

# **Australia-Pacific Technical College**

## **Stage II Design**

### **Annexes**

**25 November 2010**

#### **Annexes**

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# Annex A: Terms of Reference

## 1. Guiding Statement

AusAID is undertaking a design process for Stage II of the Australia Pacific Technical College (APTC), which is scheduled to operate over four years, commencing in July 2011 and finishing in June 2015.

Australia is committed to long-term support for the APTC – subject to ongoing demand for its services and its continued good performance. Stage II is conceived as a transition stage in which the benefits of APTC Stage I are to be sustained, extended and enhanced alongside making changes that will create a conducive environment for Stage III (2015 and beyond).

Over the course of the next four years, Australia would like the APTC to develop in the following ways.

- (a) Maintain a clear focus on the delivery of quality assured Australian qualifications in areas of demonstrated regional demand at Australian Certificate III and IV levels.<sup>1</sup>
- (b) Enhance the contribution of the APTC to Pacific regional integration while complementing national skills development efforts.
- (c) Become more efficient, effective and sustainable.
- (d) Expand the scope, accessibility and flexibility of its training services and assure their quality.
- (e) Support the proposed longer-term transition of the APTC from a wholly Australian owned training provider to one which is jointly owned by Australia and other interested Pacific Island countries, donors and possibly other stakeholders.

AusAID wishes to engage a design team comprising a range of specialists to assist the agency to define the steps that will be necessary to meet these objectives.

## 2. Background

The Australia-Pacific Technical College (APTC) is an innovative development program intended to facilitate regional economic growth and labour mobility through demand-driven and quality-assured technical and vocational skills development.

The Australian Government made an initial commitment to the establishment of a technical college for the Pacific in October 2005. In October 2006, the Government announced a proposal for the development of the APTC to assist skills development in the Pacific with an initial allocation of AUD\$149.5 million over four years.<sup>2</sup>

Leaders of the Pacific Islands Forum (PIF) supported the proposal and expected it to make a significant contribution to developing a skilled and competitive Pacific workforce.<sup>3</sup> The first students commenced in July 2007, with a target of 3,000 graduates with Australian vocational qualifications by June 2011.

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<sup>1</sup> Noting that there will be circumstances where Diploma level qualifications are also delivered.

<sup>2</sup> Since the original allocation, APTC funding has been rolled into AusAID's baseline funding at the current level, assuring that the APTC will continue to be funded beyond June 2011 at the same level as that for 2010-2011.

<sup>3</sup> Pacific Islands Forum, Forum Communiqué 24 - 25 October 2006.

The APTC was established to achieve three **Goals**:

- (a) **Training**: Increased supply of skilled workers in targeted sectors in the Pacific region.
- (b) **Employment**: Pacific Islander women and men with Australian qualifications realise improved employment opportunities nationally, regionally and internationally in targeted sectors.
- (c) **Productivity**: Increased productivity of individuals and organisations in targeted industries and sectors.

The **Purpose** of the APTC is to:

- (a) provide Pacific Islander women and men with Australian qualifications that present opportunities to be able to find employment in targeted sectors nationally and internationally; and
- (b) support skills development in the Pacific in response to labour market requirements.

AusAID contracted three organisations to implement the APTC over four years (2007-2011).

- (a) Two Australian Registered Training Organisations (RTOs) provide APTC training and assessment services and award Australian qualifications. These RTOs established and currently manage the five Schools of the APTC within the policies and frameworks established by the APTC and within boundaries established by AusAID.
  - Box Hill Institute of TAFE (BHIT) manages the School of Tourism and Hospitality (STH) and the School of Health and Community Services (SHCS).
  - Sunshine Coast Institute of TAFE (SCIT) manages the Schools of Automotive, Construction & Electrical and Manufacturing (SACEM).
- (b) A Managing Contractor (Sinclair Knight Merz - SKM) manages the APTC Coordination Office (CO) in Nadi. The mandate of the CO is to assist the APTC General Manager and the Schools achieve the APTC goals and purpose by providing college-wide coordination and services, monitoring and evaluating APTC performance, management of the APTC Scholarships scheme and a unified College identity and marketing of services.

An APTC Advisory Group, chaired by AusAID, has been established, with membership drawn from eight Pacific island Countries (PICs) and Australia, and from both industry and government organisations. Its principal responsibility is to provide advice to AusAID on a range of industry and TVET issues in the Pacific region including the overall strategic direction of the APTC, APTC policy directions and on future demand for TVET in the region.

APTC follows a flexible, results-oriented approach to the direct delivery of primarily Australian Certificate III and IV training to clients - defined as employers (private and public) and individual students. APTC training is open to all 14 Pacific Island Forum (PIF) developing countries, and is currently delivered in workplaces and institutions in four campus countries – PNG, Fiji, Vanuatu and Samoa. All APTC training facilities have been established in partnership with either local firms or local training institutions.

Students enter the APTC as fee-paying, employer sponsored or scholarship students. A AUD\$10m Scholarships Program was established within APTC to facilitate participation by students from non-campus countries, particularly small island states. As at December 2009, 1,468 students (60% of enrolments) have received a scholarship to study at the APTC. Twenty three percent of these scholarship students are from non-campus countries. Of the APTC's student intake to date, 15% is from non-campus countries.

### **3. APTC Progress – Assessments to Date**

#### **3.1 Mid-term Review**

A mid-term review (MTR) of the APTC was conducted in the first half of 2009. It concluded that in a relatively short space of time, the APTC had found a unique and respected niche at the middle to top end of the regional vocational skills supply chain by providing quality-assured Australian training that meets the productivity demands of employers and bridges the gap between national and international standards. It found that the APTC was performing well against its goals and key results areas, and was yielding both anticipated and unanticipated benefits for individuals, firms and for national training institutions. It recommended the continuation of the APTC beyond June 2011 and that Pacific regionalism was, and should remain a touchstone for the APTC in the future.

It made a range of recommendations grouped into four broad change strategies.

- (a) Make operational improvements to achieve greater efficiency and effectiveness.
- (b) Enhance the contribution of the APTC to Pacific regional integration.
- (c) Expand the scope and reach of APTC training and assure its quality and sustainability.
- (d) Commit to engaging in a broad-based discussion with Pacific stakeholders over the next 2-3 years about the long-term structure and governance of the APTC.

#### **3.2 Pacific Heads of Education**

The annual Pacific Heads of Education meeting (Nadi, 4 November 2009) discussed the progress and future of the APTC. AusAID, NZAID and the Pacific Islands Forum Secretariat participated in this discussion. Consensus was that the APTC is filling a critical gap in service provision, as it provides a significantly higher quality of training than previously available in the region. In addition, the APTC is having a positive demonstration effect on national training institutions. The disparity of resources available to the APTC in comparison to national institutions was noted as a concern. Without exception, the Pacific Heads of Education strongly urged Australia to continue the APTC.

#### **3.3 APTC Advisory Group**

The APTC Advisory Group discussed the future directions of the APTC at their fourth meeting in Nadi on 27 - 28 August 2009. The Group noted the major benefits of the APTC as the quality of training delivered and the confidence members have in the capacity and professionalism of the current RTOs. The Advisory Group strongly supported the MTR's recommendation that the APTC continue beyond 30 June 2011.

### **4. Context**

#### **4.1 Pacific Labour Markets and Skills Development**

The Pacific Island Countries (PICs) differ in their access to natural resources, geography, population and level of economic development but their labour markets share several characteristics.

- (a) There is a mismatch between training supply and the demand for skilled labour. Although there are relatively skilled and qualified workers across the Pacific, the majority of PICs have a shortage of adequately skilled people and an oversupply of unskilled workers. Expatriate workers (including Australians and New Zealanders) fill many skilled positions. These skills shortages and mismatches affect all sectors of the economy and constrain labour productivity, economic growth and the employment of nationals in available skilled jobs.

- (b) Most PICs are labour surplus countries, with few immediate prospects for providing cash work within the domestic economy for all those who seek it. Private sector growth will not create enough jobs for the large number of school leavers entering the labour market each year and with few marketable skills, many young people are under-employed in informal or subsistence work or openly unemployed.
- (c) Emigration is on the rise. Prompted by the lack of economic opportunities and insecurity in many PICs, more people are emigrating to countries such as Australia, New Zealand, and United States to find work. While their remittances comprise a high proportion of GDP in many countries of the Pacific and have generally positive impacts, continuing out-migration contributes to widespread skills shortages and discourages some employers from investing in training.

Many PICs increasingly see improved skills training, accredited nationally or internationally, as one solution to such labour market issues. An increasing number of national education plans are including TVET as a priority sub-sector, in recognition of the importance of employability outcomes for school leavers and private sector productivity for economic growth. However, progress on this front has been slow. Few PICs have clear strategies, long-term plans or resources available to establish effective skills development systems. Quality-assured national skill standards or externally recognised qualifications are rare. Available training is supply-driven and often of low or variable quality. Access to skills development is uneven and favours males in urban areas. With a few exceptions, employer inputs to the direction, content, quality or financing of the skills development system are minimal.

## 4.2 Regional Policies and Priorities

In October 2005, the Pacific Island Forum Leaders endorsed the *Pacific Plan* with the goal of enhancing and stimulating economic growth, sustainable development, good governance and security for Pacific countries through regionalism. It encompasses increased regional service provision as well as market integration. It emphasises the need to strengthen and expand national and, where appropriate, regional vocational educational and training programs and strengthening their links with the labour market. To promote regional integration, the Pacific Plan calls Forum members to: *[integrate] trade in services, including temporary movement of labour, into the Pacific Island Countries Trade Agreement (PICTA)*.

At their meeting in August 2009, Forum Leaders launched negotiations for a new regional trade and economic agreement, known as *PACER Plus*. Australia is motivated to support PACER Plus because it believes it will help the Forum Island Countries promote their own sustainable economic development. The negotiation of a new regional trade and economic agreement offers opportunities to create jobs, enhance private sector growth, raise standards of living and boost long-term economic growth in Forum Island Countries. On the framework for the PACER Plus negotiations, Forum Trade Ministers agreed in October 2009 that during the preliminary stage of negotiations, within the next 12 months, members would focus on deepening understanding of common priority issues including, inter alia, Regional Labour Mobility beyond Mode 4,<sup>4</sup> and discuss other priority issues including Education. Australian Ministers have stated clearly that PACER Plus will include skills development for Pacific Islanders, equipping them for technical work both within the region and globally.

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<sup>4</sup> Under the General Agreement on Trade in Services (GATS) framework, Mode 4 refers to the movement of persons across borders for the purpose of supplying services. It is typically oriented to mobility of professionals and inter-company transfers. In many cases PIC professionals with recognised qualifications are already able to gain access to the Australian, New Zealand and other job markets. The type of agreement that may be of most interest to the majority of PICs is one that covers those without formal qualifications (so-called 'unskilled workers'), or various categories of so-called 'semi-skilled' workers.

*... there is great potential to develop a region wide labour mobility and skills development program for the Pacific, particularly when you think about the large infrastructure projects within the region that are about to come on stream-the PNG LNG project, for example; the Australian Solomons Goldmine, as another example; and the defence initiated infrastructure build-up in Guam.<sup>5</sup>*

As regional integration gathers momentum in coming years, the temporary and permanent movement of skilled workers between PICs and from the PICs to Australia, New Zealand, USA and elsewhere will increase. This will particularly affect the skills base of labour exporting countries ('brain drain'). Labour importing countries such as Australia and New Zealand will need to share the costs of training the skilled labour it imports from the Pacific by helping those countries continuously replenish their own skills pool for both national and international labour markets.

The *Pacific Education Development Framework* (PEDF), endorsed by the Forum Education Ministers in 2009, guides the further development of Pacific education. The PEDF is aligned with, and grounded in, the principles of the Pacific Plan and reflects the Pacific concept of regionalism where countries work together for their joint and individual benefit.<sup>6</sup> It addresses two broad agendas: (i) the Education for All (EFA) or basic education agenda, and (ii) the training/ employment/economic agenda. The TVET outcome sought is that *...the supply of skills supplied by Pacific TVET systems responds to meet the needs of the informal sector and the changing labour market demands in the formal sector.*

### 4.3 AusAID's Policy Framework

The Australian Government recognises the power of education as an investment that helps individuals achieve their potential and societies to be stronger and more productive. The poor quality of local education and higher education institutions can undermine gains in building local capacity, income generation, social stability and national development. The Government aims to make further growth in education assistance the centrepiece of Australia's Official Development Assistance strategy.

Within the Pacific region, AusAID provides development assistance to both formal and non-formal TVET including support for the TVET architecture (policy, planning and organisational development), for local capacity development and for training delivery.

At the national level, the *Pacific Partnerships for Development* includes support for economic growth, basic education and for skills development. Almost all such Partnerships identify basic education and technical and vocational education as initial partnership priorities and many have implementation strategies that relate specifically to strengthening TVET (Kiribati, Tonga, Vanuatu and Samoa). The PNG Program is planning to develop an implementation strategy for TVET and AusAID is providing some support to Tuvalu's TVET system.

At the regional level, Australia's assistance to education focuses mainly on supporting the development of a Pacific Qualifications Register by the South Pacific Board of Educational Assessment and supporting direct training delivery through the APTC.

AusAID's draft *Pacific Education and Training Agenda* recognises that there are links between the quality and equity of basic education and the impact of higher education and

<sup>5</sup> The Hon. Simon Crean, MP, Ministerial Statement, 'Commencement of PACER Plus Negotiations', 18 August 2009.

<sup>6</sup> Pacific Islands Forum (2009) *Pacific Education Development Framework (PEDF) 2009-2015*.

training. It also recognises the potential of the APTC to lead the region in respect to higher level technical and vocational training, while Australia's bilateral programs strengthen viable local institutions to meet local labour demand and to provide suitable pathways into higher training via the APTC or other national or regional providers. The APTC contributes to achieving the performance target of the draft Framework aimed at increasing the employability of Pacific Islanders and to strengthening post-secondary professional, technical and vocational education and training across the region.

## 5. Scope of Services

Over the course of the next four years, Australia would like the APTC to develop in the following ways, subject to available resources and demand. The design should incorporate strategies for achieving the following objectives in Stage II.

- (a) Maintain a clear focus on the delivery of quality assured Australian qualifications in areas of demonstrated regional demand at Australian Certificate III and IV levels.<sup>7</sup>
- (b) Enhance the contribution of the APTC to Pacific regional integration by:
  - (i) strengthening its linkages with AusAID bilateral programs and AusAID regional education and training strategies;
  - (ii) continuing to partner with the private sector as well as with public training institutions and strengthen both types of training partnerships; and
  - (iii) identifying new opportunities for the APTC to contribute to labour mobility and regional trade strategies as they evolve.
- (c) Become more efficient, effective and sustainable by:
  - (i) expanding and diversifying the APTC's revenue base through increasing:
    - o fee for service activities in ways which do not displace the APTC's core development and equity objectives;
    - o the number of fee-paying students in ways consistent with equity principles; and
    - o the number of employer-sponsored students at APTC;
  - (ii) achieving a range of operational efficiencies, including reduction over time in the unit costs of training delivery;
  - (iii) achieving greater coherence in APTC management arrangements and organisational systems, including the APTC Scholarship management system; and
  - (iv) annual public reporting of results against a robust set of business indicators.
- (d) Expand the scope, accessibility and flexibility of APTC training and assure its quality by:
  - (i) establishing a demand-based training profile which is affordable and equitable;
  - (ii) ensuring equity and access in APTC delivery by:
    - o increasing access to the APTC from non-campus countries, possibly through the introduction of targeted bridging programs;
    - o achieving gender equity in student enrolments and APTC graduates; and
    - o increasing the opportunities for people with a disability to access APTC;
  - (iii) implementing more flexible learning strategies where appropriate and feasible;

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<sup>7</sup> Noting that there will be some circumstances where Diploma level qualifications are also delivered such as the currently offered Diploma in Children's Services and the Diploma of Community Welfare Work and the proposed Diploma of Training and Assessment.



- (iv) if feasible, establishing an APTC campus in the Solomon Islands;
  - (v) if feasible, expanding APTC training delivery in PNG commensurate with its size, geography and projected economic growth;
  - (vi) expanding the School of Health and Community Services;
  - (vii) increasing the contribution of the APTC to the development of the TVET workforce in the Pacific by establishing an APTC School of Professional Development, thus complementing the strategies of AusAID and other donors to improve national capacity to deliver entry-level TVET (Certificate I and II levels) which articulates with APTC and other regional programs; and
  - (viii) assuring the APTC's quality through internal quality improvements and external training audit.
- (e) Support the proposed longer-term transition of the APTC from a wholly Australian owned service provider to one which is jointly owned by Australia, other interested Pacific Island countries, donors and possibly other stakeholders by:
- (i) establishing business-oriented organisational governance and management arrangements for APTC Stage II;
  - (ii) creating opportunities for other donors to engage with and/or contribute to the development of the APTC; and
  - (iii) creating opportunities for regional private sector firms with a commitment to quality training to engage with and/or contribute to the development of the APTC.

## 6. Design Mission Objective

AusAID is mobilising a design mission to develop a high quality, cost-effective design for Stage II of the APTC consistent with the Concept Note at Attachment 1 that:

- (a) will achieve Australia's objectives as outlined in Sections 1 and 5 above; and
- (b) provides sufficient flexibility in implementation for APTC to respond to AusAID decisions arising from a separate investigation into options for the future structure of the APTC beyond 2015, which will be undertaken concurrently with the start up of Stage II of the APTC.<sup>8</sup>

## 7. Design Methodology

### 7.1 Preparation phase

Because of the significance of this design to AusAID's Pacific aid program, the preparation phase will be comprehensive and quality assured, involving the following.

- (a) *Documentation review.* Team members will become familiar with the key reference documents identified in Attachment 2. Initial intra-team discussions will be conducted as necessary via phone/teleconference.
- (b) *AusAID briefing sessions.* All team members will participate in a 2-day face-to-face briefing in Canberra to be conducted by AusAID managers; Program Manager, APTC, AusAID Suva; AusAID Pacific education advisers and Current APTC contractors (SKM, Box Hill Institute, Sunshine Coast Institute).

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<sup>8</sup> The conditions under which the APTC could or should make a transition from an Australian development program to a regional training institution will be a major strategic issue in the coming years but is not one to be investigated in the Stage II design.

## *Outputs of preparation phase*

**Output 1:** A brief Inception Note of no more than eight pages (including a comprehensive mission work plan) that reflects the team's understanding of AusAID's expectation and of the policy and planning context for the design as well as the data collection and stakeholder consultations required.

## **7.2 Fieldwork and Data Collection Phase**

The team will consult widely to gather the data and information needed to inform the design. The team will not operate as a whole group during this phase, but different members will work either individually or in sub-teams.

- (a) *Fieldwork in Fiji.* The Team Leader and the Design Specialist will travel to Fiji to consult with AusAID Suva (which manages the APTC program), the APTC Coordination Office, regional organisations (such as PIFS, SPBEA and the Pacific Islands Private Sector Organisation - PIPSO), and regional offices of other donors and multilaterals with an interest in skills development and labour mobility (including ADB, ILO and NZAID).
- (b) *Fieldwork in PNG.* The Team Leader, the TVET Specialist and the Education Economist will travel to PNG to identify how Stage II design could better serve the skill needs of PNG, and to test whether the MTR's recommendation to expand provision in PNG is desirable and feasible. If so, then an initial scoping and costing of the proposed expansion will be undertaken by these members. Key stakeholders to be consulted include the Government of PNG, AusAID Post, firm and industry representatives, training providers (public and private), the PNG member of the APTC Advisory Group, APTC staff and other donors and multilaterals with an interest in skills development and labour mobility.
- (c) *Fieldwork in Solomon Islands.* The Team Leader, the TVET Specialist and the Education Economist will then travel to Solomon Islands to undertake an initial study of the feasibility of establishing a new campus in the Solomon Islands in partnership with the Solomon Islands College of Higher Education (SICHE), as recommended by the MTR. If it proves feasible, then the scope and cost of a proposed new campus will be established. Key stakeholders to be consulted include representatives of the Government of Solomon Islands, AusAID Post, major employers, SICHE and other donors and multilaterals with an interest in skills development and labour mobility.
- (d) *Consultations with key regional informants (by phone) from home base.* Individually or severally, the team will consult with regional members of the APTC Advisory Group and other regional organisations as needed to obtain their inputs to the Stage II design.
- (e) *Consultations with key national informants (by phone or in person) from home base.* Individually or severally, the team will consult with Australian members of the APTC Advisory Group and other informants as needed to obtain their inputs to the Stage II design.
- (f) *Data collection and analysis.* Individual members of the team, especially the Scholarship and Design Costing Specialist, the TVET Finance Specialist and the Education Economist will collect and analyse the technical data needed to deliver their specialist inputs to the design. The TVET Finance Specialist and the Education Economist will need to undertake a joint visit the Sunshine Coast Institute and SKM in Brisbane and Box Hill Institute in Melbourne to discuss cost and other data requirements and, in the case of the Education Economist, available data on benefits. The Scholarship and Design Costing Specialist will need to liaise closely with the APTC Coordination Office in Suva.

### *Outputs for fieldwork phase*

**Output 2:** A brief note on key issues arising from the consultations to date and the fieldwork that will serve as a debriefing to AusAID following completion of the fieldwork.

## **7.3 Report writing, review and finalisation phase**

- (a) *Team retreat to consolidate individual and team findings and prepare Design Outline.* This two-day retreat, to be held in Canberra, will provide an opportunity for all members of the team to come together to pool their insights, structure their findings, agree the strategic directions for the design and prepare an outline of the Design Document.
- (b) *AusAID-design team workshop:* The team will present its findings, proposed directions and a draft Design Outline to AusAID. Through discussion, the Design Outline will be amended if/as needed and agreed between the Design Team and AusAID.
- (c) *Preparation of Draft Design Document.* The design document will be prepared by the team in accordance with AusAID's requirements as outlined in Attachment 3. All members of the team will contribute written inputs in accordance with their individual Terms of Reference.
- (d) *Initial review of draft Design Document by Program Manager (APTC).* If required, the team will amend the draft Design Document in light of feedback from Program Manager (APTC).
- (e) *Independent Appraisal and Peer Review of Draft Design Document.* AusAID will ensure rigorous independent and internal appraisal of the Design Document to ensure its quality. The Team Leader and TVET Specialist will participate in the Peer Review meeting.
- (d) *Final draft of Design Document.* Following receipt by the team of formal Peer Review feedback from AusAID, the team will finalise the document under the guidance of the Team Leader.

### *Written Outputs for the report writing, review and finalisation phase*

**Output 3:** Design Outline. This will be a brief (5-6 pages) document. While the format of the Design Outline is a matter for the team to determine, the document should provide AusAID with an overview of the broad directions of the proposed design.

**Output 4:** Draft Design Document. This document will be in accordance with the requirements of these Terms of Reference; the Concept Note provided at Attachment 1 and will conform to AusAID's design requirements at Attachment 3.

**Output 5:** Final Draft Design Document. The Design Document will be finalised in accordance with AusAID's direction following the Design Peer Review.

## **8. Composition and Responsibilities of the Design Team**

The design of APTC Stage II will be undertaken by a team of five consultants as follows.

- Team Leader
- TVET Specialist
- Design and Scholarships Specialist
- Education Economist
- TVET Finance Specialist

AusAID's Contracts Manager in Suva will act as the Contracting Specialist for this design and will provide specialist inputs on contracting issues as identified by the Team Leader.

Under the overall direction of the Team Leader, all members are expected to work collaboratively as a team to produce a coherent, high quality and cost-effective design. Each member of the team has individual responsibilities with working days (which includes travel days) allocated accordingly and these are specified below.

<b>Team Leader</b>	
<b>Tasks</b>	<ul style="list-style-type: none"> <li>a) Participate in all elements of the mission as per Tables 1 and 2.</li> <li>b) Provide professional and substantive leadership for the team and ensure a collegial working mode for it.</li> <li>c) Ensure all the required outputs meet AusAID's quality requirements and are in accordance with the Concept Note (Attachment 1) and the mission's Terms of Reference.</li> <li>d) Take lead responsibility for identifying within the design how the APTC Stage II can better harness the support, including financial contribution, of other donors.</li> <li>e) Take lead responsibility for identifying ways that the APTC Stage II can complement AusAID's bilateral TVET programs more systematically.</li> <li>f) Take lead responsibility for identifying how APTC could support regional trade strategies as they evolve through PACER Plus discussions.</li> <li>g) With the assistance of the TVET Specialist and other team members, design business-oriented governance and management arrangements for APTC Stage II consistent with the Guiding Statement in these Terms of Reference.</li> <li>h) Liaise with AusAID to ensure that Pacific Posts, Pacific Governments, industry, national TVET providers, the current APTC contractors, other donors and other parties as required are consulted as part of the design process.</li> <li>i) Allocate work responsibilities among the team consistent with their Terms of Reference and expertise.</li> <li>j) Lead stakeholder consultations during the fieldwork and the team's presentation of the draft design document at the Peer Review.</li> <li>k) Coordinate the preparation of and submit the Inception Note (Output 1) and Note on Key Issues (Output 2) to AusAID.</li> <li>l) Assist with and oversee the preparation and finalisation of the Design Outline (Output 3), and the draft version of the Design Document on behalf of the team (Output 4) and submit them to AusAID.</li> </ul>
<b>Time frame</b>	The Team Leader will undertake these tasks and deliver these outputs in up to 41 working days.
<b>Essential Requirements</b>	Extensive development experience in the region, including as team leader. Comprehensive knowledge of AusAID design requirements, quality standards and agency policies, including cross-cutting policies. Experience in managing the design of large and complex development programs. Strong interpersonal and communication skills, including writing skills. Teamwork skills.
<b>TVET Specialist</b>	
<b>Tasks</b>	<ul style="list-style-type: none"> <li>(a) Participate in designated elements of the mission as per Tables 1 and 2.</li> <li>(b) Provide strategic and technical guidance to the team in relation to good practice TVET systems including organisational governance and</li> </ul>

	<p>management, policies, planning, training delivery, quality assurance and performance management.</p> <p>(c) Scope an APTC School of Professional Development that operates in partnership with local training organisations (public and private) to strengthen the capacity of the TVET workforce across the Pacific and identify achievable and measurable professional development targets in Stage II.</p> <p>(d) Scope an indicative training profile for APTC Stage II together with achievable graduate targets over four years. This will include:</p> <ul style="list-style-type: none"> <li>(i) specifying the process by which the APTC's annual training profile should be reviewed and adjusted as necessary in response to changing demand;</li> <li>(ii) articulating how the APTC should engage with industry in Stage II to ensure it remains flexible and responsive to firm and industry demand;</li> <li>(iii) introducing a bridging program that will increase access by technically qualified applicants from small island states who do not meet the English Language, Literacy and Numeracy course entry requirements; and</li> <li>(iv) identifying where flexible delivery modes that respond to the needs of clients (both employers and students) could be used more widely by APTC.</li> </ul> <p>The training profile proposed for Stage II will take into account any recent changes to immigration requirements in key destination countries that could affect the opportunities for migration within the region and internationally for APTC students.</p> <p>(e) Identify ways in which APTC partnerships with local training organisations (private and public) can be strengthened and extended in Stage II.</p> <p>(f) In relation to expanding and diversifying the APTC revenue base in Stage II:</p> <ul style="list-style-type: none"> <li>(i) take lead responsibility for determining the key principles by which fee for service activities should be provided in Stage II, and the broad scope of such activities.</li> <li>(ii) assisting the team, particularly the Scholarship and Design Costing Specialist to approximate revenue that could be generated from fee paying and employer-sponsored students and from fee for service activities and identifying suitable revenue targets.</li> </ul> <p>(g) Assist the Team Leader to design business-oriented governance and management arrangements for APTC Stage II consistent with the Guiding Statement in these Terms of Reference.</p> <p>(h) Review the APTC's Performance Assessment Framework (PAF) and advise the Design Specialist on changes necessary to ensure the PAF provides a strong evidence base for measuring and reporting on the performance of the APTC in Stage II and assuring its quality.</p> <p>(i) Make other contributions to the Mission's Outputs as requested by the Team Leader.</p>
<b>Time frame</b>	The TVET Specialist will undertake these tasks and deliver these outputs in

	up to 36 working days.
<b>Essential Requirements</b>	Contemporary strategic and operational knowledge of the Australian TVET system and TVET systems elsewhere. Understanding of the governance, management, service delivery and financial systems of quality assured training providers. Experience in working in partnership with industry on skills development issues. Comprehensive understanding of the links between the labour market and skills development. Development experience, preferably within the Pacific. Good interpersonal and communication skills, including writing skills. Teamwork skills.
<b>Design and Scholarships Specialist Specialist</b>	
<b>Tasks</b>	<p>a) Participate in designated elements of the mission as per Tables 1 and 2.</p> <p><b>Design Tasks</b></p> <p>b) Under the direction of the Team Leader and with the advice and written inputs from other team members, draft the Design Outline (Output 3) and the draft Design Document (Output 4) and finalise the final Design Document (Output 5) in accordance with AusAID's design and quality requirements and in a form suitable for tendering and submit it to AusAID.</p> <p>c) Provide design advice to the team that ensures that the design for APTC Stage II builds on international good practice in design.</p> <p>d) Take lead responsibility for the drafting of the risk analysis and risk matrix in the Design Document</p> <p>e) Work with the TVET specialist to review the APTC's Performance Assessment Framework (PAF) and then take lead responsibility for making the changes necessary to ensure the PAF provides a strong evidence base for measuring and reporting on the performance of the APTC in Stage II.</p> <p>f) Liaise with the AusAID Contracting Specialist on the preparation of the Scope of Services and Basis of Payment for inclusion as Annexes in the Design Document.</p> <p>g) Prepare the Implementation Schedule arising from the design process that should include at least a 3-month handover period between Stage I and Stage II contractors.</p> <p>h) Make other contributions to the Mission's Outputs as requested by the Team Leader</p> <p><b>Design Costing</b></p> <p>i) Take lead responsibility for estimating the total and annual costs for APTC Stage II (broken down by categories of infrastructure, monitoring and evaluation, administration, teaching, training resources, Scholarships etc). Within this over-arching responsibility for costing the design of APTC Stage II:</p> <ul style="list-style-type: none"> <li>(i) establish a costing framework for all aspects of the design;</li> <li>(ii) work collaboratively with the Education Economist to ensure that this over-arching costing framework is applicable to the preparation of estimates of the capital and recurrent costs of: <ul style="list-style-type: none"> <li>• any proposed expansion of APTC operations in PNG; and</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>• establishing an APTC campus in the Solomon Islands.</li> </ul> <p>(iii) work collaboratively with other members of the team, particularly the TVET Specialist, to approximate revenue that may be generated from fee paying and employer sponsored students and fee for service activities and identify suitable revenue targets.</p> <p>(iv) seek sectoral advice from the TVET Finance Specialist as needed to ensure the design's budget estimates are realistic and encourage efficiency.</p> <p>j) Prepare those sections and schedules of the Design Document relating to activity costs.</p> <p>k) Advise the team on the cost implications of options being considered for Stage II.</p> <p>l) Provide costing data and information to the AusAID Contracting Specialist to support that Specialist's preparation of the Basis of Payment for inclusion in the Design Document.</p> <p>m) Make other contributions to the Mission's Outputs as requested by the Team Leader.</p> <p><b>APTC Scholarships Program</b></p> <p>n) Review all aspects of the current APTC Scholarships Program and identify ways of improving its efficiency, effectiveness, accessibility and transparency. This will require close liaison with the APTC Coordination Office.</p> <p>o) Design a cost-effective Scholarships Program for Stage II of the APTC which:</p> <ul style="list-style-type: none"> <li>(i) is consistent with the objectives of the overall design for Stage II;</li> <li>(ii) is fully costed;</li> <li>(iii) ensures access for those who do not have the opportunity to study as a fee-paying or employer sponsored student, particularly those from non-campus countries, women and marginalised groups; and</li> <li>(iv) is marketed, managed and coordinated efficiently and effectively at both national (including sub-national) and regional levels.</li> </ul>
<b>Time frame</b>	The Design and Scholarships Specialist will undertake these tasks and deliver these outputs in up to 59 working days.
<b>Essential Requirements</b>	<p>Extensive development experience in the region. Extensive experience in designing a range of large-scale development cooperation programs, including new forms of aid and innovative management models. Strong interpersonal and communication skills, including excellent writing skills. Teamwork skills.</p> <p>Comprehensive knowledge and understanding of the design and management of scholarship programs, including Australian Scholarships, preferably in the Pacific. Strong analytical capabilities and the ability to interrogate complex databases. Extensive development experience in the Pacific. Experience in costing development activity designs and preparing the necessary resource schedules. Good interpersonal and communication skills, including writing skills. Teamwork skills.</p>

<b>Education Economist</b>	
<b>Tasks</b>	<ul style="list-style-type: none"> <li>a) Participate in designated elements of the mission as per Tables 1 and 2.</li> <li>b) Review the Cost-Benefit Framework for Evaluating APTC (Annex J in the APTC MTR) and other good practice cost benefit and cost effectiveness frameworks.<sup>9</sup></li> <li>c) Ascertain the current content and results of the student Tracer Studies, Employer Surveys and any other relevant data on benefits currently gathered by APTC.</li> <li>d) Analyse the APTC budget 2007-2011 and enumerate all cost inputs.</li> <li>e) Prepare a rigorous and methodologically sound cost-benefit analysis (CBA) or cost-effectiveness analysis (CEA) of APTC Stage I (2007-2011) and prepare a CBA or CEA for APTC Stage II (2011-2015), including a stand-alone analysis of the proposed investment in a Solomon Islands campus. All key assumptions should be presented. These two studies will be included as technical annexes in the Design Document and will assist AusAID to make evidence-based judgements about return on investment and value for money in APTC.</li> <li>f) In consultation with the Team Leader and the TVET Specialist, prepare an estimate of the capital and recurrent costs of any proposed expansion of APTC operations in PNG.</li> <li>g) Assist the team to identify ways in which APTC Stage II can achieve greater value for money without reducing quality.</li> <li>h) Make other contributions to the Mission's Outputs as requested by the Team Leader.</li> </ul>
<b>Time frame</b>	The Education Economist will undertake these tasks and deliver these outputs in up to 35 working days.
<b>Essential Requirements</b>	Formal qualifications in Economics, preferably in the field of education and training and/or labour markets. Experience in undertaking cost-benefit and cost effectiveness studies in the field of education and training, preferably in a development context. Extensive knowledge and strong skills in labour market analysis. Development experience, preferably within the Pacific. Good interpersonal and communication skills, including writing skills. Teamwork skills.
<b>TVET Finance Specialist</b>	
<b>Tasks</b>	<ul style="list-style-type: none"> <li>a) Participate in designated elements of the mission as per Tables 1 and 2.</li> <li>b) Undertake a comprehensive analysis of the efficiency of the APTC by School and Country for calendar year 2009 in terms of: <ul style="list-style-type: none"> <li>(i) government recurrent expenditure per publicly funded annual hour and/or real government recurrent expenditure per hour of publicly</li> </ul> </li> </ul>

<sup>9</sup> Such as World Bank Project Appraisal Document for its TVET project in India available at [http://www-wds.worldbank.org/external/default/WDSPContentServer/WDSP/IB/2007/05/16/000020953\\_20070516114954/Rendered/PDF/39697.pdf](http://www-wds.worldbank.org/external/default/WDSPContentServer/WDSP/IB/2007/05/16/000020953_20070516114954/Rendered/PDF/39697.pdf). (p. 73); and The Allen Consulting Group (2008) 'The Complete Package, The Value of TAFE NSW' available at <https://www.tafensw.edu.au/news/the-complete-package/The-Complete-Package.pdf>.



	<p>funded load pass;<sup>10</sup></p> <p>(ii) the cost of capital per annual hour.</p> <p>This analysis should produce a credible baseline against which the efficiency of APTC Stage II can be analysed each calendar year. The analysis will conform to the Australian Vocational Education and Training Management Information Statistical Standard (AVETMISS) in its calculations of government recurrent expenditure, publicly funded hours or load pass, the cost of capital and all other calculations that may be necessary. Relevant comparative benchmark data should be included where appropriate.</p> <p>This efficiency analysis will be included as a technical Annex in the Design Document and will assist AusAID to make evidence-based judgements about the efficiency of the APTC in Stage II.</p> <p>c) Provide advice to the team on where operating efficiencies may be achieved in Stage II relative to Stage I.</p> <p>d) Provide sectoral advice on costing and efficiency issues as requested by the Scholarship and Design Costing Specialist preparing the Stage II budget.</p>
<b>Time frame</b>	The TVET Finance Specialist will undertake these tasks and deliver these outputs in up to 19 working days.
<b>Essential Requirements</b>	Formal qualifications in the field of accounting or finance. Extensive experience in financial management and analysis within the Australian TVET sector. Experience in preparing AVETMISS compliant financial and hours data and/or undertaking AVETMISS data audits. Strong analytical, interpersonal and communication skills, including writing skills. Teamwork skills.
<b>AusAID Contracting Specialist</b>	
<b>Tasks</b>	<p>a) Participate in designated elements of the mission as per Tables 1 and 2.</p> <p>b) Provide advice to the team on contracting issues and good practice options for streamlining the contracting model for the APTC.</p> <p>c) Work with the Design Specialist to draft the Scope of Services for inclusion in the Design Document.</p> <p>d) Prepare the Basis of Payment for inclusion in the Design Document in consultation with the Design Specialist and the TVET Finance Specialist.</p>
<b>Time frame</b>	As part of their AusAID duties, the Contracting Specialist will undertake these tasks as agreed with the Team Leader.

<sup>10</sup> The consultant will determine which efficiency indicator best reflects the efficiency of the APTC or whether both (or others) should be included. The Australian Department of Employment, Education and Workplace Relations reports against the indicator 'Government recurrent expenditure per publicly funded annual hour' as a measure of VET efficiency. (See DEEWR [2009] 'Annual National Report of the Australian Vocational Education and Training System 2008'). The Australian Productivity Commission reports against the indicator 'Real government recurrent expenditure per publicly funded load pass' as an indicator of VET efficiency. This is defined as the cost to government of each successfully completed VET module or unit of competency, i.e. the cost per successfully achieved output (See Productivity Commission [2010] 'Report on Government Services 2010').

<b><i>Essential Requirements</i></b>	Comprehensive knowledge of AusAID's contracting processes and requirements. Knowledge of the range of good practice contracting models that could be activated for Stage II of the APTC. Teamwork skills.
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## Attachment 1: APTC Stage II Concept Note

### 1. Introduction

1.1 This concept note outlines necessary considerations for AusAID as it moves towards designing the second stage (2011-2015) of the Australia-Pacific Technical College (APTC). The note draws on the findings and recommendations of the APTC mid-term review (conducted in early 2009), consultations with the APTC Advisory Group and a formal discussion at the Pacific Heads of Education Meeting held in Nadi in November 2009.

1.2 The APTC is a relatively young initiative that, according to the Mid-term Review, is progressing well in terms of meeting its goals and purpose. This concept note is premised on an understanding within AusAID that the strategic role of the APTC in the region should remain unchanged. It should continue to promote and provide high-level Australian qualifications across the Pacific and, by doing so, increase the employability of its graduates and strengthen the quality of the labour pool nationally, regionally and internationally. This note argues that, even with its early successes, the APTC can be improved and streamlined, and its reach and offerings expanded. The objective of any modification to the current APTC model would be to ensure that APTC becomes more responsive to demand, more effective in meeting its goals and an institution that provides world-class training at a reasonable cost.

1.3 This concept note acknowledges that in order for the APTC to be sustainable in the longer-term, it will need to graduate to a regional training institution. It is unclear at this stage in what form this should occur but is an issue that will need to be considered early in Stage II in preparation for continuation of the College beyond 2015. Due to the size of such an exercise, it is felt this investigation should occur concurrently to the start up of Stage II rather than as part of the design of the APTC 2011-2015. This will allow adequate time for all parties (AusAID, Pacific Island Governments, Pacific Islands Forum, and other donors) to make the decisions without hampering the delivery of APTC's highly demanded Australian Certificate III and IV qualifications.

1.4 It is intended that this note will form the basis of a Submission to Minister Smith that seeks approval of the direction set out below for the APTC Stage II.

### 2. Background

2.1 The APTC was established in July 2007, following the then Prime Minister's announcement at the 2006 Pacific Islands Forum, with an initial allocation of AUD\$149.5 million (2007/08 to 2010/11). At that time, the Australian Government committed to continuation of the College for as long as there was sufficient demand for its services.

2.2 The APTC provides training at Australian standards in order to:

- i. increase the supply of skilled workers in targeted sectors in the Pacific region,
- ii. help Pacific Islander women and men with Australian qualifications realise improved employment opportunities nationally, regionally and internationally in targeted sectors
- iii. increase productivity of individuals and organisations in targeted industries and sectors.<sup>11</sup>

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<sup>11</sup> Targeted sectors for Stage 1 of the APTC are automotive, manufacturing, construction, electrical, tourism, hospitality, health, and community services.

2.3 The APTC delivers Australian Certificate III and IV skill training in five industry sectors: automotive, manufacturing, construction and electrical, tourism and hospitality and health and community services (refer to Attachment A). Flexibility exists for the APTC to add or remove courses, campuses and training partners in response to changing regional skills demands. A key feature of the College, and a major contributor to its success to date, is its partnerships with private sector groups, industry and local institutions to complement existing public and private investment in the sector.

2.4 APTC qualifications can only be issued by Australian Registered Training Organisations (RTOs). Box Hill Institute of TAFE and Sunshine Coast Institute of TAFE were appointed through a restricted tender.

2.5 Students enter the APTC as fee-paying, employer sponsored or scholarship students. It was anticipated that other donors would contribute funding to the APTC and that fee for service activities would generate income. A AUD\$10m scholarships program was developed to facilitate participation by students from non-campus countries, particularly small island states. As at December 2009, 1,468 students (60% of enrolments) have received a scholarship to study at the APTC. 23% of these scholarship students are from non-campus countries. Of the APTC's entire student intake, only 15% is from non-campus countries.

### **3. APTC Progress – Assessment to Date**

#### Mid-term Review

3.1 The mid-term review (MTR) of the APTC was very positive about the impact of the College over a relatively short period of operation and recommended that it continue to a next stage and beyond. APTC's success is largely attributed to finding a previously unfulfilled niche in the Pacific. The MTR found that the APTC is performing well against its goals and key results areas, and is yielding unanticipated benefits for individuals and national institutions. The APTC is moving from a supply driven intervention to one that is successfully responding to demand for services.

3.2 In brief, the MTR reports that the APTC has performed positively against goals one and two. Specifically, the MTR points out that the APTC is achieving its purpose and as a result:

- is increasing the supply of skilled workers in targeted sectors in the Pacific region
- will enhance the future employment and promotion prospects of its graduates
- is having a growing impact on national and regional training capacity through the highly successful Certificate IV in Training and Assessment training, enrolment of industry and institutional trainers in APTC programs and a positive demonstration effect
- has a positive reputation with its clients
- has strong partnerships with its industry training partners
- has had an effective start up due to the RTO's experience and expertise in TVET training.

3.3 The MTR noted that it is too early to measure progress against goal three and identified some areas that should be addressed to maintain and enhance the effectiveness of the APTC, including:

- APTC's profile in non-campus countries is still low.
- Some national public TVET institutions maintain that resources for the APTC should be directed to them
- Poor English language, literacy and numeracy standards remain a challenge.
- Maintaining a pipeline of students from non-campus countries

- Adding a campus in the Solomon Islands
- Expanding the courses offered in PNG and Samoa
- The role and composition of the APTC Advisory Group
- An over reliance on scholarships to fund students.

3.4 The full list of MTR recommendations is contained in the report's Executive Summary (see Attachment B).<sup>12</sup>

#### Pacific Heads of Education

3.5 The annual Pacific Heads of Education meeting (Nadi, 4 November 2009) discussed the progress and future of the APTC. AusAID, NZAID and the Pacific Islands Forum Secretariat participated in this discussion. Consensus was that the APTC is filling a critical gap in service provision, as it provides a significantly higher quality of training than previously available in the region. In addition, the APTC is having a positive demonstration effect on national training institutions. The disparity of resources available to the APTC in comparison to national institutions was noted as a concern. Without exception, the Pacific Heads of Education strongly urged Australia to continue the APTC.

#### Advisory Group

3.6 The APTC Advisory Group (AG) discussed the future directions of the APTC at their fourth meeting in Nadi on 27 and 28 August 2009. The Group noted the major benefits of the APTC as the quality of training delivered and the confidence members have in the capacity and professionalism of the current RTOs. The AG strongly supported the MTR's recommendation that the APTC continue beyond 30 June 2011.

### **4. Context**

#### Training in the Pacific

4.1 Many Pacific Island Countries (PICs) see improved skills training as one solution to their labour market issues. However, many do not have quality-assured national skill standards; available training is supply-driven and of low or variable quality; and employer inputs are rarely solicited.

4.2 Skill shortages are widespread across the PICs, resulting in loss of productivity, lower quality output, inability to grow, lower profits, problems with equipment maintenance and loss of markets. Access to TVET opportunities is often limited outside the capital and in the outer islands.

#### Regional Policies

4.3 In October 2005, the Pacific Island Forum Leaders endorsed the Pacific Plan with the goal of enhancing and stimulating economic growth, sustainable development, good governance and security for Pacific countries through regionalism. It encompasses increased regional service provision as well as market integration.

4.4 To promote regional integration, the Pacific Plan calls Forum members to  
*[integrate] trade in services, including temporary movement of labour, into the Pacific Island Countries Trade Agreement (PICTA)*

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<sup>12</sup> Copies of the full report are available on AidWorks under the attachments for Initiative INH016 – Australia Pacific Technical College.

4.5 The Pacific Agreement on Closer Economic Relations (PACER Plus) regional trade negotiations will create a regional trade area between Australia, New Zealand and the PICs. Australian Ministers have stated clearly that PACER Plus will include skills development for PICs, equipping them for technical work in the region and globally.

4.6 The Pacific Education Development Framework (PEDF), endorsed by the Forum Education Ministers, guides the further development of Pacific education. The PEDF addresses two broad agendas: (i) the Education for All (EFA) or basic education agenda, and (ii) the training/ employment/economic agenda. The PEDF is aligned with, and grounded in, the principles of the Pacific Plan and reflects the Pacific concept of regionalism where countries work together for their joint and individual benefit.<sup>13</sup>

4.7 An increasing number of national education plans are including TVET as a priority sub-sector, in recognition of the importance of employment outcomes for school leavers and private sector productivity for economic growth.

4.8 The APTC can be viewed as a successful experiment in its approach to the regional provision of services. However, while it provides specialised high-level training regionally, it is not a regional provider, and currently does not have the characteristics of a Pacific 'club' in the sense of shared governance, ownership and financing, such as the University of the South Pacific (USP).

4.9 It is unlikely that private or national public sector agencies will be able to deliver equivalent vocational training over the medium-term. Whether, and under what conditions, the APTC should make a transition from an Australian development program to a regional training institution will be a major strategic choice in the coming years. This is not an issue that should be addressed in the Stage II design. Instead, it is a major exercise that will be considered concurrently to the start up of Stage II of the APTC.

4.10 The APTC is successfully responding to regional priorities to facilitate the trade in services, movement of labour and improve the quality of national training providers.

#### AusAID's Policy Framework

4.11 AusAID is providing a range of assistance to formal and non-formal TVET and to policy and organisational development as well as capacity development for training delivery. The Pacific Partnerships for Development include support for economic growth, basic education and skills development. Many also have implementation strategies that relate specifically to strengthening TVET (Kiribati, Tonga, Vanuatu, Samoa). The PNG Program is also planning to develop an implementation strategy for TVET.

4.12 AusAID's draft Pacific Education Framework recognises that there are links between the quality and equity of basic education and the impact of higher education and training. It also recognises the potential of the APTC to lead the region in respect to higher level technical and vocational training, while Australia's bilateral programs strengthen viable local institutions to better meet local labour demand and to provide suitable candidates for higher training via the APTC or other national or regional providers.

4.13 Developing the knowledge and skills necessary for life and productive livelihoods is of growing importance in the Pacific given the poor local employment prospects for rapidly expanding youth populations. Populations with high levels of education and skilled workers

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<sup>13</sup> Pacific Islands Forum (2009) *Pacific Education Development Framework (PEDF) 2009-2015*

adapt more rapidly to changing environments and respond more quickly to economic and market opportunities.

4.14 The APTC contributes to achieving performance target 2 of the draft PEF aimed at increasing the employability of Pacific islanders and to strengthening post-secondary professional, technical and vocational education and training across the region.

## **5. Design of APTC 2011 – 2015**

5.1 The findings of the MTR, feedback from the Pacific Heads of Education, the APTC AG and the region, and the Australian Government's interest in supporting labour mobility under the Pacific Plan, PICTA and PACER Plus, strongly support continuation of the APTC. Subject to Ministerial approval, the College will continue into a second phase that will run from 1 July 2011 – 30 June 2015.

5.2 The success of the APTC may be attributed to its tight focus on its niche of delivering demand-based, high quality, high-end training. Expanding the College beyond this scope risks the APTC losing its clear direction and the delivery of real benefits for the Pacific. For this reason, the design of the College for 2011-2015 will look to improve its efficiency and effectiveness rather than consider major expansion.

5.3 High quality technical training is widely sought after as evidenced by the demand for APTC places in all areas, particularly from the larger Pacific countries. The College's slow start in attracting fee-paying students, limited fee for service training, limited training facilities and the lack of interest by other stakeholder to fund the APTC are constraining major expansion and will be addressed in the design of Stage II.

5.4 The APTC must be viewed as one part of AusAID's range of support for TVET in the Pacific. It is clear that the APTC's Australian qualifications in training and assessment are extremely welcomed and play a role in building the capacity of national institutes. However, other bilateral and/or regional TVET strengthening initiatives must operate to improve the quality of national TVET systems, including the delivery of Certificate I and II. Such assistance is crucial for assisting countries achieve their own development goals, addressing the youth bulge, building the national skill base, creating a pipeline for the APTC and ideally, developing quality national TVET systems that remove the need for the APTC.

5.5 Accordingly, the goals and purpose of the APTC will remain unchanged.

### Goals

*Training:* Increased supply of skilled workers in targeted sectors in the Pacific region.

*Employment:* Pacific Islander women and men with Australian qualifications realise improved employment opportunities nationally, regionally, and internationally in targeted sectors.

- i. *Productivity:* Increased productivity of individuals and organisations in targeted industries and sectors.

### Purpose

To:

provide Pacific Islander women and men with Australian qualifications that present opportunities to be able to find employment in targeted sectors nationally and internationally, and

support skills development in the Pacific in response to labour market requirements.

### Shape of the APTC

5.6 The APTC is a large-scale and innovative development program delivering internationally recognised technical and vocational programs in targeted industry sectors in the Pacific region. While the RTOs are allowed a degree of flexibility in the APTC's operation, the APTC is not intended to become too country-specific in its operation or offerings. However, it is anticipated that there will be some flexibility in Stage II to allow the contractor(s) and Posts to address some individual country training demands so long as their provision does not detract from the APTC's core business of delivering Australian Certificate III and IV qualifications.

