way of doing this is by ensuring our staff better reflect the communities we serve. DOC has typically steered away from department wide strategies or targets around diversity, preferring to take a best practice approach to ensuring systems are designed to be culturally inclusive. The recent Superdiversity Stocktake recognises the positive steps DOC has taken at an operational level, as well as understanding the different perspectives and understandings that diversity

brings.¹¹ We need to build on this by focusing more effort on ensuring our staff better represent the regional populations in terms of age, gender, and ethnicity. For example, we know there are a growing number of Asian and Pacific Islands people living in Auckland which our workforce does not reflect. Similarly, our workforce is ageing and we are not bringing young people in at a rate that matches this. Over the next 2 years we will work with expertise both within and outside of DOC to create tools and resources to support more culturally inclusive ways to attract, recruit, and retain a broader range of staff. The Leadership and Organisational Development team will then work with staff in the regions to ensure they have a regional diversity strategy that is fit for purpose in the communities they work in. Some work has already started in Auckland where we are working with local iwi groups to trial Māori cadetships and also researching strategies for attracting more Pacific Islands staff.

We are continuing to offer internships and trainee ranger roles in an effort to attract young people to the Department. The Natural Resources Sector Aspiring Leaders Programme also continues to attract a high number of quality applicants, many of whom go into leadership roles across the sector.

Recruitment

Note that we expect the same roles to face recruitment pressures over the next 12 months as we do over the next

4 years. While there are 6 role groupings listed over the page, there are only a handful of people employed under each of these categories, so the impact on the business and the cost of addressing it is relatively low.

Workforce capacity

[Redacted. 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.]

Workforce costs

[Redacted. 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.]

Bargaining and remuneration rounds

[Redacted. 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.]

Capacity

[Redacted. 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.]

¹¹ Chen, Mai. 2015. *Superdiversity stocktake*. Superdiversity Centre for Law, Policy and Business. 403 p. Available at: www.superdiversity.org.

Roles/positions difficult to fill	Reason	Action/strategy to manage this
ICT Strategy and Architecture	There are cost pressures associated with skill shortages in this area. It's very difficult to find or attract the right skills.	Included as hard-to-fill positions are covered under the DOC employer accreditation with Immigration NZ. Targeted remuneration or other incentives due to small number of staff.
Enterprise Systems and Services technical staff (developers, testers, ERP)	Ageing applications with reduced budgets will make retention of current staff difficult and new staff hard to attract because skills in old technology are limited.	Review the ISSP and produce an enterprise roadmap.
Technology Support and Infrastructure technical staff	Salaries are below market rates, retention of staff may become an issue.	Targeted remuneration or other incentives due to small number of staff.
Geospatial Services	Generally don't have a problem recruiting but have lost some of the more technically advanced to agencies such as NZTA who pay more.	Identify whether a skill shortage still exists in the market and develop current staff who can be promoted when advanced staff leave. Targeted remuneration or other incentives due to small number of staff.
Solution Development (in particular solution architects and business analysts)	There are cost pressures associated with skill shortages in this area.	Included as hard-to-fill positions covered under the DOC employer accreditation with Immigration NZ. Need to review development of current staff in this area.
Policy and senior policy analysts	No vacancies currently but moderately difficult to fill at the most senior levels due to salaries being below the average in the Natural Resources Sector. Turnover is 1 Tier 4 manager, and 4 senior advisors (out of 10) in past 2 years.	Included as hard-to-fill positions covered under the DOC employer accreditation with Immigration NZ. Need to review development of current staff in this area.

Annex 2: Information and Communication Technologies (ICT)

The Department is ensuring that ICT work is planned strategically across multiple years. We are enhancing our capability and that of our partners. We are doing this within the context of the Government ICT Strategy, the Common ICT Capability Roadmap, and DOC's Information Systems Strategic Plan (ISSP) approved in 2015. Over the next 4 years we will continue to adopt common capabilities as they become available. We will move to enterprise cloud services as we retire legacy systems.

We will transform from a reactive to a proactive IT service through early business engagement, better understanding of business needs and an operating environment maturing to match our business model. This is combined with creative and innovative design, adopting the All-of-Government (AoG) and Software-as-a-Service (SaaS) approaches, to provide 'fit for purpose' solutions that evolve with changing business practices. Recent cost pressures and tight fiscal environment have focused us on being more cost-efficient and agile to grow business value.

Our ISSP outlines the direction for our architectural framework, and investment and solution roadmaps. Strategic workstreams are underway with other agencies and AoG providers and with our internal business owners, standardising processes. We are evolving our ICT infrastructure to support a more mobile workforce and consolidating legacy applications.

