



Natural Resources Commission

Final report

Local strategic plan implementation audit

November 2019

North West Local Land Services

Enquiries

Enquiries about this report should be directed to:

Name	Marguerite Collins
Phone	(02) 9228 4459
Fax	(02) 9228 4970
E-Mail	marguerite.collins.@nrc.nsw.gov.au
Postal address	GPO Box 5341, Sydney NSW 2001

List of acronyms

BIS	Biosecurity Information System
FARMS	Financial and Rural Management System
IRIS	Integrated Resource Information System
IT	Information Technology
KPI	Key Performance Indicator
LLS	Local Land Services
MERI	Monitoring, evaluation, reporting and improvement

This work is copyright. The *Copyright Act 1968* permits fair dealing for study, research, news reporting, criticism and review. Selected passages, table or diagrams may be reproduced for such purposes provided acknowledgement of the source is included.

Document No. D19/2725

The Commission reserves the right to update this draft audit report upon completion of auditing the remaining LLS regions.

Table of Contents

Executive summary	1
1 Achievement of local strategic plan outcomes	4
1.1 Areas going well	4
1.2 Key finding to be addressed	5
1.3 Constraints	7
2 Systems and processes supporting implementation	8
2.1 Areas going well	8
2.2 Key findings to be addressed	9
2.3 Constraints	11
3 Reporting on local strategic plan implementation	12
3.1 Areas going well	12
3.2 Key findings to be addressed	13
Attachment 1 - Overview of the North West LLS region	14
Attachment 2 - North West plan outcomes	16
Attachment 3 - Audit overview	20
Attachment 4 - Scope of works	21
Attachment 5 - Interviewees	23
Attachment 6 - Regional delivery Action Status	24

Executive summary

Background

The North West Local Land Services (LLS) region covers an area over 8.2 million hectares in north-west NSW and includes the major regional centres of Tamworth, Moree, Walgett, Narrabri and Gunnedah. It is a leading agricultural production region and is experiencing a prolonged drought (see **Attachment 1** for more detail).

The *Local Land Services Act 2013* requires local boards to prepare a local strategic plan and to have it approved by the Minister. The purpose of a local strategic plan is to 'set the vision, priorities and strategy in respect of the delivery of local land services in the region, with a focus on appropriate economic, social and environmental outcomes' (see **Attachment 2** for North West LLS local strategic plan outcomes). The North West LLS local strategic plan (North West plan) was approved by the Minister in 2016.

The North West plan sets out the strategic direction for the five years between 2016 and 2021.¹ It outlines how North West LLS intends to deliver efficient and effective services and outcomes associated with the core functions of LLS; agricultural production, natural resource management, biosecurity and emergency management. It contains 12 regional outcomes that define the 'outcomes' North West LLS is working towards. To support these outcomes, the North West plan includes 77 regional delivery actions and 54 regional success measures.

The North West board held a strategy planning workshop in May 2018 to reflect on the North West plan and how it related to the region's priorities and direction. At the time, several programs had redirected their focus to drought response and ensuring customers were being supported with adequate information. LLS have responded to the drought by redirecting some of their programs to provide direct agricultural advisory support, a greater focus on pest animal control to reduce stock and pasture losses, and closer management of travelling stock reserves to reduce grazing damage and improve their condition.

The board and management concluded that the North West plan is still relevant to the region's activities, recognising that LLS staff levels have reduced by 30 percent from 83 to 58 full time equivalent positions since 2016, which impacts on the types of activities delivered in some programs.

The objective of this audit was to assess North West LLS' implementation of the North West plan and the extent to which stated outcomes have been achieved and reported within set time frames (see **Attachment 3 and 4**).

The Commission's audit approach looked at the broad intent of North West plan, focussing on its stated outcomes. An assessment of whether the actions and projects aligned with this intent was the basis for making a judgement around the extent of implementation of the North West plan.

The audit was informed by interviews with North West LLS staff (see **Attachment 5**) and a review of relevant documents.

¹ The *Local Land Services Act 2013* Section 45(1).
Document No: D19/2725
Status: Final

Findings

Overall, the Commission found that the delivery of regional delivery actions will contribute to achieving North West plan outcomes within the set timeframes. Progress is being reported on and systems and processes are adequate to support the implementation of the North West plan. The Commission considers that North West LLS is likely to implement the North West plan by 2021. However, strategic oversight and performance could be improved by shifting to outcomes-focussed reporting. Board effectiveness depends on them receiving the right information at the right time and from credible sources.

The Commission found the following constraints:

- Current information technology (IT) systems are controlled by State LLS. While they are considered by North West LLS staff to be adequate to support plan implementation, North West LLS has limited control over systems and they pose some risks to data integrity, storage and ease of retrieval. The Commission notes that an IT platform with increased functionality is being rolled out by State LLS across the organisation, which is expected to address these risks.
- Funding for natural resource management under Catchment Action NSW and the National Landcare Program Phase Two has been significantly reduced since the North West plan commenced. Further, North West LLS staff are required to undertake time-consuming applications for short-term grants, which must align with investor priorities, which limits the region's ability to focus on strategic landscape-scale improvements.

Areas going well

The Commission found that the following areas of North West plan implementation are going well:

- F1 North West LLS has demonstrated progress in implementing all of the regional delivery actions within the North West plan.**
- F3 Planning processes are improving and being more consistently adopted between functional areas.**
- F4 Governance processes support North West plan implementation.**
- F6 North West LLS reports quarterly to the local board on progress against all regional delivery actions.**

Key findings to be addressed

The Commission identified the following areas for improvement:

- F2 Progress towards North West plan outcomes needs to be measured.**
- F5 There are insufficient links between the North West plan outcomes and operational plans intended to achieve those outcomes.**
- F7 There is no explicit reporting on progress towards North West plan outcomes.**

Recommendations

To increase the likelihood that North West LLS is able to implement its plan by 2021, the Commission recommends that North West LLS:

- R1 Improve the measurement of progress towards North West plan outcomes.**
- R2 Continue to develop and complete the review of three-year program strategies, including more developed program logics within a broader monitoring, evaluation, reporting and improvement framework. These should specify metrics that are outcomes-focussed, measurable and aligned to regional success measures in the North West plan to support cumulative assessment of progress towards outcomes.**
- R3 Update board reporting processes to include quantitative information regarding cumulative achievement of outcomes.**

1 Achievement of local strategic plan outcomes

The Commission found that there is progress towards all regional delivery actions in the North West plan but the resulting outcomes from those actions are not transparent.