5.7 It is important that during Stage II the APTC be able to continue to operate with the flexibility adequate to allow the College to add or remove courses, and increase training locales in response to changing labour market demands. The process and requirements for adding to or subtracting courses from the College will be articulated in the design of the next stage.

5.8 The APTC will continue to offer Australian Certificate III and IV training that responds to national, regional and international labour market demands. It is intended that Stage II will maintain the successful achievements of Stage I by offering the current courses in automotive, construction, electrical, manufacturing, tourism, hospitality, health and community services and Certificate IV in Training and Assessment, and also being able to offer other courses in response to demand. The Diploma in Training and Assessment will be offered from 1 July 2011. A School of Professional Development will be created for the in-service development of the Pacific TVET workforce.

5.9 It is envisaged that the APTC will operate in five campus countries of Samoa, Fiji, Vanuatu, PNG and Solomon Islands. The implementing RTO(s) will be responsible for designing the new campus in the Solomon Islands and will assess whether the APTC should expand the courses offered in PNG and Samoa as recommended in the MTR.

5.10 Partnerships between the APTC and national training institutions and industry are critical to the APTC's success. It is thus intended that the nine current partnerships with training institutions and industry partners will remain in place.<sup>14</sup> In addition, it is anticipated that new partnerships will be developed in response to new courses and training locations to ensure the APTC remains effective (for example, with the LNG industry in PNG). It is essential that the design for Stage II looks at how, along with complementary bilateral and regional initiatives, the APTC can improve its relationships with the national training institutions to diminish any resentment and ensure that benefits accrue to both parties. The design will also look at how to strengthen the relationships with industry partners and consider if more scope should be provided for these in Stage II.

5.11 It is clear that the APTC needs to expand and AusAID needs to consider how large the APTC should become. Given this, the design will look at to what extent the APTC can expand without it becoming unwieldy, financially unsustainable, and the costs of operation exceeding the benefits.

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<sup>14</sup> National training institution partners are the National University of Samoa – Institute of Technology, Port Moresby Technical College, Vanuatu Institute of Technology, Training and Productivity Authority of Fiji and Vanuatu Ministry of Education. Industry training partners are ASCO Motors, Ela Motors Port Moresby, Hastings Deering Port Moresby, Ok Tedi Mining Limited (Tabubil).



## Access

5.12 It is recognised that the APTC currently disproportionately benefits the larger countries. It is anticipated that significant demand for places will continue to be from Fiji and PNG, and will increase from the Solomon Islands when a campus is established there. Without substantially better in-country preparation, it is expected that students from the smaller island states will continue to struggle to meet the College's entry requirements.

5.13 The APTC scholarships program will continue to ensure access for those, particularly from non-campus countries, who do not have the capacity to study as a fee-paying or employer sponsored student. The design team will look at how it can be refined to better ensure its efficiency and support of non-campus country students.

5.14 An English language, literacy and numeracy (ELLN) training program will be introduced. This program will support access by technically qualified applicants from small island states who do not meet the ELLN course entry requirements.

5.15 New entrant and women only courses, and flexible part-time delivery will continue to be a feature of the APTC. Flexible delivery modes (mix of face to face and distance and technology learning) will be introduced in Stage II and should help access by women and people with a disability. The design for Stage II will consider what else can reasonably be done to support participation by women and people with a disability.

5.16 Workplace training will continue, as far as possible, to be delivered in-country. Some in-Australia workplace training may be necessary, particularly for the licensed trades such as plumbing and electrical. The Stage II implementing RTO(s) will continue to pursue partnerships with industry bodies, such as the Master Plumbers Association and Electrical Contractors Association, and industry interlocutors, such as the Australian Chamber of Commerce and Industry, to help facilitate any necessary in-Australia workplace training.

5.17 The APTC will increase its intake of fee paying and employer sponsored students and pursue more fee for service activities. The design team will explore methods for encouraging the contractor(s) to increase the number of fee-paying students. They will also be asked to carefully consider how to balance this increase with continuing to provide places to students, particularly from non-campus countries, which would not otherwise have the opportunity to obtain Australian qualifications.

## Fee for Service Activities

5.18 There is strong demand in the Pacific for training related services that cannot be met by national and regional providers. The APTC is well placed to respond to much of this demand. Fee for service activities are a key avenue for generating revenue that will enable the APTC to expand and reduce its reliance on Australian Government funding. In accordance with the recommendations of the MTR, it is intended that scope for fee for service activities will increase in Stage II of the College. The pursuit of such activities must be carefully balanced with ensuring the APTC continues to deliver its core business of Certificate III and IV training.

5.19 Fee for service activities will be provided at cost for other AusAID programs. All profits from fee for service activities will go back to the APTC.

5.20 Under fee for service, the APTC will be able to deliver:

- Tailored training at Certificate level III or above for either Australian Quality Training Framework (AQTF) qualifications or AQTF Statements of Attainment, in response to employer demand, that fall within the current scope of the APTC courses and the RTO's scope of registration.
- Training needs analysis for firms and agencies and skills assessment services.

## Management Structure

5.21 There are currently three separate contracts for the APTC:

- One contract with SKM for the Coordination Office in Nadi (headed by a General Manager), supported by country offices, with responsibilities including overall management and governance arrangements and student services.
- Two contracts with Box Hill Institute of TAFE and Sunshine Coast Institute of TAFE for the APTC Schools to deliver the training.

5.22 This structure has enabled the contractors to work to their comparative advantage. Management of the Coordination Office by a Managing Contractor has delivered a number of benefits such as adding development-focussed views, encouraging robust discussion, ensuring development considerations are incorporated into the running of the APTC, and improving the awarding of scholarships. The RTOs have delivered the high quality, high-end training that they are renowned for.

5.23 The MTR argued that the APTC's management structure was sound and should continue in Stage II of the College with the current contractors, particularly the RTOs, if possible. However, it is understood that Stage II of the APTC will need to be tendered on the basis that:

- The original tender stipulated the contracts would only be for the period 2007-2011.
- APTC courses are delivered in accordance with the Australian Qualifications and Training Framework meaning all Australian RTOs could potentially deliver APTC courses and qualifications.
- The value of APTC Stage II is estimated at approximately AUD\$152 million.
- Increased fee for service training affords benefits to the RTOs beyond those gained through the current APTC specific contracts.

5.24 It is proposed that this basic structure remains in place, although the implementers may change and more efficient management strategies may be identified during the Stage II design process.<sup>15</sup> Thus, the next stage of the APTC should continue to have a central office in Nadi (headed by a General Manager and supported by country offices) and Schools in the campus countries. The contract(s) for the APTC will be streamlined where possible to improve cohesion. They will also provide flexibility to respond to changing demands and enable sub-contracting of an Australian provider where necessary to deliver requisite training and/or fee for service activities. The design for Stage II will consider who (RTO, Contractor etc) will implement Stage II of the APTC.

## Governance

5.25 The Advisory Group (AG) was established to advise AusAID on a range of industry and TVET issues in the Pacific region, including the overall strategic vision of the APTC, APTC policy directions and on future demand for TVET in the region. The AG comprises senior people from the Pacific region and Australia but has not been used as effectively as it could be. The membership and specific functions of the AG will be revisited as part of the design of Stage II.

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<sup>15</sup> See recommendations and sections of the MTR.

## 6. Sustainability

6.1 The Australian Government is committed to supporting the APTC. Funding for the APTC has been built into AusAID's funding base.

6.2 The MTR recommended that in the longer-term, AusAID should consider the future state of the APTC. Given the scale of such an exercise, and the imperative to have at least a three-month handover for APTC Stage II, it is felt that this work should be conducted separately from the design of the APTC 2011-15. Therefore, early in Stage II, but separate from the design of Stage II, AusAID will commission an investigation into options for the future state of the APTC beyond 30 June 2015. In this study, consideration will be given to options such as amalgamating the APTC with a regional training institution like the University of the South Pacific, or establishing it as an independent legal entity. The study will also consider whether, "Australia" needs to be removed from the College's name to facilitate change, as suggested in the MTR.

6.3 The design for 2011-2015 will consider how the APTC can gain cost efficiencies so that it achieves maximum output for minimum cost. Delivering professional, high-end technical training, particularly in trades and construction, is expensive. The current average cost of training of AUD\$35,000 per student is high for short-term training, compared to ARDS of AUD\$20,000 per student per annum and ADS of AUD\$41,000 per student per annum.

6.4 Costing of the APTC is an in-depth exercise. On face value, it is estimated that Stage II of the APTC will cost AUD\$152 million (approximately AUD\$38 million per year), based on 2009/10's estimated expenditure of AUD\$37 million. It is important to note that while 2009/10's estimate more accurately reflects operation at full capacity, it encompasses a larger student intake that compensates for the slow student enrolment at start up and ensures the APTC reaches its 3,000 graduate target. It is likely that the design will establish a lower estimated annual cost given that the student intake for Stage II will be more evenly spread across 2011-2015. That said, additional courses and facilities that will be added in Stage II would attract further costs.

6.5 While the design team will look carefully at APTC's costs, there are few current indications that the costs can be significantly reduced over the coming years - even after capital development costs are met. Although costs are high, the APTC is providing a high quality product that cannot be matched in the region and that will facilitate many benefits such as higher remittances, higher individual and employer productivity, higher earning streams for APTC graduates, and increased youth employment.

## 7. Risks

7.1 There are a number of key risks that will be addressed in the design of Stage II and managed by the implementing contractor(s). Continuation of the APTC will be reliant on complementary bilateral and/or other regional initiatives that build the capacity of national training institutions to produce quality graduates. Without such initiatives, the pipeline for the APTC may dry up in the medium-term and countries will not be able to replace the capacity lost as a result of labour migration. In addition, resentment of APTC's partner local training institutes will grow due to feelings of neglect and could diminish their support of the APTC.

7.2 It is anticipated that demand for APTC services from larger countries will continue to remain high. Without improvements in the quality of education (including post-secondary training) and financial assistance for those from small island states who wish to participate in the APTC, citizens from the larger countries will continue to dominate APTC's enrolment. The scholarships and ELLN programs will help address this. However, bilateral education

and TVET strengthening programs will also have a significant role to play in addressing this disparity.

7.3 The APTC must reduce its reliance on Australian Government funding in order to grow and be sustainable. The APTC contractor(s) cannot rely on scholarships to supply APTC students. Pursuit of fee for service activities, increasing fee paying and employer sponsored students, and engaging the support of other donors will be critical to generating revenue for and supporting expansion of the APTC. However, in moving forward, the APTC must ensure that an increase in fee for service activities does not divert the College from delivering its core business. It must also ensure that the APTC continues to assist attendance by those, particularly from small island states, who do not have the capacity to attend on a fee paying or employer sponsored basis.

## **8. Design of Stage II**

8.1 This concept note does not propose a major departure from the current operation of the APTC. Extensive design documents were produced for the APTC Schools, Coordination Office and scholarships program at the beginning of the current phase. The costs of building facilities and campuses have been established by the current RTOs through the creation of the APTC. The MTR provides a thorough examination of the College's performance and key issues, and provides extensive recommendations on the future of the College.

8.2 Given the wealth of information available, it is considered unnecessary for the design of Stage II to be developed via a major traditional design exercise. It is proposed that the Stage II design will largely be an in-Australia desk-based design, conducted by a 3 – 4 person team. Teleconferences will be held with Posts and the current APTC contractors as necessary. There may also be face-to-face meetings with the RTOs, Contractor and the APTC Senior Management Team and a few in-country visits as required. The design team will be required to develop a design plan as their first output. This plan will set out the process necessary to deliver the design of Stage II of the APTC.

## Annex B: People and Organisations Consulted

Name	Position/Organisation	Country
Aileen Croghan	First Secretary, AusAID	Solomon Islands
Alan Tira	Principal, POMTECH	PNG
Alex Wilson	General Manager, Gateway Hotel	PNG
Amber Yates	Hilton Denarau	Fiji Islands
Ana Nasilasila	Hilton Denarau	Fiji Islands
Angus Barnes	Senior Manager, International Development, Sinclair Knight Merz	Fiji Islands
Anne Lopena	Lamana Hotel	Papua New Guinea
Antoine Barnaart	General Manager, APTC Coordination Office	Fiji Islands
Arvind Shrivastav	Heritage Park Hotel Honiara	Solomon Islands
Barbara O'Dwyer	Gender Adviser, AusAID	Australia
Bill Costello	Assistant Director General, Pacific Branch, AusAID	Australia
Calvin Ziru	Solomon Islands Chamber of Commerce & Industry	Solomon Islands
Caroline Tupoulahi - Fusimalohi	Planning Adviser, Secretariat of the Pacific Community	Fiji Islands
Cathy Eminoni	Programme Officer, European Union	PNG
Charles Mabia	Office of Higher Education	PNG
Chris Graham	Second Secretary, AusAID	PNG
Christelle Thieffry	Senior Program Officer, AusAID	Vanuatu
Colleen Peacock-Taylor	M&E Officer, APTC Coordination Office	Fiji Islands
Corinne Tarnawsky	Disability Inclusive Development Team, AusAID	Australia
Damien Rapese	Deputy Secretary, National Department of Education	PNG
Dave Culley	Fletcher Kwaimani Joint Venture	Solomon Islands
David Conn	Port Moresby Chamber of Commerce and Industry	PNG

David Hayward	Ela Motors	Solomon Islands
David Slade	Director, Manufacturers Council of PNG	PNG
David Thomas	Ela Motors	PNG
David Twiggs	Boroko Motors	PNG
Debbie Bowman	Director, Human Development Section, Pacific Branch, AusAID	Australia
Dr Tagi	Office of Higher Education	PNG
Elena Down	Disability Inclusive Development Team, AusAID	Australia
Emily Hazemann	Coordinator, PATVET	Fiji Islands
Emma Ferguson	Senior Country Specialist ADB	Fiji Islands
Fiona Ramsey	Second Secretary, European Union	Fiji Islands
Garry Holmes	Managing Director, Motor Corporation (SI) LTD	Solomon Islands
Geno Rua	Labour Statistician, Department of Labour and Industrial Relations	PNG
Gertrude Kilepak	Policy Officer, Department of National Planning and Monitoring	PNG
Goini Loko	Business Council of PNG	PNG
Gordon Wilson	Tanoa Hotel Group	Fiji Islands
Greg Anderson	PNG Chamber of Mining and Petroleum	PNG
Heni Dembis	Planning and Development Officer, Papua New Guinea Tourism Promotion Authority	PNG
Ian Bignall	Counsellor, AusAID	Samoa
Ian Wallwork	Hastings Deering	PNG
Ian Wells	Project Director, APTC SACEM	Australia
Iconey Samuel	Assistant Secretary, Multilateral, Department of National Planning and Monitoring	Solomon Islands
Isabel Salatiel	Director of Child Welfare, Department of Community Development	PNG
James Knynenburg	Product and Content Manager, APTC SACEM	Fiji Islands
James Wini	Solomon Kitano Mendana Hotel	Solomon Islands
Jane Lake	Senior Associate, Pacific Branch, AusAID	Australia
Janice Febey	Branch Manager, DEEWR	Australia

Jayasundara Banda	Acting Assistant Secretary, Department of Education	PNG
Jerry Agus	PNG Tourism Promotion Authority	PNG
Jerry Strudwick	Education Adviser, AusAID	Australia
Jim Irwin	Country Manager, APTC STH	Fiji Islands
Joelson Anere	Senior Aid Coordinator, AusAID	Solomon Islands
John Leahy	PNG Chamber of Commerce and Industry	PNG
Jone Usamate	Chief Executive Officer, TPAF	Fiji Islands
Juan Carlos Hinojosa	Attache - Social, European Union	Solomon Islands
Julie Delforce	Director, Economics and Growth, AusAID	Australia
Juliette Brassington	Counsellor, AusAID	Solomon Islands
Justin McGann	General Manager, Curtain Brothers	PNG
Kaye Schofield	TVET Adviser, AusAID	Australia
Kentaro Suekane	Head of Education Sector, JICA	Fiji Islands
Kevin Yaxley	Executive Director, Airways Hotel	PNG
Lawrence Waiman	Assistant Director, Department of Labour & Industrial Relations	PNG
Lia Maka	Director, SPC	Fiji Islands
Lindy Fisher	First Secretary, Education, AusAID	PNG
Lynette Kulkula	Transition Manager, AusAID	Fiji Islands
Maria Kopkop	Chair of Governing Council, POMTECH	PNG
Martin Korokan	Aid Coordinator, Department of Planning	PNG
Martin. B. Sam	Solomon Islands Electricity Company	Solomon Islands
Mary Hicks	Director Education & Training, ACCI	Australia
Megan Lilly	Associate Director, Education & Training, AIG	Australia
Megan McCoy	Second Secretary (Development), NZAID	Fiji Islands
Meipo Meredith-Anitema	Activity Manager, AusAID	Samoa
Meli Kivung	Director, Department of Labour & Industrial Relations	PNG
Michelle Lowe	Director Program Quality and Review PNG Branch	Australia

Mollie Willie	Deputy Secretary, Department of Community Development	PNG
Morrie Wintringham	Divisional Manager, APTC	PNG
Nanise Young	Program Officer, JICA	Fiji Islands
Nicci Simmonds	First Secretary, New Zealand High Commission	Solomon Islands
Noel Lyons	Vice President, Box Hill Institute	Australia
Pedro G. Cortez	Superintendent of Curriculum, Department of Education	PNG
Phil Bradford	Island Enterprises Limited	Solomon Islands
Phil Frethey	Manager - Training Services, PNG LNG Project	PNG
Richard Babovic	SACEM, APTC	Fiji Islands
Robin Scott-Charlton	Chief of Operations, AusAID	PNG
Romaine Kwesius	Counsellor, AusAID	Fiji Islands
Ross Hepworth	Institute Director, Sunshine Coast Institute of TAFE	Australia
Russell Holden	Air Terminal Services, Nadi Airport	Fiji Islands
Samuel Namosimalua	Director Labour Policy and Productivity, Ministry of Labour	PNF
Setareki S Macanawai	Chief Executive Officer, Pacific Disability Forum	Fiji Islands
Sir Peter Barter	Madang Resort	PNG
Stan Motolova	National Training Council	PNG
Stephanie Copus-Campbell	Minister Counsellor, AusAID	PNG
Susan Ryle	First Secretary, AusAID	PNG
Taro Morrison	APTC SACEM	Fiji Islands
Tessa Temata	Manager, NZAID	PNG
Tina Seniloli	APTC Program Manager, AusAID	Fiji Islands
Trevor Birney	IEA College of TAFE - Ela Beach	PNG
Trevor Riordan	Director, International Labour Organization	Fiji Islands
Virginia Battye	Staff & Systems Development Adviser (Short Term), APTC	Fiji Islands
Health and Community Services	Nadi	Fiji Islands



Industry Groups/Employers		
Trade Industry Groups/Employers	Suva	Fiji Islands

## Annex C: Reference Documents

### AusAID Documents

#### *Policy and Guideline Documents*

- AusAID Guideline '*Integrating Environment into Aid Activity Design*'. Feb. 2003
- Environmental Management Guide for Australia's Aid Program. Feb. 2003
- AusAID Policy: *Gender equality in Australia's aid program – why and how*
- AusAID Policy: *Development for All: Towards a disability-inclusive Australian aid program 2009-2014*
- AusAID Guideline '*Integrating Gender Equality into Aid Activity Design*'
- AusAID *Child Protection Policy and Manual*. March 2008
- AusAID *Performance Assessment and Evaluation Policy*. Dec. 2007
- AusAID *Quality Reporting System for Aid Initiatives*. 2008
- AusAID *Design Team Kit*. July 2009
- AusAID APTC Stage II Concept Note. 19 February 2010
- *Pacific Partnerships for Development*: Kiribati, Tonga, Samoa, PNG, Solomon Islands, Nauru
- AusAID website information on Pacific Partnerships for Development (<http://www.ausaid.gov.au/country/partnership.cfm> )
- Draft *Pacific Education and Training Agenda* . June 2010

#### *APTC Related Documents*

- Activity Design Document: School of Tourism and Hospitality. April 2007
- Activity Design Document: School of Health and Community Services. April 2008
- Design Document: School of Automotive, Construction, Electrical and Manufacturing. April 2007
- Design Document: Coordination Office and Country Program. 14 February 2007
- Design Document: APTC Scholarships Program. June 2007
- APTC HIV and AIDS Framework Policy and Strategy 2007-2011. November 2007
- APTC Gender Access and Equality Policy Framework. November 2007
- Estimated APTC Scholarships Costs. October 2009
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- APTC Six-Month Report to AusAID. April – September 2009
- APTC Scholarships Policy and Procedures Manual. April 2010
- Draft APTC Fee for Service Policy. Feb. 2010
- APTC Performance Assessment Framework. Feb. 2010
- Draft APTC 2010/11 Annual Plan. June 2010

## Background Documents

- Asian Development Bank – Commonwealth Secretariat (2005). *Toward a New Pacific Regionalism*, an Asian Development Bank–Commonwealth Secretariat Joint Report to the Pacific Islands Forum Secretariat, <http://www.adb.org/Documents/Reports/Pacific-Regionalism/default.asp>
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- ILO (2008). *Conclusions on skills for improved productivity, employment growth and development*. International Labour Conference, 2008
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- Pacific Islands Forum Secretariat (2005) *The Pacific Plan for Strengthening Regional Cooperation and Integration*, Suva: Pacific Islands Forum Secretariat
- Pacific Islands Forum Secretariat (2009). *Pacific Education Development Framework*. 2009-2015
- Pacific Islands Forum (2009). *Forum Communiqué*. Fortieth Pacific Islands Forum. Cairns Compact on Strengthening Development Coordination in the Pacific. August 2009.

## Annex D: Pacific TVET Context

### 1. Pacific Development Context

#### 1.1 Pacific Country Diversity

The 2008 Asian Development Bank (ADB) *Skilling the Pacific* report suggests that the Pacific countries be grouped, for the purposes of analysis, into three groups, taking into consideration the considerable diversity in the region and different stages and prospects for development. ADB has grouped the Pacific countries into the following groups:

- 1: land-rich, low-income countries—namely, Papua New Guinea (PNG), Solomon Islands, and Vanuatu;
- 2: small, vulnerable island states—namely, Kiribati, Republic of the Marshall Islands, Federated States of Micronesia, Nauru, and Tuvalu; and
- 3: “advanced” island states—namely, Cook Islands, Fiji Islands, Palau, Samoa, and Tonga.

The countries in group 1 have low social and economic indexes, but positive agricultural potential. The vulnerable island states, group 2, face severe economic constraints, few economic prospects, and issues of sustainability. Countries in group 3 have relatively good prospects from tourism, remittances from abroad, and emigration.

#### 1.2 Demographics

Annual population growth in the Pacific is estimated at about 3.1%, and if sustained, will lead to a doubling of the Pacific Islands population in 23 years (from 9.2 million at present to 18.3 million by 2033). The Pacific region has high birth rates and a high proportion of young people, with a median age of approximately 21 years old. This sustained population growth will result in significant and sustained pressure on infrastructure and provision of health, education and social services. The Pacific faces issues related to shortage of schooling opportunities, inadequate educational and training outputs, lack of access to waged employment, and inadequate supply of skilled human resources required for economic growth and poverty reduction.

Migration from rural to urban centres and emigration (or the movement of people from the country of origin and settlement in another country - generally Australia, New Zealand and the USA), has become a major labour market factor in most PICs, except for PNG, Vanuatu and Solomon Islands<sup>16</sup>. The impacts of emigration vary according to its duration, with long-term emigration having implications for economic growth and social cohesion and resulting in a substantial loss of the skilled workforce in the country of origin. Women and children are especially vulnerable to the impacts of emigration and urbanization because of changing values and standards, disruption of social support systems and loss of income opportunities derived from non-formal sector employment on which subsistence economies are mainly based.

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<sup>16</sup> Asian Development Bank (2008). *Skilling the Pacific*.

### 1.3 Gender

AusAID's 2007 gender policy (*Gender equality in Australia's aid program – why and how*) identifies four key interrelated factors that need to be addressed in development programs: a) access to economic and other resources; b) participation and leadership in decision making; c) respect for the human rights of women and; d) an increased capacity to tackle gender inequalities. The policy indicates that greater focus is needed on the transition from school to employment, and on technical and vocational education to address youth unemployment and gender-based occupational segregation, for both young men and women. This policy recognises that achieving employment equity, necessary to improve the standard of living and reduce poverty, requires targeted interventions with government and industry leaders to ensure female graduates find suitable employment with equitable remuneration.

Education is critical to advancing women's knowledge and skills, expanding opportunities for their economic and social development, and that of their families, and increasing their participation and representation in all levels and spheres of society. Achieving gender-balanced participation in education assists not only in promoting social justice, but it is also a matter of good economics and sound sectoral management. Investment in gender equality, particularly in health and education, yields to some of the highest returns of all development investments<sup>17</sup>.

There is further growing awareness and recognition in the Pacific region of the need to improve the situation of women's lives, and of the benefits that will be gained when women and men are able to participate as equals in all aspects of economic, social, cultural and political life. Gender equality has become a key objective and cross-cutting issue in most Pacific Island country-level and regional development plans including the Pacific Plan endorsed by Forum Leaders in 2005. Many PICs have endorsed Equal Opportunity Legislation and committed to the achievement of the Millennium Development Goals which include to "Promote Gender Equality and the Empowerment of Women".

In contrast with general education, where in most PICs gender parity is almost reached, the TVET system generally favours males over females. Internal and external constraints in the TVET system, as well as gender imbalance in access to and successful completion of skills training, serves to amplify marginalization of women and other disadvantaged groups. Research indicates that there are multiple causes of female under-enrolment in TVET including public perception, cultural values, parental bias, employer preferences and lack of equal employment policies and enforcement. Factors internal to the TVET system also discriminate against girls and women including the lack of female boarding facilities, community support services, security issues and the low proportion of female teachers.

The 2008 ADB *Skilling the Pacific* study also identifies a widespread gender bias when it comes to the types of informal sector training provided to men and women in the Pacific; men tend to monopolize technical and trades training while women are found almost exclusively in home economics and domestic science-related programs. The exception is in the tourism industry where hospitality-related courses provided in local vocational centres are in good demand from local hotels and resorts, resulting in a high proportion of female students in some schools.

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<sup>17</sup> AusAID (2007). *Gender equality in Australia's aid program – why and how*. AusAID (2006). *Australian aid: Promoting growth and stability. A White Paper on the Australia Government's overseas aid program*.

Because many females lack the basic skills to be considered employable in some jobs, this directly limits their ability to improve their own welfare and that of their families. Regional statistics indicate that women are also marginalized by lower wages, sexual harassment and occupational discrimination. Marginalization is further compounded by the lack of female participation on advisory boards and decision-making processes in most PICs. These factors, especially when combined, seriously constrain women's ability to start their own businesses or compete for jobs in local and international labour markets, making it extremely difficult for women to lift themselves out of poverty. Some countries have identified specific targets in relation to increasing participation of women in leadership and decision-making processes. For example, the Fiji Government MDG reports stipulate that by 2005, 50% of people on government boards and other public bodies should be women. At present, however, women make up only about 19% of these total appointments and these are concentrated on minor health and welfare boards and committees<sup>18</sup>.

## 1.4 HIV and AIDS

AusAID is developing a new International HIV Strategy for Australia to build on the overarching aims, priorities and principles established in *Meeting the Challenge: Australia's International HIV/AIDS Strategy (2004)*.

There are important development links in the Pacific context accentuated by HIV and AIDS prevalence. HIV and AIDS cannot be considered in isolation of other issues such as gender inequalities, including violence against women, which increases women's vulnerability to HIV in the Pacific. The high rates of STIs in Pacific countries, and the lack of STI treatment services, all contribute to an increasing risk of infection across the region.

Of the PICs, PNG has a generalised epidemic (prevalence consistently over 1% in pregnant women nationwide) and overall prevalence estimated at between 40,000 and 60,000 people currently infected with HIV. This is the fourth highest prevalence rate in the Asia Pacific Region. No other PICs apart from PNG have reported more than 300 HIV+ cases since testing commenced; however, infection rates are thought to be rising in other nations<sup>19</sup>. For example, only one quarter of persons deemed at-risk of HIV infection in Fiji, Kiribati and Vanuatu, know how to prevent HIV infections and do not harbour major misconceptions about HIV transmission. In Samoa, Solomon Islands and Vanuatu, 9% of young men said they had bought sex in the previous 12 months, yet only one in ten of them reported using condoms consistently during commercial sex. Only about 12% of young men said they used condoms consistently with casual partners<sup>20</sup>.

Even in low HIV prevalence PICs, high prevalence of STIs already imposes a significant disease burden on young adults. Measures to reduce STIs (e.g. treatment or condoms) will also help to reduce the likelihood of an expanding HIV epidemic. Issues of pregnancy and relationships are also very important and can seriously impact on young adult learners. Family Planning service providers in the Pacific (both government and non government) can be an important source of education and information on pregnancy and relationships as well as HIV and STIs.

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<sup>18</sup> Asian Development Bank (2006). *Country Gender Assessment, Republic of the Fiji Islands*

<sup>19</sup> APTC (2007) *HIV and AIDS Framework Policy and Strategy, 2007-2011*.

<sup>20</sup> UNAIDS (2007). *AIDS Epidemic Regional Summary: Oceania*.  
[http://data.unaids.org/pub/Report/2008/jc1533\\_epibriefs\\_oceania\\_en.pdf](http://data.unaids.org/pub/Report/2008/jc1533_epibriefs_oceania_en.pdf).

Mobility of students between and within countries can lead to greater social and personal freedom resulting in increased experimentation in personal relationships, particularly those within the most sexually active age group (15-49 years). Mobility of students between countries is a concern because of the risks involved in students moving between high and low prevalence HIV countries.

Gender inequalities make women and girls particularly vulnerable to contracting HIV and AIDS when their ability to negotiate safer sex or ward off unwanted sexual attention is compromised. Risk of infection is also increased for women who are away from home and without access to their usual support systems.

Without more intensive prevention and surveillance, teenage pregnancy and sexually transmitted diseases, including HIV/AIDS, are expected to increase. The effectiveness of reproductive health programs is constrained by the “culture of denial”; the lack of public awareness about family planning and the need for safe sex; inadequate “youth-friendly” outreach services; and lack of inter-agency coordination. When students are deprived of information on reproductive health, sex education, and access to appropriate health services, the risk of increased transmission remains high.

When it becomes particularly severe, HIV and AIDS can damage the supply, demand and quality of education. HIV/AIDS can affect the supply of education through its impact on teaching and other education personnel, and by making increasing demands on limited financial resources. The demand for education is impacted by the affects of HIV/AIDs on students and their families, reducing enrolments through a combination of illness, death, and the need for students to stay at home to provide care for relatives (noting that home care for the sick is usually a role for women rather than men). It affects the quality of education by diverting resources and by absenteeism of staff and learners.

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## **2. TVET in the Pacific**

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### **2.1 National TVET Provision**

Skills development is important for both economic efficiency and social equity. The right kind of skills development has a positive impact on long run economic growth, individual earnings and the distribution of income. It makes people more employable and makes them more productive at work. Strengthening national TVET capacity will both strengthen the national skills pool and strengthen entry level competencies and pathways for students.

In addition to pre-vocational course offerings (industrial arts and home economics) in secondary schools, most PICs have both public and private (primarily church-based but also for-profit) vocational training centres and post-secondary technical institutes offering technical and vocational training. The latter include the Fiji Institute of Technology (FIT), Vanuatu Institute of Technology (VIT), National University of Samoa – Institute of Technology (NUS-IOT) and the Solomon Islands College of Higher Education (SICHE) offering certificate-level training and, in some cases, degrees as well (FIT). These institutions vary significantly in size with 7600 EFTS enrolments at FIT, compared to 500 at VIT and 225 at the Kiribati Institute of Technology.

Financing for the provision of TVET comes from multiple sources. Public financing constitutes the majority source through ministry budgets – however, in many cases, this is declining. Private financing through tuition charges and fees is also important in about half of the PICs, while production activities partly finance the costs of some non-profit training providers. Three levy systems exist, but only one, Fiji Islands, puts

a significant amount of financing directly into training. Almost all countries depend on external financing for capital expenditures. However, in the past, TVET in most Pacific countries has not received the same priority for capital or recurrent budget support as primary (and tertiary) education. Most TVET institutions in the Pacific suffer from common shortcomings, including poor teacher skills with inadequate industry experience, obsolete equipment and curricula, funding shortages and deteriorating infrastructure. Moreover, they have limited capacity and it is estimated that they would serve no more than 10% of the eligible population.

A considerable amount of skills development also takes place within enterprises, often via apprenticeship arrangements. PNG and Fiji have the most developed programs, enrolling some 900 and 650 apprentices a year respectively. Instead of TVET graduates, many employers prefer to hire secondary school graduates with the right attitude and train them in-house to get the skills they need.

The ADB study<sup>21</sup> concluded that in the Pacific, access by school leavers to technical and vocational education and training is low. Not only are the number of participants low, but there is an inequitable distribution across geographical areas, income groups and especially gender, resulting in widespread “poverty of opportunity”.

There are gender and regional disparities in access to training opportunities. Technical institutes enrol a low proportion of females – about 30% in PNG, 37% at FIT and 42% at VIT – except in commerce, hospitality and tourism programs. Access to TVET opportunities is also limited outside capitals and in the outer islands, though some countries (Solomon Islands and Vanuatu) have established networks of rural training centres to serve remote rural communities. These centres are poorly funded and the quality of their training is low.

Many PICs increasingly see improved skills training, accredited nationally or internationally, as one solution to labour market issues such as skill shortages and emigration. An increasing number of national education plans are including TVET as a priority sub-sector, in recognition of the importance of employability outcomes for school leavers and the importance of private sector productivity for economic growth. However, progress on this front has been slow.

While the relative emphasis given to vocational training in schools and post-secondary (tertiary) TVET in such national plans varies - as does the relative emphasis given to TVET for the formal and informal labour market - there is a general trend to give the development of technical and vocational skills a higher priority. In the main this is not able to be matched by significant budget allocations and it remains the “poor relation” within the education sector in many Pacific countries.

Few PICs have clear strategies, long-term plans or resources available to establish effective skills development systems. Quality-assured national skill standards or externally recognised qualifications are rare. Available training is supply-driven and often of low or variable quality. Access to skills development is uneven and favours males in urban areas. With a few exceptions, employer inputs to the direction, content, quality or financing of the skills development system are minimal.

The Pacific Education Development Framework (PEDF), endorsed by the Forum Education Ministers in 2009, guides the further development of Pacific education. The PEDF is aligned with, and grounded in, the principles of the Pacific Plan and

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<sup>21</sup> *Asian Development Bank (2008). Skilling the Pacific*



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reflects the Pacific concept of regionalism where countries work together for their joint and individual benefit<sup>22</sup>. It addresses two broad agendas: (i) the Education for All (EFA) or the basic education agenda, which covers the foundation years of education, and (ii) the training/employment/economic agenda. The TVET outcome sought is that *...the supply of skills supplied by Pacific TVET systems responds to meet the needs of the informal sector and the changing labour market demands in the formal sector.*

The mutual recognition of qualifications between PICs is a related discussion item under the Pacific Island Countries Trade Agreement agenda, as there is a need to identify what formal qualifications will permit free movement of people. The role that the South Pacific Board for Educational Assessment (SPBEA) might play in skills recognition will need to be considered, given its work on a Regional Qualifications Register. For those without formal qualifications but with considerable experience, the situation is far less clear, and skills recognition as distinct from recognition of formal qualifications, will be a challenge.

## 2.2 AusAID Support for Pacific TVET

Australia recognises the power of education to help individuals reach their potential and societies to be stronger and more productive. Australia also recognises that poor quality post primary education and training can undermine gains made in basic education, national capacity, income generation, social stability and national development.

Pacific Partnerships for Development (PPD) signed between Australia and many of the PICs anchor Australia's development assistance to the individual countries of the region. The PPDs make reference to the Paris Declaration principles, common approaches and partnerships among donors under national coordination and leadership, and to report transparently on implementation. Many of the PPDs include Australian support for the education sector, support for gender equality and support for "the pursuit of sustainable economic growth strategies encompassing private sector and infrastructure development, economic reform, regional economic integration and pursuit of mutually-beneficial regional trade liberalisation".

Almost all such Partnerships identify basic education and technical and vocational education as initial partnership priorities and many have implementation strategies that relate specifically to strengthening TVET (Kiribati, Tonga, Vanuatu and Samoa). The PNG Program is planning to develop an implementation strategy for TVET and AusAID is providing some support to Tuvalu's TVET system.

AusAID's 2010 *Pacific Education and Training Agenda* (PETA) guides AusAID's education program in the region focusing on improving learning outcomes and increasing employability. The framework also provides guidance on interventions and strategies to deliver on priorities including the importance of partnerships, strengthening accountability for service delivery outcomes and promoting evidence based decision making. The PETA states that AusAID "will assist partner governments to ensure that Pacific islanders have access to regionally accepted and/or internationally recognized post-secondary professional, technical and vocational education and training across the region".

Within the Pacific region, AusAID provides development assistance to both formal and non-formal TVET including support for the TVET architecture (policy, planning

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<sup>22</sup> Pacific Islands Forum (2009). *Pacific Education Development Framework (PEDF) 2009-2015*

and organisational development), for local capacity development and for training delivery. At the regional level, Australia's assistance to TVET focuses mainly on supporting the development of a Pacific Qualifications Register by the SPBEA and supporting direct training delivery through the APTC. The PETA recognises the potential of the APTC to lead the region in respect to higher level technical and vocational training. Meanwhile, Australia's bilateral programs strengthen viable local institutions to meet local labour demand and provide suitable pathways into higher training via the APTC or other national or regional providers.

### 2.3 Other Donor Support

The international community – both donors and recipients – have made a series of commitments to changed approaches to aid delivery. These are most clearly articulated in the *Paris Declaration on Aid Effectiveness* and the *Accra Agenda for Action* which provide a point of reference for development co-operation. These statements cover a broad range of principles relating to aid effectiveness, including working within partner governments, strengthening country ownership over development and the medium-term predictability of aid.

Nine of the PIF members<sup>23</sup> are adhering to the Paris Declaration and are increasingly active in ensuring that the Paris Principles and the Accra Agenda are reflected in their national development policies and strategies<sup>24</sup>.

Australia is widely seen as a lead donor in skills development, with a comparative advantage in relation to planning and delivering demand-driven, workplace relevant, standards-based and quality assured skills development. Australian and New Zealand qualifications are mutually recognised, and both are internationally recognised. The following other donors/multilateral agencies are active in supporting TVET in the Pacific:

- the European Community provides bilateral support in Vanuatu and Solomon Islands and regionally through support to the SPBEA<sup>25</sup>;
- the ADB operates mainly at regional level to support the implementation of the priority actions identified in its *Skilling the Pacific* report;
- the International Labour Organization provides support primarily through its national Decent Work Programs but also regionally. It has a keen interest in a range of skills issues including the development of labour market information systems with national labour departments;
- NZAID supports TVET in Tonga (jointly with AusAID) and in other countries through in-country training and scholarships to New Zealand;
- JICA supports TVET in various countries through technical training in Japan as well as in-country advisers in some countries including Samoa (NUS-IOT) and PNG (Lae and Port Moresby Technical Colleges); and
- the World Bank has provided support in the past for the development of National Skills Training Plan for the Solomon Islands.

<sup>23</sup> Australia, Cook Islands, Fiji, New Zealand, PNG, Samoa, Solomon Islands, Tonga & Vanuatu.

See [http://www.oecd.org/document/22/0,3343,en\\_2649\\_3236398\\_36074966\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/document/22/0,3343,en_2649_3236398_36074966_1_1_1_1,00.html)

<sup>24</sup> PNG, for example, has localised the Paris Declaration in its PNG Commitment on Aid Effectiveness, agreed between the Government of PNG and its Development Partners.

<sup>25</sup> EC has also provided support in the past to the Kiribati (formerly Tarawa) Institute of Technology

### 3. Pacific Labour Markets

#### 3.1 Pacific Employment

The 2008 ADB report outlines the importance of providing post-training support in the transition from training to productive working activity. In particular, the study stresses the need for assistance in linking participants with potential employers, facilitating access to information on new products, markets, technical and business advisory services, and micro-credit. There is also a need to focus on the transitional needs of women and other student groups who may experience additional challenges securing work due to gender biases, family responsibilities and geographic isolation.

Reliable, comprehensive and up-to-date statistics on the size of the formal wage employment sectors of the Pacific Islands, and on the relative importance of and growth in the relevant middle-level occupations, are not available. One of the most recent compilations is summarized in the following table:

**Table 1 Selected employment statistics for Pacific Island countries**

Country	Working-age population (15-54 years) in 2004	Estimated total formal sector employment	Estimated percentage of working age population employed in formal wage economy	Estimated percentage of wage employees in occupational categories	
				Craft, trade and related workers	Sales and service workers
Cook Islands	7,300	5,900	81	10	18
Fiji	487,500	120,000	25	11	13
Kiribati				8	17
MI	29,600	10,300	35		20
FSM	61,800	15,100	25		
Nauru				15	13
Palau					
PNG	3,320,200	187,200	6	15	14
Samoa	91,100	57,100	63	12	11
Solomon Islands	239,400	22,177	9	6	21
Tonga	51,800	34,600	67		
Tuvalu					10
Vanuatu	111,000	16,300	15	3	18

Source: ADB *Skilling the Pacific, 2008, Tables A.3.2 and A.3.4*

As discussed earlier, the high birth rate and proportion of young people across the Pacific is expected to create mounting pressure on infrastructure and provision of health, education and social services throughout the region. In some PICs, youth unemployment is as high as 80% and the gap between the labour force and available

wage positions is expected to widen further unless new jobs are created and skills needed for employment are developed. Unemployment is a key variable underpinning non-adaptive social behaviour such as substance abuse, crime and domestic violence, which are rapidly increasing in many PICs. Poverty levels and social tensions can be expected to rise where resources and opportunities do not match the growing number of young people and their aspirations.

Youth often face a multitude of interwoven issues that can trap them in a cycle of poverty. There is mounting public concern for this “lost generation” and a strong desire to stop the downward spiral across the region. The increasing pressure to better equip youth for employment has further intensified an already positive climate for strengthening basic education, upgrading training services and ensuring that qualifications earned are of value to the national and regional labour markets<sup>26</sup>.

### 3.2 Market characteristics

As discussed, the PICs differ in their access to natural resources, geography, population and level of economic development; however, their labour markets share several characteristics:

- the majority of the Pacific Island workforce is engaged in informal subsistence work. The formal wage sector in most PICs is relatively small and a substantial share is accounted for by the public sector;
- most PICs are labour surplus countries, with few immediate prospects for providing cash work within the domestic economy for all those who seek it. Private sector growth will not create enough jobs for the large number of school leavers entering the labour market each year - the so called “youth bulge”. With few marketable skills, many young people are under-employed in informal or subsistence work or openly unemployed;
- there is a mismatch between training supply and the demand for skilled labour. The oversupply of unskilled workers co-exists in many PICs with shortages of appropriately skilled people. Many positions are filled by expatriate foreign workers (including Australians and New Zealanders), who are employed not only in managerial and professional roles but also as technicians and skilled tradespersons, and usually at a higher pay rate than national labour. These skills shortages and mismatches affect all sectors of the economy and constrain labour productivity, economic growth and the employment of nationals in available skilled jobs; and
- emigration is on the rise. Combined with the lack of economic opportunities and insecurity in many PICs, many people are emigrating to countries such as Australia, New Zealand, and the United States to look for work. While their remittances comprise a high proportion of GDP in many Pacific countries and have generally positive impacts, continuing out-migration contributes to widespread skills shortages and discourages some employers from investing in training.

In many countries in the region most of the formal wage sector jobs are in public administration, with the private sector employing only very small numbers. However, as public sector employment is maintained at current levels or progressively reduced through privatisation, future jobs growth in the Pacific will be dependent on a private sector committed to creating employment opportunities for skilled Pacific Islanders.

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<sup>26</sup> AusAID (2010). *Pacific Education and Training Framework. Draft version June 2010.*

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The private sector has a key role not only as a client of vocational training but also as a provider of both on- and off-the-job training and as the primary employer of apprentices and skilled workers in most PIFCs.

The 2008 ADB report notes that skill shortages are widespread across the PICs and attributes this issue to three main factors:

- sector-specific growth in demand in the mining sector of PNG and in tourism in the Cook Islands, Fiji, Samoa, Tonga and Vanuatu has created rising demand for skilled labour, especially in hospitality and construction. In these countries, there is demand for skills in management, supervision and trades occupations capable of working to international standards;
- the low supply and quality of graduates from the TVET sector has also contributed to skill shortages across the region. Tradespersons are often unable to work competently in their trades despite holding formal qualifications - they often graduate without the core competencies that employers' value such as reliability, teamwork and problem solving; and
- there is also a demand for appropriately qualified workers to replace skills lost through emigration.

These skill shortages are creating bottlenecks for certain sectors. A high proportion of employers cited a variety of adverse consequences from skill shortages including loss of productivity, lower quality output, inability to grow, lower profits, problems with equipment maintenance and loss of markets.

#### 4. Pacific Regionalism

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A 2005 report to the Pacific Islands Forum Secretariat *Towards a New Pacific Regionalism*, prepared jointly by the ADB and the Commonwealth Secretariat supported an approach to regional integration that went beyond the previous focus on regional cooperation and market integration to address some of the problems of governance confronted by PICs<sup>27</sup>. The report argued that in the Pacific and elsewhere, the largest benefits of regionalism have come *from focusing on the type of regionalism that addresses their fundamental challenge*, and that *Pacific regionalism must move beyond regional cooperation in a range of fields if significant benefits are to be achieved*.<sup>28</sup>

In order for PICs to reap the benefits of labour migration while avoiding welfare losses, the report proposed that Forum members ensure, as far as possible, that labour flow from PICs to Australia and New Zealand be "additional" (*that is, ensure that there is adequate national capacity to both train and replace migrating labour*). Substantial attention to skills formation in PICs should also be central to a plan to generate the maximum benefits for all Forum members from enhanced labour market access.

In October 2005 the Pacific Island Forum (PIF) Leaders endorsed the Pacific Plan, with the goal of enhancing and stimulating economic growth, sustainable development, good governance and security for Pacific countries through regionalism. The Plan encompassed increased regional provision of services as well as market integration.

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<sup>27</sup> Warner (2008), p.167.

<sup>28</sup> ADB-Commonwealth Secretariat (2005). *Toward a new Pacific regionalism: an Asian Development Bank-Commonwealth Secretariat joint report to the Pacific Islands Forum Secretariat*.

The document emphasises the need to strengthen and expand national and, where appropriate, regional vocational educational and training programs and strengthen their links with the labour market. To promote regional integration, the Pacific Plan calls on Forum members to: *[integrate] trade in services, including temporary movement of labour, into the Pacific Island Countries Trade Agreement (PICTA).*

At their meeting in August 2009, Forum Leaders launched negotiations for a new regional trade and economic agreement, the Pacific Agreement on Closer Economic Relations known as *PACER Plus*. Australia is motivated to support PACER Plus because it believes that it will help the Forum Island Countries to promote their own sustainable economic development. The negotiation of a new regional trade and economic agreement will create a regional trade area between Australia, New Zealand and the PICs. This offers opportunities to create jobs, enhance private sector growth, raise standards of living and boost long-term economic growth in FICs. Australian Ministers have stated clearly that PACER Plus will include skills development for PICs, equipping them for technical work both within the region and globally. In March 2009, Australian Trade Minister Simon Crean stated that he wanted to ensure PACER Plus would:

*... create an environment in which the work force can be mobile within the region in the knowledge that we will assist in the training, through the training colleges, through our aid program, in developing the skills that are necessary, not only is there employment opportunities, but you are equipping a work force with a skill that they can use themselves within their own countries ... a great example, not of using a trade agreement to simply open markets of getting a circumstance of which you are genuinely building the skill-base and the work force in a lasting sense for the region.*

*... there is great potential to develop a region wide labour mobility and skills development program for the Pacific, particularly when you think about the large infrastructure projects within the region that are about to come on stream - the PNG LNG project, for example; the Australian Solomons Goldmine, as another example; and the defence initiated infrastructure build-up in Guam.<sup>29</sup>*

The recent round of PICTA negotiations led to a draft schedule of commitment and a draft conceptual framework for the Temporary Movement of Natural Persons (TMNP) (labour mobility) amongst the fourteen developing country members of the Forum. The first priority has been to tackle the higher end of occupational skill shortages – including doctors, other health professionals, academics, teachers and accountants. The Forum Trade Ministers agreed in October 2009 that during the preliminary stage of negotiations, within the next 12 months, members would focus on deepening understanding of common priority issues including, inter alia, regional labour mobility beyond Mode 4<sup>30</sup>, and discuss other priority issues including education.

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<sup>29</sup> The Hon. Simon Crean, MP, Ministerial Statement, 'Commencement of PACER Plus Negotiations', 18 August 2009.

<sup>30</sup> Under the General Agreement on Trade in Services (GATS) framework, Mode 4 refers to the movement of persons across borders for the purpose of supplying services. It is typically oriented to mobility of professionals and inter-company transfers. In many cases PIC professionals with recognised qualifications are already able to gain access to the Australian, New Zealand and other job markets. The type of agreement that may be of most interest to the majority of PICs is one that covers those without formal qualifications (so-called 'unskilled workers'), or various categories of so-called 'semi-skilled' workers.

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As regional integration gathers momentum in coming years, the temporary and permanent movement of skilled workers between PICs and from the PICS to Australia, New Zealand, USA and elsewhere will increase. This will particularly affect the skills base of labour exporting countries in what is commonly known as “brain drain”. This will require greater assistance to increase PICs supply side competitive capacity in a number of areas, including through the training and up-skilling of the Pacific workforce; capacity building support for technical training to broaden job opportunities for younger people at home and abroad; mutual recognition and; where possible, harmonisation of standards and qualifications.

