



CORPORATE PLAN
OF THE
**MINISTRY OF COMMERCE,
TOURISM & LABOUR**

2014/2015 – 2015/2016

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FOREWORD

I am pleased to introduce the Corporate Plan for the Ministry of Commerce, Tourism and Labour for the years 2013/14 – 2015/16.

The purpose of developing this revised Ministry of Commerce, Tourism and Labour (MCTL) Corporate Plan 2013/14-2015/16 is to provide a specific and tactical operational strategy from 1st July 2013 to assist the private sector businesses, industries and other key stakeholders (external clients) together with Government (internal clients) in achieving the **MCTL mission to facilitate the development and growth of the private sector**. The plan also includes new proposals to program sufficient resources to address the performance gaps of the Ministry.

This Plan will enable MCTL to plan ahead over a three-year time frame with emphasis on improving effectiveness of service delivery and developing the organizational capabilities of the Ministry to improve efficiency. Specific focused initiatives include *inter alia*: enhanced modernization of the business registry system to reduce costs to businesses; initiatives to promote Tongan made products, and exports; building the institutional capacity of tourism to achieve stronger growth including the establishment of the new Tonga Tourism Authority; reintroduction of the Employment Relations Bill to transform our domestic labour market to be fair and effective; and strengthening capacity to safeguard the rights of consumers.

The six (6) external and three (3) internal programs and their aligned 25 sub-programs and two-hundred and forty-nine (249) activities are designed to be pragmatic in delivering a performance oriented business environment that is efficiency focused and customer centric. Programs and sub-programs are cascaded down to the activity level and therefore automatically form the Ministry's Annual Management Plan and divisional plans, with clear accountabilities at every level. Each program, sub-program and activities are established with corresponding budget allocations and thirty-seven (37) budgetary gaps which would inform the budget process commencing from the 2013/14 financial year.

The Ministry acknowledges the value of its key development partners including New Zealand, the ADB and the World Bank.

We acknowledge that the successful implementation of the plan will require strong executive management by MCTL, support from Government line ministries in particular the Ministry of Finance & National Planning and the Public Service Commission. It is our anticipation that this plan will help all parties to adopt a more coherent and integrated approach to achieving the TSDF national outcome objectives.

Respectfully,



(Dr. Hon. Vilami Uasike Lala)
MINISTER FOR COMMERCE, TOURISM AND LABOUR.

4 March 2013

EXECUTIVE SUMMARY

This corporate plan is aligned behind high level Government objectives including the TSDF 2011-14 national outcome objectives and the Cabinet Working Group on Government Structural Reform recommendations. The MCTL programs and sub-programs are designed to improve the quality of life for Tongan citizens through enabling the private sector to drive stronger growth and, simultaneously, protect the rights of consumers.

1.1. Our Strategic Outcomes and Mission

The MCTL mission, as an organization, is to facilitate the development and growth of the private sector. There are two main strands to the delivery of this mission:

A. The development of a supportive and fair operating environment for businesses through:

- i. improving the business operating environment while ensuring business compliance and promoting innovation and creativity
- ii. providing appropriate business development support
- iii. creating an effective Public Private Partnership (PPP) framework
- iv. improving the operation of the labour market
- v. creation of marketing and product development strategies for Tourism

B. The development of an environment that ensures that a fair trade competition and that a free flow of truthful information is available in the marketplace.

The two strands are results of an analytical process led by the executive team of the Ministry. It provides a detailed strategic map for the operations of MCTL identifying the following programs;

1.2. Our Organizational Programs and Outputs

- *Six external program streams driven by a clear identification of the services (outputs) delivered to customers:*
 - Program 1: The Business Friendly Program
 - Program 2: The Active Support Program
 - Program 3: The Policy and Partnership Development Program
 - Program 4: The Fair and Effective Labour Program
 - Program 5: Tourism Sector Coordination and Support Program
 - Program 6: The Consumer Protection Program
- *Three 'management' program streams which enable the six external programs to deliver the required service level to stakeholders:*
 - a. Program 7: Corporate Services, whose customers are the six program streams. The aim of corporate services is to enhance the efficiency and effective functioning of MCTL
 - b. Program 8: Senior Management Program, which has both an internal and external role:
 - i. Internal – oversight and leadership of all the program streams of MCTL
 - ii. External – communication with government and stakeholders and the provision of protection to MCTL from directions which do not deliver the mission
 - c. Program 9: Performance Improvement Program, that provides the plans to fill performance gaps which restrict the delivery of the Ministry's outputs.

The above programs are linked to twenty three (23) sub-programs and two-hundred and thirty three (233) activities.

1.3 Our Performance Gaps

This Corporate Plan maps out an organizational work plan where MCTL will deliver its organizational programs whilst bridging performance gaps which impede the actual delivery of MCTL outcomes and outputs to customers.

MCTL performance gaps are categorized into:

- i. **HR Gaps**; shortfalls in MCTL human resource capacity to deliver expected results/outputs including:
 - Technical staff to implement new statutory functions required to deliver expected outputs to customers
- ii. **Internal Process Gaps**; limitations in MCTL organizational capacity and processes in terms of lack of coordination of current systems and practices to intended outputs and/or missing processes and systems that should be in place to ensure delivery of intended outputs. These include:
 - Gaps in the Business Legal Framework for improving the business environment
 - Inefficient and unsustainable manual business registration systems which increase costs to businesses in terms of longer procedures, higher fees, and longer registration timeframes
 - Inefficient customer service systems which also increase costs to businesses in terms of registration procedures and timeframes
 - Lack of a trade representative in the key market of NZ to assist the marketing of local Tongan exports
 - Lack of core datasets and research programs to inform tourism, commerce and labour policy development and advice
 - Lack of coordination within Government on issues relating to improving the business environment, business development support, PPP, labour development, and business and consumer regulatory enforcements
 - Lack of consistent dialogue mechanisms with private sector to inform tourism, commerce and labor policy development and advice
 - Lack of funding to drive, lead and manage the facilitation and support for the development of the Tourism Sector
 - Lack of funding to drive an efficient and effective Tourism Authority
 - Outdated and inaccurate calibration tools and facilities
 - Lack of timely fuel price reviews to ensure accurate petroleum pricing

MCTL will seek assistance from Government and donor partners to meet the identified performance gaps and to improve the Ministry's capacity to deliver outputs to its key customers.

1.4 Driving Efficiency in MCTL

a) Staffing

The staff forms the strength of MCTL service delivery. Staff allocation according to the Corporate Plan organizational structure is to ensure more effective grouping of skills with functions, dedication, professionalism led by the Ministry's executive management team. In consequence of the new organizational structure for MCTL;

- Eighty one (81) staff are assigned to form the new MCTL including thirty seven (37) professional staff and forty four (44) supporting staff;
- A total of fifteen (15) vacant positions with budget, which are requested to be maintained in 2014/15 to enable opportunities for internal promotion and to meet HR gaps identified in the corporate planning process;
- Nine daily paid staff who have been offered alternative outsourcing options

b) Resource Envelope

Based on the recurrent¹ budget for FY2013/14; the Ministry undertakes to:

- Continue to reduce the high salary portion of the budget and increase its operational budget to support the delivery of its program and sub-program outputs;
- A salary budget of approximately 34 percent in 2014/15;

¹ Recurrent Funds in this plan refer to Government funds plus budget support funds.

- The non-salary balance of the budget equivalent to 66 percent in 2013/14, (39%) of which is to be transferred to the new Tonga Tourism Authority, (61%) of the total will be available for the actual operations of the Ministry.

The 61 percent² of the MCTL operations budget available for the programs of the Ministry would be highly insufficient to deliver the basic services of each program let alone deliver the program and sub-program outputs, as highlighted in the *Annex (3)*. **For this reason, it is considered crucial that the performance gaps discussed in this plan is seriously considered during the budget process.**

- **Monitoring and Evaluation**

The Plan requires regular monitoring and evaluation at least on a quarterly basis by the designated responsible officers provided in *Annex (3)*. The instruments and basis for MCTL monitoring and evaluation will be an area for further improvement as further work is needed to finalize the performance indicators versus performance targets, and a more robust monitoring system taking into account the dynamics of the two stream programs, assigned staff responsibilities (jobs re-designation) and reporting requirements. Finalization of the monitoring and evaluation system for the MCTL Corporate Plan should be done in partnership with the Ministry of Finance and Planning including the Public Service Commission. The monitoring system will also report on outputs and outcomes that will form the basis of MCTL quarterly and annual reporting to Cabinet and to Parliament.

²The MCTL operations budget of TOP\$2,629,187 adjusted to reflect the transfer of the TOP\$1.7m grant to the Tonga Tourism Authority (TTA) as directed by Cabinet.

SECTION 1: OUR STRATEGIC CONTEXT

1.1 MCTL Role

MCTL was established in July 2012 through the merge of the former Ministry of Tourism and the Ministry of Labour, Commerce and Industries as recommended by the Government Structural Reform of 2011/12. Under a renewed, reinforced and reinvigorated organizational structure, MCTL is set out to achieve the vision of **“enabling private sector as the engine of growth to sustain improved quality of life for all Tongan citizens”**. It has a strategic focus of enhancing the contribution of tourism to the Tongan economy through developing an improved enabling environment that would increase the investment inflows into Tonga and grow the value of tourists visiting the country.

As aligned to the Tonga Strategic Development Framework (TSDF) 2011-2014, our programs are designed to establish a *‘Dynamic public and private sector partnership as the engine of growth, by promoting better collaboration between government and business, appropriate incentives, and streamlining of rules and regulations’*.

Our key responsibilities are stipulated under the 20 legislations administered by the Ministry, as provided in *Annex 1*.

1.2 Government Priorities

Government vision under the TSDF 2011-2014 is to **“develop and promote a just, equitable and progressive society in which the people of Tonga enjoy good health, peace, harmony and prosperity, in meeting their aspirations in life”**. To achieve this vision Government has established a renewed urgency of prioritizing private sector development and enhancing Public-Private partnership facilitated to drive sustainable economic growth for the country where the people of Tonga can benefit from increased employment and higher living standards.

Government has established an underpinning enabling theme of driving a more efficient and effective Government by focusing on its core functions of: improving coordination, service delivery and optimizing use of resources.

1.3 MCTL Strategic Outcomes

Our future intended strategies established to achieve our vision and Government priorities are provided in the MCTL Strategic Map. The map illustrates the national and organizational outcomes that our strategies and activities seek to achieve.

Mission/National Outcomes:

Our activities over the next two years seek to contribute to the achievement of the following national outcomes:

- i. That MCTL facilitate the growth and development of the private sector through the development of a supportive and fair operating environment
- ii. That consumer rights and welfare are upheld through a fair trade competitive marketplace

Organizational Outcomes:

Together with key stakeholders, we will work to ensure the delivery of the national outcomes through the achievement of the following organizational outcomes:

- i. Mitigation of barriers and improvements to the business environment of the private sector and business compliance
- ii. Provision of timely and appropriate business development services
- iii. Creation of a PPP framework and mechanism
- iv. Development of an improved efficient labour market environment conducive to industry growth and job creation
- v. Implementation of an effective marketing plan and product development strategy for tourism in Tonga
- vi. Development of a fair trade competitive marketplace and free flow of of rightful information through protection of consumer rights

MINISTRY OF COMMERCE, TOURISM AND LABOUR'S STRATEGIC MAP

VISION/IMPACT

That the private sector is enabled as the engine of growth

Improved Quality of Life for Tongan Citizens

MISSION/ NATIONAL OUTCOMES

That MCTL facilitate the growth and development of the private sector

That consumer rights and welfare are upheld

Through.....

That a supportive and fair operating environment is developed

That private sector comply with business and consumer regulations

Organisation External Outcomes

1. That a reform program to mitigate barriers in the business environment and help businesses to prosper is implemented

2. That timely and appropriate business development services are provided and an effective product development strategy

3. That an effective PPP framework and mechanisms adopted and implemented

4. That an improved labour market environment conducive to industry growth and job creation is developed.

5. That an marketing plan and product development is implemented for tourism Tonga

6. That a reform program to protect and promote consumer welfare is implemented.

9. Internal Outcome: That MCTL deliver its outputs and outcomes to stakeholders

7. Internal Outcome : That the divisions of MCTL operate effectively and efficiently

8. Internal Outcome : That MCTL divisions operate efficiently and effectively

8. External Outcome: That stakeholders adopt appropriate strategies towards the effective development of the private sector

Programs

BUSINESS FRIENDLY PROGRAM

TRADE & INVEST PROGRAM

POLICY & PARTNERSHIP PROGRAM

EFFECTIVE LABOUR PROGRAM

TOURISM SUPPORT PROGRAM

CONSUMER PROTECTION PROGRAM

PERFORMANCE IMPROVEMENT PROGRAM

CORPORATE SERVICE PROGRAM

SENIOR MANAGEMENT PROGRAM

Organisation Outputs (Divisional/sub-Programs -the Level currently required by the Budget process)

1.1 That a plan to improve business services and information is developed
1.2 That a regulatory reform plan to mitigate cost of doing business and improve ease of doing business is produced
1.3 That a strategy to modernize the business registry system is developed
1.4 That a plan to promote and protect IPRs is developed and implemented
1.5 That a plan for improving business compliance is produced and implemented

2.1 That targeted economic support strategies are developed for the private sector
2.2 That clear and target plans for Foreign Direct Investment [FDI] and JC are developed
2.3 That appropriate business development and knowledge based support schemes are produced for the private sector

3.1 That a plan to provide coherent policy advice by MCTL is developed
3.2 That a statistics and policy research program is developed
3.3 That a strategy is developed to strengthen PPP and deliver results to the private sector

4.1 That a conducive legal and institutional employment framework is developed
4.2 That a plan to provide coherent labour policy advice by MCTL is developed
4.3 That a labour research and information program is developed.

