Enhancing Organisational Performance of Australia's Regional Natural Resource Management Organsiations

Commonwealth Government Caring for our Country Project Report

August 2013

National NRM Organisational Performance Excellence CEO Working Group

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Executive Summary

At the 2011 National NRM Chairs Forum, the Chairs acknowledged the value of performance excellence reviews of regional NRM bodies and agreed to support the adoption of this approach as a means of improving capability of regional NRM bodies and the NRM sector as a whole.

The Commonwealth government also recognised the value of this approach and agreed to provide some financial support to encourage regional NRM bodies to undertake such reviews. The reviews are based on a framework and methodology adopted by regional NRM bodies over ten years which has provided a data base for assessing improvements across the sector over time.

The Commonwealth government's investment in this process over the past two years has encouraged and supported some 22 regional bodies to undertake performance excellence reviews during this period. A requirement for allocation of funds under a broader Caring for our Country project was to provide a report against a set of performance criteria.

This report concludes that the criteria set by the Commonwealth government for this project have been achieved and provides detailed commentary related to relevant aspects of the project.

Following is a summary 'report card' against the performance criteria:

Criteria	Current Status
1. In accordance with the endorsed target set by the Chairs, achieve an 85% in completed reviews by regional bodies equating to 47 performance reviews undertaken by 31 May 2013.	Since performance excellence reviews were first adopted in 2004, 85% of regional bodies have undergone at least one review. The majority of these have involved structured external reviews and some NRM bodies opted to undertake internal reviews supported by structured templates aligned with the NRM Performance Excellence Framework. During this period, a total of 14 follow-up external reviews have been undertaken, indicating the adoption of this process to drive continuous improvement over time.
2. Develop protocols and procedures for the review process to ensure a consistent approach and maintain integrity of the review process	An 'Operations Manual' was developed to provide a reference for the conduct of reviews. The Manual contains detailed policies and protocols, guidance for the application of the NRM Excellence Framework and descriptions and procedures for each step in the conduct of reviews. The Manual is a controlled document, with changes approved by the national OPE CEO Working Group.
3. Assist NRM regional organisations with the incorporation of key government priorities under Caring for our Country	The scope of the review process ensures a focus on the extent to which regional NRM bodies are meeting key government priorities. All external

Criteria	Current Status
and the Clean Energy Future Plan	reviews involve discussions with government representatives and detailed feedback on organisational performance is provided.
4. Develop and maintain organisational performance excellence information through a data system	Since performance excellence reviews were first commenced, a central data base has been maintained. Strict guidelines are adhered to for ensuring confidentiality of findings of individual reviews but the data base is drawn upon to identify leading practices across the sector, enable analysis of performance trends over time and provide a reference for periodic reporting of review findings across the sector.
5. Develop case studies to demonstrate the use of 'best practice' in the review of NRM plans for NRM sector knowledge sharing	Examples of leading practices are identified and disseminated in a number of ways. These include involvement of CEOs and senior managers as co-reviewers in the conduct of reviews, identification of leading practices in response to requests and through periodic 'whole-of-sector' reports on findings. More recently, a more structured approach to the preparation of case studies of leading practices identified through reviews has been developed, culminating in a 'Showcase of Excellence Forum' held in Cairns in May 2013. It is proposed to build upon this successful initiative by further strengthening the process of capturing and disseminating case studies on a real-time basis through the use of web technology for easy access by users.
6. Establish a panel of lead reviewers for NRM regional plans, provide training to these reviewers and continue to develop NRM sector capacity	Following the resolution at the 2011 National NRM Chairs Forum, a process for the establishment of a small panel of lead reviewers was initiated. The process involved a call for expressions of interest requiring demonstration of capabilities against a set of selection criteria, and participation in formal training. The Operations Manual continues to provide the central reference and guide for the conduct of reviews by the four lead reviewers. A comprehensive moderation process is in place to ensure a high level of consistency is maintained across review teams.
7. Facilitate improved organisational performance excellence knowledge sharing through alternate approaches such as 'train-the-trainer', development of lead and support reviewers on a state by state basis, use of 'ex CEOs' and look further afield to other industry sectors and expert evaluators	The conduct of external reviews involves CEOs and senior managers from regional NRM bodies, thereby facilitating training and capacity-building across the sector. A total of 30 CEOs and senior managers from all states have participated in this role for at least one review. Recent appointments to the panel of lead reviewers have all had experience as CEO of a regional NRM body. One member of the panel has extensive experience as a performance evaluator across many sectors.

At the 2013 National NRM Chairs Forum, it was decided to continue to support this process as a national approach to driving performance improvement of regional NRM bodies and

the sector as a whole. The national OPE CEO Working Group has identified an action plan to further strengthen this process and to ensure it aligns with Commonwealth government priorities going forward.

The Commonwealth government support for this process has been valued by the NRM Chairs and regional bodies that have participated in reviews. Opportunities for the Commonwealth government to continue to support the further development of this process have been identified as part of the review of the process and the following recommendations are put forward for consideration by the Commonwealth government:

Recommendations:

1. In accordance with resolutions at the 2013 National NRM Chairs Forum, the Commonwealth Government continue to support the OPE process as a means of enhancing performance of Australia's Regional Natural Resource Management Organisations.

2. Provide support for continuous improvement and on-going development of the OPE process, with related initiatives overseen by the National OPE, CEO Working Group.

3. Endorse the OPE process as a mechanism for regional NRM bodies to obtain an independent assessment of their performance against the Commonwealth Government's proposed 'Regional NRM Organisation Governance Standard'.

4. Provide support for further strengthening mechanisms for coordination, knowledge sharing, benchmarking and dissemination of case studies on leading practices across the sector.