Managing information as an asset is fundamental. We have implemented and will enhance an enterprise content management system. We are providing tools that enable and foster collaboration. Our information is easier to discover and duplicated effort is reduced. Our core platform is Oracle Web Centre Content Server. This AoG common capability offering enables our staff and external stakeholders to engage digitally in conservation. Additional ICT capability to support our partnerships and how we manage volunteers, and efficiencies in permit processing will improve information management within the Department, in line with citizen expectations for security and privacy. Collaboration across government will be the key to success of our ISSP.

Our ISSP identifies four themes:

- Productivity
- Relationship management
- Data and analytics
- Mobility

The ICT developments in each theme will:

- improve the cost-effectiveness of investments
- increase staff productivity
- improve financial and investment controls
- support decision-making
- increase public and stakeholder access to services and information.

These ICT developments meets Government's Result 10 target 'New Zealanders can complete their transactions with government easily in a digital environment'.

We aim to be 'mobile by default' with a totally IT mobile workforce. We will enable customer- and client-focused relationship management with our social and business partners, and community and volunteer groups by adopting enterprise relationship management (ERM) capabilities. We will improve the data and analysis functions to support conservation decisions and data sharing with the public/partner agencies. Infrastructure and process changes will dramatically improve the productivity and cost-effectiveness of our ICT investments. We will reduce internal management costs through process automation. Videoconferencing services and increased use of our DOCLearn learning management system will help support the productivity theme. Replacing our electronic time recording (ETR) system will ensure business continuity. All IT design decisions will be based on the adoption of core enterprise systems across all DOC functions, and wherever possible, early retirement of legacy systems.

Productivity

The initial project to move DOC's ICT infrastructure and data storage (part of the Infrastructure as a Service common capability (<https://www.ict.govt.nz/services/show/IaaS>)) was completed in 2015. The second phase in

2016 will reduce the overall cost of data storage, provide access to digital data (images and sound), and improve performance by moving data storage and computing infrastructure services offshore.

In 2016 DOC will also focus on reducing duplication of effort and streamline internal management processes through the implementation of an identity and access management system (IdaaM). This long-term programme will initially provide the enterprise platform for all systems access functions. This will be followed by phases to build a single source of truth, simplify the employee data lifecycle, create single sign-on capability and eventually provide external user access to DOC's systems.

During this Four-year Plan period, improvements to operational planning will include the deployment of biodiversity planning in the Department's asset management system (SAP plant maintenance). This will simplify development of the '90 day' operational plans, bringing activity planning into a single system. It will eventually replace the bespoke business planning system.

The slow speed of access to DOC's IT systems and services has for many years been a major issue in remote areas, seriously affecting staff productivity. In 2016 DOC will begin upgrading this critical infrastructure to improve the users' experience and the use of IT.

The electronic time recording (ETR) system is 'end of life' and will be replaced in 2016 to ensure business continuity. This project is integrated with the IdaaM programme to provide simplified processes to manage employee records and a 'single source of truth'.

Mobility

Our Mobility Strategy was approved in 2014. The Department is now positioned to introduce telecommunications as a service (TaaS), enabling a completely mobile workforce. To achieve this DOC has begun transitioning to a unified voice and data network that integrates mobile and desk technology.

The first phase of this work started during 2015/16 with the move to mobile devices for all staff, and a change to in-field data capture for asset management using mobile

phones. Associated with this has been the upgrade of the mobile asset management application to enable the Android file manager, helping DOC to reduce the cost of mobile devices, improve users' experiences and simplify the device landscape.

The second phase in mobility will be the deployment in 2016/17 of enterprise mobile management support. Provided as a managed service to mobile device and application users, this also supports the themes of productivity, reducing administration costs and lowering the overall per user cost of mobile support. As staff adjust to operating in a mobile environment, we will start a programme to reduce desktop computing and provide more mobile solutions through web-based services and deployment of Wi-Fi in offices (dependent on the TaaS Common Capability).

ISSP data and analytics

The IdaaM programme is in the first phase of creating a single suite of stakeholder-focused applications. It will support decision making by seamlessly integrating internal and external data and systems and enable open data sharing with others. Phase one is reduction of data and process duplication (noted in Productivity above). Phase 2 beginning in 2016/17 will deliver a 'single source of the truth' and data sharing via application program interfaces (APIs), enabling others to access and use DOC's data.

There is an ongoing programme of iterative improvement using the business intelligence suite to support planning and reporting of operational activities. This programme is also focused on multi-resource scheduling to ensure resources are deployed as and when required and to reduce churn in the new '90 day' planning cycle. These improvements will also deliver more integration of business data to inform strategic business investment across long-term (50+ year) programmes such as visitor and biodiversity asset management.