5.1 That a tourism sector coordination and support program is implemented
5.2 That a tourism Destination Development strategy is developed and implemented
5.3 That a destination marketing program is developed and implemented

6.1 That are a regulatory reform plan to protect and promoted consumer welfare is produced
6.2 That an information and education strategy to empower consumers is developed and implemented.
6.3 That an enforcement strategy is developed to safeguard consumer is developed and implemented.

9.1 That a plan for the development of effective management plans for MCTL is developed.
9.2 That a strategy for the management and evaluation of MCTL performance is developed

7.1 That HRM programs to improve performance is developed and facilitated
7.2 That administration practices and processes of MCTL are well designed, implemented and managed
7.3 That improved financial management policies are established and facilitated
7.4 That information and IT policies are established and facilitated

8.1 External : That the Minister and CEO provide appropriate advice and guidance to stakeholders on the management of commerce, tourism and labour in Tonga.
8.2 Internal: That the Minister provide political direction and leadership to the sub programs/ outputs That CEO lead and over sea the development, management and implementation of the sub programs/ outputs of MCTL and provide leadership to the staff.

DIVISIONAL PLANS AND ACTIVITIES

Sub- programs level at budget funding.

KPIs at the sub-program level.

Performance contract of the CEO.

Corporate Planning Internal Divisional planning using budget allocated at the sub-program/ output

MCTL's success in achieving our national outcomes will be measured by increases in exports and investments and the value added contribution of tourism to the national economy as measured by GDP and Balance of Payment statistics, including 5% increases in tourist arrivals and tourism revenue³. Improvements in the standard of living for households will be used to measure our national outcome for consumers. This will be measured using real income indices and poverty indicators.

1.4 MCTL Beneficiaries and Key Clients

The Ministry's mandate is directly linked to the following key clients:

1. All businesses in the private sector including sole traders, companies (local and foreign investors), exporters, MSMEs, innovators, creators, researchers, women in business, credit unions, cooperatives etc.;
2. Tourists, industry operators and destination markets;
3. Consumers and the general public;
4. Government inter-Ministry and inter-agencies;
5. NGOs, communities and the informal sector;
6. Development Partners including New Zealand, Australia, Japan, PRC, ADB, World Bank, IFC etc.
7. International and Regional Organizations including UN Agencies, WTO, WIPO, WIPA, ILO, UNDP, PIFS, SPC, SPTO, OCO, OCTA etc.

Private sector businesses, including consumers, the tourism industry, tourists and the general public are the core customers of MCTL. The Ministry recognizes that enabling private sector as the engine of growth and improving the quality of life for Tongan citizens requires the establishment of a strong partnership with both businesses and consumers alike to ensure that our policies and programs are reflective of their development needs.

MCTL also carries an underlying policy advisory responsibility to Government, development partners and international and regional organizations. It acknowledges that these stakeholders are supportive agents that facilitate the delivery of the Ministry's outputs.

1.5 MCTL Delivery Approach to its Customers

MCTL has established, under this Plan, client oriented strategies aimed at delivering measurable results to our beneficiaries. These strategies are categorized under four different program groupings which reflect their respective targeted customers. These are:

- Three (3) programs are targeted at delivering results to the private sector particularly the key sectors of fisheries, agriculture, manufacturing and MSMEs;
- One (1) program is focused on labour market growth and job creation;
- One (1) program is dedicated to the tourism industry;
- One (1) program is to protect and uphold the rights of consumers;
- Three (3) programs cater for the internal responsibilities of the Ministry to Government line agencies, development partners, and international and regional organizations.

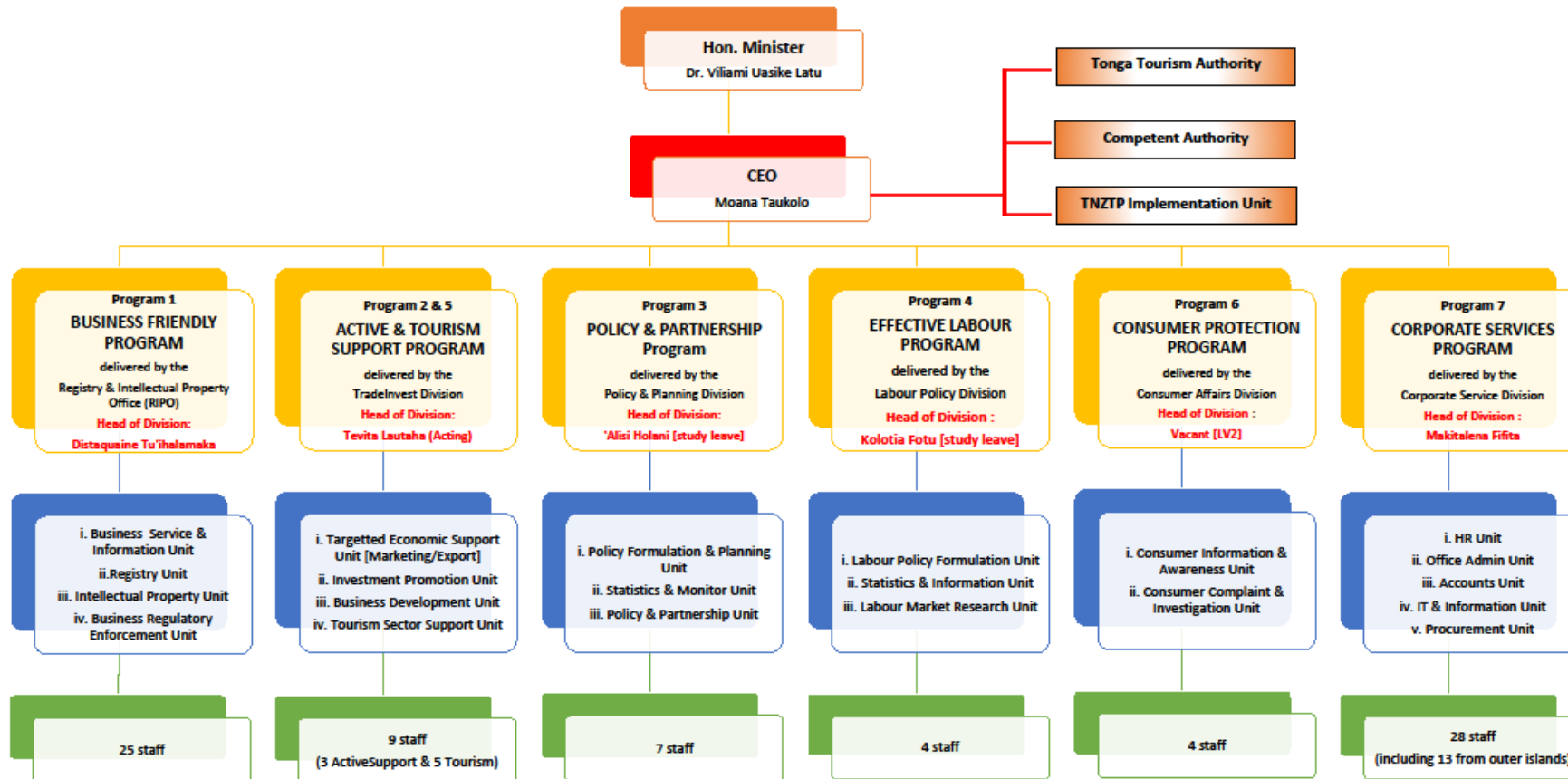
Section 2 will discuss the outputs of each program and how they contribute to the achievement of MCTL outcomes.

1.6 MCTL Governance and Organizational Structure

The executive management of MCTL is led by the Minister, Dr. Hon. Viliami Latu, and CEO, Mrs Salote Vaimoana Taukolo. The Minister and CEO are responsible for the Senior Management program which leads and manages the remaining programs and sub-programs of the Ministry. The CEO is also responsible for the management of statutory agencies including the purchase agreement with the Tonga Tourism Authority, the Competent Authority and the Implementation Unit for the NZ funded Tonga NZ Tourism Partnership Program (TNZTP). The remaining MCTL programs are assigned to separate divisions and are managed by their respective Head of Divisions. *Figure 1* illustrates the organizational structure of the Ministry.

³ As per General Funding Agreement (GFA) for the TNZTP program signed by NZ and GOT on 20 December 2012.

MCTL'S ORGANIZATIONAL STRUCTURE as of March 1st, 2014



SECTION 2: OUR ORGANISATIONAL PROGRAMS AND OUTPUTS

As discussed in section 1, MCTL's mission, as an organization, is to **facilitate the development and growth of the private sector**. This mission is to be delivered through:

1. the development of a supportive and fair operating environment through:
 - a. improving the operating business environment and compliance,, innovation and creativity
 - b. providing appropriate business development support
 - c. creating an effective PPP framework
 - d. improving the operation of the labour market
 - e. creation of marketing and product development strategies for Tourism
2. the development of a fair trade marketplace through :
3. a. establishing of a regulatory framework favorable for consumers
b. creating a consumer education and awareness framework

This section discusses the MCTL programs and the strategies to achieve the Ministry's organizational outcomes.

2.1 MCTL programs and organizational outputs

i) External Programs

Programs 1 to 6 are external program streams driven by a clear identification of the services (outputs) delivered to customers.

Program 1: The Business Friendly Program

To facilitate the development and growth of the private sector, the Business Friendly Program focuses on developing a supportive and fair operating environment through the mitigation of barriers in the business environment, improving ease of doing business ensuring business compliance in Tonga, and promoting and protecting intellectual property rights to support business growth. Over the next three years the Registry and Intellectual Property Office (RIPO) will seek to achieve this organizational outcome through the delivery of the following divisional outputs:

- a. Implementation of a plan to mitigate costs to businesses through modernization of the MCTL Business Service and Information Center to allow centralization of business registrations and payments; and development of communication systems necessary to improve MCTL customer service;
- b. Development and implementation of a regulatory reform plan to mitigate barriers in the business environment and to improve ease of doing business particularly in the areas of starting a business, getting credit, protection of investors, insolvency resolutions, and promotion of fair trade in Tonga;
- c. Implementation of a strategy to modernize MCTL business registry systems relevant to starting a business, including the migration of the business licensing system to electronic registry under the approved Business License Amendment Act 2012; getting credit, protection of investors; and the provision of electronic insolvency guidelines and rules to guide trade in the country;
- d. Development and implementation of a plan to protect and promote intellectual property rights including copyrights and related rights; industrial property; traditional knowledge and expressions of culture; and developing strategies to mitigate unfair competition and to enforce intellectual property rights and border measures.

The creation of a level playing field is critical to the development of the private sector, therefore it is a key focus of this division via its Enforcement Unit's programs and activities. Over the course of this Corporate Plan, the Enforcement Unit will seek to

increase private sector compliance through improved regulatory enforcements including:

- e. Regulatory enforcement strategies to improve business compliance with business regulations, price control and weights and measures regulations, consumer regulations, labour regulations, tourism regulations, and cooperatives and credit union regulations.

