

**AUSTRALIA-PACIFIC TRAINING
COALITION
STAGE 3 (APTC3)**

Investment Design Document

Final – 18 September 2017

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Abbreviations and Key Definitions

<i>2Ext</i>	Stage 2 Extension (APTC)
<i>ADO</i>	Asian development outlook
<i>APTC</i>	Australia-Pacific Technical College/Australia-Pacific Training Coalition
<i>APTC3</i>	APTC Stage 3
<i>AQC</i>	Aid Quality Checklist
<i>AQF</i>	Australian Quality Framework
<i>ASQA</i>	Australian Skills Quality Authority
<i>CBA</i>	Cost benefit analysis
<i>CCA</i>	Climate Change Adaptation
<i>CEO</i>	Chief Executive Officer
<i>CF</i>	Costing framework
<i>CfC/C4C</i>	Coalitions for change
<i>Coalition</i>	The term ‘coalitions’ is used to describe the formation and actions of interest groups in pursuit of TVET reform
<i>CEDAW</i>	Convention on the elimination of all forms of discrimination against women (UN)
<i>CRPD</i>	Convention of the rights of persons with disabilities (UN)
<i>DET</i>	Department of Education and Training (Australia)
<i>DFAT</i>	Department of Foreign Affairs and Trade (Australia)
<i>DFID</i>	Department for International Development (UK)
<i>DRG</i>	Design Reference Group
<i>DRR</i>	Disaster risk reduction
<i>EMIS</i>	Educational Management Information System
<i>EQAP</i>	Educational Quality and Assessment Programme
<i>EU</i>	European Union
<i>FFS</i>	Fee for service
<i>FMIS</i>	Financial Management Information System
<i>FSM</i>	Federated State of Micronesia
<i>GESI</i>	Gender, equity and social inclusion
<i>GOA</i>	Government of Australia
<i>ICN</i>	Investment Concept Note
<i>IST</i>	International Skills Training (DET)
<i>IRR</i>	Internal Rate of Return
<i>JMC</i>	Joint Management Committee
<i>JSC</i>	Joint Steering Committee
<i>KEQ</i>	Key Evaluation Question
<i>LLN</i>	Language, Literacy and Numeracy
<i>LMAP</i>	Labour Mobility Assistance Program
<i>MC</i>	Managing Contractor

MEL(F)	Monitoring, Evaluation and Learning (Framework)
MTR	Mid-term review
MYEFO	Mid-year economic fiscal outlook
NCVER	National Centre for Vocational Education Research
NZQA	New Zealand Qualifications Authority
OECD	Organisation for Economic Development and Cooperation
OECD DAC	OECD Development Assistance Committee
PACER+	Pacific Agreement on Closer Economic Relations Plus
PacTVET	Pacific TVET project (EU)
Partnership	Describes APTC's agreements with Pacific TVET institutions and/or industry/enterprises to improve the quality of the delivery of TVET training
PEA	Political Economy Analysis
PEDF	Pacific Education Development Framework
PESDA	Pacific Education and Skills Development Agenda
PIC	Pacific island country
PIF	Pacific Island Forum
PLF	Pacific Labour Facility
PLS	Pacific Labour Scheme
PLWD	People living with a disability
PNG	Papua New Guinea
POI	Performance Oversight and Improvement
POMTECH	Port Moresby Technical College
RCC	Recognition of current competence
RFTD	Regional Framework for the TVET Development in Pacific Island Countries
RMI	Republic of the Marshall Islands
RPL	Recognition of prior learning
S4EG	Skills for Economic Growth (Solomon Islands)
SIP	Sector Investment Plan (DFAT)
SIS	Small island states
SITESA	Solomon Islands Tertiary Education Skills Authority
SPC	Secretariat of the Pacific Community
SOR	Statement of requirements
SoS	Scope of Services
SSIP	Support for the Sugar Industry Program (EU)
ToC	Theory of Change
TSSF	TVET Sector strengthening fund
TVET	Technical and Vocational Education and Training
TWP	Thinking and Working Politically
VfM	Value for Money

Executive summary

1. Introduction

The Australia Pacific Technical College (APTC) is the Australian Government's major investment in Technical and Vocational Education Training (TVET) in the Pacific region. APTC's goal is *'to support a more prosperous Pacific driven by a skilled, competitive and productive workforce'*.

Stage 1 of APTC ran from 2007 to 2011, Stage 2 from 2011 to 2015, and Stage 2 extension (2Ext) started in 2015 and concludes in mid-2018. By the end of 2Ext, Australia's investment in APTC is expected to have totalled some A\$347 million.

Since then, Australia has announced a new Pacific Labour Scheme (PLS) in 2018 supported by a Pacific Labour Facility (PLF), as part of its commitment to a stepped up engagement in the Pacific. Hence, this design builds on the approved policy direction and program scope outlined in the ICN; takes into account findings from the extensive in-country consultations undertaken by the Design Team; and explores the opportunities generated by the PLF.

2. Situation analysis

This design represents the first six-year transition period towards an APTC model that is more effectively aligned and embedded in regional and country approaches to building the skills for growth of Pacific Islander communities. The vision for APTC in 2030 is that, *over the next twelve years, APTC will take on an increasingly catalytic role. It will evolve from an Australian college directly delivering Australian qualifications to an enabling organisation that assists Pacific partners to provide their own internationally recognised training and achieve quality improvements in their institutions and systems. It will forge enduring pathways between skills development and employment in both national and international labour markets. A transformed APTC, with a primarily national workforce working in politically smart ways, will be agile, responsive and entrepreneurial. It will build coalitions with like-minded reform champions including peak industry bodies, the private sector and training institutions to advance locally led TVET reform. It will foster greater coordination, collaboration and harmonisation of Australian support. By 2028, the APTC will be recognised regionally and globally as a leading force in skills creation carefully linked to skills mobility and as a highly successful example of sustainable international development.*

When APTC started in 2007, there were mixed sentiments among Pacific Island stakeholders as to how effective it might be in helping to build a skilled, competitive and productive workforce. However, over the past 10 years APTC has won strong support from most stakeholders by successfully delivering a program of high quality technical and vocational training. APTC produced 9,394 graduates with Australian qualifications over Stages 1 and 2 and the milestone of 10,000 graduates was reached in late 2016. APTC has also provided a useful model of quality TVET delivery for local institutions to learn from, and student and employer satisfaction rates have been consistently high.

With the long-term sustainability of benefits in mind, as well as issues of cost effectiveness / value for money (VfM), it is nevertheless time for APTC to make some changes in direction. As outlined in the ICN and in this IDD, three key changes in direction are proposed, namely:

1. ***Embedding APTC in Pacific TVET Systems.*** Rather than operating separately and in parallel as an enclave technical college, APTC will become embedded in Pacific TVET systems, forming partnerships and coalitions with selected TVET institutions and national TVET systems to achieve mutually beneficial outcomes and reforms. This is expected to support improved quality, relevance and cost-effectiveness of TVET provision by local providers.
2. ***Gradual introduction of co-investment.*** The emphasis placed on scholarships to date has not been consistent with a demand driven system and is not sustainable over time. Demand can be

tested by the increasing emphasis on the principle of co-investment, that is, the willingness to contribute to the cost of training by those who benefit from it – individuals, employers and governments. This will reduce reliance on Australian aid and promote prospects for the long-term sustainability of benefits. It is intended that the principle of co-investment be understood primarily as investment in Pacific TVET, not as investment in APTC.

3. ***Renewed emphasis on labour mobility.*** APTC commenced with a labour mobility objective but in fact very few APTC graduates have migrated to work in Australia or New Zealand. Up to 2016 only 276 out of 10,087 APTC graduates (2.5 per cent) migrated from their country of residence/citizenship to reside and work overseas. The advent of the Pacific Labour Scheme opens up new opportunities to support those APTC graduates and others seeking to work overseas. This will thus receive a much higher priority in Stage 3, but without causing ‘brain drain’ or concern for employers that they may be sponsoring students intending to migrate. Where labour mobility opportunities exist, all students, male and female, will have the opportunity to nominate for a domestic or labour mobility track. APTC will provide eligible students in the latter group with the additional training required. Further support to meet migration requirements will also be provided, through the Pacific Labour Facility. These initiatives will support Australian and Pacific Island labour mobility policy objectives, and aim to enhance APTC’s VfM.

Ultimately there will be less emphasis on APTC as a separate training institution and more on it working collaboratively with Pacific governments; Pacific TVET systems and institutions; and industries/enterprises to facilitate TVET reform. The acronym APTC is expected to take on a different meaning over time, namely Australia-Pacific Training Coalition, replacing Australia-Pacific Technical College.

3. Investment description

APTC3 is expected to commence in mid-2018 (on completion of the Stage 2 Extension) and run for four years and three months through to mid-2022, with an option to extend for a further four years. The anticipated DFAT budget contribution will be up to \$128.75 million for the first four years and three months, which provides for a similar level of annual Australian investment as under APTC to date.

APTC’s sphere of activity for Stage 3 will be defined as Fiji, PNG, Samoa, Solomon Islands, Vanuatu, Tonga, Kiribati, Nauru and Tuvalu (9 countries in total). The remaining five states (namely Cook Islands, Federated States of Micronesia (FSM), Niue, Palau and the Republic of the Marshall Islands (RMI)) will continue to have access to APTC training places – either fully or partly subsidised - but APTC will cease in-country activities, including marketing, and seeking to identify the local demand for skills.

APTC3’s proposed goal is ‘*A more skilled, inclusive and productive workforce enhances Pacific prosperity*’, and the supporting purpose is that ‘*The skills and attributes available to employers from TVET systems align with labour market requirements*’. This goal and purpose will be supported by the achievement of three end-of-program outcomes (EOPOs), namely:

1. Graduates have improved employment outcomes
2. Co-investment in skills training increases
3. Selected TVET partners demonstrate quality TVET provision

The design and implementation of specific strategies and activities to achieve these three EOPOs will be guided by six key principles, as profiled below:

Principles	EOPOs
1. APTC's operations are increasingly 'embedded' in Pacific TVET systems: <ul style="list-style-type: none"> • movement away from enclave delivery • greater alignment with Pacific governments' priorities for national economic growth and skills development • greater responsiveness and delegation to country level 	2, 3
2. APTC programming trials, tests, learns and adapts to changing contexts	2, 3
3. APTC's graduate supply ensures a net skill gain for Pacific Island Countries	1, 2
4. APTC is responsive to the needs of women, people living with disabilities and to other equity priorities	1, 2, 3
5. Australia's regional and bilateral skills development efforts are harmonised	1, 3
6. APTC's brand for quality is protected	1, 3

While some significant shifts in APTC's approach are envisaged in Stage 3, some aspects of its current operation will also remain constant, including:

- the emphasis on quality TVET through ensuring the delivery of in-demand Australian qualifications to more than 1,200 Pacific graduates per annum
- avoidance of competition with national TVET public and private providers
- guarding against assuming a mainstream training role that rightly belongs to national governments
- promoting and supporting gender and social inclusion objectives.

4. Implementation arrangements

The recently re-constituted APTC Board will continue to provide advice to DFAT and to APTC management on the strategic direction and performance of the APTC. Since the new Board needs time to become fully established, no immediate change to the role or composition of the Board is envisaged.

It is proposed that the management of APTC's contractual obligations will, in future, be led from Canberra (most likely from within the Pacific Aid Effectiveness and Advice Branch) with liaison and follow-up at country level as required. The Branch's Performance Oversight and Improvement function will be well positioned to promote a coherent approach to the operations and performance of both APTC and the bilateral TVET programs as well as to facilitate close cooperation with the Pacific Labour Facility, which will be based in Australia.

APTC3 implementation will be undertaken by a managing contractor (MC), working in partnership with key stakeholders. The MC will be selected based on a process of open tender. The APTC regional head office will continue to be based in Suva, Fiji. At least for the foreseeable future, APTC Country Offices/Managers - with increased devolution of authority and responsibilities - will continue to operate in Fiji, PNG, Solomon Islands, Samoa and Vanuatu.

APTC's practice to date of utilising Joint Management Committees (JMC) with institutional partners provides a good basis for the future. Under this model, each JMC comprises representatives from APTC at country level and the partner institution and is the primary formal mechanism for managing the TVET service delivery agreements with individual partner providers.

APTC3 proposes new arrangements for more effective coordination of its TVET systems strengthening support at the country level, including to support the work of coalitions for TVET reform. Depending

on the circumstances, country coordination will occur through the establishment of Joint Steering Committees (JSC), or similar title. There is no strict formula for membership, but JSCs would ideally be chaired by an appropriate senior partner government official and/or a senior official from the DFAT Post and include an appropriate combination of representatives of APTC at the country level, bilateral TVET, local TVET, national governments and industry/enterprises.

As part of its shift away from a focus on training delivery, APTC will adopt a lead role in forming coalitions to achieve TVET reform and development, both at country and regional level, adopting a thinking and working politically (TWP) approach.

APTC's monitoring, evaluation and learning (MEL) function will be enhanced in Stage 3 with additional expertise in cost benefit (VfM) analysis and in the MEL of APTC's contribution to TVET systems strengthening and reform.

APTC3 will comply with all DFAT policies and reporting requirements relating to management of risks and safeguards. Overall, the risk rating for APTC3 is considered to be moderate. Building on its established performance and reputation, APTC is expected to continue to provide high-quality TVET training with relatively little risk. However, APTC's ability to facilitate TVET systems strengthening and reform is as yet largely untested. There are many political and environmental factors outside APTC's control, and some significant risks that could negatively impact on achieving the desired systemic changes in quality TVET provision. The overarching risk mitigation approach will be to ensure APTC is flexible and responsive to changing needs and lessons learned, through adaptive programming, strong MEL and risk management systems.

1 INTRODUCTION

1.1 Background to APTC

The Australia Pacific Technical College (APTC) is the Australian Government's major investment in Technical and Vocational Education Training (TVET) in the Pacific region. It was announced by former Prime Minister, John Howard in 2005. The media release stated:

The new college will deliver Australian standard qualifications. This will significantly upgrade the supply of trade skills in the Pacific. It will also enable much greater labour mobility of skilled and semi-skilled workers between the Pacific and Australia (and other developed economies).¹

The Official Communique of the 36th Pacific Islands Forum (PIF) in 2005 makes it clear that Pacific Leaders recognised the relationship between a strong TVET system and labour mobility. The Communique records their emphasis on the need to:

- *expand regional technical and vocational education training (TVET); ensure the portability of technical qualifications; and to support Australia's offer to investigate the potential of setting up the Australian Pacific Islands Technical College; and*
- *continue to consider the issue of labour mobility in the context of member countries' immigration policies.²*

APTC commenced in 2007 with the following goal and purpose:

- **Goal:** *Increased supply of skilled workers and increased productivity in targeted sectors in the Pacific region; and Pacific Islander women and men realise improved employment opportunities nationally, regionally and internationally.*
- **Purpose:** *Pacific Island women and men with Australian qualifications able to find employment in targeted sectors.³*

APTC Stage 1 ran from mid-2007 to mid-2011. The APTC headquarters were established in Nadi, Fiji along with a network of training centres in Fiji, Papua New Guinea, Samoa and Vanuatu⁴. These four centres would service the other ten Pacific Island countries, namely, Solomon Islands, Tonga, Kiribati, Tuvalu, Nauru, Cook Islands, Niue, Palau, the Federated States of Micronesia (FSM) and the Republic of the Marshall Islands (RMI). Skills training focused on the automotive, construction, electrical and manufacturing trades, health and community services and hospitality and tourism fields. These industry areas remain the core of APTC's program provision although more programs were added in later years.

APTC Stage 2 initially ran for four years (mid-2011 – mid-2015). Following an Independent Evaluation in 2014, it was extended for a further three years (mid-2015 - mid-2018) to allow APTC to implement the Evaluation's recommendations and to allow DFAT time to manage a comprehensive Stage 3 design process. The Stage 2 Extension (hereafter 2Ext) focussed on reinforcing existing, and driving new

¹ Prime Minister of Australia Media Release: *Australian Technical College for the Pacific*, 26 October, 2005
<http://pmtranscripts.pmc.gov.au/release/transcript-22008>

² 36th Pacific Island Forum Official Communique, Thursday, 27th October 2005, para. 4
<http://www.scoop.co.nz/stories/WO0510/S00396.htm>

³ Australia-Pacific Technical College, Coordination Office and Country Program Design, Final Report, 14 February 2007, p. 3

⁴ Prime Minister of Australia Media Release: *Australia Pacific Technical College*, 25 October 2006
<http://pmtranscripts.pmc.gov.au/release/transcript-22539>

sustainability reforms, such as increased fee-for-service training and enterprise partnership arrangements.

APTC has produced over 10,000 graduates with Australian qualifications over Stages 1 and 2 and the milestone of 10,000 graduates was reached in late 2016.

APTC's most recent Annual Report and Plan 2016-17 states that APTC's goal is *'to support a more prosperous Pacific driven by a skilled, competitive and productive workforce'*.⁵

As APTC moves into its second decade of operations, some aspects of its operations will remain constant. These include:

- the emphasis on quality TVET through ensuring the delivery of in-demand Australian qualifications to more than 1,200 Pacific graduates per annum
- avoidance of competition with national TVET public and private providers
- guarding against assuming a mainstream training role that rightly belongs to national governments
- promoting and supporting gender and social inclusion objectives.

However, APTC must also adapt and evolve in response to ongoing changes in the strategic operating environment arising from the Sustainable Development Goals⁶, the labour mobility opportunities announced as part of the Step Change in Australia's engagement with the Pacific⁷, the Pacific Agreement on Closer Economic Relations (PACER) Plus⁸ and DFAT policy for the Pacific more generally. Key changes required are outlined in this Design Document.

1.2 Towards APTC Stage 3 (APTC3)

The starting point for the APTC3 Design is the Investment Concept Note (ICN), which was finalised and submitted to DFAT in September 2016.

Three key changes envisaged in the ICN for APTC3 are outlined in Box 1.1.

The ICN proposed that APTC3 would need a far less prescriptive design to achieve the transformative objective of a sustainable locally-led TVET system in the Pacific. In practice this means that ultimately there will be less emphasis on APTC as a separate training institution and more on it working collaboratively with Pacific governments; Pacific TVET systems and institutions; and industries/enterprises to facilitate TVET reform. The acronym APTC is therefore expected to take on a different meaning over time, namely, Australia-Pacific Training Coalition, replacing Australia-Pacific Technical College.

⁵ APTC Annual Report and Plan 2016-2017, p. 4

⁶ <http://dfat.gov.au/aid/topics/development-issues/global-development-agenda/Pages/sustainable-development-goals.aspx>

⁷ <https://www.pm.gov.au/media/2017-09-08/48th-pacific-islands-forum-samoa>

⁸ <http://dfat.gov.au/trade/agreements/pacer/pages/pacific-agreement-on-closer-economic-relations-pacer-plus.aspx>

Box 1.1: Overview of key changes envisaged in the ICN

Embedding APTC in Pacific TVET Systems
Rather than operating separately and in parallel as an enclave technical college, APTC will become embedded in Pacific TVET systems forming partnerships and coalitions with selected TVET institutions and national TVET systems to achieve mutually beneficial outcomes and reforms. These reforms will see increases in the number and diversity of students gaining access to pathways to employment as part of an integrated TVET system. This will lead to improved quality, relevance and cost-effectiveness of TVET provision.
Gradual introduction of co-investment⁹
The emphasis placed on scholarships to date has not been consistent with a demand driven system and is not sustainable over time. Demand can be tested by the increasing emphasis on the principle of co-investment, that is, the willingness to contribute to the cost of training by those who benefit from it – individuals, employers and governments. Co-investment can take the form of both monetary and in-kind investment, depending on the circumstances. This will reduce reliance on Australian aid. It is intended that the principle of co-investment be understood primarily as investment in Pacific TVET, not as investment in APTC.
Renewed emphasis on labour mobility
Supporting those APTC graduates seeking to work overseas will receive a much higher priority, but without causing ‘brain drain’ or concern for employers that they may be sponsoring students intending to migrate. Where migration opportunities exist, all students, male and female, will have the opportunity to nominate for a ‘home’ (domestic) or ‘abroad (labour mobility) track. APTC will provide eligible students in the latter group with the additional training required. Further support to meet migration requirements will also be provided, through the Pacific Labour Facility. ¹⁰

The Design Terms of Reference are provided at Annex 1. Details of the development of the ICN and the subsequent stakeholder consultation process and the persons consulted are outlined at Annex 2.

⁹ Although the ICN referred to ‘cost-sharing’ as an important future direction for APTC, this terminology was changed to ‘co-investment’ in the course of the consultations. ‘Co-investment’ connotes that training is an investment rather than a cost and better conveys the intention that in-kind contributions to training are also to be promoted.

¹⁰ While the term ‘migration’ was used in developing the ICN, this Design refers to ‘labour mobility’ to better reflect that fact that opportunities for Pacific Islanders are likely to be temporary and/or circular.

2 SITUATION ANALYSIS (Why?)

2.1 Australian Government policy context and rationale for cooperation on TVET

The purpose of the Australian Government's aid program is '*to promote Australia's national interests by contributing to sustainable economic growth and poverty reduction*'.¹¹

Priority 4 of the Australian Government's strategy for aid investments in education provides the rationale for investment in TVET, namely: '*Skills for prosperity: improving access to high quality, post-secondary education and training*'.¹²

DFAT's draft Pacific Tertiary Education Framework identifies eight principles to guide tertiary education decision-making and planning:

1. Place the needs and interests of current and prospective students at the centre of investment decisions
2. Prioritise quality, relevance and equity in tertiary education over general tertiary expansion
3. Progressively target support to quality assured institutions and programs
4. Invest only in those programs where there is demonstrated labour market demand/student demand and reasonable employment prospects for graduates
5. Support an increased private sector role in driving tertiary education relevance and quality
6. Increasingly purchase outcomes rather than simply funding inputs
7. Apply competitive neutrality principles
8. Integrate tertiary education investments with other parts of the aid program¹³

The DFAT Pacific Regional Education Sector Investment Plan (SIP)¹⁴ outlines an emphasis on managing the performance of existing investments rather than introducing new ones. APTC is identified as one of the five key investments.

The SIP reinforces the themes of the Pacific Tertiary Education Framework, citing five key principles that guide investments. They are to:

1. **enhance regionalism** by supporting collective action and the provision of regional public goods
2. be **politically informed**, engaging productively with existing power structures, and understanding the political processes that facilitate or obstruct positive change
3. **plan and manage for results**, meaning investments are context-driven, realistic, outcomes-focused, adaptable and have robust monitoring and evaluation
4. **promote inclusive development**, promoting equal opportunities for all
5. **adopt a student-centred approach**, placing the needs and interests of students at the centre of policy and investment decisions.¹⁵

Both sets of principles inform this Design.

¹¹ Commonwealth of Australia, DFAT, *Australian aid: promoting prosperity, reducing poverty, enhancing stability*, June 2014, p. 5.

¹² Commonwealth of Australia, Department of Foreign Affairs and Trade, *Strategy for Australia's aid investments in education 2015–2020*, September 2015, p.7.

¹³ DFAT's Pacific Tertiary Education Framework 2016-2021: Skills for Pacific Prosperity (draft August 2016), pp. 7-8

¹⁴ Australian Government Department of Foreign Affairs and Trade, *DFAT Pacific Regional Education Sector Investment Plan 2017-2023*, p.1

¹⁵Ibid, p. 5

The Design must also be seen in the context of potential future changes in Australia's policy for the Pacific. Speaking at the Pacific Island Forum in September 2016, the Australian Prime Minister stated that:

My Government recognises that Australia's interests in the region and the complexity of the challenges we face demands more engagement at every level, more integrated policy and fresh ideas. We are committed to a step-change in our engagement, to be guided by a new Pacific strategy ..."¹⁶

These remarks signal the need for the Design to be flexible and adaptive to changing political and economic circumstances. This includes taking into account the fact that increasing Pacific access to Australia's labour market is a critical element of the Government's long-term approach to regional development. Recent studies by the World Bank¹⁷, Lowy Institute¹⁸ and Menzies Research Centre¹⁹ highlight the significant transformative effects of expanding Pacific 'circular' labour mobility, which delivers strong mutual benefits to both Australia and the region. Australian businesses in regional and rural Australia can supplement their seasonal and longer-term domestic labour needs with a reliable, returning Pacific workforce in industries where domestic labour supply is not sufficient to meet the growing demand. Pacific workers, in turn, benefit from the opportunity to gain skills and experience not available in their home countries, earn higher incomes and increase their remittances back home. These remittances can be used to pay for their children's education, setting up businesses and building houses and community facilities.

These considerations underpin the announcement by the Australian Prime Minister of the Pacific Labour Scheme at the 2017 Pacific Islands Forum meeting:

*A new Pacific Labour Scheme in 2018 will give Pacific Island citizens opportunities to work in rural and regional Australia for up to three years, and help plug labour shortages in our towns and on our farms. Kiribati, Nauru and Tuvalu will have first access to the scheme, with an initial intake of up to 2,000 workers. Australia will also establish a new Pacific Labour Facility to support the scheme – helping connect Australian employers with workers and monitoring its social and economic impacts.*²⁰

PACER Plus negotiations are also relevant in this regard. PACER Plus, once implemented, will make it easier for businesses to trade and invest across the Pacific region. Under the Agreement, Australia and New Zealand will jointly provide assistance in implementation which may include developing / strengthening qualifications frameworks (with relevant competent agencies) and recognition of qualifications in targeted sectors. Complementing the agreement is a stand-alone 'Labour Mobility Arrangement', which will establish a broad framework for labour mobility cooperation and support efforts to build labour supply capacity in Pacific Island Countries.²¹

The Agreement includes a chapter on Movement of Natural Persons covering the employer-sponsored temporary entry and stay of skilled workers. However, in keeping with global Free Trade Agreement practices, negotiating Parties agreed not to include treaty-level commitments on unskilled and semi-skilled workers. Signatories to PACER Plus have instead agreed to facilitate the circulation of

¹⁶ Prime Minister of Australia, Remarks at the Pacific Island Forum (extract) 9 September 2016

¹⁷ <http://pubdocs.worldbank.org/en/555421468204932199/pdf/labour-mobility-pacific-possible.pdf>

¹⁸ <https://www.lowyinstitute.org/publications/development-benefits-expanding-pacific-access-australias-labour-market>

¹⁹ <https://www.menziesrc.org/publications/item/oceans-of-opportunity-how-labour-mobility-can-help-australia-and-its-neighbours>

²⁰ <https://www.pm.gov.au/media/2017-09-08/48th-pacific-islands-forum-samoa>

²¹ <http://www.octapic.org/pacer-plus-a-landmark-trade-and-development-agreement-for-the-pacific-region/>

temporary workers from the Pacific island countries to Australia and New Zealand, including by enhancing existing schemes.

DFAT's draft Pacific Education and Skills Development Agenda 2017-23 (PESDA-2)²² is the second iteration of providing policy guidance to DFAT's Pacific bilateral and regional education and skills development programs - translating Australian Government policy into the Pacific context. The intention is to inform and influence investment and policy dialogue across the Pacific Division's regional and bilateral programs (Fiji, Kiribati, Papua New Guinea, Nauru, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu) and to provide objectives, principles, approaches and targets, against which this Design will be mapped and assessed.

PESDA-2 defines Australia's key priority outcomes as: (i) improved student learning outcomes and (ii) increased employability of post-secondary graduates. These outcomes underpin the longer-term goal:

'Pacific graduates contribute productively to labour markets and their communities'

The implications of PESDA-2 are further explored in section 3.2.

2.2 Pacific Government TVET policy and institutional context

In its Pacific Education Development Framework - 2009-2015 (PEDF), Education Ministers of the Pacific Island Forum Countries noted that:

*Despite the importance of TVET for social and economic development, national governments and regional organisations and development partners in the Pacific have, until recently, tended to give less emphasis to TVET relative to the other sub-sectors of education. The further development of this sector is crucial to addressing the needs of a rapidly growing youth cohort and creating conditions for further economic growth. Strengthening of TVET's responsiveness to both the needs of the formal and informal sectors is now a high regional priority.*²³

In 2012 the Pacific Islands Forum Ministers of Education endorsed the 'Regional Framework for Technical and Vocational Education and Training (TVET) Development in Pacific Island countries (PICs): 2012–2015.'²⁴ This new Framework was intended to provide a strategic focus on the achievement of the specific TVET outcome identified in the PEDF, namely:

*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.*²⁵

The Framework identified eight key priority areas which were seen as key issues/challenges for TVET and also set out to address a number of ongoing challenges and gaps for TVET in the Pacific.²⁶ These were:

1. An imbalance in demand for and supply of skills
2. Unclear coordination of TVET
3. Lack of demand-driven data
4. Quality assurance and standards – at a very early stage of development;

²² At the time of writing, PESDA-2 is still in draft form

²³ Pacific Education Development Framework 2009-2015, p. 10

<http://www.forumsec.org/resources/uploads/attachments/documents/Pacific%20Education%20Development%20Framework%202009-2015.pdf>

²⁴ <http://unesdoc.unesco.org/images/0023/002354/235475E.pdf>

²⁵ PEDF, p. 10

²⁶ Note the exception of Vanuatu in this regard. Effective TVET programs exist following 20 years of investment by DFAT and its predecessor AUSAID. A further phase to January 2022 has recently been approved.

5. Poor/inadequate management pool of TVET personnel
6. Financing as TVET is underfunded
7. Limited pathways and models of excellence
8. Organisation and modes of delivery.

The Framework was reviewed in 2015 and a number of recommendations for the future were proposed. The consultants' review document contains details of the state of TVET and the TVET policy priorities in each PIC.²⁷

Since then, Pacific Heads of Education Systems articulated four key priorities for education, incorporating goals and strategies that they wish to see incorporated into the next iteration of the Framework.²⁸ Examples of particular relevance to TVET are summarised below:

- *Quality and relevance* - including being responsive and flexible to innovation and change and ensuring quality learning environments
- *Learning pathways* – including increased flexibility in the delivery of learning and ensuring vulnerable learners can participate in learning
- *Student outcomes and well-being* – including ensuring readiness for the opportunities of the real world and developing students' core competencies and employability
- *The teaching profession* –including certification of all teachers to competency against professional standards and the provision of on-going professional development.

2.3 Labour markets, skills development and labour mobility

Pacific Labour Markets

Pacific employers report that an inadequately trained workforce is a major constraint on their operations, according to World Bank Enterprise Surveys in seven Pacific countries between 2009 and 2015.²⁹ At least five obstacles need to be addressed to improve the situation. These are:

- There is a limited supply of skills in terms of quantity and quality due to low levels of public and private investment. Because of this lack of investment, TVET providers with set training profiles and inflexible infrastructure lack the capacity to meet demand. As a result, employers overlook national TVET graduates and prefer, despite the extra expense, to send their employees off shore for training or to engage foreign workers.
- Pacific governments and donors have done little to reduce employers' reliance on foreign workers as their response to persistent domestic skill shortages.
- Pacific TVET providers lack the flexibility to respond to the demand for skills which can fluctuate between long periods of low activity and short-term spikes due to natural disasters, big projects and special events.
- An inadequately trained workforce is due to a large share of existing workers in skilled occupations who lack formal training to do their job more effectively, with little understanding of how to problem solve or innovate.
- TVET providers lack the information to respond to demand. In small labour markets, this can result in an oversupply of graduates as well as an undersupply. When there is an oversupply in domestic labour markets or domestic employers are not willing pay for the skills acquired, qualified workers

²⁷ Ibid, pp. 59-104

²⁸ Pacific Heads of Education Systems, Unpublished document, 2016

²⁹ <http://data.worldbank.org/data-catalog/enterprise-surveys>

lack access to skilled work overseas in high-income labour markets.

Major ways identified to address these deficiencies in the short, medium and long term are all relevant to APTC's operations in Stage 3. These are to address under-investment in TVET as a basis for change; convince employers of the value of national TVET graduates; contribute to the development of an integrated strategy to address persistent skills shortages; anticipate better short and long term demand for skills; upgrade the skills of existing workers in middle-skilled occupations; provide information to graduates, employers and providers on domestic and overseas employment outcomes as well as support to access labour mobility options. Further details are provided at Annex 4.

Labour mobility – opportunities and barriers

The term 'labour mobility' encompasses several different types of moving to another country for paid work. Labour mobility includes moving for work for the short term (less than a year), medium term (between one and less than five years) and long term (five years or more). The term also includes different types of residency entitlements, such as the extent to which the worker's family is allowed to accompany the worker. Australia's current low and semi-skilled labour mobility programs with Pacific Island countries are temporary (short /medium term movement) and circular (multiple temporary movements).

Most recent APTC graduates want to migrate overseas for work and see this as one of the major benefits they expect from their APTC qualification. Nine-out-of-ten students about to graduate, in the second semester End-of-Course Learner Survey in late 2016, said they intended to seek work overseas using the skills they had obtained in their course. The intention to migrate for work differed only a little for men and women, with 85 per cent of women intending to migrate compared with 95 per cent of men. Women aged 35-44 years were the least likely gender and age group to migrate but the proportion of women in this age group wanting to migrate was still high at 79 per cent. Graduates from Papua New Guinea and Fiji are most likely to intend to migrate. Australia is clearly APTC graduates' favoured destination for work. Three-in-five new graduates gave Australia as their only intended destination for work overseas with three-in-four new graduates listing Australia alone or with other destinations. Only one-in-four new graduates gave New Zealand as a destination, usually in combination with Australia and rarely alone. These intentions did not differ significantly by whether the APTC graduate was male or female.

The justifications for APTC to provide the citizens of Pacific countries more opportunities for labour mobility are many. These include significant benefits to individuals, their households, their communities and national economies.³⁰ For individuals, there is higher income that can be earned which is many times above the average incomes earned by citizens in Pacific countries. For Pacific countries, there are the benefits of access to improved skills and work performance when citizens return.

Labour mobility to a high-income country, especially for temporary work, can be a more effective tool for reducing poverty in the migrant's home economy than other forms of trade because of the high-income returns to the work.³¹ The higher the skill level the greater the income gain. Remittances from migrants are also major sources of foreign exchange for some Pacific countries.³²

³⁰ See Curtain, R; Howes, S; Dornan, M; and Doyle, J; 2017, 'Pacific Possible - Labour mobility: the ten-billion-dollar prize', The Australian National University & World Bank, p 6-8.

³¹ Clemens, M, 2011, 'Economics and Emigration: Trillion-Dollar Bills on the Sidewalk?' Journal of Economic Perspectives, Volume 25, Number 3, Pp 83-106

³² World Bank data show that in 2014 remittances represented 27per cent of GDP in Tonga, 18per cent in Samoa, 14 per cent in RMI, 11 per cent in Tuvalu and 10 per cent in Kiribati.

<http://pubdocs.worldbank.org/en/661301460400427908/MigrationandDevelopmentBrief26.pdf>

APTC commenced with a labour mobility objective but in fact very few APTC graduates have migrated to work in Australia or New Zealand. Up to 2016, only 276 out of 10,087 APTC graduates (2.5 per cent) migrated from their country of residence/citizenship to reside and work overseas.³³

Analysis of the profile of APTC graduates has also identified several factors that are a disincentive to migrate for work. These include the absence of existing ties to the destination countries; the age and social situation of the APTC graduates with the potential for temporary or circular migration; the need to acquire additional resources after graduation to migrate; and the lack of ability to meet English language requirements for migration. In addition, graduates experience barriers in applying to migrate such as the lack of information about available jobs, lack of information about how to migrate for work or a suitable guide to turn to for help; difficulties with and cost of applying for a visa; lack of reliable internet access; qualification not eligible for entry; and lack of contacts in the destination country able to provide information about accommodation and offer other support.

Graduates identified ways in which these problems could be overcome, such as seeking information from APTC; APTC assisting with finding a job overseas; and receiving advice from the alumni association. Only a few graduates were aware of the importance of getting a job offer first or of the qualification and work experience requirements to enter Australia or New Zealand as a skilled migrant.³⁴

A major barrier to labour mobility for APTC graduates is the lack of an eligible qualification for migrant entry to Australia. The 2014 APTC Independent Review noted that only half of the graduates from Stage 1 (49 per cent) were in eligible occupations and had the required qualification level for migrant entry to Australia. In Stage 2 it was even less at 42 per cent of graduates who were eligible to migrate.³⁵ Analysis of the 2016 APTC End-of-Course Survey shows that only just over half of the soon-to-be graduates (56 per cent) who 'intend to seek work in Australia using the skills they obtained in their course' have an eligible qualification.

Moreover, women graduates are even more disadvantaged, with only one-in-four women (24 per cent) intending to migrate having qualifications eligible for migrant entry to Australia as a temporary skilled worker or through the Pacific Microstates - Northern Australia Worker Pilot Program. This compares with over four-out-of-five male graduates (84 per cent) who have eligible qualifications.³⁶ This disadvantage for women APTC graduates reflects the nature of the skills threshold for migrant entry to Australia. The threshold differs for service and trade-based occupations, with diplomas of 12-month duration required for feminised service occupations while work-based trade qualifications at Certificate III or IV are required for occupations performed mostly by men.

Australia is currently supporting Pacific access to Australia's low and semi-skilled labour markets through the Seasonal Worker Program and the Pacific Microstates - Northern Australia Worker Pilot Program.³⁷ These programs emphasise temporary and circular labour mobility and the use of labour market testing to ensure overseas workers are a supplement to, and not a substitute for Australian workers. Australia is also funding the Labour Mobility Assistance Program (LMAP) that facilitates migration to Australia for workers on the Seasonal Worker Program.

³³ APTC Annual Report and Plan 2016-17, p. 45

³⁴ Annex 7: Labour mobility, Independent Evaluation, Australia-Pacific Technical College Program (APTC) 2014 Annexes.

³⁵ 2014 Independent Review, Australia-Pacific Technical College Program (APTC) Annexes, Annex 7: Labour mobility p 138.

³⁶ Included are the 15 women and 4 men from Kiribati whose Certificate III in Individual Support entitles them to work in Australia as aged care workers through the Pacific Microstates: Northern Australia Worker Pilot Program.

³⁷ Led by the Department of Employment and DFAT respectively.

Most recently, Australia has announced the establishment of the Pacific Labour Facility to connect Australian employers with Pacific workers and support the administration of the Pacific Labour Scheme. The Facility will:

- increase the quality of training and supply of workers
- promote the Scheme with Australian employers
- provide pastoral care services for workers in Australia
- support the return of Pacific workers to their local communities and economies, and
- monitor the social and economic impacts of the labour mobility arrangements.³⁸

APTC will partner with the PLF in a training role and APTC students will be able to tap into the available opportunities.

2.4 Key stakeholders – priorities and perspectives

With its regional reach, APTC has a wide range of Pacific and Australian stakeholders. Key among these for the Design are students, graduates (alumni), Pacific governments, regional governmental organisations, Pacific TVET systems and partner institutions, industry peak bodies, individual employers, other TVET donors, bilateral programs, regional TVET-related bodies and APTC staff. All these groups were included in the consultation process.

It is noteworthy that, with the possible exception of attitudes to labour mobility, there was a significant level of agreement among the stakeholders during the consultations. The common themes are as follows:

General response to the directions outlined in the Investment Concept Note (ICN)

- Positive response to APTC continuing and at current investment levels
- Support for maintaining APTC's current strengths - as national providers are generally not highly valued by industry for producing work-ready graduates and meeting labour market needs. APTC's on-going role in setting a benchmark for the quality of training is seen as essential for lifting training standards
- Support for the continued intention that APTC should not compete with national TVET providers or the role of national governments
- Endorsement of continued emphasis on APTC maintaining and strengthening gender and equity outcomes
- General support for proposed directions.

Embedding APTC into Pacific TVET systems

- Support for increased country level focus of APTC's operations
- Support for APTC shifting away from an enclave model and moving towards more joint approaches: facilities and equipment sharing; delivery of training; harmonisation of qualifications; and sharing of management approaches such as quality assurance, budgeting and management information systems
- Support for shift in emphasis from direct training delivery to a facilitating/brokering role over time
- Support for closer integration with bilateral skills development programs.

³⁸ <http://dfat.gov.au/geo/pacific/engagement/Pages/stepping-up-australias-pacific-engagement.aspx>

Co-investment

- Conditional endorsement of the concept of co-investment
- Emphasis by Governments on budgetary and financial constraints but preparedness to consider in-kind contributions
- Willingness by some enterprises to pay for training and/or to co-invest, subject to their satisfaction with the quality, relevance and flexibility of the training including, where appropriate, delivery in the workplace or out of working hours to minimise the loss of productive workers.

Labour Mobility

- Strong support for labour mobility where exposure to international standards was seen by employers to be critical to future success, e.g. hospitality industry or construction (including for projects funded by donors or the multilateral agencies)
- Assurances sought by employers that labour mobility would not compromise their ability to attract the necessary skills domestically, especially in the trade areas where there has been a history of skill shortages
- Concern from one potential partner institution that offering labour mobility track was in direct conflict with its role of producing graduates for the local labour market
- A general view that APTC should stick to its core business of delivering/facilitating quality training and support for the ICN proposition that there is a need for separate arrangements to support/connect Pacific Island graduates to labour mobility pathways
- General support for labour mobility from Governments as a major means of providing improved employment opportunities for residents and national benefit from returning skilled workers. It was acknowledged that remittances are also a benefit for governments, contributing a significant proportion to GDP in some countries.³⁹
- A widespread view that clarification of the concept and implications of the ‘home’ or domestic track and an ‘away/abroad’ or labour mobility track was critical.

Future priorities for training

- The lack of ‘soft skills’ was stressed in almost every stakeholder forum as an impediment to workplace productivity. Examples of skills mentioned were personal presentation, communication, punctuality, problem solving, ‘work ethic’, commitment, team-building, and integrity. Soft skills were seen as a distinguishing feature of APTC graduates and incorporating these skills into national training programs was seen as a priority
- Concern that multiple national qualification frameworks (inc. Australia and NZ) are impeding mobility
- The need for a strategy to lift national qualifications to international standard
- Emphasis on the need for a greater focus on leadership and management, including in TVET
- General emphasis on tourism and hospitality; construction; manufacturing; and value-adding in the primary industries (e.g. agriculture, fisheries)
- The need to increase the focus in training on entrepreneurship/innovation/creativity – building the pool of job creators rather than only job seekers

³⁹ Remittances from migrants are major sources of foreign exchange for Fiji, Kiribati, Samoa and Tonga. See ADB, 2016, Pacific Economic Monitor July, pp 12, 15 and 31.

- After ten years of focussing on certificate level 3, a request by some stakeholders for APTC to offer higher level qualifications and improved pathways in Stage 3 as well as to consider lower level qualifications where a clear domestic or international employment pathway exists.

Other Common Themes

- Inappropriate entry requirements for TVET teachers in some countries
- General absence of quality TVET teacher training and lack of dedicated TVET teacher training institutions
- Inadequate resourcing and recognition of TVET by PIC governments
- Need for pathway to initial qualifications for highly experienced but unqualified workers – recognition of current competence
- Lack of engagement with industry by national TVET institutions
- Policy gaps or vacuum for TVET in some countries
- Concern about how to reform skills formation arrangements to overcome widespread reliance on foreign workers
- Interest among key stakeholders such as leading employers and employer associations in forming informal working groups to tackle policy reform blockages
- General lack of reliable data on labour market needs and employment outcomes to inform decision-making
- Unsatisfactory state of apprenticeship systems and licensing arrangements in some countries.

These issues and themes have been taken into account in the Design. Annex 3 provides further details of stakeholders' priorities and perspectives.

2.5 Australian assistance to date – achievements, challenges and lessons learned

Australia's current and proposed future investment in APTC can be summarised as follows:

Box 2.1: Summary of Australian Investments in APTC

STAGE	PERIOD	AMOUNT
1	July 2007 to June 2011	\$134m
2	July 2011 to June 2015	\$137m
2Ext	July 2015 to June 2018	\$96m

Broadly speaking, APTC has aligned with Australia's objectives relating to foreign policy, economic diplomacy and trade. It seeks to promote economic growth and regional prosperity. It supports inclusive development including through its gender and disability access focus, while aligning with Australia's strategy to ensure national development efforts are supported through Pacific regional initiatives.

The Independent Review of 2014, towards the end of Stage 2, listed a summary of APTC's main achievements and shortcomings. These are replicated in Box 2.2.

Box 2.2: Summary of Achievements and Shortcomings of APTC as at November 2014⁴⁰

Main achievements	Main shortcomings
Economic relevance <ul style="list-style-type: none"> • APTC has increased the supply of people with relevant skills and Australian qualifications • Employment rates are high among graduates and most graduates are in the same occupations as training received • APTC has close involvement with employers in program delivery • Employers are generally satisfied with APTC graduates • Students gain a regional perspective on education and employment opportunities 	Economic relevance <ul style="list-style-type: none"> • Inadequate labour market analysis to find out what skills Pacific countries need/want • Graduates in some fields have lower rates of employment, e.g. community services • Employers do not necessarily require full qualifications • Inadequate information and support for labour migration • Insufficient monitoring and evaluation systems focused on economic results and impact, including productivity and earnings
Equity <ul style="list-style-type: none"> • Gives target group a second chance • Relatively high female participation • Individuals from small island states (SIS) are well represented • Programs include training in disability • Pacific Islanders have the opportunity to work alongside and gain firsthand experience of the cultures of other Pacific Islanders 	Equity <ul style="list-style-type: none"> • Individuals from Papua New Guinea and the Solomon Islands are under-represented in relation to the size of their populations
Quality <ul style="list-style-type: none"> • Widely recognised quality in Australian certificates despite formidable challenges • Some influence on raising of quality in technical and vocational education and training (TVET) systems in the region, especially by raising TVET trainer qualifications 	Quality <p>No notable weaknesses in training delivery</p> <ul style="list-style-type: none"> • Potential quality risks from nationalisation of trainers (needs to be mitigated)
Organisational effectiveness <ul style="list-style-type: none"> • Good program management in a complex environment both at the centre and in most campus countries 	Organisational effectiveness <ul style="list-style-type: none"> • APTC operates in a strategic vacuum • Inefficiencies and duplications in implementing the program through having two registered training organisations (RTOs)
Internal efficiency <ul style="list-style-type: none"> • High completion rates, averaging 91 per cent • Progress on nationalisation of teaching staff 	Internal efficiency <ul style="list-style-type: none"> • Relatively few graduates in relation to costs • Very high unit costs compared to national training institutions and Australian TAFEs
External efficiency <ul style="list-style-type: none"> • Economic rate of return on investment beyond 2015 could be above market discount rate, depending on reductions in unit costs and increased output of graduates 	External efficiency <ul style="list-style-type: none"> • Economic rate of return on investment in Stages I and II below market discount rate
Sustainability <ul style="list-style-type: none"> • Likely long-term impact on quality of training in the Pacific 	Sustainability <ul style="list-style-type: none"> • Lack of country ownership • Dependence on expatriate staff • Limited revenue streams from employers and students

Considering APTC in 2017, stakeholder consultations during the field mission confirmed that the achievements have generally been maintained. The Stage 2Ext was intended to address some of the shortcomings. Those that have been actively addressed include:

⁴⁰ Independent Review of the Australia-Pacific Technical College, Full Report, November 2014 pp. xx-xi

Economic relevance

- Efforts to improve monitoring and evaluation

Organisational effectiveness

- A review of the APTC Program Logic as a means to provide a stronger strategic focus
- Shift from two RTOs to one, removing unnecessary duplication and inefficiency
- Shift of the Regional Head Office from Nadi to Suva

Sustainability

- Further reduction in reliance on expatriate staff ⁴¹
- Improved revenue from fee paying students

The APTC 2016 Tracer Survey also shows that, as stressed in the ICN, more attention needs to be given to matching training to employment opportunities and to collecting and analysing data that will inform decision-making in this regard. This will also assist in addressing the variation in employment outcomes between countries.

During the consultations, other issues came to light related to APTC's role as a regional program:⁴²

Australia's regional and bilateral investments in skills development

APTC3 offers the opportunity to move towards a stage where stakeholders perceive Australia's investment in skills development / TVET as seamless. With APTC programs operating in parallel with DFAT-funded TVET bilateral programs there is a risk of duplication, inefficiency and competition. There is scope for better alignment between the two as well as greater ongoing coordination and collaboration.

Co-ordination of multiple donors

Better arrangements are needed to coordinate multiple donor arrangements in some countries. For example, Tonga with a population of 103,000 has the following current investments:

- Tonga Skills for Inclusive Economic Growth
- World Bank TVET project
- NZ-funded partnership between Manikau Institute of Technology and Tonga Institute of Science and Technology (TIST)
- APTC partnership with TIST.

Future role of DFAT and the DFAT Posts

An increased country focus for APTC in Stage 3 is predicated on a more active role by the DFAT Posts in managing the coordination of the bilateral skill development programs, the regional APTC activity and broader opportunities for TVET reform. At this stage, there are different levels of engagement by the DFAT Posts and different levels of resourcing that may need to be addressed.

A further consideration is the future location of DFAT management of the APTC contract. The current location (in Suva, Fiji) could be regarded as a legacy of DFAT's former regional program management arrangements and there is general receptiveness to this being reviewed.

⁴¹ However, there is more work to do in this regard, particularly at middle and senior management level – refer Annex 5.

⁴² These issues are consistent with the principles of PESDA-2 – refer sections 2.1 and 3.2

3 INVESTMENT DESCRIPTION (What?)

3.1 Theory of Change

Goal and Purpose

The theory of change for APTC3 builds on the general directions of the Investment Concept Note, the consultations with stakeholders and the lessons learned from APTC implementation to date, as described in section 2. It has a time horizon of 2018-2024 and, at the high level, identifies the following problem:

PROBLEM: Mismatch between the requirements of labour markets and the skills and attributes available to employers from Pacific TVET systems

Box 3.1 shows the resultant **GOAL** and **PURPOSE** and how they align with goals articulated in Australian and Pacific Tertiary Education and TVET policy.

Box 3.1: Alignment of the APTC3 theory of change with Australian and Pacific TVET policy

APTC3 Goal and Purpose	<i>Goal:</i> A more skilled, inclusive and productive workforce enhances Pacific prosperity <i>Purpose:</i> The skills and attributes available to employers from TVET systems align with labour market requirements
DFAT's Pacific Tertiary Education Framework 2016-21⁴³	<i>Goal:</i> Pacific tertiary systems produce graduates with the skills, knowledge and attributes necessary to drive national and regional development
PESDA-2 Overview	<i>Goal:</i> Pacific graduates contribute productively to labour markets and their communities
RFTD: 2012–2015⁴⁴	<i>Goal:</i> To position TVET as a tool for empowering the peoples of the Pacific, especially the youth, and equip them with the capabilities, know-how and skills to support, develop and sustain local, national and regional development efforts.

End of Program Outcomes

The **OUTCOMES** envisaged for 2024 are threefold, namely:

1. Graduates have improved employment outcomes
2. Co-investment in skills training increases
3. Selected TVET partners demonstrate quality TVET provision

These end of program outcomes are inter-related and interdependent, with the success of each reinforcing the overall success of the transformation process. Conversely, weak performance on, or failure to achieve one of the outcomes, places the other outcomes and the longer-term sustainability of APTC at risk. By 'sustainability' of APTC it is meant its successful evolution from a TVET technical college to a training coalition facilitating TVET reform with other TVET stakeholders in the Pacific.

⁴³ DFAT's Pacific Tertiary Education Framework, 2016-21, p.6

⁴⁴ *Regional Framework TVET Development in Pacific Island Countries 2012-15*, as endorsed by the Pacific Island Forum Ministers of Education in 2012, p. 3

End of Program Outcome 1: Graduates have improved employment outcomes

This relates to employment outcomes for graduates, both female and male, whether intending to remain working in their home country or to engage in labour mobility to work overseas. By ‘graduates’ it is meant those who have successfully completed a qualification or skill set of international standard.

Those graduates intending to remain working at home will have confidence in the fact that APTC has taken steps to ensure that their training is aligned with employer needs as well as current and likely future job outcomes or self-employment opportunities. While APTC has focussed on existing workers in the past, this may be broadened where training is associated with a structured employment pathway.

The term ‘eligible graduate’ refers to persons who are appropriately qualified and experienced for labour mobility purposes.⁴⁵ These graduates will be assured of access to labour mobility pathways in the form of the additional training required and appropriate support services (but not a guarantee of employment or tie to a specific employer). APTC will be sufficiently flexible to ensure its training profile (both industry field and qualification level) and training places align with work opportunities accessible through labour mobility.

APTC3 graduates will be highly valued and sought after by employers because TVET training is matched to their needs. Importantly, in the longer term, the outcome refers not only to APTC graduates but also to those from Pacific TVET institutions that have engaged in TVET reform and are achieving international standards.

End of Program Outcome 2: Co-investment in skills training increases

Co-investment is evidence of demand by the beneficiaries of skills training: individuals, individual enterprises, industries and national governments. It can take the form of both monetary and/or in-kind contributions in different ways and to different levels.⁴⁶ Employers and other industry parties are more likely to invest if they can be assured of work-ready graduates with high-level technical and soft skills who add value to their enterprises. Individuals are more likely to pay for or contribute to the cost of their tuition if they can be confident of a good job/career outcome or of acquiring the skills to become successfully self-employed. National governments are more likely to invest where there is commitment to TVET and evidence of its potential to contribute to economic prosperity. Increased co-investment will see reduced reliance on Australian aid and a greater spread of the benefits of TVET reform. Ultimately, it is intended that the principle of co-investment be understood as primarily investment in Pacific TVET, not as investment in APTC.

End of Program Outcome 3: Selected TVET partners demonstrate quality TVET provision

The outcome of partner institutions progressively meeting international TVET standards is a key measure of APTC’s impact on Pacific TVET and its contribution to Australia’s aid policy objectives. Meeting international standards has multiple aspects. Of central importance is the quality and relevance of teaching and learning as demonstrated by fit-for-purpose learning environments, appropriately qualified and experienced TVET teachers, an ongoing and systematic approach to internal and external quality assurance and effective employer/industry engagement. These characteristics mean that more qualifications will meet international standards and there will be an increased pool of graduates who can participate in labour mobility pathways. Institutional governance and management will improve because TVET institutions are operating within clearly articulated policy and planning priorities that determine the allocation of resources and have institutional leaders capable of driving ongoing improvement and reform. Among these reforms will be increased equity in access to skills development by gender and other equity groups through appropriate policies and resource allocation. Embedding APTC in Pacific TVET systems is critical to achieving this outcome so that skills, knowledge and

⁴⁵ It will also be required that these graduates are not sponsored by national employers.

⁴⁶ Refer Annex 5 for more detail

expertise are shared with partners and enterprises have improved and sustained access to the skills they need.⁴⁷

The **vision for APTC in 2030** is:

Over the next twelve years, APTC will take on an increasingly catalytic role. It will evolve from an Australian college directly delivering Australian qualifications to an enabling organisation that assists Pacific partners to provide their own internationally recognised training and achieve quality improvements in their institutions and systems. It will forge enduring pathways between skills development and employment in both national and international labour markets. A transformed APTC, with a primarily national workforce working in politically smart ways, will be agile, responsive and entrepreneurial. It will build coalitions with like-minded reform champions including peak industry bodies, the private sector and training institutions to advance locally led TVET reform. It will foster greater coordination, collaboration and harmonisation of Australian support. By 2028, the APTC will be recognised regionally and globally as a leading force in skills creation carefully linked to skills mobility and as a highly successful example of sustainable international development.

Strategies

The broad strategies identified in the theory of change as ways to achieve the above outcomes signal a major change in APTC3's operations. Like the end of program outcomes, the strategies are mutually supporting and interdependent.

Support growth in the delivery of qualifications to Australian standards – This means APTC continuing to deliver Australian qualifications, providing a common internationally recognised standard across the Pacific. In the process of embedding APTC into Pacific systems it will increasingly also mean supporting TVET partners to play a role in this delivery. Practical ways to achieve this include maintaining registration with national regulatory authorities; assisting to lift the standards of national qualifications; facilitating more rigorous quality assurance processes; mapping national qualifications against Australian qualifications and ensuring gaps are addressed; promoting mutual recognition of Australian and New Zealand qualifications; and engaging in joint delivery. APTC3 should deliver more than 1,200 graduates each year with in-demand qualifications (including skill sets) to Australian/international standards. In addition, APTC3 reform efforts will assist local partner institutions to produce increasing numbers of graduates with quality assured qualifications.

*Collaborate on TVET system partnerships to achieve shared outcomes – leveraging co-contribution, mutual obligation and accountability*⁴⁸ – In the past, agreements with TVET partners have been predominantly one-way. That is, they have described the financial contribution to be made by APTC under various categories of assistance with little reciprocal obligation on the part of the partner or capacity to monitor performance. APTC3 envisages changes in this respect, based on shared commitment to enduring improvement and reform and a more business-like approach. Practical ways to achieve this include more robust upfront negotiations on mutually beneficial changes; creative ways of leveraging monetary and in-kind co-investment; greater emphasis on performance outcomes; capacity to withdraw further funding if performance milestones are not met; and greater contestability between countries and institutions for the available funding.

⁴⁷ Embedding is exemplified by the following features: training facilities are co-located with a training provider or an enterprise; facilities are jointly funded; equipment is jointly funded; equipment is jointly used by a training provider or an enterprise; training is jointly delivered; and, students can be issued dual (national/Pacific and Australian) qualifications

⁴⁸ This complies with Australian government policy as outlined in DFAT's 2014 *Making performance count: enhancing the accountability and effectiveness of Australian aid*. Key Target 7: Working with the most effective partners refers to designing and applying new systems to assess the performance of the aid program's key delivery partners and ensure stronger links between performance and funding. Pp. 9-10.

Work with reform-minded champions and through informal power structures to build consensus and coalitions for change – Section 3.2 describes the approach to thinking and working politically that will underpin APTC’s approach in this regard. Although the situation will be different in each country, APTC will have opportunities to seek out and support influential and like-minded stakeholders or ‘champions’ to bring about locally led development and reform. Over time it is envisaged that this capacity would gain momentum and impact. Practical ways to achieve this include greater delegation to APTC managers at the country level; greater efforts to coordinate the work of bilateral programs and other donors; more formalised structures to engage with these and other local stakeholders (such as DFAT Posts, enterprises/industry, TVET partners and national governments); and allocation of resources to support the coalescing of coalitions for change.

Principles

Six key principles provide a framework for the theory of change and the achievement of the end-of program outcomes (EOPOs). These principles are outlined in Box 3.2 referenced to the key EOPOs.

Box 3.2: APTC Theory of Change - principles and end of program outcomes

Principles	EOPOs
1. APTC’s operations are increasingly ‘embedded’ in Pacific TVET systems: <ul style="list-style-type: none">• movement away from enclave delivery• greater alignment with Pacific governments’ priorities for national economic growth and skills development• greater responsiveness and delegation to country level	2, 3
2. APTC programming trials, tests, learns and adapts to changing contexts	2, 3
3. APTC’s graduate supply ensures a net skill gain for Pacific Island Countries	1, 2
4. APTC is responsive to the needs of women, people living with disabilities and to other equity priorities	1, 2, 3
5. Australia’s regional and bilateral skills development efforts are harmonised	1, 3
6. APTC’s brand for quality is protected	1, 3

Assumptions

The theory of change is predicated on four key assumptions, outlined in Box 3.3.

Box 3.3: APTC3 Theory of Change - Assumptions

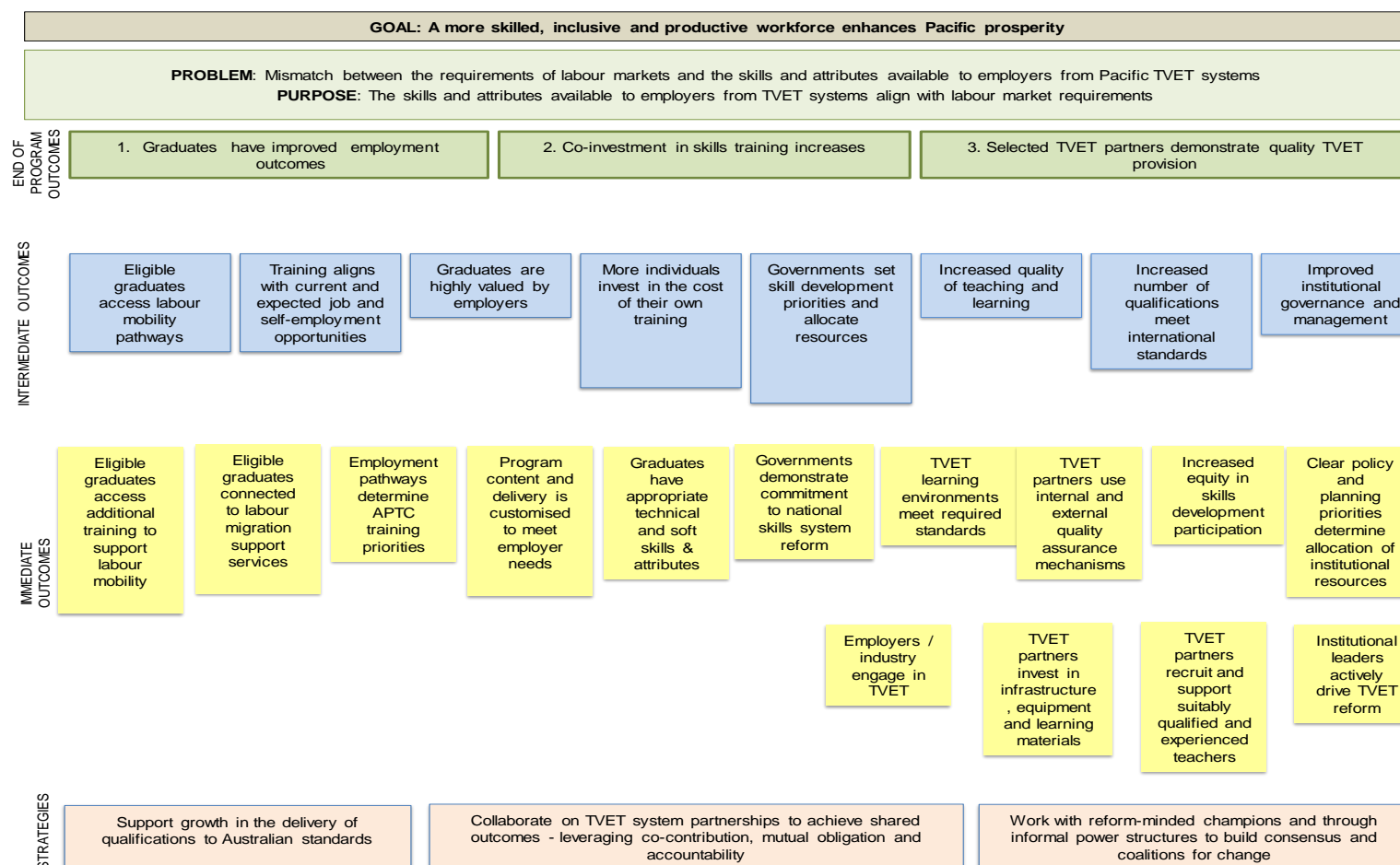
Assumptions
1. There is political and senior management commitment in Pacific countries to evidence-based reform of national TVET systems.
2. There is political commitment to Pacific Islander semi-skilled labour mobility by Australian and PIC governments.
3. Removing or reducing support to institutions not delivering on (or attempting to improve) quality is politically feasible.
4. Senior DFAT Post officials ensure increased complementarity of APTC and bilateral skills development efforts.

Design consultations explored the extent to which APTC3, through its actions, could effectively influence the assumptions – and reduce any risks they might pose to APTC3 achieving its intended outcomes. No real risks were evident from the Design consultations. However, the assumptions will

need to be monitored in APTC3 and, if necessary, problematic assumptions elevated to program risks and appropriate risk mitigation actions undertaken.

The APTC3 theory of change is shown diagrammatically in Box 3.4.

Box 3.4: APTC3 Theory of Change



3.2 Engagement approach

Overview

As outlined in section 2.1, the engagement principles and approach to this Design aim to align with the guidance provided in PESDA-2, particularly on changes required in how Australia's Pacific aid programs should operate. The five key PESDA-2 change principles (*italicised*) and a brief comment on how APTC will give effect to them in Stage 3 are provided below:

Sharper focus on the critical factors constraining improved student learning outcomes: The emphasis on APTC supporting selected TVET partners to demonstrate quality TVET provision (EOPO3) is central to this principle. This will occur by APTC moving away from enclave operations and becoming embedded in Pacific TVET systems through joint approaches with partner institutions. The sharing of expertise in training delivery and program content, improved access to better equipment and facilities, stronger links with employers and responsiveness to industry demand are all part of this shift and will see more qualifications meeting international standards. To address the need to prepare TVET teachers more effectively, a focus on teacher training is planned, starting in PNG and then extending to other countries. This will occur by utilising and partly re-purposing the existing PNG campus (refer Annex 5).

Think and work politically: Combined with the concept of political economy analysis (PEA), this will be a key principle of operation as APTC seeks to promote TVET reform in the Pacific. It is implicit in the strategy outlined in the theory of change '*work with reform-minded champions and through informal power structures to build coalitions for change*' and, because of its importance, is discussed in greater detail below.

Collective action: As a member country of the Pacific Islands Forum, Australia is well placed to advance the spirit of the 2014 *Framework for Pacific Regionalism*, which identifies **coordination, cooperation, collaboration** and **harmonisation** as four critical objectives.⁴⁹ The absence of these features is a critical constraint to TVET system improvement. Currently, there are no effective policy, institutional or financial incentives for Pacific education stakeholders to collaborate on problem-solving, build coalitions for reform or foster opportunities for collective action to address the complex skills development challenges facing the region. Except for Nauru and Tuvalu, there are bilateral TVET programs in all countries within a redefined sphere of activity for APTC3 (refer section 4.1).⁵⁰ However, there is no consistent or Pacific-wide approach to ensuring the coordination and integration of bilateral and regional (APTC) programs, leading to the risk of inefficiency, duplication and even competition. As noted in the Design consultations, there is scope for much greater cooperation in this regard, both strategically and operationally.

The Design envisages greater coordination of and the capacity for collective action by all Australian and Pacific stakeholders in TVET reform, including a country-level mechanism for this to occur (refer section 4).