## Annex E: APTC Draft 2010/11 Course Profile

### APTC Training Partners (as at June 2010)

<b>School</b>	<b>Location</b>	<b>Training Partners</b>
Tourism & hospitality	Fiji	Training and Productivity Authority of Fiji Tanoa Hotels Group
	Samoa	National University of Samoa – Institute of Technology
	Vanuatu	Vanuatu Institute of Technology
Automotive	Fiji	ASCO Motors
	PNG	Ela Motors Port Moresby Hastings Deering Port Moresby Ok Tedi Mining Limited (Tabubil) Boroko Motors
	Samoa	National University of Samoa – Institute of Technology
Manufacturing	PNG	Port Moresby Technical College Ok Tedi Mining Limited (Tabubil) New Britain Palm Oil Ltd
	Samoa	National University of Samoa – Institute of Technology
Construction & electrical	Fiji	Training and Productivity Authority of Fiji Ministry of Works, Transport and Public Utilities
	PNG	Port Moresby Technical College, Ok Tedi Mining Limited (Tabubil)
	Samoa	National University of Samoa – Institute of Technology
Health & community services	Fiji	Training and Productivity Authority of Fiji
	Vanuatu	Vanuatu Ministry of Education



**2010/11 APTC Courses under consideration (June 2010)**

<b>SACEM Courses</b>
<b>Fiji</b>
BCG 30603 Painting and Decorating
BCG 31303 Wall & Floor Tiling
BCG 30203 Carpentry
AUR 30405 Auto Mech Tech - ASCO Motors
MEM 30205 Eng Mech Diesel Fit
TAA Training and Assessment
<b>PNG POMTECH</b>
UEE 08 Systems Electrician
BCG 30203 Carpentry
AUR 30405 Auto Mech Tech
MEM 30305 Engineering M Fab
MEM 30305 Engineering Mechanics
MEM 30205 Engineering Diesel Fit- Hasting Deering
<b>PNG – New Britain Palm Oil Limited (Kimbe)</b>
BCG 30203 Carpentry
MEM 30205 Engineering Diesel Fit
<b>PNG – Ela Motors</b>
AUR 30405 Auto Mech Tech
<b>PNG – Boroko Motors</b>
AUR 30405 Auto Mech Tech
<b>UMW Lae</b>
MEM 30205 Engineering Diesel Fit
<b>Allied/Simberi Gold</b>
MEM 30205 Engineering Diesel Fit
MEM 30205 Engineering Combined Mech & M Fab
<b>Samoa</b>
AUR 30405 Auto Mech Tech
BCP 30103 Plumbing
MEM 30205 Eng - Mech
BCP 30103 Plumbing - Short Course - Gas and Roofing
MEM 30205 Eng - Ref & A Cond
MEM 30305 Eng - M Fab
UTE 31199 Systems Electrician

<b>STH Courses</b>
<b>Vanuatu</b>
Cert III in Children's Services
Diploma of Children's Services
<b>Samoa</b>
Cert IV in Disability
Cert III in Children's Services
Cert III in Aged Care
<b>Fiji</b>
Cert III in Children's Services
Diploma of Children's Services
Diploma of Community Services Work
Cert III in Aged Care
Cert IV in Disability

<b>SHCS Courses</b>
<b>Vanuatu</b>
Cert III in Hospitality - Operations
Cert III in Hospitality - Commercial Cookery
Cert IV in Hospitality - Supervision
Cert III in Tourism
<b>Samoa</b>
Cert III in Hospitality - Operations
Cert IV in Hospitality – Supervision
Cert III in Tourism - Operations
Cert III in Hospitality - Commercial Cookery
<b>Fiji</b>
Cert III in Hospitality - Commercial Cookery
Cert III in Hospitality - Patisserie
Cert III in Tourism - Operations
Cert III in Hairdressing
Cert III in Hospitality - Operations

### APTC Enrolment as at 28<sup>th</sup> April 2010 by Campus, by School, by Citizenship by Course

SCHOOL/CITIZENSHIP/COURSE	CAMPUS COUNTRY					
	Fiji	Kiribati	PNG	Samoa	Vanuatu	Total
<b>AUTOMOTIVE, CONSTRUCTION, ELECTRICAL AND MANUFACTURING</b>						
<b>Fiji CITIZENS</b>						
Cert III Auto Mech Technology	19			8		27
Cert III Eng- Mechanical Trade	46			37		83
Cert III Eng-Fabrication Trade				14		14
Cert III Painting/Decorating	39					39
Certificate III in Carpentry	46					46
Cert III Plumbing				19		19
CIII Electrotech Sys Electricn			2	51		53
CIII Wall and Floor Tiling	20					20
CIV Training and Assessment	46					46
Non Accredited Program	33			8		41
<b>Fiji Total</b>	<b>249</b>		<b>2</b>	<b>137</b>		<b>388</b>
<b>Kiribati Citizens</b>						
Cert III Auto Mech Technology	1			2		3
Cert III Eng- Mechanical Trade	4			1		5
Certificate III in Carpentry	1					1
CIII Electrotech Sys Electricn				1		1
<b>Kiribati Total</b>	<b>6</b>			<b>4</b>		<b>10</b>
<b>Nauru Citizens</b>						
Cert III Auto Mech Technology	1					1
Cert III Eng- Mechanical Trade	1					1
Non Accredited Program				1		1
<b>Nauru Total</b>	<b>2</b>			<b>1</b>		<b>3</b>
<b>Niue Citizens</b>						

Cert III Auto Mech Technology	1					1
Cert III Eng- Mechanical Trade	2					2
CIII Electrotech Sys Electricn				1		1
Niue Total	3			1		4
<b>PNG Citizens</b>						
Cert III Auto Mech Technology			90			90
Cert III Eng- Mechanical Trade			171	1		172
Cert III Eng-Fabrication Trade			9			9
Cert III Painting/Decorating	4					4
Certificate III in Carpentry			34			34
Certificate III in Plumbing				6		6
CIII Electrotech Sys Electricn			22			22
CIV Training and Assessment			17			17
Non Accredited Program			46			46
PNG Total	4		389	7		400
<b>Samoa Citizens</b>						
Cert III Auto Mech Technology	12			17		29
Cert III Eng- Mechanical Trade	5			21		26
Cert III Eng-Fabrication Trade				28		28
Certificate III in Carpentry	6					6
Certificate III in Plumbing				3		3
CIII Electrotech Sys Electrician				1		1
CIII Electrotech Sys Electricn				21		21
Non Accredited Program	2			11		13
Samoa Total	25			102		127
<b>Solomon Is. Citizens</b>						
Cert III Auto Mech Technology			11			11
Cert III Eng- Mechanical Trade			2			2
Certificate III in Carpentry			5			5

Certificate III in Plumbing				1		1
CIII Electrotech Sys Electricn			6			6
CIV Training and Assessment	1					1
Non Accredited Program			4			4
Solomon Is. Total	1		28	1		30
<b>Sri Lanka Citizens (TAA)</b>						
CIV Training and Assessment			1			1
Sri Lanka Total			1			1
<b>Tonga Citizens</b>						
Cert III Auto Mech Technology	2			1		3
Cert III Eng- Mechanical Trade				2		2
Cert III Eng-Fabrication Trade				1		1
Tonga Total	2			4		6
Tuvalu						
Cert III Auto Mech Technology	4					4
Tuvalu Total	4					4
<b>Vanuatu Citizens</b>						
Cert III Auto Mech Technology	4			5		9
Cert III Eng- Mechanical Trade				6		6
Cert III Eng-Fabrication Trade				1		1
Cert III Painting/Decorating	4					4
Certificate III in Carpentry	6					6
Certificate III in Plumbing				2		2
CIII Electrotech Sys Electricn				10		10
Non Accredited Program				1		1
Vanuatu Total	14			25		39
<b>SACEM Total</b>	<b>310</b>		<b>420</b>	<b>282</b>		<b>1012</b>
<b>HEALTH AND COMMUNITY SERVICES</b>						
<b>Fiji Citizens</b>						

Certificate III in Children's Services	25					25
Diploma of Children's Services	20					20
Diploma of Community Services Work	12					12
Fiji Total	<b>57</b>					<b>57</b>
<b>Kiribati Citizens</b>						
Certificate Iii In Children's Services					1	1
Kiribati Total					<b>1</b>	<b>1</b>
<b>Nauru Citizens</b>						
Diploma of Community Welfare Work					2	2
Nauru Total					<b>2</b>	<b>2</b>
<b>Samoa Citizens</b>						
Diploma of Community Services Work	5					5
Diploma of Community Welfare Work	1				1	2
Samoa Total	<b>6</b>				<b>1</b>	<b>7</b>
<b>Tonga Citizens</b>						
CERTIFICATE III IN CHILDREN'S SERVICES					1	1
DIPLOMA OF COMMUNITY WELFARE WORK	1				2	3
Tonga Total	<b>1</b>				<b>3</b>	<b>4</b>
<b>Vanuatu Citizens</b>						
CERTIFICATE III IN CHILDREN'S SERVICES					26	26
DIPLOMA OF CHILDREN'S SERVICES (EARLY CHILDHOOD ED. & CARE)					24	24
DIPLOMA OF COMMUNITY WELFARE WORK					14	14
Vanuatu Total					<b>64</b>	<b>64</b>
<b>HCS Total</b>	<b>64</b>				<b>71</b>	<b>135</b>

### SCHOOL OF TOURISM AND HOSPITALITY

#### Fiji Citizens

CERTIFICATE III IN HAIRDRESSING	12					12
CERTIFICATE III IN HOSPITALITY	36			2		34
CERTIFICATE III IN HOSPITALITY (COMMERCIAL COOKERY)	42					42
CERTIFICATE III IN HOSPITALITY (OPERATIONS)	3					3
CERTIFICATE III IN HOSPITALITY (PATISSERIE)	12					12
CERTIFICATE IV IN HOSPITALITY (SUPERVISION)	2					2
CERTIFICATE IV IN TRAINING AND ASSESSMENT				1		1
Fiji Total	107	0	0	3	0	106
<b>Kiribati Citizens</b>						
CERTIFICATE III IN HOSPITALITY	5					5
CERTIFICATE III IN HOSPITALITY (COMMERCIAL COOKERY)	2				1	3
CERTIFICATE IV IN TRAINING AND ASSESSMENT		1				1
Kiribati Total	7	1			1	9
<b>Marshall Is. Citizens</b>						
CERTIFICATE III IN HOSPITALITY	1					1
Marshall Is. Total	1					1
<b>Nauru Citizens</b>						
CERTIFICATE III IN HOSPITALITY (COMMERCIAL COOKERY)	1					1
Nauru Total	1					1
<b>Niue Citizens</b>						
CERTIFICATE III IN HOSPITALITY (COMMERCIAL COOKERY)				1		1
Niue Total				1		1
<b>Palau Citizens</b>						
CERTIFICATE III IN TOURISM				1	1	2
CERTIFICATE IV IN HOSPITALITY				1		1
Palau Total				2	1	3
<b>PNG Citizens</b>						
CERTIFICATE III IN HAIRDRESSING	2					2
CERTIFICATE III IN HOSPITALITY (OPERATIONS)	9			8	19	36

CERTIFICATE III IN HOSPITALITY (COMMERCIAL COOKERY)				2	13	15
CERTIFICATE III IN HOSPITALITY (PATISSERIE)	2					2
CERTIFICATE III IN TOURISM				5	16	21
CERTIFICATE IV IN HOSPITALITY				8		8
PNG Total	13			23	48	84
<b>Samoa Citizens</b>						
CERTIFICATE III IN HOSPITALITY (OPERATIONS)				32		32
CERTIFICATE III IN HOSPITALITY (COMMERCIAL COOKERY)				20		20
CERTIFICATE III IN TOURISM (OPERATIONS)				17		17
CERTIFICATE IV IN HOSPITALITY				8		8
CERTIFICATE IV IN TRAINING AND ASSESSMENT				17		17
Samoa Total	0	0	0	94	0	94
<b>Solomon Is. Citizens</b>						
CERTIFICATE III IN HOSPITALITY				2	4	6
CERTIFICATE III IN HOSPITALITY (COMMERCIAL COOKERY)	1				5	6
CERTIFICATE III IN HOSPITALITY (PATISSERIE)	1					1
CERTIFICATE IV IN HOSPITALITY				3		3
Solomon Is. Total	2			5	9	16
<b>Tonga Citizens</b>						
CERTIFICATE III IN HOSPITALITY				4		4
CERTIFICATE III IN HOSPITALITY (COMMERCIAL COOKERY)				6		6
CERTIFICATE III IN TOURISM				6		6
Tonga Total				16		16
<b>Tuvalu Citizens</b>						
CERTIFICATE III IN HOSPITALITY	3					3
CERTIFICATE III IN HOSPITALITY (COMMERCIAL COOKERY)	2					2
CERTIFICATE III IN HOSPITALITY (PATISSERIE)	2					2
Tuvalu Total	7					7
<b>Vanuatu Citizens</b>						



CERTIFICATE III IN HOSPITALITY (OPERATIONS)					56	56
CERTIFICATE III IN HOSPITALITY (COMMERCIAL COOKERY)					38	38
CERTIFICATE III IN TOURISM (OPERATIONS)					20	20
CERTIFICATE IV IN HOSPITALITY (SUPERVISION)					13	13
CERTIFICATE IV IN TRAINING AND ASSESSMENT					3	3
Vanuatu Total	0	0	0	0	130	130
STH Total	138	1		144	189	472
Grand Total	512	1	420	426	260	1619

## **Annex F: APTC Stage II Scholarships Policies and Procedures**

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### **1. APTC Scholarships Overview**

#### **1.1 Goal and Principles**

APTC Scholarships are administered strategically to support APTC's overall goals: to increase the supply of skilled workers in targeted sectors in the Pacific region; to improve national, regional and international employment opportunities for Pacific Islander women and men with Australian qualifications in targeted sectors; and to increase the productivity of individuals and organisations in targeted industries and sectors.

The specific goal of the APTC Scholarships is to promote access to the APTC, especially for individuals from smaller island states where APTC does not have a campus and for those without other means of financial support. This is achieved through providing financial support for Pacific Islanders to attend the APTC, to upgrade their vocational skills and receive an Australian qualification.

The scheme objective is to administer scholarship procedures that maximise opportunities for students from all Pacific Forum countries to access and successfully complete APTC programmes with a particular focus on redressing gender, isolation and income discrimination and ensuring that student health and welfare concerns are proactively and professionally addressed.

The key principles for the way in which the APTC Scholarships should be implemented are that they should:

- adhere to principles of transparency and merit;
- ensure access and equity, including sensitivity to gender and disability;
- complement and not duplicate other sources of financial sponsorship for students including from the private sector, other donors, and Pacific governments;
- support flexibly structured award delivery to reflect the varied training schedules of APTC schools; and
- be structured to be cost-effective in order to maximise the number of awards that can be offered.

#### **1.2 Consistency with Existing AusAID programs**

In delivering development assistance, the Australian Government recognises that capacity building forms an important part of supporting effective government and is committed to helping enhance the capacity of partner countries to manage their own affairs. The Australian aid program will also have an ongoing focus on gender equality and helping marginalised and disadvantaged groups. Australian Scholarships seeks to promote sustainable development and excellence in education in the Asia-Pacific region. Through the provision of scholarship opportunities, Australia seeks to contribute to long-term development, stability and security of Australia's partner countries and establish and maintain mutually beneficial linkages. Australia also recognises the important role that alumni networks have in meeting these objectives and improving overall effectiveness of the scholarship program.

In their approach to scholarships, AusAID actively pursues quality, access and equity throughout the management cycle, with a strong emphasis on improving the front-end of award management through clear and effective targeting, effective promotion and the ability to measure effectiveness. AusAID's approach maximises transparency and accountability in the application, shortlisting and selection process, and emphasises a stronger engagement with alumni.

To reflect the APTC goals and objectives, the APTC scholarship policies and processes vary from the core bilateral Australian Scholarships for the Pacific. Given its labour mobility objectives (unlike the long-term Australian Development Scholarships (ADS) and the Australian Regional Development Scholarships (ARDS) schemes), the APTC awards do not have a requirement for graduates to return home for two years on completion of their training and before they can apply for migration to Australia. Whilst ADS/ARDS are long-term awards, the APTC application and selection processes and scholarship benefits have been designed to match the shorter term, block structure and flexible delivery of many of the APTC courses.

APTC Scholarships are also managed wholly by the APTC, rather than as for most of the major AusAID scholarship scheme where the scheme is managed by a separate contractor to that providing the training. A student may receive a number of consecutive APTC awards to enable them to progress through to the highest level of the course available at the APTC. The APTC awards also have a number of different levels of award entitlements to reflect the higher proportion of awardees that are studying in their home country.

## **2. Access and Equity**

### **2.1 Overview**

APTC Scholarships are open to all citizens of PIF countries (except Australia and New Zealand), who over the age of 18 and meet the technical entry (and English language/numeracy) requirements for specific APTC courses. As far as practical, APTC Scholarships seek to incorporate a principle of equity to seek that all target applicants (including women and persons living with disabilities) are offered equivalent opportunities to be offered awards. This means actively assisting historically disadvantaged groups to compete with those who may not need assistance to apply or receive a scholarship. This does not mean that sub-standard applicants will be 'allowed through' the selection process. Only those applicants who meet all necessary requirements (once assistance has been applied) will be offered awards.

The APTC is responsible for delivering training that is responsive to industry needs in order to secure employer funding for workers to attend the APTC. As a result, not all APTC places will be funded through the scholarship scheme. APTC Scholarships should not be provided to applicants who have alternative sources of financial support to attend the College (for example funded by larger employers, other donors, or home governments).

Other APTC policies with respect to gender equity, disability, HIV/AIDS and other cross-cutting issues detailed in the APTC Stage II design apply equally to the APTC Scholarships. Indeed the scholarships provide an enabling mechanism for addressing such issues, particularly with regard to increasing female participation at the APTC.

## 1.1 Scholarships Allocation Model

As in Stage I, the APTC Awards will be managed as a regionally competitive scholarship scheme, allowing flexibility to offer awards to reflect course availability, applicant demand, provide equitable access for all PIF countries and to make any adjustments necessary to realise program outcomes. The APTC Chief Executive Officer is responsible for developing and implementing agreed guidelines to ensure that the APTC Awards are allocated across countries, schools and gender in an equitable, transparent and standard manner.

A Scholarships Allocation Model was developed during Stage I to assist in determining the fair allocation of scholarship awards across countries. This model uses a natural logarithm methodology to determine scholarship allocation based on each PIC's population size and GDP. This approach results in a distribution of awards positively favouring those countries that are smaller, less economically developed and that do not have an APTC campus (so face a higher relative cost of attending APTC courses overseas and reduced opportunity for employer funded access). External criteria for geographic distribution of scholarships may also need to be applied to take into consideration AusAID's diverse range of existing and potential commitments across the Pacific.

### 1.1.1 *Gender Equity*

To support gender equity, APTC Scholarships promote equal access to the APTC for both men and women. Pre-award processes, including scholarship advertisement and selection, are targeted to promote gender equity in students undertaking APTC training courses. While some training sectors are traditionally dominated by one gender (e.g. men in trades areas, or women in the health sector), marketing materials are targeted so that women and men are actively encouraged to apply for training in all schools, particularly for courses which are not traditional areas of employment for their gender. During selection, efforts are made to allocate APTC awards evenly between eligible female and male candidates. For example, in training courses dominated by male applicants, awards are allocated evenly between males and females until no further females are eligible for placement/award.

### 1.1.2 *Rural and Economically Disadvantaged*

Students from rural or economically disadvantaged backgrounds are encouraged to undertake training at the APTC through the availability of APTC Scholarships and targeted marketing campaigns. At this stage, however, the majority of APTC courses are necessarily targeted at applicants who have work experience and are in employment so that they are able to undertake the required work experience/assessment components of their course. Where possible, the APTC will also conduct courses for candidates with work experience or technical qualifications who are not currently employed.

Experience from other scholarships programs in the Pacific suggests that it is difficult to verify students' claims to disadvantage and, as such, the APTC Scholarships selection criteria cannot directly target rural or economically disadvantaged students. In practice, where there are two students of equal technical merit, the APTC should prioritise the applicant with proven links (through birth, schooling or employment) to a rural/remote area for a scholarship. The Partial Awards levels provide a higher level of allowances for students from rural areas.

## 2. Management and governance arrangements

AusAID is the principal Australian Government body responsible for the oversight of the APTC. AusAID Suva or the other Pacific Posts do not take on day-to-day management or coordination of APTC Scholarships. Scholarship reporting to AusAID Suva is included in the regular APTC reporting. Where requested by the AusAID Post in campus countries, the APTC will provide regular briefings and may also seek advice from the Post as to any country-specific implementation issues. The APTC will also be guided by the Post with respect to any civil or natural emergency situations.

AusAID and the APTC GM have responsibility for high level consultations on APTC matters with senior representatives of the various Pacific governments. As the APTC Scholarships are managed as regional scheme, Pacific governments are not involved in the selection of awardees or administration of other aspects of the scheme. In Stage II, Pacific governments will be consulted on the APTC Annual Training Profile and their country's training and scholarship priorities through regular consultation and the development of APTC Country Strategies.

The Advisory Group may also be consulted on scholarship matters, and will be provided with relevant scholarship statistical reports.

AusAID will contract the management and implementation of the APTC Scholarships to the APTC Stage II Contractor, as part of the broader APTC contract. The APTC CEO has delegated responsibility from AusAID for the overall strategic development, management and coordination of the APTC Scholarships. The GM will ensure that all aspects of the scheme are managed in a way that is consistent, transparent, fair and merit based. The GM will be assisted in scheme management by the Scholarships Coordinator, and APTC staff in the campus and selected non-campus countries as required to:

- provide strategic advice to AusAID on future directions;
- develop and implement scholarship policies, procedures and operational guidelines (including selection and eligibility criteria);
- determine indicative scholarship numbers by country/gender/school for each selection round;
- undertake the communication and marketing of scholarships information;
- administer the scholarship application and selection processes;
- offer scholarship awards to successful applicants (and advise unsuccessful applicants);
- mobilise awardees (including visas and pre-departure briefings) and provide advice to awardees on arranging passports and health checks;
- organise and pay for student travel (at start/end award and between blocks of training);
- arrange awardee accommodation;
- meet awardees at campus country airports (including those transiting from one country to another);
- provide orientation on scholarship specific matters (allowances, award conditions etc);
- arrange health insurance;
- pay scholarship allowances or stipends to awardees;
- administer financial management of other scholarships related expenditure;
- approve award variations (e.g. changes to award lengths, terminations, student appeal process);

- manage end award processes; and
- maintain and provide data for the reporting, monitoring and evaluation of the scholarships (as integrated into the overall APTC Performance Framework).

For reasons of transparency, there should wherever possible be separation of scholarship responsibilities between the Schools and APTC Corporate and Student Services (CSS). The direct responsibilities of the APTC Schools with respect to scholarships include:

- assessment of technical merit and ELLN competency of scholarship applications;
- provision of a ranked shortlist (by course/country) of scholarship applications and any selection recommendations to APTC CSS; and
- recommendations for award variations.

Responsibilities for scholarship functions should be clearly clarified for campus countries, non-campus countries with APTC representation and other non-campus countries. The Contractor will update the Stage I *APTC Scholarships Policy and Procedures Manual* during the transition period to reflect any changes to management processes and responsibilities.

### 3. Award Eligibility and Benefits

#### 3.1 APTC Courses

To reflect the range of APTC course lengths and delivery modes, scholarships will be offered for the courses annually approved within the APTC Training Profile. Awards may be provided to support a student to undertake a single short-term course or to enable a student to undertake either a longer-term course (of a year or more) or back-to-back short-term courses where a student will progress through a number of short-term courses to graduate with an APTC qualification. The progression between course levels would not need to be continuous, in consideration of workplace or family demands where they exist, but should be structured to minimise travel costs for overseas students.

No scholarships will be offered for Certificate TAE4 training, as these courses will be delivered on a fee for service basis.

The APTC does not provide scholarships for Certificate I and II level training. Alternative sources of funding need to be used to provide education and training at this level either in-country or overseas.

#### 3.2 Award Eligibility

To be eligible for APTC Scholarship an applicant must:

- ✓ have citizenship in a Pacific Island Forum country;
- ✓ not have citizenship or permanent residency of New Zealand or Australia, except where their country does not issue passports and they hold New Zealand passports (i.e. citizens of Cook Islands, Niue or Tokelau);
- ✓ not hold dual citizenship with a country outside of a Pacific Island Forum country;
- ✓ be over the age of 18;

- ✓ satisfy the admission requirements of APTC School's course entry (including technical, English language/literacy and numeracy requirements);
- ✓ not have access to another source of funding (e.g. through their employer) that would offer support for a similar standard of training;
- ✓ not have had an Australian or New Zealand Government scholarship that has been terminated;
- ✓ if they have had an ARDS award, have completed that award (applicants are eligible to apply for an APTC Scholarship directly after completion of their ARDS award. This will not negate any of their other ARDS award conditions, including the ARDS requirement to return home to work in their country for at least two years following completion of their APTC training); and
- ✓ be able to take up the award at the start of the course for which it is offered.

A student may receive a number of consecutive APTC awards to enable them to progress through to the highest level of the course available at the APTC.

### 3.3 Award Levels

To promote access to the College for those without alternative financial support, whilst maximising the number of students who will benefit from the scheme, two levels of scholarship are offered: Full Awards and Partial Awards (Levels 1, 2, or 3).

The Full and Partial Award entitlements and the basis for calculation should be the same across all campus countries. However, as costs for the same item will vary between countries, cash entitlements such as the Full Award Stipend and Supplementary Training Benefit need to be calculated separately for each campus country. The benefits should be increased annually by an agreed price rise index, or recalculated should there be extraordinary price movements in a country. Changes to the amount of the allowance need to be approved in advance by AusAID and factored into annual budget plans.

### 3.4 Full Award Entitlements

Full Awards are provided for students undertaking full-time training at an APTC campus not located in their home country. Full Awards are not only for students from Non Campus Countries (NCCs) but also for students from campus countries having to travel overseas to attend a specific APTC course.

The Full Award entitlements include a number of components:

- Tuition fees – tuition fee waiver;
- Travel - including international air travel<sup>31</sup> and domestic air, road and/or boat travel to the international airport. This applies to awardee travel on award commencement, between training blocks and on completion of their award. CSS will either directly book and fund this travel or compensate the student on production of receipts;
- Pre-departure Costs - which covers visa costs, but does not cover pre-departure costs such as passport purchase, police and health checks. These costs may be reimbursed through the Supplementary Training Benefits (STB), with awardees responsible for meeting these costs upfront;

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<sup>31</sup> *Demobilisation to same point of mobilisation.*

- Supplementary Training Benefits – which include cash payments covering the costs associated with international travel including excess baggage or unaccompanied luggage (in- and out- bound), passport, medical and police check (if necessary), international banking fees associated with your APTC payments and unexpected costs associated with international travel. The STB also includes in-kind contributions covering initial required consumables, learning materials, and equipment;
- Living costs - including basic living costs such as accommodation, food and transport (paid as a stipend).
- Health Insurance - basic health insurance; and
- Compassionate travel - payment for once-off compassionate travel is provided for under special circumstances and compassionate reasons concerning an immediate family member which includes a student's parents, spouse or children.

### 3.5 Partial Award Entitlements

The three levels of the Partial Award allow for the broader application of allowances and recognise the diverse circumstances and needs of local students. For local students undertaking APTC courses at a campus located within their home country:

- **Level 1:** provides support for students who live/work in remote locations and need extra support to relocate to an APTC campus within the campus country;
- **Level 2:** provides support for students who are required to travel some distance to an APTC campus within the country on a daily basis. It includes proportional meal allowance for lunches and also supports additional transport costs; and
- **Level 3:** provides support for students who live close to an APTC campus within the country. The level of support is closely aligned to the equivalent standard minimum daily wage and is designed to compensate the student for daily expenses, particularly when they are required to take 'leave without pay' to attend APTC classes.

The table below indicates the entitlements for each of the Partial Award levels with respect to tuition fees, in-country travel, living allowance and Supplementary Training Benefits.

Table 1: Partial Scholarship Entitlements (d)

Level of Partial Scholarship	Tuition Fee Waiver	In-country travel <sup>(a)</sup>	% Total Stipend <sup>(b)</sup>	Supplementary Training Benefits <sup>(c)</sup>
Level 1	✓	✓	100%	No cash applicable. In - kind benefits provided by Schools
Level 2	✓		40%	No cash applicable. In - kind benefits provided by Schools
Level 3	✓		25%	No cash applicable. In - kind benefits provided by Schools

**(a)** Travel: domestic sea and air travel to and from point of departure to campus location

**(b)** A fortnightly stipend to cover a proportion of living costs including accommodation, meals, living costs, and incidentals

**(c)** Supplementary Training Benefits: may include required consumables, learning materials, and equipment (called an Establishment Allowance in other scheme)

**(d)** Part time students are also eligible for a Partial Scholarship and receive pro rata benefits according to study load, e.g. a student studying 2 days would receive 0.4 of applicable full time study benefits.



### 3.6 Ancillary Awards

Eligible SIS students in the ELLN bridging program will receive support for their training, through an 'Ancillary Award'. Those undertaking the bridging program in a campus country will receive the same level of financial support as under a Full Award. Students undertaking the program in their home country will be provided with basic financial support provided equivalent to that of the Partial Scholarships Level 3. The APTC should ensure that the financial value of the Ancillary Awards is consistent with other in-country training support provided by AusAID.

## 4. Scholarship Processes

### 4.1 Pre-Award

#### 4.1.1 *Annual Allocations by Country*

The Contractor will review the Scholarships Allocation Model during the transition period and annually for the Annual Report/Plan, to ensure the continuing equitable distribution of scholarships between countries/schools.

The APTC GM will annually review the number of scholarships awarded to each country. This will enable appropriate promotion of awards in order to redress any imbalances in scholarship allocations for the forthcoming year. Over the course of the year, the Contractor should also monitor total scholarship expenditure so that available funding and course places are effectively utilised. The planned allocation of awards is indicative and the average scholarship costs are highly variable. The distribution of awards may also need to be varied in the second selection cycle to reflect demand considerations and the quality of applicants in each category. Any reasons for significant and consistent variations will need to be addressed by the APTC in the Annual Report/Plan. Where necessary, the Scholarships Allocation Model may need to be varied with AusAID approval.

#### 4.1.2 *Marketing and Communication*

Promoting an APTC "brand" with a distinct Australian identity is a key priority in operating the APTC. *APTC Scholarships* promotion will be undertaken in conjunction with overall APTC marketing in accordance with the overall APTC communication strategy. While *APTC Scholarships* are managed separately from other awards funded by the Australian Government, the scholarships should remain clearly and unambiguously an initiative of the Australian Government. The marketing and communication should focus on increasing the visibility, impact and equity of the APTC Scholarships; provides strategies for increased participation of women and for addressing the needs of people living with disabilities. Specific focus should be placed on the strategy for marketing the scholarships to the SIS with no APTC representation and to other rural/isolated locations.

#### 4.1.3 *Application/Selection Process*

The scholarship application process is integrated with the application process for entry into APTC courses. There will be two scholarship selection rounds each year, which will enable progressive entry into College courses starting at varying times throughout the year. Applications from all eligible APTC candidates enter competitive pools for each course available for the upcoming training period. The number of new scholarships to be offered each year will be based on funding availability including consideration of the funding required for continuing awardees.

The award of scholarships will be guided by the Scholarships Allocation Model (the indicative allocation of awards by country), the Annual Training Profiles (the target number of Full/Partial scholarship places by course), and the Country Strategies (country priorities for training). Within these guides and ensuring gender equity where possible, scholarships are offered to the most technically qualified applicants.

RTOs are responsible for assessing awardee course entry eligibility based on their ability to meet the relevant School and course criteria and their English language/numeracy competency, reflecting their ability to pass the course with the assistance of concurrent English language/numeracy support, if required.

The School will provide a technical ranking of the applications for each course by student, home country, and gender. They may also make specific recommendations for applicants based on other relevant factors. Unsuccessful scholarship applicants from previous selection rounds will be carried over into the ranking where appropriate.

The APTC CSS will then determine a list of successful scholarship applicants to be offered scholarships during the selection cycle, ensuring a geographic and gender equity balance across all scholarships. In doing so, they should also take into consideration the impact on labour supply if too many awardees are selected from one employer/location in the SIS at the same time. They may also recommend adjustments to the number of scholarship places available in each course (within limits initially agreed with the Schools). The scholarships list will then be reviewed and signed-off by the APTC Senior Management Team or other delegated senior staff. The shortlist of awards for Fiji citizens should be sent to AusAID for approval before scholarships are awarded.

It is noted that the Stage II design includes for reintegration plans to be trialled at the APTC. During Stage II, the Contractor should assess whether reintegration plans should be included as part of the selection process for existing workers, so that scholarships are allocated where there is most likelihood of training skills being utilised back in the workplace.

Scholarship offers should also be over-programmed to allow for candidate deferral, with this initial percentage to be adjusted with program experience. The successful applicant may defer offer of course place and scholarship in a few circumstances: where they face a serious family problem, serious medical or mental health condition; where the applicant is pregnant or is hospitalized for more than three weeks during the course time; or where an employer requests a deferral, which would be assessed on a case by case basis. A scholarship can be deferred only once, and after that deferral the applicant must reapply.

Given the large demand for scholarships in campus countries, combined scholarship/course applications can be accepted and assessed for technical merit and entry to the APTC on an ongoing basis throughout the year, and then considered for scholarship within the relevant period.

#### **4.1.4 *Scholarship Application/Selection Cycle***

Scholarships commenced before July 2011 will continue into Stage II and awardees will need to be advised of any changes to their support/contact points within the APTC. Arrangements will also need to be made for awardee stipend payments to be continued without interruption. There are no changes to scholarship award policies that affect continuing students.

From Stage II, the number of scholarships to be offered for each course will be based on the number of places specified in the Annual Training Profile.

For new Stage II scholarships for training commencing between July-December 2011, the APTC will continue to follow the Stage I rolling application process.

For new Stage II scholarships for training commencing January 2012, the following process will apply:

- Assessment of scholarship applications will be undertaken during two scholarship selection cycles a year.
- Within a context of balancing gender and SIS access, applicants with the highest technical merit for each course/campus will be offered scholarships.
- Where there is high demand for scholarships for a course, a shortlist (indicatively 300% of the available scholarship places in a course) of applications will be identified for technical merit assessment as part of the scholarships process.
- Scholarship applications assessed as meeting course entry requirements but not awarded a scholarship for the forthcoming period will be advised that:
  - they can take up a tuition fee only place;
  - they will be included on a waitlist for awardee withdrawals; and
  - their application will roll-over to the next scholarship selection period (but will be assessed against new applications).
- Where possible, applicants from SIS with eligible technical merit but not meeting ELLN requirements will be provided with ELLN bridging programs

The two selection rounds will be managed as per the indicative timing below:

Submission of proposed training profile for next FY (Jul-Jun)		Jan
Update training profile for next period (Jan-Jun)	July	
Advertise courses for next period	Aug	Feb
Scholarship Application Closing date	Mid Sep	Mid Mar
Scholarship Application Screening	Sep	Apr
Scholarship Application Assessment	Oct-Nov	Apr-May
Scholarship Ranking and Selection	Nov-Dec	May-Jun
Award Offer	Dec	Jun
Mobilisation	Dec-May	Jun-Nov
<b>Training Period</b>	<b>Jan-Jun</b>	<b>Jul-Dec</b>

#### **4.1.5 Mobilisation/demobilisation**

The Contractor will develop a mobilisation plan for each awardee, including facilitating logistics, arranging and paying for health insurance and travel to and from the study country and return and facilitating for lodging visa applications. Passports are the responsibility of each applicant. Once the applicant has accepted the scholarship offer they must gather all relevant documents for their passport and visa application.

The Contractor will also arrange a pre-departure briefing (PDB) for individuals or groups of awardees. PDBs provide essential information that students need upon arrival in their study country, such as advice from APTC alumni, the AusAID Post and other sources about living and studying overseas. It is expected that the PDB will help the awardees to quickly settle into the APTC, thereby enhancing their ability to

complete their studies within the duration of their award. PDBs also provide an opportunity to remind students of their scholarship entitlements and obligations. Where possible, students should arrive up to 7 days prior to the start of their course.

#### **4.1.6 On-Award Support**

Duty of Care is an APTC wide responsibility from mobilisation to de-mobilisation. The APTC Contractor is responsible for awardee reception and orientation on arrival in the campus/host country. They will also arrange secure awardee accommodation, pay the awardee their allowances and make any approved reimbursements. The Contractor will arrange and pay for travel between training blocks and provide pastoral health and welfare support to all scholarship students. Additional support may be required for students living away from home/overseas for the first time. Special needs assistance may be required for people with a disability. The APTC should manage awardee compassionate leave on a case by case basis.

#### **4.1.7 Post-Award**

APTC scholarship (and non-scholarship) graduates will be part of the APTC alumni network. The establishment of an APTC alumni network will support and promote program objectives through:

- facilitating the provision of contact information for M&E purposes;
- accessing alumni for operational purposes, such as the provision of practical assistance and mentoring to new awardees and as a resource in other key areas;
- a forum for active discussion and exchange of ideas/expertise relevant to the achievement of the APTC objectives; and
- enabling alumni to exchange knowledge and skills.

## Annex G: APTC Stage I Cost Structure Analysis

### Analysis Notes

- i. There is no consolidated APTC financial database.
- ii. The figures used in this analysis are those supplied to the team in April 2010 on request from the Stage I contractors: SKM, SCIT and BHI.
- iii. The contractors were asked to provide details of design, capital and recurrent costs, by year (actual and planned), for each school and program, as well as for the management and support facilities in-country and in-Australia.
- iv. It was found that the financial classification systems used are not uniform, and not all data was supplied.
- v. The total figure does not include the AUD\$8.8 million set aside for AusAID support, or the AUD\$10 million scholarship component. Even including these figures, the total expenditure data falls short of the AUD\$150 million budget for the College.

### Summary Analysis

- Table 1 shows:
  - an imbalance in the development costs between the three contractual partners
  - difference in the civil works components, due mainly to the SACEM development at the PoMTech site and the STH development in Vanuatu
  - the almost identical expenditures on teachers and trainers by the two RTOs, and the similar expenditures on other operational items such as staff travel, teaching materials and utilities;
  - the 'other operational costs' component for the CO includes staff wages, salaries and other personnel expenses
- Over fifty percent of the recurrent costs of APTC were allocated to management and support. This proportion would be an even higher percentage if all Coordination Office (CO) running costs are included, and if the AusAID support figure is also factored in (see Table 4). The bulk of this management and support is for RTO operations in Australia
- The conclusion that the whole APTC program could be delivered for significantly less than in Stage I – for example there is obviously great scope for cost-efficiencies in management and support – is difficult to escape.
- Figures 3 and 4 show that there has been no 'typical' year during Stage I. Indeed, the impact of the APTC being a four year program with significant start-up costs is clear. 2009 is the only year to date that has had anything like a full schedule of activity, and is therefore the one used in the calculation of per-student and per-training hour costs – see Tables 6 and 7 and 8.
- More details of costs per student and per training hour are shown in Table A.4. The way in which the cost estimates for the cost per student and cost per training hour are arrived at is shown in Annex H. Cost per student estimates are used in the CBA calculations, whilst cost per training hour can be used as the basis for setting contract costing norms for tendering purposes.

**Table 1: APTC Stage I cost of operations (AUD)**

category and location	Coordination Office	School			Total
		SACEM	STH	SHCS	
<b>Design and development costs</b>	<b>79,844</b>	<b>96,076</b>	<b>706,726</b>	<b>597,634</b>	<b>1,480,280</b>
<b>Capital costs</b>					
civil works	-	9,266,662	2,012,735		11,279,397
equipment and machinery	414,785	1,745,973	726,193		2,886,951
<b>Total capital</b>	<b>414,785</b>	<b>11,012,635</b>	<b>2,738,928</b>		<b>14,166,348</b>
<b>Recurrent costs</b>					
management and support					
in-country	6,461,035	12,975,798	2,920,238		22,357,070
in-Australia		8,476,664	11,114,605		19,591,269
sub-total	6,461,035	21,452,461	14,034,843		41,948,339
teachers and instructors	-	10,389,631	10,314,874		20,704,505
transport and travel	299,667	2,864,992	500,619		3,665,278
rental and hiring charges	146,802	1,516,057	1,058,865		2,721,724
other operational costs	4,346,322	2,411,446	4,437,521		11,195,289
<b>Total recurrent</b>	<b>11,253,826</b>	<b>38,634,587</b>	<b>30,346,722</b>		<b>80,235,135</b>
<b>Total costs of operation</b>	<b>11,748,455</b>	<b>49,743,298</b>	<b>34,390,010</b>		<b>95,881,763</b>

Source Table A.1

**Table 2: APTC Stage I capital expenditure, by school and location (AUD)**

Category and location	Coordination Office	School		Total
		SACEM	STH/SHCS	
<b>Civil works</b>				
Australia				-
Fiji			299,571	299,571
PNG		7,137,280		7,137,280
Samoa		2,129,382	529,377	2,658,759
Vanuatu			1,183,787	1,183,787
<b>Total</b>	<b>-</b>	<b>9,266,662</b>	<b>2,012,735</b>	<b>11,279,397</b>
<b>Machinery and equipment</b>				
Australia		116,975		116,975
Fiji	414,785	159,587	393,325	967,697
PNG		895,844		895,844
Samoa		573,567	155,001	728,568
Vanuatu			177,867	177,867
<b>Total</b>	<b>414,785</b>	<b>1,745,973</b>	<b>726,193</b>	<b>2,886,951</b>
<b>Total capital works</b>				
Australia	-	116,975	-	116,975
Fiji	414,785	159,587	692,896	1,267,268
PNG	-	8,033,124	-	8,033,124
Samoa	-	2,702,949	684,378	3,387,327
Vanuatu	-	-	1,361,654	1,361,654
<b>Total</b>	<b>414,785</b>	<b>11,012,635</b>	<b>2,738,928</b>	<b>14,166,348</b>

Source Table A.1

**Table 3: APTC Stage I recurrent expenditure by category and location (AUD)**

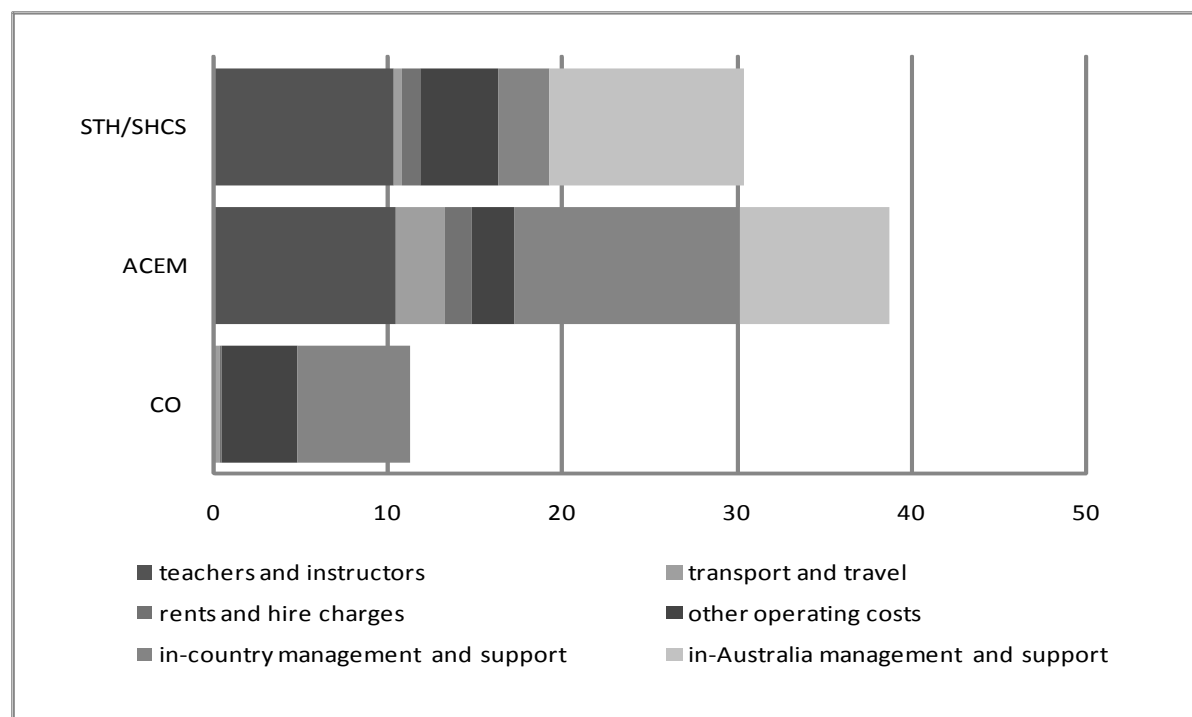
Category and location		Coordination Office	School		Total
			SACEM	STH/SHCS	
Management and support					
Australia			8,476,664	11,114,605	19,591,269
Fiji	6,461,035		2,851,435	1,067,901	10,380,371
PNG			6,640,694		6,640,694
Samoa			3,483,669	889,342	4,373,011
Vanuatu				962,995	962,995
Total	6,461,035		21,452,461	14,034,843	41,948,339
Teachers and instructors					
Australia					-
Fiji			2,909,053	3,738,039	6,647,092
PNG			4,384,732		4,384,732
Samoa			3,095,845	2,558,278	5,654,123
Vanuatu				4,018,557	4,018,557
Total	-		10,389,631	10,314,874	20,704,505
Transport and travel					
Australia					
Fiji	299,667		647,340	166,817	1,113,825
PNG			1,687,205		1,687,205
Samoa			530,447	125,145	655,592
Vanuatu				208,657	208,657
Total	299,667		2,864,992	500,619	3,665,278
Rental and hire charges					
Australia			193,600		193,600
Fiji	146,802		494,359	387,624	1,028,785
PNG			593,533		593,533
Samoa			234,564	160,140	394,704
Vanuatu				511,101	511,101
Total	146,802		1,516,057	1,058,865	2,721,724
Other operating expenditure					
Australia					-
Fiji	4,645,989		911,520	1,829,304	7,386,814
PNG	-		3,215,845	-	3,215,845
Samoa	-		1,149,073	1,285,006	2,434,079
Vanuatu	-		-	1,823,830	1,823,830
Total	4,645,989		5,276,438	4,938,140	14,860,568
Total Recurrent Expenditure					
Australia	-		8,670,264	11,114,605	19,784,869
Fiji	11,253,826		7,166,368	7,022,868	25,443,062
PNG	-		14,834,805	-	14,834,805
Samoa	-		7,963,150	4,892,766	12,855,916
Vanuatu	-		-	7,316,483	7,316,483
Total	11,253,826		38,634,587	30,346,722	80,235,135

Source Table A.1

**Table 4: APTC Stage I recurrent expenditure by category (percent of total)**

Cost category	Coordination Office	School		Total
		SACEM	STH/SHCS	
management and support				
in-country	} 57.4%	33.6%	9.6%	27.9%
in-Australia		21.9%	36.6%	24.4%
sub-total	57.4%	55.5%	46.2%	52.3%
teachers and instructors		26.9%	34.0%	25.8%
transport and travel	2.7%	7.4%	1.6%	4.6%
rental and hiring charges	1.3%	3.9%	3.5%	3.4%
other operational costs	38.6%	6.2%	14.6%	14.0%
<b>Total recurrent</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

