

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



Tonga Country Report

Andrea Bateman
Justin Brown
Meleoni Uera

April 2014



Australian Government
Department of Foreign Affairs and Trade

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Education and Training (TVET) in the Pacific**

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LIST OF ACRONYMS

ACER	Australian Council for Educational Research
ADB	Asian Development Bank
AMP	Annual Management Plan
APTC	Australia-Pacific Technical College
AusAID	Australian Agency for International Development*
CBA	Competency based assessment
CBT	Competency based training
CEDEFOP	European Centre for the Development of Vocational Training
EFTS	Equivalent Full-Time Student
DFAT	Department of Foreign Affairs and Trade (Australia)
FWC	Free Wesleyan Church
GDP	Gross Domestic Product
GoT	Government of Tonga
IFAD	International Fund for Agriculture Development
ISCO	International Standard Classification of Occupations
JICA	Japanese International Cooperation Agency
MCTL	Ministry of Commerce, Tourism and Labour
MDAs	Ministries, departments and agencies
MET	Ministry of Education and Training
MEWAC	Ministry of Education, Women's Affairs and Culture
MOE	Ministry of Education
MoFNP	Ministry of Finance and National Planning
MoTEYS	Ministry of Training, Employment, Youth and Sports
n.a.	Not applicable
NCVS	National Centre for Vocational Studies (former government provider; part of TIST and includes School of Agriculture and School of Tourism and Hospitality)
NGO	Non-government organisation
n.p.	Not provided
NSPF	National Strategic Planning Framework
NZAID	New Zealand Agency for International Development
NZAP	New Zealand Aid Programme
ODA	Official Development Assistance
PICs	Pacific Island Countries
PFM	Public Financial Management
PQF	Pacific Qualifications Framework
PSC	Public Service Commission
SPBEA	South Pacific Board for Educational Assessment
T\$	Symbol for the Tongan Pa'anga (TOP), the currency used in Tonga
TATVET	Tonga Association of TVET

TBEC	Tonga Business Enterprise Centre
TIHE	Tonga Institute of Higher Education
TIOE	Tonga Institute of Education
TIST	Tonga Institute of Science and Technology
TMPI	Tonga Maritime Polytechnic Institute
TNQAB	Tonga National Qualifications and Accreditation Board
TOP	Tongan Pa'anga, the currency used in Tonga. The symbol is T\$
TQF	Tonga Qualifications Framework
TSP1	TVET Support Program Phase 1
TTI	Tupou Tertiary Institute
TVET	Technical and Vocational Education and Training
USP	University of the South Pacific

*AusAID was integrated into DFAT in October 2013. Citations of AusAID documents or programs in this report refer to the authorship or structure before that time.

PREFACE

The project *Research into the Financing of Technical and Vocational Education and Training (TVET) in the Pacific* was managed by the Australian Council for Educational Research (ACER) and Scope Global on behalf of the Australian Government. The project was undertaken between 2012 and 2014 under contract to the Australian Government, initially through AusAID and then the Department of Foreign Affairs and Trade (DFAT).

The study was conducted in seven Pacific countries: Fiji; Kiribati; Papua New Guinea; Samoa; Solomon Islands; Tonga; and Vanuatu. The aims of the research were to produce, in conjunction with host country governments and TVET stakeholders, comprehensive analyses of the systems for financing TVET and discussions of policies through which the financing of TVET could be made more efficient and effective. This volume is one of the seven country reports produced by the study.

I am very appreciative of the assistance provided by Leo Maglen as Research Coordinator, Jim Jones as Operations Manager, and Justin Brown who worked across all seven studies. I am also very appreciative of all the work done by the members of the seven country teams:

Fiji: Leo Maglen (Lead Researcher), Mark Weston Wall (Researcher), Manaini Rokovunisei (National Consultant), Daniel Lafu Taufaga (In-Country Manager)

Kiribati: Prabir Majumdar (Lead Researcher), Teweiariki Teaero (Researcher), Linda Uan (In-Country Manager)

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Vanuatu: Ray Powell (Lead Researcher), Julie Kos (Researcher), Henry Vira (National Consultant), Kathryn Nako (Consultant), Lou Cochrane (In-Country Manager)

The project benefited greatly from the engagement and input from the seven participating national governments, the National Reference Groups established in each country, the relevant DFAT country posts, TVET authorities and providers, NGOs, employers, regional organisations and a range of other TVET stakeholders. Without their contributions and willingness to work with the research teams, the project would not have been possible.

I would also like to gratefully acknowledge the assistance provided by the Research Steering Committee chaired by Kaye Schofield, the reviewers of draft reports, and the DFAT managers of the project.

The analyses, opinions and conclusions herein do not represent the views of DFAT, national governments, or any other organisation or individual, unless stated otherwise.

Phillip McKenzie
Project Director
ACER

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The team members wish to express our sincere thanks to all stakeholders we visited and worked with during our time in Tonga for their valuable contributions to this report. A list of all the people we consulted is provided in Annex 3.

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The team also wishes to thank the National Reference Group for their support and contribution to the study. A list of the members is provided in Annex 4.

Thanks also go to David Wyler and his team from Scope Global (formerly Austraining International) in Tonga for all their assistance during and following the fieldwork.

Finally, the team acknowledges the time, resources and hospitality afforded us by staff at each of the providers we visited during our time in Tonga. We are grateful for your openness and generosity.

The views expressed in the report are ours, as is responsibility for any errors and omissions.

Andrea Bateman
Justin Brown
Meleoni Uera

EXECUTIVE SUMMARY

This report provides a detailed analysis of the financing of Technical and Vocational Education and Training (TVET) in Tonga.

The report forms part of the study *Research into the Financing of TVET in the Pacific* initiated through Australia's aid program in 2012. The study aims to produce, in conjunction with host country governments and TVET stakeholders, a comprehensive empirical analysis of the existing systems for financing TVET in seven Pacific countries (Fiji, Kiribati, Papua New Guinea, Samoa, Solomon Islands, Tonga and Vanuatu), identify key financing issues within the region, and identify directions through which future financing for TVET could be made more efficient and effective at both national and regional levels.

The main fieldwork for Tonga was conducted in late 2012 and included extensive first-hand collection of data from TVET providers and consultations with stakeholders. The work was guided and supported by a National Reference Group.

The broad definition of TVET provided in the *Research Brief* for the purpose of the study was as follows:

Post-secondary education and training programs designed to develop vocational skills. Degree and higher level programs, and subjects delivered as part of general education by secondary schools, are not included in this definition.

The Tongan institutions identified as providing structured TVET programs were classified according to whether they are public (such as TIST, the Tonga Institute of Science and Technology; and TIHE, the Tonga Institute of Higher Education), mission or church (as as FWC, the Free Wesleyan Church and the Catholic Church), private or regional TVET providers (such as USP, the University of the South Pacific), other Government of Tonga (GoT) line Ministries and agencies that offer TVET-type programs, and employers in the state-owned enterprise and private sectors.

The scope of the research also included quality assurance activities such as through the Tonga National Qualifications and Accreditation Board (TNQAB), and donor-supported programs such as TVET Sector Support Program Phase 1 (TSP1) funded by Australia and New Zealand.

The data collections and consultations focused on these types of TVET providers, organisations and programs.

KEY FINDINGS

Revenue sources

The level of funding to TVET providers, the TNQAB and the major donor-supported program TSP1 in 2011/12 was estimated to be T\$8.95 million. Excluding the budget estimate for TSP1, a total of T\$5.21m flowed into the formal TVET system.

As a share of total TVET funds in the formal sector (i.e. excluding TSP1), TIST comprised 31.1 per cent, TIHE 6.5 per cent, the Free Wesleyan Church (FWC) system 36.9 per cent, and the Catholic system comprised 12.7 per cent. The qualifications authority, TNQAB, comprised 10.2 per cent of TVET funding in 2011/12 as measured in this study.

There is no common revenue structure across the three TVET systems. Government providers are predominantly funded through the government grant, the FWC providers receive significant funds from the TVET grants and student fees, and the Catholic providers obtain revenues from a diverse range of sources.

Expenditure patterns and trends

In terms of expenditure, T\$2.97m was disbursed in 2011/12. Of all recurrent funds, 62.6 per cent, or T\$1.86m was allocated to staffing and personnel costs with significant variation in this share across each of the TVET systems. Expenditure on staffing was proportionately much lower in the Church providers in reflection of the relatively low salaries in those sectors.

A large proportion of expenditure is allocated to staffing personnel in the government system, with 77 per cent at TIST and 88.2 per cent at TIHE. The proportions of expenditure in the church systems are lower, with 46.4 per cent in the Catholic system and 45.7 per cent in the Free Wesleyan Church system. This reflects two of the key differences between the three systems: the lower pay scales and overall remuneration levels in the church systems; and the greater proportion of overall expenditure allocated to personnel in the government system.

All government and mission providers rely strongly on donors for new buildings, equipment and other needs to maintain suitable training facilities for TVET programs.

The budget allocations for TVET equate to a relatively small proportion of total government expenditure. The proportion of public funding for TVET as a share of the Government of Tonga total budget ranges between 1.5 and 2.2 per cent if the TSP1 program is included. Without TSP1 this proportion range is between 0.5 and 0.6 per cent of the total government budget. At the Ministry level, funding for TVET (excluding TSP1) accounts for approximately 2.5 to 4.0 per cent of the relevant Ministry budgets.

Financial mechanisms

The formation of the Ministry of Education and Training (MET) in 2012 brought the public providers of TVET into a single budgeting and reporting framework. As such, all budgeting requests must go through the CEO for the Ministry of Education and Training for approval.

All government and mission providers rely strongly on donors for new buildings, equipment and other needs to maintain suitable training facilities for TVET programs. Development budget appropriations are the responsibility of the Aid Management Division of the Ministry of Finance and National Planning.

There is a large amount of financial management and flow activity occurring within the TVET sector in Tonga. The transaction costs of handling relatively small amounts of funds look quite high, and there are concerns that this reduces the amount of funding available for TVET delivery.

In the FWC system the training provider is responsible for staff wages and operational costs. Other sources of funding for FWC providers include fundraising activities, commercial activities, and alumni donations. This type of revenue is only recorded at the training provider level and a percentage is forwarded to the Diocese.

In the Catholic Church system, the Diocese funds staff wages and operational costs. However, students' fees are paid to the Diocese and are not part of provider revenue. Local sources of funding for Catholic Church providers, such as sales of goods and services from student activities, are only recorded at the training provider level and a percentage is forwarded to the Diocese.

Costs of TVET delivery

There are marked differences in unit costs among and within TVET providers. In terms of costs per enrolled student, the costs vary by a factor of 10 from the highest cost provider to the lowest. The differentials are narrower in regard to the cost per training hour (the highest

cost provider is about five times more costly than the lowest cost provider) and the cost per student training hour (about seven times higher) but they are still very substantial.

Unlike in some other Pacific Island countries, there does not appear to be systemic variation in costs between public providers and church-run providers in Tonga. This most likely reflects the fact that church-run providers are so central to TVET provision and funding in Tonga, and provide education in fields such as agriculture and construction where average costs per student training hour are relatively high.

In a number of institutions the costs per graduate are particularly high. This reflects the fact that course completion rates are quite low in a number of providers and fields of training.

ISSUES AND FUTURE DIRECTIONS

The following issues were identified through the research:

- funding levels are insufficient to sustain a quality TVET system;
- underdeveloped strategic approach to TVET;
- funding levels are not linked to input costs or learner outcomes;
- financial system barriers inhibit flexibility and autonomy;
- limited capacity for growth in TVET provision;
- cost of quality assurance;
- limited professionalisation of the teaching workforce;
- the role of industry in Tongan TVET is not clearly defined; and
- the paucity of collated financial information on the TVET system.

At the same time, it is clear that there are a number of strengths in the TVET sector, including:

- emerging recognition of quality assurance mechanisms and its role in the provision of quality TVET;
- emerging recognition of the role industry plays in a demand driven TVET system;
- varied responsibility for system TVET provision; including three distinct systems (government, Catholic and FWC), plus a number of private providers and NGOs;
- a TVET system which is supported through considerable amounts of non-government revenue; and
- a provider peak body, the Tonga Association for TVET, which provides opportunities for sharing of ideas and information, and disseminating good practice.

In terms of future directions, opportunities for supporting and financing quality TVET provision include the following.

- a) In the redesign of the TVET sector consideration could be given to:
 - increasing levels of provider autonomy which is linked to outputs-based performance incentives;
 - formalising strategic engagement with industry and employers;
 - strengthening a culture of monitoring and evaluation which embeds outputs measures into budget and planning processes; and
 - focusing on strengthening and supporting: the implementation of quality assurance strategies at both the system level and provider level; ongoing curriculum development; and the professional development of the TVET workforce.

- Coupled with the further redevelopment of the TVET sector consideration could be given to recognising TVET separately from higher education within strategic development and policy frameworks. This would enable TVET to be considered as a distinct and identifiable sector in the Tongan education system, provide a focus for GoT and development partners, and encourage the provision of more detailed and disaggregated data on TVET in Tonga.
- b) Consideration could be given to some rationalisation of public government TVET provision to help free up resources for investments to improve quality and access.
- c) The MET, in conjunction the Tonga Institute of Education, could consider developing a program specifically for the training of TVET teachers, including in competency based training and assessment.

Additional possibilities worth consideration include:

- increasing individual TVET scholarships to source offshore training for targeted labour market needs, and continue to couple this scholarship program with an agreement that the knowledge and skills gained are bought back to Tonga for a specified period of time;
- funding offshore programs to develop the knowledge and skills of TVET trainers to further enhance the competency based nature of TVET training provided in Tonga, as well as to develop the vocational skills of the trainers;
- funding onshore quality training from Tongan TVET providers for targeted labour market needs. The funding model should be coupled with strong quality assurance and performance requirements to ensure that student attrition rates are minimised and quality outcomes are achieved; and
- investigating the feasibility of a broader range of regional TVET providers establishing programs in Tonga.

PART I: INTRODUCTION

CHAPTER 1. PURPOSES OF THE STUDY

1.1 INTRODUCTION

This report provides a detailed analysis of the financing of Technical and Vocational Education and Training (TVET) in the Kingdom of Tonga.

This report forms part of the study *Research into the Financing of TVET in the Pacific* initiated by the Australian Agency for International Development (AusAID). In April 2012 AusAID and later DFAT contracted the Australian Council for Educational Research (ACER) to conduct the study. ACER led a consortium including Scope Global (which was responsible for logistics, in-country support and employment of national consultants) and specialist research consultants.

The study was conducted in seven Pacific countries: Fiji; Kiribati; Papua New Guinea; Samoa; Solomon Islands; Tonga; and Vanuatu. The aims of the research were to produce, in conjunction with host country governments and TVET stakeholders, comprehensive analyses of the systems for financing TVET and discussions of policies through which the financing of TVET could be made more efficient and effective. This volume is one of the seven country reports produced by the study.

The research was guided by the following over-arching questions:

- 1) What are the current sources of post-secondary TVET finance? Will they sustain a quality TVET system? Why / Why not?
- 2) How efficient and effective is the current use of TVET funding? How could it be improved?

The overall study was conducted in two stages. The timing of the fieldwork in participating countries is outlined in Table 1.1. Tonga was the second country where the fieldwork was initiated (in September 2012).

Table 1.1 Countries participating in the study

Stage One (fieldwork in 2012)	Stage Two (fieldwork in 2013)
Samoa	Fiji
Tonga	Kiribati
Vanuatu	Solomon Islands
Papua New Guinea (Phase 1)	Papua New Guinea (Phase 2)

The individual country studies were based on a common conceptual framework and research approach intended to facilitate synthesis and comparative analysis. This report provides the Tonga country study.

1.2 RESEARCH OBJECTIVES

Developing vocational and technical skills and enhancing employability are strategic objectives in the Pacific Islands Forum's *Pacific Plan for Strengthening Regional Cooperation and Integration* (2007), Australia's *Port Moresby Declaration* (2008) and the Forum Education Ministers' *Pacific Education Development Framework* (2009).

Background research for the *Research Brief* developed by AusAID (2011) concluded that, to help achieve skills development and employability objectives, national governments, donors and other TVET stakeholders need a comprehensive understanding of public and private investment in TVET, taking into account the sources of funding, costs of services, size and patterns of expenditure, financing mechanisms, and outcomes delivered. Nevertheless, the research concluded there is a dearth of up-to-date information about these aspects of skill development in the Pacific.

The research is intended to help fill this gap by:

- a) identifying the current public and private sources of capital and recurrent funding for TVET and the relevant expenditure from each source;
- b) identifying where expenditure is directed – taking account of the participation of females and males – and through what distribution mechanisms;
- c) identifying the TVET outcomes provided for the funds allocated, including a comparison of the costs of TVET training between different types of providers, fields and level of training, duration, mode of delivery and geographic location; and
- d) assessing the strengths and weaknesses in different contexts of different financing mechanisms being used and identifying directions for financing mechanisms that are more likely to ensure financially sustainable TVET systems.

The broad definition of TVET provided in the *Research Brief* for the purpose of the research was as follows:

Post-secondary education and training programs designed to develop vocational skills. Degree and higher level programs, and subjects delivered as part of general education by secondary schools, are not included in this definition.

Chapter 2 details how this definition was applied in the Tongan context to determine the scope of TVET to be included in the Tongan study.

1.3 RESEARCH QUESTIONS

The *Research Brief* asked the study to address at a minimum the following questions:

Sources of funding

- What are the current public and private sources of capital and recurrent funding for TVET?
- What is the relative contribution from each source in terms of the overall funding of TVET?
- What is the level of reliance on donor funding?
- What is the level of reliance on foreign private funding, and are there strategies in place to limit risks if there is a danger of funding being removed at short notice as investment decisions change?
- What non-financial inputs are provided for TVET, from what sources, and what is their estimated value?

Expenditure

- What is the overall level of public and private expenditure on TVET?
- What is the total government expenditure on TVET as a proportion of total government expenditure and what is the relative contribution of national and provincial governments?
- What is TVET's share of the education sector budget?

- To what extent is there a gap between budget allocation to TVET and expenditure?
- Where is expenditure directed, and through what allocative mechanisms?
- What proportion of expenditure on TVET could be defined as quality related expenditures?

Cost of TVET Services

- What is the most useful unit of analysis for assessing the costs of TVET services?
- What are the TVET services provided for the recurrent funds expended, and can they be quantified?
- What are the comparative costs of TVET between different types of providers?
- What proportions of total costs are costs of wages and salaries, materials/consumables, and infrastructure?
- What is the cost of capital?
- What areas offer the greatest potential for improved cost efficiency?

Financing Mechanisms

- What funding mechanisms are currently being used to finance or co-finance TVET?
- How efficient and effective are these different mechanisms? To what extent are they responsive to demand from industry, communities and individuals? To what extent are they being used to promote inclusion of groups at risk of labour market and social exclusion?
- How successful are these mechanisms in providing the country with a predictable and sustainable source of financing for skills development?
- What policy measures are in place to improve diversification and sustainability in funding mechanisms?
- Is the existing funding model sustainable if access to TVET is to be expanded?
- What changes would ensure more financially sustainable and demand-based national TVET systems?

This report addresses these questions for Tonga to the extent possible with the time and resources available.

1.4 STRUCTURE OF THE REPORT

The report is structured in five main parts. Chapter 2 completes Part I by providing a detailed description of the research approach used in Tonga, including the data collection instruments that were developed. Part II (Country Background) contains Chapters 3–7 that outline the broad national context of Tonga.

In Part III (TVET in Context) Chapters 8–11 provide a detailed description of TVET institutions and activities in Tonga, and discuss access to educational opportunities, the contribution of TVET to economic developments, and developments and issues concerning TVET quality.

Part IV (The Financing of TVET) presents the main findings and analyses from the study. TVET funding and expenditure patterns and trends are presented and analysed in Chapters 12 and 14. The financial mechanisms that channel resources into and throughout the TVET sector are identified and analysed in Chapter 13. Chapter 15 details the study team's pilot survey on enterprise training and its funding, and in Chapter 16 unit costs of TVET delivery are estimated, and their use in evaluating the efficiency of TVET delivery is assessed.

In Part V (Issues and Options) the overall conclusions of the study are summarised, key issues identified, and directions developed for consideration by the Government of Tonga, other TVET stakeholders, and development partners.

CHAPTER 2. RESEARCH APPROACH

The research brief for this study of the financing of TVET in the Pacific includes the systematic gathering and analysis of information under four broad headings:

- sources of funding for TVET;
- expenditure patterns and trends in TVET;
- financial mechanisms for channeling funds to and facilitating expenditure on TVET; and
- costs of TVET delivery.

The approach taken in Tonga is based on the general framework developed to guide the overall study.

2.1 DEFINING TVET IN TONGA

The first task was to determine the scope of TVET in Tonga. The broad definition provided in the research brief for the overall study is:

‘Post-secondary education and training programs designed to develop vocational skills. Degree and higher level programs, and subjects delivered as part of general education by secondary schools, are not included in this definition.’¹

In refining this definition for the purposes of the Tonga study, a matrix has been developed that identifies TVET programs by (a) the skill categories and levels they seek to develop and (b) by the institutions that offer them (see Table 2.1). The matrix is based on the general framework developed by the research team to guide the overall study. Skill categories and levels are identified according to the qualification levels they are pitched at, and the occupations to which they are directed. The levels are based on the Tonga Qualifications Framework (TQF), and occupations are classified according to the International Standard Classification of Occupations, (ISCO) 2008 version.

Institutions identified as providing structured TVET programs are classified according to whether they are public, mission, private or regional TVET providers based in the country, other government ministries and agencies that offer TVET-type programs, and employers in the state-owned enterprise (SOE) and private sectors. The matrix is shown in Table 2.1. The scope of the TVET sector in Tonga as used in this study is depicted in green. The table lists the names of the individual providers (e.g. TIST) or groups of providers (such as the Free Wesleyan centres) concerned. Organisations that provide training at those levels but which are defined as out of scope for the study, such as specialist centres for training police or defence personnel, are not listed in the table.

¹ See Annex 1.

Table 2.1 A skills/employment/training matrix for Tonga

TQF - level of skills training		Occupational skills category (ISCO 08)		Providers in Tonga				
				Training institutions			Other Govt. Ministries; SOEs; other employers	
				Public	Mission/Private	Regional		
10	Doctoral	1/2	Managers Professionals			University of the South Pacific (USP) Tonga campus		
9	Masters							
8	PG Dip/Cert/Hons							
7	Degree, Grad. Dip/Cert.							
6	Advanced Diploma	3	Technicians Associate Professionals	-Tonga Institute of Higher Education -Tonga Institute of Science and Technology -Tonga Institute of Education	-Free Wesleyan (2) -Agape Institute of Business and Economics -School of Innovations	USP Tonga campus		
5	Diploma							
4/3	Certificate Level 4 Certificate Level 3	4	Skilled trades	-Tonga Institute of Higher Education -Tonga Institute of Science and Technology	-Free Wesleyan (2) -Catholic (2) -Lavengamalie Institute of Technology -'Atenisi Institute -Agape Institute of Business and Economics -Tonga Business Education Centre -School of Innovations	USP Tonga campus (continuing education)		
		5	Skilled clerical					
		6	Skilled agricultural, forestry and fishery workers					
		7	Craft and related trades workers					
2/1	Certificate Level 2 Certificate Level 1	4	Clerical support workers	Vocational subjects at secondary level in govt. schools	-'Unuaki 'o Royal Tonga Institute -Tonga Business Education Centre -Free Wesleyan (1) -Catholic (1)	Vocational subjects at secondary level in mission schools	USP Tonga campus (continuing education)	On- and off-the-job training
		5	Service and sales workers					
		8	Plant and machine operators Assemblers					
N.A.	Basic manual	9	Elementary occupations	Govt. primary schools	Mission primary schools			On-the- job training

	advanced skills/professional and managerial occupations/higher education
	middle level skills/ trade and technician occupations/TVET (the focus of the study)
	elementary employment skills/ unskilled and semi-skilled occupations/ general secondary and primary schools
	no training provided at this level

For the purposes of this study, the TVET sector in Tonga is defined by the parameters identified in Table 2.2.

Table 2.2 TVET sector scope

Element	Criteria for inclusion in scope
TVET qualification levels	TQF levels 1, 2, 3, 4, 5, 6
ISCO-08 major (first digit) occupational groups serviced by TVET	1. technicians and associate professionals 2. clerical support workers 3. service and sales workers 4. skilled agricultural, forestry and fishery workers 5. craft and related trades workers 6. plant and machine operators, and assemblers
TVET provision *	a. Public provider(s) - Tonga Institute of Science and Technology - Tonga Institute of Higher Education* b. Mission provider(s) - Catholic Church System 'Ahopaniolo Technical College - Montfort Technical Institute - St Joseph's Business College - Free Wesleyan Church System - Tupou Tertiary Institute (including Tupou College / Pouono Trade Campus) - Hango Agricultural College c. Regional provider(s) - University of the South Pacific (USP) Tonga Campus: • Centre for Community and Continuing Education (CCCE) • College of Foundation Studies d. Other structured training provider(s) - Tonga Business Enterprise Centre - Other Ministries, such as the Ministry of Health – proposed Institute of Health Science** - MORDI Tonga Trust e. Public and private enterprise(s) - Public Services Commission (PSC) - Training supported/delivered by MDAs
TVET regulation	f. Tonga National Qualifications and Accreditation Board (TNQAB) g. Ministry of Education and Training

* TIHE is considered a TVET provider as all programs fall within the remit of this report.

** This provider is still in its inception stage.

Note that the following organisations were deemed out of scope, for varying reasons, in terms of data collection and/or for reporting purposes. However, each provider may be referred to where it is relevant to addressing the terms of reference:

- Tonga Institute of Education;²
- Tonga Maritime Polytechnic Institute (part of TIST);³
- 'Unuaki 'o Tonga Royal Institute (included in reference to the TVET grant to non-government schools);⁴
- Tonga Police Department;
- Tonga Defence Services; and
- Queen Salote School of Nursing.

2.2 DATA REQUIREMENTS

Analysis of financial flows and mechanisms, the estimation of unit costs of TVET provision and assessment of TVET program outcomes require a solid base of comprehensive, reliable, current and frequently up-dated information. The key data identified for the study comprised the following fields and sub-fields.

Table 2.3 TVET program details

Area	Details
Program offerings	- course levels, fields, duration etc - fees and student assistance - maximum student contact hours
Student numbers	- enrolments, new and total - graduates (successful completions) - student training hours - student outcomes (tracer data)
Staffing	- staff numbers and categories - equivalent full-time staff - teaching loads, etc
Funding sources	- Government annual budget allocations – Ministry of Finance and National Planning - Targeted ODA grants (AusAID, NZAID, Others) - Student fees - Sale of products and services - Industry/employer contributions - Churches and community - Other sources
Expenditure categories – planned and actual	- Recurrent expenditure - Personnel – staff salaries and other emoluments - Direct operating expenses – utilities, teaching materials and consumables, etc - Overhead expenses – for example, pro-rata share of general institutional costs of administration - Development expenditure – staff development, curriculum development, etc - Capital programs – civil works, equipment, etc
Scholarship and other student assistance programs	- Scholarships and other forms of student assistance (living allowances, rent assistance, subsidized accommodation, etc) are transfer payments

² Tonga Institute of Education (TIOE) was not considered within scope as all program provision related to teacher training, none of which were relevant to TVET provision.

³ At the time of the fieldwork the Tonga Maritime Polytechnical Institute's (TMPI) registration as an international maritime training college was in doubt. Due to the status of the TMPI at this time and at the request of the Director of TIST, the TMPI was excluded from the data collection.

⁴ Provider data was not provided to research team.

2.3 AVAILABLE INFORMATION SOURCES

The team initially conducted an extensive review of the data that are currently available for Tonga. This review included desk analysis and discussion with key organisations during the facilitation visit to Tonga in August 2012. The main purpose of this initial review was to minimise burdens on TVET stakeholders by making use of existing data and confining any new collections to filling gaps.

Table 2.4 summarises the main sources of available data that were identified. A full list of all documents and web-based material cited is contained in Annex 6.

Table 2.4 Documents and data sources used in the study

Publication status	Document type	Document name
Published and unpublished documents of Government and its Ministries and agencies	Legislation and planning documents	- Ministry of Finance and National Planning (2011). <i>Tonga Strategic Development Framework (TSDF) 2011–2014</i>. Kingdom of Tonga. - Ministry of Education and Training (2012). <i>Tonga Education Lakalaka Policy Framework (TELPF) 2012–17</i>, Kingdom of Tonga. - Ministry of Education and Training (2012). <i>Draft National TVET Policy Framework 2013–2017</i>. TVET Support Program (TSP-1). Government of Tonga. - <i>Education Act</i> (1998). Revised edition. Kingdom of Tonga. - <i>Review of the Education Act 2012</i>. Version 3, 6 July 2012.
	Government Budget Documents	- Program Budget of the Government of the Kingdom of Tonga for the year ending: - 30 June 2013. Kingdom of Tonga (2012a). - 30 June 2012. Kingdom of Tonga (2012b). - 30 June 2011. Kingdom of Tonga (2011). - 30 June 2010. Kingdom of Tonga (2010). - 30 June 2009. Kingdom of Tonga (2009). - 30 June 2008. Kingdom of Tonga (2008).
	Ministry of Finance and National Planning	
	Department of Statistics	- Census 2011 Preliminary Result (2012a) - Household Income and Expenditure Survey (2012b)
	Annual Reports	- Ministry of Education, Women's Affairs and Culture (2011). <i>Report of the Ministry of Education, Women's Affairs and Culture; for 2011</i>. Kingdom of Tonga. - Ministry for Training, Employment, Youth and Sports (2010). <i>Report of the Minister for Training, Employment, Youth and Sports; For the Year 2010</i>. Kingdom of Tonga. - Tonga National Qualifications and Accreditation Board (2011). <i>Annual report 2011</i>. Kingdom of Tonga. - Tonga National Qualifications and Accreditation Board (2010). <i>Annual report 2010</i>. Kingdom of Tonga. - Tonga Chamber of Commerce and Industry's Annual Business Survey
	Commissioned reports	- Atiola, A. 'Esau, R. L. Lavemaau, T. & Minford, M (2010). <i>Review of Public Expenditure on Education: Final Report</i>. A report commissioned by the Government of Tonga and the Australian Agency for International Development. Kingdom of Tonga. - <i>Public Financial Management Performance Report: Kingdom of Tonga</i> (2010). Written by T. Cadogan-Cowper (AusAID) & J. Gouy (Consultant) & 'Ana Fakaola 'I Fanga Lemani (Chief Accountant, MoFNP) & Saia Faletau (ADB & World Bank Focal Point, MoFNP). - Ministry of Education and Training (2013). <i>The Tonga and Regional Labour Market Review 2012: A study to identify the demand for skills training in Tonga</i>. TVET Support Program. Government of Tonga.
Published and		- AusAID (2012). <i>Tonga Annual Program Performance Report 2011</i>. Australian Government.

Publication status	Document type	Document name
unpublished documents of development partners		- AusAID (2012). <i>Teacher Demand and Supply in Tonga 2012–2021</i>. Prepared by Dr. Paul Bennell & Dr. Masasso Paunga. - Fahy, J, Grinstead, M, Tan, H, Pongi, K & Uera, M (2008). <i>TVET Support Program (TSP1): Final Design Document</i>, Government of Tonga, New Zealand for International Development (NZAID) & Australian Agency for International Development (AusAID) - Data on Tongan nationals studying at ATPC campuses - TBEC Annual Report to NZAID
Other	Private and NGO reports	- Business Survey of enterprises

2.4 REVIEW OF SECONDARY SOURCE MATERIAL

Table 2.5 summarises the available source material on TVET. The summary refers to the availability of data in terms of the study's particular needs. It does not relate to other aspects of the information included in the documents and the particular reports concerned.

Table 2.5 Summary of available source material on TVET

Source material	Gov providers	Catholic providers /system	FWC providers /system	Regional providers	NGOs*	MET/ MEWAC/ MoTEYS	MDAs**	TNQAB
Strategic plans								
Operational plans								
Budget allocations								
Annual reports								
Websites								
Donor strategies/plans								
Donor annual reports								
Commissioned reports								

	current , with useable TVET and financial statistics
	current , with useable TVET statistics, but without financial statistics
	out-of-date or incomplete, but with useable TVET and financial statistics
	out-of-date or incomplete, with limited TVET statistics and no financial data
	no reports available

* Within NGOs sampled there was variance across the quality and level of information across source material. This summary reflects an assessment of NGOs overall.

** Includes Public Service Commission and Ministry of Commerce, Tourism and Labour.

For the most part, there is limited devolution of planning and administrative functions to the provider level. Preparation of budgeting and planning documentation is the responsibility of higher level MDAs or mission boards of education. Legislative and planning reports provide information pertaining to the legislative base as well as the vision of education and training for Tonga. However, in terms of the study the strategic planning documents do not contain any TVET sector enrolment, graduation or staffing statistics or projections, and only the *Tonga Education Lakalaka Policy Framework (TELPF) 2012–17* includes broad costings.

Annual reports have the advantage of being able to record actual expenditure, as opposed to estimated numbers. The annual reports of the statutory authority provide actual revenue and expenditure, plus status reports on registration of providers and of the accreditation of programs. The annual reports of the two Ministries with remit over TVET prior to TVET being incorporated under the Ministry of Education and Training in 2012 provide useful information as to the status of government providers, including data related to programs, student numbers and graduations.

2.5 APPROACH TO FILLING INFORMATION GAPS

The approach taken to filling in the information gaps is outlined in Figure 2.1. As well as reviewing all available information sources, the study team has pursued other approaches to filling the information gaps:

- a) For system level data on recurrent and development financing and provision, the team worked closely with the Ministry of Education and Training, Ministry of Finance and National Planning, the Catholic and Free Wesleyan Church Boards of Education. For program level data, the team visited each of the key TVET providers within each system.

Customised data collection templates were prepared for the systems and providers. The templates were based on data collection instruments developed by the research team for the overall study. The customised templates were discussed with the systems before being sent by email for completion. Providers were sent copies in advance of the team visits and completed templates were sent back to the providers for checking. Copies of these templates are in Annex 5. In all cases, permission was sought and obtained from the management of the respective systems and providers.

- b) A pilot survey of public and private enterprises was conducted regarding training expenditures. The pilot survey was based on the methodology developed by the research team for the overall study. This survey was discussed with the Tonga Department of Statistics and the Tonga Chamber of Commerce. The Department of Statistics provided valuable feedback to tailor the instrument to the Tongan context and the Chamber of Commerce assisted with a list of enterprises operating in Tonga.

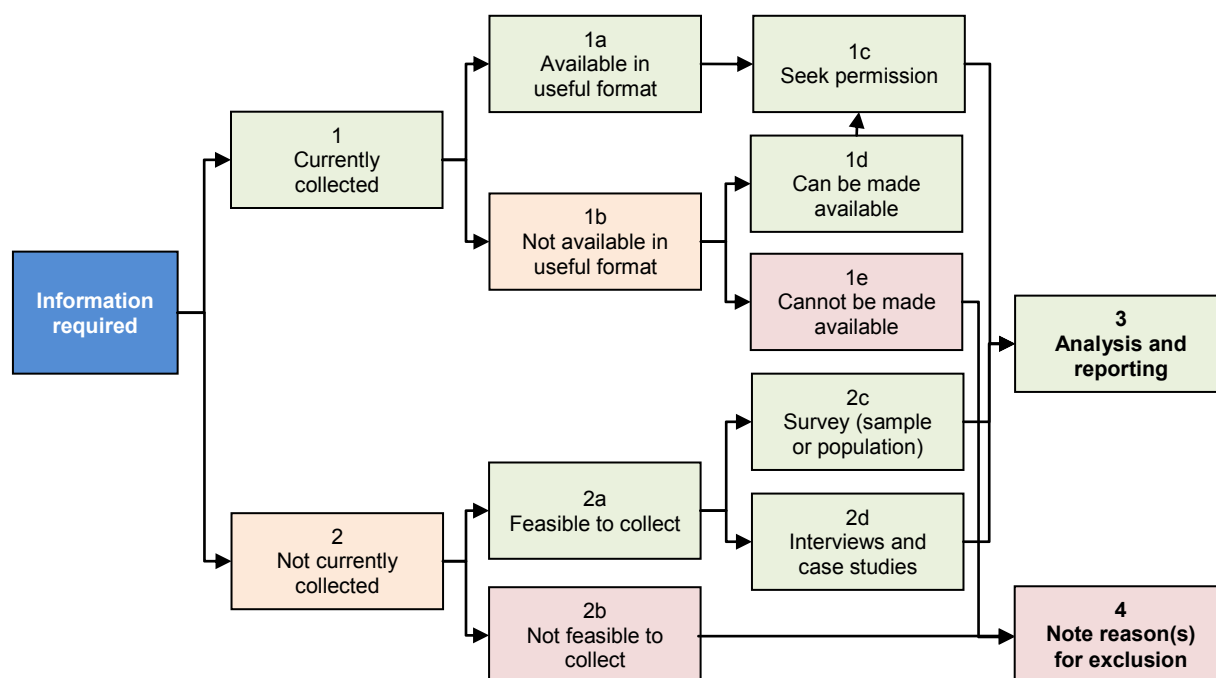
Details of how the survey was conducted, the results it produced and the lessons that were learnt from it, are contained in Chapter 15.

- c) The team conducted an extensive series of meetings and interviews with as many stakeholders and their representatives as time permitted, in order to provide its members with a clear as possible understanding of the TVET sector, how it is conducted and resourced. In this aspect of the study the team was greatly helped by the National Reference Group (NRG) that was established to provide guidance and support to the team during its information collecting mission. Details of the NRG, its composition, functions and meetings, are contained in the Annexes, and comprehensive lists of people consulted and institutions visited are also contained in the Annexes.
- d) Following the fieldwork, the team provided a draft report for comment to both the National Reference Group (NRG) and to AusAID. Both a hard copy and electronic copy were provided to the NRG to assist in the feedback process. The research team acted on feedback and developed a penultimate draft in preparation for consultation at a workshop held in Nuku'alofa on 24 April 2013.

Considerable feedback was provided in terms of the key findings, issues and future directions.

- e) Following the in-country workshop further work was undertaken with one training provider to ensure the accuracy of data provided and to ensure that the findings accurately reflected current TVET provision in Tonga.

Figure 2.1 Approach to data collection



2.6 INDICATIVE QUALITY OF INFORMATION COLLECTED

The research team pieced together considerable data relating to TVET programs, student and staff statistics, especially for the providers of structured training programs. The most apparent gaps were amongst the smaller providers of continuing education and training programs, and amongst employers. Statistics relating to staff and student hours of training, across the board, were limited. Table 2.6 summarises the quality of information on TVET programs.

Table 2.6 Indicative quality of information on TVET programs

	Gov providers	Catholic providers	FWC providers	Regional providers	NGOs*	MET/ MEWAC/ MoTEYS	MDAs**	TNQAB
Program descriptions						n.a.	n.a.	
Fees						n.a.	n.a.	
Student contact hours						n.a.	n.a.	n.a.
Enrolment numbers						n.a.	n.a.	
Graduation numbers						n.a.	n.a.	n.a.
Student outcomes						n.a.	n.a.	n.a.
Staffing numbers						n.a.	n.a.	n.a.
Teaching hours						n.a.	n.a.	n.a.

	good, reliable, comprehensive, up-to-date
	fair- but not current and/or complete
	patchy, not complete
	limited , nothing systematic
	no relevant data currently available

* Within NGOs sampled there was variance across the quality and level of information across source material. This summary reflects an assessment of NGOs overall.

** Includes Public Service Commission and Ministry of Commerce, Tourism and Labour.

The overall quality of data provided to the study by the main TVET stakeholders is good, although it is generally better for annual budget estimates than it is for actual funding and expenditures, and it is most limited for the small providers and for enterprises. Table 2.7 summarises the quality of information on financial data in the TVET sector.

Table 2.7 Indicative quality of TVET sector financial data

	Gov providers	Catholic providers	FWC providers	Regional providers	NGOs*	MET/ MEWAC/ MoTEYS	MDAs**	TNQAB
Government/Church				n.a.				
AusAID			n.a.					
Other ODA			n.a.	n.a.				
Student fees						n.a.	n.a.	n.a.
Registration fees				n.a.	n.a.	n.a.	n.a.	n.a.
Sale of services				n.a.	n.a.	n.a.	n.a.	n.a.
Industry contributions				n.a.	n.a.	n.a.	n.a.	n.a.
Expenditure				n.a.				

	good, reliable, comprehensive, up-to-date
	fair- but not current and/or complete
	patchy, not complete
	limited , nothing systematic
	no relevant data currently available

* Within NGOs sampled there was variance across the quality and level of information across source material. This summary reflects an assessment of NGOs overall.

** Includes Public Service Commission and Ministry of Commerce, Tourism and Labour.

PART II: COUNTRY BACKGROUND

CHAPTER 3. GOVERNMENT, CULTURE AND GEOGRAPHY

Government and Administration

The Kingdom of Tonga is a constitutional monarchy and nascent democracy which has distinctive cultural traditions, a common language, a strong Christian tradition, and a pattern of extended families that operate within a hierarchical social system. As with other Polynesian cultures, Tongan society is highly structured. The current monarch, King Tupou VI, is the descendant of a royal line that has remained unbroken since 1845. Tonga is one of the few Pacific island countries never to have been formally colonised, although it was a British protectorate between 1900 and 1970.

The first democratically elected government was formed in early 2011. Parliament, with the support of King Tupou V, agreed to electoral reforms to ensure 17 of 26 members of Parliament are directly elected through universal suffrage, with nine continuing to be elected from the 33 hereditary nobles.

The Kingdom of Tonga does not have sub-national governments with expenditure responsibilities. While there are district and town officials who represent and are elected by the local communities, the role of these officials is to act as an interface to the central government and they do not actually manage any public funds. There has been some talk about this arrangement changing in the future, particularly in relation to some community grants schemes.

Religion and Culture

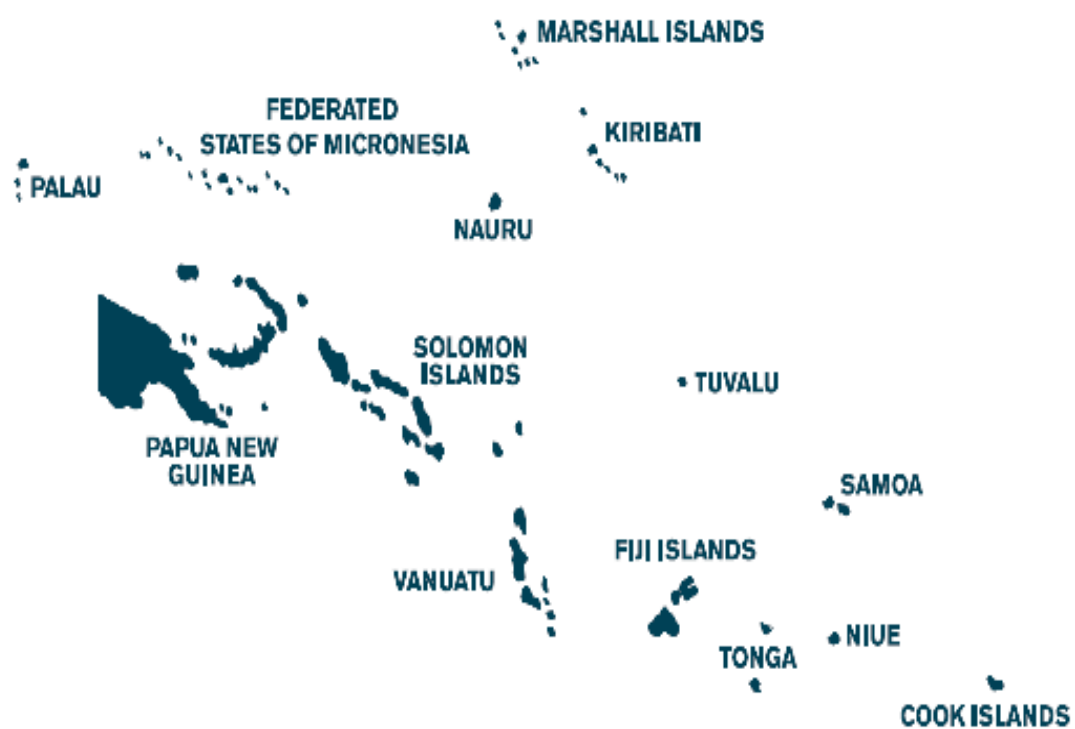
Like around 40,000 Tongans, the king and majority of the royal family are members of the Free Wesleyan Church (Methodist). There are four other main line churches originating from the Methodist denominations in the country. The Roman Catholic Church and The Church of Jesus Christ of Latter-day Saints each have a strong presence as well.

