

Quick facts

- The Tongan construction sector is growing an average 4 per cent per annum in Tonga and contributing 8.6 per cent to the nation's Gross Domestic Product (GDP) as of 2011-2012⁵.
- Tonga's economic growth is expected to improve, recording real growth above 2 per cent in the 2014 financial year. The expected improvement is driven by an anticipated turnaround in the construction and finance industries, and ongoing growth in the agriculture and distribution industries⁶.
- Tongan family-owned construction company Oregon Pacific International began in 1988 with less than 10 employees and now has more than 100.
- Hehea Tukuafu became managing director of Oregon in 2010 after completing her Masters of Business Administration (MBA). Hehea developed and implemented the company's vision, objectives and marketing strategy, which led to the completion of four successful projects.
- Three Tongan Oregon employees - Kapiolani Kaufusi, Taufa Kaufusi and Samiu Vaipulu - graduated from the APTC Certificate III in Carpentry course in 2013 (APTC Fiji campus).
- Since the three Oregon employees graduated from the APTC Certificate III in Carpentry course, Oregon has secured its largest ever contract with a key client worth TOP\$6.5 million (Tonga Pa'anga), which is over AU\$3.8 million.
- All three APTC graduates are now approved site supervisors, with Kapiolani Kaufusi overseeing larger projects, and are mentoring and training other employees on the job.
- Currently unemployment in Tonga is at 13 per cent and a quarter of the population lives in poverty⁷.



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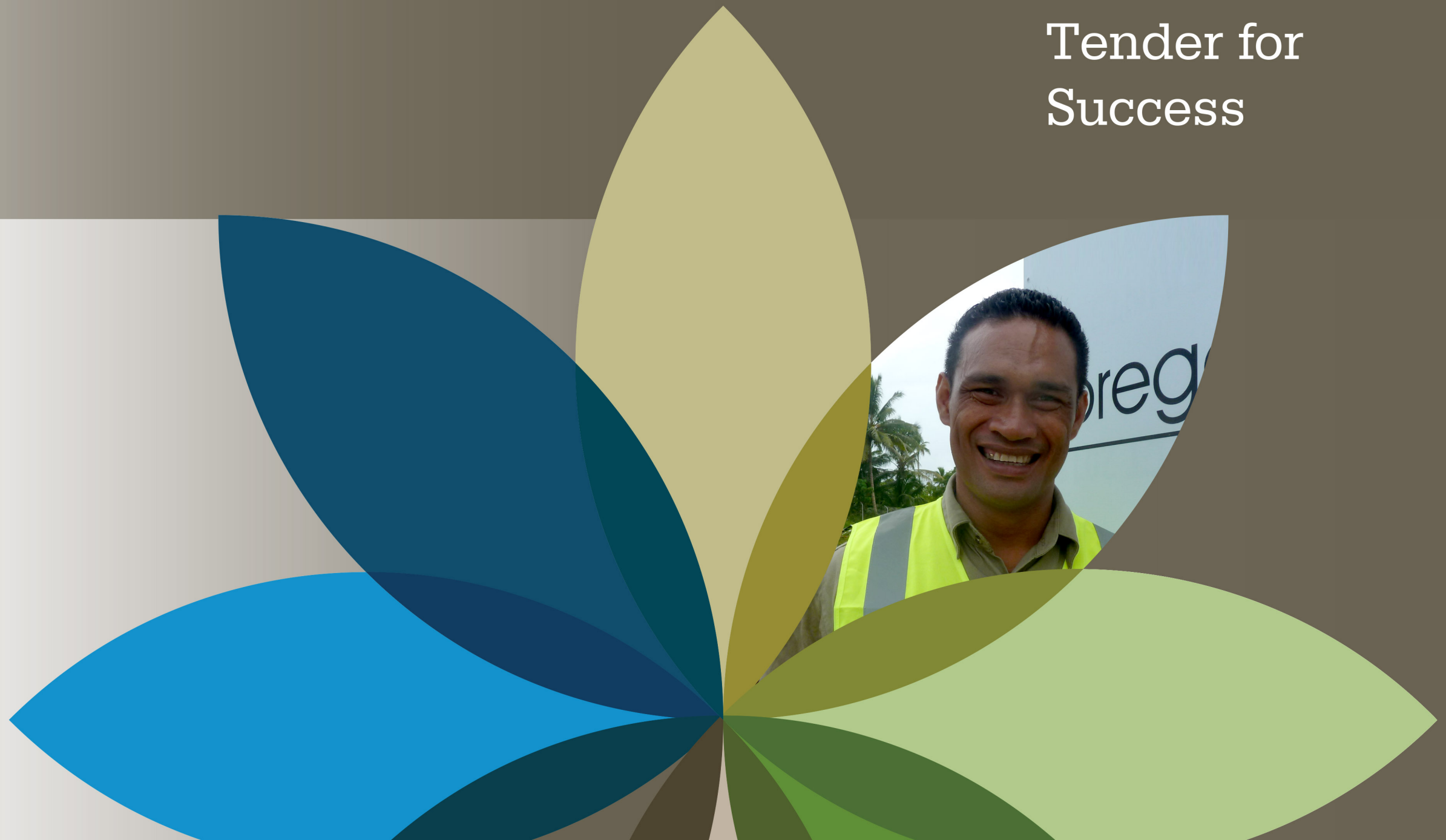
Tender for Success