A longer-term view of education reform/improvement: The Design sets the scene for a fundamental shift from an 'enclave' direct service delivery approach (Australia Pacific Technical College) to an embedded approach that seeks to extensively engage with and support positive change within Pacific TVET systems (Australia Pacific Training Coalition). This reform is envisaged as gradual, occurring over the duration of APTC3 and beyond, taking into account the differences in country contexts and

⁴⁹http://www.forumsec.org/resources/uploads/embeds/file/Framework%20for%20Pacific%20Regionalism_booklet.pdf

⁵⁰ Bilateral funding is provided to support APTC places for Samoan citizens but there is no additional TVET/skills development program.

what is achievable, realistic and politically feasible in each. Time-lines and goals for reform are likely to be different in each case, calling for an open-ended, adaptive, and mutually agreed approach to the achievement of reform outcomes.

Change the donor-recipient relationship: A major change envisaged in APTC3 is the application of the principle of co-investment that is manifest in many aspects of the Design. The application of this principle is also explored in greater detail below.

Thinking and working politically (TWP) - Political economy analysis (PEA)

Embedding APTC successfully into Pacific TVET systems requires a commitment to understanding, as best as possible, the varied, complex and dynamic contexts in which APTC operates, including appreciation of different country realities, decentralising authority and adapting activities and methods to local contexts. Among the tools available to support this, Political Economy Analysis (PEA) can provide insights that will be crucial to more informed and effective programming.

A common definition of PEA is:

Political economy analysis is concerned with the interaction of political and economic processes in a society: the distribution of power and wealth between different groups and individuals, and the processes that create, sustain and transform these relationships over time.⁵¹

The use of political economy analysis has not always generated the desired impacts on development practice. As a result, there has been a shift from a narrow focus on conducting political economy analysis (principally at the design stage), to a broader set of practical considerations of ‘politically smart’ programming. Politically smart means being well informed of the political history, context and dynamics as well as being astute about the ways to achieve the best outcomes in that context.

The phrase ‘thinking and working politically’ (TWP) captures the pairing of the analytical aspects of PEA and the practical ‘politically smart’ operational aspects. TWP should underpin the strategic decisions made by APTC throughout the implementation of Stage 3.

As APTC3 shifts increasingly towards embedding its training within key partner TVET institutions, and increases its focus on supporting TVET systems strengthening and reform initiatives, so TWP will become increasingly important. The suggested approach for doing this is one of ‘proactive opportunism’, a term which is meant to convey an approach that is not simply responsive to existing opportunities, but also involves actively working to foster reform where opportunities exist or emerge. In the latter case, it will be particularly important to ensure that any reform process is locally led. This is to avoid supporting processes that may represent technical best practice, but as externally driven policy and technical assistance either fails to find any traction with those key stakeholders, or creates the appearance of reform without making much of a difference in practice. Locally led development means that there is a focus on issues and problems that are of importance to local stakeholders. It also means that priority is given to local leadership and local capacity in the search for solutions and approaches to TVET reform.

APTC has learned much about the incentives and motivations of its partners, enterprises/industry and governments in the first two stages and has sought to bring about change and reform where possible. However, this has not been in the structured way that is now envisaged. As APTC engages more actively in support of TVET reform it will build on the knowledge already gained to inform changes in strategy during the implementation period. In addition, DFAT and the Managing Contractor (MC) will need to

⁵¹ For example, Duncan, A., Williams, G. 2012. *Making development assistance more effective through using political-economy analysis: what has been done and what have we learned?* Development Policy Review 30:2

allow room to iterate, to acknowledge when things are not working and to change course, in a climate that supports an effective process of testing, learning and adaptation.

Annex 8 provides more detail on recent PEA thinking.

Change the donor-recipient relationship - co-investment and the future of scholarships

Current approach

APTC scholarships have two components. First, they cover the costs of training, which also includes assessment, learning resources, personal protective equipment/ uniforms and training consumables. From a student perspective, this is sometimes described as a fee waiver. Second, because APTC provides scholarships to applicants across fourteen countries, in only five of which training programs are offered, financial support is available to cover international travel, accommodation/living costs and medical insurance. While the costs of training are comparable for all applicants, the financial support to access training varies considerably across the fourteen countries.

This approach recognises that in a regional program where courses are only offered in specific locations, applicants outside of those locations should not be penalised for that reason. Consistent with this, the APTC website states that *‘There is a focus to provide support for regional and remote areas and for gender and disability inclusiveness.’*

The emphasis on scholarships in the past and the predominance of scholarship students has led to APTC gaining the reputation of being a ‘scholarship college’, an image and reputation that it will prove difficult to reverse. This is evident in the results of the APTC Graduate Tracer Survey Report 2016. Even though 98.9 per cent of graduates were very satisfied or satisfied (62.3 and 36.6 per cent respectively) with their studies at APTC and 97.3 per cent said they would undertake an APTC course in future, 92.8 per cent of these said they would do so as part of a scholarship and only 4.5 percent said they would pay for their course fees to obtain a place.⁵² Expectation of being able to access a scholarship is obviously well-entrenched. It has also had the effect of maintaining reliance on Australian aid.

APTC has been actively trying to increase the number and spread of fee-paying enrolments and advertises course fees that apply to non-scholarship recipients such as employer or government sponsored students or individuals willing to pay for their own tuition. These fees represent a contribution towards the cost of training and are still highly subsidised by the Australian Government. Where travel is involved, additional fees apply.⁵³ Incentives to encourage individuals to pay for their own tuition such as a guarantee of immediate entry have been introduced, but this carries more weight in countries where training is offered. In Stage 2, 21 per cent of enrolments were fee-paying and these were concentrated in two qualification areas. Increasing this percentage, achieving a more even spread of qualifications attracting fees and introducing more incentives for individuals, employers and Pacific governments to contribute to the cost of training are all critical challenges for APTC3. This is addressed in more detail in Annex 5.

Future Approach

After a decade of APTC making scholarships widely available, the donor-recipient relationship will change in Stage 3 through the application of the principle of co-investment to the provision of training places. As already highlighted, application of this principle means that the beneficiaries of the training - individuals, employers, governments or other donors – can be expected to contribute to the cost of training. This is especially the case since the cost of delivery is highly subsidised by the Australian

⁵² APTC Graduate Tracer Survey Report 2016, p. 20. (The Survey had a 50 per cent response rate – 1525 responses from 3054 surveyed),

⁵³ Note that another set of fees applies for applicants who are not citizens of Pacific Island Forum countries, but these enrolments account for only very small numbers.

Government and APTC has established an enviable reputation for quality. Preparedness to contribute is a test of true demand.

In practice this will mean placing more emphasis on attracting fee-paying/tuition paying enrolments, while still ensuring access for those students who need financial support to undertake training. To facilitate this process, it is proposed to de-link the tuition fee and financial support components of the current scholarship awards. These will be referred to as ‘tuition fees’ and ‘access bursaries’ respectively. The use of the term ‘scholarship’ will be discontinued.

Prospective students will be able to apply for an APTC-funded (i.e. fully subsidised) place, although the number of these places will decrease and become more contestable over time in favour of fee-paying/tuition-paying enrolments. Successful applicants for an APTC-funded place may be entitled to a tuition fee waiver and/or an access bursary depending on their circumstances. Importantly, access bursaries will also be available to selected fee-paying students. Otherwise, there would be little to no incentive for individuals other than those living in the country where the required training is delivered to pay fees.

This proposed approach will allow APTC to ensure access for rural and remote areas as well as for gender, disability and other special needs groups.

Discontinuation of the use of the term ‘scholarship’ by APTC will also avoid the confusion that sometimes arises with Australian Award scholarships available in the Pacific.

3.3 APTC’s role in supporting labour mobility

During the Design consultations, Pacific employers sought assurance of the availability of skilled workers domestically as labour mobility increases. Adhering to the principle of ensuring a net skill gain for Pacific Island countries, APTC3 will support this by establishing two tracks for APTC students: the domestic track and the labour mobility track.

The domestic track

The domestic track is for APTC students to service domestic labour market needs. This track also includes students who state that they do not want to migrate for work. Students in the domestic track will have full access to any APTC qualification currently offered by APTC, as many Pacific employers, especially those serving export markets, have a strong preference for their staff to gain Australian recognised qualifications.⁵⁴ However, the domestic track students will not be given any additional information about and support to meet labour mobility requirements.

A student committing to the home or domestic track means that an employer can be assured that the students they are sponsoring are not provided with the support that would help them to migrate. Where students are undertaking dual national and APTC qualifications, the national training provider can also be assured that the institution is meeting its obligation to the government as its funder and that, where required, it is only servicing needs of the domestic labour market.

The labour mobility track

The labour mobility track is for APTC students who intend to take steps to migrate in the next five years. The focus for the labour mobility track is on maximising the success of APTC graduates in meeting migration requirements, including access to Australian and New Zealand employers. Identifying the size of this cohort will allow governments and employers to assess the impact on domestic economies of the potential movement of people with specific skills. This will enable APTC and Pacific

⁵⁴ Examples are the preference for APTC graduates as chefs in the Fiji hotel industry, and manufacturers operating under stringent quality standards to meet the requirements of export markets in Japan and the USA. National construction firms also stated that they needed internationally qualified workers to meet building or other quality standards specified by an international contract.

governments to develop appropriate training responses to ensure that there is a net gain in skills for the Pacific domestic economies affected. The labour mobility track will also be a way of ensuring that there is a better gender balance in the opportunities available for women to move overseas for work.

The labour mobility track will only offer access to APTC qualifications that are eligible for migration and assessed to be in current demand, based on up-to-date information on current Australian and New Zealand immigration data on the occupations of skilled visas granted and information from employers. Students will be chosen for the labour mobility track based on having, or planning to have, the relevant employment experience required pre-qualification and/or post qualification in Australia or New Zealand for the occupation or occupations related to the APTC qualification they wish to pursue. Although the PLF will identify potential employers, students will be made fully aware of the fact that selection of the labour mobility track will not constitute a guarantee of employment or a tie to a specific employer. Strategies to ensure Pacific employers are protected against supporting students who do not in fact intend to remain in the country will need to be put in place.

The fact that APTC's core business is training (both direct delivery and TVET systems strengthening) should be the determining principle for the distinction between its role and that of the PLF. There are several ways in which APTC could assist in supporting the labour mobility track. These are detailed in Annex 5 (section 4) but include the provision of any specific/additional technical or soft skills and knowledge required in Australia; additional English language training required for migration purposes; and potentially some aspects of pre-departure training. APTC could also work with the PLF to invite interested Australian and New Zealand employers to visit the APTC campuses to see the quality of training infrastructure, meet instructors and students and to experience the quality of the training provided. Other ways to engage with Australian and New Zealand employers through contact with APTC could also be explored with the employers themselves.

However, intending migrants also need accurate and current information about different temporary labour mobility pathway options. These include visa options offering short-term work experience through seasonal work programs; medium-term employment options based on work in specific locations in Australia and New Zealand; and more general temporary skilled work options. It is anticipated that much of this information will be provided to APTC students in the labour mobility track by the PLF.

Ensuring a net skill gain for Pacific Countries

This principle addresses the assurances sought by some Pacific countries and Pacific employers that more labour mobility in the medium and long term will not result in a 'brain drain' of their skilled workforce, by encouraging too many of the few skilled workers they have to migrate to high-income countries.

There are three basic categories of occupations that need to be considered to identify issues related to brain drain and brain gain. These are:

- occupations in demand only in Pacific domestic labour markets
- occupations that are in demand in both Pacific domestic labour markets but also in demand in overseas labour markets
- occupations that are primarily or only in demand in overseas labour markets.

Annex 4 provides further information on strategies to manage these three types of demand and a method for ensuring APTC's graduate supply does indeed ensure a net skill gain for Pacific countries.

3.4 Gender, equity and social inclusion

For the purposes of this Design, gender, equity and social inclusion (GESI) is a conceptual framework that, in the context of APTC's role in the Pacific, encompasses:

- gender equality and mainstreaming
- equity and social inclusion including with respect to access for people living with disabilities
- access for people in rural and remote areas or without access to TVET training.

This framework is elaborated in Annex 6.

Whereas previously the APTC's GESI focus was mainly on access to training, in APTC3 it will increasingly also be on access to labour mobility opportunities.

Several policy documents and aid initiatives of the Australian government inform the approach to gender and social inclusion in APTC3, including:

- *Australian aid: promoting prosperity, reducing poverty, enhancing stability*:⁵⁵ - includes gender equality and women's empowerment as one of the six strategic investment priorities in Australia's aid program.
- *Gender Equality and Women's Empowerment Strategy*:⁵⁶ - sets out three pillars as investment and advocacy priorities: enhancing women's voice in decision-making, leadership and peacebuilding; promoting women's economic empowerment; and ending violence against women and girls.
- *Pacific Women shaping Pacific Development (Pacific Women)*:⁵⁷ - a major Australian Aid initiative promoting gender equality across the 14 Pacific Island countries.
- *Development for All (2015-2020): Strategy for strengthening disability inclusive development*:⁵⁸ - identifies education, training and skills development as strategies to enhance employability and improve the livelihoods of people with disabilities (PWD) to enable them to participate in and contribute to the economy.

Pacific TVET policy also specifically supports 'Higher levels of participation of women and other marginalised groups and those with disabilities and special needs' as a key area of policy and advocacy'.⁵⁹

Within Australian TVET policy, APTC operates under the requirements of Australian Registered Training Organisations (RTO) and must comply with the Standards for RTOs 2015. These Standards include the responsibility of providers to adhere to the principles of access and equity that are defined as:

*'policies and approaches aimed at ensuring that VET is responsive to the individual needs of clients whose age, gender, cultural or ethnic background, disability, sexuality, language skills, literacy or numeracy level, unemployment, imprisonment or remote location may present a barrier to access, participation and the achievement of suitable outcomes.'*⁶⁰

⁵⁵ <http://dfat.gov.au/about-us/publications/Pages/australian-aid-promoting-prosperity-reducing-poverty-enhancing-stability.aspx>

⁵⁶ DFAT (2016). *Gender Equality and Women's Empowerment*. <http://dfat.gov.au/about-us/publications/Documents/gender-equality-and-womens-empowerment-strategy.pdf> (on 10th February 2017).

⁵⁷ <http://www.pacificwomen.org/>

⁵⁸ DFAT (2015). *Development for All (2015-2020): Strategy for strengthening disability inclusive development*. <http://dfat.gov.au/about-us/publications/Pages/development-for-all-2015-2020.aspx> (access date 24 March 2017).

⁵⁹ RFTD, p.3

⁶⁰ Glossary, Standards for RTOs 2015, Australian Skills Quality Authority

In addition, a core unit in the Certificate IV in Training and Assessment (TAEDS402A - Use training packages and accredited courses to meet client needs) facilitates training to support access and equity. This means that APTC can ensure that both Australian and national teachers have or are able to acquire these skills.

APTC's record to date in gender and social inclusion has been creditable but requires expansion as proposed in Annex 6. The APTC Annual Report and Plan 2016-17 provides data at the time of publication which shows that the participation and success of women has been relatively constant over Stages 1 and 2.

Across all staff, 55 per cent were female and 45 per cent were male. However, females represented 45 per cent of total training delivery staff (Pacific Islander women 34 per cent) and 62 per cent of total support staff (Pacific Islander women 51 per cent). Over 73 per cent of all staff were Pacific Islanders.⁶¹

Females represented 40 per cent of all enrolments and 40 per cent of all graduates since 2007. In Stage 2, females represented 42 per cent of all enrolments and 41 per cent of all graduates.⁶² Consistent with the requirement to be responsive to learner needs, APTC has worked to remove barriers to female participation. Strategies include flexible training delivery; assistance for women to undertake traditionally male programs; ensuring a safe and secure training environment, cooperation with other training and employment programs specifically targeted at women; and provision of access Language, Literacy and Numeracy (LLN) and other bridging programs. Stage 2 also saw the introduction of more programs that were suitable for women.

The Annual Report also provides data on Stage 2 students selected by gender and social inclusion (students identifying as having a disability⁶³ and students from small island states) as shown in Box 3.5. It is noteworthy that the number of students with a disability enrolling in Stage 2 was a considerable improvement on Stage 1, where the numbers were small (less than 20 in total).

Box 3.5: Stage 2 students selected by gender and social inclusion

COUNTRY	FEMALE		MALE	
	Disability	SIS	Disability	SIS
FSM				1
Fiji	7		10	
Kiribati	1	127	1	210
RMI		6		17
Nauru		21		16
Niue		5		6
Palau		14		11
PNG	7		7	
Samoa	4		4	
Solomon Is	1		5	
Tonga				
Tuvalu	1	40	1	29
Vanuatu	7		2	
TOTAL	28	213	30	290

⁶¹ APTC Annual Report and Plan, 2016-17, p. 53

⁶² APTC Annual Report and Plan 2016-17, p. 21

⁶³ These students are sometimes referred to as students with special needs.

As is required under the RTO Standards, APTC ensures and publicises that its facilities include provision for people with disabilities where appropriate and according to Australian training package requirements. In cases of delivery on TVET partner sites this sometimes requires modification of facilities. Given that to date most students were existing workers already in employment, and because employment rates for people with disabilities in the Pacific are low, there are some limitations on the extent to which access for students with a disability can be improved. For example, only 14 of the total 58 were enrolled in the traditional Construction and Automotive trades. Physical capacity to demonstrate the required competencies can be an impediment to employment.

In accordance with Australian aid policy, APTC3 will ‘pursue opportunities for ambitious (*emphasis added*) gender equality outcomes’.⁶⁴ This means:

- continuing to promote equal representation of males and females in the student body and staff, including academic staff and middle and senior management
- ensuring a higher proportion of females are graduating and accessing employment opportunities domestically and in high-income labour markets
- allocating resources to achieve better outcomes for women where necessary
- promoting these outcomes with TVET partners, as appropriate.

APTC3 will also continue to ‘support skills training programs for people with disabilities to improve their ability to participate in the community and gain employment’ in accordance with Australian policy.⁶⁵

Although the numbers of fully subsidised places will progressively reduce, support for gender and social inclusion will be maintained. This also applies to people in rural and remote areas.

Annex 6 provides details on GESI targets and strategies proposed for APTC3. They relate to entry (enrolment), completion (graduation) and non-completion of both DFAT subsidised and fee-paying students; and improved employment outcomes. Also included is a strategy for addressing the barriers faced in relation to GESI outcomes.

3.5 Resources, costs and value for money

APTC3 has an indicative base budget of up to AUD192 million over six-years (2018-2024), which is consistent with Australia’s average annual level of investment in APTC for the past 10 years (c.a. A\$32 million per year). Implementation is expected to start in July 2018 and be in two phases of three years each. Continuation into the second three-year phase, and the scope of work required, will be based on a joint Government of Australia (GOA) / Pacific partner review of APTC3 performance and future Pacific partner needs, to be conducted in year three.

There will be two main (inter-linked) streams to APTC3’s work, namely: (i) continuation of its direct training delivery role, although with greater emphasis on improving APTC graduate employment outcomes and employer satisfaction; and (ii) progressively increased focus on supporting key TVET institutional partners to improve the quality of their TVET provision, combined with support for coalitions for TVET systems reform. Over the six year period of APTC3 implementation, the first stream of work (direct training delivery) is expected to be progressively embedded in partner TVET institutions (joint training delivery, co-investment, shared facilities, etc.) and the direct costs to APTC reduced, while the second stream of work (TVET systems strengthening) will be given increased focus (and funding).

⁶⁴ DFAT (2016). *Gender Equality and Women’s Empowerment*, p.15f

⁶⁵ DFAT, *Development for All 2015-2020*, p. 21

In the longer term, it is therefore anticipated that APTC will no longer be operating as a stand-alone technical college, and (as appropriate) will have succeeded in integrating its training operations into those of the relevant national partner institutions. Depending on need, APTC may then focus on being an ongoing source of technical advice and support to Pacific partners for TVET systems improvements and quality assurance as well as working with coalitions for reform.

The implications of planning for and managing this transition over time are multifaceted. APTC is currently set up as a training college. It has an organisational structure, staffing complement, systems and facilities in place to develop and deliver high quality training programs, manage student enrolments and welfare, market and promote the APTC training brand, develop commercial opportunities, continually review and update training program quality and relevance, etc. The structures and systems in place have been incrementally developed and improved over the past ten years. APTC now has a staffing complement of around 188 people (not including in-Australia support), and in 2017 is delivering a total of 33 different training courses across five countries. This is a complex and time consuming management task, requiring significant back-office support.

In preparing cost estimates for Stage 3, the starting point has been to work with APTC's own 2017-18 budget estimates, and then assume that a similar volume (and type) of resources will need to be provided for the first three years of APTC3, if APTC is to continue in its direct training delivery role, and produce a similar number of graduates, during this period. From year 4 onwards, the costs of direct training delivery and student support have then been reduced incrementally by 10 per cent in years 4 and 5, and 20 per cent in year 6. This assumes increased co-investment over time (including for tuition fees), a lower volume of direct training delivery provided solely by APTC, higher quality training being delivered by institutional partners (with APTC support), and a phasing out of APTC's direct training delivery function over time. Access bursaries have been maintained at a constant level from years 1 to 4 (APTC's average annual spend on scholarships over the past 7 years), and are then reduced by 20 per cent in each of the final two years of APTC3 based on the assumption that improved quality of TVET delivery by local partner institutions will reduce the need for overseas travel to attend courses. These access bursaries will in future be more targeted on promoting gender and social inclusion objectives (including for access of students from SIS, and other particularly remote or in need locations such as Bougainville).

In order to support APTC's greater focus on TVET systems strengthening, a new budget line has been included entitled 'TVET systems strengthening fund', and made up of two parts, namely Technical Assistance and Partner Grants. These funds will be used strategically to help partners to design and test small and relatively low cost TVET systems strengthening / reform initiatives. It is envisaged that the grants will help incentivise partners to take reform initiatives, and also be used as a way to further leverage co-contributions (colloquially, to put 'skin in the game').

With respect to value for money (VfM) considerations, it is clear that APTC directly delivered training is expensive when compared with per graduate costs of other TVET providers in the Pacific and in Australia. For example, 2015-16 APTC's total expenditure was \$31,677,710⁶⁶, and there were 1,259 enrolments, yielding an average all-up cost per enrolment of \$25,161. However, APTC training is recognized as being of significantly higher quality than that provided by most other Pacific providers, and the high costs are for the most part a simple function of the nature of the operation to date (multiple training sites, Australian accredited training courses, high cost structures in some countries, limited economies of scale, etc.). Also, over the past ten years, APTC has made some significant reductions in personnel costs, with the proportion of expatriate staff reducing from 81 per cent in the first phase, to 30 per cent in the second phase, and to around 20 per cent as of early 2017. APTC has also delivered unquantified benefits, such as in setting a recognised benchmark for quality TVET training in the Pacific.

Based on previous VfM analysis, a major factor in whether or not APTC can be considered good value for money is the migration rate of APTC graduates (e.g. if more APTC graduates secure more highly paid employment overseas, this significantly increases the program's internal rate of return (IRR) estimates). Additional focus is therefore given in Stage 3 to supporting labour mobility opportunities where clear employment pathways exist.

Going forward in to Stage 3, the options for increasing APTCs VfM (in addition to increasing the number of graduates securing overseas employment) remain the same - to improve cost-effectiveness and/or increase revenues, for example by:

Maximising the cost-effectiveness of APTC's operations:

- a) reducing the number of tuition fee waivers
- b) increasing the levels of monetary and in-kind co-investment (resulting in cost savings to APTC / GOA)
- c) increasing student-teacher ratios and class sizes, greater use of online and blended learning, and /or double-blocking
- d) further nationalisation of APTC staff, including in middle and senior management roles⁶⁷
- e) ensuring the most cost-effective employment terms and conditions are applied for APTC staff.

Increasing APTC revenue:

- a) increasing revenue from tuition fees
- b) increasing and diversifying revenue from fee-for-service activities

It is also important that future VfM analysis incorporates an assessment of the TVET systems strengthening benefits of APTC3's work. By demonstrating a positive contribution to TVET systems improvements, and putting a value to these benefits, APTC3's future VfM could be substantially enhanced.

⁶⁶ Excluding the European Union Support to the Sugar Industry Program

⁶⁷ Refer also Annex 5.

4 IMPLEMENTATION ARRANGEMENTS (How?)

4.1 APTC governance and management arrangements

Dimensions of APTC governance and management

Being a regional aid program, multiple dimensions apply to the internal governance and management arrangements for APTC. These are summarised in Box 4.1.

Box 4.1: APTC Governance and Management Dimensions

GOVERNANCE/MANAGEMENT DIMENSION	CURRENT STATUS
1. DFAT management of APTC's contract	- currently managed from Fiji DFAT Post
2. The role of the APTC Board	- first meeting of new Board held March, 2017
3. The role of APTC's managing contractor	- TAFE Queensland
4. The role of the regional head office of APTC	- based in Suva
5. Arrangements at the individual country level	- vary according to size and presence or not of a country manager/office

For the purposes of APTC3, several changes to the current arrangements are proposed.

DFAT management of APTC's contractual obligations

The management of APTC's contractual obligations will be led from Canberra with liaison and follow-up at country level as required. This is consistent with the inclusion of the Assistant Secretary of the Pacific Aid Effectiveness and Advice Branch as a member of the APTC Board. The Branch's Performance Oversight and Improvement function will be well positioned to promote a coherent approach to the operations and performance of both APTC and the bilateral TVET programs. It supports the concept of greater devolution of authority to the country level as well as a less prescriptive and operationally monitored contract. There will also be capacity to facilitate close cooperation with the PLF that will be based in Australia. This transfer of lead responsibility has been supported by the current Fiji High Commissioner.

The role of the APTC Board

The recently re-constituted APTC Board is in accordance with a recommendation of the 2014 Independent Review of APTC. The fundamental responsibility of the APTC Board is to provide advice to DFAT and to APTC management on the strategic direction and performance of the APTC, but its role does not constitute a governance role or a delegation by DFAT of its authority or responsibilities.⁶⁸ The APTC Board cannot itself allocate funds or administer programs of support. Details are articulated in the APTC Board Charter.⁶⁹ Since the new Board needs time to become fully established, no immediate change to the role or composition of the Board is envisaged, subject to a review to be held in 2021.

The role of APTC's managing contractor

The 2014 Independent Review of APTC recommended the move to a single RTO and this was implemented as part of Stage 2Ext. The changes proposed for Stage 3 which will see APTC move away from its focus on direct delivery do not necessarily imply exactly the same arrangements, although linkage to an RTO and efficiency of RTO arrangements will still be paramount. The open tender process for the APTC3 contract will test this issue.

⁶⁸ The APTC Board does not have a role under the Public Governance and Accountability Act (2013).

⁶⁹ <https://www.aptc.edu.au/images/News/Feb2016/APTC-Board-Charter.pdf>

The role of the regional head office (RHO) of APTC

The 2014 Independent Review recommended shifting the APTC RHO from Nadi to Suva to establish a more consolidated presence and profile for APTC in Fiji. This was implemented as part of Stage 2Ext, has proved successful and will therefore continue.

Arrangements at the individual country level

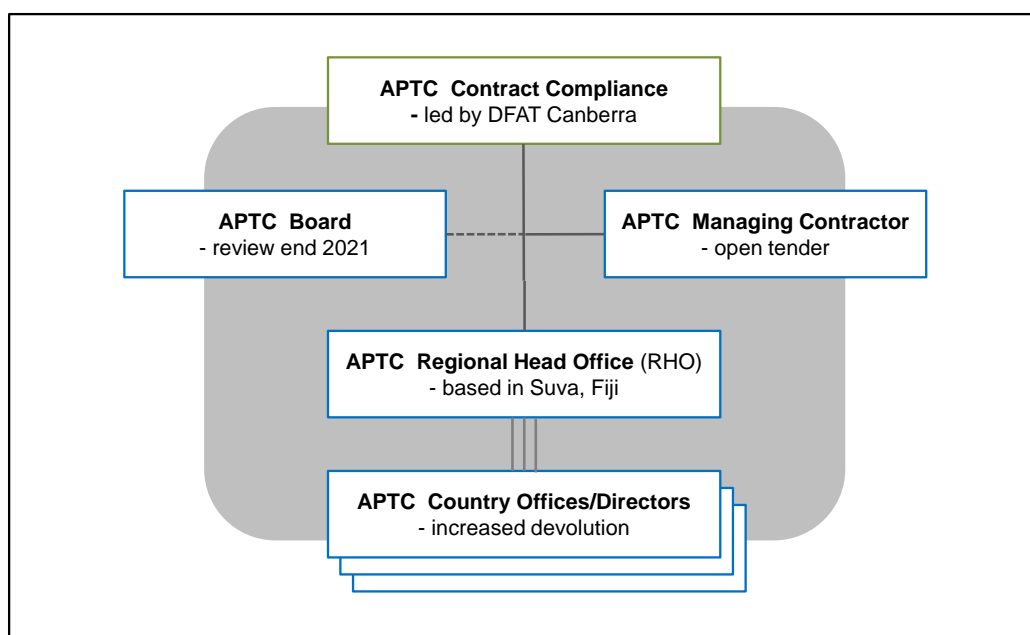
The Design envisages greater delegation by the RHO to the country level to better cater for the individual circumstances in each country and to facilitate a more active role for APTC in promoting and supporting TVET systems reform. This will require a more strategic focus and capability at country level. With this different role, it is proposed that Country Managers be replaced by Country Directors and become part of the APTC executive management team. Further details are contained in Annex 5.

Further, in the past, APTC has distinguished between ‘campus countries’ and ‘non-campus countries’, reflecting the fact that it has a country office and training facilities – to a varying extent - in the five more populous countries of Fiji, PNG, Samoa, Solomon Islands and Vanuatu, but not in the smaller countries. Consistent with the proposed shift away from enclave operations and reduced emphasis on direct training delivery, this terminology will be discontinued in APTC3.

For APTC3, instead of campus (or non-campus) countries and Country Managers, the Design refers to countries with APTC Country Offices and/or Country Directors and those without.

The proposed future APTC3 management arrangements are depicted in Box 4.2.

Box 4.2: APTC3 Governance and Management Arrangements



Country-based management: APTC’s future sphere of activity

APTC’s initial sphere of activity was based on the fourteen member countries of the Pacific Island Forum. This remained unchanged in Stages 1, 2 and 2Ext although the level of engagement with APTC varied considerably. It is intended that APTC’s sphere of activity be reduced in Stage 3, to no longer include the Micronesian states, Cook Islands and Niue, reflecting the following considerations:

- As the most populous countries, Fiji, PNG, Samoa, Solomon Islands and Vanuatu account for most of APTC’s activity.
- TVET bilateral programs in Kiribati and Tonga also involve ongoing engagement with APTC.

- Residents of Kiribati, Nauru and Tuvalu have access to the Microstates visa. Signed Memoranda of Understanding also give them first access to the Pacific Labour Scheme, enhancing labour mobility opportunities for their citizens in Stage 3. It is therefore critical that these three countries remain within APTC's sphere of activity so that these opportunities can be maximised.
- Among the other small island states, the Republic of the Marshall Islands (RMI), the Federated States of Micronesia (FSM) and Palau have much closer links with the USA while the Cook Islands and Niue have long-standing links with New Zealand. Scholarship application data also shows that the involvement of these five countries with APTC has always been relatively small (7 per cent of all applications over Stages 1 & 2) and declined in Stage 2 (less than 5 per cent of all applications).⁷⁰

Against this background, APTC's sphere of activity for Stage 3 will be defined as Fiji, Kiribati, Nauru, PNG, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu (9 countries in total). Fiji, PNG, Samoa, Solomon Islands and Vanuatu will continue to have APTC offices and the services that this entails, while the other four countries will remain integral to the achievement of APTC's end of program outcomes. In particular, special initiatives are likely to be required to support Kiribati, Nauru and Tuvalu to optimize labour mobility opportunities. Building of new APTC infrastructure is not envisaged. The remaining five states, namely Cook Islands, FSM, Niue, Palau and RMI will still have access to APTC training places – either fully or partly subsidised - but APTC will cease in-country marketing activities, seeking to identify the local demand for skills and other support services. To ensure these countries retain access to APTC, it is proposed in the medium term to provide a number of fully subsidised places together with access bursaries for which they have first preference. The number allocated will reflect past take-up rates.

4.2 Partnerships

As APTC seeks to foster co-investment, it will enter into a range of short and long term partnerships with TVET institutions, enterprises, industry bodies, bilateral programs, other donors, governments and, at times, various combinations of these stakeholders.

In the context of this Design, the use of the term 'partnership' relates to entering into agreements with Pacific TVET institutions and/or industry/enterprises to improve the quality of the **delivery of TVET training**.

Institutional Partnerships

In the first decade of APTC's presence in the Pacific the emphasis was on getting established; reaching agreements with Pacific organisations to use their facilities and where necessary upgrading them to meet the requirements for Australian VET accredited course delivery; delivering a specified quantum of high quality training; and identifying appropriate TVET partner institutions. In some cases this involved what was effectively a trial and error process, with some investments in partner institutions ending up as sunk costs. The partnerships were also limited to specific program areas.

Key partner institutions

End of program outcome 3 sees a more structured approach to institutional partnerships in Stage 3. The focus will be on APTC developing long-term partnerships with key higher performing, higher quality institutions with a demonstrated commitment to TVET reform, particularly in the countries where APTC has a country office (Fiji, PNG, Samoa, Solomon Islands and Vanuatu). These carefully selected 'key partner institutions' will be those with shared interests in TVET development and reform, so that any

⁷⁰ APTC Annual Report and Plan 2015-16, p. 36 and 85

financial commitment by APTC represents a sound and compounding investment over time. Initially there will be no more than one key partner institution per country, to avoid APTC spreading itself too thinly and to ensure the partnership can be properly managed and monitored. Depending on the size of the country and availability of funding, additional key partner institutions may be established over time, subject to the endorsement of the relevant DFAT Post, taking into account synergies with bilateral programs; and consultation with the relevant national government to ensure alignment with national priorities.

Criteria for selecting institutional partners

APTC has some existing arrangements with national TVET institutions that might be appropriately continued as key institutional partnerships. However, in keeping with competitive neutrality principles, this Design does not purport to specify which partnerships might apply in future or whether they be in the public or private sector. Rather, examples of the criteria to be used when selecting partners are outlined below. These need to be clearly communicated and the way they are applied would depend on the circumstances and resources available in each country:

- *Whole-of-organisation reform* – evidence of commitment to progressively implementing international standards in training delivery and management across the whole organisation
- *Co-investment* – evidence of commitment to funding or co-funding (monetary and/or in-kind), rather than relying solely on the contribution of APTC
- *Performance* – agreement to operate with performance targets and milestones and understanding that on-going evaluation will determine whether APTC funding continues or is re-directed
- *Enterprise/industry linkages* – evidence of efforts to increase involvement of enterprises/industry in program delivery and institutional management and to ensure responsiveness to demand
- *Dissemination* – commitment to sharing knowledge and expertise with other national TVET institutions.

APTC's role in these partnerships is to move away from the enclave approach and, over time, adopt an embedded approach to training delivery, exemplified by the following features:

- training facilities are co-located with a training provider or an enterprise
- facilities are jointly funded and jointly used
- equipment is jointly funded
- equipment is jointly used by a training provider or an enterprise
- training is jointly delivered
- students can be issued dual (national/Pacific and Australian) qualifications.

Ultimately, the aim is for the key institutional partners to become capable of being models of good practice training delivery and management for other national TVET institutions and able to complement or replace APTC in that role.

While the criteria described above apply to long-term key partner institutions, APTC will also have the option to enter into partnerships with public or private sector institutions where there is an identified demand in a particular program area or industry sector. These partnerships would be for a fixed period and be defined by short-term outcomes. In some instances, they may be better described simply as contractual arrangements. They might be used to both meet immediate demand and to test the potential for a longer-term arrangement or partnership.

Partnership management arrangements

APTC's practice with institutional partners to date of utilising Joint Management Committees (JMC) provides a good basis for the future. Under this model, each JMC comprises representatives from APTC at country level and the partner institution and is the primary formal mechanism for managing the TVET service delivery agreements with partner providers. Box 4.3 provides a generic role description for a JMC, based on current practice.

Box 4.3: Generic Role Description for a JMC

- The JMC is established to have oversight of the implementation of a partnership agreement
- Each party is represented by two representatives approved by the respective Chief Executive Officer (CEO)
- Both CEOs subsequently delegate decision-making to the JMC within relevant financial and non-financial delegations
- Approvals beyond local delegations are referred to the respective CEO of each organisation
- Nothing prevents the Parties from seeking third-party private, donor or bi-lateral investment funding which may complement or fund the resources being contributed by the APTC to the partnership.
- The JMC can consider and propose changes to the elements listed in the partnership arrangements if there is agreement on new and/or higher order priorities from time to time, provided that this can only be done within the existing budget and by approval of the two CEOs.
- The JMC will consult and communicate internally through every stage of the implementation, delivery and assessment of programs, industry engagement and all associated funding expenditure.

As the nature of partnerships deepen in Stage 3, joint delivery, joint ownership and use of equipment and facilities, approaches to joint qualifications, and other aspects of joint operations will all fall within the remit of the JMC. As relevant, JMC's will also engage with other stakeholders, such as those from enterprises and industry. This will make the JMC a port of call regarding operational aspects of TVET delivery such as the partner institutions' progress in meeting international standards in training delivery, avoiding duplication with other TVET initiatives or the availability of domestic and labour mobility tracks in specific sectors. It will also be a forum to discuss aspects of institutional strengthening such as governance & management, planning, industry participation in decision-making, quality assurance, financial management, student outcomes and the like. The JMC and the associated partnership agreement will need be adjusted over time to reflect the form and pace of APTC's transition over time from an 'enclave' to a programmatic mechanism to support Pacific TVET providers. With these changes in mind, inclusion of the DFAT Post in JMC operations could well make sense in some instances.

Other partnerships

While partnerships with other stakeholders are more likely to be short-term in nature, the description of the characteristics of institutional partnerships above are still generally applicable: mutual accountability; co-investment; response to demand; on-going management and evaluation; and dissemination of good practice. The practice of using Joint Management Committees may also have application to longer term training delivery partnerships with other stakeholders.

Country level Coordination

In keeping with the PESDA-2 principle of promoting collective action (refer section 3.2), APTC3 proposes arrangements for more effective coordination of TVET at the broader country level. Depending on the circumstances, this will occur through Joint Steering Committees (JSC), or similar title. There is no strict formula for membership, but JSCs would ideally be chaired by an appropriate senior partner government official and/or a senior official from the DFAT Post and include an appropriate combination of representatives of APTC at the country level, bilateral TVET, local TVET, national governments and industry/enterprises. Other donors might also be included where projects or policy drivers are relevant to TVET or skills development.

In some instances, where effective coordinating mechanisms are already in place at country level, the role of JSCs might be subsumed into these bodies.

The JSC will fulfil a range of coordination functions. What these might include in practical terms, is contained in Box 4.4.

Box 4.4: Indicative Roles for a JSC

As appropriate for each country, JSCs will:

- promote engagement of national governments in APTC's efforts with key institutional partners and the wider TVET system, including with respect to supporting the embedding of APTC into local institutions and systems
- help to ensure Australian assistance is as joined-up as possible, especially by facilitating better alignment between APTC as a regional program and the DFAT bilateral presence
- support efforts to deepen involvement of industry and enterprises in TVET and support agility in the response to demand signals for skilled workers coming from local, regional and international labour markets
- advocate for and monitor progress on labour mobility opportunities, including in relation to the achievement of a net skills gain for Pacific countries
- harness local intelligence on forthcoming donor or private sector funded infrastructure projects to advocate for on the job training opportunities for APTC students or employment opportunities for APTC graduates.
- provide a forum for consultation and a source of strategic advice to APTC on forward plans for their TVET systems strengthening support, including use of technical assistance and grants from the TVET systems strengthening fund
- advise APTC on existing or emerging risks that might impact on APTC's reputation for quality TVET delivery and systems support.

The frequency of the meetings will support the goal of flexibly managing APTC's reform facilitation efforts.

JSCs are particularly relevant for countries where APTC has a physical presence. However, in other countries DFAT Posts may still see merit in establishing a body akin to a JSC.

4.3 Coalitions

Although the terms 'partnership' and 'coalition' are sometimes used interchangeably, they have different meanings and implications for the purposes of this Design.

The term 'coalitions'⁷¹ is used to describe the formation and actions of interest groups in pursuit of **TVET reform**.

This involves a recognition that moving from a transactional approach to a transformational one, involves engaging with reform of the broader 'rules of the game' within which various stakeholders take action. This engagement with systems reform is envisioned in this Design as an important complement to APTC's role in direct training delivery and working with key partner institutions to improve the quality of their TVET provision. Hence, as briefly outlined in section 3.1, APTC will take an active role in identifying opportunities for and supporting coalitions of like-minded reform champions, aimed at advancing the overall the goal and purpose of APTC3.

⁷¹ The concept is well-grounded in the Thinking and Working Politically community where programs like DFAT's Coalitions for Change (CfC) in the Philippines, DFAT'S Pacific Leadership Program (PLP) and DFID's Nigeria Coalitions for Change (C4C) are seen as examples of the way in which donors can help facilitate the development and action of interest groups in favour of reform.

Stakeholder feedback during the Design consultations identified opportunities for reforms that are country-specific or which may have regional implications. This will determine the way they are managed – either at country level or from Regional Head Office.

In the first instance, until APTC acquires experience, expertise and credibility in the management of coalitions, it is anticipated that reforms will commence in a modest way, most likely at country level. This will vary from country to country based on the potential and opportunity for reform. For example, reform initiatives are part of bilateral programs in some cases and initiatives may already be underway in this regard. With their role of country-level coordination, the JSCs provide an important forum where these matters could be discussed and steps taken to avoid duplication. They might also provide a forum where new ideas for reform are tested. However, the decision to proceed will ultimately rest with APTC and, where resources are required, be funded from the TVET systems strengthening fund (refer section 3.5). Regular review of APTC's strategic engagement with country systems, namely candid assessments of what is and is not working, and what changes in direction might be necessary, in APTC efforts to achieve transformational institutional change, will be undertaken by DFAT and APTC on an ongoing basis, informed by, but independent of the broader JSC.

Key Considerations

Three key considerations need to be taken in to account in progressing the proposed coalitions for reform agenda for APTC Stage 3, namely: issue and reform selection; the nature of coalitions; and coalition management.

Issue and reform selection

The selection of potential system reform issues on which APTC might work in each country of operation will necessarily be informed by technical and political analysis in the transition phase and throughout the implementation period. Section 2.4 provides a starting point for considering these issues and operational criteria for determining which ones to proceed with are profiled in Annex 8.

The nature of coalitions

APTC-facilitated coalitions will be working to support reform in complex and dynamic contexts. An initial list of coalition principles to help maximize the chances of their success is suggested below:

- *Focused.* Working on a single issue enables a clear focus and simplifies membership
- *Flexible.* The nature of change processes is that they are unpredictable; the coalitions need to be responsive to needs and adjust as required
- *Strategic and outcome-oriented.* Coalitions need to be clear on what they are trying to achieve and focus on that objective
- *Problem-solving.* As problems arise, coalitions need to be able to resolve them and move on together in pursuit of their objectives
- *Opportunistic.* Not all beneficial strategic activities will be able to be foreseen – coalitions need to recognise opportunities as they arise, and take them
- *Constructive.* Coalitions need to respond to challenges constructively at all times to maintain positive relationships
- *Temporary.* Coalitions should exist only to achieve a specific objective; once it is achieved their work is done
- *Facilitated.* If coalitions are facilitated, it is easier to achieve considered approaches, resolution of disagreements, frequent decisions, financial management, and for the facilitator to take on some administrative load

- *Creative.* Particularly in the use of media to apply public pressure and educate the public, as well as in how to achieve the policy or implementation reform.

Coalition Management Arrangements

The diversity of contexts will require differences in the specifics of the approach and management arrangements from country to country. While a single model will not be applicable across countries, there are some key functions that will help promote efforts to effectively think and work politically in APTC's coalitions work. Management arrangements should:

- Support effective portfolio management at regional, country and issue level
- Facilitate the resourcing of transformational change alongside more transactional forms of development assistance
- Facilitate the development and use of local knowledge and networks to support reform efforts
- Facilitate the development and implementation of strategy in 'rapid' iterative cycles
- Adapt to changes in the emphasis of activities
- Have access to necessary advisory inputs

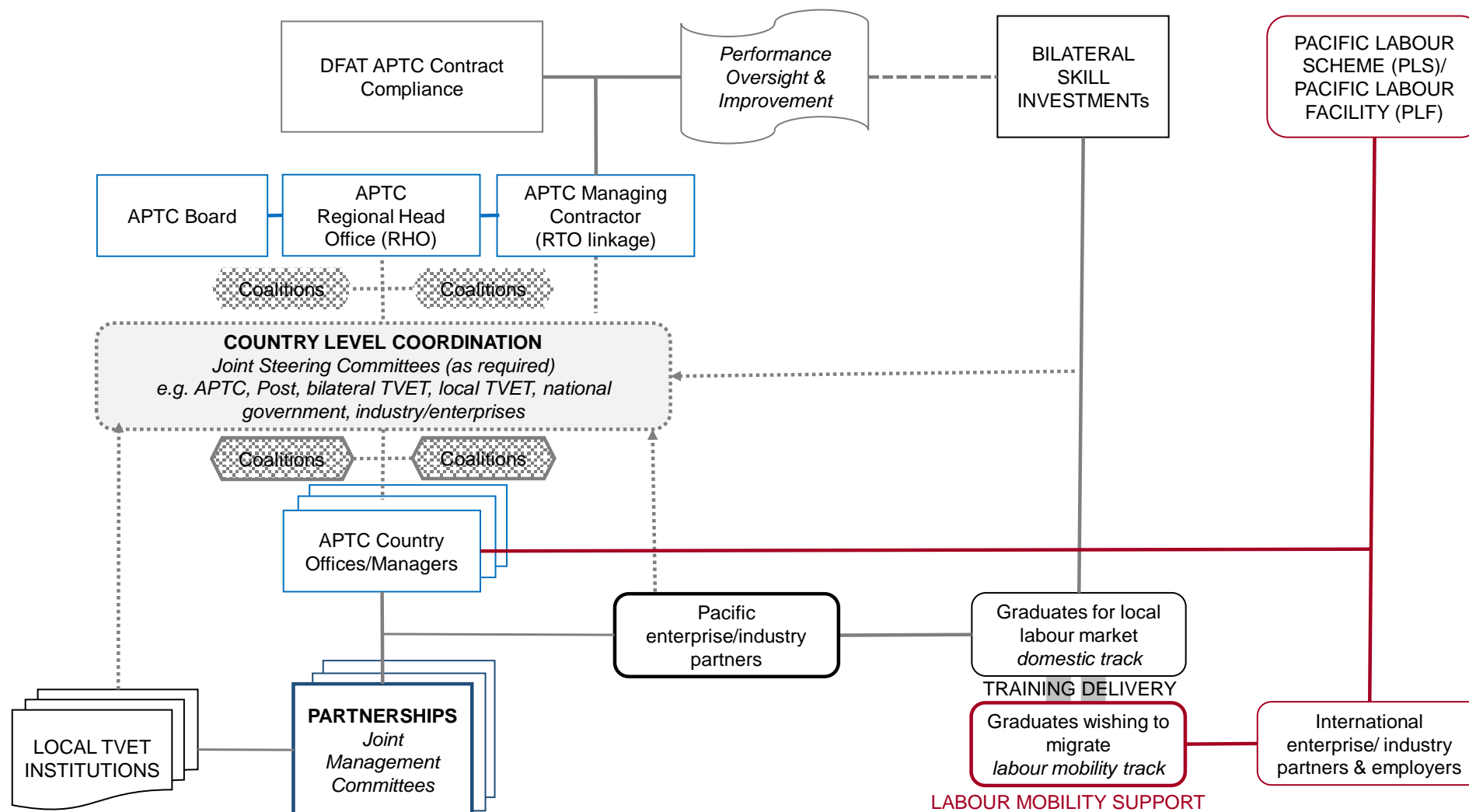
In addition to inclusion of the proposed TVET systems strengthening fund, other changes in APTC's core (management team) skills sets and ways of working will be required to ensure that APTC recruits the skills and expertise necessary to achieve the transformation envisaged in this Design. To this end, it is proposed that some duty statements will need to be reviewed and revised, and some new positions created. For example, under the current 'Executive Director for Strategy, Monitoring and Evaluation', a new Manager position could be created focusing on 'TVET reform'. Also, the current 'Executive Director for Training Delivery' might be retitled to include '...and TVET systems strengthening'. At the country level, new duty statements will likely be required as well as possibly an additional position (at least in some countries) to specifically focus on developing and supporting TVET systems strengthening initiatives and/or managing coalitions. Longer term, a comprehensive review of the organisational structure may well be required. Further details are contained in Annex 5.

The overview of the change process is shown diagrammatically in Box 4.5.

Further details on the implications this has for changed roles and responsibilities for key Australian participants in APTC3 are contained in Annex 11 and Attachment 1.

Box 4.5: Overview of the Stage 3 approach to the step change in Australia's engagement with the Pacific

Step change in Australia's engagement with the Pacific – including building on current labour mobility programs and investments in workforce skills development



4.4 Financial management and co-investment arrangements

Overview

The total DFAT financing requirement of APTC3 is estimated at up to AUD192 million over a six-year period (July 2018 to June 2024). The actual amount payable by DFAT will be partly determined by APTC's actual revenue, with higher revenues resulting in reduced need for DFAT funding. The entire amount will be financed from DFAT's own budget.

Fund channelling

DFAT funds for APTC will be channelled through the selected contractor for Stage 3. The contract will specify the basis of payment, including the scope and financial limitations for different categories of payment.

The APTC3 Design envisages the use of accountable grants to TVET partners to support mutually agreed systems strengthening or reform initiatives. The contractor will manage the application, allocation and acquittal process, including monitoring and evaluation of results in partnerships with recipient institutions. Joint Management Committees are likely to be the vehicle for this to occur. The contractor is expected to design and implement the grant allocation and management mechanism in year 1 of Stage 3 implementation.

It is intended that APTC3 revenues from tuition fees and fee for service arrangements will be paid into an APTC revenue account and be re-invested in APTC operations.

Procurement

Services from subcontractors will be procured and managed based on the principles of:

- value-for-money (through competition, transparency and selection methods that are appropriate to the procurement scale)
- ethical procurement practices (through documented, transparent and consistent processes)
- managing conflict of interest
- ensuring separation of duties to diminish risks
- due diligence (including background checks); and
- compliance with Commonwealth Procurement Rules, DFAT Guidelines, anti-corruption and fraud policy, etc.
- compliance with national procurement regulations

Auditing

The selected contractor will make provision for internal and external audits of APTC3 operations, in line with DFAT requirements.

Co-investment

Government partners and industry are expected to increasingly co-invest in APTC supported training and in strengthening national TVET systems. Other development partners may also wish to continue to support / invest in APTC supported training delivery and systems strengthening initiatives. Co-investment in APTC supported initiatives may take a variety of forms, for example:

- National TVET providers: Provision of access bursaries / payment of tuition fees for students attending TVET courses; provision / sharing of training facilities and equipment; provision / sharing of training staff; increasing investment in improving their own TVET facilities, staff and systems.
- Industry / enterprises: Payment of fee for service costs for APTC to deliver all or part of an agreed training package; provision of access bursaries (or equivalent) / payment of tuition fees

for employees staff to attend TVET courses; continuing to pay staff salaries during training – or granting leave without pay; provision of facilities, materials and equipment to conduct on-site training; participation in and support for national TVET systems strengthening initiatives.

- **Other development partners:** Payment of fee for service costs for APTC to deliver an agreed tailored training program; provision of access bursaries / payment of tuition fees for individuals to attend established TVET courses; joint investment in TVET systems strengthening initiatives.
- **Individuals:** Full or part payment of tuition fees.

Co-investment may therefore take the form of a financial payment to APTC (e.g. for tuition fees or fee for service for a whole training package), an in-kind contribution (e.g. provision of existing training facilities, equipment or staff to support joint training delivery), or an additional financial contribution to TVET system strengthening provided through the partner's own financial systems (e.g. as a co-investment linked to the provision of APTC support from the TVET system strengthening fund').

4.5 Monitoring, Evaluation and Learning

Purpose

The purpose of the Monitoring, Evaluation and Learning Framework (MELF) is to support **accountability** requirements, inform **decision-making** and **continuous improvements** in delivery, and help assess APTC's contribution to developmental **outcomes**.

APTC will therefore establish an overarching Monitoring, Evaluation and Learning Framework (MELF) that is able to:

- Provide accountability for the investment in APTC3
- Provide the information required to inform APTC's decision-making at the operational and strategic level, including meeting the requirements of the Australian Skills Quality Authority (ASQA) requirements and the needs of the labour market
- Provide information on the outcomes of training delivery, including employment, income and labour mobility outcomes of graduates
- Assess Value for Money (VfM) within a cost-benefit analysis framework on an on-going basis
- Learn and adapt from programming trials to strengthen selected TVET partners
- Provide evidence of instances of TVET systems reform initiatives with selected TVET partners, and more broadly at national and / or regional levels.

The MELF will be reviewed at inception and mid-term, and be adapted as required by changes in context, as well as in response to independent assessments.

Audience / information users

The audiences of the MELF, and the primary purpose of their information needs, are outlined in Box 4.6.

Box4.6: Audiences of the MEL Framework

AUDIENCE	WHO	INFORMATION NEEDS
	APTC	Accountability of fund allocation and meeting ASQA requirements Learning and continuous improvement in training delivery and outcomes and TVET strengthening and systems reform Investment performance and achievements towards EOPOs
	DFAT	Accountability of funds invested and value for money Learning and continuous improvement in graduate employment outcomes, pathways for graduates to work overseas and in strengthening selected TVET partners and systems reform (including lessons for bilateral TVET investments) Investment performance and achievements towards EOPOs
	Selected TVET partners	Learning and continuous improvement in quality TVET provision and outcomes Investment performance and achievements towards EOPOs
	National governments	Learning and continuous improvement in quality TVET provision, outcomes and systems reform Investment performance and achievements towards EOPOs and contribution to goal
	Regional organisations and other donors	Learning and continuous improvement in strengthening TVET provision, outcomes and systems reform Investment performance and achievements towards EOPOs.
	National and Australian employers	Investment performance and achievements in training graduates with the requisite technical and soft skills to meet employer needs and lift workplace productivity
	Australian public	Accountability of funds invested and value for money Investment performance and achievements towards EOPOs.

Criteria and Key Evaluation Questions

The Key Evaluation Questions (KEQs) contained in Box 4.7 align with DFAT Monitoring and Evaluation (M&E) Standards and the OECD Development Assistance Committee (DAC) criteria, including DFAT priorities such as cross-cutting issues. The MELF also incorporates DFAT’s guiding principles for VfM assessments, based on their “4Es” framework - Economy, Efficiency, Effectiveness and Ethics.⁷²

⁷² <http://dfat.gov.au/aid/who-we-work-with/value-for-money-principles/pages/value-for-money-principles.aspx>

Box 4.7: Key evaluation questions (KEQ)

Criteria	KEQ
Effectiveness	To what extent and how have (i) APTC and (ii) selected TVET partner graduate employment outcomes improved (EOPO 1)
Effectiveness & Sustainability	To what extent and how has there been increased co-investment in skills training offered by (i) APTC and (ii) selected TVET partner? (EOPO 2)
Effectiveness & Sustainability	To what extent and how have selected TVET partners demonstrated quality TVET provision? (EOPO 3)
Effectiveness & Sustainability	How effective have the transition arrangements been from a technical college to a training coalition?
Impact	To what extent and how has the APTC contributed to a more skilled, competitive and productive workforce enhances Pacific prosperity (GOAL)
Value for Money	How economic, efficient, effective and ethical has the APTC investment been?
Cross-cutting	To what extent and how has APTC promoted gender equality and social inclusion in access to training, employment opportunities and labour mobility, including for people living with disabilities?

Approach

The approach to MEL will be to develop a lean, efficient and fit-for-purpose MELF based on the APTC3 Theory of Change (ToC) and the DFAT Statement of Requirements (SoR) for the Managing Contractor (MC). The MELF will build on the Stage 2Ext M&E Framework and systems already in place, including APTC's Educational Management Information System (EMIS), Financial Management Information System (FMIS) and the systems required to meet ASQA audit requirements. These systems will mostly use and generate the required quantitative data. Lessons learned during APTC Stage 2 and recommendations from the independent review of APTC will also be incorporated.

The MELF will incorporate an increased focus on Value for Money (VfM) analysis. VfM will be an important aspect of reporting and will be measured primarily within the framework of a periodic cost-benefit analysis (CBA), taking into account the broad range of projected costs and benefits to all stakeholders affected by the investment in APTC.

The strengthening of selected TVET partners and TVET systems reform will also be of greater focus in APTC3, and will require a greater M&E focus at APTC country office level, as the TVET policy and systems context will differ from country to country. The MELF will incorporate rapid learning and adaptation from pilots/trials to strengthen selected TVET partners. This will draw on a developmental evaluation approach⁷³, with successful pilots informing national and regional TVET system reform initiatives. It will use mostly qualitative data; however, it is expected that systems strengthening benefits will need to be incorporated into VfM analysis, and therefore require some quantification.

⁷³ Developmental Evaluation (DE) is an evaluation approach to understanding change in dynamic and complex environments. DE facilitates real-time, or close to real-time, feedback to program staff thus facilitating a continuous development loop. See http://www.betterevaluation.org/en/plan/approach/developmental_evaluation

Ideally, the APTC3 MELF will provide a model that can be replicated/adapted by other Australian investments in TVET to provide consistency in performance reporting and to facilitate comparison between investments and benchmarking of outcomes. As such, it will form the basis for a repository for knowledge about Pacific TVET that can be widely drawn upon for information, analysis, practical implementation and research purposes. The APTC3 MELF will also provide a good practice model for selected TVET partners to adopt or adapt to help them better plan, manage, monitor and evaluate the quality of their TVET delivery and the employment outcomes achieved.

MELF Principles

The following principles inform the way in which the MELF should be planned and delivered:

- **Alignment with DFAT & International Standards:** the MELF will align with DFAT Standards 2 and 3, and reflect international Standards such as OECD Development Assistance Criteria (DAC)
- **Inclusiveness:** The MELF will engage and involve key stakeholders in the design, data collection, analysis and reflection. The MELF will include indicators to measure gender equality and disability outcomes, and rural/remote participation, specific to the sector(s) addressed by the investment
- **Responsiveness:** the MELF will need to be adaptable and flexible, able to respond rapidly to changes in context and information requirements
- **Lean and Efficient:** data collection methods will be consolidated and cross-referenced using a common student/graduate identifier to reduce over-surveying of students, alumni, and employers, and will be undertaken in a resource-efficient manner.
- **Partnership:** the MELF will support national M&E processes at selected partner TVET institutions and within national governments (e.g. using and improving existing systems and collection methods, and building M&E capacity) and involving national partners in analysing information, generating findings and making recommendations.

Implementation and resourcing

The MC will have the primary responsibility for the delivery of performance monitoring to meet ASQA and national regulatory requirements, and inform continual improvement of the training delivery and outcomes. This builds on the processes and management information systems already in place as part of Stage 2.

APTC3 will require a greater level of sophistication and independence in how data collection on outcomes is designed, collected and analysed to respond to the evaluation shortcomings identified in the APTC independent review (see Box 2.2).

APTC will engage independent specialists to provide high-quality evaluation (data collection design, analysis and reporting) capacity in the following areas:

- using tracer surveys to provide more information on the employment outcomes of graduates by qualification,
- identifying labour mobility opportunities based on graduate tracer survey results
- conducting a Value for Money analysis
- evaluating the TVET strengthening function.

The way the evaluation specialists are engaged (individually, or through an independent evaluation organisation, or other appropriate mechanism) will be determined by the MC. What is essential is that the MC can demonstrate the independence and relevant skills and experience to deliver on the specialist functions required.

The MC will work with the independent specialists to design a MELF that:

- sets out the strategy for data collection
- provides the methodologies and frameworks to analyse the data
- includes the data collection in a lean and efficient manner
- provides a reporting and improvement framework
- builds a dynamic repository for the purposes of knowledge management and sharing.

APTC will maintain a data collection function, and will work with the independent specialists to engage and distribute data collection tools (e.g. graduate tracer surveys) to inform employment outcomes and labour mobility opportunities, as well as remittances and other relevant economic benefits as part of VfM analysis.

The independent specialists will provide independent evaluation services to APTC on an annual basis (e.g. to analyse the annual graduate tracer survey and the employer survey), and as required for other reporting (e.g. longitudinal graduate surveys).

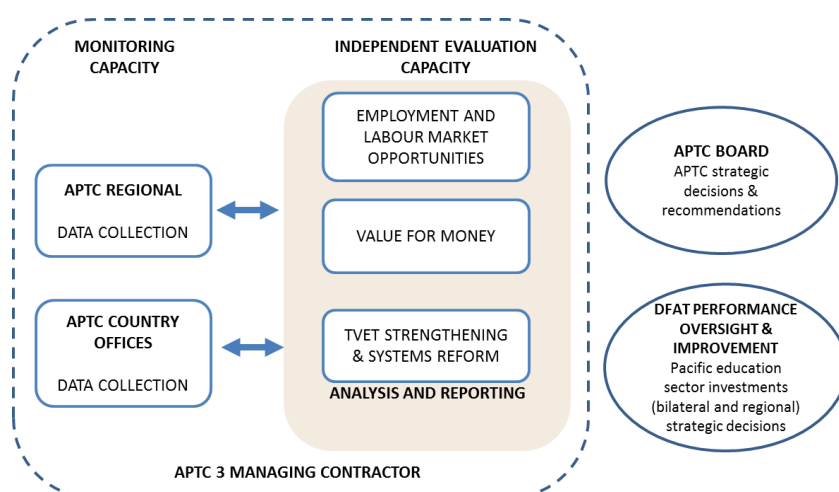
The independent specialists will ensure the relevant publicly available labour mobility information is analysed against APTC mobility outcomes and where required, engage through the APTC or directly with employers using case studies, interviews and focus groups.

With respect to TVET strengthening, specialist data collection tools and capacity building will be provided to support the monitoring of pilot projects to strengthen partner TVET institutions and carry out systems reform at the national level. The MC will need to demonstrate capacity in developmental evaluation to support this work.

The reporting undertaken by the independent evaluation specialists will inform strategic decision-making by the APTC Board and DFAT's Performance Oversight and Improvement (POI) mechanism.

The roles of APTC and the independent evaluation function are illustrated in Box 4.8.

Box 4.8: Allocation of monitoring and evaluation roles in APTC3.



The mid-term and final evaluation for APTC3 will be undertaken through separate contracts managed by DFAT, and funded outside the APTC core budget. The results and reports of the independent specialists contracted by APTC will be used to inform the midterm and final evaluation.

The independent evaluation specialists will be funded through APTC's M&E budget. APTC3 will require an increased investment in MELF, around 5 per cent of operational costs during the first two years of the investment, and tapering down to around 3 per cent by the end of the six years.

Data collection

Data collection methods and tools will build on methods described in the APTC Stage 2Ext M&E plan. The data collection needs for APTC3 will require new data (e.g. to better capture VfM) to be integrated into existing data collection systems to reduce duplication and over-surveying of students.

Data collection to monitor and evaluate the strengthening of selected TVET partners, and national and regional TVET reform more generally, will require a greater focus on qualitative data. Proposed data collection tools and methods are presented in Annex 9.

Reporting and communication

Reporting will be focused on providing the required findings and recommendations to meet the purpose of the MELF: accountability, continuous improvements, and investment achievements. Reports should be clear and concise and ensure that they reflect DFAT Standard 3.

APTC reporting to DFAT will include: **monthly** 'dashboard' reports; **six-monthly** progress reporting (mid-calendar year); and **annual** reporting (end-of-calendar year).

- Monthly reports will provide a summary of income and expenditure status, APTC's staffing complement, an update on any significant changes in operating context / risks; and an updated calendar of any key events in the following month;
- Six-monthly reporting (mid-calendar year) will focus on activity implementation and output delivery in relation to the work plan and budget, as well as progress reporting on partnership arrangements, political economy issues and risk management; and;
- Annual reporting (end-of-calendar year) will be primarily against DFAT's Aid Quality Checklist (AQC), also taking in to account the KEQ's as appropriate.

The independent mid-term review and final evaluations will be structured around the KEQs. The MTR will be scheduled in the middle of the third year of the first phase of APTC3 to inform revisions to the design for the second phase. Further details of the proposed MELF are presented in Annex 9.

4.6 Transition arrangements

Business Continuity

As APTC3 is subject to open tender, certain arrangements need to be put in place to ensure business continuity. These arrangements must take into account the possible risks to students, staff, current partner institutions and APTC's reputation, particularly as it relates to the timing of the new Stage 3 contract (planned to commence in July 2018), the end-date for current contracts (June 2018) and the cycle of the academic year. For example, the application process for APTC places will still apply in 2018. Steps need to be put in place to ensure that:

- the established routines of enrolment processes can be adhered to
- students are informed in advance of any changes to processes or time-lines for application
- any necessary staff handover arrangements are addressed.

The tender document will therefore require the tenderers to submit a business continuity plan as part of their tenders. Specifically, much effort has gone into recruiting, training and providing careers for national teaching and administrative staff. It is proposed that the Stage 3 contract include provisions

for all national staff to have their contracts renewed for one year with the ability to re-apply for the position after the contract expires. The same may apply for some key management staff.

Transition plan

By the end of 2024, it is envisioned that APTC will be well on the way to transition from being a technical college, planning and delivering its own suite of Australian accredited training programs, to being a facilitator of TVET systems strengthening and reform in the Pacific. This will require significant re-structuring of APTC operations over time, including its mission, organizational structure, skill sets, ways of working, partnership arrangements, and cost structures.

The required change management process will need to be iteratively planned and executed, taking account of the need for considerable flexibility in responding to the diverse and changing political and institutional dynamics impacting TVET systems development in each Pacific partner country. Thinking and working politically will need to become a key feature of how APTC3 operates.