In 2014 DOC implemented its security and privacy framework and in 2015 began implementation of the information security and risk management policies with the first ICT Operations Assurance Plan presented to the Government Chief Information Officer. Ongoing

work has focused on building ICT security and assurance capability in the Department, and ensuring that the Department's use of cloud-based services is appropriate, and secures and protects public data. To ensure the latter, in 2015 the Department implemented 'Skyhigh' a cloud service assessment tool, and has begun to remove access to high-risk websites and data/file sharing sites. DOC is building its staff capability in IT security and assurance.

ISSP client and customer relationships

The DOC operating model supports open collaboration with other government agencies, private enterprise and the public. This requires DOC to realign the existing internally facing systems to be open and externally facing, with transparent access to the Department's information.

To further enhance the implementation of the DOC partnership model, we are working to improve the ease with which visitors and citizens access products and services through digital channels, such as the DOC website, through third parties and mobile applications. The Department is progressively refining its approach to be more agile and responsive to business needs with the intent that new lines of business are quicker to market through faster delivery.

The focus in this area is on using technology to enrich the visitor experience and to implement an enterprise grade system that enables stakeholder engagement across all of DOC's commercial and non-commercial relationships. This includes permissions management, volunteer recruitment and deployment, sale of DOC products, education services, relationship and work management with central agencies, consultation and collaboration in statutory planning processes, supply of hunting permits and fishing licences, as well as the management of services such as bird banding and kiwi aversion training.

In 2015 DOC initiated a move to a business engagement tool and the IdaaM programme, the latter to provide external access to DOC data and systems. The priority for 2016 will be deployment of an enterprise relationship management system (ERMS) for stakeholder and volunteer management, providing one source of the truth for both internal and external stakeholder data

and relationship management. Effective management of volunteers offers a huge opportunity to build the capacity and capability of the conservation workforce and a user-friendly application will be key to enabling this. As the business-critical permissions and visitor booking applications will be 'end of life' in 2016/17, the functions they provide will be migrated (as soon as practicable), to the ERMS and enhanced to provide external access for concession returns, fees payment and monitoring (see case study on hut bookings below).

This programme will provide an ERMS and form the basis of all internal and external relationship management practices. Benefits include:

- Streamlining the establishment of relationship identities
- Improving internal access to stakeholder information
- Sharing data and building sales revenue through easy to use interfaces
- Simplifying the financial, sales, and permissions systems connections to improve productivity, analysis and reporting.

HUT FEES CASE STUDY



The following illustrates how an improvement in the booking system user interface (UI), will not only improve the visitor experience, but will increase revenue and asset optimisation. Approximately 34% of hut bookings are completed online, but the conversion rate between those who visit the booking site and those who make a booking is only 2%. Our assessment indicates that the booking system UI is difficult to use and many of those who visit the site are put off and don't book online or contact a Visitor Centre to book. Improving the UI experience will increase the conversion rate, could increase revenue by as much as \$5 million per annum, increase hut use (occupancy) from an average of 35% to over 60% and reduce non-productive visitor centre contacts.

Alignment of DOC strategies to Destination 2017

The Department of Conservation has been progressively transitioning towards the delivery model outlined in the 2014 Government ICT Strategy and Action Plan. This has included:

- Establishing the All-of-Government programme to respond to the expiry of Windows XP and Office 2003
- Infrastructure being highly virtual to enable easy transition to cloud
- Structuring the ICT team to differentiate between future state business engagement and management of commodities

- Being actively involved in several cross-Government workstreams, including Better Public Services Result 10, Enterprise Content Management, New Zealand Geospatial Office, and IT Managed Services
- Actively collaborating with other agencies where there is mutual benefit from working together.

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

Annex 3: Supporting financial information

Output financial performance

Despite inflationary pressures pushing costs up on average 1.54% or \$5m each year over the past 5 years, output delivery has generally remained stable during this time, as a result of efficiency and effectiveness gains.

There was a small increase in the Conservation with the community budget to reflect the change in departmental strategy of working in partnership with the community – this did not represent an increase in funding, rather funds were transferred from other outputs.

