

Agenda Item 15: APPU / UPU Reform Working Group

Sub-item 15 – Report of the APPU / UPU Reform Working Group Meeting

Presentation by New Zealand

1. Subject	References/paragraphs
<p>Informing EC members on:</p> <ul style="list-style-type: none"> - the discussions, comment and outcomes in the APPU/UPU Reform Working Group meeting of 8 July 	<p>§§ 1.1 – 2.7</p>
<p>2. Decisions expected</p> <p>The EC is asked to:</p> <ul style="list-style-type: none"> - note the activities dealt with in the Working Group that do not require EC attention <ul style="list-style-type: none"> - monitoring of budget and work progress - action taken by the WG on Initiatives assigned to it by the Tehran Congress - the status of actions arising from the 2018 membership survey - an update on development of template documentation, review of Rules of Procedure, and enhancement of the APPU website - approve and agree, as appropriate, regarding the detailed action plan and budget for the assignment to create a sustainable future for the College viz., <ul style="list-style-type: none"> - approve the detailed action plan incorporating four Phases to be undertaken between July 2020 and May 2021 that will evaluate and recommend a preferred option for the creation of a sustainable future for the College - approve the estimated budget for the work of US\$25,650 - approve Phases 2, 3 and 4 being undertaken by the Reform Consultant, Mr Mark Lawley - agree to the extent possible, Bureau resource is co-opted to assist with activities in the action plan. - note and agree, as appropriate, regarding the relocation of the RTCAP from Singapore to Bangkok viz., <ul style="list-style-type: none"> - note the actual relocation was successfully completed ahead of schedule - agree that the next steps for the direction and evaluation of the initiative will be managed by the Bureau with annual reporting to the EC or Congress via the Reform WG - note and agree, as appropriate, regarding the work assigned to the Reform WG by the Tokyo EC meeting viz., <ul style="list-style-type: none"> - note that since Tokyo 93% of the Reform Consultant's time has been on Tokyo-assigned work, and only 7% on original Reform work 	<p>§ 2.1</p> <p>§ 2.2</p> <p>§ 2.3</p> <p>§ 2.4</p> <p>§ 2.5 (i)</p> <p>§ 2.5 (ii)</p> <p>§ 2.5 (iii)</p> <p>§ 2.5 (iv)</p> <p>§ 2.6 (i)</p> <p>§ 2.6 (iii)</p> <p>§ 2.7</p>

- note that all activities can be completed if the EC approves the 2021 budget for Consultancy	§ 2.7 (iii)
- note the possibility of reducing external consultancy costs through focus and training of existing Bureau capability to undertake financial analysis work	§ 2.7 (iv)
- agree that the Bureau, under the guidance of the Reform Consultant and, to the extent possible, undertakes more research and analysis work associated with the performance of the business	§ 2.7 (v)

1. Introduction

1.1 The APPU/UPU Reform Working Group met on Wednesday 8 July 2020, through a virtual meeting. The members in attendance were Australia, China, India, Indonesia, Japan, Korea, Myanmar, New Zealand (chair), Singapore, Sri Lanka, and Thailand.

1.2 Its agenda covered the following matters.

1. Routine matters (4)

- a. Monitoring of work currently under way (Doc 15.1 and Annex)
- b. Nine Initiatives assigned for completion by the Tehran Congress (Doc 15.2)
- c. WS 3 – Update on 2018 membership survey (Doc 15.3.1 and Annex)
- d. WS 3 - Work items deferred to 2019 by Da Nang EC meeting (Doc 15.3.2)

2. Items of moderate significance (2)

- a. Assignments from the 2019 Tokyo EC Meeting (Doc 15.5)
- b. Relocation of the RTCAP (Doc 15.4.2)

3. Item of significance (1)

- a. Sustainable future for the College: detailed action plan, including budget (Doc 15.4.1 and four Appendices).

1.3 There was no update on UPU Reform. That work programme had been completed and there was no further information to add.

1.4 Prior to the commencement of the Agenda Items, the Secretary General made some brief comments. The text of his remarks is attached as an Appendix.

2. Discussions and Decisions – APPU Reform

2.1 WS 1 - Monitoring the implementation of the 36 Initiatives from the Tehran Congress (Doc 15.1 and Annex 1)

The meeting **noted** the budget and activities position as at 30 June 2020. In particular:

- (i) Reform activity for 2020 is forecast to be US\$9,462 over budget, this being an expected outcome and one which will be covered from 2021 budget.
- (ii) A significant shift in effort to work either directed by the 2019 Tokyo EC meeting, or required as part of the preparation for the 2020 EC and GB meetings
- (iii) The core work programme of implementing the 36 Initiatives is now behind schedule but can be addressed if the 2020 EC approves the Finance Committee's recommendation regarding budget for the work

INDONESIA asked if it would make more effective use of budget if all Initiatives were consolidated into one pool of money, rather than having separate budgets for individual workstreams. The Consultant commented that the more difficult part of budgeting was knowing how much each Initiative would cost. Dealing with them individually for budgeting provided the opportunity to learn more about the costs of different activities. That said, the Consultant indicated that he had absolutely no difficulty in adapting the budgeting process if there was an advantage to do so.