Annex 11 provides further description of transition planning issues. Key points to highlight here, based on an adapted 3 horizons planning model, include:

Design: Up to end of June 2017

- The Design Team should continue to pro-actively communicate with key stakeholders during drafting and finalisation of Design. It is important that there should be no surprises in the final Design.
- Progress in establishing the Pacific Labour Facility should be tracked by the DFAT and implications for APTC3 Design scope taken into account.
- The APTC3 Design should not be overly prescriptive, given the difficulty in accurately predicting the required change management process at any one time, and the need for an increasingly flexible and adaptive approach to APTC work planning.

Procurement and transition to Stage 3: July 2017 to end of June (or December) 2018

- The key procurement and transition issue is its timing, particularly if a new contractor is selected to implement APTC3.
- An indicative timeline for the procurement process and then for transitioning staff, facilities, and systems to Stage 3 (assuming a new contractor is selected) is outlined in Box 4.9 below.

Box 4.9: Estimated procurement and transition timeline (assuming new contractor selected)

	Key steps in procurement and transition	2017						2018											
		Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1	Procurement																		
1.1	Final appraisal and approval of APTC3 design																		
1.2	Approval to proceed to tender																		
1.3	Preparation of RFT																		
1.4	Gazetting of RFT																		
1.5	Bids prepared																		
1.6	Bids submitted																		
1.7	Assessment of bids / proposals																		
1.8	Selection of preferred bidder																		
1.9	Contract negotiations																		
1.1	Contract signing																		
2	Transition (with new contractor)																		
2.1	Hiring /mobilising new APTC team members																		
2.2	Novating / re-contracting existing APTC staff																		
2.3	Transferring APTC assets																		
2.4	Transferring APTC systems																		
2.5	Planning of 2019 work / training program																		
2.5	Continued delivery of APTC 2018 training program																		

- If the above timeline is about right, it might be wise to consider extending the current APTC contract through to the end of 2018, to help ensure a smooth transition. If the same contractor is in fact selected, nothing is lost through taking this risk mitigation approach. Aligning the transition with APTC's annual training planning and delivery timetable (calendar year) also makes sense.
- The degree to which 're-alignment' of current APTC operations can take place (towards the scope of the new APTC3 Design) before the contract for Stage 3 is awarded will likely be limited. The current contractor is not currently resourced (or staffed) to increase its focus on TVET systems development in any significant way and has an ongoing schedule of training to deliver. Nevertheless, some areas of transition related work to focus on are outlined in Annex 11.

Implementation of Stage 3: July 2018 or January 2019 onwards

There will be an ongoing process of transition during APTC3 implementation – from Technical College to Training Coalition. Key features of this transition are anticipated to include:

- greater focus on the joint management and delivery of training, sharing of training facilities and resources, delivery of joint qualifications, increased levels of co-investment by government and industry stakeholders (in addition to tuition fee payment), and additional efforts to link eligible graduates to labour mobility pathways
- increasingly taking on a facilitating and advisory role in supporting partnerships and coalitions for reform, based on an adaptive programming approach (flexible and responsive)
- establishing and managing a TVET systems strengthening fund; and
- it is proposed that by the end of year 2 of APTC3 operations, draft transition plans will have been drawn up for each country where APTC has a physical presence, and for APTC3 as a whole that outline pathways to transferring APTC3 assets, knowledge products, and staff (as appropriate) to national institutions in the longer term. The plan(s) will also need to outline how APTC's organisational structure, staffing complement, and management systems will be reconfigured to support full transition from a Technical College to a Training Coalition.

4.7 Risk management and safeguards

APTC3 will comply with all DFAT policies and reporting requirements relating to management of risks and safeguards. A narrative summary of key risks is provided below, while Annex 12 provides a Risk Management Matrix, further detailing key risks, including ratings, potential impacts and actions required to mitigate risks.

Overall, the risk rating for APTC3 is considered to be moderate. Building on its established performance and reputation, APTC is expected to continue to provide high-quality TVET training with relatively little risk. However, APTC's ability to facilitate TVET systems strengthening and reform is as yet largely untested. There are many political and environmental factors outside APTC's control, and some significant risks that could negatively impact on achieving the desired systemic changes in quality TVET provision. The overarching risk mitigation approach will be to ensure APTC is flexible and responsive to changing needs and lessons learned, through adaptive programming and strong MELF and risk management systems.

Political economy risks

Moving increasingly to a TVET systems strengthening role poses significant new risks for APTC to manage. APTC's current institutional structure, staffing complement, management systems and ways of working will need to change over time, which will be a major change management task. Ongoing and effective communication with national and regional stakeholders will be critical to managing risks emerging from the change management process.

Pacific partner governments and their key TVET institutions have indicated in principle support for APTC playing an enhanced TVET systems strengthening role. However, they also generally place high value on APTC's current role in delivering high-quality work ready graduates, and setting a quality benchmark for TVET training for others to emulate and aspire to. Similarly, local industry would like to see improvements in national TVET systems, but highly value the quality of current APTC graduates. If APTC's shift in focus to systems strengthening support is seen to impact negatively on the scale or quality of direct training delivery, at least in the short to medium term, there may be reduced political support for APTC's new strategic direction. Expectations will, therefore, need to be clearly communicated, understood and pro-actively managed in order to help ensure APTC's brand is protected.

Policy and systems reform is generally complex, a long-term endeavour, and it is difficult to predict exactly how and when transformational change will occur. The challenges are even greater when it is an external agent (e.g. APTC) that is trying to influence such reforms. Identifying and supporting feasible reform initiatives will require taking a number of supportive steps. APTC in this new role needs to maintain a high level of trust with key partners, understand and effectively respond to political and institutional realities. APTC also needs to make well-informed strategic choices regarding which reform initiatives it supports and how. In all, APTC has to be able to respond flexibly to changing circumstances and the lessons learnt. This includes being able to withdraw from initiatives that are gaining little or no traction.

While Pacific governments respect the right of individuals to travel and work overseas, and some countries actively support such opportunities (e.g. recognizing the economic benefits that this can bring back to the country, such as through remittances), there are also countervailing forces both within Governments and, more particularly, within industry due to concerns about 'skills drain'. Within Australia, there are also different views on promoting labour mobility, which can change over time in response to economic cycles. APTC's messaging on its role in supporting opportunities for labour mobility will therefore need to be carefully crafted, responsive to changes in the political economy, and be context specific for different countries and interest groups.

APTC is only one element of DFAT's support to Pacific TVET and labour mobility, with its bilateral TVET programs and the Pacific Labour Facility being others. There are also other development partner programs working on these issues (e.g. EU, ADB and World Bank). Effective coordination of all related initiatives will be increasingly important, and DFAT must be resourced adequately to oversight and manage program synergies. Failure to do so would raise risks of duplication of effort, or worse, implementation of divergent or contradictory work programs.

Procurement and transition phase risks

Delays in the procurement process could occur due to late final approval of the IDD, delays in preparing tender documentation, delays in selection of the preferred bidder, and/or delays in contract negotiations and final contract signing. Late start up could impact negatively on the smooth transition of existing staff and systems, and thus on APTC's ability to meet partnership agreement commitments, including training delivery. Timelines will need to be carefully and pro-actively managed to mitigate the risk of delays in Stage 3 start up.

If a new contractor is selected for Stage 3 implementation, more time will be required for an effective transition into Stage 3. To manage this risk, it is proposed that early consideration be given to extending the current contract through to end of December 2018.

There is a risk that the APTC contract tries to over-specify APTC scope, deliverables, targets, resource management arrangements, reporting requirements, etc. - in the perceived interest of ensuring clarity and accountability. However, the success of this new stage of APTC will depend less on specifying pre-determined results and implementation pathways, and more on supporting an adaptive and iterative implementation process. The contract must, therefore, reflect this implementation approach, and be open to review and revision on a regular basis as required.

APTC3 implementation risks

APTC can only encourage, facilitate and support TVET systems strengthening in response to partner demand. Most of the critical determinants of the strength of TVET systems will be beyond APTC's control (e.g. budget, staffing, policy and systems, cultural and social norms). It is indeed quite likely that in some countries, and with some institutions, clear systems strengthening results will be elusive. To manage this risk, APTC will need to be appropriately resourced to develop and manage complex partnership arrangements, understand the incentives and dis-incentives for institutional reform, and be able to withdraw (or at least step back) from partnerships that are not working. The effective establishment and operation of Joint Management Committees and Joint Steering Committees will be critical to delivering on the anticipated systems strengthening outcomes.

APTC is expected to produce more than 1,200 graduates per year while reducing its waiver of tuition fees. APTC will also be relying increasingly on joint training delivery with TVET partners and increased co-investment from government and industry partners. These represent significant risks to the successful implementation of APTC's new strategic direction, given that increased co-investment cannot be guaranteed. The proposed two-prong approach will help mitigate these risks by maintaining a similar training delivery function and capacity for at least the first three years of APTC3, while increasingly investing in systems strengthening support. Providing good information on what happens to graduates by qualification will assist in improving employment outcomes and encourage individuals to pay fees. Adaptive and responsive programming will also be a key factor in management of such risks.

The systems strengthening support provided by APTC is envisaged to include the transfer of existing assets to partner / national training providers (at some point in time), as well as the provision of grants to support mutually agreed systems improvements. To manage the risk of misuse (or lack of maintenance of transferred or new assets), APTC will need to develop, manage, and monitor appropriate asset transfer and granting arrangements. Appropriate fraud management and control systems will, of course, also need to be in place.

The APTC3 Design envisages a greater decentralisation of decision making on TVET systems strengthening needs at country level. This, however, needs to be effectively balanced with the requirement for APTC3 to maintain a regional perspective, balance resource allocation across countries, and maintain quality assurance oversight. The primary way to mitigate such risks will be effective teamwork and communication within the APTC senior management team. Also important will be the ability of APTC to modify its working arrangements over time, including delegation of responsibility and accountability, in response to lessons learned and changing needs.

Gender and Social Inclusion risks

To date, APTC is generally considered to have a good track record in promoting and providing TVET opportunities for women and people living with disabilities, and also in providing such opportunities within its own institutional structure. However, the Design proposes strengthened GESI outcomes.

Adequate resourcing, monitoring and ongoing review of APTC's GESI strategy will be required to ensure these outcomes are met.

If the allocation of APTC- funded training places (tuition fee waivers) and access bursaries between and within countries is perceived to be inequitable, this is likely to lead to criticism of APTC by those who feel underserved and in turn undermine APTC's reputation. A clear policy is, therefore, required, which takes into account population size of each participating country, training needs, existing training providers / opportunities, demand for places, and social equity objectives.

Environmental and Social Safeguard risks

APTC poses no obvious or significant environmental risks.

Risks of workplace or workshop injury will need to continue to be proactively managed through full implementation of occupational health and safety standards. Security of staff and students must also remain a priority for APTC, and is of particular concern in some countries. Security risks must continue to be managed through implementation of security protocols appropriate to each country, procurement of security services as required, and ongoing staff and student briefings on existing or new security risks.

To prevent the risk of unethical or criminal behaviour by any APTC staff member, clear policies will be in place, disseminated, enforced and supported with ongoing training. Appropriate police and other due diligence checks will be carried out during the recruitment process. Employment contracts must incorporate issues such as child protection, and disciplinary procedures must be clear.

The Pacific is vulnerable to natural disasters, including tropical cyclones, and, in some locations, the impacts of seismic activity (volcanoes, earthquakes, and resulting sea level surges). APTC must continue to keep appropriate natural disaster response plans in place within each country.

Annex 1: APTC3 Design Terms of Reference

Background

The Australia-Pacific Technical College (APTC) seeks to provide Pacific Islander women and men with recognised and valued qualifications that present opportunities to find employment in domestic, regional and international labour markets. To this end, APTC delivers training leading to Australian qualifications in the automotive, manufacturing, construction, electrical, tourism, hospitality, health and community services sectors. APTC represents a significant investment in increasing the supply of skilled labour in the region. It is an important part of a broader economic growth agenda with strong links to labour mobility initiatives.

APTC commenced in July 2007 and has been delivered in two stages. The first ran the four years to June 2011 at a cost of \$149.5 million. The second ran for a further four years (\$152 million) and was subsequently extended for another three (ending in June 2018 and at an additional cost of \$96 million). More than 9,930 people have graduated from APTC campuses in Fiji, Papua New Guinea, Vanuatu, Samoa and the Solomon Islands.

Subject to an acceptable concept and design process implementation of the next APTC Stage 3 will be over the six (6) years from July 2018 to June 2024 including an option to extend for three years subject to satisfactory performance.

Objectives of the Assignment

The assignment aims to produce the investment concept for the third phase of the APTC, and associated documentation, to inform DFAT's decision making process on whether to proceed to the next phase of an investment design for APTC Stage 3.

The investment concept will be consistent with DFAT's aid programming guide (planning and design), investment concept good practice note and DFAT's M&E standards.

Scope of the Assignment

Overview of the APTC Stage 3 design pathway

The goal of the APTC Stage 3 design process is to set the parameters for APTC operations from July 2018 so that APTC can: (a) continue to make a substantial contribution to increasing the supply of skilled labour in the Pacific and; (b) by meeting the skill needs of individual women and men and domestic and regional labour markets, play an important role in fostering economic growth, poverty reduction and social equity.

The design process will contribute to:

- (a) recalibrating APTC's long-term vision;
- (b) refining its strategic direction and intent;
- (c) generating new options to strengthen its performance; and
- (d) maintaining its relevance beyond the end of current stage in June 2018.

The delivery of all activities, products and services will be informed by Australia's aid policy, the Pacific Regional Aid Investment Plan, the education strategy, the AASSO Deed of Standing Offer, and these Terms of Reference (and subsequent versions of them). In the execution of the design process, the Investment Concept will provide the strategic and guiding framework for the Investment Design.

The APTC Stage 3 design process will proceed in two steps. The first step will lead to the production of an Investment Concept and the second step, an Investment Design. DFAT approval of the investment concept will be required before the second step can proceed. The final investment design will form the basis for DFAT to procure the services of a Managing Contractor to implement APTC Stage 3.

Step One: Leading to an Investment Concept

A Design Reference Group will be constituted to provide high-level strategic advice and guide the development of the Investment Concept. The Design Reference Group will be comprised of independent experts pre-selected by DFAT, and up to two members of the Design Team and a DFAT Representative. Other experts may be co-opted, and specific analytical work commissioned, from time to time.

Guided by the deliberations of the Design Reference Group the APTC Stage 3 Investment Concept will be developed for DFAT endorsement. A revised Statement of Requirement and a Design Work Plan for the Investment Design will also be developed. The Design Reference Group will disband once the Investment Concept has been finalised.

Step Two: Leading to an Investment Design

Subject to DFAT's endorsement of the Investment Concept, and in line with the revised Statement of Requirement and a Design Work Plan, the second step of the design process will commence. This step will lead to a final Investment Design. The final investment design will form the basis for DFAT to procure the services of a Managing Contractor to implement APTC Stage 3.

Duration and Phasing

The design for the APTC Stage 3 will follow a two-step process. This assignment, the first-step, aims to submit the investment concept to DFAT's Aid Investment Committee (AIC) Secretariat meeting in September 2016. This is the key stop-go approval process required before proceeding to the formal investment design, i.e. step two of the APTC Stage III design process.

A draft timetable has been developed for both steps of the design process (attached). It will need to be updated to reflect inputs from the DRG, DFAT and other stakeholders.

Design Team Leader Role

Step One: Leading to an Investment Concept

1. Guided by the deliberations of the Design Reference Group, based on analysis and evidence, and with the assistance of other technical specialists if needed, the Design Team Leader will prepare the Investment Concept for DFAT endorsement (through the Aid Investment Committee at its meeting scheduled for 8 September 2016).
2. In the course of this first step, the Design Team Leader will also assist DFAT to update the Statement of Requirement and Design Work Plan, to describe in detail the activities to be undertaken and the services to be delivered in the second step, the investment design.
3. In developing the investment concept it is expected that the Design Team Leader and supporting specialists (e.g. Design Specialist) will:
 - a. identify the development problem and/or issues to be addressed, with rationale and evidence for Australian engagement, including a review of the options available to address each, outlining the major benefits and costs of each and why the preferred approach was selected;
 - b. consider how Australia's development policy intentions will be supported, including innovation and private sector engagement requirements;
 - c. make initial suggestions on the intended key outcomes expected and how the investment will contribute to higher level development outcomes;
 - d. conduct a preliminary assessment of the partnerships required to achieve these outcomes, including consideration of partner government and other stakeholder willingness to participate in and/or commit resources to the investment;
 - e. assess the feasibility of the various implementation options available;

- f. specify how engagement with the private sector will be approached during the design process;
 - g. identify critical risks that must be considered prior to proceeding to design or that must be assessed more closely during design;
 - h. identify further research or analysis requirements;
 - i. identify the key safeguard and crosscutting policy issues that will require analysis during design: (i) consideration of gender issues; (ii) an initial determination regarding staff positions working with or having contact with children; (3) environment policy and legal compliance issues, in particular the Environment Protection and Biodiversity Conservation Act; and; (iv) possible impact on Indigenous Peoples and Ethnic minorities.
4. The Design Team Leader will also:
- j. prepare for, attend and contribute to the Design Reference Group meetings;
 - k. undertake activity necessary to prepare a Draft Investment Concept, guided by DRG discussions (and others' analysis or specific inputs), revising it on the basis of DRG and DFAT feedback, and submitting it to DFAT for presentation at an Aid Investment Committee meeting;
 - l. prepare and submit a Key Design Issues Summary to DFAT outlining key outcomes of DRG deliberations and Aid Investment Committee (AIC) advice, in particular those elements that should be prioritised for consideration in the Investment Design;
 - m. prepare a Final Investment Concept based on feedback from the AIC;
 - n. assist DFAT finalise details of the second step of the APTC Stage 3 design, by contributing to the development of an updated and more detailed version of the Statement of Requirement; and
 - o. recommend the requirements for and lead the team of specialists contributing to the investment concept.

Step Two: Leading to an Investment Design

Details of the Design Team Leader's role will be provided following DFAT's acceptance of the investment concept and approval to proceed to an investment design for APTC Stage 3 informed by the Statement of Requirements and Draft Work Plan.

Reporting and Deliverables for Step One – leading to an investment concept

The Design Team Leader will be contracted through Scope Global as the Managing Contractor contracted by DFAT to support the design process. The position will work closely with the DRG, DFAT, other key stakeholders and Scope Global to satisfactorily produce the following:

- 1. Draft Investment Concept [anticipated July (initial) and August (final) 2016]
- 2. Investment Concept [anticipated September 2016]
- 3. Key Design Issues Summary [anticipated October 2016]
- 4. Design Work Plan [anticipated October 2016].

SUMMARY OF REQUIREMENTS

Table 1.1 sets out key design activities and deliverables in general terms only. While it includes some, it does not include all general coordination, administrative and oversight activities that the managing contractor would be reasonably expected to undertake under the Deed of Standing Offer.

Table 1.1: Summary of anticipated key design-related inputs and deliverables – indicative time-table

Requirement		Comment
	March 2016 <ol style="list-style-type: none"> 1. Managing Contractor undertakes key establishment and start-up activities. 2. Executive Officer provides input into coordinating, planning, and following up from Design Reference Group meeting. 3. Design Reference Group mobilised 4. Design Team Leader and Design Specialist attend and contribute to Design Reference Group meeting. 	<ol style="list-style-type: none"> 1. Any agenda items and papers to be considered will be submitted one week prior to DRG meeting. 2. An outline of the Executive Officer role is at paragraph 4.7
	April 2016 <ol style="list-style-type: none"> 1. The Design Team Leader and Design Specialist take forward any actions from the Design Reference Group meeting. 2. Design Reference Group mobilised 3. The Design Team Leader and Design Specialist undertake or commission data collection and analysis to inform the Draft Investment Concept. 	<ol style="list-style-type: none"> 1. Through DFAT, the Design Reference Group and the Design Team Leader may commission additional research or specialist technical inputs to these ends. 2. It is recognised that the Design Team Leader and the Design Specialist may need to visit one or two campus countries in the process leading to the development of Draft Investment Concept.
	May 2016 <ol style="list-style-type: none"> 1. Executive Officer provides input into coordinating, planning, and following up from, Design Reference Group meeting. 2. Design Reference Group mobilised 3. Design Team Leader and Design Specialist attend and contribute to Design Reference Group meeting. 	<ol style="list-style-type: none"> 1. Any agenda items and papers to be considered to be submitted one week prior to DRG meeting.

	<p>June 2016</p> <ol style="list-style-type: none"> 1. The Design Team Leader and Design Specialist take forward any actions from the Design Reference Group meeting. 2. The Design Team Leader and Design Specialist undertake or commission data collection and analysis to inform the Draft Investment concept. 	<ol style="list-style-type: none"> 1. Comments as per April 2016.
	<p>July 2016</p> <ol style="list-style-type: none"> 1. Executive Officer provides input into coordinating, planning, and following up from, Design Reference Group meeting. 2. Design Reference Group mobilised 3. Design Team Leader and Design Specialist to attend and contribute to the Design Reference Group Meeting. 4. Design Team Leader submits (initial) Draft Investment Concept to DRG for their consideration and to DFAT for AIC Secretariat consideration. 	<ol style="list-style-type: none"> 1. Any agenda items and papers to be considered to be submitted one week prior to DRG meeting. 2. DFAT will be required to submit a draft APTC Investment Concepts to the AIC Secretariat for quality assurance and comments two months before the AIC meeting at which the final version will be tabled.
	<p>August 2016</p> <ol style="list-style-type: none"> 1. Design Team Leader to submit (final) Draft Investment Concept to DFAT (anticipated submission deadline 25 August 2016 for AIC meeting on 8 September 2016). 	<ol style="list-style-type: none"> 1. DFAT is required to submit the (final Draft Investment Concept to the AIC Secretariat two weeks before the meeting at which it will be tabled.
	<p>September 2016</p> <ol style="list-style-type: none"> 1. AIC considers the (final) Draft Investment Concept at its meeting on 8 September 2016). 2. Design Team Leader Design finalises Investment Concept based on recommendations of the AIC. 3. Design Team Leader to assist DFAT by contributing to the revision of the Statement of Requirement (for step two) and development of ToRs for the balance of the Design Team. 	<ol style="list-style-type: none"> 1. A judgement of satisfactory performance will be informed by DFAT's Partner Performance Assessment and endorsement of the Investment Concept. 2. Should performance be deemed satisfactory, DFAT will exercise the option to extend and issue an amended Services Order covering step two of the design process.

Step Two: Leading to the Investment Design The managing contractor will efficiently provide a suite of coordination, technical, managerial, administrative, executive support and logistical services.	October 2016 1. Any amended Services Order covering step two is expected to come into force. 2. Team Leader submits Key Design Issues Summary and Design Work Plan to DFAT 3. Managing contractor engages balance of design team.	1. DFAT may set up an internal APTC Design Working Group to monitor progress leading to the development of the Investment Design: Amongst other things this group will consider: the Investment Concept, Key Design Issues Summary, Design Work Plan, Aide Memoire and Issues Paper, and the Design Overview.
	October 2016 – March 2017 The Design Team, under direction of the Team Leader, and consistent with the Design Work Plan, will: analyse documents, collect and analyse other data, undertake, field work, consult, and draw and test conclusions to inform the Investment Design.	
	March 2017 1. The Team Leader develops an Aide Memoire and Issues Paper for discussion with DFAT.	1. DFAT will convene an internal APTC Design Working Group to consider this paper.
	April 2017 1. In April 2017, the Team Leader presents Design Overview for discussion with DFAT.	1. The Design Overview will be presented to APTC Design Working Group (virtually) approximately 4ww before Draft Investment Design is submitted for Peer review.
	May 2017 1. Draft Investment Design submitted to DFAT for Peer Review (mid-May 2017). 2. Peer Review (late May 2017).	1. Draft Investment Design submitted two weeks prior to the Peer Review. 2. The Design Team Leader (and other Design Team Members as required) will attend (virtually) the Peer Review.
	June 2017 1. The Design Team revises the Investment Design based on Peer Review feedback and submits the final version to DFAT.	

Annex 2: People and organisations consulted

Background

Investment Concept Note

The Design preparation process commenced in early 2016 with the appointment of the Design Team Leader, tasked with the preparation of the Investment Concept Note (ICN) for APTC Stage 3 to occur in consultation with a wide range of Pacific and Australian stakeholders. Consultations related to the ICN consisted of:

- Two meetings of the **APTC Design Reference Group (DRG)** – an independent panel of experts with knowledge of skills development and labour market issues in the Pacific. Meetings were held in May and July, 2016.
- A **Field Visit** in July 2016 – the Design Team Leader and the Labour Mobility Specialist visited Fiji, the Solomon Islands and Papua New Guinea
- Ongoing input and feedback from senior DFAT staff and the Chair of the DRG/APTC Board.

Design Consultations

The Design Team undertook a four-week field mission in February, 2017. Nine consultants met in Fiji for the first week and then split into two groups. The first group visited Papua New Guinea, Samoa and Tonga while the second group visited the Solomon Islands, Vanuatu and Kiribati. Finally, a small group returned to Fiji to meet with the newly appointed APTC Board.

The consultants used three forms of consultation:

Strategic Dialogue – a high-level discussion in each country (hosted by senior DFAT Post officials) with 2-3 senior government officials (Ministers and Permanent Secretaries or nominees) of portfolios related to TVET. Conducting strategic dialogues in this manner was intended to foreshadow and lay the groundwork for ongoing future engagement with such senior officials. In addition, the importance of TVET's role in skills development and as a contributor to economic growth was able to be reinforced with senior DFAT officials and partner governments.

Stakeholder Forums – structured workshops for industry and government stakeholders, typically two per country, exploring desired future workforce characteristics, ways to achieve them and the potential role that APTC might play in the process. The aim was to gain insights into the types of change that local stakeholders viewed as being desirable; that have potential to make a considerable difference; and that are politically feasible and effective as well as technically sound. Forum participants were persons of influence in the various countries, selected for the roles they occupy and their ability and likely willingness to inspire and support successful implementation of change in TVET, both in the short and longer term. Utilising a consistent, structured approach to the consultations in each country facilitated comparison and synthesis of the outcomes of the Forums (refer 2.4).

Individual and small group discussions - While the above approaches were seen as central to obtaining the broad views of Pacific stakeholders, other groups and individuals of relevance to the Design merited specific consultation. For example, consultations took place with staff and students of APTC; staff of the individual DFAT Posts with TVET responsibilities; partner institutions; regional bodies; staff of TVET bilateral programs; individual employers and industry and employer groups; and other individuals and bodies with a stake in the future of TVET and APTC.

New Zealand

Finally, the Team Leader and the Labour Mobility Specialist visited New Zealand to gather information on developments in labour mobility and qualifications as relevant to APTC3.

List of persons consulted

The list of stakeholders consulted during the Design Team field mission and the New Zealand consultations is contained below. In some cases additional persons attended meetings and their details may not have been recorded. The Design Team regrets any inadvertent omissions.

First Name	Surname	Position & Organisation	Forum/organisation	Country
Mr Edward	Armstrong	Executive Director Corporate & Commercial Services	APTC	Fiji
Ms Nicki	Baird	Social Inclusions Adviser	APTC	Fiji
Ms Savenaca	Baro	Research Officer, Fiji Commerce and Employers Federation (FCEF)	Enterprise Forum	Fiji
Ms Carol-Anne	Blecich	Executive Director Strategy, Monitoring and Evaluation	APTC	Fiji
Mr Gordon	Burns	Counsellor, Regional Development Cooperation	Australian High Commission	Fiji
Ms Sarita	Chand	Business Development Manager, Austrade	Enterprise Forum	Fiji
Ms Asita	Chand	Fastkil (pest control)	Enterprise Forum	Fiji
Prof Rajesh	Chandra	Vice Chancellor	University of the South Pacific (USP)	Fiji
Ms Amy	Crago	Deputy High Commissioner	Australian High Commission	Fiji
Mr Christopher	Crocker	CEO, South Pacific Tourism Organisation (SPTO)	Enterprise Forum	Fiji
Mr Philip	Davies	CEO, Ministry of Health	Government	Fiji
Ms Lorraine	Evans	Director, Scubahire Ltd	Enterprise Forum	Fiji
Mr Russel	Fong	Butterfly Treats (Cakes, cupcakes)	Enterprise Forum	Fiji
Ms Carol	Fong	Butterfly Treats	Enterprise Forum	Fiji
Mr Philippe	Garand	F&B Manager, Holiday Inn Suva	Enterprise Forum	Fiji
Ms Neelta	Goundar	Consultant Price Waterhouse Coopers	Enterprise Forum	Fiji
Mr Mark	Halabe	Managing Director, Mark One Apparel	Enterprise Forum	Fiji
Mr Padric	Harm	Senior Program Manager, Bilateral Education	Australian High Commission	Fiji
Mr Nesbitt	Hazelman	CEO Fiji Commerce & Employers Federation		Fiji
Professor Nigel	Healey	Vice-Chancellor, FNU	Enterprise Forum	Fiji
Ms Sarah	Hemstock	Team Leader EU-PacTVET program	European Union	Fiji
Mr Irfon	Hussain	Fiji Commerce Commission	Enterprise Forum	Fiji
Professor Jannif	Ikbai	Chancellor, Fiji National University (FNU)	Enterprise Forum	Fiji

Ms Cathryn	Joyce	Director, Pacific Ocean Culture (aquaculture)	Enterprise Forum	Fiji
Mr Jaindra	Karan	Director, Development, Marketing & Communications	University of the South Pacific (USP)	Fiji
Mr Iliesa	Koli	Divisional Engineer Works, Ministry of Infrastructure and Transport	Government	Fiji
Mr Kaushik	Kumar	United Apparel	Enterprise Forum	Fiji
Mr Hasmukh	Lal	Director, Pacific TAFE, University of the South Pacific	TVET providers	Fiji
Ms Fantasia	Lockington	Fiji Hotels and Tourism Association	Enterprise Forum	Fiji
Mr Setareki	Makanawai	CEO, Pacific Disability Forum	Telephone Interview	Fiji
Mr Joave	Matanatoto	Engineer, Fiji International Telecommunications (Fintel)	Enterprise Forum	Fiji
Mr Salabogi	Mavoa	Associate Dean (TVET and transport) Fiji National University	TVET providers	Fiji
Ms Veronica	McCoy	Owner, Human Resources Development South Pacific	Enterprise Forum	Fiji
Mr Russell	McKay	Consultant in Planning, Design, Monitoring & Evaluation for International Development	APTC	Fiji
Ms Susan	Miller	HR Manager, Pacific Building Solutions	Enterprise Forum	Fiji
Ms Christina	Munzer	Counsellor, Development Cooperation Fiji & Tuvalu, DFAT	Australian High Commission	Fiji
Ms Christine	Munzer	Regional Program Director, Health, Education & Leadership	Australian High Commission	Fiji
Mr Niereoni	Muotululu	WEBC	Enterprise Forum	Fiji
Mr Satendra	Nair	Deputy Director, NTPC Executive Management & Hospitality Services, Fashion & Design	Fiji National University (FNU)	Fiji
Ms Tevita	Nakali	Manager Operations Fiji, Ixom Orica	Enterprise Forum	Fiji
Ms Ravisksha	Narayan	Group HR Officer, Pacific Building Solutions	Enterprise Forum	Fiji
Ms Carmel	Nee	Consultant	APTC	Fiji
Mr Suliana	Niurou	Country Manager Fiji, Dome Mines Ltd	Enterprise Forum	Fiji
Mr Warwick	Pleass	Director, Pleass Beverages	Enterprise Forum	Fiji
Mr Amit	Prasad	APTC Manager Finance (Pacific)	APTC	Fiji
Mr Prasad	Ranjini	BSP Bank	Enterprise Forum	Fiji
Mr Jone	Robanakadavu	Head, Fiji Vocational and Technical Training Centre for Persons with a Disability (FVTTCPD)	TVET providers	Fiji
Mr Jito	Rogoikorolevu	Training and Compliance, Fiji Sugar	Enterprise Forum	Fiji

Mr Marty	Rollings	Manager, Planning, Performance and Reporting	APTC	Fiji
Ms Suka	Salusalu	Prog. Officer, Fiji Commerce & Employers Federation	Enterprise Forum	Fiji
Ms Tina	Senioli	Program Manager (APTC), DFAT	Australian High Commission	Fiji
Mr Seru	Serivi	Fiji Performing Rights Association	Enterprise Forum	Fiji
Ms Dharmendra	Sharma	Digicel	Enterprise Forum	Fiji
Ms Amelia	Siga	Fiji Higher Education Commission (FHEC)	Enterprise Forum	Fiji
Ms Jodiann	Smith	Director, HR	FIJI Water – Natural Waters of Viti Ltd	Fiji
Ms Daphney	Stone	Manager Finance and Corp Services, SPTO	Enterprise Forum	Fiji
Mr Netani	Sukanaivalu	Businessman and former Minister for Education	Enterprise Forum	Fiji
Ms Kelera	Talega	Deputy Secretary Education, Ministry of Education	Government	Fiji
Mr Eremasi	Tamanisau	Fiji Performing Rights Association	Enterprise Forum	Fiji
Ms Nancy	Tikoisuva	Toganivalu Law	Enterprise Forum	Fiji
Mr Jonathan	Todd	Country Manager, Fiji	APTC	Fiji
Ms Mili	Toko	Businesswoman	Individual interview	Fiji
Mr Mike	Towler	Managing Director, PFD Fiji Limited (Performance Flotation Developments)	Enterprise Forum	Fiji
Ms Alumeci	Tuisawau	Director, Technology Employment Skills Training (TEST) Ministry of Education, Heritage and Arts (MoEHA)	TVET providers	Fiji
Ms Margaret	Twoomey	Head of Mission	Australian High Commission	Fiji
Hon Jone	Usumate	Minister of Labour	Government of Fiji	Fiji
Ms Milika	Waqanisau	Centre Director, Bright Little Ones	Enterprise Forum	Fiji
Mr David	Wedlock	Actg Director, Technical College of Fiji	TVET providers	Fiji
Ms Marian	Wilkinson	Exec Dir; Training Delivery	APTC	Fiji
16 APTC students & APTC graduates took part, names & qualifications supplied			APTC	Fiji
Ms Claire	Anterea	Member, Kiribati Climate Action Network (KirCAN)	KirCAN meeting	Kiribati
Mr Ray	Ash	Team Leader	ScopeGlobal Kiribati Institute of Technology (KIT)	Kiribati
Ms Raaku	Astaole	Senior economist, Ministry of Finance and Economic Development	Government & enterprise forum	Kiribati
Ms Tabotabo	Auatabu	Principal Social Welfare Officer	Ministry of Women Youth & Social Affairs	Kiribati

Ms Taare Uriam	Aukitino	Secretary of Labour & Human Resources Development	Government	Kiribati
Ms Eileen	Aukitino	Kiribati Coordinator APTC	Kiribati Institute of Technology (KIT)	Kiribati
Ms Loleina	Auriaria	Member, Kiribati Climate Action Network (KirCAN)	KirCAN meeting	Kiribati
Mr Teme	Baikarawa	Deputy Secretary, Ministry of Public Works and Utilities	Government & enterprise forum	Kiribati
Ms Erimeta	Barako	Assistant Program Manager, Health, Gender and Disability	DFAT Tarawa	Kiribati
Mr Lerevita	Biriti	CEO	Kiribati Chamber of Commerce & Industry (KCCI)	Kiribati
Mr Jason	Court	Deputy Head of Mission	Australian High Commission	Kiribati
Mr Lindsay	Davidson	Director Engineering, Ministry of Public Works and Utilities	Government & enterprise forum	Kiribati
Ms Kakiateiti	Erikate	Senior Programme Manager, Health, Gender and Disability	DFAT, Tarawa	Kiribati
Mr Tomitiana	Eritama	Senior Labour officer, Ministry Labour Human Resources Development	Government & enterprise forum	Kiribati
Ms Uritina	Etera	Second Assistant Secretary, Ministry of Commerce, Industry & Cooperatives	Government & enterprise forum	Kiribati
Mr Etekieru	Iotua	Captain	Kiribati Maritime Training Centre (MTC)	Kiribati
Mr Moemoe	Kaam	CEO, Kiribati Housing Corporation	Government & enterprise forum	Kiribati
Ms Taam	Kaiteie	Owner, Utirerei Motel	Government & enterprise forum	Kiribati
Ms Rooti	Kanee	Assistant Secretary, Ministry of Justice	Government & enterprise forum	Kiribati
Ms Tiene Tooki	Kanoua	Secretary, Ministry of Internal Affairs	Government & enterprise forum	Kiribati
Mr Natario	Kiati	Permanent Secretary, Ministry of Women, Youth and Social Affairs (inc. disability)	Individual Interview	Kiribati
Ms Rebecca	Lane	Second Secretary (temporary)	Australian High Commission	Kiribati
Ms Tiantoake	Maniana	HR Manager, Kiribati Port Authority	Government & enterprise forum	Kiribati
Ms Kaaro Harry	Neeti	Secretary of Education	Government	Kiribati
Mr Nanro	Ngutu	Second Assistant Secretary, Ministry of Fisheries Marine Resources Development	Government & enterprise forum	Kiribati
Ms Teerz	Raetiu	SRPDO, Public Service Office	Government & enterprise forum	Kiribati

Ms Tereao Teingiia	Ratite	Continuing & Community Education Manager	USP, Kiribati Campus	Kiribati
Ms Meere	Riwata	President, Kiribati Climate Action network (KirCAN)	KirCAN meeting	Kiribati
Mr Ron	Stalenberg	LTA, Junior Secondary School Reform	Kiribati Education Improvement Program	Kiribati
Ms Tioti	Tacitee	Second Assistant Secretary, Ministry of Education	Government & enterprise forum	Kiribati
Mr George	Teanako	Owner/Manager, Marys Motel	Government & enterprise forum	Kiribati
Mr Tamaroa	Tebaki	President	Kiribati Chamber of Commerce & Industry (KCCI), accountancy firm and shop owner	Kiribati
Mrs Aritita	Tekaieti	Senior Statistician, Census Commissioner	Government of Kiribati	Kiribati
Ms Baaua	Teribiraa	Deputy Director of Nursing, Ministry of Health and Medical Services	Government & enterprise forum	Kiribati
Mr Martin	Tofinga	Secretary Kiribati Chamber of Commerce & Industry (KCCI), consultant, project management		Kiribati
Ms Kautoa	Tongambeia	Director, Ministry of Foreign Affairs and Immigration	Government & enterprise forum	Kiribati
Ms Rine	Ueara	Vice Chair, Kiribati Climate Action Network (KirCAN) Board	KirCAN meeting	Kiribati
Mr Teaboraoi	Uriam	General Manager, Plant Vehicle Unit	Government & enterprise forum	Kiribati
Mr Matt	Young	Second Secretary	Australian High Commission	Kiribati
Mr Bruce	Davies	Head of Mission	Australian High Commission	PNG
Ms Suzanne	Edgecombe	Counsellor Education	Australian High Commission	PNG
Ms Hakua	Harry	Secretary, Dept. of National Planning and Monitoring	Government	PNG
Professor David	Kavanamur	Secretary, Dept. of Higher Education, Research, Science and Tech	Government	PNG
Ms Wini	Leka	Act. Deputy Secretary, TVET & UNESCO, Dept. of Education	Government	PNG
Dr Ori	Renagi	Deputy Vice-Chancellor and Chair, Governing Council, National Polytechnic Institute (NPI), Lae	Papua New Guinea University of Technology (Unitech), Lae	PNG Lae

Anthony	Bem	Chairman, Education Board	Government	PNG, Bougainville
Mr Joe	Bene	Principal, BTC	Government	PNG, Bougainville
Lorenzo	Hostia	FS, Ministry of Education	Government	PNG, Bougainville
Mr Justin	Kehatsin	Secretary, Dept of Education	Government	PNG, Bougainville
Mr Jeffrey	Kop	Prog. Manager, DFAT Buka Office	Government	PNG, Bougainville
Mr Michael	Pearson	Chairman, Bougainville Technical College Governing Council	Government	PNG, Bougainville
Ms Carina	Putz	Technical Advisor with Catholic Education Agency, Horizon 3000	Government	PNG, Bougainville
Ms Mary	Remi	PEO, Dept of Education	Government	PNG, Bougainville
Mr Peter	Salei	Regional Coordinator, Catholic Church	Government	PNG, Bougainville
Mr Karl	Shuissengeyer	TVET Technical Advisor, Horizon 300	Government	PNG, Bougainville
Ms Bernadette	Tosan	Skills Devt. Manager, Dept of Education	Government	PNG, Bougainville
Clement	Totavun	Secretary, Dept of Health	Government	PNG, Bougainville
Mr Paul	Wagum	HR Jomik Trading Ltd	Government	PNG, Bougainville
Mr Shaun	Carden	General Manager, HR Steamship Trading Company (Steamships)	Enterprise Forum	PNG, Port Moresby
Ms Ramphaey	Gime	Development Program Coordinator, Education & Training, New Zealand High Commission	Government	PNG, Port Moresby
Mr David	Hall	GM HR and Community Affairs	Harmony Gold Mining Company, Morobe	PNG, Port Moresby
Ms Gayl	Iramu	HR Manager, Coral Sea Hotels	Enterprise Forum	PNG, Port Moresby
Ms Monica	Maluan	First Assistant Secretary, TVET Operations & Standards, DOE	Government	PNG, Port Moresby
Mr Steven	Matainaho	Executive Manager, TVET, Department of Higher Education, research, Science and Technology	Government	PNG, Port Moresby
Ms Dorcas	Mugga	Director Research, Department of Education	Government	PNG, Port Moresby
Mr Kencho	Namgyal	Water, Sanitation and Hygiene (WASH) Specialist, UNICEF	Enterprise Forum	PNG, Port Moresby
Ms Susanne M	Pala	Learning & Development Manager, Digicel PNG	Enterprise Forum	PNG, Port Moresby

Ms Apelis	Rossa	First Assistant Secretary, TVET Curriculum & E-Learning Directorate, Dept of Education	Government	PNG, Port Moresby
Mr Robert	Schlenther	Executive Assistant Manager, Stanley Hotel & Suites	Enterprise Forum	PNG, Port Moresby
Mr Eddie	Sukanaivalu	Head of Department, Learning and Development, Digicel PNG	Enterprise Forum	PNG, Port Moresby
Ms Denise	O'Brien	Chief Executive Officer	APTC	PNG, Port Moresby
Mr Frank	Yourn	Executive Director	Australia-Pacific Islands Business Council (APBC)	Regional
Mr Bob	Ale	Program Manager, Economic Growth	Australian High Commission	Samoa
Mr Mose	Asani	Acting CEO, Samoa Qualifications Authority	Government	Samoa
Makerita	Atonia	RV, Ministry of Works, Transport and Infrastructure	Government	Samoa
Ms Matilda	Bartley	Samoa MFAT	Government	Samoa
Ms Kassandra	Betham	Program Manager, Health and Disability	Australian High Commission	Samoa
Ms Roni	Cera	Manager, Gender Program	Australian High Commission	Samoa
Hon Sala	Fata	Minister of Tourism	Government of Samoa	Samoa
Leumalealofa	Faumui	Aid Coordination Officer, Ministry of Finance	Government of Samoa	Samoa
Mr Nive	Gridlow	Officer	Savaii Tourism Association	Samoa
Mr Desmond Lee	Hang	Deputy VC (Academic and Research), National University of Samoa	Government	Samoa
Ms Sonja	Hunter	CEO, Ministry of Tourism	Government of Samoa	Samoa
Leiataua	Ioasa	Principal, Ministry of Works, Transport and Infrastructure	Government	Samoa
Ms Elisapeta	Kerslake	Program Manager, Education and Scholarships	Australian High Commission	Samoa
Ms Sarona	Koria	Samoa Chamber of Commerce	Enterprise Forum	Samoa
Ms Sue	Langford	Head of Mission	Australian High Commission	Samoa
Ms Atalana	Lima	Aid Quality and Finance Coordinator	Australian High Commission	Samoa
Mr Keith	Martin	Board member	Savaii Tourism Association	Samoa
Ms Rosa	Maulolo	Acting CEO, Samoa Umbrella Association of NGOs (SUNGO)	Enterprise Forum	Samoa
Mr Setu	Nifo	Professional Development Officer, National Kidney Foundation	Government	Samoa

Ms Fuimapoao Beth	Onesemo-Tuilaepa	CEO, Ministry of Women, Community and Social Development	Government of Samoa	Samoa
Ms Lynette	Petelo	Senior HR Officer, Samoan Breweries Ltd. (Vailima)	Enterprise Forum	Samoa
Hon Lautafi Fio Selafi	Purcell	Minister of Industry, Commerce and Labour	Government of Samoa	Samoa
Hon Tuilaepa	Sailele Malielagaoi	Prime Minister	Government of Samoa	Samoa
Maatasesa	Samuelu-Malthes	Manager Nursing, National Health Services	Government	Samoa
Mr John	Seedhouse	Samoa Association of Manufacturers and Exporters (SAME) + Company owner	Enterprise Forum	Samoa
Kalena Sootagamalelagi	Segi	Principal Training and Development Consultant, Public Service Commission	Government	Samoa
Prof Asofou	So'o	Vice Chancellor and President	National University of Samoa	Samoa
Mr Isitolo	Stanley	Principal, Don Bosco Technical College	Enterprise Forum	Samoa
Ms Susana	Stowers	Principal Policy, Ministry of Communications and Information Technology	Government	Samoa
Ms Mandria	Sua	Manager Planning Unit, National University of Samoa	Government	Samoa
Ms Maria Jane	Sua	Senior Postal Policy Officer, Ministry of Communications and Information Technology	Government	Samoa
Ms Sharon	Suhren	Aoga Fiamalamalama	Enterprise Forum	Samoa
Molia	Taioalo	Samoa Qualifications Authority	Government	Samoa
Sau	Taupisi	ACEO, Ministry of Commerce, Industry and Labour	Government	Samoa
Petone	Tofia-Ainuu	Ministry of Works, Transport and Infrastructure	Government	Samoa
Fesolai Logo	Toloa	SUNGO member and CBO	Enterprise Forum	Samoa
Mr Henry	Tunupopo	Samoa MFAT	Government	Samoa
Mr Hobart	Vaai	CEO,	Samoa Chamber of Commerce (SCoC)	Samoa
Mr Tupai Saleimoa	Vaai	President	Savaii Tourism Association	Samoa
Ms Pat	Vella	Samoa Country Manager,	APTC	Samoa
Ms Tracy W L	Warren	Principal Public Administration Sector Officer, Public Service Commission	Government	Samoa
Mr Derek	Webb	GM, Tanoa Tusitala Hotel	Enterprise Forum	Samoa
Ms Chantelle	Boland	Second Secretary, Gender	Australian High Commission	Solomon Islands

Ms Arieta	Cama	GM Corp Services	Solomon Power	Solomon Islands
Ms Lily	Chekana	United Nations Development Program (UNDP)	Individual Meeting	Solomon Islands
Mr Luis	Chin	Owner	Guadalcanal Electrical Limited	Solomon Islands
Ms Rina	Evo	TVET Coordinator	Honiara City Council Education Authority	Solomon Islands
Ms Casper	Faasala	Head of Women in Leadership	National Council of Women	Solomon Islands
Ms Julie	Haro	President	Women in Business Association	Solomon Islands
Ms Rex	Horoi	Chief Executive	Foundation of the Peoples of the South Pacific International (FSPI)	Solomon Islands
Mr Hugo	Hebala	Under Secretary, Ministry of Women, Youth, Children & Family Affairs	Government	Solomon Islands
Mr Barry	Johnson	Director	Solomon Constructions	Solomon Islands
Ms Nancy	Jolo	General Secretary	Development Services Exchange	Solomon Islands
Ms Ella	Kahui	DFAT Program Manager – Economic Diplomacy and Trade (Private Sector Development and Financial Inclusion) President of the Solomon Islands Council of Women	Australian High Commission	Solomon Islands
Ms Doreen	Kuper	Business woman	Women in Business Association	Solomon Islands
Mr Daniel	Lund	Dean School of Business- from Canada	Solomon Islands National University (SINU)	Solomon Islands
Mr Christopher	Mae	Director, TVET, Min of Education	Government	Solomon Islands
Mr Billy	Mae	Director	Solomon Islands Association of Vocational Rural Training centres (SIAVRTC)	Solomon Islands
Ms Rose	Martin	Coordinator	Youth at Youth, SPC Program	Solomon Islands
Mr Dennis Forau	Meone	CEO	Chamber of Commerce & Industry (SICCI)	Solomon Islands
Ms Pamela	Morgan	Solomon Is Country Manager	APTC	Solomon Islands
Mr Josua	Naisau	Manager Support Services Our Telecom	Solomon Islands Telecom	Solomon Islands

Mr Dave	Patternott	HR Manager	Guadalcanal Plains Palm Oil Limited (GPPOL)	Solomon Islands
Mr Barry	Peddle	Team Leader	Skills for Economic Growth	Solomon Islands
Mr Charles	Persson	Business analyst	Chamber of Commerce & Industry (SICCI)	Solomon Islands
Mr Solomon	Pita	Dean School of Technology	Solomon Islands National University (SINU)	Solomon Islands
Mr Mike	Qaqara	Projects Manager,	Ministry of Infrastructure Development	Solomon Islands
Ms Justina	Radcliffe	Business woman – Physiotherapist, Beautician, President,	Association of Solomon Islanders in Creative Fashion	Solomon Islands
Mr Franco	Rodie	Permanent Secretary, Ministry of Education	Government of Vanuatu	Solomon Islands
Mr Joe	Sanga	Human Resources Manager	Solomon Islands Water Authority (SolWater)	Solomon Islands
Prof Basil	Shelton	Vice Chancellor (acting)	Solomon Islands National University (SINU)	Solomon Islands
Ms Ethel	Sigimanu	Permanent Secretary	Ministry of Women, Youth, Children and Family Affairs	Solomon Islands
Ms Melissa	Stutsel	Counsellor, DFAT	Individual GESI interview	Solomon Islands
Mr Andre	Tipoki	Director Youth Development Division	Government	Solomon Islands
Mr Scriven	Tongi	Operations Manager	Solomon Islands Water Authority (SolWater)	Solomon Islands
Mr George	Tufi	Director, Division of External Trade, Min of Foreign Affairs	Government	Solomon Islands
Ms Cyrene	Vai	Development Officer	Ministry of Women, Youth, Children and Family Affairs	
Mr Pradip	Verma	CEO	Solomon Power	Solomon Islands
Mr. Michael		Training Officer	Ministry of Infrastructure Development	Solomon Islands
Ms Eva	Wagapu	Development Officer	Ministry of Women, Youth, Children and Family Affairs	Solomon Islands
Mr Robert	Zutu	Chair	Development Services Exchange	Solomon Islands

Mr Jonathan	Granger	Director/Founder of Granger Australia	Consultant to MULPHA	Sydney
Ms Fanau'ifo'ou	'Akau'ola	Deputy CEO – Employment, Ministry of Internal Affairs	Government & education forum	Tonga
Mr Robert	Bolouri	CEO, Tonga Cable Ltd	Enterprise Forum	Tonga
Dr. Uhila Moe Langi	Fasi	Team Leader	Tonga Skills (DFAT bilateral program)	Tonga
Ms Piula	Fokofuka	Director, Seventh Day Adventist School, Tonga	Government & education forum	Tonga
Lakai	Fonga	Manager, Tonga Chamber of Commerce	Enterprise Forum	Tonga
Dr Seula Johanson	Fonua	Acting Director, University of the South Pacific (Tonga campus)	Government & education forum	Tonga
Ms Malatina	Hiliate	Deputy Principal, Ahopanilolo Technical Institute	Government & education forum	Tonga
Ms Fololina	Ikani	Senior Qualifications Officer, TNQAB	Government & education forum	Tonga
Ms Monica	Kaufusi	Nashi Trading Ltd	Enterprise Forum	Tonga
Amanaki	Kim	Director, Mango Tree Centre	Enterprise Forum	Tonga
Ms Lusia	Latu	Director, Tonga Youth Employment and Entrepreneurship (TYEE)	Enterprise Forum	Tonga
Tui	Liafa	CEO, Tonga National Fishing Council	Enterprise Forum	Tonga
Ms Ruby	Ma'afu	Assistant Secretary, Tonga Tourist Association	Enterprise Forum	Tonga
Ms Kalo	Mafi	Officer-in-Charge, Tonga Maritime Polytechnic Institute	Government & education forum	Tonga
Mr Poli	Maileua	Deputy Director, Catholic Education	Government & education forum	Tonga
Ms Luisa	Manuofetoa	Deputy CEO –Social Protection & Disability, Ministry of Internal Affairs	Government & education forum	Tonga
Ms Rhema	Miser	Chairperson, Naunau 'o e 'Alamaite Tonga Association (NATA) (NGO –people with disabilities)	Enterprise Forum	Tonga
Ikani	Moa	Acting CEO, Tonga National Qualification Accreditation Board (TNQAB)	Government & education forum	Tonga
Ms Paula	Mosa'ati	National Coordinator, Pacific Horticultural & Agricultural Market Access (PHAMA) Program	Enterprise Forum	Tonga
'Ofa	Namgyal	Mango Tree Centre	Enterprise Forum	Tonga
Ms Kilistina	Puleikli	Principal Economist, Ministry of Finance and National Planning	Government & education forum	Tonga
Mr Nonga	Soaki	Deputy CEO, Ministry of Education, Tonga Institute of Science and Technology (TIST)	Government & education forum	Tonga
Mr Joy	Bhattacharya	Manager T&D, Heritage Park	Enterprise Forum	Vanuatu

Ms Jeannette	Bolenga	Program Manager, Governance, Leadership & Accountability, Oxfam	Enterprise Forum	Vanuatu
Mr Bernie	Cain	Owner	Vila Refrigeration and Air Conditioning	Vanuatu
Mr Nick	Crosling	Vanuatu Country Manager	APTC	Vanuatu
Ms Jenny	Da Rin	Head of Mission	Australian High Commission	Vanuatu
Ms Nelly	Daniel	HR Manager, Care International	Enterprise Forum	Vanuatu
Mr Simon	Douthett	General Manager, Holiday Inn Port Vila	Enterprise Forum	Vanuatu
Mr Arthur	Edgell	Business Development Services, Vanuatu Chamber of Commerce and Industry (VCCI)	Enterprise Forum	Vanuatu
Mr Wade	Evans	Lead Trainer, Pacific Vocational Training Centre	Enterprise Forum	Vanuatu
Mr Enaly	Fifiri	Managing Director, Solomon Construction	Enterprise Forum	Vanuatu
Mr Pascal	Gavotto	Adviser TVET Strengthening Program: Skills for Economic Growth and owner boutique tourist accommodation in Vila		Vanuatu
Mr Julie	Gegeu Haru	Managing Director, Premiere Group	Enterprise Forum	Vanuatu
Ms Alison	Georges	First Secretary	Australian High Commission	Vanuatu
Mr Jack Takale	Graham	Acting Director	Vanuatu Institute of Technology	Vanuatu
Ms Wendy	Griffin	Adviser, Early Childhood Education, Ministry of Education	Enterprise Forum	Vanuatu
Ms Carissa	Jacobe	Managing Director, South Seas Services Ltd Manning Agency	Enterprise Forum	Vanuatu
Mr Alfred	Kalontas	Businessman and community leader	Individual interview	Vanuatu
Mr Lionel	Kaluat	Commissioner for Labour	Government of Vanuatu	Vanuatu
Mr Jeanyves	Kapalu	Deputy Principal, Academic Services	Vanuatu Institute of Technology	Vanuatu
Mr David	Lambukly	CEO, Vanuatu Qualifications Authority	Enterprise Forum	Vanuatu
Ms Eleni	Levi	Community Worker	Individual interview	Vanuatu
Mr John	Lui	Former Director, Vanuatu Rural Training Centre	Individual Interview	Vanuatu
Hon Jean Pierre	Nirua	Minister of Education and Training	Government of Vanuatu	Vanuatu
Ms Vivienne	Obeds	Businesswoman	Individual interview	
Ms Anne	Pakoa	Chief Executive Officer, Vanuatu Human Rights Coalition	Telephone interview	Vanuatu
Fr Moise	Paluku, SDB	Principal, Don Bosco Technical Institute	Enterprise Forum	Vanuatu

Mr Liza	Roleda	Front Office Manager, Mendana Hotel	Enterprise Forum	Vanuatu
Ms Susan	Ryle	Deputy Head of Mission	Australian High Commission	Vanuatu
Ms Elvie	Tamata	Manager, ISU, VITE (Vanuatu Institute of Teacher Education)	Enterprise Forum	Vanuatu
Mr Dave	Taylor	General Manager, Island Enterprises	Enterprise Forum	Vanuatu
Ms Christelle	Thieffry	Senior Programme Officer	Australian High Commission	Vanuatu
Mr Joel George	Toa	Owner, Pacific Vocational Training Centre	Enterprise Forum	Vanuatu
Ms Jenny	Virergagaru	Women's rights activist and human rights advocate	Individual Interview	Vanuatu
Mr Jean-Marie	Virelala	Director Tertiary Education, Ministry of Education	Government of Vanuatu	Vanuatu
Ms Jill Julianna	Wai	Acting PAC/PQ Manager, Oxfam	Enterprise Forum	Vanuatu
Ms Dorisday	Kenneth Watson	Director	Department of Women's Affairs	Vanuatu
Mr Fremden	Yanhambath	Director	Skills for Growth Program	Vanuatu
Ms Jodi	Schmidt	Chief Executive Officer	TAFE Queensland	Australia
Ms Denise	O'Brien	Chief Executive Officer	APTC	Australia
Ms Kerry	Lang	Development Manager, Trade and Labour Mobility,	Ministry of Foreign Affairs and Trade (MFAT)	New Zealand
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Ms Tessa	Te Mata	Unit Manager Pacific Regional	MFAT	New Zealand
Mr Shane	Kinley	Policy Director, Labour & Immigration Policy Branch Labour, Science and Enterprise Group,	Ministry of Business, Innovation & Employment (MBIE)	New Zealand
Mr. Nick	Aldous	Director, Policy Integration – Immigration, Service Design and Performance, Immigration	MBIE	New Zealand
Mr. George	Rarere	Manager Pacifica Labour & Skills, Skills and Investment, Settlement, Protection & Attraction, Immigration	MBIE	New Zealand
Ms Zuleika	Chang	Policy analyst	MBIE	New Zealand
Mr Seth	Campbell	Manager, ITP Investment Operations,	Tertiary Education Commission (TEC)	New Zealand

Mr Johnny	Tramoundanas-Can	Investment Manager, ITP Investment	TEC	New Zealand
Ms Christine	Lehmann	Advisor, ITP Investment	TEC	New Zealand
Mr Josh	Williams	Chief Executive Officer	Industrial Training Federation (ITF)	New Zealand
Ms Adrienne	Dawson	Senior Policy Analyst	ITF	New Zealand
Ms Kathryn	Maloney	Senior Policy and Research Analyst	New Zealand Aged Care Association	New Zealand
Dr Anne-Marie	Masgoret	Manager, Strategy and Products, Settlement Unit Settlement, Protection and Attraction Branch Immigration	MBIE	New Zealand
Ms Alanna	Mackay	First Secretary (Political)	Australian High Commission NZ	New Zealand
Mr David	Lind	Chief Executive Officer	Careerforce *	New Zealand
Ms Gail	Kirkland	Service Assurance Manager	Careerforce	New Zealand
Ms Anne	Broadbent	Principal Analyst, Evidence and Analysis, Information Directorate	TEC	New Zealand
Mr Alan	Edwards	Senior Policy Analyst, International Division	New Zealand Qualifications Authority (NZQA)	New Zealand
Mr Reno	Paotonu	Pacifika Division	NZQA	New Zealand
Ms Amy	McAteer	Principal Development Manager, Education, Sustainable Economic Development Division, Pacific and Development Group	MFAT	New Zealand

*Industry Training Organisation in charge of qualifications for the health, mental health, aged support, disability industries, social services, youth work, etc.

Annex 3: Stakeholder priorities and perspectives

With its regional reach, APTC has a wide range of Pacific and Australian stakeholders. Key among these for the Design are students, graduates (alumni), Pacific governments, regional governmental organisations, Pacific TVET systems and partner institutions, industry peak bodies, individual employers, other TVET donors, regional TVET-related bodies and APTC staff. Annex 2 lists over 500 individuals from these various stakeholder groups who were consulted during the design process.⁷⁴

In addition to the broad overview, this Annex also gives a brief account of stakeholder perceptions by consultation type. Records were kept of all organised consultations and these form part of the background to the Design. It is noteworthy that there was a high level of agreement in the stakeholders' views and perceptions on APTC to date and its future directions.

Broad overview

General response to the directions outlined in the Investment Concept Note (ICN)

There was a very positive response to APTC continuing into Stage 3 and at current investment levels. There had been some concern that this may not be the case.

As national providers are generally not highly valued by industry for producing work-ready graduates and meeting labour market needs, there was support APTC maintaining APTC's current strengths. APTC is seen as setting the benchmark for the quality of training and as essential for lifting training standards

The continuation of the principle that APTC3 would not compete with national TVET providers or the role of national governments was also supported. This means continuing to play a role in the upskilling of, and providing a second chance to, existing workers. It also means not entering into the school leaver market unless there is a guaranteed employment pathway that would not otherwise be available.

The proposed continued emphasis by APTC on maintaining and further strengthening gender, equity and social inclusion outcomes was also welcomed.

Overall, there was general support for the directions outlined in the ICN.

Embedding APTC into Pacific TVET systems

The individual countries visited supported the proposed increased country level focus of APTC's operations, including strengthened delegation of authority to the country level. This was seen as critical for flexibility and responsiveness.

Governments and national institutions saw great merit in APTC shifting away from an enclave model and moving towards more joint approaches: facilities and equipment sharing; delivery of training; harmonisation of qualifications; and sharing of management approaches such as quality assurance, budgeting and management information systems. With APTC placing less emphasis on direct training delivery and taking on a stronger role in facilitating, mentoring and brokering change over time, this would assist national institutions to lift their quality and performance.

There was also support for closer integration of APTC with bilateral skills development programs.

Co-investment

Attitudes to co-investment indicated the difficulties of moving away from operating on the basis of scholarships. The concept was accepted in principle but with some qualifications. Governments emphasised the budgetary and financial constraints they work within but were more receptive to in-kind contributions. National providers were limited by their allocations from Governments. Some

⁷⁴ This number includes consultations in New Zealand. It does not include students.

enterprises expressed greater willingness to pay for training and/or to co-invest, subject to their satisfaction with the quality, relevance and flexibility of the training as well as clarity about the costs involved. In some cases this would mean delivery in the workplace or out of working hours to minimise the loss of productive workers.

Labour Mobility

Where exposure to international standards was seen by employers to be critical to future success, strong support for labour mobility was expressed e.g. hospitality industry or construction (including for projects funded by donors or the multilateral agencies).

Especially in the trade areas where there has been a history of skill shortages, assurances were sought by employers that labour mobility would not compromise their ability to attract the necessary skills domestically.

One potential partner institution expressed concern that offering labour mobility track was in direct conflict with its role of producing graduates for the local labour market. This will need to be taken into account when considering applicant for the labour mobility track.

There was a general view that APTC should stick to its core business of delivering/facilitating quality training and not risk this being compromised. There was therefore support for the ICN proposition that there is a need for a separate function to support/connect Pacific Island graduates to labour mobility pathways

Governments generally supported labour mobility as a major means of providing improved employment opportunities for residents and national benefit from returning skilled workers. It was acknowledged that remittances are also a benefit for governments, contributing a significant proportion to GDP in some countries.⁷⁵

There was some uncertainty about the implications of the domestic and labour mobility tracks in practice and a view that it will be essential to clarify this.

Future priorities for training

The lack of 'soft skills' was stressed in almost every stakeholder forum as an impediment to workplace productivity. Examples of skills mentioned were personal presentation, communication, punctuality, problem solving, 'work ethic', commitment, team building, and integrity. Soft skills were seen as a distinguishing feature of APTC graduates and incorporating these skills into national training programs was seen as a priority.

Multiple qualification frameworks apply across the Pacific, including Australia and New Zealand and this was seen as impeding mobility – both within the Pacific and beyond. Related to this, a strategy to lift national qualifications to international standards is required.

The need to develop leadership and management skills was emphasised. This is the case in enterprises but also in the TVET system.

There was general emphasis on the importance of training in tourism and hospitality; construction; manufacturing. There were several references to APTC playing a role in the primary industries (e.g. agriculture, fisheries), at least in value adding. However, it has had only a limited role to date (European Union Support for the Sugar Industry Program in Fiji).

Due to the general lack of employment opportunities, the need to increase the focus in training on entrepreneurship, innovation and creativity was frequently raised as a means to build the pool of job creators rather than only job seekers

⁷⁵ Remittances from migrants are major sources of foreign exchange for Fiji, Kiribati, Samoa and Tonga. See ADB, 2016, Pacific Economic Monitor July, pp 12, 15 and 31.

After ten years of focussing on certificate level 3, some stakeholders wanted APTC to offer higher-level qualifications and improved pathways in Stage 3 as well as to consider lower level qualifications where a clear domestic or international employment pathway exists.

Other Common Themes

A number of other themes were common across the countries:

- Inappropriate entry requirements for TVET teachers
- General absence of quality TVET teacher training and lack of dedicated/effective TVET teacher training institutions
- Inadequate resourcing and recognition of TVET by PIC governments
- Need for a pathway to initial qualifications for highly experienced but unqualified workers – recognition of current competence
- Lack of engagement with industry by national TVET institutions
- Policy gaps or vacuum for TVET in some countries
- Concern about how to reform skills formation arrangements to overcome widespread reliance on foreign workers
- Interest among key stakeholders such as leading employers and employer associations in forming informal working groups to tackle policy reform blockages
- General lack of reliable data on labour market needs and employment outcomes to inform decision-making
- Unsatisfactory state of apprenticeship systems and licensing arrangements in some countries.

Strategic Dialogues

As outlined in Annex 2, a high level discussion was held with two to three senior government officials in six of the seven countries visited, hosted by a senior DFAT official⁷⁶. In most cases this was a group meeting, but in some instance more than one meeting was held.

The purpose of the Strategic Dialogue was to receive high-level feedback from Pacific Governments on the proposed directions for APTC Stage 3 in light of national labour market and skills development priorities. The attendees had been provided with a copy of the ICN in advance and were therefore able to comment on future directions. The views of Governments are critical to the success of APTC3 and therefore worth highlighting.