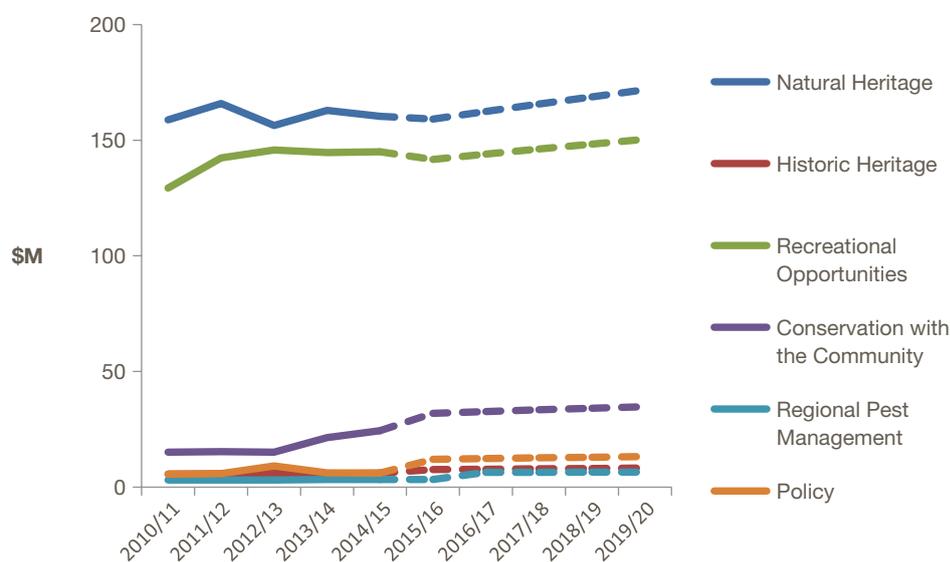


Figure A3.1: Output financial performance for 10 years from 2010/11 to 2019/20.

The graph also shows the increasing baseline costs (dotted lines) across the outputs over the next 5 years to 2019/20, largely due to inflationary pressures. These are further discussed under ‘Cost pressures’ below.

The focus for the Department over the period of the Four-year Plan continues to be on maintaining and protecting ecosystems and species (Natural Heritage) and improving the visitor experience (Recreational Opportunities).

Cost pressures

Cost pressure types

Cost pressures across agencies have been identified by broad types to distinguish personnel and non-personnel costs. DOC personnel costs account for 41% of the Department’s baseline budget.

Personnel cost pressures are based on the future expectations of bargaining outcomes. [Redacted 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.]

The key operational cost drivers are field operations, supplies, wages, contractors, helicopter hire and asset ownership costs. These are largely influenced by inflationary pressures – an allowance of 1.28% p.a. has been made for inflationary pressures on most operating costs, with business price indices used for major external contractors and suppliers of construction materials.

Depreciation is included in operating costs and has been forecast based on the previous 6 years’ depreciation and capital spend.

The following graph highlights the impact of cost pressures by type.

[Redacted. 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].

Figure A3.2: Cost pressure type from 2016/17 to 2019/20.

Cost pressure categories

Cost pressures have also been identified by category of the driver or mechanism that generates the cost pressure. For DOC, these consist of personnel, price and policy.

Personnel pressures include annual bargaining and progression rates. Price pressures consist of inflationary impacts. Policy pressures arise due to policy decisions

made by government that place a regulatory and financial obligation on the Department to comply, i.e. national policy on pest control and the Christchurch earthquake recovery policy to relocate to shared agency premises.

The following graph highlights the financial impacts by category.

[Redacted. 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].

Figure A3.3: Cost pressure category from 2016/17 to 2019/20.

Summary of cost pressures to 2019/20

The following template summarises the cost pressures faced by the Department over the next 4 years to 2019/20 by output.

Cost pressure analysis

[Table redacted. 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.]

Response to cost pressures

Following the identification of the cost pressures, the Department has considered a strategic response to reduce the increasing cost base, summarised overleaf.

Summary financial information from Template 2A			2015/16	2016/17	2017/18	2018/19	2019/20
			\$0.000m	\$0.000m	\$0.000m	\$0.000m	\$0.000m
Baseline	Across all services/ appropriations		367.114	350.922	355.946	360.566	361.785
– Personnel	Across all service/ appropriations		[Redacted. 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-personnel	Across all services/ appropriations		0.000	6.462	9.709	12.494	15.294
Cost pressures	Sum of all cost pressures from Template 1		[Redacted. 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.]				
Subtotal	Total baseline plus total cost pressures		[Redacted. 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.]				
Strategic response							
Operating expense	Type of change	Short description	2015/16	2016/17	2017/18	2018/19	2019/20
			\$0.000m	\$0.000m	\$0.000m	\$0.000m	\$0.000m
Operating expense	Efficiency saving	Efficiency initiatives for operating costs	0.000	2.000	2.500	3.000	3.500
Operating expense	Efficiency saving	Improvements to cost recovery processes/ policies	0.000	0.250	0.500	0.750	1.000
Operating expense	Efficiency saving	Managing vacancies	0.000	1.250	2.500	5.000	7.300
Operating expense	Efficiency saving	Improved management and prioritisation of asset portfolio	0.000	1.000	2.000	3.000	4.000
Operating expense	Reprioritisation	RPMS reprioritisation	0.000	3.000	3.000	3.000	3.000
Operating expense	Reprioritisation	Review of monitoring programme	0.000	0.500	0.500	0.500	0.500
Operating expense	Reprioritisation	Output optimisation	0.000	0.185	3.691	5.486	7.496
Operating expense	Operating model change	Increased concession revenue	[Redacted. 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.]				
Operating expense	Operating model change	Increased tourism revenue	0.000	0.785	1.037	1.288	1.540
Subtotal (Strategic response)	Sum of across all changes		[Redacted. 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.]				
Closing total baseline	Total baseline plus total cost pressures minus strategic actions	Departmental October Baseline Update 2015	367.114	350.922	355.946	360.566	361.785
– Closing Personnel	Personnel costs plus personnel-related cost pressures, minus personnel-related strategic actions		146.484	148.616	150.828	151.874	153.204
– Closing Non- personnel	Non-personnel costs plus non-personnel-related cost pressures, minus non-personnel-related strategic actions		220.630	202.307	205.118	208.693	208.581