Although church attends primarily to the spiritual needs of the population, it also functions as the primary social hub. Sunday in Tonga is celebrated as a strict Sabbath, enshrined so in the constitution.

Tongans often have to operate in two different contexts, which they often call *anga fakatonga*, the traditional Tongan way, and *anga fakapālangi*, the Western way. Partly because it was never colonised, Tonga has preserved many of its traditional values and social organisation, including a system of government by hereditary kings and nobles. One of the primary underpinnings of Tongan society is land allocation. All land in the Kingdom of Tonga belongs to the Crown and is divided into the King and Royal Family Hereditary Estates, the Nobles and Chiefs Hereditary Estates, and Government Land. The latter is subdivided into allotments for the people of Tonga.

Geography

The Kingdom of Tonga consists of five main island groups located in the Polynesian sub-region of the South Pacific Ocean. Tonga's total landmass is about 750 square kilometres spread over 800 km from north to south. Tonga consists of an archipelago of 169 islands, of which 36 are inhabited. The capital, Nuku'alofa, is over 2,000 km from New Zealand, and over 3,000 km from Australia (see Figure 3.1).

Figure 3.1 Geographic map of Tonga

CHAPTER 4. DEMOGRAPHY

The most recent Census counts the population of Tonga at 103,036. Tonga has a relatively low population growth, averaging 0.3 per cent for over two decades. More than 38 per cent of the population are under 15 years of age and the median age is 21.6 (Tonga Department of Statistics 2012). The relatively youthful population is a reflection of its high fertility, emigration and increasing life expectancy. The age profile of the population has remained largely unchanged in recent censuses.

Table 4.1 Population of Tonga, 1996–2011

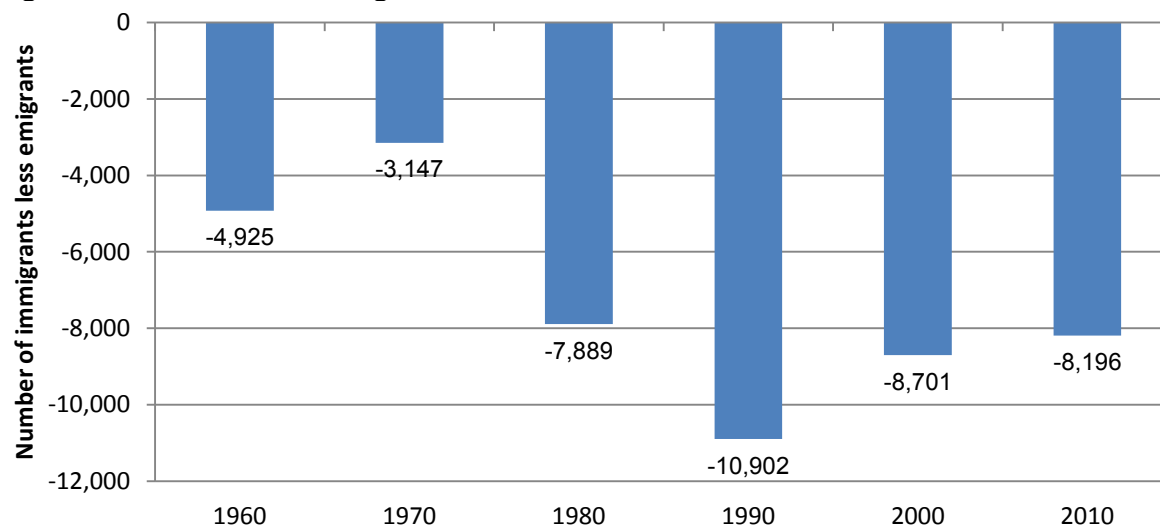
	1966	1976	1986	1996	2006	2011
Total population	77,429	90,085	94,649	97,774	101,991	103,036
Decadal growth rate (%)	...	16.3	5.1	3.3	4.3	...
0-14 years (% share)	46.2	44.4	40.6	39.5	39.1	38.2
15-64 years (% share)	50.5	52.3	55.1	55.4	55.8	56.0
65+ years (% share)	3.3	3.3	4.2	5.1	5.2	5.7

Source: Tonga Department of Statistics (2012). *Census of Population and Housing, 2011*.

The intercensal population growth rate in the five years to 2011 is less than 0.2 per cent which, due to considerable emigration, is lower than most other Pacific Island Countries (Tonga Department of Statistics 2012). The World Bank estimates that the net migration level⁵ for Tonga over the five year period 2007–11 was 8,196 (Figure 4.1). Emigrants are typically people in the working age group with a greater number of males than females travelling overseas across all age groups.

Tongans, a Polynesian group with a very small mixture of Melanesian, represent more than 98 per cent of the inhabitants. The rest are European (the majority are British), mixed European, other Pacific Islanders and a growing Chinese community. There are approximately 145 people per square kilometre (World Bank 2012). The majority of the population – 73 per cent – live on the island of Tongatapu. Although increasing numbers of Tongans are moving into the only urban and commercial centre, Nuku'alofa, village life and connections to the land remain important dimensions of Tongan society.

⁵ Net migration is the net total of migrants during the period, that is, the total number of immigrants less the annual number of emigrants, including both citizens and non-citizens.

Figure 4.1 Decadal net migration levels, 1960–2010

Source: World Bank 2012

CHAPTER 5. LANGUAGE, LITERACY AND EDUCATION

Language and Literacy

The official languages of Tonga are Tongan and English. At primary school instruction is in Tongan, with some flexibility allowing for a bilingual approach. The medium of instruction at secondary level is English. The official figures for Tonga's literacy levels are recorded as being 98.6 per cent (Census 2006) as the proportion of the population between 15–24 years old. The rate is slightly higher for females (98.8 per cent) to males (98.4 per cent).

The education system

As shown in Table 5.1, there are four levels of education in Tonga:

- Early childhood education (from the ages of 3 to 4/5);
- Primary education from class 1 to 6 (from ages 5/6 to 11/12);
- Secondary education from Form 1 to Form 7 (from ages 12/13 to 18/19); and
- Tertiary or post-secondary education providing a range of programs from non-certificate/short programs to degree level and above.

This study of TVET financing includes much of the tertiary level within its scope.

The Government education system is the largest system with 132 institutions across all sectors with 21,451 students. The next largest system is the Free Wesleyan Church system which also operates across all sectors – 38 providers with 5,050 students. The Catholic Church system is the next largest (but does not operate any primary school level) with 10 providers and 2,276 students (Ministry of Education and Training, 2012).

Primary schools are located on all inhabited islands of Tonga, and secondary schools are located in all the main islands, with some middle schools located in some of the outer islands.

Early childhood education is not yet included in the mandate of the Ministry of Education and Training (but is included in the draft Education Act 2012) and assistance of T\$50 per head was provided in 2011/12. Enrolments are stated to be low across most centres and access to early childhood education is severely limited in the outer islands and rural areas. In the past five years, early childhood education and inclusive education were financially assisted by the PRIDE project (Ministry of Education and Training, 2012).

Primary school education is currently compulsory from age 6 to 13 – 6 years of schooling. A Secondary Entrance Examination is held at the end of Class 6 to place students into secondary school, with the government schools accepting the top students. Both Government and donor partners have invested heavily in primary education (Ministry of Education and Training, 2012).

Table 5.1 Education structure

Category			Levels	Age	Description
	Pre-Universal	Kindergarten	ECE	4	Private ownership / churches
			ECE	5	
Compulsory	Universal Basic Education	Primary	Class 1	6	Largely government ownership / churches
			Class 2	7	
			Class 3	8	
			Class 4	9	
			Class 5	10	
			Class 6	11	Secondary entrance exam
Not compulsory	Post-Basic Education	Secondary	Form 1	12	Largely churches and private ownership
			Form 2	13	
			Form 3	14	
			Form 4	15	Tonga School Certificate Exam
			Form 5	16	
			Form 6	17	
			Form 7	18	South Pacific Form 7 Certificate Exam Cambridge Exam
	Post-secondary Education	Tertiary	Year 1	19	Technical and Vocational Institutes and Universities. Largely churches and private ownership
			Year 2	20	
			Year 3	21	

Source: Ministry of Education and Training, 2012.

Secondary school education has nine education authorities with a total of 53 schools, 14,848 students enrolled and 993 teachers, with the government system being the largest and the Free Wesleyan Church system being the second largest. External examinations are administered at Forms 2, 5, 6, and 7. The secondary school curricula is being revised and there has been upgrading of facilities through donor funding (Ministry of Education and Training, 2012).

Table 5.2 Number of institutions, students and teachers by levels of education, 2010

Level	Number of institutions	Number of students	Number of teachers	Teacher/Pupil Ratio
Early childhood Education	56	1,418	165	1:09
Primary	128	16,848	679	1:25
Secondary	53	14,777	993	1:15
Post-secondary sector	13	1,335	n.a.	n.a.

Note: The Post-secondary sector in the table comprises TVET and higher education, but does not include training institutions operated by other Ministries, or the USP.

Source: Ministry of Education, Sports and Culture, *Statistical Digest* 2010

Table 5.2 outlines key statistics for early childhood, primary and secondary school and post-secondary details for 2010. As shown in Figure 5.1, only a small number of beginning secondary students continue on to Forms 6 and 7. However, most post-secondary providers, including TIST, accept students with a passing grade in Forms 5 and 6.

Figure 5.1 Number of secondary school enrolments, 2010–11

Source: MEWAC Annual Reports, 2010 and 2011

Post-secondary education includes government and non-government providers. The government operates a series of institutions through various Ministries. Post-secondary education and training is the term used to encompass all education and training activities which occur outside of the formal pre-school and school system in Tonga. This encompasses:

- technical and vocational education and training (TVET), including TVET teacher training;
- higher education, including teacher education and theological education;
- professional and continuing education; and
- non-formal learning.

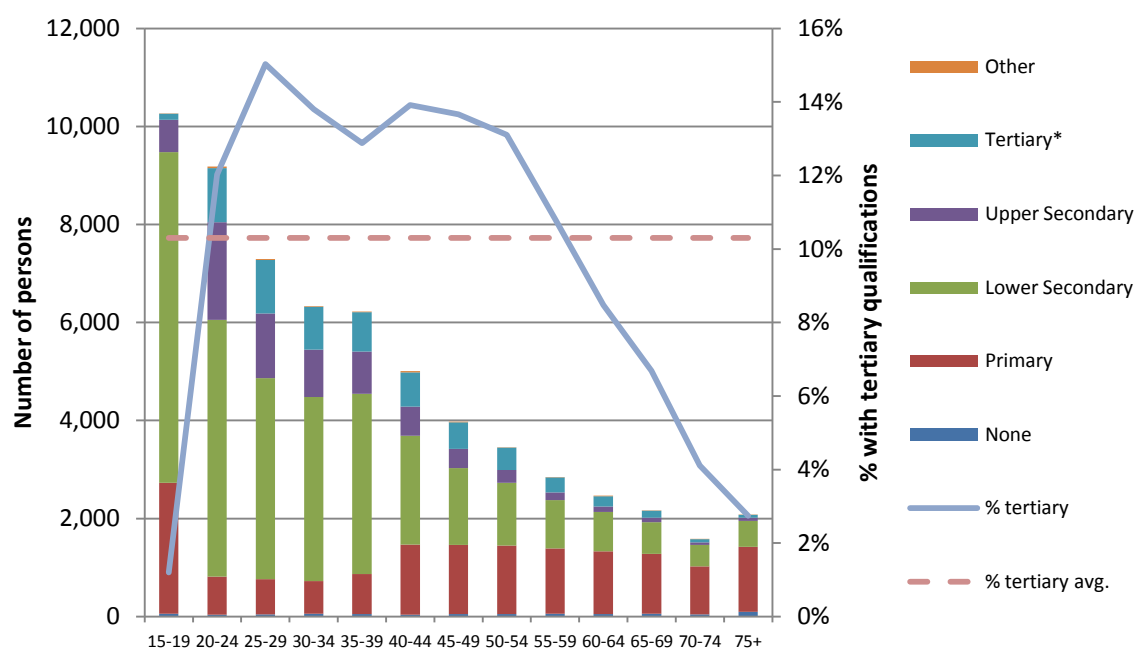
The main provider of higher education in Tonga is the University of the South Pacific (USP). USP offers degree and post graduate studies in arts, science, law, and commerce by distance and flexible learning as well as continuing education and foundation studies on campus.

The government operates a series of institutions on Tongatapu Island through various Ministries such as the Queen Salote School of Nursing, Tonga Institute of Science and Technology (incorporating the Tonga Institute of Science and Technology, the former National Centre for Vocational Studies and the former Tonga Maritime Polytechnical Institute), Tonga Institute of Higher Education, and the Tonga Institute of Education.

The Free Wesleyan Church system operates Tupou Tertiary Institute on Tongatapu Island, Hango Agricultural School on 'Eua Island, and Pouono Trade Campus on Vava'u Island. The Roman Catholic Church system operates on Tongatapu Island, Montfort Technical Institute, 'Ahopaniolo Technical College, and St. Joseph's Business College. There are very few private providers in Tonga, including 'Unuaki 'o Tonga Royal Institute and 'Atenisi Institute. In the non-formal sector, programs are provided by various non-government organisation (NGOs), local not for profit organisations and government Ministries.

The educational profile of the Tongan population, shown in Figure 5.2, shows that around 10 per cent of the population aged 15 years and over hold tertiary qualifications. This proportion is higher for those 25–49 years of age.

Figure 5.2 Educational qualification held by age, 2011



* It should be mentioned that many people pursuing a tertiary education were absent at the time of the census to attend tertiary schooling overseas.

Source: Tonga Department of Statistics (2012). *Census of Population and Housing*

CHAPTER 6. ECONOMY AND THE LABOUR FORCE

Stage of economic development

Tonga has a narrow economic base and reliance is placed on inwards remittances from relatives living overseas and foreign aid. Tonga also has a highly centralised economy which is vulnerable to external shocks and global volatility. Tonga's private sector is small and unlikely to grow in the short to medium term which limits prospects for growth (AusAID, 2012).

Real GDP growth has ranged between 0.5 and 1.6 per cent over the past five years while exports have contributed around 13–14 per cent of GDP (Table 6.1). The Tongan economy has been slow to recover from several crises in recent years, including civil unrest in 2006, the global financial crisis and a series of natural disasters in 2009.

Table 6.1 Economic indicators, 2008–2012

Recent economic indicators	2008	2009	2010	2011 (a)	2012 (b)
GDP (US\$m) (current prices) (c):	332	337	385	439	476
GDP PPP (US\$m) (c)(d):	702	717	737	763	784
GDP per capita (US\$):	3,236	3,269	3,721	4,221	4,561
GDP per capita PPP (US\$) (d):	6,843	6,951	7,116	7,344	7,510
Real GDP growth (% change) (c):	0.5	0.9	1.6	1.5	1.4
Current account balance (US\$m):	-27	-26	-15	-17	-18
Current account balance (% GDP):	-8.1	-7.8	-3.9	-4	-3.8
Goods & services exports (% GDP):	14.9	12.9	13.4	na	na
Inflation (% change):	7.4	3.5	3.9	5.3	4.5

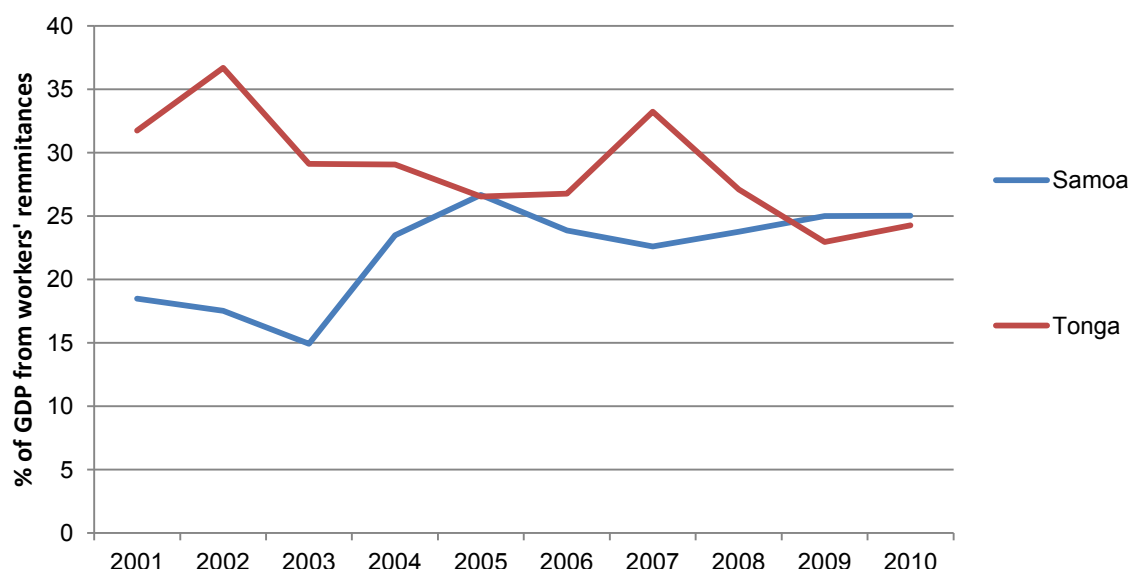
Source: DFAT (2012).

Tax revenues were significantly lower than they were in the years leading up to the global downturn, by some 20–25 per cent in nominal terms. This decline has been led by import tariffs, the excise tax, and the consumption tax.

Major impediments to economic development

Tonga's medium-term growth prospects are constrained by its geographic isolation, its narrow export base, and structural impediments to private sector growth. Systemic volatility is due to the narrowness of the economy and the limited scope for diversification and value-add exports. There are high costs associated with Tonga's small size and remoteness from markets, making it difficult for the country to compete in all but a few niche markets. Volatility is exacerbated by Tonga's exposure to natural disasters (World Bank, 2010).

Attempts to redress the trade deficit through other areas, such as manufacturing are constrained as finances often originate from remittances, exports of services (for example, tourism) and foreign aid. The amount received from workers' remittances and compensation of employees alone comprises around 24 per cent of GDP, making Tonga one of the highest recipients of remittances in the world alongside its Polynesian neighbour, Samoa (see Figure 6.1). From 2009, the global financial crisis led to a sharp reduction in remittances, due to job losses among Tongans in the two main source economies, New Zealand and the US (World Bank, 2010).

Figure 6.1 Workers' remittances (% of GDP)

Note: Workers' remittances and compensation of employees comprise current transfers by migrant workers and wages and salaries earned by non-resident workers. Compensation of employees is the income of migrants who have lived in the host country for less than a year.

Source: World Bank (2012).

Given the limited revenue base, the Tongan Government's ability to fund the delivery of services to its people remains constrained. Debt levels are high, with total public debt at an estimated 45 per cent of GDP and external debt an estimated 41 per cent of GDP. The burden of servicing debt is likely to consume a considerable proportion of government expenditure in future years, particularly in 2013/14 when debt servicing is expected to cost T\$19.9m of a total expenditure envelope of around T\$170m (AusAID 2012).

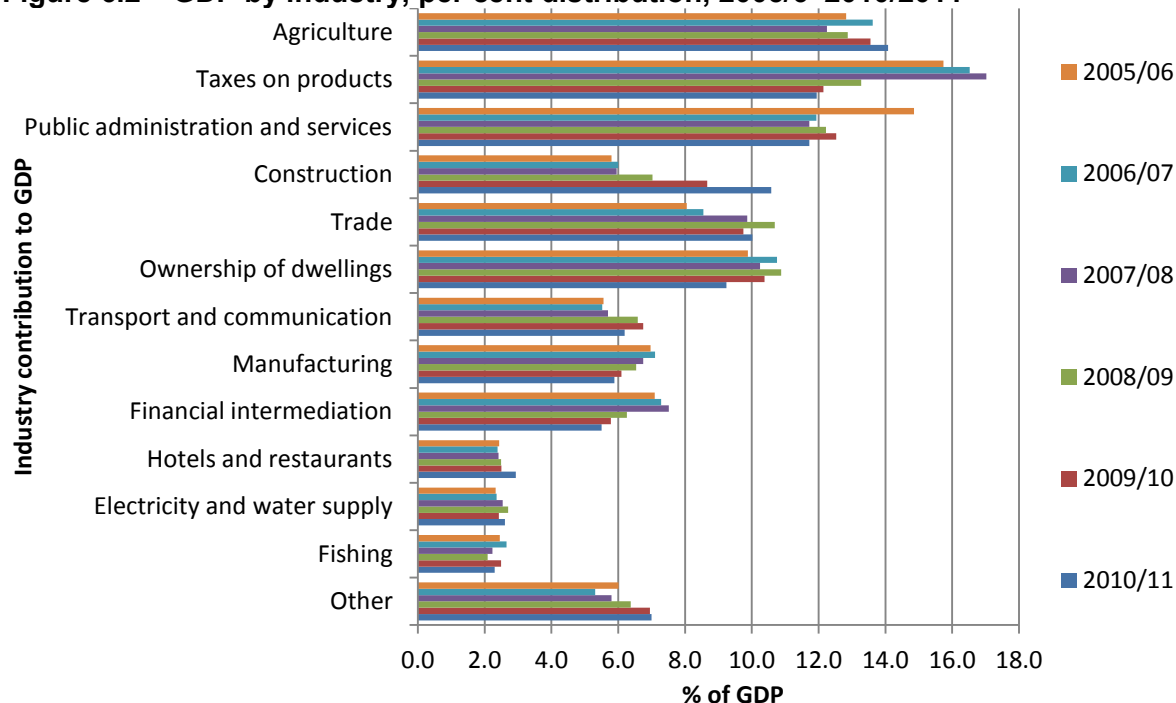
The recent National Retirement Benefits Scheme (NRBS) Bill 2010 provides a similar mandatory superannuation plan for the private sector similar to that already provided to public servants under the Retirement Fund Act 1998. Changes such as these are recognising that traditional systems of financial support are increasingly contending with generational factors such as population mobility, communications and urbanisation. Cultural and church obligation costs such as weddings, funerals and title bestowals add further financial pressure on households.

Key industries

The key industries consist of agriculture, public administration, construction, trade, transport and communication. The largest contributor to GDP, the agriculture sector contributed around 14 per cent in 2010/11 (Figure 6.2). The proportion from taxes on products has increased 4 percentage points since 2005/06, while the share from construction reduced by 4 percentage points.

The country imports a high proportion of its food, mainly from New Zealand. Tonga has a narrow export base in agricultural goods and most Tongans engage in some form of subsistence food production. Squash, root crops, kava and vanilla beans are the main crops, and agricultural exports make up two-thirds of total exports.

Figure 6.2 GDP by industry, per cent distribution, 2005/6–2010/2011



Source: Tonga Department of Statistics (2012). *Gross Domestic Product*

Key employers

Much of the monetary sector of the economy is dominated, if not owned, by the royal family and nobles, for example, telecommunications and satellite services. Much of small business, particularly retailing on Tongatapu Island, is now dominated by recent Chinese immigrants who arrived under a cash-for-passports scheme that ended in 1998. Government is a major provider of goods and services within the domestic economy, both directly and through state owned enterprises.

The public service is the main employer and is currently subject to a recruitment freeze as part of controlling the public sector wage bill, with the Department of Education (35 per cent) and Department of Health (26.7 per cent) among the largest areas of government (Table 6.2). The largest private sector and state-owned enterprise companies include the Tonga Communications Corporation, Ports Authority and Tonga Power Ltd (Table 6.3).

Table 6.2 Public Sector Employment by Ministry/Office, 2012

Ministry	Employees	%
Ministry of Education and Training	1,077	35.0
Ministry of Health	819	26.7
Ministry of Agriculture & Food, Forests & Fisheries	225	7.3
Ministry of Infrastructure	157	5.1
Ministry of Lands, Environment, Climate Change, and Natural Resources	121	3.9
Ministry of Finance & National Planning	105	3.4
Ministry of Revenue Services	101	3.3
Ministry of Commerce, Tourism & Labour	84	2.7
Ministry of Justice	83	2.7
Ministry of Foreign Affairs & Trade	61	2.0
Ministry of Internal Affairs	55	1.8
Palace Office	32	1.0
Office of the Auditor General	31	1.0
National Bureau of Statistics	29	0.9
Prime Minister's Office	23	0.7
Office of the Attorney General	22	0.7
Office Of The Public Service Commission	19	0.6
Ministry of Public Enterprise	14	0.5
Ministry of Information and Communication	10	0.3
Office of the Commissioner for Public Relations	5	0.2
Total employees – public service	3,073	100.0

Source: Public Service Commission (2012)

Table 6.3 Employment by Public Enterprise, 2012

Public Enterprises	Employees	%
Tonga Communication Corporation	327	25.5%
Ports Authority Tonga	154	12.0%
Tonga Power Limited	152	11.8%
Tonga Airport Limited	152	11.8%
Tonga Development Bank	110	8.6%
Tonga Water Board	99	7.7%
Tonga Broadcasting Commission	81	6.3%
Tonga Forest Product Limited	62	4.8%
Friendly Island Shipping Agency Ltd	54	4.2%
Tongatapu Market Limited	30	2.3%
Tonga Post Limited	29	2.3%
Tonga Print Limited	23	1.8%
Tonga Export Quality Management Ltd	7	0.5%
Tonga Asset Managers & Associates Ltd	3	0.2%
Sea Star Fishing Company Limited	0	0.0%
Total employees – public enterprises	1,283	100.0%

Source: Ministry of Public Enterprise (2012)

Labour force participation and profile

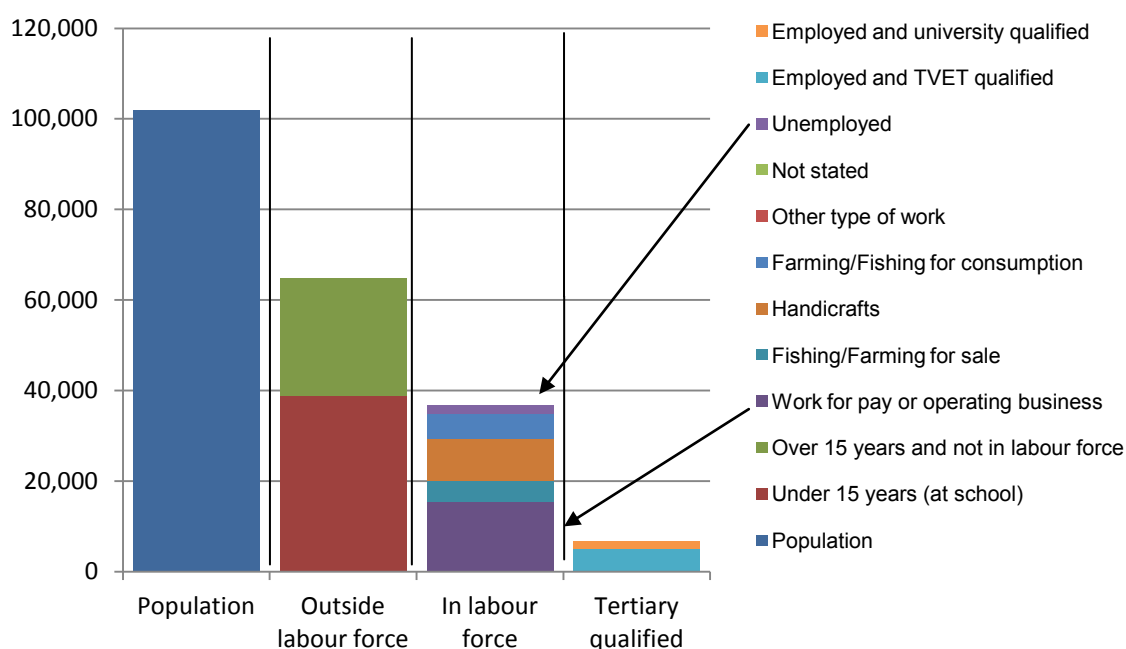
Tonga has a large non-monetary sector. Rural people largely rely on plantation and subsistence agriculture and fishing to sustain their living, although many supplement their reliance on locally produced food by remittances from relatives working abroad.

The most recent Census counts the labour force at 36,786 or 36.1 per cent of the total population. The estimated labour force participation rate is 64.2 per cent (Tonga Department of Statistics, 2012). Large numbers of excess labour are absorbed by the subsistence sector which makes measurement of an official 'unemployment rate' problematic. The agricultural sector employs around 30 per cent of the labour force but contributes just 14 per cent of GDP. Outside the agricultural industry, large employers include manufacturing (22.8 per cent), public administration and defence (12.6 per cent), wholesale and retail (6.7 per cent) and education (5.9 per cent).

The size and composition of the Tongan labour force is presented in Figure 6.3. Noting the issue raised above about tertiary students being overseas during Census collections, Figure 6.3 highlights how few Tongans are tertiary qualified (higher education or TVET) and employed relative to other segments of the population. As a proportion of the total population, 7–10 per cent are tertiary qualified.

Not only is the agricultural sector the largest employer, it is one of the least credentialed sectors of the economy with only around 0.2 per cent of the population holding tertiary qualification and working in the agriculture sector. Education and Public Administration and Defence have the highest shares of tertiary qualified workforces (Tonga Department of Statistics, 2012).

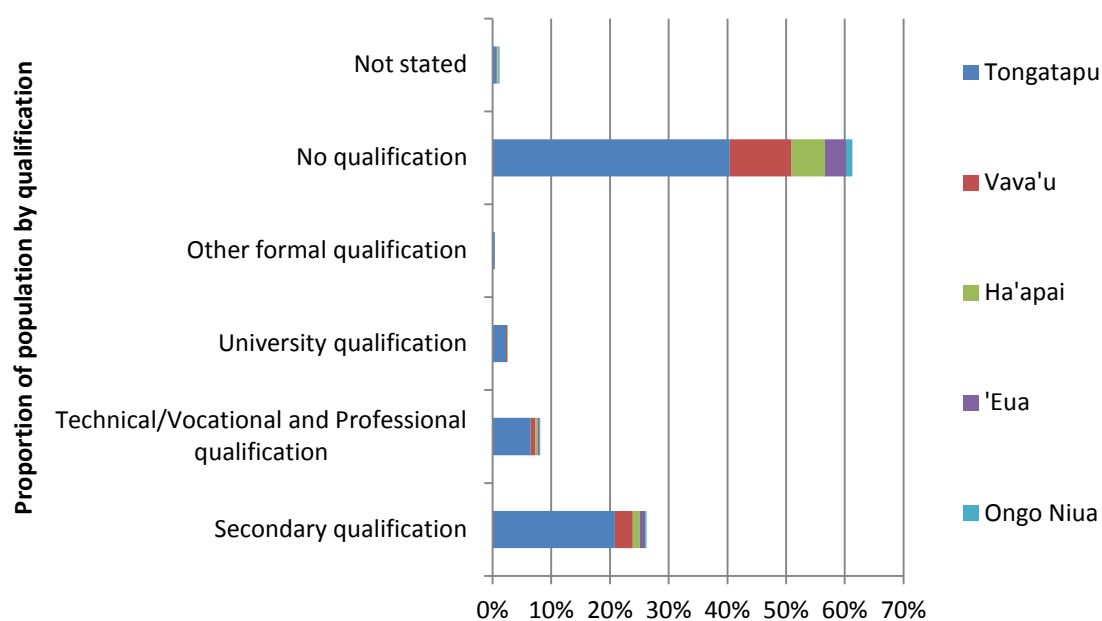
Figure 6.3 Population and labour force, 2011



Source: Tonga Department of Statistics (2012). *Census of Population and Housing*

Figure 6.4 shows that the majority of the population aged 15 years and over with technical or university qualifications is located on the island of Tongatapu.

Figure 6.4 Population 15 and over by highest qualification and location, 2011 (%)



Source: Tonga Department of Statistics (2012). *Census of Population and Housing*

CHAPTER 7. THE PUBLIC SECTOR AND PUBLIC SECTOR FINANCES

This chapter discusses the approaches taken to public sector management and budgeting. Discussion of the Government budget disbursement processes and fiscal policy provides the context for the TVET-specific processes detailed in later chapters.

7.1 OVERVIEW OF THE PUBLIC SECTOR IN TONGA

The public service is the main employer in Tonga and is currently subject to a recruitment freeze as part of controlling the public sector wage bill. In July 2012, there were 3,017 permanent public servants in the Government (excluding Police and the Tonga Defence Services staff). There were also a number of 'daily paid workers' (i.e. casual or temporary staff) who were paid directly in cash at the end of each week by the Ministry of Finance through their respective MDAs. As at 30 June 2009 there were 17 Public Enterprises in Tonga, of which 11 were companies, three were statutory bodies and three were both companies and statutory bodies.

There are significant capacity constraints across the public sector that can affect delivery of government services. A significant proportion of the national budget is allocated to wages and salaries, which places further pressures on public funds for areas such as repairs, maintenance and capital projects.

A *Public Financial Management Performance Report* (referred to as the *Financial Management Report*) conducted in 2010 noted the new legislative and policy frameworks put in place by the Government to strengthen its legislative framework and improve oversight of the use of public sector resources.⁶ Key Ministries, including education, are now putting forward plans that, although not costed, contain strengthened planning and monitoring frameworks and key indicators to operationalise these plans.

The *Financial Management Report (2010)* also noted that gradual moves to embedding and strengthening a multi-year budgeting approach, expanding functional classifications in budget frameworks and adopting Government Finance Statistics consistent classifications is providing a better framework for government to execute, monitor and report on how well MDAs are performing in meeting the aspirations of the National Strategic Planning Framework.

National Strategic Planning Framework

Tonga's Public Financial Management (PFM) system is based on a legal and regulatory framework which sets out the budgeting, spending and accountability structures. The legal framework for PFM is underpinned by a set of expenditure control procedures covering wages and salaries, non-salary items and procurement.⁷ In the last 5–7 years, Tonga has taken its first steps towards a multi-year budgeting system and implementation of the National Strategic Planning Framework (NSPF) as of 2009.

The only legislation referring to the budget process at the current point in time is the Public Finance Management Act 2002 which contains a description of Tonga's overall PFM framework. This outlines the overall rules for budget and accountability structures, managing PFM and public finances, the manner by which budgets and appropriations are drawn up

⁶ *Public Financial Management Performance Report (2010)*.

⁷ *Public Financial Management Performance Report (2010)*.

and approved, management and approval of public monies, borrowing, loans and guarantees, financial reporting, and the chain of accountability for all public expenditure.

The responsibility for managing and implementing PFM is primarily a function of the Ministry of Finance and National Planning (MoFNP), with its treasury unit undertaking the payment and cash management functions and its planning area overseeing PFM and economic policy settings. An administrative Expenditure Review Committee (ERC) composed of key ministers and senior public servants meets at least monthly to consider progress with implementing the budget, revenue collection and other fiscal and economic policy developments. MDAs manage their own procurement up to the thresholds for open competition, above which the Government Procurement Committee (GPC) must approve proposed engagements of suppliers.

Under the National Strategic Planning Framework (NSPF), every MDA is routinely asked to prepare a three-year Corporate Plan that links to the overall priorities set out in the NSPF and an Annual Management Plan (AMP). The *Financial Management Report (2010)* noted that, because the Corporate Plans for the major sectors (health, education, agriculture) as well as most, if not all, other sectors are not costed, neither in terms of investment nor recurrent costs, there is no clear link between investment decisions, corporate plans and forward estimate recurrent cost implications.

Budget preparation and disbursement processes

The overall responsibility for directing and coordinating national and sectoral planning, budgeting and resourcing in Tonga is with the Ministry of Finance and National Planning. There are two sources of revenue available to the Tongan Government through taxes and donors. Donor funds are generally related to specific projects or targeted areas and are not considered general revenue. All revenue collected from public organisations is deposited as general revenue for the Government. Revolving funds can be established only on a case by case submission to the Minister and Finance and with Cabinet Approval. Currently, there are only two revolving funds existing in Government.

The Ministry of Finance and National Planning is responsible for the disbursement of all funds. The budget subdivides available funds into four sub-categories:

- Government Cash Estimates (i.e. Government of Tonga Fund or recurrent fund);
- Budget Support Cash;
- Donor Cash Estimates; and
- Donor In-kind Estimates.

The budget preparation cycle for Government Ministries commences in January each calendar year. Budget and staffing guidelines are distributed to Government Departments and drafts are prepared accordingly. Budget consultations are held whereby the Minister of Finance and Budget Division from the Finance, Public Service Commission and the Minister and management team of respective Ministries meet to discuss and negotiate on the budget estimates proposed by each Ministries. Corporate plans are submitted together with budget estimates for Ministries.

Budget consultations cover both the financial estimates as well as the staffing for Ministries to be approved by the Ministry of Finance. At the beginning of each budget cycle, after the Cabinet has approved the overall budget ceilings, the Ministry of Finance and National Planning circulates Budget Preparation Guidelines to MDAs, which set out the key deadlines in the upcoming budget cycle, set expenditure ceilings for each MDA (in an Appendix), and provide standard guidance on how MDAs should go about preparing and completing their draft Program Budget Estimates. Figure 7.1 summarises the Tongan budget cycle.

Figure 7.1 Tongan budget cycle

June – December	• Prepare annual financial statements for the year just ended to submit to auditor by 31 Dec.
Early January	• Prepare revenue and expenditure forecasts; submit to the Privy Council for approval
Mid January	• When Privy Council approves budget ceilings, distribute Budget Preparation Guidelines to MDAs
Mid February	• MDAs prepare draft revenue and expenditure estimates and submit budget proposals to Expenditure Review Committee
Mid March	• Expenditure Review Committee reports to Cabinet on bidding outcomes. MoFNP produces first draft of budget docs
Early June	• Final budget docs submitted to Legislative Assembly for approval
Late June	• Appropriation Bills passed by Legislative Assembly and receive royal assent from the King

Source: *Public Financial Management Performance Report (2010)*. 08/09 budget timetable

After the Budget Preparation Guidelines and ceilings are issued, MDAs have around one month to update their corporate plans and prepare budget proposals (revenue and expenditure estimates) for submission to the Ministry of Finance. The Ministry of Finance then scrutinises these over mid-February to early March in consultation with each respective MDA. The Ministry of Finance and National Planning prepares several drafts of the budget estimates and budget documents, culminating in the final package which is submitted to Cabinet for final approval and onward submission to the Legislative Assembly for scrutiny and approval by early June. The Legislature has around one month to scrutinise, and, if consensus is reached, the Appropriation Bills are passed and receive royal assent from the King before the new financial year.

Upon approval of budget by the Legislative Assembly, Ministries may commence utilising funds, but there are expenditure ceilings for each month. Once the expenditure ceiling is reached each month, any additional expenditure will require the approval from the Minister of Finance. The authorising officers for release of payment for all Ministries are the Chief Executive Officers.

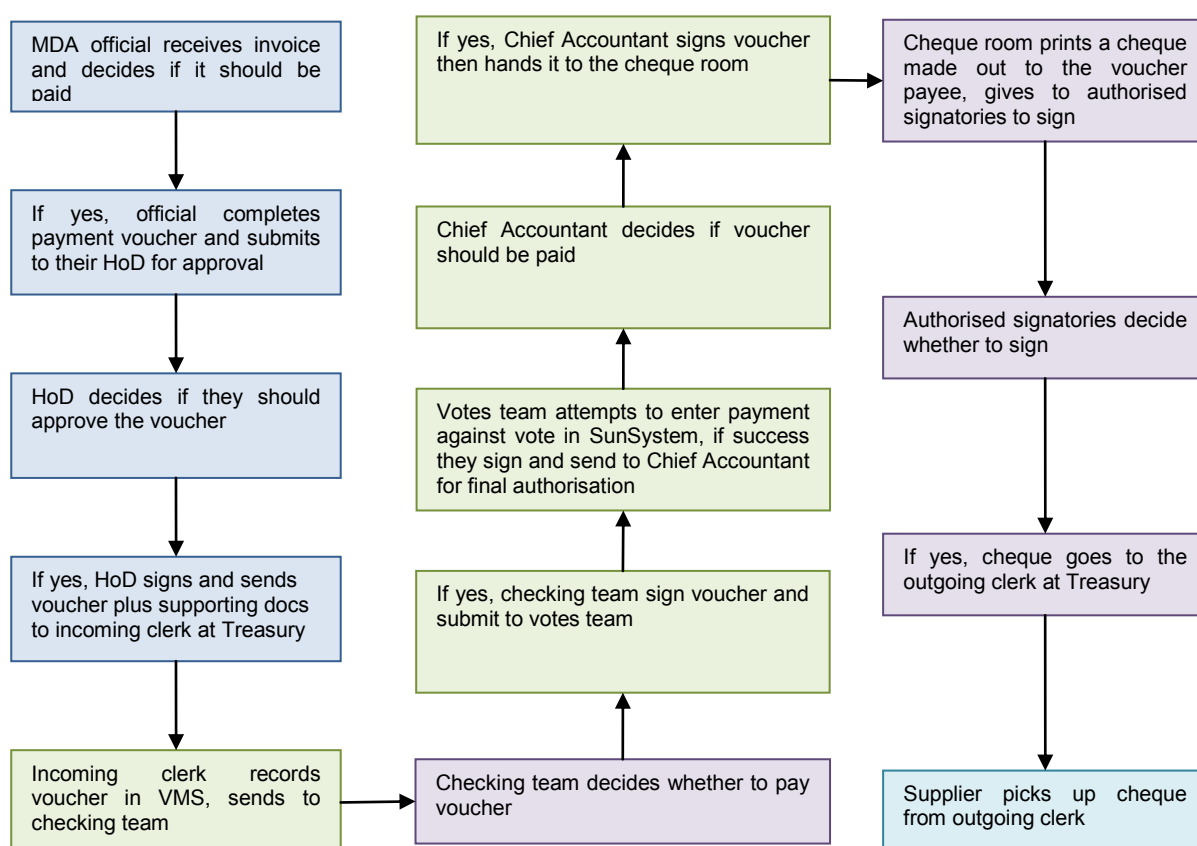
There is no regular mid-year supplementary budget (additional estimates) process. Instead, when essential unforeseen expenditure is anticipated, MDAs can lodge a request to the Finance Minister to draw down additional appropriation from the Contingency Fund. The Minister for Finance and the Privy Council together have the power to use the Contingency Fund as a tool to change the budgetary allocations (although not the overall budget envelope) approved by the Legislative Assembly to whatever extent they see fit, without seeking re-approval from the Legislative Assembly.

Management of financial accounts and cash flow

The Government has a number of accounts to manage its day to day operations and these are held at the Westpac Bank of Tonga and at the National Reserve Bank of Tonga. Cash flow forecasts are prepared by the Treasury Division at the start of each financial year for the year ahead, and are updated during the year.

All government revenue and expenses are paid out of one account known as the General Operating Account. All general revenue is paid into this General Operating Account and all government expenditures are paid out of this General Operating Account. All public financial management functions are centralised in the Ministry of Finance and National Planning (MoFNP). Any funds intended to be managed outside the MoFNP must further gain approval from the Minister of Finance. A summary of the process is outlined in Figure 7.2.

Figure 7.2 Summary of the process followed for payment of non-salary expenditure



Source: *Public Financial Management Performance Report (2010)*

The Ministry of Finance and National Planning processes salary payments to permanent staff via electronic funds transfer from the General Salary Account direct to staff personal bank accounts, and staff members are not allowed to receive their salary payments by any other method, such as cash or cheque. The only exceptions are the teachers in the outlying islands of Ha'apai where they continue to receive their pay by cash. Casual 'daily paid' workers are paid by the Treasury through MDAs in cash at the end of each week.

Issues and constraints

A key feature of the Public Financial Management (PFM) system is that it is highly centralised. In particular, the Ministry of Finance and National Planning (MoFNP) manages the payroll and pays public servants. It also must approve and execute all payments to suppliers on behalf of Ministries. MoFNP also manages and executes the Government's debts, loans and guarantees. Heads of departments are accountable for, and must approve, all temporary pay adjustments for leave, overtime and other routine human resource issues within their MDA.

MDAs are not permitted to hold their own bank accounts. When MDAs wish to make a payment, they submit a payment voucher to the Ministry of Finance and National Planning which, after processing, pays directly from the General Services or General Development fund to the third party. MDAs are required to bank all non-tax revenue they receive as soon as possible, directly into the central General Operating account and within one working day.

An important issue is the inter-departmental restructuring of budget votes throughout the financial year. The *Financial Management Report* (2010) stated that the credibility of the disaggregated budget items is '*undermined by significant variances in the composition of outturn at the agency level, as significant resources are shifted between MDAs during the course of the budget year*'. These in-year budget adjustments are made using the Contingency Fund, rather than through any formal supplementary budget process.⁸ These adjustments are often made to assist with short-term cash flow or unforeseen events. The report also made the following observation:

'Although it may be necessary to make significant in-year budget adjustments from time-to-time, such adjustments should be kept to the minimum and should be adequately justified (for example, urgent and unforeseen additional expenditure to respond to a natural disaster). In-year budget adjustments may involve a combination of: (i) expansion or contraction of the overall budgetary expenditure envelope for the year or (ii) reallocation between budget line items, which may not necessarily result in any net impact on the budget bottom line.'