APTC's reputation to date: There was general agreement that APTC had a very good reputation. It is seen as a benchmark for quality and industry relevance and has played an important role in the upskilling of Pacific workers. For these reasons gratitude was expressed that the Australian government will continue to invest in APTC.

Labour mobility: With only a few qualifications, there was strong support for APTC playing a stronger role in promoting labour mobility, especially since this could lead to better opportunities than the current seasonal work e.g. fruit picking.

Embedding APTC in Pacific TVT systems: The concept of embedding APTC into Pacific TVET systems was supported along with establishing stronger partnerships with national providers. With this came the expectation that APTC's quality is maintained and transferred to national providers.

Co-investment – Insofar as it related to government's role there was some concern about cost-sharing since there are grave financial constraints in most Pacific countries. However, the principle was broadly

⁷⁶ As the Design Team's visit to Tonga coincided with preparations for the funeral of the Queen Mother, the Tonga Strategic Dialogue did not go ahead.

accepted and the idea of co-investment in-kind was far more acceptable, especially when this was explained in more detail.

Stakeholder Forums

As also outlined in Annex 2, the Design Team held Stakeholder Forums in a workshop style consisting of persons of influence from industry from industry and government. Where the numbers warranted it, the Forums were held separately for industry and government groups; in other cases they were mixed:

The participants worked in groups to address the following questions:

- What are 3 key features of the ideal national workforce in ten years' time?
- What are the five key actions required to achieve the outcome, including the estimated time frame and whether or not APTC could assist.

Across the seven countries visited, fourteen Stakeholder Forums were held for which records were kept. The records show a deep concern for the future of TVET, the details of which are beyond the scope of this Annex. However, even though the focus was on the national workforce of the country concerned, there was considerable commonality between the countries in the issues faced. Although sometimes expressed in different ways, they can be summarised as follows:

Key features of the ideal workforce in 10 years' time

Workers will:

- Be highly skilled/ multi-skilled
- Be highly qualified- internationally recognised qualifications and licensing or registration as appropriate
- Be competitive internationally – adaptive, innovative, with good English skills
- Have entrepreneurial skills that enable them to be self-employed
- Have soft skills – communication, problem-solving skills, a strong work ethic, commitment, integrity and continuously learning
- Be good leaders – the number of Pacific Islanders in management roles will increase
- Enjoy high levels of employment, even with workers returning from overseas
- There will be greater representation of women in leadership roles and non-traditional careers

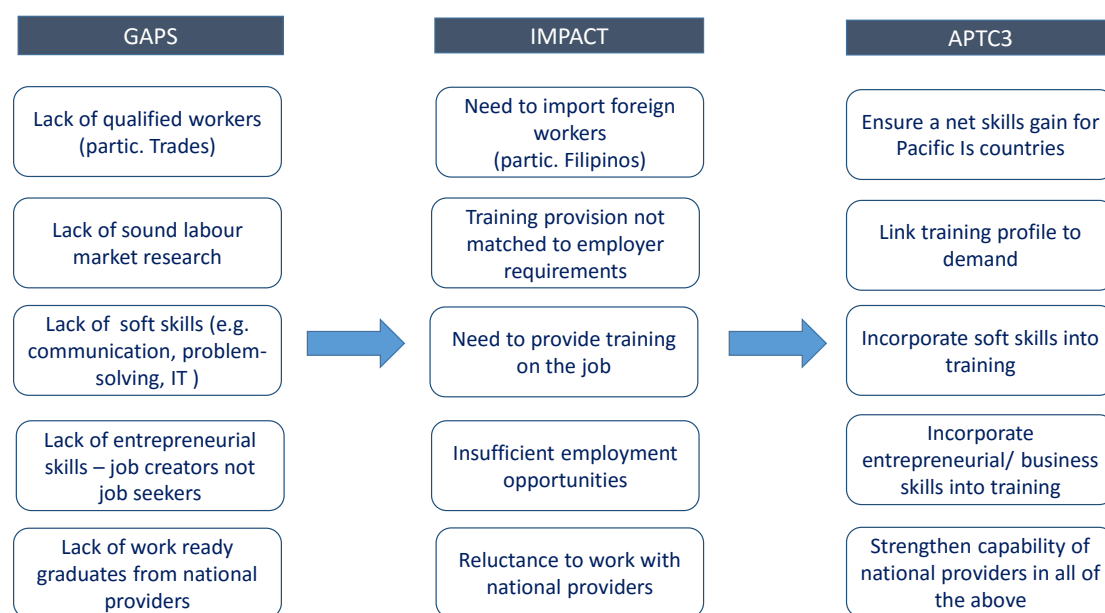
Actions required

Participants had many suggestions about the actions required, much of which was country specific but most of which related to improved levels of training. They saw a role for APTC in many aspects of these actions but also recognised the need for governments and national providers to take action. This affirmed the need for APTC to be more embedded in Pacific systems.

Individual and Group Consultations

During the course of the individual and group consultations, the Design team met with a number of employer bodies. A diagrammatic representation of the gaps, impact and implications for APTC3 they identified is contained in Figure 3.1. It is considered that this is entirely consistent with and confirms the goal, problem and purpose identified for the APTC3 Theory of Change.

Figure 3.1: Employer bodies: Key gaps, impacts and implications for APTC3



Comments from the other individual and group consultations generally reflect the points already raised above and are not dealt with here.

Quotable Quotes

‘APTC is one of the best projects in the Pacific’
(Prime Minister of Samoa)

‘APTC is the benchmark for quality training’
(Fiji Higher Education Commission)

‘APTC produces quality graduates and provides lessons for other providers’
(Secretary, Department of Higher Education, Research, Science & Technology, PNG)

‘APTC graduates are the elite of the Samoan workforce’
Minister of Commerce, Industry and Labour, Samoa

Annex 4: Labour mobility and Pacific labour markets

Challenges in linking training to the demand for skills

Pacific employers report that an inadequately trained workforce is a major constraint on their operations, according to World Bank Enterprise Surveys in seven Pacific countries between 2009 and 2015.⁷⁷ At least five obstacles need to be addressed to improve the situation.

- There is a limited supply of skills in terms of quantity and quality due to low levels of public and private investment. Because of this lack of investment, TVET providers with set training profiles and inflexible infrastructure, lack the capacity to meet demand. As a result, employers overlook national TVET graduates and prefer, despite the extra expense, to send their employees off shore for training or to engage foreign workers.
- Pacific governments and donors have done little to reduce employers' reliance on foreign workers as their response to persistent domestic skill shortages.
- Pacific TVET providers lack the flexibility to respond to the demand for skills which can fluctuate between long periods of low activity and short-term spikes due natural disasters, big projects and special events.
- An inadequately trained workforce is due to a large share of existing workers in skilled occupations who lack formal training to do their job more effectively, with little understanding of how to problem solve or innovate.
- TVET providers lack the information to respond to demand. In small labour markets, this can result in an oversupply of graduates as well as an undersupply. When there is an oversupply in domestic labour markets or domestic employers are not willing pay for the skills acquired, qualified workers lack access to skilled work overseas in high-income labour markets.

1: Under-investment in TVET

Persistent skill shortages, shown by a reliance on foreign workers in many Pacific countries, are due to the under-investment in the provision of TVET. Pacific governments are the major source of funding for national TVET systems but generally under-invest in the sector, particularly in relation to capital expenditure and for quality improvement.⁷⁸ TVET training providers have few, if any, resources for staff training and teaching, let alone to fund the facilities to expand or change supply to meet demand. The lack of resources means that many training courses are outdated and lack relevance for current industry requirements. These courses are usually heavily reliant on the teaching of theory due to poor equipment, lack of industry links and lack of industry experience among TVET trainers, resulting in students having little or no opportunity to learn by practising skills in real or simulated workplace settings.

Publicly funded training providers are dependent on either rigid budgets or uncertain funding, with permanent teaching staff based on past training profiles. These providers lack both the means and the incentive to respond to any new demand for skills training or to reform existing training programs to better reflect the job requirements of employers. Another source of funding for private providers is

⁷⁷ World Bank Group Enterprise Surveys: What Businesses Experience. <http://www.enterprisesurveys.org/>. The Pacific countries are: Fiji, Federated States of Micronesia, Papua New Guinea, Samoa, Solomon Islands, Tonga and Vanuatu.

⁷⁸ Kaye Schofield, 2105, 'Overview Paper: The Research at a Glance', Research into the Financing of Technical and Vocational Education and Training (TVET) in the Pacific, pp 4, 6-7, 9.

student tuition fees. However, these fees are usually low, often with caps on fees set by government, based on perceived capacity of parents to pay.

Governments face a major challenge in reforming entrenched, supply-dominated training due to the perverse incentives created by institutional rigidities. One approach to break this vicious cycle is to set up a mechanism outside existing bureaucratic silos to bypass those resisting change. What is required is the involvement of knowledgeable individuals committed to change who can identify what reforms are needed and who can mobilise political and institutional support to make the changes. This approach requires a supported process of exploring, trialling, testing, assessing and modifying the proposed reforms as necessary.

2: Lack of an integrated strategy to address persistent skill shortages

In consultations in Fiji, the Solomon Islands and PNG, large employers were open about their refusal to use domestic TVET systems to meet their training needs, preferring instead to send their staff offshore for training or to import qualified staff. Similar findings of employer dissatisfaction with the quality and relevance of national TVET providers was also noted for Fiji and PNG by the ACER studies into the financing of TVET in the Pacific.⁷⁹ These findings show that Pacific employers, as the main source of demand for skills, need to be closely involved in any reform of skills training in terms of its content, and the location and timing of delivery. Put another way: Pacific TVET providers need to engage with and convince employers of the value and relevance of their training so that they will offer jobs to their graduates and seek training for their existing workers. A key step in doing this is for TVET providers to identify employer skills needs and to work out how to respond to these.

Many Pacific countries rely on foreign workers to perform jobs requiring middle-level skills. Administrative data sources for work permits listing the occupations of foreign workers offer a good indication, on face value, of what skills are in demand.⁸⁰ Some 41,000 overseas workers are on foreign work permits in PNG as at May 2015. Up to one-in-four foreign work permit holders are working in trade occupations.⁸¹ Consultations with senior officials and employers in PNG, Fiji, Samoa, Vanuatu and Solomon Islands identified the need to reduce their country's reliance on foreign workers by ensuring that employers have access to domestic graduates of at least equal quality.

However, reducing Pacific employers' reliance on foreign workers is not simply a matter of having access to a pool of better-trained workers. Governments and donors also need to develop policies and coordinated responses to reduce employer dependence on foreign workers. This can be done in various ways. One potential strategy is for government to ask employers, as a condition for obtaining a first or subsequent work permit, to show evidence that they are both training domestic workers for specific occupations and are reducing the number of foreign workers they employ in those occupations. Another potential strategy is for governments and donors to design contracts for large infrastructure projects to include skills transfer opportunities for domestic workers.⁸² Implementing these strategies will also

⁷⁹ Leo Maglen, Mark Weston Wall, & Manaini Rokovunisei, 2014, Fiji Country Report; and Robert Horne, Ken Ngangan, Simaima Taval-Melachon and Justin Brown, 2014, Papua New Guinea Country Report. Research into the Financing of Technical and Vocational Education and Training (TVET) in the Pacific. Managed by the Australian Council for Educational Research and Scope Global on behalf of the Australian Government, April.

⁸⁰ These data are available on request in PNG, and Vanuatu, and from the census in, Kiribati, Samoa, Solomon Islands, and Tonga. The Fiji 2016 Employment and Unemployment Survey will be available for analysis in 2017.

⁸¹ Analysis of 2014 Work Permit Data, undertaken for ADB, see Curtain, R; 2016, '[Promoting Skills Formation through Public Investment Projects: Case Studies from ADB-financed Infrastructure Projects in Papua New Guinea](#)' Consultants' Reports, July.

⁸² Curtain, R; 2016, '[Promoting Skills Formation through Public Investment Projects: Case Studies from ADB-financed Infrastructure Projects in Papua New Guinea](#)' Consultants' Reports, Asian Development Bank, July. <https://www.adb.org/sites/default/files/project-document/185276/46154-001-tacr-01.pdf>

require working outside existing bureaucratic impediments by using reform processes that have the potential to develop new policy and apply the political power to implement them.

3: Anticipating short and long-term demand for skills

The volatility of the demand for skills training for new workers is another prominent feature of Pacific labour markets that makes matching supply and demand for skills difficult. Sources of short-term demand for skills include natural disasters, one-off large infrastructure projects and special events such as the Pacific Games. Major natural disasters occur all too frequently in the Pacific and each produces a demand for skills needed for the reconstruction of the assets destroyed.⁸³ Reconstruction is usually based on the principle of ‘build back better’ which means using more disaster proof building materials, more demanding standards and better construction methods. These requirements assume that workers have high-quality skills that meet international standards. The challenge for training providers is to anticipate what training content is needed, how quickly it can be delivered when and where it is needed. This means working out in advance the skills needed, and developing appropriate training that can be delivered at short notice where required.

Donor-funded major infrastructure projects are also another source of demand for domestic skilled workers that have a longer planning timeframe. However, contractors need incentives to transfer skills to appropriately qualified national workers. An ADB commissioned report proposes that governments and donors provide incentives for the prime contractor to ensure that foreign workers imported for the project transfer skills to domestic workers in a systematic and measurable way.⁸⁴ Special events such as the Pacific Games also provide a sudden lift in demand for skills. Providers need to anticipate this demand and to see these peaks in demand as opportunities to meet the needs of other similar projects. The coordination problems are considerable but need to be addressed to achieve a more even spread of the demand for skills training.

4: An inadequately trained workforce

The evidence of widespread skills gaps in the existing Pacific workforce is shown by the low post-school qualification rate in occupations where a post-school qualification is expected. In the construction industry in PNG, 2011 census data show that only one-in-four carpenters had a post-school qualification; for plumbers and pipe fitters, less than one-in-three had a qualification; only just over half of the electricians had a qualification; and two in five welders had a qualification.⁸⁵ In Fiji in 2011, one-in-five electricians, three-in-five plumbers and nine-out-of-ten carpenters did not have a post-school qualification.⁸⁶ These low post-school qualification rates in trades-based occupations are common to other Pacific countries as well.⁸⁷ Many Pacific workers have learnt how to do their work on the job, which often means they have limited understanding of how to do their job more effectively. Lacking are skills in being able to problem solve, innovate or make use of new technology or to transfer their skills to a different work environment.

⁸³ In recent times, major disasters include the tsunami hitting Samoa in 2009, in Fiji Tropical Cyclone Evan in December 2012 and Severe Tropical Cyclone Winston in February 2016, and in Vanuatu Tropical Cyclone Pam in March 2015. Each of these disasters resulted in high levels of damage and major reconstruction activities.

⁸⁴ See ADB, 2016, ‘Promoting Skills Formation through Public Investment Projects: Case Studies from ADB-financed Infrastructure Projects in Papua New Guinea’, *Improving the Performance of Labour Markets in the Pacific*, Technical Assistance Consultant’s Report, July 2016 <http://www.adb.org/projects/documents/skills-formation-public-investment-projects-png-tacr>

⁸⁵ Special request Table Citizen Population 15 Years and Over in Wage Jobs Construction Sector by Occupation and Post School Qualifications, 2011 Papua New Guinea Census.

⁸⁶ Fiji Bureau of Statistics, 2011, Fiji Employment and Unemployment Survey (EUS), special tabulation.

⁸⁷ See Curtain, R, 2016, Pacific countries occupation by post-school qualifications, revised 13 June.

5. TVET providers lack the information to respond to demand

In the Pacific TVET systems, the information to assess and respond to the demand for skills training is often not available. Most training providers or governments in the Pacific do not collect data on what happens to their graduates or seek employer feedback in a systematic way.⁸⁸ Pacific governments also fail to provide regular information on the state of their labour markets, even if only to release information on the nature and extent of advertised job vacancies for a set period. Without information on graduate employment outcomes or wages, TVET providers do not know how well the training they offer is meeting the needs of employers. Also without this information, all those involved with the TVET system as funders or end users have little or no appreciation of what the value of a specific qualification is. Individuals and governments have little incentive to invest in training if they do not know whether past graduates are in jobs relevant to the training received and how much are they earning. Employers also have little reason to invest in skills training if they lack information on how other employers rate the qualification and what they are prepared to pay for the graduates. Training providers, without data on their graduates in the labour market, do not know whether they are under or oversupplying the demand.

What is a demand responsive training system?

The four basic elements of a demand responsive TVET provider are: (1) use of simple, low-cost and reliable information on current demand, (2) an appreciation of the market segments being served, (3) direct contact with the sources of demand, and (4) the active fostering of demand.

First, information on the current demand for qualifications is available from graduate tracer and employer surveys together with a compilation of job vacancies. This information enables the purchasers of training to make informed choices. Information on graduate outcomes is essential for TVET providers to show that qualifications are fit-for-purpose. A requirement to provide this information is part of TVET quality assurance systems in Australia and New Zealand to varying degrees.

The Australian Skills Quality Authority (ASQA), as the national regulator for Australia's vocational education and training sector, is responsible for ensuring that training providers meet nationally approved quality standards. Standard Five is concerned with ensuring that each learner is properly informed and protected. Specifically, Clause 5.1 states that:

*Prior to enrolment or the commencement of training and assessment, whichever comes first, the RTO provides advice to the prospective learner about the training product appropriate to meeting the learner's needs, taking into account the individual's existing skills and competencies.*⁸⁹

The New Zealand Government has a stronger emphasis on providing evidence on outcomes in its quality assurance system for post-secondary education and training. A key evaluation question used to review post-secondary providers is 'How well do students achieve?' The sources of evidence suggested include graduate destination data and feedback from students, staff and other interested communities or individuals.⁹⁰ New Zealand's focus on graduate outcomes has become even more explicit with the government's announcement in September 2015 that all providers of post-secondary qualifications are

⁸⁸ One exception is the Samoa Qualification Authority (SQA) which conducted a TVET graduate tracer survey in 2014. A SQA tracer survey of 2012, 2013, and 2014 graduates of formal post school education & training (PSET) providers in Samoa is currently in progress.

⁸⁹ Australian Skills Quality Authority, 2015, The Users' Guide to the Standards for Registered Training Organisations (RTOs) 2015, p 65.

⁹⁰ The New Zealand Qualifications Authority states that the key evaluation questions (KEQs) and Tertiary Evaluation Indicators are the main tools of external evaluation and review for post-secondary education providers. Along with performance criteria, these tools are used to reach judgements about educational performance and capability in self-assessment. See Outcome questions http://www.nzqa.govt.nz/providers-partners/self-assessment/make-self-assessment-happen/tools-and-resources/key-evaluation-questions/#_ftn1

to publish by 2017 information on graduate employment status and earnings disaggregated by qualification and field of study.⁹¹ The justification is that ‘Students will also be able to see what and where to study to improve their employment prospects’.⁹² Providers are expected to use the information to become more responsive to labour market demand by identifying gaps in the training offered.⁹³ The New Zealand government is funding the cost of providing this information as a public good and is not imposing the cost on the provider other than extracting information from their records on the graduates. The New Zealand government’s decision sets the benchmark on the level of information needed to enable stakeholders to make informed decisions.

The linking of graduate details with tax records is not possible in the Pacific because of the limited coverage of personal income tax and the lack of computing infrastructure to do so. However, the same principle to provide information to the public on graduate outcomes for each provider should be applied to the APTC Stage 3. The APTC now provides information about graduate outcomes through an annual tracer survey. However, this information is not reported by qualification. Also, information on graduates who are pre-existing employees is not reported separately, which greatly inflates the employment outcomes achieved.

What is the demand for international qualifications?

The second defining feature of a demand-responsive TVET provider is to find out what level of skills training employers want and are prepared to pay for. What type of employers want their employees to acquire Australian qualifications? Some Pacific employers may not want their workers to acquire higher skill levels or to pay more for the skills they do acquire. Given the low-cost nature of the product or service many offer and the limited purchasing capacity of the market where it is sold, it may not pay many employers or employees to invest in training.⁹⁴ This means that it is important to find out which employers want their employees to have their skills upgraded and are prepared to pay for the training.

Many Pacific firms are operating in a low-skill, low-wage equilibrium due to customer demand for low-cost, low-quality goods and services. The evidence for this in the Pacific comes from the 2014 APTC Independent Review’s analysis of APTC employer survey. This analysis showed that only a third of employers or less could say they had gained significant economic benefit from having employees with APTC qualifications. Very few employers (five per cent) said that APTC training had enabled them to expand their business.

Under these operating conditions, many employers can only pay low wages and so they do not seek skills beyond those learnt on-the-job. Employees paid low wages also have no incentive to invest in their own training to acquire skills, resulting in a low-skills/low-productivity trap.⁹⁵ This trap can occur, for example, in the construction or tourism sectors, where employers operate with low-skilled labour

⁹¹ Steven Joyce, 2015, ‘Employment outcomes to be published’, Tertiary Education, Skills and Employment Minister, Government of New Zealand, 14 September. <https://www.beehive.govt.nz/release/employment-outcomes-be-published>. By 2017 all post-secondary providers, including all universities, polytechnics and government-funded private training establishments are required to publish the data. Information is to be published on employment outcomes for Certificates 1 to 3, Certificate 4, diplomas, bachelors’ degrees, and graduate qualifications such as masters and doctorates.

⁹² Steven Joyce, 2015, ‘Employment outcomes to be published’, Tertiary Education, Skills and Employment Minister, Government of New Zealand, 14 September.

⁹³ Steven Joyce, 2015, ‘Employment outcomes to be published’, Tertiary Education, Skills and Employment Minister, Government of New Zealand, 14 September.

⁹⁴ Almeida, Rita, Jere Behrman, and David Robalino, eds; 2012, *The Right Skills for the Job? Rethinking Training Policies for Workers*. Washington, DC: World Bank, p 17.

⁹⁵ Almeida, Rita, Jere Behrman, and David Robalino, eds; 2012, *The Right Skills for the Job? Rethinking Training Policies for Workers*. p 17.

and choose not to fill vacancies for more skilled work because of the higher labour costs.⁹⁶ Relevant factors associated with low-skill, low-wage working conditions in developing countries are the small size of firms, low education levels of the workforce, little or no use of new technology and lack of export focus.⁹⁷

In these market conditions, the earning potential of an internationally recognised qualification in the Pacific may be limited and highly variable by sector. The 2016 APTC Graduate Tracer Survey found that nearly half of the graduates working full-time for an employer (47 per cent) are on the same wage or a lower wage one year after completing their APTC qualification.⁹⁸ The variation by industry sector is considerable from a high of 73 per cent of APTC graduates on the same wage or less for health services to a low of 31 per cent in other business services.⁹⁹ Even many graduates with some trade qualifications undertaking full-time work for a private sector employer are likely to be receiving the same or less earnings a year after graduation.¹⁰⁰

Need to identify and make contact with specific market segments for skills training

The 2014 APTC Independent Review noted several weaknesses and inconsistencies in how APTC identified the demand for APTC courses. Weaknesses were also identified in the environmental scans as a tool for identifying the demand for training. The Independent Review concluded that:

*Insufficient information is collected about labour market demand and employment outcomes. As a result, APTC risks oversupplying the market in some fields.*¹⁰¹

These weaknesses and gaps in labour market information are still evident in the methods APTC uses to identify the demand for skills training.¹⁰² APTC's training, funded for the most part by scholarships, has meant APTC has had little or no incentive to identify demand in a direct way. In Stage 3, with decreasing reliance on scholarships, APTC needs to develop a marketing strategy. This requires putting more resources into identifying the specific segments of the market APTC is servicing, developing a targeted strategy for each segment and making direct contact in a systematic way with potential purchasers of APTC products and services.

⁹⁶ Almeida, Rita, Jere Behrman, and David Robalino, eds; 2012, *The Right Skills for the Job? Rethinking Training Policies for Workers*. Washington, DC: World Bank, p 17.

⁹⁷ David Robalino and Rita Almeida, 2012, Overview in *The Right Skills for the Job? Rethinking Training Policies for Workers*. p 25.

⁹⁸ APTC, 2017, 2016 APTC Graduate Tracer Survey Report, p 18. A survey of graduates conducted for the 2014 Independent Review showed that 75 per cent of graduates in paid work said their wages had increased since graduating from APTC. However, there were major differences by the gender of the graduates, with only 68 per cent of women saying their wage had increased compared with 81 per cent of men.

⁹⁹ The proportion of APTC graduates in full-time jobs earning the same or less 12 months after graduation by industry sector is as follows: health services 73 per cent; government/civil service 59 per cent; education & training 49 per cent; manufacturing 48 per cent; transport & communications 47 per cent; construction 44 per cent; tourism & hospitality 43 per cent; electricity per cent; gas & water supply 41 per cent; retail & wholesale 39 per cent; agriculture 35 per cent; mining 32 per cent; and other business services 31 per cent.

¹⁰⁰ The highest proportion of APTC graduates by trade qualification working full-time for private sector employers who are earning the same or less a year after graduation are: 62 per cent of graduates with certificate III engineering mechanical trade (fitting and machining), 54 per cent with certificate III engineering, metal fabrication & welding, 48 per cent with certificate III light vehicle mechanical technology.

¹⁰¹ Independent Review of the Australia-Pacific Technical College Full report: Final, 28 November 2014, p 42.

¹⁰² The 2016-17 APTC Annual Report and Plan under the heading 'Labour Market Research' makes no reference to any detailed analysis of the labour market data that APTC itself generates. Nor does this document present any analysis of the demand for specific skills in any of the Pacific countries or in Australia or New Zealand. The annual APTC e-Scan document is based mostly on information sourced from the web related to economic forecasts and development initiatives that 'may impact on the TVET landscape'.

Five sources of demand

Apart from scholarship funding, there are at least five main sources of demand for skill training relevant to the APTC as a training provider. These are: Pacific private sector employers, Pacific governments as employers, donors wanting to fund skills training, self-funded individuals and overseas employers. The best way to identify demand is to research for each of these sources of demand whether the benefits of APTC products outweigh the costs and then approach directly potential purchasers. For the first source of demand, evidence from APTC employer surveys needs to be analysed in detail to identify those employers most likely to invest in high-quality skills training. The demand for APTC skills training is more likely to be found among employers who need to comply with recognised quality standards. These may be required in export markets such as tourism or to gain work from large infrastructure contracts.

Pacific governments as employers and donors are two other sources of demand. Pacific governments in the past have been major purchasers of training in the form of Certificate IV in Training and Assessment for the TVET instructors. Governments have also funded training to upgrade the skills of staff in education, health services and management. The European Union has funded APTC to deliver training related to the restructuring of Fiji's sugar cane industry. This training has ranged from short non-accredited courses, the delivery of accredited skill sets and full qualifications from Certificate II to IV.¹⁰³ Donor funding is likely to be available for skills training to install and maintain renewal energy and to mitigate the effects of climate change.

The extent of demand for skills training from self-funded individuals will depend in large part on the available evidence that the return on investment is worth taking on the upfront cost and that they have the money or can obtain a loan to cover the cost. Evidence on the return on investment consists of tracer survey results for each qualification on employment outcomes and wages earned in domestic and overseas labour markets. Household funding in the Pacific for education purposes may be limited. Only the Fiji National Provident Fund allows its members to withdraw funds to pay for the education costs of members of their family.¹⁰⁴ The fifth source of demand is labour mobility opportunities in high-income labour markets. How to access this demand source is discussed in detail in the next section.

The active fostering of demand for skill training

As noted above, large-scale infrastructure projects are another potential source of demand for skills training. However, policy changes are needed on the part of governments, multilateral agencies and bilateral donors to create opportunities for national workers to benefit. One focus is to ensure that foreign workers imported for a project transfer their skills to domestic workers in a systematic and measurable way. Needed changes include providing incentives for skills transfer in the prime contract, supported by work permit requirements and the promotion of corporate social responsibility nationally and regionally.¹⁰⁵ The opportunity exists to form a coalition for reform in Papua New Guinea and Fiji in particular.¹⁰⁶ The role of the reform group would be to work out ways for governments and donors to help create the demand for skills training, based on donor-funded projects in infrastructure and climate change.

¹⁰³ APTC Annual Report and Plan 2016 - 2017, p 18.

¹⁰⁴ See Education assistance, Fiji National Provident Fund <https://www.myfnpf.com.fj/withdrawals-services/education>

¹⁰⁵ See ADB, 2016, 'Promoting Skills Formation through Public Investment Projects: Case Studies from ADB-financed Infrastructure Projects in Papua New Guinea', *Improving the Performance of Labour Markets in the Pacific, Technical Assistance Consultant's Report, July 2016* <http://www.adb.org/projects/documents/skills-formation-public-investment-projects-png-tacr>

¹⁰⁶ Based on consultations conducted by the ADB in 2016.

Role of the APTC business development function in tapping domestic demand

Identifying demand and making direct contact with the four domestic sources of demand will require an enhanced APTC business development function. This function needs to first assess the costs and benefits for each demand segment based on data that APTC has already collected and will continue to collect in its annual employer, end-of-course student and graduate tracer surveys. The results of the three surveys need to be combined using a unique student identifier to assess the demand for existing qualifications. This involves showing for graduates of each qualification who are not existing employees their employment outcomes, job qualification match, wage rate, and their employer's perceived impact of the graduate on enterprise productivity.

A key function of the APTC business development function is to make direct contact with employers who are likely to want to employ APTC graduates. One way to identify new demand is for APTC business development staff to prepare a list of advertised skills-based job vacancies for each Pacific country covered by APTC to produce a simple measure of occupations in-demand. This list can be compiled by collecting data from job advertisements in newspapers, online job banks, on the radio and in a government gazette. The data should include: name of employer and contact details, location, job description, industry sector, required qualification and work experience and salary range. The job description data needs to be coded using the International Standard Classification of Occupations to produce a job opportunity index. Information from administrative data on work permits on the occupations of foreign workers is another useful data source, provided the occupations are recorded in a systematic way.

It is important that the APTC business development function has the capacity to conduct market research. This research is needed to investigate the specific needs of employers and self-funded individuals as a basis for developing effective ways of engaging with them. For example, some employers, such as government instrumentalities with a guaranteed cash flow and a large capital investment program, may be interested in setting up an employment-based training pathway for selected school leavers. For example, this is the case for the Solomon Islands Electricity Authority, known as Solomon Power or Sol Power. The Authority wants to develop and sustain its human capital base as one of its four main goals.

During the Design consultations, the CEO of Sol Power outlined his aim of training at least 70 electricians to service the planned doubling of its customer base by 2021. Sol Power wants to select the most capable school leavers with good numeracy and aptitude (i.e. able to problem solve) to become electricians and offer them an employment based pathway to acquire certificates 1 to 3 and then pass their electrical licence exam. These certificates could be delivered through SINU, with certificate II being jointly delivered for a dual qualification leading to Certificate III at APTC. The pathway would lead to guaranteed employment with Solomon Power or with one of the electrical distribution firms. The Sol Power CEO was happy for staff to migrate for three to five years to get experience and would offer them work on their return. He wants more staff turnover as there is very low turnover now.

The importance of labour mobility

The term labour mobility encompasses several different types of moving to another country for paid work. Labour mobility includes moving for work for the short term (less than a year), medium term (between one and less than five years) and long term (five year or more). The term also includes different types of residency entitlements, such as whether the worker's family can accompany the

worker. Australia's current low and semi-skilled labour mobility programs with Pacific Island countries are temporary (short/medium term movement) and circular (multiple temporary movements).

Why the need for more labour mobility?

The justifications for APTC to provide the citizens of Pacific countries more opportunities for labour mobility are many. These include significant benefits to individuals, their households, their communities and national economies. For individuals, higher income can be earned which is many times above the incomes earned by citizens in Pacific countries. World Bank evidence shows that a poor person's income in the 'average' rich country is nearly five times higher than a rich person's income in a poor country.¹⁰⁷

Labour mobility to a high-income country, especially for temporary work, can be a more effective tool for reducing poverty in the migrant's home economy than other forms of trade because of the high income returns to the work.¹⁰⁸ Research in the Pacific has shown that households with workers in New Zealand's seasonal work program have income gains of over 30 per cent compared to non-participating households. Other indirect effects were higher school attendance and more home improvement.¹⁰⁹ The income gains are much more for workers with skills are that rewarded more highly. Remittances from migrants are major sources of foreign exchange for Fiji, Kiribati, Samoa and Tonga.¹¹⁰ In Tonga in financial year 2014, remittances accounted for 25.5 per cent of GDP, three times more than receipts from tourism.¹¹¹

The benefits of labour mobility for individuals include not only a large increase in household income but also the acquisition of enhanced soft and technical skills from overseas work experience. Skills acquisition enhances the returning migrant's employment options and earning capacity in their home economy. Employers and national governments benefit from having a pool of return workers with the skills and work experience from which to replace high-cost foreign workers. Some disruption to enterprises can result from the departure of skilled workers but more can be done by employers to anticipate this by ensuring that other workers are already trained up to replace them.

Limited opportunities may exist domestically in many Pacific countries for skilled workers with APTC qualifications. The 2016 APTC End-of-Course Survey for the second semester (96 per cent response rate) showed that many completing students without an existing employer said they did not have paid work when they graduated. The qualifications of the soon-to-be graduates who said they did not have a job included the skilled trades usually seen by employers as being in high demand. These trades were: fitting and machining, metal fabrication, carpentry, plumbing as well as vehicle mechanics. A special tabulation from the 2016 APTC Graduate Tracer Survey confirms this picture. Up to one year after completing their course, between 16 and 22 per cent of APTC graduates in trade-related qualifications who were not with a pre-existing employer were not in paid work.¹¹²

¹⁰⁷ Dani Rodrik, 2017, 'Is global equality the enemy of national equality?', John F. Kennedy School of Government, Harvard University, January, p 2.

¹⁰⁸ Clemens, M, 2011, 'Economics and Emigration: Trillion-Dollar Bills on the Sidewalk?' *Journal of Economic Perspectives*, Volume 25, Number 3, Pp 83-106

¹⁰⁹ John Gibson, David McKenzie, Halahingano Rohorua, 2013, 'Development Impacts of Seasonal and Temporary Migration: A Review of Evidence from the Pacific and Southeast Asia', *Asia & the Pacific Policy Studies*, vol. 1, no. 1, pp. 18-32.

¹¹⁰ ADB, 2016, *Pacific Economic Monitor* July, pp 12, 15 and 31

¹¹¹ ADB, 2015, *Pacific Economic Monitor* December, p 16.

¹¹² The trade qualifications with significant numbers of graduates not in paid work were: Certificate III Light Vehicle Mechanical Technology, Certificate III Engineering, Metal Fabrication & Welding, Certificate III Commercial Cookery, Certificate III Carpentry, Certificate III Engineering Mechanical Trade (Diesel Fitting), and Certificate III Electro technology (Electrician).

Labour mobility opportunities in high-income labour markets are also needed so that many APTC graduates in employment can obtain a better reward for their skills. As noted above, the 2016 APTC Graduate Tracer Survey results show that many graduates with trade qualifications working full-time work for a private sector employer are only earning the same or less earnings a year after graduation.¹¹³ Other evidence from a survey of APTC graduates conducted for the 2014 Independent Review showed that female graduates in particular were less likely to gain a wage increase after graduating.¹¹⁴

The desire of APTC graduates to access labour mobility opportunities

Most recent APTC graduates want to access labour mobility opportunities overseas for work and see this as one of the major benefits they expect from their APTC qualification. Nine-out-of-ten students about to graduate in the second semester End-of-Course Learner Survey in late 2016 (N = 561) said they intended to seek work overseas using the skills they had obtained in their course. The intention to seek labour mobility opportunities for work differed only a little for men and women, with 85 per cent of women intending to do so compared with 95 per cent of men. Women aged 35-44 years were the least likely gender and age group to seek labour mobility opportunities for work but the proportion of women in this age group intending to do so was still high at 79 per cent.

The gender and age groups of graduates who intend to seek labour mobility opportunities for work are in the following order: men aged 25-34 years (51 per cent of all male graduates), women aged 25-34 years (40 per cent of all female graduates) and women aged 18-24 (28 per cent of all female graduates), men aged 35-44 years (27 per cent of all male graduates) and women aged 35-44 years (25 per cent of all female graduates). Graduates from Papua New Guinea and Fiji are most likely to want to access labour mobility opportunities (96 and 94 per cent respectively). Graduates from Tonga and Vanuatu are less likely to access labour mobility opportunities, although the share wanting to do so from these countries is still high at 83 and 81 per cent respectively.

Australia is clearly their favoured destination for work. Three-in-five new graduates gave Australia as their only intended destination for work overseas with a total of three-in-four new graduates listing Australia alone or with other destinations. Only one-in-four new graduates gave New Zealand as a destination, usually in combination with Australia and rarely alone. These intentions did not differ significantly by whether the APTC graduate was male or female.

Support in consultations for APTC qualifications to provide opportunities for labour mobility

The strategic dialogues in six countries in February 2017, which included one prime minister, government ministers and heads of government departments, revealed strong support for APTC's role in providing labour mobility options for their citizens. These comments varied from an acceptance that some skilled workers will want to access labour mobility opportunities (Fiji, Samoa), to strong support for APTC's role in providing access to skilled work opportunities in Australia and New Zealand (Kiribati, Papua New Guinea, Solomon Islands, and Vanuatu). Where references to brain drain were made in these dialogues, in many cases it was not seen as a major concern. In Kiribati, for example, the Secretary for Labour and Human Resource Development stated:

Cabinet is not concerned about brain drain. We have a high and growing population. With 2,000 school leavers per year, there is a mismatch between employment opportunities and growing unemployment, but still enough human resources to train up to replace those leaving for abroad. Labour mobility into Australia and New Zealand is a priority.

¹¹³ This applies to 62 per cent of graduates with a certificate III engineering mechanical trade (fitting and machining), 54 per cent with a certificate III engineering, metal fabrication & welding, and 48 per cent of graduates with certificate III light vehicle mechanical technology.

¹¹⁴ See Footnote 22.

She went onto note that there is a strong demand for migration for work in Kiribati, citing evidence of this demand and concluded:

‘Brain drain is not a problem for us... Kiribati has a ready supply of skills. They can replace nurses who leave with retired nurses. Also they are always training new nurses’.

In Samoa, the Prime Minister stated that whether people access labour mobility opportunities or not is up to them. He said he was not so worried about brain drain, as most migrants will continue to contribute to Samoa’s development: ‘The whole idea is to increase the quality of skills available’. The head of a major government funded education institution said that jobs for Samoans in Australia was a good idea if the brain drain issue is managed.

Other senior officials in the dialogues stated that they were in favour of APTC’s support for labour mobility because of the access it provided to well-paid jobs overseas. One government minister in Samoa said he was keen to have people well trained because it meant not just getting unskilled jobs in Australia such as fruit picking. A department head in Solomon Islands stated while Solomon Island workers go to New Zealand to pick apples, this work is too limited. He wanted training in trade skills to provide opportunities to migrate for better jobs than low skill work. In his view, this required APTC to be demand driven focused on where the available jobs are: ‘What skills are needed? What are the trade skills Australia wants? People need to be prepared for the jobs on offer.’ Other government officials from Solomon Islands in the stakeholder forum mentioned the need to focus on labour mobility opportunities for skilled and semi-skilled in areas such as carpentry, building and fisheries, as in the New Zealand Canterbury Rebuild.

Concern about the potential for brain drain and what to do about it

Reservations about the loss of skilled workers due to labour mobility were expressed in some enterprise stakeholder forums. In Fiji, one employer noted that a concern about APTC’s objective of ‘encouraging migration’ had been raised in the past at a peak council level. He noted that this issue was politically sensitive in Fiji in some industry and government quarters because APTC’s labour mobility objective was seen as causing ‘brain drain’, making it difficult to maintain a skilled Fijian workforce. He suggested that APTC needs to clarify its message about its role in promoting labour mobility. This could be done by focusing on, for example, the benefits to the Fiji economy from temporary or circular migration with returnees adding to value to the national skills base. This view was reinforced in a small group discussion in the forum that noted the need for APTC to support opportunities for labour mobility provided it was short-term, circular migration. This type of migration was seen in the longer term as boosting Fiji’s skills base and international competitiveness while not undermining the local availability of skilled workers.

Stakeholders also expressed the need to anticipate and seek to minimise the potential for brain drain. The head of a major TVET institution in Fiji noted that his institution had a mandate from government to serve the domestic economy and could not support training linked to a pathway to overseas work. Concerns were raised about the immediate effects on businesses of not being able to find a replacement for a skilled worker in a small labour market when a staff member migrates at short notice. This was the case for some employers in Kiribati who had chefs leaving to work in Australia. However, these same employers also said they wanted training of international standard to enable young people to migrate to reduce youth unemployment in Kiribati. Other employers also endorsed the need for training of international standing for domestic markets. This was the case for construction firms which needed to show they could meet the standards expected in international construction tenders and for those providing services in high-end tourism markets.

A discussion group in another enterprise stakeholder forum in Fiji proposed the following as its ideal feature of the future workforce: ‘A Fijian/Pacific workforce that delivers an adequate supply of skills

required in core sectors'. This group then discussed how labour mobility could be managed to ensure there was no overall skill/brain drain in the sending countries and recommended the following three actions with timeframes. First, in the short term, establish which skills are required in each country. It was suggested APTC should do this. Second, in the long-term, determine what opportunities existed for skilled workers to be mobile in the Pacific - this needs governments to be involved (e.g. Pacific Island Forum and Melanesian Spearhead Group). Third, they recommended that APTC undertake a continuous review of skill needs, initially after 1-2 years and then every five years, to ensure there was a net skills gain for Pacific countries.

Labour mobility patterns of APTC graduates

The APTC from its beginning has had a labour mobility objective but the 2014 Independent Evaluation found that very few APTC graduates (about 3 per cent) migrated to work in Australia or New Zealand.¹¹⁵ More recent data from the 2016-17 Annual Report confirms this finding, with only 276 APTC graduates out of 10,087 (2.5 per cent) migrating from their country of residence/citizenship to reside/work overseas. Of the 144 APTC graduates who had migrated in Stages 1 and 2, more had moved to New Zealand (31 per cent) than to Australia (29 per cent). This does not reflect the greater opportunities for work that Australia offers for migrants at higher pay than New Zealand does. Many of the other migrants (25 per cent) had migrated to other Pacific countries (mostly Samoa and Tonga). Women accounted for 38 per cent of the APTC migrant flow. However, women are much more likely to have migrated to other Pacific countries (55 per cent of all migrants) compared with the female migrant flow to Australia (36 per cent of all migrants) and New Zealand (28 per cent of all migrants).

Not all APTC migrants migrated for work. Of the 97 migrants for whom a reason for migration was given, two-in-three (66 per cent) had migrated for employment and near to one-in-three (30 per cent) had migrated for further education. Migration for employment suggests returning home after a specific time abroad as very few had migrated to settle permanently (3 per cent). Employment was the most important reason for men to migrate (71 per cent) and for women (58 per cent). The lower share of women migrating for employment reflects that the fewer eligible qualifications for women for migration to Australia. Migrating for further education was more important for women (33 per cent) than it was for men (26 per cent).

For women who migrated, the Certificate III in Hospitality stands out as the most important qualification. Their destination was overwhelmingly other Pacific countries. Hospitality-related qualifications in general were the most important for women migrating for employment. At the top of the list was the Certificate III in Hospitality and Certificate IV in Hospitality (Supervision). These qualifications were important also for the women migrating for employment to Australia although their number is low (only 6). Qualifications also important for work in Australia were hairdressing and tourism. For women migrating to New Zealand, the Certificate IV Training and Assessment was important, especially for those migrating for further study.

For men migrating the most important qualifications were the trades, accounting for 41 per cent of all qualifications held. However, important specific qualifications were the Certificate III in Hospitality (Commercial Cookery), and Certificate IV Training and Assessment.¹¹⁶ Men migrating to Australia for employment the trades and qualifications in hospitality and tourism were important, although the numbers here too are low (15). The most important qualification of men migrating to New Zealand was commercial cookery followed by Certificate IV Training and Assessment.

¹¹⁵ 2014 Independent Review, Australia-Pacific Technical College Program (APTC) Annexes, Annex 7: Labour mobility p 130.

¹¹⁶ Other important qualifications for men migrating were Certificate III in Tourism, and Certificate III in Hospitality and Certificate IV in Hospitality (Supervision).

Perceived barriers to labour mobility

The 2014 APTC Independent Review gathered information from APTC graduates on whether they had encountered any problems in applying to migrate. The barriers included lack of information or a suitable guide to turn to for help; difficulties with and cost of applying for a visa; lack of a job offer; lack of internet access; the qualification not being recognised for entry; and lack of accommodation or contacts. Graduates identified ways in which they believed these problems could be overcome such as seeking information from APTC; APTC assisting with finding a job overseas; and receiving advice from the alumni association.

A major barrier to labour mobility for APTC graduates has been the lack of an eligible qualification for migrant entry to Australia. The 2014 APTC Independent Review noted that the proportion of graduates from Stage I in eligible occupations and the required qualification level for migrant entry to Australia was 49 per cent. In Stage II it is even less at 42 per cent.¹¹⁷ Only 60 per cent of graduates at the end of second semester in 2016 who intend to seek work in Australia, using the skills they obtained in their course have an eligible qualification.¹¹⁸ Moreover, women graduates are even more disadvantaged, with only one-in-four women (24 per cent) intending to migrate for work in Australia have qualifications eligible for migrant entry to Australia as a temporary skilled worker or through the Pacific Microstates - Northern Australia Worker Pilot Program. This compares with over four-out-of-five male graduates (84 per cent) who have eligible qualifications.¹¹⁹ This disadvantage for women APTC graduates reflects the nature of the skills threshold for migrant entry to Australia. This threshold differs for service and trade-based occupations, with diplomas of 12-month duration required for feminised service occupations and work-based trade qualifications at certificate 3 or 4 level required for occupations performed mostly by men.

Importance of contact with employers

However, graduate feedback showed that few graduates are aware of the importance getting a job offer first as both Australia and New Zealand's temporary skilled work visas are entirely employer-driven. APTC graduates, without any contact with employers, either directly or through an intermediary, have had no chance of accessing the temporary skill visas that most migrants use to gain work in Australia and New Zealand. The 2014 Independent Evaluation of APTC noted, citing an authoritative study by Hawthorne, that 'employers in both Australia and New Zealand have come to exert extraordinary influence on permanent as well as temporary migrant entry flows'.¹²⁰ The Hawthorne study notes that Australian employers, in particular, are likely to want migrants with high-level English language ability.¹²¹ It is common for employers in Australia and New Zealand to use a two-step process of employing a skilled migrant on a temporary work visa first before deciding to offer to sponsor a migrant for permanent residence. Migrants also often follow a multiple step process based on the use of different work visas to acquire relevant work experience and to make contact with employers.¹²²

¹¹⁷ 2014 Independent Review, Australia-Pacific Technical College Program (APTC) Annexes, Annex 7: Labour mobility p 138.

¹¹⁸ Based on analysis of the 2016 APTC End-of-Course Survey.

¹¹⁹ Included are the 15 women and 4 men from Kiribati whose Certificate III in Individual Support entitles them to work in Australia as aged care workers through the Pacific Microstates: Northern Australia Worker Pilot Program.

¹²⁰ Hawthorne, L; 2011, *Competing for Skills: Migration Policies and Trends in New Zealand and Australia*. Department of Labour, New Zealand Government, Wellington, New Zealand. p 157

¹²¹ Hawthorne, L. 2011, p 157.

¹²² Independent Review, Australia-Pacific Technical College Program (APTC) Annexes, Annex 7: Labour mobility, p 136, citing evidence for Australia and New Zealand.

APTC's role in supporting labour mobility

The original design of APTC not only included a labour mobility objective. To help implement this objective in a cost-effective way, a design feature of APTC, especially in Stage 1, was a preference for students who were existing employees and who, in most cases, were already qualified as skilled workers. This target group for APTC, however, elicited a reaction from employers in some Pacific countries who feared the loss of their scarce skilled workers.¹²³

Also, as noted above, 90 per cent of recent APTC students in second semester 2017 intended to seek work overseas using the skills they had obtained in their course. Earlier student and graduate cohorts also linked their Australian recognised qualification with an intention to migrate to Australia for work.¹²⁴ However, as noted above, many APTC students and graduates are unaware of whether their qualification is eligible for migrant entry to Australia or not. APTC applicants need to be informed from the start as to whether the qualification they want to apply for is eligible and in demand for labour mobility to Australia or New Zealand.

To address the concerns of Pacific employers and of students wanting to access labour mobility opportunities, students in Stage 3 are to be given clear pathways to reflect their expectations. APTC students will be allocated, based on their prior commitments and intentions, to either a domestic track or a labour mobility track.¹²⁵ The numbers of students in each track will allow the APTC to assess the potential skills impact on domestic labour markets. With this information, APTC and Pacific governments can develop appropriate training responses to ensure that there is a net gain in skills for the Pacific economies affected. The following sections outline how this could work in practice.

The domestic track

The domestic track is for APTC students who intend to work in their home labour market and are not seeking any support to work overseas. Nevertheless, students in the domestic track will have full access to any qualification currently offered by APTC as it is unnecessarily restrictive to do otherwise. Some Pacific employers, especially those serving export markets such as tourism, have a strong preference for their staff to gain Australian recognised qualifications.¹²⁶ However, students in the domestic track will not be given any additional information about or support to meet migration requirements. It is clear from the past nine years of APTC's operation that without the required information and support, very few graduates (just under 3 per cent) have migrated to work overseas. Annual graduate tracer surveys will monitor and provide evidence of where graduates of the domestic track are residing.

An APTC applicant who is sponsored by an employer or government will be required to take the domestic track. Where an employer sponsors an employee to take an APTC course, the applicant is required to take the domestic track so the employer can be assured of a return on their investment.

¹²³ This employer reaction against the potential for APTC's labour mobility objective to create brain drain was repeated in February 2017 in two enterprise consultations in Fiji and in interviews with employers in Kiribati and Samoa.

¹²⁴ Eight-out-of-ten APTC students (82 per cent) surveyed by the 2014 Independent Review of the APTC said they were planning to migrate at some stage in the future or had taken steps to migrate. Three-in-four APTC graduates surveyed (76 per cent) were planning to migrate at some stage in the future or had taken steps to migrate. Independent Review, Australia-Pacific Technical College Program (APTC) Annexes, Annex 5, Questionnaire results: responses to review team questions, June–August 2014, p 59 & 63

¹²⁵ The concept of dual 'home' and 'away' tracks was proposed by Michael Clemens in his paper: Michael A. Clemens. 2014. "Global Skill Partnerships: A Proposal for Technical Training in a Mobile World." CGD Policy Paper 40. Washington DC: Center for Global Development. <http://www.cgdev.org/publication/global-skill-partnerships-proposal-technical-training-mobile-world>

¹²⁶ Examples are the preference for APTC graduates as chefs in the Fiji hotel industry, and manufacturers operating under stringent quality standards to meet the requirements of export markets in Japan and the USA. National construction firms also said they needed internationally qualified workers to meet building or other quality standards specified by an international contract.

Employer sponsorship is defined as payment of APTC fees and continuation of full pay as an employee while also being an APTC student. Employer sponsorship does not necessarily include the offer of holding open a job while the student is on an APTC scholarship. Applicants for an APTC training place who are employed and will continue to be employed while they are a student will need to provide a letter of support from their employer. The employer's letter should acknowledge that their employee is undertaking an APTC qualification with their support and that their employee is doing this through the domestic track. The letter will need to be verified and the employer's understanding of what is involved, confirmed by APTC as part of the application process.

The second reason for an applicant to be required to take the domestic track is where it is a condition for receiving government funding for their training. This situation applies, for example, to students who undertake a dual qualification at a skills training institution with a mandate and funding from a national government to service domestic labour market needs only.

An important feature of the domestic track will be the support for students who are not currently employees to maximise their chances of finding suitable employment in their home labour markets. This support should include up-to-date information from the annual graduate tracer survey about the domestic employment prospects for the qualification they are undertaking. As well, support will include the opportunity to learn how to become self-employed by incorporating business development, money management and entrepreneurial skills into the study program they undertake. The domestic-track student category will also focus on ensuring equity groups are included, with appropriate support services provided. English language needs would continue to be addressed through the current Language Literacy and Numeracy Program (or similar).

The labour mobility track

The labour mobility track is for APTC students who intend to make use of their qualification to access labour mobility opportunities in the next five years. The labour mobility track will only offer access to APTC qualifications which are eligible for migration (temporary/circular) and are assessed to be currently in demand by employers in Australia or New Zealand. The assessment of demand will be based on the previous 12 months' occupation profile of employer-sponsored skilled work visas, using publicly available immigration data for Australia and New Zealand.

The focus of the labour mobility track will be on maximising the success of APTC graduates in meeting temporary and circular migration requirements, with specific attention given to gaining access to Australian and New Zealand employers for temporary skilled work. Applicants applying for the labour mobility track will also be informed of the required relevant employment experience for the occupation related to the APTC qualification they wish to pursue. If an applicant for the labour mobility track is employed in the same occupation as the proposed APTC qualification and will continue to be employed while a student, a letter of support from the employer will be needed. If this is not provided, the applicant will not be able to access the labour mobility track. Applicants for the labour mobility track will be made aware that access does not constitute a guarantee of employment or a tie to a particular employer.

Support for students on the labour mobility track should include providing information about different temporary and circular migration pathway options for men and women separately based on visa options offering a range of work opportunities. This information will need to be provided by the Pacific Labour Facility... One option is to gain short-term relevant work experience through either of the seasonal work programs in Australia or New Zealand. Another option is to obtain medium-term employment based on work in specific locations in Australia and New Zealand such as the Northern Australia and Christchurch. There are also more general temporary skilled work options in Australia and New Zealand that will require prior job offers from employers. Longitudinal data will need to be collected

from migrant APTC graduates to identify and report on labour mobility pathways as well as wage and other employment outcomes.

Another form of support that APTC can offer students wanting to access labour mobility opportunities is to help them meet the international English language standard required for migration purposes. The Australian government has announced in April 2017 its intention to change the requirements for entry to temporary skilled work to include a higher standard of English.¹²⁷ APTC English language support for students in the labour mobility track will need to meet this requirement. To do this, APTC will need to acquire the capacity to administer and certify a test prior to graduation that meets the requirements of Australian Immigration authorities.

APTC should also offer other forms of support for the labour mobility track such as inviting Australia and New Zealand employers to visit the APTC campuses to see the facilities, meet instructors and students and to experience the quality of the training provided. Over time, the Pacific Labour Facility will explore, advocate for and act on the opportunities for work in Australia. Attachment 2 outlines a proposed set of tasks that need to be undertaken to promote labour mobility and a suggested allocation of responsibility to APTC, the Pacific Labour Facility and an independent evaluator. Further detail on how APTC can assist with labour mobility from a training perspective is contained in Annex 5 (section 4).

Addressing the gender bias in the labour mobility track

A separate labour mobility track will also allow the share of women choosing this track to be monitored. The issue of how to increase the number of eligible and in-demand qualifications in the service occupations needs to be addressed. Several responses are possible. One is for the Pacific Labour Facility to identify opportunities for jobs in service occupations below the skills threshold and gain employer job offers for APTC graduates.

Only two qualifications at certificate 3 or 4 level in feminised occupations that APTC offers or has offered in the past are currently eligible for migration to Australia. These are clothing trades workers and hairdressers. However, the data on occupations granted 457 visas in 2014-15 show that there is no demand for clothing trades workers but there is some demand for hairdressers (395 visas granted). The Pacific Microstates - Northern Australia Worker Pilot Program visa allows the citizens of Kiribati, Nauru and Tuvalu to undertake paid work requiring qualifications below the skills threshold such as aged or disability carers, personal care workers or nursing support workers.

Under the Northern Territory Designated Area Migration Agreement (DAMA), Certificate III and IV qualifications are eligible for 457 visas for service occupations such as barista, beauty therapist, tour guide, accounts clerk, nursing support worker/nursing assistant.¹²⁸ The occupation of aged or disability carer requires at least a diploma as well as at least one-year's relevant post qualification experience.

Over time, the PLS will open up a range of new opportunities.

Ensuring a net gain in skills for Pacific Countries

A key principle of the Stage 3 Design is that 'APTC's graduate supply ensures a net skill gain for Pacific Countries'. This principle refers to the net gain APTC graduates make to the numbers of skilled workers currently employed in related occupations in each Pacific country after accounting for the number of

¹²⁷ The short-term stream of the Temporary Skill Shortage (TSS) Visa will require an International English Language Testing System (IELTS) (or equivalent test) score of 5, with a minimum of 4.5 in each test component. The Medium-term stream of the new TSS visa will require a minimum of IELTS 5 (or equivalent test) in each test component.

¹²⁸ Nominee to demonstrate - semi-skilled occupations -Northern Territory Designated Area Migration Agreement <http://www.australiasnorthernterritory.com.au/Working/bsm/employer-nominated/dama/Pages/nominee-to-demonstrate.aspx>

APTC graduates who have migrated to work overseas. This principle addresses the concerns of some Pacific countries and Pacific employers, noted above, that workers with hard-to-replace skills and experience will migrate to high-income countries. This concern is confirmed by evidence that small, remote populations in the tropics in low-growth economies produce the highest emigration rates of the highly skilled compared with other developing countries.¹²⁹ In the Pacific, recent census data show that the highly educated from Tonga, Fiji, Samoa, and Kiribati have very high emigration rates to OECD countries (between 53 and 39 per cent of their citizens with a degree or higher).¹³⁰

Identifying the type of labour market each APTC qualification serves

Three basic categories of qualifications need to be distinguished to assess whether APTC's graduate supply is producing a net skill gain for Pacific countries. Each qualification needs to be classified according to whether it is focused on (1) mainly meeting domestic demand, (2) mainly meeting the demand for migration to work in Australia or New Zealand or (3) meeting demand in both Pacific and overseas labour markets. A simple matrix needs to be developed for each country to show for relevant APTC qualifications the type of labour market supplied in terms of the above three categories. In aggregate, the matrix will show the total output of graduates expected for each broad type of labour market. For example, a large share of the APTC training output aimed at Pacific labour markets will mean fewer APTC graduates taking up opportunities for labour mobility. With gender of APTC graduates added, it will be possible to monitor the share of women graduates in qualifications eligible for migration and who have migrated. APTC training output aimed at both domestic and overseas labour markets will require careful monitoring, as proposed below, to ensure that the APTC Design principle of a net skills gain to Pacific labour markets is met over time.

Using a matrix to identify the supply and demand for APTC skills training

The assessment of net skills gain or loss for each Pacific country requires building a simple matrix of the current supply and demand for APTC qualifications. The purpose of the matrix is to identify for relevant occupations, as far as data permit, the current balance between the supply of APTC graduates by qualification and the demand by employers for the skills training provided by APTC. The supply numbers will be based on the training profile of qualifications APTC currently offers or plans to offer. The estimates of demand need to be based on the actual demand by domestic employers for internationally recognised skills in the relevant occupation. How this is determined is explained below. If there is an actual or potential oversupply of graduates for specific occupations, the supply needs to be reduced. The matrix can also be used to assess whether there is an undersupply of APTC graduates for the identified demand. Some oversupply of graduates of skills training is inevitable in small domestic labour markets with limited job growth. As noted above, the 2016 APTC Graduate Tracer Survey results show evidence of an oversupply of graduates in specific qualifications for specific countries based on the number of graduates who are not in paid work 12 months after graduation.

Guidelines on building a model of supply and demand for APTC graduates

A simple matrix of the current supply and demand for APTC graduates can be built, making use of four indicators. These indicators are based on occupation data which are already available from most Pacific census or large-sample survey data.¹³¹ The first step is to identify the occupation or occupations relevant

See Docquier, F, 2014, 'The brain drain from developing countries: The brain drain produces many more losers than winners in developing countries' IZA World of Labor 2014, p 3. See also Arslan, C. et al. (2014), "A New Profile of Migrants in the Aftermath of the Recent Economic Crisis", OECD Social, Employment and Migration Working Papers, No. 160, OECD Publishing, Table A6, pp 60-62.

¹³⁰ Curtain, R, 2016, 'Pacific Migration Pathways & Employment Outcomes: Barriers and Opportunities', paper presented at Workshop on Pacific labour mobility, Development Policy Centre, ANU, 2 June, p 10.

¹³¹ Samoa in its most recent census did not collect occupation data at the necessary level of detail to be of use. An up-to-date data source for Fiji is the large sample 2016 Fiji Employment and Unemployment Survey (EUS).

to an APTC qualification. This can be done by using the ISCO (International Standard Classification of Occupations) four-digit level codes used by most Pacific countries.¹³² The four-digit, unit group level in ISCO identifies an occupation with sufficient detail to enable it to be matched to an APTC qualification.¹³³ There are, for example, 66 occupations listed under the ISCO major group of craft and related trades workers. The next step is to request from a government statistics office the census or large-scale survey data (in the case of Fiji) on the number of jobholders by post-school qualifications for these occupations. The number of jobholders in each occupation shows the total potential demand for workers in this occupation, after taking into account an assumed labour turnover rate (Indicator 1).¹³⁴ The number of jobholders with post-school qualifications shows the likely demand for APTC graduates (Indicator 2).

The census data can also be used to identify the number of foreign workers by post-school qualifications in the relevant skills-based occupations (Indicator 3).¹³⁵ This indicator shows the number of jobs in an occupation that could be filled by suitably qualified national workers. The assumption is that employers have imported skilled foreign workers with post-school qualifications because there is a lack of suitably qualified national workers. The skills gap for existing domestic workers can be estimated by comparing the post-school qualification rate of foreign workers with the post-school qualification rate of domestic workers in a specific occupation (Indicator 4).

Identifying net skills gain or loss

Using the data in Indicator 2 and the data from the APTC training profile, the supply and demand matrix can be used to compare for each matched occupation the number of APTC graduates with the number of jobholders with a post-school qualification. The comparison shows demand based on the number of jobholders in a skills-based occupation who are qualified. Indicator 3 shows the potential demand for APTC graduates based on replacing foreign workers. Indicator 4 shows the potential skills gap for existing workers in a specific occupation. This information can be used by APTC to work out at a basic level the potential demand for more skills training in that occupation. However, this potential demand needs to be tested against more direct evidence from employers of the actual demand for APTC qualified workers, based on tracer survey results.

To work out the actual supply for each relevant occupation, the number of APTC graduates by qualification who have migrated for work overseas also needs to be taken into account. Current information on migrants' occupations can be collected from border departure cards and coded using ISCO. This information can be cross-referenced with the results of the most recent APTC tracer survey results. The actual demand for qualified workers for specific occupations can be further refined by collating information on job vacancies from advertisements in newspaper or other media as well as

¹³² The national censuses in most Pacific countries collect detailed occupation data using some variant of ISCO (International Standard Classification of occupations). The three former US administered Pacific countries use the US occupational coding system.

¹³³ There are 130 occupations at the 3-digit (minor group) level and 436 occupations at the 4 digit (unit group) level. See Table 3, p 22 in ILO, 2012, *International Standard Classification of Occupations: ISCO-08*. International Labour Office, Geneva.

¹³⁴ Most Pacific economies have low growth rates, generating few new jobs. This means that labour turnover is low and is mostly due to retirement. The number of advertised job vacancies by occupation is one source of information on occupational turnover.

¹³⁵ There are four skill levels used in ISCO. Skill levels are determined by reference to the nature of the work performed (e.g. whether manual or not, whether routine or not); the level of education required; and the amount of informal on-the-job required. Professional occupations are at the highest level, followed by technicians and associate professionals, with five major groups including clerical and trades related workers at the second skill level. Elementary occupations are at skill level one.

direct contact with employers. APTC End-of-Course survey data can also show whether graduating students by qualification have a job lined up or are already employed.

Where a notable skills shortage for a specific occupation is identified due to the migration of APTC graduates to work overseas, APTC or a specialist agency will need to make a suitable response. This could involve finding and informing suitable APTC graduates of the unfilled job vacancies. They may be graduates who are not in paid work or in a job that does not match to their qualification. APTC could also respond by providing more places for applicants from that country to make up the shortfall in skills. This response, however, may require an agreement with employers on a co-investment basis to fund the extra training places.

Need for specialist labour mobility support

Sourcing the data on supply and demand for APTC graduates, building the matrix and analysing the results will require APTC to consult with labour mobility specialists. The main tasks include sourcing and analysing detailed data on occupations for a range of Pacific countries and for skilled migrants in Australia and New Zealand. The tasks also include obtaining for each Pacific country information from border departure cards and from job vacancy advertisements in the media and official sources. Another key function involves designing, administering, analysing and reporting the results by qualification of regular APTC tracer surveys (see Attachment 1 for the range of issues involved in conducting a graduate tracer survey).

It is important to acknowledge that generating labour market information is a major public good for the Pacific. Governments and enterprises will benefit from information showing where skills training is needed. This in turn will help ensure that the government and donors allocate funds for TVET based on evidence of need and effective employment outcomes.

APTC will also have an important role in partnering with the Pacific Labour Facility. This partnering role will include providing access to graduate contact details, promoting to students and graduates the value of taking part in the tracer survey and making the results available to all interested parties. Other forms of support include collecting and analysing job advertisements and making direct contact with employers to collect information about job vacancies and their skill requirements. Attachment 2 identifies a series of tasks related to promoting labour mobility and achieving a net skills gain in Pacific countries and suggests which agency should perform the task. Attachment 3 provides information on recent changes to migration requirements in Australia and New Zealand.