5. Endorse initiatives to achieve alignment of the OPE process with state-based and national standards and audit processes being developed.

6. Support the further strengthening of capability and knowledge of performance excellence principles and practices across the NRM sector and engage other industry sectors and expert evaluators to enhance benchmarking of leading practices outside the sector.

1. Introduction

During the past decade, regional NRM bodies have undergone organisational performance reviews conducted against the '*Performance Excellence Guide for Regional NRM Organsiations'*. These reviews have been undertaken by an independent Lead Reviewer and a CEO/senior manager from another NRM body participating as Co-reviewer.

The objective of these reviews is two-fold:

a) to drive improvement of capability and performance of individual NRM bodies;
b) to improve the capability and performance of the sector as a whole through benchmarking and dissemination of information on outstanding governance and management practices identified through the reviews.

At the 2011 National NRM Chairs Forum, the Chairs acknowledged the value of the reviews and set a target of 85% of regional bodies having undertaken a review by the end of June 2013.

The Commonwealth government also recognised the value in this approach and agreed to allocate $190,000 over two years to support the rollout of the process nationally. These funds were used to build the capacity of the NRM sector to undertake reviews and to subsidise the cost of the reviews to achieve the target set by the Chairs.

A report that documented the findings of reviews conducted under this arrangement was presented at the 2013 National Chairs Forum at which it was decided to continue to support the process nationally.

Commonwealth government funding for this project stipulated a list of activities and performance criteria as follows:

1. In accordance with the endorsed target set by the NRM Regional Chairs, achieve a 85% increase in completed reviews by regional bodies equating to 47 performance reviews undertaken by NRM regional bodies by 31 May 2013.

2. Develop protocols and procedures for the review process to ensure a consistent approach and maintain integrity of the review process.

3. Assist NRM regional organisations with the incorporation of key government priorities under Caring for our Country and the Clean Energy Future Plan.

4. Develop and maintain organisational performance excellence information through a data system to include as a minimum;

   a) the names of regional bodies
   b) the names of regional managers
   c) the status of plans and agreed timeframes for review completion
   d) the amount of funding provided (if relevant)
   e) a record of the review process and stages
   f) the ability to capture knowledge gaps or key administrative synergies to ensure these issues are communicated to influence and to inform subsequent plans.

5. Develop case studies to demonstrate the use of 'best practice' in the review of NRM plans for NRM sector knowledge sharing.

6. Establish a panel of lead reviewers for NRM regional plans, provide training to these reviewers and continue to develop NRM sector capacity.

    a) ensure the integrity of the review process is maintained through the development and implementation of a comprehensive moderation system.

7. Facilitate improved organisational performance excellence knowledge sharing through alternate approaches, such as 'train the trainer', development of lead and support reviewers on a state by state basis, use of ex-CEOs and look further afield to other industry sectors and expert evaluators.

This report provides an analysis of performance against these criteria.

2. Conduct of Performance Excellence Reviews in the NRM Sector

2.1 The Frame of Reference

This review process was developed 10 years ago at the instigation of regional NRM bodies to provide a means of assessing their capability and performance (a brief chronology of the process is provided in Attachment 1). A frame of reference based on globally recognised performance excellence models was developed for the NRM sector with input from a range of people working in the sector.

A structured process for the conduct of a review against this framework was developed and has been progressively refined and improved over time. Since the first review was conducted in 2004, the process has been progressively adopted across all states which have provided a mechanism for knowledge sharing across the sector.

The process is based on the '*Performance Excellence Guide for Regional NRM Organisations*'. This Guide was first published in 2004 and a Second Edition published in 2008.

The Excellence Framework provides a total system that identifies validated best governance and management practices. It assembles a series of non-prescriptive criteria under seven main 'Components' that are then further broken down into 'Items' and 'Areas to Address' as depicted in the pictorial model below.
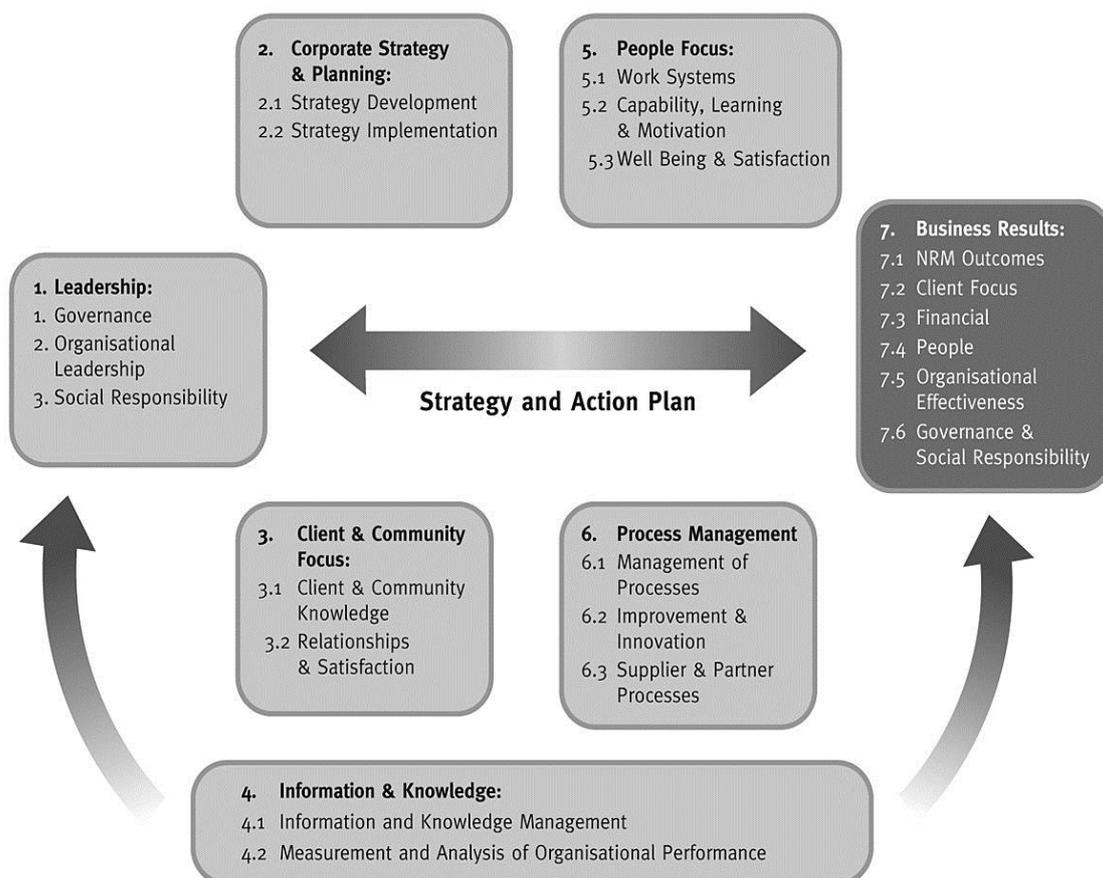
In the Model above, Components 1 to 6 are concerned with 'organisational capability' in terms of effectiveness of policies, plans, processes, culture and systems. All criteria within these Components are considered against two evaluation dimensions, namely:

'Approach'……..how do you do this?
'Deployment'….how effectively is it working in practice?

Component 7 is concerned with what 'organisational performance' is actually being achieved. Six performance areas within this Component are considered against one evaluation dimension, namely:
'Results'…….what outcomes are being achieved?

As this type of framework is not a prescriptive compliance 'standard', there is a need to calibrate findings against each of the criteria. This is achieved by the use of an international scoring convention that allows review findings to be quantified into an organisational profile. The scoring system is intended to achieve high levels of consistency across review teams, enable monitoring of progress over time and provide a reference for benchmarking within and outside the sector. Scoring profiles have been used to draw high level conclusions for this report.

2.2 The Review Process

Reviews of regional NRM bodies are conducted as independent evaluations led by a Lead Reviewer. CEOs or senior managers from other regional NRM organisations participate as co-reviewers to facilitate benchmarking and knowledge-sharing across the sector.

Reviews involve semi-structured discussions with a cross-section of Board members, staff and external stakeholders. The process does not require the preparation of any additional documentation and relevant planning, policy, communication and other documents are examined during the review visit.

Reviews are typically conducted over three to four consecutive days. Information captured is analysed and findings and conclusions are documented in a confidential report. The report is intended to be used as an internal working document and as a reference for the leadership team to prioritise improvement strategies. Initial prioritisation is achieved at a presentation workshop about four weeks after the completion of the review visit. Examples of leading practices worthy of wider dissemination as case studies are identified and approved at that workshop.

Since this process was first developed, NRM bodies have had the option to apply the performance excellence criteria ion a number of ways including the conduct of internal reviews. A 'Self-evaluation Template' was designed to assist organisations that opted to conduct a self-self without outcomes used to identify prioritised improvements strategies.

2.3 Levels of Participation

Since the NRM Performance Excellence Guide and review process was first developed, a total of 48 external reviews have been conducted against the NRM Performance Excellence Framework across all states. A break-down of reviews by state is as follows:

State	Number of Reviews
Queensland[1]	23
South Australia	6
Victoria	8
New South Wales	4
Tasmania	3
Western Australia	4

Note:

[1] Includes 3 organisations completing 2 reviews and 4 organisations completing 3 reviews

Two reviews (in WA and Qld) have been scheduled to be conducted in October/September 2013.

In addition to external reviews listed above, 8 regional bodies have undergone structured internal reviews and 4 regional bodies are known to have had external reviews conducted against other excellence frameworks.

At a national level, this equates to a total of 46(85%) regional bodies that have undergone at least one performance excellence review with a high rate of follow-up reviews in Queensland demonstrating the adoption of the process to drive continuous improvement over time.

For the period covered by Commonwealth government investment to support the conduct of reviews (2011 to 2013), a total of 22 reviews have been conducted as follows:

State	Number of Reviews
Queensland	6
South Australia[1]	0
Victoria	6
New South Wales[1]	3
Tasmania	3
Western Australia	4

Note:

[1] Participation rates influenced by recent major restructuring in NSW and South Australia

2.4 Delivery Capability

In anticipation of on-going demand for the conduct of reviews in accordance with the endorsement from the National NRM Chairs Forum, steps were taken to expand delivery capacity and establish processes for ensuring high levels of consistency and integrity.

Panel of Lead Reviewers

A process for establishing a small panel of Lead Reviewers was initiated following the National Chairs Forum in 2011. The steps involved were:

- Call for expressions of interest
- Initial screening against a set of selection criteria agreed by the OPE Working Group
- Conduct of training of successful applicants including participating as co-reviewers
- Formal endorsement by the OPE Working Group of individuals to be appointed to the panel of Lead Reviewers

An initial panel of six Lead Reviewers was established. At the time of writing this report, four members of this panel remain active (as two elected to discontinue in this role due to changing circumstances). Each member of this panel has now led at least one review. It is envisaged that current capacity will accommodate the demand for reviews in the foreseeable future and the panel of Lead Reviewers can be expanded through the established appointment and training process if required.

2.5 Policies, Protocols and Procedures

A detailed operational 'Manual' was developed to provide a central reference for members of the OPE Working Group and Lead Reviewers. The Manual sets out key policies and protocols to be followed, a detailed explanation of the Excellence Framework and guidelines for each step in the review process. The Manual is supported by a set of templates to be used by Lead Reviewers to ensure a high degree of consistency in the conduct of reviews and their deliverables.

