

Date of meeting:	28 & 29 November 2017
Attendees:	Ms Kaye Schofield (Chair), Mr Tony McGee (for Dr Robert Christie), Ms Alison Gray, Ms Caz Tebbutt, Hon Charmaine Scotty, Mr David Cox, Mr Kaushik Kumar, Mr Tuiloma Neroni Slade, Ms Patricia Neden, Dr Siale Akauola
Guests:	Ms Denise O'Brien (CEO – APTC), Ms Mary Campbell (Interim CEO – TAFE Queensland), Mr Gordon Burns (Counsellor – Regional Development Cooperation – DFAT), Ms Tina Seniloli (Program Manager, Skills Development and Labour Mobility – DFAT), Ms Carol-Anne Blecich (Executive Director Strategy, Monitoring & Evaluation – APTC), Mr Marty Rollings (Manager Planning, Performance & Reporting – APTC)
Apologies:	Dr Robert Christie
Absentees:	Nil
Minute taker:	Ms Annie Sue

Tuesday, 28 November 2017

The meeting commenced at 9.00am.

1. Welcome

The Chair welcomed everyone to their second Board meeting, especially Mary Campbell, the Interim CEO of TAFE Queensland (TQ).

2. Apologies & Confirmation of Agenda & Conflict of Interest

Apologies

The Board noted Dr Robert Christie's apology and his delegate being Mr Tony McGee.

Confirmation of Agenda

The Chair led the Board through the agenda items and explained that because of the transition phase for APTC, the agenda was structured to include a mix of past, current and future challenges to allow the Board to contribute at the end of Stage 2 and prepare for Stage 3.

APTC management and the existing contractor will absent themselves from the in camera session on Stage 3.

At the end of the meeting there will be a collective effort around the formulation of recommendations emerging from discussions.

Conflict of interest

Board members had already disclosed their conflict of interest at the last Board meeting and there were no new conflicts to declare.

Referring to the Board Charter, the Chair reminded the Board of the importance of confidentiality and neutrality during the contracting period. Confirmation had been received that with the exception of the Chair, there was no impediment to individual Board members acting as referees for any of those organisations that will be tendering for Stage 3.

3. Confirmation of Minutes

The Board noted that the Minutes of the meeting held on 2 and 3 March 2017 had been confirmed by email.

4. Review and Update since last Meeting

- **Recommendations of 2-3 March 2017 APTC Board meeting**

The Board had made a range of recommendations that were presented to DFAT and they have provided a management response.

- **DFAT Management response to Board Recommendations**

Mr Tony McGee advised that it was a useful exercise for DFAT to work through the recommendations and to report back on them. He then took the Board through the DFAT Management Response on the 8 recommendations.

Discussion ensued around the functional role of the Board to highlight key and emerging development areas of importance to the Pacific region including climate/ocean change, health, education, agriculture, solar energy, veterinary science, animal husbandry, waste management, grey water management, fisheries, commercial fishing, forestry, recycling and gender mainstreaming. The Board noted that Stage 3 will allow APTC to respond more flexibly to such developments.

The opportunity for employment in Australia was discussed including the linkage with relevant training that APTC could provide to help Pacific countries. The Board noted that continuing engagement with other development donors will help in the coordination process and eliminate duplication of effort.

The Board noted DFAT's response to its previous recommendation concerning the Pacific Islands Forum Leaders' meeting in Samoa in 2017, acknowledging that Leaders' meetings necessarily focus on the highest priority regional issues, and not on programmatic issues. Nevertheless, APTC does play an important role in supporting regional integration and labour mobility, and this role will deepen and broaden in Stage 3. The Board took the view that, wherever possible, the attention of Leaders can usefully be drawn to APTC's role in the wider context of improving the quality of skills available to Pacific labour markets and supporting increased Pacific labour mobility and regional integration. It may also present an opportunity to explain the differences between APTC2 and APTC3.

Immediately following its meeting, the Board was informed that Forum Leaders will next meet in Nauru in September 2018, and that the Government of Nauru is supportive of an updated presentation to Leaders and other participants on APTC's work programmes and role in regional integration and labour mobility by way of a 'side event' during the Forum week and series of meetings.

