

Implementation matters – even more so now

We produced a masterclass on implementation in 2022¹ following concerns about the implementation of some big initiatives and the establishment of the Implementation Unit² within the Department of the Prime Minister and Cabinet.

Implementation has always been an important element of policy analysis and design. It's getting even greater focus with this new government. The Prime Minister's statement³ on the first 100-day plan is evidence of that:

"We will be a government that gets things done for New Zealand and we will start straight away,..."

New Ministers seem intent on delivering on their promises. They are, therefore, pushing their agencies and advisors to get things done and provide advice on how to do them quickly.

So, this Masterclass updates that earlier advice.

Implementation is putting policy into practice

Great policies and ideas are all very well, but how they work on the ground – their 'effectiveness' – is what counts.

By implementation, we don't mean the ongoing delivery and operation of the policy, programme or service – although that's important. But the work involved in getting it from 'idea' or policy decision to be up and running as well.

Thinking about implementation in policy development

Considering what needs to be done to implement the policy in a sustainable way is a critical element of policy advice - as prescribed by many of the relevant guidance. In particular:

- The **Policy Quality Framework (PQF)**⁴ explicitly requires that policy advice consider implementation issues. Under the banner of 'Action', the standards expect that and also as part of the Analysis of options.
- The newly updated **Policy Skills Framework**⁵ has more to say on the sorts of understanding of implementation and the delivery of public services that policy analysts need.
- **The Treasury Better Business Case material**⁶ (particularly related to the 'management case') also has considerable detail on implementation. This material focuses on large capital projects.

¹ Masterclass No. 45 Implementation matters <https://www.nzier.org.nz/hubfs/Masterclasses/Central%20Government/Brief%2045%20Implementation%20matters.pdf>

² <https://www.dPMC.govt.nz/our-business-units/implementation-unit>

³ <https://www.national.org.nz/100-dayplan>

⁴ <https://www.dPMC.govt.nz/sites/default/files/2021-12/policy-quality-framework-full.pdf>

⁵ <https://www.dPMC.govt.nz/sites/default/files/2023-07/policy-skills-framework-2023.pdf> page 26 for the detail.

⁶ <https://www.treasury.govt.nz/information-and-services/state-sector-leadership/investment-management/better-business-cases>

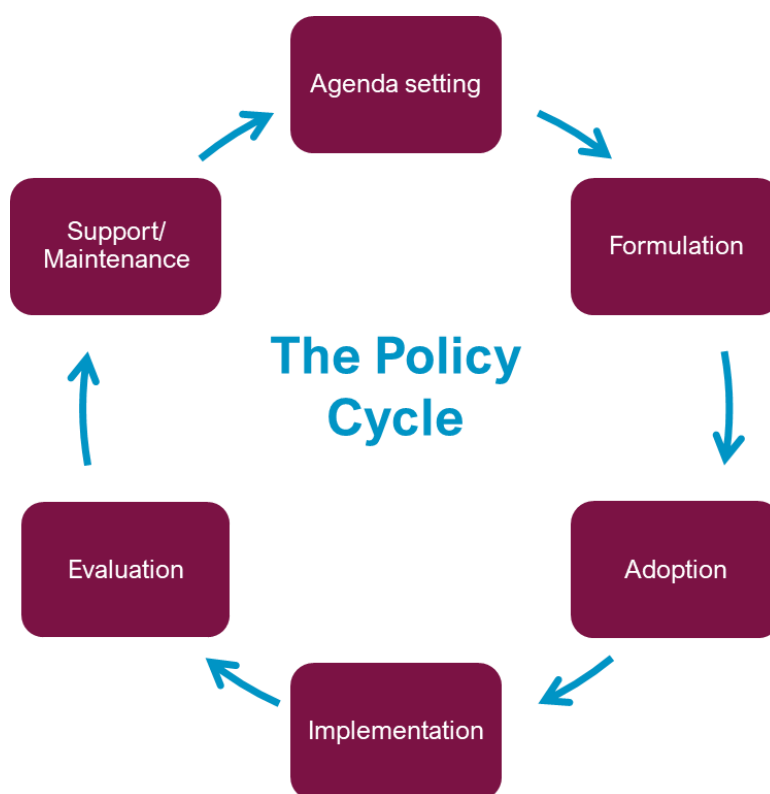
- The government’s **regulatory impact assessment** guidance⁷ requires even more. Before a regulatory change is proposed, it is expected that agencies provide advice on: “identifying and addressing practical design, resourcing and timing issues required for effective implementation and operation, in conjunction with the regulator(s) who will be expected to deliver and administer the changes.”
- The **Cabinet Manual** sets out what is required for implementation in papers to Cabinet.⁸ It goes further than the brief section in the PQF, looking toward a project plan with stages and a timetable.

