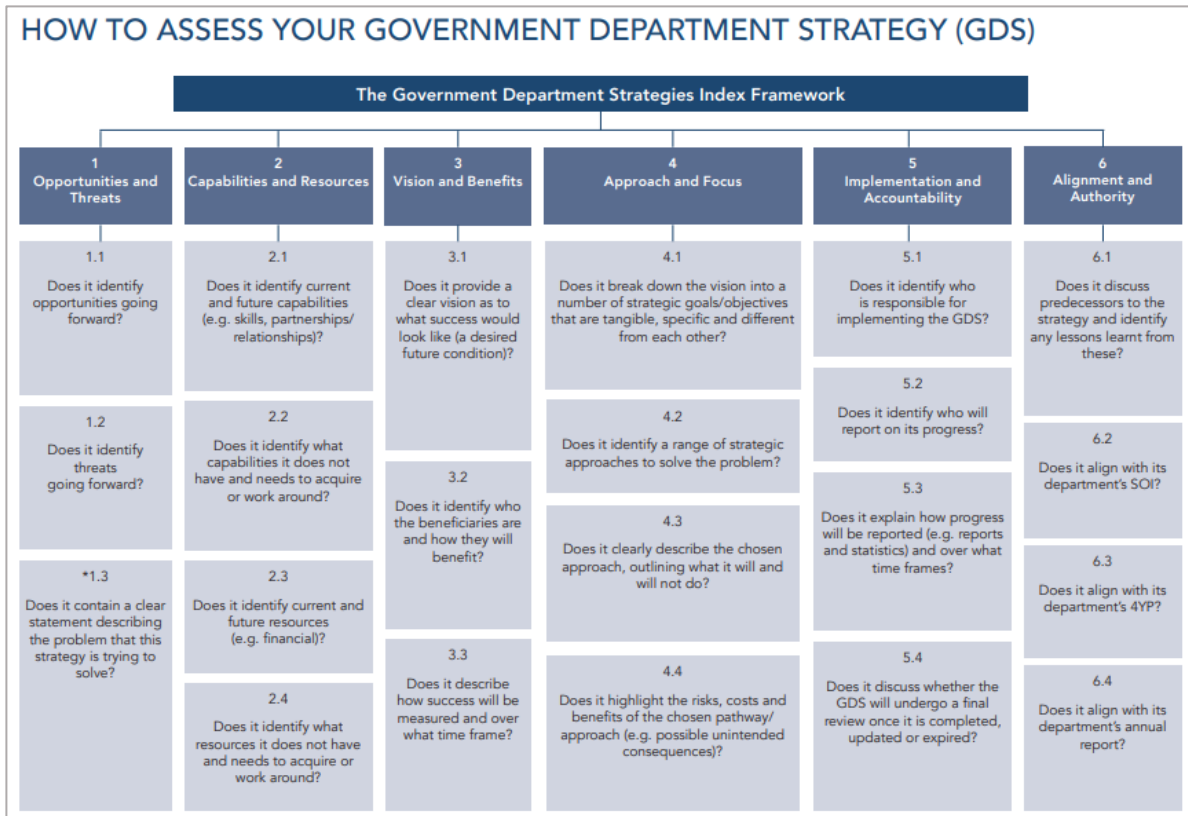


## HOW TO ASSESS YOUR GOVERNMENT DEPARTMENT STRATEGY (GDS)



**Submission**

**Aotearoa New Zealand Government Tourism Strategy**

**4 February 2019**

## **About the McGuinness Institute**

The McGuinness Institute was founded in 2004 as a non-partisan think tank working towards a sustainable future for New Zealand. *Project 2058* is the Institute's flagship project focusing on New Zealand's long-term future. Because of our observation that foresight drives strategy, strategy requires reporting, and reporting shapes foresight, we developed three interlinking policy projects: *ForesightNZ*, *StrategyNZ* and *ReportingNZ*. Each of these tools must align if we want New Zealand to develop durable, robust and forward-looking public policy. The policy projects frame and feed into our research projects, which address a range of significant issues facing New Zealand. The six research projects are: *CivicsNZ*, *ClimateChangeNZ*, *OneOceanNZ*, *PublicScienceNZ*, *TacklingPovertyNZ* and *TalentNZ*.