Recommendation 1

That, especially with the indicated support of the Government of Nauru as host, DFAT consider the suggested opportunity to conduct a side event during the week of the Pacific Forum Leaders meeting in Nauru in 2018 which could highlight and support APTC's work programs and role in regional integration and labour mobility and inform Leaders and other participants of APTC's current and planned contributions.

(The meeting adjourned at 10.40am and recommenced at 11.00am.)

5. Annual Report and Plan (Carol-Anne Blecich)

The Executive Director Strategy, Monitoring and Evaluation presented on the APTC Annual Report and Plan (ARP), outlining the contractual requirements around reporting, key achievements, and the successful completion of the European Union Support to the Sugar Industry Program.

The Board noted that the full version of the Annual Report and Plan was primarily for DFAT reporting purposes. The Summary was seen as very useful for APTC partners and stakeholders. It was agreed that the risk element in the full ARP would be covered under agenda item 6 – “APTC Risk Management”.

The purpose and process of the APTC Quality Reviews was discussed. It was noted that the demand for benchmarking cannot be externally driven and the importance of having Government Ministers and senior officials recognising the importance of having some sort of benchmarking. This is possibly another subject that can be brought before the next Pacific Islands Leaders’ Forum.

Apart from a suggestion to identify the number of alumni involved in the various activities and some focus on community development benefit, the Board suggested no further changes to the main ARP. They commended the quality of the draft Summary Report document and provided the following feedback on it:

- include an indicative list of courses (or course categories) for employers who are looking for quality training
- make better use of the back page to encourage employers (and employees) to contact APTC
- distribution of the final document to include all the industry boards, employers, Government Ministers in each country, Pacific Island Leaders – the stakeholder management list to be provided to the Board to add to it
- DFAT invites each of the relevant Head of Mission to launch the Summary ARP

(At this point the impact stories were introduced and an Order Form was circulated to allow Board members to place their orders for the ARP Summary and Impact Stories for Women in Small Business, Solomon Islands, Vanuatu, Samoa, PNG, EU and Fiji.)

The Board then viewed the new APTC website, the EU and the 10-year anniversary videos.

(The meeting adjourned at 12.20pm and reconvened 1.30pm.)

6. APTC Risk Management

• APTC Risk Management (Marty Rollings)

The Manager Planning, Performance and Reporting (Mr Marty Rollings) introduced this item and outlined the 7-step risk identification, treatment and management model used by APTC (and based on the TQ model).

The Board noted the strategic risks listed in the ARP and was mindful of the transition/business continuity risk which had to be managed dually by APTC 2 and DFAT. Discussion and clarification centred around mitigation controls, policy and work instruction when dealing with suspected fraud. The Board noted that the risks that get reported are dependent on their rating and that there are operational risks that are being actively managed but not reported in the ARP. It noted DFAT’s view that the biggest risks are natural disaster/people safety, fraud/reputational risks and business continuity. Weather events and health issues affecting campus are continuous high risks that are managed but cannot be controlled. Although the Board now had a better line of sight on risk and had no concerns on the risk model and the processes put in place by DFAT and APTC to manage risk, the headline risks were not clearly identified. It was suggested that a less detailed format be adopted for Board reporting purposes, focused on risk priorities.

In Stage 3 there will be a range of risks that will be more strategic in nature which will require Board level discussion and guidance. With the commencement of the Pacific Labour Scheme and the

Pacific Labour Facility and the expectation that APTC will produce graduates who meet the needs of Australian employers new risks will need to be identified and managed. Additional risks around embedding in national TVET systems (reputational, technical, political) and the home and away pathways (national labour market needs versus migration) will also need to be managed.

In terms of APTC 3 Transition risk, APTC had the following views:

- It had no control over any delay in the procurement process so that risk was assigned to DFAT to manage; mitigation controls would be for APTC to support DFAT to review the Handover Plan and to implement an agreed Key Staff Contingency Plan.
- There is a standalone risk around effective transition from Stage 2 to Stage 3. A detailed Handover Plan has been submitted to DFAT and will periodically be reviewed. Another mitigation control is an internal Change Management Plan involving staff.