The Manual provides the central reference for control and continuous improvement of the process through changes and up-dates approved by the OPE Working Group.

2.6 Moderation and Management of Information

The process incorporates a strong moderation component to ensure a high level of calibration and consistency across review teams is established and maintained. Moderation services are provided by a designated Lead Reviewer through direct discussions and communication with Lead Reviewers during the course of the conduct of each review.

Through this process, scoring profiles and review findings are captured and maintained on a central data base. Strict protocols are applied to ensure the confidentiality of each review is maintained, with no information made available beyond the organisation without express permission of the CEO.

The data base is used to access information for the preparation of periodic consolidated reports that identify common themes, differences and examples of leading practice across the sector. It is also drawn upon to identify knowledge gaps to inform planning activities at the sector and organisational levels.

2.7 Process Improvement and Planning

The process is under continuous improvement and this is achieved in several ways including feedback from reviewed organisations on their experience with the process, feedback from lead reviewers on any issues and oversight of the process by the OPE Working Group.

In March 2013, members of the OPE Working Group and Lead Reviewers participated in a two-day workshop in Brisbane to review the process and consider future plans. Discussions were informed by documented client feedback obtained independently through the RGC and unedited feedback comments are provided in Attachment 3. Overall feedback was positive and identified the need to strengthen processes for real-time dissemination of information on leading practices and knowledge sharing across the sector. Related initiatives were identified during the workshop. Opportunities for further enhancement of the review process were also identified.

2.8 Dissemination of Knowledge and Information on Leading Practices

Knowledge and information generated through the review process is shared and disseminated in a number of ways including involvement of senior managers as co-reviewers, provision of contacts in organisations identified as having leading practices in specific areas, publication of periodic reports on consolidated review findings and presentation and dissemination of case studies on leading practices.

A recognised strength of this process has been its contribution to the enhancement of organisational knowledge. It is also acknowledged that the collective outcome from the reviews is the building of a body of knowledge about the performance of regional NRM bodies. Care is taken to ensure that the results of individual reviews are confidential and the detailed results are only available to the individual NRM body. However, collating the high level scores for the components of the reviews provides important information on the performance of the NRM sector and identified areas where collective effort could be beneficial.

While it is difficult to quantify actual outcomes resulting from the application of leading practices across the sector, it is possible to quantify levels of activity relating to benchmarking and dissemination of leading practices. Related actions are summarised as follows:

Participation of CEOs/GMs and Senior Managers as Co-reviewers

The involvement of senior managers from other NRM bodies as co-reviewers provides one mechanism for sharing of information across the sector. The review process has involved a total of 30 CEOs and senior managers as co-reviewers, most of who participated in a review of an NRM body in another state, thereby facilitating exchange of information across states. Several have participated in more than one review. Following is a break-down of Co-reviewers by state:

(From) State	Number of Participants as Co-Reviewers
Victoria	4
Western Australia	3
Queensland	10
New South Wales	2
South Australia	8
Tasmania	2
Northern Territory	1

Provision of contacts in organisations with identified leading practices

Lead Reviewers have responded to requests for information on leading practices in specific areas of interest. This is achieved by identifying leading examples from reports and making contact with the CEO or designated manager of the organisation to obtain permission to provide contact information.

Since November 2010, a total of 45 contacts have been provided in response to requests from individual NRM bodies and state and national working groups.

Case Studies

The process described above has been used as a source of information for the preparation of documented best-practice case studies. In recent times, the process of identifying and presenting case studies has been progressed in a more structured way, culminating in the inaugural 'Organisational Performance Excellence Showcase Forum' held in Cairns in May 2013. The Forum was attended by some 35 managers of NRM organisations as well as representatives from the Commonwealth government and other agencies.

Case studies of outstanding practices identified through reviews covering a range of topics were presented by the organisations. Topics presented include:

- Organisational culture based on shared values and area-based team structure, Western CMA, NSW

- Effective integrated corporate planning and implementation framework, Central West CMA, NSW

- Management and Improvement of business and support processes through an integrated management report systems approach, Condamine Alliance, Qld

- Establishing new business ventures and partnerships, Reef Catchments, Qld

- Use of social research to inform community engagement strategy development, West Gippsland CMA, Vic

- Whole-of-region 'yearbook' reporting of overall benefits delivered to the community, NRM North, Tasmania

- Management of relationships with partners, Goulburn Broken CMA, Vic

These case studies have been utilised for the benefit of the sector in a number of ways including the development of the 'Community Engagement and Partnerships Framework for Victoria's Catchment Management Authorities' resource.

2.9 National NRM Chairs Forum

Findings of reviews are periodically analysed and documented in a report intended to be used as a reference for identifying examples of leading practices and areas of opportunity for improvement across the NRM sector. Such a report was prepared for the National NRM Chairs Forum held in March 2013.

Outcomes from the Chairs discussion concluded that:

- There was strong support for continuing the OPE project with Chairs seeing value in: demonstrating regional bodies' commitment to performance excellence; providing a continuous improvement pathway for CEOs and Executive Officers with the potential for KPIs to be linked to OPE; and for promoting the work of regional NRM

- Chairs considered the issue of providing formal recognition of leading practice but noted the primary purpose is to inform individual Boards of their performance. Tools for doing this include sharing of information between regional bodies through workshops, web-based case studies etc.

- Chairs provided support for a future target of 15 reviews per year, but there was some discussion as to the frequency of follow-up reviews

- Chairs noted that resources will be required to support the project and agreed that there are clear benefits in NRM regional bodies being seen to contribute.