The Commission recognises that North West LLS has matured since the North West plan was written. The Commission also recognises that LLS needs to be a flexible organisation to respond to changing environmental conditions and community needs, changes driven by State LLS, and government and investor needs.

It is timely to identify opportunities to refocus the North West plan to better align with the current direction of the organisation. This may assist North West LLS in rationalising the North West plan to better focus its activities and associated monitoring and reporting efforts on achieving targeted outcomes that align with the organisation's current priority areas.

1.1 Areas going well

F1 North West LLS has demonstrated progress in implementing all of the regional delivery actions within the North West plan

The North West plan contains 77 regional delivery actions. Quarterly status reports provided to the local board indicate that:²

- Fifteen (19 percent) were completed
- Sixty-two (81 percent) were on schedule but not yet achieved.

Attachment 6 provides detail on regional delivery action status.

No regional delivery actions were reported as planned, behind schedule or not achieved for the past three quarters (April – December 2018). This suggests that delivery against the regional delivery actions was not significantly impacted by resources being diverted to drought response.

A significant proportion of the regional delivery actions that are rated as on schedule but not yet achieved are considered as ongoing or business-as-usual activities and do not have a completion date. As such, the traffic light system does not report on progress or achievement for these actions.

Agricultural advice and drought support has been a major focus for the region. Over the previous 12 months, North West LLS provided agricultural advice in all locations across the region, with a particular focus on operating under drought conditions. Activities have included workshops and customer service support focussing on animal nutrition in dry times, grazing, and ground cover.

North West LLS responded to more than 3,200 phone drought enquires and conducted 540 on-farm visits. Regular newsletters were distributed to advertise drought support activities being delivered by North West LLS and partners, and connect customers with other government agencies, not for profit groups and business partners.

² North West LLS (2018) *4th quarterly local board report 2018*. Internal document provided to the Commission.
Document No: D19/2725
Status: Final

Monthly condition monitoring of travelling stock reserves includes benchmarks and targets, which inform management decisions and enable an assessment of progress towards North West plan outcomes.

Pest animal management has focused on baiting wild dogs, foxes, rabbits and feral pigs. Since July 2018, North West LLS has an increased management focus to include eight priority species.

Natural resources management has focused on resilient regional agriculture and threatened ecological communities, specifically Brigalow woodland and the Regent Honeyeater. Staffing levels have been reduced in the natural resources management team due to funding reductions, which has caused delays on some projects.

North West LLS has participated in the Local Emergency Management Committee and trained all staff in emergency management.

Weeds management has focused on control activities targeting Hudson pear and *Harrisia cactus*.

Biosecurity planning workshops were delivered for customers to learn about the new industry biosecurity changes and how to implement farm biosecurity plans on their farm.

The North West plan includes delivery actions and outcomes underpinned by regional measures of success. The region is able to demonstrate that regional delivery actions are being implemented in accordance with the North West plan. It also measures associated State LLS or investor-specified outputs.

1.2 Key finding to be addressed

F2 Progress towards North West plan outcomes needs to be measured

While the progress of regional delivery actions is tracked within programs (as outlined above), there is not enough meaningful data on the impact or outcome of these actions.

North West plan outcomes are underpinned by regional success measures (**Attachment 2**). However, no information is available on progress towards many of these measures, including whether there has been an increase in the adoption of best management practice, a reduction in knowledge gaps, climate change adaptation, improved management of travelling stock reserves or improved support for capacity building, leadership and governance for Aboriginal people.

While the region is not consistently collecting outcomes-focused data, data on outcomes is being collected under the region's dog baiting program. Community groups currently provide information to North West LLS that is used to track progress against the program's five-year key performance indicator (KPI) for a 20 percent reduction in stock losses as a result of reduced dog attacks.

Measuring outcomes is inherently difficult and a challenge in most organisations. It is often more straightforward to focus on what is being delivered on-ground to satisfy stakeholders and investors. Measuring outcomes is also often resource intensive, which is a challenge in the face of reduced funding and staffing levels. Another difficulty is that actions and measurements developed in the past don't always align with evolving customer and investor expectations or changing biophysical conditions.

The benefits of measuring outcomes are often overlooked. Understanding outcomes:

- provides a shared understanding of progress and what still needs to be achieved
- provides a basis for effective oversight, strategic decision-making and reporting on performance
- is a powerful tool to inform future investment and adaptive management decisions
- demonstrates value to investors, customers, partners and other stakeholders
- provides a platform to share learnings, celebrate successes and communicate externally.

Without adequate data on outcomes, it will be difficult to evaluate the level of achievement of outcomes by 2021.

Outcomes monitoring should include capturing baseline data on practices and on subsequent changes in customer knowledge and practices that could be attributed (at least in part) to funded programs. Increasing the measurement of outcomes will increase customer, stakeholder and investor confidence in LLS programs and improve the performance of management and the board.

Tracking progress at the action level provides some indication of progress under the North West plan but does not provide clear insight into progress on North West plan outcomes. Measuring a small number of measurable metrics for each outcome would provide greater insights into the impact of regional delivery actions and value of North West LLS' programs over the remaining years of the plan.