## **About the author**

### **Wendy McGuinness, Chief Executive**

Wendy McGuinness wrote the report *Implementation of Accrual Accounting in Government Departments* for the New Zealand Treasury in 1988. She founded McGuinness & Associates, a consultancy firm providing services to the public sector during the transition from cash to accrual accounting from 1988 to 1990. Between 1990 and 2003, she continued consulting part-time while raising children. Over that time she undertook risk management work. In 2002, she was a member of the New Zealand Institute of Chartered Accountants (NZICA) Taskforce, which published the *Report of the Taskforce on Sustainable Development Reporting*. From 2003–2004 she was Chair of the NZICA Sustainable Development Reporting Committee. In 2004 Wendy established the McGuinness Institute in order to contribute to a more integrated discussion on New Zealand's long-term future. In 2009 she became a Fellow Chartered Accountant (FCA).

## **Contact details:**

Wendy McGuinness  
Chief Executive  
McGuinness Institute  
Level 2, 5 Cable Street  
PO Box 24-222, Wellington 6142  
+64 4 499 8888  
[wmcg@mcguinnessinstitute.org](mailto:wmcg@mcguinnessinstitute.org)  
[www.mcguinnessinstitute.org](http://www.mcguinnessinstitute.org)

To whom it may concern,

**Re: Submission on Aotearoa New Zealand Tourism Strategy**

The McGuinness Institute welcomes the opportunity to respond to the *Aotearoa New Zealand Tourism Strategy* consultation. We hope that the government department strategy (GDS) scorecard presented in this submission might be useful as you write the final content for the GDS.

In this submission, we make the following general recommendations:

1. That the Ministry conducts a self-assessment on the quality of the strategy document using the Institute's scorecard made up of six content elements (see below). A good strategy document should contain all of these content elements.
2. That the Ministry set out who is responsible for the GDS. It must be clear who has generated the strategy, why this strategy has been created, what the problem/opportunity the strategy is trying to solve/take advantage of, and who is responsible for the implementation of the strategy. It is important to include the name and signature of the person signing off the strategy. Due to the size of MBIE, this should ideally include the business area responsible for implementing the strategy or leading the work to implement the strategy across the sector. Departments, as part of their stewardship role, should specify what they are accountable for and what they are not. A failure to provide a name or business unit who is leading this work does not provide a check and balance on public policy.
3. That the Ministry specifies the purpose of the GDS and the strategic approach used by the GDS on one of the first pages of the GDS.
4. That the Ministry ensures each GDS sets out: (i) its publication date (which it did include for its 2016 strategy), (ii) the strategy it is replacing (we note the 2018 draft does not refer to the 2016 strategy that it replaces), (iii) a date at which it will be revisited and reviewed, and (iii) its expected duration. This is so lessons can be learned and successes celebrated.
5. That the Ministry specifies the implementation and accountability procedures of the GDS. This includes detailing (i) who is reporting on its progress, (ii) how this progress will be reported and over what time frames, and (iii) whether the GDS will undergo a final review once it is completed, updated, or expired.
6. That the Ministry establishes a separate page on its departmental website which sets out all currently operational GDS, to assist members of the public searching for these documents.
7. That the Ministry includes in each GDS (i) whether there have been any predecessors to the GDS, and (ii) if yes, what lessons were learnt from these?

8. That the Ministry read the Institute's lessons learnt in *Working Paper 2015/11: Observations from the GDS Index 2015*, in order to ensure the updated *Tourism Strategy* reflects best practice GDS publication.
9. That the Ministry work with other departments to bring about a centralised submission process that is more open and transparent to the public. We continue to be concerned that individual departments requesting invitations for feedback can easily be missed. Government departments should work harder to canvas the ideas of a wider range of people and institutions. From experience, the wider and more diverse the feedback, the better the public policy.