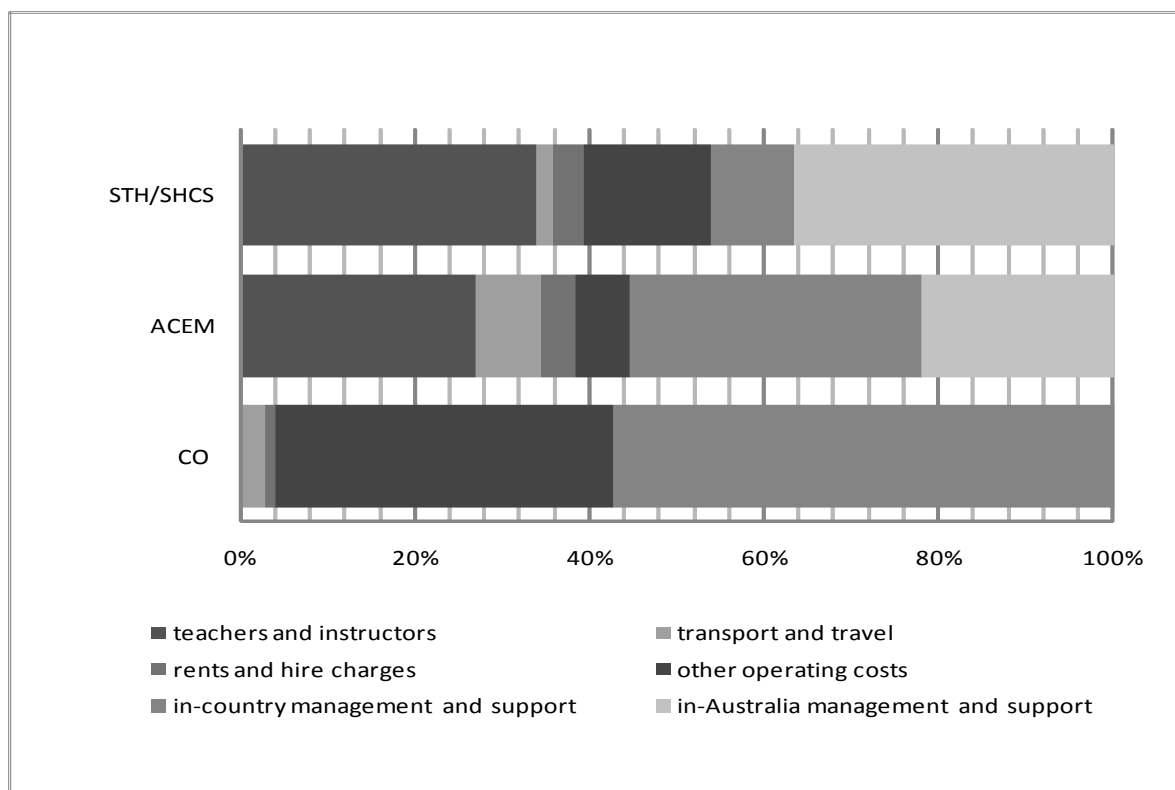
Source Table A.1

**Figure 1: APTC Stage I recurrent expenditure by category (AUD\$million)**

Source Table w

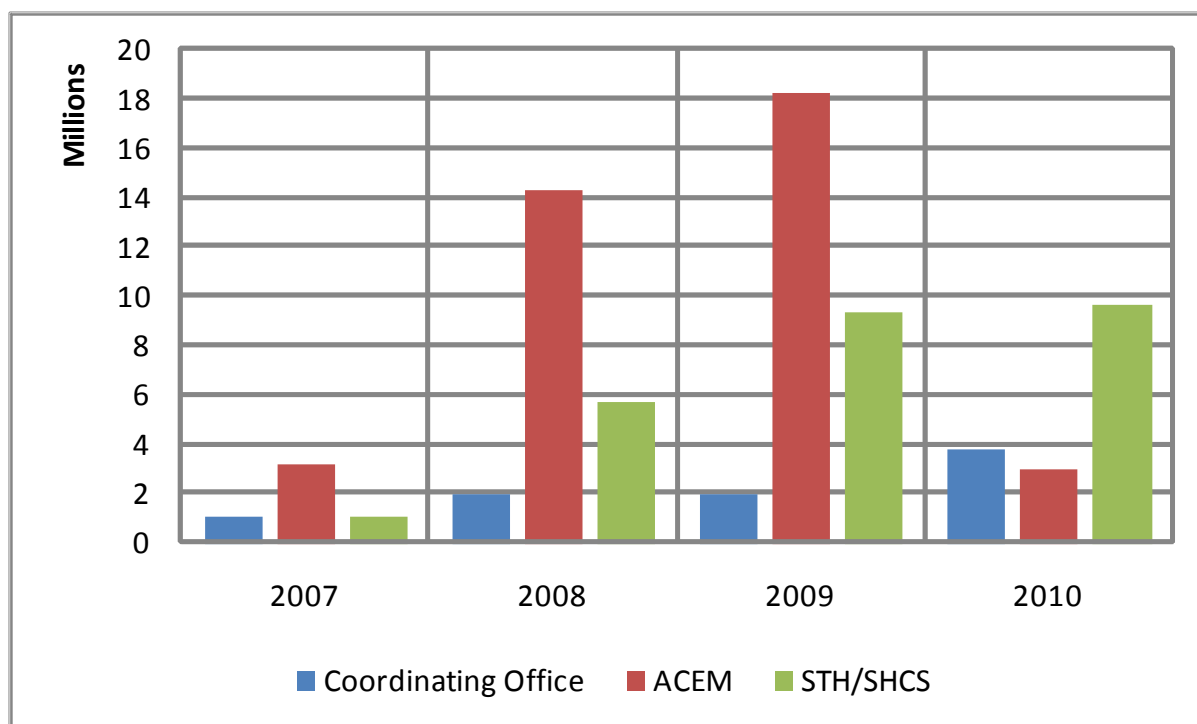


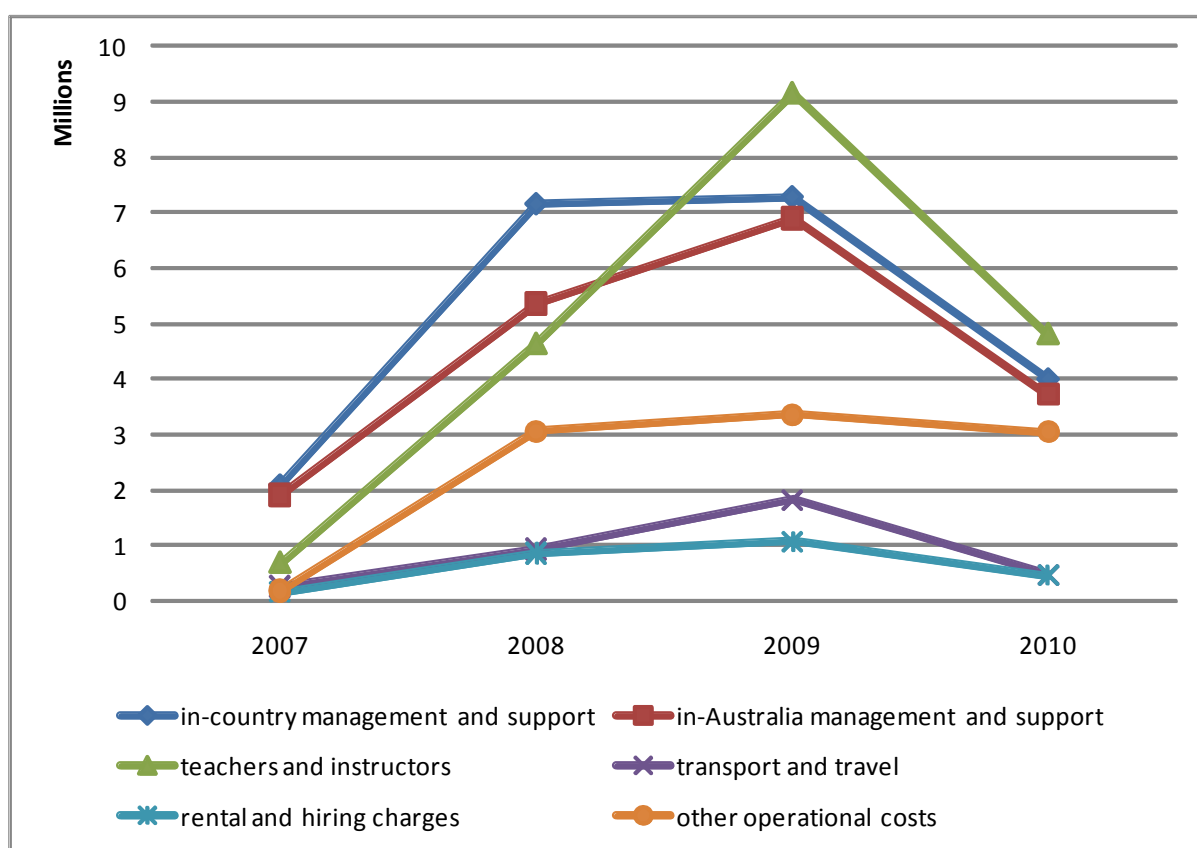
**Figure 2: APTC Stage I recurrent expenditure by category  
(percent of total)**



Source Table g

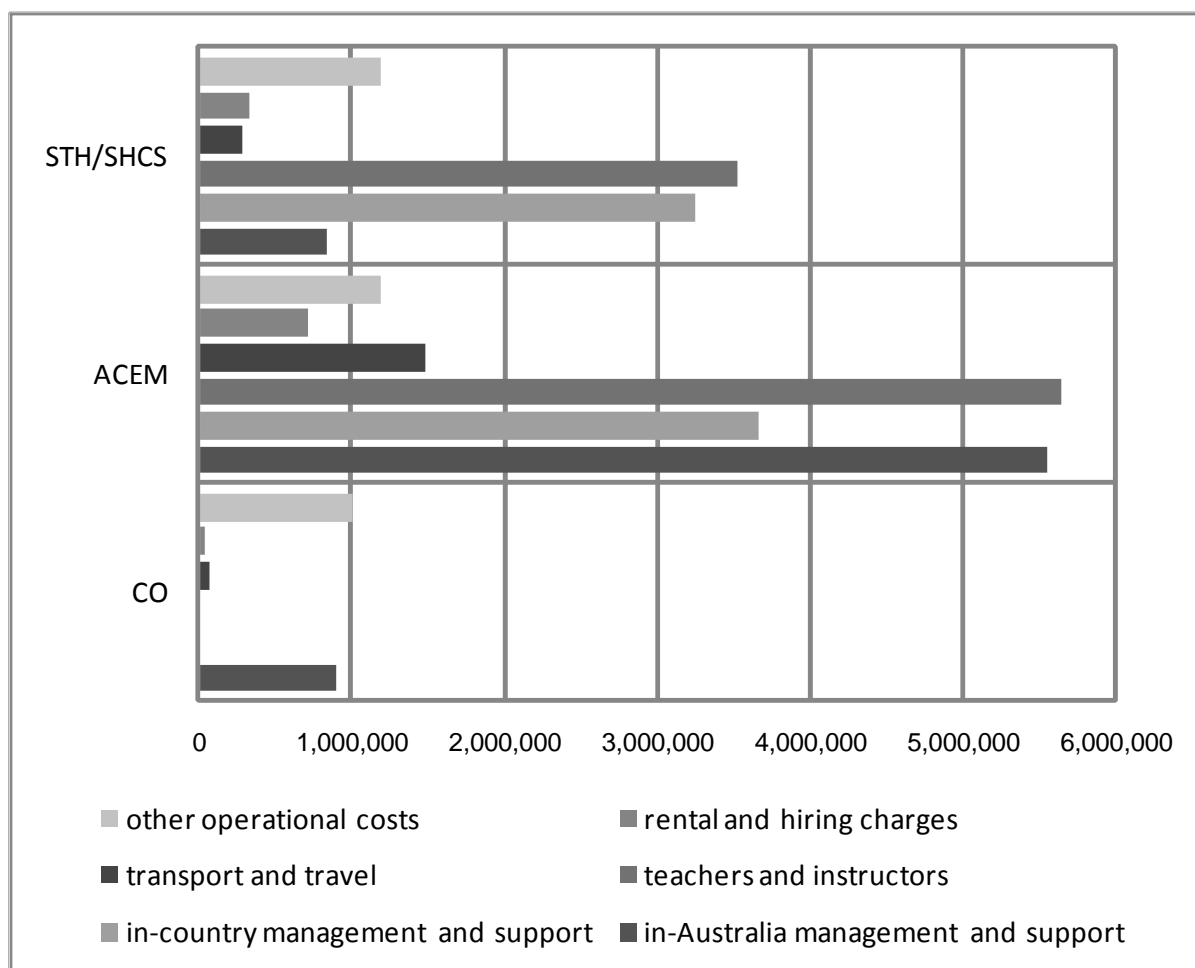
**Figure 3: APTC recurrent expenditure, 2007 to 2010 (AUD)**



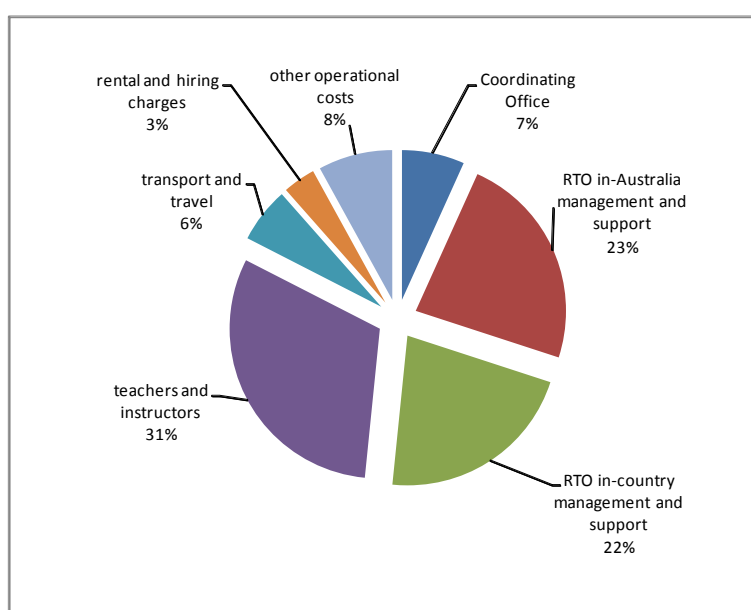
**Figure 4: APTC recurrent expenditure by category, 2007 to 2010 (AUD)****Table 5: APTC recurrent expenditure by category, 2009**

	AUD\$	percent of total
<b>Coordination, management and support</b>		
Coordination Office	1,988,835	6.7%
RTO in-Australia management and support	6,892,286	23.3%
RTO in-country management and support	6,383,371	21.6%
<b>Total coordination, management and support</b>	<b>15,264,492</b>	<b>51.6%</b>
<b>RTO operations</b>		
teachers and instructors	9,154,191	30.9%
transport and travel	1,761,305	6.0%
rental and hiring charges	1,038,191	3.5%
other operational costs	2,360,387	8.0%
<b>Total RTO operations</b>	<b>14,314,074</b>	<b>48.4%</b>
<b>Total APTC expenditure</b>	<b>29,578,566</b>	<b>100.0%</b>

**Figure 5: APTC recurrent expenditure by category, 2009 (AUD)**



**Figure 6: APTC recurrent expenditure by category, 2009 (percent)**



**Costs per student and per student hour****Table 6: APTC estimated average annual costs per student in 2009 (AUD)**

	<b>Fiji</b>	<b>PNG</b>	<b>Samoa</b>	<b>Vanuatu</b>	<b>All</b>
<b>SACEM</b>					
Automotive	12,690	16,752	23,527		<b>16,409</b>
Construction and electrical	14,194	19,217	19,362		<b>17,287</b>
Manufacturing		19,298	18,013		<b>19,261</b>
TAA	12,513	9,596			<b>11,443</b>
All SACEM programs	<b>13,800</b>	<b>17,431</b>	<b>19,410</b>		<b>16,806</b>
<b>STH</b>					
Tourism and hospitality	<b>13,233</b>		<b>15,205</b>	<b>12,979</b>	<b>13,611</b>
<b>SHCS</b>					
Children's and Community Services	<b>13,037</b>			<b>12,784</b>	<b>12,912</b>
<b>All APTC programs</b>	<b>12,674</b>	<b>17,431</b>	<b>17,136</b>	<b>11,357</b>	<b>14,699</b>

**Table 7: APTC estimated total average costs per student training hour in 2009 (AUD)**

	<b>Fiji</b>	<b>PNG</b>	<b>Samoa</b>	<b>Vanuatu</b>	<b>All</b>
<b>SACEM</b>					
Automotive	31.2	44.4	45.4		<b>41.3</b>
Construction and electrical	30.3	36.9	49.1		<b>37.2</b>
Manufacturing		23.8	44.6		<b>30.9</b>
TAA	66.4	26.3			<b>45.2</b>
All SACEM programs	<b>35.0</b>	<b>34.6</b>	<b>46.8</b>		<b>37.2</b>
<b>STH</b>					
Tourism and hospitality	<b>25.4</b>		<b>33.9</b>	<b>27.2</b>	<b>27.9</b>
<b>SHCS</b>					
Children's and Community Services	<b>33.1</b>			<b>32.4</b>	<b>32.8</b>
<b>All APTC programs</b>	<b>30.8</b>	<b>34.6</b>	<b>42.0</b>	<b>28.5</b>	<b>33.9</b>

**Table 8: APTC estimated average direct program delivery costs in 2009 (AUD)**

	program recurrent cost \$	enrolments	average cost per enrolled student \$	training hours	training hours per enrolled student	average cost per training hour \$
<b>Automotive</b>						
Fiji	436,195	88	4,957	35,788	407	12.2
PNG	1,693,889	249	6,803	93,950	377	18.0
Samoa	411,173	34	12,093	17,635	519	23.3
Vanuatu						
<b>Total</b>	<b>2,541,257</b>	<b>371</b>	<b>6,850</b>	<b>147,373</b>	<b>397</b>	<b>17.2</b>
<b>Construction &amp; Electrical</b>						
Fiji	1,141,519	180	6,342	84,230	468	13.6
PNG	1,410,918	153	9,222	79,585	520	17.7
Samoa	1,089,831	126	8,649	49,730	395	21.9
Vanuatu						
<b>Total</b>	<b>3,642,269</b>	<b>459</b>	<b>7,935</b>	<b>213,545</b>	<b>465</b>	<b>17.1</b>
<b>Manufacturing</b>						
Fiji	114,666	-				
PNG	993,396	112	8,870	90,840	811	10.9
Samoa	653,292	96	6,805	38,790	404	16.8
Vanuatu						
<b>Total</b>	<b>1,761,353</b>	<b>208</b>	<b>8,468</b>	<b>129,630</b>	<b>623</b>	<b>13.6</b>
<b>Training and Assessment</b>						
Fiji	360,887	69	5,230	13,005	188	27.7
PNG		40	-	14,590	365	-
Samoa						
Vanuatu						
<b>Total</b>	<b>360,887</b>	<b>109</b>	<b>3,311</b>	<b>27,595</b>	<b>253</b>	<b>13.1</b>
<b>All ACEM Programs</b>						
Fiji	2,053,267	337	6,093	133,023	395	15.4
PNG	4,098,203	554	7,397	278,965	504	14.7
Samoa	2,154,296	256	8,415	106,155	415	20.3
Vanuatu						
<b>Total</b>	<b>8,305,766</b>	<b>1,147</b>	<b>7,241</b>	<b>518,143</b>	<b>452</b>	<b>16.0</b>
<b>Tourism and Hospitality</b>						
Fiji	1,485,339	261	5,691	117,946	452	12.6
PNG						
Samoa	1,099,097	158	6,956	62,644	396	17.5
Vanuatu	1,342,591	243	5,525	100,007	412	13.4
<b>Total</b>	<b>3,927,027</b>	<b>662</b>	<b>5,932</b>	<b>280,597</b>	<b>424</b>	<b>14.0</b>
<b>Health and Community Services</b>						
Fiji	529,259	93	5,691	33,708	362	15.7
PNG						
Samoa	-	-				
Vanuatu	513,831	93	5,525	33,708	362	15.2
<b>Total</b>	<b>1,043,090</b>	<b>186</b>	<b>5,608</b>	<b>67,416</b>	<b>362</b>	<b>15.5</b>
<b>Total APTC</b>						
Fiji	4,067,865	691	5,887	284,677	412	14.3
PNG	4,098,203	554	7,397	278,965	504	14.7
Samoa	3,253,393	414	7,858	168,799	408	19.3
Vanuatu	1,856,422	336	5,525	133,715	398	13.9
<b>Total</b>	<b>13,275,883</b>	<b>1,995</b>	<b>6,655</b>	<b>866,156</b>	<b>434</b>	<b>15.3</b>

*(a) Excluding capital and management/support costs*

**Appendixes****Table A.1: Expenditure on APTC operations, 2007 to 2011\***

category and location	Coordination Office	School			Total
		SACEM	STH*	SHCS	
Design and development costs					
Australia	79,844	96,076	706,726	597,634	1,480,280
Civil works					
Australia					-
Fiji			299,571		299,571
PNG		7,137,280			7,137,280
Samoa		2,129,382	529,377		2,658,759
Vanuatu			1,183,787		1,183,787
Total	-	9,266,662	2,012,735	-	11,279,397
Machinery and equipment					
Australia		116,975			116,975
Fiji	414,785	159,587	393,325		967,697
PNG		895,844			895,844
Samoa		573,567	155,001		728,568
Vanuatu			177,867		177,867
Total	414,785	1,745,973	726,193	-	2,886,951
Total capital costs					
Australia	-	116,975	-	-	116,975
Fiji	414,785	159,587	692,896	-	1,267,268
PNG	-	8,033,124	-	-	8,033,124
Samoa	-	2,702,949	684,378	-	3,387,327
Vanuatu	-	-	1,361,654	-	1,361,654
Total	414,785	11,012,635	2,738,928	-	14,166,348
Other infrastructure expenditure**					
Australia		193,600			193,600
Fiji	146,802	494,359	387,624		1,028,785
PNG		593,533			593,533
Samoa		234,564	160,140		394,704
Vanuatu			511,101		511,101
Total	146,802	1,516,057	1,058,865	-	2,721,724
Teachers and instructors					
Australia					-
Fiji		2,909,053	3,738,039		6,647,092
PNG		4,384,732			4,384,732
Samoa		3,095,845	2,558,278		5,654,123
Vanuatu			4,018,557		4,018,557
Total	-	10,389,631	10,314,874	-	20,704,505
Transport and travel					
Australia					-
Fiji	299,667	647,340	166,817		1,113,825
PNG		1,687,205			1,687,205
Samoa		530,447	125,145		655,592
Vanuatu			208,657		208,657
Total	299,667	2,864,992	500,619	-	3,665,278

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category and location	Coordination Office	School			Total
		SACEM	STH*	SHCS	
Other operating expenditure					
Australia					-
Fiji	4,346,322	264,180	1,662,487		6,272,989
PNG		1,528,640			1,528,640
Samoa		618,626	1,159,861		1,778,487
Vanuatu			1,615,173		1,615,173
Total	4,346,322	2,411,446	4,437,521		11,195,289
Management and support					
Australia		8,476,664	11,114,605		19,591,269
Fiji	6,461,035	2,851,435	1,067,901		10,380,371
PNG		6,640,694			6,640,694
Samoa		3,483,669	889,342		4,373,011
Vanuatu			962,995		962,995
Total	6,461,035	21,452,461	14,034,843	-	41,948,339
Total Recurrent Expenditure					
Australia	-	8,670,264	11,114,605	-	19,784,869
Fiji	11,253,826	7,166,368	7,022,868	-	25,443,062
PNG	-	14,834,805	-	-	14,834,805
Samoa	-	7,963,150	4,892,766	-	12,855,916
Vanuatu	-	-	7,316,483	-	7,316,483
Total	11,253,826	38,634,587	30,346,722	-	80,235,135
Total expenditure					
Australia	79,844	8,883,315	12,418,965		21,382,124
Fiji	11,668,611	7,325,955	7,715,764		26,710,330
PNG	-	22,867,929	-		22,867,929
Samoa	-	10,666,099	5,577,144		16,243,243
Vanuatu	-	-	8,678,137		8,678,137
Total	11,748,455	49,743,298	34,390,010		95,881,763

**Table A.2: APTC Stage I recurrent expenditure by year (AUD)**

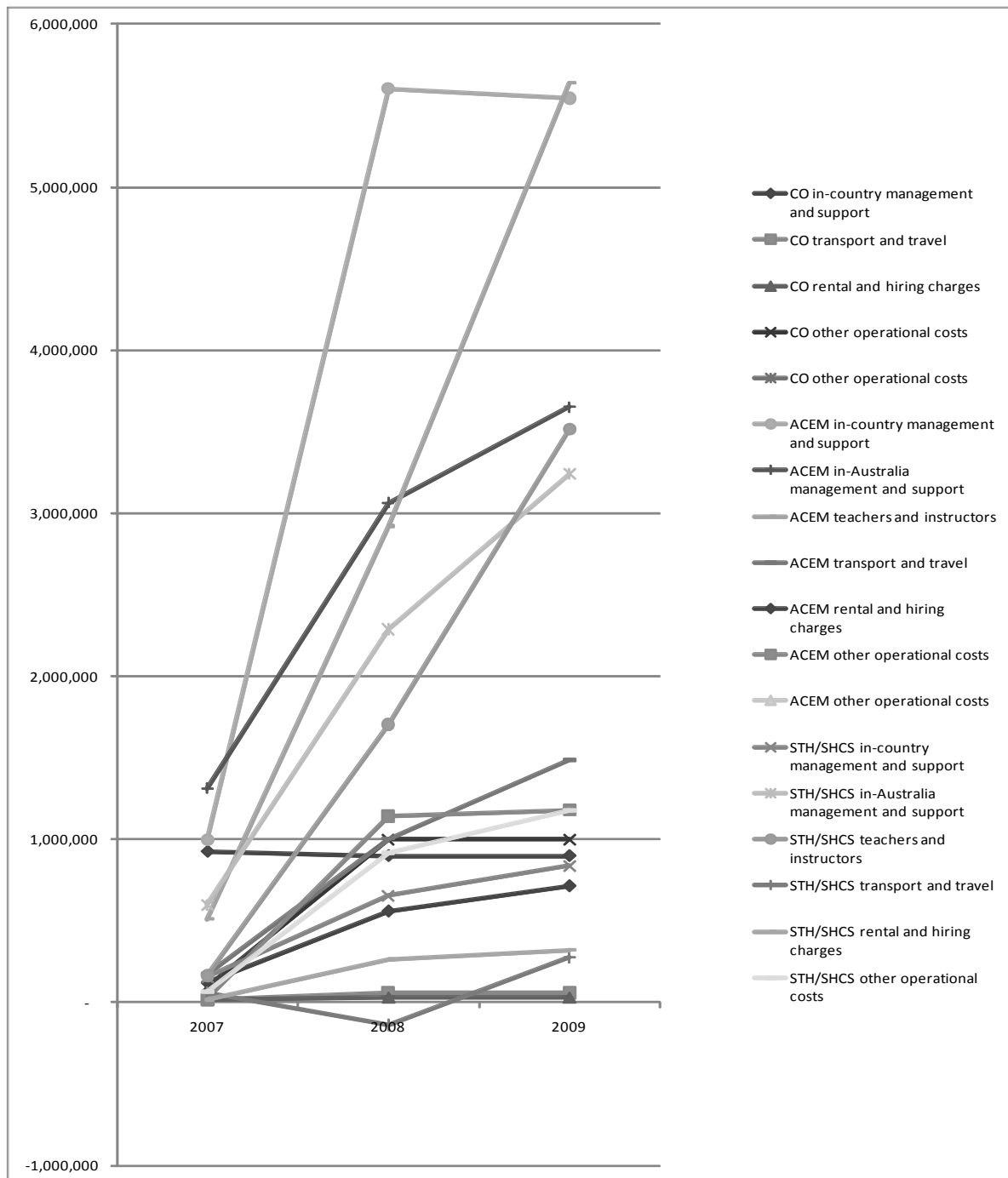
	2007	2008	2009	2010	2011
<b>Coordination Office</b>					
management and support					
in-country	926,278	899,605	899,605	2,281,526	1,454,020
in-Australia					
sub-total	926,278	899,605	899,605	2,281,526	1,454,020
teachers and instructors	-	-	-	-	-
transport and travel	16,486	58,918	58,918	68,266	97,080
rental and hiring charges	18,958	30,092	30,092	50,838	16,821
other operational costs	97,411	1,000,220	1,000,220	1,434,153	814,317
<b>Total recurrent</b>	<b>1,059,134</b>	<b>1,988,835</b>	<b>1,988,835</b>	<b>3,834,784</b>	<b>2,382,238</b>
<b>SACEM</b>					
management and support					
in-country	997,182	5,602,895	5,545,457	830,264	-
in-Australia	1,314,162	3,065,313	3,651,728	445,460	
sub-total	2,311,344	8,668,209	9,197,185	1,275,724	-
teachers and instructors	512,959	2,922,169	5,639,808	1,314,695	-
transport and travel	173,853	1,005,455	1,484,764	200,920	-
rental and hiring charges	123,397	561,089	714,885	116,686	-
other operational costs	23,046	1,141,639	1,181,194	65,567	-
<b>Total recurrent</b>	<b>3,144,599</b>	<b>14,298,560</b>	<b>18,217,835</b>	<b>2,973,592</b>	<b>-</b>
<b>STH/SHCS</b>					
management and support					
in-country	156,643	654,431	837,914	882,795	388,455
in-Australia	599,619	2,288,428	3,240,558	3,275,000	1,711,000
sub-total	756,262	2,942,859	4,078,472	4,157,795	2,099,455
teachers and instructors	165,543	1,706,465	3,514,383	3,492,033	1,436,450
transport and travel	61,287	-136,059	276,541	200,550	98,300
rental and hiring charges	15,000	263,559	323,306	292,000	165,000
other operational costs	64,977	919,955	1,179,193	1,546,985	726,411
<b>Total recurrent</b>	<b>1,063,069</b>	<b>5,696,779</b>	<b>9,371,895</b>	<b>9,689,363</b>	<b>4,525,616</b>
<b>Total APTC</b>					
management and support					
in-country	2,080,103	7,156,932	7,282,976	3,994,584	1,842,475
in-Australia	1,913,781	5,353,741	6,892,286	3,720,460	1,711,000
sub-total	3,993,884	12,510,673	14,175,262	7,715,045	3,553,475
teachers and instructors	678,502	4,628,634	9,154,191	4,806,728	1,436,450
transport and travel	251,626	928,314	1,820,222	469,736	195,380
rental and hiring charges	157,355	854,740	1,068,283	459,525	181,821
other operational costs	185,434	3,061,814	3,360,607	3,046,706	1,540,728
<b>Total recurrent</b>	<b>5,266,801</b>	<b>21,984,175</b>	<b>29,578,566</b>	<b>16,497,739</b>	<b>6,907,854</b>



**Table A.3 APTC recurrent expenditure by category, 2009**

	AUD\$	percent of sub-total	percent of total
<b>Coordination Office</b>			
management and support			
in-country	899,605	45.2%	3.0%
in-Australia		0.0%	0.0%
sub-total	899,605	45.2%	3.0%
teachers and instructors	-	0.0%	0.0%
transport and travel	58,918	3.0%	0.2%
rental and hiring charges	30,092	1.5%	0.1%
other operational costs	1,000,220	50.3%	3.4%
<b>Total recurrent</b>	<b>1,988,835</b>	<b>100.0%</b>	<b>6.7%</b>
<b>SACEM</b>			
management and support			
in-country	5,545,457	30.4%	18.7%
in-Australia	3,651,728	20.0%	12.3%
sub-total	9,197,185	50.5%	31.1%
teachers and instructors	5,639,808	31.0%	19.1%
transport and travel	1,484,764	8.2%	5.0%
rental and hiring charges	714,885	3.9%	2.4%
other operational costs	1,181,194	6.5%	4.0%
<b>Total recurrent</b>	<b>18,217,835</b>	<b>100.0%</b>	<b>61.6%</b>
<b>STH/SHCS</b>			
management and support			
in-country	837,914	8.9%	2.8%
in-Australia	3,240,558	34.6%	11.0%
sub-total	4,078,472	43.5%	13.8%
teachers and instructors	3,514,383	37.5%	11.9%
transport and travel	276,541	3.0%	0.9%
rental and hiring charges	323,306	3.4%	1.1%
other operational costs	1,179,193	12.6%	4.0%
<b>Total recurrent</b>	<b>9,371,895</b>	<b>100.0%</b>	<b>31.7%</b>
<b>Total APTC</b>			
management and support			
in-country	7,282,976	24.6%	24.6%
in-Australia	6,892,286	23.3%	23.3%
sub-total	14,175,262	47.9%	47.9%
teachers and instructors	9,154,191	30.9%	30.9%
transport and travel	1,820,222	6.2%	6.2%
rental and hiring charges	1,068,283	3.6%	3.6%
other operational costs	3,360,607	11.4%	11.4%
<b>Total recurrent</b>	<b>29,578,566</b>	<b>100.0%</b>	<b>100.0%</b>

**Figure A.1: APTC recurrent expenditure by category, 2007 to 2009 (AUD)**



**Table A.4: Estimated costs per student and per training hour  
APTC programs and campuses, 2009**

	total enrolments	total training hours	training hours per student	total cost of training (AUD\$)	cost per student (AUD\$)	cost per training hour (AUD\$)
<b>SACEM</b>						
<b>Automotive</b>						
Fiji	88	35,788	407	1,116,697	12,690	31.20
PNG	249	93,950	377	4,171,185	16,752	44.40
Samoa	34	17,635	519	799,914	23,527	45.36
<b>Total</b>	<b>371</b>	<b>147,373</b>	<b>397</b>	<b>6,087,795</b>	<b>16,409</b>	<b>41.31</b>
<b>Construction and Electrical</b>						
Fiji	180	84,230	468	2,554,987	14,194	30.33
PNG	153	79,585	520	2,940,172	19,217	36.94
Samoa	126	49,730	395	2,439,668	19,362	49.06
<b>Total</b>	<b>459</b>	<b>213,545</b>	<b>465</b>	<b>7,934,827</b>	<b>17,287</b>	<b>37.16</b>
<b>Manufacturing</b>						
Fiji				115,657		
PNG	112	90,840	811	2,161,343	19,298	23.79
Samoa	96	38,790	404	1,729,291	18,013	44.58
<b>Total</b>	<b>208</b>	<b>129,630</b>	<b>623</b>	<b>4,006,290</b>	<b>19,261</b>	<b>30.91</b>
<b>SACEM Training and Assessment</b>						
Fiji	69	13,005	188	863,426	12,513	66.39
PNG	40	14,590	365	383,824	9,596	26.31
Samoa						
<b>Total</b>	<b>109</b>	<b>27,595</b>	<b>253</b>	<b>1,247,251</b>	<b>11,443</b>	<b>45.20</b>
<b>All SACEM Programs</b>						
Fiji	337	133,023	395	4,650,766	13,800	34.96
PNG	554	278,965	504	9,656,524	17,431	34.62
Samoa	256	106,155	415	4,968,873	19,410	46.81
<b>Total</b>	<b>1,147</b>	<b>518,143</b>	<b>452</b>	<b>19,276,163</b>	<b>16,806</b>	<b>37.20</b>
<b>STH</b>						
<b>Tourism and Hospitality</b>						
Fiji	261	117,946	452	2,991,022	13,233	25.36
Samoa	158	62,644	396	2,125,272	15,205	33.93
Vanuatu	243	100,007	412	2,723,780	12,979	27.24
<b>Total</b>	<b>662</b>	<b>280,597</b>	<b>424</b>	<b>7,840,074</b>	<b>13,611</b>	<b>27.94</b>
<b>SHCS</b>						
<b>Children's and Community Services</b>						
Fiji	93	33,708	362	1,115,650	13,037	33.10
Samoa						
Vanuatu	93	33,708	362	1,092,318	12,784	32.41
<b>Total</b>	<b>186</b>	<b>67,416</b>	<b>362</b>	<b>2,207,968</b>	<b>12,912</b>	<b>32.75</b>
<b>APTC</b>						
<b>All programs</b>						
Fiji	691	284,677	412	8,757,439	12,674	30.76
PNG	554	278,965	504	9,656,524	17,431	34.62
Samoa	414	168,799	408	7,094,145	17,136	42.03
Vanuatu	336	133,715	398	3,816,097	11,357	28.54
<b>Total</b>	<b>1,995</b>	<b>866,156</b>	<b>434</b>	<b>29,324,205</b>	<b>14,699</b>	<b>33.86</b>

## **Annex H: APTC Cost Benefit Analysis**

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### **The Economic Rate of Return (ERR)**

Calculation requires estimates of the costs associated with APTC training and of the benefits that are derived from it. Costs are in the form of, on the one hand the direct costs of training provision, and on the other its indirect costs, in the form of the opportunities foregone by students whilst undertaking training. The benefits are also both direct and indirect – the direct benefits are conventionally taken as the earnings differential between those who undertake the training and those that do not (as an indication of the additional productivity generated by the training), whilst the indirect benefits comprise any further economic benefits and other development benefits that are directly attributable to the additional training. The returns that these benefits generate over the costs are then set against the returns that could reasonably be expected on the investment of similar amounts on alternative projects or programs.

At this point there is a dearth of statistical information available upon which to calculate the ERR to any degree of precision. What follows is at best indicative, based as it is on the information readily to hand in April/May 2010, and upon a set of assumptions experience has shown to be reasonable.

### **1. Costs of APTC training**

#### **1a. Direct costs**

- Estimates are based on average annual cost per student in 2009. The APTC expenditures from which they are derived are analysed in Annex H
- 2009 figures were used because so far, this is the only year for which APTC has been fully operational – 2007 and 2008 were years when programs were still being established, 2010 figures are performance incomplete and 2011 figures provided by RTOs are forecasts only.
- Per student enrolments in APTC were used rather than per graduate estimates because even in 2009 it was too early for most APTC programs to have a full set of graduate figures, which could be taken as a measure of a 'normal' year of an ongoing training institution. Using annual student enrolments as the denominator instead of annual graduates in the ERR calculus yields a higher cost figure for courses that run longer than one year (as is typically the case on SACEM and SHCS programs) and lower figures for those that last less than a year (as is typical on STH programs). In both instances, however, they underestimate the costs of producing graduates by a greater degree the higher the percentage of those who are enrolled fail to go on to graduation.
- Actual annual expenditure figures provided by the two RTO's and by SKM for the Coordination Office (CO) have been used. Each was asked to provide capital and (actual and projected) recurrent expenditure figures, by school and program, for each year 2007 to 2011. Figures for management and other support expenditures were also requested.

- SKM provided CO expenditures are apportioned between the schools on the basis of target graduate numbers – see Table 1.
- RTO provided capital and annual recurrent expenditures were apportioned between schools and, in the case of SACEM, between programs, on the basis of 2009 enrolment numbers. This is not an ideal basis upon which to pro-rata expenditures, but it was considered the best available.

**Table 1: APTC 2007-2011 targets, by school**

School	Target	Percent of Total
SACEM	1,183	42.9
STH	1,360	49.3
SHCS	217	7.9
<b>Total</b>	<b>2,760</b>	<b>100.0</b>

- Capital costs – expenditure on infrastructure and machinery and equipment – are amortised over the presumed length of asset lives. In the case of infrastructure this was estimated to be twenty years, and for machinery and equipment, it was estimated to be ten years. Rates of amortization are assumed to be 2.5 and 5.0 percent respectively.

Table A.1 provides the estimates of average per student costs for each year of Stage I, by school and by program.

For the purposes of the ERR calculations, and with no estimates of the average length of programs available, it is assumed that SACEM and SHCS programs last two years, and STH and programs last one year<sup>32</sup>. Table 3 shows the estimated direct per student costs of APTC program provision.

### **1b. Indirect costs**

It is assumed initially that the only indirect costs incurred are the earnings foregone by students whilst they are on APTC programs. Airfares and other travel expenses for students travelling from non-campus countries are already factored into the direct cost calculations, and scholarships are a means of financing programs and not a direct resource cost of APTC provision.

<sup>32</sup> To the extent that average course lengths are shorter than this these figures are an over-estimate. However, to the extent that those who enrol fail to graduate, these figures under-estimate the cost of producing a graduate.

**Table 2: Per-student costs of provision used in the ERR calculations**

<i>Aus dollars</i>	<b>Fiji</b>	<b>PNG</b>	<b>Samoa</b>	<b>Vanuatu</b>
<b>SACEM</b>				
<b>Automotive</b>				
year 1	13,918.28	18,000.66	25,005.08	-
year 2	13,918.28	18,000.66	25,005.08	-
<b>Total</b>	<b>27,836.56</b>	<b>36,001.32</b>	<b>50,010.17</b>	-
<b>Construct&amp; Elect</b>				
year 1	15,417.67	20,409.44	20,666.97	-
year 2	15,417.67	20,409.44	20,666.97	-
<b>Total</b>	<b>30,835.34</b>	<b>40,818.88</b>	<b>41,333.94</b>	-
<b>Manufacturing</b>				
year 1	-	20,531.20	19,368.56	-
year 2	-	20,531.20	19,368.56	-
<b>Total</b>	-	<b>41,062.40</b>	<b>38,737.12</b>	-
<b>STH</b>				
<b>Total</b>	<b>13,232.86</b>	-	<b>15,204.87</b>	<b>12,978.72</b>
<b>SCHS</b>				
year 1	13,037.11	-	-	12,783.52
year 2	13,037.11	-	-	12,783.52
<b>Total</b>	<b>26,074.22</b>	-	-	<b>25,567.04</b>

Source; Table A.1

## 2. Benefits of APTC training

### 2a. Direct economic benefits

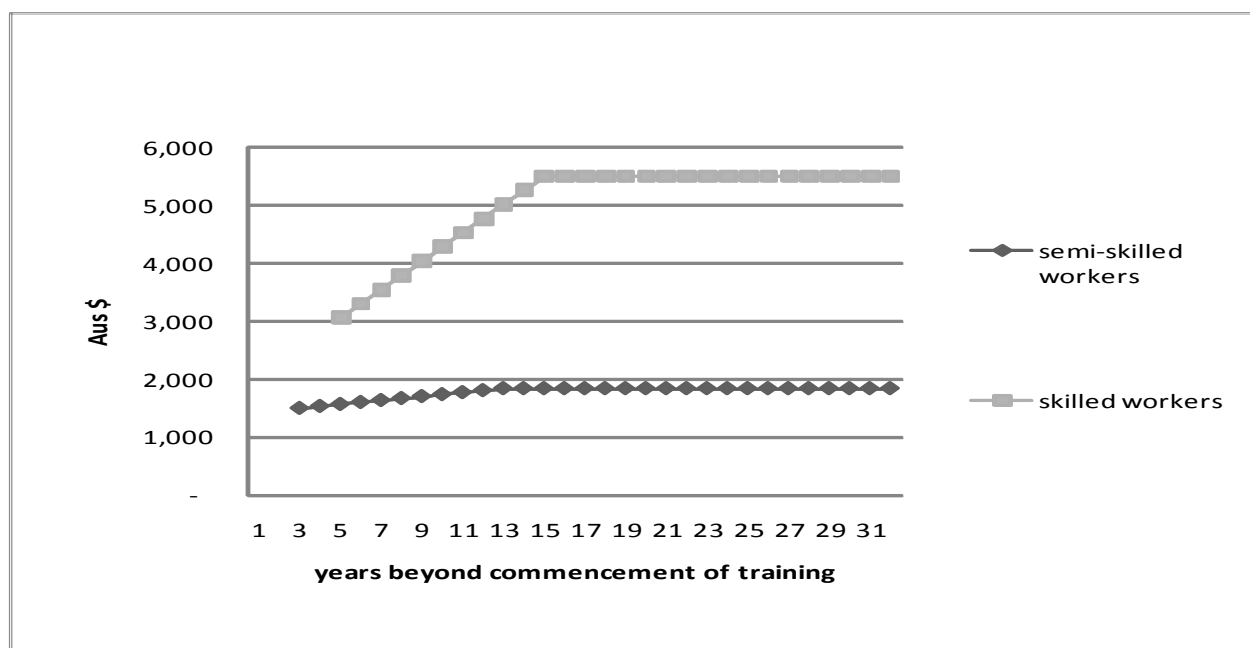
These are conventionally measured by the observed earnings differential between those who have undertaken the extra training (in this case Certificate 3 training at APTC) over those who were similarly trained and experienced but who did not undertake the extra training (at the APTC). This is taken as a measure, on the one hand, of the extra productivity the graduates bring to the labour force and, on the other, the extra income that is available to the graduates and their families to improve their livelihoods.

Reliable up-to-date information on earnings in Pacific island countries is hard to come by. In most cases there are no official estimates that can be used. To build, therefore, estimates of age/experience/earnings profiles, by level of training, indicative data have to be resorted to. Three sources of this type of information have been used in this exercise:

- For Papua New Guinea payroll information provided by one hotel group.
- For the Solomon Islands information provided in discussions with major employers and employer organizations.
- For Fiji schedules of minimum wages gazetted by the Fiji Government Ministry of Labour.

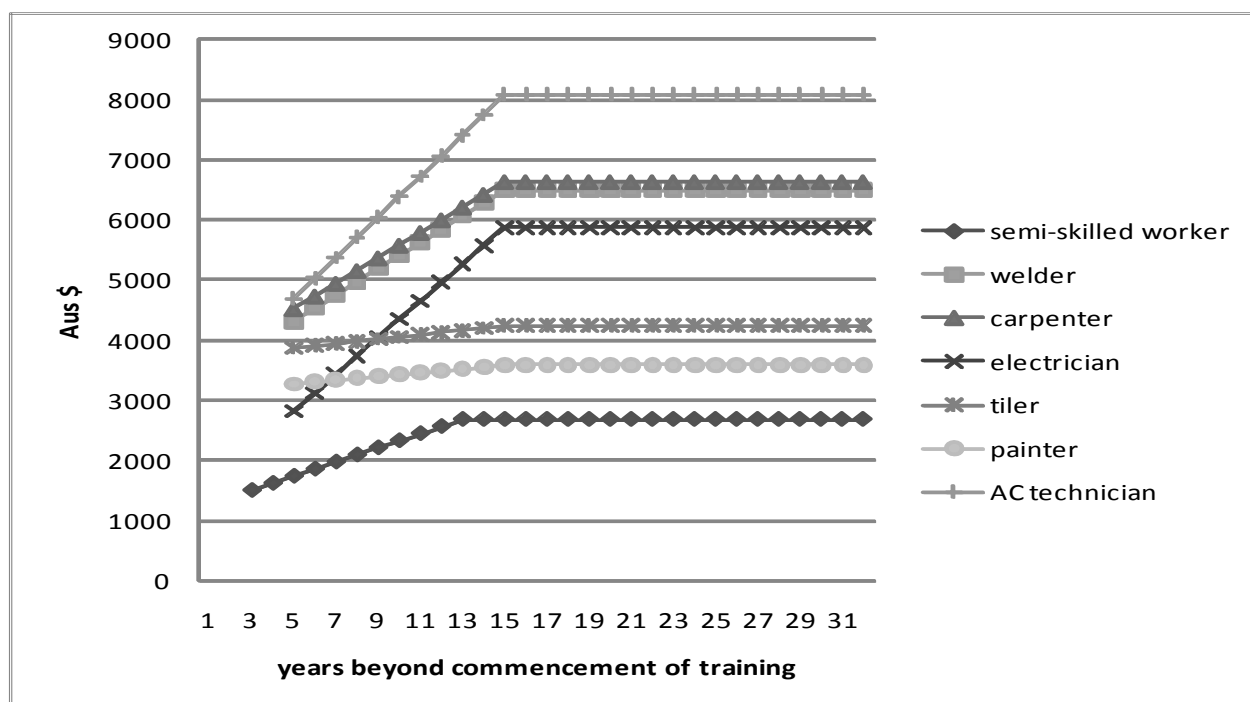
Tables A.2 to A.4 summarise the earnings data gleaned from these sources and used in this exercise. Figures 1 to 3 show the indicative earnings profiles that have been constructed using this data. They have been built on the basis of what could be considered a reasonable trajectory of earnings over time for a typical worker.

**Figure 1: Indicative earnings profiles for semi-skilled and skilled tradespersons in Solomon Islands, 2010**



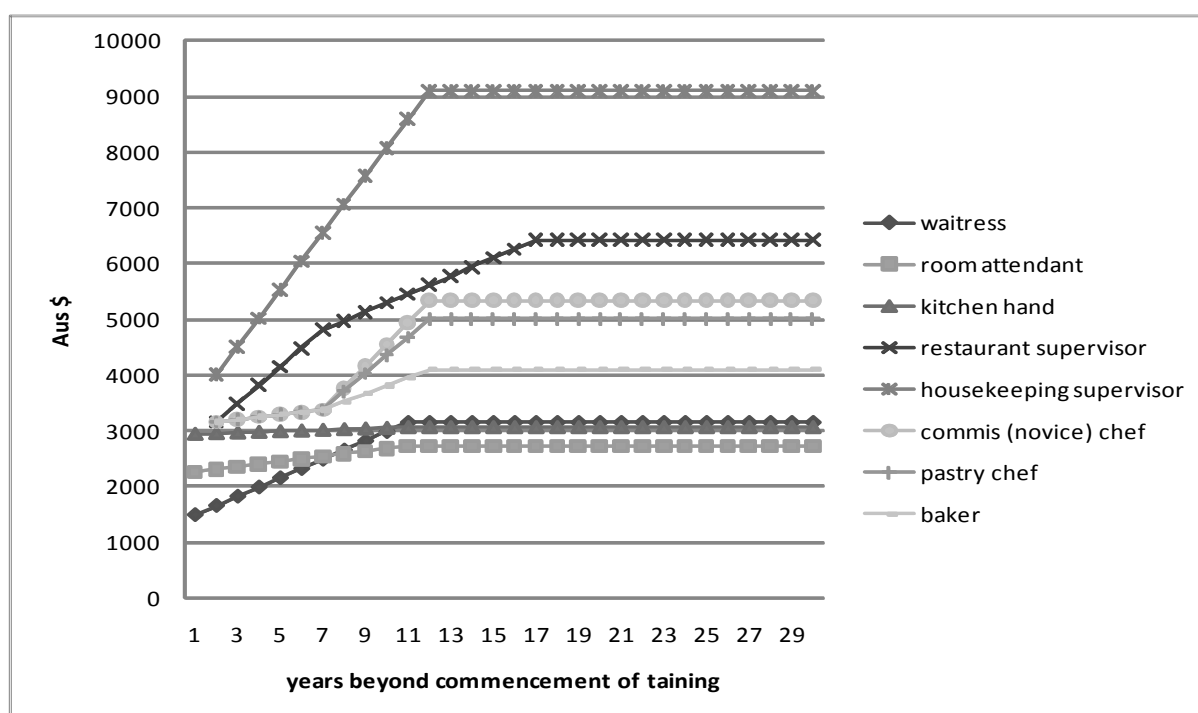
Source; Table A.2

**Figure 2: Indicative earnings profiles for selected tradespersons, PNG 2010**



Source; Table A.3

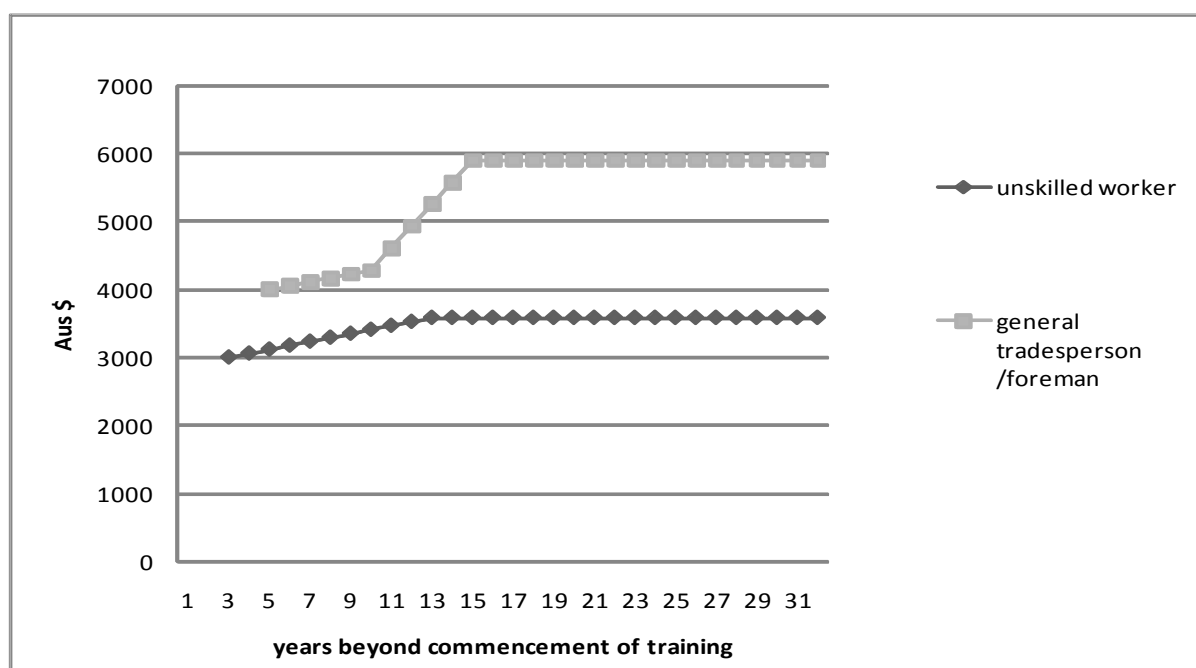
**Figure 3: Indicative earnings profiles for selected hotel staff, PNG 2010**



Source; Table A.4

**Figure 4: Indicative earnings profiles for selected tradespersons, Fiji 2009**





Tables 3 to 6 show indicative ERR for APTC training programs on the basis of the above data and assumptions regarding per-student costs and indicative earnings profiles. They presume that all graduates from each of the selected programs find full-time employment in their home countries in the occupations, and at a level, for which they have been trained. In this sense these figures represent the most optimistic set of return calculations, provided that graduates return to their home states and find employment there.

**Table 3: Estimated economic rate of return on Solomon Islanders undertaking training with SACEM**

SACEM program	campus country	estimated ERR
<b>Automotive</b>	Fiji	7.8%
	PNG	5.8%
	Samoa	3.5%
<b>Construction and electrical</b>	Fiji	7.0%
	PNG	4.9%
	Samoa	4.8%
<b>Manufacturing</b>	Fiji	
	PNG	4.9%
	Samoa	5.3%

**Table 4: Estimated economic rate of return on PNG workers undertaking selected training programs with SACEM in PNG**

Occupation	Estimated ERR
Welding/handyman	5.98%
Carpentry/handyman	6.38%
Electrical/handyman	3.64%
Tiling/handyman	0.31%
Painting/handyman	> 0
air-conditioning/refrigeration/handyman	8.68%

**Table 5: Estimated economic rate of return on PNG workers undertaking training on selected STH programs**

Occupation	Estimated ERR		
	campus country		
	Fiji	Samoa	Vanuatu
commis (novice) chef/kitchen hand	7.0%	6.2%	7.1%
pastry chef/kitchen hand	6.0%	5.2%	6.1%
baker/kitchen hand	2.4%	1.6%	2.5%
housekeeping supervisor/room attendant	20.2%	18.6%	20.4%
restaurant supervisor/waitress	14.2%	12.7%	14.4%

**Table 6: Estimated economic rate of return on Fiji workers undertaking training on SACEM programs in construction and electrical trades**

Occupation	Estimated ERR
general tradesperson-foreman/unskilled worker	2.2%

There was strong anecdotal evidence from the field mission, backed up by what little information there is available as yet from the APTC tracer studies, that not all graduates are able to find full-time employment in the occupations and at the levels for which they have been trained. If this is the case, it would have the effect of inflating the estimates of the direct economic benefits of the APTC training programs, and hence of the ERR they yield in the tables above.

