



Public Sector  
Commission

# Agency Capability

## Department of Water and Environmental Regulation

### Executive Summary



September 2022

## Introduction

A review of the Department of Water and Environmental Regulation under the trial of the [Agency Capability Review Program](#) was carried out from November 2021 to June 2022.

The regulation and monitoring activities undertaken by the agency are vital for the state's future. It is important therefore to ensure the agency has the capabilities required to manage critical issues such as mitigating the effects of climate change and protecting the state's precious water and environmental resources – issues that affect every Western Australian now and into the future.

The findings of this review around long term strategy, workforce planning, prioritisation of work and communications aim to help assure the state can continue to grow and diversify while protecting the environment and water resources.

The agency has an excellent foundation from which to commence this improvement work. The commitment and skills of its staff, a values based culture, strong internal engagement practices and clear consultation with stakeholders on policy matters are all areas that can help drive improvement.

## About the Agency Capability Review Program

The Agency Capability Review Program takes a comprehensive, whole of sector approach to improvement, and sets standards based on a clear understanding of what constitutes a high performing public sector agency in Western Australia.

The program is being trialled over 2 years (2021-22 and 2022-23) in 8 government agencies. This review was one of 3 undertaken at the same time.

Reviews provide valuable insight into how agencies can improve and deliver the quality services expected of them. They also contribute to the development and improvement of the sector as a whole.

Reviews are conducted by independent lead reviewers with public administration expertise and experience. They are supported by senior executives from the government sector who are co-opted for each review as well as the Agency Capability Review team at the Public Sector Commission.

Each review is conducted against a standardised [Agency Capability Framework](#) of the 5 most significant areas of public sector management and administration. The framework is relevant and applicable to all agencies regardless of their remit, purpose, functions and services.

The framework supports agencies to ask 4 key questions:

- What are we meant to achieve?
- How well are we currently doing it?
- How do we know?
- Where can we do better?

## Agency background

The agency was formed on 1 July 2017 through the amalgamation of the Department of Water, Department of Environment Regulation and Office of the Environmental Protection Authority.

It is responsible for ensuring the state's water resources and environment are healthy, and able to support a strong economy and thriving communities now and into the future.

The agency's vision is a healthy environment and secure water resources, valued by all, to support a liveable and prosperous Western Australia. Its mission is to lead and excel in the sustainable management and protection of Western Australia's water and environment.

The agency leads the state government's action on waste and recycling, climate change, environmental and water planning, and regulation of the state's water and environment.

The new climate action portfolio reflects this growing focus for the agency in the context of a warming and drying climate, and as public interest and community expectations continue to rise.

The agency's work is delivered through policy advice to government and its boards and committees, issuing approvals and licences, and ensuring compliance with conditions that may be set in approval processes.

The agency employs approximately 850 full time equivalent staff, with around 13% based across 13 regional areas. Its annual budget is in the order of \$250 million.

## Future operating environment

There is growing community expectation for government to respond appropriately to environment and climate matters while still enabling economic development.

As the 'authority' on the state's climate, environment and water, the agency has a critical role in effectively navigating this landscape to guide the state in the context of diverging interests and to best advise government.

Increased development in the regions will require effective engagement and partnering with Traditional Owners with respect to native title, water rights and cultural heritage.

As sectors develop and look to strengthen environmental and social governance credentials, demand for this expertise will grow. The agency will be seeking to attract and retain talent from increasingly competitive labour markets.

Into the future, economic and other external factors will continue to influence peaks and dips in levels of development activity. The agency will need smart, analytical and flexible staff and workforce strategies to remain responsive and agile.

Managing the intrinsic tension between protecting environmental resources and enabling productive and environmentally safe industry is at the heart of the agency's core purpose. Strong leadership, clear vision and a high quality team are required to meet its statutory responsibilities into the future.

## The review process

The review was undertaken by Susan Hunt PSM as the independent lead reviewer with support from Alan Colegate as senior reviewer co-opted from Main Roads Western Australia and the Commission's Agency Capability Review team.

Ms Hunt has over 17 years' experience as a chief executive officer. She is a past chief executive of the Zoological Parks Authority, Lotterywest and Healthway. She has also held senior leadership roles in business operations, conservation and Aboriginal affairs.

The review looked at all 21 capabilities and identified 4 lines of inquiry for in-depth investigation. This involved further engagement and investigation with the agency and research into how practices might be improved or capability gaps addressed.

The review also identified good practices that the agency and sector can build on and share.