Operating expenses include: Personnel, IT, capital-related OpEx, outsourced services.

Efficiency savings

Efficiency initiatives for operating costs – the Department is investigating a number of initiatives from 2016/17 to improve the efficiency of conservation work methods and the better assignment of work activities. As part of the Department’s focus on operating discipline, discretionary expenditure will come under increased scrutiny. This includes reviewing the telephone communications platform throughout the regions and across field operations, ensuring that communication alternatives like video conferencing are used to reduce travel costs and, working collaboratively with the PSA, using a high engagement model to deliver a more productive high-performing organisation.

Improvements to cost recovery processes/policies – a continued programme of work on cost recovery rates

and processes, together with the operating discipline to recover costs from concessionaires, is expected to contribute to managing the Department’s cost pressures.

Managing vacancies – [Redacted. 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].

Improved management and prioritisation of asset portfolio – with asset portfolio management plans now in place for each major asset group, 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.

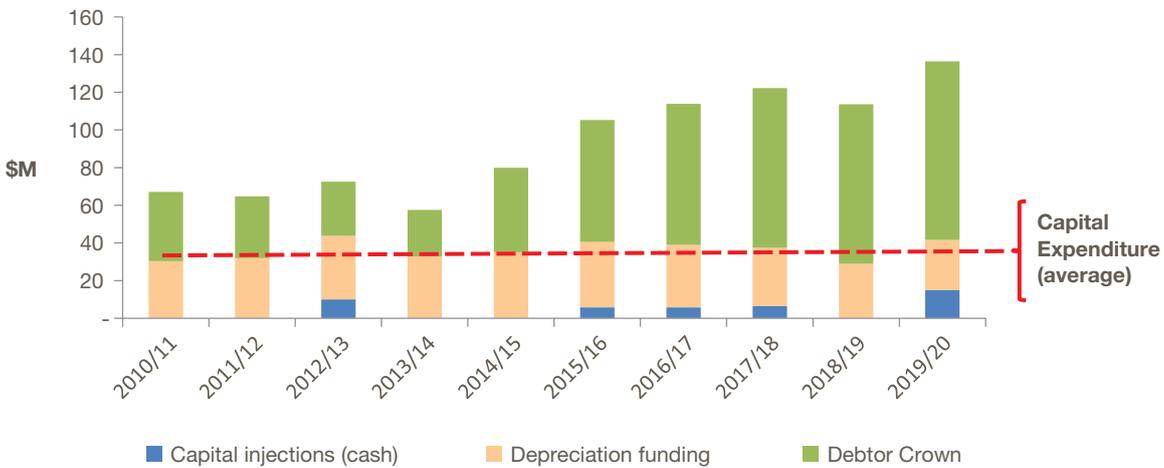


Figure A3.4: Available capital funding and spend for 10 years from 2010/11 to 2019/20.

The graph highlights that the average capital spend over the 10 years to 2019/20 is affordable within the overall funding available to the Department. The challenge

continues to be ensuring that the depreciation and maintenance operating costs from investment decisions is affordable.