Success in achieving the outcome linked to this program will be measured by:

- i) Reduction in the average number of procedures involved in any type of business registration
- ii) Reduction in the time cost to customers when undertaking any type of business registration
- iii) Annual improvements in Tonga's ranking in the World Bank ease of doing business
- iv) Increased number of registered IPs and customer satisfaction in the enforcement of their IP rights
- v) Reduced number of identified breaches of business registry requirements under administered Acts and Regulations

Program 2: The Active Support Program

The Active Support Program seeks to assist private sector growth and development through the provision of appropriate business development support to the private sector. In the next three years, the Trade Invest Division will seek to provide:

- a. Targeted economic support including: incentives including reintroduction of investment incentives as supported by Government, marketing support, export promotion support, market access support, and product development support including the Buy Tonga Made campaign initiated in 2012;
- b. Targeted strategies to increase Foreign Direct Investment (FDI) and Joint Ventures including the development and implementation of: key investment strategies and policies; investment and JV promotion strategies; and targeted investor care plans that will ensure pre-investment and post-investment assistance is provided by MCTL to key investors;
- c. Business development and knowledge-based support for the private sector particularly for export development, MSME development, and general business development; and

Success in achieving the outcome linked to this program will be measured by:

- i) Increase in the number of investment ready businesses
- ii) Increase in the number of export-ready businesses
- iii) Increased investor satisfaction with investment services provided by MCTL

Program 3: The Policy and Partnership Program

In support of private sector growth and development, the Policy and Partnership Program seeks to contribute to the development of a facilitating and fair operating environment for the private sector through the development and implementation of an effective PPP framework and mechanism. During the course of this Corporate Plan, the Policy, Partnership and Planning Division will seek to:

- a. provide coherent policy advice to stakeholders through the development of policies to address key constraints to commerce and tourism development in the country;
- b. provide accurate information to stakeholders based on core datasets for commerce and tourism and policy research programs and reported through quarterly and annual reports;
- c. develop and implement a MCTL PPP plan that will promote a public-private partnership with both local and international stakeholders, and conducive to private sector development.

Success in achieving the outcome linked to this program will be measured by:

- i) improved customer satisfaction with coordination between MCTL and line governments and private sector stakeholders to address issues in commerce, tourism and labour.

Program 4: The Effective Labour Program

The Effective Labour Program seeks to assist private sector development and growth through the development of an improved efficient labor market environment that is conducive to industry growth and job creation. In the next three years, the Labour Policy Division will endeavor to:

- a. Revise the Employment Relations Bill as part of initiatives to establish a conducive legal and institutional employment framework including consideration of accession to ILO;
- b. Provide coherent policy advice to stakeholders particularly policies to address labour issues and impediments to employment creation in the domestic market;
- c. Develop a strategy to provide accurate and up to date labour information to stakeholders including labour research programs and the development of labour core datasets to inform MCTL labour policy development and information mediums.

Success in achieving the outcome linked to this program will be measured by:

- i) Employer and employee satisfaction with effectiveness of the program in protecting and promoting their employment interests

Program 5: The Tourism Marketing Support Program

This program specifically focuses on contributing to the development and growth of the Tourism industry through the implementation of a product development strategy and an effective marketing plan for tourism in Tonga. Over the course of this Corporate Plan, this program will work closely with the newly established Tonga Tourism Authority to provide the following key outputs:

- a. A destination development program targeting quality development of tourism services and products, including accommodation, tourist information, tourist attraction sites and cultural events.
- b. A sector coordination and support program that aimed at providing of enabling environment and supports for the growth of tourism related businesses.
- c. A destination marketing program aimed at increasing tourist arrivals and improving Tonga's competitiveness in the regional tourism market; including consumer marketing strategies such as digital marketing; and trade marketing strategies to promote Tonga's comparative advantages such as in the conferences and incentives market and the cruise market;

Success in achieving the outcome linked to this program will be measured by:

- i) Improved visitor satisfaction with tourism products in Tonga
- ii) Increased accreditation of quality accommodation and activities in Tonga
- iii) Increased availability of marketing information on Tonga in online and domestic and international media

Program 6: The Consumer Protection Program

The Consumer Protection Program is directly linked to the improvement of the quality of life for Tongan citizens and upholding of consumer rights and welfare. Over the course of this Corporate Plan, the Consumer Protection Program will seek to increase public awareness of consumer rights through improved regulatory enforcements including:

- a. The development of a strategy to improve the protection of consumer rights and welfare including the establishment of a Consumer Council as provided under the Consumer Protection Act 2000;
- b. The development of a conducive regulatory framework for consumer protection; and the development of consumer awareness and educational programs;

Success in achieving the outcome linked to this program will be measured by:

- i) Improved capabilities of consumer in identifying genuine products and services
- ii) Increased in number of consumer complaints lodged
- iii) Reduced number of identified breaches of consumer regulations

ii) Internal Management Programs

In addition to the six external programs, three 'management' program streams exist to enable the external programs to deliver the required service level to stakeholders:

Program 7: The Corporate Services Program

The Corporate Services Program seeks to facilitate the delivery of the Ministry's external outcomes by ensuring that the divisions of MCTL operate effectively and efficiently. Over the next three years, the Corporate Division will contribute to the achievement of this outcome through the development of:

- a. A Human Resource Management Program to drive a performance oriented business environment where staff performance is consistently encouraged and improved;
- b. A strategy to ensure that administration processes and practices are well designed and cater for MCTL organizational improvement and efficiency;
- c. Financial management policies that will ensure efficiency in expenditure management, revenue collection and asset management for MCTL;
- d. Information and IT policies and processes to ensure efficient operation of MCTL website, electronic business registration systems, computing systems, electronic communication facilities, network resources and information systems.
- e. Procurement Plan and processes to ensure efficient and proper management and disbursement of Public Funds

Success in achieving the outcome linked to this program will be measured by:

- i) Improved satisfaction of each Head of Division with the organizational support provided by the Corporate Division

Program 8: The Senior Management Program

The Senior Management program is administered by the offices of the Minister and CEO who provide both external outputs to stakeholders and internal outputs to the MCTL programs and subprograms. These external and internal outputs include:

- a. Provision of advisory services on commerce and tourism to stakeholders particularly boards and committees in which the Minister and CEO are members, as provided in *Annex 2*. Advisory services also include management advice by the CEO to ensure that external stakeholders adopt appropriate strategies to support private sector development. These include the management of the TNZTP program;
- b. Internal leadership and management of MCTL sub-programs/outputs where the Minister provides political direction and leadership and the CEO oversees the development, management and implementation of MCTL sub-programs and outputs and provide leadership to the staff.

Success in achieving the outcome linked to this program will be measured by:

- i) MCTL progress in delivering its organizational outputs

Program 9: Performance Improvement Program

To enable MCTL to fill identified performance gaps, the Performance Improvement Program under the leadership of the senior management team in support of the Policy, Partnership and Planning program, will seek to develop:

- a. Effective MCTL management plans including plans to address MCTL performance gaps;
- b. Performance management plans to monitor and evaluate MCTL performance against its Corporate Plan outputs and key performance indicators including reporting requirements such as the Annual Report to Cabinet and Parliament
- c. Management desktop tools.

Success in achieving the outcome linked to this program will be measured by:

- i) Increased number of performance gaps filled

In order to drive efficiency and accountability at each level of planning, each of the sub-programs (outputs) under each program are linked to detailed divisional activity plans which cascade the service delivery requirements down through MCTL, aligning decision-making and behavior at all levels.

SECTION 3: OUR PERFORMANCE GAPS

This Corporate Plan maps out an organizational work plan where MCTL will deliver its organizational programs whilst bridging performance gaps which impede the actual delivery of MCTL outcomes and outputs to customers.

MCTL performance gaps are categorized into:

- i. **Human Resource (HR) Gaps:** shortfalls in MCTL human resource capacity to deliver expected results/outputs
- ii. **Internal Process Gaps:** limitations in MCTL organizational capacity and processes, lack of coordination of current systems and practices to intended outputs and/or missing processes and systems that should be in place to ensure delivery of intended outputs including asset management (routine and replacements).

In the next two years, the Ministry foresees a total of 37 performance gaps including 6 HR Gaps and 31 Internal Process Gaps. Financing these gaps would require an additional total budget of approximately TOP\$3,808,450. The Ministry will seek assistance from Government through budget proposals to MFNP; and from donor partners, as well as internally from identified salary savings.

3.1 MCTL HR Gaps:

The delivery of MCTL expected outputs necessitates additional statutory functions, policies and systems, whose enforcement and effective implementation would require appropriate technical expertise particularly in the areas of business environment regulatory improvements, marketing, investment and trade promotion, policy formulation, labour regulation, petroleum pricing and regulation, and regulatory enforcements. Whilst the Ministry envisages targeted capacity building to bridge these HR gaps, there are technical areas which would require recruitment of new staff.

As discussed in Annex 3, the cost of closing these HR gaps over the next three years, in terms of salaries, amounts to approximately \$250,298. The Ministry seeks to identify salary savings within its appropriated budget to close these HR gaps.

3.2 Internal Process Gaps:

Approximately 84% of MCTL performance gaps are limitations in existing MCTL processes, practices and systems. These include, inter alia, the following:

- i. Gaps in the Business Legal Framework for improving the business environment
- ii. Inefficient and unsustainable manual business registration systems which increase costs to businesses in terms of longer procedures, higher fees, and longer registration timeframes
- iii. Inefficient customer service systems which also increase costs to businesses in terms of registration procedures and timeframes
- iv. Lack of a National Intellectual Property Strategy to strategically improve the protection and promotion of IP rights in Tonga
- v. Lack of an enforcement strategy to ensure business compliance

- vi. Lack of funding to implement the MSME Strategy endorsed by Government in 2013
- vii. Lack of funding to implement the Private Sector Development Strategy
- viii. Lack of a clear strategy to increase Foreign Direct Investment (FDI) and Joint Ventures
- ix. Absence of an integrated Business Development and Knowledge-Based support scheme to facilitate the development of investment-ready and export-ready businesses
- x. Lack of a trade representative in the key market of NZ to assist the marketing of local Tongan exports
- xi. Lack of core datasets and research programs to inform tourism, commerce and labour policy development and advice
- xii. Lack of coordination within Government on issues relating to improving the business environment, business development support, PPP, labour development, and business and consumer regulatory enforcements
- xiii. Lack of consistent dialogue mechanisms with private sector to inform tourism, commerce and labor policy development and advice
- xiv. Lack of funding to drive an efficient and effective Tourism Authority
- xv. Outdated and inaccurate calibration tools and facilities
- xvi. Lack of timely fuel price reviews to ensure accurate petroleum pricing
- xvii. Gaps in the regulatory framework required to effectively safeguard consumer rights and welfare and to promote a level playing field for the private sector including the establishment of the Consumer Council
- xviii. Lack of an MCTL performance measurement strategy and tools to ensure improved MCTL performance and delivery of planned outputs

Closing these gaps require a total improvement budget of approximately TOP\$3,808,450 in the next 2 years. This translates to a required total improvement budget of \$2,360,000 to close the GAPS FY 2014/15. Many of these limitations have a significant bearing on the delivery of key outputs and therefore exist as high risks to the achievement of the Ministry's organizational outcomes and national outcomes of facilitating private sector led growth and improving the quality of life for Tongan citizens. As discussed in section 4, the MCTL establishes the assumption that resources are available to close these significant gaps.

Detailed explanation of the performance gaps, their causes and proposed solutions and budget provisions are discussed in *Annex 3*.

SECTION 4: OUR RISKS AND ASSUMPTIONS

4.1 MCTL STATEMENTS OF ASSUMPTION

In this Corporate Plan, MCTL establishes the following assumptions:

- i) That there is commitment at a political level to the delivery of national and organizational outcomes established in this plan;
- ii) That budgetary appropriations will reflect the actual growth potential of the sectors under the mandate of MCTL from the short to medium term. Therefore future fiscal years covered in the timeframe of the Corporate Plan will not be less than the projected baseline budgetary projections provided;
- iii) That prior budgetary commitments by Government and development partners remain and that identified performance gaps are prioritized for available Government and donor funds;
- iv) That the outcomes and strategies established in this plan are responsive to the development priorities of the private sector and consumers;
- v) That the internal stakeholders particularly MFNP and PSC are consistently supportive of the TSDF objectives under which the MCTL plan is aligned;

- vi) That the MCTL senior management and staff are committed to driving a performance oriented environment that is customer centric and focused on the delivery of the outcomes and outputs established in this plan.

4.2 MCTL RISKS AND MITIGATION STRATEGIES

The risks in this plan are explained by the inverse of the assumptions established. MCTL establishes a risk management plan to effectively identify, address and monitor risks which may threaten the delivery of its organizational outcomes and outputs. In this plan, the Ministry defines risks in its operating environment i.e. external factors outside of the Ministry, and in its internal environment i.e. risks relating to MCTL funding, staff, and internal systems.