In addition to the above, we make the following specific observations and recommendations after undertaking a brief review of the draft strategy:

10. That the draft strategy fails to identify and assess the trade-offs such as those living permanently in communities that attract a large number of tourists (e.g. Queenstown and Rotorua).
11. That the draft strategy fails to explain and explore our current predicament (e.g. linear tourism – Auckland, Rotorua and Queenstown) and the problems which this brings (e.g. no significant hospital in Queenstown). It also fails to explore other options (e.g. potential destinations could include Gisborne, Wanaka or the Catlins).
12. That the draft strategy fails to address the type of tourists New Zealand might benefit from versus those that are less beneficial (e.g. longer-term higher-end tourists versus short-term package tourists where the profits return to the country who organised the tour such as Contiki). Also New Zealand could explore the value of a tourist tax and how this money could be reinvested in the tourism sector. Learn more about the Bhutan tourist tax at <https://www.tourism.gov.bt/about-us/minimum-daily-package>. We could not find, in our brief review, any discussion on a tourist tax.
13. That the title of the draft strategy *Aotearoa New Zealand Government Tourism Strategy* could be more concise and relevant. From our brief read the document would be better called an investment strategy and therefore could instead be called the 'Tourism Investment Strategy'. See for example:

*In summary, the framework:*

- *articulates a set of overarching criteria, aligned with the government's goals for tourism, against which different investment choices can be assessed and prioritised*
- *provides a way of assessing how government can best prioritise and align its investment at a regional level, based on both national priorities and regional needs. [page 5, underline added]*

14. That the draft strategy states it focuses on 'sustainable tourism' (see page 6) but in practice the document only discusses economic sustainability as part of its outcomes (also on page 6).
15. That the draft strategy reads more like a policy statement rather than a strategy document. The 2018 summary and draft strategy documents contain a lot of descriptive information on why tourism is important, or that further information is necessary in a strategy (e.g. 'deepen understanding' or 'develop a better understanding' without very little data or clarity on the key challenges or opportunities). It is hard to feel confident that those implementing the strategy will know what to do

or what not to do, other than collect more information or set out guidance in a plan. We suggest that the actual strategy may in effect be written into the plan that MBIE is intending to write.

*This strategy will also be supported by an implementation plan that will set out:*

- *measures of progress (short-term, medium-term and long-term) to help assess how government is tracking against the outcomes in this strategy*
- *a prioritised work programme for government, including specific actions and key milestones*
- *how the implementation of the strategy will be resourced, including outlining any new governance and institutional arrangements needed to deliver the strategy. [page 5, underline added]*

16. The key questions such as ‘what does success look like’ and what are the ‘priority work areas’ are very good questions (see page 7) but the answers lack clarity and appear to shy away from addressing the tough issues. We also appreciated the authors’ attempt to explore alignment (as noted in annex 3 and 4), however we were unsure how this information was used to shape the approach.

17. As the proposed strategy replaces a previous strategy that is only three years old, there is a real benefit in explaining the difference between the two strategies. From a quick perusal of the 2018 draft, the only significant change is a focus on tourism investment (via government goals) and therefore the need for MBIE to become more directly involved in the tourism industry. This seems more like a political statement as there is little evidence to explain why this approach is the best one. For example, the document should explain why a central government approach is better than a local government approach or a PPP. Other options do not seem to have been explored. Instead the ‘invitation to comment’ process could be seen as the authors being instructed to test and ideally obtain a social licence to become a direct investor in the industry. This may be necessary, but the evidence or argument for this approach is not clearly articulated in the draft strategy.

