

REPORT OF THE ASIAN-PACIFIC POSTAL COLLEGE GOVERNING BOARD

1. Introduction

- 1.1 The 49th Asian-Pacific Postal College (APPC) Governing Board Meeting was held on 2 September 2019. It was attended by 9 members, namely Australia, China, India, Japan, Korea, New Zealand, the Philippines, Sri Lanka and Thailand. Pakistan was not present.
- 1.2 In the absence of the Permanent Secretary of the Thai Ministry of Digital Economy and Society, Ms. Ajarin Pattanapanchai, the meeting was chaired by Dr. Kajit Sukhum, Inspector General, the Thai Ministry of Digital Economy and Society. The APPU Bureau was represented by Mr. Lin Hongliang, Secretary of the Governing Board, and Ms. Kwanjai Kajornwuttideth, Manager, Administration and APPU Affairs.
- 1.3 The various agenda items covered, key discussion points raised, and agreed actions are set out in paragraph 2 of this report.

2. Business Discussed

2.1 Agenda Item 1 – Doc 1: Adoption of agenda and business arrangement

This was adopted without comment.

- 2.2 Report on APPC's activities: The meeting took note.

2.2.1 Agenda Item 2.1 – Doc 2, Annex 1 – Staff

Main information

Lecturers

- Mr. Amitabh Singh of India Post completed 4 years of service on 10 December 2018 – replaced by Ms. YU Yan of State Post Bureau of China (commenced 2 January 2019)
- Mr. Anucha Soonglertsongpha of Thailand Post completed service on 17 August 2019 – replaced by Ms. Padmagandha Mishra of India Post (commenced 21 August 2019)

Manager Administration and APPU Affairs

- Ms. Penchan Manawanichkul resigned from her position on 31 January 2019 – replaced by Ms. Kwanjai Kajornwuttideth effective 1 February 2019.

Decision taken

Doc 2, Annex 1 – Staff: noted without comment.

2.2.2 Agenda Item 2.2 – Doc 2, Annex 2, Rev 2 - Course / External Training Programme, workshop and seminar

Main information

In 2018, the Training Section of APPU Bureau:

- conducted 14 courses and 13 special programmes, attended by 231 participants
- conducted 4 External Training Programmes, and 2 special programmes on site in Bangkok, training 106 and 23 participants, respectively
- organised 5 UPU workshops, attended by 168 participants from 72 administrations
- hosted a UNI-Apro-APPC joint seminar on Post and Logistics, attended by 17 participants from 9 postal unions

The meeting noted that there had been a total of 535 people who had been reached by the College in one way or another during 2018. The Chair commented that this might be a useful statistic to record as a year-to-year comparison in future reports.

Decision taken

Doc 2, Annex 2, Rev 2 - Course / External Training Programme, workshop and seminar: noted, with suggestion to show year-to-year total attendance comparison figures in future reports.

2.2.3 Agenda Item 2.3 – Doc 2 Annex 3 - Statement on the use of fellowship grants in 2018

Main information

Details provided on how fellowship grants were used in 2018. Both the Chair and the Secretary expressed warm appreciation to the generous donors and members (Australia, China, Japan, New Zealand, UPU, La Poste France, Deutsche Post, Swiss Post) whose contributions continue to maintain the training activities.

Decision taken

Doc 2 Annex 3 - Statement on the use of fellowship grants in 2018: noted, with warm appreciation expressed for the continued generous support of donors and members.

2.2.4 Agenda Item 2.4 – Doc 2 Annex 4 - Statement on the use of fellowship grants in 2019

Main information

Details provided on how fellowship grants are being used in 2019. Both the Chair and Secretary repeated their appreciation to donors and members (Australia, China, Japan, New Zealand, UPU, La Poste France, Deutsche Post, Swiss Post) for contributions that continue to sustain training activities.

Decision taken

Doc 2 Annex 3 - Statement on the use of fellowship grants in 2018: noted, with warm appreciation reiterated for the continued support of donors and members.

2.2.5 Agenda Item 2.5 – Doc 2, Annex 5, Rev 1 – Seat Allocation

Main information

The Secretary drew attention to the difference between allocation seats (124) and attendance (99 seats), indicating that this is a significant factor in terms of overall financial performance. The Chair observed that it is areas such as self-funded seats where one should focus to gauge the business health of the College i.e., the self-funded seat is a good measure of relevance and value. In this context the variation of -20% between seats allocated versus actual attendance is a crucial statistic.

Decision taken

Doc 2 Annex 5, Rev 1 – Seat Allocation: noted.