The recent review of the PQF⁹ indicated that this area of the standards required further development. So, watch this space.

It is fundamental to the policy analysis and advice process

The traditional policy cycle always included consideration of implementation and its effectiveness.¹⁰

Figure 1 The policy cycle



Source: NZIER

⁷ <https://www.treasury.govt.nz/sites/default/files/2015-09/good-reg-practice.pdf> page 4.

⁸ <https://dpmc.govt.nz/publications/cabinet-policy-paper-template>

⁹ See page 11 - <https://www.dpmc.govt.nz/sites/default/files/2023->

¹⁰ [11/policy-quality-framework-independent-panel-review-of-papers-oct23.pdf](https://blogs.egu.eu/geolog/2016/09/14/geopolicy-science-and-the-policy-cycle/)

<https://blogs.egu.eu/geolog/2016/09/14/geopolicy-science-and-the-policy-cycle/>

We think great policy advice requires even more. As the PQF indicates, considering the timing, cost, resources and potential pitfalls in implementation should be essential in assessing policy options and providing advice. Ease of implementation and/or likelihood of successful implementation should be one of the criteria for evaluating options.

In a similar vein, outlining the next steps in implementing policy (an implementation plan) is a key element of advice. It shows Ministers that the advice has been thought through to the practical stage, where the rubber hits the road.

Involve those responsible for implementation in policy design

Governments have been back and forth on these issues. In the 1980s/90s, there was a move to separate policy advice from implementation/delivery – as the practicalities of implementation (including a desire to maintain the status quo) were seen as barriers to quality policy advice.

This was because options were seen to be narrowed, by those wedded to current delivery. ‘Capture’ by interest groups was a concern.

Subsequent experience has confirmed that pure policy advice units can fall into the ‘ivory tower’ trap by not including practical issues in the advice.

So, the fact remains that delivery agencies have considerable expertise in implementing policy, and their input to the policy process remains invaluable in ensuring realism.

We see this play out in sector-led policy – where a sector leader might have primary responsibility for strategic policy, with second opinion advice provided by other agencies who deliver the policy, e.g. in the Justice sector.

Delivery partners need to be involved

Delivering a new policy or a programme may involve entities beyond the government (we cover users below). For example:

- Local government have a significant role in implementing and delivering government policy, e.g. resource management, fresh water, dog control, local road safety, building standards.
- Service providers might be individuals or firms delivering services under contract or licence to the government. Examples include, in the health sector these may be laboratories, ambulance services, GPs, etc. In the transport sector, construction contractors, and a wide range of technical experts which assess safety standards.

Experts delivering these services should be involved in policy design and implementation planning, as the success or otherwise of the policy depends on them!

Involving users in service and policy design

Several agencies have worked with users and stakeholders to design new policies and programmes. Obviously, it has many advantages. It can help grow a favourable climate for the proposal, avoiding practical pitfalls and building credibility for the agency.

