

## Executive summary

The NSW Rural Lands Protection Board (RLPB) system consists of 47 boards located in regional and remote areas of the State. The boards are governed by elected volunteer directors and each operates with salaried staff typically including veterinary officers, rangers, managers, customer service officers and field assistants. Boards are overseen by a State Council under the terms of the NSW Rural Lands Protection Act 1998.

NSW is the only state in Australia with a ratepayer-funded public veterinary health and pest animal management system built on local knowledge, local service delivery and local commitment. Localism, professionalism and the ability to act decisively and immediately in the event of emergency animal disease outbreaks are the perceived attributes that many stakeholders believe set NSW apart from its neighbours.

In late 2007, the NSW Rural Lands Protection Board State Council called public tenders for a wide-ranging independent review of the system. Primary objectives of this review were to critically analyse the organisation's structure, administration and services to develop strategic recommendations that set the long-term direction of the system and enhance efficiency, effectiveness and relevance. The objectives did not include cutting overhead costs within the system at the expense of farm gate service delivery.

IMC – Integrated Marketing Communications Pty Ltd, a company with a successful 30 year history in agriculture and agribusiness, was selected from a field of eight contenders to carry out the review. A team of senior consultants began work in January 2008 with a deadline of May to complete the review and report back to State Council.

In 2006, the total income for the RLPB system was \$51.1 million with expenditure of \$49.7 million, decreases of five and six per cent respectively compared with 2005. The financial performance across the 47 boards varied markedly with 20 recording a deficit in at least two of the past three years and 16 with a deficit in at least three of the past five years.

The review has also identified a range of other factors driving changes that impact significantly on the structure and role of the RLPB system. These include:

- demand for change from key internal and external stakeholders.
- increasing local, national and global requirements for more effective animal health, risk management and bio-security.
- demographic and farm land subdivision changes in regional NSW, commonly referred to as the 'sea change' and 'tree change' phenomena.
- advances in primary production and information technologies.

The review has identified that the great strengths of the RLPB system in NSW include:

- local knowledge
- local vigilance
- local response by professionals
- immediate response capacity
- community-building

Key findings of the review include:

- the RLPB system delivers significant 'public good' benefits to regional and urban Australia across a range of areas including:
  - animal health and associated consumer food safety
  - pest animal and pest insect control
  - rural employment and community-building opportunities
- the current board network and administrative structure is financially unsustainable in the medium to long term.
- while the primary production sector has embraced major technological changes during the past 20 years, cultural change in the RLPB system has generally not kept pace.
- there is a real need for sweeping changes to the system across a range of areas to consolidate financial sustainability; attract and retain staff; and enhance service delivery in line with stakeholder expectations.
- the Equine Influenza outbreak in 2007, while successfully contained, revealed some confusion about the veterinary 'chain of command' during emergency animal disease outbreaks and this situation needs to be fixed.
- an opportunity exists for the key partnerships between the RLPB system and the NSW Department of Primary Industries and with the NSW Department of Lands to be renegotiated to better reflect the ratepayer funded value of the 'public good' benefits delivered by the system.
- the RLPB network throughout regional and remote NSW offers opportunities for the development and delivery of new services to meet stakeholder needs.

Recommended changes include reducing the total number of local boards from 47 to 14 and strengthening the administrative and operational structure of the system to deliver improved scale economies and critical mass; service delivery; productivity; governance, and participation. These changes will result in around 30 redundancies at the board manager level across the state as well as redundancies among customer service officers due to the centralisation of administration, and redundancies of some rangers and field assistants consequential to the ceding back of a number of TSRs to the Department of Lands.

The changes are broadly estimated to deliver savings across the system of around \$8 to 8.3 million per annum. But these projected savings are based on a set of assumptions and are contingent on future decisions and actions beyond the scope of this review.

All RLPB director positions under the new structure will be remunerated at levels commensurate with State Government guidelines to encourage healthy competition and to more adequately reward the highly skilled individuals the system seeks to attract. Each new board will include independent directors with skills complementary to the role and governance of the system.

The state's TSRs consist of 600,000 hectares of Crown land held in trust and managed locally by the boards. The review found that only five of the 47 boards were able to reconcile competing demands and run their TSRs in a financially sustainable manner.

Mass livestock transportation across the state has made the role of TSRs more or less redundant and the review team recommends a majority be ceded back to the NSW Department of Lands. Access to land for livestock management or future emergency purposes would be negotiated with the Department of Lands to deliver RLPB ratepayers a more efficient and lower-cost user-pays system.

The IMC review team believes the RLPB system has delivered significant benefits to the State and believes the contributions of generations of current and past elected volunteer directors and committed board staff should be gratefully acknowledged.

## Major recommendations

The IMC consultancy team makes the following key recommendations arising from its review of the NSW Rural Lands Protection Board system 2008.

The recommendations are the result of intensive research, analysis and consultation with primary and secondary stakeholders within the RLPB system by a team of four senior consultants. The research and analysis reported in this document defines a compelling case for extensive change to the administration, structure, function and stakeholder relationships within the state system.