2.2.6 Agenda Item 2.6 – Doc 2, Annex 6, Rev 1 - Summary of the activities in 2018

Main information

- In 2018, the College organized 14 courses and 13 special programmes.
- Self-funded seats were well below planned levels i.e.,
 - Seat allocation planning number: 193 weeks
 - Actual attendance: 156 weeks (19.17% lower than target)
- Two special training programmes were organised as follows:
 - Professional Course for Postal Service Probationers for 7 officers from India Post.
 - Workshop on “The Belt and Road Initiative” for 16 officers from SPB, China;
- Highlight was the APPU Postal Business Forum attended by 77 people 15 APPU member countries

Decision taken

Doc 2 Annex 6, Rev 1 – Summary of the activities in 2018: noted

2.2.7 Agenda Item 2.7 – Doc 2, Annex 7, Rev 1 - Consultants Lecturers

Main information

Extensive use made of consultants to supplement/support the two full-time lecturers. In 2018, 34 external consultants used with the UPU supplying 13 of these and Thailand supplying 9.

Decision taken

Doc 2, Annex 7 – Consultants Lecturers: noted, with special appreciation to the UPU and Thailand.

2.3 Agenda Item 3 – Doc 3 - Auditor’s report for the year 2018

Main information

The Secretary introduced the report with the Auditor’s comment that it was a fair representation of the College’s position.

New Zealand sought clarification on how depreciation had been treated in the accounts regarding budget v actual. This question was satisfactorily dealt with by the Manager.

New Zealand then asked for comment regarding foreign exchange protection, this being an item raised in Da Nang without achieving a reply. The Philippines and APP offered comments that broadened the New Zealand question into a discussion that would not be resolved in the meeting. The Chair noted the depth of the matter and requested the Bureau to come up with options to deal with this matter and present to the next meeting for consideration.

Decision taken

Doc 3 - Auditor’s report for the year 2018: noted, with the request for the Bureau to establish a position on foreign exchange that could be operationalised subject to necessary approvals.

2.4 Agenda Item 4 – Doc 4, Rev 1 - Appointment of auditor for 2020

Main information

International organizations in Thailand review auditors every two years - College follows this practice, in principle. Tenders had been called with three local companies responding, including the current auditor (N2S). Prices submitted were:

- N2S - (Baht 40,000 for APPC and Baht 32,000 for APPU)
- IAC Audit Limited (Baht 42,000 for APPC and Baht 32,000 for APPU)
- Kidkeng Co., Ltd (Baht 40,000 for APPC and Baht 30,000 Baht for APPU)

On the basis of price, the Bureau recommended the appointment of Kidkeng Co., Ltd.

Decision taken

Doc 4, Rev 1 - Appointment of auditor for 2020: the Board approved the appointment of Kidkeng Co., Ltd. The appointment is for one year with right of renewal for a further year subject to satisfactory performance and competitive price.

2.5 Agenda Item 5 – Doc 5 - Statement of Income and Expenditure 2019

Main information

The forecast out-turn for 2019 is a loss of 662,938 Baht (approximately US\$21,000). The Board was to note this as the likely end-of-year result. Expenditure was well-managed, it was largely a matter of attracting fee-paying participants to the College.

The Secretary described the business model of the College as fragile – this being based on the high-weighting of funds from voluntary sources (estimated at 67% of income in 2019).

Funds from voluntary sources are essentially beyond the control of the Bureau in terms of forward-guarantees. This leaves the College open to significant exposure in the event of donor downturn. The Secretary indicated that he would make further comment on this area at the conclusion of the agenda.

The Chair noted that the 2019 income and expenditure is part-actual and part-estimated. The meeting was requested to note what the financial position is estimated to be at the end of 2019 i.e., a loss of somewhere in the vicinity of US\$21,000 which would be met from the Reserve Fund. The Chair understood the changing patterns in sources of funds and agreed that it was a difficult business to manage in terms of certainty of funding.

The Chair continued that the bigger issue is longer-term sustainability of the College. That needs to be a matter for elsewhere in the agenda.

Decision taken

Doc 5 - Statement of Income and Expenditure 2019: noted, with the issue of overall viability of the College remaining open for discussion.

2.6 Agenda Item 6 – Doc 6 - 50th Anniversary of Asian-Pacific Postal College

Main information

College was established on 10 September 1970 with assistance from UPU, UNDP and the Government of Thailand. In 2020, the plan is to celebrate the event with a range of materials and activities as described in meeting documentation. The key question is funding for the Anniversary. Two options were considered viz.,

- Depending on the amount of the final agreed budget, levying up to US\$5,000 per GB member as an additional contribution for 2020; or
- Authorising use of reserve funds (balance at 31 December 2018 was US\$778,913)

The Secretary proposed the use of reserve funds on the basis that it was a very appropriate use of this source e.g., the reserve funds are the result of savings made over most of the life of the College, a 50th Anniversary is something that has been “years in the making” and the financial burden should not be attributed to a single budget cycle.