## **About the GDS Index NZ**

The Institute is currently updating the *Government Department Strategies Index*. This is an analysis we carry out on all currently operational government department strategies (GDSs), not to assess whether *one strategy is better than another*, but to analyse whether the *content of the strategy document* is sufficient to assess the quality of the strategy underlying the GDS.

The overall aim of the *Index* is to illustrate how New Zealand might strengthen GDSs to make them more effective, transparent, measurable, comparable and durable through public consultation, engagement and ownership. The assumption is that if government works hard to make the content of GDSs more useful, it will enable users of such strategies to assess the quality of the strategy. Given the poor quality of the content of GDSs in operation, this second stage (assessing the quality of the strategy) is difficult. This is not solely a New Zealand problem, but a global problem.

GDSs are critical instruments able to bring about change. They track and describe the means to desired ends. However, if there is no due diligence as to the content and structure of GDSs, they may in fact operate solely as blunt instruments – delivering the public more harm than good. To attempt to improve this situation, the Institute regularly analyses all operational GDSs against a scorecard we have developed alongside strategy experts and government departments.

## About the scorecard

The scorecard contains six elements that the Institute considers should be present in a GDS, as opposed to ranking the quality of the strategy itself. Each GDS is looked at to determine how well it articulates each of the six elements, found in the scorecard. In the analysis, the Institute scores each GDS. The resulting score is used to rank all GDSs currently in operation in order to analyse patterns in drafting quality over time, between departments, and between sectors.

The six content elements are:

1. Opportunities and Threats (what is the external environment?)
2. Capabilities and Resources (what are the internal strengths and weaknesses?)
3. Vision and Benefits (what is the purpose?)
4. Approach and Focus (what choices and trade-offs have been made?)
5. Implementation and Accountability (who is responsible for what?) and
6. Alignment and Authority (how does the strategy align with the machinery of government?)

**Element 1: Opportunities and Threats**, asks ‘what is the external environment?’ and is largely the second part of a standard ‘SWOT’ analysis – the first part being ‘strengths and weaknesses’.

**Element 2: Capabilities and Resources**, asks ‘what are the internal strengths and weaknesses?’ and is considered by the Institute to be a better metric than the standard ‘strengths and weaknesses’ analysis. ‘Strengths and weaknesses’ as a category is too narrow and would not lead reviewers to think about whether the department understood its available (or lacking) resources and capabilities when drafting the GDS.

**Element 3: Vision and Benefits**, asks ‘what is the purpose?’ and concerns the purpose and the value-proposition that the strategy, if implemented, might deliver.