The traditional way was through:

- Formal consultation processes, e.g. consultation documents and associated stakeholder engagement processes. These were traditionally substantial written documents – although more interactive online tools have been tried. As such, they don’t appeal to everyone.
- Working parties/taskforces, e.g. involving both officials and stakeholders. The trick is to find ways their limited membership – which makes them tractable – is not a drawback to the wider audience. Publishing agendas and papers in advance, plus minutes and conclusions after sessions, can be helpful.

- Market research techniques, e.g. testing, focus groups, surveys.

Over the past five years, there has been more emphasis on codesign in central and local government in New Zealand. It can be used not only to develop policies and services, but also in implementation. There are plenty of resources on using codesign processes¹¹.

Things to think about in implementation

We've developed a checklist of things that need to be considered when considering implementing a new policy or programme or modifying an existing one. This is attached as Appendix A.

Of course, this checklist will need to be modified to fit your sector and any specific factors of interest.

We wouldn't expect all of this to be developed in detail early in the policy process – rather, some initial thinking is done, experts are involved, and the key risks and issues are identified. Planning needs to unfold over time, with more detail determined later.

A report-back or series of report-backs would demonstrate this commitment to implementation in policy advice or Cabinet papers.

But there are things to watch out for

There are always things to watch out for in providing advice about implementation:

- Avoiding optimism bias – Treasury has advice on this in the Better Business Case material¹² – being positive with a 'can do' attitude is appreciated, but negatives need to be thought through. A realistic position is needed.

- Balance any preferences for continuity – as mentioned above, traditionally, there has been a concern about bureaucratic inertia, e.g. giving what seemed to be very high estimates for the cost and timing of change while understating the benefits of change.
- Risk and uncertainty – there are always known unknowns and unknown unknowns – use a risk lens. We have a Masterclass on Risk,¹³ which can suggest areas to consider.
- Game theory can be useful – understanding the motives and incentives of other parties and how this might play out in their behaviour.
- Knowing who the winners and losers may be – and managing or mitigating the adverse effects.
- There are likely to be different implementation options – don't limit your options analysis to the policy choice; there are different ways to implement a policy. These need careful consideration against apt criteria, too.
- Mistakes happen – even with the best planning in the world, mistakes happen. The important bit is catching them early to rectify them. Well-designed implementation projects include (otherwise uncommitted) time and resources to react if the project goes off the rails or just needs a substantial reappraisal along the way.

Scenario planning, e.g. 'black swan scenarios',¹⁴ or focusing on things that could go wrong, is a good way of identifying risks and how they are best overcome.

¹¹ For example see <https://www.hqsc.govt.nz/consumer-hub/engaging-consumers-and-whanau/implementing-the-code/co-designing-with-consumers-whanau-and-communities/>; <https://www.aucklandco-lab.nz/>; <https://data.govt.nz/toolkit/data-governance/maori/>

¹² <https://www.treasury.govt.nz/information-and-services/state-sector-leadership/investment-management/better-business-cases-bbc>

¹³ Masterclass No. 5 Risk https://www.nzier.org.nz/hubfs/Masterclasses/Central%20Government/brief_no_5_masterclass_risk.pdf

¹⁴ For a simple introduction and references https://en.wikipedia.org/wiki/Black_swan_theory

A system of ongoing monitoring is critical

So, how do you know this new policy is working? Another key part of the policy cycle is monitoring and evaluation. This shows whether it's achieving the desired results and what to adjust in the policy or its implementation to improve results.

A monitoring and evaluation strategy is a key requirement of the PQF and a critical element in implementation design. Don't overlook it.

There is material on evaluation on the Policy Project website¹⁵ – it's from the former SuPERU and provides a useful introduction.

In conclusion

Implementation matters – after all, a good policy with bad implementation is a bad policy.