Attachment 1: Key issues to address in conducting a graduate tracer survey

- The APTC graduate tracer survey needs to have a strong labour market focus. Information on APTC graduates' employment outcomes by qualification is needed to work out the demand for the qualification in domestic and overseas labour markets. This information is also required to assess for specific Pacific countries whether APTC graduates are a net skill gain.
- Incentives for APTC graduates need to be put in practice to ensure that the graduate response rates for each qualification are maximised. To reduce the burden on respondents, items about level of satisfaction with APTC training should be removed and limited to the student end-of-course survey.
- As the purpose of the survey is to collect employment outcomes for each qualification, information on the respondent's qualification needs to be collected in a systematic way. This should be done by ensuring that the respondent has access to a relevant list of the qualifications from which he or she can select. The interviewer also should have access to the qualification profile of the respondent he or she is contacting.
- Information on a graduate's employment outcomes need to be collected in some detail. These outcomes include current employment status: whether in paid work, unpaid work, looking for work or and time in employment since graduation. Also important is information on type of employment: in wage job or self-employed, in full time or part-time work, description of current job, employer (industry), size of employer, gross earnings last week, and hours of work last week. Information is also needed on whether the graduate assesses his or her job is relevant to the skills acquired at APTC.
- The job description needs to be sufficient to code it to ISCO (International Standard Classification of Occupations). The information describing current job needs to be coded to ISCO (International Standard Classification of Occupations) to work out whether the graduate's qualification is matched to the graduate's current job.
- Information needs to be collected and reported on the APTC graduate's past employment. This includes employment status and type of employment prior to and while a student, including type of job held before APTC and gross earnings per week and hours worked in previous employment to compare with the graduate's current post graduation earnings.
- Information should also be collected on whether the graduate is undertaking other training or further studies, and if looking for work, what job search activities he or she is undertaking.
- Employment information is needed to provide feedback on demand for the qualification not only on the graduate's employment outcomes at the time of the survey but also since graduation. This should include time in employment, type of employment (full or part-time, self-employed), hours worked, type of job and earnings.
- Longitudinal information is also needed on outcomes over time for the same graduates. This is to track changes in employment outcomes over the medium term. This includes change of job, promotion and changes in earnings. The follow-up should be about three years after graduation and about six years after graduation.
- A high response rate is needed for each qualification as non-response by a graduate may indicate that he or she is not in employment. It may be worth selecting a sample from a large population of graduates in a specific qualification to make better use of available resources to lift the response rate.
- Incentives for graduates will be needed to ensure a high response rate. The incentive needs to be large enough to encourage graduates to make contact with their fellow graduates to get them to

respond. The incentive could take the form of a group incentive, awarded to the alumni association for their activities for a high response rate for each qualification. It could also take the form of an incentive payment to a graduate for the completion of the questionnaire or a payment for every five or ten questionnaires completed. The instructor could also be rewarded to follow up graduates who have not responded to lift the response rate. The funding for this could be added to the fees charged for each course because it is providing information of high value to each student.

- Careful planning is needed to ensure that a high response rate is achieved and other aspects of good practice are addressed. A survey quality framework should be used as a checklist to ensure that good practice is followed. This good practice includes ensuring that the design is user friendly in terms of interview length and complexity of the questions, that the method of collection makes use of a range of ways to maximise response rates (such as online or hard copy with telephone follow-up), respondents are offered a reward in some form and pilot testing of the questionnaire to improve its design.
- Other ways to encourage a high response rate are:
 - promoting the value of the survey to current students before they graduate with a well-designed advance notification letter,
 - seeking two or more contact addresses before they graduate,
 - designing the questionnaire so the purpose of the survey is clear,
 - offering a non-monetary incentive to encourage a response, such as a short report based on outcomes for each qualification, and
 - involving active networks of graduates to contact other graduates.
- A methodology report should be produced, covering the issues that could be improved in future surveys. It is important for changes to future questionnaires to undertake an analysis of non-response on specific questions and to identify possible reasons for non-response on specific items. These may include issues such as sensitivity of the question about earnings, for example, poorly worded questions, and evidence of a response burden due to too many questions or other factors.
- Other issues the methodology report should address are information on fixing or dropping data outliers, how open-ended responses were coded, and the imputing missing data. Reference should also be made to where new variables derived from other variable or variables added from other sources such as student records.
- The methodology report should note the reasons for non-response such as non-contact, refusal, or unable to complete. The key characteristics of APTC graduates (e.g. age, gender, type of qualification) who did not respond need to be compared with the respondents to see if there are obvious differences and hence a potential bias in the results such as under-reporting of women or younger graduates. It is also important to report on is the value of the use of incentives to lift response rates.

Attachment 2: Proposed tasks and allocation of responsibility to achieve an increased share of APTC graduates who migrate to work in Australia & New Zealand while also ensuring a net skills gain for each Pacific country sending migrants

Proposed Tasks	By whom
1. Identify potential job opportunities in Australia through analysis of migration data, and appraisal of other opportunities in Australia. These opportunities include the North Australia Designated Area Migration Agreement (DAMA) and the tourism component of Australia's Seasonal Worker Program. Further some enterprise labour agreements allow employers to recruit overseas workers for jobs that are not eligible under standard migration programs. ¹³⁶ Such agreements need to be monitored for openings that might be available.	Pacific Labour Facility (PLF)
2. Make contact with employers in Australia & New Zealand with job vacancies filled by migrants and hold discussions to find out about perceived barriers to recruiting workers from the Pacific and to identify realistic job opportunities based on employer commitments	PLF
3. Identify the potential brain drain for Pacific countries by assessing the supply and demand for APTC qualifications. This involves comparing the number of students in the abroad or migration track by qualification with the demand for qualified workers in related occupations. Where there is a potential under-supply of qualified workers for Pacific employers, consult with APTC and Pacific governments to develop appropriate responses. The aim is to achieve a net domestic skills gain in the identified qualifications and also to respond to overseas demand for specific qualifications identified in Task 1.	APTC in conjunction with the PLF
4. Increase amount of training in specific occupations based on identified demand for domestic and overseas labour markets as a response to evidence of potential brain drain.	APTC
5. Invite employers to visit APTC campuses and establish links with APTC to work out training pathways, including English language requirements and relevant work experience.	PLF & APTC
6. Based on employer commitments and APTC responses, make public information on the feasible training pathways to employment in Australia based on specific occupations, qualification levels and relevant employment experience.	PLF & APTC
7. Provide information to APTC students in the abroad or migration track about the conditions required for appropriate visas to Australia.	PLF
8. Provide information on the settlement challenges Pacific migrants are likely to face and how these items will vary by type of visa and location of residence in Australia.	PLF working with APTC

¹³⁶ For example, see *Labour agreement allows aged care facility to hire Greek-speaking workers*, Australian Financial review, 6 August, 2014

9. Provide training in core employability skills (such as customer focus, punctuality, strong work ethic) and financial literacy on how to budget for food, accommodation, communications and how best to send remittances.	PLF
10. Collect data from APTC graduates who have migrated overseas on their employment outcomes such as skills match, wages and working conditions as well as perceived levels of job satisfaction	Independent evaluator working with APTC and PLF
11. Collect data from APTC graduates who have not migrated on their employment outcomes such as skills match, wages and working conditions as well as perceived levels of job satisfaction	Independent evaluator working with APTC
12. Prepare a report comparing the results of the surveys of APTC graduates who have and have not migrated overseas in terms of employment outcomes such as skills match, wages and working conditions as well as perceived levels of job satisfaction, with reference to which country they are working in.	APTC in conjunction with PLF
13. Survey employers of APTC graduates in Australia & New Zealand to assess their work performance and perceived impact on workplace productivity compared with other migrant and non-migrant workers	Independent evaluator working with APTC and PLF
14. Survey Pacific employers of APTC graduates to assess their work performance and perceived impact on workplace productivity compared with other qualified domestic and foreign workers.	Independent evaluator working with APTC

Attachment 3: Changes affecting options for labour mobility and the APTC training profile

1. New Temporary Skills Shortage (TSS) visa for Australia

The occupation lists that underpin the 457 visa will be significantly condensed from 651 to 435 occupations, with 216 occupations removed and access to 59 other occupations restricted. Of the 435 occupations, access to 24 occupations has been restricted to regional Australia (e.g. occupations relating to farming and agriculture).

From March 2018, the 457 visa will be abolished and replaced with the Temporary Skills Shortage (TSS) visa. The TSS visa will comprise a Short-Term stream of up to two years, and a Medium-Term stream of up to four years.

The Short-Term stream is to be based on the new Short-term Skilled Occupations List (STSOL) that has 435 occupations on it. This new Short-term Skilled Occupations List is to be updated every six months based on advice from the Department of Employment.

The only occupations removed from the list of eligible occupations are related to the APTC qualification in fashion and design qualification. These occupations are: Apparel Cutter, Clothing Patternmaker, Dressmaker or Tailor and Clothing Trades Workers Not Elsewhere Classified. Their removal simply reflects the fact that no employers had sought 457 visas for these occupations, meaning there was no demand for workers in these occupations. However, some occupations in the APTC's past or current training profile have had their scope narrowed, making it harder for employers to recruit people for these positions. These are: Baker, Pastry Cook, Chef, Cook and Hairdresser, Hair and Beauty Salon Manager.

The Medium-Term stream will be available for occupations on a new Medium and Long-term Strategic Skills List (MLTSSL). This List is based on a narrower range of high skill and critical need occupations which are assessed to be 'of high value to the Australian economy and aligning to the Government's longer-term training and workforce strategies'. The MLTSSL is reviewed each year by Department of Education and Training, using a methodology explained [here](#).

English language requirements of the new TSS visa are significant. Visa applicants for the Short-Term stream are required to have an International English Language Testing System (IELTS) (or equivalent test) score of 5, with a minimum of 4.5 in each test component. The English language requirements for the Medium-Term stream are higher: a minimum of IELTS 5 (or equivalent test) in each test component.

Implications

- Most of the male-biased occupations in the trades that APTC offers qualifications in are still eligible for the Medium-Term stream TSS visa (four years plus pathway to permanent residence). These are: Motor Mechanic (General); Diesel Motor Mechanic; Small Engine Mechanic; Sheet metal Trades Worker; Metal Fabricator; Welder (First Class); Fitter (General); Fitter & Turner; Fitter-Welder; Metal Machinist (First Class); Panel beater; Carpenter; Painting Trades Workers; Wall & Floor Tiler; Plumber (General); Electrician (General) and Air-conditioning & Refrigeration Mechanic. However, applicants will need to show they have the equivalent of apprentice training of five years or more. APTC will need to target existing trades qualified workers to increase the level of labour mobility.
- The occupations of Pastry Cook, Chef, Cook and Hairdresser are less likely to be in demand by Australian employers as the type of work they are permitted to do as a visa holder has narrowed considerably. Only people employed in these occupations in major resorts will have the opportunity to migrate only if work in the same setting is available in Australia. This means moving to another job within the same corporate employer.

- As in the past, there is still virtually no scope for APTC graduates with only Certificate III or IV in service occupations to gain entry to work in Australia under the new TSS. The main opportunity is under the North Australia Designated Area Agreement (DAMA). Even here the only relevant eligible occupations requiring this qualification level are: Barista, Beauty Therapist, Tour Guide, Accounts Clerk, and Nursing Support Worker or Nursing Assistant. Under the North Australia DAMA, the occupation of ‘Aged or Disability Carer’, however, requires at least a diploma as well as at least one-year’s relevant post qualification experience.
- More opportunities for women to migrate within the existing visa parameters can only come from APTC offering qualifications at the diploma level. This will also require students to have work experience often at a supervisory level to also qualify as eligible for migrant entry.
- Employers offering work on the Short-Term stream visa may offer more job opportunities because it reflects short-term demand. This stream may offer more opportunities for labour mobility in the short-term as employers will see it less of a risk to engage a migrant worker. The two-plus-two year visa with no pathway to permanent residence will also ensure that Pacific migrants in the Short-Term stream will return home after two or four years.
- An increased standard of English will be needed for all APTC students in the labour mobility track and APTC will need to have the capacity to administer the IELTS test to show that each student has reached the required standard on graduation.

2. New definition of skills threshold for temporary work for New Zealand’s Essential Skills visa

On 19 April 2017, the New Zealand Government announced a range of changes to the conditions of its visas for migrant entry. These cover both entry for permanent settlement and for temporary work visas. The main change is the introduction of an income levels to categorise job offers into the three skill levels: lower, mid and higher skilled, with different visa conditions applying to jobholders in each skill level.

One income threshold will be set at \$48,859 a year, the New Zealand median income for 2016. Those in occupations earning below this income threshold will be excluded from the middle-skill temporary work visa conditions for occupations that were previously considered as ‘skilled’ (i.e. ASCO Skill level 3). These refer to the duration of the visa and whether the migrant can have partners and children accompany them.

The other income threshold will be set at 1.5 times the New Zealand median income of \$73,299 a year for jobs that are well paid but are not currently considered skilled (i.e. ASCO Skill Level 4 or 5). The so-called ‘lower-skilled’ Essential Skills visa holders are to be defined as not only covering ASCO Skill Level 4 and 5 jobs. They now will also include ASCO Skill Level 3 jobs holders where they earn less than NZD \$48,859 a year. What this means for APTC is that many trades qualified workers will fall under this income threshold, especially for those with little or no work experience in New Zealand.¹³⁷

Lower-skilled’ Essential Skills visa holders will be required to renew their visa each year, subject to a labour market test. ‘Lower-skilled’ Essential Skills visa holders, if they pass the labour market test of the Work and Income agency, can renew their visas each year for three years only. These visa holders are then subject to a minimum stand down period of a year before they can apply for another lower-skilled Essential Skills visa. This means that they do not have access to a permanent residence pathway. They are also not permitted to bring their children and partners to New Zealand to take up residence,

¹³⁷ Data from the web indicates that the median wage for an electrician in New Zealand in 2017 is NZD \$57,450 a year with the pay range from \$46,171 to \$77,515 a year
http://www.payscale.com/research/NZ/Job=Electrician/Hourly_Rate

although partners will be entitled to a nine-month visitor's visa without the entitlement to take up paid work in New Zealand.

Implications for APTC graduates wanting to migrate to New Zealand

- Nearly all of APTC graduates at Certificate III and IV levels are now eligible only for the lower skilled Essential Skills visa. A graph on NZ earnings by qualification level for nine years after graduation shows that the median wage for Certificate Levels 1-3 and 4 do not reach \$40,000 after nine years in work and, based on imputed trend line, are not likely to over a longer period.
- The new lower-skilled Essential Skills visa holders after three years are required to return home to spend at least one year outside of New Zealand before they are eligible for another Essential Skills visa in a lower-skilled occupation.
- There is a strong incentive for APTC graduates not to take their partner or children to New Zealand due to the extra expense. Workers with lower-skilled Essential Skills visa will be dependent on their own wage because their partner will not be able to work unless he or she can get a work visa as well. In addition, children cannot go the school in New Zealand, as the payment of international fees will be beyond the resources of a lower-skilled worker.
- The new visa requirements which are likely to affect all APTC graduates ensure that APTC graduates will have return home within three years. They will also have a strong incentive not to return to work in New Zealand because this will mean continuing to leave their family at home if their partner cannot also obtain a work visa.

Annex 5: Future directions of APTC

Over the next ten years, APTC will take on an increasingly catalytic role. It will evolve from an Australian college directly delivering Australian qualifications to an enabling organisation that assists Pacific partners to provide their own internationally recognised training and achieve quality improvements in their institutions and systems. It will forge enduring pathways between skills development and employment in both national and international labour markets. A transformed APTC, with a primarily national workforce working in politically smart ways, will be agile, responsive and entrepreneurial. It will build coalitions with like-minded reform champions including peak industry bodies, the private sector and training institutions to advance locally led TVET reform. It will foster greater coordination, collaboration and harmonisation of Australian support. By 2028, the APTC will be recognised regionally and globally as a leading force in skills creation carefully linked to skills mobility and as a highly successful example of sustainable international development.

This Annex provides further details on the future directions of APTC.

Detailed information is also provided under the following headings:

1. APTC's future sphere of activity
2. Co-investment
3. Embedding APTC into Pacific TVET systems
4. The training response to expanded Pacific labour mobility
5. Qualifications
6. Training for TVET staff
7. On-line/blended learning
8. Organisational arrangements.

1. Redefining APTC's future sphere of activity

Section 4.1 of the Investment Design Document (IDD) proposes that the sphere of activity for APTC3 be reduced from the fourteen Pacific Island Forum (PIF) countries to nine, namely: Fiji, Kiribati, Nauru, PNG, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu. This section provides further details on the rationale and implications of this change.

Rationale and Implications

Throughout Stages 1 and 2 (including Stage 2ext.), APTC serviced the fourteen PIF countries. Over the ten-year period to date, different levels of engagement with each country have evolved. APTC has established teaching facilities to varying extents in Fiji, PNG, Samoa, Solomon Islands and Vanuatu. In PNG, Samoa and Vanuatu these were located within the grounds of a national TVET institution, but operating separately from it. In Fiji, different arrangements have applied, most of which are stand-alone. Progress in the Solomon Islands was delayed, but APTC has placed a Country Manager there to support a range of training initiatives, including with Solomon Islands National University (SINU) and the Australian-funded Skills for Economic Growth program.

In addition, APTC established an on-going training partnership with Kiribati Institute of Technology, the national TVET institution in Kiribati, which is funded under the bilateral program. APTC has provided training support and pathways to higher qualifications (Certificate II to Certificate III). In Tonga, only limited and fixed term training partnerships have been entered into.

All countries, including the small island states (SIS), have had access to APTC scholarships to study in the countries where training facilities were established. The take-up of these scholarships has varied between countries, depending on population size, distance and the extent of in-country marketing by APTC. Table 5.1, extracted from the APTC Annual Report and Plan 2016-17, shows the number of

enrolments of individuals from the SIS for the period 2007 to the time of publication, ranging from least to most. Population size is included for comparison purposes.

Table 5.1: Small Island States (SIS): APTC Enrolments 2007 – 2017 and Population Size

COUNTRY	FEMALE	MALE	TOTAL	POPULATION
Cook Is	1	-	1	14,300
Federated States of Micronesia	2	5	7	103,000
Niue	6	15	21	1,300
Palau	18	13	31	21,100
Republic of the Marshall Islands	17	27	44	55,000
<i>(Sub-total)</i>	<i>(44)</i>	<i>(60)</i>	<i>(104)</i>	
Nauru	38	35	73	10,200
Tuvalu	57	40	97	10,600
Kiribati	170	153	323	107,000
Tonga	228	230	458	103,000
<i>(Subtotal)</i>	<i>(493)</i>	<i>(458)</i>	<i>(951)</i>	
Grand Total	537	518	1,055	

Historical links between the countries and Australia have also influenced the perception of the relevance of an Australian qualification and the resulting application rate for scholarships. For example, the Micronesian states of RMI, FMI and Palau have much closer links with the USA while the Cook Islands and Niue have long-standing links with New Zealand (refer also section 5). Table 5.1 shows that these five countries account for only 104 SIS enrolments (less than 10 per cent) over the ten-year period. In contrast, Kiribati and Tonga together account for 781 (74 per cent) of the SIS enrolments over the period.

The number of enrolments for Nauru and Tuvalu amount to a relatively small 16 per cent of the total. However, the increase in emphasis on labour mobility in APTC3 is relevant. Residents of Nauru and Tuvalu, along with Kiribati, have access to the Microstates visa and first mover access to the PLS. It makes sense for these countries to remain within APTC's sphere of activity so that labour mobility opportunities can be maximised.

The nature of APTC's sphere of activity has also shifted as a result of the growth in TVET bilateral programs during Stages 1 and 2. As a Pacific-based training provider offering training to Australian standards, APTC has often provided training to support specific bilateral initiatives, for example, in recent programs in PNG and the Solomon Islands. A list of bilateral programs is provided at Annex 7. The presence of these programs aligns with the proposed APTC3 future sphere of activity.

The time and cost involved in actively marketing APTC's services in fourteen countries through in-country campaigns is considerable and not always effective. Recent experience is that marketing through social media such as Facebook can be far more cost effective. Conducting in-country graduation ceremonies for small numbers of graduates can also be cost-prohibitive.

From a gender, equity and social inclusion perspective it is nonetheless important that the five SIS proposed to no longer be part of the APTC3 sphere of activity retain access to training offered by APTC. These SIS are among the more disadvantaged in terms of population size and economic opportunities compared with the larger Pacific countries. In addition, the gender participation rate follows approximately the same pattern as APTC overall, meaning that important, however limited opportunities have been provided for women¹³⁸. For these reasons, strategies will be required to ensure that access to APTC can continue. The IDD proposes:

¹³⁸ The overall APTC gender participation rate has remained generally constant at approximately 40:60 per cent in favour of males.

- a number of fully subsidised training places (tuition fee waivers) commensurate with demonstrated demand be set aside for which these countries have first preference
- access bursaries be available to support these training places and/or training associated with co-investment.

This is allowed for in the costings.

2. Towards greater co-investment

The IDD envisages APTC3 achieving greater levels of co-investment by individuals, Pacific governments and enterprises/industry in TVET training. This co-investment can be either monetary or in-kind and some of the cost implications are outlined in Annex 10. This section provides further details on the concept and how it might evolve in practice.

DFAT Policy

DFAT's Pacific Regional Aid Investment Plan promotes the concept of co-investment and indicates that consultations with Pacific governments have supported its importance. This was also confirmed in the Design consultations. The Plan states:

*Mutual obligations: Australia will deliver development assistance in support of the aid objectives and performance benchmarks identified in this Aid Investment Plan. The Pacific Regional Program promotes mutual accountability through joint commitments to enhance the transparency of financial and operational information, results and performance. Australia has undertaken extensive consultations with partner governments and regional institutions to develop agreements which achieve realistic outcomes. These agreements commit Australia to deliver high quality programs that can take the form of financial, technical and policy support. These programs are designed to ensure value for money, effective use of resources, transparency and sustainability. The objectives of each investment align with national-level development plans and contribute to specific development priorities.*¹³⁹

Monetary Contributions

Monetary contributions can be made in different ways by individuals, individual enterprises, industry groups and national governments.¹⁴⁰ They may also come from other donors, for example to assist in meeting specific needs such as disaster response or industry developmental initiatives¹⁴¹.

Incentives for co-investment can play a part in signalling to Pacific stakeholders that a gradual but definite move away from the scholarship model is planned. APTC has recently introduced an incentive for individuals to pay for training in the form of a guarantee of immediate entry to training. Other examples of incentives might include:

- *Labour mobility opportunities.* The more evidence there is of labour mobility outcomes, the greater the incentive will be for individuals to pay.
- *Access bursaries.* Since scholarships per se will cease as a result of de-linking tuition fees from other scholarship components, to be known as 'access bursaries', it may also be possible to use the availability of access bursaries as an incentive to pay for the tuition fee component.¹⁴²
- *TVET systems strengthening fund.* A key purpose of this fund, particularly the granting component, is to provide resources that leverage and incentivise key partners to undertake

¹³⁹ DFAT Aid Investment Plan: Pacific Regional 2015-16 to 2018-19, p. 9

¹⁴⁰ Monetary contributions may be equivalent to fee-for-service training or the result of some other agreement.

¹⁴¹ For example, APTC has delivered training for the Fijian sugar industry under the *European Union Support to the Sugar Industry Program*.

¹⁴² The Fiji National Provident Fund also allows members to withdraw funds to pay for the education of family members and APTC is an eligible institution for that purpose. However, Fiji is the only country where this applies.

mutually agreed reform / strengthening initiatives. It is expected that funding agreements would clearly indicate what APTC3 is providing as well as the implementing partner's cash and/or in kind contributions. It is also intended that funding will depend on meeting performance criteria and that failure to meet performance requirements might lead to funding being reduced or withdrawn and re-allocated elsewhere.

- *Reduced fees:* As part of breaking down its 'scholarship college' image, it will be imperative at the outset of Stage 3 that APTC plan how places with a tuition fee waiver will reduce over time and that the projected reduction is publicised in advance so that there are no surprises for prospective applicants. For the first year or so of this transition, consideration might be given to introducing a ballot system where the number of eligible applicants exceeds the number of tuition fee waivers. An incentive could be offered for those who miss out on the ballot to have a partly subsidised tuition fee (for example 50 per cent tuition fee waiver). Bearing in mind that there will be special arrangements to support gender, equity and social inclusion, if for example there were limited or no take-up of the reduced fee, this might lead to the inference that some of the initial applications were opportunistic. This therefore has the effect of assisting to test real demand.
- *Governments.* There may also be cases where governments would be willing to co-invest in places at APTC (e.g. funding tuition fees and / or access bursaries) if governments could see that this was a cost effective option to help meet skill shortages in areas of national importance that national providers cannot fill. If the alternative were sending students to Australia, New Zealand or elsewhere, as has sometimes been the case, the incentive could be considerable.

The above examples focus on monetary contributions to the cost of tuition. Other creative approaches to incentives will also be required, possibly in combination with in-kind contributions.

In-kind contributions

In-kind contributions are most commonly made by enterprises/industry and national governments, but they may also apply in some instances to donors. Table 5.2 provides examples of in-kind contributions in the APTC/TVET context.

Table 5.2: Examples of Forms of In-Kind Contribution

DESIRED REFORM OUTCOME	POTENTIAL IN-KIND CONTRIBUTION	POTENTIAL CONTRIBUTOR		VALUE
		Industry	Pacific Governments	
New building is to be erected for training	Land is made available		√	Estimated current value of land
New or upgraded training program is to be introduced	Existing building is made available for refurbishment		√	Estimated capital/lease value of existing building
	Workplace training facilities are made available for use	√		Estimated savings from non-acquisition of buildings
Training equipment is to be upgraded	Relevant existing equipment is made available		√	Written down value of existing equipment
Appropriate standard equipment is to be made available for training	Equipment used in the workplace is made available for training	√		Savings through non-purchase of equipment
TVET teacher training is to be improved	Placements in industry are made available	√		Estimated value of training to achieve vocational currency

The number of trained TVET teachers is to increase	Some training places are funded or part-funded by national governments		√	Cost of training places and potentially costs of accommodation and travel
Blockages to effective training are to be removed e.g. inappropriate TVET teacher employment conditions	Policy/legislation changes are made		√	Estimated savings from more efficient employment conditions and/or improved staff productivity
Qualification pathways are to be improved within TVET or from TVET to Higher Education	Policy/legislation changes are made		√	Savings from not having to repeat training

In-kind contributions should be accurately costed, so that the overall level of contribution is quantified and targets to increase in-kind contributions can be set.

3. Embedding APTC into Pacific TVET systems

The IDD proposes that APTC become more embedded in Pacific TVET systems. This can occur at both institutional and system level. This section provides further detail on how embedding might occur in practice.

Institutional Level – key partner institutions

By the end of stage 2 APTC's training delivery arrangements were highly diversified. The existing/emerging delivery models are illustrated in Table 5.3.

It can be seen that there are multiple aspects to the concept of institutional embedding and many variations on how they might be manifest. Notably, model 1 and model 7 in Table 5.3 represent opposite ends of the scale with model 1 showing all aspects controlled by a separately operating APTC and model 7 showing a joint approach in every aspect.

Hence, section 4.2 of the IDD identifies the features to apply or to progressively aim towards in APTC's dealings with key partner institutions:

- training facilities are co-located
- facilities are jointly funded
- equipment is jointly funded
- equipment is jointly used
- training is jointly delivered
- students are issued dual (national/Pacific and Australian) qualifications.

These features are an essential part of the pathway through which APTC can progressively withdraw from direct training delivery and transfer this role to key partner institutions. It is recognised that while every effort might be made to ensure training delivery arrangements move towards being fully embedded, this will take time and may not even be practicable in some instances. For example, lease/contractual arrangements or the cost of relocating could make this prohibitive. However, creative approaches to joint usage could still apply.

Any new facilities required as a result of introducing new programs in response to demand would ideally be co-located with key partner institutions and through refurbishment of existing facilities rather than by building new.

Table 5.3: Examples of models of delivery operating in APTC

MODELS	BUILDING OWNERSHIP			TP EQUIPMENT FUNDING			FACILITIES UTILISATION			TRAINING/QUALS DELIVERED			EXAMPLES
	APTC	PARTNER	JOINT	APTC	PARTNER	JOINT	APTC	PARTNER	JOINT	TAFEQ	NATIONAL	DUAL	
Model 1													APTC-Country 4; APTC-Country 3
Model 2													APTC- Country 1
Model 3													APTC/Country 4 partnership
Model 4													APTC- Country 5 partnership
Model 5													APTC-Country 5 partnership
Model 6													APTC-Country 5
Model 7													APTC – Country 4 partnership

Notes:

Campus countries are not identified, because the intention is more to highlight the different models than to focus on the individual training sites.

*** refers to in-kind support.

APTC leases land in all cases where buildings are owned or jointly owned on the understanding is that buildings will pass to partners when APTC has no further use for them

Dual qualifications are intended in model 7 but are still to be implemented.

System Level

In stages 1 and 2, APTC's engagement with Pacific TVET systems was influenced by a number of factors. These included:

- the receptiveness of TVET Pacific systems to the establishment of APTC
- the extent to which the portfolio responsibilities for TVET in Pacific governments represented a clear or single line of communication
- the extent to which the Australian High Commission was involved in TVET bilateral programs and therefore likely to include APTC in its considerations.

All these factors varied considerably between countries and the onus was essentially on APTC to demonstrate the value it added. In addition, APTC had no clear mission or contractual obligations to influence Pacific TVET systems.

This is expected to change in APTC3 where Joint Steering Committees are established and representatives of national governments are included in the membership.

Further, section 4.3 of the IDD addresses the concept of APTC taking on an active role in coalitions for change, at country level or regionally.

At country level, some examples of unique TVET system reform challenges requiring a specific response include:

- *Fiji* addressing the workforce and training needs of the Textile and Fashion industry
- *PNG* addressing the workforce and training needs of the Mining and Hospitality industries
- *Solomon Islands* addressing the needs of the power industry
- *Samoa* addressing major industry close-downs causing widespread unemployment in the wire harnessing and tuna cannery industries
- *Vanuatu* gaining approval for a range of qualifications under its new qualifications authority.

Multiple examples also exist of common concerns of Pacific TVET systems where APTC might usefully play a facilitating or leadership role at regional level to achieve reform. These include:

- *TVET teacher qualifications:* In a number of countries, pre-requisite qualifications for TVET teachers have been linked to academic requirements for secondary teachers or university lecturers, without recognising the importance of practical, industrial experience. This is impeding the capacity of TVET institutions to recruit staff able to teach hands-on competencies, relevant to industry demand.
- *TVET teacher training:* The widely identified need for improvement in formal TVET teacher training is linked to the above, since TVET staff are sometimes recruited without the necessary practical competence in the industry sector concerned.
- *Engagement with enterprises/industry:* In a number of countries, enterprises and industries have identified a wide gap between the training offered by national TVET institutions and the needs of industry. This is shown by employers' reluctance to consider applicants from local institutions for positions and their preference for foreign workers. Industry representatives regularly comment on national TVET institutions' lack of engagement with industry. APTC can play a role in assisting TVET systems with strategies to engage with industry. It could do so more effectively if industry were directly involved.
- *Leadership and management:* Effective operation of TVET institutions is another area of common concern. Specific areas include: leadership skills; strategic planning; quality

assurance; policy development; financial and budgeting systems; student information systems; management of human resources; and conduct and analysis of graduate tracer surveys.

- *Qualification frameworks and regulation:* Across the Pacific, there are now several approaches to qualification frameworks and regulatory approaches for TVET Institutions. APTC can play a useful role in facilitating the harmonising of Pacific qualifications. This is further addressed in section 4 below.
- *Apprenticeships and Licencing:* Several countries expressed interest in the reform of their apprenticeships systems / occupational licencing arrangements.

4. The Training Response to Expanded Pacific Labour Mobility

From mid-2018 onwards, the Pacific Labour Scheme (PLS) will generate opportunities for Pacific islanders to take up low and semi-skilled work opportunities in Australia on a temporary (short / medium term movement) and circular (multiple temporary movements) basis. The Pacific Labour Facility (PLF) will work with employers to determine their skill needs and will facilitate a successful employment cycle for Pacific workers, from pre-departure through work placement and pastoral care to returning home. In recognition of the special challenges faced by remote island nations, Kiribati, Nauru and Tuvalu will have ‘first mover advantage’ in implementing the PLS.

With the introduction of the domestic and labour mobility tracks in Stage 3, APTC will be in a position to partner with the PLS in a training role in a number of ways. These include:

1. Managing the training profile to respond flexibly to the changing needs of the domestic and labour mobility tracks
2. Supporting delivery of the range and level of skills required by employers, where appropriate also to PLS-eligible workers who are not APTC students
3. Assisting local institutions to deliver quality assured qualifications to enable graduates to access labour mobility pathways
4. Facilitating the first mover advantage of Kiribati, Nauru and Tuvalu.

These roles are addressed below.

Managing the training profile to respond flexibly to the changing needs of the domestic and labour mobility tracks

APTC will be expected to produce 1,200 graduates with in-demand qualifications per year across the domestic and labour mobility tracks.

The *domestic training track* will continue to respond to regional and country Pacific labour market requirements and assist in ensuring a net skill gain for Pacific countries, without competing with local training institutions or encroaching on the responsibilities of national governments (e.g. school leavers). APTC will need to engage with Pacific governments and Pacific employers to stay abreast of training needs, combine this information with data on graduate employment outcomes and balance region-wide training priorities with the specific priorities of each country. It will also need to promote co-investment and maximise opportunities for fee-for-service training.

The *labour mobility track* will be broadly determined by employment opportunities in Australia, New Zealand and beyond and the associated visa requirements. In particular, APTC will need to work closely with the PLF to ensure the qualifications delivered are aligned with the industry sectors and qualification levels required by employers, where relevant taking into account the employers’ own capacity to train on the job. APTC’s planning will also need to take into account anticipated increasing demand for workers as the PLS gains recognition and impact. In addition to liaising with the PLF, it

will be prudent for APTC to maintain on-going communication with the government departments responsible for labour mobility in Australia and New Zealand.

The establishment of the PLS will also require APTC to be sufficiently flexible to provide training support for other Pacific islanders, but who are not necessarily APTC students or who may be former graduates. This would most likely occur on a fee-for-service basis.

Supporting delivery of the range and level of skills required by employers, where appropriate also to PLS-eligible workers who are not APTC students

Currently, APTC courses combine the three skill groupings:

- *Technical/vocational competencies:* students complete TVET qualifications and skills sets based on industry requirements as defined in Australian training packages
- *English language proficiency:* APTC students are taught in the English language and hence achieve a working knowledge of English. Language, Literacy and Numeracy (LLN) support is also offered.
- *Soft skills and job readiness training:* As part of Australian training package requirements, TVET qualifications incorporate soft skills training contextualised for the relevant industry to ensure a graduate is job ready. Soft skills include customer focus, work ethic, punctuality, communication, teamwork and personal presentation. In addition, as part of the *APTC to Work* program, APTC students to date have had access to training in skills such as resume' development; preparing job applications; being entrepreneurial, such as skills to be self-employed or to run a small business; managing finances; and maintaining skill development post-APTC.

Based on the above, APTC can be expected to have the capability and flexibility to support the broader training needs arising out of the Pacific Labour Scheme.

Future APTC offerings might therefore be as follows:

- For *APTC students in the domestic track*, training will continue to respond to the regional and country demand in the Pacific.
- *APTC students in the labour mobility track* will need to be assured that:
 - the qualification is matched to the visa requirements of the potential job
 - English language proficiency is at the level relevant to the job and incorporates cultural orientation for life in Australia
 - Soft skills and job readiness training equips the student for migration, that is, it includes an appropriate set of the core skills outlined above, as well as skills such as how to budget for food, accommodation and other living expenses, how to use the banking system and how to send remittances home.
- *PLS-eligible workers (non-APTC)* would potentially have access a wider range of skills through APTC than is currently available through the Add-on Skills Training program¹⁴³, but APTC could facilitate and monitor delivery of this program in its current form if required. APTC could also facilitate top-up training in Australia, for example, to enable a student to progress from certificate level 2 to certificate level 3. In addition, RPL could be offered either in

¹⁴³ DFAT is currently investigating cost-effective strategies to meet AoST needs for employers and workers, including pre-departure delivery in the Pacific. AoST includes English literacy and numeracy, information technology and first aid and is delivered only by approved RTOs.

Australia or on return home, so that PLS-eligible workers who have acquired skills as part of labour mobility can have them recognised.

- *Former APTC graduates*, particularly those who have maintained technical skill and workplace currency, may wish to access labour mobility pathways. They may need to upgrade their some of their skills supplementary or refresher training, especially in English language proficiency and soft skills/job readiness aimed at migration.

Table 5.4 summarises the potential scope of APTC offerings in the context of expanded labour mobility opportunities.

Table 5.4: Expanded Labour Mobility Opportunities – How APTC3 Might Respond

COHORT SKILL GROUPING	Current APTC Students in the Domestic Track	Current APTC Students in the Labour Mobility Track	PLS-eligible Workers (non-APTC)	Former APTC Graduates
TVET Qualifications & Skill Sets	√	√	*	-
English Language Proficiency	√	√	√	√ (upgrading)
Soft Skills/Job Readiness:				
• General	√	√	√	√ (upgrading)
• Migration-Related	X	√	√	√

* Potential for top-up training and RPL

Assisting local institutions to deliver quality assured qualifications to enable graduates to access labour mobility pathways

In addition to the 1,200 graduates produced by APTC each year, APTC's TVET reform efforts will assist selected local partner institutions to produce increasing numbers of graduates with quality assured qualifications. Consistent with the focus on embedding APTC into Pacific TVET systems, APTC might also involve these institutions in addressing the scope of training outlined in Table 5.4.

Facilitating the first mover advantage of Kiribati, Nauru and Tuvalu

The extent to which Kiribati, Nauru and Tuvalu utilise the first mover advantage will depend on the responses of those countries and may vary between them. Table 5.1 shows the extent to which the citizens of those countries have accessed APTC in the past. APTC can, however, focus more closely on these countries through such means as prioritising them for training places and bursaries and assisting with marketing the availability of these places. The established training partnership with Kiribati Institute of Technology could be reviewed and expanded in conjunction with the bilateral program in light of the opportunities presented by the first mover advantage. Other innovative ways to respond might be addressed through a coalition established for that purpose.

5. Delivering Australian Qualifications

It is proposed to continue the practice of delivering Australian qualifications or equivalent internationally recognised qualifications in APTC3.

Background

APTC delivers Australian qualifications in the Pacific in the context of diverse arrangements:

- *Fiji, Papua New Guinea, Samoa, Tonga and Vanuatu* have developed their own national qualifications frameworks, in some cases supported by Australia.

- *Nauru* has determined to align with the Queensland State (Australia) system.
- *Solomon Islands* has legislation for the establishment of a national qualifications framework and quality assurance agency.
- *Kiribati* and *Tuvalu* have adopted the Pacific Qualifications Framework and the Pacific Quality Assurance Frameworks for their systems under the Educational Quality and Assessment Programme (EQAP) managed by the Secretariat of the Pacific Community (SPC) based in Fiji.
- *Cook Islands* and *Niue* have access to the New Zealand Qualifications Framework
- *FSM*, *Palau* and *RMI* are accredited by the Western Association of Schools and Colleges of the United States of America¹⁴⁴

There are several reasons for APTC offering and continuing to offer Australian qualifications. They:

- are internationally recognised
- are continually updated and quality assured
- can be customised to individual Pacific contexts under the training package rules either as full qualifications or skills sets
- can be combined with gap training to augment Pacific qualifications
- assist with labour mobility particularly to Australia and New Zealand
- can be delivered as a common qualification consistently across the whole of the Pacific region.

Nonetheless APTC has sought and maintained registration with national regulatory authorities. It is currently registered in Fiji, PNG, Samoa and Vanuatu. Passing of the Act to establish the Solomon Islands Tertiary Education and Skills Authority in March, 2017 allows the same arrangement in that country.

Future approaches

As APTC becomes embedded in Pacific TVET systems it will seek to:

- support key partner institutions to achieve qualifications of international standards so that they can contribute to achieving the quantum of 1,200 graduates+ per annum, both jointly with APTC and eventually in their own right
- reach the position where it might confidently hand over physical assets and knowledge products to those partner institutions that have embraced and delivered on TVET reform.

This raises the question of how a consistent standard of qualifications will be assured in the longer term as APTC progressively withdraws from direct delivery and relies more heavily on Pacific TVET institutions to contribute to the achievement of more than 1,200 graduates per annum with in-demand qualifications of international standard. In addition to the range of existing qualifications frameworks described above, several other considerations are relevant in this regard:

Skill sets – Where enterprises do not demand full qualifications, skill sets are available to meet their training needs. These skill sets can serve as building blocks towards qualifications and provide flexibility.

Recognition of prior learning (RPL) / Recognition of current competence (RCC) - To date APTC has mostly used RPL/RCC to assess the skills of applicants for courses. As APTC3 becomes more flexible in its approach to delivery, RPL/RCC could be used more widely in conjunction with gap training to

¹⁴⁴ Pacific Qualifications Framework: Educational Quality and Assessment Programme <https://www.eqap.org.fj/getattachment/EQAP-Overview/work/Accreditation---Standards-Unit/Pacific-Qualification-Framework/Revised-PQ>. The last two examples in this list are further evidence of a closer relationship of the five countries with New Zealand and the USA than with Australia.

enable individuals to complete full qualifications. In some cases, this gap training could be combined with access bursaries.

Quality reviews - APTC has already done some work in conducting quality reviews of programs in some national institutions by agreement with or at the request of those institutions. These reviews identify the gap between the local and the corresponding Australian qualification allowing additional resources to be identified and/ or gap training to be conducted. Ultimately, the process also facilitates re-accreditation of programs to Australian standards if national TVET institutions wish to pursue this path. Since certificate levels are not necessarily consistent between Australian and Pacific qualifications or between Pacific qualifications, this process needs to be conducted on a country-by-country basis at this stage.

International Skills Training courses -Through the Department of Education and Training (DET), the Australian Government has begun to develop a suite of International Skills Training (IST) courses for approved RTOs to use (solely) in international settings. The first three of these are relevant to APTC's role in the Pacific, namely *TVET Trainer*, *TVET Assessor* and *Advanced TVET Trainer and Assessor*.¹⁴⁵ These qualifications may be delivered in the Pacific provided delivery is funded by a Commonwealth, State or Territory government in Australia and/or a multilateral organisation. DET may approve RTOs to partner with institutions in the country of delivery to co-deliver the courses and the qualification may be delivered in the local language.¹⁴⁶

New Zealand qualifications – Harmonisation of Australian and New Zealand qualifications will be increasingly important in future, since the latter may be a pre-requisite for employment in New Zealand. The two qualification frameworks have much in common and both are internationally recognised.¹⁴⁷ APTC might, for example, (i) investigate the possibility of registration with the New Zealand Qualifications Authority (NZQA); (ii) seek to have its qualifications evaluated in accordance with NZQA principles and procedures; and/or (iii) become an ‘offshore partner organisation’ with a New Zealand Polytechnic offering appropriate qualifications¹⁴⁸. The approach adopted would be that which best assists with enabling APTC graduates in the labour mobility track to also obtain qualifications necessary for employment in New Zealand.

Regional qualifications - The European Union Pacific TVET (PacTVET) project has taken the lead in developing regional qualifications for delivery across the Pacific, initially in climate change adaptation (CCA) and disaster risk reduction (DRR). The position taken by the project is that a regional qualification is one that is not owned by any country or agency but rather is available freely for delivery within the Pacific region. Applications for delivery are to be submitted through EQAP.¹⁴⁹

ASQA Registration - One Pacific institution has already obtained registration with ASQA but this is not necessarily practicable or desirable across the whole of the Pacific, at least at this stage.

Arising from the above, APTC3 has a number of options to support the quality and quantity of international standard qualifications in the Pacific, including:

¹⁴⁵ These courses complement the Australian Qualification Framework (AQF) qualifications but they do not replace the Certificate IV in Training and Assessment (TAE).

¹⁴⁶ International Skills Training Courses: Guidelines <https://www.education.gov.au/internationalskillstraining>

¹⁴⁷ Department of Education (Australia) and the New Zealand Qualifications Authority, 2015, Enhancing mobility: Referencing of the Australian and New Zealand Qualifications Frameworks

¹⁴⁸ See the New Zealand Qualification Authority's website at <http://www.nzqa.govt.nz/>

¹⁴⁹ European Union's Pacific Technical and Vocational Education and Training Project: A sustainable model for CCA and DRR sectors
<http://prdrse4all.spc.int/node/4/content/eu-pactvet-european-unions-pacific-technical-and-vocational-education-and-training>

- Maximise the use of skill sets and RPL/RCC
- Act as an auspicing agency for the delivery of Australian qualifications by key national TVET partner institutions by providing the quality assurance role
- Provide gap training to raise the standard of national qualifications to Australian standards and/or to supplement RPL/RCC
- Gain approval as an IST provider to offer the international trainer and assessor courses in partnership with key partner institutions in English and/or local languages as well as potentially any further courses that are added to the IST suite. Where appropriate, offer gap training to the level of the full AQF qualification
- Maximise the opportunities to align Australian and New Zealand qualifications
- Contribute to the development of regional qualifications in areas of common need and/or to other processes that support mutual recognition of qualifications
- In the longer term, support those Pacific institutions that have embraced reform to obtain registration with ASQA as well as their national regulatory authorities.

6. Expanding Training for TVET Staff

TVET Teacher Training

It is evident that TVET teacher training is a pressing priority across the Pacific. This was stressed on numerous occasions during the Design consultations. The APTC Annual Report and Plan 2016-17 reveals that of the 10,600 graduates to date, 1116 (11 per cent) were in the Certificate IV in Training and Assessment (TAE), the base qualification for all TVET teachers in Australia, second only to the Certificate III in Hospitality with 1302. More importantly, given that willingness to pay is deemed to be evidence of demand, 673 (79 per cent) of the 847 fee-paying graduates were in Certificate IV TAE coming from a very wide range of training organisations, government authorities, enterprises and employer groups.¹⁵⁰

Against this background of high demand, the IDD proposes that PNG become a centre for TVET training in APTC3, using the APTC facilities located on the Port Moresby Technical College (POMTECH) site. This is the country with the greatest need both educationally and in terms of size of population. It is also a high priority for the PNG government as highlighted in the ICN and Design consultations with the former and current Deputy Secretaries for TVET respectively. The potential in PNG is also supported by the range of TVET programs offered on the POMTECH site to support practical training as well as the availability of accommodation. This means that teacher training for PNG could be offered in a relatively cost-effective way with little need for capital investment. With careful planning, it could operate alongside other training programs.

Initially, the TVET teacher training centre would cater only for Papua New Guineans. The aim would be for APTC-PNG to become a recognised centre of expertise in TVET teacher training and a repository for teacher training materials and knowledge products, including for online/blended learning as appropriate. This expertise might progressively be extended to support the teacher training program offered through the University of Goroka, other parts of PNG and to other countries in the Pacific. As it would not be cost-effective for other Pacific countries to send their people to PNG for teacher training, the centre could supply trainers to provide programs in other countries on a needs basis. In this way, APTC-PNG would play a regional role, laying the groundwork for its future operations in the Pacific.

¹⁵⁰ APTC Annual Report and Plan 2016-17, p.170

In the longer term, APTC-PNG might become a teacher training provider operating alongside POMTECH depending on its success within PNG and other countries.

The level of demand for TVET teacher training outlined above indicates that this initiative would be likely to attract fee-paying students and/or co-investment and thus assist in the process of APTC focussing more on TVET development and reform.

Other areas of training

As referred to in Section 3 above, other forms of training for TVET staff are required to support TVET strengthening and reform, particularly aimed at improving the governance, leadership and management of TVET institutions and systems. APTC has commenced this to some extent on a needs basis but there will be a requirement for a far more planned and strategic approach in APTC3. The nature of this training is such that it does not require extensive physical resources and can be offered flexibly in a range of venues/countries. In some instances it may be incorporated into a reform initiative supported by a coalition for change and then disseminated more widely throughout the Pacific. It is envisaged that, wherever possible, training would consist of skills sets/units of competence within an accredited qualification, providing a pathway to complete a qualification.

7. Implementing on-line / blended learning

Although on-line and blended learning is used to some extent in APTC delivery, it represents a challenge for a range of reasons:

- In the Pacific context, complaints from employers about the lack of practical ‘hands on’ experience of TVET graduates must be a major factor in considering the extent of use of on-line/blended learning. It is particularly relevant in the traditional trades where ability to demonstrate practical competence is critical and cannot be compromised.
- Many APTC students come from poor families or from small villages where access to the internet is below the national average. They have often been away from formal learning for some time and studying at APTC may be their first opportunity for exposure to and/or having regular access to the internet.
- APTC lacks access to reliable infrastructure to support on-line and blended learning. Investing in new infrastructure makes little sense when Australia has already provided funding to the University of the South Pacific for this purpose. Access by APTC to this infrastructure was not part of the funding agreement with USP, but this may still be a possibility. In any event, access would only be while students were on-campus.
- Providing access through commercial communications providers has not yet been explored to any extent but may offer potential.
- APTC has also noted the frequency of change in students’ mobile phone numbers, making ongoing contact with them not always reliable when they return home.

To date, these factors have limited the extent to which the use of on-line and blended learning can replace or supplement face-to-face instructor-based learning.

The 2014 Review pointed out that low internet penetration rates in the Pacific also contributed to limited use of on-line and blended learning. Internet usage rates cited in the Review were from 2013¹⁵¹. More recent statistics are provided in Table 5.5, which also shows the comparison between the two sets of figures. Although they are not directly comparable, being from different sources, it is reasonable to

¹⁵¹ Sourced from Pacific Media Assistance Scheme, 2013, Regional State of Media and Communication Report http://www.pacmas.org/wp-content/uploads/2013/10/PACMAS-REGIONAL-REPORT_FINAL.pdf

assume that access to the internet is improving rapidly and APTC may need to devote more attention and resources to this area.

Table 5.5: Internet Usage and Populations Statistics - Pacific

Country	Population 2015 (est.)	Users Dec. 2000	Internet Usage 30.11.15 ¹⁵²	% Population (Penetration)		Facebook 15.11.2015
				(2013) ⁹	2015	
Australia	22,751,000	6,600,000	21,176,600		93.1%	14,000,000
New Zealand	4,438,400	83,000	4,162,200		93.8%	2,800,000
Fiji	909,400	7,500	380,100	(28%)	41.8%	370,000
PNG	6,672,400	135,000	625,900	(2%)	9.4%	350,000
Samoa	198,000	500	54,000	(7%)	27.3%	54,000
Solomon Is	622,500	2,000	56,000	(6%)	9.0%	34,000
Vanuatu	272,300	3,000	51,200	(8%)	18.8%	27,000
Kiribati	105,700	1,000	13,000	(10%)	12.3%	8,400
Nauru	9,500	n/a	5,200	(6%)	54.0%	2,400
Tonga	106,500	1,000	42,600	(12%)	40.0%	40,000
Tuvalu	11,000	n/a	4,300	(40%)	39.6%	2,000

More generally, on-line and blended learning is playing an increasing role in TVET across the world and every effort should be made to take advantage of it. Assuming APTC continues to have links to a reputable RTO, availability of on-line and blended learning materials will not constitute a problem. As already noted, the theoretical aspects of teacher training and other forms of TVET staff training represent an obvious potential starting point. Further investigation of this issue is recommended during the transition phase.

8. Changing organisational arrangements

The new directions proposed for APTC3 will require changes to operational and staffing arrangements. It is not intended to stipulate in advance what these changes might be, but some guidelines are outlined below.

Staffing

In broad terms, APTC will require increased levels of expertise in political economy analysis / thinking and working politically, not only in one designated senior person but permeating throughout the whole organisation. In addition, it will require creative capacity in institutional and TVET systems strengthening along with the capacity to motivate others to become engaged in reform relating to a wide range of governance, leadership and management matters as well as training delivery. Depending on the way monitoring and evaluation is structured, more specialist in-house (as well as independent) MEL expertise may also be required.

¹⁵² Source: <http://www.internetworldstats.com/stats6.htm>

APTC currently operates on a hierarchical model with control centred in the Regional Head Office (RHO). This is not conducive to Country Managers being able to initiate change, respond quickly and flexibly and be seen as effective leaders at country level as envisaged for APTC3. At present they are part of the eleven person leadership team reporting to the four-person executive management team, placing them at the same level of responsibility as functional managers. They have a strongly operational role with a focus on training delivery. In future, the most senior APTC roles at country level will need greater levels of delegation and budgetary responsibility, operating within a defined charter of accountability. It is recommended that their title change from 'Country Manager' to 'Country Director' (or similar) and that they be included as part of the executive management team (EMT). Not only would this enable them to operate with (and be perceived to have) a greater weight of authority, it would also break down the concentration of decision-making at Regional Head Office level. This is more akin to a heterarchical model which is represented diagrammatically by interconnected nodes. Heterarchies can be "temporary ... and operate differently according to local circumstances, and may be relatively loose and opportunistic in parts – they are certainly uneven".¹⁵³

For example, if a coalition for change were mooted around a regional issue, the EMT could reach agreement on which Country Director would take carriage of the issue and what other support would be forthcoming from other EMT members. With communication available through electronic means, this should not incur significant additional communication costs.

In some cases, it may be the case that Country Directors need more support with their operational role. In other cases, they may be able to shift their focus as direct training delivery reduces. This will vary from country to country, meaning that a generic role description for the position may not be appropriate.

A summary of how APTC might move from Stage 2Ext to Stage 3 in light of the issues described above is contained in Table 5.6.

While some significant changes in APTC3 staffing arrangements are therefore foreseen, including over time, it also needs to be kept in mind that APTC3 is expected to continue to directly manage and deliver an ongoing program of high quality Australian accredited training, at least in the medium term. Given that APTC has some 10 years' experience of establishing what staffing arrangements are required to manage the program of training delivery, some core elements of current staffing arrangements / functions will continue to be required. For the reference of potential new bidders for implementing APTC3, the current APTC core staffing structure is therefore provided at Attachment 1 to this Annex.

¹⁵³ Ball, S. J., & Junemann, C. (2012). *Networks, new governance and education*. Bristol, Great Britain: The Policy Press, p.138.

Table 5.6: Senior APTC positions: From APTC 2Ext to APTC3

Positions/Roles	Current Level	Notes
Chief Executive Office - Program Director	D4	Similar position remains.
Country Directors (x 5)	C3 – C4	These rates are for the current Country Managers. APTC3 sees the positions at Director level and part of the Executive Team. It is envisaged that the levels will be set to ensure parity with RHO positions, but not necessarily be all the same due to the different scope and complexity within the countries. One Country Director might also take a lead role in one of PEA or TVET systems strengthening.
Executive Director - Corporate and Commercial Operations	D4	Similar position remains.
Executive Director Training Delivery	D4	This role will change as the emphasis on direct training delivery declines over the project period in favour of TVET systems strengthening and reform. It needs to be structured accordingly.
Executive Director - Strategy, Monitoring & Evaluation	D4	With the advent of an independent MEL function, the focus of this position will change. Some aspects of TVET systems strengthening and/or PEA could be incorporated into the responsibilities and the position retitled accordingly or it might be otherwise restructured.
<i>Independent MEL Expertise</i>	<i>New</i>	<i>Evidence of true independence must be demonstrated.</i>
<i>TVET Systems Strengthening Expertise + PEA</i>	<i>New</i>	<i>Not necessarily a separate position but roles must be adequately addressed.</i>

Nationalisation

The concept of nationalisation of staff is important for embedding APTC into national TVET systems as well as for cost-efficiency of training delivery. The APTC Annual Report and Plan 2016-17 records some outcomes of APTC's efforts to 'create enduring local capacity through the localisation of staff over time' (p. 82). It shows that the percentage of national staff employed at APTC shifted from 54 per cent in 2012 to nearly 80 per cent in December 2016 (p. 60), a significant achievement. It also provides commentary on how training delivery costs have reduced as a result of nationalisation, a trend which is particularly evident in Fiji (p. 56).

The challenge for APTC3 is to improve the number, geographic spread and gender distribution of national staff in executive and manager positions. There are currently no nationals at executive level and no national country managers. Four managers and three assistant managers are nationals and all are based in Suva.

A target of at least 50 per cent national staff at executive and Country Director level as well as at least 50 per cent of other management positions is considered achievable by the end of APTC3, including with equal gender distribution.

Key partner institutions

The IDD proposes that, starting in the countries where APTC has established a physical presence, it will move towards identifying a ‘key partner institution’ as the focus for its efforts and investment, based on the developments to date. It does not specify which institutions these might be or whether they be public or private. Partnering arrangements have changed throughout Stages 1 and 2 and there is no reason why this should not be the case in future, particularly as more robust accountability arrangements are introduced as part of partnership agreements.

The APTC Annual Report and Plan 2016-17 provides a list of entities with which APTC has entered into a partnership agreement, either for site access to facilities, capability development or both, all of which expire on 30 June 2018. These are shown in Table 5.7.

Table 5.7: Current APTC partnership agreements

COUNTRY	PARTNER	SERVICE/FACILITY
	University of the South Pacific	Training facilities
	Fiji National University	Training facilities
Kiribati	Kiribati Institute of Technology	Training facilities and pathways; customer contact
PNG	Port Moresby Technical College	Training facilities
Samoa	National University of Samoa	Training facilities
	Don Bosco Technical Institute	Training facilities and pathways
	Solomon Islands National University	Training facilities
Tonga	Tonga Chamber of Commerce	Customer contact
	Ministry of Education – Vila North Public School	Training facilities
	Vanuatu Institute of Technology	Training pathways

Not all of the entities listed would be of the scope or nature to be regarded as a key partner institution. The partnerships are at different stages of development, vary according to the circumstances in each country from time to time and may or may not be appropriate for the longer term. Any additional key partner institutions will be dependent on country size and the available budget (e.g. APTC, bilateral program or other funding sources). For example, with a population of more than eight times that of the next biggest country in APTC’s sphere of activity, PNG may have a case for more than one key partner institution

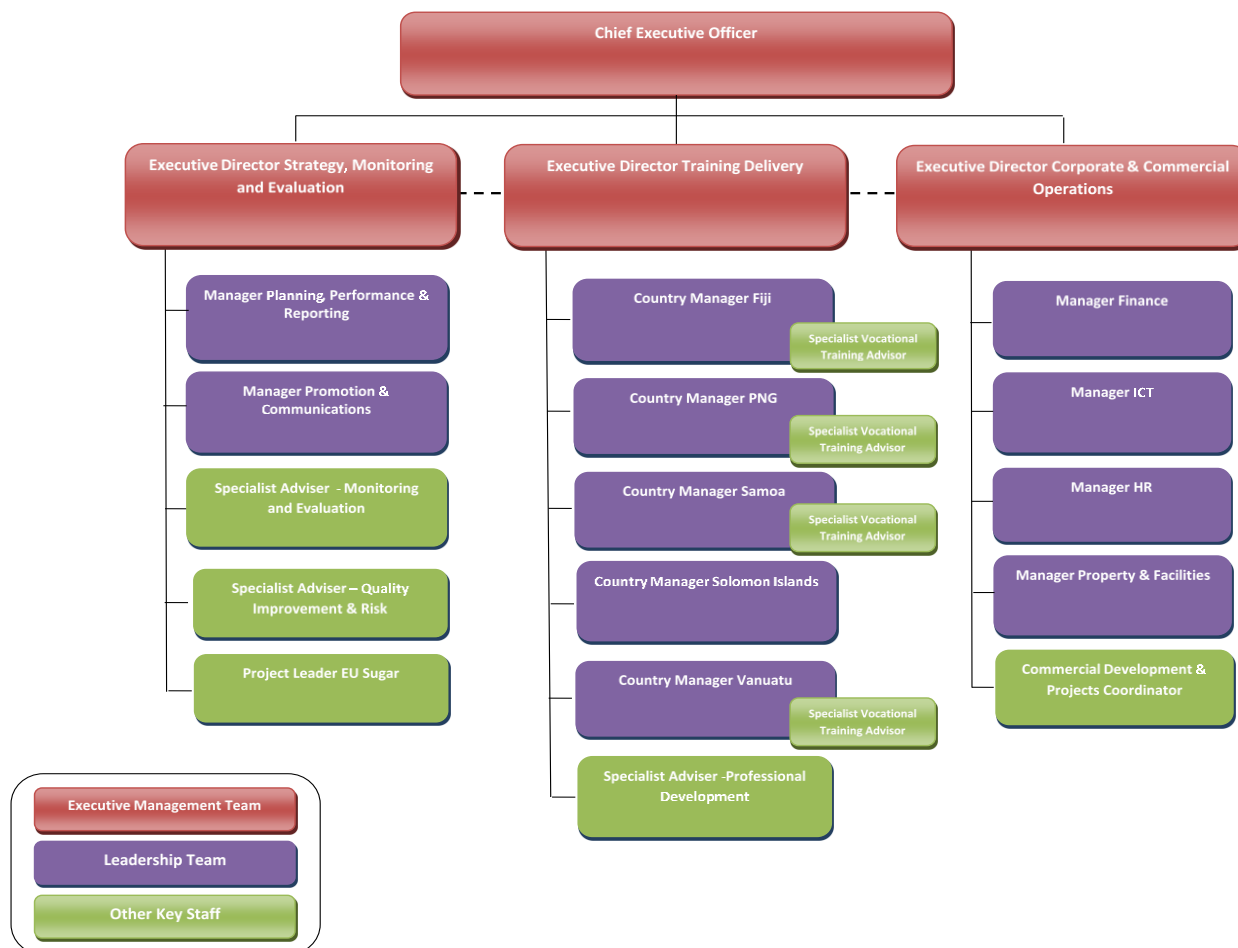
With the establishment of Joint Steering Committees it is proposed that additional key partner institutions will require endorsement by the relevant DFAT Post and consultation with the relevant national government. The DFAT Post’s approval would take into account synergies or otherwise with bilateral programs and other local considerations. Consultation with the relevant national government would be to ensure alignment with national TVET priorities and to build buy-in.

In countries where no partner institution has emerged to date, it is considered unlikely that this will occur in future.

Attachment 1: Current APTC organisational structure and staffing

APTC Management Structure

August 2016



Annex 6: Gender, equity and social inclusion

APTC3's role in gender, equity and social inclusion (GESI) is referred to as appropriate throughout the Investment Design Document (IDD) and particularly commented on in section 3.4. This Annex provides additional details on the underlying conceptual and policy framework for GESI, commentary on APTC's achievements to date and the proposed future approach.

Background

Definitional and Analytical Framework

A GESI lens has been adapted to provide the framework for assessing barriers, inequities and gender gaps to be addressed in the APTC3. The focus is not just on access, but also on barriers to entry (enrolment), completion (graduation) and progression to employment. The issue of equity is also relevant for scholarships, pathways, geographical disadvantage and increasingly for labour mobility opportunities¹⁵⁴.

Gender considerations incorporate the socially constructed roles, responsibilities and behaviours assigned to and considered appropriate for men and women, including opportunities and decision-making authority of women and men in a given society. In the APTC 3 Design, more emphasis is placed on gender equality and a gender mainstreaming approach. In the Pacific Islands, while there are similar gender definitions and issues across the board, these can also be context specific in each country.

Equity relates to being treated fairly, taking into account different needs and unavoidable differences due to social, economic, demographic or geographic disadvantage.

Social Inclusion requires paying particular attention to those at risk of poverty and social exclusion ensuring they gain the opportunities and access to resources they need to participate fully in economic, social and cultural life and to enjoy a standard of living and well-being that is considered to be the norm in the society in which they live.

For APTC, promoting access to training and labour mobility pathways for women, people with disabilities and people from rural and remote areas is part of the GESI framework.

In the Design process, the GESI framework was utilised in three ways:

- 1) Application of the GESI lens during the field mission – a set of questions was developed for team members (Refer Attachment 1)
- 2) Specific effort to gather relevant GESI information and meet with targeted informants especially women leaders in government, the private sector and civil society as well as representatives of disability organisations and other government and DFAT gender and disability programmes and initiatives
- 3) Developing and recommending a GESI strategy and actions to specifically address barriers, inequities and gaps.

Key Policy Settings

The 2012 *World Development Report: Gender Equality and Development*¹⁵⁵ provided the empirical evidence that gender equality not only matters but is smart economics. Gender equality is a core development objective in its own right. Greater gender equality enhances productivity and improves other

¹⁵⁴ Annex 4 provides details on labour mobility.

¹⁵⁵ World Bank, 2012

development outcomes including prospects for the next generation and for the quality of societal policies and institutions. Thus, gender equality is an important contributing factor to sustainable economic growth and poverty reduction.

This is enshrined in Australian government's aid policy *Australian aid: promoting prosperity, reducing poverty, enhancing stability*¹⁵⁶ which clearly articulates that gender equality and women's empowerment is one of the six strategic investment priorities, making gender equality an overarching objective of Australia's Aid program.

Supporting this strategic priority is DFAT's *Gender Equality and Women's Empowerment Strategy*¹⁵⁷ which sets out three pillars as investment and advocacy priorities:

- Enhancing women's voice in decision making, leadership and peace building
- Promoting women's economic empowerment
- Ending violence against women and girls

The major Australian Aid initiative promoting gender equality across the fourteen Pacific Island countries is the *Pacific Women Shaping Pacific Development (Pacific Women)*¹⁵⁸ which provides opportunities for strong linkages with the APTC3 Design activities.

Additionally, there is a focus on inclusive development for all. The Australian Aid Programs' disability policy, *Development for All (2015-2020): Strategy for strengthening disability inclusive development*¹⁵⁹ identifies education, training and skills development as strategies to enhance employability and improve the livelihoods of people with disabilities to enable them to participate in and contribute to the economy. The policy also highlights the double disadvantage faced by women and girls with disabilities.

The DFAT Pacific Regional Education Sector Investment Plan identifies APTC as one of the five key investments and reinforces the themes of the Pacific Tertiary Education Framework, citing one of the five key principles that guide investments as *promoting inclusive development, promoting equal opportunities for all*.

At the forty-third Pacific Islands Forum in 2012, Pacific Leaders endorsed the *Pacific Leaders Gender Equality Declaration* committing to support women's political representation, adopt measures that eliminate all barriers preventing women from participating fully in the economic sphere and pledged to end violence against women¹⁶⁰.

Pacific leaders at their Forty-seventh Pacific Islands Forum in 2016 acknowledged that disability continues to be an issue of significance for the region and, recognising that persons living with disabilities and their families continue to be disproportionately affected by poverty, endorsed the *Pacific Framework for the Rights of Persons with Disabilities (FRPD) 2016-2025*.¹⁶¹

¹⁵⁶ <http://dfat.gov.au/about-us/publications/Pages/australian-aid-promoting-prosperity-reducing-poverty-enhancing-stability.aspx>

¹⁵⁷ DFAT (2016). *Gender Equality and Women's Empowerment*.

<http://dfat.gov.au/about-us/publications/Documents/gender-equality-and-womens-empowerment-strategy.pdf>

¹⁵⁸ <http://www.pacificwomen.org/>

¹⁵⁹ DFAT (2015). *Development for All (2015-2020): Strategy for strengthening disability inclusive development*.