3. Review Findings

Detailed findings of reviews conducted during the past two years are documented in a separate report.[1]

Following is a summary of key findings and conclusions.

3.1 Quantitative Profiles

As noted under Section 2.1, qualitative information generated through these reviews is supported by quantitative profiles based on international scoring convention used in conjunction with excellence models.

Scoring profiles are presented in two parts, namely:

- *organisational capability* identified under Components 1 to 6.
- *organisational performance* identified under Component 7

Scores allocated are based on the following matrix:

Score	Approach (Components 1-6)	Deployment (Components 1-6)	Results (Component 7)
0	No approach	No deployment	No results
1 - 2	Beginning of an approach	Major gaps in deployment	Early performance levels
3 - 4	Beginning of an approach to evaluation and improvement	Early stages in some areas	Good performance levels in some areas
5 - 6	Effective systematic approach	Well deployed in most areas	Improvement trends and good performance in most areas
7 - 8	Approach is well integrated	Well deployed with no significant gaps	Performance is good to excellent in all key areas
9 - 10	Approach is fully developed	Fully deployed in all areas	Excellent performance, trends and results

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[1] Vogel NJ *'Performance Excellence Reviews of Regional NRM Organisations, Analysis of Findings August 2013'*

The following chart shows the range and mean for Components 1 to 6 over three time periods since the reviews were commenced in 2005.
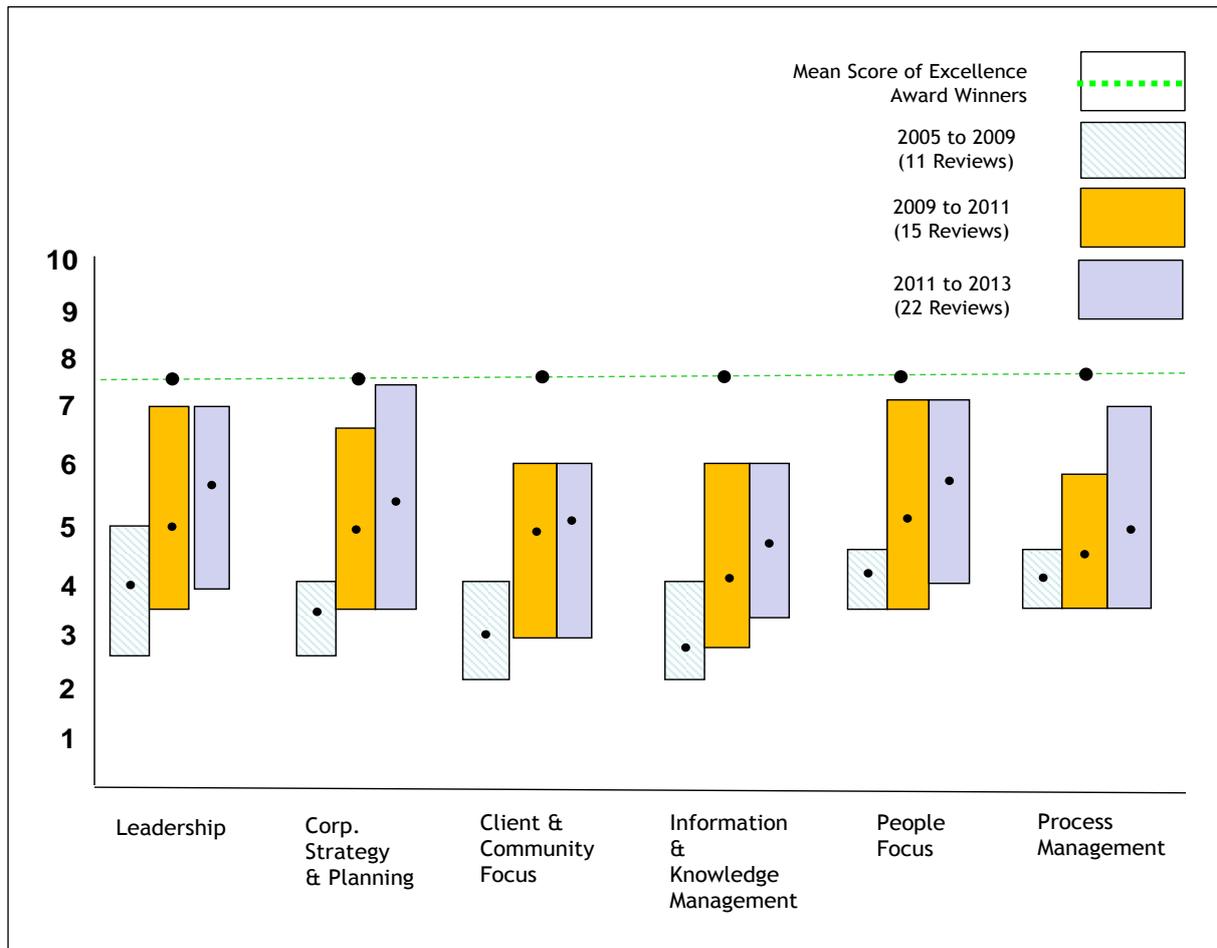
It should be noted that the scores do not represent the same population of regional bodies during each time frame but the profile can be used to draw some general conclusions:

- There has been an improvement in mean scores over time

- There continues to be a wide spread in scoring ranges across all categories

- The strongest scoring components are Leadership, Corporate Strategy and Planning and People Focus

- The weakest components are Information and Knowledge and Process Management

- Some regional bodies are approaching recognised best practice performance levels in some areas

3.2 Summary Comments on Findings

Following is a brief commentary on findings under each Component in the NRM Excellence Framework.