The Board noted that the way risk was reported in the ARP was in accordance with DFAT requirements and suggested an additional paragraph on page 38 to describe the number of different incidences and how they were mitigated, and additional information on risks that were managed over the year could be added to the Annex.

In its subsequent in-camera session, as the Board further considered the question of risk, questions were raised around the risk listed on page 173 of the draft ARP under Item 6.4.1 - Leadership: Overall governance and leadership accountability to the APTC program.

In the matrix, DFAT is identified as the owner of the risk “Effective transition to APTC Stage 3 – Business Continuity.” The Board recognises that designated ownership of this risk is a matter to be agreed between DFAT and TAFE Queensland as the APTC managing contractor. It was however the Board’s view that the owner of this risk is more likely to be the APTC contractor by virtue of its responsibility for the development and implementation of the approved handover plan.

- **DFAT Perspective of Risk (Tina Seniloli)**

Ms Tina Seniloli introduced this item and outlined DFAT’s perspective of risk categories for APTC, these being fraud, criminal offences, personnel injuries, reputational, natural disasters. Incidents were elevated in accordance with DFAT’s “no surprise policy”. In all its years of existence, APTC has met its outcomes so non-performance has not come up as a risk. Although not specified in the Board Charter, the Board were of the view that it was part of their governance role to oversight risk.

The Board discussed at some length the question of Board communications and what information it felt it needed to undertake its role more effectively. It expressed its appreciation of the wealth of information contained in APTC’s various public reports and congratulated APTC on its new website which provides the public with rich data and information. It also expressed the view that, at a Board level, the Board needs to understand better the new developments, priority risks for DFAT and for APTC and strategic challenges that management faces in achieving APTC objectives. Such Board-level discussions require management to share with the Board, on a frank and confidential basis, Board-specific information distinct from public domain information. The Board also wishes to steadily move towards a more standardised approach to Board agendas and Board-relevant papers. Members noted that six months between meetings makes it difficult for them to keep fully abreast of new developments and maintain a line of sight to risk and opportunity. To ameliorate that, members agreed to routinely check the APTC website in an effort to keep up-to-date.

Recommendation 2

That DFAT discuss with APTC senior management the preparation of the following confidential Board-relevant papers:

- a) **APTC CEO Report to the Board.** This would be a short report in the Board papers prepared by the APTC CEO for the Board which highlights the key developments and key strategic issues facing management in implementing APTC.
- b) **Priority Risk Report to the Board.** This would be a one-page table in the Board papers, in which DFAT and APTC management each identify the top three risks they are each facing and the strategies being implemented to mitigate those risks. This priority risk report would be a high-level summary report based on the comprehensive risk management reports that both DFAT and APTC management routinely produce for their own purposes.
- c) **CEO Update.** Mid-way between the bi-annual Board meetings, the APTC CEO would email Board members informing them of key developments and new challenges, complementing the information available on the APTC website. While the CEO Update would be provided for information only, should Board members have questions or concerns, they would convey them to the Chair who would, in turn, discuss them with DFAT and/or the APTC CEO and report back to Board members.

7. Update on Pacific Labour Mobility Annual Meeting (PLMAM) 15-16 November 2017

Mr Tony McGee introduced this item and spoke on the origins of PLMAM, its objective, attendance, presentations by the Australian and New Zealand Governments, and messages from Pacific Island countries.

An objective of the Pacific Labour Facility would be to do on-going research of the social impacts related to people being away from their communities and when they return to their communities. It will also have a function to help support Pacific workers when they go back to their country of origin.

The Board noted DFAT's intention to mobilise the Pacific Labour Facility on 1 July 2018, in parallel with the commencement of APTC3, and that the design of the Pacific Labour Facility is currently underway. The Board expressed its view that the interface between the Pacific Labour Facility and APTC3 will need close attention and active management if both Australian initiatives are to achieve their respective ambitions. Interface management at the operational level will be essential, and this is already reflected in the design and tendering for APTC3 where APTC3 engagement and coordination with the Pacific Labour Facility is specified. However, interface management at the governance level should also be considered. The Board noted that governance arrangements for the Facility are still being designed, and suggested that the Facility design could make some provision for strategic engagement between the Facility's governance arrangements and the APTC Board.