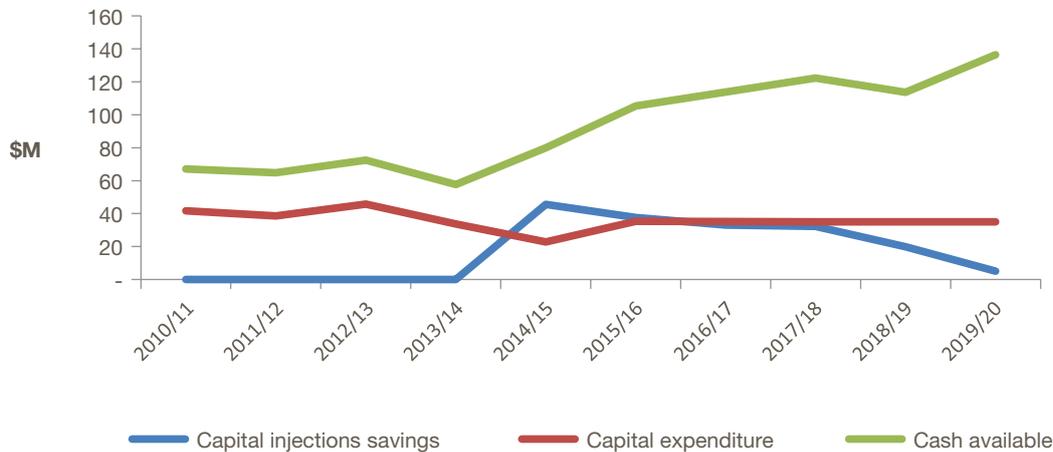


Figure A3.5: Capital injection savings, capital spend and cash available for 10 years from 2010/11 to 2019/20.

The graph shows that despite the capital injection savings of \$144m in Budget 2015, there will be enough cash available (including capital injections, depreciation funding and Debtor Crown) to meet the replacement work required in the planned capital programme over the next 5 years.

As concession and tourism revenue increases (see 'Operating model changes' below), local and international tourists will make more use of visitor assets so the Department needs to ensure the right mix of assets to maintain the quality of visitor experiences. 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 long-term investment plan (LTIP) will provide a greater understanding of the services provided by asset portfolios and the potential impact of investment on service levels.

Reprioritisation

Regional Pest Management Strategy reprioritisation

- if there are legislative changes from a proposed national policy with 'good neighbour' obligations for pest

management, the Department will reprioritise existing funding for regional pest management and move away from activities and programmes that are not mandatory.

Review of monitoring programmes - the biodiversity monitoring and reporting system involves nationally-consistent monitoring for local management purposes (called Tier 2) introduced as part of the work on the 49 threatened species persistence projects. The review will seek to reduce monitoring overall and instead, targeted monitoring will continue to provide the vital information to show the value added by our management and the money spent on it.

Output optimisation - focusing resources on the best value-for-money outcomes, while ceasing activities when the return on investment decreases, will support the operating discipline principle across DOC (see page 22).

Operating model changes

Increased concession revenue - the Department will review processes to make revenue collection mechanisms work more efficiently and effectively. Growth in tourism numbers and increasing participation is expected to increase the revenue of concessionaires, with flow-on impacts to non-departmental concession

revenue. The Department benefits from increases in non-departmental concessions revenue by receiving an equivalent budget increase. The following graph highlights the actual concessions revenue for the past 11 years and conservatively forecasts the 6 years to 2020/21,

which is reflected in increased concessions revenue. [Redacted. 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].

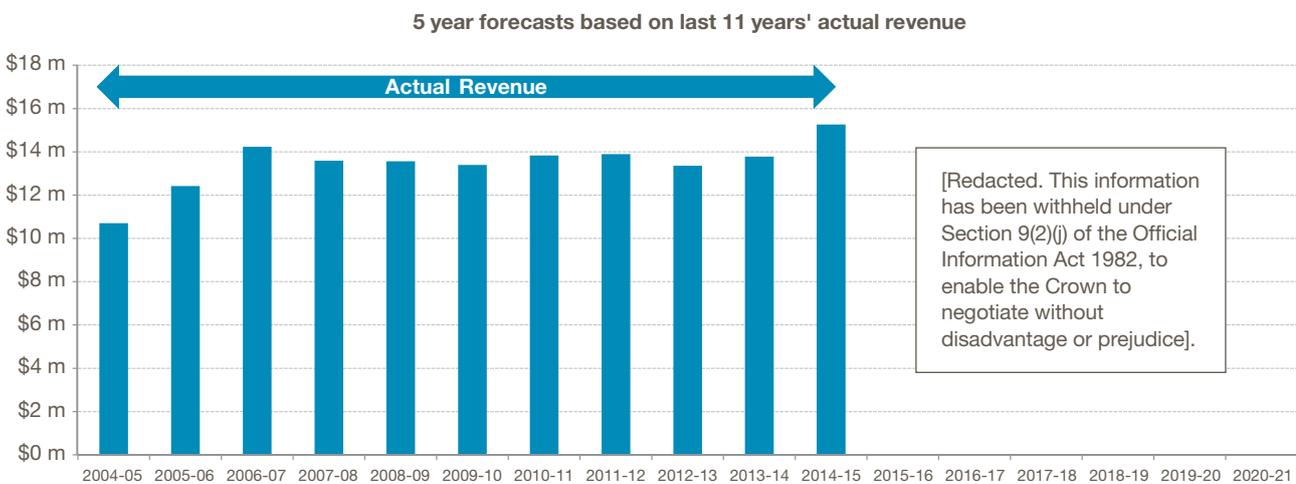


Figure A3.6: Total concessions revenue.