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Building local capability and capacity

A family-owned and operated construction company in Tonga is now competing with international companies for large projects as a result of vocational training for its employees.



Oregon employees working on a construction site



Site supervisor Lani with fellow APTC graduate and employee of Oregon

Construction is a key industry in Tonga¹, but many of the major projects in the region are awarded to overseas companies because most local businesses are unable to comply with international safety and quality standards.

However, this situation is set to change with three employees of Tongan construction company Oregon Pacific International having completed training at Australia-Pacific Technical College (APTC).

Kapiolani Kaufusi, Taufa Kaufusi and Samiu Vaipulu - all from Tonga - graduated in 2013 from the APTC Certificate III in Carpentry course. They attended this training at the APTC campus in Fiji.

The employees' APTC qualification will enable Oregon to comply with international standards of workplace safety and provide site supervision.

This places the company in a more competitive position to tender for multimillion dollar projects which were previously only awarded to international companies operating in Tonga.

"We encourage our employees to further their education to help us be more competitive in our tenders and to enable us to maintain and build quality buildings for the people of Tonga," says Hehea Tukuafu, Managing Director of Oregon.

Two more Oregon employees are attending training at APTC in 2014 and the company plans to send two employees each year thereafter.

Since the three employees graduated from APTC, Oregon has secured its largest ever contract worth TOP\$6.5 million Tonga Pa'anga (over AU\$3.8 million), which is TOP\$2 million more than the company's previous largest contract. The project is due to commence in 2014.

"These employees have been a great asset to our company," says Hehea. "I believe clients are now more confident with our company and a major factor in this is the fact that these employees have upgraded their skills and knowledge at a recognised international level."

It is also anticipated that there will be other tender opportunities with construction in Tonga growing an average 4 per cent per annum, contributing 8.6 per cent to the nation's Gross Domestic Product (GDP) in 2011-2012².

This growth can be attributed to a number of projects, including the recently completed Vuna Wharf³ and the final stages of the business district reconstruction in Tonga's capital Nuku'alofa, following the 2006 riots.

Oregon began in 1988 with less than 10 employees and now has more than 100, following a sharp increase in growth in 2010 when Hehea came to the helm as managing director. She developed and implemented the company's vision, objectives and marketing strategy, which lead to the completion of four successful projects valued at TOP\$5 million (over AU\$2.8 million). Now, with more qualified employees it is hoped that this expansion will continue.

Hehea believes that not only has "APTC brought a new era to our family business", it has also "built enthusiasm, confidence, leadership, skills and knowledge, and most importantly, has empowered our business by adding value to our tenders".

With this increased capacity, Hehea also hopes that Oregon can expand and bid for projects beyond Tonga.

"APTC is helping our company achieve our vision; in another five years I believe we will be ready to bid for projects in other Pacific islands," says Hehea.

All three APTC graduates are now approved site supervisors, with Kapiolani Kaufusi (better known as Lani) overseeing larger projects. They are also mentoring and training other employees on the job, which benefits both the company and Tonga's future workforce.

This sharing of knowledge and skills by the APTC graduates is important if the economic situation in Tonga is to improve. Currently, unemployment in Tonga is at 13 per cent and a quarter of the population lives in poverty⁴.

Lani believes that APTC training is a great way to improve job skills, compliance with international standards of occupational health and safety, and on-time delivery of quality construction projects.