Recommendation 3

That in designing the Pacific Labour Facility, DFAT consider the Facility's governance arrangements and ensure strategic interaction and communication at the governance/ Board level that would strengthen coordination and coherence between the APTC and the Pacific Labour Facility.

(The meeting adjourned for afternoon tea at 3.10pm.)

8. APTC Stage 3

APTC and TQ staff exited the meeting at 3.10pm to allow the Board and DFAT to convene in camera.

(The Board reconvened at 8.30am on Wednesday, 29 November 2017.)

9. Campus Tour

Board members were taken on a tour of the various APTC campuses.

(The meeting reconvened at 11.20am)

10. Strategies for Measuring Workplace Productivity

- Contemporary tools/approaches
- Application in a development context

Ms Alison Gray introduced this item and presented the strategies for measuring workplace productivity around the evolution of management systems; the development of Lean Six Sigma in Australia; common measuring approaches using a balanced scorecard; voice of customer; and Define/Measure/Analyse/Improve/Control methodology. The purpose of this presentation was to see how APTC could make a stronger case to employers that engaging APTC graduates bring business benefits. The challenge is to think about what needs to be measured and for what purpose, or what is currently being measured that can be done more efficiently.

- Pacific Perspectives on Workplace Productivity

Mr Kaushik Kumar introduced this item by saying that his perspective on workplace productivity in the Pacific was shared by employers in the Retail, Hospitality and Hardware industries. The general perception was that productivity was lower in the Pacific, with worker efficiency and commitment having significantly declined in Fiji over the past 6-7 years due to a number of reasons including lack of data on productivity in the various industries, shortage of skilled labour, and no credible data to address skills shortages. The cost of training unskilled workers from very low socio economic background with very little formal education added to the cost of their product making it difficult to compete internationally. For example, SE Asian countries where the garment industry is heavily supported by their respective governments at all levels of training. Middle management (often machinists who have worked their way up to become supervisors) do not have the skills to drill down to identify the cause of absenteeism and presentism and motivate staff; and investment in technology is limited by unavailability of skills to operate it.

(The meeting adjourned at 1.00pm and reconvened at 2.00pm.)

The Board continued its discussions around the question of productivity in the context that training outcomes are commonly analysed by productivity gains and efficiency. It acknowledged the efforts of APTC over many years to support improved worker (graduate) productivity and to measure productivity improvements that may plausibly be attributed to APTC training. Both Board and management recognised the technical complexities of the productivity issue, that skilled labour is just one of many factors that contribute to productivity, and that labour productivity is just one factor contributing to national productivity. The Board also discussed the distinctions between individual (graduate) productivity, firm-level productivity, sector/industry-level productivity and national productivity. In passing, the discussion touched upon other influences of productivity such as employee well-being, work practices and organisational culture. The Board concluded that one of the challenges is that, as yet, there is no shared understanding amongst stakeholders or between APTC management and the Board of how productivity should be conceptualised in the context of APTC Stage 3, and therefore measured and reported on. The Board also discussed the opportunities presented by the research component of APTC3 to prepare some short sharp case studies, targeted to employers, that would illustrate productivity improvements arising from APTC training. The Board expressed its keen interest to explore these issues further in future meetings.

Recommendation 4

- a) **That DFAT consider commissioning a short, Board-level synthesis paper on conceptualising and measuring productivity in the TVET sector which would inform the Board's advice on ways in which APTC could make an even stronger contribution to improved productivity in the Pacific during Stage 3.**
- b) **That DFAT supports the production by APTC in Stage 3 of tightly focussed case studies that can demonstrate to employers the productivity gains achieved through APTC training.**

At both its meetings to date, the Board has expressed its interest in the metrics used to track and report on APTC progress to the Board and to senior leaders in the public and private sector in the Pacific and Australia. One of the fundamental responsibilities of the APTC Board, as specified in its Charter, is to provide advice to DFAT and to APTC management on the strategic direction and performance of the APTC. The Board believes it can best contribute to tracking and reporting on APTC 3 performance by complementing existing performance management arrangements. The Board recognises the differentiation between DFAT's more likely focus on contract and contractor management (outputs and intermediate outcomes) and the complementary role the Board could play in assessing performance toward the more complex / difficult to measure system reform objectives (progress toward achievement of the vision that might be missed in the more operational-level program management environment).