For example, in the Agricultural Advisory Strategy, the number of customers is the main KPI to measure producer engagement. All livestock management-related KPI have been exceeded. For the strategy objective of '400 customers accessing regionally tailored livestock management information to increase productivity and profitability', one of the KPIs is 75 of 100 engaged customers adopting improved practices. Currently this is being calculated using an assumed conversion rate, based on the number of workshop attendees.³

Validating this conversion rate through follow-up contact and surveys of participating landholders would provide stronger evidence of practice change and adoption of best management practices.⁴ It would also provide valuable information to track progress against regional outcomes 1 and 2.⁵

The Commission notes that North West LLS staff in the agricultural advisory services and natural resource management teams reported that they were currently developing landholder surveys that would collect baseline data on practices and changes in knowledge and practices that could be attributed (at least in part) to their programs. It is intended that this will be undertaken annually and should help facilitate adaptive management to improve outcomes.

³ This calculation is based on work by Central Tablelands LLS, which indicated that 20 percent of people who attend a workshop will change their practices.

⁴ Relevant information might include what landholders have changed, what they have learned, whether or not they would be better prepared or make different decisions next time, whether social capital has increased, whether the condition of the land is better than after the preceding drought.

⁵ Strategy 1 regional outcome is 'improved decision making by customers due to the provision of increased availability of regionally specific scientific and evidence based information and best practices industry knowledge' and Strategy 2 regional outcome is 'an increase in advisory services supplied and improved practices implemented by customers'.

Measuring outcomes can be resource intensive and perceived to be a challenge, especially when resources are scarce. However, some measurement is better than nothing. For example, on-farm visits following a workshop may provide greater certainty of the extent of on-ground practice change compared with a follow-up phone call. However, both of these approaches would provide a better indication of on-ground practice change compared with a post-workshop evaluation form, which only measures intent. The increased resources and effort required to gather better data needs to be balanced against any improvement in the quality of information received.

A customer survey is listed in the North West plan as one of the key ways that many regional success measures will be measured in 2021. The Commission notes that the current state-wide surveys do not include all the information relevant to measure achievement of regional success measures. The Commission recommends that North West LLS includes relevant questions to provide outcomes-focussed information in subsequent customer surveys (noting that additional regional surveys may be required to fill the gaps).

Any efforts to improve measurement should be supported by a monitoring, evaluation, reporting and improvement (MERI) framework (see R2 below).

To increase the likelihood that the region delivers North West plan outcomes within stated and to improve strategic performance, the Commission recommends that North West LLS:

R1 Improve the measurement of progress towards North West plan outcomes.

1.3 Constraints

Funding for natural resource management under Catchment Action NSW and National Landcare Program Phase Two has been significantly reduced since the North West plan commenced. North West LLS staff are required to undertake time-consuming applications for short-term grants, which must align with investor priorities, which limits the region's ability to focus on strategic landscape-scale improvements. Cuts in funding from these programs have also impacted on North West LLS staff numbers (a number of natural resource management staff were lost) and have resulted in staff having to cover much larger areas. Another constraint is that funding priorities vary year-to-year, which creates uncertainty and makes long-term planning difficult.

2 Systems and processes supporting implementation

The Commission found that North West LLS has adequate planning, governance and IT systems but there are opportunities to improve their efficiency and effectiveness.

2.1 Areas going well

F3 Planning processes are improving and being more consistently adopted between functional areas

Current planning processes for North West LLS include the preparation of:

- annual business plans
- three-year strategies (with KPIs) at the program level
- annual investment plans at the program and project level).

The three-year functional area strategies are being renewed for some programs and are under development in others. These strategies include KPIs and program logics (as part of a MERI framework). These strategies becoming more consistent across functional areas.

The Agricultural Advisory Strategy (2016-2019) has guided the delivery of services to the agricultural sector over the past three years and is currently being reviewed and renewed. The key delivery areas were regional extension and technical agricultural advice to the mixed farming and livestock sectors and drought support.

The Annual Investment Plan for the Customer Service Unit and some of the natural resource management project proposals have a more direct alignment with the North West plan compared with other functional area project proposals. They do this by linking regional delivery actions with their customer service approaches and including more developed program logics, respectively.

The Commission notes that some strategies have more developed, measurable and outcomes-focused metrics and program logics. Metrics guide data collection to assess the achievement of outcomes, improve decision-making and enhance external communications.

The Regional Strategic Pest Animal Plan 2018–2023 contains an example of a clear KPI, which is ‘a 20 percent reduction in stock losses from reduced dog attacks over five years’. This drives the collection of data that can provide an evidence base for outcomes reporting. Data collected to measure this KPI also informs decision-making for future baiting activities. In addition, KPI performance data can be used to enhance communication with ratepayers, other LLS stakeholders and baiting groups, which may help to sustain or increase participation rates in baiting programs, which would further enhance outcomes.

F4 Governance processes support North West plan implementation

The local board comprises a Chair and six directors – three appointed and three elected – who bring diverse skills and independent thinking to the board. The board has successfully overcome the initial strategic challenges associated with bringing together three different organisational cultures as part of establishing North West LLS. The board successfully maintains strategic rather than operational interest in LLS business. Board governance and operations contains several examples of good practice, including:

- holding six to seven board meetings per year, supported by the State LLS-authorized agenda and meeting minutes template
- combining meetings with North West LLS management meetings and regular board strategy days
- providing status reports on selected regional plan strategies at strategy days, which detail key activities completed to date.
- reports on NW plan implementation, which are prepared by the management team and presented to the board.

A Community Advisory Committee was formed in November 2014, comprising representatives from industry, Aboriginal communities and other community groups. The Community Advisory Committee provides a platform for the community to provide feedback to the board and LLS senior management.⁶ The Committee has had considerable influence in the area of pest animal planning and control, including managing feral pigs in the Moree and Warialda areas and wild deer on the Liverpool Plains.

Improved reporting (see **Section 3**) to the board on North West plan outcomes would increase the board's oversight of North West plan implementation, support strategic decision-making and enable the board to provide more assurance to stakeholders regarding progress towards organisational goals.

2.2 Key findings to be addressed

F5 There are insufficient links between the North West plan outcomes and operational plans intended to achieve those outcomes

A governance framework has been adopted to ensure that the North West plan is translated to the operational level. Strategies at the program level inform delivery over three years.