RISKS	DESCRIPTION	MITIGATION STRATEGIES
Operating Environment:		
i) Political instability	Political unrest that: disrupts public and private sector operations; impair Government and national integrity and reputation; incur increased risk and danger of violence, destruction of capital and infrastructure; and constant votes of no confidence on Government	<ul style="list-style-type: none"> • Strategy to advise decision makers on the cost to private sector businesses of any form of political instability • Private sector rehabilitation strategies • Educational and awareness programs on MCTL plan
ii) External shocks and crisis	External factors such as: the collapse of international export markets; disruptions in the economies of key markets such as Australia and New Zealand; global economic crisis which would affect foreign investment and import prices particularly for petroleum, food, and capital equipment	<ul style="list-style-type: none"> • Configuration of these risks in MCTL plans and strategies; • Strategies to build the resilience of the private sector
iii) Coordination amongst line Government agencies	Increased fragmentation within Government due to: conflicting priorities; lack of funding; lack of understanding, which would in turn affect MCTL initiatives	<ul style="list-style-type: none"> • Development of MCTL PPP plan to improve coordination within Government
iv) Coordination of private sector agencies	Increased fragmentation within private sector due to conflicting priorities, competition and power struggles. This includes the disconnection and lack of cohesion within sectors.	<ul style="list-style-type: none"> • Development of MCTL PPP plan to improve partnership with private sector • Establishment of Tourism Authority to help address fragmentation in the tourism sector
Internal Environment:		
i) Funding Changes	Unjustified decreases in appropriated budget from baseline budget provided in this plan; Withdrawal of donor funding committed to MCTL programs including the TNZTP; Inability of Government and donors to fund MCTL performance gaps; Lack of Government prioritization of private sector development initiatives in the budget process	<ul style="list-style-type: none"> • Demonstration to Government and donors of the significance of MCTL's outcomes and outputs to achieving national strategic objectives • Identifying savings through driving efficiency in MCTL use of resources • Prioritization of outputs and activities to transfer funds from low value outputs to high value
ii) Staff	Inability of MCTL to recruit and maintain the right mix of competencies required to deliver its planned outputs due to: PSC constraints such as recruitment policies and processes; MFNP internal policies and processes which delay/inhibit access to available funds; high turnover of staff due to migration, dissatisfaction, movements outside of the Ministry	<ul style="list-style-type: none"> • Developing a HRM strategy that considers providing incentives for staff performance, staff retaining policy, and provision of promotion and career development opportunities for MCTL staff • Consistent dialogues with PSC and MFNP on risks and impact on achievement of national strategic objectives
iii) Change in Leadership	Lack or change in executive commitment to delivery of outcomes and outputs due to executive management changes;	<ul style="list-style-type: none"> • Development of a strong executive team and supportive staff to

		<p>minimize risks to operations when leadership changes occur</p> <ul style="list-style-type: none"> • Development of effective briefings for CEO and Minister on MCTL corporate plan and their respective roles and significance of these roles
iv) Strategic Planning	If strategic plans are poor it may result in uncoordinated long term direction and unacceptable outcomes for MCTL customers	<ul style="list-style-type: none"> • Development of a process for strategic plan development where there is collective contribution and ownership of the plan • Clear outline and linkage of plans to TSDf, sector plans, MCTL Annual Management Plans, JDs, and budget

SECTION 5: DRIVING ORGANISATIONAL EFFICIENCY IN MCTL

MCTL intends to develop a performance oriented working environment that promotes efficiency at all levels whilst optimizing the use of limited resources.

5.1 MCTL Staffing

MCTL staff forms the Ministry's strength and greatest asset. We intend to develop a human resource capacity that is outcome focused, performance driven and have the appropriate aptitudes and attitudes required to deliver the Ministry's outputs in a work environment that is constructive and amicable.

The Ministry acknowledges that building such a human resource capacity requires the development of human resource management systems where performance is awarded, career development is facilitated and staff grievances are effectively addressed.

In consequence of the merger between the former Ministry of Tourism and Ministry of Labour, Commerce and Industries, the CEO and Head of Divisions sought to restructure the Ministry's staff around the competencies identified to enhance the performance of the Ministry including;

- Reinforcing MCTL internal culture around quality, efficiency and cohesion;
- Rebalancing policy and operations establishing a central policy division;
- Establish the Registry functions independent of the Inspectorate;
- Consolidating corporate services and improving front line customer services;
- Clarifying boundaries of responsibilities within MCTL and other Ministries;
- Reassigning human resources (redeployment) to key priorities of Government.

During the course of the implementation of the CP in the past two years it was recognized that further restructure was needed given the need to align functions around available resources and competencies including;

- Enforcement functions integrated under Registry Division
- Consumer Protection Division established as a separate Division

As a result, a total of eighty one (81) staff comprised of thirty seven (37) professional and forty four (44) administrative staff are proposed to serve MCTL with the budget implications as outlined in *Tables (2) and (3)*. In consequence;

- a) Fifteen (15) vacant positions are requested to be maintained in the 2013/14 for further recruitment targeting internal promotions and meeting of HR gaps identified in the corporate planning process.

5.2 MCTL Budget

MCTL is committed to driving efficiency in expenditure through the development of strong financial management policies administered by the CEO and supported by the Head of Divisions and a dedicated Accounts Unit.

Based on the recurrent budget for FY2013/14; the Ministry undertakes to continue to reduce the high salary portion of the budget and increase its operational budget to support the delivery of its program and sub-program outputs. As shown in Table 1, the Ministry's salary budget account for slightly less than a half of its appropriated budget.

Table 1: MCTL Estimated Recurrent Budget 2013/14 – 2015/16 based on 2012/13 Budget

MCTL Budget Structure	MCTL 2012/13		MCTL 2013/14		MCTL 2014/15		MCTL 2015/16	
		%		%		%		%
Salaries & Wages	2,797,214	48	2,109,579	32	2,267,813	34	2,888,661	49
Operations	1,484,980	26	4,487,896	42	2,629,187	40	1,284,980	22
Transfers: New Tourism Authority	1,500,000	26	1,700,000	62	1,700,000	26	1,700,000	29
TOTAL	5,782,194	100	6,597,475	100	6,597,000	100	5,873,641	100

The Ministry's total operations budget as indicated in Table 1 is TOP\$4,329,187, of which TOP\$ 1,700,000 will be transferred to the Tourism Authority with an actual remaining budget of 2,629,187 for the entire MCTL operations.

There is concern however that (39 %) of the Ministry's appropriated operations budget will be transferred to the new Tourism Authority as per Cabinet approval in principal Decision No.16 of 18 January 2013. Despite the improvement in the operations budget (61%) available to the Ministry it would still remain to be highly insufficient to deliver the basic services of each program let alone deliver its program and sub-program outputs. For this reason, it is considered crucial that funding proposals to meet MCTL performance gaps are considered in the budget process.

Table 2 provides the MCTL adjusted recurrent estimates for 2013/14 to 2015/16, based on the 2012/13 budget, to include the financing of performance gaps.

Table 2: MCTL Adjusted Recurrent Estimates to include Financing of Gaps

MCTL Budget Structure	MCTL 2013/14		MCTL 2014/15		MCTL 2015/16	
		%		%		%
Salaries & Wages	2,109,579	25	2,267,813	25	2,888,661	38
Operations	2,787,896	34	2,629,187	29	1,284,980	17
Transfers: New Tourism Authority	1,700,000	21	1,700,000	19	1,700,000	23
System Gaps	1,665,526	20	2,360,000	27	1,648,450	22
TOTAL	7,489,480	100	8,957,000	100	7,522,091	100

As provided in Table 2, MCTL seeks to submit a funding proposal to MFNP for FY2014/15 which would in turn form the baseline for the outer budget years of 2015/16. The proposal is to feature:

- A total budget of TOP\$8,957,000 for FY2014/15;
- A total of TOP\$2,267,813 for staff salary and wages equivalent to 25 percent;
- An increased operational budget of TOP \$6,689,187 (75 percent) including performance gaps and the grant of \$1,700,000 to be transferred to the new

Tourism Authority of as per Cabinet approval in principle Decision No. 16 of 18 January 2013;

- Performance gaps of \$2,360,000. The funding for performance gaps is to be supplemented by the following:
 - Supplementary development funding from donor partners

Based on the FY2014/15 proposal, the estimated budget for MCTL would be similar to the figures provided in Table 3. Detailed estimates are provided in *Annex 4*.

Proposed Supplementary budget from donor partners for FY 2014/15 comprised of TOP\$893,000 (7%) of the total TOP\$13,189,140 of the Tonga New Zealand Tourism Program (TNZTP).

Table 3: Estimates for FY2013/14 – FY2015/16 based on 2012/13 Budget

Programs	2012/13		2013/14			2014/15			2015/16		
	Rec. Budget	Dev. Budget	Rec. Budget	Dev. Budget	Gaps	Rec. Budget	Dev. Budget	Gaps	Rec. Budget	Dev. Budget	Gaps
1	517,679	170,000	521,496	0	360,000	761,000	0	460,000	532,492	0	310,000
2	608,645	180,000	1,026,004	627,500	250,000	1,478,938		430,000	1,045,068	227,500	250,000
3	231,940	1,153,613	170,390	132,350	250,000	281,260		450,000	176,240	132,350	50,000
4	128,011	20,000	130,230	0	218,249	127,601	0	200,000	134,674	0	69,225
5	2,053,719	339,390	1,619,334	3,016,000	200,000	2,020,000	893,000	500,000	1,619,334	3,016,000	600,000
6	451,340	0	452,298	95,000	267,277	210,421		210,000	453,254	95,000	269,225
7	1,546,921	150,000	1,550,135	0	20,000	1,347,849	0	110,000	1,556,562	0	0
8	267,439	0	293,501	0	0	369,931	0	0	293,501	0	0
9	0	0	60,566	0	100,000		0	0	62,516	0	100,000
Total	5,805,694	2,013,003	5,823,954	3,870,850	1,665,526	6,597,000	893000	2,360,000	5,873,641	3,470,850	1,648,450

MCTL will endeavor to actively negotiate with development partners to procure supplementary funding to finance the indicated MCTL performance gaps estimates.

SECTION 6: OUR PROPOSALS

In order for MCTL to deliver on the TSDf objective of establishing ‘*Dynamic public and private sector partnership as the engine of growth, by promoting better collaboration between government and business, appropriate incentives, and streamlining of rules and regulations*’, through the outcomes and outputs presented in this plan, the following proposals and recommendations are submitted for Government consideration.

6.1 MCTL Budget Proposal

Table 2 outlines the Ministry’s budget proposal for the financial years covered in this Corporate Plan, FY2014-15 – FY2015/16, based on the baseline budget for FY2013/14.

MCTL seeks to submit a funding proposal to MFNP for FY2014/15 which would in turn form the baseline for the outer budget years of 2015/16. We propose the following:

- A total budget of *TOP\$8,597,000* for FY2014/15;
- A total salary budget of *TOP\$2,267,813* equivalent to 25 percent of total budget;
- A non-salary budget of *TOP\$4,329,187* equivalent to 48 percent of the total budget; to include:
 - An operational budget of *TOP\$2,629,187* (29% of total budget);
 - Grant of *\$1,700,000* to be transferred to the new Tourism Authority of as per Cabinet Memorandum No.16 of 18 January 2013;
- A new budget proposal of *\$2,360,000* (27%) to finance identified performance gaps.

- A total of *TOP\$2,267,183* for staff salary and wages equivalent to 25 percent;
- An increased operational budget of *TOP\$6,689,187* including performance gaps and the grant of *\$1,700,000* to be transferred to the new Tourism Authority of as per Cabinet approval in principle Decision No. 16 of 18 January 2013;

6.2 MCTL Staff Proposal

In recognition of the importance of the staff to the delivery of this plan including the internal programs, we intend to continue to strengthen our human resource capacity through the following proposals:

- To maintain a total of *fifteen (15)* vacant positions in 2013/14 to enable opportunities for internal promotion and to meet internal HR gaps identified in the corporate planning process whilst capping the salary budget at 39% over the next two years;
- That the *eleven (11)* daily paid staff currently contracted by the Ministry be maintained in the FY2014/15 budget until alternative outsourcing options are exhausted.

With the above proposals, MCTL is committed to the delivery of our planned outcomes and outputs so as to achieve the national development objectives of facilitating private sector led-growth that would improve the quality of life for Tongans. The need for economic recovery is imminent and MCTL, under the guidance of its Corporate Plan, is committed to making the difference.

