



# MINISTRY OF PUBLIC ENTERPRISES

## *Corporate Plan and Budget*

2022/23 – 2024/25

Document - English version

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## List of Abbreviations

1. CSD – Corporate Services Division
2. CP – Corporate Plan
3. CPB – Corporate Plan and Budget
4. CSO – Civil Society Organisation
5. ESC – Essential Services Cluster
6. FISA - Friendly Island Shipping Agency
7. GOT – Government of Tonga
8. HR – Human Resource
9. ICT – Information Communication and Technology
10. KPI – Key Performance Indicator
11. LPD – Legal and Policy Division
12. MCD – Monitoring and Compliance Division
13. MDA – Ministry, Department and Agencies
14. MFNP – Ministry of Finance and National Planning
15. MPE – Ministry of Public Enterprises
16. NIIP - National Infrastructure Investment Plan
17. NSA – National Security Agency
18. OCEO - Office of the CEO
19. OoM - Office of the Minister
20. PAT - Ports Authority Tonga
21. PE Act – Public Enterprise Act
22. PEs – Public Enterprises
23. PSC – Public Service Commission
24. RSPD – Rationalisation and Special Projects Division
25. TAL -Tonga Airports Limited
26. TAMA - Tonga Assets Managers & Associates Limited
27. TBC - Tonga Broadcasting Commission
28. TCC - Tonga Communications Corporation
29. TCL - Tonga Cable Limited
30. TMCL - Tonga Market Corporation Limited
31. TPost - Tonga Post Limited
32. TPL - Tonga Power Limited
33. TSDF II – Tonga Strategic Development Framework II
34. TWB - Tonga Water Board
35. WAL - Waste Authority Limited

## Foreword from the Hon. Minister of Public Enterprises



The Ministry of Public Enterprises is responsible for monitoring the interests of the Kingdom of Tonga which I represent as the shareholder in or owner of Public Enterprises (PEs), that are required to operate as successful businesses, or that have mixed commercial and social obligations. The Ministry of Public Enterprises under the Public Enterprises Act (PE Act), provides a regulatory system comprising of monitoring policies and processes, accountability tools, quality business corporate governance and legislative frameworks to maintain good quality regulation of public enterprises.

It goes without saying that for public enterprises to function well and be a successful businesses, all three parts of the Corporate Governance — (1) the Minister (representing the Crown's interests as Shareholder) and Ministry; (2) the Board of Directors (stewardship role); and the PE's Chief Executives and managements must have an effective working relationship with clarity on all sides as to the roles and responsibilities of each party. The clarity of the roles of each party is evidenced in my (Shareholder's) Expectation Letter to the Public Enterprises in each financial year. This is a key obligation that I take very seriously for the best interest of the PEs to be adhered to and fully complied with by the Board of Directors, Chief Executive Officers for the public enterprises, and all employees.

The Public Enterprises provide a range of business activities, which is ranging from utilities including power generation and distribution, waste collection and disposal, water supply, property and public market management, information communication technology (ICT) including fibre optic operators, broadcasting, postal services and telecommunications, and sea and air transportation. With their wide-ranging capacities and business reach, Public Enterprises promise a thriving Tongan economy. They indeed have demonstrable capacities (general asset and financial report position) to meet budgetary, public and other government strategic objectives.

This Corporate Plan (CP) structures the measures by which this Ministry would motivate, monitor and strengthen these capacities for the next financial year. I am aware that the sequence of measures in this Corporate Plan is structured with the Tonga Strategic Development Frameworks II (TSDF II) as the national overarching scheme down to the micro departmental counterparts with their individual KPIs and outputs in collaboration with administrative staffs in their individual professions. I hope this CP would result in PEs meeting Government priorities and give a fair return for Government's investments.

The Ministry under my direction has developed a number of reforms to ensure the compliance of all the three parts of Government with the PE Act—the Minister (representing the Crown's interests as Shareholder), Public Enterprises (entities) and the Ministry as regulator. Not only that but I believe that we are in a period where we can realise that a good and effective Corporate Plan for the Ministry has further better ripple effects on PEs whereby they can be better drivers of private sector growth and help lessen Government's budgetary constraints. This plan of action is guaranteed to magnify this realisation which would not have been possible without Government, PE Boards, entities management, tax payers, customers, and the public at large helping and cooperating. With this structured plan in place we are equipped to realise our national vision. **"A more progressive Tonga supporting a higher quality of life for all".**

Faka'apa'apa lahi atu,



Mr. Poasi Mataele Tel  
The Hon. Deputy Prime Minister of Tonga,  
Minister of MEIDECC, and Minister of Public Enterprises



## Message from the CEO for Public Enterprises



The Ministry released its Corporate Plan (CP) in April 2021, which plans out the Outcomes, Outputs, Order and key tasks of the Ministry for the period 2021/22 – 2023/24, and this is the second year. This revised CP has been modified for the period 2022/23 – 2024/25. The CP reflects the essential change in the Ministry's yield, structure and administrative modifications that ought to be made for effective and profitable movement of the public enterprises to the Stakeholders.

Our key focus in 2022 is to continue building an outstandingly skilled and talented staff in the ministry with appropriate procedures, strategies and documentation frameworks to better embody Public Enterprises (PE's) performances and to support their operational competence. These facilitations are done for the long-haul administration schemes, to ensure that PEs are improving the performance (both financial and non-financial), minimizing overall

inefficiency (i.e. time and costs) of operation, enhance the effectiveness of operation, and watching out for all maintenance extremes. We considered seriously the risks and negative impacts of the Covid19 in the PEs business environment, both internally and externally.

In this way, significant developments have been made. We presently have an operationally productive and well-established Ministry of Public Enterprises, with extraordinary amounts of dynamic talents. A Shareholder Management structure has been produced to ensure the viability of every endeavour and further ensure that the PEs contribute to the government's objectives. Talks for regular meetings with PE's Boards and chairpersons were encouraged to ensure facilitated effort of responsibility and accountability.

Through the Ministry, the Shareholder requires PEs and Subsidiary to work as **SUCCESSFUL BUSINESS**, and to this end, to be as:

1. **Profitable:** In accordance with Section 4 of the Public Enterprises Act, as amended, which states that PEs are to be profitable and efficient as comparable businesses that are not state-owned;
2. **Pay dividends to Government** based on specific and reasonable dividend policies;
3. **Comply with the reporting requirements of the PE Act as amended;**
4. **Achieve and maintain a Relevant & most appropriate Return on Equity; and**
5. **Provide quality and efficient services to the public, in a reasonable fees and charges.**

There have been a couple of changes made to the task and execution of the Ministry compared to last year's report and these created a couple of obstacles for us in striving to achieve our Objectives in accordance with the PE Act. These obstructions include an insufficient capacity of legal and policy talents. We also don't have the advantages in redesigning the Ministry's activities to the outer islands. The Ministry's Divisions stood up to a lack of staff with respect to people and capacity which links to the insufficient and inefficient parts of the division's execution.

Thusly, the following financial year we proposed the accompanying exercises:

1. Completed the process for amending the PE Act, and the On-going/Planned PE Structural Reforms,
2. Improved and strengthened PPP Unit in the Ministry,
3. Improved oversight and management of MPE/PEs Projects,
4. Properly established of new PEs,
5. Improved PE performance (Both financial and non-financial)
6. Improved PE's Governance Policy, and other internal working policies & regulations,

7. Improved leadership and strategic guidance for Essential Services Cluster (ESC),
8. Complete Restoration of Operations in Ha'apai Office,
9. Continued to improve MPE Staff's skills & knowledge.
10. Continued to improve the recruitment process of the directors and formation of the quality and productive Boards.

The Ministry of Public Enterprises' management team and all the staff work cooperatively and is committed to monitor and evaluate the plan of action, to be more convincing and productive with the objective that we can deliver the level of execution expected of us by the Government, Minister and the Stakeholders.

Respectfully,



Mr. Sione Pulotu 'Akau  
Chief Executive Officer for Public Enterprises.

# 1. MPE Corporate Plan Executive Summary

## 1.1. Mandate, Key Legislations, Policy Decisions & Conventions

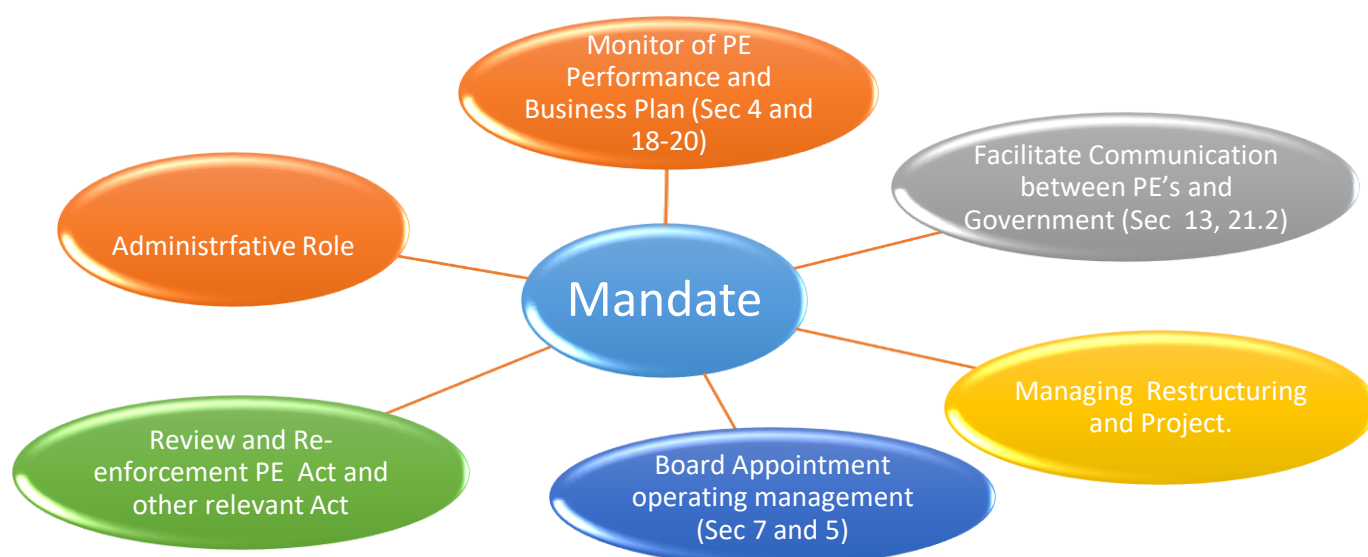
The Ministry's operations are guided and legitimized by the PE Act, as amended. It outlines the Ministry's responsibilities, authority and shared powers (with Cabinet).