<http://dfat.gov.au/about-us/publications/Pages/development-for-all-2015-2020.aspx>

¹⁶⁰ <http://www.pacificwomen.org/resources/supporting-pacific-leaders-gender-equality-declaration-commitments/>

¹⁶¹ http://www.forumsec.org/resources/uploads/embeds/file/2016_Forum_Communique_11sept.pdf

The coherence between Australian government and Pacific government commitments provides aligned policy mandates to be augmented in such an investment as APTC.

The GESI framework for the APTC3 Design embraces these policies. Noting that gender equality is one of the Investment Design Quality Criteria that all Australian aid investments must meet (refer Attachment 2), the Design explicitly articulates a strategy to strengthen GESI outcomes and targets.

Attachment 3 provides further details on policy settings in the Solomon Islands, Vanuatu and Kiribati.

GESI assessment of APTC achievements to date

APTC's achievements to date are considered in terms of outcomes for staff, outcomes for students and the scope of APTC policy and processes to support these outcomes. All data cited in this section are from the APTC Annual Report and Plan 2016-17.

Staff

Table 6.1a shows that females represent 45 per cent of training delivery staff. In addition, 73 per cent of training delivery staff (39 per cent male; 34 per cent female) are Pacific Islanders.

Table 6.1a: APTC training delivery staff

Citizenship	Training Delivery	Male	% of Total	Female	% of Total
Australian	19	11	15.5%	8	11.3%
Fijian	24	15	21.1%	9	12.7%
Samoan	7	3	4.2%	4	5.6%
Ni-Vanuatu	8	1	1.4%	7	9.9%
PNG	12	9	12.7%	3	4.2%
Solomon Islands	1	0	0.0%	1	1.4%
Total	71	39	54.9%	32	45.1%

The gender distribution is reversed with administrative support staff as illustrated in Table 6.1b. – 62 per cent of staff are female. Almost 84 per cent of APTC administrative support staff (32 per cent male; 51 per cent female) are Pacific Island citizens.

Table 6.1b: APTC administrative and support staff

Citizenship	Admin Support	Male	% of Total	Female	% of Total
Australian	16	5	5.2%	11	11.3%
Fijian	51	22	22.7%	29	29.9%
Samoan	9	4	4.1%	5	5.2%
Ni-Vanuatu	5	1	1.0%	4	4.1%
PNG	14	5	5.2%	9	9.3%
Solomon Islands	2	0	0.0%	2	2.1%
Total	97	37	38.1%	60	61.9%

Overall 55 per cent of staff employed by APTC are women of which 80 per cent are Pacific Islanders. This means that APTC has provided employment opportunities for women generally and female Pacific Islanders in particular.

Students

Females represent 40 per cent of all enrolments and 40 per cent of all graduates since 2007. In Stage 2, females represented 42 per cent of all enrolments and 41 per cent of all graduates.¹⁶²

The Annual Report also provides data on Stage 2 students selected by gender and social inclusion (students identifying as having a disability¹⁶³ and students from small island states) as shown in Table 6.2.

Table 6.2: Stage 2 students selected for admission by gender and social inclusion¹⁶⁴

COUNTRY	FEMALE		MALE		(No. enrolled in Certificate III/IV in Disability)
	Disability	SIS	Disability	SIS	
FSM				1	
Fiji	7		10		(8)
Kiribati	1	127	1	210	
RMI		6		17	
Nauru		21		16	
Niue		5		6	
Palau		14		11	
PNG	7		7		(5)
Samoa	4		4		(7)
Solomon Is	1		5		
Tonga					
Tuvalu	1	40	1	29	(2)
Vanuatu	7		2		
TOTAL	28	213	30	290	(22)

This represents a considerable improvement on Stage 1 where the numbers were small (less than 20 in total). With APTC better established in Stage 2, a more proactive approach to enrolling students with a disability was possible and commitment by staff to ensuring their success was evident during site visits. Supplementary data obtained from APTC shows that some Stage 2 students identifying as having a disability enrolled at APTC to gain qualifications in the disability field (Table 6.2, final column). The inclusion of qualification in the disability field in Stage 2 may have further contributed to the improvement in the numbers of students with a disability enrolling in Stage 2.

APTC GESI policy and processes

There was limited evidence to confirm that a gender analysis was undertaken for Stages 1 and 2 as there is no clear implementation of an explicit gender strategy. Consultation with APTC staff revealed that previously there was a gender policy which has now been refocused into a (draft) social inclusion policy with an accompanying action plan. This was still to be finalised at the time of the Design consultations and, at the time of writing, has not been posted on the APTC website.¹⁶⁵

The (draft) Social Inclusion policy states that:

¹⁶² APTC Annual Report and Plan 2016-17, p. 21

¹⁶³ These students are sometimes referred to as students with special needs.

¹⁶⁴ APTC Annual Report and Plan 2016-16, p.68

¹⁶⁵ <https://www.aptc.edu.au/>

- 1.1. Applicants who meet the entrance criteria for APTC are considered on an equal basis.
- 1.2. The APTC maintains a climate of non-discriminatory and non-victimisation through enforcement of the student and staff Codes of Conduct. APTC proactively addresses attitudes and practices which may be discriminatory.
- 1.3. Orientation, induction and workforce developing activities include social inclusion, gender sensitivity and disability awareness training for students and all staff.
- 1.4. Reasonable adjustment processes are followed at the time of application and throughout the study period for applicants who have identified as having a disability and those from remote locations
- 1.5. All APTC-built facilities are accessible for disabled students and staff, and are accessible and secure for women and marginalised groups.
- 1.6. Gender and disability disaggregated statistics on employees, applicants, enrolments and graduates are maintained.
- 1.7. All APTC teaching, learning and promotional materials are accessible and socially inclusive.
- 1.8. APTC provides culturally appropriate support services to female staff and students who experience violence.
- 1.9. The APTC is committed to working in partnership with organisations, individuals and agencies that have expertise in gender and disability inclusion.

While the draft Social Inclusion policy has appropriate indicators, it is a statement of commitment rather than a strategy with explicit targets and action plans. During the field visit, an action plan was still being developed and was not available for circulation. There are other policies on Access and Equity, Disability and Cultural diversity. However, it was noted that the term ‘gender equality’ is absent which presents a risk that the focus on social inclusion is at the expense of gender equality. As they are mutually reinforcing, both should have specific objectives, outcomes and targets.

Violence against women and child protection is given a prominent focus by APTC. There is a child protection statement that is signed by tutors and students with a commitment to mandatory reporting. Sexual reproductive health is covered for all students and domestic violence is a unit of competency. The application of the sexual harassment policy led to an Australian male trainer being sent home. Specific efforts have been made to adjust the training schedule so as to be sensitive to safety for women and girls.

The 2014 Independent Review of APTC found the following with regards to gender and social inclusion:¹⁶⁶

- Training of women is constrained by family responsibilities.
- Females are more likely than males to complete their qualifications.
- Females tend to study in traditional areas, however there has been some success enrolling females in commercial cookery, painting and decorating and wall and floor tiling.
- The survey conducted by the National Centre for Vocational Education Research (NCVER) survey of Stage 1 graduates reported that female graduates expressed greater satisfaction with training and outcomes (despite many being unemployed within the social services sector).¹⁶⁷

¹⁶⁶ Education Resource Facility (2014) Independent Review of the Australia-Pacific Technical College: Full Report. <http://dfat.gov.au/about-us/publications/Pages/australia-pacific-technical-college-independent-review-2014.aspx> (access date 27 March, 2017).

¹⁶⁷ NCVER, 2013, *APTC Students Down the Track* survey, commissioned by APTC

- Tracer studies were not disaggregated by gender making it difficult to accurately determine student outcomes.
- APTC could do more to address income and disability barriers to employment.

The Review also reported that most recent APTC tracer survey of graduates had found that:

89.3 per cent of those surveyed with a disability were employed compared with 96.1 per cent of those without a disability. However, more persons with disabilities (96.6 per cent) reported having received an employment benefit from APTC training than those without a disability (90.3 per cent). In addition, most graduates with a disability (93.1 per cent) reported a sense of achievement from their training. They were more likely to cite getting into further study (37.9 per cent) and being seen as a role model in the community (86.2 per cent) than those without a disability (18.2 per cent and 63.9 per cent, respectively).¹⁶⁸

Key points include the importance of gender and disability disaggregated data collection and analysis and the need for flexibility in time for course completion.

The APTC Graduate Tracer Survey Report 2016 shows that APTC has some impact on changing attitudes related to GESI. The Survey had a 50 percent response rate (1525 responses) of which 41 percent were females and 59 per cent males. Graduates agreed that APTC had given them a better understanding of the impact of gender equality (89 per cent), child protection (88 per cent) and domestic violence (89 per cent).¹⁶⁹

Rapid GESI Assessment

After spending a week together in Fiji, the Design Team divided into two groups with the Gender Advisor assigned to the group that visited Solomon Islands, Vanuatu and Kiribati. These countries therefore became the focus for the rapid GESI assessment and follow-up policy analysis.

The set of initial questions provided in Attachment 1 can be summarised to four key questions:

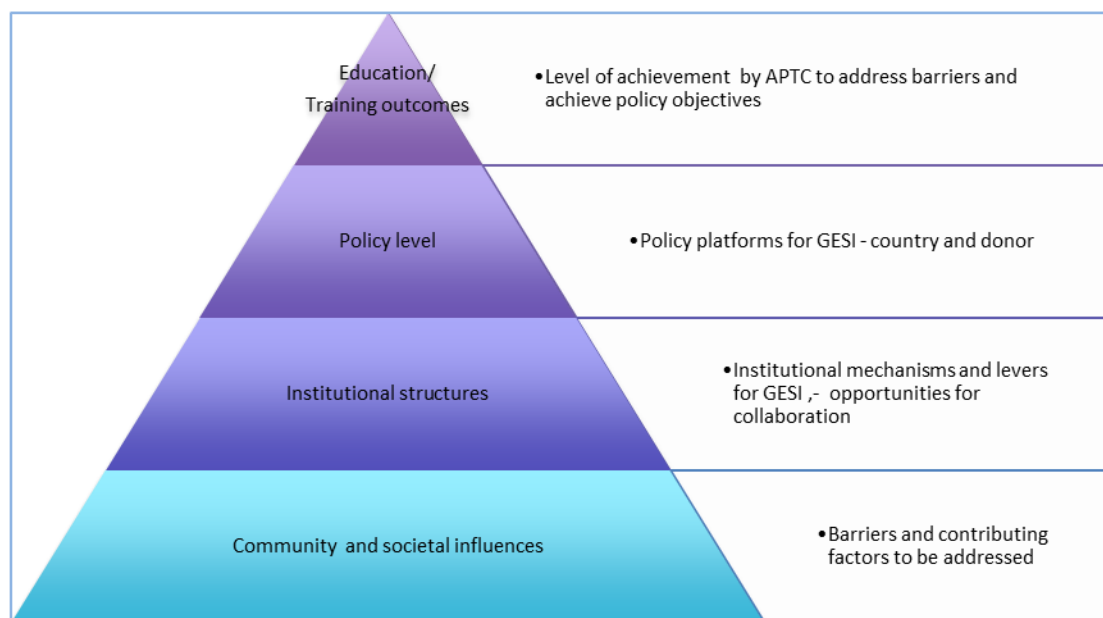
- What are the main barriers faced by women and people with disabilities to access APTC training
- How is gender, equity and social inclusion addressed by APTC and how are the barriers faced by women and people with disabilities addressed to ensure completion and employment?
- What are the supporting and enabling policy platforms?
- Are there opportunities to strengthen APTC's GESI targets and outcomes?

Thematic areas of enquiry are represented diagrammatically in Figure 6.1.

¹⁶⁸ Independent Review of the Australia-Pacific Technical College, Annexes, November 2014. p. 106

¹⁶⁹ APTC Graduate Tracer Survey Report, pages 15-16

Figure 6.1: Thematic areas of enquiry



Methodology

The field visit involved 3 - 5 days per country during which consultations were held with various government Ministers and officials, industry representatives, TVET institutions; APTC staff; civil society organisations, development partners, consultant advisers and DFAT Heads of Mission and officials. As was the case in all countries, the format of meetings and consultations included a *strategic dialogue* involving the Australian High Commissioner (or representative) and Government Ministers and Permanent Secretaries; a *stakeholder forum* of industry, government and civil society representatives; and *in-depth interviews* with key informants and other stakeholders.

Specific effort was made to visit the lead gender focal points and Ministries who were responsible for implementing government policies relating to gender equality and inclusive education. This included meetings with the Director, Department of Women and the Director of Special Education in the Department of Education in Vanuatu; the Deputy CEO, Social Protection and Disability in Tonga; the CEO Ministry of Women and Social Development in Samoa; and the Under Secretary, Ministry of Women, Youth, Children and Family Affairs in the Solomon Islands.. A range of organisations with a specific focus on women and people with disability were also invited to the Stakeholder Forums.

During the first week in Suva, Fiji, the Design Team also had meetings with APTC staff at the APTC Regional Head Office (RHO) and training delivery sites and undertook site visits.

Barriers

The literature indicates that difficulties identified in relation to gaining access to education, training, and employment fall into three broad clusters: personal and domestic, dispositional or psychological, and structural constraints and that problems women experience in moving from an informal to a formal education or training environment arise largely due to lack of information and guidance, lack of coherent learning routes, and lack of support and practical assistance.¹⁷⁰

¹⁷⁰ See for example, Women's Access to Decent Work, 2011
<http://www.un.org/womenwatch/daw/csw/csw55/panels/Panel2-Herath-Subhangi.pdf>

These barriers were confirmed during the field visits. It was found that the main challenges faced by women and girls in gaining access to APTC training, completion of courses and finding employment include:

- Financial constraints – without the DFAT-funded tuition, financial sponsorship of employers and supportive relatives women are less likely to enrol and complete the courses;
- Domestic responsibilities – women still bear the major responsibilities for child rearing and family welfare that places constraints on time to study.
- Lack of flexible hours for study – women are juggling multiple gender roles and responsibilities
- Discriminatory and stereotypic community attitudes and perceptions – the woman's role is still seen as tied to motherhood and domestic responsibilities and so women are limited to traditional occupations – hospitality, aged care, etc.
- Male dominated sectors – women are hesitant to become involved in some areas and lack support of their family/spouses to do so
- Violence against women and girls (including women with disabilities)
- Absence of role models (especially in non-traditional areas) – few women are employed in the trades areas, at the same time, fewer males are employed in hospitality services which is often associated with home economics
- Low numbers of women in public decision making roles – there a few female senior public servants, permanent secretaries and as members of parliament
- Lack of information about employment opportunities, career pathways – to enable women to set personal and career goals and based on clear knowledge of what the market offers
- Youth bulge and push out – the growing majority of young girls and boys have no clear pathway to employment after being pushed out of the school system and they do not qualify for APTC training
- The rural and outer island population, including women and girls attending rural training centres, do not have a pathway to access APTC training
- Lack of employment opportunities in the Pacific for persons with disability due to attitudinal barriers, lack of enabling environment with appropriate technology and resources, poor linkages with Disabled Persons Organisations or support programmes for people with disabilities, translating to low numbers of existing workers eligible to access APTC. In addition, the numbers of people with a disability already in employments and therefore able to access APTC are low.
- Lack of soft skills – study skills, job search, communication, English language proficiency

Areas for Improvement

From discussions with trainers and other stakeholders, some of the key factors that would improve access, participation and completion of training by women and people living with disabilities include:

- Provide supplementary support to female students to reduce the impact of unpaid care work (i.e. care of persons, housework and voluntary community work) on their ability to study.
- Provide coaching and mentoring support to female students throughout their studies and as they progress into employment
- Provide flexibility to allow course completion over a longer time

- Maximise the use of Recognition of Prior Learning
- Strengthen linkages with other TVET providers including Rural Training Centres and involve men in gender equality work and advocacy¹⁷¹
- Support the development of institutional specific gender and disability policies and strategies consistent with national policy objectives and development plans
- Disaggregate, report and analyse all data by gender and disability, including tracer studies and other M & E tools, consistent with Australian policy
- Consider how to effectively communicate with existing and potential female students with disabilities to encourage their enrolment and retention, where relevant including on labour mobility opportunities and the associated types and levels of qualifications
- Develop synergies with other DFAT bilateral programmes and development partners to scale up investments
- Pay more attention to soft skills as part of the core curriculum (study skills, job search, communication, gender equality, gender based violence, sexuality, reproductive health, strategies to stay safe in the workplace, relevant legislation to protect workers etc.)
- Ensure sensitive recruitment processes and empathetic staff are in place with vocational guidance offered from the time of application and enquiry
- Consider offering trade-taster and female only courses where students come and try courses in non-traditional areas for a week in a supportive environment.

The new approach to scholarships

The Design sees APTC moving away from its image as a 'scholarship college'. A common perception expressed by national training providers is that the scholarships provided for APTC courses enable students to readily attend APTC, thus giving APTC an unfair advantage. This undermines APTC's reputation. It has also been possible for a student to be granted a scholarship more than once for different courses, potentially leading to an inequitable situation.

A different approach is required for APTC3. Section 3.2 of the IDD proposes that the term 'scholarships' no longer be used and the previous approach of combining tuition fee costs and travel, accommodation and living costs into one allocation be discontinued. Instead there will be separate 'tuition fee waivers' and 'access bursaries'. In terms of addressing gender equality and encouraging the participation of women and people with disabilities, tuition fee waivers and access bursaries can be used as targeted assistance, positive discrimination or affirmative action. This will also be extended to those from rural and outer islands and for regional program courses where courses are offered in locations outside students' places of residence. There is already an element of this being applied as the website states that *'There is a focus to provide support for regional and remote areas and for gender and disability inclusiveness.'*

In considering the scenario where there will be a declining number of Australia government tuition fee waivers over time, in practice this means placing more emphasis on attracting fee-paying/tuition paying enrolments. Interestingly, there was an appetite shown by the Solomon Islands and Vanuatu governments to consider offering national government scholarships for their students to attend APTC and TVET training courses. This needs to be pursued in APTC 3 and could be combined with access bursaries.

¹⁷¹ The Vanuatu TVET strengthening programme is an example of good practice in this regard.

The proposed approach will assist APTC to provide access for rural and remote areas as well as gender, disability and other special needs groups.

The Way Forward

Statistics from the APTC Annual Report and Plan 2016-2017 are used as the baseline to determine future directions.

Scholarship enrolments – In total, 10,724 students have enrolled into APTC DFAT subsidised courses since the inception of APTC in 2007, with 6488 enrolling in stage 2. The gender balance of all scholarship enrolments since 2007 stands at forty per cent (40%) females and sixty per cent (60%) males, whilst in stage 2 females represent forty-two per cent (42%) of all DFAT subsidized enrolments to date. **The Design therefore proposes a new target of at least 50 per cent of tuition fee waivers and at least 50 per cent of access bursaries being provided to women, including women with disabilities.**

Non-completions – 877 APTC scholarship award recipients have commenced their course of study, of which 398 are in stage 2. Reasons for non-completions include suspension or exclusion due to misconduct, personal reasons, ill health or non-progression in study. For Stage 2, females accounted for thirty-seven per cent (37%) of all non-completions¹⁷². Notwithstanding the fact that females have had a better record of completion, **the Design proposes that strategies be put in place to address the specific causes for female and male non-completion.**

DFAT subsidised graduates – Of the 9753 DFAT subsidised graduates since 2007, females account for forty-one (41%) of the total DFAT subsidised graduates. **The Design proposes that a new target of at least 50 per cent be set for those female graduates receiving a tuition fee waiver.**

Total graduates – In total 10,600 students have graduated from APTC programs since 2007, with 7122 of these graduating in stage 2. The overall gender balance of graduates is forty-one (41%) female and sixty per cent (59%) male, with females accounting for forty-one per cent of graduates in Stage 2. **The Design suggests that a new target of at least 50 per cent for female graduates be set including women with disabilities.**

Training delivery staff – Meeting the targets proposed above is likely to require more programs that attract women and thus shift the proportion of female trainers. **The Design therefore proposes a stretch target of 50 per cent female trainers with at least 40 per cent of these female trainers being Pacific Islanders.**

Administrative staff – Females already represent 62 per cent of APTC administrative staff (50 per cent national), reflecting the more traditional roles of women. Critical in this regard is the number of women occupying management positions and the percentage of these who are Pacific Islanders. This is dealt with in Annex 5, section 8.

Disability inclusion – Maintaining and improving the current baseline for selection, enrolments and graduates must be a focus of efforts in APTC3.

Underlying the rationale for these new outcome oriented targets is the broad premise that women make up half of the Pacific population and that there is therefore a need to increase the critical mass of women to have access to this training and education opportunity, improve their skills and qualifications, and progress into employment.

¹⁷² APTC Annual Report and Plan 2016-17, p.37

Other Strategies and Supporting Actions for APTC 3

Based on the information gained during the field visit in terms of barriers the proposed strategies and actions are outlined in Table 6.3.

Table 6.3: Strategies and supporting actions for APTC3

Strategy 1: Strengthened institutional and organisational capacity of APTC	
Outcome:	Actions:
A region wide gender equality and social inclusion strategy at Regional Head Office (RHO) and at all training sites, including with partner institutions.	<ol style="list-style-type: none"> 1.1 Recruit/engage dedicated gender and social inclusion expertise at RHO to review and expand a GESI strategy with actions to be implemented at all APTC training sites; drive implementation, reporting and review against objectives; and ensure accountability of all staff in delivering against the GESI strategy. 1.2 Allocate a budget and necessary resources to enable travel to individual countries to roll out the GESI strategy. 1.3 Design and conduct gender/disability training and awareness for all staff and students.
Strategy 2: Greater alignment with the national policies	
Direct cooperation with local and national gender and disability actors – both government and civil society and alignment with the government endorsed national gender action plans and national disability plans	<ol style="list-style-type: none"> 2.1 Ensure APTC country plans include meeting with gender and disability actors and courses and activities are linked to the respective national action plans 2.2 Undertake mapping of key actors and existing plans and activities to link with APTC courses and activities 2.3 Engage national experts into APTC country advisory groups/panels.
Strategy 3: More cohesion and structured linkages between APTC country programs with DFAT bilateral gender and disability programs	
Increased number of women especially women with disabilities who enrol, graduate with an APTC qualification, find employment	<ol style="list-style-type: none"> 3.1 Conduct benchmarking of APTC with other DFAT gender and disability programs. 3.2 Identify joint resources for bursaries and affirmative actions for women and specifically targeting women with disabilities 3.3 Target programs on economic empowerment of women.
Strategy 4: Improved APTC reporting on gender and disability targets	
Greater accountability of gender and disability outcomes	<ol style="list-style-type: none"> 4.1 Disaggregate all data by gender and disability for reporting and progress tracking.
Strategy 5: Labour mobility opportunities for women	
Women seeking labour mobility opportunities are supported.	<ol style="list-style-type: none"> 5.1 Target labour mobility opportunities for women¹⁷³ 5.2 Promote specific cultural and other training for women to assist their smooth transition to work in receiving countries. 5.3 Work with the PLF to enhance opportunities for women.

¹⁷³ The PLF will play the main role in identifying labour mobility opportunities. However, APTC can also advocate on behalf of women. Refer also section 2.3 of the IDD and Annex 4 for details on barriers faced by women.

Conclusion

While APTC has had a creditable record of supporting gender equality, equity and social inclusion in the past, more can be done in future to formalise a gender and social inclusion approach and increase training and employment for women, people with disability and other vulnerable groups. In addition, with the emphasis on labour mobility in Stage 3, it will be important for APTC to ensure opportunities are available for females and that those female students in the labour mobility track are provided with the required training support.

Attachment 1: Gender, Equity and Social Inclusion Analysis

Key lines of enquiry – Probe Questions

Focus areas	Key line of enquiry
Training & Employment Outcomes	<ul style="list-style-type: none"> • Who is benefitting? Who is left out? • Are there specific problems faced by women or people with disabilities? • How can women be economically empowered?
Social and geographical exclusion	<ul style="list-style-type: none"> • Are there groups being socially excluded? How does social exclusion affect outcomes and access? • What is the ethnic make-up of society and how does ethnicity affect outcomes and access? • What are the geographical dimensions and how does geographical exclusion and remoteness affect outcomes and access?
Gender norms and gender based violence	<ul style="list-style-type: none"> • What are the gender norms that prevail in society and how do they impact on access and employment related behaviours? • How do gender norms play out? • What is the nature of gender based violence in society and to what extent does it affect TVET/APTC training and readiness for employment?
Community engagement and participation	<ul style="list-style-type: none"> • Are citizens, families and communities engaged in APTC, what are the structures and mechanisms for this, is this inclusive, functional and effective?
Access to and the quality of training	<ul style="list-style-type: none"> • Is the training appropriate and accessible to women, the disadvantaged and those excluded? • Is the training affordable to women, the marginalised and excluded, and are there targeted scholarships for vulnerable populations? • Is training gender sensitive, culturally acceptable and women-friendly?
Human resources	<ul style="list-style-type: none"> • Are there sufficient and appropriate human resources to deliver accessible training to women, the disadvantaged and vulnerable populations? • Is there equal pay for men and women? Are women fairly represented in management positions? Are all ethnic groups represented? • Are there HRH policies and strategies and monitoring and evaluation systems in place to address gender and social inclusion issues?
Evidence, monitoring and evaluation	<ul style="list-style-type: none"> • What is the evidence base for measuring access, utilisation, outcomes and impact disaggregated by poverty, gender, geographical area, ethnicity, and other vulnerability measures? • What needs to be done to strengthen the evidence base to provide disaggregated data essential for planning and management, and policy making? • Are there risks to gender equality
CSOs including faith based organisations	<ul style="list-style-type: none"> • What is the scope of work of community service organisations (CSO), including faith based organisations, involved in training and employment readiness? Are there lessons and good practices to be scaled up? • How can CSOs influence government, and have they been effective in advocating for quality TVET?

Attachment 2: Investment Design¹⁷⁴

Gender equality is one of the Investment Design Quality Criteria (IDQC) that all Australian aid investments must meet. To meet the quality criteria for gender equality, a design should:

- effectively integrate appropriate strategies to advance gender equality and promote empowerment of women and girls;
- ensure the equal access of women and girls to the benefits of the investment;
- demonstrate how DFAT will influence advancing women's empowerment within the investment; including where appropriate, by addressing women's role in decision-making and leadership, empowering women economically or addressing violence against women; and
- ensure that sufficient resources (financial and technical) are allocated to implement strategies.

The gender equality criterion requires consideration of the following issues:

- Promoting gender equality between men and women is:
 - A principal objective of this investment
 - A significant objective of this investment
 - Not an objective of this investment
- Analysis of gender equality gaps and opportunities substantially informs the investment
- Risks to gender equality are identified and appropriately managed
- The investment is making progress as expected in effectively implementing strategies to promote gender equality and women's empowerment.
- The monitoring and evaluation system collects gender-disaggregated data and includes indicators to measure gender equality outcomes.
- There is sufficient expertise and budget allocation to achieve gender equality related outputs of the investment.
- As a result of the investment, partners increasingly treat gender equality as a priority through their own policies and processes.

Quick Checklist

Concept and Design

- ✓ Does gender analysis (existing or new) inform the investment concept and design?
- ✓ Was gender expertise used the concept preparation/design mission/development of the design
- ✓ Do the investment concept/design clearly specify whether and how both women and men will participate and benefit equally?
- ✓ Have gender equality outcomes and impacts been identified and integrated?
- ✓ Does gender analysis inform the Program Logic/Theory of Change?
- ✓ Are indicators measuring changes for women or changes in gender status included in the monitoring and evaluation framework?

¹⁷⁴ DFAT, International Aid (Promoting Gender Equality) Bill 2015, Submission 5

- ✓ Has the concept/ design articulated a coherent and explicit approach and strategies to promote gender equality?
- ✓ Has the concept/ design identified and made use of entry points within the existing systems and policy frameworks of the partners?
- ✓ Has the design considered the impact (intended and unintended) that it could have on women's status and included strategies for avoiding or minimising negative impacts on women?
- ✓ Does the budget include an allocation for activities promoting gender equality, including human resources?
- ✓ Does the initiative work with others to maximise gender equality outcomes?

Attachment 3: GESI Observations with special reference to the Solomon Islands, Vanuatu and Kiribati

Enabling Policy environment

Recognising that societal and cultural barriers contribute to binding constraints on opportunities for women and girls including people with disabilities, Pacific governments have enabling policies to address such barriers. All governments (except Tonga) have ratified the UN Convention on the Elimination of all forms of discrimination against women (CEDAW) and the Convention on the rights of persons with disabilities (CRPD). An enabling policy environment already exists in the countries by their own governments. There is a clear alignment of Australian government policy commitments and that of the Pacific governments' own policy commitments.

The Solomon Islands Government adopted the *National Policy on Gender Equality and Women's Development (GEWD) in 2010*. The goal of the Policy is *to advance gender equality and enhance women's development ensuring the active contribution and meaningful participation of both Solomon Islands women and men in all spheres, and at all levels, of development and decision making*. The five priority outcomes are: 1) improved and equitable health and education for girls and boys, women and men; 2) improved economic status of women; 3) equal participation of women and men in decision making and leadership; 4) elimination of violence against women; and 5) increased capacity for gender mainstreaming. The lead agency for this policy is the Ministry of Women, Youth, Children and Family Affairs (MWYCFA) who welcomed direct engagement with APTC. During the consultation, the Permanent Secretary noted that there had been no prior contact by APTC and encouraged closer collaboration for mutually beneficial outcomes. Direct engagement with national gender actors and the government's gender and women focal point is important in APTC 3 design.

The *Vanuatu National Gender Equality Policy 2015-2019* adopted in November 2016 focuses on and prioritises the following four strategic areas: reducing domestic and gender based violence; enhancing women's economic empowerment; promoting women's leadership and equal political participation; and building a foundation for gender mainstreaming. The Director for Women has been involved in TVET but made the point that while TVET has allowed for participation of women and girls, this has not translated into gender equality. This is an important point that is referenced in the *Gender Equality Strategy for the Vanuatu TVET Centres*¹⁷⁵ referring to women's economic empowerment and stating that while providing skills to compete in markets is a core activity of the TVET Centres, influencing women's power and agency to benefit from activities presents broader challenges. Participation in an APTC course and obtaining a qualification does not necessarily result in gender equality and so power and agency must be key components of the APTC 3 gender focus.

The *Government of Vanuatu Inclusive Education Policy & Strategic Plan 2010-2020*¹⁷⁶ is the first ever inclusive education policy which provides a national framework to draw from for national education and training placing emphasis on legislative and policy review, teacher training, access audits, data collection, awareness, funding and reporting. There is still a gap between the policy commitment and the active recruitment of persons with a disability both in training institutes and in employment. This gap was evident during the mission visits to APTC countries. There will need to be active recruitment and support provided

¹⁷⁵ Australian Aid, Vanuatu TVET Sector Strengthening Program, page 5

¹⁷⁶ Vanuatu Ministry of Education, 2011

during the course for persons with disability. A Workplace/Training Place Disability Inclusion Assessment tool¹⁷⁷ can be adapted for application in APTC 3.

In Kiribati, the issue of violence against women is just as significant as in other countries visited. The *National Approach to Eliminating Sexual and Gender-based violence in Kiribati: Policy and National Action Plan 2011-2021*¹⁷⁸ was adopted in 2010 in response to evidence in the *Kiribati Family Health and Support Study (2008)* which indicated that 68 per cent of women (2 in 3) aged between 15 and 49 who have ever entered into a relationship reported experiencing physical and/or sexual violence by an intimate partner.¹⁷⁹ Included as priority issues are: urgent need for more accessible professional support services with where women can disclose their experiences of violence and seek support; and challenge views that custom, tradition or religious considerations can be invoked to justify violence against women. **TVET**

Policy reform

There is policy reform underway which provides new opportunities for institutionalising gender equality and inclusion. For example, the Solomon Islands Tertiary Education Skills Authority (SITESA) Act 2016 was passed by the Parliament early in 2017. The Act establishes a body corporate responsible to the Parliament through the Minister for Education and Human Resource Development. It has responsibility for the promotion, planning, development and coordination of the tertiary skills sector. The Tertiary Education and Skills Policy 2016-2020 was launched following the carriage of the legislation. The Policy identifies a number of priorities, including *Provision of equitable access to quality assured skill development opportunities linked to economic growth and empowerment for women, young people and people with a disability*.¹⁸⁰ This means that support will be required to ensure that skills training is increasingly gender sensitive and inclusive. This reform agenda is driven at the highest official level and APTC can leverage this momentum.

Linkages between DFAT funded programs

In relation to gender equality and social inclusion outcomes for APTC, significant scoping, research and strategy planning has been undertaken under other DFAT funded programs. A *Gender Equality and Social Inclusion Strategy*¹⁸¹ (GESIS) was commissioned by the Solomon Islands Skills for Economic Growth (S4EG) program in December 2016 and provides a sound basis to ensure gender equality; disability and social inclusion actions are implemented across all components of the S4EG Program. The GESIS identifies specific actions to address barriers to participation in tertiary level skills training by women and persons with disabilities. Specific gender and disability-focused actions aim to increase access, participation and completion by women and people living with a disability in skills development. The specific actions are 1) capacity strengthening in gender and inclusion; 2) incentive mechanisms; 3) trade taster and female only courses; 4) communications and consultations; and 5) policy development.

A *Gender Equality Strategy for the Vanuatu TVET Centres*¹⁸² was developed for the by the Vanuatu TVET Sector Strengthening Program for the Skills for Economic Growth which outlines the strategy the TVET Centres will use for the promotion of gender equality in the planning, decision making and delivery of services in each province where a TVET Centre has been established. The intention is that gender will be

¹⁷⁷ https://www.uschamber.com/sites/default/files/legacy/reports/Disability_final_v2.pdf

¹⁷⁸ <http://www.mfed.gov.ki/sites/default/files/National%20ESGBV%20Policy.pdf>

¹⁷⁹ Secretariat of the Pacific Community (2008) Kiribati Family Health and Support Study: A study on violence against women and children, Noumea.

¹⁸⁰ Solomon Islands Government (2016).

¹⁸¹ Palladium, Solomon Islands Skills for Economic Growth Program, 15 Dec 2016

¹⁸² Australian Aid, Ministry of Education and Training, Skills for Growth

mainstreamed in all aspects of TVET Centre activities, with additional funding grants through the Pacific Women Initiative to support the implementation of this strategy. As a DFAT funded program, APTC can leverage off this and extend the strategy to the APTC - Vanuatu and the Vanuatu Institute of Technology. The strategy discusses women's economic empowerment; gender and culture; and gender and disability. It provides a situation analysis based on data and offers five overarching objectives:

- 1) Address barriers to participation in TVET Centre activities experienced by women
- 2) Ensure a family friendly work environment in TVET Centres that allows male and female staff to achieve their potential and an appropriate work-life balance
- 3) Strengthen partnerships for advocacy and research in gender equality results
- 4) Ensure a responsive monitoring system to track and report on gender equality results
- 5) Take steps to reduce TVET Centre participants' vulnerability to violence and provide support to survivors of violence.

The strategy is made up of a number of actions to support the achievement of each of the objectives.

The Kiribati Support Facility *Community Support Strategy 2017-2019*¹⁸³ has recently been released and was made available during Kiribati field visit. The Kiribati Facility (KF) is the overarching program that encompasses the *Skills for Employment Program (SfEP)* and the *Flexible Support Facility*. The SfEP is aimed at developing Kiribati Institute of Technology (KIT) skills for employment program. The KF through the SfEP recognises the need to increase the opportunities for women and people from disadvantaged groups to access training at KIT, acknowledging that the delivery of courses may require different teaching approaches. The Strategy provides the direction for KIT's equity and inclusion work for the next three years. Clearly, APTC 3 should harness this strategy as it had been developed through community consultations. The primary objective of the Community Strategy is *To increase participation of 16-24 year old women and men in skills development programs*. The strategy provides an approach to increasing the participation of young women, men and disadvantaged groups in skills development programs, as well as strengthening the institutional focus on social inclusion to ensure women and men, and disadvantaged groups are supported in their learning at KIT. Key Activities include: 1) KIT staff professional development; 2) KIT advocates program 3) KIT Student Association – student peer educators program; 4) awareness workshops/seminars for students; 5) KIT gender group; 6) gender-based violence referral network; and 7) short courses for young mothers and disadvantaged groups.

All of the above initiatives are relevant for APTC 3.

¹⁸³ Scope Global, Kiribati Facility, Skills for Employment Program, February, 2017

Annex 7: Profile of DFAT bilateral programs and APTC linkages

Australia has ongoing bilateral tertiary education investments in all countries for the sphere of activity proposed for APTC3. TVET investments are shaded in Tables 7.1 and 7.2 below. They include major skills development programs in the Solomon Islands, Vanuatu, Kiribati and Tonga and several TVET initiatives in PNG. They are of particular relevance to APTC3 because:

- The Pacific Education and Skills Development Agenda 2017-23 (PESDA -2) stresses the importance of collective action – *‘improved bilateral-regional policy and program alignment and collaboration ...’*
- Consistent with PESDA-2, it is proposed that the DFAT Posts and the personnel involved in the bilateral projects have a role to play in collaboration with APTC in TVET coordination and reform at country level. This is outlined in sections 4.1 and 4.2 of the Investment Design Document and in Annex 8. Understanding the scope and extent of the bilateral TVET investments is critical to understanding how this collaboration might manifest itself in future.
- Bilateral programs have direct or indirect implications for the achievement of the APTC3 end of program outcomes.

Table 7.1: Countries with APTC offices

SUB-SECTOR	INVESTMENT / AGREEMENT / ACTIVITY	OBJECTIVES / KEY ACTIVITY	PARTNERS
FIJI			
TVET	Australia-Pacific Technical College (APTC) AUD96 million (stage 2 extension, 2015-18)	APTC objectives: (a) support skill development in the Pacific; (b) provide training that presents opportunities for graduates to access domestic, regional and international labour markets; and (c) increase productivity in targeted industries. APTC delivers training (partnered with national training institutions, key employers and industry groups) in 5 campuses leading to Australian qualifications in automotive, manufacturing, construction, electrical, tourism, hospitality, health and community services sectors.	TAFE QLD
Higher Ed	USP Partnership AUD49 million (2014-18)	Assists USP implement Strategic Plan 2013-2018. Focus is on improving USP's effectiveness and capability to: provide inclusive access to quality tertiary qualifications and research, demonstrate leadership in the tertiary sector and engagement on and advocacy for Pacific regionalism. USP currently has approximately 27,000 students across its 14 Campuses and 11 centres.	University of the South Pacific (USP)
TVET / Higher Ed	Pacific Register of Qualification Standards (PRQS) AUD2.7 million (2008-16)	PRQS was established to facilitate benchmarking of Pacific qualifications against international standards, and to facilitate Pacific learner and labour mobility into further educational opportunities or entry into the global labour market.	SPC

SUB-SECTOR	INVESTMENT / AGREEMENT / ACTIVITY	OBJECTIVES / KEY ACTIVITY	PARTNERS
Higher Ed	Strategic Support: Fiji School of Medicine AUD7.5 million (2011-18)	Support Fiji National University (FNU) College of Medicine, Nursing & Health Sciences implement Strategic Plan 2012-16.	FNU
Scholarships	Scholarships (including Australia Awards Pacific Scholarships) Up to AUD5.5 million per year	Provision of up to 40 long term scholarships and 20 short-term awards for Fijians to undertake undergraduate or post graduate studies in Australia and the region. Fields of study aligned with Government of Fiji and private sector identified human resource development needs.	Various Australian and regional institutions
PAPUA NEW GUINEA			
TVET	National Polytechnic Institute of PNG (Lae) AUD 3.113 million (2014-16)	Support Lae Polytechnic become a Centre of Excellence for technical training – key input from Lae Polytechnic Centre of Excellence Working Group (LPCEWG). Activities funded included refurbishment and equipping of the MFW workshop, delivery of the Cert III MFW pilot course, a feasibility study, a student accommodation study, and an industry engagement study.	<ul style="list-style-type: none"> - Lae Polytechnic - LPCEWG - Australia-PNG Business Council TVET Working Group - APTC
TVET	TVET Sector Advisory Support AUD 0.73 million (2015-16 FY) and AUD1.168 million (2015-2016 Calendar Year)	Technical advice (through ECDF) <ul style="list-style-type: none"> ▪ AHC on TVET activities ▪ Assist National Training Council (NTC) review / update National Training Policy / legislation ▪ Support establishment of a trade test centre in Bougainville 	<ul style="list-style-type: none"> - NTC - NDoE - Bougainville DoE - Department of Higher Education, Research, Science and Technology (DHERST)
TVET	TVET support to National Department of Education (NDoE) AUD 4.45 million (2015-17) Actual purchase started in late 2015 and is still continuing so for 2015-2017 – the figure is accurate	Procure equipment for nine technical and business colleges, support in determining equipment needs, and training on inventory management. Advice on establishment of Polytechnics in all Regions. Recommendations in relation to reform of the TVET Teacher Training and Teaching Service Commission entry standards for TVET teachers.	<ul style="list-style-type: none"> - NDoE - Technical Colleges (Hagen, Goroka, Moro, Bougainville, POM, Madang) - Business Colleges (Kokopo, POM) - Lae Polytechnic
TVET	Support to Bougainville Technical College AUD37800 (2015-16) for purchasing a Genset.	Support BDoE develop a Business Plan for the Bougainville Technical College (through ECDF). TVET Teacher Trade and Teaching Competency Upgrade.	<ul style="list-style-type: none"> - NDoE and BDoE - Bougainville TC - Horizont3000

SUB-SECTOR	INVESTMENT / AGREEMENT / ACTIVITY	OBJECTIVES / KEY ACTIVITY	PARTNERS
TVET	TVET Structural Reform (2015-16) (TA included in TVET Sector Advisory Support)	Work with DHERST, NDoE TVET Division, and NEC TVET Taskforce to develop and implement agreed reform of TVET organisational structures.	- DHERST - NDoE TVET Division - NEC TVET Task Force
TVET	TVET Leadership and Management Training AUD277300 (2017-18)	Capacity/workforce development – work-based, competency-based leadership and management training for existing and emerging leaders / managers in all TVET colleges.	- NDoE - TVET Colleges - BDoE - APTC (or other)
Higher Ed	Kina for Kina AUD2 million (2016-17)	Work with DHERST to improve higher education quality in a sustainable manner (one / more university).	- DHERST - PNG Universities
Higher Ed	Higher Education Sector Advisory Support AUD tbc (2015-16)	Provide technical and advisory support to DHERST in the areas of M&E, strategic management and legal policy (through ECDF).	- DHERST - PNG universities
Higher Ed	UPNG-JCU Twinning (Joint Understanding) AUD2 million (2016-18)	Expand cooperation and exchange of ideas, knowledge and expertise in areas of mutual interest e.g. faculty strengthening, research, training, exchange, teaching, publications, articulation of values.	- UPNG - James Cook University
Higher Ed	UPNG-ANU Twinning (PNG Leadership and Governance Precinct) AUD3 million (2016)	Establish a school of Business and Public Policy at UNPG.	- UPNG - ANU
Scholarships	Australian Awards Scholarships AUD40 million for Australia Awards program (2016-17)	Australian scholarships supporting the capacities of PNG citizens' to contribute to PNG's development. Key priority areas include education, health, transport and infrastructure, agriculture, law and justice and governance.	- DPM
Scholarships	Australia Award Scholarships (in PNG)	Support students from PNG to study in-country in health (midwifery, nursing, community health worker) and education (teacher training).	- DHERST
Scholarships	PNG Australia Alumni Association	Direct support to the PNG-Australia Alumni Association (PNGAAA).	
SAMOA			
Education/ TVET	Samoa Education Sector Support Program Up to AUD 16 million (2015-18) INK306	Investment includes previous and current support to the Education Sector. Current: <ul style="list-style-type: none"> Education Sector Support Program (ESSP) funding of up to \$12.5m (from ECE – PSET including Inclusive Education) 	NZ, GoS

SUB-SECTOR	INVESTMENT / AGREEMENT / ACTIVITY	OBJECTIVES / KEY ACTIVITY	PARTNERS
		<ul style="list-style-type: none"> TA Facility support to the sector of up to \$3m Bilateral support to the regional Pacific Benchmarking for Education Results (PaBER); and toward strengthening sector coordination activities, 860,200 <p>Completed/Previous support:</p> <ul style="list-style-type: none"> Direct Funding Arrangements with Samoa Qualification Authority for TVET/PSET work (\$2.5m); Various TA support \$919,901 	
Scholarships	Australia Awards Scholarships (including Australia Awards Pacific Scholarships) Up to AUD5 million per year	Provision of up to 40 long-term scholarships and 10 short-term awards for Samoans to undertake undergraduate or postgraduate studies in Australia and the region. Fields of study aligned with Government of Samoa-identified human resource development needs.	Various Australian and regional institutions
Scholarships	Distance Education Scholarships INF246 / INM215 AUD2.9 million over 15 years (completed) and AUD550,000 per intake (current program)	Supporting the delivery of distance education within Samoa, facilitating skill development while retaining the student in country particularly where candidates with family and work responsibilities, especially women who wish to continue current employment. The program is targeted only at people in management positions from public, private, NGO sectors and only available for Postgraduate studies.	Various Australian institutions
TVET	Australia Pacific Technical College	Provides funding for approximately 150 Samoan students each year to complete Australian-standard (APTC) trade, hospitality and community service courses.	APTC
SOLOMON ISLANDS			
TVET	Skills for Economic Growth AUD16 million (2015-19)	Support and strengthen training institutions in the Solomon Islands to produce graduates who are in demand (have the skills and knowledge needed to contribute to national productivity and economic growth). Course delivery and qualification system development.	Palladium International
TVET	Speciality Skills for Business AUD244,000 (2015-16)	Provide training for private sector employees in the Solomon Islands to support economic growth in the private sector. Delivered by APTC	APTC - TAFE Queensland
TVET	Skills Youth at Work AUD1.25 million (2015-19)	Providing employability skills training and mentoring, matched with internship placements or micro-enterprise development support for Solomon Islander youth.	Secretariat of the Pacific Community (SPC)

SUB-SECTOR	INVESTMENT / AGREEMENT / ACTIVITY	OBJECTIVES / KEY ACTIVITY	PARTNERS
Scholarships	Australia Awards SI and Australia Awards Pacific SI AUD 16m (2015-2019)	Provide citizens of Solomon Islands with the opportunity to obtain an undergraduate or postgraduate qualification at an Australian or Pacific (include USP; FNU; UPNG; and University of Technology in PNG) tertiary institution.	Various Australian and regional institutions
VANUATU			
TVET	TVET Sector Strengthening Program INK210 AUD11.5 million (2011-16)	Facilitate decentralised TVET service delivery linked directly to provincial economic development outcomes. TVET Centres in Sanma, Malampa, Torba and Tafea provinces. Contribute to development and implementation of national TVET policy; support strengthening of GoV agencies responsible for management of sector. Develop TVET Sector Disability Inclusion Strategy; support GoV develop national TVET workplace Literacy and Numeracy Strategy	<ul style="list-style-type: none"> - Ministry of Education and Training (MOET) - Vanuatu Qualifications Authority (VQA) - Provincial Governments
TVET	Vanuatu Skills Partnership (2016- 2020)	Following phase of the above March 2017 – design approval being processed	<ul style="list-style-type: none"> - MOET - VQA - Provincial Governments
Scholarships	Australia Awards (AA) and AA Pacific Scholarships AUD3.00m per year	Goals <ul style="list-style-type: none"> - Alumni use new skills and knowledge to drive change and positively influence Vanuatu's development - Strong people-to-people and institutional links between Australia and Vanuatu EOPO <ul style="list-style-type: none"> - Alumni are gainfully employed in their field of expertise and applying their new knowledge and skills - Alumni maintain links with, and hold positive views of, Australia 	<ul style="list-style-type: none"> - MOET - Public Service Commission - Academic Institutions

Table 7.2: Other Countries in APTC3's sphere of activity

SUB-SECTOR	INVESTMENT / AGREEMENT / ACTIVITY	OBJECTIVES / KEY ACTIVITY	PARTNERS
KIRIBATI			
TVET	Kiribati Skills for Employment Program AUD20 million (2016-19)	Develop a more capable, qualified and mobile I-Kiribati workforce. Kiribati Skills for Employment Program (SfEP) builds on the TVET Sector Strengthening Program (2011-2016). SfEP includes new initiatives to increase the quality and relevance of training to meet local, regional and international labour market needs, including access to enhanced labour mobility schemes in Australia. These include a job search centre, work placements, partnerships with Australian Group Training companies and a vocational pathway-bridging program to reach young people disengaged from the education system.	<ul style="list-style-type: none"> - Kiribati Institute of Technology - Kiribati Ministry of Labour and Human Resource Development - Scope Global - Marine Training Centre - APTC
Scholarships	Australia Awards AUD2.7 million (2015-16)	Australia Awards contribute to human resource development in Kiribati, providing the opportunity for Kiribati citizens to undertake higher education degrees (graduate & post-graduate) to develop essential knowledge and skills needed in Kiribati.	<ul style="list-style-type: none"> - NZ MFAT
NAURU			
Higher Ed	Learning Centre Stage 2 AUD4.3 million (2015-17)	Construction of a new University of South Pacific (USP) Centre on Nauru; a community library and a community centre. Total funding provided to date is \$4.3m. GoN to contribute up to \$1m.	<ul style="list-style-type: none"> - Government of Nauru - Alexander and Lloyd Group
Scholarships	Australia Awards Pacific Scholarships Up to AUD600,000 per year	Provision of up to 10 scholarships per year for Nauruan's to undertake vocational, undergraduate or postgraduate studies in Fiji, Samoa, Vanuatu or PNG.	<ul style="list-style-type: none"> - Various regional institutions
Scholarships	Australia Awards Scholarships Up to AUD400,000 per year	Provision of up to eight scholarships per year for Nauruan's to undertake undergraduate and postgraduate studies in Australia at various tertiary institutions.	<ul style="list-style-type: none"> - Various Australian tertiary institutions
TVET	Improved Education Program AUD100,000 per year	Contracted TVET TA to meet ongoing compliance requirements for accreditation with TAFE QLD	<ul style="list-style-type: none"> - Nauru Department of Education
TONGA			
TVET	Tonga Interim Skills Development Facility (ISDF) AUD3.92 million (2014 – 16)	Objective: explore approaches that can be used to ensure a market driven approach to training is developed and implemented in the medium to long term. ISDF seeks to explore innovative ways in which training can be provided to support the domestic	<ul style="list-style-type: none"> - Ministry of Education and Training (MET)

SUB-SECTOR	INVESTMENT / AGREEMENT / ACTIVITY	OBJECTIVES / KEY ACTIVITY	PARTNERS
		economy, the village level economies and training for international labour markets.	
TVET	Tonga Skills for Inclusive Economic Growth AUD7.5 million (2016 – 21)	Design in progress. Expect to continue the work commenced through the Interim Skills Development Facility, with a strong focus on a market driven approach and links to improved productivity and employment opportunities.	- Scope Global
Scholarships	Australia Awards (also AA Pacific Scholarships) AUD3 million per year	Objective: to develop a cadre of scholars with high level skills that Tonga can draw on to achieve its development goals.	- Australian and Pacific universities
TUVALU			
Scholarships	Australia Awards Scholarships	Australia provides an estimated \$2 million on tertiary awards for Tuvaluans to study in Australia and in the region.	

Annex 8: PEA framework

The Design envisioned for Stage 3 constitutes a significant evolution of APTC as originally conceived; shifting from an ‘enclave’ approach focused on direct service delivery activities to an embedded approach that seeks to seriously engage with and support positive change within Pacific TVET systems. This evolution has already begun in the Stage 2 Extension, but not necessarily as an approach underpinned by a coherently articulated set of principles. This Annex provides a broader review of recent thinking and approaches capable of supporting the use of PEA and TWP to deliver on the Stage 3 outcomes.

Political Economy Analysis and Thinking and Working Politically

An embedded approach requires taking country realities seriously, decentralising and adapting activities and methods to local context. As indicated in section 3.2, *embedding successfully requires a commitment to understanding, as best as possible, the varied, complex and dynamic contexts in which APTC operates.* Among the tools available to support this, PEA can provide insights into the way in which stakeholders in pursuit of their own interests act and react, with varying levels and forms of power, in the context of deeply embedded structural features and the formal and informal ‘rules of the game.’ Numerous donors, implementers and researchers have developed their own PEA frameworks in recent years to help structure exploration of these issues. Examples include: the 2004 DFID Drivers of Change studies and 2009 How to note; the 2007 Netherlands Ministry of Foreign Affairs Strategic Governance and Corruption Analysis (SGACA); the 2009 World Bank Problem-Driven Governance and Political Economy Analysis: Good Practice Framework; and the 2016 USAID Applied PEA Field Guide. For additional tools and resources as well as a limited selection of case studies, see the GSDRC Topic Guide (McLoughlin, 2014¹⁸⁴).

Yet while these tools and frameworks contain differences in language and the visual representations used, this masks an underlying common analytical core to help understand behaviour and outcomes:

- **Structural factors** (Box 8.1) are the conditions that influence the state and political system, including geographic, demographic, historical, economic, social, characteristics of the community in question. *‘Generally these are not readily influenced, either because of the timescale needed, or because they are determined outside of the country’* (The Policy Practice and ODI, 2009:5). However, structural factors provide the foundational elements of the context (including a country’s integration into the wider world) in which analysis must be grounded and often include systemic constraints on what is possible in a given context.

Box 8.1: Structural factors and aid dependency in the Pacific

The factors most relevant in any given context will vary; however, certain factors are likely to be particularly important in the Pacific Island contexts in which APTC operates. Physical isolation is an obvious candidate, but attention ought to be given to issues like aid dependency, which can affect power relations, affecting institutional development and ultimately the incentives that drive (or not) developmental outcomes. Of course, there is variation even here, with countries like Fiji and PNG having much lower aid-GNI ratios than the Solomon Islands, Tuvalu or Micronesia (using data from 2009-2011). While this is only one measure (aid as a proportion of government budgets might be another), it demonstrates the need to evaluate the relevance of particular structural factors in specific country contexts. In a country like Fiji, aid dependency might be less of an issue, but the pattern of economic development and the centrality of the distribution of rents arising from preferential sugar agreements may play a more important role (Chand, 2011).

¹⁸⁴ McLoughlin, C. (2014). *Political economy analysis: Topic guide* (2nd ed.) Birmingham, UK: GSDRC, University of Birmingham. Available online at: <http://www.gsdrc.org/topic-guides/political-economy-analysis/>

- **Institutions** are the rules of the game and include both formal and informal rules that govern behaviour. Institutions tend to be more susceptible to change in the medium term than structural features. These are sometimes grouped together with the structural factors in the previous point as the ‘context’ as in the IAD framework, or occasionally with the actors (stakeholders) as in the World Bank’s Political Economy of Policy Reform framework.
- **Actors**, also called stakeholders, are the individuals or organisations that are most relevant to the issue in question. These include those individuals or organisations that support reform as well as those who oppose it; individuals or organisations that engage with the issue as well as those who ignore it; and individuals or organisations who benefit from potential reforms and those whom it will cost. Actors will vary in their ability to exercise agency, in large part due to the power (economic, social, and political) they hold.
- **Incentives** are ‘the rewards and punishments that are perceived by individuals to be related to their actions and those of others’ (Ostrom et al. 2002). These can be both material and non-material in nature. Precisely what types of incentives exist for each actor or set of actors and how actors respond to incentives will be shaped by all of the factors above and the resultant decision-logic used. They may also be affected by the way specific events unfold within processes of change, some aspects of which may be subject to deliberate actions on the part of well-informed and well-placed brokers of reform.

In combination with the use of the relevant context as the starting point for analysis, it is this view that the processes of bargaining and contestation that inevitably takes place over the use of limited resources and the distribution of power among the actors participating in such processes are central in determining not only what development outcomes occur, but also to why they occur and what might be done to improve those outcomes.

From analysis to action

Even as tools, frameworks and typologies have proliferated and PEA has gained traction within international development circles, the shift to the practical considerations of ‘politically smart’ programming has generated additional terminology, but the definition of politically smart given by Booth and Unsworth (2014)¹⁸⁵ usefully points to the two dimensions of interest as a point of departure:

- **Politically informed** – this includes a sense of history (awareness of what has happened previously in a particular country and in the world); and some in-depth understanding of country and sector context, including embedded structures, local informal institutions, relationships and actors. Donors and their partners need to be armed with the best knowledge they can muster about local political economy dynamics (and this needs to be constantly renewed, not limited to undertaking formal analysis as a one-off exercise).
- **Politically astute** – this refers to ways of working that use information about the politics (including political economy) with intelligence and creativity. Donors or their partners need political skills. That is, they must be not just well informed but clever operators, with the capacity to work with the politics or around them according to what works best in the context. Political skills may be harder to acquire than political knowledge. In the case of donor staff, the most important political

¹⁸⁵ <https://www.odi.org/sites/odi.org.uk/files/odi-assets/publications-opinion-files/9204.pdf>

skills may be those involved in devising funding and management arrangements for third parties who are more politically informed and astute than outsiders can ever be.¹⁸⁶

This type of marriage of the analytical aspects of PEA and practical operations has been captured in the phrase ‘thinking and working politically’ (TWP), which should underpin the strategic decisions made by APTC throughout the implementation of Stage 3. *The implementer therefore needs to have not only the requisite skills, knowledge and experience with regard to PEA, but also a clear approach to ensuring that any analysis is effectively linked to strategic and operational practice.* PEA is thus not a separate task, left to governance specialists, but an integral part of the thinking and working that permeates program operations. This should be the case, even in the more traditional service delivery activities that will need to continue, particularly in the early portion of Stage 3. For example, in the selection or re-evaluation of partner institutions, the implementer’s evaluation of ‘readiness to partner’ should include an assessment of the incentives to which the partner is understood to be responding in the given context. These should include analysis of the motivations (financial, political, personal, ideational etc.) of relevant individuals and organisations, as well as the types of relationships and balance of power between those actors (including, relationships between the partner and APTC).

Furthermore, as clear as the need for thoughtful understanding of, engagement with, and use of political economy knowledge is for the more traditional and transactional forms of APTC support via the direct delivery of TVET training, it is indispensable in attempts to engage sensibly in support of systems reform. If APTC is to emerge more fully from its enclave origins, it must grapple with the reality that Pacific educational institutions operate within complex, dynamic contexts replete with contested rules, both formal and informal, that shape (whether by enabling or constraining) their performance and ultimately affect TVET outcomes at the country and regional level. More detail is provided in section 4.2 on how specific issues and reforms might be identified as points on which APTC might engage, but the principle noted here is that *an ambition for transformational change capable of generating sustainable impact at scale requires APTC to engage with national systems.*

‘Proactive opportunism’ and locally led development

While APTC should be ready to engage with ‘rules of the game’ reform opportunities as they arise naturally, at its more ambitious end it may involve actively working to foster such reform where coordination issues might otherwise be preventing a recognizable process from emerging. However, in this endeavour it is critical to avoid what, Pritchett et al., (2010)¹⁸⁷ and Andrews et al. (2012)¹⁸⁸ term ‘isomorphic mimicry’: this creation of the ‘desired’ form without function (and, in fact, where such forms camouflage the persistent lack of function (Pritchett et al., 2010)). Attention to these risks is likely to be particularly important given

¹⁸⁶ This last point is noteworthy in considering the variety of practical management arrangements that might be used in stage 3 to deliver better outcomes through a more embedded APTC, with implications for both internal hiring practices and decisions to sub-contract particular aspects of systems reform support (see also, section 4.2). The criteria for doing so, however, differ from traditional practice in the emphasis placed on political knowledge and networks rather than technical or academic credentials.

¹⁸⁷ Pritchett, L., Woolcock, M., and Andrews, M. (2010) *Capability Traps? The Mechanisms of Persistent Implementation Failure*. Center for Global Development Working Paper 234. Washington DC: CGD.

¹⁸⁸ Andrews, M., Pritchett, L., and Woolcock, M. (2012) *Escaping Capability Traps through Problem-Driven Iterative Adaptation (PDIA)*. Center for Global Development Working Paper 299. Washington DC: CGD.

the explicit attention given to drawing on aspects of the Australian TVET system in identifying potential improvements to TVET systems in the Pacific.

The literature does provide some helpful guidance, with a clear emphasis on finding ways to support ‘locally-led’ reform processes that aim for ‘best fit’ solutions that work with the grain of the local political economy rather than seeking to transplant ‘best practice’. Booth and Unsworth define the term ‘locally-led’ development as being:

‘i) **Locally owned** – that is, focused on issues and problems that have local salience, both for potential beneficiaries and for at least some individuals and groups with the power to support, influence or block change. Of course, the donor agency brings its own values and objectives to the development enterprise, and these will inform the choices it makes. But research and experience point conclusively to the importance of a reform agenda being locally owned – and not just in the narrow, technocratic Paris Declaration sense. Addressing development problems as they are posed in context, with the resources available in that context, is a crucial first step in identifying development interventions that have the desirable combination of impact and tractability.

ii) **Locally negotiated and delivered** – this means giving priority to local leadership and local capacity in the search for solutions to contextually identified problems (Peace Direct, 2012). For obvious reasons, locals (broadly defined) are more likely than outsiders to have the motivation, credibility, knowledge and networks to mobilise support, leverage relationships and seize opportunities in ways that qualify as ‘politically astute’. Deliberation and negotiation in local networks and organisations are essential in reaching an adequate understanding of complex development problems, and in finding ways of addressing them that are practical, appropriate and sustainable’ (2014:3-4)¹⁸⁹.

While the authors note that this may require us to ‘abandon oversimplified concepts of “ownership” and “partnership”, and unrealistic assumptions about the scope for outsiders to lead transformational change’ (*ibid.*), they do conclude that there is sufficient case study evidence to suggest that ‘donors, as outsiders, can sometimes be particularly well placed to stimulate change and facilitate constructive local problem-solving, providing that they combine technical knowledge with politically smart ways of working and look for opportunities to make strategic use of aid.’ (*ibid.*)

Working through coalitions to achieve ‘locally-led’ development

Together with the fundamental proposition in PEA that development is a contested process involving a diverse set of actors pursuing their interests, this emphasis on the external actor as a facilitator of systems reform, rather than provider of resources, has led to considerable interest in the notion of working through coalitions to achieve systems reform. This section elaborates on the three aspects of such an approach, as introduced in section 4.2.

Issue and reform selection

The selection of potential systems reform issues on which APTC might work in each country of operation will necessarily be informed by technical and political analysis in the transition phase and throughout the implementation period. However, there were sufficient indications during the Design mission that such

¹⁸⁹ Booth, D. and Unsworth, S. (2014) Politically smart, locally led development. ODI Discussion Paper. London: ODI. Available online at: <https://www.odi.org/sites/odi.org.uk/files/odi-assets/publications-opinion-files/9158.pdf>

issues do exist. The example given in Box 8.2 demonstrates some key features of this approach, but is by no means the specified issue on which APTC Stage 3 must focus.

Box 8.2: Example of a potential systems issue around which coalitions might be built

Consultations in Papua New Guinea pointed to a latent opportunity to engage in support of reform to the current degree requirement for public sector TVET trainers that is seen within parts of Department of Education and DHERST as a binding constraint on hiring practices, contributing to numerous vacancies. The requirement is seen as inappropriate for technical and vocational professions for which experience is a much more likely indicator of practical competence than a degree (butchery is the example cited by multiple stakeholder forum participants). Multiple reform options exist, including though not necessarily limited to i) removing the degree requirement (e.g. changing the classification of TVET trainers by removing the equivalence to teachers in the academic track, removing teaching certification from the purview of the TSC, etc.); ii) development of some form of recognised award that fills the requirement, but is awarded on the basis of skills/experience. This could provide an example of a ‘small-bets’ approach to institutional reform.

Instead, drawing on the features of the locally led approach outlined in section 3.2, Table 8.1 provides an overview of 5 operational criteria that should guide the selection of issues and reforms on which APTC might usefully engage through its facilitation of coalitions.

Table 8.1: Operational criteria for selecting technically sound, politically possible reforms

Criterion	Comment
Impact	Likelihood the reform will change the ‘rules of the game’ in ways that shift incentives and behaviour of organizations and individuals to improve outcomes
Scale	Likelihood the reform targets a problem of real importance for a country’s TVET systems, which if solved would have a positive impact well beyond the project area
Sustainability	Likelihood the reform will be implemented without continued donor support or conditionality, instead depending on local actors to pursuing their own interests in the relevant bureaucratic or market context
Feasibility	Likelihood of discovering leaders and coalitions willing to spend their political capital to promote reform and of achieving a favorable conjunction of forces within the current political context
Role for external	Likelihood the reform will benefit from some form of input or facilitation by an external actor, for example by connecting stakeholders who are currently not working together (e.g. because of inter-ministerial or marketplace rivalries, or simply coordination costs among distributed agents (Andrews et al., 2012)), or through the provision of technical assistance to help overcome a specific bottleneck

Source: Adapted from Faustino and Booth (2014:10)

The nature of coalitions

It is critical to note that this proposed way of working is not coalition building for its own sake. Indeed, previous experience suggests that ‘coalition building does not by itself distinguish more successful reform campaigns from less successful ones’ (Faustino and Booth, 2014:27). More specifically, the literature points to the need to be wary of coalitions that ‘make maximalist demands, based on the shared values of the movement rather than on tactics for achieving a ‘good enough’ objective, and end up achieving little more than solidarity in a laudable cause’ (*ibid.*).

In an alternative vision, coalition building is fundamentally pragmatic and politically smart in its attempt to change different actors' orientations or willingness or ability to act in support of reform, without requiring major changes to their core interests. When the donor and implementer's focus is removed from the process features of coalitions and from simply tracking coalitions as outputs in themselves, it frees coalitions to take forms that are fit for purpose. In many cases, this may mean coalitions are tacit rather than explicit. They may be more or less inclusive as goals and context demand, weighing the costs and benefits of involving different actors, rather than adhering to an ideological commitment to broad inclusion and transparency (Leftwich and Wheeler, 2011¹⁹⁰). Coalition members need not share values so long as they make contributions towards a common goal. These features can change over time as strategy shifts, a process that stands in stark contrast to many of the forums that currently are used to consult (e.g. advisory groups, peak councils of employers, or even special taskforces).