Component 1 Leadership

Overall, this is now among the strongest performing areas, although the range of scores continues to be wide across the sector.

Reviews conducted over the past two years identified leadership capabilities as a key differentiator between regional bodies. It was also found that there is a high correlation between leadership capability and scoring profiles across the other components.

Reviews also found that Board governance processes are now generally sound and have improved substantially since earlier reviews. High levels of turnover of Chairs and Board members in some states undergoing major reforms have resulted in serious disruption. New arrangements will take some time to bed down in some regions, including re-establishing networks and relationships with community and other stakeholder groups.

In states operating with non-statutory models, there has been a recent trend of transitioning Boards from a largely representational composition to smaller skills-based or hybrid Boards. Such reforms have generally resulted in Boards adopting more of a strategic focus and achievements in improvement in efficiency in Board operations. Such changes have also helped to alleviate earlier concerns and perceptions related to conflict of interest at Board level.

Regional NRM bodies continue to make a broader contribution to society in a variety of ways beyond their core business activities.

Component 2 Corporate Strategy and Planning

There has been a general improvement in this category. While there is still a wide range across the sector, examples of recognised best practice benchmarked against high performing organisations outside the sector were identified through recent reviews.

Effective practices related both to Corporate Planning and development of Regional NRM Plans (or Regional Catchment Strategies, Catchment Action Plans as they are known in some states).

Examples of effective Corporate Planning processes have demonstrated high levels of involvement of Board members, staff and other stakeholders in their development, clear alignment through the hierarchy of plans within the organisation and integration of relevant components of the NRM Plan into the Corporate Plan. The wide scoring range that still exists across the sector identifies an opportunity to accelerate 'gap closure' through active dissemination of effective practices across the sector.

Regional NRM Planning varies somewhat across the states. In some states, there has been a particular focus on the development of guidelines and standards for NRM planning, resulting in a high level of consistency across the state. Planning processes have involved extensive community and stakeholder consultation and the allocation of support and decision tools as well as available scientific information as appropriate.

In other states, there is now a lack of consistency of NRM planning, both in terms of the processes used and the content, structure and application of regional NRM plans. There also continue to be challenges in accommodating Commonwealth, state and regional priorities. There is now an emerging trend towards making regional NRM plans 'dynamic' by publishing them electronically as a means of capturing on-going input from stakeholders, supported by clear guidelines for evaluation and approval of proposed changes.

The extent to which regional NRM plans are being integrated into broader regional economic development and statutory planning systems varies across states and regions.

Component 3 Client and Community Focus

While the spread of scores is lower in this category, there is scope for further improvement across the NRM sector. This is generally recognised within the sector with many regional bodies adopting a clear strategy to 'strengthen connections with the community in the region'.

The approach to community engagement varies substantially and it is often difficult to obtain any quantitative measures of success. While many regional bodies have specific 'Community Engagement Plans', these tend to be largely concerned with communication and awareness promotion rather than more comprehensive engagement plans.

With the aim of providing a clearer definition and consistency around community engagement, some states have developed community engagement frameworks. These are largely based on a set of principles that need to be converted into operational activities and some regional bodies have made substantial progress in this area. There are examples of application of engagement maturity models such as the IAP2 Spectrum, but these tend to be used more at a project rather than an organisational level.

While there is scope for more clearly articulating what 'Community Engagement' actually means in practice and defining how performance could be measured, all regional bodies can demonstrate a wide range of activities that support community engagement efforts.

One particular and important segment is that of Indigenous communities and organisations. Here again, regional bodies have continued to support these groups in their region through a range of initiatives. In addition to involving Indigenous groups in delivery of specific projects, there has been a particular focus on the capture of Indigenous NRM knowledge during recent times. The importance of using this knowledge to broaden cultural awareness is also now widely acknowledged. Overall, however, there is an opportunity for regional NRM bodies to better articulate related strategies and measures to demonstrate outcomes.

Component 4 Information and Knowledge

This continues to be the lowest scoring category overall. While there has been much investment in the development of IT and business support systems for the management of information and records, effectiveness of implementation varies substantially. The need to consider behavioural and cultural aspects in the organisation is now being increasingly recognised as critical to the effectiveness of information management and a number of best practice examples are now emerging.

The capture and dissemination of knowledge is widely seen as part of 'core business' for a regional NRM body and access to NRM information and knowledge is highly valued by

stakeholders. There is now a focus on the development of effective knowledge management systems but with many examples of duplication of effort. There is an opportunity to adopt more of a sector-wide approach that also strengthens involvement of others involved in NRM including the scientific/research community and there are emerging examples where that is happening, particularly amongst clusters of regions in some areas.

In recent time, there has been an elevated focus on strengthening processes to support the Commonwealth Government MERI Framework. Specific emphasis has been placed on strengthening related knowledge and skills at the organisational level, as well as sharing resources across regions. In some cases, substantial resource material has been developed as a reference to assist staff involved in MERI activities.

Overall feedback from government investors has indicated that MERI reporting has generally improved in recent times but opportunities to further improve monitoring and reporting still exist.

Component 5 People Focus

This is now among the strongest performing categories overall but there is still substantial variation across regions. Scores in this category are strongly aligned with scores in the 'Leadership' category.

A general finding which is reinforced by a wide range of stakeholders is that people who are attracted to work in the NRM sector are highly respected for their passion, work ethic and genuine desire to make a positive contribution to the environment and resource condition in the region. Continuing high workloads and uncertainty of employment continue to characterise the sector.

The ability to attract and retain staff with appropriate skills and experience continues to be a challenge, particularly in more remote locations and a range of innovative ways of retaining staff in organisations with limited career opportunities have been developed in some regions.