Annual business plans provide a high-level overview of programs for each year. Annual investment plans for programs and projects provide detail on activities and expected outcomes. Annual business plans tend to align more closely with North West plan regional delivery actions, rather than North West plan outcomes.

The links between performance indicators in annual investment plans and local three-year functional area strategies to the outcomes and regional success measures in the North West plan are not always clear. These links could be reinforced if specific, measurable, achievable, relevant and time bound (SMART) metrics were developed for each North West plan outcome. Metrics could then form the basis for developing KPIs in functional area strategies and annual investment plans. This would simplify reporting on North West plan outcomes (see **Section 3**).

While some investment plans, proposals and strategies refer directly to North West plan regional delivery actions and make clear links with funded activities and milestones, this is not done consistently across all regional planning processes.

Planning processes should drive data collection, reporting and measurement of outcomes for all activities. They should provide a clear line of sight back to the North West plan and reporting processes. Without a clear line of sight, it is challenging to determine the contribution of programs and projects to North West plan outcomes.

⁶ Strategy 5 regional outcome is 'increased number of local people participating in decision-making'.
Document No: D19/2725
Status: Final

Planning processes are improving and being more consistently adopted between functional areas and at the program level. Including program logics as part of MERI frameworks and clear KPIs when developing and renewing strategies will improve reporting on progress at the outcome level.

The Commission supports the North West plan regional delivery action 11.1 to 'develop and implement a MERI framework that drives continuous improvement'. This will help ensure future projects consistently deliver outputs that contribute to the delivery of the North West plan and that there is a clear mechanism to measure cumulative progress against its outcomes. There are some MERI framework elements in North West LLS' planning processes but there is room for improvement.

Program logics are key to linking outputs to outcomes and should include assessment of:

- what outcomes can be feasibly and directly measured
- what assumptions need to be made to link activities, outputs and their expected outcomes (for example, assumptions may link an output to an outcome using research or pilot program results)
- what metrics will be tracked
- baselines – where they can be established – and meaningful targets
- the expected level of contribution of each activity to outcomes
- the feasibility of activities and timeframes
- the data collection frequency and spatial scale required to show activities are delivering as expected and to inform future improvements.

These principles will be most effective for programs under the control of North West LLS rather than those subject to external variables. These programs may include pest control and customer satisfaction, which already have a considerable amount of regional data.

There is a need for baseline data to be collected wherever possible, from which the impact of investments and progress towards North West plan outcomes can be measured. While it is not feasible or economic to develop a comprehensive set of baselines, establishing a few key baselines will provide the foundation for effective progress assessment and forward investment decisions.

North West LLS already has data in some areas to support baseline development such as from current baiting programs. North West LLS should focus on using data it already has before prioritising additional key baselines that would provide benefit but require additional data gathering. While existing baseline data may have limitations, the value of having baselines from which progress can be measured should not be underestimated. Baselines may be improved over time and reset if needed. Any changes to baselines will need to balance increases in resources and effort required to gather better data against improvements in quality of information.

The new cluster arrangements in the Department of Planning, Industry and Environment provide opportunities for collaboration and the sharing of data and resources, in particular around accessing data on outcomes for which LLS has a shared responsibility.

To increase the likelihood that the region delivers its outcomes within the timeframes stated in the North West plan, the Commission recommends that North West LLS:

R2 Continue to develop and complete the review of three-year program strategies, including more developed program logics within a broader monitoring, evaluation, reporting and improvement framework. These should specify metrics that are outcomes-focussed, measurable and aligned to regional success measures in the North West plan to support cumulative assessment of progress towards outcomes.

2.3 Constraints

North West LLS uses the standard suite of IT systems provided by State LLS, including government agency systems where LLS has shared responsibilities. These legacy systems have been adapted to some extent to meet North West LLS requirements. North West LLS staff reported that they have adapted well where various systems have changed over time. Despite this, the systems present a number of difficulties for data analysis, extraction and reporting, and pose a risk to the integrity of data records. These include:

- different teams use different systems (for example, natural resource management and agriculture teams use IRIS, while the biosecurity team uses FARMS and the Biosecurity Information System (BIS))
- systems are not linked, so project outputs cannot be integrated, information cannot be accessed by all teams, and data can be stored in more than one system
- data can be difficult to extract for reporting
- contract generation from IRIS is unreliable
- the systems do not provide a useful platform for recording customer information and interactions.

The proposed roll-out of the new state-wide system, 'myLAND', is anticipated to bring improvements. It includes an asset management module,⁷ a web-based customer self-service portal and other features such as greater accessibility for officers working in the field and at home. North West LLS staff expect myLAND will improve efficiency and effectiveness by providing the following:

- Excel-based travelling stock reserve records of permits and mapping the network. This is an important function given North West LLS manages the greatest area and length of travelling stock reserves of all LLS regions.
- Excel-based records for agriculture-related customer service enquiries. Currently, there are many records on interactions with landholders that are not easy to access, interpret or report.

The upgraded system should streamline business processes and improve the ability of North West LLS to deliver the North West plan.

⁷ 'myLAND' is intended to replace and consolidate the existing set of outdated systems with a SaaS (Software as a Service) solution to provide a platform that enables a range of customer- focused business improvements.

3 Reporting on local strategic plan implementation

The Commission found that quarterly board reporting on the North West plan only focusses on regional delivery actions and indicative progress reporting against strategies. They do not assess progress to date or how much remains to be achieved.

Streamlining reporting to focus on the impact of these actions would better enable the board to oversee and monitor the implementation of North West plan and intervene as necessary.

3.1 Areas going well

F6 North West LLS reports quarterly to the local board on progress against all regional delivery actions

Quarterly tracking and reporting on actions gives the board an idea of the level of activity under each regional delivery action. The reports use a traffic light system to show whether actions are planned, behind schedule or not achieved, on schedule but not yet achieved, or completed. The reports also include bar charts that group the number of regional delivery actions by strategy to provide an overall indication of strategy progress. These reports intend to communicate progress towards outcomes to the board. Board papers provided with the quarterly tracking report and board meetings include staff updates on specific focus areas.