As per the PE Act, as amended, the Hon. Minister of Public Enterprises is the representative of the GOT, as shareholder in its business interests ('public enterprises'). Currently the Hon. Minister oversees a total of twelve public enterprises. These public enterprises are spread out over a variety of sectors including utilities (power, water, and waste services), transportation (air and sea) and communications (telecommunications and broadcasting) and more. Through the Ministry, the Shareholder requires PEs to comply with the following.

1. Section 4: Ensuring that PEs comply with their principal objective: to operate as a successful business and, to this end, to be as profitable and efficient as comparable businesses that are not state owned.  
Provide Quality and efficient services to the Public.
2. Section 12: The endorsement of Directors' remuneration fees
3. Section 14: The appointment and termination of Directors of the Boards of PEs.
4. Section 22: Receiving, analysing, reporting to Cabinet and publishing Annual Reports of PEs.
5. Section 18: Business Plan
6. Sections 19, 20 & 22: Ensuring compliance of PEs with the reporting requirements of the Act
7. Section 21(2): The approval of the dividend policies of PEs
8. Section 26: Confirming the appointment of the CEOs of PEs

Through the Ministry, the Shareholder enforces these requirements and benchmarks to encourage good returns from its business investments while at the same time, ensuring that its businesses improve the quality and efficiency of essential social services to the public.

*Flow Diagram 1: Executing the Legal Mandates through the Ministry's responsibilities*



## 1.2. Stakeholders

MPE has various partners across different Ministries, Departments, Organizations, Agencies and more, as summarized in Table 1 below. A detailed and precise investigation of the unpredictable and related stakeholders, is essential to the progression of the MPE corporate plan.

The knowledge of partner needs and their relations with the Ministry, contributes to a firm premise for this plan. Stakeholder needs drive the distinguishing proof of yields and related changes and their gathering into programs and sub-programs/divisions. This, thus legitimizes the related designation of allocation of budget in supporting them. Conveyance of administration to customer partner, the purchase of goods and services from supplier partners, joint working with collaborating partners, and adherence to rules set up by oversight-partners are exceedingly essential contemplations in the detailing of the Corporate Plan.

*Table 1: Ministry of Public Enterprises and their relationship with its external stakeholders*

<b>Stakeholder</b>	<b>Customer of MPE</b>	<b>Supplier to MPE</b>	<b>Partner with MPE</b>	<b>Oversight of MPE</b>
Cabinet	Advice, Recommendations, Information	Decisions	Operating Effectiveness of Government	Direction
LA	Advice, Recommendations, Information	Decisions, Legislation	Operating Effectiveness of Government	Direction
MDAs	Advice, Guidance, Instructions, Information	Information	Operating Effectiveness of Government, Support of the TSDF	Oversight by PMO, PSC - Policy, Operations
Public Enterprises	Advice, Guidance, Instructions, Information	Information	Operating Effectiveness of Government, Support of the TSDF	
Businesses	Advice, Guidance, Instructions, Services, Information	Provide Commercial Goods, Services, Fees, Charges	Support of the TSDF, Economic Development	
NSA, CSO, Churches	Advice, Guidance, Instructions, Services, Information	Goods, Services, Fees, Charges	Support of the TSDF, Community Work, Education, Health	
General Public	Advice, Guidance, Instructions, Services, Information	Goods, Services, Fees, Charges	Support of the TSDF	Complaint, Petition
Development Partners	Advice, Guidance, Instructions, Services, Information	Development Assistance and Advice	Delivery of Aid PE Funded Programs	Oversight of the Use of Project Funds for PEs, General Performance Management



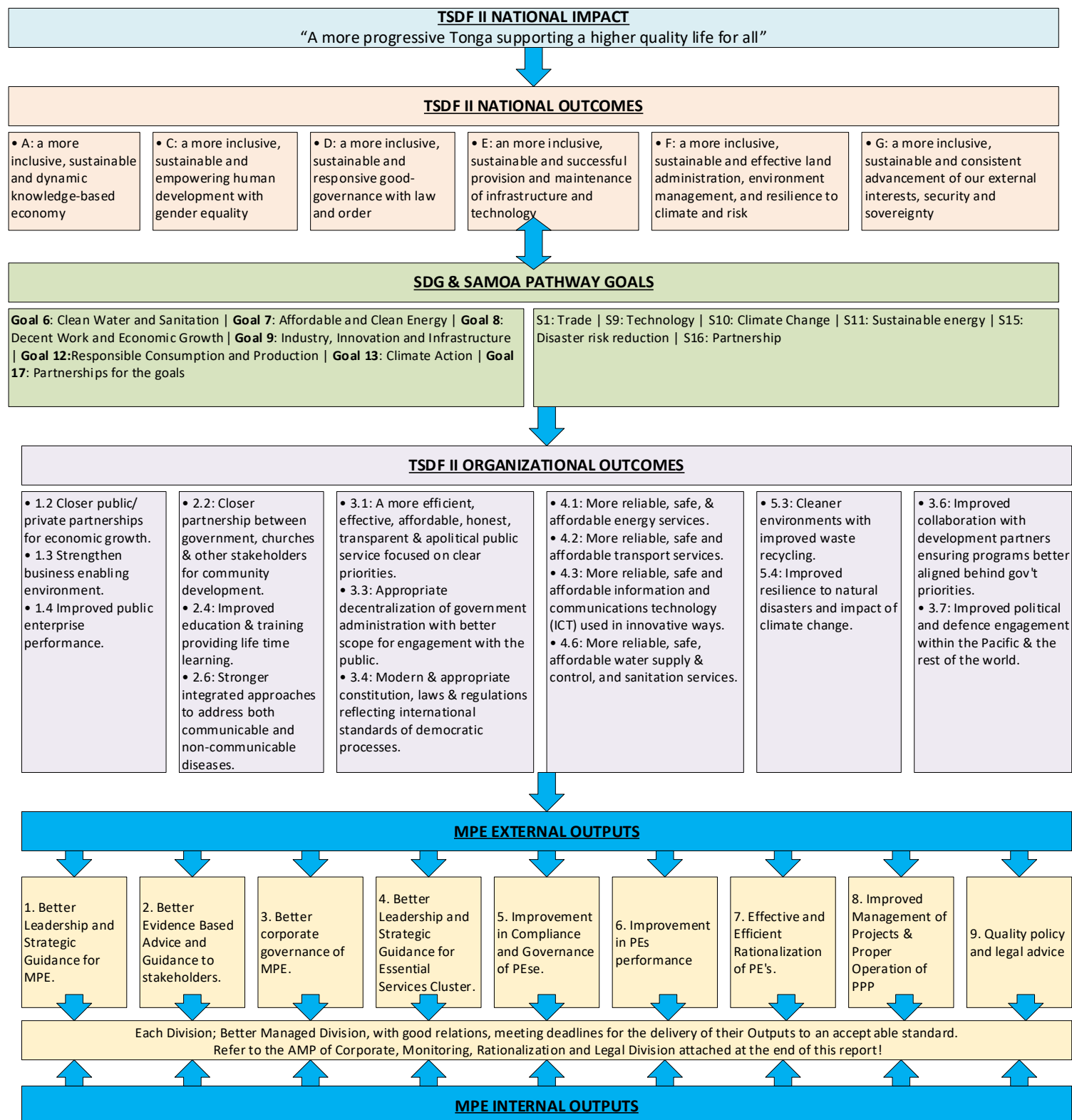
### 1.3. Result Map (Ministry of Public Enterprises)

This shows the various levels in the results Map for the Ministry and its relationship to the TSDF.

In order to achieve the desired long-term changes, there may be many steps between Ministry activities and the desired impact. The Ministry Result Map attempts to categorize these steps by breaking them down under division into manageable stages including Activities, Outputs, Outcomes and Impact.

The Corporate Plan sets out how this results map is developed. The current document provides a Summary of the more detailed Corporate Plan and Budget documents for the Ministry.

Flow Diagram 2: MPE Results Map indicating the relationship of the Ministry with the TSDF



## 1.4. TSDF/SDGs/Regional Frameworks

### Tonga Strategic Development Framework (TSDF) National Impact

The Ministry's operations are guided by the Tonga Strategic Development Framework (TSDF), 2015 – 2025: **A more progressive Tonga: Enhancing Our Inheritance; GOD AND TONGA ARE MY INHERITANCE** which derives the following National Impact:

#### Government Vision

*"A MORE PROGRESSIVE TONGA SUPPORTING A HIGHER QUALITY OF LIFE FOR ALL".*

The Government of Tonga (GOT) established the Ministry to support the Minister of Public Enterprises, as the representative of GOT, as the shareholder in its Public Enterprises (PEs), in accordance with the PE Act, the requirements of the TSDF II, and the GOT's other identified priorities.