ANNEXES:

Annex 1: MCTL Statutory Legislations

	Legislations	Main Purpose
1	Business License Act 2002 Business Licence (Amendment) Act 2007 Business Licence (Amendment) Act 2010 Business Licence (Amendment) Act 2012	To provide for the licensing of all business activities in the country
	Business Licence Regulations 2007 Business Licence (Amendment) Regulations 2010 Business Licence Regulations 2012	For the administration and enforcement of the Business License Act and amendments.
2	Registration of Business Name Act 2002 Registration of Business Name (Amendment) Act 2012	To provide for the registration of all registered business names.
	Registration of Business Name Regulation 2008 Registration of Business Name Regulations 2014	For the administration of the business name act.
3	Companies Act 1995 Companies (Amendment No.1) Act 1999 Companies (Amendment) Act 2001 Companies (Amendment) Act 2009	For the incorporation of companies
	Companies Regulations 1999 Companies (Liquidation) Regulations 1999 Companies (Amended) Regulations 2003 Companies (Amended) Regulations 2009 Companies (Amended) Regulations 2010	For the administration of the Companies Act and to ensure registered companies are in compliance with the prescribed requirements of the Act.
4	Foreign Investment Act 2002 Foreign Investment (Amendment) Act	Investment promotion and attraction and to protect local investors/Tongans businesses in activities that are reserved for Tongans
	Foreign Investment Regulation 2006 Foreign Investment Regulation	For the administration of the Foreign Investment Act
5	Consumer Protection Act 2000	To protect consumer interests and to establish measures to enable consumers to obtain redress
6	Prices & Wages Control Act 1988	To establish the Competent Authority and to ensure measures to regulate prices and wages
7	Weights & Measures Act 1988 Weights & Measures (Amendment) Act 1997 Weights & Measures (Amendment) Act 1998	To provide an uniform standard and units of measurement to be used in the country
8	Incorporated Societies Act 1988	For incorporation of non-profit organization
	Incorporated Societies Regulations Incorporated Societies (Amendment) Regulations 2010	For the administration of the Incorporated Societies Act
9	Charitable Trust Act 1993	For registration of a trust board for charitable purposes
	Charitable Trust Regulations 2010	For the administration of the Charitable Trust Act
10	Industrial Property Act 1994 Industrial Property (Amendment) Act 1999 Industrial Property (Amendment) Act 2002 Industrial Property (Amendment) Act 2009	For the protection of industrial properties, namely-patent, integrated circuit, industrial design and trademarks
	Industrial Property Regulations 2000 Industrial Property (Amendment) Regulations 2010	For the administration of the industrial property Act-patent, integrated circuit, industrial design and trademarks
11	Copyrights Act	For the protection of literary and artistic works
12	Geographical Indications Act	For the protection of particular products which are of such qualities that corresponds to a specific place of origin
	Geographical Indications Regulations 2008	For the administration of the Geographical Indication Act

13	Protection of Lay-out Designs (Topographies) of Integrated Circuits Act 2002	For the protection of plans which show the three dimensional location of the electronic components of an integrated circuit
	Protection of Layout Designs (Topographies) of Integrated Circuits Regulations 2009	For the administration of the Layout designs and integrated circuits act 2002
14	Protection against Unfair Competitions Act	For the protection of intellectual property assets (Industrial properties and Copyright) from competitors
15	Personal Property Securities Act 2010	For promoting commerce by facilitating business and consumer credit with a unified set of rules on the taking of personal property as security and similar transactions.
	Personal Property Securities Regulations 2009	To administer the Personal Properties Act 2010
16	Cooperative Societies Act	To regulate the operations of Cooperative Societies in Tonga
17	Credit Unions Act	To regulate the operations of Credit Unions in Tonga
18	Tonga Tourism Authority Act 2012	To administer tourism in the country and provide for the establishment of the Tonga Tourism Authority
19	Whale Watching and Swimming Act 2008	To regulate whale watching and whale swimming commercial activities in the country
	Whale Watching and Swimming Regulations 2013	For the administration of the Whale Watch and Whale Swimming Act

Annex 2: Committees in which the MCTL Minister and CEO sit

- Committees in which the MCTL Minister sits:

NAME OF BOARD/COMMITTEE	POSITION	TIME PERIOD
Competent Authority Board	Chair	Financial Year 2011-2012 and ongoing
Parliamentary Committees		
- Commerce & Trade	Chair	Financial Year 2011-2012 and ongoing
- Law	Member	Financial Year 2011-2012 and ongoing
- Agriculture & Fisheries	Member	Financial Year 2011-2012 and ongoing
- Tourism Sub-Committee	Member	Financial Year 2011-2012 and ongoing
CEDC	Member	Financial Year 2011-2012 and ongoing
Vava'u Development Committee	Member	Financial Year 2012-2013 and ongoing

- **Committees in which the CEO sits:**

NAME OF BOARD/COMMITTEE	POSITION	TIME PERIOD
Competent Authority Committee	Member	Financial Year 2011-2012 and ongoing
SIC Board	Member	Financial Year 2011-2012 and ongoing
TNQAB	Member	Financial Year 2011-2012 and ongoing
Tonga Tourism Authority Board	Member	Financial Year 2013-2014 and ongoing
FISA (Repl. for Shipping Cooperation of Polynesia)	Member	Financial Year 2011-2012 and ongoing
TCFM – Tonga Competitive Fuel Model Work's Group	Member	Financial Year 2011-2012 and ongoing
Custom Taskforce	Member	Financial Year 2011-2012 and ongoing
Macro-Economic Committee	Member	Financial Year 2011-2012 and ongoing
Economic Recovery Committee	Member	Financial Year 2011-2012 and ongoing
Taskforce for Mitigation of Business Practices	Member	Financial Year 2011-2012 and ongoing
IRR Taskforce for Private Sector Development	Member	Financial Year 2011-2012 and ongoing
Govt/Private Sector Consultative Committee	Member	Financial Year 2011-2012 and ongoing
Government Scholarships Committee	Member	Financial Year 2011-2012 and ongoing
Trade Coordination Committee	Member	Financial Year 2011-2012 and ongoing
Government Structure Reform	Member	Financial Year 2011-2012 and ongoing
Activities Review Task Force	Member	Financial Year 2011-2012 and ongoing
Tonga Energy Road Map (TERM)	Member	Financial Year 2011-2012 and ongoing
Technical and Vocational Education and Training (TVET)	Member	Financial Year 2011-2012 and ongoing
Fisheries Management Advisory Committee	Member	Financial Year 2011-2012 and ongoing

Annex 3: Detailed Description of MCTL Programs

1. Business Friendly Program:

1. *Intended future delivery level/Sub-Programs:*

- a. That a plan to improve MCTL Business Service Delivery is produced
- b. That a regulatory reform plan to mitigate the costs of doing business and improve ease of doing business in Tonga is produced
- c. That a plan to modernize business registry systems is produced
- d. That a plan to promote and protect intellectual property rights is developed
- e. That a plan for improving business compliance is produced

2. *Performance Gaps and Causes of Gaps:*

The following performance gaps exists in HR and Internal systems and are proposed in this Corporate Plan for budgetary consideration due to its criticalness to delivery of intended future outputs of this program.

	Performance Gaps	Causes	Diagnosis	Timeline	Budget
HR	Lack of Specialized and Technical skills	<ul style="list-style-type: none"> - Majority of the staff are Lv.9 and Lv.12/13 who have not received formal technical training - No local technical trainings provided by Government - Lack of focused effort to procure donor funded capacity building projects to address technical skill gaps 	<ul style="list-style-type: none"> • Seek donor assistance for short term technical trainings for staff 	Ongoing	In kind donor funding
	Lack of technical staff at graduate level to cater for Inspectorate technical work including CA Secretariat	<ul style="list-style-type: none"> - Majority of the staff are junior level with limited basic technical skills and knowledge - Current PSC staff recruitment freeze has restricted recruitment of technical staff 	<ul style="list-style-type: none"> • Establish a level 9 post with relevant qualification and work experience 	Beginning of FY2014/15	17277 in FY2013/14; 18249 in FY2014/15, 19225 in FY2015/16
	Lack of professional regulatory inspectorate technical skills within MCTL Inspectorate	<ul style="list-style-type: none"> - Lack of funding for technical trainings - No local technical expertise to provide trainings that will cater for the Tongan context - Most of the staff are junior officers without knowledge of international best practices in regulatory enforcement 	<ul style="list-style-type: none"> • Seek assistance for professional technical training opportunities for staff • Conduct technical in-house trainings such as capacity building programs by Crown Law 	Ongoing	10,000 per FY
Internal Systems	Fragmented Government approaches to mitigating costs of doing business particularly in the areas of dealing with construction permits, getting electricity, registering property, paying taxes, trading across borders and enforcing contracts	<ul style="list-style-type: none"> - Many of the key policy areas required to mitigate costs of doing business in Tonga are administered under different legislations under different authorities including access to finance, access to land, border control/visas, and licensing. - Lack of coordination amongst responsible Ministries and varying priorities restricts the mobilization of concerted activities to effectively mitigate costs of doing business and improve ease of doing business in Tonga 	<ul style="list-style-type: none"> • Improve public coordination through the development and implementation of the MCTL PPP Plan (Policy & Partnership Program) • Consider the establishment of the Doing Business Task Force which spearheaded many of the reforms in preparation for Tonga's accession to WTO 	Ongoing from April, 2014	refer to performance gap under Policy & Partnership Program

Gaps in Business Legal Framework for mitigation of costs of doing business and promotion of IP in Tonga	<ul style="list-style-type: none"> - Lack of a whole of Government approach to identifying the regulatory barriers to doing business in Tonga - Lack of funding for developing an effective legal framework for mitigation of costs of doing business in Tonga 	<ul style="list-style-type: none"> • Review the Business License Reform Road Map taking into account the inputs from donor partners including ADB and IMF • Consider World Bank Ease of Doing Business and ADB Private Sector Assessment Report as baseline for business regulatory reform initiatives • Seek donor funding for drafting of legal gaps 	Ongoing	100,000 per FY
Inefficient and unsustainable manual business registration systems which accrue additional costs to business in terms of longer procedures, longer timeframes for registrations and higher fees.	<ul style="list-style-type: none"> - Systems are predominantly manual-based and therefore highly labour intensive thus resulting in longer procedures taking much longer timeframes and exposing the system to human error - Limited funding available for adoption and maintenance of electronic business registry systems particularly when donor funding expires 	<ul style="list-style-type: none"> • Develop a long term plan for modernization of business registry services including management of electronic registry when donor funding expire • Seek Government funding commitment to modernization of business registries so as to mitigate costs of doing business in Tonga 	Ongoing	100,000 each FY
Inefficient Customer Service Systems which results in duplication of systems and procedures hence accruing additional costs to businesses in terms of registration procedures and timeframe of registrations	<ul style="list-style-type: none"> - Traditionally the Ministry has not been customer centric and systems have not catered for ease of doing business and mitigation of costs to businesses - Lack of Government funding for modernization and upgrade of the Business Service and Information Center 	<ul style="list-style-type: none"> • Modernization of the Business Service and Information Center to include centralized systems for all business registrations and payments and to include effective communication systems for customer service 	Before end of FY2013/2014	50,000 as at FY2014/15
Implementation of the National Intellectual Property Strategy	<ul style="list-style-type: none"> - Lack of a plan to progress the protection and promotion of intellectual properties in Tonga 	<ul style="list-style-type: none"> • seek WIPO funding for development of the National Intellectual Property Strategy for Tonga to guide long term promotion and protection of IPs in the country 	Before end of FY2013/2014	200,000 in FY 2014/15
Inability to maximize benefits of membership in the Corporate Forum Registries	<ul style="list-style-type: none"> - Lack of commitment to improving the business registry before the restructure 	<ul style="list-style-type: none"> • seek Government endorsement of membership in CFR • Identify Government funding to maintain annual membership 	Ongoing from Feb 2014	10,000 per FY
Outdated and inaccurate calibration tools and utilities	<ul style="list-style-type: none"> - Lack of funding for frequent assessment and replacement of calibration equipment - No commitment in the past to ensure accurate and professional calibration services 	<ul style="list-style-type: none"> • Commission a study to assess the state of the calibration capabilities of the Ministry • Seek donor funding for the modernization and upgrade of calibration facilities and equipment 	Before end of 2013/2014, ongoing maintenance	Outdated and inaccurate calibration tools and utilities
Timely Fuel Price Reviews	<ul style="list-style-type: none"> - Lack of technical expertise within MCTL to implement more timely fuel Price reviews - Lack of GoT funding 	<ul style="list-style-type: none"> • Establish a formal arrangement with TERM for fuel price reviews both annually and triennially including funding and TA • Consider other funding sources 	Ongoing	Timely Fuel Price Reviews

	Regulatory Gaps	- Outdated legislations and lack of clear and effective enforcement provisions in current regulations	<ul style="list-style-type: none"> That regulatory amendments and reviews to, Price and Wage Control Act, Weights and Measures Act are undertaken within the FY2013-2014 - 2014/2015 	2013/14-2014/15	Regulatory Gaps
	Fragmented Government business and consumer regulatory enforcements	<ul style="list-style-type: none"> Legislations relevant to consumer welfare are administered under different legislations under different authorities including Health, Customs, Fire Dept, etc. Lack of coordination amongst responsible Ministries and varying priorities restricts the mobilization of concerted activities to effectively improve business compliance with regulations 	<ul style="list-style-type: none"> Improve public coordination through the development and implementation of the MCTL PPP Plan (Policy & Partnership Program); reactivate the BL Task Force 	Ongoing from July 2013	

3. **Budget Required and Source of Budget:**

- a. Total Budget Estimate for ongoing operations including salary for 25 staff amounts to **TOP\$761,000** in 2014/2015 and forms the baseline for budget estimates for the following financial years covered in the timeframe of this Corporate Plan.
- b. Improvement Estimate to fund aforementioned performance gaps is estimated at **TOP\$1,130,000** for all three corporate plan years: 2013/2014 - TOP\$360,000; 2014/2015: 460,000; 2015/2016: 310,000