The recurrent budget, both in terms of its formulation (for example, Budget Paper No. 2) and its execution (for example, in-year reports, audited annual financial statements) is presented and recorded using economic and administrative classifications (for example, TIST is located in the 'post-secondary sub-program'), but not functional classifications. Furthermore, no data is provided at the program level so it is not possible to construct any meaningful sub-functional or functional data through budget aggregation. The development budget (that is, the budget for all monies flowing through the General Development Fund) is presented and recorded at the budget formulation and execution points on an administrative basis only, by MDA.

Highlighting the importance of medium-term expenditure frameworks and costed approaches to service delivery, the *Financial Management Report* (2010) cautioned that:

*'if sector specific plans are not properly costed then the recurrent costs of investment decisions will not be properly identified, potentially undermining efficient service delivery'....'not presenting budgetary impacts of policy changes could impinge adversely on the strategic allocation of resources, if costs of new policy initiatives are consistently underestimated.'*⁹

⁸ *Public Financial Performance Management Report* (2010)

⁹ *Public Financial Management Performance Report* (2010)

7.2 GOVERNMENT REVENUE AND EXPENDITURE PATTERNS

A combination of domestic and international challenges has impacted on fiscal performance in recent years. There have been instances where the Government has overestimated revenues while expenditures have focused on fiscal discipline and recruitment freezes. The level of public debt, while seen to be sustainable at around 30–40 per cent of GDP, is significant and leaves limited scope for further fiscal stimulus. It has been reported that substantial draw downs of loans for the reconstruction of areas destroyed in the 2006 civil disturbance will raise debt levels further in coming years.¹⁰¹¹

As shown in Table 7.1, the total Government of Tonga funding available in 2011/12 was T\$171.3m. This was supported by T\$134.2m of in-kind donor funding and T\$39.1m in cash donor funding. Importantly, as will be considered in the context of TVET financing, there are significant revisions made between original and revised estimates. The revisions have averaged T\$55m per year in the four years to 2012/13. Figure 7.3 shows the heavy reliance on donor support, both cash and in-kind to the Tongan annual budget.

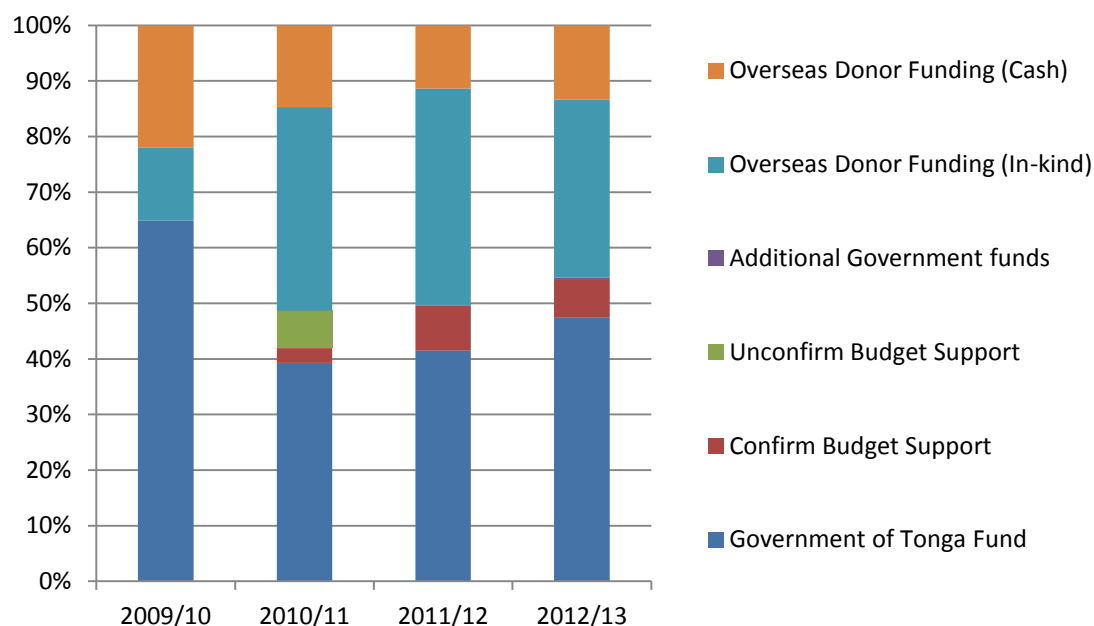
Table 7.1 Government revenues original estimates, 2009/10–2012/13 (T\$)

		2009/10	2010/11	2011/12	2012/13
Government of Tonga Fund	Cash	187.5	137.7	143.0	157.5
Confirmed Budget Support	Cash	0.0	9.4	27.9	22.5
Unconfirmed Budget Support	Cash	0.0	23.5	0.0	0.0
Government funding available		187.5	170.6	170.9	180.0
Additional Government funds	Cash	0.0	0.0	0.4	1.5
Total Government funds		187.5	170.6	171.3	181.5
Overseas Donor Funding	In-kind	37.9	128.6	134.2	106.2
Overseas Donor Funding	Cash	63.4	51.5	39.1	44.5
Total Donor Funding		101.3	180.1	173.3	150.8
Total Funding		288.8	350.7	344.6	332.2
Revisions to original estimates					
<i>Government</i>		-16.9	-21.4	1.6	-0.9
<i>Donor</i>		-41.3	-29.4	-66.6	-45.1
Total Revisions to Original Estimates		-58.1	-50.8	-65.1	-46.0

Source: Budget Estimate for the Government of The Kingdom of Tonga (2009/10–2012/13)

¹⁰ *Public Financial Management Performance Report (2010)*

¹¹ On November 16, 2006, rioting broke out in the capital city of Nuku-alofa as parliament adjourned for the year. Pro-democracy activists burned and looted shops, offices, and government buildings.

Figure 7.3 Government revenues original estimates, 2009/10–2012/13

Source: Table 7.1

Table 7.2 shows the public revenues and expenditures as a percentage of GDP in 2010/11. Total revenues equated to 21.5 per cent of GDP and total expenditures to 25.1 per cent. As discussed earlier, the public debt level is high at 43.1 per cent.

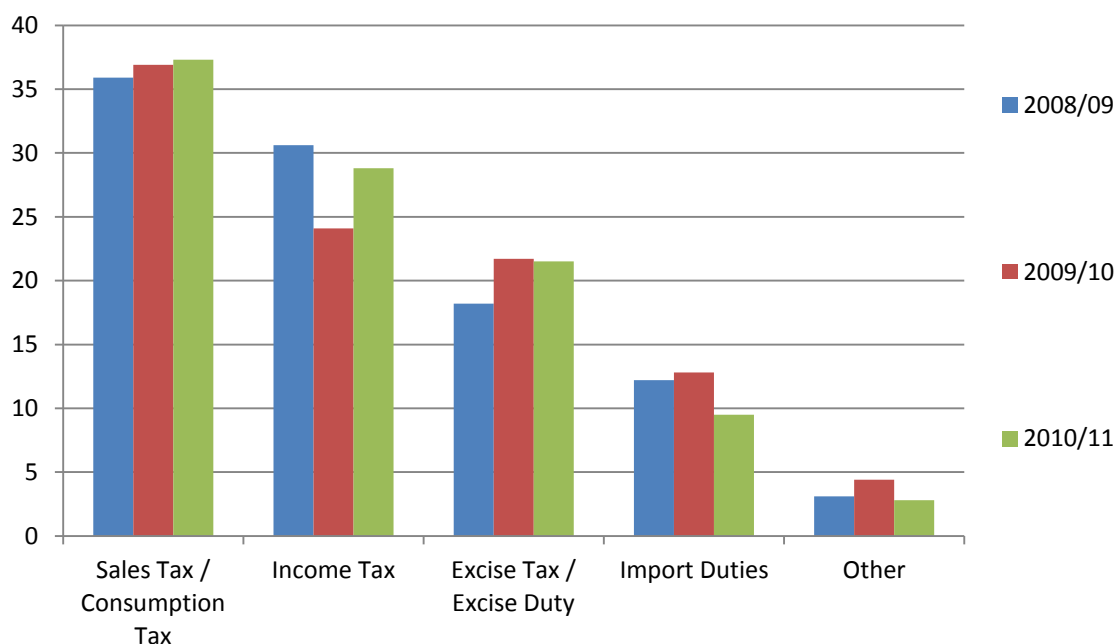
Table 7.2 Public revenue and expenditure as a percentage of GDP, 2010/11*

	Values (T\$ mill.)	% of Budget (2010/11)	% of GDP (2010/11)
Total Revenue and Grants (A)	247.44	127.9	35.0
Total Revenue	151.96	114.6	21.5
Total Expenditure and Net Lending (B)	235.09	114.4	32.3
Total Govt Expenditure	177.28	146.3	25.1
Overall Balance (A-B)	12.35		1.7
Total public debt (cumulative)	74.7		43.1

* Nominal GDP (current prices T\$ millions)

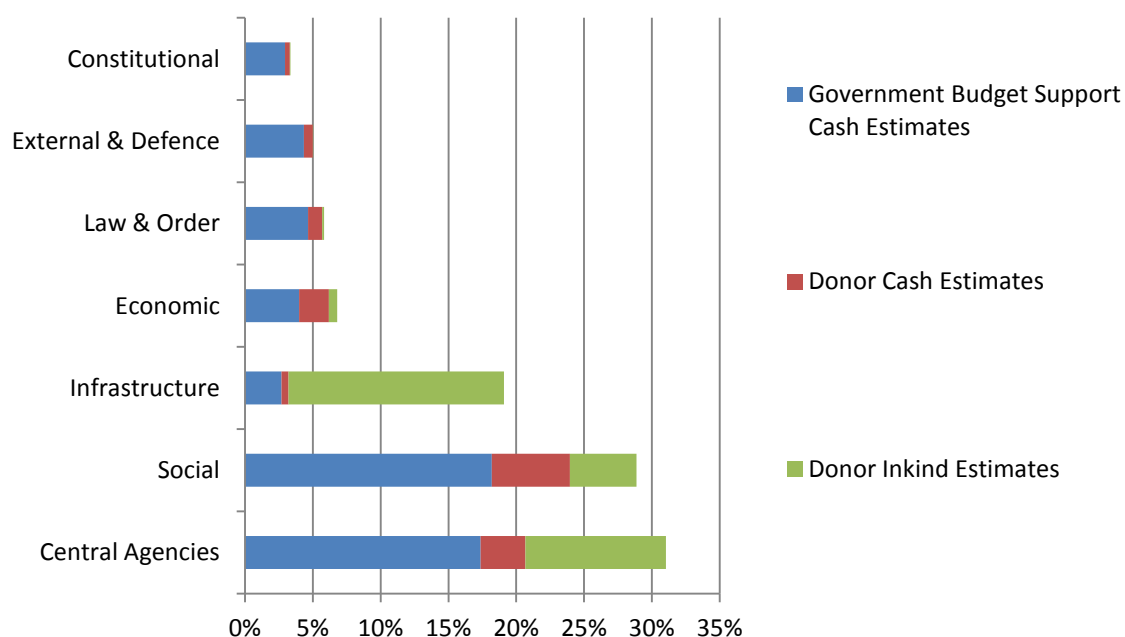
Source: MoFNP *At a Glance* (June 2011)

Figure 7.4 shows the major sources of tax revenues available to the Government. The sources have remained relatively stable in terms of their relative contributions over the three years to 2010/11. The largest contributors to government revenues are sales tax, consumption tax and income tax.

Figure 7.4 Major sources of tax revenue 2008/09–2010/11

Source: Government of Tonga *Budget Statement for year ending 30 June 2013*

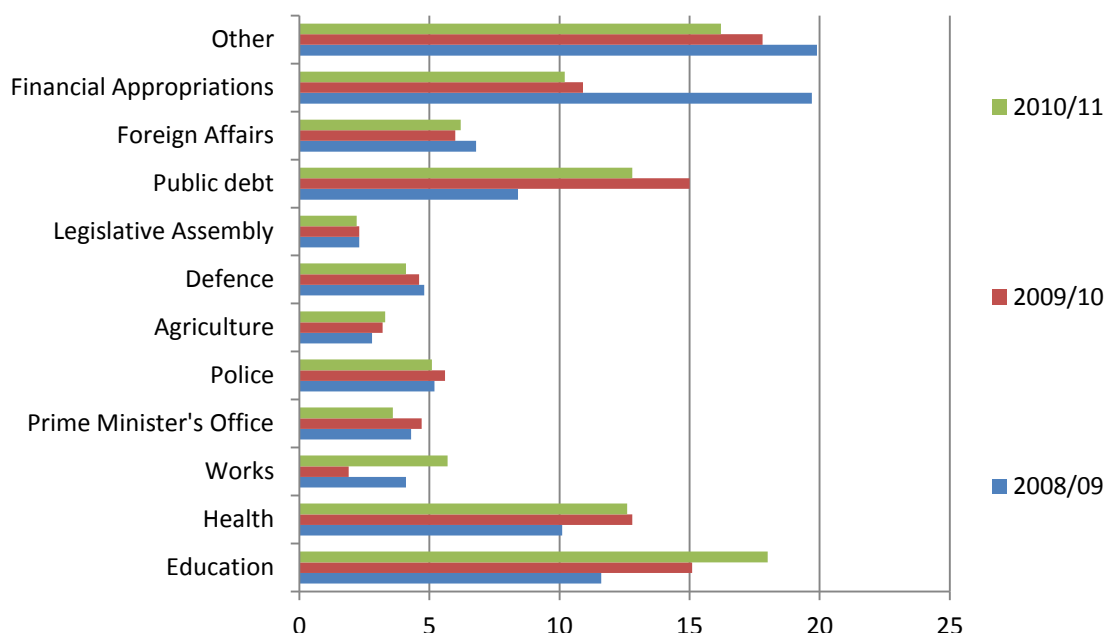
The Budget Statements for 2012/13 show over one-third of total government expenditures, including donor support, is allocated to central agencies. A comparable share of the budget is allocated to 'Social' portfolios, which include education and health. The third largest area of government expenditure, infrastructure, includes a particularly large share of donor in-kind support due to the nature of works involved (Figure 7.5).

Figure 7.5 Government recurrent expenditure estimates, by category, 2012/13 (%)

Source: Government of Tonga *Budget Estimates (2012/13)*

Education and health expenditures are a substantial, and increasing, proportion of government expenditure each year, accounting for over 30 per cent of budgetary outlays (Figure 7.6). These sectors are large employers and comprise a large share of the government wages bill. The Government provides free primary education for all and secondary school students face only relatively modest fees.

Figure 7.6 Expenditure by ministry for 2008/09–2010/11 (% of Government of Tonga Fund)



Source: Government of Tonga *Budget Statement for year ending 30 June 2013*

7.3 OFFICIAL DEVELOPMENT ASSISTANCE (ODA)

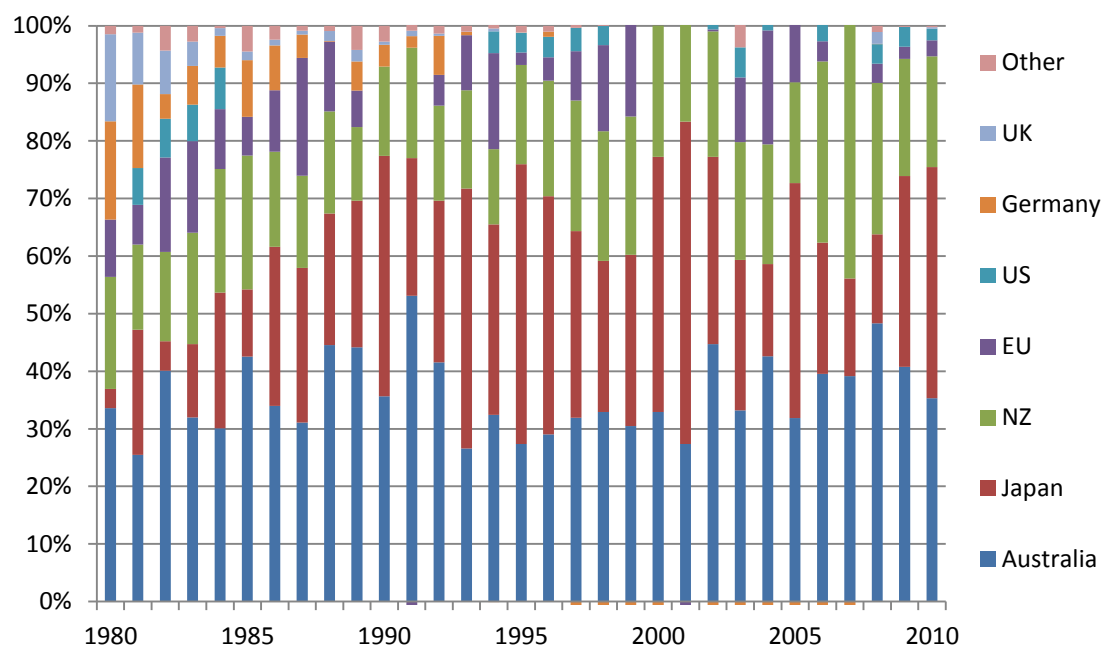
Tonga, like many small island states, is heavily reliant on official development assistance flows. As shown in Table 7.3 and Figure 7.7, the major bilateral donors in Tonga are AusAID, NZAID, Japan (JICA) and China. Large investments from Germany and the UK, including in the TVET sector, appear in Figure 7.7 up to the mid-1990s. Budget support from a range of donors, including Australia, the Asian Development Bank, the World Bank and European Union over the last few years has directly financed government services and has been a valuable source of foreign cash reserves, of which Tonga has few other sources (AusAID, 2012).

Almost all of the development programs in education are funded and supported by donors, such as Australia, New Zealand, China, Japan, and the European Union; development partners, such as World Bank, Asian Development Bank, and UN organisations (for example, UNDP, UNICEF, and UNESCO). There are also a range of international and regional organisations, such as the Commonwealth Secretariat, Commonwealth of Learning, Pacific Forum Secretariat, the Secretariat of the Pacific Commission, South Pacific Board for Educational Assessment (SPBEA), University of the South Pacific and other overseas tertiary institutions, and private organisations which provide support for training, research and development. Most of this assistance is in-kind, taking the form of technical assistance provided to support projects implemented with inputs from their Tongan counterparts.

Table 7.3 Development partner funding Tonga, 2010/11–2012/13 (T\$)

	Estimated Actual for 2010/11 (m)	Estimated Actual for 2011/12 (m)*	Estimated Actual for 2011/12 (% of total)	Budget Estimate for 2011/12 (m)	Difference outturn to budget 2011/12 (m)	Budget Estimate for 2012/13 (\$m)
People's Republic of China	73.52	52.57	41.0	40.90	11.67	14.23
Japan Government/JICA	30.18	19.05	14.9	20.00	-0.95	11.00
Asian Development Bank (ADB)	6.21	12.05	9.4	23.89	-11.84	23.25
NZ Bilateral	7.08	11.14	8.7	13.95	-2.81	14.87
World Bank/IDA	5.70	11.06	8.6	41.32	-30.26	44.37
Australia\New Zealand Pooled Fund	8.25	9.82	7.7	10.11	-0.29	14.63
Australian Bilateral	10.52	5.81	4.5	16.71	-10.90	14.82
United Kingdom Government	0.01	1.21	0.9	0.01	1.20	0.82
World Health Organisation (WHO)	1.29	0.74	0.6		0.74	0.50
Australia Defence-Cash	0.34	0.69	0.5	0.30	0.39	0.60
South Pacific Geoscience Commission	0.26	0.68	0.5	0.03	0.65	0.02
European Union	8.06	0.65	0.5	1.47	-0.82	2.52
Other	6.01	2.72	2.1	4.80	-2.08	10.67
Total	157.43	128.19	100.0	173.49	-45.30	152.30

* Sorted by Estimated Actual Outturn for 2011/12 (\$m)

Source: Government of Tonga *Budget Statement for year ending 30 June 2013***Figure 7.7 Net bilateral aid flows, 1980–2010 (%)**

Source: Development Assistance Committee (DAC) of the OECD, *Geographical Distribution of Financial Flows to Developing Countries, Development Co-operation Report*, and International Development Statistics database.

In early 2012, based on Tonga achieving its reform benchmarks, Australia provided budget support for health and education worker salaries. More than half of the AusAID-managed bilateral aid program to Tonga is delivered through Tongan Government systems. This means that Australian aid is represented in Tonga's budget and is directly provided to Tonga to manage through its financial management and reporting systems (AusAID 2012).

Table 7.4 AusAID's major expenditure programs in Tonga, 2011 (A\$ million)

	A\$ million	% of total
Partnership objective		
A more efficient and effective public sector	6.8*	42%
Improved health	1.9	11%
Improved technical and vocational skills (TSP1)	<\$0.1	5%
Develop infrastructure to improve the everyday lives of the people	3.4	21%
Major bilateral expenditure outside the partnership		
Scholarships programs	1.3	8%
Interim education program	2.1	13%

* Of which T\$5 million in performance linked aid was provided in the form of budget support for health and education worker salaries.

Source: AusAID (2012).

In 2011 a total of 255 public servants were trained through AusAID programs, both regionally and bilaterally (AusAID 2012). This included public service induction training, financial management training and specialist training in health. A range of Australian Government agencies helped to train Tongan public servants through the Public Sector Linkages Program and the Pacific Executive Program.

The support to Tonga from development partners indicates differing policies and different areas of focus. For example, the Asian Development Bank, NZAID and AusAID have engaged closely with the Government of Tonga over several years regarding the design and implementation of public sector reform programmes.

JICA has made available large sums, almost all in-kind, for the fulfilment of large projects, such as for community development initiatives focusing on water supplies, education and community development. JICA also supports and assists the primary education sector. China, as an increasingly important development partner, makes available substantial assistance, in the form of both cash and in-kind, for buildings and infrastructure (Figure 7.3).

A particularly large education support program, the *Tonga Education Support Program* is funded by NZAID and the World Bank. The program objectives are to improve the quality of schooling, improve the equitable delivery of resources and services, improve education outcomes, and to strengthen management, policy-making, monitoring and evaluation within MEWAC.

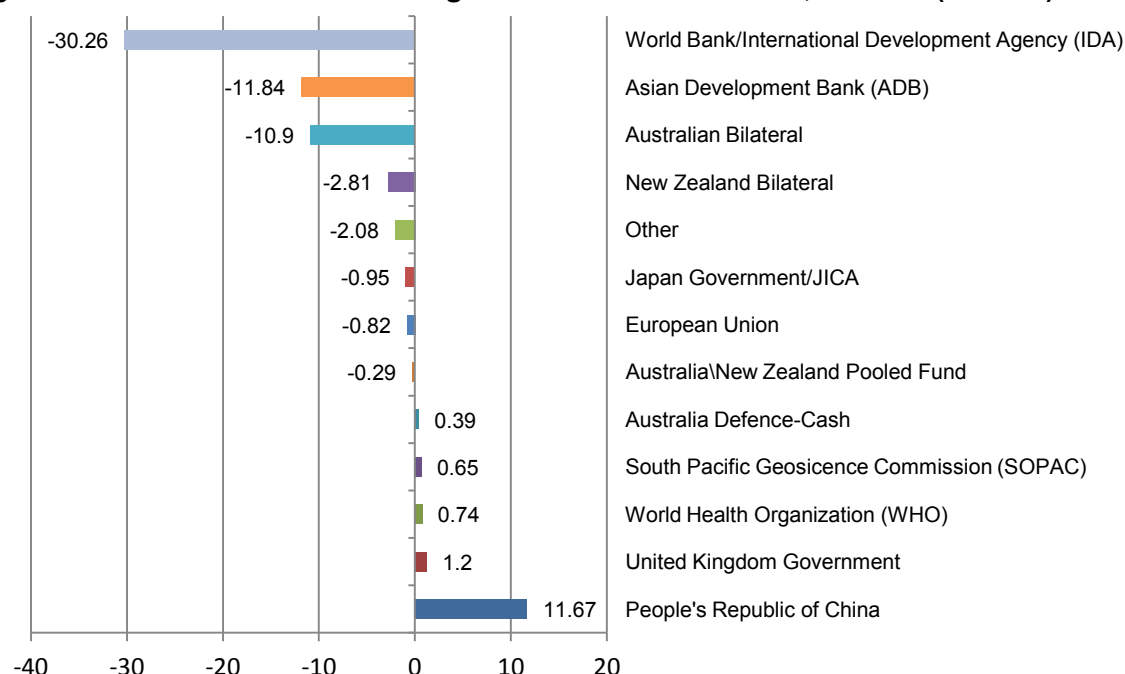
NGOs, such as the MORDI Tonga Trust and the Civil Society Forum of Tonga are heavily reliant on donor funds to sustain their programs and operations. NZAID provides considerable support to the Tonga Business Enterprise Centre (TBEC), a small organisation linked to the Chamber of Commerce and Industry which provides short-term training to local enterprises.

Data issues relating to budgeted and actual donor outturns

The *Public Financial Management Performance Report* (2010) estimated that '90 per cent or higher of donor funded projects (excluding in-kind inputs) are captured in the Government's annual financial statements' (p. 25). However, the report highlighted three issues relating to donor contributions to the Government budget: lags in donors providing financial information to the Government; inaccuracies of donor financial information; and, unpredictability of donor resources.¹²

Based on discussions with the Ministry of Finance and National Planning (MoFNP), the *Public Financial Management Performance Report* (2010) identified that data is available on estimated and actual receipts from donors in-cash (all of which must go via the Development Fund). However, there is generally not good data on in-kind assistance from donors, or if there is information, it is incomplete. The report identified that most of the major donors provide information on actual disbursements to MoFNP at the end of each financial year.

Figure 7.8 Variance between budgeted and actual outturns, 2011/12 (T\$ mill.)



Note: The 12 listed forms of ODA (excluding 'Other') comprise 97.2 per cent of the ODA budget estimate for 2011/12 and 97.9 per cent of ODA estimated outturns for 2011/12.

Source: Government of Tonga *Budget Statement for year ending 30th June 2013*

Figure 7.8 shows the variance between budgeted Official Development Assistance (ODA) and estimated ODA outturns for 2011/12. This reveals that there are significant overestimations in ODA from donors such as the World Bank and the Asian Development Bank. In the context of this study, it is important to acknowledge the significant variances between budgeted amounts and actual outturns to the TVET Support Program 1 program (TSP1 program), primarily in the area of personnel costs. These variances are discussed in detail in later sections.

¹² *Public Financial Management Performance Report*, Kingdom of Tonga (2010).

PART III: TVET IN CONTEXT

CHAPTER 8. OVERVIEW OF TVET IN TONGA

This chapter provides an overview of the strategic framework for TVET, regulation and quality assurance arrangements, industry engagement, current TVET initiatives, an overview of TVET provision and a statistical snapshot of provision in recent years.

8.1 STRATEGIC FRAMEWORK FOR TVET

The *Tonga Strategic Development Framework (TSDF) 2011–2014* (MoFNP, 2012) outlines Tonga's development vision and identifies nine key outcome objectives and four enabling themes with a series of strategies aimed to guide the realisation of the vision.

Objective 5 is to have an appropriately skilled workforce to meet the available opportunities in Tonga and overseas, by delivering improved technical and Vocational Education and Training' (MoFNP, 2012, p.1). The two key strategies to achieve this objective are 'promoting skill development through appropriate development of domestic training institutions and mobilisation of external training opportunities' and 'improving the focus of education and training on increased productivity of the work force to increase production, exports and overseas employment of Tongans' (MoFNP, 2012, p.1). Options include introducing TVET as a choice in upper levels of secondary schools, reforming and realigning TVET with international requirements and standards, ensuring recognition of Tonga TVET internationally, and establishing more programs for informal training to help alleviate hardship in rural and remote areas.

The *Tonga Education Lakalaka Policy Framework, (TELPF) 2012–17*, (MET, 2012) outlines the vision and goals for education in Tonga. Although TVET has been identified with a prominent role in the strategic development of Tonga in the *Tonga Strategic Development Framework* (MoFNP, 2012), the *Lakalaka* (MET, 2012) does not recognise TVET as a separate sector from that of Higher Education and groups both of these sectors into 'post-secondary'.

The *Lakalaka* (MET, 2012) notes that challenges and issues confronting the post-secondary sector include the:

- lack of clear policy direction;
- lack of coherency and coordination of effort by providers;
- lack of clear understanding of resource needs;
- lack of access to training (i.e. most training providers are located on Tongatapu);
- limited scope of programs and inflexible administration of programs, and
- lack of financing.

The *Draft National TVET Policy Framework 2013–2017* (MET, 2012) outlines for the first time the goals for TVET provision in Tonga. The goals include:

- training focused on improving national productivity;
- strong partnerships with employers and industry;
- resource allocations based on the best investments of public funds;
- increased participation and equity in training;
- development of the quality of training outcomes; and
- management of TVET as a national system.

8.2 REGULATION AND QUALITY ASSURANCE

The management of TVET provision rests with the Ministry of Education and Training that was formed in July 2012. This is a major change in governmental responsibility for TVET. Prior to July 2012 various forms of TVET provision were the responsibility of the Ministry of Training, Employment, Youth and Sports (MoTEYS) and other TVET provision was aligned with the Ministry of Education, Women's Affairs and Culture (MEWAC).

The regulatory basis for TVET is embedded in two acts of parliament; the Education Act 1998 (revised) and the Tonga National Qualifications and Accreditation Board (TNQAB) Act 2004.

The Education Act 1998 (revised) establishes the compulsory school age as between 6 years and 14 years, but does not refer to post-compulsory education sectors (for example, vocational education and training and higher education). The Education Act 1998 is under revision and the draft Education Act 2012 (*Review of the Education Act 2012*) includes references to both higher education and vocational education and training.

The draft Education Act 2012 (2012, p. 15) includes a number of requirements that will impact on the capacity of both secondary schooling and post-compulsory education to deliver TVET programs. The first initiative of the Act makes the compulsory school age from 4 years to 19 years of age; an increase of 5 years. The second initiative is the registration of teachers, including TVET trainers, with a requirement for all trainers to have a teaching qualification. Both these initiatives, if enacted, will put significant pressure on secondary schooling including alternative pathways and strategies that go beyond the academic stream, on TVET providers, as well as on providers of teacher qualifications. These initiatives will likely have both a capacity and financial impact on the Government.

The Tonga National Qualifications and Accreditation Board (TNQAB) Act 2004 established the Tonga National Qualifications and Accreditation Board (TNQAB). The main duty of the Board is twofold: firstly, to develop a national qualifications framework for post-compulsory education and training; and secondly, to establish policies, criteria, accreditation, monitoring, reviewing, registering and listing of providers of post-compulsory education and training. The TNQAB Act outlines key conditions for the registration of providers, approval of programs leading to a qualification and the review and appeals process.

8.3 INDUSTRY ENGAGEMENT

In Tonga, there is limited engagement by industry in the development and review of TVET programs to ensure that they are current and relevant to the needs of local industry and beyond. The key basis for program accreditation is through the TNQAB processes; Accreditation Standard 2 notes that: 'The learning outcomes have been developed and reviewed, where appropriate, in consultation with relevant external and internal stakeholders'.

However, there is no other systemic process to include industry in program design, nor are there peak industry bodies other than the Chamber of Commerce and Industry to provide advice. The consultations with employers through the study indicated their interest in being more engaged in TVET.

The main government TVET provider, TIST, has established a number of industry associations which are involved in the development and review of TIST TVET programs (Welding and Fabrication Association, Building and Construction Association, Automotive Mechanics Association, Electrical Association). In addition, the TVET Support Program

(TSP1) project¹³ established Industry Training Advisory Councils (ITACs) to develop, validate and endorse standards for identified industry areas (known as Industry Competency Standards Frameworks).

The Tongan TVET system does not include an apprenticeship scheme. As such, there is no legislative base for apprenticeship training nor is there an agreed qualification that results in a trade outcome for example, chef or electrician. The main government provider, TIST, uses a dual system/apprenticeship model for the delivery of a number of its programs (for example, carpentry, electrical, spray painting, automotive mechanics); however, this model is dependent on the strength of the relationship between key personnel in TIST and the goodwill and in-kind contributions of employers rather than on an established apprenticeship model.

8.4 CURRENT TVET INITIATIVES

Tongan Association of TVET

The Tonga Association for TVET (TATVET) consists of an informal association of TVET providers who meet regularly to discuss and plan issues relating to the TVET sector. TATVET was established in early 2007 by the former Ministry, MoTEYS, 'to elevate the status of TVET in Tonga and set it at the forefront of the social and economic development of the Kingdom' (*TSP1 Design Document*, 2009). The TATVET is currently operational and meets on a regular basis.

Tonga TVET Support Program Phase

The Tonga TVET Support Program Phase 1 (TSP1) is a joint initiative by Australia and New Zealand with the Government of Tonga to develop a national TVET system over a four year period. TSP1 is estimated to cost A\$7.4 million and is jointly funded by AusAID and NZAID. The second phase of the program was originally expected to be of eight or more years. TSP1 has three key components: developing a national system; promoting demand driven training; and, program management and institutional strengthening (Fahy, Grinstead, Tan, Pongi & Uera, 2008).

The presence of TSP1 has been felt at agency and training provider level. For example, at agency level funds were made available for three quality officers at TNQAB to facilitate the registration and accreditation of providers and their program/s. At provider level, funding has been made available to pay for TNQAB registration and accreditation processes, to support the payment of program moderators, for equipment grants and for training for TVET trainers (in both the Certificate IV in Training and Assessment as well as upgrading vocational qualifications to meet the requirement of the TNQAB).

An independent review of this project was undertaken in 2012 noting that: 'TSP1 is programmatic in design' and that 'that the design assumption that the TSP1 could be readily integrated and delivered through Government of Tonga systems and processes was overly ambitious' (Fahy et al., 2008). During the fieldwork it was announced that the TSP1 project would conclude in April 2013.

¹³ Refer to next section.

8.5 TVET PROVISION

The TVET sector in Tonga is made of three distinct systems: government, Catholic Church; and, Free Wesleyan Church, plus a number of private providers and NGOs. What is evident across the three systems in Tonga is that there is little connectivity or commonality of approach in terms of planning, budgeting and management of training services and of staffing. The TNQAB is the only central point for quality assuring TVET provision and the only central point of data (i.e. full-time enrolments). The TNQAB has registered 29 providers¹⁴ and acknowledges that there are another 16¹⁵ organisations or government departments that provide training within the TVET sector.

The largest post-secondary system is the government system, followed by the Free Wesleyan Church system and then the Catholic Church system. All TVET providers are situated on Tongatapu Island except for Pouono Trade Campus (based on Vava'u Island) and Hango Agricultural College (based on 'Eua Island).

The formal TVET sector in Tonga, within scope of this study, is summarised in Table 8.1.

Table 8.1 Overview of TVET systems and providers

System	Providers
Government system	Tonga Institute of Science and Technology (TIST) Tonga Institute of Higher Education (TIHE)
Free Wesleyan Church	Tupou Tertiary Institute (TTI) Pouono Trade Campus Tupou College Queen Salote College Hango Agricultural College
Catholic Church system	'Ahopanilolo Technical College St Joseph's Business College Montfort Technical Institute
Private providers	'Unuaki 'o Tonga Royal Institute
Regional providers	University of South Pacific

* Pouono Trade Campus, Tupou College and Queen Salote College provide training services under the auspice of TTI.

Together these providers are responsible for the majority of TVET provision in Tonga. In addition there are a number of organisations that offer short course program training, with the following being the main providers:

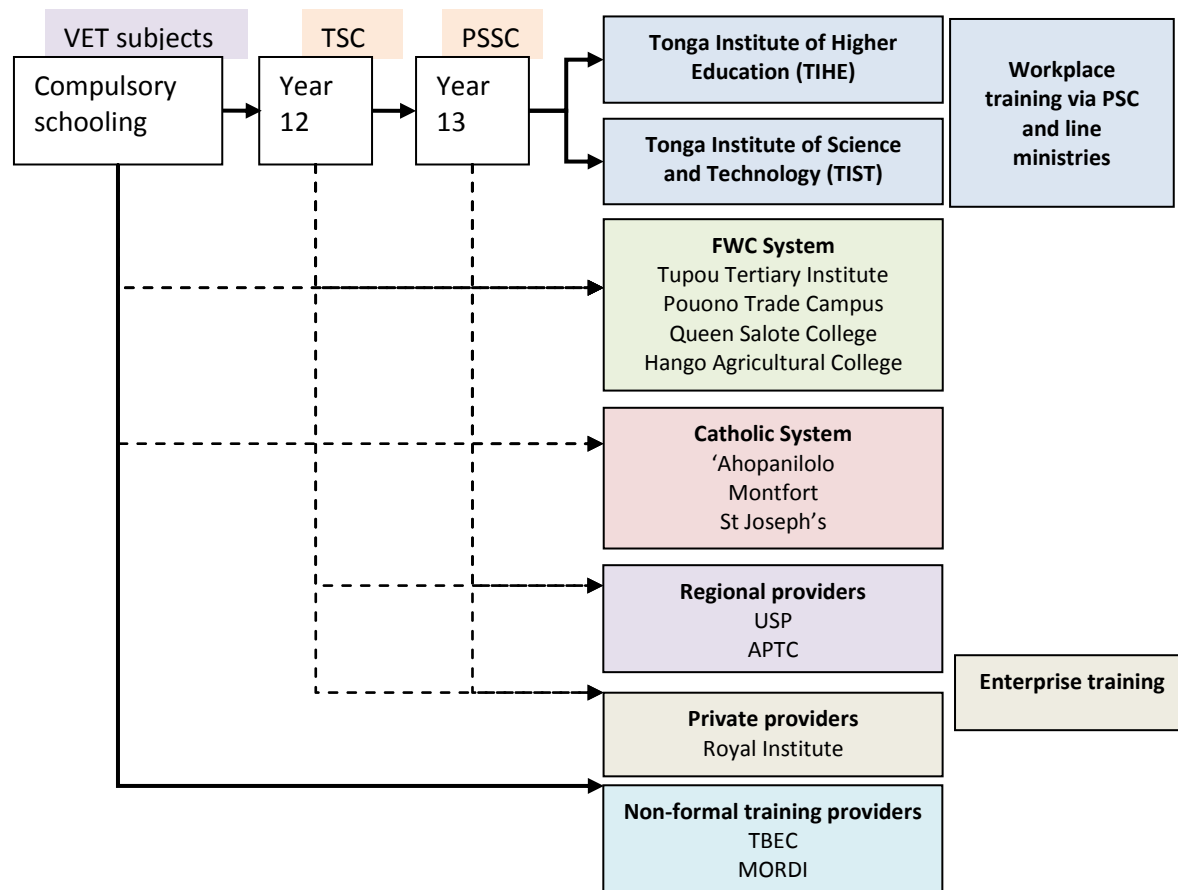
- Tonga Business Enterprise Centre (TBEC);
- Line ministry agencies, for example, the Ministry of Commerce, Tourism and Labour, the Ministry of Agriculture & Food, Forests and Fisheries and the Public Service Commission;
- The Centre for Community and Continuing Education (CCCE) at the USP; and
- MORDI Tonga Trust.

¹⁴ This includes TIST (School of Engineering) and the former NCVS (TIST – School of Tourism and Hospitality and School of Agriculture) as separate entities and also Queen Salote College and Tupou College as separate entities.

¹⁵ This includes the Tonga Maritime Polytechnical Institute as a separate identity from TIST and also Pouono Campus as a separate identity from Tupou Tertiary Institute.

Figure 8.1 illustrates that the government provision is focused on young people who have completed year 13, whereas the Free Wesleyan Church system and Catholic Church system, regional providers and others providers offer alternative pathways for people who may have not completed year 12 or year 13.

Figure 8.1 TVET within the education system of Tonga



Government system

The Ministry of Education and Training operates the Tonga Institute of Higher Education and the Tonga Institute of Science and Technology (TIST) (incorporating the recently merged TIST, the Tonga Maritime Polytechnic Institute [TMPI] and the National Centre for Vocational Studies [NCVS]). The Tonga Institute of Education (TIOE) is also managed by the Ministry of Education and Training, but is not a TVET provider; it provides teacher training in the areas of early childhood, primary and secondary.

- **Tonga Institute of Science and Technology (TIST):** TIST is on the one campus at 'Ananā (Nuku'alofa). The original trade Institute (originally called TIST) provides training in the areas of carpentry, electrical, automotive mechanics, engineering, panel beating and spray painting¹⁶ (referred to as the School of Engineering). The former NCVS provides training in agriculture, tourism and hospitality, business and information technology (referred to as the School of Agriculture and the School of Tourism and Hospitality). The former TMPI provides maritime rating and certificate courses. The merger occurred in July 2012, and at the time of the fieldwork the Tonga Maritime Polytechnical Institute's

¹⁶ TIST (School of Engineering) provides four year programs with the last year being fully in the workplace.

registration as an international maritime training college was in doubt¹⁷. TIST has had a long history of donor support going back to German investment in 1993 with considerable donations for buildings, equipment¹⁸ and staff training. Recent donor investment has been received through Turkey, Japan (automotive area) and TSP1 (equipment). The agriculture program relies heavily on facilities provided in-kind by the Ministry of Agriculture & Food, Forests and Fisheries (MAFFF).

- Tonga Institute of Higher Education (TIHE): TIHE is based in Pahu (Nuku'alofa) and provides certificate and diploma training in business, information technology, and media and journalism. It is adjacent to TIOE and shares facilities and trainers. The information technology program has cross credit arrangements with USP and with the Open Polytechnic of New Zealand.

The Ministry of Health operates the Queen Salote School of Nursing¹⁹ and is also intending to establish the Institute of Health Science. Through the Vaiola Hospital and the Queen Salote School of Nursing training is funded by the World Health Organisation in the areas of radiology, dental therapy, pharmacy and laboratory assistant, as well as midwifery and critical care. Programs vary from six months (radiology) to one-year (midwifery and critical care) and two years (pharmacy and laboratory). The allied health programs include approximately 6–10 students.

The Ministry of Commerce, Tourism and Labour (MCTL) plays a central role in supporting the private sector, facilitating business growth, and promoting investment and trade. The TNQAB has recently recognised MCTL as providing short course training in various trades. The Ministry's Annual Report 2010 (MCTL, 2011) indicates that the Ministry provided training to its internal staff, as well as to the public and private sectors. Programs varied and related to various pieces of legislation for which the Ministry has remit.

The Public Service Commission (PSC) in Tonga facilitates professional development for its public service staff. The Public Service Commission provides training related to such areas as governance, time management, human resource management, change management, customer services, induction and code of ethics.

Church systems

Free Wesleyan Church system

The training providers in the Free Wesleyan Church system include Tupou Tertiary Institute (TTI) and Hango Agricultural College. Other providers include Pouono Trade Campus, Queen Salote College and Tupou College, although these colleges' formal TVET programs are delivered under the auspice of TTI.

Tupou Tertiary Institute (TTI) developed from Tupou High School. Since 1998 it has been a TVET and higher education provider with 6 qualifications offered. A focus for its TVET programs is providing pathways to New Zealand higher education qualifications. Program offerings are all current New Zealand certificates or diplomas provided under twinning arrangements with Whitereia Community Polytechnic, Wellington Institute of Technology and Bethlehem Tertiary Institute in New Zealand. In some instances the programs are part of a degree program and students have the capacity to undertake 1.5 to 2 years of study in New

¹⁷ Due to the status of the TMPI at this time and at the request of the Director of TIST, the TMPI was excluded from the data collection.

¹⁸ Note that fitting and turning machines provided in 1993 through German investment were still in use at the time of the fieldwork.

¹⁹ Nursing was not included in scope of study.

Zealand to complete a degree, business. TTI provides twinning arrangements for TVET programs at three training providers in Tonga (Pouono Trade Campus, Queen Salote College, Tupou College [Toloa, Tongatapu Island]). TTI representatives recognise that it is responsible for the quality assurance of the programs delivered under its remit; however, at this stage there are no strong quality assurance arrangements in place or documented to assure the quality of programs delivered under its auspice.

Hango Agricultural College was established in 1969 by the Free Wesleyan Church to train school leavers for farming and agricultural industry careers. The college provides a certificate and diploma program in agriculture. There are two campuses – Hango, which is 207 acres and has administrative buildings, classrooms, boarding facilities, chapel and kitchen, and the Kenani campus of 237 acres that is the main site for cash crops. Hango Agricultural College has a pathways agreement with USP–Alafua Campus.