As the GOT continued its reform programs in various sectors, the Ministry is working with PEs to support these programs and to contribute to economic and social sustainability. This is to be achieved through the efficient utilization of public resources in creating wealth, service provision and the support of the Private Sector as the engine of economic growth. These focuses guided the Ministry's relationship with PEs and stakeholders.

The Ministry depicted its operating powers and authority from legislations and the TSDF II, which include:

- Tonga Strategic Development Framework II. (TSDFII)
- Strategic Development Goal (SDG)
- Government Priority Agenda
- The Public Enterprises Act, as amended.
- The Companies Act 1995.

We have then, broken down our Ministry related specific goal statements below in order to link to the above vision:

#### Our Vision

*TO BE A LEADING ORGNISATION IN PROMOTING, ENABLING & ENCOURAGING  
OUTSTANDING PERFORMANCE OF THE PUBLIC ENTERPRISES*

#### Our Mission

1. Assist all Public Enterprises to become Profitable and sustainable & Contribute to Government Revenue.
2. Ensure Public Enterprises are Serving and Meeting the Needs of all Tongans.
3. Prepare Public Enterprises for Eventual Restructure or Reforms when Required.
4. Ensure Public Enterprises Outcomes and Direction are in line with Government Priorities

#### Our Core Values

The following core values serve to constantly guide both the employee and the ministry in achieving their mutual goals, in a manner that is based on an ethical and ideological framework

1. **Integrity and Ethics** – Building your entire business on the foundation of honesty and integrity goes a long way into building a strong, trusting relationship with its employees, stakeholders, and customers.
2. **Respect** – Respecting all employees means respecting their individual human rights and privacy, eliminating all kinds and forms of discrimination, whether based on religion, belief, race, ethnicity, nationality, gender, or physical disability.
3. **Innovation (Not Imitation)** – Employees in such ministries are encouraged to be dynamic and come up with innovative ideas that can translate into successful products/services for the ministry.
4. **Drive** – Ministries that have this principle as one of their core values try to provide a dynamic platform to their employees, where they can explore their creativity and skills and further enhance themselves.

### 1.4.1. TSDF/SDG Impacts and Outcomes Supported by MPE Outputs

With the TSDF II 2015 – 2025, we have extracted the following that are related to the ministry and the PEs at varying levels of significance (significant, moderate & partial), which is also aligned with the SDG 2015 – 2025 and SAMOA pathways goals listed in the table below. The table below also shows how MPE's corporate plan contributes to those outcomes and goals in the following specific areas:

Table 2: MPE contribution to TSDF II Outcomes & SDG/SAMOA Pathway Goals.

TSDF II Outcomes		SDG Goal & SAMOA Pathway	SDG Target & Indicators	Government Priority	Level of Significance	Relevant MPE Output
A	OO1.2	<b>Goal 8:</b> Decent Work and Economic Growth <b>S1:</b> Trade	<b>8.1:</b> Sustainable Economic Growth <b>8.1.1:</b> Annual growth rate of real GDP per capita		Significant	Output 5, 6, 7, 8
	OO1.3		<b>8.2:</b> Diversify, innovate and upgrade for Economic Productivity <b>8.2.1:</b> Annual growth of real GDP per employed person		Moderate	Output 5, 6, 7, 8
	OO1.4				Significant	
C	OO2.2				Partial	Output 3, 5 & 9
	OO2.4				Partial	
	OO2.6				Partial	
D	OO3.1				Moderate	Output 1, 2, 3, 5 & 6
	OO3.3				Partial	
	OO3.4				Partial	
E	OO4.1	<b>Goal 6:</b> Clean Water and Sanitation <b>Goal 7:</b> Affordable and Clean Energy <b>Goal 9:</b> Industry, Innovation and Infrastructure <b>S9:</b> Technology <b>S11:</b> Sustainable energy	<b>6.3:</b> Improve Water Quality <b>6.3.1:</b> Proportion of domestic and industrial wastewater flows safely treated <b>6.3.2:</b> Proportion of bodies of water with good ambient water quality <b>6a:</b> International cooperation and capacity-building support in water and sanitation-related activities and programs <b>6.a.1:</b> Amount of water and sanitation related official development assistance that is part of a government coordinated spending plan	GPA 6 & GPA 8	Significant	Output 5, 6, 7, 8
	OO4.2		<b>7.1:</b> Universal access to modern energy <b>7.1.1:</b> Percentage of population with access to electricity <b>7.1.2:</b> Percentage of population with primary reliance on clean fuels and technology <b>7.2:</b> Increase Global Percentage of Renewable Energy <b>7.2.1:</b> Renewable energy share in the total final energy consumption <b>7.3:</b> Double the improvement in Energy Efficiency <b>7.3.1:</b> Energy Intensity measured in terms of primary energy and gross domestic product (GDP) <b>7a:</b> Promote investment in energy infrastructure and clean technology <b>7.a.1:</b> International financial flows to developing countries in support of clean energy research and development <b>7b:</b> Upgrade infrastructure technology for supplying modern and sustainable energy services <b>7.b.1:</b> Ratio of value added to net domestic energy use, by industry.		Significant	Output 5, 6, 7, 8

	OO4.3		<u>9.1:</u> Develop quality, reliable, sustainable and resilient infrastructure <u>9.1.2:</u> Passenger and freight volumes, by mode of transport <u>9a:</u> Facilitate sustainable and resilient infrastructure development through enhanced financial, technological and technical support <u>9.a.1:</u> Total official international support (official development assistance plus other official flows) to infrastructure <u>9c:</u> Increase access to information and communication technology <u>9.c.1:</u> Proportion of population covered by a mobile network, by technology		Significant	Output 5, 6, 7, 8
	OO4.6				Significant	
<b><u>F</u></b>	OO5.3	<b><u>Goal 12:</u></b> Responsible Consumption and Production <b><u>Goal 13:</u></b> Climate Action <b><u>S10:</u></b> Climate Change <b><u>S15:</u></b> Disaster risk reduction	<b><u>12.4:</u></b> Responsible management of chemicals and waste <b><u>12.4.2:</u></b> (a) Hazardous waste generated per capita; and (b) proportion of hazardous waste treated, by type of treatment <b><u>12.5:</u></b> Reduce waste generation <b><u>12.5.1:</u></b> National recycling rate, tons of material recycled	GPA 1	Significant	Output 5, 6, 7, 8
	OO5.4				Moderate	
<b><u>G</u></b>	OO3.6	<b><u>Goal 17:</u></b> Partnerships for the goals <b><u>S16:</u></b> Partnership	<b><u>17.6:</u></b> Enhance access to science, technology and innovation <b><u>17.6.2:</u></b> Fixed internet broadband subscriptions, by speed <b><u>17.8:</u></b> Enable use of enabling technology <b><u>17.8.1:</u></b> Proportion of individuals & households using the internet	GPA 6	Partial	Output 5, 6, 7, 8
	OO3.7				Partial	

As our Ministry compiled all responsibilities into 6 main external outputs, that we have to execute in order to achieve the seventeen (17) TSDF II outcomes (7 significant, 3 moderate & 7 Partial) and nine (9) Sustainable Development Goals restated above.

1. Better evidence-based advice and guidance to stakeholders
2. Better Leadership and Strategic Guidance for Essential Services Cluster
3. Improvement in Compliance and Governance of PEs
4. Improvement in PEs performance.
5. Effective and Efficient Rationalization of PE's.
6. Improved Management of Projects & Proper Operation of PPP

And we will further elaborate more on these outputs in the Ministry Overview.

#### **1.4.2. GPA, Sector Plans, Regional & Community Development**

The national vision is supported by prioritizing seven (9) key areas of priorities to focus implementation by MDAs through Corporate Planning and Budget Process. These priorities areas are categorized under three (3) thematic areas:

##### **A. National Resilience**

- GPA 1. Building resilience and safer platforms to natural disaster and meeting the ongoing challenges of climate change (tropical cyclones, sea level rising, tsunamis, global pandemic etc.) and address economic crisis.
- GPA 2. Reducing Relative Poverty and increasing quality of social protection and;
- GPA 3. Mobilizing National and International response to effectively reduce supply and the use of Illicit Drugs, and address harms reduction processes.

##### **B. Quality of Services and Affordability**

- GPA 4. Improving education for all, focusing on safer schools, addressing drop-outs, gender equality and increase employable trainings for both local and overseas opportunities and;
- GPA 5. Improving access to quality and affordable healthcare system focusing COVID-19, Non-Communicable Diseases (NCDs) and preventive measures
- GPA 6. Building quality and easy access to government services, public enterprises focusing on increased access to high-speed broadband technology and more affordable energy, communication, drinking water and clean environment for Tonga to support inclusive growth;

##### **C. Challenges and Opportunities for Progressive Economic Growth**

- GPA 7. Creation of trade opportunities from regional and international trade agreements focusing on agriculture, fisheries, handicrafts, tourism and promoting of value addition and product diversification and simultaneously reduce technical barriers to private sector development and heavy reliance on imports.
- GPA 8. Improving quality and access to public infrastructure focusing on efficiency of land transport for evacuation, marine and air to support national resilience and inclusive growth and;
- GPA 9. Strengthen bilateral engagement with accredited partner countries; optimize cooperation with regional and international intergovernmental institutions; strengthen partnerships with development partners, private sector, non-government actors, focusing on sound economic investment, to sustain progressive equitable and vibrant socio-economic growth.



The Ministry supports all the Government Priority Agenda areas, especially in these key areas listed below.