Tables 3 to 5 show that employment of graduates only in their home states, with the possible exception of some courses in STH, yields comparatively low direct rates of economic return.

An important rationale for the establishment of APTC was that the Australian certificate level 3 and 4 training would enhance the mobility of graduates, not only across the labour markets of the region, but further afield, especially into the labour markets of Australia, New Zealand and on the west coast of United States.

The ERR can be modified to allow for limited access to these markets, in this instance, to the Australian labour market. Estimates for gross and net average annual earnings, by selected occupations and industries in Australia in 2009, are summarized in Table A.6.

The following ERR calculations have been made taking account of the following variables:

- the proportion of graduates who find employment in Australia;
- the length of time they are employed in Australia;
- the timing of that employment – whether it is immediately after graduation, or after an interval of employment in their home states; and
- the level of remittances back to their island states from their net earnings in Australia.

Table 7 shows the resulting ERR when different assumptions are made regarding these variables and are applied to one selected group of APTC graduates - Solomon Island APTC graduates from SACEM in PNG who find work in the Australian construction industry. Similar patterns would emerge when they are applied to graduates of other APTC programs.

The base case analysis assumes 25% of graduates find work in the Australian construction industry soon after graduation, staying for ten years and remitting 40% of their net earnings while abroad. This would generate a direct economic rate of return on the investment in the APTC of just under twelve percent. The limited information available suggests APTC graduates are keen to access overseas employment, and if 50% of graduates were to obtain employment in Australia the ERR jumps to 19.8%.

What is clear from Table 7 is that, compared to the estimated ERR of less than 5 percent if all graduates only found work in the Solomon islands, even a comparatively short period (five years) of employment in Australia and a relatively low remittance rate (25 percent of net earnings) employment in Australia significantly adds to the ERR on the APTC program. If that short period of employment is available immediately after graduation, rather than delayed, even by five years, the payoff is even higher.

The lower ERR for employment only in home countries highlights the importance of the APTC rationale to facilitate labour mobility as a means of enhancing employment and income opportunities. It also reinforces the importance of the APTC training profile retaining a tight focus on industry demand, domestically and regionally, so as to facilitate labour mobility.

**Table 7: ERR on Solomon Islanders undertaking SACEM training, with periods of post-graduation employment in Australia factored in**

Assumptions about the proportion of graduates employed in Australia, its duration and the level of remittances	Estimated ERR	
	Timing of Australian employment	
	straight after training	after 5 years in SI
25 percent of graduates work in Australia for 5 years and remit 25 percent of net earnings	6.7%	5.8%
25 percent of graduates work in Australia for 10 years and remit 25 percent of net earnings	7.6%	6.3%
25 percent of graduates work in Australia for 5 years and remit 40 percent of net earnings	8.9%	7.2%
25 percent of graduates work in Australia for 10 years and remit 40 percent of net earnings	11.6%	8.5%
50 percent of graduates work in Australia for 5 years and remit 25 percent of net earnings	8.7%	6.7%
50 percent of graduates work in Australia for 10 years and remit 25 percent of net earnings	10.8%	7.6%
50 percent of graduates work in Australia for 5 years and remit 40 percent of net earnings	14.7%	9.4%
50 percent of graduates work in Australia for 10 years and remit 40 percent of net earnings	19.8%	11.7%

**2b. Broader developmental benefits of the APTC initiative**

The rates of return calculated using direct economic costs and benefits underpin a broader return AusAID can expect in developmental terms in the Pacific on its investment in APTC.

Many of the benefits identified below are inherently non-quantifiable, and/or are difficult to ascribe only to the investment in APTC. Even those that are in principle quantifiable cannot be readily given a monetary value due to the paucity of data across the region.

**Indirect economic benefits**

- Certificate 3 and 4 level training adds to the stock of workers in the Pacific whose skills are of an internationally competitive type and level. Building up a critical mass of such skilled workers will be an essential pre-condition for investment and infrastructure projects throughout the region, whether they be aid driven or private sector initiated.
- Currently many investment and infrastructure projects have to rely on the use of foreign skilled workers. As more and more APTC graduates come on stream the necessity to

depend upon these foreign workers should diminish. Most countries in the region collect administrative data on people entering their countries on employment visas. So far, however, little of this information is published in statistical form. The design team asked for this information in each of the countries visited on their recent field mission, but so far it has not received any replies. Such information would be extremely useful to both planners in the region and for APTC profile planning purposes.

- Information available to date indicates that only a very small number of APTC graduates have moved outside the region to seek employment. As we have seen, however, the potential for foreign remittances to add to the ERR on APTC programs is significant. So too, however, is the multiplier effect that these remittances can have on local communities in the home countries. The additional income received by recipient families has the potential to create flow-on employment opportunities locally.
- For graduates working in their home countries, especially if they are working in occupations and at levels for which they are trained, there is the potential for the 'sitting-by-Nellie' effect on the productivity and work habits of fellow employees. The importance of this demonstration and mentoring effect on fellow workers should not be underestimated. Of related importance is the 'exemplar' effect – the incentive for others around them to undertake similar training and receive the rewards that entails.
- APTC itself is having an exemplar effect upon national TVET institutions and systems. By setting an international standard in TVET training, APTC is providing a good example and it is 'raising the bar' in terms of what quality TVET delivery is all about. There is a practical element to this assistance to national TVET systems as well:
  - some APTC graduates are finding employment as teachers and instructors in national TVET institutions;
  - teachers and instructors in national TVET institutions are upgrading their technical skills by undertaking APTC programs;
  - skilled workers and national TVET institute teachers and instructors are undertaking APTC TAE4 programs.
- The presence of APTC is helping to raise, if not the prestige then at least the acceptability, of TVET as a viable post-school/career enhancing option. This has the consequence of more and better educated students seeking TVET enrolments. It can also help persuade national governments that it is worthwhile giving greater support to their TVET institutions, especially in the critical area of recurrent expenditure allocations.

## **2c. Non economic benefits**

- In the longer term an institution like APTC has the effect of bringing more Pacific islanders into the global competitive labour markets. The more islanders have globally competitive skills, the more choices they have – the more mobility and flexibility they have in making lifetime career decisions. The more, in other words, they become fully fledged global citizens.
- An institution such as APTC promotes regionalism in the Pacific and provides a tangible response to the Pacer-Plus objectives.

- Through its scholarship program APTC is enhancing greater equality in training opportunities across gender, disability and minority groups and for those from the more remote islands and regions of the Pacific.

### **What is an acceptable rate of return on APTC?**

Target rates of return on similar projects, with the same degree of risk, are typically set by aid donors at between 12 and 15 percent. That range should be expected on the PNG component of the APTC investment, but perhaps something more modest, say, around 10 percent would be acceptable for the broader Pacific region

### **Risks and assumptions**

- There is a risk that the so-far high completion rates on all APTC programs will not be sustained as the programs continue and the backlog of well-trained workers eligible to apply for places declines and are not replaced by new entrants.
- There is a risk that the high level of competence that is required to be demonstrated in order to be awarded Certificate 3 and 4 cannot be maintained and that increasingly the quality of graduates will decline.
- There is a risk that, given the relatively small size of the formal wage economies in most Pacific island states, increasing numbers of APTC graduates will fail to find employment in occupations and at levels for which they are trained. To the extent that this happens, the ERR on APTC training programs will decline.
- There is a risk that the greater mobility of labour across the region that Pacer-Plus requires will not occur, and that nation states will continue to maintain barriers of entry into local labour markets.
- Even though there is plenty of anecdotal evidence that Pacific islanders would be willing to come to Australia to work, even on limited work permits, the number actually doing so remains small, primarily because of immigration restrictions imposed by Australia. This situation has been recently exacerbated by the removal from the Department of Immigration and Citizenship's Skills-in-Demand list of a number of the occupations for which APTC trains, especially through STH and SHCS. As indicated above, for the ERR on the APTC investment to reach acceptable levels, the assumption of a graduates being able to work in Australia has to be factored in.
- Further to this point, there is a risk that those that do come to Australia for work (a) do not remit at high enough levels, and or (b) stay permanently.

### **Conclusions**

The economic rates of return that have been estimated above, are perforce very sketchy and only, therefore, of indicative value. There is a lot more work to do on the cost side to get accurate figures of how much each graduate from the APTC programs costs on average. This task will become easier as more information becomes available over time and some changes are made the way in which college data are collected and presented. The big problem, however, is on the benefit side of the calculus. There simply is not enough up-to-date and reliable information available for any of the variables that a proper CBA exercise requires.

Having said that, it is clear from the rates that can be calculated, that the economic returns on most APTC courses are low if only direct economic benefits are included and if APTC graduates can only find employment in their own home countries.

For the ERR to be brought up to a level that could be considered acceptable, two key assumptions have to be made - one is that a percentage of the graduates are able to find employment in Australia in the occupations and at the levels for which they are trained, and that they then remit a significant portion of their earnings back home, and/or secondly the indirect economic benefits and non economic benefits of the APTC initiative are significant. Given the difficulties of putting a monetary value on these additional benefits, this becomes a matter of judgment.

### **Future cost-benefit analyses of APTC**

Centralised APTC data relating to student enrolments and graduations on an annual basis have to be made clear and unambiguous. This will no doubt happen in the course of time and with further work on a comprehensive student data base.

Expenditure data used in this exercise had to be drawn from three different sources (the three contractual parties to the APTC) and they, the data, were not everywhere compatible. This, again, will need to be rectified with the establishment of a uniform consolidated financial data base for the college.

Efforts will have to be made, especially by the CSS and its country representatives, to systematically collect information regarding occupational earning patterns, employment patterns (in particular with respect to the occupations covered by the APTC programs), trends in foreign worker employment, and any other labour force and economic data, in each of the participating Pacific island countries. Some of this information may be provided by a revised and upgraded program of tracer studies and employer surveys. However, much more effort will need to be made to collect relevant information from wherever it is possible in much the same way, and from much the same sources, as the mission team was able to recently.

Putting all of this information together from every source on a routine basis should be part of the terms of reference of the CSS, in preparation for its annual reporting on APTC operations and prospects.

Table A.1: APTC program costs per enrolled student

	Australian dollars			
	2008	2009	2010	2011
<b>SACEM</b>				
<b>Automotive</b>				
Fiji	45,261	13,918	5,997	34,743
PNG	30,706	18,001	7,035	15,606
Samoa		25,005	6,136	23,498
Vanuatu				
<b>Total</b>	<b>36,276</b>	<b>17,679</b>	<b>6,659</b>	<b>18,563</b>
<b>Construction &amp; Electrical</b>				
Fiji	35,346	15,418	6,308	4,218
PNG	24,884	20,409	9,325	7,071
Samoa	20,822	20,667	5,808	2,566
Vanuatu				
<b>Total</b>	<b>26,036</b>	<b>18,526</b>	<b>6,934</b>	<b>4,091</b>
<b>Manufacturing</b>				
Fiji				
PNG	47,923	20,531	16,317	
Samoa	37,556	19,369	4,905	6,120
Vanuatu				
<b>Total</b>	<b>42,491</b>	<b>20,566</b>	<b>8,118</b>	<b>13,864</b>
<b>Training and Assessment</b>				
Fiji		13,739	5,741	
PNG	10,139	10,684		
Samoa				
Vanuatu				
<b>Total</b>	<b>24,323</b>	<b>12,619</b>	<b>8,633</b>	
<b>All SACEM Programs</b>				
Fiji	43,847	15,036	6,244	7,062
PNG	28,413	18,649	9,184	15,091
Samoa	28,837	20,768	5,495	4,104
Vanuatu				
<b>Total</b>	<b>31,145</b>	<b>18,060</b>	<b>7,126</b>	<b>7,815</b>
<b>STH</b>				
<b>Tourism and Hospitality</b>				
Fiji	8,588	13,233	20,428	18,076
PNG				



Samoa	14,274	15,205	13,998	21,239
Vanuatu	14,521	12,979	14,605	25,406
<b>Total</b>	<b>11,729</b>	<b>13,611</b>	<b>16,028</b>	<b>21,111</b>
<b>SHCS</b>				
<b>Health and Community Services</b>				
Fiji	22,882	13,037	12,414	11,325
PNG				
Samoa				
Vanuatu	27,718	12,784	16,749	17,748
<b>Total</b>	<b>25,254</b>	<b>12,912</b>	<b>14,324</b>	<b>13,895</b>

**Table A.2: Estimated average earnings of Solomon Islands tradespersons**

	SI \$			AUD\$
	per hour	per fortnight	per year	per year
semi- skilled tradesperson	6	480	12,480	<b>1,835</b>
newly trained skilled tradesperson	10	800	20,800	<b>3,059</b>
experienced skilled tradesperson	18	1,440	37,440	<b>5,506</b>

Source: mission team discussions with employers

**Table A.3: Average gross earnings for selected tradespersons, PNG 2010**

	PNG Kina		AUD\$
	per fortnight	per year	per year
<b>semi skilled tradesperson</b>			
handyman	206	5,356	<b>2,678</b>
<b>observed range for skilled tradespersons</b>			
welder low	332	8,632	<b>4,316</b>
welder high	500	13,000	<b>6,500</b>
carpenter low	348	9,048	<b>4,524</b>
carpenter high	510	13,260	<b>6,630</b>
electrician low	217	5,642	<b>2,821</b>
electrician high	452	11,752	<b>5,876</b>
tiler low	298	7,748	<b>3,874</b>
tiler high	326	8,476	<b>4,238</b>
painter low	252	6,552	<b>3,276</b>
painter high	276	7,176	<b>3,588</b>
AC technician low	361	9,386	<b>4,693</b>
AC technician high	622	16,172	<b>8,086</b>

Source: payroll data provided by an employer

**Table A.4: Average gross earnings for selected occupations in the hospitality sector, PNG 2010**

	PNG Kina		AUD\$
	per fortnight	per year	per year
<b>semi skilled occupations</b>			
waitress low	114	2,964	<b>1,482</b>
waitress high	243	6,318	<b>3,159</b>
room attendant low	174	4,524	<b>2,262</b>
room attendant high	210	5,460	<b>2,730</b>
kitchen hand low	226	5,876	<b>2,938</b>
kitchen hand high	236	6,136	<b>3,068</b>
trainee commis 3	243	6,318	<b>3,159</b>
<b>observed range for skilled occupations</b>			
		-	-
commis (apprentice/novice) chef low	260	6,760	<b>3,380</b>
commis (apprentice/novice) chef high	411	10,686	<b>5,343</b>
pastry chef	385	10,010	<b>5,005</b>
baker	315	8,190	<b>4,095</b>
sous chef	1,373	35,698	<b>17,849</b>
housekeeping supervisor low	308	8,008	<b>4,004</b>
housekeeping supervisor high	700	18,200	<b>9,100</b>
restaurant supervisor low	370	9,620	<b>4,810</b>
restaurant supervisor high	494	12,844	<b>6,422</b>

Source: payroll data provided by an employer

**Table A.5: Minimum wage rates set by wage regulations in Fiji, 2009**

	Fiji dollars			Aus dollars annual
	hourly	weekly	annual	
Building, civil and electrical engineering trades				
Foreman	4.20	189.00	9,828	5,897
Leading Hand	3.60	162.00	8,424	5,054
Tradesman Class 1	3.45	155.25	8,073	4,844
Tradesman Class 2	3.30	148.50	7,722	4,633
Tradesman Class 3	3.20	144.00	7,488	4,493
General Tradesman	3.05	137.25	7,137	4,282
Watchman	2.16	97.20	5,054	3,033
Clerk	3.05	137.25	7,137	4,282
Unskilled Workers	2.55	114.75	5,967	3,580
Driver Light Goods	2.90	130.50	6,786	4,072
Driver Heavy Goods	3.45	155.25	8,073	4,844
Heavy Plant Operator	3.63	163.35	8,494	5,097
Light Plant Operator	3.50	157.50	8,190	4,914
Hotel and catering trades				
Barman	2.65	119.25	6,201	3,721
Clerk	2.60	117.00	6,084	3,650
Cook	2.70	121.50	6,318	3,791
General Worker	2.50	112.50	5,850	3,510
House Worker	2.50	112.50	5,850	3,510
Kitchen Hand	2.50	112.50	5,850	3,510
Laundry Hand	2.50	112.50	5,850	3,510
Night Attendant	2.50	112.50	5,850	3,510
Outdoor Worker	2.50	112.50	5,850	3,510
Waiter	2.50	112.50	5,850	3,510
Watchman	2.50	112.50	5,850	3,510

Source Ministry of Labour, Industrial Relations and Employment, Fiji

<http://www.labour.gov.fj/erp.htm>

**Table A.6: Estimated average incomes in Australia in 2009**  
**- by selected occupations and sectors**

	Gross Monthly Average Income - USD 2005 constant prices (2)	gross average annual USD 2005	gross average annual AUD 2005	gross average annual AUD 2009	net average annual AUD 2009
<b>Occupation</b>					
Miner average income	6,933	83,196	109,071	132,576	106,061
Carpenter average income	4,151	49,812	65,304	79,377	63,502
Bus Driver average income	3,851	46,212	60,584	73,641	58,913
Garment Cutter average income	3,679	44,148	57,878	70,352	56,281
Car Mechanic average income	3,308	39,696	52,042	63,257	50,606
Wood Grinder average income	3,280	39,360	51,601	62,722	50,177
Office Clerk average income	3,239	38,868	50,956	61,938	49,550
Furniture Finisher average income	3,083	36,996	48,502	58,955	47,164
Auxiliary Nurse average income	2,945	35,340	46,331	56,316	45,053
Baker average income	2,942	35,304	46,284	56,258	45,007
Salesperson average income	2,850	34,200	44,837	54,499	43,599
Hotel Receptionist average income	2,833	33,996	44,569	54,174	43,339
Chambermaid average income	2,696	32,352	42,414	51,554	41,243
<b>Sector</b>					
Mining-Quarrying average income	6,144	73,728	96,658	117,489	93,991
Gas-Electricity-Water average income	4,769	57,228	75,026	91,195	72,956
Manufacturing average income	4,065	48,780	63,951	77,733	62,186
Construction average income	4,056	48,672	63,809	77,561	62,049
All Sectors average income	3,848	46,176	60,537	73,583	58,867
Hotels-Restaurants average income	2,935	35,220	46,174	56,125	44,900

- 1) The net average income in "constant 2005 US\$" is computed using the Interbank nominal exchange rate [a] and the U.S. inflation rate [d]. The net average income in "constant 2005 US\$" at PPP is computed using the OECD PPP exchange rates for actual individual consumption [i] and the U.S. inflation rate [d]. The latter reflects the purchasing power in the United States in 2005.
- 2) The gross monthly average income is based on data supplied by the Australian Bureau of Statistics to the International Labour Organization [9]. The average income includes the salaries and wages of paid employees. Employees include both men and women unless otherwise noted.
- 3) The compulsory deductions are obtained from the Australia income tax calculator [t] and reflect the 2005 income tax rates in Australia and Medicare levy withholdings for a single-earner married couple without child. The deductions exclude the occupational pension (voluntary).
- 4) The weekly hours are based on data supplied by the Australian Bureau of Statistics to the International Labour Organization. The hours reported by job correspond to the hours paid for, which may not necessarily be the number of hours actually worked.

Source: <http://www.worldsalaries.org/australia.shtml>

## Annex I: APTC Stage II Implementation Plan

Key Result Area	Activity	Month	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13
1	Marketing	Review/update Marketing and Recruitment and Communications strategies	By Jun-11	*																		
1	Marketing	Implement Marketing and Recruitment and Communications strategies	From Jul-11																			
1	Marketing	Maintain website	From Jul-11																			
1	Marketing	Provision of course information and advice	From Jul-11																			
1	Marketing	Recruit fee paying students	From Jul-11																			
1	Marketing	Update 2011/12 course calendar	July, Jan		*					*					*							*
1	Marketing	Undertake roadshows to NCCs	Aug, Feb			*				*							*					
2	Partnerships	Mgt of agreement and relationships with training partners	From Jul-11																			
2	Partnerships	Consultation with industry associations and employers	From Jul-11																			
2	Partnerships	Undertake in-country consultations	From Jul-11																			
2	Partnerships	Progressively develop/update APTC Country Strategies	From Jul-11																			
3	Teaching & Learning	Conduct feasibility studies into SHCS & hospitality courses (if not done before transition)	By Jun-11	*																		
3	Teaching & Learning	Confirm 2011/12 Training Profile	By Jun-11	*			*															
3	Teaching & Learning	Conduct courses as per Annual Training Profile	From Jul-11																			
3	Teaching & Learning	Establish Centre for Professional Development	By Sep-11				*															
3	Teaching & Learning	Design and deliver "APTC to work" program	By Sep-11				*															
3	Teaching & Learning	Assess Colloge applicants (technical merit and ELLN)	From Jul-11																			
3	Teaching & Learning	Arrange work attachments	From Jul-11																			
3	Teaching & Learning	Conduct workplace assessments	From Jul-11																			
3	Teaching & Learning	Provide concurrent ELLN support to all students as required	From Jul-11																			
3	Teaching & Learning	Design and deliver SIS ELLN bridging program	By Dec-11						*													
3	Teaching & Learning	Manage ELLN Bridging Program Ancillary Awards	From Jul-11																			
3	Teaching & Learning	Provision & maintenance of training facilities & equipment	From Jul-11																			
3	Teaching & Learning	Establish new courses in Training Profile	As required																			

Key Result Area	Activity	Month	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13
4	Student Mgt	Review/update Alumni Association Strategy	By Sep-11			*																
4	Student Mgt	Review/update Gender Access and Equality Policy Framework	By Dec-11						*													
4	Student Mgt	Review/update Disability Strategy	By Dec-11						*													
4	Student Mgt	Review/update HIV and AIDS Framework Policy and Strategy	By Dec-11						*													
4	Student Mgt	Review/Update Student Pastoral Care Plan	By Dec-11						*													
4	Student Mgt	Provide pastoral support to all students	From Jul-11																			
4	Student Mgt	Facilitate access for people with a disability	From Jul-11																			
4	Student Mgt	Conduct Graduation ceremonies	From Jul-11																			
4	Student Mgt	Conduct Alumni Association activities	From Jul-11																			
4	Scholarship Mgt	Review/update Indicative Scholarship Allocation Policy	Jan							*												*
4	Scholarship Mgt	Update Scholarship Policy Manual and review Scholarships Allocation Model	By Jun-11	*																		
4	Scholarship Mgt	Advertise courses for next period	Feb; Aug			*					*						*					
4	Scholarship Mgt	Scholarship applications close date	Mar; Sep				*					*						*				
4	Scholarship Mgt	Screen/eligibility checking of scholarship applications	Mar; Sep				*					*						*				
4	Scholarship Mgt	Assessment testing scholarship applications	Apr-May; Oct-Nov					*	*				*	*					*	*		
4	Scholarship Mgt	Make Scholarship offers	May-Jun; Nov-Dec					*	*					*	*				*	*		
4	Scholarship Mgt	Facilitate Awardee mobilisation	From Jul-11																			
4	Scholarship Mgt	Provide pre-departure briefing for awardees	From Jul-11																			
4	Scholarship Mgt	Provide orientation for new awardees	From Jul-11																			
4	Scholarship Mgt	Make awardee allowance payments	From Jul-11																			
4	Scholarship Mgt	Arrange awardee accommodation	From Jul-11																			
4	Scholarship Mgt	Arrange awardee travel	From Jul-11																			
4	Scholarship Mgt	Manage award variations	From Jul-11																			
4	Scholarship Mgt	Complete end award activities	From Jul-11																			

Key Result Area	Activity	Month	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13
5	Mgt & Governance	Transition of Stage 2 training venues	By Jun-11	*																		
5	Mgt & Governance	Conduct feasibility study into PNG hospitality school (if not done before transition)	By Jun-11	*																		
5	Mgt & Governance	Review/update College Business Development Strategy	By Jun-11	*																		
5	Mgt & Governance	Develop Tuition Fee policy	By Jun-11	*					*													
5	Mgt & Governance	Review/update Fee for Service policy	By Jun-11	*					*													
5	Mgt & Governance	Develop staff localisation strategy	By Sep-11				*															
5	Mgt & Governance	Develop Labour Market Action Plan	By Sep-11				*															
5	Mgt & Governance	Undertake Feasibility Study for Solomon Islands training venues	By Sep-11				*															
5	Mgt & Governance	Establish SI training venues, if feasible	TBD																			
5	Mgt & Governance	Review/update Emergency and Evacuation Plan (and as needed)	Jan, Apr, Jul, Oct	*				*		*			*			*			*			*
5	Mgt & Governance	Provide Secretariat for Advisory Group meetings	Jan and as required		*					*												
5	Mgt & Governance	Conduct SMT and other APTC management meetings	From Jul-11																			
5	Mgt & Governance	Recruit, performance manage APTC staff	From Apr-11	*																		
5	Mgt & Governance	Conduct staff training across all College operations	From Jul-11																			
5	Mgt & Governance	AusAID-Contractor meetings	Feb; May; Aug; Nov			*		*		*				*		*			*			
5	Mgt & Governance	Independent AQTF auditing	TBD																			
5	Mgt & Governance	Review/update Environmental Management Plan	By Dec-11						*													
5	Mgt & Governance	Review/update Risk Management Matrix	Jun-11	*																		
5	Mgt & Governance	Submit Annual Training Profile	Jan							*												*
5	Mgt & Governance	Review Annual Training Profile	Jul		*											*						
5	Mgt & Governance	Establish new training partnerships and facilities	As required																			
5	Mgt & Governance	Facilitate Mid-Term Review	2013																			
5	Mgt & Governance	Conduct fee for service activities (incl. RPL)	As contracted																			
5	ICT/MIS	ICT systems operational	From Jul-11																			
5	ICT/MIS	Integrated APTC student database fully operational	By Dec-11						*													
5	ICT/MIS	Integrated APTC FMIS fully operational	By Dec-11						*													
5	ICT/MIS	Integrated APTC staff database fully operational	By Dec-11						*													
5	ICT/MIS	Integrated APTC Asset register and other APTC MIS fully operational	By Dec-11						*													
5	Reporting/M&E	Conduct M&E activities	From Jul-11																			
5	Reporting/M&E	Ad hoc reporting to AusAID and for key stakeholders	From Jul-11																			
5	Reporting/M&E	Submit Annual Report/Plan	Jan							*												*
5	Reporting/M&E	Update PAF (incl. risk management)	Jan							*												*
5	Reporting/M&E	Submit Six Monthly Progress Reporting	Jul, Jan							*						*						*
5	Reporting/M&E	Submit Quarterly Financial Reporting	Jul, Oct, Jan, Apr					*		*		*				*			*			*
5	Reporting/M&E	Submit Exception reporting	As required																			
5	Reporting/M&E	Commence trial of 'back to work' plans	Jan-12							*												
5	Reporting/M&E	Review of reintegration plans	Jan-13																			*
5	Reporting/M&E	Submit End contract reporting	Mar-15																			

## Annex J: Reporting Plan

An **Annual Report/Plan** will be submitted for AusAID approval on 15 January each year. The Annual Report/Plan will focus on training outcomes including skill utilisation, employment and alumni outcomes in the preceding year and include a work program for the following financial year. It will address issues affecting implementation plans and strategies covering gender equity; access by people with a disability; the scholarships scheme; access by SIS; risk management; quality assurance; promotions and communications; and other cross-cutting issues. The report will not only summarise the findings from the PAF but will also report on the progress made in applying the framework itself.

The Annual Report/Plan will include the following Annexes:

- Annual Training Profile (for the next Australian financial year);
- Workplan and budget (for the next financial year);
- Six monthly progress report for the previous July to December period;
- Reporting against the Performance Assessment Framework;
- Marketing and Communications Plan;
- Risk Management Plan;
- APTC policies updated during the period;
- Quarterly Financial Reports;
- Gender Analysis;
- Fee for service activities;
- Advisory Group Minutes;
- Senior Management Meeting Minutes;
- Any Audit Reports; and
- Change frame indicating proposed changes to the contract for consideration.

A **Six-Monthly Progress Report** on both progress and issues arising in relation to implementation of the program, as well as a summary analysis of key statistical information. The report is to be submitted annually on 15 January (covering the previous July-December period) as an annex to the Annual Report/Plan and 15 July (covering the previous January-June period). The data should include, but be not limited to:

- a) a summary of enrolment and graduate numbers disaggregated by course, campus, country of origin, gender and scholarship status. This data should present data for the previous period/year and cumulative data since contract commencement;
- b) a summary of scholarship applications, awards offered, deferrals, withdrawals, extensions, suspensions and terminations;
- c) a summary of ELLN bridging programs conducted during the period (and cumulative since contract start);
- d) major procurements in the period;
- e) a table indicating progress of activities implemented, or scheduled to have been implemented, in the past quarter, including progress in accordance with the Annual Training Profile;
- f) any proposed changes to the Annual Training Profile; and
- g) monitoring and reviewing risks and assumptions (including evaluation of new risks as they emerge with recommendations for their management/treatment).



**Quarterly Financial Reports**, to be submitted within two (2) weeks of the end of each Quarter, are to include the following:

- a) total expenditure to date;
- b) disaggregated expenditure to date identifying all categories of expenditure including the Management Fees, Personnel and Other Reimbursable item components;
- c) income from tuition fees, fee for service activities for the previous quarter; and
- d) acquittal of total expenditure for the previous quarter; and
- e) forward expenditure and expenses by category for the next quarter, including details and estimated costs of proposed courses and an updated annual expense projection.

**Exception reports** are to be provided as soon as possible after critical APTC program issues (such as fraudulent activities, unfavourable media reports etc, and scholarship scheme issues) are identified and need to be brought to the prompt attention of AusAID. They will incorporate proposed responses to issues that have emerged and will not be seen as progress reports.

A **Completion Report** shall be submitted three months before the Contract End Date. The report should be prepared in accordance with any written instructions that may be issued by AusAID and address the following issues:

- a) confirm that the APTC has been implemented according to the processes specified;
- b) examine actual achievements against the APTC goal and objectives;
- c) provide a full reconciliation and acquittal of funds;
- d) document lessons learned from the APTC; and
- e) advise of any implications from this Stage for future Stages of the APTC.

## Annex K: APTC Stage II Performance Assessment Framework

### Project Goals

<b>Training</b>	1. Increased supply of skilled workers in targeted sectors in the Pacific region
<b>Employment</b>	2. Pacific Islander women and men with Australian qualifications realise improved employment opportunities nationally, regionally and internationally in targeted sectors
<b>Productivity</b>	3. Increased productivity of individuals and organisations in targeted industries and sectors

### Key Result Areas and Objectives

Component	Objective
<b>Component 1: Marketing, Reputation and Image</b>	Design and deliver a targeted, multi-level communication and marketing strategy that maximizes exposure by prospective students and industry to APTC programs and builds brand awareness and reputation across the Pacific region
<b>Component 2: Partnerships</b>	Collaborate with Australian and Pacific Island industry associations, firms, private training providers and government training institutions to deliver sustainable, value-added Australian Quality Standard vocational and technical education in prioritized skill deficient areas in the Pacific region.
<b>Component 3: Quality Learning</b>	Produce 'work-ready' graduates for national, regional and international labour markets through delivery of locally responsive, demand-driven technical and vocational education and training (TVET) to Australian standards.
<b>Component 4: Student and Scholarship Management</b>	Provide support to all APTC students and administer scholarship procedures that maximise opportunity for students from all Pacific Forum countries to access and successfully complete APTC programmes with particular focus on redressing gender, isolation and income discrimination and ensuring that student health and welfare concerns are proactively and professionally addressed.
<b>Component 5: Management and Governance</b>	Utilize exemplary human and financial resource management practices to ensure project goals are achieved on time and within budget and institutionalize good governance processes at all levels of the project compliant with APTC operating principles and AusAID guidelines for performance reporting.

### APTC PERFORMANCE ASSESSMENT FRAMEWORK

**Data to be disaggregated by Campus Country, School, Course, student country, gender, age, and entrant type (new entrant/existing worker) where possible**

R e f	Outcomes	Verifiable Indicators	Means of Verification	Responsibility	Data Source
1	<b>Training</b> Increased supply of skilled workers in targeted sectors in the Pacific Region	1.1 Graduate numbers disaggregated by country, gender, and other characteristics:	APTC Database Student Monthly Six-Monthly Reports School records	CSS/Schools	AVETMISS compliant School records
2	<b>Employment</b> Pacific Islander women and men with Australian qualifications realise improved employment opportunities nationally, regionally and internationally in targeted sectors	2.1 80% of students and employers who complete the End Of Course and Employer surveys report improved employment outcomes 2.2 80% of graduates who complete the tracer survey report improved employment outcomes within one year after graduation 2.3 Percentage of graduates working in occupations, and at levels, in which they were trained	Integrated Set of Employer and Student surveys along with other information gathered under the Labour Market Intelligence function of the APTC CSS  APTC Employer and Student Surveys  Tracer Studies one year after graduation (Occupations pre and post training should be classified using SCO08 three-digit categories)	CSS collects, consolidates and reports on data	Surveys APTC Database Focus Group Discussion Notes
3	<b>Productivity</b> Increased productivity of individuals and organisations in targeted industries and sectors	3.1 80% of graduates who complete the tracer study report increased productivity as a result of the completion of an APTC 3.2 80% of graduates who complete the tracer study report increased weekly/ monthly gross earnings as a result of the completion of an APTC courses 3.2 80% of employers of APTC graduates who complete the Employer Satisfaction Survey report increased productivity as a result of the completion of an APTC course 3.3 Results of labour market studies incorporated in Annual Training Profile with modifications to courses/locations as required	Employer Survey results (of APTC students and graduates)  Research conducted on national, regional and international labor market needs and trends with relevance to APTC		Surveys APTC Database PIF Country and Regional Statistics and Reports

## KRA 1: MARKETING, REPUTATION AND IMAGE

*Objective: Design and deliver a targeted, multi-level communication and marketing strategy that maximizes exposure by prospective students and industry to APTC programs and builds brand awareness and reputation across the Pacific region*

Ref	Outputs	Verifiable Indicators	Means of Verification	Responsibility	Data Source	Risks	Risk Management
1.1	APTC earns a reputation for offering valued training appropriate to Pacific Islander needs at an affordable price	1.1.1 Student Satisfaction Survey at exit indicate an overall satisfaction rate greater than 80%	1.1.1 Student End of Course (EOC) survey results for minimum 50% of APTC students	Schools collect data; CSS consolidate s and reports	Student Database		Effective student learning and welfare provided to students (See Component 4)
			1.1.2 Student and Scholarship Management Work Team reports to SMT	CSS			Annual marketing strategy focussed on target groups
		1.1.2 Business Satisfaction Survey indicates satisfaction with APTC training greater than 80%	1.1.2 Annual Employer Survey results for minimum 50% employers	Schools collect data; CSS consolidate s and reports	APTC Employer Database	Misleading information and inappropriate marketing practices (Breach of AQTF compliance)	Training partner expertise used to design and deliver culturally sensitive training
			1.1.2b Feedback from key stakeholders including Advisory Group members and during country consultations	CSS gather data consolidate s and reports	AG minutes		Review and incorporation of 2007 Marketing Strategy
		1.1.3 Number and distribution of positive articles in PIF/regional media & publications, promotional materials and website usage	1.1.3 Press Clipping Portfolio	CSS	APTC Marketing records	Schools unable to attract diverse applicants due to inadequate marketing coverage and/or economic and cultural barriers to TVET participation	Labour market intelligence used to develop responsive Annual Training Profile
			1.1.3a Website access by month/country 1.1.3b Material production and distribution records		Marketing Work Team Reports to SMT		Lessons Learned identified in Annual Audit of marketing materials and Annual Plans with corrective action
		1.1.4 Communications Registry indicates positive feedback, formal complaints and actions taken	1.1.4a Register developed and kept up-to-date	CSS SMT Directives	Communications Register	Lack of internal monitoring of stakeholder feedback results in reactive programming	Tuition fee pricing policy implemented
			1.1.4b Evidence that complaints are addressed and systems adapted for improved practise		APTC Marketing records Marketing Work Team reports to SMT		Training provided for all APTC staff involved in marketing activities and committed to sharing feedback and lessons learned to improve effectiveness
		1.1.5 APTC marketing	1.1.5 Annual audit of	CSS	Reports to SMT		Develop and maintain corporate culture where staff are comfortable

		materials widely accessible in user-friendly formats	marketing materials and procedures compliant with AQTF policy and contractual requirements	Gender Advisory Group	Marketing Work Team reports Gender Advisory Group Minutes		
1.2	APTC recognised by PIF citizens and organisations as a value-adding vocational educational option	1.2.1 Demand exceeds scheduled program for annual delivery targets	1.2.1 Applicant numbers disaggregated by gender, course, school and country  1.2.1a Number of individual or industry funded places	Schools collect data and report, six month and annual reports.	Student Database	Negative publicity and perceived biases  APTC substitutes for existing TVET capacity	Annual Marketing Strategy and Recruitment Plan focuses on under-represented and fragile PIFs  Strong relationship management (see Component 2) together with rigid focus on complementarities with local institutions in course design and marketing
		1.2.2 APTC featured in industry, government and regional plans for TVET	1.2.2 Official policy and planning documents of industry and government	School's provide industry data to CSS; CSS correlates and reports on PIF and regional plans	APTC Marketing Database	Non-partner government agencies feel marginalized  Adverse affect on local society and/or environment due to APTC operations  Inadequate number of eligible trainees to meet School targets  Inability for new entrants to self-fund and/or unwillingness of employers to subsidize costs	Dialogue established by Schools with non-partner agencies as part of industry consultation processes  Dialogue established with Government agencies on issues human resource development planning, labour mobility, employment conditions for graduates  Ensure compliance with local laws and regulations.  Environmental Management Plan developed for all locations
1.3	APTC uses gender sensitive marketing and targeted student recruitment strategies	1.3.1 Number of positive gender achievement stories appearing in PIF media and publications	1.3.1 Press Clipping Portfolio and APTC website featuring female students  1.3.2 Targeted campaigns delivered and reviewed annually  1.3.3 Focus Group Discussions	CSS	Marketing Work Team reports to SMT  Minutes of Gender Advisory Group Meetings  CSS/School six month and annual reports	Marketing and recruitment activities may not penetrate sufficiently to achieve targets  Socio-cultural and economic factors constrain female participation	Local networks identified and engaged to identify women and other marginalized students  Target Course-specific gender equality targets as per APTC Gender Policy  Strategies to reduce cultural and gender barriers to TVET in place
1.4	APTC uses targeted strategies to promote awareness of the APTC in NCCs and isolated and remote locations	1.4.1 Number of positive APTC promotion and achievement stories appearing in SIS media and publications	1.4.1 Press Clipping Portfolio and APTC website featuring SIS and remote location students	CSS including NCC Country Coordinators	Marketing Work Team reports to SMT  APTC six month and annual reports	Marketing and recruitment activities may not penetrate sufficiently to achieve targets  Socio-cultural and economic factors constrain SIS participation	Country coordinators established in NCC of Kiribati, Tonga and Nauru.  Regular schedule of APTC visits to SIS including development of targeted Country Strategies

							SIS representation on Advisory Group
							SIS alumni used to promote awareness of APTC

## KRA 2: Partnerships

*Objective: Collaborate with Australian and Pacific Island industry associations, firms, private training providers, government training institutions and Pacific Governments to deliver sustainable, value-added Australian Quality Standard vocational and technical education in prioritised skill deficient areas in the South Pacific region*

Ref	Outputs	Verifiable Indicators	Means of Verification	Responsibility	Data Source	Risks	Risk Management
2.1	Agreements with partner training institutions in PIF countries in place and managed	2.1.1 Formal agreements include procedures for monitoring and problem-resolution	2.1.1 Signed Agreements	GM	Agreements Contract Register	Changes in training partner commitment, motivation or capacity to be an effective partner	Develop and maintain close and supportive relationships with PIF Governments, PIF Partner Executives, staff and Boards through formal mechanisms (i.e., Project Team Round Table) and informal mechanisms (newsletters, social events, APTC sponsored professional development of PIF managers and staff)  Maintain dialogue with alternative candidates for partner training institutions.  Courses duplicated in other countries; contingency plans for replacement partners; alternative use of institution partners
		2.1.2 Regular partner consultations to minimise formal dispute notices	2.1.2 Reports and records of meetings	Schools CSS	School Consultation Notes	Lack of systematic engagement with training partners	
		2.1.3 Annual review of agreements to review partnership progress and consider the need for any variation	2.1.3 Minutes of Annual Review Meetings and Variations	Schools CSS	Minutes of Annual Meetings		
2.2	Agreement / support by employers sending employees to Schools	2.2.1 Formal instruments of agreement where applicable	2.2.1. Signed agreements and amendments	Schools	School & Employer Agreements	Lack of or change in commitment, motivation or capacity of individual employers or industry as a whole to engage with APTC	Develop and maintain close and supportive relationships with individual employers and industry bodies through formal mechanisms (industry advisory groups, periodic labour market surveys) and informal mechanisms (in-country managers to participate in the activities of employer /industry associations and network informally)  Tuition fees set at market rate as per the Tuition Fee Policy
		2.2.2 Employer endorsement of application for admission for students currently employed	2.2.2 All applications endorsed by employer where applicable	Schools	Employer Agreement Forms	Employers lose confidence and withhold applications  Employers not willing to pay APTC tuition fee	
2.3	APTC has access to	2.3.1 Summary Labour	2.3.1 CSS six- summary	CSS	PIF/regional	APTC does not respond to	Close co-ordination with industry

	information and advice on industry trends in the Pacific region	market information is sourced, analysed and utilised in APTC forward planning	reports to SMT  2.3.1a Register of research source and data repository  2.3.1b APTC engagement with PIF/regional labour focused organizations	CSS  CSS/Schools	labour market analysis, HRD plans, household surveys, census reports	emerging PIF labour requirements leading to under/over supply  Insufficient participation from well disposed and well informed members  Lack of cohesion amongst industry in PIFs	associations as per Partnerships Component 2  Labour Market Intelligence (LMI) systematically collected and recorded including through consultation and data collection with Australian/NZ industry associations and through visits to PIFCs  Provide sufficient information to AG on APTC and PIF employment related data to enable strategic input on program directions  APTC staff maintain contact with AG members when in PIF's  AG has strong Australian and Pacific industry representation  Annual Training Profiles to explicitly reference LMI in recommending course profile  Medium-term labour market information collected and analysed  Partnership Engagement Strategies developed as part of Annual planning process
		2.3.2 Industry and partner government consultation informs planning and course delivery	2.3.2 Compliance with AQTF Industry consultation requirements  2.3.2a Revisions to training and assessment models  2.3.2b Industry moderation  2.3.2c Trainer profile maintained  2.3.2d College affiliated with national and regional level TVET stakeholders  2.3.2e Annual Stakeholders mapping and engagement exercises	Schools       Schools/CSS AG	School AQTF data repositories  AG Minutes  Annual Plan Meeting Minutes	National and regional bodies not strong mechanisms for industry  Schools do not fully conform to AQTF standards in course delivery or in graduation standards resulting in graduates who do not have adequate skills to meet industry requirements  AG not sufficiently across the labour market or vocational training issues to be addressed to be able to give effective advice and direction  APTC does not fully respond to AG advice and direction.	
2.4	APTC has support of Pacific Governments	2.4 Formal instruments of agreement signed and extended where applicable	2.4.1. Signed agreements and amendments	CSS	Agreements Contract Register	Lack of understanding of role of the APTC in regional TVET strengthening and its value to economic growth and productivity	Develop and maintain close and supportive relationships with PIF Governments.  Inclusion of PIF Government representatives on APTC Advisory Group  Regular consultation during in-country visits  AusAID to raise awareness of APTC during relevant bilateral and regional donor and education forums.  AusAID bilateral programs to be involved in developing partner government relationships/agreements
2.5	APTC provides	2.5.1 Training provided	2.5.1 Records of	APTC	School records	Number of enrolments limited by	APTC and AusAID to promote

support to national TVET institutions	by APTC Centre for Professional Development	enrolments and graduations from Centre	Centre for Professional Development	Student database	Pacific government and AusAID/other donor funding	awareness of Professional Development courses with Pacific Governments, national TVET institutions and other donors. AusAID to consider including APTC Professional Development training in their bilateral programs for TVET strengthening.
	2.5.2 Formal and informal training and support for partner and other TVET institution institutions	2.5.2a Records of agreements for formal support of partner and other TVET institutions	Schools	Agreements with national TVET institutions	Support provided detracts from core purpose of APTC to deliver Cert III/IV courses.	Support to be documented, monitored and reported.
		2.5.2b Satisfaction with support provided	National TVET Institutions	Survey of institutions; Feedback at Advisory Group meetings; Institution/APTC meeting records	Support is not integrated with or conflicts with other (AusAID) capacity building initiatives.  APTC working (at cross) purposes to the PNG bilateral program	Formal support for other institutions to be discussed with AusAID prior to commencement to ensure consistency with AusAID's overall TVET program of support

### KRA 3: Quality Learning

Objective: Produce 'work-ready' graduates for national, regional and international labour market through delivery of locally responsive, demand-driven technical and vocational education and training (TVET) to Australian standards

Ref	Outputs	Verifiable Indicators	Means of Verification	Responsibility	Data Source	Risks	Risk Management
3.1	Provision of quality training and assessment across all APTC operations in compliance with AQTF 2010 Standards.	3.1.1 Collection and analysis of data for continuous improvement of training and assessment	3.1.1a Scope of Registration documentation for School's  3.1.1b Records of staff, planning & moderation meetings  3.1.1c Student and Employer Satisfaction Surveys  3.1.1 d Records of industry consultation  3.1.1e Internal and external audit reports  3.1.1f Staff performance	Schools	AQTF 2010 Standards  School records  Student database	Candidates do not have necessary qualities to achieve appropriate standards  Inadequate assessment at recruitment leads students to the wrong courses  Training records not kept up to date by trainers and/or students  Schools do not fully conform to AQTF standards in entry criteria leading to high attrition rates  Courses not designed to meet Pacific/international industry requirements	Targeted recruitment program aimed at candidates with most relevant background  All candidates go through examination of prior learning, prior experience and literacy and numeracy tests to appropriate standards  Schools ensure skills testing is conducted by experienced staff  Schools subject to Quality Management processes whereby periodic AQTF audits are to be used to identify system improvements and develop remedial action processes and



			reports  3,1,1g Course completion rate  3.1.1h Average student contact hours per course  3.1.1i AQTF Learning Engagement indicator				strategies, and monitor progress  Design of "sandwich courses", and work experience parts of curriculum especially for students with no prior work experience  Schools design programs in consideration of socio-cultural influences
		3.1.2 a Training and assessment strategies meet training package requirements within a Pacific context  3.1.2b Work placements provided to local and overseas students as per training package requirements	3..1.2a Program Training and Assessment Strategies  3.1.2b Internal and external audit reports  3.1.2c Student and Employer Satisfaction Surveys  3.1.2d Delivery plans and schedules  3.1.2e Individual student training plans (include reasonable adjustment strategies developed in consultation with individuals and industry)	Schools  Schools  Schools/ CSS  Schools  Schools	AQTF 2010 Standards  School records	Insufficient work placements available particularly for overseas students	APTC to foster positive relations with employers so that they provide workplace assessments for local and overseas students.  APTC to work with AusAID and partner governments to resolve any legal, regulation and visa issues for work placements by overseas students.  The Annual Training Profile to detail the arrangements made for adequate work placements for any new courses to be established.
		3.1.3 Staff, facilities and equipment and materials meet training package requirements	3.1.3a Training Staff profiles documented and regularly updated  3.1.3b Audit of training equipment and facilities against training package requirements  3.1.3c Staff Induction and professional development records	Schools	AQTF 2010 Standards  School records	RTO unable to recruit or attract suitably qualified and experienced staff  Facilities are not renovated in time to utilise for teaching  Equipment available in country does not meet training package requirements	Consortium approach to project to ensure larger pool of experienced and qualified trainers in the nominated fields. Effective promotion of career benefits / employment packages.  Building works are closely monitored and professionally project managed. Availability of alternative facilities negotiated with Partner Institutes and local businesses if required.  Negotiations held with local restaurants and hotels for use of equipment if required until appropriate equipment can be brought in from Australia or New Zealand
		3.1.4 Trainers and assessors meet qualification and experience requirements of National Quality Council and AQTF	3.1.4a Training Staff profiles documented and regularly updated 3.1.4b Staff Induction and professional development records	Schools	AQTF 2010 Standards  School records	Occupational, Health and Safety of staff/students compromised	Annual Training Profile agreed at least

		3.1.5 Assessment, including RPL meets training package requirements	3.1.5a Self Assessment documentation 3.1.5b RPL documentation 3.3.5c Training Plan documentation	AQTF 2010 Standards  Schools	AQTF 2010 Standards  School records		five months before course start
3.2	APTC adheres to the principles of access and equity and maximises outcomes for its students and industry clients in compliance with AQTF 2010 Standards and AusAID guidelines	3.2.1 All APTC information reflects the principles of access and equity	3.2.1 Audit of promotional, application, induction materials, student handbooks learning and assessment materials	CSS and School	AQTF 2010 Standards  Schools records  APTC Gender Access and Equality Policy	Annual Scholarship targets established based on agreed distribution guidelines and monitored on 6 monthly basis to ensure equitable access by female and NCC applicants  Non-adherence to Gender Policy	Marketing and admissions strategies strive for an appropriate balance between local and incoming students.  Student Management Work Group monitors implementation of Gender Policy using inputs from stakeholders
		3.2.2 Benchmark APTC student outcome against AQTF and NCVER data	3.2.2 Comparative Assessment commissioned and completed annually	CSS		Delivery modes unsuitable to meet student needs or Pacific Island learning styles  APTC graduates perform poorly in relation to Australian & overseas students  Remedial literacy and numeracy assistance is not available to enable student entry and success in APTC programs	Responsiveness and flexibility of M&E system to identify and support programme redesign as needed  Collaborate with agencies providing literacy upgrading assistance  Ensure student training programs provide individualized learning support as required
		3.2.3 Students and employers report positive change in skills and work practices	3.2.3a Student and Business Satisfaction surveys  3.2.3b AQTF Employer Satisfaction indicator	Schools/CSS	Student Database  Survey Database	Students do not find or sustain employment after graduation	Partnership agreements with employers regarding graduate employment and skill utilisation
		3.2.4 Programs initiated for prospective students unable to meet literacy and numeracy requirements of AQTF Level III programs	3.2.4 Records of applicants who meet technical skills but do not have ELLN skills for entry to course  3.2.4b Annual Planning addresses literacy	CSS	Student Database	Reduced participation, especially in SIS	Stage II commencement of ELLN Bridging Programs in SIS and Ancillary Awards

		3.2.5 All enrolled students are provided with access to literacy, numeracy and other learning support	constraints 3.2.5a Records of referrals for ELLN support by Schools  3.2.5b Student Training Plans, student handbook, timetables and records of referral	Schools	School Records	Students not able to communicate in English at a sufficient level to pass their course or to meet employer expectations	Accurate context-based ELLN testing of applicants  Sufficient ELLN support provided at each campus
3.3	Effective, high quality male and female instructional and support staff with good understanding of the Pacific context engaged and retained	3.3.1 Student Outcome Data provides an 80% or higher satisfaction with staff level  3.3.2 Proportion of instructional staff that are female  3.3.2 Proportion of support staff that are female	3.3.1 Student and Employer Satisfaction Survey reports  3.3.1a Evidence of data use by Schools for continuous improvement  3.3.1b Evidence of unit or cluster use of data for continuous improvement:	Schools/CSS  SMT Minutes  School six month reports aggregated by CSS		Unable to recruit and retain suitably qualified and experienced trainers  Trainers unable to adapt teaching methods to local context  Female trainers unwilling to live in specific situations due to security concerns  Trainers engage in unlawful, unprofessional or inappropriate conduct of personnel	Competitive and well structured expatriate remuneration strategies  Secondment from PI agencies Transfer trainers between campus countries  Staff pre-departure and orientation programs and ongoing support provided to instructors on cross culture relations, gender dynamics, security, isolation  Schools provide staff with training and support in meeting AQTF requirements  Teacher Codes of Conduct enforced  Staff selection criteria to include previous experience operating abroad or in a multi-cultural environment
		3.3.4 Staff orientation and in-service includes cultural issues, gender dynamics, violence, substance abuse, working with disabilities, HIV/AIDS and child protection	3.3.4 Contractor records including results off pre-post assessment	School's & CSS		Inadequate data and analysis leads to inequitable distribution of APTC services  Availability of trainers and facilities does not keep pace with demand	Disaggregated data reports mandatory in six monthly and annual report
		3.3.5 Disaggregated data is analysed and reported to comply with APTC targets for gender and nationality	3.3.5 Contractor and School records	Schools & CSS	Student Database  APTC Gender & Equality Policy		
		3.3.6 Level of interruptions to training programs is managed and minimised	3.3.6 School Delivery Schedules	Schools	School records		
3.4	Appropriate housing and	3.4.1 Facility development according to capital works	3.4.1a School Reports	Schools		Equipment/ infrastructure not delivered and installed in time	Accountable project management framework established

	learning facilities provided to all students	and programmed maintenance plans	3.4.1b Student Satisfaction Surveys	Schools/CS S		Inadequate housing arrangements lead to drop-out	Realistic lead times established and training delivery planned around realistic resource availability dates
		3.4.2 Adequate, accessible, and secure accommodation for women housing arranged for overseas scholarship awardees	3.4.2a School Staff TORs include responsibility for appropriate housing 3.4.2b Student Satisfaction Surveys 3.4.2c Results of Annual Audit	Schools	APTC Gender & Equality Policy	Services not provided in accordance with Programmed Maintenance Plan or inadequate facilities provided by partner organisations	Establish and monitor formal contract arrangements for funding maintenance of APTC facilities and for partner facilities provision
		3.4.3 System in place for addressing student complaints	3.4.3 Schools and CSS records	Schools/CS S	Communications Registry and Grievance Procedures		

#### KRA 4: Student and Scholarship Management

Objective: Provide support to all students and administer scholarship procedures that maximise opportunity for students from all Pacific Forum countries to access and successfully complete APTC programmes with particular focus on redressing gender, isolation and income discrimination and ensuring that student health and welfare concerns are proactively and professionally addressed.