The Board also discussed the APTC 3 End of Program Outcome "Co-investment in skills training increases," recognising the centrality of this new Outcome to the success of APTC 3. The Board believes it has a particular contribution to make in advising on strategies for increasing industry investment in skills development. The Board had no doubt that it will be a very challenging task to establish a credible metric for co-investment and to routinely report on APTC performance against it.

Recommendation 5

That DFAT note that the Board wishes to identify some key metrics to measure targeted system reform improvements (strategic planning/direction, systems oversight), noting that DFAT may be more focused on improvements in TVET service delivery.

11. Innovation and Business Challenges in Fiji and the Pacific (Viliame Leqa – Immediate Past President, Fiji/Australia Business Council)

The guest speaker was not able to present to the Board due to illness.

12. Next Meeting

The Board considered the location and timing of the next Board meeting. Having now met in Fiji twice, the Board would like to meet in another APTC campus country, and trial a thematic approach to its meetings. The themes of particular interest to the Board early in the transition period between Stages 2 and 3 are: linkages between bilateral skills programs and the APTC; linkages between APTC's provision for skills for the formal economy and skills needed for the informal economy; and understanding the different skills and labour market characteristics of the different economic sectors (e.g. tourism and hospitality, construction, agriculture etc). It was agreed that Vanuatu was the preferred location to explore these themes. As to timing, it was agreed that a meeting in June, after the contractor for Stage 3 has commenced, would allow the Board to contribute during the transition to APTC3.

On behalf of the Board, the Chair thanked the APTC team for the great support provided to ensure the recent Board meeting was both productive and pleasurable.

Recommendation 6

That DFAT consider the proposal that the next Board meeting be held in Vanuatu in June 2018.

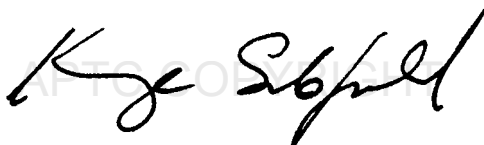
(The meeting broke for afternoon tea at 3.30pm.)

13. Review of meeting and formulation of recommendations/actions

The session was held in camera.

(The meeting concluded at 4.45pm.)

CONFIRMED:



12/01/18

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(Chair)

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(Date)

ACTIONS REGISTER

Action Number	Topic	Meeting Date	Action Item	Action Officer	Timeline	Status
1.	ARP	28/29 Nov 17	Page 34 of the main ARP to identify the number of alumni involved in the various activities and include some commentary around community development benefit	Carol-Anne Blecich	5/1/18	New
2.	ARP		In the ARP Summary to include a list of courses (or course categories) and provide contact details on the back page to encourage stakeholders to contact APTC	Carol-Anne Blecich	5/1/18	New
3.	ARP		On page 173, consider whether the owner of the risk "Effective Transition to APTC Stage 3 – Business Continuity" should be changed to "APTC"	Denise O'Brien/Marty Rollings	5/1/18	New
4.	Risk Management		Page 38 of the ARP to have an additional paragraph to describe the number of different incidences and how they were mitigated, and additional information on risks that were managed over the year added to the Annex	Marty Rollings	5/1/18	New
5.	Risk Management		For the next meeting, APTC and DFAT to each provide a half-page summary table (with traffic lights) identifying the top three non-operational risks – reporting template to be finalised by Kaye Schofield/Denise O'Brien/Tony McGee/Tina Seniloi/Alison Gray	Marty Rollings & Tina Seniloli K Schofield/D O'Brien/T McGee/T Seniloli/A Gray	June 2018 Jan 2018	New