*GPA 1: Building Resilience*

- Ministry of Public Enterprises as a Cluster Lead will coordinate and collaborate with other cluster leads and relevant stakeholders to strengthen climate change and disaster risk policy, compliance and implementation capacities. The proposed new Disaster Risk Management Unit under Corporate Services will allow for a dedicated staff all year round as a focal point for Cluster related activities.

*GPA 6: Building quality and easy access to public enterprises services*

- Ministry of Public Enterprises work hand in hand with Tonga Power Limited to ensure that the Tonga Renewable Energy Projects (TREP) and other Renewable Energy projects are well implemented to meet 50% renewable energy target to mitigate impacts of oil prices on electricity tariff
- The critical review of the Public Enterprises Policy is currently an on-going process, which the Ministry of Public Enterprises continues to work closely with the PEs to ensure that they meet Government objectives and make profit

*GPA 8: Improving quality and access to public infrastructures*

- Extension of Queen Salote Wharf).

The preparation of the extension of Queen Salote Wharf is currently underway. This project is currently under negotiation with the successful bidder McDonnell/McDowell NZ. PAT expects to complete the negotiation process in May 2022 and send the no objection letter to ADB before awarding the contract.

- Establishing a Land Transport Authority to be responsible for all related infrastructure. Furthermore, the infrastructure insurance scheme is implemented in phases: i) Approved Asset Management Policy Framework; ii) Valuation of Government Assets; and iii) explore insurance options. Other avenues include exploring other existing schemes such as the Singapore infrastructure insurance scheme. These initiatives are to ensure resilient and sustainable management of the country's infrastructures with sufficient funding and capacity in place.
- Subsidies (Air, Sea Transports)

Government supports the development of the infrastructure sector through subsidies to support costs of air and sea transport to the outer Island.

## 2. Ministry Overview

### 2.1. MPE Outputs – Priority and Ongoing Outputs

As mentioned in the TSDF/SDGs/Regional Frameworks section above, we have now streamlined the Ministry Output into different programs and each consolidated and related specific output that cooperatively subsidizes in order to achieve all Outcomes and National Impact. Each Program highlights each division and its outputs.

Program 1 – Leadership (Office of the Minister/CEO) + Corporate Services Division

Program 2 – Monitoring & Compliance Division

Program 3 – Rationalization and Special Project Division

Program 4 – Legal & Policy Division

The four (4) divisions of MPE will work together to achieve the following priority outputs (initiatives) for the next three years:

1. Complete Ongoing/Planned PE Reforms (budget support trigger 2019/2020)
2. Improved and strengthened PPP Unit (budget support trigger 2019/20)
3. Improved oversight and management of MPE/PEs Projects
4. Proper establishment of new PEs
5. Improved PE performance
6. Improved PE Compliance and Governance
7. Improved leadership and strategic guidance of Essential Services Cluster
8. Restore Operations in Outer Islands Office

Table 3: MPE priority output & KPIs

3 Years Priority Outputs	KPIs
1. Complete Ongoing/Planned PE Reforms	<ul style="list-style-type: none"> <li>Standardized Policy for PEs</li> <li>PEs RA Review Process</li> <li>Transfer of Vava'u Properties ('Utukalongalu &amp; Fatafatamafana) to Royal Estate Owner</li> <li>Holding Company/Mega-Utility established</li> <li>PAT, TWB &amp; TBC reconstituted as companies</li> <li>Corporatization of TBC</li> <li>Review of the performance of the Shared Boards reform</li> </ul>
2. Improved and strengthened PPP Unit	<ul style="list-style-type: none"> <li>PAT &amp; TPL PPP agreements signed</li> <li>Established policies, frameworks, and mechanisms to assess, support, monitor, evaluate PPPs</li> </ul>
3. Improved oversight and management of MPE/PEs Projects	<ul style="list-style-type: none"> <li>Established policies, frameworks, and mechanisms to assess, support, monitor, evaluate Projects</li> </ul>
4. Proper establishment of new PEs	<ul style="list-style-type: none"> <li>Due diligence for establishment of new PEs completed</li> <li>New PEs properly setup and operational</li> </ul>
5. Improved PE performance	<ul style="list-style-type: none"> <li>Overall PEs Financial Performance Score improve from 62% to 85%</li> <li>Overall PEs Customer Service Score improve from 77% to 95%</li> </ul>
6. Improved PE Compliance and Governance	<ul style="list-style-type: none"> <li>Overall PEs PE Act Compliance improve from 88% to 95%</li> <li>Overall PEs Expectation Letter Compliance improve from 79% to 90%</li> <li>PE Act Amendment</li> <li>PE Regulations</li> </ul>
7. Improved leadership and strategic guidance of essential services cluster	<ul style="list-style-type: none"> <li>Disaster Risk Management Unit established (Inc. Staff)</li> <li>TOR and SOP established for ESC</li> <li>ESC Plan in place</li> </ul>
8. Restore Operations in Ha'apai Office	<ul style="list-style-type: none"> <li>Ha'apai Operations restored</li> </ul>

## 2.2. Ministry Outputs Grouped into Divisions/Sub-Programs

Table 4: Detailed MPE Output into each Program with its consolidated and related Outputs.

Program(s)	Ministry's Outputs	Activities/Strategies	Responsible Division
<b>Program 1.1 Leadership (Office of Minister and Office of CEO)</b>	1. Better Leadership and Strategic Guidance for MPE.	1.1. Establish clear and effective communication arrangements with staff 1.2. Fair, honest, transparent and decisive decision making 1.3. Proper delegation and empowerment of staff	Leadership (Lead) Corporate Division Legal Division
	2. Better Evidence Based Advice and Guidance to stakeholders.	2.1. Timely and Accurate Information submitted to relevant stakeholders 2.2. Provide advice and guidance to relevant stakeholders	Leadership (Lead) All Other Division
<b>Program 1.2 Corporate Services Division</b>	3. Better Corporate Governance of MPE.	3.1. Improve administration management systems 3.2. Improve human resources management systems 3.3. Improve financial management systems 3.4. Improve ICT management systems 3.5. Better operation at Outer Island Office.	CSD Division (Lead)  All Other Divisions
	4. Better Leadership and Strategic Guidance for Essential Services Cluster	4.1. Establish New Disaster Risk Management Unit 4.2. Establish and strengthen coordination & communication mechanisms 4.3. Proper coordination of planning, monitoring and reporting of cluster members 4.4. Capacity building for cluster members 4.5. Attend NEMO Regular meetings as cluster lead 4.6. Identify and mobilize resources for services provided by the Cluster or other Key Partners	CSD Division (Lead)  Leadership
<b>Program 2: Monitoring, Compliance &amp; Reporting</b>	5. Improvement in Compliance and Governance of PEs	5.1. Enforce compliance with reporting requirements of the PE Act & Expectation Letter. 5.2. Enforce Good Governance of PEs	M&C Division (Lead) All Other Divisions
	6. Improvement in PEs performance	6.1. More timely, accurate and reliable financial reports and analysis reports 6.2. More timely, realistic and reliable PE Plans that are aligned with Government priorities and plans 6.3. Enhance Monitoring and Tracking of PEs performance	M&C Division (Lead)  Rationalization Division
<b>Program 3: Rationalization, PPP &amp; Special Projects</b>	7. Effective and Efficient Rationalization of PE's.	7.1. Review and implement clear and effective policy, processes, tools and strategies for rationalization of PEs 7.2. Develop/review and implement Rationalization tracking and evaluation systems. 7.3. Establish New PEs	R&SP Division (Lead)  Legal Division M&C Division
	8. Improved Management of Projects & Proper Operation of PPP	8.1. Establish clear and effective policy & strategy for operation of PPP and management of Projects. 8.2. Proper PPP/Project Planning and Analysis 8.3. Review and Improve PPP/Project tracking & evaluation systems	R&SP Division (Lead) Legal Division M&C Division
<b>Program 4: Legal and Policy Advice</b>	9. Quality Legal and Policy Advice & Practices	9.1. Review and update Legislation, Policies & Contracts 9.2. Provide professional and accurate legal & policy advices and practices 9.3. Better represent government in court and properly manage court cases 9.4. More Adequately empowered PEs/Directors and properly trained legal staff	L&P Division  M&C Division