The need to establish and maintain a strong culture based on cooperation and trust is increasingly recognised as critical to the capability of the regional body to deliver outcomes and best practice examples can be drawn upon for adoption more widely across the sector.

Component 6 Process Management

All regional NRM bodies manage a range of complex business processes, many of which involve external stakeholders including partners, contractors and community groups. The ability to manage these processes with a high degree of consistency influences predictability and levels of confidence in the capacity to deliver desired outcomes.

There is now a wide range in performance across the sector in this category. Scores reflect a lack of structure for managing processes in some regional bodies to the adoption of formal approaches to the management and improvement of business and support processes across the organisation. In some instances, these align with externally certifiable international standards for integrated management systems. There are opportunities for regional bodies to replicate related practices by drawing upon experience gained to date across the sector.

The importance of partnerships in delivering outcomes is widely recognised and all regional bodies have established working arrangements with a range of partners. The term 'partnerships' continues to be used in a very generic sense and essentially refers to groups or organisations the regional body works with. Partnerships range from critical strategic formal arrangements to unstructured informal cooperative working relationships.

Regional NRM bodies are increasingly seen as 'facilitators, coordinators and brokers' and their ability to engage with others in delivering NRM outcomes is seen as a core competency. There are now examples of NRM bodies having a lead role in managing larger scale flagship projects involving multiple partners and this model is now being pursued more widely across the sector.

Findings of review show that there is an opportunity for regional bodies to adopt a more strategic approach to the identification of potential partnerships, better defining the types of partnerships and identifying better measures of value delivered by critical partnerships. Organisational capabilities for managing key partnerships are being strengthened in a number of regions that are able to present case studies of effective partner engagement.

Component 7 Business Results

This component is concerned with actual organisational results being achieved across six result areas. Scoring ranges are not included in the chart on quantitative profiles in Section 3.1 as these scores are based on a different scoring scale and should not be compared with scores for Components 1 to 6.

Organisational performance measures continue to focus on project delivery and related financials, which is largely driven by investor reporting requirements. Feedback from principal investors indicates that most regional NRM organisations are meeting on expectations and that any instances of non-performance or slippage are effectively resolved through direct communication with investor representatives.

Across other result areas in this category, there is a relatively tight spread of results, which may not reflect a true picture as there is a general absence of quantitative measures that depict a balanced view of organisational performance. Performance measures tend to be anecdotal or activity-based and it is often difficult to assess actual performance and improvement trends.

A number of regional bodies have taken steps to address this issue and examples of effective use of 'dashboard' reporting formats to provide more of a 'balanced scorecard' are now available. There are also efforts to develop consistent measures of efficiency and effectiveness in some states.

4. Recommendations

The following recommendations are put forward for consideration by the Commonwealth government:

1. In accordance with resolutions at the 2013 National NRM Chairs Forum, the Commonwealth Government continue to support the OPE process as a means of enhancing performance of Australia's Regional Natural Resource Management Organisations.

2. Provide support for continuous improvement and on-going development of the OPE process, with related initiatives overseen by the National OPE, CEO Working Group.

3. Endorse the OPE process as a mechanism for regional NRM bodies to obtain an independent assessment of their performance against the Commonwealth Government's proposed 'Regional NRM Organisation Governance Standard'.

4. Provide support for further strengthening mechanisms for coordination, knowledge sharing, benchmarking and dissemination of case studies on leading practices across the sector.

5. Endorse initiatives to achieve alignment of the OPE process with state-based and national standards and audit processes being developed.

6. Support the further strengthening of capability and knowledge of performance excellence principles and practices across the NRM sector and engage other industry sectors and expert evaluators to enhance benchmarking of leading practices outside the sector.

Attachment 1 - Performance Excellence Review Process for Regional Natural Resource Management Organisations

A Brief History

Date	Activity	Comment
July 2003	Project initiated by Qld regional NRM bodies. AKM Group and University of Southern Queensland engaged to commence project.	Brief to develop a frame of reference and process for assessment of performance and capability of regional NRM bodies in Queensland.
August to October 2003	Familiarisation with NRM sector.	Decision to base NRM Excellence Framework on global Business Excellence model principles and construction.
October/November 2003	Outline of NRM Performance Excellence Guide developed.	Draft containing Criteria, Pictorial Model, Evaluation Dimensions, Scoring Matrix, Explanatory Diagrams and Assessment Options developed.
24 November 2003	Workshop involving nine participants from Qld NRM sector. Draft outline of Excellence Framework used as a reference.	Primarily a familiarisation with the construction and application of Excellence Models. Content of the draft adopted with minor amendments to terminology.
January 2004	Publication of the first edition of the '*Performance Excellence Guide for Regional Natural Resource Management Organisations*'.	Guide formally registered with ISBN number.
February to May 2004	Guide used by some NRM Bodies to conduct internal self-assessments using check list.	Guidance for use of check-lists provided to NRM bodies.
June 2004	First external review conducted.	Conducted by AKM Group and USQ
July 2005	First external review involving a CEO of another NRM body as co-reviewer.	Concept of involving a CEO as co-reviewer adopted as a desired direction to facilitate exchange of information and knowledge across the NRM sector.
2006/7	First three reviews of NRM bodies outside Queensland conducted (NSW, Vic).	
August 2007	Decision to conduct a familiarisation/training	Preparation of a working paper as a workshop