This paper was written by NZIER, February 2024. For further information, please contact anyone from our policy advice team:

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¹⁵ <https://www.dPMC.govt.nz/publications/making-sense-evaluation-handbook-everyone>

Appendix A Successful implementation checklist

Table 1 Factors to consider

Factor	Questions	Check
Internal organisational factors		
Leadership/governance	How is the change going to be led and governed? Are those responsible for leading the change committed to it? Do you have the right mix of people and agencies involved?	
Staff capacity and capability	Do you have the number of people and the range of skills required? Is further recruitment or training needed? Is a reorganisation required?	
Employment relations implications	Will this change existing staff's working conditions (such as hours or location)? Will there be staff reductions? When to talk to unions?	
ICT ¹⁶	Will new systems be required, or modifications to existing systems be required? What is the plan for doing this? Do you have expert resources needed? How much will it cost, and how long will it take? What are the risks associated with change? Are other approvals needed? E.g. a separate business case? Or capital funding?	
Operational policy requirements	Are more detailed policy and operational guidelines, business process design or redesign, monitoring, compliance and assurance functions needed?	
Procurement	In the context of procurement plans and strategies, are their firms able to provide the goods/ services required?	
Overall work programme implications ¹⁷	What else does the agency/sector have on its plate? Is it going to be able to deliver on this as well? Is it consistent with other priorities? (or does it work against other delivery priorities?).	
Asset planning and management	Are there implications for existing facilities, equipment, etc.? Are there facilities or equipment that might become redundant? What will be done with these?	
Implications		
Legal implications ¹⁸	Is any legislative or regulatory change needed, and what is the process and timing of that change?	
Treaty of Waitangi implications	Have you checked the full range of guidance appropriate for policy assessment - like material on the Te Arawhiti website? ¹⁹	
Environmental impacts	What are the impacts? How will they be managed? What legal compliance is needed?	

¹⁶ This is an area that deserves a separate manual. Some new policies and programmes involve detailed changes to existing complex (and often ageing) systems. Others require something completely new. The risks, including cost blowouts, timing failures and lack of functionality, are high, and there seems to be no sure way of avoiding them.

¹⁷ Management and leadership bandwidth are important. The work required to deal with COVID-19 has certainly shown this up – as some agencies had to defer other priorities.

¹⁸ In our experience, this is something policy advisors often encounter and know well. However, it often gets more focus than other implementation matters and can inappropriately drive the rest of the implementation process.

¹⁹ <https://www.tearawhiti.govt.nz/tools-and-resources/contemporary-treaty-of-waitangi-issues/>

Factor	Questions	Check
Implications		
International considerations	Have you checked compliance against, for example, trade agreements, UN conventions, bi- and multi-lateral treaties?	
Implications for service users	Have you tested for the acceptability of the policy, its impacts on different population groups and the long-term outcomes for users? What stakeholder engagement/consultation is required/needed?	
Key elements of an implementation plan		
Communications strategy	Is there a plan and an approach for informing all those who need to know about the new policy and its requirements?	
Hearts and minds	Has enough been done to ensure those involved and the end users are on board?	
Monitoring and evaluation strategies	How will you know the programme/policy is effective and working as planned? Have you put in place arrangements to collect baseline data and ongoing operational and outcomes data need to be built in?	
Transitional arrangements	These are often some of the most complicated and technical factors to consider, e.g. will existing programmes be grandparented or phased out? How will the old programme continue while the new one is being put in place? Will this entail additional costs? Has it been allowed for in the budget?	
Overarching considerations		
Cost	Are you comfortable with the treatment of both capital and operating expenses and the cost impacts on other parties involved in delivery (e.g. local authorities, community agencies or firms), service users, etc?	
Timing ²⁰	How long will it take to implement? How has the timetable been tested to ensure it's credible? E.g. with users, delivery partners, other agencies, etc.? What are the risks associated with the timetable? Where are the pressure points?	

²⁰ "Prediction is very difficult, especially if it's about the future!" said Niels Bohr, Nobel Prize laureate. And it is always a stretch to accurately map out the likely timetable for a complex piece of implementation, and it's usually better to organise a positive surprise if possible.