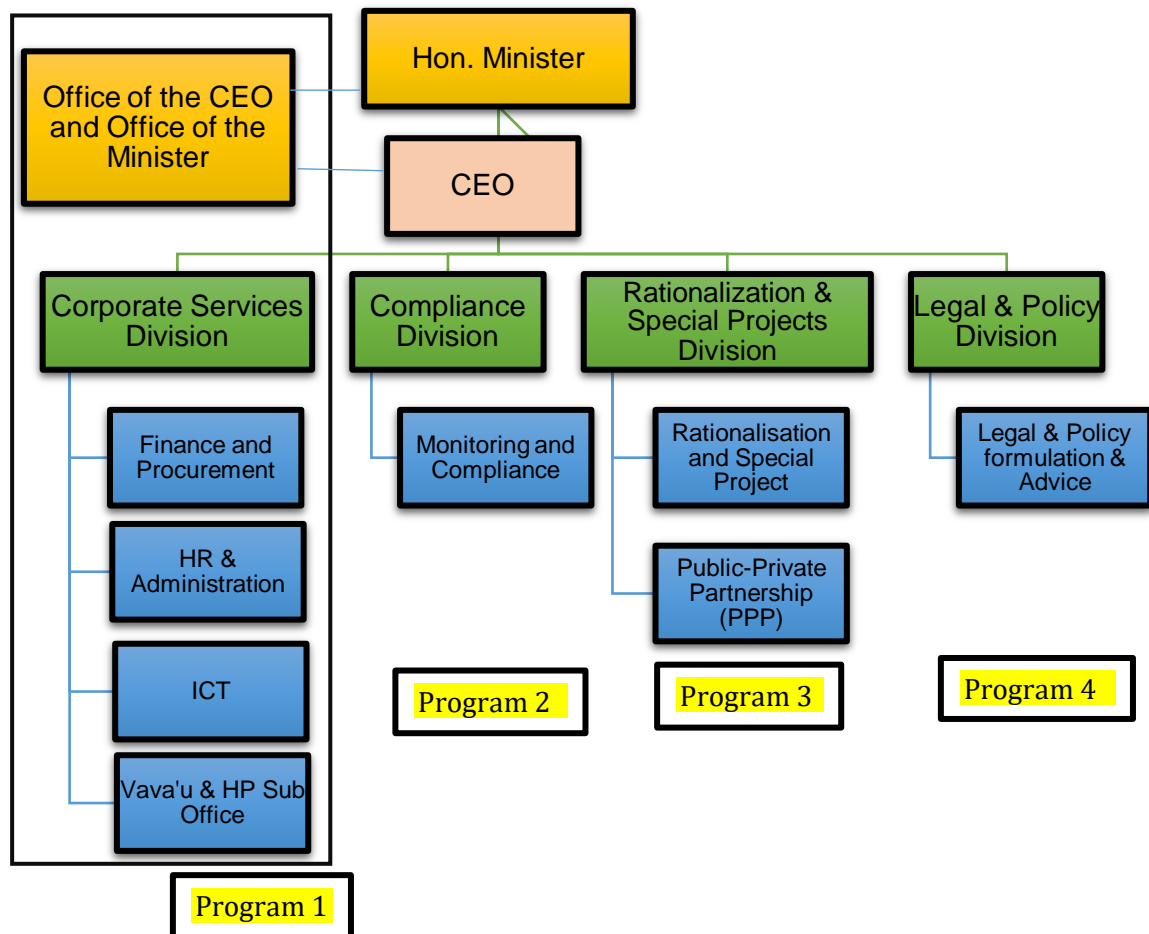
Refer to Annex 4 for more details and the breakdown of the activities shown above, reflecting a Gantt chart relationship between the activities and the **Annual Management Plan**.

## 2.3. Ministry Organizational Structure

The Ministry of Public Enterprises requires high standard on specialized skills to carry out the mandate. Emphasis has always been placed on ensuring that the organizational structure is adequately resourced to deliver on the organisation key focus area and Output.

The outputs allocated to Division/Sub-Programs, MPE adopts the structure in Figure 3. The Minister provides overall leadership while the CEO provides overall management. Each Deputy CEO (DCEO) manages a Division (with its associated sub-program) reporting to the CEO who reports to the Minister.

Flow Diagram 3: Organizational and Functional Structure: Ministry of Public Enterprises



Refer to Annex 2 for a detailed organisational structure attached. More streamlined and all posts within the Ministry is given with its Band Size.

Refer to Annex 3 for a more strategic organizational structure showing the relationship between MPE and the 12 PEs that the Minister currently oversees as per the mandates in Sec 1.1 above.

## 2.4. Summary of MPE Planned Major Reforms

The Ministry has an ongoing and also new proposed reform programs set out in the Public Enterprises Reform Policy. Based on the outputs, and their associated key performance indicators (KPIs), the corporate planning, under One Process undertakes annual analysis of the performance gaps, diagnosis of the reasons for and consequences of these gaps, and identification of possible solutions. These solutions inform the review and updating of the details of the Ministry's reform program.

Table 5: Details of MPE New & Ongoing Initiatives

New & Ongoing Initiatives	Activities	FY 2022/23	FY 2023/24	FY 2024/25	Justification	Sub program #	Program #
1. Rationalization Division	Complete Ongoing / Planned Reforms (budget support trigger).	There are no changes to the budget for the delivery of this output, it can be financed from within budget at the moment			<p>The ministry continues its efforts in reviewing and following the PE Reform Policy to ensure the PEs are appropriate and supportive of private sector development which includes the following reforms:</p> <ul style="list-style-type: none"> <li>• Immediate priority <ul style="list-style-type: none"> <li>➢ Standardized Policy for PEs</li> <li>➢ Amendment to PE Act</li> <li>➢ PE Act Regulations (include Revised Directors Selection Policy)</li> <li>➢ PEs RA Review Process</li> <li>➢ Complete Transfer Process of Vava'u Properties ('Utukalongalu &amp; Fatafatamafana) to Royal Estate Owner</li> </ul> </li> <li>• Short-term priority <ul style="list-style-type: none"> <li>➢ PAT, TWB &amp; TBC reconstituted as companies</li> <li>➢ Corporatization of TBC</li> <li>➢ Review of the performance of the Shared Boards reform</li> </ul> </li> <li>• Long-term priority <ul style="list-style-type: none"> <li>➢ Establishment of Holding Company/Mega-Utility</li> </ul> </li> </ul>	<u>Rationalization &amp; Special Projects Unit</u>	Program 3



2. Corporate Services Division	Improved leadership and strategic guidance of essential services cluster	<ul style="list-style-type: none"> <li>FY2023/24, we propose to establish a new Disaster Risk Management Unit under Corporate Services Division with the following items as additions to our budget: <ul style="list-style-type: none"> <li>❖ 1x Senior Officer (Band J) for New Unit - \$26,880</li> <li>❖ Government Contribution to Retirement Fund - \$2,688</li> <li>❖ Catering/Refreshment - \$3,000</li> <li>❖ Facility Hire - \$1,000</li> <li>❖ Training &amp; Conferences - \$3,000</li> <li>❖ COVID19 &amp; HTHH Disaster Response</li> </ul> <b>Total Amount = \$36,568</b> </li> <li>FY2024/25, we hope to recruit an additional staff for the new unit proposed to assist Senior Officer with Activities of the Cluster, the following items to be added as additional to our budget: <ul style="list-style-type: none"> <li>❖ Disaster Work Officer (Band L) - \$19,490</li> <li>❖ Government contribution to Retirement Fund - \$1,949</li> </ul> <b>Total Amount = \$21,439</b> </li> </ul>	<p>Energy, climate change and our vulnerability and exposure to natural disasters remain a critical priority. In considering our region's high degree of vulnerability to disaster and climate change, it is paramount to have all the necessary institutional and capacity set up in place aiming at building a resilient economy in preparation for natural disasters and climate change effects.</p> <p>The Ministry is the Cluster Lead Agency for the Essential Services Cluster who works in close collaboration and coordination with other cluster members for example TPL, TGL, TWB, TCC, TCL, MEIDECC - Energy, and other private service providers operating in Tonga. The primary purpose of the Essential Services Cluster is to prepare and coordinate among the members, effective initiatives that need to be carried out particularly in the pre disaster, during disaster and post disaster situation in each stage of the Disaster Risk Management Cycle (DRMC).</p> <p>Due to the wide scope of work required to collaborate and coordinate cluster members in preparation for pre-disaster, during-disaster, and post-disaster, the Ministry had proposed to establish a new Disaster Risk Management Unit under Corporate Services Division to lead and manage the core activities of the Cluster. As this new Unit was not approved, the Ministry will try its best with its limited and overloaded staff to carry out the tasks for the cluster, but we still need this new unit to properly handle and manage all task and activities for the Cluster</p>	<u>Corporate Services.</u>	Program 1
3. Rationalization Division	Improved and Strengthen PPP Unit (budget support trigger).	There are no changes to the budget for the delivery of this output, it can be financed from within budget at the moment	<p>The PPP Unit under the Rationalization Division currently lacks a clear and effective policy and strategic guidance for PPPs. The focus this year will be to:</p> <ul style="list-style-type: none"> <li>Established policies, frameworks, and mechanisms to assess, support, monitor, evaluate PPPs</li> </ul> <p>PAT &amp; TPL PPP agreements are signed.</p>	<u>Public Private Partnership Unit</u>	Program 3

4. Rationalization Division	Improved oversight and management of Projects (MPE & PEs).	There are no changes to the budget for the delivery of this output, it can be financed from within budget at the moment	<p>There has been an increasing trend in the number of projects undertaken by PEs either funded internally or externally from donor partners or private sector involvement. PEs projects are currently managed directly by the PEs themselves or by other MDAs, and there is a lack of coordination between the Ministry, the PEs, and other MDAs. This will bridge this gap that we have identified.</p> <ul style="list-style-type: none"> <li>• This year, the Ministry will focus on establishing effective policies, frameworks, and mechanisms to assess, support, monitor, and evaluate all PE projects.</li> </ul>	<u>Rationalization &amp; Special Projects Unit</u>	Program 3
5. Rationalization Division	Proper establishment of new PEs	There are no changes to the budget for the delivery of this output, it can be financed from within budget at the moment	<p>The government recognized the lack of insurance to cover the governments assets under the PEs as well as the amount of staff insurance that is paid out to foreign companies. The Ministry continues its focus on conducting due diligence review and proposal for establishing a Government Insurance Company as a new PE.</p> <p>In FY2021/22, Government prioritized road and infrastructure development, and was committed towards providing a ring-fenced allocation for road and infrastructural maintenance. The focus this year is to establish a Land Transport Authority as a new PE to be responsible for all related infrastructure.</p> <p>The Ministry is also looking towards completing the process for Tonga's Airline Company (Lulutai Airline) to be registered as a PE.</p>	<u>Rationalization &amp; Special Projects Unit</u>	Program 3
6. Corporate Services Division	Digitization of MPE files	There are no changes to the budget for the delivery of this output, it can be financed from within budget at the moment	Digitization of MPE files is very important to improve the internal processes of the Ministry such as work automation and paper minimization. It also helps to reduce redundancies and shorten communication chains. Moreover, it allows for easy access to secure information facilitating better information exchange. This would be very helpful during these challenging times with COVID19 and lockdown restrictions.	<u>Corporate Services</u>	Program 1