"Now we can fix things we couldn't before, and make sure we finish the job on time and to a high quality and that helps us to get recommended for more new business and this also helps the family business move forward," explains Lani.

¹ Tonga's economic growth is expected to improve, recording real growth above 2 per cent in the 2014 financial year. The expected improvement is driven by an anticipated turnaround in the construction and finance industries, and ongoing growth in the agriculture and distribution industries. National Reserve Bank of Tonga (NRBT) Monetary Policy Statement, September 2013

² National Reserve Bank of Tonga (NRBT) Monetary Policy Statement, September 2013

³ HM King Tupou VI opened the new Vuna Wharf, reconstructed with a \$32 million Tonga Pa'anga loan from China, in time to welcome its first cruise ship, the Ocean Princess on 11 December 2012

⁴ Source: Tonga Economy Profile 2013, CIA 'World Factbook', www.indexmundi.com/tonga/economy_profile.html

Education is the key to growth

Oregon Pacific International Managing Director, Hehea Tukuafu is committed to encouraging Oregon employees to further their education, just as her father did for her when she was growing up.

"Since he [my father] never had the opportunity to get a degree in university, his motivation to work was to provide the necessities of life for our family and be able to educate us to the highest degree we aimed for," Hehea says.

"This has given us the opportunity to grow and apply the knowledge we have gained to run his company."

Hehea applies the same principle to her employees today and believes that training and educating employees is the key to helping the business expand and improve.

"Since our company is a family business we treat all our employees as our family," she says. "[Which is why] I look for opportunities for our employees to be educated."

Hehea became managing director in 2010 after completing a Masters of Business Administration (MBA) and believes that this qualification has not only enabled her to build the company, but has also helped her survive in a male-dominated industry.

After hearing about APTC, she applied for scholarships for three Oregon staff to attend the Certificate III in Carpentry, which they were successful in receiving and completed their studies in 2013.

"They [APTC graduates] have returned with knowledge and have brought a positive impact with them," says Hehea. "Their APTC training has built enthusiasm, confidence, leadership, skills and knowledge, and most importantly, has empowered our business by adding value to our tenders," she says.

Hehea is committed to providing more Oregon employees with vocational training in the future, with two employees attending APTC in 2014 and plans to send two more each year thereafter.

Hehea is also supportive of Kapiolani Kaufusi - Oregon employee and recent APTC Certificate III in Carpentry graduate - who now wants to go further and attain a Certificate IV in Carpentry.

"We are striving to enhance and upgrade skills of our key employees we want to help them reach their full potential," Hehea says.

⁵ National Reserve Bank of Tonga (NRBT) Monetary Policy Statement, September 2013

⁶ Tonga's economic growth is expected to improve, recording real growth above 2 per cent in the 2014 financial year. The expected improvement is driven by an anticipated turnaround in the construction and finance industries, and ongoing growth in the agriculture and distribution industries. National Reserve Bank of Tonga (NRBT) Monetary Policy Statement, September 2013.

⁷ Source: Tonga Economy Profile 2013, CIA 'World Factbook', www.indexmundi.com/tonga/economy_profile.html

Generating local business and jobs

Although Tongan construction company Oregon Pacific International has been operating in the local residential and commercial construction markets for over 25 years with clients including the Tongan Government and other foreign aid-funded projects, it has had limited success with larger tenders, which are typically won by large international construction franchises and companies.

As a result of sending three employees to APTC to complete the Certificate III in Carpentry, Oregon has seen itself move into a position to compete for major local infrastructure tenders.

These APTC graduates now have an international qualification and provide the company with the capability to comply with the international safety standards that are required for major projects.

According to Oregon Managing Director, Hehea Tukuafu, this has improved the capacity for Oregon to be more competitive in the growing construction industry in Tonga and paved the way for expansion.

"After 26 years in operation, the company now has the capacity to tender for multimillion dollar projects," says Hehea.

Recently, the company won its largest ever tender for projects worth TOP\$6.5 million Tonga Pa'anga dollars (over AU\$3.8 million), for the Church of Jesus Christ of the Latter Day Saints. It won these projects over other companies including larger more established ones from New Zealand.

Oregon is also committed to upgrading the knowledge and skills of its employees and to using this improved expertise to help other Tongan businesses.

"We have mentored and consulted other small businesses [in the areas of] cost analysis and management, strategic positioning, financial planning, resource allocation for maximum production, project bid proposals and tax consultancy," says Hehea.