Increased tourism revenue – the Department’s operating model sees DOC in a more customer-focused role, including a unit dedicated to developing commercial partnerships. [Redacted. 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.] The following graph highlights the actual recreation revenue for the past 10

years and conservatively forecasts the 11 years to 2025/26, which is reflected in the increased tourism revenue. The forecasts use linear regressions based on actual campsite and Great Walks recreation revenue from 2005/06 to 2014/15 to extrapolate forecast revenue streams to 2025/26 (note that nil growth has been assumed for the remaining recreation revenue types).

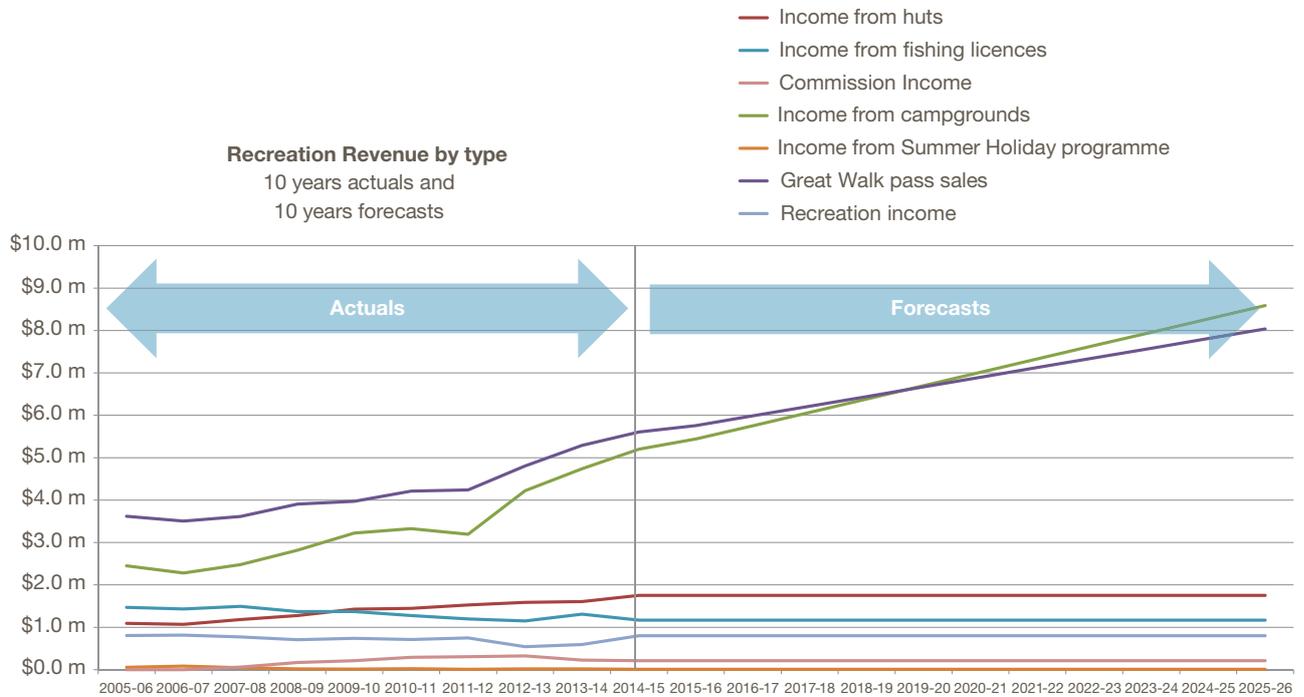


Figure A3.7: Recreation by type.

Risks

There are a number of additional risks with financial implications that could materialise over the four-year period.

Budget initiative through the National Resources Sector: Battle for our Birds 2016 – beech mast flowering has started in North and South Island beech forests this summer and climate prediction models indicate that there may be heavy seeding again in many forests next year. DOC has begun monitoring forest conditions but it is still too early to know whether the flowering will result in full seed setting. Heavy seeding could lead to another rapid rise in rat and stoat numbers next winter, putting vulnerable native species at even further risk. The Department won't have a clear idea of the scale of the threat until early 2016 but is already starting to prepare for additional pest control that may be needed. Likelihood: almost certain (80-100%) to occur over the four-year period and potential cost of \$20 million from 2015/16 to 2017/18.

Future of the ICT environment: Under the All-of-Government (AoG) directive, agencies are moving from a capital-owned model to an operating arrangement with the aim of improving services and securing efficiencies. This will result in operating cost pressures across the IT infrastructure which the Department will manage initially through a transfer of capital expenditure to operating expenditure. Likelihood: almost certain (80-100%) to occur over the four-year period and potential cost of \$2 million each year.