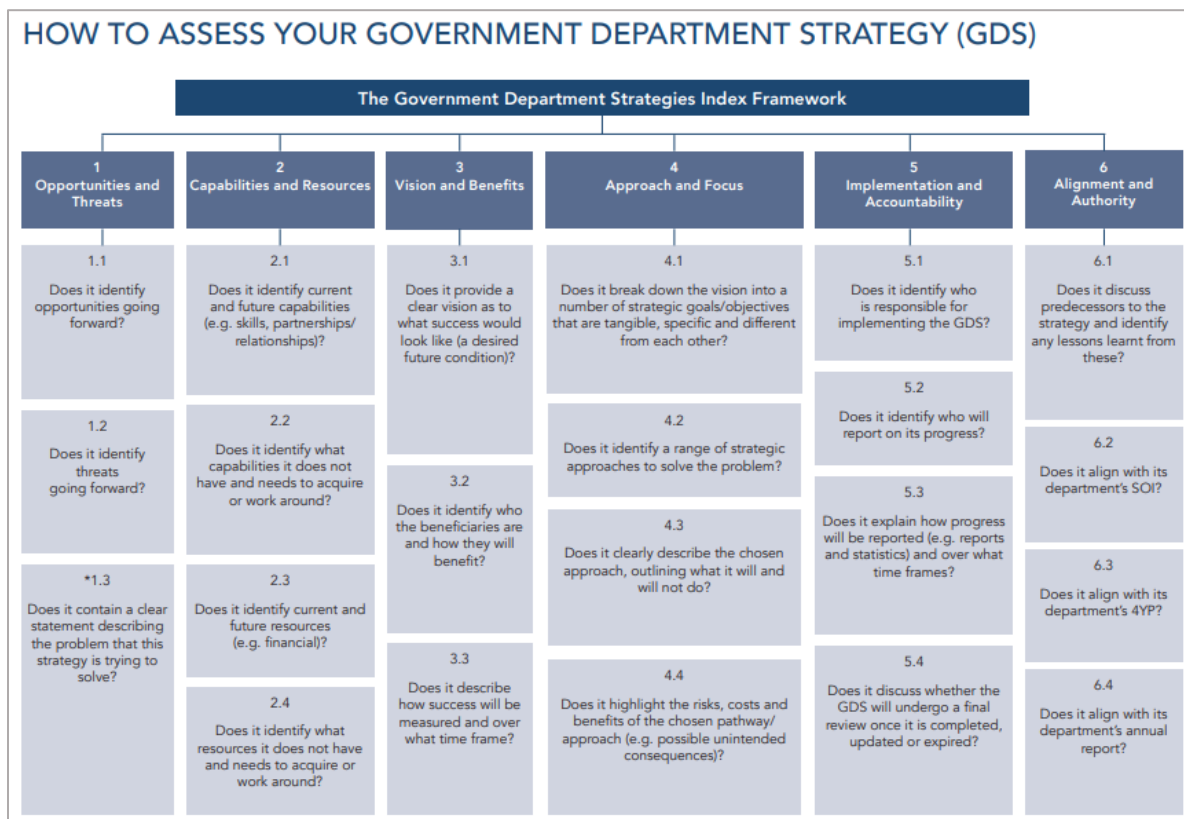
**Element 4: Approach and Focus**, asks ‘what choices and trade-offs have been made?’ and directly concerns the strategic approach itself and the strategic choices that have been made.

**Element 5: Implementation and Accountability**, asks ‘who is responsible for what?’

**Element 6: Alignment and Authority**, asks ‘how does it align with the machinery of government?’ and is relatively unique to government; therefore, it has been added last. Arguably all the other five elements are applicable in both the private and the public sector.

The scorecard in Figure 1 could help the Ministry ensure the *Tourism Strategy* contains the essential elements of a good GDS. Additionally, the Institute’s [\*Working Paper 2015/10: Analysis of Government Department Strategies Between 1 July 1994 and 30 June 2015 – An overview\*](#) sets out key examples of best practice in GDS, beginning on p. 14.

**Figure 1: How to assess your GDS**



**The existing 2016 strategy**

Appendix 1 contains a GDS scorecard worksheet. The worksheet is used to score and analyse a GDS before creating and publishing the *GDS Profile*. The worksheet contains the draft scores given by the Institute in relation to the existing Ministry’s *Tourism Strategy (2016)* – the subject of this submission’s predecessor. The scorecard worksheet shows that the 2016 strategy was particularly weak in terms of ‘opportunities and threats’ (especially threats), ‘approach and focus’ and ‘implementation and accountability’.

The criticisms found in the 2016 strategy are still present in the replacement strategy, the 2018 draft strategy document (the topic of this submission).

To conclude, it is important to appreciate the scorecard only assesses whether key information is contained in the strategy document - it scores a GDS on the quality of the overall approach and the extent it aligns with the wider landscape in which it operates.

Our interest in GDSs stems from our concern that GDSs tend to fail to include the necessary information that is required for readers to assess whether a strategy is good (or not). If a GDS does not contain key information, it will, in our view, not be possible to make an assessment on whether the approach is appropriate (i.e. whether it is logical or has integrity).

Government departments must write strategy documents in such a way to enable Ministers, Members of Parliament and other interested parties to:

1. make informed decisions on the quality of the strategic approach (e.g. to decide to fund a strategy),
2. modify the approach due to changes in the external landscape or internal constraints while implementing the strategy (e.g. other approaches or opportunities become apparent enabling officials to recommend a change in approach), and
3. hold officials accountable for their actions for not implementing a strategy.