The review involved 6 months of investigation and research, collecting information from the following:

- a comprehensive review of a large number of published and unpublished documents
- over 40 external stakeholder meetings and submissions including group sessions and workshops with stakeholder reference groups
- 21 staff interviews including groups of staff from various business areas and regions
- a self-assessment by corporate executive against the Agency Capability Framework
- a 2-day corporate executive workshop and several briefings and meetings with the executive team and Director General
- individual interviews with each corporate executive member
- a comprehensive capability information questionnaire gauging staff perceptions of the agency's capabilities
- a staff iThink challenge inviting them to share what they felt the agency does well, what can be improved and ideas for improvement.

## What the review found

- The agency has a committed and values based workforce with strong science knowledge and policy skills.
- The agency has effective relationships across government and with its statutory boards and committees.
- There are opportunities to better define what the Western Australian community can expect from the agency in achieving its remit.
- Given the mandate of the agency to lead on climate action, as well as in the management of the state's water and environment, a new strategy that clearly communicates the agency's vision, intent and key actions is required.
- Corporate executive's capability in strategic planning and decision making about key priorities should continue to be strengthened and backed up by an organisational structure that supports future directions and priorities.

- There is a need for greater integration in the delivery of the agency's services including at the regional level.
- Recent initiatives such as the Environment Online project and Streamline WA are positive initial steps to improve performance in delivering regulatory services.
- Service delivery would be strengthened by implementing improved corporate services, business support systems and human resources services.
- Targeted recruitment, investment in staff development and long term workforce planning are needed to build staff capability to meet the broadening remit of the agency, along with the capability to address 'big picture' issues including climate action.
- The agency's communications to the community and stakeholders should be strengthened to ensure they are targeted, timely and contemporary.

## Lines of inquiry

The 4 lines of inquiry summarise where the agency could focus improvement. By addressing these key areas, the agency can build capability to meet its legislative mandate, current and emerging priorities, and community expectations. In this way it can be better prepared in facing future challenges.

### Line of inquiry 1: A big picture vision

Since its establishment in 2017, the review found the agency has made sound progress in key areas identified in its current strategic plan. However, it also found that what the government and community can expect from the future approach to managing climate change is not clearly articulated in the agency's strategic documents; nor in the way the agency structures, organises and governs itself.

With a new strategic plan now due, the focus needs to be on developing, articulating and communicating a big picture vision. This needs to encompass a long term and integrated approach to climate action, water security, native vegetation clearing, environmental management and regulation. This is vital to help the agency identify the skills it needs of staff and inform a suitable operating model to deliver this.

Part of this planning should include strengthening the agency's bioregional planning. A bioregional perspective has many benefits including a more place based and outcomes focus to track cumulative impacts; application to aspects of environmental protection activities, and water and land use planning; and better information on water allocation activities to ensure an environmentally holistic approach that better aligns with the interests of Traditional Owners.

The review also found that longer term horizon planning with an outlook to 2030 and 2050 is critical for the agency to effectively respond to future challenges and risks. This longer term thinking and strategy work should be applied to climate change and its effects on the agency's core business. It should also be applied to managing fluctuations in development activity and the increasing demand for approvals to ensure adequate workforce capacity and capability.

A longer term approach is evident in some parts of the agency's work such as the Gngangara groundwater allocation plan which has a 10 year horizon and the Waste Avoidance and Resource Recovery Strategy which has an outlook to 2030. These examples can be harnessed to help build a whole of agency long term strategic direction.

The science and policy expertise of the agency is a strength, supported by a high level of staff commitment. However, the review heard that there is opportunity to better leverage existing expertise by applying it more broadly to a greater cross-section of functional activities. This will deliver improved service outcomes for key stakeholders and across major projects and government commitments.

The agency's leadership need to prioritise strategic reflection and critically consider existing and future challenges so that they can allocate internal resources effectively and efficiently. This will enable the agency to use the substantial scientific and policy expertise of staff to address cumulative impacts on environmental management and sustainable land use and fulfil its climate action remit.

With a clearly articulated strategy for the future, incorporating action on climate change and a focus on policy and science based planning, the agency can build a clearer business and organisational approach as well as an appropriate operating model. This will position the agency to become the lead agency in climate action, environmental and water management, and regulation; and better able to respond to issues expected to emerge in the future and resource itself accordingly.

### **Line of inquiry 2: A joined up service approach**

The review found a general lack of a joined up approach in the agency as its business areas often operate in isolation. This lack of cohesiveness impacts the prioritisation of major works. In addition, similar functions across the agency often operate separately such as assessment and licencing functions that use different processes and workflows. All these issues mean the agency is not as efficient and effective as needed to meet future demands and challenges.