7. Monitoring & Compliance Division	Improved PE Performance	There are no changes to the budget for the delivery of this output, it can be financed from within budget at the moment	It is important to improve the credibility of financial reports and performances of PEs, as well as being able to proactively respond to any issue that arises from the PEs operations in both financial and non-financial that may have a material impact on the PE. In order to accomplish this, there is a need to review and enhance the monitoring and tracking systems used, to ensure that PEs commercial viability and sustainability of their operations are promoted and aligned with governments plans.		Program 2
8. Monitoring & Compliance Division	Improved PE Governance Policy	There are no changes to the budget for the delivery of this output, it can be financed from within budget at the moment	Appointment of competent Board of Directors is important part of ensuring good governance of PEs, but political changes and involvements have at times hindered good governance of PEs. Moreover, there is a need to enhance the accountability of the directors via an improved Directors Performance Evaluation System. The focus this year is to review the director's selection process policy to ensure minimum impact from political changes.		Program 2
9. Corporate Services Division	Complete restoration of Ha'apai Office	There are no changes to the budget for the delivery of this output, it can be financed from within budget at the moment	Our sub-office at Ha'apai was damaged during the Tsunami on the 15 <sup>th</sup> Jan 2022. There is need to relocate our office to new location and also replace damaged furniture and equipment to ensure our services in Ha'apai can resume.	<u>Corporate Services</u>	Program 1

### 3. Ministry Budget and Staffing

#### Revenue

The Ministry has three main sources of revenues; dividends which is the main and consistent revenue stream, a new revenue source from rental of properties at Vava'u, and lastly, other revenues received from strategic actions taken on a public enterprise such as share sales and asset sales. Table 6 provides MPEs' projected revenue collection for FY2022/23.

**Table 6: Ministry Revenue Budget**

	2020/2021 Actual	2021/2022 Revised	2022/2023 Budget	2023/2024 Projection	2024/2025 Projection
Rental	\$290,900	\$290,900	\$0	\$0	\$0
Dividends	\$2,563,200	\$4,000,000	\$3,000,000	\$3,000,000	\$3,000,000
<b>Total Revenue</b>	<b>\$2,854,100</b>	<b>\$4,290,900</b>	<b>\$3,000,000</b>	<b>\$3,000,000</b>	<b>\$3,000,000</b>

Rental Revenue will no longer be collected in FY2022/23 as Cabinet Decision No. 1140 on 13<sup>th</sup> December 2021 approved to surrender back the properties at Vava'u ('Utukalongalu and Fatafatamafana) to the Royal Estate Owner, and this is currently being processed during FY2021/22.

#### Expenditure

To deliver the MPE Outputs to the standards set out for each division/sub-program the overall budget and staff, summarized in Table 7 are required

**Table 7: Ministry Budget by Recurrent, Development and item (cash & in-kind – millions)**

	2020/2021 Actual	2021/2022 REVISED	2022/2023 BUDGET	2023/2024 Projection	2024/25 Projection
Established Staff (10xx)	\$739,213	\$1,139,300	\$1,057,000	\$1,225,507	\$1,225,507
Un established Staff (11xx)	\$22,464	\$30,500	\$30,500	\$30,500	\$30,500
Travel and Communication (12xx)	\$45,884	\$73,500	\$57,800	\$57,800	\$57,800
Maintenance and Operations (13xx)	\$103,612	\$52,800	\$59,700	\$57,900	\$57,900
Purchase of Goods and Services (14xx)	\$284,448	\$283,900	\$384,200	\$284,500	\$284,500
**Assets (20xx)	\$20,538	\$10,900	\$14,900	\$14,900	\$14,900
<b>Total MPE Operation Recurrent</b>	<b>\$1,216,159</b>	<b>\$1,590,900</b>	<b>\$1,604,100</b>	<b>\$1,671,107</b>	<b>\$1,671,107</b>
<b>Government General Fund Recurrent</b>					
Established Staff (10xx)	0	0	0	0	0
Maintenance and Operations (13xx)	0	0	0	0	0
Purchase of Goods and Services (14xx)	0	0	0	0	0
Grants and Transfers (15xx)	0	0	0	0	0
Development Duties Expenditure (16xx)	0	0	0	0	0
Debt Management (17xx)	0	0	0	0	0
Contingency Fund (18xx)	0	0	0	0	0
Pension and Gratuity (19xx)	0	0	0	0	0
Assets (20xx)	0	0	0	0	0
Equity Payment (21xx)	0	0	0	0	0
Private Sector Development (22xx)	0	0	0	0	0
<b>Total Government General Fund</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Expenditure Recurrent</b>	<b>\$1,216,159</b>	<b>\$1,590,900</b>	<b>\$1,604,100</b>	<b>\$1,671,107</b>	<b>\$1,671,107</b>

#### Notes:

1. Established and Unestablished staff' is all expenditures under CATs 10 and 11.
2. Ministry Operational Costs' is, for all Programs, all expenditures under CATs 12, 13, 14.
3. Assets' is expenditures under CAT 20.

**Table 8: Ministry Total Staff by Key Category**

Category	2020/2021 Actual	2021/2022 REVISED	2022/2023 BUDGET	2023/2024 Projection	2024/25 Projection
<b>Established Staff</b>					
Executive Officer (Band A to H)	8	8	8	8	8
Professional Staff (Band I to L)	16	16	16	18	18
Other Staff (Band M to S)	16	16	16	16	16
<b>Total Established Staff</b>	<b>40</b>	<b>40</b>	<b>41</b>	<b>42</b>	<b>42</b>
Unestablished Staff	2	2	2	2	2
<b>Total Staff</b>	<b>42</b>	<b>42</b>	<b>42</b>	<b>44</b>	<b>44</b>
<b>Total Recurrent Cost (\$)</b>	<b>\$761,677</b>	<b>\$1,169,800</b>	<b>\$1,057,000</b>	<b>\$1,256,007</b>	<b>\$1,256,007</b>

### 3.1. Program 10.1: Leadership and Policy

*MPE has minor and major changes as per section 2.4 above.*

**Table 9: Total Staff by Key Category Sub-Program 10.1.1 & 10.1.2 Office of the Minister & Office of the CEO**

Description	2020/2021 Actual	2021/2022 REVISED	2022/2023 BUDGET	2023/2024 Projection	2024/25 Projection
<b>Total = Recurrent (\$)</b>	108,746	230,000	233,300	230,000	230,000
Executive Officer (Band A to H)	2	2	2	2	2
Professional Staff (Band I to L)					
Other Staff (Band M to S)	1	1	1	1	1
<b>Total Established</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
Unestablished	0	0	0	0	0



Table 10: Sub-Program 10.1.1 &amp; 10.1.2, Office of the Minister &amp; Office of the CEO Output, Activity and KPIs

Activity:	KPIs	2020/21 (Baseline)	2022/23	2023/24	2024/25	Budget	SDG TARGETS #	INDICATORS #
<b>Office of the Minister and Office of the CEO – Program 1 Sub-Program 1 &amp; 2</b>								
<b>CP Output 1: Better Leadership and Strategic Guidance for MPE.</b>								
1. Establish clear and effective communication arrangements	% of actions completed from Meetings with Minister, HODs, and All Staff	70%	70%	70%	70%			
	Staff awareness and engagement at 90% by 2025	80%	83%	86%	90%			
2. Fair, honest, transparent and decisive decisions and processes	% of Cabinet Decisions acted upon that's completed	91%	95%	100%	100%			
	staff/stakeholder satisfaction at 90% by 2025	80%	83%	86%	90%			
	CEO performance at 90% by 2025	n/a	83%	86%	90%			
3. Proper delegation and empowerment of staff	All staff PMS maintain minimum score of 3 + 30% Avg. Overall improvement by 2025	All staff PMS score ≥ 3 + 6% improvement	All staff PMS score ≥ 3 + 10% improvement	All staff PMS score ≥ 3 + 10% improvement	All staff PMS score ≥ 3 + 10% improvement			
	Staff absentee rate at 5% (sick leave, no contact etc)	5%	5%	5%				
<b>CP Output 2: Better Evidence Based Advice and Guidance to stakeholders.</b>								
4. Timely and Accurate Information submitted to relevant stakeholders	% of Policy Paper to Cabinet approved	100%	100%	100%	100%			
	Number of approved PEs reports	11	12	12	12			
	Approve Budget documents by Legislative Assembly (LA)	1	1	1	1			
	Approved MPE's Annual Report	1	1	1	1			
5. Provide advice and guidance to relevant stakeholders regarding MPEs information and policy decisions	No. of PEs CEO Forums conducted	1	4	4	4			
	% of issues raised at PEs CEO Forums addressed	80%	80%	80%	80%			
	No. of PEs AGM Meetings conducted.	11 PEs	12 PEs	12 PEs	12 PEs			
	% of issues raised at PEs AGM addressed	80%	80%	80%	80%			
	All Directors Performance Evaluation conducted	n/a	100%	100%	100%			
	All Directors Exit Interviews conducted (when term ends)	n/a	100%	100%	100%			

Table 11: Total Staff by Key Category Sub-Program 10.1.3 -Corporate Services.