Box 8.3 : Facilitation of coalitions – a critical skill set

While the discussion of the management of coalitions below is principally concerned with the sorts of arrangements APTC will need at various levels to manage its support of coalitions for systems reform, the skills and process for effective facilitation of those coalitions themselves must be a focus of the tender, and of implementation. Not only do facilitators need to be politically smart and locally led, they also need to 'be committed to an active learning process, working iteratively and opportunistically, and adapting the approach to experience and events' (Booth and Unsworth, 2014:3). In many cases, coalition partners will be used to operating in silos or in the more traditional 'design and implement' model, each of which tends to work against collaborative and creative experiential learning aimed at developing new solutions. Soft skills of coaching and mentorship are likely to be as important as technical expertise in building the trust necessary to generate the candour that supports policy entrepreneurship. (Faustino and Booth, 2014).

Coalition Management Arrangements

Country-level coalition management arrangements must adapt to diversity including, but not limited to variety in the scope and scale of activities delivered directly by APTC¹⁹¹, the presence and nature of local training institutions or other active individuals or organizations working in support of TVET reform, and the resources available at the relevant DFAT Post. Recognizing the dangers such diversity presents for an overly prescriptive design, Section 4.3 instead outlines a set of key functions that will help promote efforts to effectively think and work politically in APTC's coalitions work. Each of these functions is elaborated on below:

- *Support effective portfolio management.* As a regional program, APTC has multiple levels at which it can manage its portfolio of activities (Table 8.2). Each level offers opportunities to diversify strategically, manage risk, and smooth disbursement. The management arrangements for each level should be considered accordingly while recognizing links between them. The composition of the decision-making team will need to reflect the appropriate level of expertise regarding not only the technical aspects of reform, but also judgements regarding political feasibility. For example, APTC's regional management team should be capable of making informed decisions regarding

¹⁹⁰ Politics, Leadership and Coalitions in Development Findings, insights and guidance from the DLP's first Research and Policy Workshop. Frankfurt 10 -11 March 2011. Available online at: <http://publications.dlprog.org/Politics,%20Leadership%20and%20Coalitions%20in%20Development%20-%20Findings,%20insights%20and%20guidance.pdf>

¹⁹¹ For example, in some cases, APTC may be actively involved in the leadership of coalitions, but in other cases APTC's role may be more as an intermediary, facilitating the inputs of others through additional arms-length contractual or grant relationships with local individuals or organizations.

regional-level allocations; however, it is important that regional staff (either donor or implementer) without the requisite local knowledge, do not micromanage portfolio management decisions at country and issue level.

Table 8.2: Portfolio management in APTC

Level	Type of portfolio management	Example
Regional	Decision-making regarding allocation of resources across multiple country contexts	Choices to allocate more to decentralized country management in country X, due to the emerging nature of coalition activities, and less to country Y due to changes in operating context slowing the rate of progress (e.g. a pre-election holding pattern).
Country	Decision-making regarding allocation of resources across potential reform issues	Choosing to support a new attempt to improve remuneration for apprentices, while continuing to support promising efforts to address the constraint created by a degree requirement for TVET instructors, and scaling back support to reforming a national standards authority that has shown little progress.
Issue	Decision-making regarding allocation of resources across potential reform initiatives, with multiple teams pursuing the same reform objective	Choices to address the constraint created by a degree requirement for TVET instructors, by supporting one team pursuing the removal of that requirement, and another to develop degree types awarded on the basis of skills and experience.

- *Facilitate the pursuit of transformational change* alongside more transactional forms of development assistance, including through dedicated resourcing that is not disadvantaged by internal hierarchies. In practice, this means that while facilitation of locally led reform processes is unlikely to require the same volume of financial resources as more traditional service delivery activities, sufficient attention should be made to ensure explicit commitment of the required human resources on the part of both the implementer and DFAT. As quantification and attribution are likely to be easier for more transactional support via direct service delivery, explicit attention to this point is likely to be important in ensuring ambition is not lost here.
- *Facilitate the development and use of local knowledge*, including political knowledge, and networks to support reform efforts based on local actors and their incentives. In practice, this means country-level staff are incentivized and empowered to make use of available resources, and are supported rather than constrained by regional structures. The relationship with DFAT bilateral posts should balance potential synergies to be gained through collaboration/alignment with operational independence for APTC where necessary (e.g. to insulate APTC coalition-building from the potential for larger volumes of resources to skew the incentives of coalition members); and the ability to work through local stakeholders to improve effectiveness and facilitate risk management for APTC, DFAT, and Australia.
- *Facilitate the development and implementation of strategy in ‘rapid’ iterative cycles*. In addition to the use of portfolio management approaches that enable a ‘small bets’ approach in which multiple strategies are deployed to solve a particular constraint to national TVET effectiveness, the uncertainty inherent in supporting reform in complex and dynamic contexts requires consideration should be given to ensuring management structures have access to and make use of learning generated through implementation. This requires decision-making at each level to track and

regularly reassess activities to assess whether new opportunities are emerging, if the theories of change that underpin ongoing coalitions work continue to reflect the best possible current understanding of the nature of the problem and the prevailing political economy, or if new learning requires a change in strategic direction.

Box 8.4: Joint Steering Committees and management of country level systems reform initiatives

Section 4.2 outlines the potential for a Joint Steering Committee (JSC) mechanism to facilitate coordination of APTC3's TVET systems strengthening / reform efforts at the country level. While this will be crucial to ensuring APTC activities are effectively joined up with other parts of DFAT engagement as well as the efforts of various parts of government, experience suggests that a smaller group, comprising just DFAT and APTC representatives, be charged with the regular review of APTC's *strategic* engagement with country systems (e.g. APTC support of reform coalitions). Rather than include local government representatives, it would likely be more effective to think of government (or, more likely, specific actors within government) as a partner in issue-specific coalitions. Similar approaches would apply to other members of the JSC (from TVET institutions, industry/enterprise, etc.). This would keep options open for DFAT and APTC to decide who might be the most effective partner on any given reform process and the most strategic manner in which to engage them. Relationships with, and knowledge derived from interaction with JSC members should, of course, inform DFAT and APTC decisions as a part of broader efforts to ensure those decisions are made with the best possible political economy knowledge.

In addition to the suggested representation of both APTC at the country level and DFAT's Post, experience in other DFAT programs provides some additional insight on how this might be operationalised.¹⁹² Strategic decision-making bodies would appear to benefit from equal numbers (e.g. 2+2) and a consensus based approach. The frequency and regularity of meetings, as well as the more detailed knowledge of the each country required to effectively assess the political economy of each proposed reform area would be likely to prevent regional staff from participating effectively, particularly across multiple countries. Internally, initiatives should be re-evaluating their strategy on a more regular basis (see Ladner, 2015¹⁹³ and additional discussion of adaptation, iteration and learning below). If such MEL activities are set up to be of use to the team in implementation (rather than as accountability or communications exercises), the burden of this should not be too large.

- *Adapt to changes in the emphasis of activities.* If the envisioned evolution of APTC away from direct service delivery to more integrated models is achieved, the balance of efforts in years 1 and 2 will likely be different from what is required in years 5 and 6, which adds further to the argument against being too prescriptive in the Investment Design Document. However, it is also important to note that serious efforts at supporting transformational change (whether through formal policy, informal norms or otherwise) will take time. This is due at least in part to the time necessary to identify and develop the requisite relationships; to understand the incentives driving behaviour of relevant stakeholders; and to allow reform teams try, fail, learn and try again (something country teams, APTC centrally, and DFAT should be prepared to do). Thus, the short-term and the long-term start at the same time and APTC will need to be able to focus simultaneously on different time frames for returns, for example, to continue certain mature activities (i.e. the sort of service delivery activities that have dominated Phases 1 and 2) that will continue in the short run, as well as investments in reform that may not payoff immediately, but for which investments (in relationship building, etc.) will need to begin immediately.

¹⁹² Negotiation of a country-level partnership agreement might be a useful step in developing this regional-bilateral alignment, developing the support of DFAT staff at post (ranging from relevant program managers and relevant counsellors on the aid side (e.g. education, economic development, governance, etc.), to political and economic staff on the foreign affairs side, and the leadership of DHOMs and HOMs), and clarifying roles and responsibilities in the JSC.

¹⁹³ Ladner, Debra (2015) Strategy Testing: An Innovative Approach to Monitoring Highly Flexible Aid Programs. Working Politically in Practice Series: Case Study No. 3. Bangkok: TAF.

- *Capable of accessing necessary advisory inputs:* Effective management of coalitions in support of reform, whether by a JSC or via alternative arrangements, requires management that is as informed as possible regarding the technical and political dimensions of reform work. A rigorous review process that tests both technical and political aspects of the program, while preserving the ambition of transformation change and impact at scale is necessary. This is a function that should be equally valued by an implementer (to assist in strategy development and the practicalities of coalition management) and by DFAT (to assist in ensuring program performance). Whether or not it does so is likely to depend on its credibility to both the implementer and DFAT, as well as its understanding of aid management practicalities and thinking and working politically.

In practice, similar programs in other contexts have benefitted from management's ability to tap into a variety of sources of knowledge and expertise to inform necessary periodic assessments of whether support to specific reform initiatives should be continued or terminated. Such sources might include: Independent (possibly action) research, sourced internationally, regionally or locally, but with in-depth knowledge of local political economy that will be respected by APTC and DFAT staff; DFAT in-house governance and pol/econ staff at post, including permanent, or where available contracted advisors; and targeted inputs and expertise from other relevant DFAT programs in-country (e.g. the Papua New Guinea Governance Facility in PNG). Longstanding expertise in the complex political dynamics of the relevant country will contribute to this regardless of nationality.

Adaptation, iteration and learning in applied PEA and TWP

Whether with respect to the adaptation necessary in the management of coalitions targeting systems reform, or to the use of political economy analysis in support of APTC's direct service delivery, the use of political economy analysis in support of an improved APTC Stage 3 must take into account the inextricable links between political economy concerns and an (re-)emerging focus on complexity, iteration and adaptation in development.

Here, a variety of approaches have emerged in recent years, variably called problem-driven iterative adaptation (PDIA) (Andrews et al., 2013¹⁹⁴), development entrepreneurship (Faustino and Booth, 2014¹⁹⁵), or doing development differently (DDD) (DDD, 2014¹⁹⁶). Each of these grapples with the implications of uncertainty inherent in complex systems and emphasizes the importance of building learning systematically into program design, including learning regarding relevant features of the prevailing political economy. While this may take place through explicit investments in PEA (e.g. a problem-focused analysis targeting a perceived blockage to reform), it is just as crucial to inculcate a culture of critical reflection on political economy (stakeholders) as a part of the day to day work of program staff and their partners. In all likelihood, an effective program will do both.

Building on the tacit knowledge of its staff, APTC has learned much about the incentives and motivations of its partners, industry, and government, as well as how those might vary in each of its operating contexts

¹⁹⁴ Andrews, Matt, Lant Pritchett and Michael Woolcock (2013) 'Escaping Capability Traps Through Problem Driven Iterative Adaptation (PDIA)', *World Development* 51: 234-244.

¹⁹⁵ Faustino, Jaime and David Booth (2014) *Development Entrepreneurship: How Donors and Leaders Can Foster Institutional Change*. Working Politically in Practice Case Study 2. London and San Francisco: Overseas Development Institute and The Asia Foundation.

¹⁹⁶ DDD (2014) The DDD Manifesto: On Doing Development Differently. <http://doingdevelopmentdifferently.com/>.

throughout the first two stages. This learning is expected to continue, particularly as APTC engages more actively in support of Pacific TVET systems and it is critical that it is able to use this information not only in formal monitoring, evaluation and learning processes, but even more importantly to inform changes in strategy during the implementation period. The complexity of reform and the potential for significant, but unpredictable changes means this is an ongoing task, but it is critical that strategy reflect the best possible current understanding of how politics are shaping the space for TVET reform and what might be done about it.

In such an approach DFAT and the implementer must recognize the need to allow space for programs to iterate, to admit when something is not working as might have been hoped, to assess why that might be the case, and to change course. Tightening these feedback loops within the implementation period helps manage the risks of more rigid approaches, but demands attention not only to the structures to support such reflection (e.g. quarterly strategic reviews, systems to track political change, etc.), but also to the development of humility and trust within program team and between a program team and DFAT that are necessary to support an effective process of hypothesis testing (see Box 8.4 for links between this learning function and suggested management arrangements for systems reform initiatives).

Links to MEL and sample approaches and templates for adaptive management

The centrality of learning to the iterative approach to reform envisioned here means MEL must be inextricably linked to the regular (re-)evaluation of the approach, balancing accountability functions with the review of political economy dynamics, the program theory(ies) of change and results (whether success or failure) necessary to inform the continued development of strategy. Here, but a variety of tools exist to support these types of approaches, including the Strategy Testing approach developed through DFAT's strategic partnership with The Asia Foundation's Programme Strategy Innovation and Learning (PSIL) team in Bangkok, as shown on following page. (Ladner, 2015).

The Strategy Testing approach requires implementing teams to define intervention-specific theories of change for each systems reform effort (in this case specific TVET systems reform efforts would contribute to, but be developed and re-assessed at the country level, independently of the region-wide APTC program theory of change). The use of tools and templates such as that presented on the following page, help document key moments in the reform timeline as well as changes in the intervention theory of change and ultimately the implementation strategy.

Other available tools, such as M&E systems based on result chains through the Donor Committee for Enterprise Development (DCED) Standard (DCED, 2015¹⁹⁷), similarly encourage teams to ask not just 'did it work?', but 'why?'; 'is the causal mechanism working as expected?'. When the causal mechanism is politically informed and the action politically astute, these questions necessarily entail the implementer reflecting upon and improving their understanding of the complex and dynamic context in which they operate and asking whether strategies need to be revised in light of learning, including learning about political economy (see, e.g. control point 1.4 in DCED, 2015). In each case, the emphasis is on empowering and equipping implementing team to make strategic adjustments to their activities based on this process, and necessarily to avoid locking teams into specific deliverables that may no longer be relevant or be seen to contribute to the desired outcome and impact.

¹⁹⁷ The DCED Standard for Measuring Results in Private Sector Development Control Points And Compliance Criteria: Version VII, April 2015. Available online at: http://www.enterprise-development.org/wp-content/uploads/DCED_Standard_versionVII_Apr15_bluecover.pdf

ADJUSTMENTS TO THE THEORY OF CHANGE

Changes to the ToC	Degree of Change *	Justification/Explanation	Implications (if any)
Problem Statement [Please summarize the changes made]			
Analysis of Key Dynamics: [Please summarize the changes made]			
Strategy(ies): [Please summarize the changes made]			
Intermediate Outcomes: [Please summarize the changes made]			
Ultimate Outcome: [Please summarize the changes made]			
[If Applicable] Updates to your Outcomes Assessment Plan:			

*** Using the categories below, please rate the degree of change made to each section of the TOC:**

- 0 None: No change in wording or only slight changes in phrasing
- 1 Minor: A slight change in one or two components in the TOC, but something more significant than a small change in wording
- 2 Significant: Adding or subtracting one or two items in a section of the TOC or revising multiple items. Less than a complete rewriting of a TOC section, but more than revision of one item
- 3 Wholesale: A major shift requiring a complete or near-complete rewriting of this section of the TOC

Source: Ladner, 2015:21

Annex 9: Monitoring Evaluation and Learning Framework

Background

The APTC commenced in 2007 and is in the final year of its second stage extension (2016-2018). The APTC focus to date has been the delivery of quality training (Australian Qualifications) to Pacific Island nationals to support regional economic growth and productivity¹⁹⁸. The series of partnerships with national TVET institutions already established by APTC are a starting point for moving from an ‘enclave’ model to being more embedded in national TVET institutions.

The focus of Monitoring and Evaluation (M&E) has been primarily on the quality of training delivery, as assessed by meeting Australian Skills Quality Authority (ASQA) requirements:

- Competency completion
- Learner engagement
- Employer satisfaction.

A Monitoring and Evaluation Plan¹⁹⁹ drives the regular reporting requirements for the APTC that is used for accountability, and to inform management on progress and continual improvement. The M&E plan superseded the earlier Performance Assessment Framework (PAF).²⁰⁰

An independent review of the APTC in 2014 identified a number of shortcomings related to M&E including insufficient monitoring and evaluation systems focused on economic outcomes and impact, including productivity and earnings.²⁰¹ This constrained the ability to evaluate APTC’s Value for Money (VfM).

APTC did not have a Theory of Change (ToC) until one was developed as part of the Stage 2 extension (Stage 2Ext). The current (Stage 2Ext) ToC has five End of Program Outcomes (EOPOs):

1. APTC provides skills relevant to labour market requirements in targeted sectors (Relevance)
2. APTC has a good reputation in the Pacific as a high quality provider of TVET (Quality)
3. APTC Supports TVET Partner Institutions to improve and sustain systems and training delivery (Sustainability)
4. APTC graduates achieve improved employment and contribute to workplace productivity (Employment); and
5. Qualified Pacific Islanders realise opportunities in Developed Countries (Migration- program not accountable for this outcome).

The APTC M&E was revised for the Stage 2Ext. to align with the five End of Program Outcomes (EOPOs).

The first M&E plan (November 2015) for the APTC investment was developed for the Stage 2 extension. This plan formalised the M&E system within APTC, and has progressively improved M&E over time, with increased effort in measuring outcomes (e.g. individual impact stories²⁰²), through increased use of

¹⁹⁸ Under Objective 1 Economic Growth of the Performance Benchmarks 2015-16 for the Pacific Regional Program, the APTC’s target is to provide 1000 additional graduates with internationally recognised qualifications. <http://dfat.gov.au/about-us/publications/Pages/aid-investment-plan-aip-pacific-regional-2015-16-to-2018-19.aspx>

¹⁹⁹ APTC M&E Plan Final Draft November 2015

²⁰⁰ The APTC Performance Assessment Framework (PAF) was investment-specific and should not be confused with DFAT PAFs for Australian Aid investments at the whole-of-country and regional level.

²⁰¹ <http://dfat.gov.au/about-us/publications/Pages/australia-pacific-technical-college-independent-review-2014.aspx>

²⁰² <https://www.aptc.edu.au/index.php/individual-impact-stories>

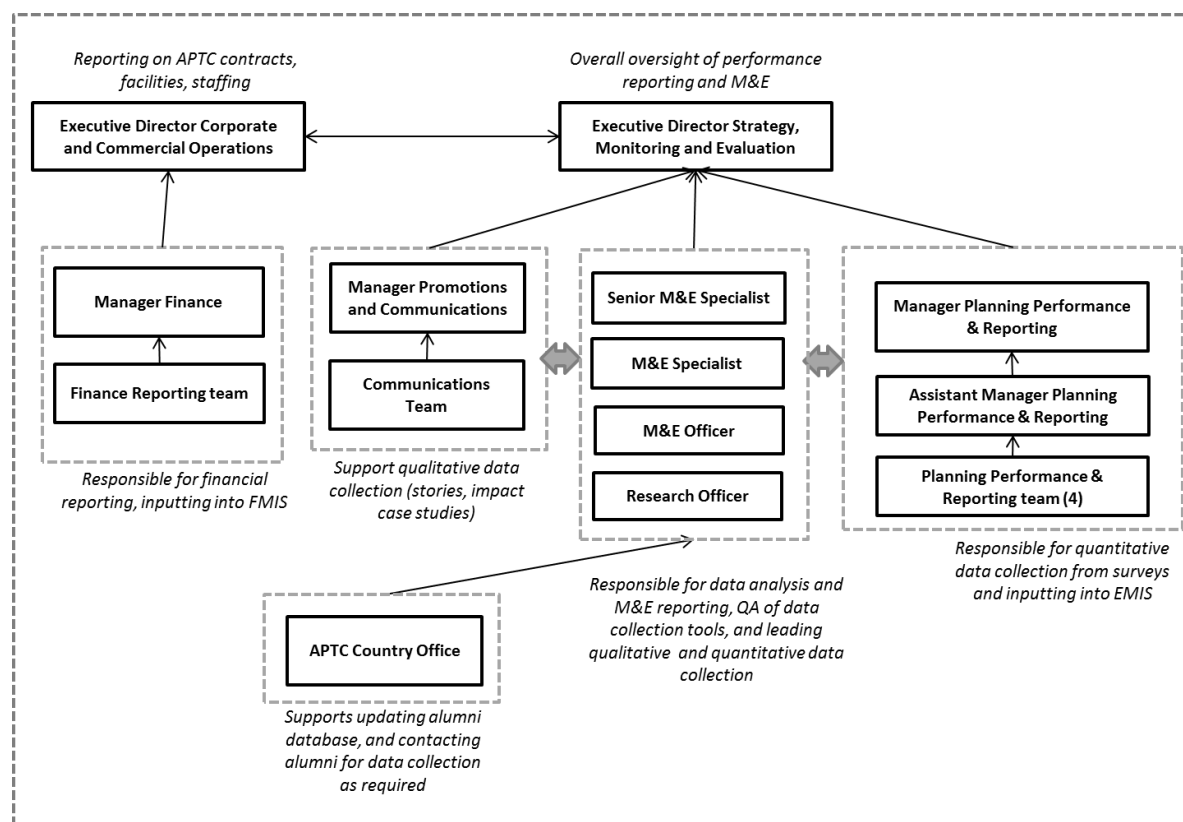
qualitative methods (e.g. case studies) to complement the quantitative data collection (e.g. course commencement and course completion surveys, graduate tracer surveys, etc.)²⁰³.

The APTC Stage 2Ext continually updates its Alumni database and is increasingly using social media to communicate with graduates for tracer surveys. Tracer surveys are primarily delivered as online instruments, and incentives (e.g. opportunity to win a mobile phone) are being trialed to improve the response rate.

The APTC M&E Plan, dated November 2015, covers the remainder of the contract and states that the M&E budget was ‘forecast at 2.5 per cent (AUD1.7 million) of the overall APTC program budget’. It also states that staff inputs comprise the largest element of the budget.

The Executive Director Strategy, Monitoring and Evaluation has overall responsibility for M&E. The M&E team, Planning Performance and Reporting team, and Promotion and Communications team, all report to the Executive Director M&E. The Executive Director M&E also draws on financial data from the Finance team. The current MEL structure is represented in Figure 9.1.

Figure 9.1: Stage 2Ext MEL Structure



APTC increased its resourcing for M&E with funding for an M&E Specialist to work as a Short Term Advisor (STA) to support an M&E Officer (national staff)²⁰⁴. There is also an M&E Coordinator for the

²⁰³ The Stage 2 extension MELF is mostly focused on output level indicators, though there are some outcome level indicators but these are categorized under outputs (e.g. 4.1.2 graduates reporting increased earning; 4.2.1 employers reporting graduates having positive impact on productivity).

²⁰⁴ This is a newly filled position as of March 2017.

European Union (EU)-funded Support to the Sugar Industry Program (SSIP). It is planned that the M&E Coordinator position will be retained following the completion of the SSIP at the end of 2017. There is also a research officer position within the M&E team.

The M&E responsibilities draw on the Planning Performance and Reporting team for operational data, particularly quantitative measures that include surveys to students and Alumni. The APTC Communications team also has a role in collecting stories from graduates which serve a dual purpose of assessing impact (qualitative) and marketing the APTC to prospective students and enterprises.

The current APTC Management Information System (MIS) comprises an Education Management Information System (EMIS) and a Financial Management Information System (FMIS). The EMIS has two elements, a Customer Relationship Management (CRM) system that covers the application, enrolment, and post-training information, and Edupoint, which covers the student phase (including commencement and completion surveys). The EMIS and FMIS provide information for regular reporting purposes to inform continual improvement in delivery of demand-driven training. The APTC continues to make modifications to the MIS to improve performance reporting and M&E. Other information (e.g. stories and case studies) are managed through an internal SharePoint site.

APTC3 Theory of Change

The APTC3 MELF is founded on the Theory of Change (ToC) developed during the Design phase. The final version of the Stage 3 ToC is provided below at Figure 9.2. It offers a high-level ToC, allowing the MC to identify innovative means to reach the desired end-of-program outcomes. A narrative describing the ToC is provided in the body of this Investment Design Document (Section 3.3). The ToC indicates the maintenance of training delivery (Australian Qualifications) by the APTC, and increased support to strengthen selected TVET partners so that they are able to improve the quality of training delivery, as demonstrated by the APTC. The Stage3 ToC will be reviewed by the MC at the inception of Stage 3.

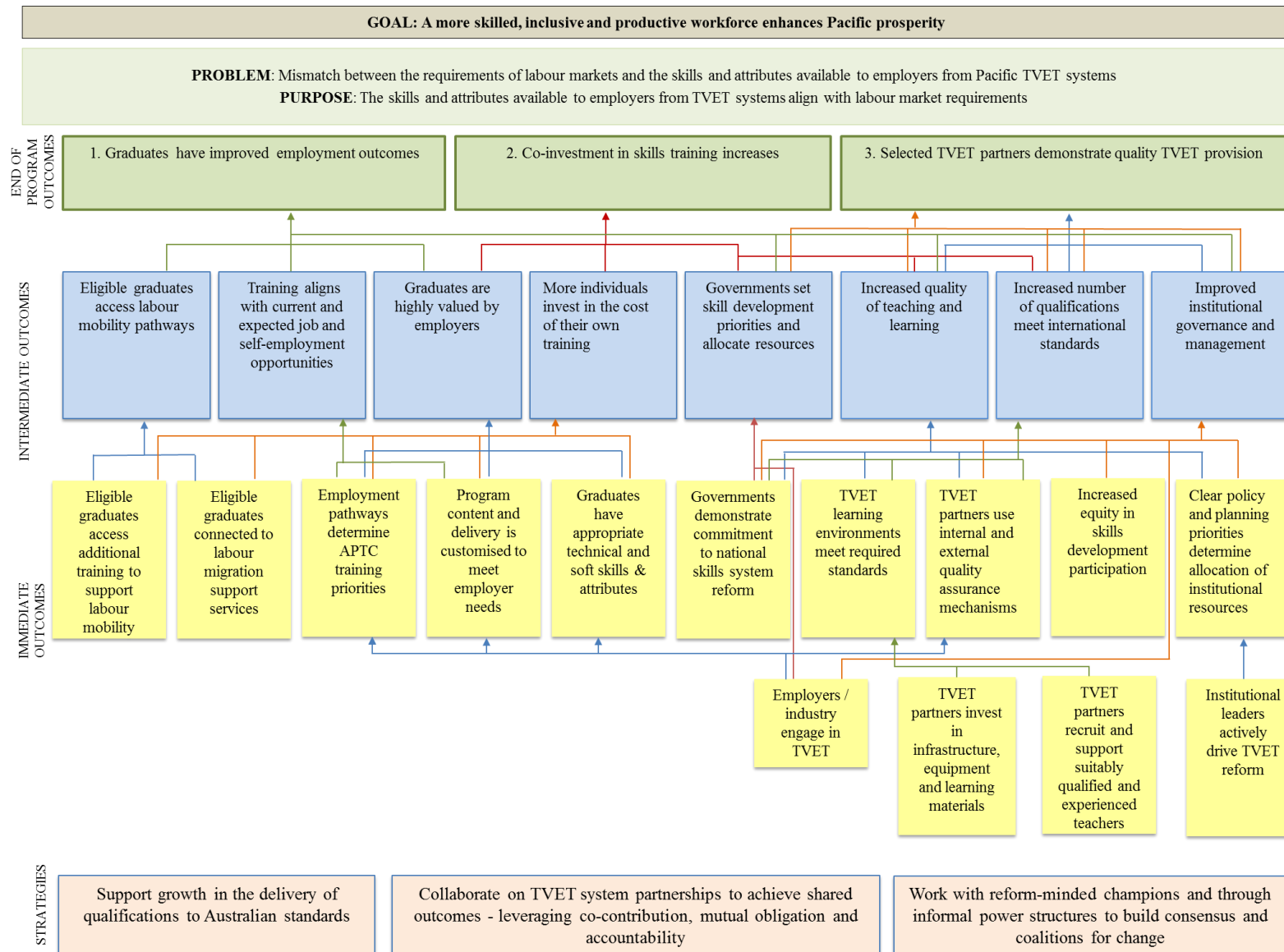
Stage 3 MEL Framework context

The APTC Stage 3 is a large investment and builds on previous APTC investments (Stages 1, 2 and Stage 2 extension), complementing Australian bilateral investments in the Pacific education sector (e.g. Skills for Economic Growth) as well as linking in with complementary labour mobility programs (e.g. Seasonal Workers Program & Microstate Visa Program).

The APTC Stage 3 will maintain its training delivery, as well as investing in strengthening selected TVET partners and TVET systems reform in Pacific Island countries. The strengthening and systems reform component will be undertaken through greater harmonisation with Australia's bilateral TVET investments, and through coalitions of reformed minded advocates to achieve collective impact. This is an important shift that will require new thinking on M&E and increased resourcing for M&E.

The APTC Stage 3 will be operating in a continually evolving context, in terms of responding to changing training needs driven by the labour market, changes in the quality of national TVET institutions, and changes in the national policy settings for TVET.

Figure 9.2: APTC3 Theory of Change



The **goal** of the APTC Stage 3 is ‘a more skilled, inclusive and productive workforce enhances Pacific prosperity’.

The **purpose** of the APTC Stage 3 is to ensure that the skills and attributes available to employers from TVET systems align with labour market requirements. This will be met through **three End-of-Program-Outcomes** (EOPOs):

1. Graduates have improved employment outcomes,
2. Co-investment in skills training increases,
3. Selected TVET partners demonstrate quality TVET provision.

Audience

The audience, and what they need to know, is outlined in the Table 9.1 below.

Table 9.1: Who needs what information

Audience	Who	Information needs
	APTC	Accountability of fund allocation and meeting ASQA requirements Learning and continuous improvement in training delivery and TVET strengthening and systems reform Investment performance and achievements towards EOPOs
	DFAT	Accountability of funds invested and value for money Learning and continuous improvement in graduate employment outcomes, pathway for graduates to migrate and in strengthening selected TVET partners and systems reform (including lessons for bilateral TVET investments) Investment performance and achievements towards EOPOs
	Selected TVET partners	Learning and continuous improvement in quality TVET provision Investment performance and achievements towards EOPOs
	National governments	Learning and continuous improvement in quality TVET provision and systems reform Investment performance and achievements towards EOPOs and contribution to goal
	Regional organisations and other donors	Learning and continuous improvement in strengthening TVET and systems reform Investment performance and achievements towards EOPOs.
	National and Australian employers	Investment performance and achievements towards training graduates with the requisite technical and soft skills to meet employer needs
	Australian public	Accountability of funds invested and value for money Investment performance and achievements towards EOPOs.

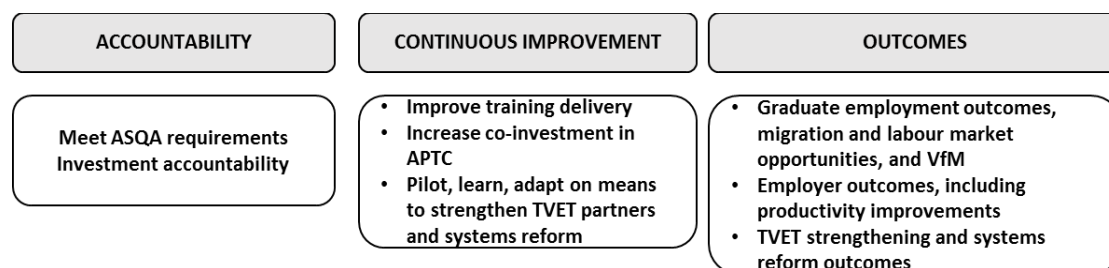
Purpose and scope of the MELF

The purpose of the Monitoring, Evaluation and Learning Framework (MELF) is to inform **accountability** requirements; inform **decision making** and **continuous improvements** in delivery; and clearly identify **outcomes** (Figure 9.3).

The Managing Contractor (MC) will establish an overarching Monitoring, Evaluation and Learning Framework (MELF) that is able to:

- provide accountability for the investment in APTC Stage 3
- provide the information required to inform the APTC's decision-making at the operational and strategic level, including meeting AQTF requirements, and the needs of the labour market²⁰⁵
- provide information on the outcomes of training delivery, including employment, incomes and migration outcomes of graduates (including men, women, and people living with disabilities)
- assess Value for Money within a cost-benefit analysis framework on an on-going basis
- learn and adapt from piloting of initiatives to strengthen partner TVET institutions, with rapid feedback loops to allow adaptation and replication
- provide evidence of instances of TVET systems reform initiatives with selected TVET partners, and more broadly at national and / or regional levels
- provide evidence of effective transition from a technical college to a training coalition.

Figure 9.3: Purpose of the APTC Stage 3 MELF



The scope of the MELF is the entire Stage 3 ToC.²⁰⁶ The Stage 3 MELF will extend to employment outcomes of selected partner TVETs where appropriate and feasible. This will require M&E capacity building and support to selected TVET partners. To this end, the APTC3 MELF developed by the MC will serve as a model for selected TVET partners to adopt and adapt. The APTC3 MELF may also serve as a model for other Australian bilateral TVET investments in the Pacific.

The timeframe of the MELF is for the entire six years (2018-2024) of the investment. The MELF will be reviewed at inception and mid-term, and be adapted as required by changes in context, as well as in response to independent assessments.

²⁰⁵ Will need to meet all AQTF standards, and capture lessons learned from training activities to incorporate into their practice in accordance with Standard 1.9 of the AQTF 2007.

²⁰⁶ Migration outcomes, which were out of scope in the Stage 2 extension ToC, are within the Stage 3 ToC.

Strengthening of TVET in selected partners and in TVET systems reform at the country level through piloting and upscaling and replicating successful initiatives will lead to evidence for strengthening TVET more broadly, at the national and regional level.

The MELF will lead to **knowledge generation** (creation of knowledge from M&E), **knowledge capture** (identifying key knowledge into effective communication formats), and **knowledge sharing** (disseminating knowledge products to the right people at the right time). Operationalising knowledge sharing is covered under ‘Communications’.

Criteria and Key Evaluation Questions

The Key Evaluation Questions (KEQs) align with DFAT M&E Standards and OECD DAC criteria, including DFAT priorities such as cross-cutting issues. The MELF will also incorporate DFAT’s guiding principles for VfM assessments, based on their “4Es” framework - Economy, Efficiency, Effectiveness and Ethics.²⁰⁷ Priority criteria for KEQs were decided during the design phase ToC workshops.

The KEQs are presented in Table 9.2 below. Further details are provided in the MEL Matrix at the end of this Annex, including a list of supporting monitoring questions, indicators, data sources and anticipated frequency of data collection. Underpinning each evaluation question is a focus on learning and improvement. These questions provide guidance to the MC and will be refined during the detailed design of the MELF.

Table 9. 2:- KEQs

Criteria	KEQ
Effectiveness	To what extent and how have (i) APTC and (ii) selected TVET partner ²⁰⁸ graduate employment outcomes improved (EOPO 1)
Effectiveness & Sustainability	To what extent and how has there been increased co-investment in skills training offered by (i) APTC and (ii) selected TVET partner? (EOPO 2)
Effectiveness & Sustainability	To what extent and how have selected TVET partners demonstrated quality TVET provision? (EOPO 3)
Effectiveness & Sustainability	How effective have the transition arrangements been from a technical college to a training coalition?
Impact	To what extent and how has the APTC contributed to a more skilled, competitive and productive workforce that enhances Pacific prosperity (GOAL)
Value for Money	How economic, efficient, effective and ethical has the APTC investment been?
Cross-cutting	To what extent and how has APTC promoted gender equality and social inclusion in access to training, employment opportunities and labour mobility, including for people living with disabilities?

Approach

The approach to MEL will be to develop a **lean, efficient and fit-for-purpose** MELF based on the APTC3 Theory of Change (ToC) and the DFAT Scope of Services (SoS) for the MC. The MELF will build on the Stage 2Ext M&E plan and draw on the lessons from the M&E recommendations from the independent review of the APTC.

²⁰⁷ <http://dfat.gov.au/aid/who-we-work-with/value-for-money-principles/pages/value-for-money-principles.aspx>

²⁰⁸ Only a small number of selected TVET partners may be in the position to demonstrate quality TVET provision and have measurable improvements, for example Fiji National University.

It is envisaged that the APTC3 MELF will provide a model that can be replicated/adapted by Australian investments in TVET to provide consistency in performance reporting.

The APTC3 MELF will also provide a model for selected TVET partners as progress towards delivering training to international standards.

The MELF will retain a focus on regular **performance monitoring** and learning activities as part of the accountability, and learning and continuous improvement process building on the systems put in place in Stage 2 (EMIS & FMIS, complemented by discrete M&E activities). This will mostly use quantitative data, and build on the MC's audit requirements to meet the Australian Quality Training Framework (AQTF) and county-specific regulatory requirements.

The MELF will have a greater focus on **outcomes and impact evaluation** to better assess graduate benefits (e.g. employment outcomes, income, migration), as well as employer benefits (e.g. productivity).

The MELF will require a greater sophistication on **Value for Money** (VfM) as part of outcome and impact evaluation. VfM will be an important aspect of reporting and will be measured primarily within the framework of a periodic cost-benefit analysis (CBA), taking into account the broad range of projected costs and benefits to all stakeholders affected by the investment in APTC.

The outcomes and impact evaluation will use mixed methods, drawing and building on quantitative and qualitative data collection methods established as part of the Stage 2 MELF. This will include appropriate and practical information on direct and indirect economic benefits to inform value for money.

The strengthening of selected TVET partners will be of greater focus in Stage 3, and will require a greater M&E focus at APTC country offices as the TVET policy and systems context will differ from country to country. The MELF will incorporate rapid learning and adaptation from pilots/trials to strengthen selected TVET partners and influence TVET systems reform. This will be based on a **developmental evaluation approach**²⁰⁹, with successful pilots informing TVET strengthening and systems reform initiatives in other selected partners and TVET systems more broadly. This will use mostly qualitative data.

Principles

The following principles inform the way in which the MELF should be planned and delivered:

- **Alignment with DFAT & International Standards:** the MELF will align with DFAT Standards 2 and 3, and reflect international Standards such as OECD Development Assistance Criteria (DAC)
- **Inclusiveness:** The MELF will engage and involve key stakeholders in the design, data collection, analysis and reflection. The MELF will include indicators to measure gender equality and disability outcomes, and rural/remote participation, specific to the sector(s) addressed by the investment
- **Responsiveness:** the MELF will need to be adaptable and flexible, able to rapidly respond to changes in context and information requirements
- **Lean and Efficient:** data collection methods will be consolidated to reduce over-surveying of students, alumni, and employers, and undertaken in a resource-efficient manner.
- **Partnership:** the MELF will support national M&E processes at selected partner TVET institutions and within national governments (e.g. using and improving existing systems and collection

²⁰⁹ Developmental Evaluation (DE) is an evaluation approach to understanding change in dynamic and complex environments. DE facilitates real-time, or close to real-time, feedback to program staff thus facilitating a continuous development loop. See http://www.betterevaluation.org/en/plan/approach/developmental_evaluation

methods, and building M&E capacity) and involving national partners in analysing information, generating findings and making recommendations.

Implementation and resourcing

APTC will remain responsible for the performance reporting to meet Australian and national TVET regulatory requirements. This builds on the processes and management information systems already in place as part of APTC Stage 2.

It is important that APTC3 implements a robust quality assurance process for outcome and impact reporting. APTC3 will require a greater level of sophistication and independence in how data collection on outcomes is designed, collected and analysed to respond to the evaluation shortcomings identified in the APTC independent review (see Box 2.2).

The MC will ensure quality assurance in outcome and impact evaluation by engaging **independent evaluation capacity**. The MC will engage independent specialists to provide high quality evaluation (data collection design, analysis and reporting) capacity in the following areas:

- Using tracer surveys to provide more information on the employment outcomes of graduates
- Identifying labour mobility opportunities
- Conducting a Value for Money analysis, and
- Evaluating the TVET systems strengthening function.

The manner in which the evaluation specialists are engaged (individually, or through an independent evaluation organisation, or other appropriate mechanism) is left to the MC. What is essential is that the MC can demonstrate the independence and relevant skills and experience to deliver on the specialist functions.

The MC will work with the independent specialists to design a MELF that:

- Sets out the strategy for data collection
- Provides the methodologies and frameworks to analyse the data
- Includes the data collection in a lean and efficient manner
- Provides a reporting and improvement framework.

APTC will maintain a data collection function, and will work with the independent specialists to engage and distribute data collection tools (e.g. graduate tracer surveys) to inform employment outcomes and labour mobility opportunities, and remittances and other relevant economic benefits as part of VfM analysis (see Figure 9.4).

The independent specialists will:

- provide independent evaluation services to APTC on an annual basis (e.g. annual graduate tracer survey), and as required for other reporting (e.g. down the track graduate survey)
- engage with the PLF (as appropriate) to analyse the relevant publicly available labour mobility information against APTC mobility outcomes
- engage directly with employers where required, or through the APTC, for case studies, interviews and focus groups
- provide the data collection tools and capacity building to support the monitoring of pilot projects to strengthen partner TVETs and systems reform at the national level

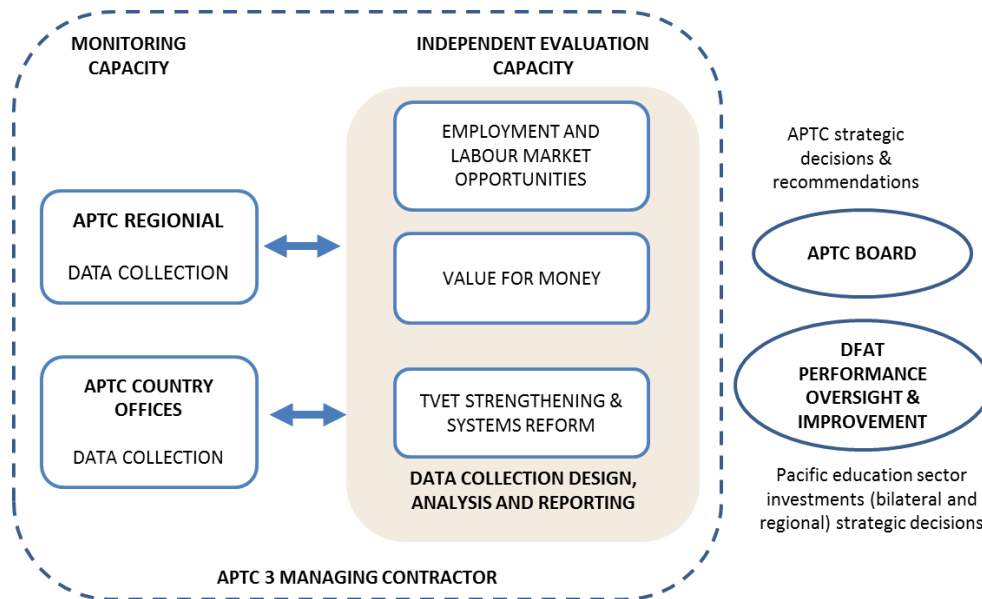
- analyse and report (through a developmental evaluation approach) results to inform opportunities to scale up, replicate or improve TVET strengthening initiatives. The MC will need to demonstrate capacity in developmental evaluation to support the evaluation needs.

DFAT will establish a **Performance Oversight and Improvement** (POI) mechanism²¹⁰ that will provide expert guidance on monitoring and reviewing instances of TVET strengthening and systems reform, and review outcome evaluations to identify lessons and links with other Australian bilateral investments. The reporting undertaken by the independent evaluation specialists will inform strategic decision-making by the APTC Board and the POI mechanism.

The mid-term and final evaluation for APTC3 will be undertaken through separate contracts. The results and reports of the independent specialists will inform the midterm and final evaluation.

The independent evaluation specialists will be funded through APTC's M&E budget.

Figure 9.4: Separation of monitoring and evaluation roles in APTC3.



Value for Money

The VfM should include ongoing, routinely updated CBA forecast results.

The 2014 Review CBA provides an established model in a set of Excel files available to DFAT which could be adapted and updated as new data becomes available for Stage 3 costs and benefits, bearing in mind that this is an ex ante model using forecast values over an extended period of time beyond the project's completion date.

It would be useful to consider two possible levels of sophistication in undertaking the CBA's: 'Basic' and 'Extended'.

²¹⁰ The POI would have a remit similar to DFAT's Quality Investment Support Services (QISS): Quality assurance related to design, monitoring, evaluations and reporting.

The Basic CBA would be confined to:

- Direct benefits in the Pacific
- Direct benefits for those who migrate (to Australia or another high-income economy)
- Opportunity costs (indirect costs or foregone earnings)
- Market discount rate (opportunity cost of capital)

It should be possible to revise the forecast results as each semester's data becomes available. In some instances where new data is not generated on a semester basis (e.g. migration outcomes) these variables' estimated values will remain unchanged as each revision is conducted.

The Extended CBA would add to the Basic CBA model the additional indirect and external benefits (see VfM section further below). This would incorporate an assessment of the value of TVET systems strengthening benefits to which APTC has contributed. Estimation of these impacts would require more sophisticated research and data collection which would be beyond the scope of the internal APTC M&E team.

While the data required for the Basic CBA could conceivably be collected through APTC's MELF, incorporating these into a CBA model and reporting the results would require the input of a suitably qualified expert in CBA.

The resourcing of the MELF will build on the M&E resourcing (staffing and funding) established as part of Stage 2Ext.

The organisational structure to implement the MELF within the MC will build on the existing APTC structure (see Figure 9.1), but the M&E roles will be consolidated into less positions (e.g. Senior M&E Officer and M&E Officer), as independent evaluation specialists will take on responsibilities for the design of data collection tools, data analysis and reporting for outcome and impacts. The independent evaluation specialists will work with the APTC to provide quality assurance in reporting requirements.

The MC will require staff at country office level to monitor instances of strengthening in selected TVET partners and systems reform, using a development evaluation approach.²¹¹ This could be through building country office staff skills in developmental evaluation or the MC demonstrating developmental evaluation and TVET specialist evaluation capacity to develop the required data collection tools, and provide analysis and reporting.

The independent specialists(s) in developmental evaluation and TVET strengthening will provide guidance and direction to country staff and the APTC overall on improving or replicating pilot initiatives to strengthen TVET partners and systems reform.

The MC will engage with the POI mechanism as required via remote (e.g. six monthly) and face-to-face meetings (e.g. annual) to review the performance of TVET strengthening and systems reform within the scope of Australian investments (bilateral and regional) in the Pacific TVET sector.

APTC Stage 3 will require an increased investment in MEL, around 5 per cent of operational costs during the first two years of the investment, and tapering down to around 3 per cent by the end of the six years. Costs associated with the mid-term review and final evaluation are external to APTC3.

²¹¹ The country-level M&E responsibilities will be built into the functions of operational staff.

The M&E budget should clearly identify the cost of discrete M&E tasks (e.g. tracer surveys, impact logs etc.) that are additional to data coming out of the EMIS and FMIS, as well as separating out staff and specialist inputs.

Data collection methods and tools

Data collection methods and tools for performance monitoring of APTC regulatory requirements (Australian and country-specific) will build on methods described in the APTC Stage 2 extension M&E plan. This includes competency completion, learner engagement and employer satisfaction.²¹² APTC will build the capacity of selected TVET partners to implement performance monitoring processes (data collection, analysis and reporting) as a means to demonstrate quality TVET provisions.

The existing EMIS and FMIS capture a range of data from the student application and enrolment stages, through to study, completion, and becoming a member of the APTC Alumni. The EMIS and FMIS will be maintained as they provide relevant information to inform accountability and operational decision-making for training delivery.

Data collection for outcome and impact M&E will require a greater level of sophistication and quality assurance in the design of quantitative (e.g. tracer surveys) and qualitative (e.g. interviews, reflection workshops) data collection. This will be achieved through the engagement of independent evaluation capacity as previously noted.

The MC will need to support selected TVET partners²¹³ to develop M&E systems to improve their performance monitoring (e.g. commencement and completion surveys, tracer surveys) to report on EOPO 1 where practical and feasible. Data from TVET partners will also inform EOPOs 1 and 2.

Data collection for strengthening selected TVET partners and systems reform (EOPO 3) will require collecting baseline on the current situation of the partners, and monitoring changes around the specific changes sought (piloting of initiatives with rapid feedback loops). This will require developmental evaluation methods to track changes such as influence logs²¹⁴ (or diary keeping), timelines and outcome mapping. The data collection methods will need to adapt to reflect the context. This will require capacity building in appropriate M&E methods, supported with templates and ongoing mentoring from the regional office and independent specialists. The data collection should lead to reporting of instances where APTC contributed to systems change and strengthening within selected TVET partners, as well as within national government TVET policies and plans.

The MELF will monitor the transition process from a technical college to a training coalition. A rubric will be developed that references the transition plans developed by the MC. The rubric will range from high level of transition readiness to low level, based on aspects such as joint management and delivery of training, sharing of training facilities and resources, delivery of joint qualifications, increased levels of co-investment by government and industry stakeholders (in addition to tuition fee payment), and additional

²¹² This includes learner and employer questionnaires- <https://www.asqa.gov.au/vet-registration/meet-data-provision-requirements/quality-indicator-reporting>

²¹³ Over the implementation timeframe, some of the selected TVET partners should be in a position to demonstrate quality TVET provision. APTC will support these institutions to strengthen their M&E systems to collect, analyse and report on the required information.

²¹⁴ An influence log is a quick and effective way of documenting the many meetings, workshops, media, and other evidence of influence. The influence log works by creating an email address through which APTC team members send instances of influence – this could be after a meeting, an observation of an interesting media article or speech referencing the APTC or selected TVET partners, and the objective of strengthening national TVET. This would then be used to synthesise and analyse through the reflective workshops.

efforts to link eligible graduates to labour mobility pathways. It will also monitor the extent to which APTC has made inroads into influencing TVET reform at regional and country level.

The information generated from EOPO 3 data collection will be used to develop communication material to influence change more broadly across the TVET sector.

A major issue raised in the 2014 Review was the past neglect of systematic project evaluation within a Cost-Benefit Analysis (CBA) framework and the collection of data required for this in the project design. Serious concern was expressed that the need for and the data requirements of future VfM/CBA studies should constitute an integral part of the regular, on-going M&E processes, rather than being introduced only at the ex-post evaluation stage at the end of the project's life. In Stage 3 it is therefore anticipated that the data required for a routine/periodic CBA, with revised forecasts of projected costs and benefits, will be clearly identified and collected as required. A substantial part of the data collection can be undertaken through the existing EMIS and FMIS systems. However, given that a significant part of the project's benefits are 'external' in that they do not accrue to the stakeholders directly engaged in the APTC, it will be necessary for additional data collection and analysis beyond the responsibilities of the MC and the internal M&E processes. The independent evaluation organisation will be responsible for quality assurance of data collection tools to ensure that all data collection requirements are met.

Current and suggested additional data collection tools to implement the MELF are outlined below in Table 9.3. Suggested revisions to existing tools for APTC Stage 3 are noted. The MC, through the APTC and independent evaluation specialists, will be responsible for the selection of data collection tools and methods as part of the detailed design of the MELF.

Table 9.3: Additional data collection tools

	Data collection method	Description	Frequency
	Course commencement surveys	Updates data from enrolment survey. Need to include up-to-date employment information and income ²¹⁵	Immediately pre-course for each cohort
	Learner questionnaire ²¹⁶ (course completion)	Captures learner satisfaction indicators to meet AQTF requirements and other data as required for APTC outcome reporting.	Immediately post-course for each cohort – report annually
	Employer questionnaire ²¹⁷	Captures employer satisfaction indicators to meet AQTF requirements and other data as required for APTC outcome reporting. Update to capture likelihood and reasons for/against co-investing in APTC training etc.	12 months + post course completion- report annually
	Graduate tracer studies	Independent specialists to update to capture relevant information only (based on DFAT SoS and MC MELF) ²¹⁸ , ensuring quality data for employment	6-12 months post-completion; consider option for 18-24 month version for employment outcomes and VfM only

²¹⁵ Noting that income has been a difficult area to collect data in, APTC Stage 3 will pilot different means to collect information to inform VfM.

²¹⁶ <https://www.asqa.gov.au/vet-registration/meet-data-provision-requirements/quality-indicator-reporting>

²¹⁷ Ibid.

²¹⁸ Current tracer surveys capture a large number of personal development indicators that could be reduced depending on DFAT information needs

	Data collection method	Description	Frequency
		outcomes and labour mobility opportunities etc.	
	Longitudinal (down the track) survey	Identifies impact of training on all graduates (income, promotion, use of skills etc.). Independent specialists to develop quality questionnaire.	Every 3 rd year (to inform Mid-term Review and Final Evaluation) ²¹⁹
	Interviews with graduates and employers	Used for promotion/marketing and impact purposes. Develop formalised data collection process including templates to ensure all indicators required are captured to respond to KEQs.	Annual
	After action review (APTC country staff)	Use to capture the lessons learned from pilot activities to strengthen selected TVET partners, with the objective of improving future activities.	As required (e.g. during and after pilots)
	Influence log or diary keeping (APTC country staff)	Used to track instances of systems change and strengthening TVET partners, key influencers, barriers, drivers, issues, what works well and why etc.	As required (influence log) or fortnightly (diary keeping)
	Timelines and outcome mapping (APTC country staff)	Used to track instances of strengthening TVET partners and processes for strengthening	Monthly
	Annual reflection workshops (multiple stakeholders)	Used for review and sense-making of instances of strengthening TVET partners and systems reform. Recommendations agreed on, to inform country-level annual work plans for strengthening TVET partners and systems reform.	Annual

The **MIS for Stage 3** will build upon the current EMIS and FMIS, and continue to build in improvements to improve visualisation of information. The management of qualitative data will be through SharePoint or a similar system that allows information to be shared from country offices to the regional office.

Value for Money

In the ‘ideal’ situation, the on-going VfM analysis of Stage 3 would adhere closely to the CBA model developed for the 2014 Review. This included an ex ante (forecast) CBA for Stage 3 under a given set of assumptions, which were then given a range of possible values to produce a range of possible economic rates of return (ERRs) for Stage 3.

There is a strong case to work with the existing 2014 Review CBA model for Stage 3 on-going VfM/CBA reporting, which is available to DFAT in Excel workbooks, with a view to:

- Revising the forecasts of the various measures on cost and benefit as new data comes to hand during the course of Stage 3

²¹⁹ At present only one ‘down the track’ survey has been completed

- Adapting and extending the model to incorporate additional components of cost and benefit not included in the model (as discussed above)

The focus is on the project benefit, on the assumption that the relevant cost data (with the exception of the trainee's opportunity costs while in training) will continue to be routinely compiled by APTC M&E team as at present. Table 9.4 below is drawn from the 2014 Review CBA model and identifies the variables required.

Table 9.4: CBA variables

Benefit or cost		Definition of variable	Unit
		1. Number of successful APTC graduates	No./semester
		2. Average earnings differential (taking unemployment into account) for those who stay in the Pacific	AUD/week
		1. Number of graduates who successfully migrate	%
		2. Average time between graduation and migration	Years
		3. Average earnings differential while living abroad	AUD/week
		4. Average duration (time between migration and return home)	Years
		5. Average earnings differential after return home as multiple of A(2) above	AUD/week
		1. Indirect beneficiaries per graduate	Number
		2. Benefit as percent of direct benefits in the Pacific	%
D.	Opportunity costs (indirect costs or foregone earnings)	Production foregone while students in training (average earnings per week before entering APTC)	AUD/week
E.	Market discount rate (opportunity cost of capital)	Discount rate used to compute net present value ($NPV = PV$ of benefits minus PV of costs) and to compare with the estimated ERR to assess whether or not APTC has been/will be a "good" investment	%

NOTE: As items A – D will vary across the different occupations it will be necessary to have a breakdown by occupation.

It should be noted that in the 2014 Review CBA the various components of item C were not quantified for inclusion in the base case estimation of ERR, but allowed for in subsequent sensitivity testing using a hypothetical range of possible values to assess the combined effect of these indirect benefits on the CBA results.²²⁰ In a more comprehensive CBA it would be necessary to undertake further research and data collection to estimate the impact of each of the four indirect effects identified in the VfM analysis, that is:

- Transfer of skills and knowledge to co-workers in the workplace

²²⁰ The variables / indicators for measuring indirect benefits as proposed by the 2014 review are indicative only, and should be re-assessed and refined as required by those undertaking the future CBA work in APTC Stage 3

- Improved workplace and organisational procedures / productivity
- Improved quality of local trainers
- Enhanced social welfare as a result of training

In addition, the value of TVET systems strengthening benefits that APTC has contributed to should be included in an extended CBA.

Discussion of how these benefits could be estimated and the data requirements is beyond the scope of this Annex, but their inclusion in a more comprehensive VfM/CBA evaluation needs to be considered.

While components of other external benefits from international migration need to be included in a more comprehensive CBA, the impacts of APTC migrants' remittances would be a complex analytical endeavor if attempted on an ongoing basis. However, from the extensive existing research literature on international migration and migrants' remittances in the South Pacific, it would be possible for a suitably qualified researcher to estimate these impacts, following a similar approach to the treatment of indirect benefits in the 2014 Review CBA; two variables would need to be estimated – the percentage of the APTC migrant's income that is remitted to the home country, and, the 'premium' attached to each A\$ remitted expressed as a percentage. For example, if the successful APTC migrant earns an additional \$1000, remits 40 per cent of this to recipients in the home country, and the estimated premium capturing the greater value of each A\$ remitted is 30 per cent, the estimated value of the benefit would not be A\$1000 but A\$1120 (\$600 + \$400 x 1.3).

Reporting and communication

Reporting will be focused on providing the required findings and recommendations to meet the purpose of the MELF: accountability, continuous improvements, and investment achievements. Reports should be as concise as possible and ensure that they reflect DFAT Standard 3.

The reporting for MEL purposes will build on the reporting requirements from Stage 2Ext. This will include monthly reporting for APTC's operational requirements, based on activity and output level data.

Reporting to DFAT will include: monthly reporting; **six-monthly** progress reporting (mid-calendar year) and **annual** reporting (end-of-calendar year); and independent reporting at the **mid-term review** (MTR) and **final evaluation**.

- Monthly reporting will provide basic income and expenditure updates against budget / cash flow; the APTC staffing profile and any changes; an update on key upcoming events; and notification of any key changes in the operating environment and risk profile
- Six monthly reporting (mid-calendar year) focusing on accountability of outputs and expenditure as per annual work plan (efficiency), as well as monitoring of risks and principles²²¹;
- Annual reporting (end-of-calendar year) against DFAT's Aid Quality Checklist (AQC); and
- Independent mid-term review and final evaluation structured around the KEQs.

The MTR will be scheduled in the middle of the third year of the first phase of Stage 3 to inform revisions to the design for the second phase.

²²¹ Mid-calendar year would still need to look at management responses, as with calendar year reporting.

The final evaluation will be commissioned in the last six months of the APTC Stage 3 to measure achievements against the KEQs, and make recommendations for future Australian investment to strengthen Pacific TVET.

Communication

The generation of new knowledge through the MELF is only useful if it is shared and used by the key evaluation stakeholders. Effective knowledge sharing allows for lessons to be shared, will encourage the support for quality TVET more broadly across the Pacific region.

Communication plans will be developed as part of the MELF, covering both **internal** (DFAT, selected TVET partners) and **external** communication (e.g. national governments, other TVET institutions, employers and industry groups, potential students).

The purpose of the **internal communications plan** is to ensure that implementation partners, DFAT and other bilateral investments are kept informed about the progress the APTC and issues and opportunities for collaboration can be identified in a timely manner. The **external communications plan** will be to keep external stakeholders informed about the investment and its achievements, thereby building support for TVET within national governments and the labour market, which will assist in the sustainability of the investment.

Examples of internal and external communication plans are presented below.

Example internal communication plan

Stakeholder	Engagement method	Frequency	Responsibility

Example external communication plan

Target Audience	Key message	Product	Mode(s) of Distribution	Budget	Responsibility

Review and Learning

The APTC will identify actions to remedy any issues identified in annual reporting.

DFAT will provide an annual stock-take of M&E performance against the Aid Quality Criteria (AQC) and advise on revisions to the MELF and reporting as required.

DFAT's POI mechanism will provide an annual oversight function to ensure that the required data is being captured and that the data is useful to inform decision-making, particularly with respect to developmental evaluation around strengthening selected TVET partners and systems reform, and links with the overall Australian Aid investments in TVET in the Pacific.

The MELF will be assessed at the mid-term evaluation to ensure that it is capturing the required data and remains fit-for-purpose. The mid-term evaluation will provide recommendations for improving the MELF.

Table 9.5 provides a matrix that identifies KEQs, monitoring questions, indicators, data sources and frequency. This will be revised by the MC and independent evaluation specialists at the inception stage (particularly the extent of the VfM assessment), with the final version to be approved by DFAT.

Table 9.5: MEL Matrix

KEQ	Monitoring Question	Indicator	Data method / source	Frequency
To what extent and how have (i) APTC and (ii) selected TVET partner graduate employment outcomes improved (EOPO 1)	To what extent are graduates (APTC and selected TVET partners) employed in domestic labour markets?	% graduates employed, disaggregated by sector, gender, disability, country, rural/remote	Tracer survey ²²²	Annual (cohort) and down the track (all graduates, every 3 years)
	To what extent are graduates (APTC and selected TVET partners) in employment relevant to their qualifications?	% graduates employed, disaggregated by sector, gender, disability, country, rural/remote	Tracer survey	Annual (cohort) and down the track (all grads, every 3 years)
	To what extent have graduates migrated for work opportunities?	% APTC graduates who have migrated, by sector, gender, disability, country of origin, rural/remote and destination	Tracer survey	Annual (cohort) and down the track (all grads, every 3 years)
	How satisfied are graduates (APTC and selected TVET partners) with the training they received?	Graduate satisfaction	Learner (course completion) questionnaire; interviews	Post course completion; annual interviews with sample of graduates
	How satisfied are employers with graduates' (APTC and selected TVET partners) application of skills and job-readiness?	Employer satisfaction Employee retention	Employer questionnaire & interviews	12 months + post course completion, annual interviews with sample of employers
To what extent and how has there been increased co-investment in skills training offered by (i) APTC and (ii)	To what extent are employers investing in employee skills (APTC and selected TVET partners), and why/why not?	\$ co-invested by employers (by sector, course, country) Reasons for investing/not investing	Finance records (APTC and selected TVET partners where appropriate) Employer survey & interviews with employers	Annual Annual employer survey; annual interviews with sample of employers

²²² Noting that this will focus on APTC results at the commencement of Stage 3, and will progressively include some selected TVET partners over time.