It seems clear that we all have a vested interest in strategy documents being complete, comparable and concise. Thank you for considering our submission. Please contact us if you have any questions or queries. We are also happy to meet with officials or staff over the next few months, if that is of interest. The *GDS Index NZ*, as at June 2018, will be made public later this month.



# Appendix 1:

## Scorecard worksheet (draft): *Tourism Strategy 2016*

Government Department: Ministry of Business,  
Innovation and Employment

A: Quantitative Analysis							
	Variables					Final (draft)	
1	<b>Opportunities and Threats</b>						
	a.	Does it identify opportunities going forward?	/4				3
	b.	Does it identify threats going forward?	/4				1
	c.	Is there a clear statement describing the problem this strategy is trying to solve?	/8				1.5
2	<b>Capabilities and Resources</b>						
	a.	Does it identify current and future capabilities (e.g. skills, partnerships/relationships etc)?	/4				2.5
	b.	Does it identify what capabilities it does not have and needs to acquire or work around?	/4				3.5
	c.	Does it identify current and future resources (e.g. funds, fixed assets)?	/4				0
3	<b>Vision and Value</b>						
	a.	Does it provide a clear vision as to what success would like (a desired future condition)?	/8				4
	b.	Does it identify who the beneficiaries are and how they will benefit?	/4				2
	c.	Does it describe how success will be measured and over what time frame?	/4				0
4	<b>Focus</b>						
	a.	Does it break down the vision into unique strategic objectives (rather than fluff or hubris)? ( e.g. we will achieve this vision by focussing on these specific goals ...)	/4				3
	b.	Strategies - Does it identify a range of ways these strategic objectives might be achieved (strategic options or alternative approaches) (NB: think how - goals on their own are not a strategy – strategy is about ‘matching the resources at your disposal to specific situation or context and using them in unexpected ways to create an advantage or overcome a disadvantage’ [Crainer & Dearlove, p.170])	/4				0
	c.	Strategy - Does it clearly describe the selected approach/strategy? Please write that approach in one sentence below (Q3)	/4				1
5	<b>Alignment</b>						
	a.	Does it discuss predecessors to the strategy and identify any lessons learnt from these? (vertical alignment)	/4				1
	b.	To what extent does it align with its department’s SOI? (horizontal alignment)	/4				2
	c.	To what extent does it align with its department’s 4YP? (horizontal alignment)	/4				4
6	<b>Accountability</b>						
	a.	How well does it identify who is responsible for the GDS?	/4				3
	b.	How well does it identify who will report on its progress?	/4				0
	c.	How well does it explain how progress will be reported?	/4				1
6	<b>Accountability</b>						
	d.	Upon completion or expiry of the GDS, are the arrangements for a review outlined?	/4				1
	<b>Total</b>		<b>96</b>				<b>39</b>

A: Qualitative Analysis		
	Key questions	Final (draft)
Q1	Is the strategy illustrated?	Entire GDS illustrated.
Q2	The approach: How does the department plan to use the broader environment in which it exists (element 1) to leverage its strengths and embrace its weaknesses (element 2) so that it can provide benefits in accordance with its vision (element 3)?	The approach is to ensure all regions benefit from tourism and increase visitor demand to NZ by attracting the right visitor mix and responding to visitor demand.
Q3	If a public servant new to the policy area had an hour to read this GDS, would they be able to understand the approach (element 4) and the implementation and review processes (element 5)?	The key points are clear but it is not clear how the outcomes sought will be achieved.
Q4	If an uninformed member of the public had 30 minutes to read this GDS, would they be able to understand the purpose (element 3), the approach (element 4), the implementation and review processes (element 5) and how this approach fits with the broader goals of government (element 6)?	The overall purpose is clear but the GDS is too short to convey implementation or review processes information.