The Secretary General agreed with the Consultant and added that it would be good if the Bureau could have a general budget, but it would be difficult to set a long-term budget because spending is limited by funds available in any one year. Further, the work itself for the Reform activity is not fixed i.e., new tasks arise that are taken on and the cost is sometimes covered by eliminating previously planned tasks. Nevertheless, a general budget is something to keep in mind and the Working Group should not lose sight of it as a funding possibility.

The Chair mentioned that the long-term budget should be set up clearly and with transparency for the benefit of members, the Working Group, and Plenary. From his point of view, his preference is to maintain the "piece-of-work" budget. But he appreciated the comment of Indonesia and it will be reviewed in the cycle after the APPU Congress in Bangkok.

2.2 WS 2 - Nine Initiatives assigned for completion by the Tehran Congress (Doc 15.2)

The meeting **noted**:

- (i) Five of the nine Initiatives had been completed.
- (ii) Two Initiatives, scheduled for action, had not been progressed due to other priorities. These will be dealt with if the 2021 budget is approved by the EC.

2.3 WS 3 – Update on 2018 membership survey (Doc 15.3.1 and Annex 1)

The meeting **noted** that action on all 37 items identified in the survey process had continued in a positive direction with the highlights being:

- (i) Items under action had reduced from 13 to 7.

- (ii) Completed items had increased from 6 to 14.

2.4 WS 3 - Work items deferred to 2019 by Da Nang EC meeting (Doc 15.3.2)

The meeting was updated as set out below.

- (i) Template documentation

Activity had continued, albeit as more of an informal nature in passing on general business experience and methods for business evaluations.

- (ii) Review Rules of Procedure, Regulations etc

Work had still not started, but resource was now identified to manage and develop the material with guidance from the Consultant.

- (iii) APPU website enhancement

This item had been assigned to the Bureau IT review as part of its needs analysis.

2.5 WS 4 – Items of an organisational / structural / resource nature: Sustainable future for the College – detailed action plan including budget (Doc 15.4.1 and Appendices 1-4)

The meeting was informed that this was probably the most important document that the Union had dealt with in recent years. It arose from the Tokyo EC meeting where the decision had been made for the Bureau to organise a meeting of key parties to look at how the business position of the College could be improved. Work undertaken in response to this decision resulted in the tabling of EC 2020 Doc 15.4.1. The Working Group made the following key decisions for submission to the EC.

- (i) **Approval** of a detailed action plan incorporating four Phases:

Phase 1: drafting of the detailed action plan and its consideration by the EC (May to July 2020). Estimated cost: US\$1,750.

Phase 2: short-term focus where the emphasis is discovering the fundamentals and health of the business. Information obtained in Phase 2 will identify the potential and possible business model for a sustainable future. (August to December 2020). Estimated cost: US\$7,550.

The areas covered in Phase 2 include:

- **Financial**
Analysis of current business (up to 31 December 2020)
- **Low-hanging fruit**
Find quick wins

- **Benchmarking**
Identify similar training institutions and benchmark aspects such as pricing, delivery options, product range and quality, profile of key personnel, management KPIs, etc.
- **Overview aspects**
What is the College excellent at? Where can the College be excellent?
What aspects of the College's business operation limit the ability to reach a bigger market?
- **The market**
Identification of market, segmentation of market
- **Current products**
Affordability of product (is it a two-sided market?) Understanding how much the market will pay?
- **Possible future products**
What new product possibilities are there?
- **Possible future training delivery channels**
What new training delivery channels might be possible in the future?

Phase 3: longer-term focus that takes the information discovered in Phase 2 and places issues and solutions under greater scrutiny – the end goal being to develop the sustainable future business model.

Phase 3 runs, in part, concurrently with Phase 2, covering November 2020 to March 2021. There is also one activity in September 2020. Estimated cost: US\$13,850.

Phase 4: this is a completion Phase involving the preparation of a summary report and associated activity for a further HLSD meeting (tentatively timed for May 2021). Estimated cost: US\$2,500.

- (ii) **Approval** of a budget for the work of US\$25,650.
- (iii) **Approval** of Phases 2, 3 and 4 being undertaken by the Reform Consultant, Mr Mark Lawley.
- (iv) **Agreement that**, to the extent possible, Bureau resource is co-opted to assist with activities in the action plan.

THAILAND asked if the sustainable future of the College assignment is intended to transform a loss-making business into a profit-making one.

The Secretary General commented that the objective of a sustainable future for the College touches many parts of the APPU e.g., Reform WG, the Reform Consultant, Governing Board, Finance Committee, EC, Congress. It is a challenging assignment, it will involve the

management of quite complex matters. The outcome might not be a profitable College as a single entity, but it could be a more efficient operation with increased benefits elsewhere in the Union.