4. **Indicators:**

Program Key Performance Indicators are as follows:

- a. That a plan to improve MCTL Business Service Delivery is produced
- b. That a regulatory reform plan to mitigate the costs of doing business and improve ease of doing business in Tonga is produced
- c. That a plan to modernize business registry systems is produced
- d. That a plan to promote and protect intellectual property rights is developed
- e. That a plan to improve business compliance is developed

5. **Risks and Assumptions:**

- a. That there will be strong political will to support mitigation of costs of doing business given the current climate of reducing Government expenditure and the varying priorities of Government departments
- b. That budgetary appropriations for future fiscal years covered in the timeframe of the Corporate Plan will not be less than the projected baseline budgetary projections provided
- c. That donor funding is readily available to finance identified performance gaps
- d. That the Ministry's senior management will maintain priorities reflected in the MCTL Strategic Results Map provided in this Corporate Plan

6. **Accountabilities and Targets:**

- a. The Head of Department for the Registry and Intellectual Property Office, Distaquaine Tu'ihalamaka will be accountable for the delivery of the following **22 divisional outputs**:
 - 1) That regulatory reforms are undertaken to improve ease of starting a business in Tonga
 - 2) That regulatory reforms are undertaken to improve ease of getting credit in Tonga
 - 3) That regulatory reforms are undertaken to improve protection of investors in Tonga
 - 4) That regulatory reforms are undertaken to improve insolvency resolutions in Tonga

- 5) That regulatory reforms are undertaken to promote fair trade in Tonga
- 6) That a strategy to modernize registrations relevant to starting a business in Tonga is developed and implemented
- 7) That a strategy to modernize registrations relevant to registrations for getting credit in Tonga is developed and implemented
- 8) That a strategy to modernize facilitation of investor protection in Tonga is developed and implemented
- 9) That a strategy to provide electronic insolvency guidelines is developed and implemented
- 10) That a strategy to provide electronic rules to guide trade in Tonga is developed and implemented
- 11) That regulatory reforms and strategies are developed to promote and protect copyrights and related rights
- 12) That regulatory reforms and strategies are developed to promote and protect industrial property and geographical indications (GI)
- 13) That regulatory works and strategies are developed to protect Traditional Knowledge (TK) and Expressions of Culture
- 14) That regulatory reforms and strategies are developed to mitigate unfair competition
- 15) That regulatory developments and strategies are developed to enforce intellectual property rights and border measures
- 16) That a strategy to modernize MCTL Business Service and Information Center is developed and implemented
- 17) That a strategy to centralize business registration services and payments is developed and implemented
- 18) That effective communication systems are established to improve customer service
- 19) That a strategy for the Enforcement of Business Regulations is Developed and Implemented
- 20) That a strategy for the Enforcement of Price Control and Weights & Measures Regulations is Developed and Implemented
- 21) That a strategy for the Enforcement of Tourism Regulations and Standards is Developed and Implemented
- 22) That a strategy for the Enforcement of Cooperatives and Credit Union Regulations is Developed and Implemented

b. The 25 **staff** under this Program is assigned job descriptions linked to **71 activities** which are aligned to the above stated divisional outputs and designed to deliver the program outputs. Measurable performance indicators are incorporated into each Job Description to ensure that divisional outputs are delivered.

2. Active Support Program:

1. Intended future delivery level/Sub-Programs:

- a. That targeted economic support strategies and programs are developed for the private sector
- b. That clear and targeted plans for FDI and Joint Ventures are developed
- c. That appropriate business development and knowledge based support schemes and strategies are produced for the private sector

2. Performance Gaps and Causes of Gaps:

The following performance gaps exists in Internal systems and are proposed in this Corporate Plan for budgetary consideration due to its criticalness to delivery of intended future outputs of this Program.

Performance Gaps		Causes	Diagnosis	Timeline	Budget
1	Number of Technical Staff with Marketing, Investment, Trade Promotion Skills	<ul style="list-style-type: none"> - Over the years there has been no staff recruitment but the volume of work has increased five- fold hence the need for additional staff - No targeted MCTL Scholarship on these areas - Lack of targeted capacity building trainings to cater for technical training needs 	<ul style="list-style-type: none"> ▪ Recruit additional technical staff with marketing, investment and trade promotion skills ▪ Provide targeted trainings to cater for technical training needs 	Ongoing	In kind donor funding for short term trainings and internships

2	Lack of coordination within Government on business development support themes and issues	<ul style="list-style-type: none"> - Lack of a Whole-of-Government Strategy and approach to trade and investment development and promotion - Varying priorities of different Government agencies - Lack of effective communication systems between line Ministries 	<ul style="list-style-type: none"> • Improve Public-Public Coordination through implementation of the MCTL PPP Plan (Policy & Partnership Program) 	Ongoing	refer to performance gap under Policy & Partnership Program
3	Lack of funding and resources to implement the MSME Strategy	<ul style="list-style-type: none"> - the current focus is more on growing the formal sector with minimal focus on the informal MSMEs - MSMEs tend to be invisible and therefore difficult for Government to encompass their actual size and needs - lack of funding for the effective implementation of the MSME Strategy 	<ul style="list-style-type: none"> • Implementation of the MSME Strategy and Action Plan 	Before end of FY2013/14 and implementation to be ongoing thereafter	150,000 per FY
4	Lack of an integrated strategy /program to coordinate and support the development of private sector	<ul style="list-style-type: none"> - The current PSDS requires Government endorsement before implementation - Lack of funding to drive the implementation of the PSDS 	<ul style="list-style-type: none"> • Submit PSDS for Cabinet endorsement and adoption of relevant work plans including responsible organizations 		
5	Lack of a clear plan to increase FDI and Joint Ventures	<ul style="list-style-type: none"> - Lack of strategic planning to establish an integrated national plan for FDI and JVs which has resulted in no clear policy and strategy to increase FDI and Joint Ventures 	<ul style="list-style-type: none"> • Develop a Clear Plan to increase and promote FDI and Joint Ventures 	Before end of FY2013/14 and implementation to be ongoing thereafter	10,000 per FY
7	Absence of an Integrated Knowledge-Based Support Scheme	<ul style="list-style-type: none"> - Lack of strategic planning at the sector level to establish an integrated national plan for sector-based business development services 	<ul style="list-style-type: none"> • Use the Biennial Survey to collect data on private sector business development and knowledge based service needs • Develop an integrated strategy for business development and knowledge-based support for private sector 	Before end of FY2013/14 and implementation to be ongoing thereafter	30,000 per FY
8	Lack of a Trade Representative in NZ to assist the marketing of local exports	<ul style="list-style-type: none"> - Lack of funding 	<ul style="list-style-type: none"> • Coordinate with MFNP initiatives to establish a Trade Representative in Auckland, NZ 	Before end of FY2013/14 and implementation to be ongoing thereafter	150,000 per FY
9	Absence of a one stop business and market information center	<ul style="list-style-type: none"> - Lack of funding 	<ul style="list-style-type: none"> • Seek donor funding to develop necessary information and toolkits • Establish a business and information center for investors/exporters 	Beginning of FY2014/15 and implementation to be ongoing thereafter	45,000 per FY

3. Budget Required and Source of Budget:

- a. Recurrent Budget Estimate for ongoing operations including salary for 9 staff amount to **TOP\$1,478,938** in 2014/2015 and forms the baseline for budget estimates for the following two financial years covered in the timeframe of this Corporate Plan.
- b. Improvement Estimate to fund aforementioned performance gaps over the course of this Corporate Plan is estimated at **TOP\$430,000** (TOP\$250,000 in each FY)

4. Indicators:

Program Key Performance Indicators are as follows:

- a. That targeted economic support strategies are developed for the private sector
- b. That clear and targeted plans for FDI and Joint Ventures are developed
- c. That appropriate business development and knowledge based support schemes are produced for the private sector

5. Risks and Assumptions:

- a. That there will be strong political will for provision of necessary support to private sector particularly in terms of incentives and knowledge-based support for businesses
- b. That budgetary appropriations for future fiscal years covered in the timeframe of the Corporate Plan will not be less than the projected baseline budgetary projections provided
- c. That donor funding is readily available to finance identified performance gaps
- d. That the Ministry's senior management will maintain priorities reflected in the MCTL Strategic Results Map provided in this Corporate Plan
- e. That information on sector specific support requirements is transparent and that requirements provided by umbrella organizations are representative of the needs of respective sectors
- f. That support schemes provided are consistent with WTO laws

6. Accountabilities and Targets:

- a. The Acting Head of Department for the Trade Invest Division, Tevita Lautaha will be accountable for the delivery of the following **14 divisional outputs**:
 - 1) That a fiscal incentive support plan for the private sector is developed and implemented
 - 2) That a marketing support plan for the private sector is developed and implemented
 - 3) That an export promotion support plan for the private sector is developed and implemented
 - 4) That a market access support plan for the private sector is developed and implemented
 - 5) That a product development support plan for the private sector is developed and implemented
 - 6) That investment policies and strategies are developed and implemented
 - 7) That plans for investment and joint venture promotion are developed and implemented
 - 8) That clear and targeted plans for investor care is developed and implemented
 - 9) That business and knowledge based support schemes for export development are developed and implemented
 - 10) That business and knowledge based support schemes for MSME development are developed and implemented
 - 11) That business and knowledge based support schemes for general business development are developed and implemented
 - 12) That a targeted development and events program is developed and implemented for the Tourism Sector
 - 13) That customized foreign investment care strategies is developed and implemented for the Tourism Sector
 - 14) That an integrated Business & Awareness Support Program for the Tourism Sector is developed and implemented

The **3 staff** under this program are assigned job descriptions linked to **39 activities** designed to deliver the program outputs. Measurable performance indicators are incorporated into each Job Description to ensure that divisional outputs are delivered.

3. Policy & Partnership Program

1. Intended future delivery level/Sub-Programs:

- a. That a plan for provision of coherent policy advice by MCTL is developed

- b. That a statistics and policy research program is developed
- c. That a strategy is developed to strengthen PPP and deliver results to the private sector

2. Performance Gaps and Causes of Gaps:

The following performance gaps exist in Internal systems and are proposed in this Corporate Plan for budgetary consideration due to its criticalness to delivery of intended future outputs of this Program.

Performance Gaps		Causes	Diagnosis	Timeline	Budget
HR	Number of Policy staff with policy formulation technical skills	<ul style="list-style-type: none"> - Majority of the staff are Lv.9 and do not have a public policy background or policy formulation experience - No local policy formulation trainings provided by Government - Lack of focused effort to procure donor funded capacity building projects for policy formulation 	<ul style="list-style-type: none"> • Establish in-house trainings for policy formulation • Seek donor assistance for short term policy trainings for staff 	Ongoing	In kind donor funding for short term trainings and internships
Internal Systems	Lack of a strategic framework for tourism development in Tonga	<ul style="list-style-type: none"> - Lack of commitment to long term strategic tourism planning in the past - Lack of funding 	<ul style="list-style-type: none"> • Develop a strategic plan for tourism policy development based on the Tourism Master Plan that is currently being developed • Consider the funding alternatives with Government approval 	Commence from June 2014	100,000 in FY2013/14; 100,000 in FY2014/15;
	Duplications and fragmented enforcement of Public Private Partnership strategies within Government	<ul style="list-style-type: none"> - Several PPP approaches and mediums have been established under different management. These PPP frameworks however does not necessarily mean that there is improved consolidation within private sector and public sector nor is there improved partnership between the two sectors 	<ul style="list-style-type: none"> • Recruit TA to evaluate current PPP approaches and to develop MCTL PPP plan 	Before end of FY2013/14	100,000 in FY2013/14
	Lack of core datasets for tourism and commerce	<ul style="list-style-type: none"> - No commitment in the past to research and development - Lack of funding and technical expertise 	<ul style="list-style-type: none"> ▪ Recruit a TA to develop core datasets for tourism and commerce 	Before end of FY2013/14	150,000 in FY2013/14
	Lack of consistent dialogues with private sector to ascertain issues relating to private sector led growth	<ul style="list-style-type: none"> - No clear commitment to continue the Economic Summit in 2007 - Lack of funding and technical expertise 	<ul style="list-style-type: none"> • Coordinate and implement a biennial private sector summit to discuss private sector development issues 	biennially commencing from August 2014	50,000 biennially (2013/14; 2015/16)

3. Budget Required and Source of Budget:

- a. Budget Estimate for ongoing operations including salary for 7 staff amounts to **TOP\$281,260** in 2014/2015 and forms the baseline for budget estimates for the following financial years covered in the timeframe of this Corporate Plan.
- b. Improvement Estimate to fund aforementioned performance gaps over the course of this Corporate Plan is estimated at **TOP\$7000,000** (2013/2014 - TOP\$200,000; 2014/2015: 450,000; 2015/2016: 50,000)

4. Indicators:

Program Key Performance Indicators are as follows:

- a. That a plan for provision of coherent policy advice by MCTL is developed
- b. That a statistics and policy research program is developed
- c. That a strategy is developed to strengthen PPP and deliver results to the private sector

5. Risks and Assumptions:

- a. That there will be strong political will for promotion of PPP and integration of PPP into MCTL policies
- b. That budgetary appropriations for future fiscal years covered in the timeframe of the Corporate Plan will not be less than the projected baseline budgetary projections provided
- c. That donor funding is readily available to finance identified performance gaps
- d. That the Ministry’s senior management will maintain priorities reflected in the MCTL Strategic Results Map provided in this Corporate Plan
- e. That required data for policy research is accessible at no/low costs

6. Accountabilities and Targets:

- a. The Head of Department for the Policy Division, ‘Alisi Holani, will be accountable for the delivery of the following **5 divisional outputs**:
 - 1) That a MCTL policy formulation standard and process is developed and implemented
 - 2) That policies to address key policy issues in commerce and tourism are developed
 - 3) That core datasets for commerce, tourism and labour are developed
 - 4) That policy research programs are developed and implemented
 - 5) That an MCTL PPP Plan is developed and implemented
- b. The **7 staff** under this Program is assigned job descriptions linked to **19 activities** designed to deliver the program outputs. Measurable performance indicators are incorporated into each Job Description to ensure that divisional outputs are delivered.