In addition to the quarterly reports for each program area (agricultural advisory services, natural resource management, business, customer service and strategic services, biosecurity, invasive species, and travelling stock reserves, the following reporting is undertaken:

- Mid-year program reviews, which are reported by team leaders to managers and include an overview of project progress.
- Annual program evaluations, which are reported by team leaders to managers and include updates on the schedule, main achievements, lessons learned and areas for improvement.
- Reports to investors, including the Australian Government, industry organisations (for example, Grains Research and Development Corporation) and NSW Government (for example, Catchment Action NSW). These include investor-specified and project-specific outputs. Reports provide data on the extent to which programs and projects are completed and identify performance against milestones and spend.
- North West LLS contributes to State LLS annual reporting, which includes data on outputs prescribed by State LLS for external communication. This report provides some transparency to customers and stakeholders on achievements.

Regular reporting against the regional delivery actions allows for the board to oversee and monitor the implementation of North West plan and enables them to track progress and intervene as necessary. In interviews, board members provided positive feedback on these reports and on staff updates provided in board meetings.

3.2 Key findings to be addressed

F7 There is no explicit reporting on progress towards North West plan outcomes

While quarterly board progress reports provide status updates for each regional delivery action, they do not:

- indicate progress towards the completion of actions
- report against regional measures of success
- provide the information required to drive strategic performance, enable strategic oversight and demonstrate the impact of the implementation of the North West plan.

As a result, there is no clear and consistent organisational understanding of progress achieved to date.

It is the board's responsibility to oversee and monitor the implementation of the North West plan and knowing the level of progress towards outcomes is critical in performing this role effectively.⁸

To maximise the effectiveness of board oversight and strategic advice, a small number of KPIs should be strategically identified to drive behaviours that will support the implementation of the North West plan. Monitoring of North West plan implementation could be simplified by selecting a small number of direct measures or other indicators of progress, and collecting data and reporting on them. These measures could be a mix of outcome-based KPIs and lead indicators of North West plan implementation. This would reduce administration burden compared with current board reporting process and increase transparency around progress towards North West plan outcomes. It would also help the board focus their efforts on strategic oversight rather than operational-level issues.

While some progress has been made to implement the above actions and some programs are becoming more outcomes-focussed and aligned to North West plan outcomes, there is room for improvement.

A stronger focus on measuring the impact of activities being conducted each quarter and their contribution to North West plan outcomes would give a more meaningful understanding of performance and achievement.

To increase the likelihood that the region delivers outcomes within the timeframes stated in the North West plan and optimises its strategic performance, the Commission recommends that North West LLS:

R3 Update board reporting processes to include quantitative information regarding cumulative achievement of outcomes.

⁸ The *Local Land Services Act* Section 29(1) states that one of the functions of the local board is 'to monitor the performance of Local Land Services in the region, including by reference to the local strategic plan'.

Attachment 1 – Overview of the North West LLS region

The North West LLS region covers an area over 8.2 million hectares in north-west NSW and includes the major regional centres of Tamworth, Moree, Walgett, Narrabri and Gunnedah (Figure 1). It extends north-east to Boggabilla on the Macintyre River along the Queensland border, south-east to Nundle on the tablelands and west to Lightning Ridge and Walgett. The region has seven shire councils; Tamworth Regional, Narrabri, Moree plains, Gwydir, Gunnedah, Liverpool Plains and Walgett.



Figure 1: North West LLS region

North West is a leading agricultural production region with vast broadacre livestock grazing lands (mainly beef cattle) and high-value winter and summer crops such as irrigated cotton and sorghum, depending on water availability. The key irrigation valleys are the Namoi and Peel Valleys (Narrabri and Tamworth), the Gwydir Valley (Moree) and the Border Rivers (Boggabilla). There is also a large and growing intensive poultry meat and egg industry centred in the Tamworth local government area.

The main challenges and threats facing the region include:

- biosecurity hazards, which impact broadacre livestock and intensive animal industries
- climate change and droughts, which impact the feed base and reliability of water supplies
- invasive species (pest animals and weeds) and other threats to natural values
- cost-price pressures, restructuring and consolidation of farm businesses
- conflict between agricultural and mining land uses
- natural disasters, including floods and bushfires.

North West LLS provide advice to primary producers, biosecurity and emergency management services, manage natural resources, broker relationships and share knowledge.

North West LLS comprises two functional areas, one with six and one with three program delivery areas (Figure 2). Governance and oversight is provided by a local board and senior management team.

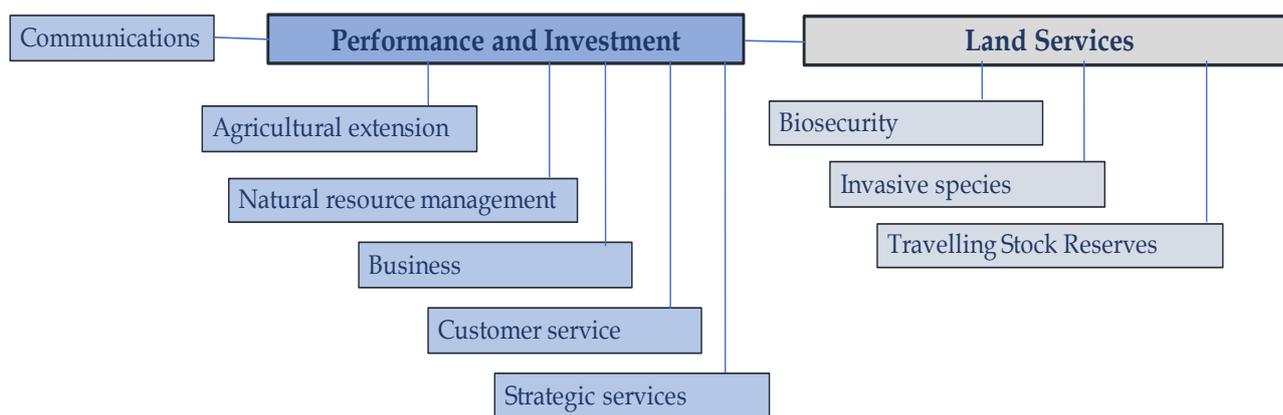


Figure 2: North West LLS functional areas and business units

Annual business plans specify the direction and focus for program delivery each year. Priorities for North West LLS in 2018/19 were established to deliver on outcomes outlined in key strategies and management plans for each of the main programs, including:

- Regional Strategic Pest Animal Management Plan
- Animal Biosecurity and Welfare Implementation Plan
- Invasive plants/1 Weed Action Plan, Regional Strategic Weed Management Plan, Priority Cactus Control Program
- Emergency Management Plan
- Agricultural Advisory Strategy
- Travelling Stock Reserve Management
- Catchment Action NSW – Resilient Natural Resources Management Program
- National Landcare Program, Regional Partnerships Program
- Strategic Land Services performance and engagement programs
- Business services – communications and financial management
- Customer services.

Regional priorities have been strongly influenced by extended drought in the region. Some of the current priorities for North West LLS include:

- strengthening relationships and partnering with the Kamilaroi Nation
- agriculture advisory services, including climate and seasonal variability adaptation (trials of tropical pasture species to fill feed gaps, and ponding to capture and store rainfall) and drought support (incentives and advice on livestock nutrition, grazing management and water)
- natural resource management. including the development of a three-year strategy, land capability assessment and extension
- travelling stock reserves, including the preparation of a local operational plan (once the state-wide management plan is completed) and the adoption of a methodology to monitor the condition of the reserves (ground cover and pasture biomass) that will inform decision making when issuing permits
- pest animal planning and control to reduce crop and livestock losses and other impacts
- Hudson pear and *Harrisia* cactus.

Attachment 2 – North West plan outcomes

Outcomes for the North West LLS region, as stated in the North West plan, are outlined below.

#	Outcomes & regional measures of success	Timeframe
1	Improved decision making by customers due to the provision of increased availability of regionally specific scientific and evidence-based information and best practice industry knowledge services	
	North West Local Land Services Communication and Engagement Strategy developed and implemented	Developed 2016 Implemented 2016-2021
	Reduction in knowledge gaps and increase in implemented best management practice by our customers	2021
	Stakeholder- and customer-evidenced knowledge sharing – our customers know where to go to get the information and they use the information to improve their decision making	2016 and 2021
	Increase in participation in engagement activities by customers and associated use of information to improve their decision making	2016 and 2021
	Increase in partnerships with key stakeholders to deliver information and knowledge services	2016 and 2021
	Increase in adaptation of recommended scientific and evidence-based information and best management practices across natural resource management, agricultural production, emergency management and biosecurity	2016 and 2021
2	Increase in adaptation of recommended scientific and evidence-based information and best management practices across natural resource management, agricultural production, emergency management and biosecurity	
	Strategies developed that provide a strategic approach to the provision of advisory, communication ,engagement activities across agriculture, natural resource management and biosecurity activities	Developed 2016 Implemented 2016-2021
	Reduction in knowledge gaps and increase in implemented best management practice by our customers	2021
	Adoption of recommended practices across agricultural production, biosecurity and natural resource management	2021
	Agricultural and natural resource management outcomes and targets met or targets in the process of being met as per targets/outcomes identified in operational plans	2021
	Achievement of LLS responsibilities in the Biosecurity and Emergency Business Plans.	As per Business Plan Requirements
	Operational Plans such as the North West Local Land Services Transitional Regional Natural Resource Management Plan, North West Local Land Services Biodiversity Plan 2015 and North West Local Land Services Invasive Species Prioritisation and Implementation Framework 2015 implemented through relevant programs. Biodiversity prioritisation Plan	2021

3	An increase and continual improvement in the provision of emergency services to support North West customers and communities to mitigate and minimize the impacts (prevent, prepare, respond and recover) from biosecurity and natural disaster events	
	Strategies developed that identify the North West Local Land Services' role and responsibilities (including regulatory and no-regulatory) in the provision of emergency services (prevent, prepare, respond and recover) in relation to biosecurity and natural disaster events	2016
	Emergency management and biosecurity response practices/training events implemented	2017 and 2021
	Achievement of LLS responsibilities in the Biosecurity and Emergency Business Plans.	As per Business Plan Requirements
	Improvement in staff capacity to deliver and implement biosecurity and natural disaster services	2017 and 2021
	New partnerships developed and/or current partnerships enhanced to provide coordinated biosecurity and natural disaster services across the North West region	Evaluation - 2017 and survey 2021
4	Increased engagement and services provided to North West Local Land Services customers through enhanced collaboration with stakeholders	
	Increase in participation in engagement activities by customers and associated use of information to improve their decision-making	Survey - 2016 and 2021
	Collaborative partnerships with key stakeholders developed to provide customers with information and knowledge services	2016 and 2021
	Collaborative partnerships led to adoption of recommended practices across agricultural, biosecurity and natural resource management	2021
	Increased engagement and services through enhanced collaboration led to agricultural, biosecurity and natural resource management outcomes and targets met or working towards achieving required targets as identified in operational plans	2021
5	Increased number of local people participating in decision-making	
	Local people and groups are satisfied with the level of opportunity to be involved in decision-making	2021
	North West Local Land Services Communication and Engagement Strategy developed and implemented	Developed 2016 Implemented 2016-2021
	Ratepayer enrolments increased	2021
6	Decrease in relevant knowledge gaps and barriers to implementation of best practice initiatives through enhanced research and development opportunities and partnerships	
	Knowledge gaps relevant to North West Local Land Services activities and services minimised	2016
	Stakeholder- and customer-evidenced knowledge sharing - our customers know where to go to get the information and they use the information to improve their decision-making	2016 and 2021