Description	2020/2021 Actual	2021/2022 REVISED	2022/2023 BUDGET	2023/2024 Projection	2024/25 Projection
<b>Total = Recurrent (\$)</b>	290,033	366,300	345,800	430,856	430,856
Executive Officer (Band A to H)	1	1	1	1	1
Professional Staff (Band I to L)	6	6	5	7	7
Other Staff (Band M to S)	13	13	13	13	13
<b>Total Established</b>	<b>20</b>	<b>20</b>	<b>19</b>	<b>21</b>	<b>21</b>
Unestablished	2	2	2	2	2

A qualified senior staff was planned to be recruited under CSD to head the new Disaster Risk Management Unit that was being proposed to be established, in order to deliver the new outputs delegated to the division in relation to Essential Services Cluster. However, this initiative was not approved but the activities will have to be carried out. The HOD for CSD who is the focal point for the Essential Services Cluster will have to reprioritize and reorganize the division to accomplish this task without adversely impacting the divisions targets and performances.

One of the post (Accountant) under this division was vacated by one of our staff who transferred to another MDA after successful interview, and this vacant post was redesignated as a Financial Analyst post under Monitoring and Compliance Division.

\*\*One staff is currently on study leave under scholarship of the China Government. The scholarship commenced 27 August 2018 and is expected to complete her course of study by August 2022. The DCEO for this division is still currently stranded in the US due to border restrictions, while the Ministry continues its effort to facilitate his repatriation back to Tonga as soon as possible.

Table 12: Sub-Program 10.1.3, Corporate Services Output, Activity and KPIs

Activity	KPIs	2020/21 (baseline)	2022/23	2023/24	2024/25	Budget	SDG TARGET #	INDICATORS #
<b>Corporate Services Division – Program 1 Sub-Program 3</b>								
<b>CP Output 3: Better Corporate Governance of MPE</b>								
1. Improve administration management systems	1x CP & budget approved by CEO	1	1	1	1			
	1x Annual Report approved by CEO	1	1	1	1			
	4x Quarter Reports approved by CEO	4	4	4	4			
	1x Internal Policy Reviewed	1	1	1	1			
	Digitization of MPE Files at 75% by 2025	~20%	40%	60%	75%			
	Customer Satisfaction with MPE ≥ 85%	≥ 85%	≥ 85%	≥ 85%	≥ 85%			
	Customer Awareness of MPE ≥ 85%	100%	100%	100%	100%			
	Vehicle reactive maintenance kept at 20% of vehicle maintenance	n/a	20%	20%	10%			
	% of deliveries on time with minimal complaints	100%	100%	100%	100%			

	Reduce work environment issues by 50% by 2025	n/a	↓20%	↓20%	↓10%			
	% of cleaning activities completed with minimal complaints	100%	100%	100%	100%			
	1x Internal Admin Policy Reviewed	1	1	1	1			
2. Improve human resources management systems	PMS Traffic Lights > 100%	95%	100%	≥100%	≥100%			
	% of reviewed JDs with changes approved	100%	100%	100%	100%			
	100% vacancies approved by CEO to advertise and 80% vacancies filled	100% approved 42% filled	100% approved 60% filled	100% approved 70% filled	100% approved 80% filled			
	1x Annual Staff Leave Plan and 4x Quarterly Staff Leave reports approved	1 4	1 4	1 4	1 4			
	1x Annual Staff Training Plan and 4x Quarterly Training Reports approved	1 4	1 4	1 4	1 4			
	1x Internal HR Policy Reviewed	1	1	1	1			
3. Improve financial management systems	Budget Utilization at 90%	84%	86%	88%	90%			
	% accuracy of forecasts	91%	93%	95%	95%			
	Procurement Performance at 90% by 2025	83%	85%	88%	90%			
	30% Reduction in budget transfers by 2025	15	13	11	10			
	Revenue Target 100% collected	238%	100%	100%	100%			
	Assets & Inventory Register 100% Updated	100%	100%	100%	100%			
	1x Internal Finance Policy Reviewed	1	1	1	1			
4. Improve ICT management systems	1x Information/Database/Tracking System Developed	1	1	1	1			
	% of ICT Infrastructure Systems maintained and updated	100%	100%	100%	100%			
	1x Internal ICT Policy Reviewed	1	1	1	1			
	% of ICT Hardware for Disposal is Disposed	nil	50%	65%	80%			
5. Better operation at Outer Island Office	100% restore operation at Ha'apai to normal	100%						
	100% Plans & Reports submitted on time	4x Plans 4x Reports	4x Plans 4x Reports	4x Plans 4x Reports	4x Plans 4x Reports			
	4x visited outer island offices	4	4	4	4			
<b>CP Output 4: Better Leadership and Strategic Guidance for Essential Services Cluster</b>								
1. Establish and strengthen coordination & communication mechanisms	Coordination mechanisms formalized	70%	80%	100%	100%		13.1	13.1.2
	1x Compiled Disaster Preparedness Plan compiled	1	1	1	1			

2. Proper coordination of planning, monitoring and reporting of cluster members	Performance assessment = 60% - 70%	60%	70%	80%	80%			
	100% analysis reports produced	100%	100%	100%	100%			
3. Capacity building for cluster members	At least 2 training conducted	≥2	≥2	≥2	≥2			
4. Attend NEMO Regular meetings to provide update on essential service activities as cluster lead	% of actions raised at NEMC meetings addressed	80%	80%	80%	80%			
5. Identify and mobilize resources for services provided by the Cluster or other Key Partners	resources mobilized ≥ 80%	≥ 80%	≥ 80%	≥ 80%	≥ 80%			

### 3.2. Program 10.2: Monitoring & Compliance

There is a new Financial Analyst post added to this Division which was redesignated from Accountant post under Corporate Services which was vacated by one of our staff who transferred to another MDA after getting the post that he applied for.

**Table 13: Total Staff by Key Category Sub-Program 10.2.**

Description	2020/2021 Actual	2021/2022 REVISED	2022/2023 BUDGET	2023/2024 Projection	2024/2025 Projection
<b>Total = Recurrent (\$)</b>	166,450	187,400	244,251	244,251	244,251
Executive Officer (Band A to H)	2	2	2	2	2
Professional Staff (Band I to L)	4	4	5	5	5
Other Staff (Band M to S)	1	1	1	1	1
<b>Total Established</b>	<b>7</b>	<b>7</b>	<b>8</b>	<b>8</b>	<b>8</b>
Unestablished					

*Two staff went on study leave under New Zealand Scholarship, and both completed their respective studies in November and December 2021. They are both currently stranded in NZ due to travel restrictions attributed to covid19 and are just awaiting the next repatriation flight to Tonga.*

**Table 14: Program 10.2, Monitoring & Compliance Output, Activity and KPIs**

Activity	KPIS	2020/21 (Baseline)	2022/23	2023/24	2024/25	Budget	SDG TARGET #	INDICATORS #
COMPLIANCE AND REPORTING DIVISION – Program 2								
CP Output 5: Improvement in Compliance and Governance of PEs							8.1 8.2 6.3 6a 7.1 7.2 7.3 7a 7b 9.1 9a 9c 12.4 12.5 17.6	8.1.1 8.2.1 6.3.1, 6.3.2 6.a.1 7.1.1, 7.1.2 7.2.1 7.3.1 7.a.1 7.b.1 9.1.2 9.a.1 9.c.1 12.4.2 12.5.1 17.6.2
1. Enforce compliance with reporting requirements of the PE Act & Expectation Letter.	Avg. PEs PE Act Compliance at 95% by 2025	88%	90%	93%	95%			
	Avg. PEs Expectation Letter Compliance at 90% by 2025	79%	82%%	86%	90%			
	No. PEs with 80% PE Act Compliance	10/12	11/12	12/12	12/12			
	No. PEs with 80% Expectation Letter Compliance	7/12	9/12	11/12	12/12			
2. Enforce Good Governance of PEs	% Compliance with Directors Selection Process	0%	100%	100%	100%			
	% Assist in reviewing Directors Position Description	0%	50%	50%	50%			
	% Directors Performance	n/a	80%	80%	80%			
CP Output 6: Improvement in PEs Performance.								



1. More timely, accurate and reliable financial reports and analysis reports	Avg. PEs Financial Performance Score at 80% by 2025	62%	70%	75%	80%		<b>17.8</b>	<b>17.8.1</b>
	Avg. PEs Customer Service Score at 90% by 2025	77%	80%	85%	90%			
	No. PEs with 80% Customer Service Score	5/12	7/12	10/12	12/12			
	% Completeness of analysis reports (on time, minimal errors & approved)	n/a	90%	90%	90%			
2. More timely, realistic and reliable PE Plans that are aligned with Government priorities and plans.	% Government Priority & SDG Indicators in PEs Plans and Reports	65% (11/17 indicators)	80% (14/17)	95% (16/17)	100% (17/17)			
	No. of PEs with BP targets that are 80% realistic and reliable	2/12	6/12	8/12	10/12			
3. Enhance Monitoring and Tracking of PEs performances	100% review and improve PEs performance monitoring and tracking systems	100%	100%	100%	100%			
	PEs Award night conducted with 80% PEs attending	Nil	80%	80%	80%			

### 3.3. Program 10.3: Rationalization and Special Project.

Additional training services will be provided to help staff better implement and manage reform programs, as well as better coordinate PPP/Projects of PEs and the Ministry.

Table 15: Total Staff by Key Category Sub-Program 10.3.