Ref	Outputs	Verifiable Indicators	Means of Verification	Responsibility	Data Source	Risks	Risk Management
4.1	Equitable access for under-represented groups including women, citizens of non-campus countries, rural and remote locations and students with disabilities	4.1.1 Update the APTC Scholarship Policy and Procedures Manual by end June 2011 and review/revise on annual basis including targets for distribution of scholarship awards with consideration of gender, NCC access and urban/rural distribution across PIFs	4.1.1 Annual Scholarship Strategy with agreed distribution targets 4.1.1a Successive Scholarship Manuals compiled including results against targets and lessons learned	CSS/SMT SMT appointed Scholarship Committee	Student Database APTC Gender and Equality Policy; Scholarship Design Annual Plans	High cost of reaching under-represented groups Scholarships awarded to students with easiest access and greater financial means Imbalance of award given to students from campus countries Under-represented groups are unable to meet College admission requirements quotas for scholarship and small PIC participation rates not achieved	Develop low cost, high penetration marketing outreach strategies in small island states and remote areas Indicative scholarship allocation by country to be approved annually by AusAID Assist motivated students to become initially engaged in national trades training systems to prepare them for APTC entry in later intakes
		4.1.2 Scholarships scheme benefiting students who would otherwise not have attended	4.1.2 Disaggregated student participation and application data on the following categories: Individually funded; Industry funded; Full and partial assistance; Existing worker/New Entrant 4.1.2a 6-monthly reviews of scholarship policy and processes to arrive at	CSS/Schools SMT appointed Scholarship Committee	Student Database Scholarship Design Document Manual versions Student Exit Surveys Tracer Studies	Delays in admission due to travel documentation Numbers of applicants do not allow for genuine selection Documentation of students past	Visa and entry protocols developed in all sending and receiving PIFs Marketing programme design against target application rate Selection process decisions and accessible to students on request

		<p>4.1.3 Increase in number of women applying, graduating and receiving scholarships</p> <p>4.1.4 Number of students with a disability enrolled at APTC</p>	<p>equitable allocations of scholarship funds by country, gender and school issues</p> <p>4.1.3 School Admission Records</p> <p>4.1.4 School Admission Records</p>	<p>Schools</p> <p>Schools</p>	<p>Student Database</p> <p>Student Database</p>	<p>local qualifications not available or not adequate</p> <p>Students may perceive selection processes is inequitable or biased</p>	<p>Marketing and admissions strategies strive for an appropriate balance between local and incoming students.</p>
4.2	Admission, appeals and grievance processes comply with AQTF 2010 Standards	4.2.1 Admissions, appeals and grievance process are documented and readily available	4.2.1 School Admission Process and Records	CSS/Schools	<p>APTC Grievance and Appeal Policy</p> <p>AQTF 2010 Standards</p>	<p>Student, government or industry appeals are not transparent and become politicised</p>	<p>Establish complaints handling process</p> <p>Students given access to records and complaints handling system in place</p>
4.3	Students able to make the most of their study opportunity	<p>4.3.1a Students receive access to support services to meet their individual needs and achieve training outcomes as required by AQTF 2010 Standards and APTC welfare policies</p> <p>4.3.1b Percentage of scholarship extensions</p> <p>4.3.1c Percentage of scholarship terminations</p> <p>4.3.1d Satisfaction of scholarship awardees with scholarships management (including allowance payments and travel arrangements)</p>	<p>4.3.1 Orientation documentation and sign-off checklists, incident reports</p> <p>4.3.1a Campus Scholarship/Welfare Officer employed, providing and reporting on services provision</p> <p>4.3.1b Effective mechanism for coordination of Scholarship Officers</p> <p>4.3.1c Student Satisfaction Surveys</p> <p>4.3.1d Staff feedback</p> <p>4.3.1e Agreements in place with local specialist welfare support service providers</p>	<p>Schools</p> <p>Schools/CSS</p> <p>Schools/CSS</p>	<p>AQTF 2010 Standards</p> <p>APTC Gender Access and Equality Policy</p> <p>APTC HIV/AIDS Framework Policy</p> <p>AusAID Child Protection Policy</p> <p>Minutes of Campus-Country Gender and HIV/AIDS Advisory Groups</p> <p>Minutes of Scholarship Coordination Meetings</p> <p>School contracts with local service providers</p>	<p>High proportion of incoming students means student support services stretched</p> <p>Complexity of student travel causes problems for overseas students</p> <p>RTO motivation or capacity to provide support services is limited, or not equipped for culturally appropriate responses</p> <p>RTO/CSS Staff duty of care obligations breached</p>	<p>Schools develop specific procedures for handling overseas student arrivals and departures.</p> <p>Learning and student support funded as an integral part of program delivery</p> <p>Schools to recruit suitable staff for student support roles, utilising local training partners extensively to ensure responses are culturally sensitive</p> <p>Guidelines provided by Schools to staff on duty of care requirements and formally addressed as part of pre departure briefing and in regular meetings and in staff appraisals.</p>

4.4	Students receive support in APTC-to work enhancement	4.4.1 Programs embed and/or include work placement components	4.4.1 Work placement records, career fairs, training plans	Schools	Student Database School Reports  Student Database	Insufficient labor market knowledge by graduates  Insufficient awareness of employers to student competencies  Graduates not ready for the study-to-work transition	Dedicated student services resources with access to labour market research, and integrally involved in employer partnerships. On-campus employer presentations and interview
			4.4.1a Relevant approvals in place to facilitate work placement	SMT	Exit Surveys		
			4.1.1b Relevant insurance policies taken out and maintained to cover students in work placement	CSS	Tracer Studies		Employee partnership arrangements (see Component 2)
			4.1.1c Membership of Alumni Association as proportion of all graduates	CSS	Alumni Association records		
4.5	APTC students comply with Code of Conduct and Student Rules	4.5. Implement and review APTC Student Code of Conduct and Student Rules	Student Code of Conduct and Student Rules endorsed by SMT and publically available	Schools/ CSS  SMT	APTC Code of Conduct and Student Rules	Students engage in inappropriate behaviour (including inappropriate or dangerous sexual behaviour) compromises student safety and College reputation  Inconsistency across the College in dealing with breaches in Student Rules creates disharmony and inequity	Student Code of Conduct established by Schools (with appropriate disciplinary procedures), with briefing during orientation and constantly reinforced
		4.5.2 Students sign to confirm that he/she will comply with the Code of Conduct and Student Rules	4.5.2 Student records	Schools	Student Files		Number and type of breaches documented and reported to SMT
		4.5.3 Non-compliance with Code of Conduct issues are recorded by the School and addressed with the student	4.5.3 Incident Reports  4.5.3a Consolidated report on number and type of incident provided by Student Management Working Group to SMT	Schools CSS	School Records		

**KRA 5: Management and Governance**

Objective: Utilize exemplary human and financial resource management practices to ensure project goals are achieved on time and within budget and institutionalize good governance processes at all levels of the project compliant with APTC operating principles and AusAID guidelines for performance reporting.

Ref	Outputs	Verifiable Indicators	Means of Verification	Responsibility	Data Source	Risks	Risk Management
5.1	College-wide governance and coordination arrangements are agreed, documented, reviewed and adjusted	5.1.1 APTC governance and management operating guidelines implemented to guide all College activities, through a continuous improvement process	5.1.1a Policies and procedures catalogued	GM, SMT	AQTF 2010 Standards	SMT fails to provide coordinated overall governance and leadership to the APTC	A Governance and Structure Manual and supporting material be prepared and GM tasked with ensuring that management and governance arrangements are in place in compliance with AusAID and best practice requirements
			5.1.1b Internal and external audits				
			5.1.1c Minutes of SMT meetings: evidence of revision and version control for continuous improvement, quality operations systems	CSS	AusAID Quality Assurance Protocols	Responsibilities of the CSS, Schools, including country and campus offices, and work teams are not clearly defined, documented and functional across all areas	
			5.1.1d Annual Planning Meeting to review lessons and establish priorities held prior to submission of annual plans	CSS/Schools	Annual Plan Meeting Notes		
			5.1.1e Submission of six-month reports and annual plans AusAID on time consistent format following endorsement by SMT	Schools/CSS CSS SMT	SMT Minutes		
			5.1.1f APTC Governance and Structure Framework prepared and endorsed by SMT	GM SMT	Governance and Structure Manual		
		5.1.2 Responsibilities of the CSS including CPCs, NCCCs and Work Teams clearly defined, documented and functional across the following areas: <ul style="list-style-type: none"><li>Planning</li><li>Financial management</li><li>Governance</li><li>Logistical support</li><li>Scholarships management</li><li>Fees</li><li>Strategic / Brand</li></ul>	5.1.2a ToRs developed and agreed	CSS  SMT	TORs for CPCs, NCCs, CSS staff and Work Teams	Functional roles and responsibilities of School and CSS staff in campus and non-campus countries is not well understood or effectively utilized	Regular review of ToRs of all ATC corporate and training staff and adjustment as needed to meet College needs
			5.1.2b Policies, procedures, work instructions developed and endorsed by SMT and implemented by CSS				
						College wide policies and procedures are not consistently applied	Six monthly review of APTC policies and procedures with staff training as required
						Work Teams are not well coordinated and managed leading to poorly informed policy and	Mentoring and monitoring of Work Teams to ensure effectiveness in

<ul style="list-style-type: none"> <li>Marketing</li> <li>Monitoring and evaluation and risk management</li> </ul>			decision-making		problem analysis and identification of operational solutions	
	5.1.3 Responsibilities of the Schools, including country and campus offices, local training providers and organizational partners and work teams are clearly defined, documented and functional across these areas:	5.1.3a Policies, procedures, work instructions developed and endorsed by SMT and implemented by Schools	Schools	TORs for School Administrators and other nominated staff		
		5.1.3b Letters of agreement / partnership agreements ,contractual arrangements are documented and reviewed on an annual basis		School Policy and Procedures		
	<ul style="list-style-type: none"> <li>Planning</li> <li>Financial management</li> <li>Training and assessment</li> <li>Student and scholarship management</li> <li>Recruitment Marketing</li> <li>Monitoring and evaluation and risk management</li> </ul>	5.1.3c Nominated staff are identified for team / functional responsibilities across common areas and provide recommendations for SMT endorsement				
	5.1.4 SMT provides overall governance and leadership, accountability to the APTC program	5.1.4a Monthly SMT meetings	SMT	SMT TORs	SMT does not have sufficient information to provide leadership in achieving project goals	Effective monthly SMT meetings and timely communications prior to and post meetings
		5.1.4b SMT Minutes and agreed actions are documented, distributed and implemented	CSS	SMT Minutes	SMT does not provide adequate management support to ensure effective delivery and efficient use of resources	Effective means of monitoring follow-up on assigned tasks and emerging issues
					CSS does not provide adequate secretarial support to the SMT in carrying out its functions	Use of Annual Plans and Lessons Learned documentation as basis for planning and monitoring
	5.1.5 CSS provides logistical support and secretariat services to the	5.1.5a Evidence of support to the AG in a timely manner through minutes and other	CSS	AG Minutes AG Member Feedback	SMT appointed Work Groups do not fulfil their ToRs or provide adequate/ accurate information to enable proactive policy making	Use of the PAF on systematic basis to assess College activities, outputs and risks



Advisory Group		communications	SMT Minutes				
			5.1.5b Information and advice arising from AG meetings is distributed for action to Schools as appropriate	CSS			
			5.1.5c Schools receive and consider advice arising from AG meetings	Schools			
			5.1.5d Invitations to AG members to attend functions and events e.g. School Graduations	GM/Schools			
5.2	APTC policies and procedures comply with: AusAID requirements; AQTF 2010 Standards; Australian and relevant PIF legislation, regulations and statutory obligations; and good practice principles	5.2.1 APTC policies and procedures are developed and implemented and addressed. These include but are not limited to: <ul style="list-style-type: none"> <li>• HIV/AIDS</li> <li>• Gender Access and Equity</li> <li>• Disabilities</li> <li>• Fraud</li> <li>• Privacy</li> <li>• Environmental Management</li> <li>• Child Protection</li> <li>• Scholarships</li> <li>• Student and Teacher Code of Conducts</li> <li>• Internet and Email Policy</li> <li>• Partner Affiliation Policy</li> </ul>	5.2.1 Up-to-date policy register  5.2.2 Policies are publicly available  5.2.3 Periodic sample reviews of the degree of implementation effectiveness of policies processes and procedures (e.g. Minutes of Work Teams)	CSS, Schools	Policy Register  APTC Procedure Manuals  Cross Cutting Policies  Work Team Minutes and Reports to SMT	Ineffective or inconsistently applied policies and procedures for staff and implementing agents impedes effective management, project delivery and the achievement of project objectives	CSS and Schools establish Procedures Manuals in core business areas approved by the SMT and updated regularly  CSS and Schools ensure that APTC policies and procedures are implemented and adhered to, and that the manual is available for recruitment and pre-departure briefings, and is used regularly in the operation of the College
5.3	APTC adheres to human resource management best practices within the Pacific region	5.3.1 APTC builds capacity of human resources throughout the college for improved service delivery	Contractor records including evidence of <ul style="list-style-type: none"> <li>• Timely staff recruitment and induction</li> <li>• Learning and professional development opportunities for all staff</li> <li>• Structured capacity building activities for local staff</li> <li>• Performance management</li> <li>• Succession planning for sustainability</li> </ul>	Schools, CSS	APTC HR database  CSS and School HRD Strategies  Annual Plans  Staff contracts reference APTC Staff Code of Conduct	Lack of suitable local personnel hinders localisation  Trained local trainers choose other options  High staff turnover  Staff lack appropriate skills and competencies for efficient and effective operations	Selection of people expert in their field.  Offer competitive salaries and conditions  Identify staff professional development needs and ensure appropriate training support

			<ul style="list-style-type: none"> <li>• In-country support for staff (local and expatriate)</li> <li>• Mentoring</li> <li>• Provision of training for local staff</li> <li>• Staff exchange</li> <li>• Staff development activities</li> <li>• Staff and affiliates comply with Staff Code of Conduct</li> </ul>				
		5.3.3 Safe environment provided for staff and students	5.3.3 Student satisfaction with training and study country environment	CSS, Schools	Student EOC survey	Staff/student security decreased due to civil emergency/natural disaster	Emergency and Evacuation Plan regularly updated and communicated to students and staff
5.4	ICT system enables efficient and reliable communication across the College	5.4.1 A service level agreement established for email and internet endorsed by SMT	5.4.1 Report against agreed service targets	CSS, Schools		<p>Interruption, loss of data or complete failure of ICT system</p> <p>ICT system does not meet required performance standards</p>	<p>Back up processes in place including remote storage of data to ensure effective retrieval of data within set timeframes.</p> <p>Monitoring of compliance with back up procedures on a regular basis.</p> <p>Close liaison with Schools in system design and implementation</p>
5.5	<p>APTC establish an EMIS complete with a fully integrated set of databases covering</p> <ul style="list-style-type: none"> <li>• Students (from initial application to graduation)</li> <li>• Graduates (tracking employment and migration outcomes)</li> <li>• Staffing/HR functions</li> <li>• Courses (scheduling, course numbers, assessment, etc)</li> <li>• Asset register</li> <li>• Materials inventories</li> <li>• Finances and expenditures (FMIS)</li> </ul>	<p>5.5.1 Development and maintenance of a robust and functional consolidated databases that produce accurate and rapid reports</p> <p>disaggregated by: course, school, campus, citizenship, age and gender as appropriate</p>	<p>5.5.1a Database generates regular statistical reports</p> <p>5.5.1b All enrolled students included on individual RTO databases</p> <p>5.5.1c RTOs transfer student data in an agreed format monthly/quarterly/annual</p>	CSS with mandatory and routine inputs from schools	EMIS databases Six-Monthly Progress Report and Annual Report/Plans	<ul style="list-style-type: none"> <li>• Faulty database design</li> <li>• Lack of APTC coding and classification manuals, leading to data inconsistencies</li> <li>• Incorrect and/or incomplete data entry</li> <li>• Poor data interrogation and analysis skills in APTC CSS</li> <li>• ITC problems interfere with access and reliability</li> <li>• Breach of data privacy</li> </ul>	<p>Close liaison with Schools in system design and implementation</p> <p>Employment of a fully qualified EMIS manager, with appropriate supporting staff</p> <p>APTC officer responsible for monitoring and improving data quality</p> <p>Engage suitable ICT advice in setting up technical (hardware and software) aspects of EMIS and conduct regular ICT maintenance</p> <p>Regular staff training in entering data into APTC databases</p> <p>CSS provides reliable, high speed access to database for end-users</p> <p>Security provisions in place to safeguard confidential student data</p>

5.6	Financial management information system (FMIS) provides accurate and timely data on operations	5.6.1 Regular and accurate financial reporting as per contractual obligations	5.6.1 Reports provided to AusAID on time and in compliance with contract obligations	CSS, Schools	Financial Reports from FMIS  Asset register	Ineffective budget control	Regular budget monitoring and review processes in place
		5.6.2 Timely notification of pressures on budget	5.6.2 Single APTC Asset Register			Insufficient funding to achieve outputs	Internal and external auditing functions in place
						Adverse exchange rate movements	Exchange rate exposure managed in accordance with AusAID contract structure
5.7	APTC manages its activities within an appropriate risk management framework	5.7.1 Integrate risk management in PAF for ongoing review and adjustment in program delivery, policy and procedures in response to changed circumstances and lessons learned	5.7.1 Evidence of ongoing review of risks and mitigation strategies in Work Team reports, SMT Minutes, six-monthly reports and Annual Plans	CSS, Schools	PAF Work Team Reports to SMT SMT Minutes Six-month and Annual Plans	Theft, fraud or corruption and failure to comply with Commonwealth fraud control guidelines	Staff trained in compliance requirements
						Unqualified audits	Auditing functions to ensure Compliance
						Inconsistent financial reporting between contractor partners	Ensure compliance with AusAID policies on fraud and corruption control
5.8	Reduced dependence on AusAID funds over time	5.8.1 Fee for Service and Tuition income as a proportion of total APTC training delivery income (including from AusAID)	5.8.1 Fee for service and Tuition fee income/enrolments reported on in Six-Month and Annual Plans	GM/SMT	Financial Reports  Student Data Base	Changed political and security situation in PIF's impacts on program deliverables and the health, wellbeing and security of APTC staff and students	Integrated risk management approach adopted by CSS and schools to regularly review and adjust program delivery, policy and procedures in response to changed circumstances and lessons learned
		5.8.2 Number of tuition fee enrolments as a proportion of total enrolments				College is not sustainable over long term without ongoing major share funding by AusAID	Implement College Development Strategy in collaboration with PIF governments, private sector partners and other donor agencies
		5.8.2 Degree of substitution of Australian staff resources (Localisation)	5.8.2a Proportion of total administrative/management staff that are local  5.8.2b Proportion of total trainer staff that are local  5.8.2c Sustainability reported on in Six-Month and Annual Plans			Fee for service activities distort services provided to scholarship/SIS students	Implement Fee for Service Policy. Annual Training Profile stating places available for scholarship students
				Schools/ CSS	APTC Staff database	APTC accused of "poaching local staff"	Participate in regional dialogue with organizations that have vested interest in TVET development in the Pacific
						Loss of "Australian" branding of APTC	APTC training of TVET staff in TAE4 (on fee for service basis)
						Recruitment of inexperienced local staff reducing training quality	

5.8.3 Operational efficiency	5.8.3a Cost per student (contact hour, enrolled, graduate)	Schools/ CSS	Annual Report/Plan	Cost efficiencies achieved at reduction of training quality	Major changes in operations to be improved through Annual Report/Plan
	5.8.3b Average class occupancy (percentage)		Student database		Course quality and student satisfaction to be closely monitored
	5.8.3c Unit and Course competency completion rate (AQTF indicator)		Quarterly Financial Reports		
	5.8.3d %Invalid/ineligible applications				
	5.8.3e Admin: training delivery cost ratio (excluding scholarships and capital works)				
	5.8.3f Travel expenditure per annum				
	5.8.3g Student:staff ratio				

## **Annex L: Draft Job Descriptions for APTC Chief Executive Officer and School Director Roles**

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### **APTC Chief Executive Officer**

The APTC Chief Executive Officer (CEO) has overall responsibility for ensuring the successful operation of the APTC against its goals and objectives, including discussion with AusAID and other key stakeholders on the strategic and longer-term operation of the APTC. The CEO will have a leadership and senior management role in supporting the APTC to provide industry-responsive, work ready AQF Certificate and Diploma graduates in the Pacific.

The CEO, APTC School Directors, and others nominated by the CEO, will be part of the APTC Senior Management Team.

#### **Key Responsibilities**

- Provide professional leadership, management, guidance and support to all APTC personnel (including long and short term and locally employed) to develop an organisational culture that focuses on the achievement of APTC goals, objectives and performance requirements through partnerships, teamwork, co-operation and client focus;
- Primary relationship management with AusAID, including with its regional and bilateral programs, the Advisory Group, Pacific government, donors, industry groups and national TVET institutions;
- Represent the APTC at high-level official meetings and functions, the APTC Advisory Group and at other meetings as required with AusAID, Pacific governments or other external stakeholders;
- Adhere to and ensure all APTC personnel adhere to the APTC Code of Conduct, including the APTC corporate values, principles and good practices of employment equity, access and gender equity, ethical conduct and workplace health and safety;
- Manage the provision of secretariat services to the Senior Management Team and to the APTC Advisory Group;
- Manage APTC staff and human resources in accordance with contractual requirements of AusAID, including ensuring staff are employed in accordance with local national labour laws and awards;
- Manage the provision of the cost-effective functioning of APTC staff and human resources, finance and accounting, ICT and MIS, marketing, monitoring and evaluation, labour market analysis, quality assurance and the APTC Scholarship Scheme;
- Coordinate consistency of planning, management, implementation and reporting processes across Corporate and Student Support (CSS) and APTC Schools;
- Manage the staff and functions of Corporate and Student Services;
- Supervise and support the School Director(s) to provide industry-responsive, work ready APTC graduates including meeting the requirements of AQF and AQTF standards;
- Manage any feasibility and design studies for the establishment of new training venues, schools and courses;
- Monitor the implementation of the APTC Fee for Service policy by APTC Registered Training Organisations;

- Manage analysis and assessment of labour market demand for VET in the Pacific region and coordinate the APTC response, including in preparation of the Annual Training Profile;
- Manage monitoring of APTC performance through implementation of the Performance Assessment Framework to meet AusAID reporting requirements;
- Manage the compilation of financial reports, six-monthly progress annual workplans/ reports, specified milestone reports, and AusAID and other reporting requirements for the APTC; and
- Improve the financial sustainability of the APTC through improving cost-effectiveness of APTC administration and training delivery and increasing revenue from fee-paying students.

## Director of School

The School Director will have a leadership and senior management role in supporting the APTC to provide industry-responsive, work ready AQF Certificate and Diploma graduates in the Pacific.

The School Director will be responsible to the APTC CEO for the overall management of the designated School in all its locations and for the delivery of APTC training at AQTF standards within the School. Together with the CEO, other School Directors, and others nominated by the CEO, the Director of School will be part of the APTC Senior Management Team.

### Key Responsibilities

- Provide effective leadership, senior management and VET knowledge to establish and maintain the strategic direction of the APTC School as a leading provider of industry-responsive, work ready graduates in the Pacific;
- Coordinate and supervise the teaching and learning programs and activities of the School across all APTC countries;
- Ensure the AQTF standards are maintained in the School by encouraging an environment where high quality work is achieved and supported by the adherence to and development of quality system documentation;
- Provide technical and professional leadership, management, guidance and support to all School training delivery and administrative personnel (including long and short term and locally employed) in developing an organisational culture that focuses on the achievement of APTC goals, objectives and performance requirements through partnerships, teamwork, co-operation and client focus;
- Adhere to and ensure all School personnel adhere to the APTC Code of Conduct, including the APTC corporate values, principles and good practices of employment equity, access and gender equity, ethical conduct and workplace health and safety;
- Conduct and participate in workshops, seminars and advisory groups and foster and maintain positive relationships with industry and institution partners, government representatives, Pacific TVET institutions and related industry sectors;
- Project manage the establishment of new partnerships, training venues and courses of the School;
- Advise the CEO on APTC responses to labour market demand for VET in the Pacific region, including assisting in preparation of the Annual Training Profile;

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- Advise the CEO on resource requirements to enable the School to meet current and future programs and serviced needs;
  - Provide support to the CEO in preparation of financial reports, six-monthly progress reports, annual plans/reports, M&E including assessment against the APTC Performance Assessment Framework, specified milestone reports, and AusAID and other reporting requirements of the APTC;
  - Participate in marketing campaigns to promote the APTC/School and recruit fee-paying and scholarship student enrolments;
  - Support the CEO to improve the financial sustainability of the APTC through improving cost-effectiveness of training delivery and increasing revenue from fee-paying students; and
  - Represent the School/APTC at high-level official meetings and functions, the APTC Advisory Group and at other meetings as required with AusAID, Pacific governments or other external stakeholders.

## Annex M: APTC Education Management Information System High-Level Requirements

### Student and Scholarship database

*Applications* – applicants' names, addresses, age, sex, nationality, education records, employment records, previous training, course preferences, etc

*Offers of places* – school, campus, course, RPL etc

*Fee basis* - school, campus, course (full-fee, partial fee, employer sponsorship, fee waiver, part scholarship, full scholarship)

*Enrolments* – school, campus, course, modules, commencement dates, status (part-time/full-time, etc)

*Student progress* – school, campus, course, assessment details, module completions, deferments, drop-outs, etc

*Completions* - school, campus, course, graduation dates, transcripts, etc

*Scholarships* - Applications, offers, level of award, progress, completions, etc, by school, campus, course, sex, nationality, etc

### Alumni database

Alumni contact details, association membership, current employment etc

### Survey database

*Student end-of-course surveys*

*Graduate tracer studies*

*Employer surveys*

### Program profile database

*Core programs and courses* - by school and campus, scheduling, module completions, training hours, assessments, etc

*Fee-for-service courses*

### Financial database

#### *Funding*

AusAID milestone payments, etc

Fee income for core programs

Income from FFS programs

Other income

#### *Expenditures*

Design and development

Capital program

Procurement, etc

Recurrent expenditures

Personnel

Transport and travel

Maintenance and operating expenses (MOE)

Development and marketing, etc

Payments to industry and institutional partners

Management and support

Scholarships fund



**Staffing database**

*Teachers and instructors* - school, campus, course, sex, nationality, length and terms of contract (including remuneration, accommodation, allowances, etc), deployments, etc

*Other college staff* – international and locally engaged

*Staff travel schedules*

**Asset register**

School, campus, program furnishings, machinery, equipment and vehicles acquired

**Supply inventories**

School, campus, course teaching and other materials, etc

## Annex N: Draft APTC Stage II Fee-for-Service Policy

### 1. Purpose

The purpose of this policy is to provide clear direction on procedures to follow for Fee-For-Service (FFS) delivery of services to Australia-Pacific Technical College (APTC) clients by the College.

### 2. Scope

This policy covers APTC's approach to marketing, sourcing, costing, pricing, bidding, implementation and reporting of all full fee-for-service activities.

### 3. Principles and Approach

- a) A FFS activity is an activity undertaken by the APTC which is not included within the scope of the respective management contract with AusAID and is fully funded from outside the existing contract.
- b) A FFS activity will only be considered if it relates to training or training support services within the industries represented by the five schools that make up the APTC.
- c) FFS activity will only be considered if it involves training in Australian qualifications at Certificate III level or above, leading to full qualifications or customised programs within such courses, consistent with the core purposes of the APTC to provide level III and IV Australian qualifications and to enhance productivity and regional labour mobility.
- d) FFS activities will supplement core-funded training. FFS activity will not be at the expense of delivery of core training operations and access by potential students.
- e) The APTC will not openly market for FFS activities, however may respond to direct requests for FFS activity or provide response to tender opportunities.
- f) APTC FFS activities will not compete unfairly with commercial activities of national or regional training providers or private sector providers fully observing principles of competitive neutrality.
- g) APTC FFS activities will be offered to external parties only on a full cost recovery basis (including all direct delivery costs, administrative and management costs, overhead costs taking into account the principles of competitive neutrality). APTC facilities and resources may be used for FFS activities provided use of the APTC facilities is fully costed in the proposal and the activity does not interfere with scheduling of core training programs. For AusAID bilateral or regional programs the costing will take into account existing AusAID funding for capital and the organisational infrastructure of the APTC.
- h) APTC RTOs will not bid for FFS activities in competition with the APTC.
- i) APTC may bid for FFS activities in partnership with other Australian RTOs subcontracted through the APTC.
- j) All proposals for FFS activities must be approved in advance by the APTC Senior Management Team (SMT), and any bid over AUD\$1,000,000 must receive advance approval by AusAID Suva.
- k) Acceptance of FFS activities must be based on a minimum rate of return of 12%; and include an allocation of profit to APTC on a 50:50 basis after accounting for all costs associated with the activity.

- l) All profit allocated to the APTC from its FFS activities will be placed in a special purpose account. All profit allocated to the APTC will be utilised for training and scholarship purposes or other activities deemed to support the development of APTC, including reductions in the cost of delivery of AusAID funded programs or provision of additional programs and enrolments.
- m) The APTC will, on an annual basis as part of the budget process, make recommendations to AusAID on expenditure against the APTC revenue earned from FFS activities.
- n) The APTC personnel responsible for the FFS activity will provide progress reports to the SMT on the activity at agreed stages. A final report, including a financial acquittal of the activity will be provided to the SMT when the activity has been completed.
- o) Intellectual Property (IP) derived from APTC FFS activities remain the property of APTC through AusAID and the use of any IP needs AusAID's approval on advice from SMT.
- p) All enrolments and graduations from FFS activities will be recorded in the APTC MIS but separately identified from the core-funded training.
- q) SMT may consider and recommend for AusAID approval, FFS requests outside of the above principles taking into consideration clear benefits to be derived by APTC in undertaking the activities.

## Annex O: APTC Stage II Budget Estimates

*Note: Significant caveats on the financial data used in this estimate are common to those detailed for the Cost Structure and Cost-Benefit Analysis (Annexes G and H).*

APTC Stage II Budget	AUD \$m	Assumptions (a) (b)
<b>Capital and Establishment</b>		
Civil Works (training venues)	3.179	Potential SI campus, Hospitality School in PNG
Machinery, equipment and vehicles (training venues)	2.078	Replacement of Stage I equipment and new course equipment
Other refurbishment (CSS offices)	0.103	Accommodation design/refurbishment
Transition period	1.493	Stage II contractor costs and management fee in transition period May
Feasibility Studies	0.440	Course review (health and community services and hospitality);
New course design	0.585	ELLN Bridging, APTC to work, new course customisation
APTC MIS	0.300	Establishment of integrated MIS
<b>Sub-total</b>	<b>8.178</b>	
<b>Corporate and Student Support</b>		
Staff/Related	23.000	Salaries, per diems and allowances
Staff travel	1.049	
Office accommodation and utilities	0.394	Assumes rented offices in Fiji, Samoa, Vanuatu, PNG and Fiji; with SI office to be expanded in 2012
Vehicle rental, maintenance and fuel	0.408	
Office furniture, equipment	0.351	
IT services	0.164	
Office consumables	0.109	
Official functions	0.110	Graduation ceremonies, official entertainment etc
NCC representation	0.475	Assumes representative offices in Kiribati, Nauru and Tonga and short-
Staff training/professional development	0.456	
Marketing and Publications	0.386	
M&E and LMI costs	0.040	Survey and other non-salary/travel costs
Other operational costs	0.200	
<b>Sub-total</b>	<b>27.141</b>	
<b>Direct Training Delivery</b>		
Teachers and instructors	41.911	Assumes course profile remains similar to Stage I (ie same distribution of high and low course cost enrolments). Assumes 15% increase in enrolments;
Transport and travel	7.410	Costing derived from actual 2009 direct training delivery costs (as per Annex H, Table 8)
Partnership, rental and hiring charges	5.139	
Other operational costs	11.683	
<b>Sub-total</b>	<b>66.143</b>	
<b>Other Program Activities</b>		
Scholarships	16.800	Stage I budget, minus estimated \$1m in savings on full scholarships for the Solomon Islands, plus Ancillary Awards
Alumni Network	0.118	
Advisory Group	0.286	6 meetings over Stage II
APTC to work program	0.480	One week course for each student
ELLN bridging program	0.633	For SIS students with weak ELLN skills
<b>Sub-total</b>	<b>18.317</b>	
<b>Management Overheads</b>		
Contractor	23.956	Contractor program management costs and profit
AusAID	8.029	80% Stage 1 Budget.
<b>Sub-total</b>	<b>31.985</b>	
<b>Total</b>	<b>151.764</b>	
Notes:		
(a) Where budget derived from actual Stage I costs, prices adjusted for inflation and where appropriate an efficiency dividend. Some costs also adjusted for increased role of CSS		
(b) Actual costs will vary dependent on decisions as to the establishment of a Solomon Island campus, the mix of local and expatriate staff, the continuance of venue partnerships from Stage I, and the extent of the introduction of new courses		

## Annex P: APTC Stage II Risk Management Matrix

*The APTC General Manager/Senior Management Team is responsible for managing all risks indicated below, with exception to those otherwise specified.*

*The timing of the risks is ongoing from the transition phase until the end of Stage II, unless otherwise indicated.*

Goal	Major Risk <sup>1</sup>	L	C	R	Risk Minimisation/Risk Treatment
<b>Increased supply of skilled workers in targeted sectors in the Pacific region</b>	Limited number of people in SIS with work experience/ ELLN skills relevant for entry to APTC Certificate III courses	C	3	H	<p>APTC to provide training suitable for new entrants as well as existing workers.</p> <p>APTC course profile to flexibly meet a variety of training needs.</p> <p>ELLN bridging or pre-course programs to be provided to SIS applicants with technical skills.</p>
	Lack of pipeline of Certificate I/II graduates in Smaller Island States	B	3	H	AusAID to support complementary bilateral and/or other regional initiatives that build the capacity of national Pacific training institutions to produce qualified graduates.
	Serious disruption to APTC training in partner institutions	C	3	H	<p>Ensure all options are explored before committing to training partner. Partnering only with ethical and committed industry partners (with sound financial background) and demonstrably well governed government training institutions.</p> <p>Minimise investment in fixed capital with private venture companies. Ensure teaching equipment provided is modular/ moveable.</p> <p>Implement partner feedback mechanisms/"health check" for early identification and resolution of any difficulties.</p> <p>Develop and maintain close and supportive relationships with Pacific governments and industry associations.</p> <p>Maintain dialogue with alternative partners for backup training locations.</p>
	Minimal uptake of tuition fee paying places (to complement scholarship places)	B	3	H	<p>APTC to form close partnerships with industry, particularly multinational organisations, to promote employment of APTC graduates.</p> <p>Tuition fees to be set at market sustainable rate (whilst not competing with local institutions).</p> <p>Contractor to meet tuition fee income targets from the second year.</p>
	APTC contractor does not meet performance	D	5	H	Contractor with relevant TVET and Pacific experience selected through rigorous tender process.

Goal	Major Risk <sup>1</sup>	L	C	R	Risk Minimisation/Risk Treatment
	standards				<p>Training to be of AQTF standard and externally audited.</p> <p>Accountable management structure in place which monitors performance under a Performance Assessment Framework for early identification and resolution of underperformance.</p>
<b>Pacific Islander women and men with Australian qualifications realise improved employment opportunities nationally, regionally and internationally in targeted sectors</b>	APTC graduates do not find or maintain employment in occupations and at levels for which they have been trained, (particularly in SIS where there is a relatively small formal wage sector)	B	4	H	<p>Monitoring of graduate employment outcomes to inform annual course profile planning.</p> <p>Maintain industry and government feedback mechanisms to ensure course profile and content is targeted to meet employer requirements.</p> <p>Promote value proposition for employment of APTC graduates.</p> <p>On-campus employer presentations and interviews.</p> <p>Maintain close industry relationships to promote employment of APTC graduates.</p> <p>Focus on training of existing workers, especially for SIS where employment growth is limited.</p> <p>APTC to include some APTC-to-work training near the end of course completion.</p> <p>APTC alumni association to assist graduates to network to identify employment opportunities.</p> <p>AusAID to support Pacific government agencies in human resource development planning, employment generation and managing labour mobility issues (e.g. through PACER Plus).</p>
	Overseas employment of graduates (in occupations and at levels for which they have been trained) limited by non-APTC related constraints	B	4	H	<p>Labour market intelligence on short to medium-term regional and international employment opportunities to be collected and reflected where possible in APTC course profile.</p> <p>Monitoring of graduate employment outcomes to inform annual course profile planning.</p> <p>APTC to form close partnerships with industry, particularly multinational organisations, to promote employment of APTC graduates.</p> <p>AusAID to work with other Australian government departments and Pacific governments to accelerate the capacity of Australia and the PICs to take advantage of closer regional labour mobility.</p>
<b>Increased productivity of individuals and organisations in targeted industries and sectors</b>	Skills gained during APTC training not utilised in the workplace	B	4	H	<p>Annual review of APTC training profiles to ensure courses and skills learnt remain relevant to employers, and to actual and projected skill shortages.</p> <p>APTC to include some APTC-to-work training near the end of course completion.</p> <p>Maintain close industry relationships to promote skill utilisation of APTC graduates.</p>

Major Risk	Potential Impact	L	C	R	Risk Minimisation/Treatment
<b>Marketing, Reputation and Image Risks (KRA 1)</b>					
Lack of understanding of role of the APTC in the Pacific	<p>APTC seen as elitist and focused on Australian skill requirements not Pacific Island needs.</p> <p>Decreased PIFC support for APTC's continued presence in individual countries/region.</p>	C	4	H	<p>AusAID to maintain stronger bilateral and regional engagement with Pacific/PNG governments to raise awareness and understanding about the APTC.</p> <p>Annual/biennial APTC Forum involving planning/consultation with individual Pacific governments/industry to commence in Stage II.</p> <p>AusAID to undertake an investigation early in Stage II into options for continuing the APTC beyond June 2015.</p>
Unlawful, unprofessional or inappropriate behaviour by APTC staff (including inappropriate involvement in local political or religious affairs)	Negative publicity and damage to APTC reputation.	C	3	H	<p>Effective recruitment of staff including police and referee checks.</p> <p>Extensive pre-departure briefing and orientation/induction program to include addressing country-specific cultural behaviour</p> <p>Staff Code of Conduct, including Child Protection Policy, included and enforced in local and international staff contracts.</p> <p>In-service reinforcement of policies and practices to educate personnel about Codes of Conduct, including the reporting of suspected misconduct.</p> <p>Critical incidents to be reported to local AusAID Post and to AusAID Suva.</p> <p>Implement APTC media and communication plan in the event of adverse publicity.</p>
Schools unable to attract diverse applicants due to inadequate marketing coverage and/or gender, economic and cultural barriers to TVET participation	Inadequate number of eligible trainees to meet APTC goal of increased supply of skilled workers.	D	3	M	<p>APTC Country Strategies to identify gender, economic and cultural barriers to TVET participation.</p> <p>Annual Marketing Strategy and Recruitment Plan includes strategies for promoting the APTC in under-represented PIFCs and addressing barriers to TVET participation.</p>
Access for under-represented groups and non campus countries is perceived as inadequate	<p>Negative publicity for the APTC.</p> <p>Decreased regional political support for APTC to continue to operate in region.</p>	C	3	H	<p><i>APTC Scholarships</i> provide opportunities for candidates from all PIF countries.</p> <p>Indicative scholarship allocation by country weighted towards the SIS and approved through Annual Report/Plan process.</p> <p>Scholarships marketing to target all 14 PIF countries, and the SIS in particular.</p> <p>AusAID to report on APTC enrolments and scholarships in bilateral and regional forums.</p>

Major Risk	Potential Impact	L	C	R	Risk Minimisation/Treatment
APTC courses duplicate existing national TVET capacity	Decreased Partner Government and local training institution support for APTC continued presence in individual countries.	D	3	M	Annual planning process, where training profile that does not duplicate local TVET offerings, is agreed in advance with AusAID.  APTC to implement a Tuition Fee Policy that does not compete with local providers.
<b>Partnership Risks (KRA 2)</b>					
Reduced PG support for APTC in campus countries	Difficulty in continued operation.  Potential for campus location to be closed.  Impact on training outcomes.	C	4	H	AusAID to have regular high-level dialogue with PG in campus countries.  APTC to ensure compliance with local laws and regulations.  APTC to record and report on difficulties experienced with PGs and local institutions.
Agreements with partner training institutions not managed effectively	Disruption/cancellation of partnership contract resulting in APTC not meeting its training targets and damage to APTC reputation.  Financial/equipment loss.	D	4	H	Ensure that training partners are fully aware of the program and their responsibilities at time of agreement.  Close liaison between APTC and training partners prior to and during agreement.  Specific and monitorable agreements, and procedures for reviewing their functioning, are in place by commencement/extension of new partnership.
Reduced training partner commitment, motivation or capacity (including business failure) to be an effective partner	Disruption/cancellation of partnership contract resulting in APTC not meeting its training targets and damage to APTC reputation.  Delays in student course completion/intakes while alternative training providers identified	C	3	H	Ensure all options are explored before committing to training partner. Partnering only with ethical and committed industry partners and demonstrably well governed government training institutions, including checks for financial stability.  Minimise investment in fixed capital with private venture companies. Ensure teaching equipment provided is modular/moveable.  Implement partner feedback mechanisms/"health check" for early identification and resolution of any difficulties. Encourage industry partners to inform the project of their business environment and risks through close liaison and ensuring the confidentiality of commercial information.  Maintain dialogue with alternative partners for backup training locations.
Local training institutions resent APTC presence (within	Diminished local support of the	C	3	H	APTC courses and tuition fees do not compete with local providers.



Major Risk	Potential Impact	L	C	R	Risk Minimisation/Treatment
institution or with industry training partner)	APTC				<p>Centre for Professional Development to enable local institutions to benefit from APTC presence.</p> <p>APTC to formalise and record support to local institutions.</p> <p>Local trainers to be involved in APTC training (e.g. as tutors) and use of facilities, wherever possible.</p> <p>AusAID to provide other support to local institutions/trainers through the bilateral program (e.g. through the TAE4 course).</p>
Lack of APTC engagement with private sector	<p>Employees not supported to attend APTC (lack of support for tuition fees, work release, or supervised work attachments).</p> <p>Employers do not value or utilise APTC graduate skills.</p> <p>Revenue generation reduced.</p> <p>Reduced employment and productivity outcomes.</p>	C	4	H	<p>Formal or informal agreements are documented and working.</p> <p>Communication Plan to give guidance regarding communication with private sector.</p> <p>Develop and maintain close and supportive relationships with individual employers and industry bodies through formal (industry advisory groups, periodic labour market surveys) and informal mechanisms (site visits, participation in the activities of employer /industry associations).</p> <p>Establish strong partnerships and clearly address release and student payment issues.</p> <p>Employer satisfaction surveys to be regularly conducted/evaluated and any necessary adjustments to training delivery made.</p>
Lack of coordination of donor input to TVET sector	Duplication or lack of complementarity of TVET support in region.	D	3	M	<p>AusAID TVET Strategy to ensure harmonisation of donor inputs.</p> <p>APTC Communication plan to include joint AusAID/APTC meetings with other regional donors to increase other donor understanding and support for the APTC.</p>
<b>Teaching and Learning Risks (KRA 3)</b>					
Limited or poor quality training facilities provided by partner industry or institutions	<p>Unsuitable training environment evolves over time.</p> <p>Staff and students placed at risk.</p>	C	3	H	<p>Clear contractual MOU and Service Level Agreement with partner training institution as to set-up/ongoing resources to be provided by APTC/partner.</p> <p>Regular Occupational Health and Safety Audits to be undertaken.</p> <p>Regular monitoring of staff and student satisfaction with training facilities/equipment.</p>
Equipment/ infrastructure not delivered and	Delay to course start.	C	3	H	<p>Establish realistic lead times through Annual Training Profile planning to accommodate resource purchase, shipping</p>

Major Risk	Potential Impact	L	C	R	Risk Minimisation/Treatment
installed in time	Reduction in training quality.				and installation.  Back-up plans for loss of training time to be in place. Training designed to fit theory up-front so that it is mobile in the early stages.
Schools do not fully conform to AQTF standards in course delivery or in assessment of competency standards	Training outcomes compromised and graduates do not have adequate skills to meet industry requirements.  Employers are dissatisfied with APTC training, resulting in loss of potential fee-paying enrolments.  Reputation of APTC and Australian training diminished with students and employers.	C	4	H	Competitive tender process to engage qualified and experienced training providers.  Contracts are clearly defined regarding the application of AQTF standards and penalties/recourse measures, including cancellation for poor performance.  Performance monitoring of delivery quality through formal student and employer feedback.  AusAID to commission Independent Audits of the RTOs performance against the <i>AQTF 2007 Essential Standards for Registration</i> by State Training Authorities.
Insufficient workplace attachments available	Risk to reputation of some APTC courses where training is only institution based (particularly for non-campus country students)	B	3	H	APTC to foster positive relations with employers so that they provide workplace assessments for local and overseas students.  APTC to work with AusAID and partner governments to resolve any legal, regulation and visa issues for work placements by overseas students.  The Annual Training Profile to detail the arrangements made for adequate work placements for any new courses to be established.  Where insufficient work placements are available, the APTC will need to modify the training venue and course delivery to simulate workplace environments and maximise the use of industry practitioners in delivery and assessment.
Delivery modes unsuitable to learning styles	Disgruntled students and poor skill learning outcomes.  Low completion rates.  Reduced demand for APTC.	D	3	M	Design of courses to consider cultural influences, responsiveness and flexibility.  AusAID to engage contractor experienced in delivery to Pacific Islanders.
Graduates not ready for the study-to-work	Reduced employment	C	3	H	APTC to include APTC-to-work training

Major Risk	Potential Impact	L	C	R	Risk Minimisation/Treatment
transition	outcomes. Employer dissatisfaction.				near the end of course completion.
APTC receive poor advice and information on industry training needs in the region and internationally	APTC courses lack relevance to needs of industry sectors being targeted. APTC does not respond to emerging PIF labour requirements leading to under/over supply.	C	4	H	APTC to develop and maintain a plan for formally collecting and analysis of labour market intelligence including with employers, industry associations, labour market research and AG meetings. APTC to have active engagement with private/NGO sectors regarding their training needs. Independent analysis of industry trends by APTC to identify unrealistic market expectations.
New courses in training profile that should be undertaken through FFS activities	Potential criticism that APTC is subsidising private company training. APTC resources diverted from core profile training.	D	3	M	AusAID to approve Annual Training Profile including justification for conducting new courses. Ongoing monitoring of implementation of the Fee for Service policy. Reporting to AusAID on Fee for Service activities.
Majority of courses continue to be for trade apprenticeships	Lack of APTC training opportunities for female students.	C	3	H	Monitoring of APTC Gender Access and Equality Policy. Annual Training Profile to include details as to expected gender balance of each course. Targets set for female participation across APTC courses.
Pressure to broaden the scope of APTC to include other than Cert III, IV and Diploma courses	Loss of clear focus for the APTC and reduced progress to achievement of its goals. Local institutions no longer supportive of an APTC which is competing with its activities. Bilateral institution strengthening projects compromised.	C	4	H	AusAID to develop and communicate a TVET Strategy clearly stating the role of the APTC in TVET in the Pacific region.
Pressure on APTC to place more courses in PNG (within Stage I budget)	Decrease in access to APTC by other countries (as visa access to PNG is constrained).	B	4	H	APTC to be targeted to increase fee-paying students in PNG. AusAID to ensure through annual planning process that there is no decrease in scholarships available to other countries.