	Increase in/or improved research and development partnerships and other opportunities led to increased implementation of best practice triple bottom line outcomes by customers	2016 and 2021
	Increased adoption of recommended practices across agricultural, biosecurity and natural resource management	2021
	Partnerships developed with relevant stakeholders to assist with provision of evidenced based scientific information relating to climate change impacts and adaptation across the region	2016 and 2021
	Climate change adaptation programs in place to support customers to adapt to climate change	Survey - 2016 MERI - 2021
7	Improved consent and compliance services that educate and protect communities, landscapes and industries.	
	Programs in place to encourage improved access to Country including on North West Local Land Services travelling stock reserves	TSRs Evaluation - 2021 MERI 2021 Survey 2016 and 2021
	Collection and sharing of traditional ecological knowledge undertaken and incorporated into land management practices and across the north-west region	TSRs Evaluation - 2021 MERI 2021 Survey 2016 and 2021
	Programs in place to support capacity building, leadership, governance and local decision making for Aboriginal people	2016 and 2021
8	Improved consent and compliance services that educate and protect communities, landscapes and industries	
	Strategies, operational and business plans developed and implemented that identify the North West Local Land Services role and responsibilities (regulatory and non-regulatory), priorities and targets developed	Developed - 2016-2021 Implemented 2016-2021
	Compliance with planning frameworks and legislation relevant to North West Local Land Services is achieved	2021
	A range of relevant programs are delivered that provide clear, concise and correct information on technical, consent, and compliance requirements across agricultural, natural resource management and biosecurity activities	2016-2021
	North West Local Land Services organisational capacity to deliver compliance, advisory services is appropriate to protect communities, industries and landscapes	2016 and 2021
	Agricultural and natural resource management outcomes and targets met or working towards achieving required targets as per targets/outcomes identified in operational plans such as the North West Local Land Services Transition Regional Natural Resources Management Plan	2021
	Achievement of LLS responsibilities in the Biosecurity and Emergency Business Plans	As per Business Plan requirements
	Vertebrate pest campaign implemented	2021
9	Improved management of North West Local Land Services managed crown land for environmental, social, and economic outcomes.	
	Travelling stock reserves Management Plan developed and implemented	Evaluation - 2021

	Customers have improved satisfaction with how North West Local Land Services manages travelling stock reserves in relation to environmental, economic and social outcomes.	Survey – 2021 Evaluation of Strategy – 2021
	Improvement in the ecological condition of travelling stock reserves with high and medium ecological values	2016–2021
10	North West Local Land Services has an improved customer and stakeholder focus and an increased level of highly trained and skilled staff	
	North West Local Land Services customers and stakeholders have improved satisfaction with the organisation’s focus towards customer service and service delivery	2016 and 2021
	North West Local Land Services has high staff retention rates, staff are highly trained and skilled, motivated and empowered	2017 and 2021
	North West Local Land Services Strategic and Business plans incorporate customer needs and expectations	2021
11	Collaboration, innovation and continual improvement promote a valued-based culture in North West Local Land Services	
	Successful audit results against the Natural Resources Commission “A Performance Standard for Local Land Services”	NWLLS Audits – 2016, 2018 and 2021 NRC Audits – to be confirmed
	Monitoring Evaluation Reporting and Improvement Strategy implemented	2021
	Results of audit processes reported to the customers, stakeholders and investors	to be confirmed
	Business systems meet the needs of the organisation and implemented	to be confirmed
	Organisation-wide Risk Assessment Framework developed and implemented	Framework developed – 2016 Evaluation – 2021
	Increased external funding sourced and innovative partnerships developed	2021
	Increased levels of cross-regional collaboration and stakeholder collaboration to share resources, knowledge provision and development of information networks	2021
12	North West Local Land Services is a safe, efficient and effective sustainable organisation	
	Compliance with work place health and safety legislation and zero harm	Audit – 2016 Staff survey, 2017 and 2021 Customer & stakeholder survey – 2021

Attachment 3 – Audit overview

The Commission's role in auditing local strategic plans

Section 46(1) of the *Local Land Services Act 2013* requires the board of each LLS region to prepare a local strategic plan and to have it approved by the Minister. These local plans were approved by the Minister mid-2016.

Section 45(1) of the *Local Land Services Act 2013* specifies that the purpose of a local strategic plan is to 'set the vision, priorities and strategy in respect of the delivery of local land services in each region, with a focus on appropriate economic, social and environmental outcomes'.

Section 47(1) of the *Local Land Services Act 2013* specifies that a local strategic plan for a region must include:

- outcomes that are expected to be achieved by the implementation of the plan in relation to the region and the timeframes for achieving those outcomes
- requirements for reporting on whether those outcomes and timeframes have been achieved.

The Commission has a role under section 54(4) of the *Local Land Services Act 2013* to undertake an audit of local strategic plans.⁹ Section 54(2) requires each local strategic plan to be audited within three years of its approval by the Minister to ascertain whether its provisions are being given effect. This requirement has been triggered, given the local strategic plans commenced mid-2016.¹⁰

Audit approach and methodology

The Commission interprets the audit objective under section 54(2) of the *Local Land Services Act 2013* as being to assess each LLS region's implementation of its local strategic plan. Specifically, to assess the extent to which stated outcomes have been achieved within set time frames and reported (see **Attachment 4** for scope of works).

The audit has been carried out consistent with the audit scope endorsed by LLS. The audit focused on the reporting of the achievement of outcomes against timeframes as stated in the strategic plan.

The Commission assessed audit findings against the audit evaluation framework which includes a maturity scale used to assess observed LLS performance with respect to each audit focus area.

Evidence

The Commission's audit was informed by a range of evidence, including:

- **Interviews:** with key staff and board members in each LLS region
- **Document review:** the Commission obtained relevant information from each LLS region, documentation received from LLS State Operations and relevant staff.

The Commission would like to thank all the staff in Northern Tablelands LLS, who contributed to this review.

⁹ The *Local Land Services Act 2013* Section 54(4) states that 'an audit under this section is to be carried out by the Natural Resources Commission or an independent person, body or panel appointed by the Minister'.

¹⁰ The *Local Land Services Act 2013* Section 45(2) states that 'a local strategic plan has effect for the period of 5 years (or such other period as is prescribed by the regulations) after it is approved by the Minister'.