Description	2020/2021 Actual	2021/2022 REVISED	2022/2023 BUDGET	2023/2024 Projection	2024/25 Projection
<b>Total = Recurrent (\$)</b>	191,394	269,500	250,000	272,900	272,900
Executive Officer (Band A to H)	2	2	2	2	2
Professional Staff (Band I to L)	5	5	5	5	5
Other Staff (Band M to S)	1	1	1	1	1
<b>Total Established</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>
Unestablished	0	0	0	0	0

Table 16: Program 10.3, Rationalization and Special Project Division Output, Activity and KPIs

Activity	KPIs	2020/21 (Baseline)	2022/23	2023/24	2024/25	Budget	SDG TARGET #	INDICATORS #
<b>RATIONALIZATION AND SPECIAL PROJECTS DIVISION – Program 3</b>								
<b>CP Output 7: Effective and Efficient Rationalization of PE's.</b>								
1. Review and implement clear and effective policy, processes, tools and strategies for rationalization of PEs.	100% of Rationalization Policy, Processes & Guidelines reviewed annually	100%	100%	100%	100%		8.1	8.1.1
	At least 80% of Rationalization Tools Revised and approved annually	≥ 80%	≥ 80%	≥ 80%	≥ 80%		8.2	8.2.1
	At least 2x capacity building conducted annually	≥ 2	≥ 2	≥ 2	≥ 2		6.3	6.3.1, 6.3.2
	At least 80% of PEs rationalization implemented.	≥ 80%	≥ 80%	≥ 80%	≥ 80%		6a	6.a.1
2. Develop/review and implement Rationalization tracking and evaluation systems.	At least 2x capacity building conducted annually	≥ 2	≥ 2	≥ 2	≥ 2		7.1	7.1.1, 7.1.2
	At least 80% of PEs rationalization implemented.	≥ 80%	≥ 80%	≥ 80%	≥ 80%		7.2	7.2.1
	1x evaluation tool for identifying PEs in need of rationalization developed/reviewed and approved annually	1	1	1	1		7.3	7.3.1
	1x rationalization tracking system reviewed annually	1	1	1	1		7a	7.a.1
	100% of reform programs assessed (when completed)	100%	100%	100%	100%		7b	7.b.1
3. Establish New PEs	100% implement tracking and evaluation systems	100%	100%	100%	100%		9.1	9.1.2
	Complete due diligence for establishment of new PEs	Nil	2	1	0		9a	9.a.1
	No. of New PEs established (if any)	Nil	2	1	0		9c	9.c.1
<b>CP Output 8: Improved Management of PPP &amp; Projects</b>								
1. Establish clear and effective policy & strategy	1x policy and strategy for PPP and Projects established	1	1	1	1		12.4	12.4.2
							12.5	12.5.1
							17.6	17.6.2
							17.8	17.8.1

for operation of PPP and management of Projects.	1x policy and strategy for PPP and Projects implemented	1	1	1	1			
	At least 2x capacity building conducted annually	≥ 2	≥ 2	≥ 2	≥ 2			
2. Proper PPP/Project Planning and Analysis.	At least 1 PPP approved	1	1	1	1			
3. Review and Improve PPP/Project tracking & evaluation systems.	1x PPP/Project tracking system reviewed annually	1	1	1	1			
	1x PPP/Project evaluation system developed/reviewed	1	1	1	1			
	All PPP/Projects evaluated	100%	100%	100%	100%			

### 3.4. Program 10.4: Legal & Policy

The capacity of the division has been increased to help better administer all PEs. The Head of Division post is still currently vacant. The Ministry is working to fill in this vacant position within FY2021/22, in order to conduct policy formulation and to create the independent review lead team, to assist the division in providing the appropriate advice and strategic direction and management.

Table 17: Total Staff by Key Category Sub-Program 10.4.

Description	2020/2021 Actual	2021/2022 REVISED	2022/2023 BUDGET	2023/2024 Projection	2024/2025 Projection
<b>Total = Recurrent (\$)</b>	4,669	77,400	71,000	77,400	77,400
Executive Officer (Band A to H)	1	1	1	1	1
Professional Staff (Band I to L)	1	1	1	1	1
Other Staff (Band M to S)	0	0	0	0	0
<b>Total Established</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>
Unestablished					

Table 18: Sub-Program 10.4, Legal & Policy Output, Activity and KPIs

Activity	KPIS	2020/21 (Baseline)	2022/23	2023/24	2024/2025	Budget	SDG TARGET #	INDICATORS #
<b>LEGAL AND POLICY DIVISION – Program 4</b>								
<b>CP Output 9: Quality Legal and Policy Advice &amp; Practices</b>								
1. Review and update Legislation, Policies & Contracts	1x PE Act Amendment 2022 passed by LA	1	1	1	1			
	1x PE Act Regulations passed by LA	1	1	1	1			
	1x PE Benefit Standardization Policy approved	1	1	1	1			
2. Provide professional and accurate legal & policy advices and practices	≥ 80% satisfaction with legal & policy advice and practices provided	≥ 80%	≥ 80%	≥ 80%	≥ 80%			
	90% of advice acted upon	90%	95%	100%	100%			
3. Better represent government in court and properly manage court cases	Practice License approved and released	1	1	1	1			
	100% represent MPE/Government in court cases	100%	100%	100%	100%			
	Win ≥ 60% court cases	≥ 60%	≥ 60%	≥ 60%	≥ 60%			

4. More Adequately empowered PEs/Directors and properly trained legal staff	100% Induction & off-the-shelf trainings conducted	100%	100%	100%	100%			
	In-house due diligence completed	100%	100%	100%	100%			

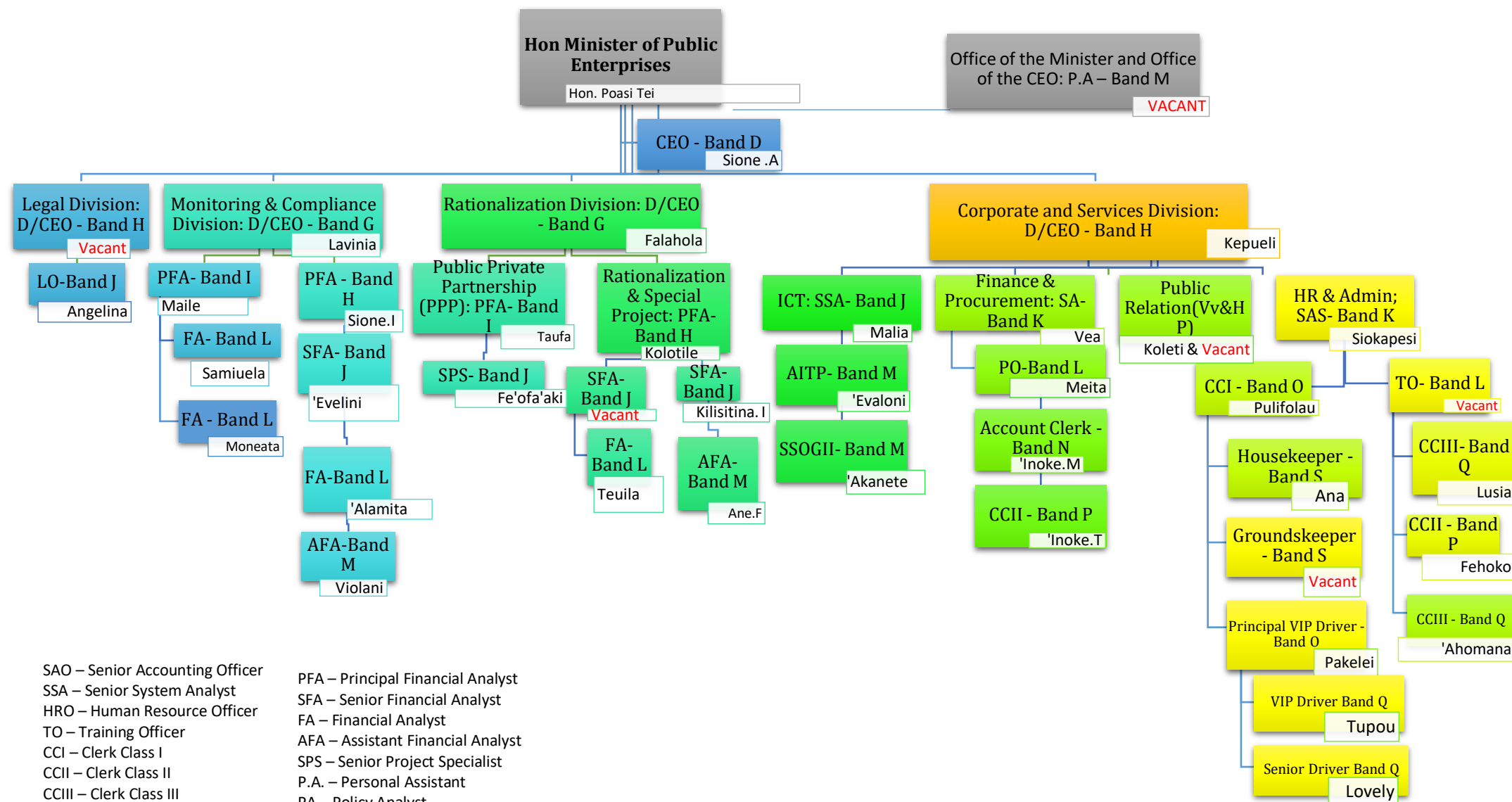
## APPENDIX

### Annex 1: Documents Contributing to MPE Mandate

#### Key Legislation, policy decision and plans

The mandate is established by the following key legislation, policy decision and plans:

- The Constitution of Tonga
- Government Act
- Tonga Strategic Development Framework II
- Public Enterprises Act
- Public Finance Management Act
- Public Audit Act
- Public Service Act
- Retirement Fund Board Act
- Pensions Act
- National Reserve Bank of Tonga Act
- Tonga Trust Fund Act
- Emergency Fund Act
- Remuneration Act
- Merged Retirement Fund Act
- Bretton Woods Act
- Procurement Regulations
- Public Revenue Regulations
- Internal Audit Charter
- International Agreements
- Government Priority Agenda
- Public Financial Management Reform Roadmap
- Companies Act
- TCC Act
- TBC Act
- TWB Act



## Annex 3: MPE EXPANDED ORGANIZATIONAL STRUCTURE