The agency has done considerable work on Environment Online, part of the Streamline WA government initiative to make it easier to do business in the state. There is great potential to leverage this work to further simplify existing regulatory support structures and build staff capability.

Greater collaboration between metropolitan and regional areas is also needed to deliver improved services. Tailoring and coordinating service delivery to a region could benefit from the bioregional planning framework mentioned in the line of inquiry above. Recent work on how regional service delivery should be supported to ensure the most efficient customer focused model is an opportunity the agency should continue pursuing.

With the mandate to deliver action across government on climate change and guide delivery of the Western Australian Climate Policy, a key focus must be on building capability so staff can more effectively work with stakeholders to deliver on this and achieve essential regulatory reforms.

The agency needs to improve sharing and access to essential data around water, waste and the environment, including establishing agreed data standards. This will help the agency inform big picture approaches to current and future challenges and target regulatory action, benefitting stakeholders.

The agency delivers expert advice and corporate support to a number of statutory boards, committees and external bodies. Defined and documented governance arrangements, oversight and executive reporting need to be consistent.

Internal budgeting and business planning need to be reviewed. This will allow the agency to reprioritise and reallocate resources to improve its corporate services functions and address existing issues with legacy systems, internal budgeting and business planning, internal financial processes and human resource practices.

Moves towards a more joined up approach have to be supported by and strengthened through an appropriate operating model and organisation structure. The agency needs to identify and explore grouping similar functions and activities. This will assist it to maximise resource use, deliver better outcomes, streamline existing process, and improve customer and stakeholder experiences.

### **Line of inquiry 3: Clear priorities of leaders**

Hand in hand with the need for a big picture vision to position the agency to become the lead agency in climate action, environmental and water management, and regulation (see Line of inquiry 1), leaders must prioritise activities, projects and budgets and set clear directions for staff and stakeholders.

The review heard that the corporate executive was not working as a unified group, particularly across agency resource allocation and prioritisation of work and projects. With recent changes to the executive team there is a strong commitment to improve cohesion and the success of the agency and its purpose. Key prioritisation and decision making has previously led to bottlenecks in processes and delays, for example, in assessing and approving applications. However, recent business continuity planning has demonstrated improved success in these areas.

The agency's project management framework must be strengthened, resourced and embedded. With the framework currently only having governance over major projects, it does not provide executive with visibility over the rest of the agency's activities.

The executive needs to take the next step and map out for the agency the key priorities rather than defaulting to a historic view that everything is important. Recent experiences of business continuity planning in response to COVID-19 demonstrate the agency is capable of making these decisions and has the frameworks in place to embed an explicit process of prioritisation going forward.

### **Line of inquiry 4: Effective external communications**

With increasing public interest in environmental issues, the agency needs to be prepared to engage and communicate more frequently with the community and with greater clarity about its roles and functions.

While the review found good communications and engagement in the delivery of specific programs and projects, generally it needs to more actively manage and disseminate information and this information has to be easy to find and navigate.

Public messaging should reinforce the projects and initiatives being delivered or planned and how these impact stakeholders and the community. The agency needs to use communications channels that best target stakeholders and customers. In this way, it can focus its efforts and resources on the priority areas, with all communications and messages contributing to a better collective understanding of the agency and what it does.

A customer centric approach based on understanding customer experiences and improving interactions is needed along with clear entry points for customers. A centralised and/or formalised business partnering approach is one way to clarify and consolidate 'who does what' for customers. The large bank of key customers and stakeholders should be used more strategically to understand and incorporate customer segments and their associated needs. Customer journey mapping can help the agency better understand how customers experience its services and where they go to find information.

The review heard that closing the loop on consultation processes was important to stakeholders. The agency needs to publish reports expediently so the information is current and useful.

In the regulatory functions area, some stakeholder concerns will be addressed in the service delivery improvements through Environment Online as it is rolled out over the next 3 years as a 'one stop shop' for users to submit, monitor and review submissions and approvals related to native vegetation clearing, industry licences, water licences and permits, waste, and environmental impact assessment. This should result in faster turnaround times and quicker assessments.

The review found positive examples of communications and engagement with Aboriginal organisations and Traditional Owners. It is important to ensure these are consistent and embedded as they are a strength for the agency.