Attachment 4 – Scope of works

Scope of Works

LLS Strategic Plan Implementation Audit

Background

The Natural Resources Commission (Commission) will undertake the audits of each LLS local strategic plan to ascertain whether its provisions have been given effect¹¹ as the independent auditor¹² in accordance with the Local Land Services Act 2013 (the Act).

The local strategic plans were approved by the Minister in 2016. The plans were written to address legislative requirements and the LLS Performance Standard (Standard). The Commission reviewed the plans prior to approval and conducted a detailed assessment of how the plans complied with legislation and aligned with the Standard.

This audit will focus on the implementation of the local strategic plans.

Audit Objective and Scope

To satisfy legislative requirements, specifically to assess LLS' implementation of local strategic plans and the extent to which stated outcomes have been achieved within set time frames and reported.

The audit scope will include a review of:

- implementation of strategic plans in each of the 11 LLS regions.
- within each LLS region, systems and processes supporting implementation and progress monitoring of strategic plan implementation.

The audit scope will not include a review of:

- the quality and objectives of the plans as this was covered in the Commission's Strategic Plan Review in March 2016.
- the LLS State Strategic Plan.

Overall Approach

Information to support the audit analysis will be sought from all LLS regions and state wide LLS via document review, interviews and site visits.

Five key audit questions will be addressed. They are listed below.

¹¹ The *Local Land Services Act 2013* Section 54(2) states that 'the Minister is to ensure that each local strategic plan is audited, within 3 years of its approval, to ascertain whether its provisions are being given effect.'

¹² The *Local Land Services Act 2013* Section 54(4) states that 'an audit under this section is to be carried out by an independent person, body or panel appointed by the Minister'.

Key Question	Criteria
To what extent does each LLS region have systems and processes in place to support the implementation of local strategic plans?	<ol style="list-style-type: none"> 1. Systems fully developed and fully functional 2. Systems partially developed/ Systems partially functional 3. Systems not developed, ad hoc approach
To what extent have stated outcomes ¹³ been achieved within set timeframes for each local strategic plan?	<ol style="list-style-type: none"> 1. All stated outcomes achieved per set timeframes 2. Stated outcomes partially achieved 3. Stated outcomes not achieved
To what extent has achievement of stated outcomes been reported and how does this align with reporting requirements as set out in each local strategic plan?	<ol style="list-style-type: none"> 1. Progress reporting fully available, integrated and transparent 2. Progress reporting partially available, partially integrated 3. Progress reporting not available
What has worked well and what are the potential areas of improvement in LLS' local strategic plan implementation?	<ol style="list-style-type: none"> 1. Areas for improvement identified are all low risk 2. Areas for improvement identified include moderate risk items 3. Areas for improvement include high risk items
What are the gaps/ constraints impacting performance?	N/A

One final report will be provided to the Minister mid-2019.

¹³ Each region has identified outcomes in their strategic plans in different ways. For example, local plans may refer to regional success, strategic objective, strategic intent. The Commission will work with each region to verify its interpretation of outcomes as they appear in each local strategic plan.

Attachment 5 – Interviewees

Functional Area	Role	Name	Date
Board	Chair	Conrad Bolton	8 May 2019
	Appointed Board member	Rebecca Reardon	9 May 2019
	Elected Board member	Keith Harris	8 May 2019
	General Manager	James Hutchinson-Smith	8 May 2019
Performance & Investment	Manager	Linden Ross	8 May 2019
	Team Leader - Agricultural Extension	Dale Kirby	9 May 2019
	Senior LSO Mixed farming	George Truman	9 May 2019
	Team Leader - NRM	Sara Chapman	9 May 2019
	Senior Strategic Land Services	Shane Green	8 May 2019
Land Services	Manager	Matt Davidson	8 May 2019
	Team leader – Invasive species	Rebecca Gray	9 May 2019
	Senior Biosecurity LSO Pest animals	Greg Lumber	9 May 2019

Attachment 6 – Regional delivery Action Status

Regional delivery actions listed as completed during the 4th quarter of 2018 but are expected to be ongoing, include:

- 3.7. Implement the North West LLS Emergency Management and Biosecurity Communication Handbook to assist with the provision of information and sharing of knowledge during biosecurity and natural disaster events.
- 8.3. Implement a vertebrate pest campaign.
- 8.8. Provide technical and consent services to land managers to assist with adherence to the *Native Vegetation Act 2003*.
- 10.9. Involve staff in strategic program development.
- 12.1. Implement State LLS Workplace Health & Safety policies and plans across North West LLS to provide a safe and supportive workplace for all staff.
- 12.2. Implement safe site work practices for all services that North West LLS provides to customers.

Regional delivery actions listed as completed and no longer ongoing include:

- 1.1. Complete knowledge gap and barrier analysis to improve stakeholder access to information and participation in engagement activities.
- 2.1. Undertake an evaluation and analysis of customer needs including the capacity of customers to implement practices that support best practice sustainable agriculture, natural resource management and biosecurity activities.
- 2.3. Identify priority primary production industries within the region and deliver services that drive the implementation of best practice management.
- 3.1. In partnership with relevant agencies, identify information and knowledge gaps in the North West community associated with the ability of the community to prevent, prepare, respond and recover from biosecurity and natural disasters (animal welfare responsibilities).
- 3.4. Ensure roles, responsibilities and accountabilities for North West LLS emergency management activities are clearly defined, agreed and communicated.
- 5.3. Develop and implement engagement structures across North West LLS service areas that provide opportunities for decision making by local communities.
- 7.1. Identify opportunities for North West LLS to facilitate with Local Aboriginal Land Councils for access to Country and build capacity to share traditional land management knowledge throughout the North West LLS region.
- 7.5. Support capacity building in leadership, governance and local decision making for project planning and delivery.
- 9.1. Undertake baseline assessment of travelling stock reserves ecological, economic, cultural and social values and resources to inform appropriate land use planning and management.
- 11.6. Develop, communicate and implement transparent decision-making processes.