The Consultant said that the objective of the sustainable future of the College is essentially to turn loss into profit – if it can be done. The long-term objective of a financially sustainable College relies not only on money but also on aspects such as organisational growth and new business management skills.

THAILAND thanked the Consultant for setting the objective of the sustainable future of the College by not only focusing on the profit but also including the sustainable growth of the organization.

2.6 WS 4 – Items of an organisational / structural / resource nature: Relocation of the RTCAP from Singapore to Bangkok (Doc 15.4.2)

The meeting dealt with this item as follows.

- (i) **Noted** that note the actual relocation of the RTCAP from Singapore to Bangkok had been successfully completed ahead of schedule.
- (ii) **Noted** the factors and benefits on which the case to relocate had been based.
- (iii) **Agreed** that the next steps for the direction and evaluation of the relocated RTCAP will be managed by the Bureau with annual reporting to the EC or Congress via the Reform WG.

JAPAN expressed its appreciation for the great contribution of New Zealand and the Reform Consultant for their respective parts in ensuring the successful relocation of the RTCAP to Bangkok.

2.7 Assignments from the Tokyo EC meeting (Doc 15.5)

Doc 15.5 had been prepared to inform the Working Group of why little progress had been made in some areas of the Reform programme (e.g., WS 1 and WS 2). The meeting heard that since the Tokyo EC the Reform Consultant had only been able to allocate 7% of his time to core Reform work. The balance had been on work arising from Tokyo and, to a lesser extent, in preparation for the online sessions of June and July (2020).

The situation was acknowledged by the Working Group and the following decisions were made.

- (i) **Note** the unplanned activities arising from decisions taken at the 2019 Tokyo EC meeting that significantly impacted the Reform WG core work programme
- (ii) **Note** the topline details of the work undertaken since the Tokyo meeting

- (iii) **Note** the ability to complete the Reform WG core work programme provided the 2020 EC approves the Consultancy budget for 2021
- (iv) **Note** the possibility of reducing external consultancy costs through focus and training of existing Bureau capability to undertake financial analysis work
- (v) **Agree** that the Bureau, under the guidance of the Reform Consultant and, to the extent possible, undertakes more research and analysis work associated with the performance of the business

3. Conclusion of meeting

- 3.1 **CHINA** expressed its appreciation for the hard work of the Bureau, Reform Consultant, Reform WG and the successful relocation of RTCAP. **CHINA** will continue its support and participation in the Reform WG.
- 3.2 The Chair thanked the meeting participants, the Bureau, and the Secretary General for their support of the Reform WG agenda. He commented that the decision-making today was in response to the outcome from the Tehran Congress, then Danang and then the Tokyo meeting. There are some factors beyond the control of the WG that affect the work plan such as COVID-19 global pandemic. Lastly, he expressed his gratitude and sincere thanks for the significant work contributed by Mr Lawley, the Reform Consultant.
- 3.3 The Secretary General made closing remarks and congratulated the Reform WG members especially the Chair, Mr Lindsay Welsh for the manner in which he dealt with the complex aspects of the documentation. Secondly, he thanked the participants for their attendance. Thirdly, he mentioned that even though, the Bureau has been assigned a number of tasks from the EC, the Bureau will commit to the assignments and the tasks and will try its best to serve all the members. Lastly, he expressed his gratitude and thankfulness to Mr. Mark Lawley, the Reform Consultant, for his hard work and contribution to APPU.

Appendix

SG Brief words at the Reform Working Group Meeting 2020

Three years ago, when the Reform WG established, we set up 3 main tasks or steps for the work of this working period, i.e. (i) relocation of RTCAP, (ii) to review the Union (or Bureau) structure, and (iii) to amend/update the Union Acts. Up to now we are going smoothly and successfully. We have even done more than we originally planned. Of course there are some tasks that have not been completed as initially planned, this being due to specific reasons, for example the Covid-19 pandemic. I'd like to take this opportunity to thank all WG members, especially the WG Chair Mr. Lindsay Welsh and our Consultant Mr. Mark Lawley.

I would raise several points as follows:

1. The relocation of RTCAP is very successful. Mr. Tan Yong Chee has arrived at exactly the right time and he works very closely and constructively with colleagues in the Bureau, in terms of administrative tasks and training programs, as well as some creative work.
2. Following the relocation of RTCAP, there are effectively 3 Sections in the Bureau, i.e. Administrative, Training and Consultancy, with 3 different budgets. Going forward, the Union should review how these three business areas can best serve the members in a way that is sustainable, efficient and meets the needs of Members – key, of course, is how to make the Training Section (College) develop healthily and sustainably. This will be a major issue regarding the Union reform.
3. I'd like to suggest that the APPU/UPU Reform WG should continue to work for the next APPU period 2022-2025, particularly if we can retain the Chairmanship of New Zealand and the Consultant (Mr. Mark Lawley).