Catholic system

‘Ahopanilolo Technical College was established in 1969 and aims at improving the lives of low-income Tongans and caters for the needs of the out-of-school youth. It aims to provide development of techniques and skills required for food production, accommodation service, art, and fashion and design appropriate to hospitality situations. Facilities include a restaurant and commercial kitchen plus two training kitchens.

St Joseph’s Business College started in 1970 and was initially established to educate single young women. The school has four classrooms, one library and one computer laboratory. The college conducts one program, Certificate 4 in Secretarial Studies, which has pathway agreements with TTI and TIHE (and is arranging a pathways agreement with USP – Tonga Campus).

Montfort Technical Institute was established in 1996 and provides technical training in building and wood working, and motor vehicle mechanics. The school has two workshops, one for each field.

Regional provision

University of the South Pacific

The University of the South Pacific, the regional university, at the Tonga Campus provides a range of TVET and bridging programs that are pertinent to this study.

Bridging programs

The Tonga Campus offers both preliminary and foundation studies programs which provide a pathway to degree level programs at USP or to other programs offered in Tonga at other institutions such as TIST or TTI. The Foundation program level is considered equivalent to Fiji Form 7, SPBEA South Pacific Form 7 and NZ National Certificate of Educational Achievement Level 3. The Preliminary program is considered equivalent to Fiji Form 6, SPBEA South Pacific Senior Secondary Certificate 7 and NZ National Certificate of Educational Achievement Level 2 (USP 2012). Target groups include mature entrants who have left school early, but who now wish to re-commence studying, and students from USP member countries who have not performed well in their Form 6 (or equivalent) examinations (Preliminary Program) or those who have passed a University Senate-approved Form 6 examination (or equivalent), or have completed a USP Preliminary Program (Foundation Program).

TVET programs – CCCE

The Continuing and Community Education (CCCE) regional centre provides a range of programs to meet the needs or interest of the community. Programs are delivered on request if numbers meet the level of 'break even' (generally 10 students). Programs offered include, for example, Certificate II in Tourism, Certificate IV in TVET Management and the Certificate in Office Administration and Management (Certificates I to IV). The most popular program is stated to be the units within the information technology program.

TVET programs – USP faculties

Faculties offer a range of undergraduate certificate and diploma programs, some of which are vocational (as opposed to academic), for example, the Faculty of Arts, Law and Education offers two vocational programs – the Certificate in Law and the Certificate in Basic Skills in Library/Information Studies.

Australia-Pacific Technical College (APTC)

There is no campus of APTC in Tonga; however, through donor support Tongans have undertaken programs at both Fiji and Samoa campuses. The APTC office in Tonga has one representative. The representative of the APTC office primarily focuses on marketing the available APTC courses within the community. The main approach currently taken by the representative includes personal visits to youth groups. The nature of the APTC courses requires prior experience in the various industries.

Private provision

'Unuaki 'o Tonga Royal Institute was established in 2000 on Vava'u Island, providing non-formal courses, which targeted school drop outs and unemployed youth. In 2003, the Institute was transferred to Tongatapu. The Institute provides training in tourism, hospitality and dance. The program is designed so that for each year, one semester is training at the college and the other semester is work placements.

NGO and Non-formal provision

There are a range of Non Government Organisations providing non-formal training, including Civil Society Forum of Tonga, Mainstreaming of Rural Development Innovation Tonga Trust (Mordi Tonga Trust), NATA (Naunau 'oe 'Alamaite Tonga Disability Association), Langa Fonua 'a Fafine Tonga and the Tonga National Youth Congress.

One of the main NGO providers of training is MORDI Tonga Trust which has provided support and training over the last five years to 56 vulnerable communities in remote regions of Tonga focussing on youth and women. Training includes financial literacy, business planning, small engine maintenance, motor vehicle maintenance training, traditional arts and design. MORDI's most current program, the Tonga Rural Innovation Project, will target the extreme poor living in 60 communities of approximately 16,900 people. MORDI utilises a train the trainer model to be able to reach the remote communities and to ensure that costs are manageable.

Tonga Business Enterprise Centre (TBEC) was established only two years ago and is linked to the Tonga Chamber of Commerce and Industry Inc. TBEC has an office on Tongatapu Island and Vava'u Island. TBEC focuses on small to medium size businesses and the informal sector. It provides a range of 40 short course business related programs. It conducts approximately 120 programs in a calendar year. TBEC also provides business support services to organisations.

8.6 STATISTICAL PROFILE OF TVET PROVISION

This section presents an analysis of student, staffing and scholarship data to provide further context for the study and its findings.

8.6.1 OVERALL ENROLMENTS

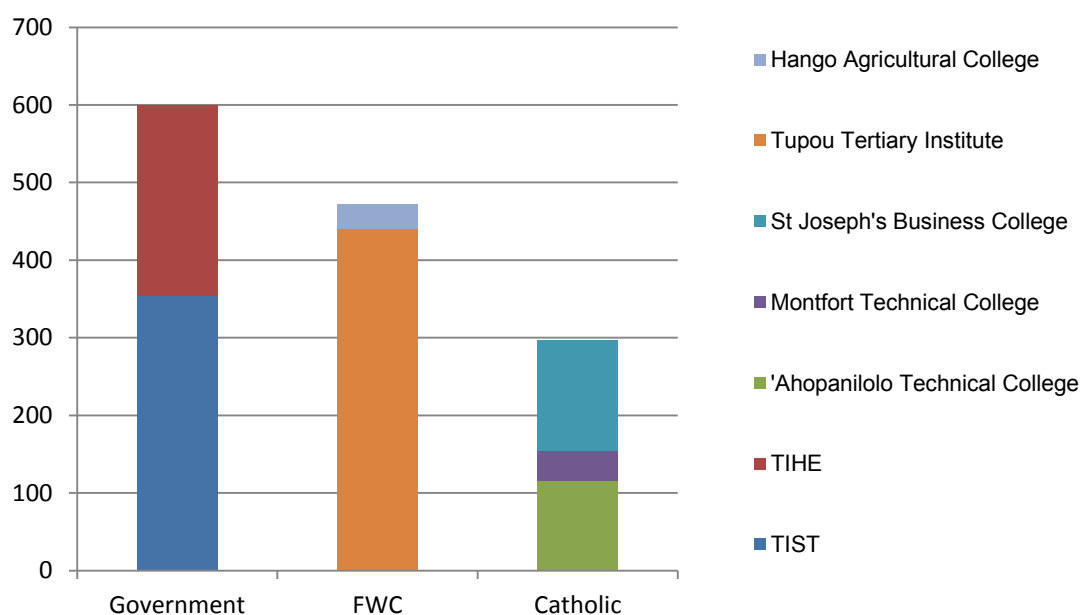
The number of equivalent full-time students in TVET programs in 2011 was 1,859. Of this number, 40.9 per cent were EFTS in government providers, 15.9 per cent in Catholic providers and 27.4 per cent in FWC providers (Table 8.2). The remaining 15.8 per cent of total EFTS was at a private provider.

Table 8.2 Enrolments in TVET programs by institution and school/centre, 2008–2012

System	Provider				EFTS	
		2010	2011	2012	2011*	%
Government system	TIST	571	418	354	370	19.9
	TIHE					
	Semester 1	225	222	245	391	21.0
	Semester 2	152	169	212		
	Queen Salote School of Nursing	30	30	40	11	0.6
Free Wesleyan Church system	Tupou Tertiary Institute					
	Semester 1	428	460	441		22.9
	Semester 2	395	480	298	425+23	
	Hango Agricultural College	22	39	31	39	2.1
	Queen Salote College	n.a.	n.a.	n.a.	11	0.6
Catholic system	'Ahopanilolo Technical College	119	134	116	123	6.6
	Montfort Technical Institute	40	51	39	51	2.7
	St Joseph's Business College	129	126	142	121	6.5
Private	'Unuaki 'o Tonga Royal Institute	n.a.	n.a.	n.a.	294	15.8
Total enrolments		1,564	1,480	1,408	1,859	100

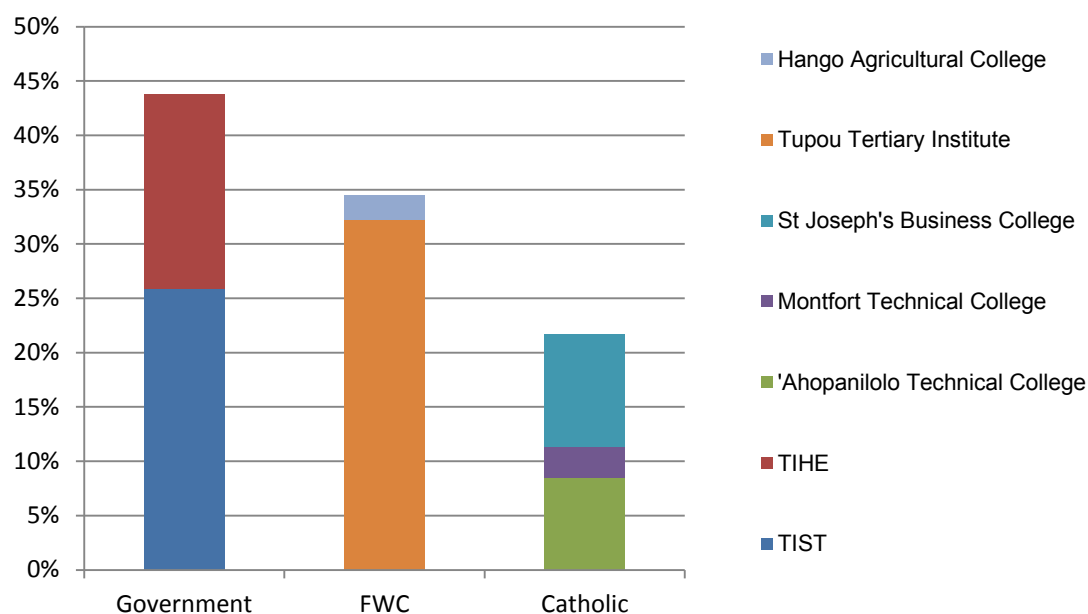
* TNQAB (2011). Registration data

Sources: TNQAB (October 2012). Provider data returns.

Figure 8.2 Enrolments in TVET programs, by system and provider, 2012

Source: Table 8.2

Figures 8.2 and 8.3 show almost two-thirds of TVET provision is delivered by three providers, namely TIST (19.9 per cent), TIHE (21 per cent) and TTI (22.9 per cent). The remaining third is delivered by eight providers.

Figure 8.3 Enrolments in TVET programs, by system and provider, 2012 (%)

Source: Table 8.2

Fields of training

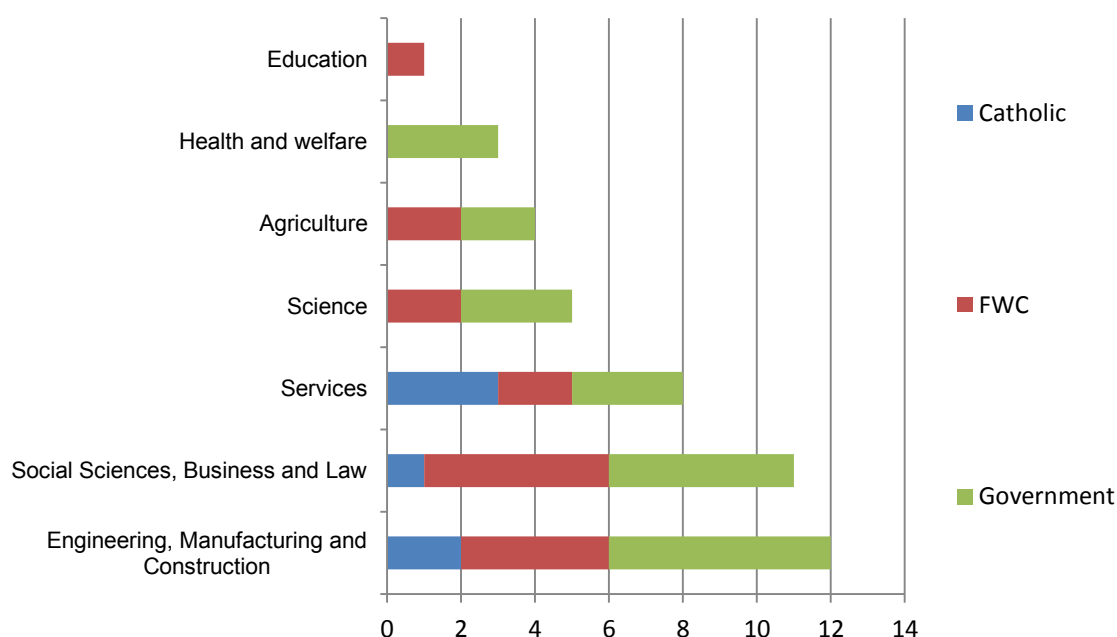
Duplication of training effort is a particular consideration in the Tongan context. It is important to consider the number of training programs available in Tonga across the various fields and levels. Table 8.3 and Figures 8.4–5 show the number of formal TVET programs offered in 2012 classified by CEDEFOP field of education.²⁰ This shows that, for a relatively small training market, there are a large number of programs offered across certificate and diploma levels in a number of industry areas.

Table 8.3 Count of TVET programs by CEDEFOP field and type of provider, 2012

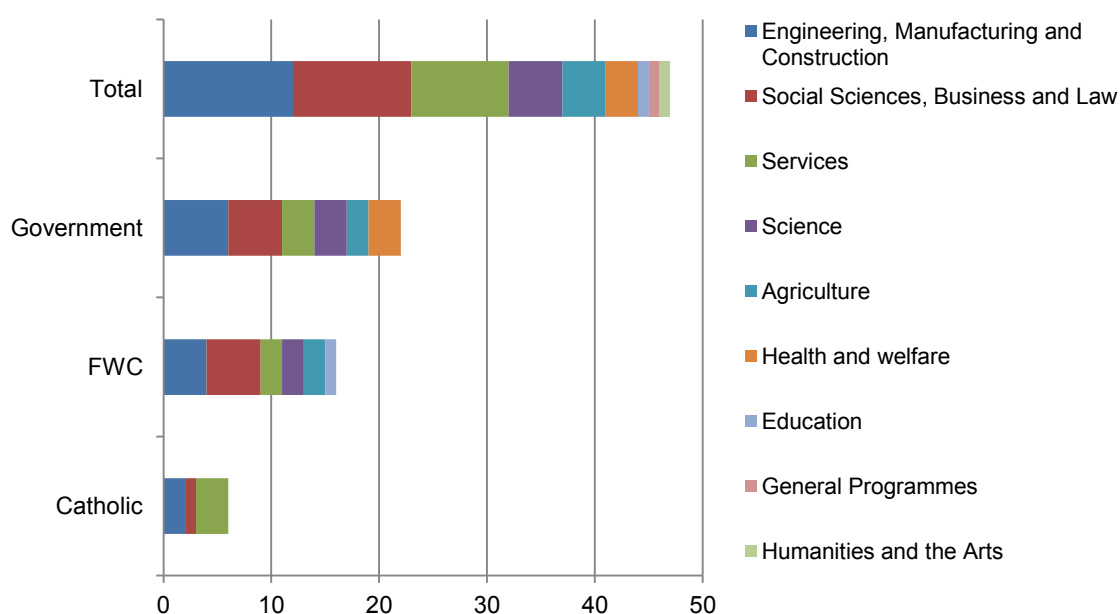
Programs	Government	FWC	Catholic	Grand Total
Certificate	12	8	6	26
Agriculture	1	1		2
Engineering, Manufacturing and Construction	6	3	2	11
General Programmes				0
Health and welfare	1			1
Humanities and the Arts				0
Science	1	1		2
Services	1	2	3	6
Social Sciences, Business and Law	2	1	1	4
Diploma	10	8		18
Agriculture	1	1		2
Education		1		1
Engineering, Manufacturing and Construction		1		1
Health and welfare	2			2
Science	2	1		3
Services	2			2
Social Sciences, Business and Law	3	4		7
Total	22	16	6	44

Source: TNQAB (October 2012). List of providers and programs.

²⁰ Providers are those listed in Table 8.2, excluding USP.

Figure 8.4 Number of TVET programs by CEDEFOP field and type of provider, 2012

Source: Table 8.3

Figure 8.5 TVET programs by CEDEFOP type of provider and field, 2012

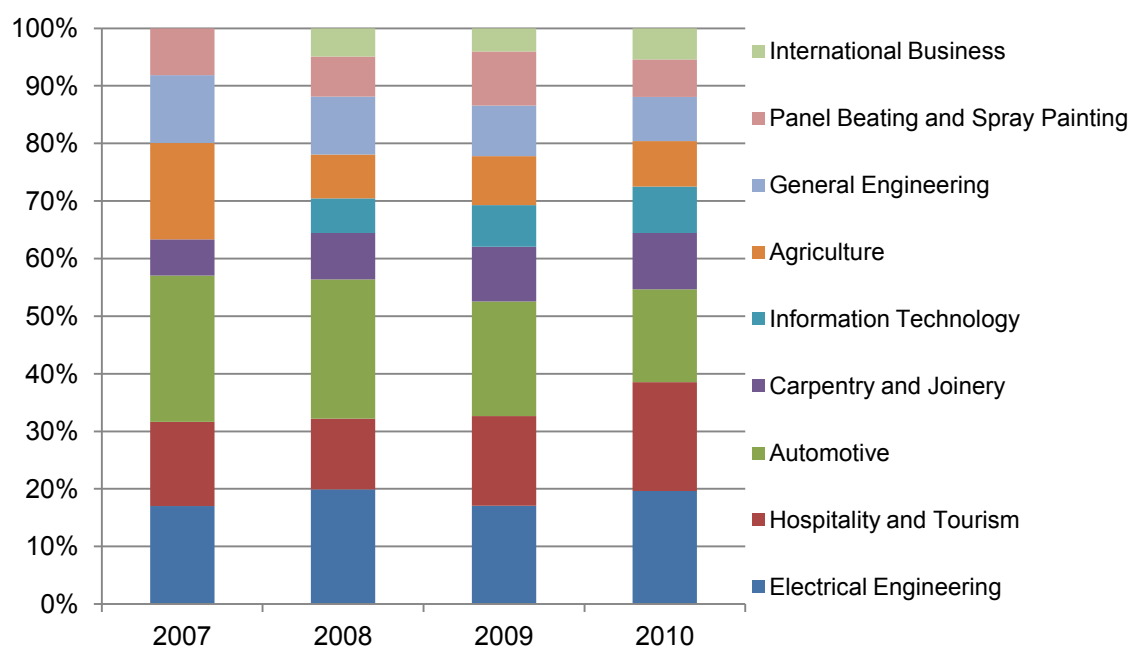
Source: Table 8.3

TIST, as one of the two government funded TVET providers, has a profile of programs in areas ranging from the traditional trades to maritime to hospitality and tourism. However, Table 8.4 and Figure 8.6 show that, for the four years to 2010, 65.5 per cent of TIST enrolments were in the School of Engineering, predominantly automotive and electrical engineering. The remaining 34.5 per cent of enrolments were primarily in hospitality, tourism and agriculture programs. Hospitality and tourism, in particular, has been a growing share of total enrolments in recent years.

Table 8.4 TVET enrolments at TIST, by field of training, 2010

Course	2007	2008	2009	2010	4 year average % share
Automotive	106	108	113	92	21.4
Carpentry and Joinery	26	36	54	56	8.4
Electrical Engineering	71	89	97	112	18.4
General Engineering	49	45	50	44	9.6
Panel Beating and Spray Painting	34	31	53	37	7.7
Sub-total School of Engineering	286	309	367	341	65.5
Agriculture	70	34	48	45	10.2
Hospitality and Tourism	61	55	88	108	15.3
Information Technology		27	41	46	5.3
International Business		22	23	31	3.6
Sub-total (former NCVS programs)	131	138	200	230	34.5
Total TIST Enrolments	417	447	567	571	100.0

Source: Ministry of Training, Employment, Youth and Sports Annual Reports (2007-2010)

Figure 8.6 Enrolments in TVET programs at TIST, by field of training, 2010

Source: Table 8.4

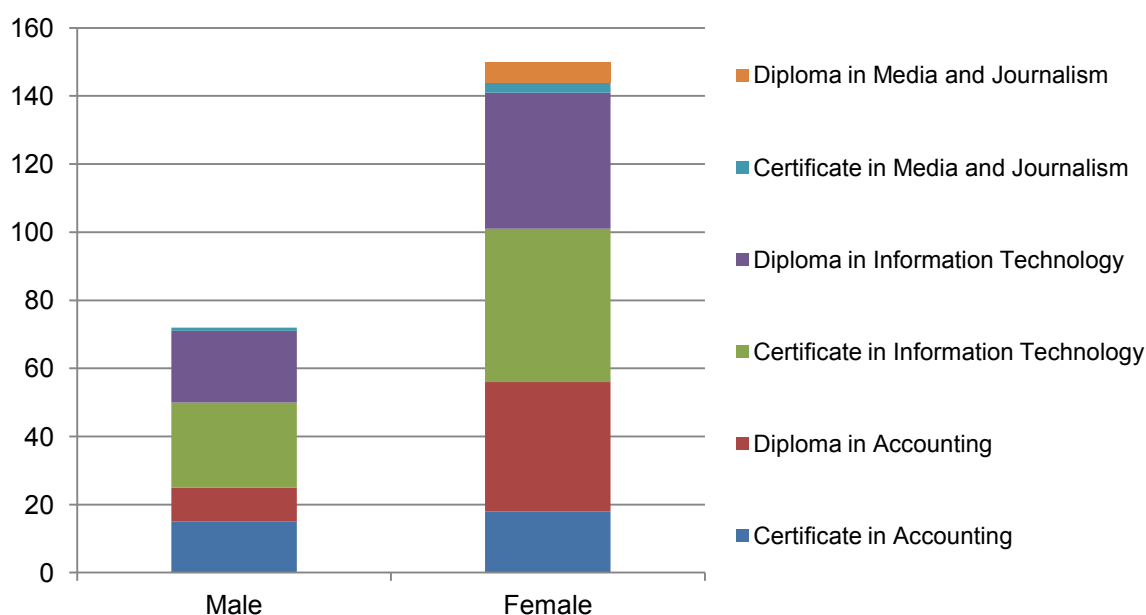
Gender

TIHE, as the other government funded TVET provider, also has a profile of students in areas including accounting, information technology, and media and journalism. Table 8.5 and Figure 8.7 show that in 2011, 67.6 per cent of TIHE enrolments were female. The highest enrolling programs, the Certificate and Diploma in Information Technology have an enrolment split of about two-thirds female to one-third male.

Table 8.5 TVET enrolments at TIHE, by field of training, 2011

Course	Male	Female	Total	% female
Certificate in Accounting	15	18	33	54.5
Diploma in Accounting	10	38	48	79.2
Certificate in Information Technology	25	45	70	64.3
Diploma in Information Technology	21	40	61	65.6
Certificate in Media and Journalism	1	3	4	75.0
Diploma in Media and Journalism	0	6	6	100.0
Total TIHE enrolments (Semester 1)	72	150	222	67.6

Source: Report of the Ministry of Women's Affairs and Culture for 2011

Figure 8.7 Enrolments in TVET programs at TIHE, by gender, 2011

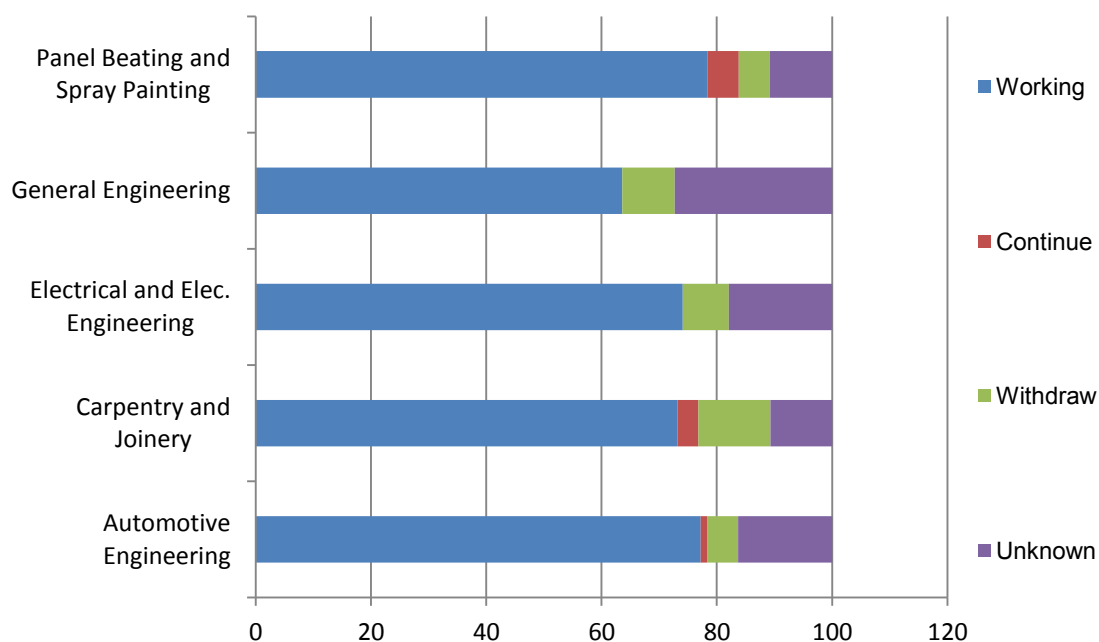
Source: Table 8.5

Table 8.6 and Figure 8.8 show that of the 341 enrolled students from the TIST School of Engineering (SoE), 73.9 per cent are working while studying, 7.9 per cent withdrew and 1.5 per cent are continuing with studies. Unfortunately, the destination of 16.7 per cent of the cohort is unknown.

Table 8.6 Students at TIST (SoE), by enrolment status, 2010

Name of Course	Enrolled	%			
		Working	Continue	Withdraw	Unknown
Automotive Engineering	92	77.2	1.1	5.4	16.3
Carpentry and Joinery	56	73.2	3.6	12.5	10.7
Electrical and Elec. Engineering	112	74.1	0.0	8.0	17.9
General Engineering	44	63.6	0.0	9.1	27.3
Panel Beating and Spray Painting	37	78.4	5.4	5.4	10.8
TIST School of Engineering	341	73.9	1.5	7.9	16.7

Source: Ministry of Training, Employment, Youth and Sports Annual Reports (2010)

Figure 8.8 Students at TIST (SoE), by enrolment status, 2010

Source: Table 8.6

Outcomes

Data is reported on the numbers of graduations from government-funded providers through the Ministry of Education and Training (formerly MEWAC) Annual Reports. However, data on outcomes or transitions from training is quite limited. Where data is available, it is usually recorded for internal purposes by providers who follow-up through direct contact with individual students. There is no standardised or annual survey of student outcomes or destinations.

8.6.2 AUSTRALIA-PACIFIC TECHNICAL COLLEGE

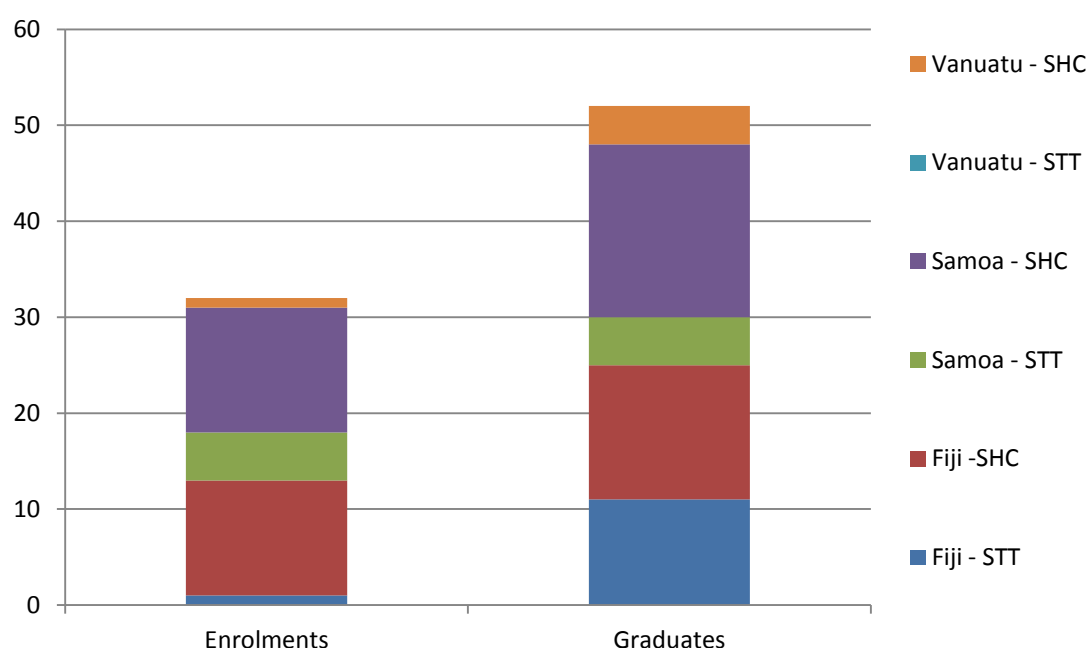
The most recent figures show 32 Tongan nationals studied an APTC course in 2011. This equates to 2.5 per cent of all APTC students. Table 8.7 shows that the most studied programs by Tongan nationals were in Samoa (56.3 per cent) and Fiji (40.6 per cent). Across all campuses, the most studied courses were hospitality and catering (81.3 per cent), followed by trade and technology (18.8 per cent). A larger number is shown to have graduated than been enrolled in 2011, most likely owing to a large intake in past years. The composition of graduates is broadly comparable with those who were enrolled.

Table 8.7 Location of APTC enrolments/graduations among Tongan nationals, 2011

	Enrolments					Graduations				
	Tongan	% of total	All other	Total	% Tongan	Tongan	% of total	All other	Total	% Tongan
FIJI	13	40.6	580	593	2.2	25	48.1	498	523	4.8
STT	1	3.1	266	267	0.4	11	21.2	248	259	4.2
SHC	12	37.5	314	326	3.7	14	26.9	250	264	5.3
PNG	0	0.0	153	153	0.0	0	0.0	186	186	0.0
STT	0	0.0	153	153	0.0	0	0.0	186	186	0.0
SAMOA	18	56.3	222	240	7.5	23	44.2	271	294	7.8
STT	5	15.6	99	104	4.8	5	9.6	123	128	3.9
SHC	13	40.6	123	136	9.6	18	34.6	148	166	10.8
VANUATU	1	3.1	277	278	0.4	4	7.7	329	333	1.2
STT	0	0.0	0	0	0.0	0	0.0	16	16	0.0
SHC	1	3.1	277	278	0.4	4	7.7	313	317	1.3
TOTAL	32	100.0	1,232	1264	2.5	52	100.0	1,284	1336	3.9
STT	6	18.8	518	524	1.1	16	30.8	573	589	2.7
SHC	26	81.3	714	740	3.5	36	69.2	711	747	4.8

Source: APTC data return

Note: SHC refers to the School of Hospitality and Community Services, and STT refers to the School of Trades and Technology.

Figure 8.9 Location of APTC enrolments and graduates, field of training, 2011

Source: Table 8.7

8.2.4 SCHOLARSHIPS

Each year a large number of Tongan nationals study post-secondary qualifications overseas, many of whom are supported by bilateral aid assistance from AusAID and NZAID.

Development scholarships

The three financial sources for scholarship provision in Tonga are Government of Tonga, NZAID program and AusAID. Table 8.8 shows the total number of scholarships offered under AusAID, NZAID program and the Government of Tonga for the 2010 to 2013 period.

Table 8.8 Number of Tonga development scholarships, 2010–2013

Source	2010	2011	2012	2013
AusAID	7	12	22	31
NZAP	20	23	30	30
Government	16	14	10	17
TOTAL	42 (6 TVET related)	49 (6 TVET related)	62 (5 TVET related)	78 (9 TVET related)

Source: AusAID, NZAID program, Government of Tonga.

Table 8.8 shows an increase in scholarships from the three scholarship programs since 2010. However, only a small number of the scholarships are TVET related.

There are a number of scholarships provided in-country, with the donor being the Tonga Development Bank and the Westpac Bank of Tonga.

Tonga Development Bank

Tonga Development Bank provides scholarships for local students with a specific emphasis on the TVET Providers. Over the past 3 years, the bank has offered a total of 113 in-country scholarships distributed amongst 10 key providers (Table 8.9). The total investment by the Bank on these scholarships is T\$74,919 over the past 3 years. The following table provides details of the scholarships they have offered by year.

Westpac Bank of Tonga

Westpac Bank of Tonga initially had scholarships offered across the outer islands, but focusing on high schools. In 2009 the total payments for scholarships from the Bank was T\$5,334. From 2010, the Bank has further focussed their scholarships on women only. Since 2011, the Bank has provided 2 scholarships in each sector (tertiary, secondary and primary). Tertiary scholarships were T\$1,500.

Table 8.9 Tonga Development Bank TVET scholarships, 2010–2012

Name of Vocational Schools	No. Of sponsored students			Cost Allocation (T\$)		
	2010	2011	2012	2010	2011	2012
TIST (SoE)	15	15	15	3,000	3,000	3,000
Queen Salote College	Started in 2011	3	2	Started in 2011	2500	n.p.
Tupou Tertiary Institute	3	3	3	4,175	7,060	4,220
St Joseph's Business College	4	4	4	2,600	2,600	2,720
Hango Agricultural College	3	3	2	2,720	2,710	2,675
'Ahopanilolo Technical College	3	3	3	1,800	2,220	2,508
Montfort Technical Institute	4	4	4	2,400	2,600	2,600
TIHE	4	4	4	1,440	1,260	1,440
TIST (SoAg, SoTH)	3	3	3	3,402	3,068	1,002
Pouono Trade Campus	3	3	3	2,400	2,400	2,400
Total	45	45	43	23,937	28,418	22,565

Source: Tonga Development Bank

8.2.5. STAFFING

A recent survey of TVET staffing number in Tonga shows that there are 113 teachers employed across the two government and four mission TVET providers. Of these teachers, the highest qualification held by 31 per cent is a TVET qualification, compared to 59.3 per cent who hold a higher education qualification. There is wide variation in the proportion of female teachers employed across these six providers. Table 8.10 shows the overall proportion of female employment is 39.8 per cent. More than half of all teaching staff, 59 per cent are employed on full-time contracts and 42.5 per cent had been employed between 1–5 years.

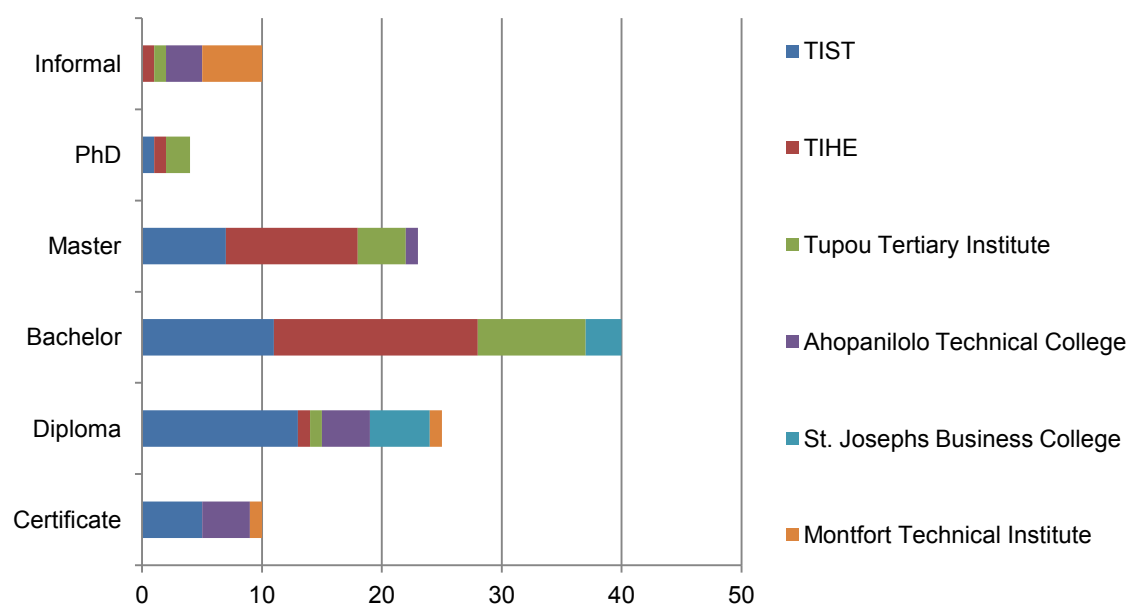
Figures 8.10 and 8.11 show the qualification profile of TVET teachers in Tonga is skewed towards the bachelor degree with 35.7 per cent of staff holding that level qualification. A slightly higher proportion of females than males hold bachelor and diploma level qualifications.

Table 8.10 Teaching staff by provider, 2012

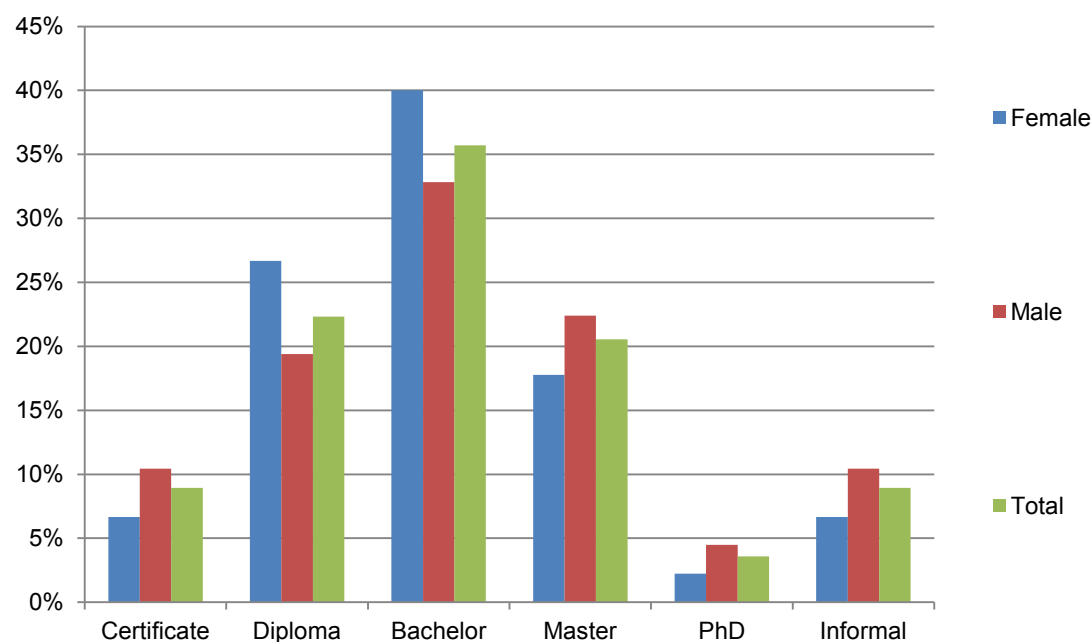
	Training provider	TIST*	TIME	TTI	'Ahopanilolo	St. Joseph's	Montfort	Total
Qualification level	Certificate	5	0	0	4	0	1	10
	Diploma	13	1	1	4	5	1	25
	Bachelor	11	17	9	0	3	0	40
	Master	7	11	4	1	0	0	23
	PhD	1	1	2	0	0	0	4
	Informal	0	1	1	3	0	5	10
	% TVET	47.4	3.2	5.9	66.7	62.5	28.6	31.0
	% HE	50.0	93.5	88.2	8.3	37.5	0.0	59.3
Gender	Female	6	15	6	10	8	0	45
	Male	32	16	11	2	0	7	68
	% Female	15.8	48.4	35.3	83.3	100.0	0.0	39.8
Employment contract	Full-time	20	4	16	12	8	7	67
	Part-time	18	27	1	--	--	--	46
	% Full-time	52.6	12.9	94.1	100.0	100.0	100.0	59.3
Years employed	1-5 years	6	23	7	8	3	1	48
	6-10 years	6	4	1	1	1	2	15
	11-20 years	7	2	2	2	1	2	16
	20+ years	1		4	1	2	1	9
	Unknown	18	2	3		1	1	25
	%1-5 years	15.8	74.2	41.2	66.7	37.5	0.9	42.5
Total 2012		38	31	17	12	8	7	113

*Excludes TMPI

Sources: TSP1 TVET Institutions Questionnaire (Jan 2012)

Figure 8.10 Teaching staff by institution, by highest staffing qualification, 2012

Sources: Table 8.10

Figure 8.11 Teaching staff by gender, by staffing qualification, 2012

Sources: TSP1 TVET Institutions Questionnaire (Jan 2012)

CHAPTER 9. TVET FOR EDUCATIONAL OPPORTUNITIES

This chapter presents TVET pathways, issues of access and financial mechanisms in the context of social and community development.

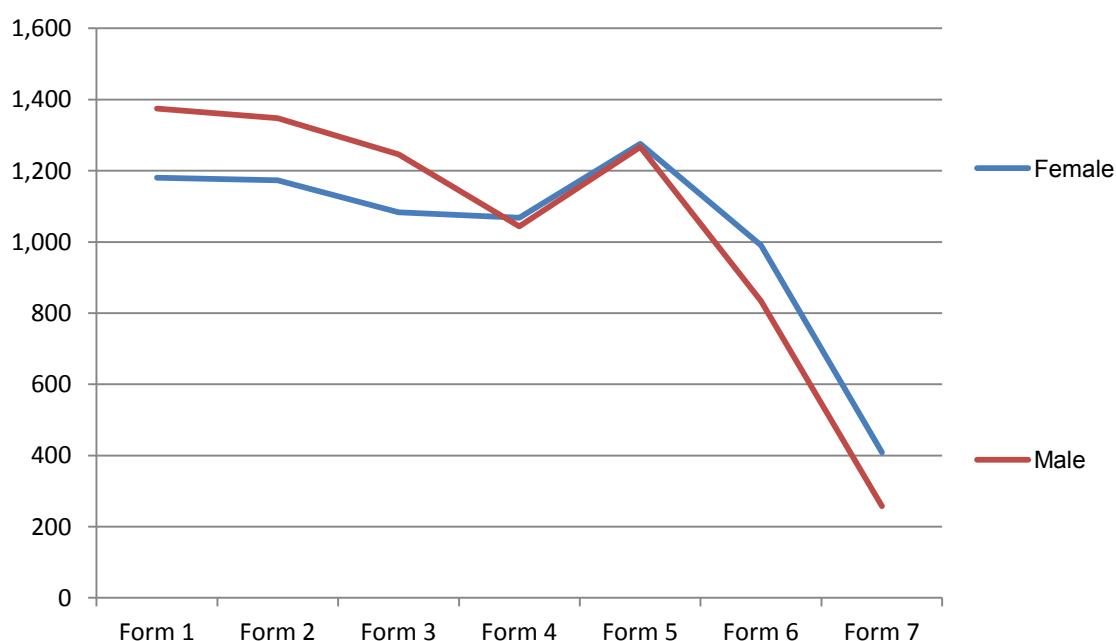
9.1 TVET PATHWAYS

Enhancing people's skills has many wider social benefits. There are recognised links between skills and social outcomes such as health, the reduction of crime, and social cohesion. The Government of Tonga recently announced that the minimum school leaving age will be raised from 14 to 19 years of age. This requirement means that all students will need to be engaged in some form of education, skills training or structured learning. This will also likely have implications for how systems and providers meet this demand with existing supply constraints.

Pathways into TVET in Tonga are characterised by a relatively large number of providers offering courses which aim to attract students with varied backgrounds, achievement levels and interests. For example, the highly visible presence of the Free Wesleyan and Catholic Church systems, in addition to the two Institutes in the government system, is indicative of approaches which encourage access and participation.

In terms of the pathways which students take into TVET, there is significant variation in academic entry requirements for TVET students depending on the provider and program. As shown in Figure 9.1, only a small number of students continue on to Forms 6 and 7. Many TVET providers will have entry criteria at the Tonga Secondary Certificate (TSC) Form 5. Currently TVET subjects are being taught within secondary schools with some seeking registration through the TNQAB (for example, Queen Salote College – Catering). This has extended the scope of TVET in Tonga and provides for limited alternative pathways for students.