Major Risk	Potential Impact	L	C	R	Risk Minimisation/Treatment
	Perception by other countries that APTC is supporting those most able to afford to pay for their own training.				AusAID to work with PNG government to improve visa access by students from other Pacific countries to study in PNG.
Pressure for PNG APTC to operate separately from the rest of the APTC	Loss of opportunity for regionally integrated approach to TVET training and labour mobility.  Loss of access to PNG training centres for other Pacific Islanders	C	3	H	AusAID to adopt a unified Pacific regional and PNG approach to discussions with PNG stakeholders about APTC.  AusAID to pursue accelerated efforts to support TVET development in PNG.
Emigration of APTC graduates exceeds the training of replacements	National skills pools in PICs less than when the APTC started.	D	3	M	APTC to hold regular consultations with PICs to monitor impact of overseas migration of APTC graduates.  AusAID to support PIC government agencies in managing human resource development planning, employment generation and labour mobility issues.
<b>Students and Scholarships Management Risks (KRA 4)</b>					
Pressure to provide access to APTC for school leavers and others (particularly from the SIS) that do not have the technical, motivational or other required skills to successfully complete the course	Decreased completion rates and graduate number targets not achieved.  Inadequate workplace skills demonstrated.  Compromised employability.  Training outcomes and eventual program effectiveness are compromised.	B	4	H	APTC objectives clearly communicated to stakeholders and broader community.  Selection criteria for entrance to APTC courses explicitly detail minimum entrance criteria.  Quality assured technical assessment testing of applicants. Test results recorded on APTC student database.  Appropriate and regular monitoring to identify students in need of additional support.  Provision of student mentoring and counselling.  Accept additional students into courses in anticipation of student withdrawals.
Inadequate English language, literacy and numeracy (ELLN) ability of target applicants (especially from SIS)	Enrolment targets from SIS not able to be met.	C	3	H	Quality assured ELLN testing of applicants. Test results recorded on APTC student database.  Bridging programs to be commenced in SIS during Stage II.  On arrival/concurrent ELLN support during training.
Low number of applications from quality candidates	APTC courses may not be run at full capacity with	C	3	H	Annual Plan to include review of targeted promotional strategies.

Major Risk	Potential Impact	L	C	R	Risk Minimisation/Treatment
	subsequent reduced program cost-effectiveness and impact.				Annual review and revision of indicative country allocations.  Reserve lists of local applicants to be maintained to enable shortfalls to be managed.
Scholarships awarded to students with easiest access and greater financial means	Development goals of providing access to the disadvantaged not achieved.	C	3	H	Scholarship allocation policy and selection procedures maintained and enforced.  Separation of responsibilities between scholarship selection and applicant recruitment/assessment.  Six monthly reporting to AusAID on scholarship allocation.
Scholarship selection procedures are seen as not transparent or efficient	Lack of confidence in the APTC as an equal opportunity training provider.	C	3	M	Application and scholarship scheme provide clear selection and admission procedures with opportunity for complaints resolution.  Procedures put in place for reporting and dealing with approaches for preferential selection.  Staff Code of Conduct to include penalties for corrupt admission/ scholarship selection practices.
Inadequate student learning and pastoral support	Low completion rates.  Lack of student and employer satisfaction.  Damage to APTC image.	D	3	M	Learning and student support funded as an integral part of program delivery.  Recruitment of culturally aware staff, supported with country-specific cultural orientation.  Provision of student services and welfare for APTC students including access to specialist counselling services.  RTOs to provide clear guidelines to staff on duty of care requirements as part of pre departure briefing and in regular meetings.  Use of student feedback (surveys and focus groups) to identify performance issues.
Failure in duty of care relating to the safety and welfare of the APTC students (including risks to children)	Illness, injury or death of staff or students.  Disruption to program delivery.  Damage to APTC reputation.	C	3	H	Ensure RTOs have preventative maintenance plans in place with local training partners.  OH&S built into management responsibility in APTC and partner training institutions.  Student and Staff Codes of Conduct and Child Protection policy implemented.  Emergency procedures established and monitored.
Socio-cultural and economic factors constrain female	AusAID and APTC development goals of gender equity	B	3	H	Local networks identified and engaged to identify women and other marginalised students.

Major Risk	Potential Impact	L	C	R	Risk Minimisation/Treatment
participation	not achieved.				APTC Gender Equality Strategy implemented to overcome cultural and gender barriers.  Gender-specific courses run as required.
Students engage in inappropriate behaviour (including inappropriate or dangerous sexual behaviour)	Compromises student safety and APTC reputation.	C	3	H	Implement APTC Student Code of Conduct (with appropriate disciplinary procedures), with briefing during orientation and constantly reinforced.  Non-compliance with Code of Conduct issues are recorded by the school and addressed with the student.  Number and type of breaches documented and reported to SMT.
<b>Planning, Management and Governance Risks (KRA 5)</b>					
APTC General Manager and Senior Management Team fails to provide coordinated overall governance leadership and accountability to the APTC	Lack of effective delivery and efficient use of resources reduce achievement of project goals and outcomes.	D	4	M	A Governance and Structure Manual and supporting material are prepared and GM tasked with ensuring that management and governance arrangements are in place in compliance with AusAID and best practice requirements.  Effective monthly SMT meetings and timely communications prior to and post meetings.  Use of Annual Plans and Lessons Learned documentation as basis for planning and monitoring.  Use of the PAF on systematic basis to assess APTC activities, outputs and risks.
APTC policies and procedures do not comply with: AusAID requirements; AQTF 2007 standards; Australian legislation, regulations and statutory obligations; and good practice principles	De-registration of RTO.  Damage to APTC and AusAID reputation.	D	4	H	APTC policies and procedures are developed, implemented and addressed.  Independent audit of APTC policies to ensure compliance with AusAID and AQTF standards.
Breach of PIFC legislation, regulations and statutory obligations laws (including with respect to registration, employment etc)	Potential legal threat to APTC staff.  Damage to APTC reputation.  Diversion to management efforts.	C	4	H	Accurate identification of contractual, accreditation and legislative requirements relevant to each country.  Development of APTC employment terms and conditions in line with local labour requirements.  Training of APTC staff in local legal requirements.
<b>Human Resource Management</b>					
Lack of clarity of respective roles within	Inadequate communication	C	3	H	RFT selection criteria to include statement as to how effective communication and

Major Risk	Potential Impact	L	C	R	Risk Minimisation/Treatment
the APTC	<p>between different organisations working under the one contract with AusAID.</p> <p>Duplication or gaps in responsibilities.</p> <p>Reduced APTC effectiveness.</p>				<p>work practices will be maintained.</p> <p>Responsibilities of all work units and staff to be clearly defined, documented and functional across all areas by Contractor as per of their tender response.</p> <p>Ongoing monitoring of relationships and performance of all parties.</p> <p>Regular review of ToRs of all staff and adjustment as needed to meet College needs.</p>
Staff lack appropriate skills and competencies for efficient and effective operations within the Pacific country environment	<p>Failure to deliver training outcomes.</p> <p>Low productivity.</p> <p>High staff turnover.</p> <p>Negative student and employer perceptions of APTC/Australian training institutions.</p>	C	4	H	<p>RFT selection criteria to include previous experience operating training institution abroad or in a multi-cultural environment.</p> <p>Recruitment of staff with appropriate training skills and suitability for working in a culturally diverse environment.</p> <p>In-country orientation programs and on-going cultural awareness training delivered by local experts.</p> <p>Implementation of performance management function.</p>
Lack of suitable local personnel hinders localisation	<p>Higher cost (travel, accommodation, allowances etc).of positions filled by overseas staff (travel, accommodation etc).</p> <p>Reduced opportunity for capacity development of local staff.</p> <p>Perception that the APTC is a solely Australian institution and not integrated to the Pacific environment.</p>	C	3	H	<p>Recruitment strategy to identify local personnel that are expert in their field.</p> <p>Identify potential trainers during courses.</p> <p>Offer competitive salaries and conditions.</p> <p>Identify staff professional development needs and ensure appropriate training support (e.g. through TAE4) for potential trainers.</p>
<b>Financial and Economic Management Risks (KRA 6)</b>					
AusAID unable to provide guarantee of continuity of funding for an APTC Stage III	APTC closed before long-term outcomes and impact achieved.	C	4	H	<p>APTC design has long term vision over 14 years.</p> <p>APTC performance assessment to collect and analyse data on outcomes and impact justifying continued investment.</p>
Relative high unit cost of some delivery	Reduction in graduate outcomes	B	3	H	Regular review of delivery models to identify lower-cost options.

Major Risk	Potential Impact	L	C	R	Risk Minimisation/Treatment
models	for available budget.  Decreased sustainability of the College.				Assessment of the workplace component of the APTC training program, especially where it involves APTC staff travelling to home islands to assess small numbers of students.
High cost of attracting and assessing applicants rural and remote locations and from non-campus countries	Insufficient funding to achieve target graduate output.  Potential lack of equitable access for these groups.	B	3	H	Develop low cost, high penetration marketing outreach strategies in small island states and remote areas  Marketing and admissions strategies (course profiles) strive for an appropriate balance between local and overseas students.
Ineffective financial management systems	Lack of accurate and timely data on operations as per contractual obligations.  Project expenditure not in line with budget.	C	4	H	Single APTC FMIS.  Recruitment of experienced financial personnel. Financial policies and procedures in place. Regular staff training.  Effective budget monitoring and review processes in place.  Exchange rate exposure managed in accordance with AusAID contract.
Theft, fraud, misappropriation of equipment or corruption and failure to comply with Commonwealth fraud control guidelines	Financial loss impacting on APTC to deliver future programs.  Delay in running training whilst replacement equipment sourced.  Reputation damage for APTC/AusAID.	D	5	H	Ensure financial procedures and monitoring are in place.  Staff trained in compliance requirements. Zero tolerance with fraud and corruption clause in staff contracts.  Ongoing reinforcement of the importance of vigilance against fraud and theft  Regular audits conducted by both internal and external providers  Reporting to AusAID on any cases of fraud and corruption
APTC does not meet its fee-paying student target	Continued dependence on AusAID funds over time.  Insufficient funds available for APTC expansion.  College may not be sustainable.	C	3	H	College Development Strategy including the generation of tuition fee income developed and endorsed by SMT  Training provided for all APTC staff involved in marketing activities.  APTC Tuition Fee Policy enable setting of tuition fees at a realistic market rate.  Annual Training Profile indicates expected proportion of tuition fee course places. Scholarships not awarded to applicants who have access to self or employer funded training.  Tuition fee income (and places) reported in Six-Month and Annual Plans.



Major Risk	Potential Impact	L	C	R	Risk Minimisation/Treatment
Fee for Service activities divert APTC from delivering its core business.	Reduced graduate output and quality.  Poor delivery outcomes from fee for service activity damages APTC reputation.	C	3	H	Ongoing monitoring of implementation of Fee for Service policy.  AusAID advance approval required for large fee for service activities.  Fee for service activities and income reported in Six-Month and Annual Plans.
Pressure to put expand APTC campuses to new locations/countries	Diversion of APTC management activities from core business.  Potential non-sustainable increase in delivery costs.	B	4	H	Independent Feasibility Study including cost-benefit analysis to be undertaken before new site commissioned.
Lack of interest by other donors/stakeholders in funding or providing scholarships to the APTC	Constraint to APTC expansion.  Reduced sustainability of the APTC.	B	2	M	APTC Communication plan to include joint AusAID/APTC meetings with other regional donors to increase their understanding and support for the APTC.
<b>Political and Natural Changes</b>					
Changed political and deteriorating security situation in campus countries.  Natural disaster (earthquakes, cyclones etc)/health pandemic.	Health and well-being risk to APTC staff and students.  Suspension of classes affecting achievement of training outputs and outcomes.  Potential loss of income from fee paying students.  Disruption to scholarship scheme.	C	4	H	Security and disaster preparedness is given a high priority in pre-departure briefings.  Contractor to closely monitor events on an ongoing basis and ensure security plan and contingency/action plans (evacuation policy) in place for staff and students.  Integrated risk management approach adopted by APTC to regularly review and adjust program delivery, policy and procedures in response to changed circumstances and lessons learned.  Courses run in multiple locations to reduce reliance on single campus.  AusAID to advise Contractor of security updates.
<b>Information and Communication</b>					
ICT systems do not meet performance requirements	Viruses and/or computer faults destroy source materials and information systems.  Lack of ability to verify student participation, assessment, module completion resulting in	D	3	H	APTC to develop and maintain a Strategic IT plan, and appropriately resource and train staff in ICT and MIS systems.  IT support mechanisms established both locally and remotely to enable reliable, high speed access to database, communication and other systems.  Contingency plans in place for business critical systems, including remote storage of data to ensure effective retrieval of data.

Major Risk	Potential Impact	L	C	R	Risk Minimisation/Treatment
	interference to program.  Inefficient and unreliable communication within the APTC and with other partners.				
APTC unable to report on student, staff, financial and asset data across the whole College	Inefficient program management.  Inaccurate reporting, weak accountability and unreliable M&E.	C	3	H	Contractor to establish integrated HR, asset and financial management systems across the College.
Lack of integration between APTC student and scholarship MIS and RTO data requirements	Program management delays.  Duplication of data entry.  Inaccurate data, reporting and unreliable M&E.	C	3	H	Prior to Stage II, AusAID to commission design of the functional requirements for a robust consolidated student and scholarship MIS that produces accurate and rapid reports required for program management, accountability and M&E.  During RFT process, Contractor to indicate which MIS will be used by the College that effectively and efficiently integrates all APTC MIS requirements with RTO TAFE data requirements.  Contractor to establish integrated student and scholarship MIS during transition phase.
Unreliable and incomplete APTC MIS data (including on student applications, enrolments and completion)	Unreliable data on which to base training/scholarship management.  Inaccurate and incomplete reporting and M&E.	C	3	H	Contractor to provide for sufficient data entry staff and regular training.  CSS to include data quality officer.  Security provisions in place to safeguard confidential student data.
<b>Environmental</b>					
Adverse affect on environment due to APTC operations	Negative environmental impact of excess staff travel.  Perceptions by PIFC stakeholders of waste and inefficiency.	C	3	H	APTC to develop/update an Environmental Management Plan for all APTC offices and training locations.  Staff in campus countries to have sufficient seniority to reduce the need for travel from the Fiji CSS].  Use of web and video-conferencing where possible.

**<sup>1</sup>Risk Estimate Matrix**

<b>LIKELIHOOD</b>	<b>CONSEQUENCES</b>				
	<b>Insignificant (1)</b>	<b>Minor (2)</b>	<b>Moderate (3)</b>	<b>Major (4)</b>	<b>Severe (5)</b>
A (Almost Certain)	M	H	H	VH	VH
B (Likely)	M	M	H	H	VH
C (Possible)	L	M	H	H	H
D (Unlikely)	L	L	M	M	H
E (Rare)	L	L	M	M	H

VH: very high risk; immediate action required

H: high risk; senior management attention needed

M: Moderate risk; management responsibility must be specified

L: low risk; manage by routine procedure

## Annex Q: Draft Terms of Reference – Feasibility Study for delivering APTC training in the Solomon Islands

### 1. Background

The Australia-Pacific Technical College (APTC) was established in July 2007, following the then Prime Minister's announcement at the 2006 Pacific Islands Forum, with an initial allocation of AUD\$149.5 million (2007/08 to 2010/11). The APTC provides training at Australian standards in order to:

- i. increase the supply of skilled workers in targeted sectors in the Pacific region;
- ii. help Pacific Islander women and men with Australian qualifications realise improved employment opportunities nationally, regionally and internationally in targeted sectors; and
- iii. increase productivity of individuals and organisations in targeted industries and sectors.

The APTC delivers Australian Certificate III and IV skill training in five industry sectors: automotive; manufacturing; construction and electrical; tourism and hospitality; and health and community services. During Stage I, training was delivered in the four campus countries of Samoa, Fiji, Vanuatu and PNG. APTC training delivery in these countries is to continue in Stage II.

The Concept Paper for the APTC Stage II design noted that flexibility exists for the APTC to add or remove courses, campuses and training partners in response to changing regional skills demands. It also noted the demand for APTC training from the Solomon Islands (SI), the third most populous country of the Pacific, after PNG and Fiji. With a population of over 500,000, the size of the formal economy, while small, has grown and firm productivity is important to its economic growth. A study by the World Bank in 2007 found that 53 percent of larger, formal-sector firms in the Solomon Islands were understaffed<sup>33</sup>. Demand for APTC training from private sector employers is strong, as is demand for skills upgrading of teachers and trainers from the network of rural training centres that serve rural communities and outlying provinces. At the time of the 2009 Mid-Term Review, around 100 different employers in the Solomon Islands had been served by the APTC, 71 percent from the private sector and 4 percent from the education and training industry. Solomon Islanders comprised 11 percent of all enrolments and 16 percent of all scholarships awarded. Solomon Islander applicants ranked highly compared to other countries on technical skill and English language and numeracy assessments.

Given this expressed student demand, the Mid Term Review indicated that a feasibility study for establishing a training venue in the Solomon Islands (SI) should be undertaken. Although there is strong student demand and indicative government support for an APTC campus, expansion (and contraction) of the APTC schools, campuses and courses should be based on industry demand and economic drivers, nationally and internationally. This need and demand, however, is difficult to assess, as current training gaps are likely to reflect a progressive decline in effectiveness of the Solomon Islands College of Higher Education (SICHE), and economic growth from the presence of RAMSI and a large expatriate community. The economy is only now slowly recovering from a period of major disruption, although there may be some demand from the trades area and in the formal economic sector (the Gold Ridge mine is a possibility) and in projected donor infrastructure

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<sup>33</sup> World Bank (2007).

investments. As there is little reliable or up-to-date statistical information or labour market analysis available for the Solomon Islands, this would need to be collected and analysed in the feasibility study.

Further investigation of possible partnership arrangements and delivery models – industry and institutional - in the Solomon Islands is required. Solomon Islands has only one tertiary institution, SICHE, which has six established Schools (Industrial Development, Education, Marine and Fisheries Studies, Finance and Administration, Nursing and Natural Resources) and a new School of Tourism and Hospitality. SICHE has been neglected over many years, and would require substantial investment to rehabilitate. Support for revitalisation of SICHE is being actively considered by the SI Government, AusAID and other donor partners. Establishment of a training venue at SICHE would need to take account of complementary development activities there. Opportunities for industry-based training in the Solomon Islands are limited, so arrangements with industry partners for training venues or work placements would need to be carefully established and maintained.

## 2. Objective

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To determine the feasibility including cost-effectiveness of conducting APTC courses in the Solomon Islands. In particular, this will require examination of viability of options in detail, including identification of training venues, local industry and institution partners, the range of AQF courses to be offered, expected student numbers and indicative costs and timeframe.

## 3. Scope

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The Feasibility Study will assess:

- Future levels of employment growth in areas within the scope of the APTC delivery and demand for skilled workers at AQF Certificate III and IV;
- Future levels of demand for workforce retraining/upskilling within the scope of delivery of the APTC and demand for skilled workers at AQF III and IV;
- The cost effectiveness of providing APTC training in the Solomon Islands, relative to delivery under current training/scholarship models
- The potential for partnerships with SICHE, having regard to any bilateral programs that will improve the facilities and staff capacity at the institution;
- Opportunities for partnerships with local employers; and
- Models for flexible and work-based delivery, including the capacity to adjust the level and pattern of delivery in response to changing demand.

Based on the above, the study will develop an indicative profile for delivery by the APTC in the Solomon Islands or through delivery in other countries and undertake a cost benefit comparison of delivery under either model.

The study will be based on surveys and interviews with employers, government agencies and instrumentalities, and aid agencies. It will include an analysis of facilities and equipment at SICHE and in local enterprises and assess options for co-location with SICHE, for a stand-alone facility or for workplace partnerships and delivery models employed in other locations by the APTC.

## 4. Issues to be Addressed

### Rationale and Support

- confirm and fully develop the rationale for delivery of APTC courses in the SI, including confirmation of partner government, industry and other stakeholder willingness to support the development of training venues.

### Courses to be Offered

- determine the initial courses/qualifications to be offered by the College in each of the Schools, including requirements for the award of qualifications;
- advise on quality assurance issues and conformance with the requirements of the Australian Quality Training Framework (AQTF) including assuring quality of delivery and assuring consistency in assessment;
- identify venue(s) for delivery of training in industry, private sector providers and/or government institutions (such as the Solomon Islands College of Higher Education), considering venues outside of the SI capital, as appropriate;
- advise on appropriate partnership arrangements for APTC training and structured workplace attachments consistent with Australian requirements;
- advise on willingness of the partner to adopt gender equality practices; and
- consider delivery models including alternative modes of delivery (such as flexible delivery, outreach and distance learning).

### Student Demand/Access

- establish course demand in the SI over APTC Stage II and likely demand into any Stage III;
- determine the student segments to be targeted (new entrants/existing workers), entry requirements and proposed intake numbers by course;
- consider issues of access (and accommodation) for students from remote locations in SI
- advise on access to APTC training in the SI by people from different countries (including accommodation and visa issues);
- undertake a gender analysis of demand for APTC training in the SI and how participation by females can be maximised;
- advise on the criteria for the award of full/partial scholarships and the appropriate rate of allowance payments; and
- consider bridging requirements including numeracy and literacy programs.

### Costing/resourcing requirements

- prepare cost estimates to establish the training venue(s) to AQTF standards and annual operating costs (factoring in financial support from any other sources);
- determine the cost benefit of delivering training in the SI compared to an existing overseas campus;
- advise on appropriate tuition fee structures to reflect costs and the local market;
- determine the market potential for fee-paying intake (by privately-funded, employer sponsored, or donor-funded students);
- identify other options for cost recovery including access to local training levies, or fee-for-service business;
- assess staffing requirements, including the need (and duration) for expatriate teachers and assessors, the availability of qualified local teachers and management/administrative staff, teacher training and professional development, induction and mentoring requirements, and other essential capacity development requirements;
- advise the most appropriate organisational structure of an APTC presence in SI;
- assess equipment and infrastructure needs, including refurbishment and upgrading of training facilities;

- assess the impact of establishing a campus in the SI on the viability of APTC courses/campuses in other countries;
- assess the impact on resourcing requirements of APTC Corporate and Student Services;
- determine the expected commencement date and identify any required preparatory activities, including consideration of a phased approach to course commencement;
- assess communications network and technology requirements for administrative and teaching purposes; and
- assess the likelihood of SI Government, industry, AusAID bilateral program and other donor contributions to establish and operate training venues in the SI.

#### **Other**

- consider apprenticeship and trade testing systems, licensing and other legislative and regulatory issues relevant to APTC operations in the Solomon Islands;
- consider how the APTC can support SI TVET institutions and plans for development of the sector by the SI Government and donor partners, including AusAID;
- advise on ways to promote SI Government, industry and other stakeholder support for the APTC;
- develop strategies for ensuring a clear Australian identity and profile for the College;
- recommend any supplementary programs to increase graduate success and employment; improve student recruitment and student services;
- undertake a full risk assessment for establishing a campus in the SI and recommended strategies to minimise these;
- advise on any changes that would be required to the APTC risk management plan, Performance Assessment Framework or other APTC policies and procedures;
- advise on any environmental impact issues that may require a full environmental impact assessment or management plan;
- make recommendations with respect to a strategy for achievable and sustainable outcomes for an APTC training centre in SI;
- advise on any other cross-cutting and sectoral issues and requirements; and
- advise on any indirect benefits/risks from establishing a training venue(s) in the SI.

## **5. Study Team**

The Team will consist of up to four team members, of which at least one member will be nominated by the Solomon Islands Government. The Team, to include a Team Leader, Labour Market Analyst and Gender Specialist, is expected to have combined skills and experience in the following areas:

- demonstrated expertise and experience in Australian TVET, the TVET sector in developing countries and more broadly in workforce development;
- expertise and experience in capacity development relevant to the Solomon Islands TVET context;
- proven expertise in strategic design and analysis;
- proven expertise in gender analysis;
- proven expertise in labour market analysis;
- expertise and experience in preparing costing budgets; and
- extensive experience working in the Solomon Islands, including knowledge of the formal economic sector and whole of government systems and processes.

Under the overall direction of the Team Leader, all members are expected to work collaboratively as a team to produce a coherent, high quality and cost-effective feasibility study. The team will have:

- a high standard of report writing skills;
- ability to work collaboratively in a team;
- ability to liaise and communicate effectively with government officials and key stakeholders including industry stakeholders; and
- ability to work collaboratively in a team.

## 6. Duration and Phasing

The Feasibility Study will be undertaken between July to September 2011, or as otherwise agreed with AusAID. It is expected to take up to a maximum of 25 days including in-country consultations and a field visit to the Solomon Islands as follows:

Task	Inputs (up to)
-Background reading and data collection - Preparation of detailed work program (feasibility study mission plan)	3 days
Travel to Fiji and the Solomon Islands (as required)	4 days
Consultation with AusAID Suva and APTC Corporate and Student Services in Fiji	1 day
In-country mission: - Data collection - Consultations with institution/industry/SI Government stakeholders - Presentation of Aide Memoire	9 days
Write-up and submission of the draft Feasibility Study report	5 days (Team Leader); 3 days (other team members)
Appraisal Peer Review	3 hours (Team Leader)
Finalise and submit final Feasibility Study report	2 days (Team Leader); 1 day (other team members)



## 7. Reporting Requirements

The following reports are to be provided by the agreed dates:

- a. **Output 1:** Feasibility Study Plan to be confirmed with all team members, finalised and approved by AusAID prior to the in-country mission
- b. **Output 2:** Aide Memoire (maximum 4 pages). The Aide Memoire should give a brief and clear summary of the process and include preliminary conclusions. It should be presented to AusAID and key project stakeholders prior to the study team's departure from the Solomon Islands.
- c. **Output 3:** Draft Feasibility Study Report (maximum of 40 pages plus annexes) which should be submitted to AusAID by the agreed date.
- d. **Output 4:** Final Feasibility Study Report (maximum of 40 pages plus annexes) which will be finalised in accordance with AusAID direction following a Peer Review process. The final document is to be provided to AusAID within 5 days of receipt of comments.

### *Appendix A. Key Reference Documents*

#### **Policy Documents and Guidelines**

- Pacific Partnerships for Development: Solomon Islands.
- AusAID website information on Pacific Partnerships for Development (<http://www.ausaid.gov.au/country/partnership.cfm>)
- Draft Pacific Education and Training Agenda
- AusAID Policy: Gender equality in Australia's aid program – why and how
- AusAID Policy: Development for All: Towards a disability-inclusive Australian aid program 2009-2014
- AusAID Guideline 'Integrating Gender Equality into Aid Activity Design'
- AusAID Guideline 'Integrating Environment into Aid Activity Design'
- AusAID Child Protection Policy and Manual
- Environmental Management Guide for Australia's Aid Program
- AusAID's guidance note on activity design

#### **APTC Documents**

- APTC Mid-Term Review, June 2009
- APTC Stage II Concept Note, February 2010
- Design Document : APTC Stage II, September 2010
- APTC Six Month/Annual Reports to AusAID
- APTC Policies
- APTC Student database reports (for statistics on SI applications and enrolments)

**Background Documents**

Asian Development Bank – Commonwealth Secretariat (2005) *Toward a New Pacific Regionalism*, an Asian Development Bank–Commonwealth Secretariat Joint Report to the Pacific Islands Forum Secretariat, <http://www.adb.org/Documents/Reports/Pacific-Regionalism/default.asp>.

Asian Development Bank (2007). *Skilling the Pacific*.

Pacific Islands Forum (2009) *Pacific Education Development Framework* (PEDF) 2009-2015.

## Annex R: APTC Stage III Scoping Study Considerations

While the APTC provides specialised high-level training regionally, it is not a regional provider, and currently does not have shared governance, ownership or financing with other government or industry partners.

The MTR concluded that in order for the APTC to be sustainable in the longer-term, it will need to graduate from a wholly Australian-owned training provider to a regional training institution, which is jointly owned by Australia and other interested Pacific Island countries, donors and possibly other stakeholders. To facilitate any such transition, the Stage II design supports the proposed longer-term transition to a regional institution. However, due to the size and scope of the consultations required to consider options for the future of the APTC beyond 2015, AusAID decided that a scoping study should not be part of the Stage II design, but would be undertaken by AusAID as a separate exercise during 2011.

### Possible Options

The MTR identified two realistic options for the APTC for the long-term, although indicated that others may arise in coming years as discussions about the long-term future of the APTC continues, regionalism evolves and labour mobility patterns in the Pacific are more clearly defined.

**Option 1** is to continue beyond 2015 with the arrangements decided for 2011-2015, with the APTC continuing to be a wholly-owned Australian aid program.

**Option 2** is to establish the APTC as a legal entity. As a legal entity, the APTC would have a business structure that allows it to operate with autonomy within its rules of incorporation, allowing it to respond to the continuously changing needs of the labour markets of the Pacific and to enter into long-term partnerships. Two variants of Option 2 were considered.

**Option 2A** would involve the APTC (possibly by another name) becoming a “regional club” of interested PIF countries which is self-sustaining because the benefits of membership exceed the costs of full national provision of internationally recognised vocational training services at Australian Certificate III level and above.

**Option 2B** would be to establish the APTC as a company with a Constitution (Memorandum and Articles) that binds each member to all others, provides for legal relationships between two or more members, allows for rules at a number of levels, and provides for decision-making structures. It also has business and presentational advantages.

### Issues to be considered

The Stage III Scoping Study would, through extensive and staged consultation with Australian and Pacific governments, industry partners and other donors, and in the context of APTC progress and achievements to date, determine whether there is strong support for continuance of the APTC in some form. If there is support, the study would consider and make recommendations as to the ownership, funding, legal and governance structures and scope of the APTC beyond 2015. If there is no support, the study would make recommendations for an exit strategy at the end of Stage II.

In examining each of the options proposed by the MTR, and any other emerging options/models raised during initial consultations, the following issues should be considered:

- the relevance to broader Australian and Pacific government skills development policies and agendas, including support for the Pacific concept of regionalism where countries work together for their joint and individual benefit;
- the extent to which the institution would contribute to integrated TVET skills development programs nationally and across the region;
- the flexibility of the institution to operate with a higher degree of autonomy to respond to the continuously changing needs of the labour markets of the Pacific and to enter into long-term partnerships;
- its likely ownership/membership and shareholder arrangements;
- ongoing management of the relationship with and expectations of the Pacific education and training community;
- other donor support and coordination;
- the impact on equity of access, including from the smaller island states;
- whether a different model would be more relevant for PNG;
- changes that would be required to APTC objectives;
- governance and management structures;
- legal entity and any legislative and regulatory issues;
- funding structures where the benefits and costs can be assigned equitably among participating countries;
- impact on the cost-effectiveness of operating the institution, including ensuring the costs of working cooperatively (including for new bureaucracies and travel costs etc) do not overwhelm the benefits;
- its fiscal sustainability (from AusAID, other donors, private industry, Pacific Island governments, fee-paying students and fee for service activities);
- the optimal size of the institution (considering venues, partners and students);
- the level and range of qualifications awarded (and their relation to national and regional qualification frameworks);
- the extent of Australian branding of the institution (including naming, qualifications awarded and staffing);
- the continuance of strong relationships with industry to enable demand-driven training to be provided;
- lessons learnt from establishment and management of similarly structured organisations in the region (or elsewhere); and
- any other assumptions, constraints or risks.

## Annex S: APTC Stage II Scope of Services

### PART 3 - SCOPE OF SERVICES

#### AUSTRALIA-PACIFIC TECHNICAL COLLEGE STAGE II

**Note to Tenderers:** This Part forms a key Schedule of the Contract Conditions. It reflects the most current version of the Services required of the Contractor but may be updated by AusAID during contract negotiations, particularly in light of information included in the Tenderer's response to the RFT.

### SCHEDULE 1 – SCOPE OF SERVICES

#### AUSTRALIA-PACIFIC TECHNICAL COLLEGE STAGE II

#### 1. ABBREVIATIONS, ACRONYMS AND DEFINITIONS

- 1.1 The following abbreviations, acronyms and definitions are used in this Scope of Services and Basis of Payments:

AG	Advisory Group (APTC)
APTC	Australia-Pacific Technical College, reference to the APTC throughout this Scope of Services and Basis of Payment is to the Contractor
APTC DD	APTC Stage II Design Document
AQF	Australian Qualifications Framework
AQTF	Australian Quality Training Framework
AUD	Australian Dollars
Campus countries	A country that has one or more APTC training venues.
ELLN	English Language, Literacy and Numeracy
CSS	Corporate and Student Services (of the APTC)
ILO	International Labour Organization
FFS	Fee-for-Service
LMA	Labour Market Analysis
LMI	Labour Market Intelligence
Long Term Personnel	Personnel working continuously for more than six (6) months
New entrant	Students with Certificate II level qualifications, who meet the theory requirements for entry into a course but have limited to no practical work experience
PAF	Performance Assessment Framework
PIC	Pacific Island Country
PIF	Pacific Island Forum (Member countries include Australia, Cook Islands, Federated States of Micronesia, Fiji, Kiribati, Nauru, New Zealand, Niue, Palau, Papua New Guinea, Republic of Marshall Islands, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu)
Program Start Date	Refers to the 1 July 2011
RPL	Recognition of Prior Learning
RTO	Registered Training Organisation
School	Refers to the grouping of relevant training courses, such as

	the School for Hospitality and Tourism
Services Start Date	The date in Part A Program Specific Contract Conditions Clause 2.2
SHCS	School of Health and Community Services
Short Term Personnel	Personnel working less than six (6) months continuously
SIS	Small Island States (Countries include: Cook Islands, Federated States of Micronesia, Kiribati, Republic of the Marshall Islands, Nauru, Niue, Palau and Tuvalu)
STH	School of Tourism and Hospitality
TAE4	Certificate IV in Training and Assessment
Training Venue(s)	Venue(s) that can accommodate the delivery of theory and practical components of a course. Such venues are generally facilities of industry partners and/or public training institutions.
VET	Vocational education and training

## 2. BACKGROUND

- 2.1 At the 2006 Pacific Islands Forum (PIF), Australia announced support for the establishment and operation of the Australia-Pacific Technical College (APTC). Working in partnership with industry and regional governments, the APTC would facilitate regional labour mobility through demand driven, internationally recognised and portable technical and vocational skills development in the formal wage economy. The APTC commenced operations in July 2007 to complement existing training in the region.
- 2.2 The mandate of the APTC was, and still is, to boost economic growth in the Pacific by helping to develop a more competitive regional workforce and to assist mobility of skilled workers between the Pacific and developed countries with the provision of an internationally recognised qualification.

### Stage I

- 2.3 Initial funding of approximately A\$150 million was provided for the establishment and operation of the APTC for its first four years, up to 30 June 2011. Approximately 3,000 Pacific islands students graduated from the College with Australian qualifications in the first four years. Courses were offered through five separate schools: hospitality and tourism; health and community services; automotive trades; manufacturing; and construction and electrical trades. Training sectors were chosen after consultations in the region to reflect occupations in demand in Pacific Island countries at the time.
- 2.4 Two Australian Registered Training Organisations (RTOs) contracted directly to AusAID, delivered courses through the College training centres. A Contractor with development expertise was engaged directly by AusAID to oversee the College and to ensure consistency in the approach between the RTOs.

- 2.5 APTC followed a flexible, results-oriented approach in the direct delivery of primarily Australian Certificate III and IV training. The College was open to citizens of PIF countries, excluding Australia and New Zealand.
- 2.6 Training courses were delivered in workplaces and institutions in four campus countries – PNG, Fiji, Vanuatu and Samoa. All APTC training facilities were established in partnership with either local firms, government agencies or training institutions.

### **Stage II (1 July 2011 – 30 June 2015)**

- 2.7 Key to the continuing success of the APTC is its close association with industry in the region. The APTC will engage with industry at national, regional and international levels to ensure that the continuation of training services it provides are relevant and meet Australian Quality Training Framework (AQTF) standards and industry demand.
- 2.8 It is intended that the APTC continue a focus on the schools of Automotive, Construction and Electrical and Manufacturing (SACEM), Tourism and Hospitality (STH) and Health and Community Services (SHCS) as established in Stage I. However, in the delivery of training, the APTC will take into consideration the strategic directions of key stakeholders within the Pacific region. These include industry organisations and corporations which operate within each country and across the region; relevant industry and technical and vocational government agencies in each of the participating countries and multi-lateral; and bilateral aid agencies operating in the region.
- 2.9 A major change from Stage I is a re-structure of the APTC to adopt a whole-of-College model. AusAID will engage one legal entity, which in Stage II will manage both College operations and provide all Australian accredited training delivery (at the Certificate III, IV and Diploma level). *In the provision of training the Contractor may chose to enter into sub-contracts with Australian Registered Training Organisations (RTOs) to deliver specific courses or, if accredited under the AQTF, deliver courses itself. [to be updated in accordance with the preferred tenderers approach]* This model reflects the structure of Australian RTOs operating domestically and internationally.
- 2.10 In Stage II, AusAID will continue to retain ownership of the APTC name, and the RTO(s) responsible for training delivery will continue to certify qualifications under their own institution name and the APTC brand.
- 2.11 In Stage II, APTC Corporate and Student Services (CSS) (formally known as the Coordination Office in Stage I) will have an expanded role. It will support the delivery of training through the provision of, among other things: corporate services and systems; management of partnerships, including contractual arrangements, with all training venues such as industry and Pacific vocational training centres; management representation across the region and ensuring equity of access through the management of a scholarships program. In the delivery of these administrative services, CSS will also ensure the governance arrangements and that the performance of the APTC is responsive to changing industry demands. The CSS will further ensure the APTC adheres to all legal requirements and industry standards, across

implementation jurisdictions and that delivery RTO's have and maintain current AQTF registration.

- 2.12 Under each of the Schools, all training delivery will be undertaken by the RTO(s). At the direction of the CSS, the Schools will be tasked to:
- (a) plan and resource courses approved in the Annual Training Profile;
  - (b) customise new courses as required;
  - (c) assess technical and English Language, Literacy and Numeracy (ELLN) competency of APTC applicants;
  - (d) deliver AQTF training at Certificate III level and above;
  - (e) provide concurrent ELLN and other learning support to enrolled students;
  - (f) organise work placements and maintain effective work place assessment and quality assurance to ensure the integrity of the APTC qualification and brand;
  - (g) award APTC Australian Qualifications Framework (AQF) qualifications (under a RTO name) to students meeting the required competency standards;
  - (h) deliver the 'APTC to work' course; and
  - (i) conduct and enter into contractual arrangements for fee-for-service training activities (including Recognition of Prior Learning (RPL) and Certificate IV in Training and Assessment (TAE4) courses).

### 3. **PRECEDENCE OF CONTRACT OVER THE APTC STAGE II DESIGN DOCUMENT**

- 3.1 This Scope of Services outlines the role of the Contractor in supporting the implementation of the APTC and should be read in conjunction with the APTC Stage II Design Document (APTC DD) dated **September 2010**. The APTC DD sets out the context, scope, objectives and principles of APTC and is the primary reference document from which to gain an understanding of the intent, purpose and features of APTC. Where there is an inconsistency between the APTC DD and the Contract, the Contract will take precedence.

### 4. **DEVELOPMENT GOAL OF APTC**

- 4.1 The **Goal** of the APTC is:
- (a) **Training:** Increased supply of skilled workers in targeted sectors in the Pacific region.
  - (b) **Employment:** Pacific Islander women and men with Australian qualifications realise improved employment opportunities nationally, regionally and internationally in targeted sectors.



- (c) **Productivity:** Increased productivity of individuals and organisations in targeted industries and sectors.

4.2 The **Purpose** of the APTC is to:

- (a) provide Pacific Islander women and men with Australian qualifications that present opportunities to be able to find employment in targeted sectors nationally and internationally; and
- (b) support skills development in the Pacific in response to labour market requirements.

## 5. **SERVICES**

5.1 The Contractor shall perform the following Services in accordance with the terms and conditions of this Contract, associated annexes and agreed operating policies and procedures. The Contractor's performance in the delivery of these Services will be assessed against the Performance Assessment Framework which will be updated annually in accordance with **Clause 16.2**:

### **Component 1: Marketing, Reputation and Image**

- 5.2 The Contractor will deliver a targeted, multi-level communication and marketing strategy that maximises exposure to industry and prospective students of APTC programs and builds brand awareness and reputation across the Pacific region.
- 5.3 The APTC Marketing Strategy, among other things, will include activities which promote:
  - (a) awareness in Small Island States (SIS) in accordance with **Clause 5.11(b) and (c)** below; and
  - (b) the Scholarships Scheme in accordance with **Clause 5.12(a)**.

### **Component 2: Partnership Development**

- 5.4 The Contractor will develop partnerships with Australian and Pacific Island industry associations, firms, private training providers and government training institutions to deliver Australian qualifications in a range of locations across the PIF countries to meet prioritised skill deficient areas in the Pacific region.
- 5.5 In developing these partnerships, the Contractor will foster the establishment of industry advisory mechanisms for the APTC with broad-based representation to ensure APTC training provides skills and competencies relevant to industry and government employer needs.
- 5.6 The Contractor, through the CSS, will establish and maintain appropriate contractual arrangements with industry and public/private sector institution training partners for the implementation of the APTC courses. All contractual arrangements for training venues will set out, amongst other things detailed in **Clause 8.6 – 8.9 below**, the use of facilities and other services required for training delivery.

- (a) Except for entering into contracts for Fee-for-Service activities (refer **Clause 10**), sub-contracted RTOs will not enter into contractual arrangements with industry or government/private institutions for the provision of training space, equipment or placements.

### **Component 3: Quality Learning (Training Delivery)**

5.7 The Contractor will:

- (a) ensure flexible delivery of training (including course and curricula design, course delivery, assessment and certification), with the support of industry, through a network of established, refurbished and/or new training facilities; and
- (b) provide work-ready graduates relevant to the needs of national, regional and international labour markets with AQF Vocational Education and Training qualifications in accordance with the AQTF.

5.8 In providing flexible course delivery, the Contractor will:

- (a) conduct Communication and Literacy Assessments (or their equivalent) and design or tailor (as required) and deliver a cost effective bridging program for potential SIS students who meet technical skill requirements but fall short of ELLN requirements. In addition, the Contractor will provide all enrolled students with concurrent support for communication, literacy and numeracy needs.
- (b) trial the development of Reintegration Plans with selected partners and other larger employers and their employees. Reintegration Plans should promote effectiveness by indicating how the student's training will be utilised in the workplace, the student's career path and how the training will improve business productivity or otherwise contribute to the business objectives of their employing organisation. The Contractor will need to follow up with employers/graduates after six (6) months to assess whether the plans have been implemented and whether the employment/productivity objectives achieved. The Contractor will provide an assessment on how effective the Reintegration Plans are in the Annual Report, due 15 July 2012, with a recommendation on whether use of this tool should continue and be expanded.

#### *APTC training venues*

5.9 The Contractor will construct/refurbish and/or lease facilities for training<sup>34</sup>, student accommodation, office space and staff facilities which:

- (a) meet standards required under the AQTF;
- (b) are considerate of gender issues; and
- (c) where required, ensure physical access for students with disabilities.

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<sup>34</sup> Refer to Clause 8.6 and 8.9 for further considerations in leasing training space.

*APTC equipment*

5.10 The Contractor will:

- (a) identify and source training resource needs;
- (b) procure, lease, install and maintain required plant and equipment; and
- (c) select and procure library resources.

*APTC Personnel and Appraisal Processes*

- 5.11 The quality of the teachers in the classroom is the most important attribute of a successful College. Cross-cultural competence and HR management skills will underpin skills for all staff as the program works with students, employers, Pacific governments and other stakeholders from across the Pacific. The Contractor must therefore ensure that there is a balance between personnel with vocational education and training (VET) expertise and development understanding.
- 5.12 The CSS will require a team that possess experience in program management and skills suitable to a development context including: VET management and administration; training delivery and management; student and scholarships policies and management; labour market analysis; communication, presentation and public relations; financial management; contract and program management; and planning with an emphasis on analytical reporting, monitoring and evaluation, innovation and improvement. Human resource development skills will be an essential requirement to plan and assess VET course training initiatives and to support and further develop and manage alumni reintegration processes.
- 5.13 All staff recruitment will align with equal employment opportunity principles and seek to maintain a gender balance for teaching and CSS staff for both Australia-based and offshore roles. Expatriate and local staff will be used as appropriate, depending on the level, qualifications and experience required for each role. The Contractor will prepare position descriptions for each role including specific requirements relative to AusAID contractual needs.
- 5.14 The Contractor will develop detailed procedures for the mobilisation of both long-term and short-term staff to the campus countries. This will include processes for pre-departure briefings including cultural and gender sensitivity training, establishment allowance, travel and health insurance, travel arrangements, accommodation (initial versus long term), on-arrival orientation; basic language training for long-term expatriate staff. Briefing and orientation will be extended to family members when accompanying the staff member.
- 5.15 The Contractor should manage its resources through a cost-effective mix of Australian and local staff. By June 2012, the Contractor will have implemented a Localisation Strategy, as approved by AusAID. This Strategy will include approaches on how to increase the employment of qualified/experienced local staff where possible and explore options on

how local VET trainers can obtain the necessary qualifications and experience to deliver AQTF courses.

- 5.16 The Contractor will conduct annual performance reviews of all long-term APTC personnel.

#### **Component 4: Student and Scholarship Management**

##### *Student Management*

- 5.17 The Contractor will:

- (a) develop and implement systems that maximise the opportunity for students from all PIF countries to access and successfully complete APTC programs as 'work ready' graduates;
- (b) provide and maintain a centralised student database;
- (c) recruit students through appropriate marketing and promotion of courses;
- (d) assess and recognize prior learning and current competency standards of students;
- (e) provide a suite of student services, including among other things: course information and advice for students, student welfare services such as orientation, teacher consultations, learning support, counselling and organisation of vocational placements when and where required;
- (f) develop within the first six (6) months of the Program Start Date, a Student Pastoral Care Plan which will ensure students are supported in their learning and that any emerging issues (language proficiency related, personal or interpersonal) are identified immediately and handled appropriately. APTC staff will be trained to identify and provide an initial gender sensitive response to students requiring pastoral care. A formal escalation process should be included to ensure access to a trained counsellor, as required;
- (g) undertake assessment and concurrent training of English language and numeracy skills for students, as required;
- (h) promote access for students from Small Island State including through:
  - (i) regular recruitment activities in all the SIS including marketing, student recruitment, promotion of scholarship availability, applicant skills assessment, and facilitation of applications by prospective students;
  - (ii) marketing and recruitment strategies tailored to the SIS market; and
  - (iii) application assessment and selection processes sensitive to the special circumstances of SIS applicants.

- (i) maximise opportunities for work experience and work placements for students; and
- (j) as necessary work with AusAID and Pacific governments to resolve any legal, regulation and visa issues for study and work placements by APTC students.

#### *Scholarship Management*

5.18 The Contractor will manage APTC Scholarships to maximise opportunities for students from all PIF countries to access and successfully complete APTC qualifications with a particular focus on redressing gender, isolation and income discrimination. In doing this the Contractor will:

- (a) market and disseminate scholarship applications;
- (b) assess, rank and select scholarship applicants;
- (c) assist with awardee mobilisation (including visas) and pre-departure briefing;
- (d) provide Scholarship awardee reception, orientation and accommodation arrangements in the campus countries;
- (e) pay award stipend and allowances;
- (f) make award offers and approval of award variations;
- (g) maintain scholarship data and reporting;
- (h) organise student travel during training, including the payment of all associated costs such as airport and departure taxes; and
- (i) facilitate airport transfers on transit, arrival and departure.

#### **Component 5: Management and Governance**

5.19 The Contractor will:

- (a) ensure compliance with AusAID and any Australian or Pacific government legislative requirements relating to the operation of the College, including appropriate accreditation and certification for the delivery of agreed training courses with relevant government authorities
- (b) implement transparent quality management and administrative systems and processes that ensure:
  - (i) effective and efficient delivery of training courses (including governance arrangements, human resource development, student services, provision of infrastructure and equipment, etc); and
  - (ii) achievement of APTC objectives on time, within budget and structured to meet reporting requirements;

- 
- (c) establish planning, human resource management, accounting and financial management systems;
  - (d) maintain all APTC office and training infrastructure including, but not limited to, facilities in Fiji, Vanuatu, Papua New Guinea and Samoa;
  - (e) provide adequate CSS representation for the delivery of services across multiple countries, including in Tonga, Kiribati and Solomon Islands in accordance with **Clause 8.11**;
  - (f) ensure staff are employed in accordance with relevant national labour laws and awards;
  - (g) track all payments and receipts and produce financial reports to meet AusAID requirements using an integrated financial management system;
  - (h) ensure accurate and on time payment of all APTC staff (payroll management), non salary items and purchase of assets;
  - (i) manage an assets register which tracks all APTC assets;
  - (j) ensure all policies and procedures are available on the APTC intranet (and internet where appropriate);
  - (k) establish systems for the collection of student tuition, RPL and any other fees in accordance with the APTC Tuition Fee Policy;
  - (l) provide on-going monitoring and evaluation including assessing the impact of APTC training on livelihoods through monitoring changes in industry, sector and national productivity, poverty levels and the provision of data for the APTC Performance Assessment Framework;
  - (m) develop, update, implement and comply with all APTC policies and procedures including but not limited to those listed in **Annex A** and as approved by AusAID;
  - (n) establish relevant measures to mitigate fraud and due process to deal with instances of fraud;
  - (o) manage all APTC contracts and obligations;
  - (p) establish and maintain an information and communication technologies system, with necessary hardware and software to allow for effective communication between training venues, CSS and Australian offices, the APTC staff and students email, APTC education management information systems, and intranet and internet sites. High level requirements for the Information Management System are provided at **APTC DD Annex M**;
  - (q) manage all information requirements of the APTC, including but not limited to:
    - (i) course data - including locations of where the courses are being delivered and whether they are through a industry/local institution arrangement;

- (ii) student data – student details, RPL, enrolments, results, completions, applications received, assessment data, waiting lists, and disaggregated by gender and country of origin;
- (iii) scholarships data – level of scholarship, start and end of award dates and award variations;
- (iv) financial data - including scholarships expenditure,, income received and expenses by course/school;
- (v) asset data - by office, school and course; and
- (vi) human resource data – staff details (broken down by staff type, gender, country of origin) and classes taught.