The Chair supported the position set out by the Secretary, commenting that 50 years was a significant achievement, one that could not be allowed to pass without due celebration. Indeed, the Chair emphasised to the meeting that the event should not be underestimated in terms of achievement. He offered advice regarding the key expenditure item (the production of a video) i.e., a short version with content not associated with any particular identity or feature and which could be used for generic profiling / promotional purposes well into the future. The Chair was in favour of using the reserve funds. Further, the Chair in reference to Agenda Item 9.1 (Cash position of the Union), requested the Bureau to commence work on drafting rules for the management of reserve funds for the GB’s consideration.

Decisions taken

Doc 6 - 50th Anniversary of Asian-Pacific Postal College.

- (i) The 50th Anniversary of the College would be appropriately recognised through celebrations that generally followed the material and budget outlined to the meeting.
- (ii) Funding from the reserve fund was approved by the Board.
- (iii) The Bureau should, as a semi-related activity, commence drafting rules for the use of reserve funds (noting that this aligned with GB 2019 Doc 9.1 Rev 1, and cross-referenced with EC 2019 Doc 5.2 Rev 1).

2.7 Agenda Item 7 – Doc 7 - Business plan of APPC (2020-2022)

Main information

The Secretary indicated that the main focus of the Bureau is the current year and 2020. This creates a context where the Business Plan is simply noted by the Board. The Chair concurred.

Decision taken

Doc 7 - Business plan of APPC (2020-2022): noted.

2.8 2020 Plan and Budget

2.8.1 Agenda Item 8.1 – Doc 8.1, Annex 1 - Organisation of courses for 2020

2.8.2 Agenda Item 8.2 – Doc 8.2, Annex 2 – Seat allocation for 2020

Main information

On the suggestion of the Secretary, the Chair opted to take these two items together.

The plan is to have 16 courses and eight special programmes in 2020. Seat allocation is at a very early due to only a few members having provided their Training Needs Analysis. In this situation, it was too soon to be able to provide substantive comment on either agenda item.

Decision taken

Doc 8.1, Annex 1 - Organisation of courses for 2020 and Doc 8.2, Annex 2 Seat allocation for 2020: noted.

2.8.3 Agenda Item 8.3 – Doc 8.3, Annex 3, Rev 2 – Budget projection for 2020

Main information

Based on current (known) training needs and estimated available funds, the 2020 budget projection is a loss of 1,441,875 Baht (approximately US\$45,800).

The Chair sought comment from the Secretary regarding the possibility of the out-turn for 2020 being less than the US\$45,800. The Secretary responded that it was simply too early to say.

The Chair engaged with the Board on a theme of responsibility of ownership and the need to dwell on the realities – present and future – of the business situation of the College.

The Secretary explained to the meeting his three key reflections took the meeting to an understanding of three key reflections regarding the situation of the College.

- Appreciation for the continuing generosity of donors for their contributions to the College
- Managing the College is a very difficult task primarily because of the ongoing uncertainty of whether there will be enough income to cover costs. The business model is a fragile one and the ability to plan for a positive future is very limited. The marketplace is competitive, training is a specialist field, the College does its best with limited resources, but a significant concern is whether different skills are needed to take the business forward.
- There is a need to have a conversation of a strategic nature regarding the current situation of the College and where it wants to be in the future. That might raise an immediate question – “where, in fact, do we want to be in the future?” There is no problem if the answer is not known - a process of establishing key data and information will lead to such an answer.

The Chair acknowledged the pragmatic approach of the Secretary and requested the Bureau to commence preparation for a meeting of key parties to take a strategic view of the College and how a sustainable future might be created.

Decision taken

Doc 8.3, Annex 3 – Budget projection for 2020: noted, with the request for the Bureau to commence preparation for a meeting of key parties to take a strategic view of the College and how a sustainable future might be created.

2.9 Agenda Item 9.1 – Doc 9.1 Rev 1 - APPU Executive Council consideration of cash position of Union

Main information

This was an information paper setting out details of a review of the cash position of the Union whereby the EC, in conjunction with the Governing Board, would examine rules and options for using the substantial reserve funds held by the Union.

Decision taken

Doc 9.1 Rev 1 - APPU Executive Council consideration of cash position of Union: noted, with cross-reference to GB 2019 Doc 6 on the request to the Bureau to draft similar material.

2.10 Agenda Item 10 – Any other business

No items raised.

3. Conclusion of meeting

The Chair closed the meeting with remarks that addressed the need to work hard for the College, to reflect on its proud history and ensure that it has a sustainable future for the good of the members, their staff and their customers.