Figure 9.1 Secondary school enrolments by gender, 2011



Source: MEWAC Annual Reports, 2010 and 2011

There are several established pathways from Tonga TVET institutions to overseas TVET institutions:

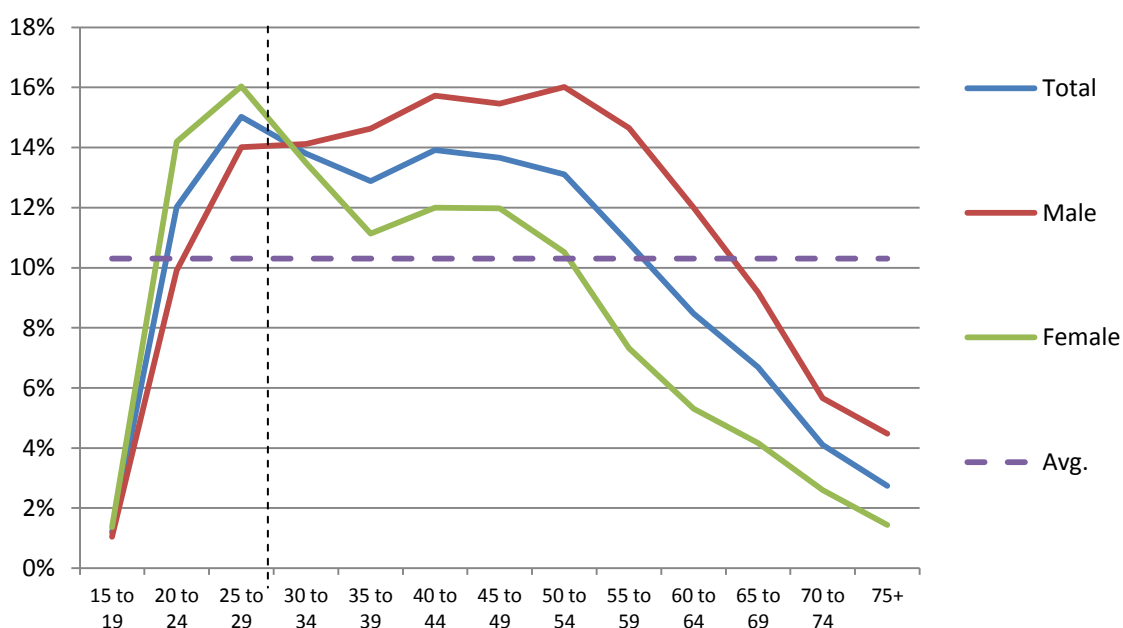
- Tupou Tertiary Institute (TTI) into Wellington Institute of Technology (Architectural Technology), Whitereia Community Polytechnic (business and information technology), and into Bethlehem Tertiary Institute for the teaching program;
- TIHE into the Open Polytechnic of New Zealand (Bachelor of Business Studies);
- TIST (SoTH) into AIS St Helens, New Zealand (Bachelor degrees in Tourism Management, International Business and Information Technology);
- St Joseph's Business College into TTI and TIHE; and
- Australian-Pacific Technical College (APTC) in Samoa, Fiji, Vanuatu and Papua New Guinea (for Hospitality, Automotive, Engineering Trades, Construction and Electrical Trades, including Refrigeration/ Air Conditioning and Plumbing, and Community Services).

9.2 ACCESS TO TVET FOR DISADVANTAGED GROUPS

The previous Ministries responsible for TVET, MEWAC and MoTEYS, do not specifically mention education and training access for disadvantaged cohorts in their annual reports. Nor do such cohorts feature in the *Lakalaka* (MET, 2012). However, increased participation and equity in training is one of the key goals in the *Draft National TVET Policy Framework 2013–2017* (MET, 2012).

Women are not well represented, relative to share of the population, in many of the formal TVET programs currently run in Tonga. The TIST Schools of Engineering and of Maritime attract very few female students because of the nature of their programs (for example, technical trades and marine) while students are mostly male in the agricultural programs and mostly female in the tourism and hospitality programs. In contrast, in the Catholic TVET institutions, the majority of the students are female (St Joseph's Business College is all female, 'Ahopanilolo Technical College is predominantly female, and Montfort Technical Institute is all male). The Free Wesleyan Church post-secondary providers attract a mixture of females and males, depending on the program. Women are often well represented in non-formal short courses.

Figure 9.2 shows that the proportion of older females holding tertiary qualifications is relatively lower than males. However, a greater proportion of females than males hold tertiary qualifications in the 20–29 age brackets, suggesting a shift in the gender balance over the past decade.

Figure 9.2 15+ population who hold tertiary qualifications by gender and age, 2011

Source: Tonga Department of Statistics (2012). *Census of Population and Housing*

Tonga's relatively dispersed population, described in Chapter 4, is not reflected in its TVET provision in terms of its access and availability. All post-secondary institutions (including all TVET providers) are located on the main island of Tongatapu (except for one institution on 'Eua Island and one institution on Vava'u Island). The *Lakalaka* (MET, 2012) indicates that access is a major issue both in terms of location of institutions and also the scope of programs.

Table 9.1 outlines the distribution of post-secondary institutions by district.

Table 9.1 Post-secondary distribution of institutions and students by district, 2010

Island	% share of the population*	No. of students
Tongatapu	73%	2,074 (97%)
Ha'apai	7%	0
Vava'u	15%	42 (2%)
'Eua	5%	24 (1%)
Nuias	1%	0
Total	100	2,140

Source: Ministry of Education and Training 1 July 2012, The *Tonga Education Lakalaka Policy Framework (TELPF) 2012 – 2017*, p. 14. EMIS data 2010

* Percentages are as per the source, although percentage figure total is 101%.

Addressing the needs of remote communities and disadvantaged groups based outside Tongatapu Island are NGOs offering training to those who face barriers to participation in TVET. The type of non-formal training offered by NGOs outside of Tongatapu Island covers areas generally focusing on enabling remote rural communities to be sustainable and promote health and education.

A key provider of this training was the MORDI Tonga Trust providing such programs as project management, financial literacy, business planning and leadership. Training to the remote rural communities also included small engine maintenance, water safety, motor vehicle maintenance training, traditional arts and design. MORDI Tonga Trust program has focused on contributing to sustainable, improved livelihoods of vulnerable communities, especially youth and women living in remote rural areas.

Other NGOs that focus on women in the community include Langa fonua 'a Fafine Tonga. Langa fonua 'a Fafine Tonga is a national non-profit non-governmental organisation established in the 1950s by the late Queen Salote Tupou III. It provides basic training for women in improving their quality of life, leadership, and other specific skills.

The Tongan National Youth Congress has provided training to Tongan youth in park management and assisting commercial and organic farm operations to access markets. The Tonga National Disability Identification Survey conducted in 2006 noted that approximately 2.8 per cent of the total population have a disability.²¹ According to the 2006 Tonga National Disability Identification Survey, only 3 per cent of the total 2,460 people with disabilities over the age of 15 years are in formal employment. This is more than thirteen times less than the national formal employment rate of 39 per cent.

Providing support to Tongans with disabilities is Naunau 'o e 'Alamaite Tonga Association Incorporated (NATA). This group sources training programs through other providers and focuses more on empowering Tongans with disabilities.

9.3 THE ROLE OF FINANCIAL MECHANISMS AND SCHOLARSHIPS

Scholarship programs are often the defining factor in whether a student is able to enrol in a course or not. As in other Pacific Island Countries (PICs), they play a key role in improving access for disadvantaged backgrounds to study at home, in the Pacific region, in Australia or New Zealand.

A review of the scholarships offered to Tongan students shows that they are typically offered to high-achievers who are near the end of secondary schooling. There are significant amounts of Official Development Assistance allocated to scholarships through the 'post-secondary education' budget; however, these are mainly for higher education students. The types of scholarships offered to Tongan students aim to assist students with the cost of:

- tuition fees;
- air travel, if required;
- relocation and study allowance—contribution towards accommodation expenses, text books, study materials;
- contribution to basic living expenses;
- introductory orientation programs—a compulsory 4–6 week program prior to the commencement of formal academic studies covering information on life and study in the hosting country;
- health insurance to cover basic medical costs;
- English language courses; and
- bridging or academic support courses.

²¹ This is noted to be lower than that estimated by the WHO and United Nations.

AusAID provides for two types of scholarships:

- Australian Development Scholarships (ADS) are for full-time undergraduate or postgraduate study at participating Australian universities and Technical and Further Education (TAFE) institutions– up to 4 years.
- Australian Regional Development Scholarships (ARDS) are restricted to people from the Pacific to study at Pacific tertiary institutions in Papua New Guinea, Solomon Islands, Vanuatu, Fiji and Samoa – up to 4 years.

AusAID scholarships provide A\$5,000 for settlement and A\$30,000 per year of the program.

NZAID program provides for two types of scholarships:

- NZ Pacific scholarships are restricted to people of the Pacific; limited to study at 1 of 10 institutions within NZ
- Regional Development Scholarships are limited to study at USP (Suva).

The three top priority areas for AusAID/NZAID and Government scholarships over the past three years had consistently been education, health and TVET. One of the current focus areas for NZAID scholarships is teachers of technical and vocational (TVET) subjects in secondary schools and private TVET institutions. Since 2010 the majority of NZAID and Government scholarships have included engineering, automotive, construction, mechanical or electrical engineering, agriculture and hospitality with three scholarships being for the Bachelor of Education–Vocational.

The *APTC Scholarship Awards* provide funds for students across the Pacific region to access training at the Australian–New Zealand standard. There are two streams: the *full award* which assists with tuition fees, living costs, travel and medical costs; and, a *partial award* which assist with costs of tuition.

The In-country Scholarships Award (ICA) scheme established in 2000 allows those who cannot afford to continue in post-secondary education to compete for scholarships that enable them to study a range of courses offered by tertiary institutions. The scheme targets disadvantaged groups and aims at gender equity, with at least 50 per cent of the awards going to females.

CHAPTER 10. TVET FOR ECONOMIC GROWTH AND DEVELOPMENT

This chapter presents TVET in the context of economic growth and development.

10.1 THE ROLE OF TVET IN ECONOMIC GROWTH AND DEVELOPMENT

Skill needs consist of both skill shortages (a lack of appropriately qualified people in the work force) and skill gaps (where the existing work force does not have the necessary skills to achieve organisational objectives). It is apparent from the findings of this research that both are evident in the Tongan training and employment landscape. For example, one of the seven primary outcome objectives of the *National Strategic Planning Framework (2010)* was to 'Increase performance of Technical Training Vocational Education & Training to meet the challenges of maintaining and developing services and infrastructure' (p. 8).

The strategy stated that:

'At the core of TVET development in Tonga is skilling people for social and economic development. Training in the appropriate skills and vocations will provide Tongans with opportunities and meeting the critical demands for skills and expertise for local industries, the informal employment sector at the community level and the international labour markets.'

The prominence that TVET had in this Framework recognises the importance of TVET to the future development of the Tongan economy. However, there are a number of constraints and competing priorities which present challenges for this objective. These include, but are not limited to:

- insufficient, often static, budget outturns for the delivery of training;
- cultural and religious obligations to ensure all students have access and opportunity to enrol in a program if they meet the entry requirements;
- a finite number of 'new' jobs available in the labour market each year;
- limited formal engagement with industry i.e. no Apprenticeship Scheme;
- lack of information on the cost of training inputs and outputs; and
- limited scope to expand provision beyond existing scope due to budgetary and capacity constraints.

There is an apparent lack of information available to assist with monitoring, planning and budgeting for current training needs and future skills requirements. Although there are many advantages to three TVET systems operating in Tonga, without a national and coordinated approach to addressing industry requirements there is potential for opportunities for skills misalignment to occur over time.

An important feature of the Tongan training landscape is the TBEC project which operates with a demand-driven training framework. It is jointly undertaken by the Ministry of Commerce, Tourism and Labour with the Tonga Chamber of Commerce in an effort to provide small to medium enterprises with training and long-term capacity building. TBEC started in 2010, based at Tonga Chamber of Commerce and funded by NZAID for around T\$1m. The TBEC project in Tonga was established based on the SBEC model of Samoa.

The TBEC Private Sector Training Program (PSTP) is providing training targeted at the needs of Tonga's private sector. TBEC places a strong emphasis on ensuring that their list of training programs are based on needs previously identified through training needs analysis, customer and business surveys.

TBEC works with foreign and local training providers, University of the South Pacific, Tongan TVET providers and industry-based trainers to deliver programs via:

- short term courses;
- longer term accredited courses delivered in modules;
- after hours studies and funding of continuing education learning mechanisms, and
- distance learning.

Previously, the Ministry of Commerce, Tourism and Labour has held regional Training of Trainers program as part of a capacity building project for the Pacific under funding from the Commonwealth Secretariat. The Training of Trainers workshop was held in March 2010 for two weeks, mainly to expose participants to business development services and mentoring. In addition, the purpose of the training was to enable participants to effectively carry out the training in the participants' respective islands.

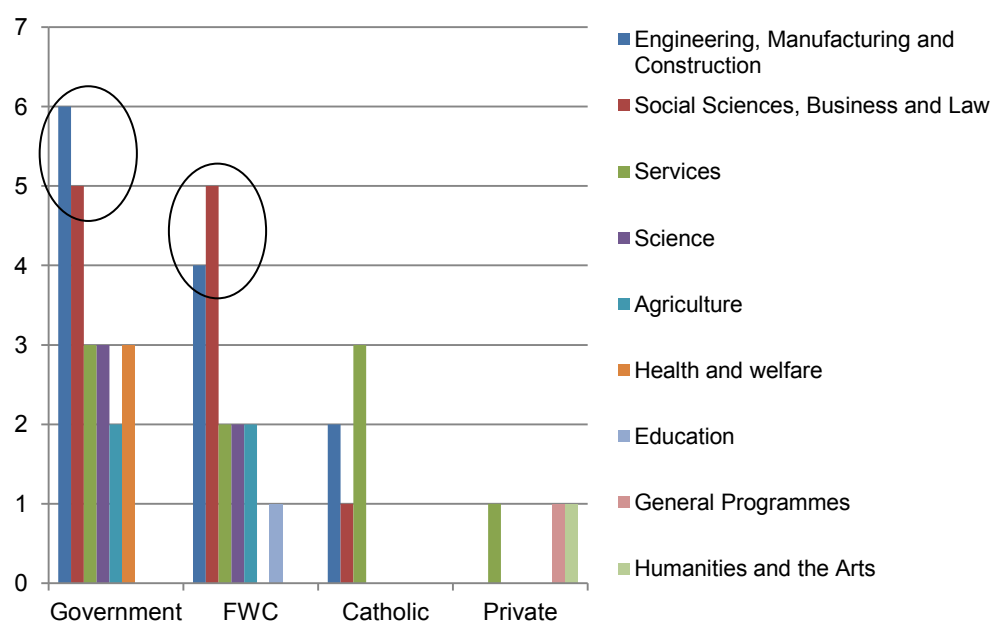
10.2 ALIGNMENT OF TRAINING WITH INDUSTRY NEEDS

In 2008 a national training needs analysis²² was conducted in Tonga as one of the activities of the Tonga Education Support Programme (TESP). The needs analysis identified immediate and critical skill needs among enterprises across all sectors of the Tonga economy. Generic skills in short supply included management skills generally (both senior and middle management skills), customer service skills, and skills in financial management and accounting. There were also skill shortages in advanced trades, policy development and analysis, advanced computing and information technology, and in a number of advanced technical work-related areas in several industries.

The training needs analysis report concluded that there is a need to strengthen technical and vocational education and training with a focus on key growth industries where effective performance will benefit the people of Tonga. Such industries include tourism and hospitality, agriculture, marine resources and fishing, construction, engineering, motor, and the maritime sector. Importantly, the review found that improved skills development is also required in other industries, including key social services such as health and education, where the largest numbers of public servants are employed.

As shown in Figure 10.1, the types of TVET programs currently offered in Tonga are skewed towards Engineering and Social Sciences fields for the government and FWC providers. However, there is little information available of the extent to which these programs, and their content, are a reflection of industry demand or are meeting employer expectations.

²² Catherwood V, Takapautolo T, Uera M and Soaka F (May 2008)

Figure 10.1 Count of TVET programs by type of provider and CEDEFOP field, 2012

Source: Table 8.3

The 2008 needs analysis found there is also unmet and increasing demand for professionally and technically trained employees at all levels in the private sector. Also in the public sector there are significant shortages of technically and professionally trained specialists in many fields. The current capacity to train these specialists is limited and cannot satisfy the demand for new public sector recruits. The work being undertaken by TBEC is taking important steps towards meeting the short-term training needs of private enterprises and their workers.

In the informal sector, there are also skill training requirements. These include general skills to improve the quality of village life, helping prepare young people to find employment, and promoting village-based enterprises that will generate income.

The newly completed labour market review, *The Tonga and Regional Labour Market Review 2012: A study to identify the demand for skills training in Tonga* (MET, 2013), provides an analysis of the role of middle-level skills in the Tongan labour market and in overseas labour markets where large communities of Tongans reside. The report indicated employers considered that the current scope of TVET provision did not meet their employment needs. The report also indicated that the following programs had weak employment outcomes:

- information technology (certificate programs);
- secretarial studies; and
- tourism and hospitality.

CHAPTER 11. QUALITY IN TVET

This chapter presents an overview of the Tongan National Qualifications Authority Board (TNQAB), the Tonga Qualifications Framework (TQF), and quality assurance arrangements in place for providers in terms of their registration and accreditation of programs. The chapter also considers the important role of teacher training, certification and quality in the provision of TVET. Finally, the chapter considers the TVET working environment using a set of standard measures to assess the quality of TVET provision in Tonga.

11.1 TONGAN NATIONAL QUALIFICATIONS AUTHORITY BOARD

The notion of quality has achieved prominence in the Tongan post-secondary education and training sector in recent years through the establishment of the Tongan National Qualifications Board (TNQAB). The TNQAB is responsible for the quality assurance of TVET in Tonga; this includes the registration of providers and the accreditation of curriculum in line with the Tonga Qualifications Framework (TQF).

The issue of coordination is central to system-level initiatives pursuing quality of inputs, processes and outcomes in the TVET sector. There remain a number of issues facing the TNQAB:

- Many programs are not accredited and therefore do not align to the Tonga Qualifications Framework and are not subject to quality assurance or monitoring. Many of these programs are similarly titled and described but are not necessarily positioned at similar Pacific Qualifications Framework levels in terms of their complexity of learning;
- There are a significant number of TVET programs which:
 - offer little in the way of mutual or international recognition between providers;
 - are delivered by providers who are not bound by legislated qualification or professional experience requirements for their teachers and trainers;
 - are severely constrained by the financial resources necessary to deliver at the desired level and at the required quality standards; and
 - result in uneven outcomes for graduates and their employers.

The Tonga National Qualifications and Accreditation Board (TNQAB) Act 2004 and its related Regulations²³ limit the role of the TNQAB to registration of providers, accreditation of curriculum and monitoring audit. There is no role that includes evaluating the education and training system, or the continuous improvement of the system, or the Board's links with the relevant Ministries. The requirements related to workplace learning appear out-dated and do not provide for a flexible model of workplace learning.

Tonga Qualifications Framework (TQF)

The TNQAB Regulations 2008 specify the nature of the national qualifications framework and notes that it will include all post-compulsory education and training qualifications available in Tonga that have been accredited by the TNQAB.

²³ Tonga National Qualifications and Accreditation Regulations 2010

The Tonga Qualifications Framework (TQF) has ten levels described in terms of processes, learning demand and responsibility. The TQF comprises qualifications that are registered in accordance with qualification definitions detailed in TQF policies. Each qualification is registered at one of the ten levels depending on the complexity of the knowledge, skills, processes or responsibilities that are being recognised. Level 1 is the least complex and Level 10 is the most complex. The framework makes it clear that these levels do not equate to years of learning, but rather reflect the outcomes of each qualification. Of the 10 levels, there are four certificate levels, two diploma levels, one bachelor degree level and three postgraduate levels.²⁴ Recognition of Prior Learning and credit transfer are embedded principles in the framework. The framework is a credit based framework.

The framework is in the process of being referenced to the Pacific Qualifications Framework (including the Pacific Qualifications Framework levels and the associated qualification descriptors); preliminary findings suggest that it *aligns with confidence* to the Pacific Qualifications Framework.

Quality assurance

The TNQAB has established three standards related to the quality assurance of TVET provision.

Standard 1: The provider is established and organised to provide quality education and training.

This standard is to be met for all new providers and is focused on the legal entity, established quality management system, appropriate governance arrangements as well as appropriate title of the organisation. The approval process for providers under this Standard is referred to as 'registration'.

Standard 2: An educationally sound and effective process is used for the development, approval and review of all qualifications and courses associated with the provider. This standard is to be met for each qualification, course of study and short course prior to delivery. This standard requires the inclusion of a moderation system for each qualification.

Standard 3: The provider is delivering quality education and training. This standard is to be met by the provider on an ongoing basis. This standard includes implementation of the quality management system as well as regular review, minimum trainer qualifications, adequate physical and learning resources and integration of workplace components and responsibility for auspice arrangements.

Registration of providers

The TNQAB registration of providers can be addressed as a stand-alone process or combined with the accreditation of a program. The registration process requires evidence that the applicant meets the requirements of Standard 1, including the establishment of a quality management system and payment of a registration fee (refer to Table 11.1). The review of applications is conducted by a TNQAB Quality Officer and includes a site visit to confirm documentary evidence. A provider's registration is renewed annually through a payment of a registration fee plus an additional T\$10 per every full-time equivalent (FTE) student enrolled in the previous 12-month period from 1 January to 31 December.

²⁴ TNQAB 2009, *Tonga Qualifications Framework Policies 2009*

Table 11.1 TNQAB fees structure – registration of providers

Fee Name	Amount*
Initial registration	T\$500
Provider Registration Annual Fee	T\$200 + T\$10 per student full-time equivalent

* Fees do not include consumption tax.

Source: TNQAB Tonga National Qualifications and Accreditation Regulations 2010

The TNQAB is currently in the process of registering all providers. As of October 2012 the TNQAB has registered 19²⁵ providers; there are eight²⁶ other providers who have applied, five²⁷ known providers who have not applied, and one provider that did not renew its registration.²⁸

Accreditation of programs

Training providers who wish to offer programs which lead to a nationally recognised qualification that meets the requirements of the Tonga Qualifications Framework (TQF) must gain accreditation from the TNQAB. The TNQAB considers that the process of accreditation is 'about fostering excellence in the post-compulsory education and training' (TNQAB, 2011b, p. 3.). Accreditation is seen as the confirmation that a program has met the standards and that it leads to a qualification registered on the TQF (TNQAB, 2009a, p. 5.). In addition, the aim of the process is to also evaluate an organisation's capability to deliver the programs to the required standards.

The accreditation process addresses Standards 1 and 2 and requires the submission of a curriculum, a moderation process and quality management system. However, in the accreditation process the provider is also required to address aspects of Standard 3 focussing on capability to deliver for example, staff experience and expertise, adequate facilities and equipment, adequate student support, appropriate auspice arrangements, appropriate reporting processes.

The accreditation process also includes a review by a panel and a site visit to the provider. The panel membership is to be normally made up of:

- one or more industry or community or professional representatives;
- one or more external education and training representatives in the same or similar field; and
- a TNQAB quality assurance officer.

The provider is responsible for all costs incurred by TNQAB²⁹. Refer to Table 11.2 for set fees.

²⁵ This total includes TIST (School of Engineering) and the former NCVS as separate registrations, as well as TTI and Queen Salote College (under the auspice of TTI) as separate registrations.

²⁶ This total excludes theological providers (2 noted) but includes Pouono Trade Campus (under the auspice of TTI) and Tonga Maritime Polytechnical Institute (part of TIST) as separate applicants.

²⁷ Ministry of Commerce, Tourism and Labour, Tonga Disability, Fehoko Arts, Young Kinikinikau Band School of Innovations, Tonga Visitors Bureau and Tonga Prisons Department.

²⁸ 'Atenisi Institute

²⁹ To encourage accreditation the TNQAB did provide free accreditation up to June 2011.

Table 11.2 TNQAB fees structure – accreditation of programs

Fee Name	Amount*
Accreditation Base Fee (per course of study at all levels)	T\$500
Fee per Accreditation Panel Member (All levels) ³⁰	T\$250 per day

* Fees do not include consumption tax.

Source: TNQAB Tonga National Qualifications and Accreditation Regulations 2010b

The accreditation of programs is an ongoing process and as of October 2012 there are five accredited programs across four providers,³¹ there are eight programs under accreditation review and there are at least 33 known programs not accredited across the providers.

Quality audits and internal review

In addition to expecting providers to establish a quality management system, the TNQAB policies³² note that quality audits of the institution will be conducted at least every 2 years, and that prior to the audit visit the provider is to undertake a self evaluation. The TNQAB defines quality audit as a 'systematic and independent review of a registered provider's activities to confirm alignment³³ with the three quality standards. Audits encompass a review of the providers' services against the three standards'.

TNQAB processes indicate that the audit team is to be a panel made up of a chair, an industry or community representative and a representative from Tonga or overseas with educational expertise. The panel membership does not include any requirements for the audit team to have experience in or qualifications in the area of audit or quality review.

The provider is responsible for all costs incurred by TNQAB.³⁴ Refer to Table 11.3 for set fees.

Table 11.3 TNQAB Fees Structure – TNQAB Audits

Fee Name	Amount
Quality Audit Base Fee	T\$500
Fee per Quality Audit Panel Member ³⁵	T\$250 per day

* Fees do not include consumption tax.

Source: TNQAB Tonga National Qualifications and Accreditation Regulations 2010

Curriculum development and validation of assessment

The accreditation of curriculum across the providers is an extensive process. For the first time in Tonga providers are to articulate their programs into curriculum documents that comply with a standard format and requires documentation of entry requirements, TNQAB

³⁰ Where specialists need to be used from overseas, they are to be paid at an equivalent rate to that paid for equivalent work in their respective countries. Note that panel expenses such as accommodation and travel are also to be covered by the provider.

³¹ 'Ahopanilolo Technical College, Tupou Tertiary College, Tonga Police (Police Training School), TIST.

³² TNQAB 2009, Quality assurance policies 2009.

³³ TNQAB 2009, Quality assurance policies 2009, p. 8.

³⁴ To encourage accreditation the TNQAB did provide free accreditation up to June 2011.

³⁵ Where specialists need to be used from overseas, they are to be paid at an equivalent rate to that paid for equivalent work in their respective countries. Note that panel expenses such as accommodation and travel are also to be covered by the provider.

level and credit points, pathways, units³⁶ and learning outcomes, assessment requirements and moderation processes. These documents form the basis of the panel review.

The TNQAB expects providers to undertake internal moderation of their assessment, and it is noted that a national system of external moderation will be put in place. The TNQAB describes the purpose of moderation is ‘to provide assurance that assessment is fair, valid and at an approved standard, and that assessors are making consistent judgements about learner performance...this is necessary to ensure consistency of assessment with an accredited provider over time and between assessors’ (TNQAB, 2009a, p. 10.).

The TNQAB does not, however, provide advice on how moderation could occur. Moderation could be for the purpose of continuous improvement or for the purpose of bringing judgements into alignment and therefore an active process possibly resulting in student scores or result being changed prior to reporting.³⁷ The model chosen does have implications for future costings.

11.2 TEACHERS AND TEACHER TRAINING

The TNQAB Act 2004 (p. 7) outlines the minimum requirements for teachers of any course of study related to post-compulsory education which is that ‘any person undertaking to teach a course of study shall:

- hold a registered teaching qualification at least one level higher than the approved course; and
- have 3 years experience in the field at the level of the course of study’.

The first requirement is unclear as it could mean a teaching qualification or a vocational qualification or an undergraduate education qualification, such as a Diploma of Teaching or a Bachelor of Education which incorporates both teaching pedagogy and vocational subjects. The application of this requirement is difficult to apply to TVET as many trade trainers would have a trade qualification and it is difficult to ascertain what higher qualifications are directly applicable to trade qualifications – any higher qualifications would be in related areas for example, management or engineering, rather than specific to the trade area.

The draft Education Act 2012 outlines the registration requirements of teachers including TVET trainers. The criteria for inclusion on the register requires the successful completion of ‘an approved course and holds a qualification relating to teacher education and training from a recognised institution, and completed at least one year of full-time teaching³⁸’. Interviewees during the fieldwork indicated that the proposed teaching qualification will be at diploma level.

An overview of the qualifications of TVET staff in Tonga is provided in Table 11.4 and Figure 11.1.

³⁶ Qualification component

³⁷ In Australian TVET validation is aligned to the notion of continuous improvement and quality review.

Alternatively, moderation is related to quality control and for the purpose of bringing judgements into alignment, a model not used in Australian TVET.

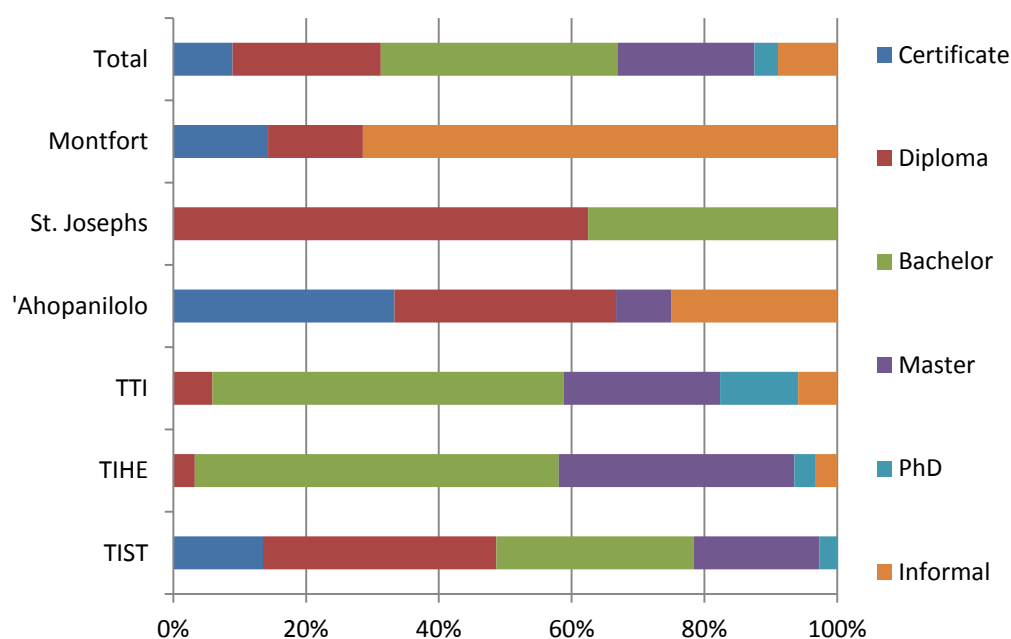
³⁸ Review of the Education Act 2012 Version 3 6 July 2012, p. 15.

Table 11.4 Teaching staff qualifications by level and provider, 2012 (all qualifications)

	Training provider	TIST*	TIHE	TTI	Ahopanilolo	St. Joseph's	Montfort	Total
Qualification area	% TVET	47.4	3.2	5.9	66.7	62.5	28.6	31.0
	% HE	50.0	93.5	88.2	8.3	37.5	0.0	59.3
	% Other	2.6	3.3	5.9	25.0	0.0	71.4	9.7
Gender	% Female	15.8	48.4	35.3	83.3	100.0	0.0	39.8
Contract	% Full-time	52.6	12.9	94.1	100.0	100.0	100.0	59.3
Years employed	<0 years		8	3	12	2	6	31
	1-5 years	1	6	3	4		11	25
	6-10 years						17	17
	11-20 years		2				11	13
	20+ years		5	1			6	12
	Unknown			1			7	8
	Total	38	31	17	12	8	7	113

* Includes School of Engineering, School of Tourism and Hospitality, School of Agriculture.

Source: TSP1 TVET Institutions Questionnaire (Jan 2012)

Figure 11.1 Staffing by institution, by highest staffing qualification, 2012

Sources: Table 8.10

Providers of education courses

There are three providers that deliver teacher training in Tonga:

- Tupou Tertiary Institute
- University of the South Pacific (USP)
- Tertiary Institute of Education.

Tupou Tertiary Institute delivers a Diploma of Teaching via a twinning arrangement with Bethlehem Tertiary Institute, a Christian Institute in Tuaranga, New Zealand. The program is registered with the NZQA (NZQF level 6) and leads to provisional registration with New Zealand Teachers Council.³⁹ The program is targeted at teachers within a Free Wesleyan Church aligned school (primary or secondary) or early childhood centre. The program includes units relevant to Christian studies and subjects related teaching pedagogy, for example, teaching mathematics, and assessment. However, the program does not include units relevant to competency based training and assessment, or adult learning principles or trade or vocational areas, and therefore this program is not relevant for TVET teachers within the Free Wesleyan Church school system.

USP provides a range of programs related to post-secondary education. Undergraduate programs that have relevance to TVET teachers include the Certificate in Non-Formal Education and the Bachelor of Arts (Technical and Vocational Education):

- The Certificate in Non-Formal Education is designed to develop an ideological base for non-formal education practices and examines the psychology of adult learning, the principles of group dynamics and techniques of teaching adults.
- The Bachelor of Arts (Technical and Vocational Education) includes the option of a TVET major with two strands: Technology and Food and Nutrition Studies. Graduate programs include the Graduate or Post Graduate Certificate in Tertiary Teaching.
- The Graduate or Post Graduate Certificate in Tertiary Teaching is a part-time program and explores various approaches to teaching, assessment, evaluation, curriculum planning and development in higher education.
- A Post Graduate Diploma in Tertiary Teaching is available for those who have completed the Certificate.

The Tertiary Institute of Education (TIOE) (a higher education provider under the Ministry of Education and Training) provides three education diploma programs for secondary, primary and early childhood education. Although there is some flexibility in entry or credit requirements, there is no program specifically designed for TVET teachers who will be delivering in a competency based setting.

In Tonga, the options of programs to meet the requirements of the draft Education Act 2012 for TVET trainers are limited. There is no program specifically designed for TVET teachers focussing on competency based training (CBT) and assessment (CBA) principles at either a certificate or diploma level.

Professional development for teachers and trainers

The Tonga Qualifications Framework notes that its level descriptors are based on learning outcomes rather than on inputs and it is this shift in pedagogy that has driven the interest in competency based training (CBT) and assessment (CBA) in the TVET sector in Tonga.

There are limited opportunities for professional development related to CBT and CBA. However, in recent years there has been a focus on donor support related to provision of Certificate IV in Training and Assessment.⁴⁰

The TSP1 program as part of its remit recently facilitated the provision of a Certificate IV in Training and Assessment in July–September 2011 with APTC trainers. There were 27 participants, 19 of whom graduated. Participants were from five TVET providers, schools and higher education providers. The program cost A\$66,165.

³⁹ *Teaching Studies: Student Handbook 2012*, Tupou Tertiary Institute.

⁴⁰ The Certificate IV is the minimum trainer qualification in the TVET sector in Australia.

Prior to June 2010 (and the start of the TSP1 project) there were also two Certificate IV programs conducted with a total of 39 participants. Each program was funded by AusAID at A\$56,852 each.

Further donor provision of professional development in the area of CBT and CBA should take into consideration the requirements of the draft Education Act 2012 as the Certificate IV in Training and Assessment would not satisfy teacher registration requirements (i.e. a diploma), and would be more of a professional development activity as opposed to meeting the minimum requirements for Tongan teacher registration.

11.3 TVET WORKING ENVIRONMENT

As previously mentioned, there are three distinct TVET systems within Tonga – government, Free Wesleyan Church and Catholic Church. Across these systems there are significant differences in salaries and of teaching conditions.

For government sector providers (TIST and TIHE) there is very little autonomy in terms of management of budgets and funds, of purchasing of consumables and of management of staff. Government providers are not permitted to hold their own bank accounts, and in terms of revenue (for example, student enrolment fee) monies must be paid into the central General Revenue account. Non-salary expenditure, for example purchase of consumables such as wood or printing paper, is managed through a manual voucher system requiring multiple signatories for approval and payment. Although this process is inefficient, the *Public Financial Management Performance Report* (2010) notes that this process avoids possible abuses.

In the government system full-time teacher salaries varied from a range of T\$17,277–24,095 for assistant instructors to the range of T\$27,945–30,617 for the Principal level. TIST and TIHE principals and trainers are public servants and therefore their wages are related to the Public Services salary levels. The entry level is determined by the teacher's qualification and those with a bachelor degree enter at level 9 which is the beginning point for all undergraduates. For example, anyone with a Diploma in TIHE enters at level 11/9 which means starting at the minimum point for level 11 and can continue until she/he reaches the maximum point of level 9. At this maximum point, any additional outputs or duties given to the officer will not result in an increase in the salary as it has already reached the maximum level. Variances within the levels is dependent on the years of work, every year is an increment to move up one point in the scale. As such, teachers may all be level 9, but at different points in the scale reflecting their years of service in that particular position.

In the Free Wesleyan Church system full-time teacher salaries are based on the level of qualification attained and years of experience. Salaries varied from T\$3,659–5,010 for untrained teachers, to T\$5,010–6,554 for those with a diploma, up to T\$10,700–11,654 for those with a PhD.

In the Catholic Church system full-time teacher salaries are based on level of qualification and years of experience. For a certificate teacher salaries range from T\$7,042–9,905, for a diploma teacher or assistant technical instructor or graduate teacher the range is from T\$8,839–13,717; for a graduate teacher the range is from T\$10,486–13,717; for a senior teacher the range is from T\$13,661–17,612 and for a senior education officer T\$14,736–18,853.

Table 11.5 outlines the comparison of FWC system and Catholic Church system teaching pay scales with government pay scales. The disparity between the three systems is clear, and is a major source of the difference in unit costs between the three sectors.

Table 11.5 Comparison of TVET trainer pay scales (T\$)

	Government		Catholic		FWC	
	Min	Max	Min	Max	Min	Max
Principal (of provider)	28,483	35,797	16,112	20,235	10,620	11,859
Principal/Head of school/ Senior Educator	26,027	29,861	14,736	18,853	10,620	11,859
Graduate teacher	17,277	24,095	10,486	13,717	6,882	10,820
Diploma teacher			8,839	11,701	5,010	6,554

Source: Public Services Commission, Catholic system and FWC system

The Government pay scales increased tremendously after the first and only Tonga Public Service strike in 2005. This resulted in an increase in pay by up to 70 per cent and increased the gap even more between the Government pay scales and those for the two church provider systems. The Government pay scales are classified by positions and spread throughout 14 levels.

None of the TVET systems or providers had a clear documented set of conditions for teachers, other than general employment conditions, for example, holidays. There was no guidance on hours of work, attendance time, scheduled duties (including teaching hours, preparation and marking allowance, curriculum development allowance and other duties). Inconsistencies in teaching conditions seemed to vary depending on the programs taught, within and across the three systems.

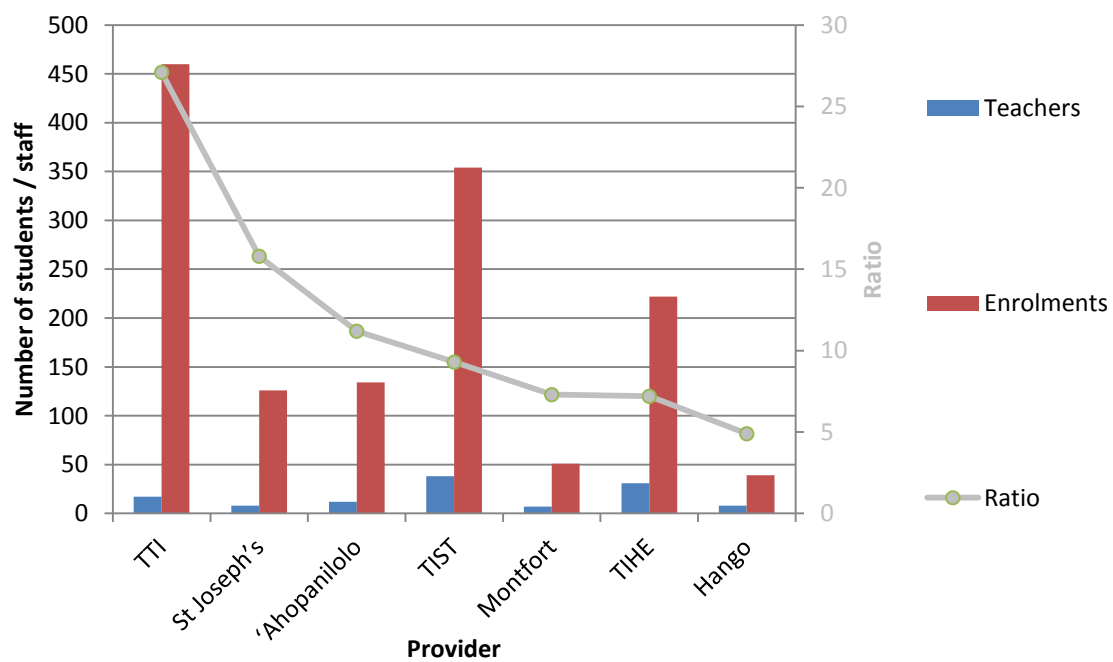
The student staff ratios across a selection of TVET providers are shown in Table 11.6. These range from 27.1 at Tupou Tertiary Institute to 4.9 at Hango Agricultural School. The ratios at the two main government providers, TIST and TIHE are 9.3 and 7.2, respectively.

Table 11.6 Student to staff ratios by provider, 2012

	Number of teachers	Number of enrolments	Ratio
Tonga Institute of Science and Technology	38	354	9.3
Tonga Institute of Higher Education*	31	222	7.2
Tupou Tertiary Institute	17	460	27.1
'Ahopanilolo Technical College	12	134	11.2
Hango Agricultural College	8	39	4.9
St Joseph's Business College	8	126	15.8
Montfort Technical Institute	7	51	7.3

* Semester 1 only. Many TIHE students are enrolled part time. According to the TNQAB, the EFTS for 2011 was 391.

Source: TNQAB, TSP1, MEWAC, provider data sheets.

Figure 11.2 Student staff ratios by provider, 2012

Source: Table 11.6

PART IV: THE FINANCING OF TVET

CHAPTER 12. OVERVIEW OF TVET FINANCING

This chapter presents an overview of the TVET sector in Tonga in terms of income sources, budget allocations and items of expenditure for the financial year 2011/12.

12.1 FINANCING OF THE TVET SYSTEM AND PROVISION

The recurrent and capital expenditures which support the TVET system in Tonga are sourced from a number of government and non-government sources. The Government of Tonga contributes funds to both public and private providers in the form of operating grants and specialised TVET grants to non-government providers. Church Dioceses support their own TVET providers in the form of annual operating grants and, like their counterparts in the government sector, these operating grants are supplemented by donor funds and student fees among a number of other minor income streams.

Table 12.1 presents each of the main income sources (rows) and each of the main recipients (columns) to estimate a total level of funding to TVET providers in Tonga for the 2011/12 financial year. The main income sources, for purposes of comparability, are:

- government (for example, operating grants for government providers, targeted TVET grants to non-government providers);
- donors (for example, recurrent and annualised capital income for large-scale donor projects, such as buildings);
- diocese (for example, operating grants disbursed from the Free Wesleyan and Catholic Church Diocese)
- student Fees (for example, tuition and materials fees paid to providers);
- sale of services (for example, restaurants which open to the public, sale of carpentry projects); and
- other income.

The table shows that, excluding the large donor supported TVET program (TSP1), a total of T\$5.21m flowed into the formal TVET system. If the budget estimate for TSP1 is included, this amount increases to T\$8.95m. These amounts are likely to be underestimates of the total training effort which occurred in Tonga in 2011/12, as the scope only includes funds flowing to providers and the QA authority.

It is apparent from this cross-section of income streams that government provision is not the predominant TVET provider in Tonga. Rather, there are three defined systems of formal TVET provision – government, the Free Wesleyan Church and the Catholic Church – each in receipt of a sizeable share of the funds flowing to TVET. There is also one private provider in receipt of government funds via the TVET grant to non-government schools.

The Free Wesleyan Church is a significant feature of the TVET landscape in Tonga in terms of its enrolment share and the income it receives from a number of government and non-government sources. Both the Free Wesleyan and Catholic Churches seek access to government and donor funds to supplement the amounts paid from their own Diocese.

A distinctive feature of the TVET system in Tonga is the manner by which students contribute to their own costs of training and to ongoing TVET provision in terms of its own viability. In most cases, providers act as collecting agents for student fees on behalf of their systems, be it the Ministry of Education and Training or the Church Diocese. As such, the fees contributed by students are not directly reinvesting in the TVET system but are being transferred to the general revenues of each of the systems. There have been instances in the past where, for example, the Government of Tonga has allowed providers to retain their student fees as a short-term measure.

Table 12.1 Summary of funding for TVET provision and QA, 2011/12 (T\$ mill.)