#### *Alumni and Post Award Support*

- 5.20 To improve APTC graduate employment rates and productivity, the Contractor will develop an 'APTC to work' preparation program to be provided to students near the end of their training. This program will be developed for approval by AusAID within the first three (3) months of Program Start Date. This would include generic and country-specific tailored topics such as:
- (a) Curriculum Vitae development;
  - (b) how to identify employment opportunities;
  - (c) applying for work (domestically and overseas); and
  - (d) strategies to introduce new skills into the workplace; interview skills; and where to access resources for starting a new business etc.
- 5.21 In addition, the Contractor will support an APTC Alumni Network to promote the program's objectives in key areas. The Alumni Network will contribute to the sustainability of linkages between Australia and APTC graduates in the Pacific and:
- (a) provide a forum for active discussion and exchange of ideas/expertise relevant to the achievement of the APTC objectives;
  - (b) enable alumni to exchange knowledge and skills;
  - (c) facilitate the provision of contact information for Monitoring and Evaluation (M&E) purposes; and
  - (d) provide access to alumni for operational purposes (e.g. for assisting with pre-departure briefings, mentoring to new students and graduates, access to labour market intelligence etc).
- 5.22 The Contractor will:
- (a) develop and maintain an alumni database of all APTC graduates (including scholarship and fee-paying students) with relevant contact, employment and other post-award details for each graduate;

- (b) submit an annual costed workplan for alumni activities as part of their annual work-plans. Activities could include organising or conducting a range of cost-effective alumni events, such as social and professional networking events arranged around graduations and/or relevant Australian VIP visits or school-based professional development seminars. Alumni activities in non-campus countries should coincide with existing visits to those countries for other APTC activities; and
  - (c) establish and manage an APTC website which can be used as a forum for alumni networking activities (e.g. notice boards, email groups, chat rooms, and/or notice of forthcoming alumni events).
- 5.23 The Contractor will also investigate partnerships with Australian industry bodies, such as the Master Plumbers Association and Electrical Contractors Association, and industry interlocutors, such as the Australian Chamber of Commerce and Industry, to review viability, and if appropriate, obtain sponsorship for any necessary in-Australia workplace training for Australian registration requirements. This is in an effort to facilitate access to Australian employment for those trades which are restricted by national and state registration requirements.

#### *Analysis of Labour Market Data*

- 5.24 For the APTC to effectively achieve its mandate to build up the internationally competitive skill base of the Pacific, it must base its policy and strategic operational decisions on improved labour market intelligence (LMI). It must be based on the best information the Contractor can gather on middle-level skill requirements (in the trades, technician and equivalent level service delivery occupations) of the formal economic sectors in each country of the region, and in the metropolitan countries outside the region that APTC graduates are likely to find employment in, notably Australia and New Zealand.
- 5.25 The Contractor will therefore identify sources of market labour information, though for example industry consultations and networks. The Contractor will systematically collect this data and analyse it to inform the Annual Training Profile and ensure course relevance to industry demand domestically, regionally and beyond.
- 5.26 A Labour Market Analysis Action Plan (LMA Action Plan) will be developed within three (3) months of the Program Start Date for AusAID approval. In developing the LMA Action Plan the Contractor will identify key stakeholders in industry and government who are in a position to provide labour based information. The LMA Action Plan will be fully costed and specify who and how regularly consultation should occur in order to obtain country specific information on industry trends, emerging skills gaps, training requirements and priorities. The Contractor must ensure that consultations are regular enough to provide up-to-date industry information to assist in developing the Annual Training Profile.

## **6. TRAINING PROFILE**

- 6.1 The specific courses to be delivered by the Contractor each year on a College wide basis will be detailed in the Annual Training Profile. The Annual Training Profile is based on analysis of industry demand. To remain relevant, it is essential that APTC course delivery is labour market



demand-based and able to flexibly respond to emerging opportunities. This is particularly the case in PNG, given the level of economic growth and development in that country. The need for flexibility also flows from the industry partnerships delivery model, where the APTC will need to be able to adjust delivery to specific enterprise needs. There may also be emerging needs and opportunities from AusAID and other donor programs, for example, upgrading the qualifications of staff from national VET institutions. In addition, further adjustments to the profile may be appropriate as economic and labour market needs change in the Pacific, Australia, New Zealand and other countries offering employment opportunities.

- 6.2 The courses provided by the APTC will be reviewed at least annually by the Contractor, based on systematic labour market intelligence gathering and whole of College analysis to ensure course delivery clearly reflects national and regional training priorities for enhanced employment and productivity.
- 6.3 Course planning needs to be undertaken sufficiently in advance of the training so that new courses can be customised, equipment purchased and transported, and staffing arranged. There also needs to be sufficient lead-time for the courses to be promoted, applicants assessed, scholarships awarded and awardees mobilised before the training period commences.
- 6.4 Enrolment and graduate targets will be determined for each school and detailed in the Annual Training Profile. AusAID approval of the Annual Training Profile is required prior to implementation; refer to **Clause 16.2(a)**.
- 6.5 Indicative courses, student and graduate numbers in 2010/11 are detailed in the **APTC DD Annex E**. Confirmation of the continuation of these courses, and enrolment/graduate numbers for 2011/12 will be negotiated with AusAID during the transition period. The scheduling of these courses will be confirmed in the first Annual Plan, refer to **Clause 16.2(a)**.

## 7. ENROLMENT AND GRADUATE TARGETS FOR STAGE II

- 7.1 Whilst it is anticipated that a minimum of 3,000 graduates will be achievable over the four year period of Stage II, enrolment numbers and therefore graduate numbers will be based on an industry demand analysis. This analysis will be undertaken on an annual basis and enrolment and graduate targets will be identified for each School and agreed in advance by AusAID.
- 7.2 To maximise training outputs and outcomes, focus on upgrading and certifying skills of existing workers in the formal labour market will continue into Stage II. The Contractor will also allow flexibility to train 'new entrants' throughout Stage II, particularly those from the SIS where work experience opportunities are limited. This will also provide a pathway for Certificate II graduates from national institutions.
- 7.3 Students will enter the APTC as tuition fee paying, employer/other donor funded or scholarship students.

## 8. LOCATION OF APTC

### *Corporate and Student Services (CSS)*

- 8.1 The CSS will support the delivery of training through the provision of, among other things, corporate services and systems; management of partnerships, including contractual arrangements with Pacific industry and vocational training centres; representation across the region and ensuring equity of access through the management of a scholarships program.
- 8.2 In the delivery of the APTC services, the CSS will also ensure the governance arrangements and performance of the APTC is responsive to changing industry demands and adheres to all legal requirements and industry standards across implementation jurisdictions and that AQTF registration of all RTOs involved in the delivery of courses is maintained.
- 8.3 Given the delivery of training is to be coordinated across at least four (4) countries, through a diverse range of partners, and that access is provided to applicants from all PIF countries, it is essential that priority is given to the development and maintenance of systems which creates an integrated functioning organisation.
- 8.4 The CSS should therefore be located where:
  - (a) reliable physical and information technology infrastructure is available;
  - (b) regular flight services are provided to both campus and non-campus countries; and
  - (c) physical and personal safety is assured.
- 8.5 At present, Nadi, Fiji is considered the best location for the CSS.

### *Training Venues*

- 8.6 Partnerships with local industry are the foundation of the APTC delivery model. Strong industry linkages are essential to building the reputation of the APTC and to ensure course delivery is demand based. These linkages help ensure that training provision is relevant to employer needs, and also to access industry equipment and facilitates, source part time lecturers and trainers and provide workplace attachments.
- 8.7 Training venues, as defined under **Clause 1**, have been established in four countries: Fiji, Vanuatu, Samoa and Papua New Guinea. Subject to negotiation, in Stage II the current contractual arrangements will be renewed or new arrangements established, in partnership either with local firms or local training institutions. A summary of existing training venue partners is provided in the **APTC DD Annex E**.

### *New Training Venues*

- 8.8 It is not anticipated that there will be significant capital expenditure on permanent infrastructure in the establishment of any new Stage II training venues. In the selection of training venues for AusAID approval, the Contractor will need to address the following considerations:

- (a) given most courses are delivered on a competency basis, that access is available to industry partners who can either provide facilities to conduct courses and or work placements for both domestic and international students;
  - (b) availability and ease of obtaining relevant visas to allow for study and work placements;
  - (c) evidence of domestic industry demand for the course;
  - (d) costs of establishing a training venue including any refurbishment and/or construction, shipment of supplies, or travel costs for external students;
  - (e) physical and personal safety needs of, respectively, APTC assets, staff and students; and
  - (f) that adequate accommodation and welfare needs of international or out of town students can be satisfactorily catered for.
- 8.9 In negotiating partnerships for training venues, the Contractor will typically provide trainers, consumables for the particular trade, and placements for partner employees. It is expected that the partner will provide the physical infrastructure including equipment for the delivery of the course and access to premises for an agreed number of external students. Financial agreements should include recognition of any fee-waivers provided to the partner organisation.

#### *APTC Representative Offices*

- 8.10 In Stage I, the APTC established representative offices in Tonga, Kiribati and Solomon Islands. This was in response to the demand for APTC training, and to assist equitable access in SIS. This presence will continue in Stage II, unless the representation and support services (including application distribution, scholarship promotion, and facilitation of testing and student mobilisation) can be more effectively managed from the CSS offices in one of the campus countries.

#### *Solomon Islands*

- 8.11 Within the first three (3) months of the Program Start Date, or as otherwise agreed with AusAID, the Contractor will undertake a detailed feasibility study for the establishment of APTC training venue(s) in the Solomon Islands. With a population of over 500,000, the Solomon Islands is the third most populous country of the Pacific, after PNG and Fiji. The size of the formal economy, while small, has grown and firm productivity is important to its economic growth.
- 8.12 The Terms of Reference for the Feasibility Study, **APTC DD Annex Q**, should first be confirmed by the Contractor with AusAID. Subject to confirmation, the Contractor should provide recommendations as to:
- (a) which APTC courses would be delivered in the Solomon Islands based on an industry demand analysis;

- (b) appropriate training venues (through industry partnerships and/or the Solomon Islands College of Higher Education) in consideration of the issues listed in **Clause 8.8** above;
- (c) how a presence in Solomon Islands will complement the Solomon Island Government and AusAID bilateral program plans for strengthening the Solomon Islands VET sector;
- (d) the flow-on effects on student numbers in other campus countries;
- (e) costs of establishing APTC training in the Solomon Islands, compared to sending Solomon Islanders overseas to complete courses; and
- (f) indirect benefits from an APTC presence in the Solomon Islands.

## 9. CENTRE FOR PROFESSIONAL DEVELOPMENT

- 9.1 The Contractor will establish a Centre for Professional Development within Corporate and Student Services. This Centre will coordinate demand-driven TAE4 course delivery by individual Schools and provide specialist support to VET staff from national institutions undertaking TAE4 courses. It will also provide, if appropriate, centralised professional development programs through the APTC, including support to APTC staff to ensure that they are abreast of changing developments in teaching and learning practices and AQTF requirements.
- 9.2 The Contractor will deliver TAE4 courses on a fee-for-service basis on request by sponsoring organisations (e.g. donors and Pacific governments) and delivered in addition to the Annual Training Profile. Pricing to organisations of these courses should reflect their intended development outcomes, and that they are likely to be funded by donors and Pacific governments. As AusAID already provides core funding for the APTC, the Contractor should consider setting cost-recovery prices for courses funded through AusAID bilateral programs for upgrading of national VET capacity in Pacific Island Countries.

## 10. FEE-FOR-SERVICE

- 10.1 A Fee-for-Service (FFS) activity is defined as 'an activity undertaken by the APTC which relates to training or training support services within the industries represented by the schools that make up the APTC; is fully funded from external parties; and involves training in Australian qualifications at Certificate III level or above, leading to full qualifications or customised programs within such courses.'
- 10.2 The Contractor must approach marketing, sourcing, costing, pricing, bidding, implementation and reporting of all FFS activities in accordance with the most recent Fee-for-Service policy agreed by AusAID (refer to **APTC DD Annex N**).
- 10.3 APTC share of revenue from FFS activities will be retained in a central account and applied to AusAID approved non-recurrent discretionary costs such as additional scholarships and upgrading of facilities/equipment.

- 10.4 The RTO undertaking the training delivery for a FFS activity will hold the commercial contract and carry the associated risks.
- 10.5 Reporting on FFS activities and income will be included in Quarterly Financial Reports, and Six-Monthly and Annual Reports.

## 11. **PERFORMANCE, MONITORING AND EVALUATION**

- 11.1 The Contractor is responsible for the consistency of performance information and promotion of a high performance culture within the APTC.
- 11.2 The Contractor is responsible for collecting, storing and disseminating data on the outcomes and impact (goal and purpose) of the APTC and for appropriate allocation of risk management.
- 11.3 A Performance Assessment Framework (PAF) has been developed for the first year of the APTC Stage II, at **APTC DD Annex K**. Using a range of quantitative and qualitative data, the Contractor will provide ongoing analysis of the effectiveness, efficiency, relevance and sustainability of all activities. Data should be provided on a disaggregated basis, by enrolment and graduate numbers by school, campus, student home country, gender, and disability.
- 11.4 The PAF will be reviewed annually by the Contractor, including the program logic, indicators, sources and definitions, and provided to AusAID for approval with the Annual Plan/Report.
- 11.5 The Contractor is to include progress reports using the PAF as a monitoring tool in the Six-Monthly and Annual Reports.
- 11.6 AusAID may undertake a performance review after the first two (2) years of Stage II, in mid-2013. The Contractor is to cooperate with and facilitate the work of the performance review team.
- 11.7 In addition, AusAID will be undertaking a scoping study into longer term arrangements for the APTC. The Contractor is to cooperate with and facilitate the work of this team once mobilised.

## 12. **APTC GOVERNANCE STRUCTURE**

- 12.1 On an operational basis the Contractor will be managed by and report to AusAID. On a strategic level, the Contractor will take advice from AusAID and the APTC Advisory Group.

### *AusAID*

- 12.2 AusAID is the principal Australian Government agency responsible for oversight and funding of the APTC. AusAID will be responsible for:
  - (a) confirming availability of budget based on forecasts and acquittals provided by the Contractor;
  - (b) endorsing Annual Training Profiles and the Annual Plan/Report;
  - (c) monitoring, reviewing and evaluating the performance of the Contractor and APTC outcomes;

- (d) managing the contractual relationship with the Contractor;
  - (e) advocating the role and focus of the APTC with Australian and Pacific government agencies, donors and regional and Australian industry bodies;
  - (f) as necessary, facilitating relevant registration and certification of APTC operations;
  - (g) determining the long term structure of the APTC; and
  - (h) where necessary, directly requesting the Contractor to undertake additional services outside the agreed Annual Training Profile and Annual Plan process.
- 12.3 As part of the overall management process, AusAID will meet the Contractor every six (6) months, in January and July each year, and as required. The purpose of such meetings is to provide an update on progress, address any issues that may have arisen in the delivery of APTC courses, and to acknowledge good and address poor performance.
- 12.4 AusAID Posts in campus countries may also play an advisory role as required (e.g. with respect to graduation ceremonies) and facilitate APTC relationships and protocols with the Pacific governments.

#### *Advisory Group*

- 12.5 The APTC Advisory Group (AG) will provide strategic advice to the APTC and AusAID on:
- (a) national, regional and international issues and trends impacting regional training priorities;
  - (b) culturally appropriate training strategies;
  - (c) marketing, promotion and communication strategies;
  - (d) the draft Annual Plan and proposed Annual Training Profiles;
  - (e) access to scholarships;
  - (f) APTC progress and performance; and
  - (g) accessing industry networks and government.
- 12.6 Members of the Advisory Group would be expected to contribute relevant sector expertise regarding Pacific and regional industry trends, market intelligence and training requirements, as well as a capacity to provide an advocacy role at the country level. As such, membership of the AG should comprise representatives of Pacific Island Country (PIC) governments; Pacific industry, industry associations and/or private sector; and Australian/New Zealand industry associations or key stakeholders.
- 12.7 The Advisory Group should comprise a maximum of 10-12 members (with alternates as appropriate) plus observers and should preferably be chaired by a Pacific industry or industry association representative.

Observers could include representatives from AusAID, other regional donors and regional organisations.

- 12.8 The Advisory Group will meet once a year, for up to two (2) days. Attendance of PIFC representatives would be funded from APTC program costs however Australian members would fund their own attendance. Meeting venues should rotate to enable the AG to observe APTC training, and raise the profile of the APTC throughout the region through their presence. To ensure scope for substantive input, the date of meetings should be established at least six (6) months in advance and be scheduled to enable strategic advice on finalisation of key APTC reports (e.g. Annual Report/Plan, Annual Training Profile development).
- 12.9 Additional meetings, as agreed by AusAID, may be held as required to consider urgent matter such as significant policy changes, major issues and/or the Stage III scoping study report. Where possible, the Advisory Group will be asked to consider matters out of session and/or delay considerations until the next annual meeting.
- 12.10 To develop and maintain the Advisory Group, the Contractor will:
- (a) identify potential members for AusAID approval;
  - (b) provide travel and accommodation arrangements for AG members; and
  - (c) provide secretariat support to the AG, including:
    - (i) providing of a draft agenda two (2) months prior to the meeting;
    - (ii) providing relevant papers for consideration at least two (2) weeks before meeting;
    - (iii) providing meeting minutes within one month of the meeting date; and
    - (iv) ensuring timely follow up on AG decisions.

## **Other APTC stakeholders**

### *Pacific Governments*

- 12.11 The Contractor has a responsibility to raise awareness and understanding of the Pacific governments and Pacific Regional Organisations as to the regional focus, rationale/role and long term nature of the APTC. The Contractor, where possible, should highlight linkages between bilateral and regional VET programs, particularly complementary efforts to upgrade local VET institutions at Certificate I and II levels.
- 12.12 The Contractor will undertake this role through:
- (a) developing and implementing a regional communications strategy to increase understanding of the APTC role in VET in the region;
  - (b) engagement with Pacific government representatives at Advisory Group meetings;

- (c) regular face-to-face meeting in campus countries with Pacific government agencies, industry sectors and regional organisations;
- (d) formal consultations with all, and particularly SIS, countries to identify potential areas of industry demand, to ensure responsiveness to government priorities, to get input into the courses being offered by the APTC and in the development of Country Strategies as referred in **Clause 12.13(e)** below;
- (e) provision to Pacific governments of regular information, in the form of Country Strategies which include statistical APTC country summaries on enrolments, scholarships and graduates; and
- (f) increased visibility and strengthening of APTC management capacity in both campus and non-campus countries.

#### *National VET Institutions and Bilateral VET Programs*

12.13 AusAID is working with a number of PICs to strengthen their national VET systems. Whilst the APTC is not primarily an instrument for the capacity building of national VET institutions, it can still play a direct role in supporting AusAID bilateral VET programs and partner VET institutions. Where possible, the Contractor should therefore provide:

- (a) work attachments to the APTC of trainers from national VET institutions;
- (b) national VET institutions with access to the APTC curriculum, instructional materials, industrial quality equipment and resources;
- (c) flexible course delivery at national VET institutions in non-campus countries, including involvement of local trainers;
- (d) APTC trainers as mentors to local teachers and trainers;
- (e) opportunities for informal interaction between APTC and local institution teachers, particularly where they share facilities, resources and materials; and
- (f) fee-for-service TAE4 training of national VET staff.

12.14 Any formal APTC support for national VET institutions should be discussed with AusAID to ensure alignment with AusAID's support and overall approach to VET capacity development in the country.

#### *Industry Sectors*

12.15 Strong industry linkages are an essential component for the APTC in order to increase the relevance of training provision with employer needs, build the standing and reputation of the APTC, gain access to specialised equipment and facilities too expensive to provide within the college, as a source of part-time lecturers and trainers, and to provide workplace attachments and post-training employment for students. These linkages are also important for the APTC to be responsive to changing employment trends and training needs and to develop fee-for-service markets. The Contractor therefore needs to implement strategies to



develop and maintain these partnerships, which would for example, include regular meetings with target industry employers and attendance at industry association forums.

#### *Other Donors*

- 12.16 A number of donors and multilateral organisations are active throughout the Pacific in providing support for VET, either at a regional or bilateral level, including the European Commission, NZAID, Japanese International Cooperation Agency, Asian Development Bank and the International Labour Organization (ILO).
- 12.17 While core funding of the APTC by other donors may not be realistic in the short term, there is certainly greater scope for promoting the APTC to donors as an opportunity for sponsoring student placements and for providing FFS training to support their activities in the region. Key bilateral donors such as New Zealand and the European Commission and other multilateral organisations should be encouraged to attend Advisory Group meetings in an observer role.
- 12.18 Additionally, other innovative and cooperative practices may be possible. For example, within bilateral programs, where infrastructure programs are funded, there may be an opportunity to provide relevant training and work placements for APTC students, particularly where local industry work-place opportunities are limited. Such opportunities need to be considered by the Contractor in the development of the Annual Training Profile.

### **13. ISOLATION, GENDER AND DISABILITIES**

- 13.1 The Contractor has to demonstrate that particular consideration has been given to assuring equitable access for potential students from Small Island States, rural and remote communities, females and students with disabilities.
- 13.2 Equitable access to the APTC can be facilitated in a number of ways including for example:
  - (a) assistance in submission of application forms and supporting documentation, considering remote location, literacy levels and available media;
  - (b) application assessment and selection processes sensitive to the special circumstances of applicants;
  - (c) provision of English literacy and numeracy training to students from SIS; and
  - (d) other means of support, including the APTC scholarship program.
- 13.3 The Contractor has to address access issues for disadvantaged groups in each Annual Plan/Report.

### **14. HIV/AIDS, NATURAL DISASTERS, PERSONAL SAFETY**

- 14.1 The physical safety and health of all APTC staff and students is a priority. Given the location of campuses the Contractor will have to ensure

appropriate procedures are in place to mitigate risks to students, staff and infrastructure from natural disasters, security, HIV/AIDs and other health issues.

- 14.2 The Contractor will ensure access to and continually update relevant procedures for responding to HIV/AIDS, natural disasters and personal and property safety issues. Induction training for staff and students must cover these topics adequately.

## 15. TRANSITION PERIOD

- 15.1 It is anticipated that the APTC training profile for 2011/12 will include courses delivered in 2009 and 2010 which are expected to have ongoing industry demand and sound graduate employment outcomes. In the first three (3) months after the Services Start Date, the Contractor will work closely with the existing Stage I APTC Coordination Office to confirm the 2011/12 training profile and initiate several feasibility studies including:
- (a) an assessment of potential SHCS expansion in the areas of allied health, childcare, aged care and community development to reflect expected domestic, regional and international demand for skilled workers, particularly women, in these sectors;
  - (b) a review of the School of Tourism and Hospitality, including assessment of the demand for hospitality graduates given indications of the limited employment opportunities elsewhere in the Pacific for APTC graduates in this sector; and the removal in May 2010 of related occupations from the Skilled Occupation List for migration to Australia; and
  - (c) feasibility of establishing a new training venue in PNG in partnership with local hotels to respond to the strong labour demand resulting from the planned growth in hotel accommodation in PNG.
- 15.2 In addition, during this transition period, the Contractor will:
- (a) establish or transfer partnership arrangements with existing institutional/industry partners as referred in the **APTC DD Annex E**;
  - (b) register Stage II courses with relevant Pacific government training authorities to ensure regulatory requirements are met in campus countries;
  - (c) recruit and train CSS and training delivery staff (including any transfer of APTC Stage I staff);
  - (d) arrange for the handover of CSS/training venue equipment and resources;
  - (e) establish the Stage II ICT and management information systems;
  - (f) arrange for the continuity of ongoing training courses from Stage I;
  - (g) prepare for the implementation of new arrangements from the start of Stage II;

- (h) develop a College Business Development Strategy which outlines how the APTC will reduce college costs and increase its revenue in Stage II;
- (i) undertake an analysis of tuition fees and make recommendations to AusAID to establish a Tuition Fee Policy, based on market prices, with respect to every course. Currently, even where paid by students, tuition fees are heavily subsidised and well below cost recovery. The pricing policy might for example allow different pricing structures for different categories of students. The study should consider issues of cross-subsidisation, within and between courses, campuses and schools, and under what circumstances subsidised tuition fees/courses should continue to be offered, and the implications for AusAID funding; and
- (j) update and/or revise the following key policies and procedures: Advisory Group Terms of Reference and Membership List, Natural Disaster Emergency Procedures, Student database overview/manual, Data Management Protocols, Risk Management Plan, Scholarships Policy and Procedures Manual and Fee-for-Service Policy for AusAID approval. A list of APTC procedures and policies is at **Annex A**. Those policies not identified for updating in the Transition Period will be updated as required or at the least on an annual basis.

## 16. REPORTING REQUIREMENTS

- 16.1 The Contractor must provide and keep current all the procedures and policies appropriate to running an efficient, effective and safe training institution in the Pacific. A list of Stage I procedures and policies for the APTC is provided at **Annex A**.
- 16.2 In addition, the Contractor must provide AusAID the following reports by the date indicated:
  - (a) An **Annual Report/Plan** by **15 January each year**, which focuses on training outcomes including skill utilisation, employment and alumni outcomes in the preceding year and includes a Plan for the following Australian financial year (July to June). The Annual Report/Plan will include:
    - (i) a review of progress to date, including all the information under **Clause 10.2 (b)**, covering the six (6) month period from **1 July to 31 December** and addressing any issues affecting implementation;
    - (ii) a summary of findings from the Performance Assessment Framework and a report on the progress made in applying the framework itself;
    - (iii) issues, strategies and approach to addressing gender equity; access by people with disabilities; the scholarship scheme; access by Small Island States; quality assurance; promotions and communications; and other cross cutting issues;
    - (iv) a Financial report on expenditure to date and accurate estimates for the coming year;

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- (v) revisions to any policies and procedures. At a minimum this would include an updated risk management plan;
  - (vi) Annual Training Profile for the next Australian financial year incorporating any lessons from the review of progress to date, providing rationale for the proposed profile of courses and explanation of the expected outputs and development benefits of the Annual Training Profile. The Annual Training Profile must be supported by industry and include the courses to be conducted at each training venue (new and ongoing), the number of student contact hours, the start/end date of course blocks and the expected number of places for female, scholarship, SIS and existing workers/new entrant students. It should also be accompanied by a rationale for the proposed courses and explanation of the expected outputs and development benefits, including:
    - (I) evidence of sufficient industry demand;
    - (II) a proposed delivery model for each new course or improvements in the delivery of existing courses;
    - (III) cost efficiencies in recognised prior learning processes and whether new entrants can be accommodated;
    - (IV) availability of work placements by course; and
    - (V) target numbers of fee paying and scholarship students and equity/access targets (gender, SIS and disabilities).
  - (vii) as required, a change frame indicating proposed changes to the contract for consideration.
- (b) **Six-monthly progress reports** between each Annual Report/Plan. The six-monthly progress report covers the period **01 January – 30 June** and is to be submitted to AusAID by **15 July**. It will include:
- (i) a summary of enrolment and graduate numbers disaggregated by course, campus, country of origin, and gender and scholarship status. Data should be provided for the previous period and cumulative since contract commencement;
  - (ii) a summary of scholarship applications, awards offered, deferrals, withdrawals, extensions, suspensions and terminations;
  - (iii) a summary of ELLN bridging programs conducted during the period (and cumulative since contract start);
  - (iv) a summary of FFS activities, progress to date and future fee for service opportunities;
  - (v) major procurements in the period;

- 
- (vi) a table indicating progress of activities implemented, or scheduled to have been implemented, in the past quarter, including progress in accordance with the Annual Training Profile; and
  - (vii) a section monitoring and reviewing risks and assumptions (including evaluation of new risks as they emerge with recommendations for their management/treatment).
- (c) **Quarterly Financial Reports** – are due to AusAID within two (2) weeks of the end of each quarter. Quarterly Financial Reports are to include the following:
- (i) total expenditure under this Contract to date;
  - (ii) disaggregated expenditure under this Contract to date identifying all categories of expenditure including the Management Fees component and Reimbursable items;
  - (iii) income from tuition fees, FFS activities for the previous quarter;
  - (iv) acquittal of total expenditure for the previous **quarter**; and
  - (v) forward expenditure and expenses by category for the next **quarter**, including details and estimated costs of proposed courses and an updated annual expense projection.
- (d) **Risk Management Plan and Performance Assessment Framework** will be revised and updated in line with annual and periodic program reporting processes, and in any case annually and annexed to the Annual Plan. Revision of the Risk Management Plan and PAF will be agreed by AusAID.
- (e) **Exception Reports** are to be provided as soon as possible after critical APTC issues, such as fraudulent activities, scholarship scheme issues and unfavourable media reports are identified and need to be brought to the prompt attention of AusAID. They will incorporate proposed responses to issues that have emerged and will not be seen as progress reports.
- (f) **Other APTC procedures and policies** will be reviewed and updated as required, or at the very least annually.
- (g) **Completion Report** - will be submitted three (3) months before the Contract End Date. The Completion Report should be prepared in accordance with any written instructions that may be issued by AusAID and address the following issues:
- (i) confirm that the APTC has been implemented according to the processes specified;
  - (ii) examine actual achievements against the APTC goal and objectives;
  - (iii) provide a full reconciliation and acquittal of funds;

- 
- (iv) document lessons learned from the APTC; and
  - (v) advise of any implications from Stage II for future Stages of the APTC.

16.3 All reports must:

- (a) be provided in accordance with the specification under **Standard Condition Clause X (Reports)**;
- (b) be accurate and not misleading in any respect;
- (c) be prepared as directed in writing by AusAID;
- (d) allow AusAID to properly assess progress under the Contract;
- (e) be provided in the format, number and on the media approved or requested by AusAID;
- (f) not incorporate either the AusAID or the Contractor's logo;
- (g) be provided at the time specified in this Schedule; and
- (h) incorporate sufficient information to allow AusAID to monitor and assess the success of the Services in achieving the objectives of AusAID's Gender and Development Policy.

**Annex A****LIST OF KEY STAGE I APTC POLICIES AND PROCEDURES**

*This is not an exhaustive list. These policies will be updated by the Contractor in the Transition Period or prior to December 2011 as required to reflect the Stage II design and implementation of the Scope of Services.*

Advisory Group terms of reference and membership list	Risk Management Plan
Student database overview/manual	Natural Disaster Emergency Procedures
Draft Fee-for-Service Policy	Data Management Protocols
APTC Communication Plan/ Strategy	School Student Rules
Assets register	APTC Code of Conduct
Student Pastoral Care Plan	Student Induction Program
HIV/AIDS Mainstreaming Strategy/ Framework	Disabilities Policy/Action Framework
APTC Marketing Plan	APTC Gender Access and Equality Strategy/ Policy Framework
Graduation Policy and Schedule	Child Protection Policy
Grievance and Appeal Procedures	
Scholarships Policy and Procedures Manual	

## Annex T: APTC Stage II Basis of Payment

### SCHEDULE 2 - BASIS OF PAYMENT AUSTRALIA-PACIFIC TECHNICAL COLLEGE PHASE II

#### 1. TOTAL AMOUNT

- 1.1 The maximum amount payable by AusAID to the Contractor shall not exceed the sum of **A\$XXXX** plus GST, if any up to a maximum of **A\$XXX**.
- 1.2 AusAID shall not be liable for any Costs or expenditure incurred by the Contractor in excess of this amount.

#### 2. SUMMARY OF PAYMENTS

- 2.1 Subject to the provisions of this Basis of Payment, AusAID will pay the Contractor the following Fees, Costs, and Milestone Payments (up to the maximums specified in **Table 1**):
  - (a) APTC Management Fee comprising:
    - (i) APTC Management Fee, including administrative costs, overheads and profit - **Clause 3**;
  - (b) Reimbursable Costs comprising:
    - (i) Capital and Establishment Costs, including lease costs, construction and refurbishments costs – **Table 3**;
    - (ii) APTC Personnel Costs, including Trainers/Assessors, Tutors, Administrative and Management Personnel – **Annex 1, Table 3, 4 and 5 and Clause 5**;
    - (iii) Direct Training Delivery Costs, including capital and consumable costs relating to training delivery, specific training programs and feasibility studies – **Table 3**; and.
  - (c) Scholarships Funding – provision of scholarships in accordance with the most recent AusAID approved policy, **Clause 7**.



**Table 1: Maximum Contract Amount**

Costs and Fees	Summary of Estimated Costs exclusive of GST A\$
<b>APTC Management Fee</b>	
70% of APTC Management Fee: reimbursable on prorated monthly basis	
30% of APTC Management Fee: payable on milestones	
<b>Reimbursable Costs</b>	
Capital and Establishment Costs	
Corporate and Student Support (CSS) Costs	
Direct Training Delivery Costs	
Personnel: CSS Management/Administrative and Trainers/Assessors and Tutors	
<b>Scholarship Funding</b>	
Scholarships	
<b>TOTAL</b>	

### 3. APTC MANAGEMENT FEE

3.1 The maximum amount payable by AusAID to the Contractor for APTC Management Costs is up to **A\$XXXXX** plus GST up to a maximum of **A\$XXXX**.

3.2 The Annual APTC Management Fee will be paid as follows:

- (a) 70% reimbursed on a monthly pro-rata basis in accordance with **Table 2**; and
- (b) 30% on satisfactory completion of milestones in accordance with **Table 6**.

**Table 2: Annual APTC Management Fee (Tenderers to propose)**

Annual APTC Management Fee	2010/11 <sup>35</sup>	2011/12	2012/13	2013/14	2014/15

3.3 The APTC Management Fee is **fully inclusive** of, but not limited to, the following Contractor costs:

- (a) All management support costs for all nominated personnel;
- (b) all Contractor and any consortium member administrative and Head Office staff and overheads;
- (c) in-country based preparation (pre mobilisation), personnel briefings in Australia or in-country for all Personnel;

<sup>35</sup> It is assumed that the transition period will fall in 2010/11. At this stage AusAID is working towards a mobilisation date of 01 March 2010. This is subject to negotiation.

- (d) head office and any consortium travel costs associated with management and oversight of the APTC contractual obligations;
- (e) health, medivac, worker's compensation, liability and indemnity insurance;
- (f) financial management costs and financing costs, if any
- (g) Freight and other finance costs, associated with any subcontracting and procurement of goods and services
- (h) all domestic and international communications costs;
- (i) corporate overheads and all aspects of profit, including commercial margins for all personnel;
- (j) all legal costs;
- (k) taxation, as applicable;
- (l) costs of complying with the Contractor's reporting and management obligations under the Contract;
- (m) costs associated with maintaining AQTF compliance of APTC courses;
- (n) security costs for all personnel;
- (o) allowances for, risks and contingencies; and
- (p) all escalators for costs for the term of the Contract.

***but exclusive of***

- (q) any Australian Goods and Services Tax (GST) as referred to in **Clause X.X** of the Standard Contract Conditions.

#### **4. MILESTONE PAYMENTS**

- 4.1 Milestone Payments shall be paid progressively, within thirty (30) days of the satisfactory achievement of milestones and the acceptance by AusAID in writing of achievement of milestones and as specified in **Table 6**.
- 4.2 The criteria for "satisfactory completion" of an identified output will be as specified in **Table 6** as the "verifiable indicators".
- 4.3 Where a Milestone Payment is to follow acceptance of a report, AusAID shall not be obliged to make payment until all of the outputs to be achieved by the Contractor in the period covered by the report have been achieved.
- 4.4 It is AusAID corporate practice to inform Contractors as soon as reasonably possible, and in any case within 30 days of receipt of notice of the completion of an identified output or provision of a report whether or not that output or report is accepted.

## 5. REIMBURSABLE COSTS

- 5.1 The maximum amount payable by AusAID to the Contractor for Reimbursable Costs is up to **A\$XXXXX** plus GST up to a maximum of **A\$XXXXX**.
- 5.2 Reimbursable Costs incurred for approved items detailed in **Table 3** will be paid by AusAID to the Contractor on a monthly basis and subject to a correctly rendered invoice.
- 5.3 Specified upper limits for each reimbursable component shall not be exceeded without prior written approval from AusAID. When expenditure reaches 80% of the limits for each component specified in **Table 3**, the Contractor will advise AusAID of the remaining commitments and whether the upper limits are likely to be exceeded and, if so, provide justification.
- 5.4 The Contractor may vary the sums assigned against individual line items within the Component Upper Limit in **Table 3**. Changes to the value of line items, within Component Limits, will not require a contract amendment.
- 5.5 Reimbursable components include:
- (a) Corporate and Student Support;
  - (b) Capital and Establishment Costs;
  - (c) Direct Training Delivery Costs; and
  - (d) Personnel Costs, including long and short-term CSS management/administrative and training personnel.

### Long Term Personnel

- 5.6 Classification levels for teaching, tutorial and administrative positions at the APTC will be determined in accordance with the work level standards and corresponding salary levels in **Annex 1**.
- 5.7 If personnel are absent for any period, aside from the periods of leave permitted, the monthly salary rate for Long Term Personnel will be varied based on the following formula:

$$\text{Adjusted monthly payment} = \frac{(\text{no. of worked days}) \times \text{monthly fee}}{(\text{no of working days in relevant month})}$$

- 5.8 The Monthly Salary Rates, as payable directly to the Contractor to, or on behalf of, the personnel, are **fully inclusive** of:
- (a) all personnel related taxes and levies incurred in Australia or overseas;
  - (b) all statutory salary on-costs, if any, as appropriate;
  - (c) approved leave periods;
  - (d) superannuation levy, if any, as appropriate;

**but exclusive of:**

- (e) any profit, overheads, administration or management fee or any other mark-up on the part of the Contractor;
- (f) all allowances as defined in **Clause 5.16** below and
- (g) any Australian Goods and Services Tax (GST) as referred to in **Clause 21** of the Standard Contract Conditions.

5.9 Allowances will be provided for long term personnel only. Allowances for long term personnel will vary given individual circumstances, in particular if someone is engaged locally or if the individual is accompanied. Given the circumstances of each personnel an allowance will be calculated based on the rates provided in **Annex 1**.

### **Short Term Personnel**

5.10 Daily Fee Rates listed in **Annex 1** will be payable on actual days worked. Daily Fee Rates are based on an eight (8) hour working day. Any additional work undertaken within any one twenty-four (24) hour period shall not be claimed.

5.11 The Daily Fee Rates, as payable directly to the Contractor to, or on behalf of, the personnel, are **fully inclusive** of:

- (a) all personnel related taxes and levies incurred in Australia or overseas;
- (b) all statutory salary on-costs, if any, as appropriate;
- (c) superannuation levy, if any, as appropriate;

#### **but exclusive of:**

- (d) any profit, overheads, administration or management fee or any other mark-up on the part of the Contractor;
- (e) all per diem and accommodation rates as defined in **Clause 15.5** below and
- (f) any Australian Goods and Services Tax (GST) as referred to in **Clause 21** of the Standard Contract Conditions.

5.12 Short Term Personnel, providing Services away from their home base, will be provided with a per diem and accommodation rate for the duration of their Services. Annual per diem and accommodation rates for Short Term Personnel are provided at **Annex 1**. This Table will be updated annually by AusAID on the anniversary of the Contract Start Date.

5.13 An estimate of Personnel Costs will be included in each Annual Work Plan for AusAID approval.

### **Leave**

5.14 Four (4) weeks leave per annum will only be accrued for Long Term Personnel. Short Term Personnel will not be entitled to leave. Accrual of leave during the assignment shall be taken within each twelve (12) month period of the personnel's commencement date and in the relevant year it falls due. Except Locally Engaged Personnel for whom the local national labour laws and awards shall apply.

## Allowances

- 5.15 Allowances will be provided for long term staff only based on **Clause 5.16** below. Short term staff, providing Services away from their home base, will be provided with a per diem and accommodation rate for the duration of their Services. Annual per diem and accommodation rates per country for short term staff and long term personnel on work related travel are provided at **Annex 1**.
- 5.16 Allowances for long term staff will vary given individual circumstances, in particular if someone is engaged locally or if the individual is accompanied. Given the circumstances of each staff member an allowance will be calculated based on the rates provided in **Annex 1**.

## Escalation of Personnel Salary

- 5.17 A fixed escalation rate of **[X% as agreed in preferred tenderer's proposal]** will be applied to all Long and Short Term Personnel Salary Rates as of 1 July each year of the contract period.
- 5.18 The application of this rate will be applied to the 2010/11 rate, in the first instance, and then applied annually as described above.
- 5.19 The escalation rate will be applied to salary costs in **Annex 1** and **Table 4 and 5** below.

## 6. STUDENT FEES AND OTHER APTC REVENUES

- 6.1 Student Fees, Fees for Service and Other APTC Revenues collected are to be managed by the Contractor and expended in accordance with the relevant revenue policy.
- 6.2 Revenues should be deposited in a sub-account titled '**APTC Revenues**' and collection and expenditure should be declared in the relevant Quarterly Financial Report and the Annual Report.
- 6.3 If, upon premature termination of the Contract or at the end of the Contract, collected APTC Revenue remains, the Contractor shall dispose of these funds (including any accrued interest) as directed by AusAID in writing.

## 7. SCHOLARSHIPS FUNDS

- 7.1 The maximum amount payable by AusAID to the Contractor for Scholarships is up to a maximum of **A\$16,800,000** plus GST up to **A\$1,680,000**.
- 7.2 Scholarship funds will be used in accordance with the APTC Scholarships policy as updated from time to time and the relevant Annual Work Plan. Scholarship costs will be reimbursed on a monthly basis on receipt of a correctly rendered invoice.

## 8. CLAIMS FOR PAYMENT

- 8.1 The Contractor's tax invoices must be submitted when due pursuant to this **Schedule** in a form identifiable with the Services and in accordance with Standard Conditions Clause headed Payment in the Contract.

- 8.2 All tax invoices must include a certification by the proper officer of the Contractor or their delegate:
- (a) that the invoice has been correctly calculated; and
  - (b) that the Services included in it have been performed in accordance with the Contract.
- 8.3 All claims for payment must be **made out to:**
- Chief Finance Officer**  
Australian Agency for International Development  
GPO Box 887  
CANBERRA ACT 2601
- 8.4 Tax invoices should be sent to the above address. Alternatively, AusAID will accept electronic tax invoices. These can be sent to [accountsprocessing@ausaid.gov.au](mailto:accountsprocessing@ausaid.gov.au) cc. Agreement Manager.
- 8.5 Invalid tax invoices will be returned to contractors. Information on what constitutes a valid tax invoice can be found at <http://www.ato.gov.au/business/content.asp?doc=/content/50913.htm>

**Table 3: Reimbursable Costs (*Tenderers to confirm and add as required*)**

<b>Reimbursable Costs</b>		<b>Upper limits 2010/11 to 2013/14 (A\$)</b>
<b>1</b>	<b>Capital and Establishment Component</b>	
	Civil works (training venues)	3,280,000
	Machinery, equipment and vehicles (training venues)	2,080,000
	Feasibility Studies (refer to Schedule 1 Clause X.X)	440,000
	New course design, such as ELLN bridging, APTC to work, customisation of new courses	585,000
	APTC Management Information System <i>[tenderers to cost based on high-level requirements in APTC DD Annex M]</i>	<i>[tenderer's to include]</i>
	<i>[tenderer to add items as required]</i>	<i>[tenderer's to include]</i>
	<i>Component Sub Total</i>	<i>[tenderer's to include]</i>
<b>2</b>	<b>Corporate and Student Support Component</b>	
	CSS Management and Administrative Personnel Travel	1,050,000
	Office leases and utilities, including Fiji, Samoa, Vanuatu, PNG (and the Solomon Islands if approved)	395,000
	Vehicle Running Costs such as rental, maintenance and fuel	410,000
	Office Furniture and Equipment	350,000
	Office Consumables	110,000
	IT services	165,000
	Official Functions	110,000
	CSS representation in Kiribati, Tonga and other short term assistance in Non-Campus Countries	475,000
	Staff Training and professional development	455,000
	Marketing and Publications	385,000
	M&E and Labour Market Intelligence Costs	40,000
	Alumni Network	120,000
	APTC Advisory Group	285,000
	APTC to work program	480,000
	ELLN bridging program	635,000
	<i>[tenderer to add items as required]</i>	<i>[tenderer's to include]</i>
	<i>Component Sub Total</i>	<i>[tenderer's to include]</i>

<b>3</b>	<b>Direct Training Delivery Component</b>	
	Transport and Travel of training staff	7,410,000
	Rental and hiring charges (training venues)	5,140,000
	Other costs associated with training such as course materials, small equipment, student and work place safety equipment etc	11,685,000
	<i>[tenderer to add items as required]</i>	<i>[tenderer's to include]</i>
	<i>Component Sub Total</i>	<i>[tenderer's to include]</i>
<b>4</b>	<b>Personnel</b>	
	Administrative and Management Personnel Costs (including fees, allowances, all personnel related taxes and levies incurred in Australia or overseas, approved leave periods, superannuation, if any, and as appropriate) in accordance with <b>Tables 4 and 5.</b>	
	Trainers/Assessors and Tutor Costs (including fees, allowances, all personnel related taxes and levies incurred in Australia or overseas, approved leave periods, superannuation, if any, and as appropriate) in accordance with <b>Annex 1.</b>	41,910,000
	<i>Component Sub Total</i>	<i>[tenderer's to include]</i>
<b>TOTAL UPPER LIMIT</b>		<i>[tenderer's to include]</i>



**Table 4: CSS Management and Administrative Personnel (Long Term Personnel Costs 2010/11 and 2011/12)\* (Tenderers to propose)**

Position	Name	Base Salary		Total Base Salary (A\$) [(c) x (d)]	Travel (mob/demob)*		Total Travel Costs (A\$) [(f) x (g)]	Allowance (Monthly Rate)	Total Allowances [(c) x (i)]	Total Costs (A\$) [(e) + (h) + (j)]
		No. Mths	Mthy Rate		No. flights	Flight Costs (A\$)				
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
<b>Management Personnel</b>										
APTC CEO										
School Director- Automotive, Construction and Electrical										
School Director- Tourism and Hospitality										
School Director - Health and Community Services										
[add/ delete rows as required]										
<b>Administrative Personnel</b>										

[add/ delete rows as required]										
SUB TOTAL					SUB TOTAL			SUB TOTAL		
TOTAL										

\* Annex 1 has been used as the basis for the provision of costings in this Table.

\*\* Return economy flight from home residence to Nadi, Fiji.

Table 5: CSS Management and Administrative Personnel (Short Term Personnel Costs 2010/11 and 2011/12)\* (*Tenderers to propose*)

Position	Name	Base Salary		Total Base Salary (A\$) [(c) x (d)]	Travel (mob/demob)**		Total Travel Costs (A\$) [(f) x (g)]	Per Diem (Daily Rate)	Accommodation (Nightly Rate)	Upper Limit Allowances [(d) x ((i) + (j))]	Total Costs (A\$) [(e) + (h) + (k)]
		No. Days	Daily Rate		No. rtn flights	Flight Costs (A\$)					
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
Management Personnel											
[add/ delete rows as required]											
Administrative Personnel											
[add/ delete rows as required]											
SUB TOTAL					SUB TOTAL			SUB TOTAL			
TOTAL											

\* Annex 1 has been used as the basis for the provision of costings in this Table.

\*\* Return economy flight from home residence to Nadi, Fiji

**Table 6: Milestone Payments**

<b>Milestone</b>	<b>Indicative Date of achievement</b>	<b>Description</b>	<b>Maximum Value A\$</b>	<b>Verifiable Indicator</b>	<b>Milestone Amount</b>
1	Jan 2011	Annual Report/Plan		Document accepted by AusAID in writing.	
2	July 2011	Six Monthly Progress Report		Document accepted by AusAID in writing.	
3	Jan 2012	Annual Report/Plan		Document accepted by AusAID in writing.	
4	July 2012	Six Monthly Progress Report		Document accepted by AusAID in writing.	
5	Jan 2013	Annual Report/Plan		Document accepted by AusAID in writing.	
6	July 2013	Six Monthly Progress Report		Document accepted by AusAID in writing.	
7	Jan 2014	Annual Report/Plan		Document accepted by AusAID in writing.	
8	July 2014	Six Monthly Report/Progress Report		Document accepted by AusAID in writing.	
9	Jan 2015	Annual Report		Document accepted by AusAID in writing.	
10	March 2015	Activity Completion Report		Document accepted by AusAID in writing.	
		<b>Total</b>			

## Annex 1

## PERSONNEL FEES FOR LONG TERM PERSONNEL

## Work Level Standards

Work Level Standards are based on the role and context in which services will be delivered. They also take account of representational activities, a personnel's specific and relevant management responsibilities, skills, understanding, knowledge, experience and qualifications expected to undertake the specified duties.

*[Tenderers to provide a description of work level standards which will correlate with the salary bands provided below]*

Table A: Long Term Personnel Salary Bands (*Tenderers to propose*)

Position/Job Title and Salary Bands	Work Level Standard	Monthly Salary Bands (A\$) 2011/12	
		Minimum	Maximum
Training Personnel			
<i>[insert/ delete rows as required]</i>			
Management/Administrative Personnel			
<i>[insert/ delete rows as required]</i>			

Table B: Allowances for Long Term Personnel in 2011/12 (*Tenderers to propose*)

Allowance item	Fiji	Samoa	Vanuatu	PNG
	Monthly Rates			
Housing (incl. utilities, security and house help)				
<i>[insert additional allowance items as required]</i>				
	Once off payments			
Mobilisation Allowance, payable on signing of personnel contract (incl. hotel accommodation up to two (2) weeks on arrival, shipment and storage of goods)				
Demobilisation Allowance, payable two (2) month prior to departure (incl. hotel accommodation up to two (2) weeks on return, shipment of goods and storage of goods)				
<i>[insert additional allowance items as required]</i>				

**Table C: Short Term Personnel Salary Bands (*Tenderers to propose*)**

Positions and Salary Bands	Daily Salary Bands (A\$) 2011/12	
	Minimum	Maximum
Training Personnel		
<i>[insert/ delete rows as required]</i>		
Management Administrative Personnel		
<i>[insert/ delete rows as required]</i>		

**Table D: Short Term Personnel: Allowances (*AusAID still to confirm rates*)**

Position	2011/12 (A\$)	
	Accommodation <sup>36</sup> (per night)	Per Diem <sup>37</sup> (per day)
Cook Islands		
Federated States of Micronesia		104
Fiji	142	77
Kiribati	100	82
Marshall Islands		
Nauru	100	91
Niue		
Palau		
Papua New Guinea	450	137
Samoa	264	131
Solomon Islands	218	104
Tonga	134	99
Tuvalu		
Vanuatu	262	143
New Zealand – Auckland	191	121
New Zealand - Wellington	190	121
Australia - Adelaide	171	109
Australia – Brisbane	231	117
Australia – Canberra	180	131
Australia – Darwin	115	101
Australia – Hobart	113	101
Australia - Melbourne	195	128
Australia – Perth	192	129
Australia – Sydney	236	137

<sup>36</sup> Accommodation rate is reimbursed at lesser of actual cost incurred or up to the rates provided in **Table D**.

<sup>37</sup> A Per Diem is a non acquittal daily rate for breakfast, lunch, dinner and daily incidentals.