4. Fair and Effective Labour Program:

1. Intended future delivery level/Sub-Programs:

- a. That a conducive legal and institutional employment framework is developed
- b. That a plan to provide coherent labour policy advice by MCTL is developed
- c. That labour research and information program is developed

2. Performance Gaps and Causes of Gaps:

The following performance gaps exists in Human Resources and Internal systems and are proposed in this Corporate Plan for budgetary consideration due to its criticalness to delivery of intended future outputs of this Program.

Performance Gaps		Causes	Diagnosis	Timeline	Budget
HR Gaps	Insufficient number of technical staff	<ul style="list-style-type: none"> - labour mobility staff that shared the workload for labour policy development were transferred to MIA in 2012 - current PSC policy to freeze staff recruitment 	<ul style="list-style-type: none"> • Recruit senior staff with relevant qualifications/work experience when recruitment freeze is lifted • Staff trainings/attachments to upgrade existing skill set of labour staff 	recruit staff within first half of FY2013/14; ongoing training programs each FY	i) new staff : 54751 for 3 FYs (17277 for FY2012/13; 18249 for FY2013/14; 19225 for FY 2014/15) ii) capacity building: donor in kind

Internal System Gaps	Lack of baseline labour data for labour policy development	<ul style="list-style-type: none"> - No consistent GoT funding for annual labour surveys to build an up to date information bank on employment and the labour market in Tonga - Due to (i) the last labour survey conducted was in 2003 hence data on the domestic labour market is over a decade old 	<ul style="list-style-type: none"> • develop core datasets for labour • develop a labour research program to ensure up to date labour market data is available for labour policy development 	labour market survey at a biennial basis; quarterly data collection programs in FY2013/14 - FY2014/15	100,000 per FY
	Lack of a Labour Market Export Strategy	<ul style="list-style-type: none"> - No clear commitment to the development of a Labour Market Export Strategy 	<ul style="list-style-type: none"> • develop a Labour Market Export Strategy 	Before end of FY2013/14	100,000 in 2013/14
	Fragmentation of labour functions over different Government Ministries	<ul style="list-style-type: none"> - Over the years different aspects of the labour program under the Ministry has migrated to other Ministries under Government direction - labour mobility and domestic labour under MIA; labour export policy under MoFAT - Lack of coordination and fragmentation of these functions restricts progressing work on labour market development in Tonga 	<ul style="list-style-type: none"> • develop a policy paper on the constraints of the current structure of the labour framework in Government and provide recommendations on how to address constraints • stakeholder views to be sought using labour consultation and survey programs 	Before end of FY2013/14	In kind funding
	Changing Government directions on labour policy actions	<ul style="list-style-type: none"> - Lack of political will in the past to progress labour development policies 	<ul style="list-style-type: none"> • progress the drafting of the ERB and for legislation to include provisions that would achieve stability 	Before end of FY2013/14	In kind funding

3. Budget Required and Source of Budget:

- a. Budget Estimate for ongoing operations including salary for 4 staff amounts to **TOP\$127,601** in 2014/2015 and forms the baseline for budget estimates for the following financial years covered in the timeframe of this Corporate Plan.
- b. Improvement Estimate to fund aforementioned performance gaps over the course of this Corporate Plan is estimated at **TOP\$487,474** (2013/2014 - TOP\$218,249; 2014/2015: \$200,000; 2015/2016: \$69,225)

4. Indicators:

Program Key Performance Indicators are as follows:

- a. That a conducive legal and institutional employment framework is developed
- b. That a plan to provide coherent labour policy advice by MCTL is developed
- c. That labour research and information program is developed

5. Risks and Assumptions:

- a. That there will be strong political will for enactment of the Employment Relations Act and development of key labour policies and strategies
- b. That budgetary appropriations for future fiscal years covered in the timeframe of the Corporate Plan will not be less than the projected baseline budgetary projections provided
- c. That donor funding is readily available to finance identified performance gaps
- d. That the Ministry's senior management will maintain priorities reflected in the MCTL Strategic Results Map provided in this Corporate Plan
- e. That information on employment is accessible and accurate

6. Accountabilities and Targets:

- a. The Head of Department for the Labour Policy Division, Kolotia Fotu, will be accountable for the delivery of the following **4 divisional outputs**:
 - 1) That the Employment Relations Bill is developed and enforced

- 2) That policies to address key labour issues are developed
- 3) That labour research programs are developed and implemented
- 4) That a labour core dataset is developed

b. The **4 staff** under this Program is assigned job descriptions linked to **11 activities** designed to deliver the program outputs. Measurable performance indicators are incorporated into each Job Description to ensure that divisional outputs are delivered.

5. Tourism Support Program

1. Intended future delivery level/Sub-Programs:

- a. That a tourism sector coordination and support program is developed and implemented
- b. That a destination development plan is developed and implemented
- c. That a destination marketing program is developed and implemented

2. Performance Gaps and Causes of Gaps:

The following performance gaps exists in Internal systems and are proposed in this Corporate Plan for budgetary consideration due to its criticalness to delivery of intended future outputs of this Program.

Performance Gaps		Causes	Diagnosis	Timeline	Budget
HR Gaps	Absence of a dedicated unit for implementation of the Tourism Sector Roadmap	<ul style="list-style-type: none"> - Insufficient resource allocation to Tourism Development - Absence of sector map in the past two years of implementing the plan. The Roadmap was completed and endorsed by Government in 2013. 	<ul style="list-style-type: none"> • That a dedicative desk officer for implementation of the Tourism Sector Roadmap is established, • That at least 60% of the key recommendations under the TSR are implemented towards the end of 2014/15 FY. 	Consultant	FY 2014 / 15
	Inability of the Tonga Tourism Authority to independently operate	<ul style="list-style-type: none"> - A new organization that is not profit making and therefore cannot independently operate on its own particularly in the first years of operation 	<ul style="list-style-type: none"> • Government commitment to support the operation of the Tourism Authority 	Ongoing from 2013/14	1,300,000 (200,000 in FY2013/14; 400,000 in FY2014/15; 600,000 in FY2015/16)
Internal Systems	Absence of Tourism Investment Incentives and Investment facilitation and care for Tourism investors	<ul style="list-style-type: none"> - Low priority accorded to the developing Tourism as a key economic sector - Insufficient resources allocated to the Tourism Sector 	<ul style="list-style-type: none"> • Establish a Tourism Investment Desk • That response to investment enquiries provided within 24 hours • That at least 70% of the Investing businesses are satisfy with the quality of advice and assistance provided. 		FY 2013/14
	Political decisions may conflict with marketing programs for tourism	<ul style="list-style-type: none"> - Government leaders may not be fully committed or appreciative of tourism marketing strategies and implementation plans 	<ul style="list-style-type: none"> • Tourism awareness and education programs for Cabinet and Legislative Assembly 	Ongoing from Feb 2013	In –kind funding

3. Budget Required and Source of Budget:

- a. Budget Estimate for ongoing operations amount to **TOP\$2,020,000** in 2014/2015 and forms the baseline for budget estimates for the following financial years covered in the timeframe of this Corporate Plan.

- b. Recurrent Budget is to be supplemented by development funds of **TOP\$893,000** as of FY2014/2015 and is estimated to be at the same level in the outer corporate plan years
- c. Improvement Estimate to fund aforementioned performance gaps over the course of this Corporate Plan is estimated at **TOP\$1,300,000** (2013/2014 - TOP\$200,000; 2014/2015: \$500,000; 2015/2016: \$600,000)

4. Indicators:

Program Key Performance Indicators are as follows:

- a. That the Tonga Tourism Sector Roadmap coordination program is developed and implemented
- b. That an integrated business and public awareness support program is developed and implemented for the Tourism Sector
- c. That a destination development plan is developed and implemented for the tourism sector
- d. That necessary support to develop targeted product are provided
- e. That a targeted destination marketing program is developed and implemented for the Tourism Sector

5. Risks and Assumptions:

- a. That there will be strong political will for availing priority to tourism development as a key economic sector
- b. That budgetary appropriations for future fiscal years covered in the timeframe of the Corporate Plan will not be less than the projected baseline budgetary projections provided
- c. That donor funding is readily available to finance identified performance gaps
- d. That the Ministry's senior management will maintain priorities reflected in the MCTL Strategic Results Map provided in this Corporate Plan
- e. That segregated tourism stakeholders are willing to cooperate with the Ministry in delivering program outputs
- f. That the Tourism personnel in outer islands is committed to delivering the program outputs particularly in Vava'u
- g. That the transition of Tourism to MCTL and the outward transition of Tourism Marketing to the Tourism Authority will be smooth with minimal disruptions

6. Accountabilities and Targets:

- a. *The Head of Division for the Tourism and Trade Invest Division, will be accountable for the delivery of the following 6 divisional outputs;*
 - 1. *That Tourism Sector Program coordination is developed and implemented*
 - 2. *That an integrated business and public awareness support program is developed and implemented for the tourism sector*
 - 3. *That a destination development plan is developed and implemented*
 - 4. *That necessary support to develop targeted destination product are provided*
 - 5. *That a targeted destination marketing program is developed and implemented for the TTA*
- b. Part of the divisional outputs and activities in this program will be delivered by the Tonga Tourism Authority with support from the Tourism and Trade Invest Division. The CEO, will be responsible for the management of the performance contract with the Tourism Authority which would be based on the delivery of the outputs in this program.

The **5** staff under this program is assigned job descriptions linked to 12 activities designed to deliver the program outputs. Measure performance indicators are incorporated into each Job Description to ensure that divisional outputs are delivered.

6. Consumer Protection Program:

1. Intended future delivery level/Sub-Programs:

- a. That a strategy to improve the protection of consumer rights and welfare is developed
- b. That a plan for improving regulatory framework for consumer is developed and implemented

2. Performance Gaps and Causes of Gaps:

The following performance gaps exists in Human Resources and Internal systems and are proposed in this Corporate Plan for budgetary consideration due to its criticalness to delivery of intended future outputs of this Program.