	Provision					System Management			
<i>Funding source</i>	TIST	TIHE	FWC	Catholic	Private	TNQAB	Sub-total	TSP1 (donor program)	Total
Government	1.13	0.34	0.71	0.20	0.14	0.53	3.05	--	3.05
Donors	0.20	n.a.	0.02	0.08	n.a.	--	0.30	3.74	4.04
Diocese	--	--	0.26	0.08	--	--	0.34	--	0.34
Student Fees*	0.24	n.a.	0.66	0.09	n.a.	--	0.99	--	0.99
Sale of services	n.a.	--	0.18	0.10	n/a	--	0.28	--	0.28
Other income	0.05	n.a.	0.09	0.11	n.a.	--	0.25	--	0.25
Total	1.62	0.34	1.92	0.66	0.14	0.53	5.21	3.74	8.95
Total excluding student fees**	1.38	0.34	1.26	0.57	0.14	0.53	4.22	3.74	7.96

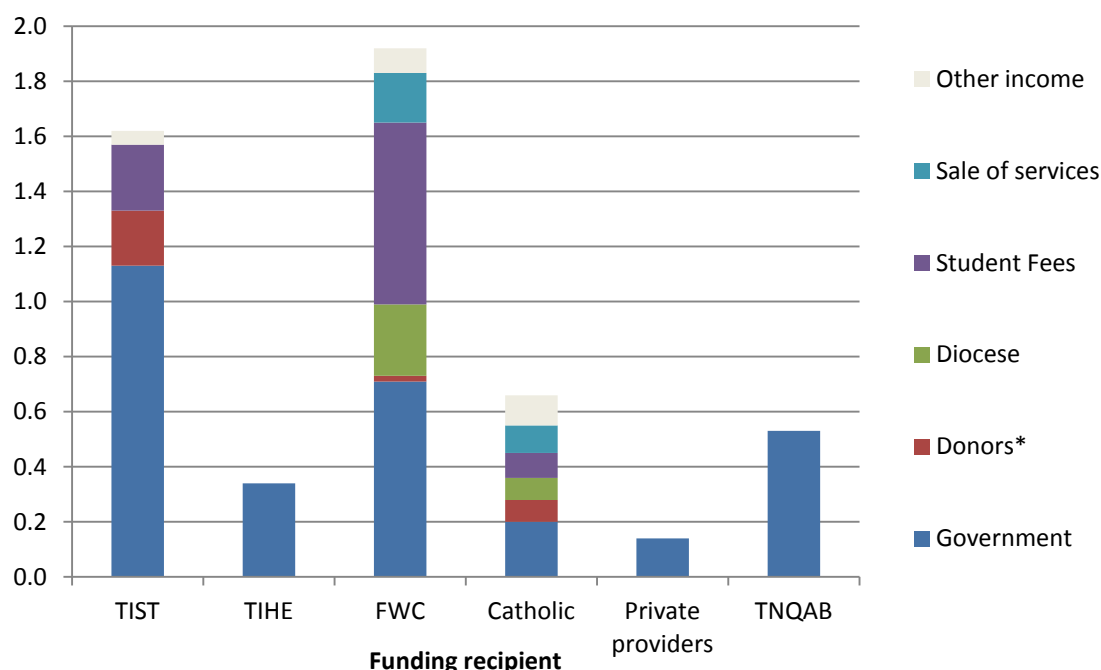
'--' denotes nil funding from this income source in the 2011/12 financial year. Funds may have flowed from this source in other years.

'n.a.' denotes information was 'not available' from the source. Therefore, these amounts should be considered an underestimation of the total funding levels in 2011/12.

* Student fees are commonly returned to general revenues (government or the Diocese) and not retained by the TVET provider (see Table 13.3 for details). Amount for TIST includes 'materials fees' (described in Section 14.2).

** Recent capital works at TIST which have included building works funded by the Japanese and Turkish governments were both included in the 2008/09 financial year. The amount for the Japanese Automotive building has been included here in 2011/12.

Source: Government of Tonga Budget Estimates, 2011/12, system/provider data returns

Figure 12.1 Summary of funding for TVET provision and QA, 2011/12 (T\$ mill.)

* Excludes TSP1 AusAID-NZAID TVET Programme

Source: Table 12.1

Table 12.2 shows no common revenue structure across the three TVET systems. Government providers are predominantly funded through the recurrent government operating grant, the FWC system receives significant funds from the TVET grants and student fees and the Catholic system obtains revenues from a diverse range of sources.

As a share of total TVET funds in the formal sector (i.e. excluding TSP1), TIST comprises 31.1 per cent, TIHE comprises 6.5 per cent and the FWC system comprises 36.9 per cent. Table 12.2 shows the qualification authority, the TNQAB comprises around 10.2 per cent.

Table 12.2 Summary of funding for TVET provision and QA, 2011/12 (%)

Source	Provision					System	Total
	TIST	TIHE	FWC	Catholic	Private	TNQAB	
Government	21.7	6.5	13.6	3.8	2.7	10.2	58.5
Donors*	3.8	n.a.	0.4	1.5	n.a.	--	5.8
Diocese	--	--	5.0	1.5	n.a.	--	6.5
Student Fees**	4.6	n.a.	12.7	1.7	n.a.	--	19.0
Sale of services	n.a.	--	3.5	1.9	n.a.	--	5.4
Other income	1.0	n.a.	1.7	2.1	n.a.	--	4.8
Total	31.1	6.5	36.9	12.7	2.7	10.2	100.0
Total excluding fees**	32.7	8.1	29.9	13.5	3.3	12.6	100.0

Note: Percentage share excludes the TSP1 TVET Program.

'--' denotes nil funding from this income source in the 2011/12 financial year. Funds may have flowed from this source in other years.

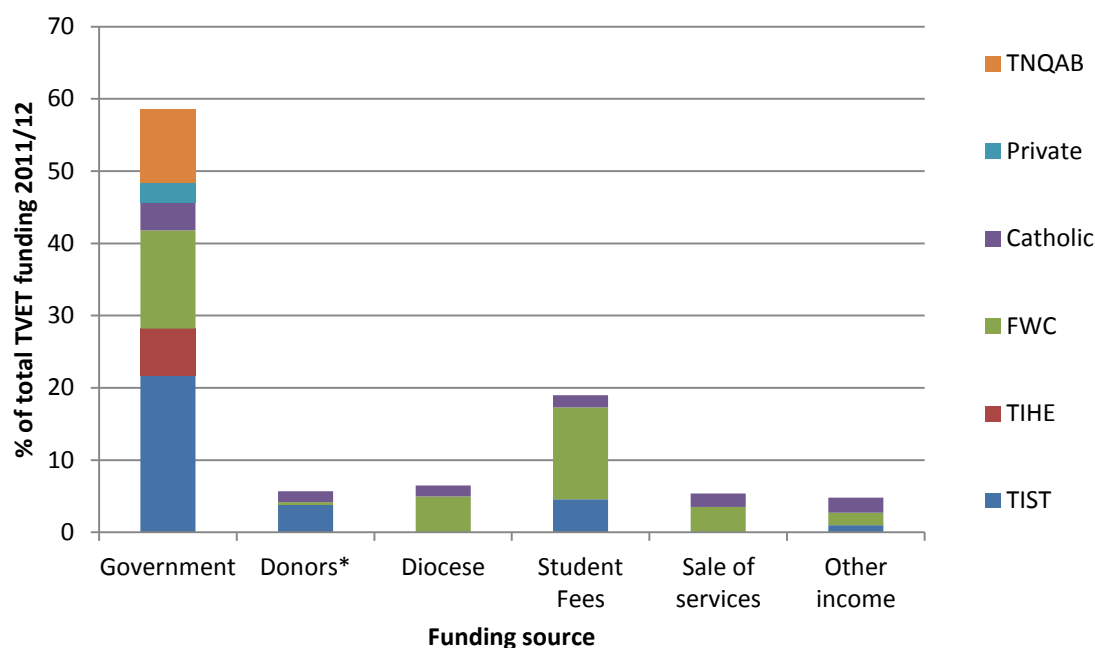
'n.a.' denotes information was 'not available' from the source.

* Excludes TSP1. Recent capital works at TIST which have included building works funded by the Japanese and Turkish governments were both included in the 2008/09 financial year. The amount for the Japanese Automotive building has been included here in 2011/12.

**Student fees are commonly returned to general revenues (government or the Diocese) and not retained by the TVET provider (see Table 13.3 for details). Amounts for student fees include 'registration fees' (described in Section 14.2). Note that these amounts are usually returned to general revenues and not the TVET system or provider collecting the fees.

Source: Government of Tonga Budget Estimates, 2011/12, system/provider data returns

In terms of funding sponsors, Table 12.2 and Figure 12.2 show the Government contributes the largest share of funds – 58.5 per cent (excluding the TSP1 program). The government contribution comprises operating grants to TIST, TIHE and TNQAB, and the TVET grants to non-government providers. Student fees contribute around 19 per cent and funds from the Church Dioceses contribute around 6.5 per cent of total TVET funding in Tonga.

Figure 12.2 Funding of TVET, by institution and source 2011/12 (% of total, excl. TSP1)

* Excludes TSP1 AusAID-NZAID TVET Programme

Source: Table 12.2

There are also a number of training and development activities outside of the formal TVET sector in Tonga, these include:

- training and conference funds conducted with Ministries, Department and Agencies;
- training undertaken through the Tonga Business Enterprise Centre, funded through NZAID;
- scholarships offered through donors and the private sector for training offshore;
- targeted training programs undertaken through the Ministry of Commerce, Tourism and Labour;
- non-formal training which occurs through a range of organisations such as Mordi and the Tonga Civil Society, many of which are sustained by donor grants; and
- additional funds may flow for short-term budget support arrangements between donor governments and the Government of Tonga.

Each of these financial flows is discussed in Section 13.2. Financial data are provided where available.

12.2 RECURRENT EXPENDITURE ON TVET PROVISION

Table 12.3 shows there was T\$4.35m in recurrent expenditure in 2011/12 which equated to 91.3 per cent of total expenditure. Of all recurrent funds, 70 per cent, or T\$3.03m was allocated to staffing and personnel costs with significant variation in this share across each of the TVET systems. Expenditure on staffing was proportionately much lower in the Church providers in reflection of the relatively low salaries in those sectors.

Table 12.3 Summary of recurrent expenditure, 2011/12 (T\$ mill.)

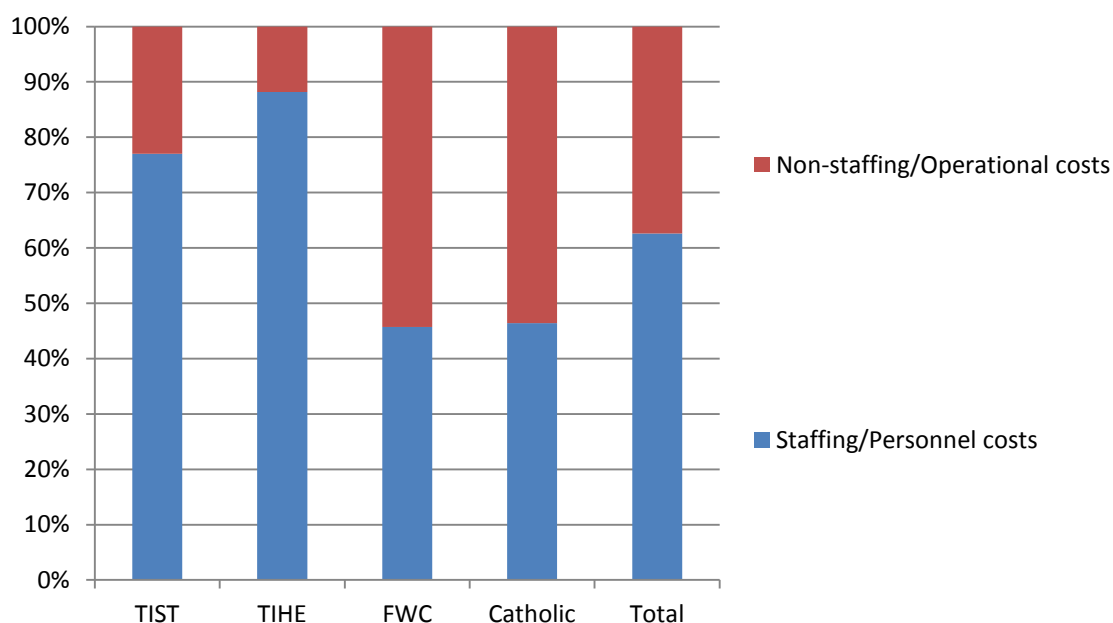
	TIST	TIHE	FWC	Catholic	Total
T\$ (m)					
Staffing/Personnel	0.87	0.30	0.43	0.26	1.86
Non-staffing/Operational	0.26	0.04	0.51	0.30	1.11
Total Recurrent	1.13	0.34	0.94	0.56	2.97
Share of total					
Staffing/Personnel	77.0	88.2	45.7	46.4	62.6
Non-staffing/Operational	23.0	11.8	54.3	53.6	37.4
Total Recurrent	100.0	100.0	100.0	100.0	100.0

Source: Government of Tonga Budget Estimates, 2011/12, system/provider data returns

Table 12.3 shows that large proportions of recurrent expenditure are allocated to staffing personal in the government system, with 77.7 per cent at TIST and 88.2 per cent at TIHE. The proportions of expenditure in the church systems are relatively lower, with 46.4 per cent in the Catholic system and 45.7 per cent in the FWC system. Figure 12.3 highlights the stark difference in recurrent cost structures between the government and church TVET systems.

These patterns of recurrent income and expenditure are considered in detail for each sector in Chapter 14.

Figure 12.3 Expenditure on TVET, by institution and source, 2011/12 (% of total)



Source: Table 12.3

CHAPTER 13. TVET FINANCIAL MECHANISMS

13.1 OVERVIEW

This section aims to encapsulate the complexity of financial flows into and between elements in the Tongan TVET system. Many of these flows, especially the more minor ones, and those to and between small elements of the system, are currently not well documented. Many of the flows emanate *from* the major funders (the Ministry of Finance and National Planning [MoFNP]; Tonga's development partners [the principal donors being AusAID and NZAID via the TSP1 program]; from parent bodies of the major private providers; and from students themselves in the form of fees) – *to* the major public, private and regional providers.

13.2 PUBLIC BUDGET PREPARATION AND DISBURSEMENT PROCESSES

The ministry-aligned providers of TVET, namely TIST and TIHE, are administered under the Post-secondary Division of the Ministry of Education and Training (MET). Prior to the establishment of the MET, the TIHE budget was prepared and disbursed through the MEWAC budget⁴¹ and the TIST budget was prepared and disbursed through the MoTEYS budget.⁴² The formation of the MET has brought the public providers of TVET into a single budgeting and reporting framework. As such, all budgeting requests must go through the CEO of the Ministry of Education and Training for approval.

For the ministry aligned providers, a recurrent budget is negotiated to include remuneration, training materials and equipment, and operational costs. While each has a separate program and budget, the funds remain central at the head office and disbursement of funds is managed at the head office. For government-funded providers, only the CEO is authorised to sign purchase orders, vouchers and any other payment related documents. The CEO for Education and Training is the authorising officer for both government funds to TIST and TIHE as well as all funds released through the donor-supported TVET Support Program (TSP1).

Importantly, there is a ceiling on expenditure levels each month which can lead to significant resourcing shortfalls in particular line items. This usually results in transfers being made from other areas, or else the particular item remains unsupported until funds become available. Once the expenditure ceiling is reached each month, any additional expenditure requires the approval from the Minister of Finance. The authorising officers for release of payment for all Ministries are the Chief Executive Officers.

Identified funds are transferred to the MET which is responsible for administration of the Education Act which covers all sectors of formal education and training in Tonga, for example, schools, TVET and Higher Education. Within the identified funds are:

- TVET grants to non-government schools (T\$1,200 per student TVET in all TVET registered non-government providers);⁴³
- Tonga National Qualifications and Accreditation Board (TNQAB);
- staff wages and operational costs (for ministry-aligned providers, TIST and TIHE);
- specific projects supporting development of the TVET system (for example, TSP1);

⁴¹ Line item: Post-secondary (Subprogram 5) of MEWAC budget

⁴² Line item: Tonga Technical and Vocational Training (Subprogram 5) of MoTEYS budget

⁴³ T\$600 was retained by the mission education offices for TVET staff wages (however this money is now distributed across all teaching staff due to inequalities of wages), and T\$600 is to be used by the provider on TVET equipment, resources or facilities.

- specific projects to support NGOs (for example, Mordi Tonga Trust Trip project and in-kind assistance through provision of buildings, for example, Tonga National Youth Congress);
- donor-funded scholarships and Government funded scholarships; and
- grants to NGOs for specific projects.

Ministry providers do not retain student fees as these are paid directly via the MET to general revenue. Ministry aligned providers do not undertake commercial activities (for example, hiring of facilities) or fundraising. Although there is no explicit policy to discourage such activity, there are tax considerations that may be a disincentive to engage in commercial activity. Materials and PTA fees (money collected on behalf of parents/students for student related expenses such as photocopying, ID cards) are recorded at training provider level and monies returned to parents if not expended.

Table 13.1 shows the budget line items, known as votes, for the Tonga Institute of Science and Technology and the Tonga Institute of Higher Education. For the purposes of presenting and analysing these data, the line items have been grouped into four areas: personnel; teaching and learning; operational costs (technical and general) and, other.

Table 13.1 Budget line items ('votes') for TIST and TIHE

	TIST	TIHE
Personnel	salaries, wages, lecture fees, acting allowances, Government contribution to retirement fund, contract labour	salaries, wages, lecture fees
Teaching and Learning	vocational training, technical equipment and supplies, uniforms, books, periodicals and publications	graduation expenses
Operational costs – Technical and capital	maintenance of vehicles, vessels & aircrafts, renovations, maintenance of buildings, fuel	maintenance of vehicles, vessels & aircrafts, renovations, maintenance of buildings, fuel
Operational costs – General	telecommunications, electricity, office supplies, maintenance of office equipment, fuel, water, advertising and publicity, printing and stationery, library services	telecommunications, electricity, office supplies, maintenance of office equipment, fuel, water, advertising and publicity, printing and stationery, library services
Other	consultants and technical assistance professional fees, land compensation	scholarships, consultants and technical assistance professional fees, training and conferences

TVET Grants to Non-Government Schools

The Ministry of Education and Training allocates T\$1,200 per full-time student to both schools and TVET providers who are registered with the TNQAB to support technical and vocational education and training in Tonga. This TVET grant does not apply to government providers, such as TIST and TIHE.

The grant includes the following conditions:

- a) that only approved and operational non-government post-secondary TVET institutions with approved courses will be eligible for the Grant;
- b) that the grant be used only for these purposes:
 - i. 50 per cent of the grant to supplement TVET teachers' salaries; the remaining 50 per cent to be allocated to the remaining purposes
 - ii. Improve TVET teaching and learning resources
 - iii. Undertake minor renovations to TVET classrooms and workshops up to a total amount of T\$50,000;
- c) that the grant will NOT be used for capital expenditure which is defined as the construction of new buildings, purchase of vehicles, and office equipment;
- d) that the Hon. Minister of Education be empowered to review the grant at the end of each [sic] first year and will be reviewed every three years after. This is to ensure continuity of the grant is based on satisfactory TVET institution performance;
- e) THAT the grant will be paid at the rate of T\$1,200 per full-time student in non-government approved TVET institutions;
- f) that the Ministry of Education will be responsible for checking of institutions' full-time equivalent enrolment figures;
- g) that the grant will be discontinued if it is not used for the purposes for which it has been approved;
- h) that the grant will be paid to the Education Authorities and money designated to be used only for that approved TVET institution under the Education System;
- i) that the grant to each approved TVET institution is to be worked out by the Ministry of Education and the Ministry of Finance; and
- j) that for auditing purposes, the auditing period is from July to June of the previous financial year and each Education Authority is to submit a full accounting [sic] to the Ministry of Education no later than 30 August of how the funds were used for each institution, supported by receipts and relevant documents.

Memorandum from Director, MEWAC, July 2009

The TVET Grant was amended in July 2011 to say that:

'...the salary component of the TVET Grant and the Grant to Non-Government Schools be combined and used to supplement salaries of all teachers (excluding ECE teachers) in approved schools in an education system, which would include primary school teachers, secondary school teachers, TVET teachers, administrative staff of education systems, school support staff, and any other school-affiliated staff.'

An additional set of conditions was applied for the Grants to be approved, to be effective from disbursement of the 2011/12 tranche which included:

'that they [the grant recipient] will commit to maintaining the same level of funding or increase the level of funding to their schools despite the increase in the grants.'

Memorandum from Director, MEWAC, July 2011

The TVET grant is based on the number of effective full-time students at each non-government TNQAB registered providers. Disbursements were made in 2010 (twice) and the 2011 payment was not made until June 2012 (only one instalment). It is expected that the 2012 disbursement will be made in June 2013. Providers are audited to confirm the declared effective full-time students and that the funds are used as per the government direction. It was noted by a number of schools that there have been issues with the timing and availability of the TVET grant in terms of how it can be factored into budgeting for the forthcoming academic year.

Tonga National Qualifications and Accreditation Board (TNQAB)

The TNQAB is responsible for the registration of providers, accreditation of curriculum and the on-going monitoring of TVET provision. The TNQAB is funded by the Government, as well as the Australian and New Zealand governments, with the Australian government providing salary support for the CEO. The Annual Report 2011 notes that funds are also dispersed from MEWAC–TESP and MoTEYS–TVET.

Public Services Commission

The Public Service Commission (PSC) training is supported through AusAID funding. The PSC indicated for the first half of the year 2012 the cost for training was T\$140,443 (personal communication, December 2012). Training was supported through AusAID funding with expenses such as printing stationery and travel expenses borne by the Government.

The budget estimates for the period 2012/13 indicate for the Commission the donor support for training and conferences is estimated to be T\$212,410 accompanied by Government estimate of T\$3,000; this is significantly different from budget estimate for 2011/12 with the Public Service Commission (listed under Prime Minister's Office) with no Government or donor support allocated to training and conferences.

Ministry of Commerce, Tourism and Labour

There is no Apprenticeship Act in Tonga. There are examples, such as in Samoa, where an Apprenticeship Program under the purview of the Ministry of Commerce uses a financial mechanism that apportions costs of apprenticeship programs between the government (40 per cent), the employer (30 per cent) and the apprentice (30 per cent). In the absence of any such Act in Tonga, there is no clear financial mechanism which binds or compels industry to contribute to formal and government-funded training. There is, however, evidence that informal associations exist at the provider level, albeit without a legislative framework to guide the operations.

The Ministry provides training to its internal staff, as well as to the public and private sectors. The Ministry's Annual Report 2010⁴⁴ indicates that the various training and conferences/workshops for internal staff were financed by both government and a range of donors, including World Trade Organisation, Commonwealth Secretariat, World Intellectual Property Organisation, New Zealand and AusAID. The Australian Leadership Award Trade Fellowship Program was the main AusAID funded program.

For public sector staff, training again was related to various legislative requirements and included, for example, capacity building for cooperatives and credit unions staff (78 programs throughout Tonga), customs training, information technology, marketing strategies

⁴⁴ Most recent annual report publicly available.

for small to medium enterprises (funded by Pacific Islands Private Sector Organisation and Pacific Islands Training Initiative), train the trainer program for small to medium enterprises regarding entrepreneurship (funded by the Commonwealth Secretariat), and product development and quality control (funded by the Commonwealth Secretariat through Secretariat of the Pacific Community). Finally, the Ministry was the recipient of a JICA volunteer over a two year period who was skilled in plumbing to assist in capacity building programs for plumbers.

The budget estimates for 2012/13 indicate that for this Ministry, the Government has allocated T\$95,601 and the donor allocation is T\$40,000. This is more than the previous budget estimates (2011/12) which indicate a combined figure between the Ministry of Tourism and the Ministry of Labour, Commerce and Industries T\$74,600 was allocated by the Government and T\$40,000 was allocated from donors. Refer to Table 13.2.

Training conducted through other MDAs

Training, in the form of professional development and job-specific training, is also conducted by other various Ministries, departments and agencies (MDAs). All Ministries, departments and agencies have access to a budget line item for *training and conferences*.

13.3 DEVELOPMENT MECHANISMS

All government and mission providers rely strongly on donors for new buildings, equipment and other needs to maintain suitable training facilities for TVET programs. Development budget appropriations are the responsibility of the Aid Management Division of the Ministry of Finance and National Planning. Total support levels, as specified in donor agreements, are apportioned across the term of the agreement (for example, 4 years) and appear in the budget estimates for those years. However, there appears to be only limited analysis of variances between the apportioned budget estimates and actual outturns attributable to particular donor projects.

Income and expenditure data on donor-funded projects (loans and grants, excluding in-kind assistance) is readily available. Ministry of Finance and National Planning (MoFNP) maintains a General Development Fund account in the National Reserve Bank of Tonga, held in TOP. This Development Fund is used to pay for all donor-funded projects. When payments are made from the Development Fund, they are recorded in the cash book of the individual MDA associated with the project. Advice from MoFNP staff is that donors either: (i) transfer funds directly to the Development Fund; or (ii) transfer funds to one of a number of project-specific USD or EURO foreign currency trust accounts in the National Reserve Bank of Tonga, then periodically convert currency to TOP and advance funds to the Development Fund.

Irrespective of the method used, according to MoFNP staff, all donor financing provided to the government (and not in-kind) will flow through the Development Fund account at some stage, and these flows are all reported and audited. MoFNP further advised that in the lead-up to each budget, MoFNP attempts to collect information on anticipated in-kind and in-cash donor assistance by sending two forms to donors. One form asks for estimates of the magnitude of accountable cash grants that will be disbursed through the Treasury system. The second form seeks information on in-kind assistance.

The MoFNP provided observations to the *Public Financial Management Performance Report* (2010) that most donors do not respond to this request and many do not provide estimates in time to be incorporated into the budget. AusAID, NZAID, European Community and JICA confirmed to the report (2010) that they generally do not send MoFNP estimates of the

assistance they intend to provide prior to each financial year. Some donors mentioned that differences in timing of financial years and the nature of accounting systems (the Government uses a cash system, but some donors use accrual accounting) made this difficult.

TVET Support Program (TSP1)

The Australia–New Zealand–Tonga Technical Vocational Education and Training Support Program (TSP1) is the primary means by which Australia is supporting Tonga to develop its technical vocational education and training system. TSP1 was implemented by the former Ministry of Training, Employment, Youth and Sports (MoTEYS) through Tongan Government systems.

Australia manages the joint funding on behalf of New Zealand under a delegated cooperation arrangement. TSP1 is designed to provide training that responds to industry demands through internationally benchmarked skills standards, support the registration and accreditation of technical vocational education and training providers, and strengthen the capacity of local providers to deliver internationally recognised training.

Donor funds are disbursed through AusAID. NZAID provides its funds through AusAID under a Funding Arrangement and AusAID established a separate Funding Agreement with the Government for the Program. The first six months of Program funding was provided to the General Development Account on signing of the Funding Agreement with the Government. Funding was then made on an annual payment cycle.⁴⁵

A recent independent progress report of TSP1⁴⁶ showed that since its inception, the program has been hampered by a number of fundamental structural problems, which are key reasons for the limited progress to date. Uncertainty throughout 2011 on future Ministry responsibility for technical and vocational skills development impeded planning and transition arrangements. This exacerbated the limited results of previous years in the TVET sector and made it difficult to plan a new education sector program of support (AusAID 2012).

APTC – Scholarships

The APTC scholarships program provides financial assistance to Pacific Islanders to promote access and equity. The scholarship program is managed on the basis of transparency, merit, access and equity. There is a focus to provide support for regional and remote areas and for gender and disability inclusiveness. Local labour market needs do not appear to be a strong factor, possibly due to lack of information. Consideration is given to:

- the economic capacity of the applicant to pay for his or her own education;
- the allocation of awardees between countries;
- the equitable allocation of awardees between schools;
- gender equity;
- academic merit and technical competency;
- an appropriate balance between existing workers, and unemployed graduates;
- whether the applicant is from a rural/disadvantaged background;
- whether the awardee has previously received scholarship support; and

⁴⁵ Fahy et al., 2008.

⁴⁶ Independent progress report: Tonga TVET Support Program 1, July 2012.

- the impact on labour supply in the small islands states, if too many awardees are selected from one employer/location at the same time.⁴⁷

Tonga Business Enterprise Centre

Tonga Business Enterprise Centre (TBEC) is funded by NZAID ‘to improve the skills of entrepreneurs and develop vibrant small–medium enterprise in Tonga and increase commercial investment in projects or business plans that will increase earnings from Tongan exports, import substitution and tourism’ (NZAID, 2013).⁴⁸ Funding support from NZAID for the four financial years to 2014/15 are shown in Table 13.2. This is in addition to an ongoing NZAID In-Country Training (about NZ\$450,000 each year in 2011/12 and 2012/13). The program aim is for ‘increased skill levels among target groups (women and men from the public and private sectors, including NGOs, and from the main and outer islands) as a result of provision of quality, relevant and timely short term training courses’.⁴⁹

All programs are fully costed, including trainer fees and travel–accommodation costs. Participant fees do not cover costs. Cost recovery through program fees is approximately 10 per cent; this is to increase to 30 per cent by 2015. Full fee recovery may be charged to large businesses and this money is used for other programs. TBEC ensures that their programs are appropriate and meet the needs of industry by utilising a training advisory committee to identify and determine the programs to be conducted, as well as measuring its performance by undertaking monitoring and evaluation of participants post training (at 15 days, three months and six months).

Table 13.2 Tonga Business Enterprise Centre funding through NZAID (NZ\$)

	2011/12*	2012/13**	2013/14	2014/15
Spend	752,189	621,124		
Planned disbursements	250,635	584,593	1,263,121	196,331

* Spend refers to 2011 calendar year

** Spend refers to 2012 calendar year

MORDI Tonga Trust

MORDI Tonga Trust has recently completed a six year program funded at T\$2,783,780 million, by International Fund for Agriculture Development (IFAD) and New Zealand Aid Programme (NZAP) and the beneficiaries (target communities). MORDI Tonga Trust’s most current project is funded from 2012 for 5 years with the donors being Government of Tonga (US\$0.41 million), community and business beneficiaries (US\$0.62) and the IFAD (US\$3 million).

Each training program covers the targeted remote communities and is fully costed prior to implementation. It is estimated that each training program is costed at approximately T\$20,000. As MORDI Tonga Trust utilises a train the trainer model; the lead trainer is the subject matter expert/consultant who trains the second tier trainers. Second tier trainers are costed at TOP80 per day. MORDI Tonga Trust also promotes communities to assist the delivery of the programs by committing to 25 per cent of the costs; however, this can be provided in-kind, for example, travel between communities, accommodation.

⁴⁷ APTC website, accessed 13 February 2013

⁴⁸ <http://www.aid.govt.nz/sites/default/files/Tonga.pdf>

⁴⁹ <http://www.aid.govt.nz/sites/default/files/Tonga.pdf>

Vaiola Hospital and Queen Salote School of Nursing

The Ministry of Health, via the Vaiola Hospital and the Queen Salote School of Nursing, receives money from the World Health Organisation (WHO) for programs such as midwifery and critical care, as well as pharmacy assistant, dental technician, laboratory technician and radiology technician. The submissions to the WHO are on a two-year cycle and program areas compete for funding. Training is conducted utilising doctors, pharmacists and specialists as trainers, and the hospital facilities, as well as the Queen Salote School of Nursing library.

The submissions for WHO funding go through a number of committees for approval and are finally approved for submission to the WHO by the Minister for Health, via the National Health Development Committee. Programs are fully costed as part of the submission. Sample budgets⁵⁰ indicated that costs included approximately \$30 per hour for trainers, training materials (including paper and ink toner), coordination and administration fees and a computer for coordination and administration. Programs are generally costed around US\$8,000–\$12,000 per annum. Sample budgets provided indicated that the cost of trainers was between 23 per cent and 36 per cent of the budget, and cost of administrative and management staff was between 8 per cent and 11 per cent of the budget.

Higher Education Development Scholarships

As previously noted, the three financial sources for development scholarship provision in Tonga are the Government of Tonga, NZAID and Australia. The numbers and priority areas for scholarships are decided annually between the two donors and the Minister for Education who is also the chairperson of the scholarship committee.

Development scholarships are openly advertised for a period of seven weeks. All applications are assessed by an independent contractor, who provides recommendation to the selection committee. The contractor assesses the applications and provides recommendation to the selection committee. The selection committee comprises CEO for Education, Public Service Commission, Finance, Labour, a representative from Teachers Secondary Association and also the President of the FWC Education system and representative from the two donors. The scholarship sub-committee for selection is responsible for vetting the final list from the contractor and providing final recommendation to the Scholarship Committee for onward conveyance to Cabinet.

13.4 TVET FINANCIAL MECHANISMS IN NON-GOVERNMENT SYSTEMS

Free Wesleyan Church

The Free Wesleyan Church (FWC) Diocese contributes an operating grant to their training providers. The training provider is responsible for staff wages and operational costs. Other sources of funding for FWC providers are fundraising activities, commercial activities (for example, restaurant), alumni donations as well as PTA fees (money collected on behalf of parents/students for student related expenses such as photocopying, ID cards, library use, practicum). This revenue is only recorded at training provider level and a percentage is forwarded to the Diocese.

⁵⁰ Sample budgets were from 2009.

Catholic Church System

The Catholic Diocese funds staff wages and operational costs. However, student fees are paid to the Diocese and are not part of provider revenue. Other sources of funding for Catholic Church providers are fundraising activities, commercial activities (for example, restaurant), alumni donations as well as PTA fees (money collected on behalf of parents/students for student for related expenses such as photocopying, ID cards, library use, practicum). This revenue is only recorded at training provider level and a percentage is forwarded to the Diocese.

Private providers

Private providers source income from student fees, the TVET government grant (if registered with the TNQAB), community and individual contributions, fundraising activities and sale of products and services. There was no information provided by the private provider(s) other than TVET government grant details. This is a major gap in the TVET data system.

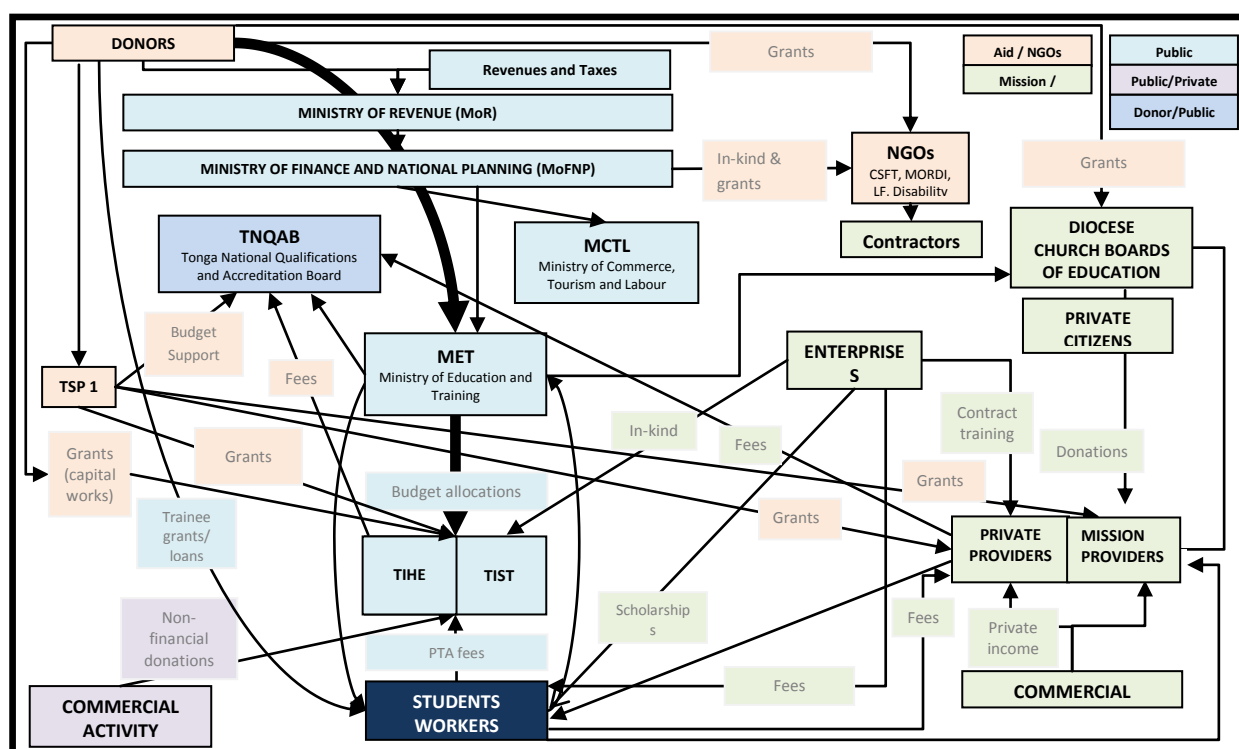
13.5 SUMMARY

In summary, there is a large amount of financial management and flow activity occurring within the TVET sector in Tonga. The transaction costs of handling relatively small amounts of funds look quite high, and there are concerns that this reduces the amount of funding available for TVET delivery. Table 13.3 presents a matrix of the different types of flows categorised by funding source. Figure 13.1 shows the complicated nature of the flows across the TVET sector. Table 13.4 looks at the provider to document the types of funding sources available.

Table 13.3 Summary matrix of TVET financing flows in Tonga

		Financial source	
		Public	Private
Provision	Public providers	- Government (Ministry of Education and Training) recurrent budget at provider level for example, TIST and TIHE (for example, personnel and operational costs) - Government (Ministry of Education and Training) capital/development budget - ODA budget (MoFNP) - Government student allowances/scholarships (Ministry of Education and Training) - Government budget for 'training and conferences' for MDA staff - Government budget for short-course training programs (for example, MCTL, MAFFF)	- Student tuition fees - Student registration fees - In-kind assistance from employers for example, free or subsidised use of industry facilities - Private donations and bequests to public training institutions

	Private providers	- Government (MET) TVET grant to non-government TVET providers - Government student allowances/scholarships (MET) - Tax concessions/exemptions to private training institutions - Tax concessions and exemptions for individuals - Payments to public and private employers for the use of facilities	- Student tuition fees - Student registration/materials fees - PTA fees - Industry expenditure (recurrent and capital) on in-house on and off-the-job training - NGO and foreign government donor assistance to private training providers and employers
System planning and regulation	Public	- Government (MET) recurrent budget at MDA level (for example, MET public servants) - Government (MET) recurrent budget on TNQAB - Government (MET) recurrent/development budget for system/IT improvement - Government (MET) recurrent/development budget for Consultants and Technical Assistance (TSP1) - System level recurrent and capital expenditure in other line Ministries, State-owned enterprises	- Training provider application for program accreditation and initial registration fees as well as annual registration fees - Certification fees
	Private	- Indirectly via Ministry of Commerce, Tourism and Labour	- Training provider application for program accreditation and initial registration fees as well as annual registration fees - Certification fees

Figure 13.1 Diagram of TVET financing flows in Tonga

Adapted from Zideman, Adrian (2003). *Financing Vocational Training in Sub-Saharan Africa*, Africa Region Human Development Series. Washington, D.C.: World Bank

Table 13.4 Summary of TVET funding mechanisms by provider

	TIST	TIHE	TTI	Hango	‘Ahopanilolo	St Joseph’s	Montfort
	Government	Government	FWC	FWC	Catholic	Catholic	Catholic
TVET grant	n.a.	n.a.	Yes	Yes	Yes	Yes	Yes
Tuition fees	Paid direct to Ministry, returned to general revenue	Paid direct to Ministry, returned to general revenue	Paid to provider, forwarded to Diocese	Paid to provider, forwarded to Diocese	Paid to provider, forwarded to Diocese	Paid to provider, forwarded to Diocese	Paid to provider, forwarded to Diocese
Boarding fees	n.a.	n.a.	n.a.	Paid to provider, retained by provider	n.a.	n.a.	n/a
Materials fees (Annual or Semester)	Yes, retained in trust, returned if unused	Yes, retained, returned if unused	Yes	Yes	Yes, retained	Yes	No
PTA fees (Annual)	No	No	No	No	Yes, retained	Yes	Yes, retained
Alumni donations/fund raising	No	No	Yes, retained	Yes, retained	Yes, retained	Yes, retained	Yes, retained
Funds from commercial activity	Possible but not done, returned to general revenue	Possible but not done, returned to general revenue	Yes, retained	Yes, retained (used for operations and salary for teachers)	Yes, retained	Yes	Yes, retained

CHAPTER 14. TVET FINANCIAL PATTERNS AND TRENDS

This chapter presents an analysis of TVET financial patterns and trends in Tonga between the financial years 2009/10 and 2012/13 using data from budget documents and estimates for the Tongan Government, Catholic and Free Wesleyan TVET systems.

14.1 GOVERNMENT OF TONGA BUDGETARY ALLOCATIONS

According to budget estimates, the Government of Tonga Fund has contributed, on average, an annual operating grant of T\$1.7m to TVET provision between 2009/10 and 2012/13. The most recent budget allocates T\$1.13m (39.7 per cent) to the Tonga Institute of Science and Technology and T\$0.43m (60.3 per cent) to the Tonga Institute of Higher Education. The discontinuation of the Training and Employment Services program has been offset by increases in funding to TIHE over this period (Table 14.1).

The budget estimates are supplemented by official donor assistance which has contributed, on average, annual amounts of T\$10.2m between 2009/10 and 2012/13. These amounts consist of T\$4.50m for Consultants and Technical Assistants (TSP1) and T\$5.52m for scholarships targeting prospective higher education students of whom only small numbers are enrolled in TVET-related study.

Table 14.1 Budget estimates for government post-secondary education, 2009/10–2012/13 (T\$)

	2009/10	2010/11	2011/12	2012/13
Government of Tonga Fund*	1,770,901	1,646,430	1,675,426	1,564,751
<i>Tonga Institute of Science and Technology</i>	1,199,837	1,161,443	1,130,541	1,130,541
<i>Tonga Institute of Higher Education</i>	141,069	177,553	339,471	434,210
<i>Training and Employment Services</i>	400,543	307,434	205,414	0
<i>Short-term training</i>	29,452	0	0	0
Donors	10,141,429	11,116,476	9,261,312	10,174,129
<i>Consultants & Technical Assistants</i>	4,000,000	4,335,047	3,739,883	4,502,700
<i>New equipment</i>	620,000	300,000	0	0
<i>Scholarships</i>	5,521,429	5,521,429	5,521,429	5,521,429
<i>Contribution to Regional Organisations</i>	0	650,000	0	0
<i>Other</i>	0	310,000	0	150,000
Total public funding to Post-secondary	11,912,330	12,762,906	10,936,738	11,738,880
Total public funding to TVET incl. TSP1**	6,849,440	7,595,592	6,795,006	7,502,411

* Excludes the Tonga Institute of Education

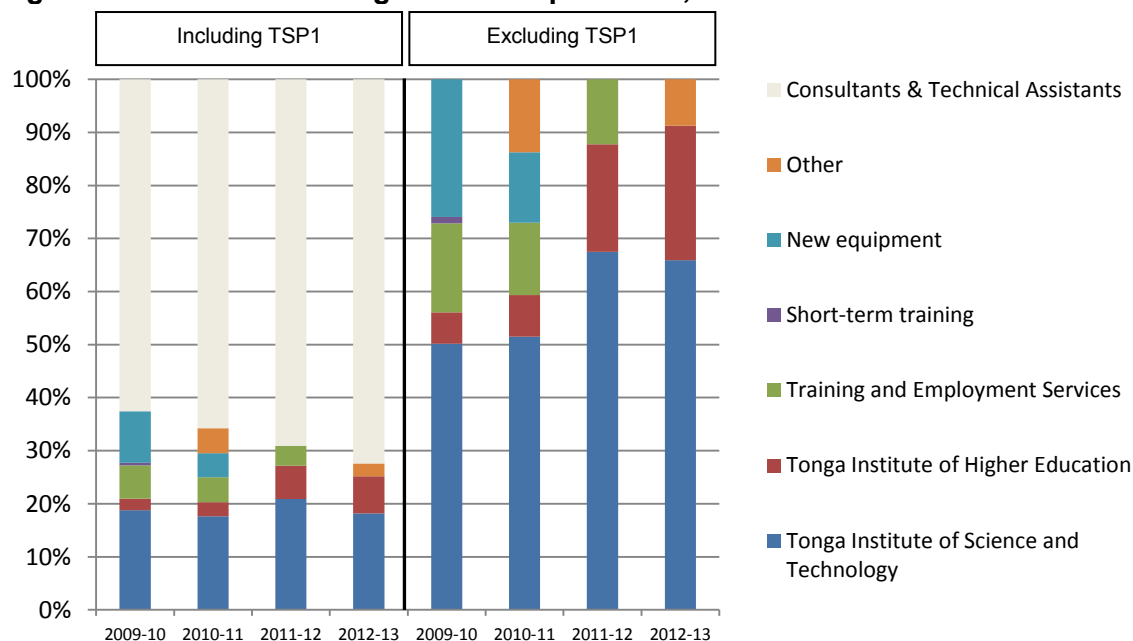
** Excludes HE scholarships and contributions to regional organisations

Source: Government of Tonga Budget Estimates, 2009/10–2012/13

These Government of Tonga and Official Donor Assistance contributions comprise the total budget estimates for post-secondary education. The annual amount across all funding sources has averaged T\$12.9m between 2009/10 and 2012/13. If the amounts allocated to higher education scholarships and contributions to regional organisations are excluded, the annual average amount allocated to TVET reduces to T\$7.19m.