Changes recommended have been designed to allow opportunities for new boards to extend their operations and service delivery at a regional level throughout the state.

- The NSW Rural Lands Protection Board system is to be restructured and renamed.
- The core business of the system going forward is to be as NSW's advisor, regulator and facilitator in animal health and in pest animal and insect management, operating within a local, state and national bio-security framework.
- Memoranda of understanding (MOUs) between the board network and state government agencies, including the NSW Department of Primary Industries and Department of Lands are to be re-negotiated with the objective of delivering more equitable working partnerships between the parties that reflect the true value of the 'public good' benefits delivered by the ratepayer-funded network to the state and nation.
- The number of local boards in NSW is to be reduced from 47 to 14, each with eight directors, two of whom would offer independent skills such as accounting, law or commerce complementary to the role of the boards. The chair would be elected from within the board. Each new board area will be divided into voting divisions to ensure balanced ratepayer representation across each new territory.
- These 14 new boards (map page 48) will be located within five regions, which would meet for collective regional policy forums annually or as needed.
- All board director positions in the new system will be capped and these terms will be staggered to ensure continuity of knowledge. The final structure and duration of these terms would need to be ultimately defined by those managing the transition to a new system.
- The 14 regional boards will be managed under new legislation by a nine member State Board of Management (SBM); one ex-officio member of this board will be the Director General of Primary Industries, or his or her nominee.
- The eight other members of the SBM will consist of six directors from regional boards and two independent directors with skills such as accounting, law or commerce complementary to the SBM's role. The key role of the SBM will be to ensure the 14 regional boards implement general policy and strategic directions from a new State Policy Council (SPC).

- All but one of the SBM directors will be appointed by the new State Policy Council which additionally will replace the function of RLPB annual conferences in providing a 'voice' for the new boards within the system.
- The SPC will consist of 28 members; two from each regional board. The council will receive, debate and resolve policy initiatives from regional board forums throughout the State. The council will establish a number of working groups to progress policy in yet to be determined areas such as governance, information technology, business development, training and communications.
- In order to make board service more attractive to prospective candidates in future, all chairs and board members will be paid annual fees in line with comparable government positions.
- Key features of a recommended new animal health management matrix will include:
  - board animal health staff will be accountable to their board through their local manager at all times other than in the event of an emergency animal disease (EAD) outbreak.
  - each board's new senior veterinary officer will be responsible for the day-to-day management of board animal health functions in line with the board's animal health plan.
  - the board will be accountable for ensuring that state-wide programs agreed to between the new State Board of Management and the DPI are implemented.
  - regional coordination and collaboration between boards and the DPI will be facilitated through regional animal health committees.
  - in the event of an EAD, the control of board animal health staff goes to the DPI which will fund their involvement based on the MOU .
- Animal health reporting will be streamlined to reflect the national strategic framework and the introduction of the new national Bio-Security, Surveillance, Incident Response and Tracing (BioSIRT) computer protocol for managing and recording emergency and routine incidents.
- Within the new system, a position of Senior Veterinary Officer (SVO) will be established for each board with scaled salary structures designed to facilitate career paths for veterinarians within the system.
- The current position in NSW DPI of Senior Regional Animal Health Manager will be renamed Regional Veterinary Officer (RVO).
- TSR land and on-going management will be ceded back to the NSW Department of Lands except where new boards establish with the SBM, a clear business case for their retention. New user pays and access and management protocols will be proactively negotiated with the department.
- The new system will include a State CEO and secretariat to service the operational requirements of the State Board of Management; the State Policy Council; and the five regional board forums.

- A new RLPB structure should include centralised payroll, financial (covering accounting, auditing and treasury) and e-business (rates notices and payment and annual land and stock returns) and other functions possibly including property transfers. The new State Board of Management should develop guidelines for the management of real estate assets for implementation by the 14 regional boards.
- The new system will develop proactive training strategies for directors and staff encompassing key operating areas such as governance; IT; and veterinary; and para-veterinary skills development, for example.
- The application of cost centre accounting will be standardised across the system, enabling costs by function to be accurately determined and allocated, for efficiency measurements and comparisons.
- An assessment of the public and private good elements of the RLPB system will be undertaken to provide a continuing basis for the State Government's financial contribution to the ratepayer cost of maintaining the system.
- A more flexible employment system will be introduced to allow boards to encourage productivity and to reward employees. This will include fixed term contracts for new senior appointments.
- New services including weeds reporting and management need to be fully and objectively assessed as part of a new business development strategy.
- The new system will need to develop a range of strategic responses to changes occurring in technologies, bio-security, demographic shifts now and in the future and the demands of human resource management and training at all levels.
- All non-commercial or recreational livestock in the new board regions should be included on RLPB databases and this livestock should be subject to an annual registration or licence fee.
- The new RLPB network should take over the current DPI program to manage and eradicate cattle ticks. This should be done on the understanding that sufficient funding is available from government to effectively undertake the role.
- The new organisation will significantly ramp up its media relations activities to better communicate the 'public good' value delivered by the ratepayer funded system.