Performance Gaps		Causes	Diagnosis	Timeline	Budget
HR Gaps	Lack of technical staff at graduate level to cater for Inspectorate technical work including CA Secretariat	<ul style="list-style-type: none"> - Majority of the staff are junior level with limited basic technical skills and knowledge - Current PSC staff recruitment freeze has restricted recruitment of technical staff 	<ul style="list-style-type: none"> • Establish a level 9 post with relevant qualification and work experience 	Beginning of FY2013/14	17277 in FY2013/14; 18249 in FY2014/15, 19225 in FY2015/16
	Lack of professional regulatory inspectorate technical skills within MCTL Inspectorate	<ul style="list-style-type: none"> - Lack of funding for technical trainings - No local technical expertise to provide trainings that will cater for the Tongan context - Most of the staff are junior officers without knowledge of international best practices in regulatory enforcement 	<ul style="list-style-type: none"> • Seek assistance for professional technical training opportunities for staff • Conduct technical in-house trainings such as capacity building programs by Crown Law 	Ongoing	10,000 per FY
Internal Systems Gaps	Regulatory Gaps	<ul style="list-style-type: none"> - Outdated legislations and lack of clear and effective enforcement provisions in current regulations 	<ul style="list-style-type: none"> • That regulatory amendments and reviews to Consumer Protection Act, undertaken within the FY2013-2014 - 2014/2015 	2013/14-2014/15	100,000 (In-kind donor funding)
	Lack of consumer awareness and education programs	<ul style="list-style-type: none"> - Lack of a clear strategy for consumer awareness and education - Lack of funding 	<ul style="list-style-type: none"> • develop an annual consumer awareness and education program before end of June each year and to review effectiveness each year • allocate GoT funding to ensure awareness and education programs are provided 	Ongoing	10,000 per FY from FY2013/14

3. Budget Required and Source of Budget:

- a. Budget Estimate for ongoing operations including salary for 4 staff amounts to **TOP\$210,421** in 2014/2015 and forms the baseline for budget estimates for the following two financial years covered in the timeframe of this Corporate Plan.
- b. Improvement Estimate to fund aforementioned performance gaps over the course of this Corporate Plan is estimated at **TOP\$346,502** (2013/2014 - TOP\$67,277; 2014/2015: 210,000; 2015/2016: \$69,225)

4. Indicators:

Program Key Performance Indicators are as follows:

- a. That a regulatory reform plan for the protection of consumer rights and welfare is developed
- b. That an information and education strategy to empower consumers is developed and implemented
- c. That an enforcement strategy is developed to safeguard consumer is developed and implemented

5. Risks and Assumptions:

- a. That there will be strong political will to improving business compliance and consumer protection

- b. That budgetary appropriations for future fiscal years covered in the timeframe of the Corporate Plan will not be less than the projected baseline budgetary projections provided
- c. That donor funding is readily available to finance identified performance gaps
- d. That the Ministry's senior management will maintain priorities reflected in the MCTL Strategic Results Map provided in this Corporate Plan
- e. That ancillary authorities are committed to improving business compliance and consumer protection
- f. That calibration equipment and infrastructure is readily available

6. Accountabilities and Targets:

- a. The Acting Head of Division for the Consumer Affairs Division, Distaquaine Tu'ihalamaka, will be accountable for the delivery of the following 3 **divisional outputs**:
 - 1) That a conducive regulatory framework for consumer protection is established and promoted
 - 2) That a Consumer Awareness & Educational Program is Developed and Implemented
 - 3) That a strategy for the Enforcement of Consumer Regulations is Developed and Implemented
- b. The **4 staff** under this Program is assigned job descriptions linked to **9 activities** designed to deliver the program outputs. Measurable performance indicators are incorporated into each Job Description to ensure that divisional outputs are delivered.

7. Corporate Services Program:

1. Intended future delivery level/Sub-Programs:

- a. That a HRM program s to improve staff performance is developed and facilitated
- b. That the administration practices and processes of MCTL are well designed, implemented and merged
- c. That improved financial management policies are established and facilitated
- d. That information and IT policies are established and facilitated

2. Performance Gaps and Causes of Gaps:

The following performance gaps exists in Human Resources and Internal systems and are proposed in this Corporate Plan for budgetary consideration due to its criticalness to delivery of intended future outputs of this Program.

	Performance Gaps	Causes	Diagnosis	Timeline	Budget
Internal Systems	Lack of an I.T. server to facilitate centralization of MCTL electronic filing systems	<ul style="list-style-type: none"> • Lack of funding 	- Funds must be identified to enable work on the serve to progress to completion.	June 2012/13.	10,000 in FY2013/14
	Lack of software programs to facilitate drive for efficiency and professionalism at MCTL	<ul style="list-style-type: none"> • Lack of technical expertise to advise on software programs required • Lack of funding 	- Consider TA under CP funding to provide technical know-how on establishment of appropriate database software, and train staff on maintaining and managing database.	Before end of FY 2013/14	10,000 in FY2013/14

3. Budget Required and Source of Budget:

- a. Budget Estimate for ongoing operations including salary for 28 staff (including Outer Islands) amounts to **TOP\$1,347,849** in 2014/2015 and forms the baseline for budget estimates for the following financial years covered in the timeframe of this Corporate Plan.

b. Improvement Estimate to fund aforementioned performance gaps is estimated at **TOP\$110,000** in FY2014/15.

4. Indicators:

Program Key Performance Indicators are as follows:

- a. That a HRM program to improve staff performance is developed and facilitated
- b. That the administration practices and processes of MCTL are well designed, implemented and merged
- c. That improved financial management policies are established and facilitated
- d. That information and IT policies are established and facilitated
- e. That procurement plans are developed and implemented in accordance with Government's Procurement Regulations 2010

5. Risks and Assumptions:

- a. That budgetary appropriations for future fiscal years covered in the timeframe of the Corporate Plan will not be less than the projected baseline budgetary projections provided
- b. That donor funding is readily available to finance identified performance gaps
- c. That the Ministry's senior management will maintain priorities reflected in the MCTL Strategic Results Map provided in this Corporate Plan

6. Accountabilities and Targets:

- a. The Head of Division for the Corporate Services Division, will be accountable for the delivery of the following 7 **divisional outputs**:
 1. That HRM programs are implemented and monitored to drive staff performance
 2. That Administrative policies are implemented and monitored for organizational improvement
 3. That expenditure and disbursement policies and practices are established and facilitated in alignment with Government Financial Act and Regulations
 4. That revenue collection processes and practices are developed and monitored
 5. That an asset management plan is developed and implemented
 6. That policies for the use and operation of the Ministry's computing systems, electronic telecommunication facilities and network resources are implemented
 7. That activities and projects are procured in compliance with the Government Procurement Regulations 2010
- b. The **28 staff** under this Program is assigned job descriptions linked to **38 activities** designed to deliver the program outputs. Measurable performance indicators are incorporated into each Job Description to ensure that divisional outputs are delivered.

8. Senior Management Program

1. Intended future delivery level/Sub-Programs:

- a. That appropriate advice and guidance on Commerce and Tourism in Tonga are provided to stakeholders
- b. That internal leadership and management of MCTL sub-programs/outputs are provided

2. Budget Required and Source of Budget:

- a. Budget Estimate for ongoing operations including salary for 6 staff amounts to **TOP\$369,931** in 2014/2015 and forms the baseline for budget estimates for the next financial years covered in the timeframe of this Corporate Plan.

3. Indicators:

Program Key Performance Indicators are as follows:

- a. That appropriate advice and guidance on Commerce and Tourism in Tonga are provided to stakeholders on an ongoing basis
- b. That internal leadership and management of MCTL sub-programs/outputs are provided on an ongoing basis

4. Risks and Assumptions:

- a. That budgetary appropriations for future fiscal years covered in the timeframe of the Corporate Plan will not be less than the projected baseline budgetary projections provided
- b. That donor funding is readily available to finance identified performance gaps
- c. That the Ministry's senior management will maintain priorities reflected in the MCTL Strategic Results Map provided in this Corporate Plan

5. Accountabilities and Targets:

- a. The Minister will be accountable for the delivery of the following **2 divisional outputs**:
 - 1. That Minister provide appropriate advice on commerce, tourism and labour issues to MCTL stakeholders
 - 2. That the Minister provide political direction and leadership to the sub-programs/outputs
- b. The CEO will be accountable for the delivery of the following **4 divisional outputs**:
 - 1. That CEO provide appropriate advice on commerce, tourism and labour issues to MCTL stakeholders
 - 2. That a Plan is developed and implemented to facilitate and monitor delivery of TNZTP
 - 3. That a purchase agreement with the Tonga Tourism Authority is developed and monitored
 - 4. That the CEO oversee the development, management and implementation of MCT sub-programs/outputs and provide leadership to the staff
- c. The **6 staff** under this Program are assigned job descriptions linked to **9 activities** designed to deliver the program outputs. Measurable performance indicators are incorporated into each Job Description to ensure that divisional outputs are delivered.

9. Performance Improvement Program

1. Intended future delivery level/Sub-Programs:

- a. That MCTL management plans are developed
- b. That a MCTL performance management plan is developed

2. Performance Gaps and Causes of Gaps:

The following performance gaps exists in Internal systems and are proposed in this Corporate Plan for budgetary consideration due to its criticalness to delivery of intended future outputs of this Program.

Performance Gaps		Causes	Diagnosis	Timeline	Budget
Internal Systems	Lack of an MCTL Performance Measurement Strategy and uncertainty over accuracy and effectiveness of current KPIs	<ul style="list-style-type: none"> - Lack of experience as there has not been any performance measurements implemented before - No particular training on KPIs and definition of KPIs used by Government in the past may not be accurate nor effective in measuring performance 	<ul style="list-style-type: none"> • Consider TA under CP funding to provide advisory service and training on development of KPIs, performance audit tools and implementation of performance audits 	Ongoing from 2013/14	100,000 in each FY

3. Budget Required and Source of Budget:

- a. Budget Estimate for ongoing operations including salary for 2 staff amounts to **TOP\$60,566** in 2014/2015 and forms the baseline for budget estimates for the next three financial years covered in the timeframe of this Corporate Plan.

4. Indicators:

Program Key Performance Indicators are as follows:

- a. That MCTL management plans are developed
- b. That a MCTL performance management plan is developed

5. Risks and Assumptions:

- a. That budgetary appropriations for future fiscal years covered in the timeframe of the Corporate Plan will not be less than the projected baseline budgetary projections provided
- b. That donor funding is readily available to finance identified performance gaps
- c. That the Ministry's senior management will maintain priorities reflected in the MCTL Strategic Results Map provided in this Corporate Plan

6. Accountabilities and Targets:

- a. The Head of the Policy Program with the support and leadership of the senior management program and Head of Divisions, is accountable for the delivery of the following **4 divisional outputs**:
 - a) That effective MCTL management plans are developed
 - b) That a plan to address MCTL performance gaps is developed
 - c) That a MCTL performance monitor and evaluation program is developed and implemented
 - d) That the MCTL Annual Report is developed
- b. This program will be delivered by the Policy & Partnership Program. The **2 staff** under this Program are assigned job descriptions linked to **8 activities** designed to deliver the program outputs. Measurable performance indicators are incorporated into each Job Description to ensure that divisional outputs are delivered.

Annex 4: MCTL Budget Estimates for FY2013/14 – Fy2015/16 Based on Baseline FY2012/13 Budget

Programs	2012/13					2013/14						2014/15					
	Recurrent Budget			Dev. Budget	Total Budget	Recurrent Budget			Dev. Budget	Total Budget	Gaps Estimate	Recurrent Budget			Dev. Budget	Total Budget	Gaps Estimate
	Salaries	Operations	Total			Salaries	Operations	Total				Salaries	Operations	Total			
1	485,679	32,000	517,679	170,000	687,679	489,496	32,000	521,496	0	521,496	360,000	601,000	160,000	761,000	0	761,000	460,000
2	395,643	213,002	608,645	180,000	788,645	472,014	553,990	1,026,004	627,500	1,653,504	250,000	253,936	1,225,002	1,478,938	0	1,478,938	430,000
3	176,760	55,180	231,940	1,153,613	1,385,553	115,210	55,180	170,390	132,350	302,740	200,000	183,000	98,260	281,260	0	281,260	350,000
4	106,910	21,101	128,011	20,000	148,011	109,129	21,101	130,230	0	130,230	218,249	105,000	22,601	127,601	0	127,601	200,000
5	93,397	1,960,322	2,053,719	339,390	2,393,109	0	1,619,334	1,619,334	3,016,000	4,635,334	200,000	0	2,020,000	2,020,000	893,000	2,913,000	600,000
6	441,839	9,501	451,340	0	451,340	442,797	9,501	452,298	95,000	547,298	67,277	132,000	78,421	210,421	0	210,421	210,000
7	876,447	670,474	1,546,921	150,000	1,696,921	879,661	670,474	1,550,135	0	1,550,135	20,000	751,310	596,539	1,347,849	0	1,347,849	110,000
8	244,039	23,400	267,439	0	267,439	270,101	23,400	293,501	0	293,501	0	241,567	128,364	369,931	0	369,931	0
9	0	0	0	0	0	60,566	0	60,566	0	60,566	100,000	0	0	0	0	0	0
Totals	2,820,714	2,984,980	5,805,694	2,013,003	7,818,697	2,838,974	2,984,980	5,823,954	3,870,850	9,694,804	1,415,526	2,267,813	4,329,187	6,597,000	893,000	7,490,000	2,360,000

2015/16					
Recurrent Budget			Dev. Budget	Total Budget	Gaps Estimate
Salaries	Operations	Total			
500,492	32,000	532,492	0	532,492	310,000
491,078	553,990	1,045,068	227,500	1,272,568	250,000
121,060	55,180	176,240	132,350	308,590	50,000
113,573	21,101	134,674	0	134,674	69,225
0	1,619,334	1,619,334	3,016,000	4,635,334	600,000
443,753	9,501	453,254	95,000	548,254	69,225
886,088	670,474	1,556,562	0	1,556,562	0
270,101	23,400	293,501	0	293,501	0
62,516	0	62,516	0	62,516	100,000
2,888,661	2,984,980	5,873,641	3,470,850	9,344,491	1,448,450



**Ministry of Commerce, Tourism & Labour
Government of Tonga
2014**