Of the T\$7.50m allocated to TVET provision in 2012/13, about 60 per cent relates to the TSP1 program. If the TSP1 program is removed from the total it reduces to T\$3m, of which 57.3 per cent is allocated to TIHE, 37.7 per cent is allocated to TIST and the remaining 5 per cent is allocated to small-scale post-secondary projects (Figure 14.1).

Figure 14.1 Allocations to government providers, 2009/10–2012/13



Source: Table 14.1

Importantly, budget estimates only present one perspective on the level of public funding into the TVET system in Tonga. Within MDAs and budget votes there can be significant variances between original budget estimates and actual budget disbursements. In the case of public funding to TVET in Tonga there is a significant over-estimation in the budget. This is primarily due to large amounts of funding to the 'Consultants and Technical Assistants' vote (TSP1) not being disbursed.

Relative size of the TVET budget

The budget allocations for TVET equate to a relatively small proportion of total government expenditure. As shown in Table 14.2, the proportion of public funding for TVET as a share of the Government of Tonga total budget ranges between 1.5 and 2.2 per cent if the TSP1 program is included. Without TSP1 this proportion is between 0.47 and 0.61 per cent of the total Government budget. At the ministry level, funding for TVET (excluding TSP1) accounts for approximately 2.5 to 4.0 per cent of the Ministry of Education⁵¹ budgets.

⁵¹ MEWAC, MoTEYS and MET.

Table 14.2 Estimates of government post-secondary expenditure, 2009/10–2012/13 (T\$)

('000s)	2009/10	2010/11	2011/12	2012/13
Government of Tonga budget	288,841	350,688	344,572	332,240
Total public funding to TVET incl. TSP1	2.2%	1.6%	1.5%	1.5%
Total public funding to TVET excl. TSP1	0.61%	0.47%	0.49%	0.47%
	MEWAC + MoTEYS			MET
Ministry budget	44,218	49,958	45,738	62,307
Total public funding to TVET incl. TSP1	14.3%	11.1%	11.6%	7.8%
Total public funding to TVET excl. TSP1	4.0%	3.3%	3.7%	2.5%

Source: Government of Tonga Budget Estimates, 2009/10–2012/13

For an international comparison, the relative size of the TVET budget in Tonga is comparatively small when compared to other Pacific Island countries. Table 14.3 and Table 14.4 show that Tonga ranks towards the bottom on most measures of TVET budget size.

Table 14.3 Relative size of TVET budgets, PICs

Pacific Island Countries	TVET as Share of GDP (%)	TVET as Share of MOE Expenditure (%)	MOE Expenditure as Share of Budget (%)	MOE Expenditure as Share of GDP (%)
Cook Islands	0.2	6	-	3
Fiji Islands	0.4 (a)	4	19	10
Kiribati	0.6 (b)	3	25	21
Marshall Islands	1.8 (c)	24 (d)	12 (e)	24
Micronesia	1.4	7	-	19
Palau	3.3 (f)	54 (g)	11	7
PNG	0.5 (h)	13	16	8
Solomon Islands (i)	3.5	40	25	9
Tonga	0.3	9	13	3
Tuvalu	-	-	23	-
Vanuatu	0.6	3 (j)	26	12

Source: Asia Development Bank 2008, *Skilling the Pacific: Technical and Vocational Education and Training in the Pacific*, Asia Development Bank and Pacific Islands Forum Secretariat

- If the training and productivity authority of Fiji was included, this increases to 0.68.
- Data for Tarawa Technical Institute only. If the Fisheries Training Centre and the Marine Training Centre are included, this figure rises to 2.0.
- Includes the National Training Council, National Vocational Training Institute, and the business studies/computing part of the College of the Marshall Islands; however if only the National Training Council is included, then the figure is 0.5%.
- Includes the National Training Council, National Vocational Training Institute, and the business studies/computing part of the College of the Marshall Islands; however, if only the National Training Council is included, then the figure is 2.0%.
- Pertains to government funds only, excludes external funds.
- Palau Community College only, which also offers bachelor degree courses.
- Ministry of Education expenditure here also includes external funding through the Compact.
- Vocational centres and business technical colleges only. Excludes the National Training Council.
- TVET reference is for all tertiary sectors so the actual TVET expenditure is much smaller.
- Vanuatu Institute of Technology only; 6% for all TVET-related activities.

Table 14.4 Public spending on education, PICs and selection of international averages (% of GDP)

Country Name	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Fiji	5.9	5.6	6.2	--	6.2	5.1	5.6	5.8	4.2	4.5
Kiribati	11.0	11.9	11.6	--	--	--	--	--	--	--
Solomon Islands	--	--	--	--	--	--	--	5.9	6.1	8.0
Samoa	4.0	4.3	4.3	--	--	--	--	--	5.3	
Tonga	4.9	4.5	3.8	4.2	3.9	--	--	--	--	--
Vanuatu	7.0	9.0	8.2	8.5	--	--	--	---	6.6	5.2
World	3.9	4.3	4.2	4.3	4.3	4.4	4.5	4.5	4.6	5.0
OECD members	5.0	5.2	5.3	5.4	5.3	5.4	5.4	5.1	5.3	5.6
East Asia & Pacific (developing)	3.3	2.5	3.0	--	2.7	--	--	3.1	3.8	

'--' denotes no data available

Source: World Bank, 2013

14.2 TONGA INSTITUTE OF SCIENCE AND TECHNOLOGY

The Tonga Institute of Science and Technology (TIST) is in Subprogram 5 of the Post-secondary education line item within the Ministry of Education and Training budget. Prior to the restructure of the MET, the TIST budget was located in the MoTEYS technical and vocational education and training budget.⁵²

The annual average share of Government funds to TIST allocated to personnel costs has been 73.5 per cent. Table 14.5 shows that this proportion has increased over time which has placed pressures on the amounts which can be allocated to teaching and learning and operational budget items.

⁵² This Subprogram includes both TIST and the donor-supported TSP1 program. The bilaterally-supported AusAID-NZAID TSP1 program has comprised, on average, 76.8 per cent of this part of the TVET budget for the four financial years to 2012/13. However, as mentioned above, only a relatively small proportion of this budget has been disbursed into the subprogram.

Table 14.5 TIST budget allocations, 2009/10–2012/13 (T\$)

Expenditure item ¹	Tonga Institute of Science and Technology (TIST)			
	2009/10	2010/11	2011/12	2012/13 ²
Personnel	789,707 ³	854,358	873,846	873,846
Teaching and Learning	354,503	171,000	176,500	176,500
Operational	54,626	136,084	80,195	80,195
Special projects	1,001	1	0	0
TIST	1,199,837	1,161,443	1,130,541	1,130,541
	Share of total (%)			
	2009/10	2010/11	2011/12	2012/13
Personnel	65.8	73.6	77.3	77.3
Teaching and Learning	29.5	14.7	15.6	15.6
Operational	4.6	11.7	7.1	7.1
Special projects	0.1	0.0	0.0	0.0
Donor expenditure				
Total TIST	100.0	100.0	100.0	100.0

¹ Expenditure categories are detailed in Table 13.1 and Table 14.7.

² The original budget estimates for TIST remained unchanged from the 2011/12 to 2012/13 financial years.

³ T\$741,099 paid from 'Leadership, Policy & Program Administration' from the MoTEYS Administration budget. All MoTEYS salaries (including TIST) were paid from this line item.

Source: Government of Tonga Budget Estimates, 2009/10–2012/13

TIST Revenue sources

As there are no consolidated financial accounts for TIST, it is necessary to compile figures from a range of government sources to present a complete picture of revenue and the trends which are occurring. Table 14.6 shows the operating grant provided through the Government of Tonga fund has averaged T\$1.16m for the four financial years to 2012/13. Figure 14.2 shows that this equates to 75 per cent of TIST revenues. The grant has been supplemented by tuition and materials fees collected from students. Student fees have averaged around T\$250,000 per year while materials fees (fees held in trust on behalf of the student/parent) provide an additional T\$38,000 to the School of Engineering. Other income provides an additional T\$55,000 per year.

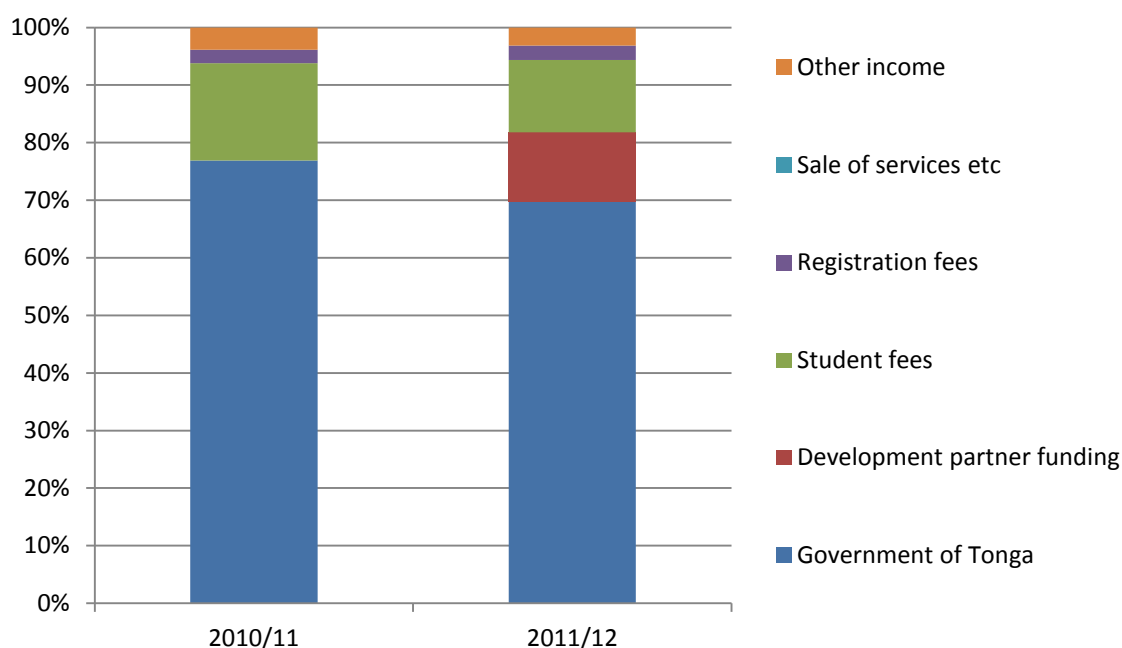
Table 14.6 TIST revenue sources, estimates for 2009/10–2012/13 (T\$)

<i>Revenue source</i>	2009/10	2010/11	2011/12	2012/13
Government of Tonga	1,199,837	1,161,443	1,130,541	1,130,541
Development partner funding*	0	0	196,000	0
Student fees	286,695	255,375	202,913	n.a.
Materials fees**	n.a.	35,430	40,999	n.a.
Other income	n.a.	58,244	50,813	n.a.
<i>TIST - SoE</i>	n.a.	35,324	40,854	n.a.
<i>TIST – SoAg, SoTH</i>	n.a.	22,920	9,959	n.a.
Total TIST revenues	n.a.	1,568,736	1,672,079	n.a.

* Recent capital works at TIST which have included building works funded by the Japanese and Turkish governments were both included in the 2008/09 financial year. The amount for the Japanese Automotive building has been included here in 2011/12.

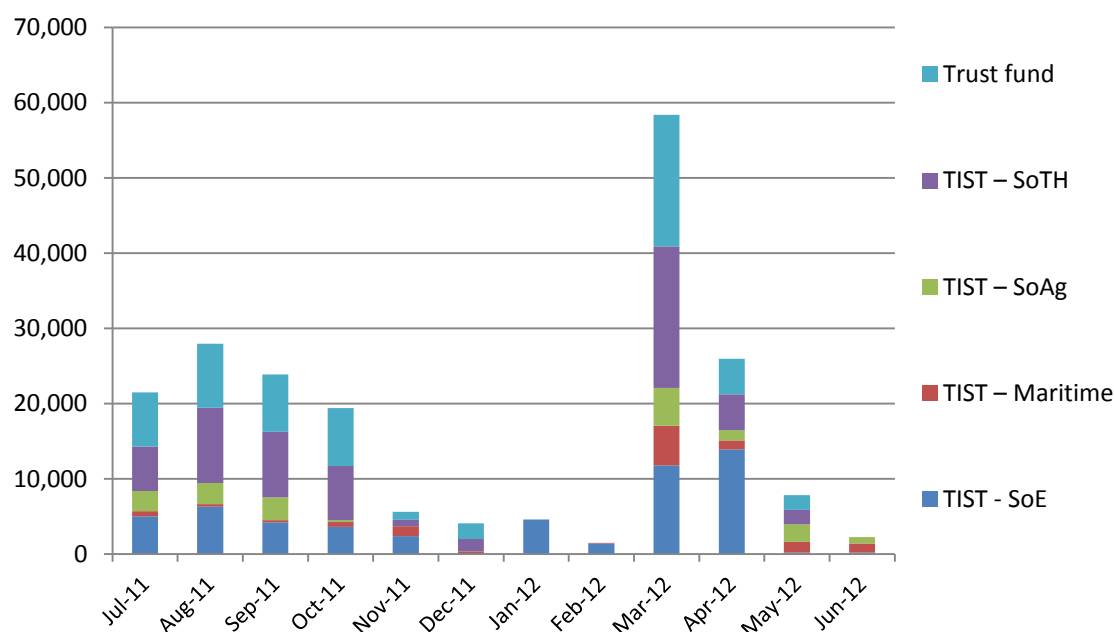
** Figures are for School of Engineering only.

Source: Government of Tonga Budget Estimates, 2009/10–2012/13, data returns from TIST, MET

Figure 14.2 TIST revenue sources, estimates for 2010/11–2011/12 (%)

Source: Table 14.6

Student tuition fees comprise around 15 per cent of revenues for TIST. These monies are paid directly to the Ministry of Education and Training and returned to general revenue. Figure 14.3 shows that these fees are paid to TIST at irregular intervals through the year in line with enrolment periods – 40 per cent of fees are paid in the month of March. In contrast, the student materials fees, which are collected in trust to assist with the viability of training delivery, provide a valuable source of revenue for TIST to ensure it can meet its short-term commitments.

Figure 14.3 TIST student tuition fees, 2011/12 (T\$)

Source: TIST

TIST expenditures

Expenditure on budget items is relatively straightforward to account for, as consolidated budget estimates provide a complete picture of public funds available to TIST for a given financial year. However, there are limitations in interpreting budget estimates in the line item (budget vote) level owing to the intra-budget shifts which occur through the financial year.

On average, 73.5 per cent of the Government of Tonga Fund operating grant to TIST has been allocated to personnel costs. Around 85 per cent of personnel costs are allocated to salaries and related costs identified in Table 14.7. The remaining personnel budget is spent on part-time lecturers and daily paid workers.

The amounts allocated to 'vocational training' in the TIST budget have remained unchanged at T\$150,000 for the past three budget cycles, while the amount allocated to technical equipment and supplies has increased marginally. The sum of these amounts has averaged around 20 per cent of the TIST budget for the four financial years to 2012/13.

Expenditure on operational costs includes areas such as telecommunication charges, electricity and office supplies. These costs have comprised around 8 per cent of the TIST budget for the past four financial years. Although these costs comprise a relatively small proportion of the budget compared to salaries, they can also be the most affected by shifts between budget votes throughout the year and large spikes in one-off or irregular costs, such as a T\$60,000 expenditure on Insurance (Property) in 2010/11.

Table 14.7 TIST expenditure estimates for 2009/10–2012/13 (T\$)

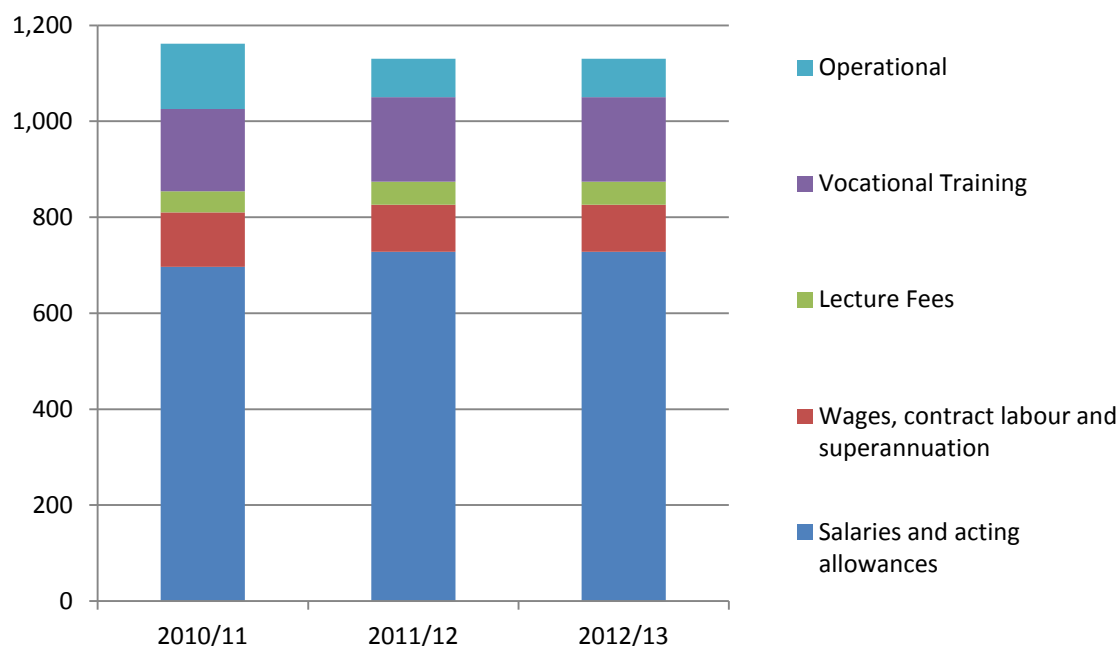
Expenditure item	2009/10	2010/11	2011/12	2012/13
Total Government of Tonga	1,198,836	1,161,442	1,130,541	1,130,541
Personnel	789,707	854,358	873,846	873,846
Salaries and acting allowances	741,899 ²	696,922	727,921	727,921
Wages	11,808		88,043	88,043
Lecture Fees	36,000	44,552	47,882	47,882
Contract Labour		43,192	10,000	10,000
Govt Contrib. to Retirement Fund		69,692		
Teaching and Learning	354,503	171,000	176,500	176,500
Vocational Training	300,000	150,000	150,000	150,000
Technical Equipment & Supplies	50,002	19,500	25,000	25,000
Other	4,501	1,500	1,500	1,500
Operational	54,626	136,084	80,195	80,195
Telecommunication Charge	7,000	7,000	20,840	20,840
Electricity	18,000	18,000	18,000	18,000
Land Compensation		15,500	15,500	15,500
Office Supplies	7,400	7,400	8,511	8,511
Maintenance	4,003	2,301	5,301	5,301
Fuel	2,320	3,540	4,540	4,540
Water	4,500	4,500	4,500	4,500
Other	11,403	77,843 ³	3,003	3,003
Special projects	1,001			
Donors	4,570,000	3,919,047	3,619,883	3,300,000
Consultants & Technical Assistants ¹	4,000,000	3,919,047	3,619,883	3,300,000
New building or plant or equipment	570,000			
Total TIST budget	5,769,837	5,080,489	4,750,424	4,430,541

1 This amount refers to TSP1 funded through AusAID/NZAID which had purview of the entire TVET system, government and non-government. For budgeting purposes, it is included in the 'post-secondary budget' for TIST.

2 Salaries: This line item was 'nil' in the 2009/10 budget estimates. T\$741,099 was paid from 'Leadership, Policy & Program Administration' from the MoTEYS Administration budget. All MoTEYS salaries (including TIST) were paid from this line item.

3 Includes T\$60,000 for Insurance (Property).

Source: Government of Tonga Budget Estimates, 2009/10–2012/13

Figure 14.4 TIST expenditure estimates, 2009/10-2012/13 (T\$ 000s)

Source: Table 14.7

TIST salary expenditure

As personnel costs, predominantly salaries, comprise three-quarters of the budget for TIST further analysis is needed to identify where these funds are allocated within the organisation. On average, the largest proportion of personnel costs were incurred through the School of Engineering (49.2 per cent) followed by Maritime (formerly TMPI) (35.2 per cent) and SoAg/SoTH (formerly NCVS) (10.2 per cent). The average remuneration per staff member across TIST has averaged around T\$23,000 for the three years to 2011/12.

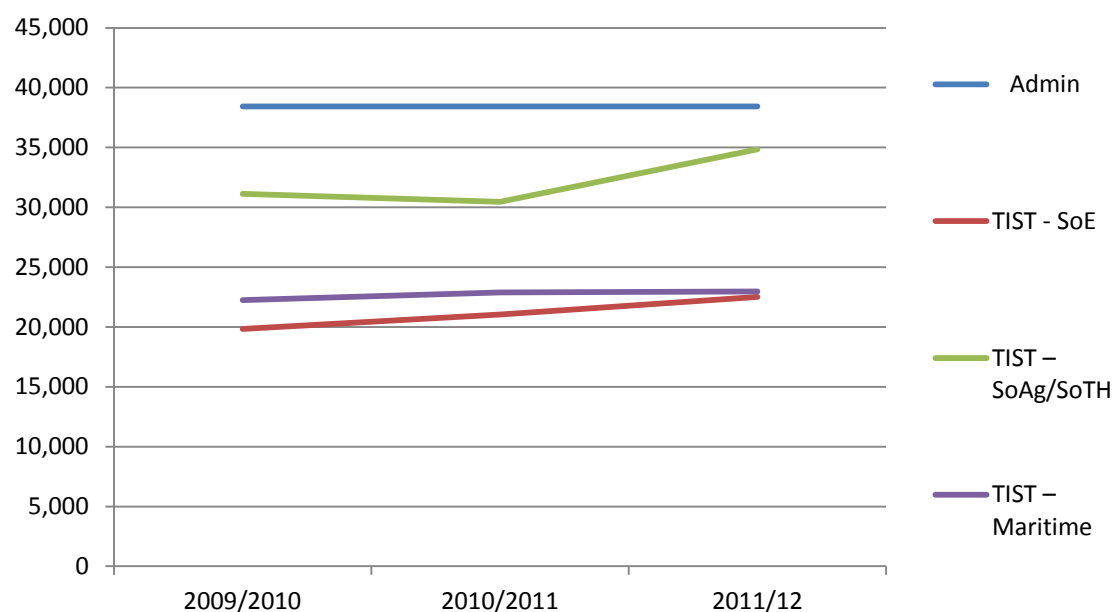
Table 14.8 TIST Salaries and other emoluments of staff, 2009/10–2011/12

Expenditure area	2009/2010	2010/2011	2011/2012
Personnel costs	797,932	643,963	743,365
Administration	38,420	38,420	38,420
SoE	376,933	315,762	382,515
SoAg, SoTH	93,386	60,910	69,688
Maritime	289,194	228,872	252,743
Per cent of Total	100.0	100.0	100.0
Administration	4.8	6.0	5.2
SoE	47.2	49.0	51.5
SoAg, SoTH	11.7	9.5	9.4
Maritime	36.2	35.5	34.0
Average remuneration	22,165	22,999	23,980
Administration	38,420	38,420	38,420
SoE	19,839	21,051	22,501
SoAg, SoTH	31,129	30,455	34,844
Maritime	22,246	22,887	22,977

Source: MET staff lists

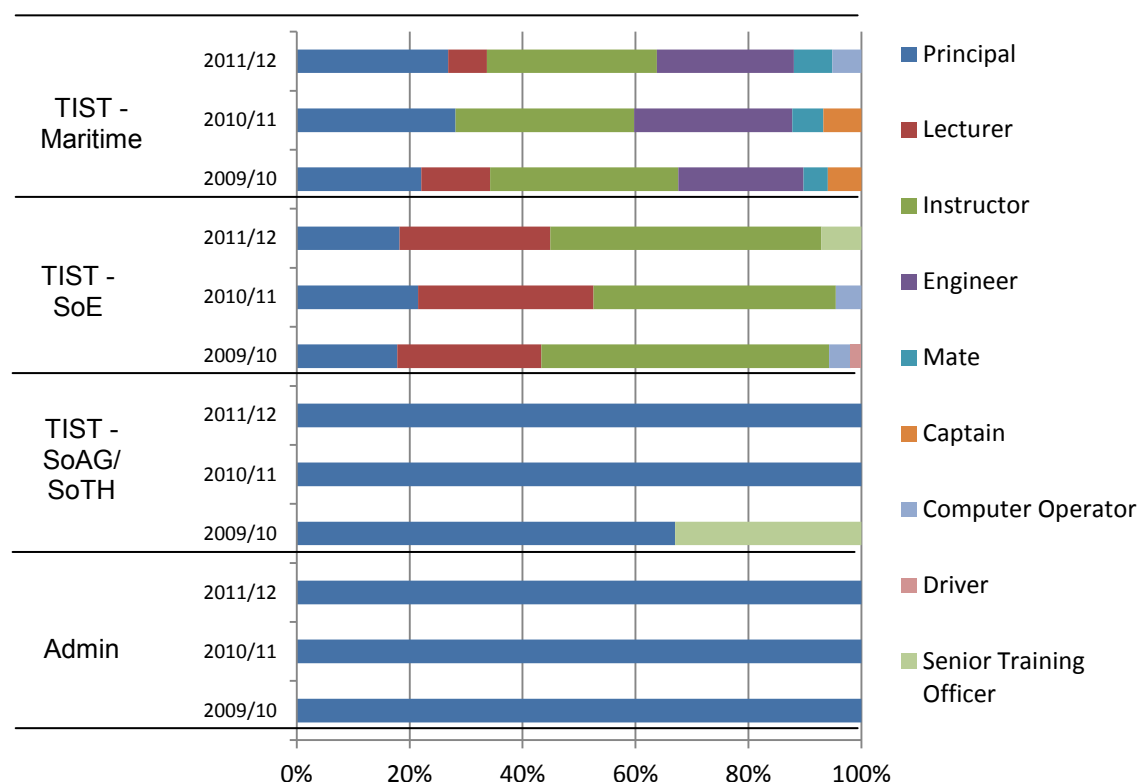
These static remuneration levels at TIST, as shown in Figures 14.5 and 14.6 and Table 14.9, would likely reflect the nature of public sector remuneration more generally in Tonga.

Figure 14.5 Average TIST expenditure by school/area, 2009/10-2011/12 (T\$)



Source: Table 14.8

Figure 14.6 TIST expenditure by school/area and position, 2009/10-2011/12 (%)



Source: MET financial data

14.3 TONGA INSTITUTE OF HIGHER EDUCATION

The budget for Tonga Institute of Higher Education (TIHE) is in Subprogram 5 of the Post-secondary education line item within the Ministry of Education and Training budget. Prior to the restructure of the MET, the TIHE budget was located in the MEWAC post-secondary education budget. This Subprogram includes both TIHE and the donor-supported scholarships program. The bilaterally-supported AusAID-NZAID scholarships program has comprised, on average, 83.2 per cent of this part of the TVET budget for the four financial years to 2012/13.

Table 14.9 shows the operating grant provided through the Government of Tonga fund has increased from T\$141,069 in 2009/10 to 434,210 in 2012/13. For the four years to 2012/13, the annual average share of Government funds to TIHE allocated to personnel costs has been 92.1 per cent. Table 14.10 and Figure 14.7 show that proportion allocated to operational costs has increased markedly, which relates to increases in electricity costs over this time period.

Table 14.9 TIHE budget allocations 2009/10–2012/13

Expenditure item*	Tonga Institute of Higher Education (TIHE)			
	2009/10	2010/11	2011/12	2012/13
Personnel	138,365	158,315	303,471	398,210
Teaching and Learning	56	2,781	4,000	4,000
Operational	2,648	16,457	32,000	32,000
Subtotal TIHE	141,069	177,553	339,471	434,210
	Share of total (%)			
	2009/10	2010/11	2011/12	2012/13
Personnel	98.1%	89.2%	89.4%	91.7%
Teaching and Learning	0.0%	1.6%	1.2%	0.9%
Operational	1.9%	9.3%	9.4%	7.4%
Special projects	0.0%	0.0%	0.0%	0.0%
Subtotal TIHE	100.0%	100.0%	100.0%	100.0%

Expenditure categories are detailed in Table 13.1 and Table 14.10.

Source: Government of Tonga Budget Estimates, 2009/10–2012/13

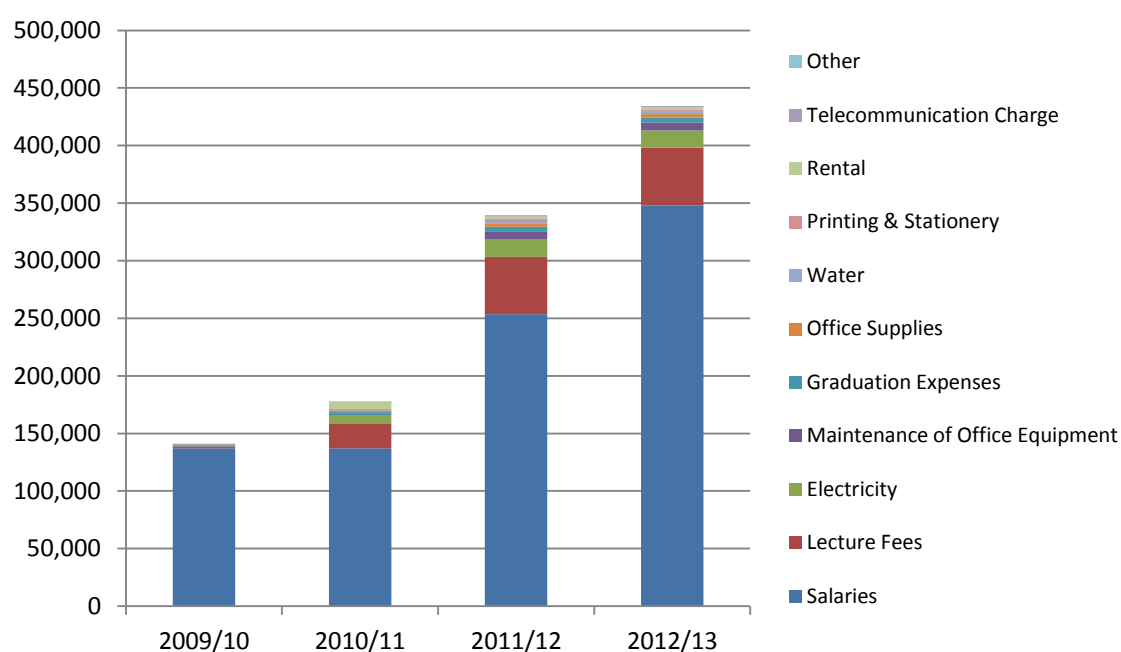
Expenditure on budget items is relatively straightforward to account for, as consolidated budget estimates provide a complete picture of public funds available to TIHE for a given financial year. However, there are limitations in interpreting budget estimates in the line item (budget vote) level owing to the intra-budget shifts which occur through the financial year.

Expenditure on operational costs includes areas such as telecommunication charges, electricity and office supplies. These costs have comprised around 6 per cent of the TIHE budget for the past three financial years. Although these costs comprise a relatively small proportion of the budget compared to salaries, they can also be the most affected by shifts between budget votes throughout the year and large spikes in one-off or irregular costs, such as a T\$13,041 expenditure on Telecommunications in 2010/11.

Table 14.10 TIHE expenditure by category, 2009/10–2012/13

Expenditure item	2009/10	2010/11	2011/12	2012/13
Total Government of Tonga	141,069	177,554	339,471	434,210
Personnel	138,365	158,315	303,471	398,210
Salaries	137,018	136,977	253,471	348,210
Lecture Fees	1,199	21,338	50,000	500,00
Wages	148			
Allowances		1		
Teaching and Learning	56	2,781	4,000	4,000
Graduation Expenses	56	2781	4000	4000
Operational costs	2,648	16,457	32,000	32,000
Telecommunication Charge	44	1	1000	1000
Advertising & Publicity	9	1		
Fuel	83			
Maintenance of Office Equipment	19	1	7000	7000
Maintenance of Vehicles	37			
Electricity	666	7,538	15,000	15,000
Water	178	1	2,000	2,000
Office Supplies	1,574	1,254	3,000	3,000
Printing & Stationery	19	1,545	2,000	2,000
Rental	0	6,116	2,000	2,000
Library Services	19			

Source: Government of Tonga Budget Estimates, 2009/10–2012/13

Figure 14.7 TIHE expenditure by category, 2009/10–2012/13 (T\$)

Source: Table 14.10

14.4 FREE WESLEYAN CHURCH SYSTEM

The Free Wesleyan Church (FWC) system consists of Tupou Tertiary Institute (TTI) and Hango Agricultural College. Other providers include Pouono Trade Campus, Queen Salote College and Tupou College, although these colleges' formal TVET programs are delivered under the auspice of TTI.

FWC revenue sources

Table 14.11 shows that these providers received a four-year annual average of T\$1.98m from a range of government and non-government sources. All five providers receive the per student TVET grant for non-government providers and many use donor funds to assist with capital works. It is clear from the trend data that providers within the FWC system receive sporadic injections of funds either from the FWC Diocese, donors or from government, albeit to a lesser extent than those in the Catholic system.

Table 14.11 FWC System revenue, 2009/10–2012/13 (T\$)

<i>Revenue source</i>	2009/10	2010/11	2011/12	2012/13
FWC Diocese	179,262	273,288	264,761	257,849
Government Grant	573,258	703,800	713,000	714,000
Direct donor support	0	0	15,000	15,000
Student fees	1,003,340	953,619	655,850	677,000
Sale of services etc	93,463	138,960	180,000	188,000
Other sources	79,469	54,508	87,200	95,200
Total FWC System	1,928,792	2,124,174	1,915,811	1,947,049

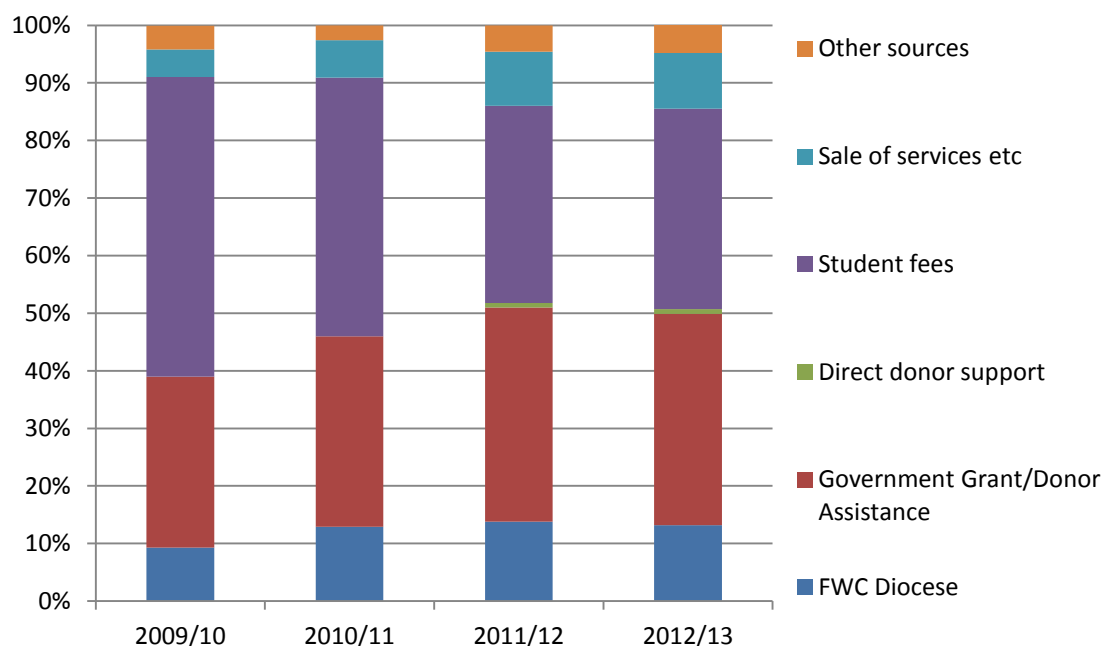
Source: System/provider data returns

Table 14.12 FWC System revenue by source 2009/10–2012/13 (%)

<i>Revenue source</i>	2009/10	2010/11	2011/12	2012/13
FWC Diocese	9.3%	12.9%	13.8%	13.2%
Government Grant/Donor Assistance	29.7%	33.1%	37.2%	36.7%
Direct donor support	0.0%	0.0%	0.8%	0.8%
Student fees	52.0%	44.9%	34.2%	34.8%
Sale of services etc	4.8%	6.5%	9.4%	9.7%
Other sources	4.1%	2.6%	4.6%	4.9%
Total FWC System	100.0%	100.0%	100.0%	100.0%

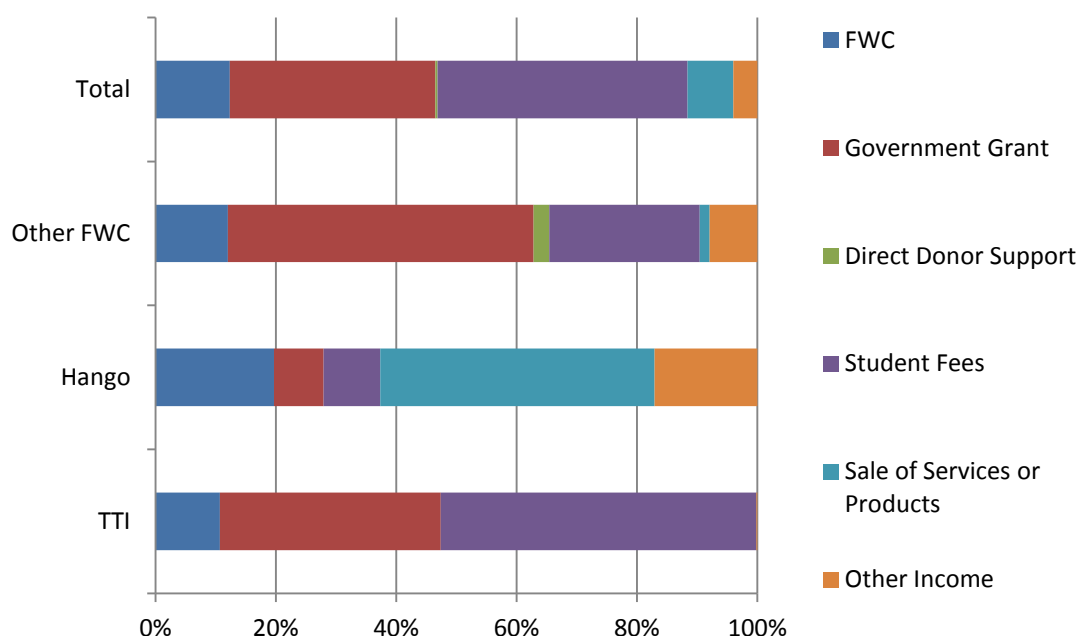
Source: Table 14.11

Table 14.12 and Figure 14.8 show that it is difficult to ascertain trends in the proportion of funds received by revenue source over a period of time as the amounts received each year will depend on whether funds are available, for example for the TVET Grant or from ODA support. It can be discerned from discussions and data analysis at the provider level that many providers lobby for funds directly from development partners to undertake urgent works such as ensuring ongoing supply of water and restoration of the church at Hango Agricultural College (funded by Cranbourne Rotary in Australia).

Figure 14.8 FWC system revenue by source, 2009/10–2012/13 (%)

Source: Table 14.12

Figure 14.9 shows the significant variability in revenue sources among TVET providers in the FWC system. For example, TTI receives the majority of its funds, in order, from student fees, the TVET grant and government. Hango Agricultural College, in contrast to TTI, receives the majority of its funds from the sale of services and products on the farm.

Figure 14.9 FWC system income, 2009/10–2012/13, 4-year average %

Source: Table 14.12

All three FWC schools are heavily reliant on student fees and materials fees to assist with short-term cash flows associated with program viability and the uncertainty of when other funds will become available. Not captured in Table 14.13 are significant in-kind contributions made by local PTA, ex-students and family associations who provide support to providers.

These funds are untraceable in many cases as they are collected in cash and on an ad-hoc basis.

Table 14.13 FWC system revenue sources, by institution, 2009/10–2012/13 (T\$)

	2009/10	2010/11	2011/12	2012/13
Tupou Tertiary Institute	1,528,838.39	1,531,018	1,210,904	1,222,804
FWC	74,804.00	181,575	165,554.00	164,304.00
Government Grant	534,000	492,000	495,000	495,000
Direct Donor Support	0	0	0	0
Student Fees	920,034.39	857,444	550,350.00	555,500.00
Sale of Services or Products	0	0	0	0
Other Income	0	0	0	8,000
Hango Agricultural College	283,529	305,375	341,497	345,122
FWC	69,749	57,297	64,797	59,422
Government Grant	21,800	26,400	28,000	29,000
Direct Donor Support				
Student Fees	22,055	44,802	26,500	26,500
Sale of Services or Products	93,463	126,910	177,000	184,000
Other Income	76,462	49,966	45,200	46,200
Other FWC providers*	116,425	287,781	363,410	379,123
FWC	34,709	34,416	34,410	34,123
Government Grant	17,458	185,400	190,000	190,000
Direct Donor Support	0	0	15,000	15,000
Student Fees	61,251	51,373	79,000	95,000
Sale of Services or Products	0	12,050	3,000	4,000
Other Income	3,007	4,542	42,000	41,000
Total	1,928,792	2,124,174	1,915,811	1,947,049
FWC	179,262	273,288	264,761	257,849
Government Grant	573,258	703,800	713,000	714,000
Direct Donor Support	0	0	15,000	15,000
Student Fees	1,003,340	953,619	655,850	677,000
Sale of Services or Products	93,463	138,960	180,000	188,000
Other Income	79,469	54,508	87,200	95,200

* Pouono Trade Campus, Queen Salote College, Tupou College.

Source: System/provider data returns

FWC expenditures

Table 14.14 and Figure 14.10 shows that around 47 per cent of recurrent expenditure was allocated to staffing costs across the three Catholic TVET providers in 2012/13. The four-year average trend has been around 43 per cent of recurrent expenditure on staffing costs. Similar to the Catholic system, around 5–10 per cent of the recurrent and non-recurrent budget is allocated to the cost of capital and a relatively small proportion is allocated to program and staff development (1–2 per cent).

Table 14.14 FWC system expenditure by category, 2009/10–2012/13 (T\$)

Expenditure Category	2009/10	2010/11	2011/12	2012/13
Recurrent Budget				
<i>Staffing costs</i> ¹	377,424	470,848	428,250	467,930
<i>Non-Staffing costs</i> ²	554,743	822,957	513,600	512,200
Total Recurrent Budget	932,166	1,293,804	941,850	980,130
Development Budget				
TVET programs ³	9,257	32,069	33,500	32,000
Staff/professional development programs	72,888	93,075	57,500	64,500
Other development items	310,058	284,235	165,528	105,100
Total Development Budget	392,202	407,379	256,528	201,600
Capital budget ⁴	83,786	130,441	117,895	64,000
Other Expenditures	11,023	3,927	4,600	9,000
Total Expenditure	1,419,177	1,835,551	1,320,773	1,254,730

1 For example, salaries, wages, leave, benefits etc.

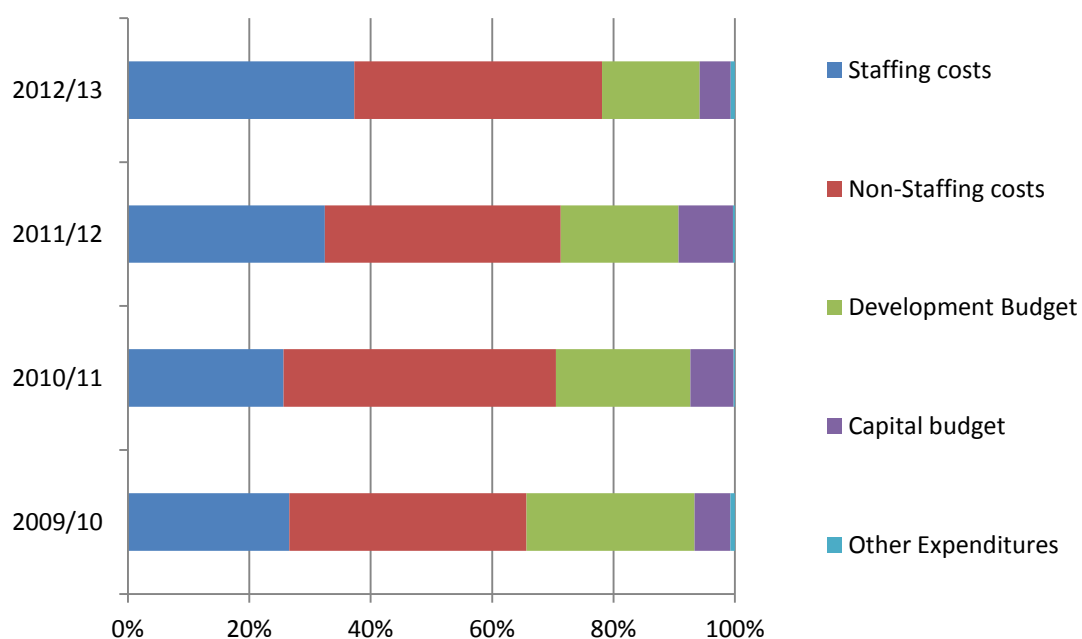
2 For example, operation costs, consumables, utilities, maintenance, etc.