	workshop in Adelaide.	reference. Included analysis of developments of global excellence models and SA government best practice governance guidelines.
5/6 November 2007	Workshop conducted in Adelaide.	Attended by General Managers of all SA NRM Boards, CEOs of five Qld regional NRM bodies and a representative from WA Government.
February 2008	Second edition of NRM Performance Excellence Guide published.	Registered copyright retained under the same ISBN number.
March 2008	Process for external reviews modified for South Australian NRM Boards.	No involvement of external stakeholders in the conduct of interviews.
May 2008	Self-evaluation template developed and published.	Aim was to provide an option to external reviews.
September 2008 to May 2009	External reviews of six South Australian NRM Boards conducted.	Two NRM Boards conducted internal reviews based on the Excellence Criteria.
19 November 2008	Conduct of workshop in Adelaide to consider consolidated findings of reviews.	Involvement from all SA NRM Boards. Identification of common themes to be taken forward across SA NRM Boards.
January 2009 to March 2011	Reviews of 11 Qld NRM Bodies conducted.	Involved interstate CEOs as co-reviewers (from WA, SA, NSW). Reviews encouraged and part funded by Qld Government.
May 2009	Presentation of summary of consolidated findings of reviews to Qld NRM CEO Forum.	Townsville Qld.
May 2010	Paper outlining common themes identified from reviews conducted.	Used as a reference for a workshop attended by Chairs and CEOs of Qld NRM Bodies and representatives from State and Commonwealth Governments held in Brisbane August 2010.
July 2010	Board Governance Performance Excellence Supplement published.	Response to customer requests. Used internally by some NRM bodies.
March 2011	Paper on Analysis of Performance Excellence Evaluations prepared for the Australian Government.	Presented at the National Chairs Forum, Canberra.
April 2011	Decision to adopt external reviews as a national	CEO OPE Working Group established to oversee the

	approach with targets set at NRM Chairs Forum. (85% participation by end June 2013).	national rollout including expansion of delivery capabilities. Part funding provided to support the process by the Commonwealth Government.
March 2012	Training and reference manual published to support the national process.	
March 2011 to March 2013	18 reviews conducted across Tas, Vic, NSW, WA and Qld.	Conduct of reviews also used for training of Lead Reviewers.
March 2013	Process review and planning workshop held in Brisbane.	Workshop attended by members of the OPE Working Group and Lead Reviewers.
March 2013	Consolidated report on review findings prepared.	Report used as a reference for discussion at the National Chairs Forum in WA.
May 2013	Case studies of leading practices identified from review findings.	Case studies presented at a forum of 'Performance Excellence Showcase' held in Cairns.
August 2013	Up-dated version of consolidated report on review findings prepared.	Plan for report to be distributed more widely across the NRM sector.

As at August 2013,

- 2,800 hard copies of the NRM Performance Excellence Guide printed and distributed by AKM Group (number of electronic copies distributed in total not known).

- Total of 48 reviews conducted across all states (including 9 follow-up reviews)

- 30 CEOs/Senior Managers involved as co-reviewers

- Approximately 45 contacts for information on successful practices provided in response to requests from NRM bodies and state and national working groups since November 2010

Attachment 2 - Feedback from Regional NRM Organisations

Regional NRM organisations that had a review conducted under the arrangements supported by the Commonwealth government were invited to provide feedback on their experience with the process. Feedback was provided to the RGC on behalf of the National OPE Working Group and was used to inform discussions at the Workshop in March 2013 attended by the members of the OPE Working Group and lead reviewers.

Confidentiality of feedback was maintained by not disclosing the source of individual comments to ensure feedback would be frank. Specific comments were provided against each part of the review process. All unedited general comments received are provided below:

Regional NRM Body	Summary Comments
1	An annual review could work. Maybe an e-mail from coordinators or lead reviewers would ensure we did this. Keeping it in the line of sight would be helpful.
2	The second review should focus more on business results. Opportunity to share practices is important and something we should consider as a sector. Potential problem with the model now with statutory changes underway in SA and NSW.
3	The value we got out of the process was so high, that we have built it into how we will manage going forward. Am nervous about the current 'chatter' from the AG about governance standards. Not nervous we should fail but more that we are going to reinvent the wheel and burn energy on something this process has got covered for us.
4	Our NRM is committed to this process now and will seek to repeat it most likely in 2014/15. The whole process has certainly had a profound impact on our business and implementation of the recommendations has provided significant benefits already to our operational and business functions. AS CEO, the opportunity to briefly discuss general observations with the review team (in an informal context) and seek some practical guidance from the experienced team was a very small but incredibly valuable part of this exercise.
5	Co-reviewers expenses should be paid for by the NRM body as part of the cost of the review. This will encourage experienced NRM staff to participate and to do so on more than one occasion, resulting in a wider pool of reviewers.
6	The review was a well-run process. The actual activity of being reviewed and 'making' staff take the time to recount processes, problems, issues, strengths etc is a good reflective exercise in itself. Regardless of the fact that the outcome was positive, the very act of reviewing can be seen as an improvement process. The recommendations give a good opportunity for the Exec and Board to construct actions for improvement.
7	A major theme for discussion was the ability to learn from other groups and their processes. The review process would benefit from a more formalised method of sharing 'living case studies' or examples of best practice. This is in reality still very difficult but possibly an electronic forum or opportunities

Regional NRM Body	Summary Comments
	as part of the CEO's conference may achieve this. There could also be great benefit in linking this with the Governance Framework proposed by the Australian government, but not as a compulsory audit exercise as this may destroy the benefit of the review. Also, the provision of other good resources or sources of information for addressing the issues would be valuable.

Attachment 3 - References

Australian Knowledge Management Group P/L and the University of Southern Queensland: 'Performance Excellence Guide for Regional Natural Resource Management Organisations, Second Edition 2008 (ISBN 0 9751911 0 1)'.

Vogel NJ 2011: Analysis of Performance Excellence Evaluations of Regional Natural Resource Management Organisations.

Vogel NJ 2013: Performance Excellence Reviews of Regional NRM Organisations, Analysis of Findings 2011 to 2013.