Budget initiative through the National Resources Sector: Wilding conifers management programme – Wilding conifers have significant impacts on biodiversity, landscapes and farm productivity. At the current rate of 5-6% spread annually, within 20-30 years conifers will have invaded most of the 6 million hectares of at-risk land. A New Zealand Wilding Conifer Management Strategy, led by MPI, working with LINZ, regional councils and the forestry and pastoral farming industries, has been developed and is subject to final

funding considerations. Likelihood: is likely (50–80%) to occur over the four-year period with a potential cost of \$16 million or \$4 million each year for up to 10 years.

Rural fire hazards: Forecast weather conditions indicate an El Nino effect of a dry and windy summer that will increase the risk of rural fires and the subsequent DOC response. The impact of the recent amalgamation of NZ Fire Service and the Rural Fire Authorities into a single fire service won't be fully known until the legislation and structure to support the new organisation and service level agreements are developed. DOC will continue

to provide firefighters and still have a role in rural fire management on land administered by the Department – this is part of our responsibilities as land managers. Likelihood: is possible (30–50%) it will occur over the four year period and potential cost of \$2 million each year.

Tenure review: with successful tenure reviews comes the increased size of public conservation land and consequential maintenance and management costs. Likelihood: is possible (30–50%) it will occur over the four-year period at a potential cost of \$0.5 million each year.

Annex 4: Asset management and investment intentions

Capital intentions

The Department manages more than 33% of the land area of New Zealand as public conservation land. The New Zealand economy benefits from the ecosystem services derived from public conservation land as contributors to the primary industry sector (including agriculture, dairy, mining, forestry, and fisheries), which accounts directly and indirectly for a large component of New Zealand's GDP, and the service industry sector, which accounts for another significant component through tourism travel.

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

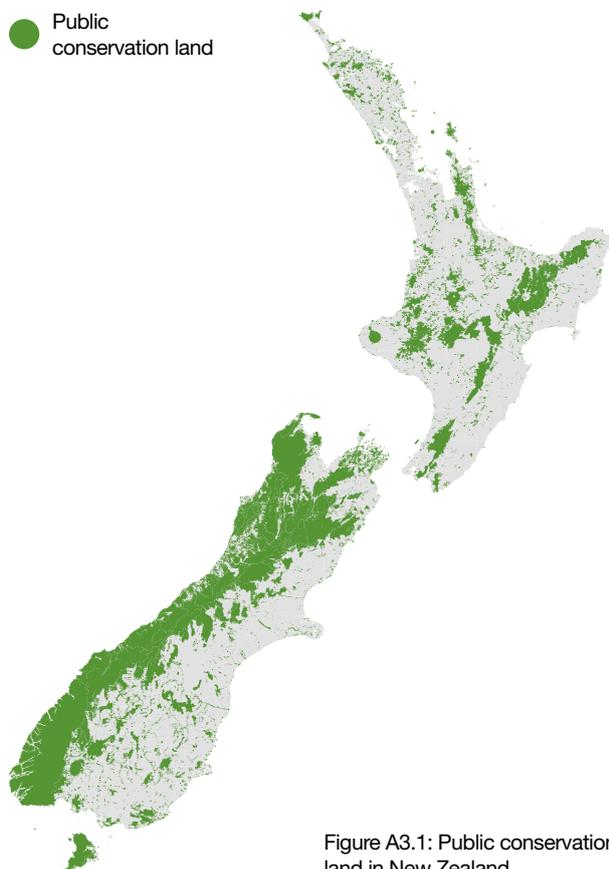


Figure A3.1: Public conservation land in New Zealand.

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 is providing a comprehensive, evidence-based assessment of the condition of terrestrial biodiversity on public conservation land. Results are set out in the Department's Annual Reports from 2011/12 to 2014/15 and in the supporting Technical Reports commissioned from Landcare, available through the Department's external website at doc.govt.nz/annual-report-2015.

Recreation and Historic assets

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

The Department is just over halfway 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, in order 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 has developed an asset management plan for Visitor Assets and Historic Assets that will enable the level of capital investment to be prioritised 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 Asset Management Plan (AMP) aimed at ensuring property-related asset decisions are appropriate to 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 Operations regions. While CAPEX planning and depreciation had been 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, and 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 when this does not impact on the delivery of frontline services and efficiency gains can be demonstrated and realised. For Category 1 and 2 (minor) properties, as far as practicable, generic All-of-Government fit-outs will be applied in all office refurbishments, 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 completed, the AMP will contain four-year maintenance forecasting, renewal and replacement forecasting for new assets and depreciation forecasts, and position the Department to complete the 10-year Investment Plan.