## Good practices

The following areas are examples of where the agency has demonstrated good practice that can contribute to learnings for other agencies:

### Good practice 1: A values based culture

The agency identifies itself as a values based organisation, characterised by values developed by its staff in 2017 following the establishment of the agency. Even considering attrition and new employees joining the agency since then, a questionnaire conducted as part of this review found 95% of staff were aware of the values and 86% said leaders demonstrated and promoted the values always or sometimes.

The creation of 'Values Cubes' to promote and share values appears to have been beneficial, and they can be found in meeting rooms and on desks as a visible reminder of the agency's commitment. Recent changes to the behaviours that sit behind the values have occurred following staff input. Corporate executive has agreed that it must lead communication and implementation of the revised behaviours through active and purposeful engagement with staff and a commitment to living the values.

The review heard repeated examples from external stakeholders of the agency living its values, with observations of a highly committed and professional workforce.

Stakeholders spoke of a culture of dedication among the staff and a willingness to work in partnership. Staff were consistently referred to as committed, hardworking and passionate about their work. The agency has every reason to be proud of this reputation and its values based culture journey.

### Good practice 2: Strong internal engagement

A real strength of the agency is the collaborative and inclusive approach to staff consultation and communications which is a key driver of engagement. Regular direct communication and all staff broadcasts from the Director General are highly valued and are a forum for raising questions. Regional staff reported that internal communications from head office are well received and they feel engaged.

To measure engagement with internal communications, the agency has started using a monitor which consistently shows high levels of engagement, with some agency wide emails reaching a 100% hit rate from staff. While channels for Director General engagement are well established, the agency recognises greater engagement from corporate executive as a next task to improve this.

Staff reported through the iThink challenge as part of this review that they are engaged through multiple channels and have opportunities to provide feedback. Since 2020, the agency has used regular pulse surveys to gauge staff sentiment and consult on agency wide issues and initiatives.

The agency is positioning itself as a leader in this regard, and the tools and strategies it uses could inform other public sector agencies in their own approaches to staff engagement.

### **Good practice 3: Embedded diversity and inclusion**

The agency is proactive in its approach to diversity and inclusion and has a Diversity and Inclusion Statement, Disability Action and Inclusion Plan (2018-2023) and an Innovate: Reconciliation Action Plan (2021-2023). Reconciliation Week and NAIDOC Week events are strongly supported, and the agency promotes events that celebrate broader diversity and inclusion initiatives.

The agency is finalising a process to be accredited as a Disability Confident Recruiter, demonstrating its commitment to consolidating an inclusive workplace. The recently implemented graduate program is an example of the agency's diversity and inclusion policy in practice. As a measure to achieve greater equality, the agency expressed particular interest in hearing from graduates from diversity groups.

In 2020, a census of workforce diversity and inclusion practices identified that the agency was largely reflective of the broader community it serves and is an 'active' diversity organisation as defined by the Diversity Council Australia. It was recently recognised as an Inclusive Employer by the Diversity Council based on the results of the biannual 2021-2022 Inclusion@Work Index.

The agency's Equity and Diversity Panel addresses access and inclusion, substantive equality and employment strategies. The agency is continuing to pursue its DWERSITY program and agenda through expansion of its Aboriginal Advancement Unit and work towards an Aboriginal engagement strategy.

### **Good practice 4: Strong policy consultation**

The agency has a strategic direction to "deliver effective legislation and policy". It is committed to improving the implementation and effectiveness of its programs and public consultation helps it understand the views of stakeholders and incorporate them where possible. Staff attend industry and community forums to present on issues under consultation; and quarterly regional stakeholder meetings to consult on current and upcoming policy matters. Online consultation forums run through the website provide easily accessible opportunities for citizens to comment on issues that affect them.

A proxy measure of success in this area is the 2022 Customer and Stakeholder Community Insights which showed 89% of stakeholders are positive or neutral about the agency, with key stakeholders rating higher than other customers. Engagement with stakeholders and the agency's ability to consult and provide information and advice are reasons for overall positive sentiment.

Throughout the review, stakeholders referred to the good work of the agency in policy consultation through such mechanisms as the Regulatory Stakeholder Reference Group and Aboriginal Water and Environmental Advisory Group

The approach to stakeholder consultation is supported by guidelines that represent a broad operating framework. They include 5 principles aligned with current good practice for engagement and consultation (integrity, accessibility, transparency, feedback and consistency).



We are proud to deliver our services from Whadjuk Noongar boodja. We acknowledge and pay respect to Elders, Traditional Owners and Custodians from the many land and language groups of Western Australia.

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