KEQ	Monitoring Question	Indicator	Data method / source	Frequency
selected TVET partner? (EOPO 2)				
	To what extent are employers investing in employee skills (APTC and selected TVET partners), and why/why not?	\$ co-invested by individuals (by sector, course, country) Reasons/likelihood for investing/not investing	Finance records Tracer survey & interviews with individuals	Annual Annual tracer survey, interviews as required
	To what extent are governments investing in skills training (APTC and selected TVET partners), and why/why not?	\$ co-invested by government (by sector, course, country)	Finance records Interviews with government	Annual Annual interviews
To what extent and how have selected TVET partners demonstrated quality TVET provision? (EOPO 3)	How has the APTC supported selected TVET partners to deliver quality competency based training (CBT)?	Number of courses that demonstrate quality CBT Completion rate	Course QA review by APTC	Mid-term and Final evaluation
	How has the APTC supported TVET partners deliver qualifications that meet international standards?	Number of partner TVET courses that meet international standards (compared to baseline)	Course QA review by APTC	Mid-term and Final evaluation
	How has APTC supported selected TVET partners to deliver demand-driven training?	Number of courses that align with employer/industry needs	Interviews with employer / industry representatives	Mid-term and Final evaluation
	How has APTC supported selected TVET partners to strengthen their M&E?	Number of partner TVET that have developed and implemented a performance reporting system modelled on AQTF and APTC3 MELF Number and examples of partner TVET that use	Interviews with TVET	Mid-term and Final evaluation

KEQ	Monitoring Question	Indicator	Data method / source	Frequency
		M&E for continual improvement		
	How has the APTC strengthened or influenced positive changes in partner TVET and systems reform?	Instances of improved institutional governance and management (e.g. policies, governance arrangements)	Interviews with selected TVET partner staff Interviews with employer / industry representatives Interviews with government representatives Interviews/reflections with APTC country office staff Annual reflections workshop (all the above)	Annual Annual- post interviews
	What worked well and why, and what can be replicated in what contexts?	Key lessons for replication	Annual reflections workshop with TVET partners, employer representatives, government representatives, and APTC country office	Annual
To what extent has the APTC contributed to a more skilled, competitive and productive workforce enhancing Pacific prosperity? (GOAL)	What direct and indirect economic benefits can be attributed to graduates (APTC and selected TVET partners)?	Average earnings differential between those with vs those without APTC training Average earnings differential between APTC graduates migrating vs those not migrating	Tracer survey	Annual (cohort) and down the track (all graduates, every 3 years)
	To what extent have graduates (APTC and selected TVET partners) contributed to increased productivity of their workplaces, and if so, how much?	Increased output Instances of productivity increase Instances of skills transfer	Employer survey & interviews with employers	12 months + post course completion
	To what extent have graduates (APTC and selected TVET partners) creating new enterprises or earning an income as	% graduates self-employed, by sector, gender, country, remote/rural	Tracer survey	Annual (cohort) and down the track (all grads, every 3 years)

KEQ	Monitoring Question	Indicator	Data method / source	Frequency
	self-employed workers (entrepreneurship)?	% graduates commenced enterprise and employing others, by sector, gender, country, remote/rural		
	What TVET practices and systems reform, that APTC has contributed to, have been implemented by other TVET providers and governments, nationally and regionally?	TVET practices taken up by non-partner TVETs at national and regional level Systems reform taken replicated at national and regional level	Annual reflection workshops with APTC country office, Post	Mid-term and Final evaluation
How effective have the transition arrangements been from a technical college to a training coalition?	How well are countries where APTC has a presence meeting transition plans?	Number of countries at satisfactory or higher transition rating (rubric)	Country transition planning rubric (informed through document review, interviews)	Mid-term and final evaluation (and ongoing monitoring in the strategic planning process)
	How well has APTC3 planned the transfer of APTC3 assets, knowledge products, and staff (as appropriate) to national institutions in the longer term?	Transition rating	APTC transition rubric (informed through document review, interviews)	Mid-term and final evaluation (and ongoing monitoring in the strategic planning process)
	How effective is the planning and implementation of the transition of APTC as a whole i.e. including the other four countries?	Transition rating	APTC transition rubric (informed through document review, interviews)	Mid-term and final evaluation (and ongoing monitoring in the strategic planning process)
How economic, efficient, effective and ethical has the APTC investment been (VfM)?	How much is it costing (per enrolment, per graduate, etc.) by program and campus?	Cost per enrolment and graduate by program and campus	APTC finance department	6-monthly
	What are the expected opportunity costs (per enrolment) while in training?	Average earnings per enrolled trainee at time of entering APTC program	Learner (course entry) survey	Reviewed annually

KEQ	Monitoring Question	Indicator	Data method / source	Frequency
	What are the expected direct benefits to graduates not migrating, attributable to the project (Stage 3)?	Average earnings differential between those with vs those without APTC training	Learner (course entry and completion) questionnaire Questionnaire to non-completing students at exit	Course entry and course completion Post-exit
	What are the expected direct benefits to graduates successfully migrating, attributable to the project (Stage 3)?	Average earnings differential between APTC graduates migrating vs those not migrating	Survey data collected from ALL graduates, including migrants	Annual (cohort) and down the track (all grads, every 3 years)
	What are the expected indirect benefits of graduates not migrating (Stage 3)? - Transfer of skills to co-workers - Improved workplace procedures and productivity - Improved quality of local trainers - Enhanced social welfare as a result of training	No readily accessible indicators available.	Original research and data collection required	One-off study during Stage 3 drawing on sample of past and recent APTC graduates and employers
	What are the expected external benefits attributable to the project (Stage 3)? - direct benefits to graduates' households from remittances - direct benefits to extended community from migrants' remittances - indirect benefits to graduates' country from increased migration possibilities	No readily accessible indicators available.	Original research and data collection required	One-off study during Stage 3 drawing on sample of past and recent APTC graduates and employers

KEQ	Monitoring Question	Indicator	Data method / source	Frequency
	- value of TVET systems strengthening benefits that APTC has contributed to - external benefits to Australia through enhanced 'soft diplomacy' effects			
	What are the expected returns in terms of the present value of the benefits per dollar of project cost? (Benefit/Cost Ratio)?	Economic Rate of Return (ERR) based on forecast data	Output from Cost-Benefit Analysis	1. Basic CBA forecast updated every 6 months. 2. Extended CBA once or twice during Stage 3
	How much are APTC graduates, who have migrated for employment, earning? How much are they remitting to their country of origin?	Graduate migrant income Remittance value (total) and as percentage of income	Survey data collected from ALL graduates, including migrants Original research and data collection required	Annual (cohort) and down the track (all grads, every 3 years) One-off study during Stage 3 drawing on sample of past and recent APTC graduates
To what extent and how has APTC promoted gender equality and social inclusion in access to training, employment opportunities and labour mobility, including for people living with disability (PLWD)?	To what extent has the APTC provided access to training for women and men, and PLWD, by course / sector?	% of female and male, and PLWD, enrolments and graduates by sector	APTC enrolment data	Annual
	To what extent have selected TVET partners provided access to training for women and men, and people living with	% of female and male, and PLWD, enrolments and graduates by sector Gender policies and action plans in place	Selected TVET partners enrolment data Review of selected TVET partners gender policies and action plans	Mid-term and final evaluation

KEQ	Monitoring Question	Indicator	Data method / source	Frequency
	disability, by course / sector?	that reflect best practice		
	What are the differences in employment outcomes of APTC male and female graduates, and for PLWD (re in a job, skills match with job and pay level (decent work or not)?	% women and men, and PLWD, in employment in sector of training Income comparison between women and men, and people with and without disability, by sector and time since graduation Promotions comparison women and men and PLWD by sector and time since graduation Satisfaction with employment for women and men and PLWD by sector and time since graduation	Tracer survey	Annual (cohort) and down the track (all grads, every 3 years)
	To what extent has the APTC increased the number of Pacific women and PLWD in leadership roles?	Number and % of Pacific women in leadership roles in APTC	APTC HR	Annual

Annex 10: Indicative costing framework

Note: These cost assumptions were made on the basis of a six (6) year program. These assumptions are provided for information only.

1. Overview

The Costing Framework (CF) for the APTC3 Design has the following key features:

The First Three Years

- It starts from APTC's budget for 2017-18, and provides an expenditure envelope of about \$35 million annually for 2018-2021, including revenue generated. Total expenditure for these years is \$106 million;
- Provision for a TVET Sector Strengthening Fund (TSSF) is introduced at \$2.25 million in 2018-19, growing to \$4.5 million in 2020-21; and
- Provision for corporate and student support and for training delivery is held broadly steady at 2017-18 levels.

The Second Three years

- Expenditure on the TSSF remains at \$4.5 million for 2021-2023, and falls back to \$1m as it is wound down in 2023-24; and
- Expenditure on direct training delivery and corporate and student support is reduced by 10 per cent in each of the first two years (years 4 and 5) and by 20 per cent in the third year (year 6) as APTC's sole responsibility for training delivery is pared back, and increased co-investment is realised.

2. Price contingency calculation

Price contingency calculation was undertaken in the light of the following guidance from DFAT:

"In terms of inflation, program costs are usually in local currency so local inflation applies, and management fees are usually in AUD so Australian inflation will apply. Tenderers must build inflation into their tender price so you should take this in account in your budget. Once you get to any options to extend, we'll negotiate this with the contractor, and options are subject to appropriations and approvals etc."

Accordingly, price escalation has been estimated only for the tender period, 2018-19, 2019-20, and 2020-21. For the three subsequent years, prices are held constant at the level projected for 2020-21. The Price Contingency in the Costing Framework for 2018-20 therefore reflects projected inflation over that period, whereas for 2021-2024 it reflects simply the addition to the Base Cost Estimates (which are in constant prices) needed to maintain the 2020-21 price level through to 2024.

3. Savings options

The CF already builds in significant savings on some items from year 4 onwards (training delivery and corporate and student support) in order to make way for the TSSF and reflecting the expectation that levels of co-investment from Pacific governments, TVET institutional partners and / or industry will increase.

This note therefore considers the scope for potential further savings, which could be used either to boost the TSSF or other transformational roles, or to temper the rate of run-down of the direct training delivery role. These savings options are sourced partly from the report of the 2014 Independent Review (IR)²²³, and partly from other reflections during preparation of the Costing Framework.

²²³ Independent Review of the APTC, 2014

<http://dfat.gov.au/about-us/publications/Documents/aptc-independent-review.docx>

Organisational structure

Recommendation 5 of the 2014 Independent Review was to rationalise organisational structure and locations, with a view amongst other things to reducing overhead costs. In part, this has already been acted on. TAFEQ is now the single Managing Contractor (MC), rather than the dual control which prevailed in 2014. The Regional Head Office (RHO) has been moved from Nadi to Suva. The ICN makes clear that the single MC is a feature to be continued into Stage 3.

In APTC3 the MC's role will change from oversight and funding of a college which has a relatively straightforward training mission, to managing a Training Coalition.

Nationalisation of staff

The Independent Review recommended a "risk-management approach" to the reduction in expatriate trainers in favour of those of PIC nationality, and the greater use of visiting specialists rather than resident expatriates (Recommendation 7). There has been significant progress in this regard: Australians working for APTC fell from 68 in December 2014 to 44 in February 2017. The savings are substantial. For example, replacing one Australian with one Fijian saves \$128,000 in a full year at average rates of pay. A further reduction of say 10 positions over the first 3 years of Stage 3 at the rate of 3/3/4 per year would realise an ongoing saving of \$1 million a year by 2020-21. Opportunities to make such further savings could also be tested through the tender process.

Training locations and course offerings

Recommendation 18 of the Independent Review looked to an increased specialisation of course offerings between the five campus countries as a means of raising student to teacher ratios and reducing unit costs.

The following table illustrates the pattern envisaged in the 2017-18 Training Profiles published in APTC's 2016-17 Annual Report:

APTC Training Plans 2017-18		Fiji	PNG	Samoa	Solomon Is.	Vanuatu
	Courses	9	8	4	1	2
	Graduates	283	205	133	27	54
	Courses	10	2	4	4	5
	Graduates	334	62	270	16	174
All courses [1]		19	10	8	5	7
All graduates [2]		617	267	273	158	258
Ave. no. graduates per course		32	27	34	32	37

Notes to Table:

1. These numbers constitute an increase since 2014 when the Independent Review²²⁴ used training package numbers as: Fiji 11, PNG 6, Samoa 7, Solomon Is. 3 and Vanuatu 5.
2. Actual numbers of graduates may be lower than these planned numbers; the actual number of graduates in 2016 was 20% short of plan.

APTC has continued since 2014 to offer more courses, including on a fee for service basis. APTC planning evidently aims to keep the number of students per course at an efficient level by restricting the spread of courses offered on the smaller sites. The Investment Design Plan envisages that in Stage 3

²²⁴ Independent Review of the APTC 2014, Annex 9

<http://dfat.gov.au/about-us/publications/Documents/aptc-independent-review-annexes.docx>

students might be allocated to Domestic and Labour Mobility tracks, with the Labour Mobility track preparing them for temporary migration.

The CF envisages a progressive fall in APTC's own expenditure on Direct Training Delivery over the second set of 3 years of Stage 3, from \$20.3 million in year 3, \$18.2 million in year 4, \$16.4 million in year 5, and \$13.1 million in year 6. This raises the questions of what happens to the training infrastructure and courses. Much depends on the extent to which others make up for the reduction in APTC funding. The ICN envisaged:

"An expansion of various forms of cost-sharing, involving those who stand to benefit from training. These may be any combination of individuals, individual enterprises, industries, national governments and the Australian aid program, depending on the circumstances and any national schemes that exist to assist in meeting the cost of training."

This will not be easy to achieve. On the basis of 2017-18 planned graduate numbers and the provision in the first year of the CF for direct training costs and scholarships (i.e. excluding APTC overheads) the APTC average cost per graduate is estimated at about \$13,400 (refer costing framework, graduate costs tab). It seems very doubtful whether any national cost sharers would be willing to under-write APTC costs at this level. Substantial reductions in the cost base of APTC training would probably be needed to attract significant co-investment.

These reductions could come from measures such as tighter staffing ratios, further nationalisation of positions, and reduction in non-teaching costs to levels closer to those prevailing in PIC-managed TVET institutions (subject to training package requirements). In the context of a tight cost squeeze, closure of one or more of the smaller training might need to be considered on educational grounds if it were no longer capable of providing acceptable choice and quality; however, this might not generate large cost savings. (At planned 2017-18 planned graduate nos. the unit cost per graduate for Solomon Is. and Vanuatu are estimated as little different from those of Fiji). It is also likely to be politically unacceptable to close training sites solely on the basis of cost savings.

Fees and Scholarships

The issue of tuition fees is covered below under the 'income generation' heading. The main point made is that tuition fees should be delinked from student support ('scholarship' or 'access bursary' costs), and that payment of the (notional) tuition fees set by APTC should become the norm for as many students as possible. Access bursaries would continue to be used to ensure access and equity objectives are supported.

Student Loans Rather than Scholarships

The 2014 Independent Review of APTC recommended a feasibility study of switching APTC scholarships from grants to loans, which could be made income-contingent. Another study found that student loans for TVET have been used by Fiji and PNG but only to a very limited extent²²⁵ and concluded:

The administrative and, for income contingent loans, the tax collection capability in Pacific Island countries may limit the use of this mechanism.

If any student loan scheme were to be contemplated for APTC, it should be a loan with fixed repayments of principal and interest over quite a short term rather than an income-contingent scheme. However, the task of collecting repayments from former students scattered across the PICs, and emigrants from the PICs, would remain very challenging, and would continue for some time after APTC had wound down

²²⁵ Robert Palmer, *Sustainable Financing of TVET in the Pacific*, Australian Government DFAT April 2015.

its direct training delivery. For these reasons it is proposed that the student loan option not be further pursued.

4. Income generation

APTC has supplied the following table of revenues received other than re-imburseables from DFAT for its regular operations:

Table 10.1: Profile of APTC Revenue Generation to Date

		Actual	Actual	Actual	Actual	Actual	Budget	Budget	Total
		Y1	Y2	Y3	Y4	Y5	Y6	Y7	
		30/06/2012	30/06/2013	30/06/2014	30/06/2015	30/06/2016	30/06/2017	30/06/2018	
	Note								
Tuition Revenue		-	198,987	65,644	301,488	357,007	349,152	364,819	1,637,096
Commercial Revenue	1	-	400,923	802,887	2,209,299	1,273,067	1,258,092	741,908	6,686,176
Sale of goods	2	7,294	29,121	43,589	57,498	62,839	-	-	200,342
Other income	3	1,177	370,482	529,428	525,294	352,142	267,531	153,957	2,200,010
Total revenue from other sources		\$ 8,471	\$ 999,514	\$ 1,441,547	\$ 3,093,579	\$ 2,045,054	\$ 1,874,775	\$ 1,260,684	\$ 10,723,623
Note 1	Includes fee for service projects for government and private companies.								
Note 2	Includes sales of products produced by students								
Note 3	Includes previous years GST refund and interest income								

Within this table “Tuition Revenue” is fees paid by, or on behalf of, individual students who do not have a scholarship. The Commercial Revenue line accounts for 62 per cent of all APTC revenue generation to date. It peaks at \$2.2 million in 2014-15 and is projected to decline to \$742,000 in 2017-18. Commercial Revenue is analysed by component later in this note.

APTC grant claims on the Australian Government are currently running at about \$30 million per year. Average annual revenue generation as shown in Table 1 is just over \$1.5 million, or about 5 per cent of total income. Tuition fee revenue rose strongly until it reached a plateau in 2015-16, but there is no sign in the table of a rising trend elsewhere. The next section discusses tuition fees, both for their own sake and because such fees are also a component of commercial revenue.

Fees, Fee for Service and Partnership Agreements

Tuition Fees for DFAT-Subsidised Courses

The main reason why tuition fee income for these courses is so low is that three-quarters of the students have scholarships, and all scholars get a full waiver of tuition fees.

Table 10.2 shows the fees for APTC courses which ran in 2016. These are 22-week single semester courses. Where the course was offered in Fiji, the FJD fee is shown. Where the course was offered only at other locations, the fee for the appropriate PIC is shown.

Table 10.2: Fees, Fee-Paying Students and Graduations

1	2	3	4	5	6	7
<i>Certificate level</i>	<i>Course</i>	<i>Fee-payers 2016</i>	<i>Total No of Graduates</i>	<i>Fee-payers as % of graduates</i>	<i>Fee</i>	<i>Fee-payers 2015</i>
III	Applied Fashion Design	20	18	111.1%	FJD 2,500	18
III	Carpentry	25	124	20.2%	FJD 3,500	7
III	Catering Operations	16				
III	Commercial Cookery	26	101	25.7%	FJD 5,000	18
III	Electro technology Electrician	4	43	9.3%	FJD 3,500	1
III	Engineering - Diesel Fitting	2	42	4.8%	FJD 3,500	4

III	Engineering - Fitting & Machining	43	40	107.5%	FJD 4,500	2
III	Hospitality	4	97	4.1%	FJD 4,000	57
III	Individual Support	4	64	6.3%	FJD 2,100	
III	Light Vehicle Mechanical Technology	5	62	8.1%	FJD 3,500	6
III	Painting & Decorating	3	28	10.7%	FJD 2,900	1
III	Patisserie	14	14	100.0%	FJD 4,000	
III	Tourism	2	40	5.0%	VU 120,000	
III	Wall & Floor Tiling	1	28	3.6%	FJD 2,900	
IV	Community Development	19	17	111.8%	PGK 4,500	
IV	Hospitality	17	16	106.3%	FJD 4,500	6
IV	Leadership & Management	54	53	101.9%	FJD 3,050	
IV	Training & Assessment	69	69	100.0%		163
IV	Youth Work	1	43	2.3%	PGK 4,000	
	Totals	329	899	36.6%		283
	2015 Total inc. Courses not running in 2016					345

Some courses are offered at several locations. Where this occurs the AUD equivalent of the local fee may differ substantially from one country to another, as shown in the following example²²⁶:

Table 10.3: Example of Variation in Fee Levels by Location

Cert III Hospitality (Food and Beverage)					
	PNG	Fiji	Samoa	Solomon Is	Vanuatu
Local Currency Fee	PGK 5,200	FJD 4,000	WST 3,000	SBD 9500	VUV 120,000
Exchange rate 25-3-17	0.4125	0.631	0.521	0.169	0.0119
AUD equivalent	\$1856	\$2524	\$1302	\$1521	\$1428

The rationale for different fee levels by location is not obvious from the table. It does not relate directly to either:

- cost of provision - Samoa seems to have cost of provision rather above average, Solomon Is and Vanuatu rather below; or
- capacity to pay - Solomon Is, is well below average per capita income for the PICs but Vanuatu is around the average, and Samoa on the high side.

The main reason for this pattern of variation is probably the weight which APTC gives to keeping its own fees in line with fees charged locally for comparable courses.

Looking at Column 6 of Table 10.2, the range of 2016 fees for courses offered in Fiji runs from FJD5000 to FJD2900, with one outlier at FJD2100. The ratio of highest fee to lowest (taking the latter as FJD 2900) is 1.7:1. APTC also publishes fees for International Students (i.e. not of PIC nationality) seeking admission to APTC, which approximate full cost. In the case of Fiji, these range from \$22,000 for some trade technology courses down to \$7500 for some courses in fields such as tourism, hospitality and

²²⁶ Table A.36 of Annex 9: Value for Money of the Independent Review of APTC 2014 gives a more complete overview of these differentials as they stood at that time.

community services – a ratio of highest fee to lowest of almost 3:1. It is understood that very few students pay these international fees.

Fee for Service (FFS) Arrangements

Comparing Columns 3 and 4 of Table 2, it is striking that some courses have very few fee-payers, while in others the number of fee-payers (enrolment basis) is almost equal to the no of graduates, suggesting that after allowing for attrition, the course consisted entirely of fee-payers. This reflects the practice of some governments, and occasionally private sector employers, negotiating with APTC for whole classes to study there²²⁷.

APTC's Commercialisation Policy sets the framework within which APTC makes FFS arrangements. It encompasses a wide variety of criteria, some of which have a truly commercial orientation, while others reflect the dilemmas of running commercial operations in parallel with a business highly subsidised by Government. Thus, the policy opens with the following statement:

Investment return – APTC will not undertake any commercial activity that does not fully recover costs and generate a return commensurate with the risk of the project.

However, a number of caveats are added, including:

- a) *FFS involves training in Australian qualifications at Certificate III level or above, leading to full qualifications or customised programs within such courses*
- b) *Where FFS activity is funded by DFAT bilateral or regional programs the costing will take into account existing DFAT funding for capital and the organisational infrastructure of the APTC.*
- c) *APTC will establish a tuition fee structure based on market prices with respect to every course. The structure can consider cost subsidisation for students. The circumstances for providing the subsidisation should be specified*

With respect to criterion (a) the willingness of PIC employers to pay for employees to acquire these qualifications is still limited. In some cases, APTC has adjusted to that by providing training in accredited skill sets rather than the full certificate. Criterion (b) has the effect that, where DFAT is paying for the course, overheads will not be recovered. Criterion (c) admits the principle of subsidised fees for students and is followed in the Policy by six fee-setting criteria which look rather similar to the criteria applicable for DFAT-subsidised courses.

Table 10.4 show FFS revenue by source and by country from inception to June 2016. It shows that:

- Only 16.4 per cent of revenue over that period (\$872,000 out of \$5,313,000) was classified as "Commercial";
- 60 per cent of the FFS revenue came from DFAT (\$3,218,000 out of \$5,313,000), and so would be subject to the criterion at (b) above. A further 16 per cent of revenue came from other donors.

²²⁷ APTC 2015-16 Annual Report, p. 37.

Table 10.4: Source of APTC Fee for Service Revenue

Country	Commercial	DFAT	Donor (NGO, Other Govt. Aid)	Individual Subscribers	Grand Total
Fiji	\$175,855	\$63,087		\$133,149	\$372,092
Kiribati	\$52,303				\$52,303
Palau	\$7,600				\$7,600
PNG	\$78,148	\$2,301,783	\$83,826		\$2,463,758
Regional			\$113,201		\$113,201
Samoa	\$251,060	\$373,958	\$192,415	\$9,038	\$826,473
Solomon Is.	\$57,905	\$479,652	\$36,796		\$574,354
Tonga			\$375,379		\$375,379
Tuvalu	\$12,251				\$12,251
Vanuatu	\$236,614		\$52,132	\$226,830	\$515,576
Grand Total	\$871,738	\$3,218,482	\$853,752	\$369,018	\$5,312,991

Source: provided by APTC 31 March 2017. The total for DFAT and Other Donors is \$4.072 million. A different figure is implied on p.72 of the APTC 2016-17 Annual Report which puts the invoiced value of agreements between APTC and DFAT and Other Donors as \$3,495,982 in Stage 2 to date.

The Business Development Sections of successive APTC Annual Reports provide another source of information about FFS. These give the value of accepted FFS proposals, but not the basis for fees charged nor the incidence over years of the income arising from accepted proposals:

- The 2014-15 report tabulates FFS proposals accepted in 2014 to the value of \$1.6million (including a one-off program for Samoa linked to training for recovery from a cyclone). One proposal covers courses for Cert IV in Training and Assessment in all the PICs with an APTC campus, with the exception of Solomon Is. and the addition of Tonga. Fee-payer only training for this qualification continued into 2016 (Table 2).
- The 2015-16 report lists as accepted eight FFS course proposals including four from Fiji, and two from Solomon Is. with a total value of \$603,000.
- The 2016-17 report lists as accepted five FFS course proposals including three from PNG, with a total value of \$336,000.

These activities are additional to the high value item – the European Union *Strengthening the Sugar Industry Project* in Fiji (EUSSIP). By 2016-17 EUSSIP had trained 314 persons on accredited qualifications, 458 on accredited skill sets, and 522 on non-accredited courses.

What degree of cost recovery does FFS business achieve for APTC? As described above, the Commercialisation Policy is equivocal about the degree of cost recovery to be aimed for, and there is no direct evidence of the degree of cost recovery achieved. But there are some pointers to the overall average level. Cumulative enrolments to 2016 were 11,937, of which 1213 were “Non-subsidised”

enrolments²²⁸. Over a similar period, total FFS revenue was \$5,312,991 (Table 4). Assuming all that revenue reflected fees from Non-subsidised students, the average per student is \$4,380. But in 2015-16 APTC's total expenditure excluding EUSSIP was \$31,677,710 and there were 1,259 enrolments, yielding an average all-up cost per enrolment of \$25,161. It might therefore be deduced that the income per "Non-subsidised" student is under one fifth of the total cost per student.

Income Generation in Stage 2 – Significant, Commercial and Sustainable?

As to significance, in the 2016-17 Annual Report the Performance Assessment Framework summarises results in Stage 2 to end December 2016 against the Intermediate Outcome "Reduced Reliance on Australian Aid Funding over Time" as follows:

Table 10.5: Performance Measures for Reliance on Australian Aid Funding: Stage 2

Proportion of APTC Activity not financed by DFAT Program Funds	5.26%
Commercial income as a proportion of total APTC training budget	2.80%
Number and % of enrolled students classified as fee-paying	1,711 ²²⁹ fee-payers, 23% of all students.
No and value of agreements with donors for Stage 2	26 agreements valued at \$3.496m +\$3.5m for EUSSIP

Source: of APTC 2016-17 Annual Report, p.72

Apart from donor agreements, the contribution, despite great efforts made, has been relatively small in monetary terms. It does not appear to be growing from year to year. In part the modest contribution relates to the terms on which services are sold – 23 per cent of students pay fees but that accounts for only 2.8 per cent of the training budget because fees are so low relative to cost.

As to commercial terms, most of the earnings which are classified as "Commercial Revenue" have come from governments and donors rather than from trading enterprises. Employer purchases of APTC courses do occur, such as the purchase by Coral Sea Hotels in PNG of Hospitality courses, but they are relatively rare. Donor purchases are larger in scale, but tend to be one-off, such as the EUSSIP contract or the 2014 agreement for governments to support a large-scale program of training for Cert IV in Training and Assessment. Of course, repeat business may be won from governments and donors, but it is by its nature less predictable than the fulfilment of training needs which arise from the normal operations of numerous commercial businesses. In terms of Table 1 it would be more accurate to classify this revenue stream as *Fee for Service* rather than *Commercial*.

As to sustainability, it is apparent that the Stage 2 model of operating APTC could only be sustained by very high levels of Australian Government funding and on-going donor commitment. However, this raises the legitimate question of whether training at Certificate III and IV levels to AQF standards could be delivered in the PICs on some different financially sustainable basis.

In the *Study of Financing TVET in the Pacific 2012-14* examples were found of TVET institutions offering a range of courses comparable in some respects to APTC's. The pre-eminent example was the Independent Education Agency (IEA) College of TAFE, a private provider which runs several campuses in PNG. Like APTC, IEA College offers single semester courses, mostly at Certificate III or Certificate IV. 2017 fees²³⁰ are K4,970 for most Cert III courses, and K5,930 for Commercial Cookery, while

²²⁸ APTC 2016-17 Annual Report, p.168.

²²⁹ The 1,711 fee-paying students probably include the fee-payers on DFAT subsidised courses as well as the fee-payers on non-subsidised courses.

²³⁰ Sourced from www.ieatafepng.com/course-info/

APTC's fees in PNG are K5,200 to K4,500 for most Cert III courses, and K5,390 for Commercial Cookery. IEA's fees are high by PNG standards.

Thus course-for course the IEA College and APTC PNG fees are comparable. The difference is that, when the TVET-Pacific Study Team visited in 2013, IEA:

- relied on fees for over 90 per cent of its income, while fees are a very small percentage of APTC's income;
- operated very frugally – the student to staff ratio was 36:1;
- did not attempt high-cost trade technology courses.

Too much should not be made of this one example – unfortunately the comparison is hard to replicate on data available for other PICs, such as Fiji. However, it does re-inforce the challenge faced by a TVET institution in the Pacific trying to do approximately what APTC does while being entirely reliant on local sources of income. There may however be options to reduce reliance on Australian Government funds while retaining the essential characteristics of APTC.

Options for increasing Income Generation in Stage 3

Income from Tuition Fees

Analysis of APTC advertised tuition fees for 2017 indicates that the average cost per course is around AUD2,000.

One obvious way to increase revenue would be to require a larger proportion of students to pay tuition fees, while maintaining support to ensure access to students living beyond daily travel distance from the training location. This requires decoupling tuition fees from scholarships for student personal expenses as has been proposed through access bursaries. Tuition fees would continue to be highly subsidised but most APTC entrants would become responsible for paying the tuition fee. If, in year 2 of APTC3 operations, an additional 200 students were paying the notional A\$2,000 tuition fee each year, in year 3 an additional 400 students, and from year 4 onwards 600 students – revenue would increase by some A\$4.8 million over the life of APTC3. .

Another option is to raise the rates of tuition fee. To be effective, this would need to be combined with requiring more students to actually pay fees, because currently about three quarters of APTC students are scholars who enjoy fee waivers. It is recommended that a review of fee-setting criteria and fee rates be undertaken at the outset of Stage 3, with a view to lowering the weight attached to local fees in each country, and increasing the weight on the relative costs of APTC courses, and stabilising the contribution to APTC's revenues as measured in AUD. There does appear to be scope for simplifying the fee structure, and perhaps levelling up to Fiji levels. The principle of not competing with local institutions would need to be adhered to.

However, whether individual students would be willing to pay increases on present fee levels big enough to produce a substantial increase in APTC's cost recovery rate seems doubtful, in the light of the fees private sector TVET providers in the PICs are able to charge. But higher prices may be attainable if:

- A course is tailored to employer requirements. APTC has some experience with this type of business, though at present it does not seem frequent.
- The course in question is made especially attractive to individual students. For example, Labour Mobility Track students might pay more if they could be assured that successful completion carried with it a very good chance of a visa to work in Australia.

Fee for Service

APTC has had some good successes with FFS in Stage 2, which have led to some sizeable one-off FFS agreements, but this has been a matter of capitalising on opportunities as they arise. Three-quarters of

FFS supplied by APTC has been procured by donors. There is no clear underlying trend in the volume of FFS work across the years. Further opportunities for large scale FFS may arise in Stage 3, such as the EUSSIP initiative in Stage 2, or the courses in Cert IV in Training and Assessment. However, it is difficult base projections on the future emergence of such opportunities or the availability of donor funds.

If direct training delivery were seen as a core business for APTC in the longer term, it would be worthwhile to look more closely at the market potential and how APTC might adapt itself to fulfil that demand. As things stand, however, the future of APTC is seen more as a leading partner in a training coalition rather than as a course provider. It is important that cost-sharing takes its proper place in the development of the coalition concept because two of the tests of a service which is really wanted is that beneficiaries are willing to pay a share of the cost, and that the service has the potential to become self-sustaining.

Accordingly, in the Costing Framework FFS revenue has been based on the amount of \$1.4 million annually, which is a 3-year average for APTC actual earnings from FFS from 2013-14 to 2015-16. The base is up-rated annually in line with CPI inflation. To achieve that level, APTC would need to reverse the recent decline in FFS, which is budgeted at just \$742,000 for 2017-18.

Annex 11: Transition plan

Overview

By the end of 2024, it is envisioned that APTC will have substantially transitioned from being a technical college (planning and delivering its own suite of Australian accredited training programs) to being a provider of technical support to Pacific partners for their ongoing efforts to continuously improve their national and regional TVET systems. This will require significant re-structuring of APTC operations over time, including with respect to its mission, organisational structure, skill sets, ways of working, partnership arrangements and financing arrangements.

APTC is nevertheless expected to continue to ensure at least 1,200 Pacific Islanders graduate per year for the next 6 years. Over the first three years of Phase 3, it is currently anticipated that these graduates will continue to come largely from training managed and delivered directly by APTC. However, during years four to six of Phase 3, it is expected that graduates will increasingly come from training delivered either jointly by APTC and its key national TVET partners, and/or from those TVET partners delivering their own accredited training that meet international standards. By the end of 2024 (or soon after), APTC may therefore have substantially withdrawn from directly delivering training, may have handed over its physical training assets to those key TVET institutional partners that have embraced reform, and (as appropriate) may have re-structured itself into a provider of TVET systems technical support (e.g. playing a quality support and assurance role, on demand).

The required change management process will need to be iteratively planned and executed, taking account of the need for considerable flexibility in responding to the diverse and changing political and institutional dynamics impacting TVET systems development in each Pacific partner country. While the strategic intent should be to progressively work towards building local TVET systems and effectively removing the need for an Australian funded technical college, the political and institutional realities in each country may determine otherwise. Thinking and working politically will need to be a key feature of how APTC3 operates.

As part of planning for the transition of APTC from a technical college to a training coalition, the roles and responsibilities of the various Australian parties require review and definition. Attachment 1 proposes a matrix of responsibilities for APTC3 which can be refined to be fit-for-purpose over the course of the program.

The following narrative provides a summary of key transition planning issues that need to be considered and managed over three main planning horizons:

Design: Up to end of June 2017

The Design Team should continue to pro-actively communicate with key stakeholders during drafting and finalisation of design. Highest priority should be given to engaging with key DFAT stakeholders in Canberra (Regional Education, Design QA, contracts, labour mobility, GESI, etc.); DFAT country posts (and the relevant bilateral programs they manage); and APTC management. It is important that there should be no surprises in the final design.

Progress in establishing the PLF should be tracked by DFAT, and implications for APTC3 design scope taken into account.

It will likely not be practical for the Design Team to continue to actively communicate directly with Pacific government and industry stakeholders, given time and resource constraints. This task should be led by DFAT (at regional and national levels), and where appropriate, current APTC management.

The APTC3 design should not be overly prescriptive, for three main reasons: (i) to allow tenderers to propose new / innovative / cost effective approaches to achieving end of program outcomes; (ii) to take

in to account the need for flexibility in implementation so as to be responsive to local (and changing) needs and priorities over time; and (iii) in recognition of the fact that each country will require customised support, particularly in terms of strengthening their TVET systems. One size will not fit all, and it is not possible to accurately specify detailed country needs more than one year in advance.

Before the end of June 2017, careful consideration should also be given to the implications of a new contractor being selected to implement APTC3. Issues are raised below.

Procurement and transition to Phase 3: July 2017 to end of June (or December) 2018

The key procurement and transition issue is timing, namely if a new contractor is selected to implement APTC3. For example, if an implementation contract was not finalised with a new contractor until March 2018, there are risks that: (i) existing high value / experienced APTC staff may have already sought alternative employment; (ii) there would be inadequate time to smoothly transition / novate existing staff and systems to the new contractor by end of June; and (iii) the delivery of the 2018 annual training / work plan could be significantly disrupted. Given that APTC's training planning and delivery processes work on a calendar year basis, it may make more sense to work towards an end of 2018 formal start to APTC3 rather than mid calendar year. If the same lead contractor is again selected (TAFE Queensland) – nothing is lost through taking such a risk mitigation approach.

An indicative timeline for the procurement process and for then transitioning staff, facilities and systems to Phase 3 (assuming a new contractor is selected) is outlined in Box 11.1 below. If the existing contractor is selected, steps 2.1 and 2.2 could likely be undertaken more quickly, while steps 2.3 and 2.4 would not be required.

Box 11.1: Estimated procurement and transition timeline

	Key steps in procurement and transition	2017						2018											
		Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1	Procurement																		
1.1	Final appraisal and approval of APTC3 design																		
1.2	Approval to proceed to tender																		
1.3	Preparation of RFT																		
1.4	Gazetting of RFT																		
1.5	Bids prepared																		
1.6	Bids submitted																		
1.7	Assessment of bids / proposals																		
1.8	Selection of preferred bidder																		
1.9	Contract negotiations																		
1.1	Contract signing																		
2	Transition (with new contractor)																		
2.1	Hiring / mobilising new APTC team members																		
2.2	Novating / re-contracting existing APTC staff																		
2.3	Transferring APTC assets																		
2.4	Transferring APTC systems																		
2.5	Planning of 2019 work / training program																		
2.5	Continued delivery of APTC 2018 training program																		

APTC has made considerable investment in training national staff to become qualified TVET teachers. Apart from enabling APTC to save significant training delivery costs, these staff are important models of quality TVET teaching for other Pacific Islanders. It would be detrimental to APTC if these staff were lost due to their uncertainty about their future. There is sufficient uncertainty currently with contracts ending in June 2018. It is therefore proposed that the successful contractor be required to provide employment for national staff for the first twelve months of the new contract with a guarantee of an opportunity for interview for re-appointment after that time. This is designed to ensure stability and continuity for APTC and provide some employment security for national staff.

The degree to which 're-alignment' of APTC can take place (towards the scope of the new APTC3 design) before the contract for Phase 3 is awarded needs to be carefully considered. For example, the current APTC contractor has an ongoing and busy schedule of training to deliver and will likely have

limited flexibility to take on new tasks. The current contractor is also not resourced (or staffed) to increase its focus on TVET systems development in any significant way. The current scope of services and basis of payment must in turn be respected, or amended if it is mutually agreed to do so. It is also important to keep in mind that the Phase 3 design (as currently drafted) does not foresee a sudden change in direction over the first year or two of Phase 3 implementation. Transition will occur on an ongoing basis for the life of Phase 3.

Once the scope of the new design is approved by DFAT, some activities should nevertheless be undertaken (or continued) to prepare for Phase 3 implementation, for example:

- develop a communication strategy to engage effectively with existing partners and stakeholders, to explain the key changes and approach of APTC3 and to mitigate risks of country level systems and APTC being at variance
- continue to track and take account of the PLS/PLF, including specifying in more detail the cooperative arrangements with APTC3
- continue to scope and foster new (or strengthened) partnership arrangements
- continue to test technical and political feasibility of increasing co-investment by government and industry, and reducing Australian funded scholarships over time
- further develop and refine practical approaches to PEA that will help ensure the APTC is working in a politically and strategically informed way
- continue to track and mitigate emerging threats and risks to APTC operations and achievement of outcomes.

DFAT will need to discuss and agree with APTC's current management as to who should do what in progressing such activities, keeping in mind the caveats highlighted above regarding what it is realistic and reasonable to expect the current contractor to do under current contract arrangements. It is anticipated that DFAT will also be able to call on additional consultancy inputs (such as from key members of the current Design Team) to support some of these transitional activities.

Implementation of Phase 3: July 2018 or January 2019 onwards

The broad scope of work to be implemented in Phase 3 is described in other sections of this design document, including Section 3.3 and Section 4. The main shifts in emphasis compared to current APTC operations include:

- Increasingly embedding APTC operations in to national and regional TVET systems though a greater focus on the joint management and delivery of training, sharing of training facilities and resources, and delivery of joint qualifications
- Promoting increased levels of co-investment by government and industry stakeholders
- Reducing reliance on Australian tuition fee waivers
- Increasingly taking on a facilitating and advisory role in supporting partnerships and coalitions for reform, based on an adaptive programming approach (flexible and responsive)
- Providing additional support for skilled workers to secure work abroad should they wish to do so, taking in to account national government policies on migration and local labour market needs; and
- Establishing and managing a TVET systems strengthening fund, which will provide both technical assistance and a small grants mechanism to key institutional partners, in support of advancing mutually agreed TVET systems strengthening / reform initiatives.

It is proposed that by the end of year 2 of APTC3 operations, draft transition plans will have been drawn up for each country where APTC has training facilities, and for APTC3 as a whole, that detail:

- how the process of transition will occur from APTC as a Technical College to APTC as a Training Coalition, that is, through shifting the emphasis on direct training delivery to a role of facilitating TVET system development and reform
- potential pathways to transferring APTC3 assets (including stand-alone facilities), knowledge products, and staff (as appropriate) to national institutions, including time-lines
- how APTC's organisational structure, staffing complement, and management systems might be reconfigured to support the transition.

These plans will inform APTC's overall strategic planning process and be regularly reviewed in accordance with (insert MEL reference).

Annex 12: Risk Management Matrix

This section identifies key risks for APTC3 and proposed actions to ameliorate those risks. The risk management plan will require regular review and updating to ensure its currency and ongoing relevance.

Probability of Risk Occurring (P)	Impact of Risk Occurring (I)				
	Negligible = 1	Minor = 2	Moderate = 3	Major = 4	Severe = 5
Almost Certain = 5	Moderate = 2	Moderate = 2	High = 3	Very High = 4	Very High = 4
Likely = 4	Moderate = 2	Moderate = 2	High = 3	High = 3	Very High = 4
Possible = 3	Low = 1	Moderate = 2	High = 3	High = 3	High = 3
Unlikely = 2	Low = 1	Low = 1	Moderate = 2	Moderate = 2	High = 3
Rare = 1	Low = 1	Low = 1	Moderate = 2	Moderate = 2	High = 3

IRR: Initial Risk Rating | RE: Responsible Entity | RRR: Residual Risk Rating

Risk	P	I	IRR	Impact on program	Actions to ameliorate risk	RE	RRR
Procurement and transition phase risks							
Delays in the approval of the IDD, tender process, selection of the preferred bidder, and / or negotiation and approval of the final contract	4	4	3	<ul style="list-style-type: none"> Delays in contractor selection could result in loss of existing APTC staff who may take on other jobs because of uncertainty about future work prospects / opportunities with APTC. If a new contractor is selected for Stage 3 implementation, but is not mobilised before around mid-March 2018, this could result in: (i) disruption to the 2018 training program given a tight hand-over time to a new contractor / team; and (ii) potential disruption to other core APTC corporate and student support functions due to a compressed hand-over period. 	<ul style="list-style-type: none"> Carefully track the tender and procurement timeline and keep to deadlines Make it clear in the Statement of Requirements what core services need to be maintained / delivered by the MC Require bidders to provide a business continuity plan in their tender proposals Should there be any doubt about meeting the contractor mobilisation deadline of mid-March 2018, consider a contract extension for the current contractor through to end of the calendar year, thus allowing them to complete implementation of the 2018 training program and have time for a smooth handover / novation of staff and systems to the incoming contractor 	DFAT	2

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Risk	P	I	IRR	Impact on program	Actions to ameliorate risk	RE	RRR
Over specification of contract deliverables / targets / resource allocation parameters / partner coordination arrangements, etc.	3	4	3	<ul style="list-style-type: none"> A key feature of the APTC3 design is that it aims to support flexible and adaptive programming, in response to Pacific partner needs. If the contract tries to over-specify time bound delivery targets from the start, it will undermine this intent and weaken APTC3 ability to increasingly embed its operations in local TVET systems. 	<ul style="list-style-type: none"> In preparing the Statement of Requirements and Pricing Schedule, managing the procurement process, and negotiating the final contract with the preferred bidder, ensure that pressures for specificity regarding deliverables and targets do not undermine the ability of the program to be flexible and adaptive in response to changing needs and lessons learned. The contract must facilitate and incentivise a responsive and adaptive approach to APTC3 implementation, underpinned by a clear long-term focus on the quality of results (student learning, employment + TVET system strengthening outcomes) 	DFAT	2
Political economy / operating environment risks							
There is a lag in the establishment of the Pacific Labour Facility, it is not appropriately resourced, and / or is not well coordinated with the work of APTC3.	3	3	3	<ul style="list-style-type: none"> Anticipated labour mobility benefits will be compromised, given that existing barriers for Pacific islanders to access overseas employment opportunities (particularly in Australia) will remain in place 	<ul style="list-style-type: none"> Track the progress of the PLF and ensure key individuals involved in the APTC3 design are also engaged in its design to ensure complementarity Should there be a lag in the establishment of the PLF, review and reconfigure the APTC3 TOC and scope of work to take this in to account 	DFAT	1
Australian employers are reluctant or slow to utilise the Pacific Labour Scheme and anticipated labour mobility opportunities do not eventuate in a timely fashion.	3	3	3	<ul style="list-style-type: none"> Same as above Raised expectations among Pacific stakeholders about increased labour mobility opportunities will prove to have been misleading resulting in reputational damage. 	<ul style="list-style-type: none"> Ongoing pro-active communication between DFAT and other arms of government responsible for labour mobility and employment policies / procedures, to ensure risks are identified and mitigated in a timely manner Readjust focus and resourcing of APTC as required, for example by reducing its focus on providing 'labour mobility' track' student support if job opportunities are not available / accessible 	DFAT	1
Pacific country governments and / or employers have concerns about skills drain resulting from APTC's support for labour mobility opportunities	4	3	3	<ul style="list-style-type: none"> Weakened political support for APTC, less co-investment (in cash or kind) in APTC supported training, and potential reluctance to support further embedding of APTC training in local TVET systems 	<ul style="list-style-type: none"> Ongoing effective communication with key government agencies and employers to ensure that any concerns about skills drain are addressed Clear articulation of how APTC supported training will ensure a net skills gain to the economy Clarification as to how the domestic and labour mobility tracks will operate, to ensure that domestic employers are not in any way disadvantaged as a result of their support for skills upgrading 	DFAT & APTC3 MC	2

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Risk	P	I	IRR	Impact on program	Actions to ameliorate risk	RE	RRR
There is a reluctance among Pacific stakeholders to become champions of change and participate in coalitions for reform	3	4		<ul style="list-style-type: none"> APTC has limited impact on bringing about country level and or regionally focussed TVET systems reform APTC is perceived as acting unilaterally to achieve reform Pacific governments distance themselves from APTC 	<ul style="list-style-type: none"> The selection criteria for Country Managers specify appropriate interpersonal skills Joint Steering Committees (JSCs) are actively involved in identifying areas for reform Case studies on successful reform through coalitions in other countries are presented to JSCs and elements of good practice are identified for possible replication Senior DFAT staff act as advocates for coalitions of reform 	APTC3 MC & DFAT	2
APTC's shift in focus towards TVET systems strengthening is perceived by some government and / or employer partners as weakening its ability to deliver high quality work ready graduates	3	3	3	<ul style="list-style-type: none"> APTC's reputation for producing high quality work ready graduates is undermined 	<ul style="list-style-type: none"> Partnership agreements between APTC and key TVET institutional partners clearly specify benchmarks, and mutual obligations, for TVET quality Ongoing joint monitoring and review of partnership agreements, progress in achieving systems strengthening results, the quality of student learning outcomes and employment outcomes An integrated MEL and Communications strategy and function is established that is focused on meeting 'real' information needs As required, re-calibrating APTC support to partner systems to ensure graduate quality is maintained in line with government and employer needs / expectations 	APTC3 MC	2
APTC's work is not adequately coordinated with other DFAT bilateral TVET investments, and / or the investments of other (significant) donor funded initiatives	3	4	3	<ul style="list-style-type: none"> Reduced effectiveness of the APTC3 investment due to duplication of effort and / or missed opportunities for greater synergies of effort Negative reputational impact for DFAT (poor coordination of related investments) 	<ul style="list-style-type: none"> Establish an appropriately high level TVET coordination mechanism (in each country with an APTC office / Country Manager and with a bilateral TVET program and / or major TVET investments by other donors), led by an appropriately senior in-country DFAT officer; and / or As appropriate, provide input to / support for existing government and industry TVET coordination mechanisms 	DFAT APTC3 MC	2
Management and implementation risks							
TVET systems strengthening benefits are not forthcoming, at least in some countries	4	5	4	<ul style="list-style-type: none"> APTC's longer term sustainability plan (improved TVET systems capacity in the Pacific) will be compromised APTC's VfM will be reduced If stakeholders still wish to see a steady supply of high quality work-ready graduates, APTC may need 	<ul style="list-style-type: none"> The APTC3 management team is adequately resourced (skills, experience and financial resources) to effectively design and implement systems strengthening support initiatives, based on sound PEA / TWP / PDIA principles and approaches 	APTC3 MC	3

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Risk	P	I	IRR	Impact on program	Actions to ameliorate risk	RE	RRR
				to continue to operate (in some countries) as an 'enclave'	<ul style="list-style-type: none"> Partnership agreements with key TVET institutional partners are clear about mutual obligations, are regularly reviewed and revised as appropriate If no traction / progress is being made with particular partners in particular countries, support is withdrawn and, if appropriate, allocated elsewhere until circumstances change 		
Increased levels of co-investment from individuals, government and industry are not forthcoming, including for tuition fees	4	4	3	<ul style="list-style-type: none"> APTC's own revenues will be reduced accordingly, APTC funded training delivery expenses will remain higher than anticipated, and the cost to DFAT increased APTC's plans to increasingly embed its operations in local TVET systems, and thus sustainability of APTC benefits over the longer term, will be jeopardised 	<ul style="list-style-type: none"> Ensure that the quality of APTC supported training and TVET systems strengthening support is maintained at high levels Provide evidence to prospective students and their sponsors of the learning, employment, income and productivity benefits of APTC supported training If required, reduce expenditure on TVET systems strengthening in order to ensure adequate resources are available to maintain direct training delivery, at least in the short to medium term 	APTC3 MC	2
The systems and process for allocating and managing TVET systems strengthening grants & TA and for transferring APTC assets to institutional partners, is not effectively designed or implemented	3	5	3	<ul style="list-style-type: none"> TVET systems strengthening results will be jeopardised, and APTC's sustainability plan compromised 	<ul style="list-style-type: none"> Allow adequate time (first year of APTC3 operations) for the APTC3 MC to develop the TSSF management systems and procedures in close consultation and collaboration with key country partners MC to ensure it has a pool of appropriately qualified and experienced systems strengthening TA in place Transition / systems strengthening plans to be developed for each country (with an APTC office / Country Manager) by end of year 2 Ongoing monitoring and review of progress and results in supporting systems strengthening, and appropriate and timely action taken to address any problems in implementation 	APYC3 MC	2
The proposed management and coordination mechanisms for supporting TVET systems reform do not function effectively (e.g. more delegated responsibility to APTC Country Managers, Joint	3	5	3	<ul style="list-style-type: none"> APTC remains as a largely enclave operation, and systems strengthening benefits are compromised APTC's sustainability strategy is jeopardised 	<ul style="list-style-type: none"> Apply Problem Driven Iterative Adaptation (PDIA) and TWP principles in the design and implementation of appropriate coordination and management arrangements, to ensure they are appropriate to need and support active engagement (and ownership) of local partners Where possible, build on and support local TVET coordination and management arrangements at the 	APTC3 MC & DFAT	2

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Risk	P	I	IRR	Impact on program	Actions to ameliorate risk	RE	RRR
Management Committees, and use of Joint Steering Committee or similar mechanisms)					country level, rather than establishing new APTC driven mechanisms <ul style="list-style-type: none"> ▪ Appropriately balance the need for more country level delegation of authority (to APTC country managers) with the ongoing need for regional oversight and programmatic coherence of APTC's overall operations 		
APTC support for 'coalitions' of TVET systems reformers (champions of change) does not gain traction, at least in some countries	4	3	3	<ul style="list-style-type: none"> ▪ As above 	<ul style="list-style-type: none"> ▪ Apply PDIA and TWP principles in the approach to supporting coalitions for reform, to help ensure relevance and effectiveness of APTC support to coalitions. ▪ Lead from behind. Build on and support local initiatives and champions. ▪ Understand and accept complexity and non-linear progression. Build in flexibility and learning to the approach. Place various small bets to help better understand what works and what doesn't. 	APTC3 MC & DFAT	2
The APTC MEL system does not deliver timely and / or useful information to guide strategic decision making on maximising the value of the APTC investment	2	4	3	<ul style="list-style-type: none"> ▪ Decision making on APTC strategic direction is compromised due to inadequate or inaccurate information ▪ Lessons learned are not captured and used, and 'mistakes' are repeated 	<ul style="list-style-type: none"> ▪ Ensure MELF implementation principles are adhered to, and that MEL and Communication functions and systems are appropriately integrated ▪ Seek regular feedback from key information users on their information needs and the relevance and quality of MEL information being provided by APTC3 ▪ Regularly review and update the MELF, based on feedback from information users and lessons learned about what works and what doesn't ▪ Ensure the MEL function is adequately resourced, particularly in terms of skilled and experienced personnel, both within the core management team, and with independent expertise to support ongoing VfM analysis and M&E of TVET systems reforms 	APTC3 MC	1
Gender and social inclusion risks							
Implementation of APTC's GESI strategy is not effectively resourced, monitored or evaluated by the MC	3	3	3	<ul style="list-style-type: none"> ▪ APTC's GESI objectives (particularly with respect to equality of opportunity for women, men and people living with disability) could be compromised 	<ul style="list-style-type: none"> ▪ Ensure adequate APTC3 resources and management attention are applied to supporting GESI objectives ▪ Continue to collect and analyse gender and disability disaggregated data on student intake, graduate performance and employment outcomes ▪ Conduct complementary qualitative studies on gender, disability and other access / equity issues to help 	APTC3 MC	2

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Risk	P	I	IRR	Impact on program	Actions to ameliorate risk	RE	RRR
					answer emerging questions raised by ongoing analysis of quantitative data		
APTC's key institutional partners do not adequately prioritise and resource GESI objectives	3	4	3	<ul style="list-style-type: none"> As training is increasingly embedded, GESI issues are given less focus / priority 	<ul style="list-style-type: none"> Ensure that partnership agreements address GESI issues and objectives, so that mutual expectations and responsibilities are clear and can be monitored over time 	APTC3 MC	2
Allocation of tuition fee waivers and / or access bursaries is perceived to be inequitable from either a gender, disability or other equity issue perspective	3	4	3	<ul style="list-style-type: none"> APTC's GESI objectives could be compromised 	<ul style="list-style-type: none"> Establish clear and transparent policies for allocation of tuition fee waivers and access bursaries, including with respect to the application of GESI criteria Ensure policies are regularly reviewed, including through feedback from stakeholder groups, to ensure they are fit for purpose 	APTC3 MC & DFAT	2
Environmental and social safeguard risks							
Injuries occur during APTC supported training delivery	3	4	3	<ul style="list-style-type: none"> APTC3 reputational risk / bad publicity Possible compensation costs for APTC3 	<ul style="list-style-type: none"> Ensure occupational health and safety standards and systems are rigorously applied in all APTC supported training facilities Ensure appropriate insurance policies are in place in the event of accident or injury 	APTC3 MC	1
APTC staff, or the staff of key institutional partners involved in joint training delivery, are involved in unethical or illegal conduct	3	4		<ul style="list-style-type: none"> APTC3 reputational risk / bad publicity Possible legal costs for APTC3 	<ul style="list-style-type: none"> Ensure appropriate policies are in place and enforced and that training is conducted as appropriate Apply rigorous screening criteria during the recruitment process for APTC staff Include issues of ethical and legal conduct in all employment contracts Undertake a review of partner country and institution safeguards and analyse their implications Include issues of ethical and legal conduct of staff in key partnership agreements accordingly 	APTC3 MC	21
APTC staff, students and / or facilities are impacted by natural disasters	3	4	2	<ul style="list-style-type: none"> Disruption to delivery of training program and / or systems strengthening activities APTC3 reputational risk if adequate emergency plans not considered to have been in place Additional cost to APTC3 to re-establish operations and support affected students and / or staff 	<ul style="list-style-type: none"> Ensure emergency / natural disaster plans are in place and understood by all staff and students Ensure appropriate insurance policies are in place to cover the costs of natural disaster impacts 	APTC MC	2
Other Safeguards							

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Risk	P	I	IRR	Impact on program	Actions to ameliorate risk	RE	RRR
Child Protection: APTC personnel or partner institutions engage in unethical conduct with children (aged 0-18)				<ul style="list-style-type: none"> While most APTC students have mostly been existing workers (i.e. adults) to date, a few students have been under 18 years of age and this could occur in future. Inappropriate behaviour would be damaging for victims and harmful to APTC's reputation. 	<ul style="list-style-type: none"> See actions related to ethical conduct under environmental and social safeguard risks 		
Environmental protection: Environmental standards are not adhered to by APTC staff or building contractors working for APTC				<ul style="list-style-type: none"> Unlikely 	<ul style="list-style-type: none"> APTC is required to comply with all environmental protection standards as part of training package requirements Ensure contractors are appropriately registered and/or screened 		
Displacement and Resettlement: Individuals are displaced or required to resettle				<ul style="list-style-type: none"> not applicable 	<ul style="list-style-type: none"> not applicable 		

ATTACHMENT 1: APTC 3 - Indicative Matrix of Roles and Responsibilities

1. Purpose

To clearly define the roles and responsibilities of the key Australian parties associated with the implementation of APTC3, taking into account the broader context of Australia's regional and bilateral investments in the Pacific. Key parties include:

- DFAT Canberra
- the DFAT Posts
- APTC Regional Head Office (RHO) staff and Country Directors
- Bilateral program leaders
- The Managing Contractor of APTC3.²³¹

As a starting point, emphasis is placed on:

1. Tertiary/TVET policy settings
2. APTC contract management
3. Joint Steering Committees (JSC)
4. Coalition management – regional and country levels
5. Joint Management Committees (JMC)
6. Country-level industry/private sector industry intelligence and liaison.

These aspects may be further expanded upon by DFAT as implementation proceeds and the Pacific-wide implications emerge.

2. Context

The IDD provides the following context for the above aspects:

1. Tertiary/TVET policy settings - DFAT's tertiary / TVET policy settings are outlined in section 2.1 of the IDD. The long-term outlook for APTC is articulated in Annex 5 of the APTC3 design.

2. APTC contract management - The IDD proposes that APTC Stage 3 contract management be the responsibility of DFAT Canberra with liaison and follow-up with the Posts as appropriate. The rationale for this change is outlined in section 4.1 of the IDD.

3. Joint Steering Committees (JSCs)²³² or alternative fit-for-purpose high-level sector coordination mechanism supported by DFAT Post. The following is an extract from section 4.2 of the IDD which outlines the role for JSCs:

APTC3 proposes arrangements for more effective coordination of TVET at the broader country level. Depending on the circumstances, this will occur through Joint Steering Committees (JSC), or similar title. There is no strict formula for membership, but JSCs would ideally be chaired by an appropriate senior partner government official and/or a senior official from the DFAT Post and include an

²³¹ **Note** that Attachment 2 to Annex 4 also distinguishes between the roles and responsibilities of APTC and those envisaged through the PLF.

²³² **Note** that in some instances, where effective coordinating mechanisms are already in place at country level, the role of JSCs might be subsumed into these bodies, with associated roles for DFAT Post already defined.

appropriate combination of representatives of APTC at the country level, bilateral TVET, local TVET, national governments and industry/enterprises. The JSC will fulfil a range of coordination functions. What these might include in practical terms, is contained in Box 4.3 of the IDD.

Indicative Roles for a JSC

As appropriate for each country, JSCs will:

- promote engagement of national governments in APTC's efforts with key institutional partners and the wider TVET system
- help to ensure Australian assistance is as joined-up as possible, especially by facilitating better alignment between APTC as a regional program and the DFAT bilateral presence
- support efforts to deepen involvement of industry and enterprises in TVET
- advocate for and monitor progress on labour mobility opportunities, including in relation to the achievement of a net skills gain for Pacific countries
- assist in maximizing the benefits from TVET investments funded by other donors
- harness local intelligence on forthcoming donor or private sector funded infrastructure projects to advocate for on the job training opportunities for APTC students or employment opportunities for APTC graduates.
- provide a forum for consultation and a source of strategic advice to APTC on forward plans for their TVET systems strengthening support, including use of technical assistance and grants from the TVET systems strengthening fund
- advise APTC on existing or emerging risks that might impact on APTC's reputation for quality TVET delivery and systems support.

4. *Coalition management* - In section 3 of Annex 5, the IDD provides examples of those development/reform issues that might be handled through coalitions at regional level and those that might be handled at country level. Different roles and responsibilities are required for each.

5. *Joint Management Committees (JMC)* – The following is an extract from section 4.2 of the IDD that outlines the role of JMCs:

Each JMC comprises representatives from APTC at country level and the partner institution and is the primary formal mechanism for managing the TVET service delivery agreements with partner providers. Box 4.4 in the IDD provides a generic role description for a JMC, based on current practice.

Generic Role Description for a JMC

- The JMC is established to have oversight of the implementation of a partnership agreement
- Each party is represented by two representatives approved by the respective Chief Executive Officer (CEO)
- Both CEOs subsequently delegate decision-making to the JMC within relevant financial and non-financial delegations
- Approvals beyond local delegations are referred to the respective CEO of each organisation
- Nothing prevents the Parties from seeking third-party private, donor or bi-lateral investment funding which may complement or fund the resources being contributed by the APTC to the partnership.
- The JMC can consider and propose changes to the elements listed in the partnership arrangements if there is agreement on new and/or higher order priorities from time to time, provided that this can only be done within the existing budget and by approval of the two CEOs.
- The JMC will consult and communicate internally through every stage of the implementation, delivery and assessment of programs, industry engagement and all associated funding expenditure.

The IDD also suggests the inclusion of representatives from the DFAT Posts on JMCs where appropriate.

6. Country-level industry/private sector industry intelligence and liaison

The IDD makes it clear that role of the private sector through individual enterprises and industry bodies is critical for APTC3. In each country of engagement there will need to be a clear strategy to keep abreast of and where appropriate influence, industry trends, labour market requirements and associated government policy. In some countries this is already underway or in place through the work of the Posts, including with national governments.

The challenge for the future is to ensure that there is a consistent approach across the Pacific that feeds into the work of APTC3 and the bilateral programs. Otherwise, with a number of countries now having APTC and bilateral programs operating side by side and both aiming to have close relationships with industry, there is a risk of multiple approaches to the same enterprises and industry bodies resulting in a disjointed approach, a poor image for Australia and disgruntlement from the industry parties. It is therefore proposed that the work already commenced by some Posts be formalised across the Pacific to ensure that engagement with industry is suitably coordinated. While APTC Country Directors will have day-to-day dealings with industry, they will also need to work closely with the Posts to ensure that Australia's overall objectives are being achieved and to share their perspectives on local industry developments. JSCs provide a mechanism for this to occur.

3. APTC 3 Roles and Responsibilities - Goals

The following goals for determining roles and responsibilities for the key Australian parties associated with APTC3 are identified. They are derived from the principles for engagement outlined in section 3.2 of the IDD.

- Australia's bilateral and regional TVET investments in the Pacific are strategically integrated and mutually reinforcing within and between countries of engagement.
- The roles of all parties involved in these investments are clear and mutually respected, including in particular DFAT Canberra, DFAT Posts, TVET bilateral and APTC program leaders and managing contractors of these programs.

- The different development contexts and stages of development between countries of engagement are recognised and result in arrangements that are fit for purpose at country level.
- APTC Country Directors have appropriate levels of delegation to achieve the changes envisaged for APTC3.
- All reasonable steps are taken to ensure the active involvement of Pacific partners in the implementation of APTC3.

4. Developing the matrix of role and responsibilities

The first step in developing the matrix of roles and responsibilities is determine the leadership role for each aspect. This is depicted in Figure A.

Figure A: Leadership Roles in APTC 3

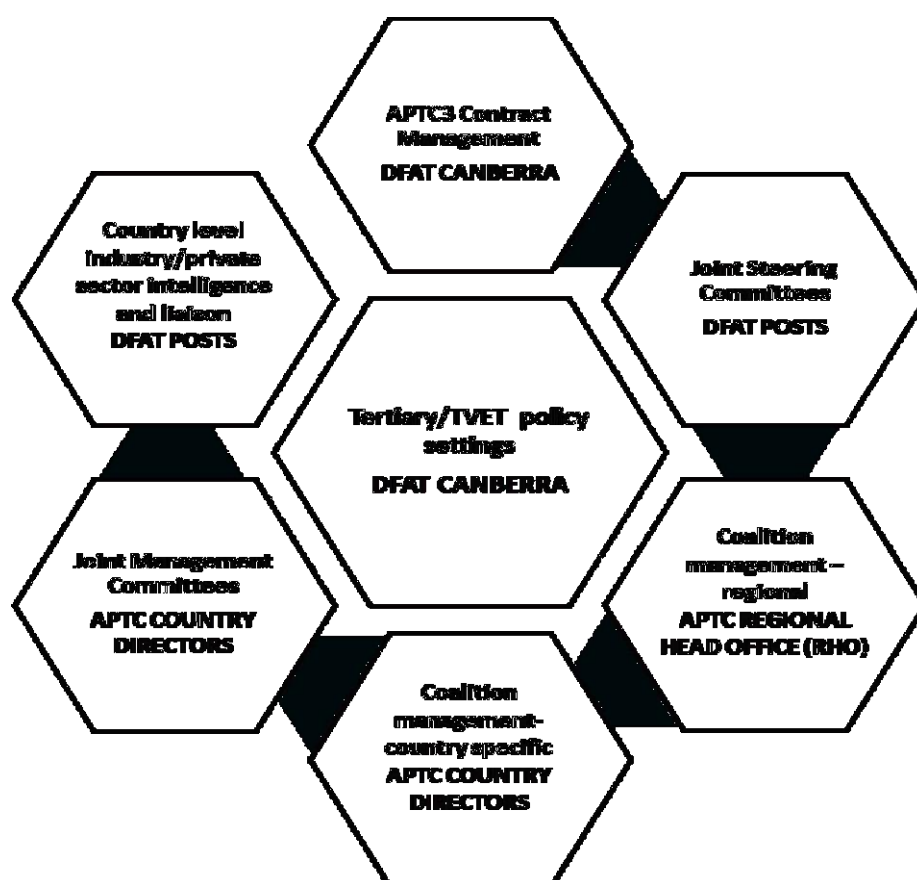





Table 1 further identifies the roles and responsibilities:

	Lead / decide/ enact
	Liaise /support / provide feedback
	Implement /operationalise

The matrix also shows where the role entails *monitoring*, a *watching brief* or is *not applicable*. Adherence to these roles and responsibilities will ensure the smooth operation of APTC3.

Table 1: APTC3 Matrix of Roles and Responsibilities

ROLES DOMAINS	DFAT CANBERRA	DFAT POSTS	APTC MANAGING CONTRACTOR	APTC REGIONAL HEAD OFFICE (RHO)	APTC COUNTRY OFFICES/DIRECTORS	BILATERAL PROGRAMS
Tertiary/TVET Policy Settings	Develop, disseminate and continually update TVET policy for the Pacific aligned with broader Australian government objectives and the long-term vision for APTC3.	Communicate TVET policy as provided by DFAT to key Australian and Pacific stakeholders and provide feedback as appropriate.	Ensure APTC operations are consistent with Australian government policy for TVET in the Pacific	As for APTC AMC	As for APTC AMC	Ensure bilateral program operations are consistent with Australian government policy for TVET in the Pacific
Contract Management	Manage contractual requirements and performance	Based on local intelligence, provide ongoing and timely advice to DFAT Canberra on contract progress and potential contract risks.	Manage implementation of contract and respond to reporting requirements	Through appropriate resourcing and coordination, facilitate implementation of contract and provide data to validate achievement.	Operationalise and report on contract requirements	Not applicable. It is assumed that bilateral programs will work constructively with APTC to assist the meeting of contract requirements as appropriate.
Joint Steering Committees, or Fit-for-Purpose high level coordination mechanism	Watching brief	Sector coordination supported/lead by DFAT Post, also acting as advocate with external stakeholders as appropriate (Note 1)	Watching brief	Watching brief	Participate in and support functioning of JSC	Participate in JSC as appropriate
		Participate in and support coalitions as appropriate				Participate in and support coalitions as appropriate
		Note 2				Note 1

Coalition management – country-specific issues	<i>Watching brief</i>	Note 2	<i>Watching brief</i>	<i>Watching brief</i>	Lead coalitions established to address APTC specific country level TVET reform and development issues	Note 1
Joint Management Committees	Not applicable	Where appropriate, participate in JMC in advocacy and advice role.	Watching brief	Watching brief	Lead in conjunction with relevant Pacific TVET partner	Not applicable
Country level industry/ private sector intelligence and liaison	Not applicable	Lead strategic approach to industry engagement at country level.	Watching brief	Watching brief	Work with Posts to ensure coordinated approach to Australia's engagement with industry.	Work with Posts to ensure coordinated approach to Australia's engagement with industry.

Note 1: Note that in some instances, where effective coordinating mechanisms are already in place at country level, the role of JSCs might be subsumed into these bodies, with associated roles for DFAT Post already defined.

Note 2: It is recognised that Posts or bilateral programs may initiate other coalitions. The matrix refers only to those coalitions funded through the APTC budget as part of achieving APTC's EOPOs