3 For example, new programs, accreditation etc.

4 For example, equipment, machinery, etc.

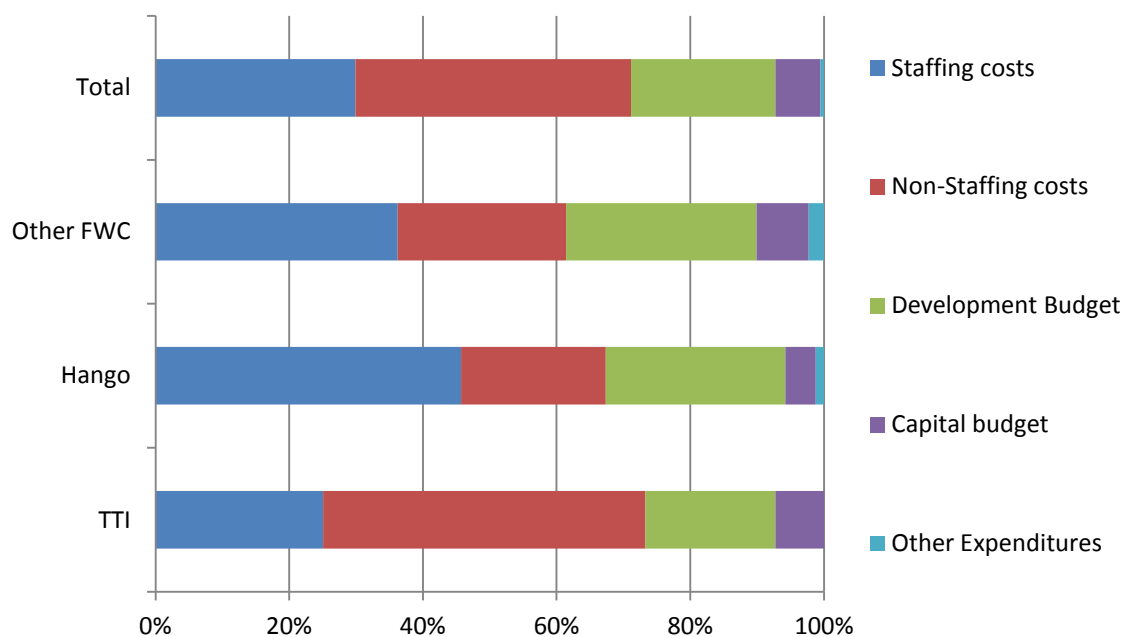
Source: System/provider data returns

The level of expenditure in the FWC provider system has been between T\$1.42m and 1.84m for the four years to 2012/13. This represents a significant contribution to the overall level of TVET activity in Tonga. As a system, the proportion expended on staffing costs has remained relatively stable for the past three financial years at 25–35 per cent, slightly lower than the Catholic system. The share of costs has remained relatively stable with a 10 percentage point increase in staffing costs in the four years to 2012/13. As shown in Figure 14.11, TTI, as the main FWC campus and auspicing provider, carries a greater share of non-staffing costs than Hango Agricultural College and the smaller FWC providers.

Figure 14.10 FWC system recurrent expenditure, 2009/10–2012/13 (%)

Source: Table 14.14

Table 14.15 shows the detailed four-year expenditure trends for each of the providers in the FWC system. The FWC providers, particularly Tupou Tertiary Institute, have a robust and comprehensive set of detailed financial accounts which enables providers and the system to monitor trends on a regular basis at the provider level.

Figure 14.11 FWC system recurrent expenditure, 2009/10–2012/13 (%)

Source: Table 14.14

Table 14.15 FWC system expenditure by category, by institution, 2009/10–2012/13 (T\$)

	2009/10	2010/11	2011/12	2012/13
Tupou Tertiary Institute				
Recurrent Budget	723,848	1,027,581	671,890	680,800
Staffing costs	233,893	283,148	258,090	286,500
Non-Staffing costs	489,956	744,434	413,800	394,300
Development Budget	277,437	311,421	143,728	90,000
TVET programs				
Staff/PD programs	71,888	91,615	53,000	60,000
Other development items	205,549	221,806	90,728	30,000
Capital budget	70,000	113,806	89,395	35,000
Other Expenditures				
TOTAL EXPENDITURE	1,071,285	1,452,808	907,013	807,800
Hango Agricultural College				
Recurrent Budget	171,718	205,706	187,320	190,010
Staffing costs	115,293	147,190	120,220	129,610
Non-Staffing costs	56,425	58,516	67,100	60,400
Development Budget	95,697	56,556	74,300	74,600
TVET programs		3,569	5,000	5,000
Staff/PD programs			2,500	2,500
Other development items	95,697	52,987	66,800	67,100
Capital budget	10,464	11,598	14,500	14,500
Other Expenditures	9,865	1,997	1,000	1,000
TOTAL EXPENDITURE	287,744	275,856	277,120	280,110
Other FWC providers*				
Recurrent Budget	36,600	60,517	82,640	109,320
Staffing costs	28,237	40,510	49,940	51,820
Non-Staffing costs	8,362	20,007	32,700	57,500
Development Budget	19,068	39,402	38,500	37,000
TVET programs	9,257	28,500	28,500	27,000
Staff/PD programs	1,000	1,460	2,000	2,000
Other development items	8,811	9,442	8,000	8,000
Capital budget	3,323	5,037	14,000	14,500
Other Expenditures	1,158	1,930	1,600	6,000
TOTAL EXPENDITURE	60,148	106,886	136,640	166,820
Total FWC System				
Recurrent Budget	932,166	1,293,804	941,850	980,130
Staffing costs	377,424	470,848	428,250	467,930
Non-Staffing costs	554,743	822,957	513,600	512,200
Development Budget	392,202	407,379	256,528	201,600
TVET programs	9,257	32,069	33,500	32,000
Staff/PD programs	72,888	93,075	57,500	64,500
Other development items	310,058	284,235	165,528	105,100
Capital budget	83,786	130,441	117,895	64,000
Other Expenditures	11,023	3,927	4,600	9,000
Total Expenditure	1,419,177	1,835,551	1,320,773	1,254,730

Source: System/provider data returns

*Pouono Trade Campus, Queen Salote College, Tupou College.

14.5 CATHOLIC CHURCH SYSTEM

The Catholic-operated TVET system includes: 'Ahopanilolo Technical College (fashion and design, and hospitality programs); St Joseph's Business College (secretarial studies programs); and, Montfort Technical Institute (woodwork and automotive programs).

Catholic system revenue sources

Table 14.16 shows that these providers received T\$693,129 in revenue in 2012. All three providers receive the TVET grant for non-government providers, as recorded in 2009/10 and 2011/12 TVET grant statements. It is clear from the trend data those providers within the system receive sporadic injections of funds either from the Catholic Diocese, donors or from government.

Table 14.16 Catholic System revenue sources, 2009–2012 (T\$)

<i>Revenue source</i>	2009	2010	2011	2012
Catholic Diocese	44,230	-78,442	160,843	0
Government Grant/Donor Assistance	0	398,400	0	405,600
Direct Donor Support (if applicable)	0	0	164,600	3,550
Student Fees	94,909	87,540	97,410	91,230
Sale of Services or Products	29,734	68,119	109,720	85,766
Other Revenues	21,081	107,985	121,505	106,983
Total Catholic System	189,954	583,602	654,078	693,129

Note: Data returned to the study from the Catholic System was presented by calendar year for 2009 to 2012. The calendar year has been equated to the most recent financial year (i.e. 2012 is 2012/13).

Source: System/provider data returns

Table 14.17 Catholic System revenue sources, 2009–2012 (%)

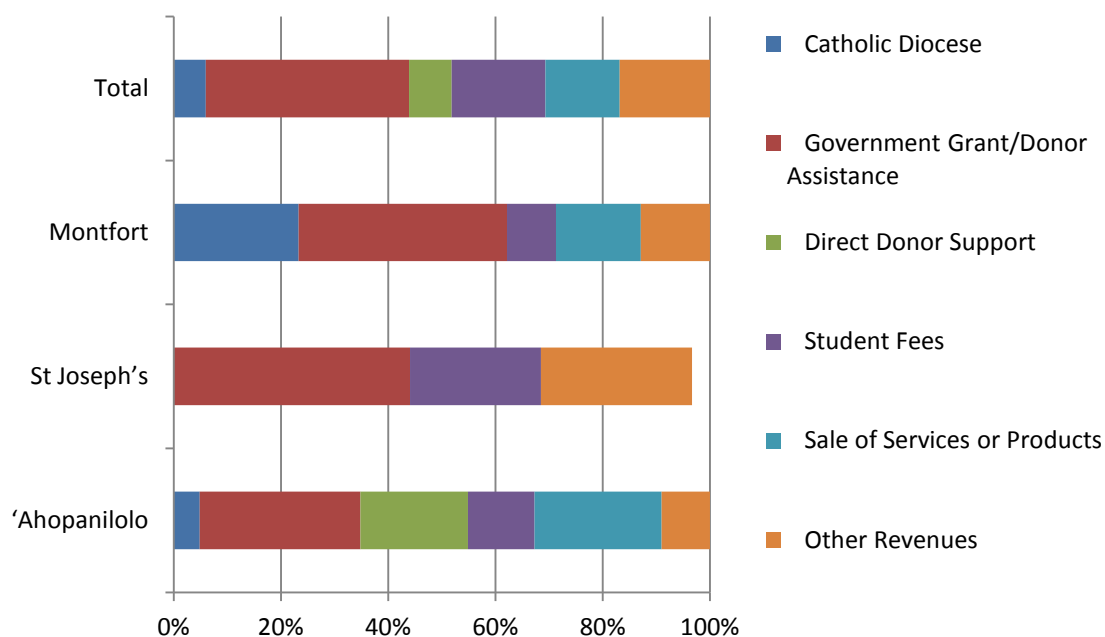
<i>Revenue source</i>	2009	2010	2011	2012
Catholic Diocese	23.3	-13.4	24.6	0.0
Government Grant/Donor Assistance	0.0	68.3	0.0	58.5
Direct Donor Support (if applicable)	0.0	0.0	25.2	0.5
Student Fees	50.0	15.0	14.9	13.2
Sale of Services or Products	15.7	11.7	16.8	12.4
Other Revenues	11.1	18.5	18.6	15.4
Total Catholic System	100.0	100.0	100.0	100.0

Source: Table 14.19

Table 14.17 and Figure 14.12 show that it is difficult to ascertain trends in the proportion of funds received by revenue source over a period of time as the amounts received each year will depend on whether funds are available, for example for the TVET Grant or from ODA support. It can be discerned from discussions and data analysis at the provider level, that many providers will request funds directly from development partners to undertake capital works such as the installation of water tanks and building works at 'Ahopanilolo Technical College (JICA) and levelling the ground and road works at St Joseph's Business College (JICA). St Joseph's Business College received a relatively higher proportion of its revenues from student fees than Montfort Technical Institute and 'Ahopanilolo Technical College which

received some funds from the sale of their products, for example, commercial activity at the *Pot Luck* restaurant and catering jobs or undertaking carpentry works for local clients.

Figure 14.12 Catholic System revenue sources, 4-year average 2008/09–2011/12 (%)



Source: Table 14.17

All three schools require support from student and materials fees to assist with short-term cash flows associated with program viability and the uncertainty of when other funds will become available. Not captured in Table 14.18 are significant in-kind contributions made by local PTA, ex-students and family associations who provide support to providers. These funds are untraceable in many cases as they are collected in an ad-hoc basis and not systematically recorded.

Table 14.18 Catholic System revenue sources, by institution, 2009–2012 (T\$)

	2009	2010	2011	2012
'Ahopanilolo Technical Institute	45,007	182,963	376,062	270,392
Catholic Diocese	19,981	-40,486	60,868	
Government Grant/Donor Assistance*		123,600	0	128,400
Direct Donor Support (if applicable)		0	164,600	3,550
Student Fees	25,026	33,305	44,005	36,765
Sale of Services or Products		39,826	90,106	68,766
Other Revenues		26,718	16,483	32,911
St Joseph's Business College	46,763	215,523	161,372	258,467
Catholic Diocese	-8,095	-48,159	37,926	
Government Grant/Donor Assistance**	0	159,600	0	159,600
Direct Donor Support (if applicable)	0	0	0	0
Student Fees	54,858	42,450	39,265	40,695
Sale of Services or Products	0	0	0	0
Other Revenues	0	61,632	84,181	58,172
Montfort Technical Institute	98,184	185,116	116,644	164,270
Catholic Diocese	32,344	10,203	62,049	
Government Grant/Donor Assistance	0	115,200	0	117,600
Direct Donor Support (if applicable)	0			
Student Fees	15,025	11,785	14,140	13,770
Sale of Services or Products	29,734	28,293	19,614	17,000
Other Revenues	21,081	19,635	20,841	15,900
Total Catholic System	189,954	583,602	654,078	693,129
Catholic Diocese	44,230	-78,442	160,843	0
Government Grant/Donor Assistance	0	398,400	0	405,600
Direct Donor Support (if applicable)	0	0	164,600	3,550
Student Fees	94,909	87,540	97,410	91,230
Sale of Services or Products	29,734	68,119	109,720	85,766
Other Revenues	21,081	107,985	121,505	106,983

Source: System/provider data returns

* JICA sponsored laundry and cooking training rooms.

** JICA sponsored roads and grounds upgrade.

Catholic system expenditure

Table 14.19 shows that around 64 per cent of recurrent expenditure was allocated to staffing costs across the three Catholic TVET providers in 2012. The four-year average trend has been around 55 per cent of recurrent expenditure on staffing costs. Around 5–10 per cent of the recurrent and non-recurrent budget is allocated to the cost of capital and a relatively small proportion is allocated to program and staff development (2–3 per cent).

Table 14.19 Catholic System expenditure by category, 2009–2012 (T\$)

Expenditure Category	2009	2010	2011	2012
Recurrent Budget				
<i>Staffing costs</i> ¹	139,139	179,798	258,253	285,484
<i>Non-Staffing costs</i> ²	64,393	243,834	303,823	159,146
Total Recurrent Budget	203,532	423,632	562,076	444,630
Development Budget				
TVET programs ³	0	0	10,475	13,175
Staff/professional development programs	0	0	3,240	50
Other development items	0	0	0	3,350
Total Development Budget	0	0	13,715	16,575
Capital budget ⁴	0	32,822	2,654	63,300
Other Expenditures	0	36,212	21,182	29,262
Total Expenditure	203,532	492,666	599,627	553,767

1 For example, salaries, wages, leave, benefits etc.

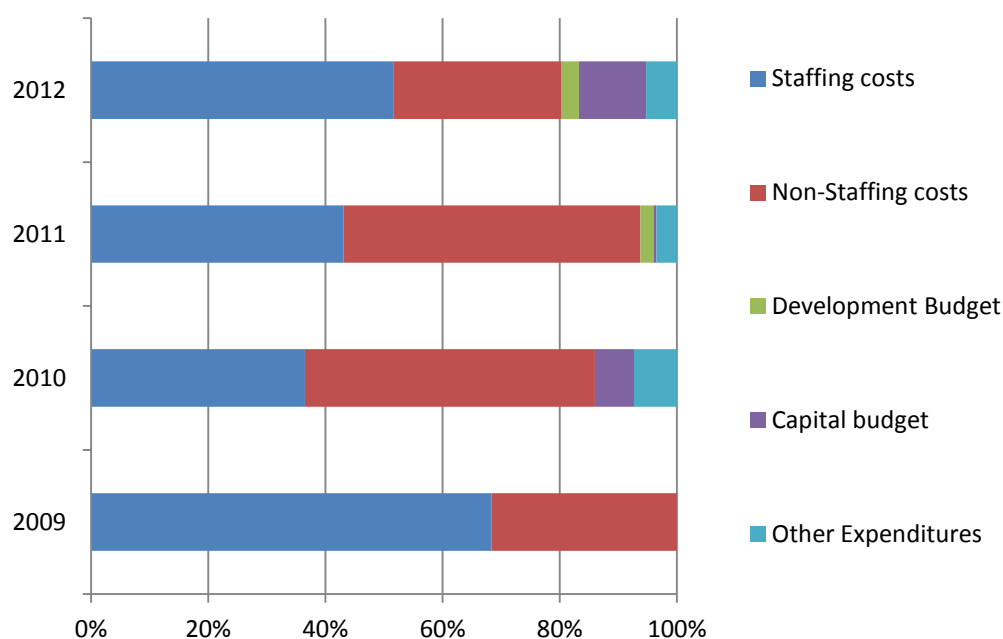
2 For example, operation costs, consumables, utilities, maintenance, etc.

3 For example, new programs, accreditation etc.

4 For example, equipment, machinery, etc.

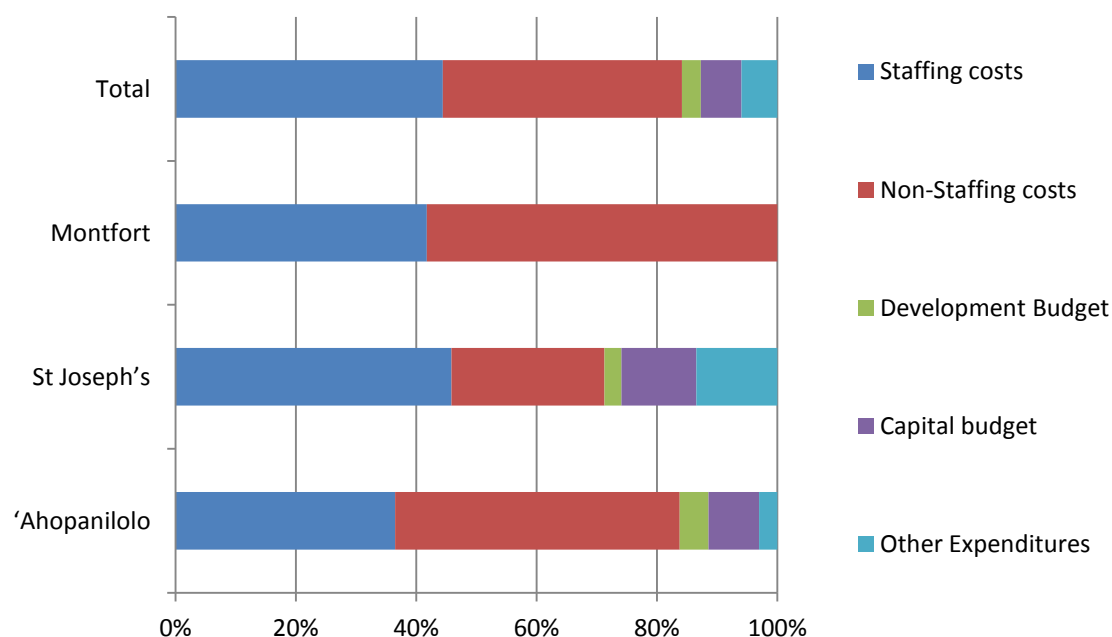
Source: System/provider data returns

The level of expenditure in the Catholic Church system has been between T\$492,000 and 553,000 for the three years to 2012. As a system, the proportion expended on staffing costs has remained relatively stable for the past three financial years at 35–45 per cent. The uneven level of expenditure on non-staffing costs reflects the uneven injection of donor funds and the TVET grant across a given time period.

Figure 14.13 Catholic TVET system expenditure by category, 2009–2012 (%)

Source: Table 14.20

Figure 14.14 shows the average four-year trend and Table 14.20 shows the provider-level expenditure data for the Catholic Church system. It is apparent from these data that comparable amounts are expended on staffing costs (35–45 per cent) while there are variations in the amounts available for expenditure on non-staffing costs (for example, operation costs, consumables, utilities, maintenance) and capital. Table 14.18 shows the detailed four-year expenditure trends for each of the providers in the Catholic Church system. These data further emphasis the sporadic nature of expenditure patterns across different areas of provision and operations.

Figure 14.14 Catholic TVET system expenditure by provider, 4-year average %

Source: Table 14.20

Table 14.20 Catholic Church TVET System expenditure by provider, 2009–2012 (T\$)

	2009	2010	2011	2012
'Ahopanilolo Technical College				
Recurrent Budget	45,007	156,212	237,457	194,953
<i>Staffing costs</i>	45,007	54,919	104,873	116,395
<i>Non-Staffing costs</i>		101,293	132,584	78,558
Development Budget			7,700	13,200
TVET programs			4,460	9,800
Staff/PD programs			3,240	50
Other development items				3,350
Capital budget		2,722		34,300
Other Expenditures		4,557	13,287	2,217
TOTAL EXPENDITURE	45,007	163,491	258,444	244,670
St Joseph's Business College				
Recurrent Budget	46,763	105,498	136,910	139,728
<i>Staffing costs</i>	46,763	74,091	77,191	104,840
<i>Non-Staffing costs</i>		31,407	59,719	34,888
Development Budget			6,015	3,375
TVET programs			6,015	3,375
Capital budget		30,100	2,654	29,000
Other Expenditures		31,655	7,895	27,045
TOTAL EXPENDITURE	46,763	167,253	153,474	199,148
Montfort Technical Institute				
Recurrent Budget	111,762	161,922	187,709	109,949
<i>Staffing costs</i>	47,369	50,788	76,189	64,249
<i>Non-Staffing costs</i>	64,393	111,134	111,520	45,700
TOTAL EXPENDITURE	111,762	161,922	187,709	109,949
Total Catholic System				
Recurrent Budget	203,532	423,632	562,076	444,630
<i>Staffing costs</i>	139,139	179,798	258,253	285,484
<i>Non-Staffing costs</i>	64,393	243,834	303,823	159,146
Development Budget			13,715	16,575
TVET programs			10,475	13,175
Staff/PD programs			3,240	50
Other development items				3,350
Capital budget		32,822	2,654	63,300
Other Expenditures		36,212	21,182	29,262
Total Expenditure	203,532	492,666	599,627	553,767

Source: System/provider data returns

14.6 TVET GRANTS TO NON-GOVERNMENT SCHOOLS

As described above, the TVET grant is paid at the rate of T\$1,200 per full-time student in non-government approved TVET institutions. It is a requirement of receipt of the grant that 50 per cent be allocated to teachers' salaries, TVET and non-TVET; and the remaining 50 per cent be allocated to vocational training, operational expenses and small-scale refurbishments. It was noted by a number of schools that there have been issues with the timing and availability of the TVET grant in terms of how it can be factored into budgeting for the forthcoming academic year. Table 14.21 shows the breakdown by providers for 2010–2012.

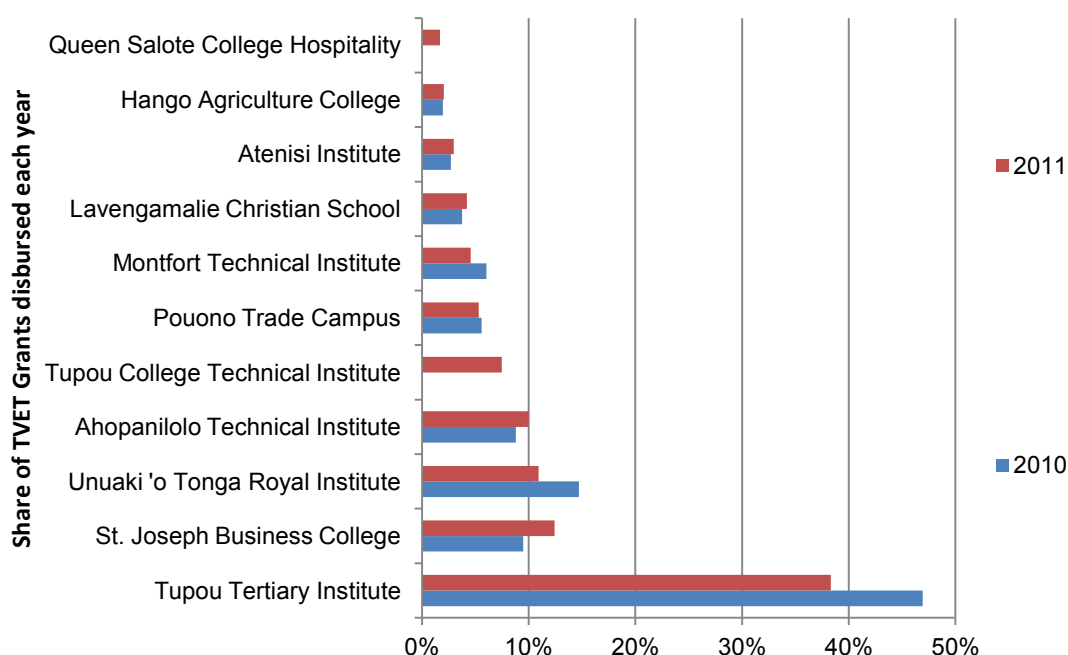
Table 14.21 TVET grants to non-government schools, 2010 and 2011 (T\$)

	2010	2011
Tupou Tertiary Institute	447,600	492,000
St. Joseph's Business College	90,600	159,600
Unuaki 'o Tonga Royal Institute	140,400	140,400
'Ahopanilolo Technical College	84,000	128,400
Tupou College		96,000
Pouono Trade Campus	53,400	68,400
Montfort Technical Institute	57,600	58,800
Lavengamalie Christian School	36,000	54,000
Atenisi Institute	25,800	38,400
Hango Agriculture College	18,600	26,400
Queen Salote College - Hospitality		21,600
Total TVET Grants	954,000	1,284,000

Source: Report of the Ministry of Women's Affairs and Culture for 2011

Figure 14.15 indicates that of the T\$1.28m allocated in 2011, 38.3 per cent was allocated to Tupou Tertiary Institute from the FWC system – a decline from 46.9 per cent in 2010. However, the proportionate decrease was counter-balanced by Pouono Trade Campus, a TTI auspice site, receiving 7.5 per cent of the 2011 grant. The Catholic Church provider, St Joseph's Business College received 12.4 per cent and Unuaki 'o Tonga Royal Institute, Tonga's main TVET private provider, received 10.9 per cent of the grant in 2011.

To provide an example of how the TVET grant was disbursed, 'Ahopanilolo Technical College provided an account of receipts and expenditure line items. As shown in Table 14.22, 50 per cent was allocated to minor renovations and teaching and learning, the other 50 per cent was sent to Toutaimana, the Catholic Diocese in Nuku'alofa.

Figure 14.15 Share of TVET grants to non-government schools, 2010 and 2011 (%)

Source: Table 14.21

Table 14.22 Example of TVET grant disbursement at 'Ahopanilolo, 2011 (T\$)

	2011 TVET Grant	% of total
RECEIPTS		
Government Grant		
First grant	39,600	
Second grant	84,000	
Deposited to Account	60	
Interest earned & Reverse	692	
Total Funds Available	124,352	
Less PAYMENTS		
Salaries - Fund Transferred to Toutaimana (Diocese)	61,800	49.7
Minor Renovations	32,523	26.2
Wages	9,903	8.0
Building Materials	21,329	17.2
Transports	1,291	1.0
Teaching and Learning	29,930	24.1
Cooking	11,247	9.0
Sewing	2,488	2.0
Art	2,275	1.8
Housekeeping	1,296	1.0
Teaching	12,624	10.2
Bank Charges & Reverse	81	0.1
Total Expenses Incurred	124,334	100.0
Balance	19	

Source: 'Ahopanilolo Technical Institute data return

14.7 TRAINING AND CONFERENCES WITHIN MDAs

A summary of the estimates for 'training and conferences' within each Ministry, department, and agency is included in Table 14.23. The budget estimates indicate that for the overall allocation for training and conferences from the Government has decreased over this period and that the donor support has more than doubled, with significant additional training/conference donor funds being provided for the Ministry of Health and the Public Service Commission.

Table 14.23 Training and conferences budget estimates, 2011/12 and 2012/13 (T\$)

	2011/12		2012/13	
	Government	Donor	Government	Donor
Legislative Assembly	160,770	130,000	26,000	500,000 85,000*
Prime Minister's Office	32,000	-	30,000	-
Attorney General's Office			10,000	-
Audit Office	2,000	-	-	-
Commissioner of Public Relations	-	7,500	-	-
Crown Law Department	20,000	-	-	-
Public Service Commission	-	-	3,000	212,410
Defence services	1	-	1	-
Ministry of Communication and Information	1	-	-	-
Ministry of Finance and National Planning	-	120,000	-	129,000*
Ministry of Justice	6001	-	11,001	-
Ministry of Public Enterprise	201	-	5,201	-
Ministry of Revenue Services			50,000	-
Ministry of Police, Prisons and Fire Services	222,880	268,000	55,880	172,500
		50,000*	-	-
Ministry of Health	-	10,000	-	923,100
MEWAC	39,756	47,560		
MoTEYS	284,018	-		
MET			176,756	200,000
Ministry of Internal Affairs			176,656	-
Ministry of Environment and Climate Change	3,500	-		
Ministry of Lands, Environment, Climate Change & Natural Resources			1,501	-
Ministry of Lands, Survey and Natural Resources	1	-	-	-
Ministry of Tourism	2,000	-	-	-
Ministry of Labour, Commerce and Industries	72,600	40,000		
Ministry of Commerce, Tourism and Labour			95,601	40,000
Ministry of Agriculture, Food, Forests & Fisheries	6,300	113,701	43,400	40,091
Ministry of Works	34,003	-	-	-
Ministry of Transport	26,280	41,200*	-	-
Ministry of Infrastructure			60,283	-
Total	912,312	827,961	745,280	2,302,101

* In-kind

Source: MoFNP Budget Estimates

14.8 OFFICIAL DEVELOPMENT ASSISTANCE TO TVET

The resident bilateral donors supporting TVET and related training programs in Tonga are AusAID, NZAID, Japan (JICA) and China. Large investments from Germany in the 1980s and 1990s built the platform for a long-standing involvement in the TVET sector in Tonga. This involvement has diminished in recent years, although many of the buildings, facilities and equipment remain in good working condition.

The two primary donors identified in the post-secondary budget are Australia and New Zealand who provide bilateral assistance to Tonga in the form of scholarships as well as consultants and technical assistance (included in TSP1). Table 14.24 shows the share of the total post-secondary budget sourced from donors is significant, ranging between 78 to 82 per cent between 2009/10 and 2012/13. However, actual cash disbursements have been identified to be significantly below original budgetary estimates.

The amounts allocated to scholarships are mainly provided to support higher education study. The amounts allocated to 'Consultants and Technical Assistants' relate to the TSP1 program.

Table 14.24 Funding sources TVET sector 2009/10–2012/13 (T\$)

	2009/10	2010/11	2011/12	2012/13
Government of Tonga Fund	2,229,440	2,650,545	3,055,123	2,849,711
Donors	10,141,429	11,116,476	9,261,312	10,174,129
Australia Bilateral Assistance	2,871,429	3,326,429	2,991,429	5,102,929
<i>Consultants & Technical Assistants</i>		100,000	120,000	2,231,500
<i>Scholarships</i>	2,871,429	2,871,429	2,871,429	2,871,429
<i>New Equipment</i>		200,000		
<i>Other¹</i>		155,000		
New Zealand Bilateral	2,700,000	3,221,000	2,650,000	3,271,200
<i>Consultants & Technical Assistants</i>		316,000		471,200
<i>New Equipment</i>	50,000	100,000		
<i>Renovations</i>		100,000		
<i>Scholarships</i>	2,650,000	2,650,000	2,650,000	2,650,000
<i>Training & Conferences</i>			0	150,000
<i>Other²</i>		55,000		
Pooled Funds - Australia & NZ	0	0	0	1,800,000
<i>Consultants & Technical Assistants</i>			0	1,800,000
ADB Budget Support		650,000		
<i>Contribution to Regional Organisations</i>		650,000		
Donor not identified³	4,570,000	3,919,047	3,619,883	
Total	12,370,869	13,767,021	12,316,435	13,023,840

1 Office supplies, airfares, hospitality, training.

2 Office supplies, airfares, hospitality, training.

3 Donor name not identified in data provided for 2011/12.

Source: Government of Tonga Budget Estimates, 2009/10–2012/13

Table 14.25 shows a compilation of TVET related development expenditure for the four years to 2012/13. These data have been compiled from a range of sources, including the Ministry of Finance and National Planning, the Prime Minister's Office, the Ministry of Education and Training, the church systems and individual providers.

Table 14.25 TVET related development program expenditure, 2009/10–2012/13

	Donor	Year announced	Term	Amount
Government				
TSP1	AusAID/NZAID	2008	2009–2013	A\$7.4m
Scholarships	AusAID/NZAID	Ongoing	2009–2013	
TBEC (provision of Private Sector Training Program (PSTP))	NZAID	2011		NZ\$677,944
TBEC	NZAID	2010		NZ\$1 million*
TIST capital buildings (automotive)	JICA	2011		US\$106,261
TIHE computers	UNESCO			Unknown
APTC In-country Manager	AusAID			
Tonga Budget Support (unspecified)	NZAID	2011	financial year 2011/12	T\$3 million
Tonga Budget Support (part of total funds, unspecified)	World Bank	2010	5 years	US\$5m
China (unspecified allocation)	China	2011		T\$5.6 million
Sub-total				
Other**				
MORDI - Mainstreaming program	NZAID	2011		T3 million
MORDI – TRIP Program	IFAD	2012		US\$3 million

* Currency not noted.

** Capital expenditures for the Free Wesleyan Church and Catholic Church systems are considered separately in Sections 14.4 and 14.5 respectively.

Sources: Ministry of Finance and National Planning, accessed December 2012, <http://www.pmo.gov.to/aid-programs>

TVET Support Program

The largest donor investment in TVET in recent years has been a programmatic design to support the TVET sector, the AusAID and NZAID Tonga Technical and Vocational Education (TVET) Support Program (TSP1) bilateral program. The original budgetary allocations are included in Table 14.26.

Table 14.26 TSP1 budget allocation and expenditure, 2009/10–2012/13 (A\$'000s)

	2009/10	2010/11	2011/12	2012/13
Original Budget	1,890	2,000	2,065	1,595
Personnel costs	940	860	680	600
Non-Personnel costs	950	1,140	1,385	995
Original budget converted to T\$*	3,459	3,660	3,779	2,919
Personnel costs	1,720	1,574	1,244	1,098
Non-Personnel costs	1,739	2,086	2,535	1,821

* Exchange rate 1 AUD = 1.73 TOP

Source: TSP1 Design document, MoFNP

An independent evaluation of TSP1 was concluded in July 2012. The evaluation found a number of areas of particular concern, namely:

- a poor program design which did not adequately reflect the existing TVET context in Tonga and which did not include adequate analysis to determine priority sectors for support;
- a lack of a common vision for TVET in Tonga and the absence of any process to build such a vision based on broad based understanding of TVET concepts and approaches;
- the absence of a national TVET policy and legislative framework and missed opportunity to build understanding and ownership through a policy development process including an integrated approach to national system reform;
- a lack of data, particularly labour market information and skills plans to inform policy development and TSP1 implementation strategies to help identify appropriate courses and units of competence;
- a Program Management structure which falsely assumed an adequate level of administrative capacity within the implementing Ministry and the donors to implement a large (by Tongan standards) development cooperation program;
- a poorly implemented Donor Funding Arrangement and complex governance structures between the Governments of Tonga, Australia and New Zealand causing delays, uncertainty and confusion in the delivery of the program; and
- lack of a cohesive approach to monitoring and evaluation and poor implementation relating to the Tonga TVET Management Information System.

As discussed in previous sections, there is a significant variance between the budgeted amounts and actual outlays for the TSP1 program, overstating the level of actual investment in TVET in recent years. The variances are presented for each expenditure item in Table 14.27. Personnel costs, which comprise 50 per cent of the budget, were T\$589,284 (37.3 per cent) below budget.

Table 14.27 TSP1 expenditure summary, 2010/11 (A\$)

Activity	Budget	% of Budge	Actual	Variance
Personnel Costs	940,000	50.0	350,716	-589,284
Employment and Training Fund (ETF)	250,000	13.3	0	-250,000
Capacity Building and Staff Attachments	145,000	7.7	138,918	-6,082
Small Equipment Grant	100,000	5.3	87,992	-12,008
Large Equipment Grant	100,000	5.3	0	-100,000
Ongoing Office Running Costs	80,000	4.3	51,414	-28,586
Promotion of Program	50,000	2.7	22,415	-27,585
PMIS Establishment & Maintenance	50,000	2.7	7,722	-42,278
Industry Training Advisory Councils	46,500	2.5	21,019	-25,481
Vehicles	45,000	2.4	47,959	2,959
Office Refurbishment	30,000	1.6	22,832	-7,168
Travel & Transport	30,000	1.6	25,075	-4,925
Tracer Study	10,000	0.5	15,959	5,959
National Steering Committee	5,000	0.3	1,083	-3,917
Total	1,881,500	100.0	793,103	-1,088,397

Source: Kautoke, (2011). TSP1 Financial Acquittal Report Year 1 (June, 2010–June, 2011), Ministry of Training Employment Youth and Sports.

One component of the TSP1 design was to allocate grants to providers in the system. These grants, totalling A\$150,000 or around T\$260,000 are presented in Table 14.28.

Table 14.28 TSP1 grant expenditure, 2010–2012

Grant purpose / recipient	Amount A\$*	Amount T\$	% of total
TNQAB		96,398	15.6%
Consultant		57,219	9.3%
Salary		18,434	3.0%
Attachment		16,933	2.7%
Membership		3,812	0.6%
Accreditation and registration		33,791	5.5%
TIST – SoE		7,410	1.2%
TIST – SoAg, SoTH (formerly NCVS)		1,250	0.2%
'Ahopaniolo Technical College		12,048	1.9%
Tupou Tertiary Institute		7,068	1.1%
St. Joseph's Business College		6,015	1.0%
Equipment grants (in scope)	150,000	259,191	41.9%
TIST	80,000	138,236	22.4%
Automotive	40,000	69,118	11.2%
Construction	40,000	69,118	11.2%
'Ahopaniolo Technical College	30,000	51,838	8.4%
Montfort Technical Institute	30,000	51,838	8.4%
TIHE	10,000	17,279	2.8%
Equipment grants (outside scope)		228,747	37.0%
Queen Salote College		21,375	3.5%
Tailulu College		42,276	6.8%
Tupou College		35,872	5.8%
Apifo'ou College		32,261	5.2%
Mailefihi College		23,841	3.9%
Lavengamalie College		23,420	3.8%
Tupou High School		22,318	3.6%
Chanel College		19,868	3.2%
All Secondary Pilot Schools		7,516	1.2%
Total		618,127	100.0%

* Exchange rate 1 AUD = 1.73 TOP

Source: TSP1

14.9 TEACHERS AND TRAINERS

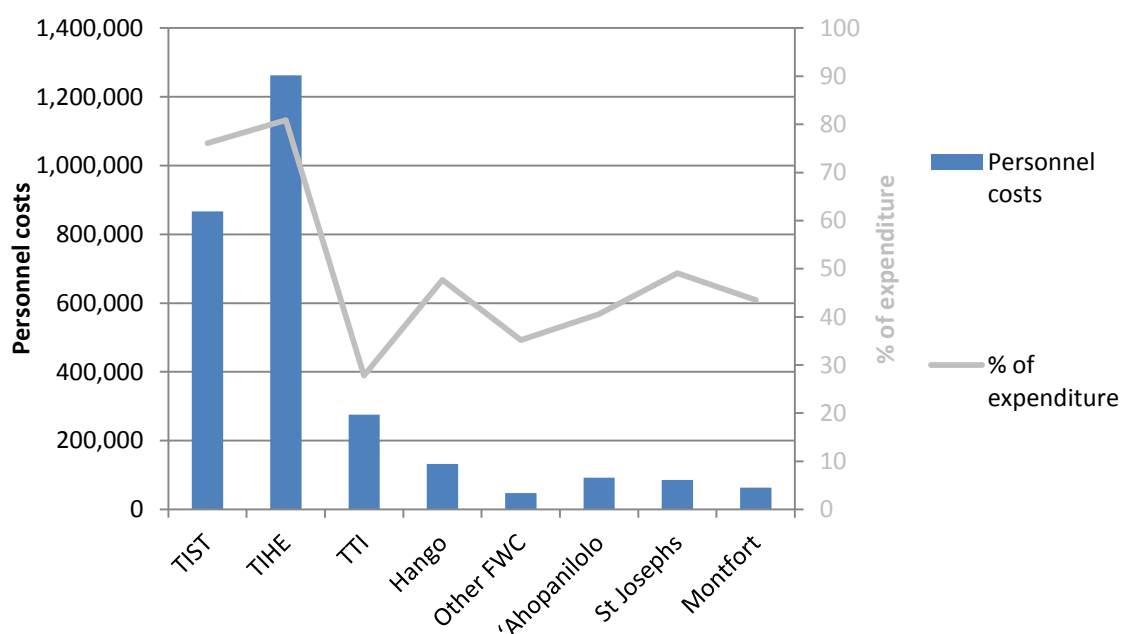
Table 14.29 shows expenditure on personnel is markedly higher in government providers, TIST (~75 per cent) and TIHE (~90 per cent) compared to the FWC system (~32 per cent) and Catholic system (~44 per cent). This reflects two of the key differences between the three systems – the lower pay scales and overall remuneration levels in the church systems and the greater proportion of overall expenditure allocated to personnel in the government systems.

Table 14.29 Personnel costs as a proportion of total expenditure, 2009/10–2012/13 (%)

	2010/11	2011/12	2012/13	3 year average
TIST	73.6	77.3	77.3	76.1
TIHE	89.2	89.4	91.7	90.1
FWC System	25.7	32.4	37.3	31.8
TTI	19.5	28.5	35.5	27.8
Hango	53.4	43.4	46.3	47.7
Other FWC	37.9	36.5	31.1	35.2
Catholic System	36.5	43.1	51.6	43.7
'Ahopaniolo	33.6	40.6	47.6	40.6
St Joseph's	44.3	50.3	52.6	49.1
Montfort	31.4	40.6	58.4	43.5

Source: Government of Tonga Budget Estimates, 2009/10–2012/13, system/provider data returns

Figure 14.16 further highlights the differences between the government and Church systems in terms of share of expenditures allocated to personnel and staffing costs.

Figure 14.16 Personnel costs as a proportion of total expenditure, by provider (average % for 2010/11–2012/13)

Source: Table 14.29

14.10 QUALITY ASSURANCE

This section discusses the funding of an emerging issue for the TVET sector in Tonga, namely the pursuit of nationally and internationally recognised qualifications and the application of quality assurance standards. The costs of meeting these standards and requirements are considered in terms of the national qualifications authority, the TNQAB and then in terms of

the cost to providers of meeting the expected standards and guidelines for registration and accreditation.

Tonga National Qualifications and Accreditation Board (TNQAB)

The TNQAB is funded by the Government, as well as the Australian and New Zealand governments. Table 14.30 shows the total revenue for TNQAB. The panel fees noted in the Table are those paid by TNQAB for accreditation processes and reimbursed by the provider. This shows that the TNQAB received initial support from the Tonga Education Support Programme (TESP) to set up its core functions for all education sectors.

Table 14.30 TNQAB revenues, 2010/11–2011/12 (T\$)

<i>Revenue source</i>	2010/11	2011/12
Budget	343,420	530,012
TESP - MEWAC	69,667	106,826
TVET - MoTEYS		16,836
Reimbursements		
Accreditation Panel Fees (TIST)	2,588	
Accreditation Panel Fees (TTI)	2,588	
Accreditation Panel Fees (Police)		2,250
Accreditation Panel Fees (St Joseph's)		2,875
Total funding	418,262	658,799

Source: TNQAB Annual Report 2010, TNQAB Annual Report 2011.

Table 14.31 shows the TNQAB expenditure for 2010/11–2011/12. The TNQAB has, as part of their remit, to undertake external moderation as well as ongoing audits. It is also anticipated the regulator will be responsible for centralised data collection (for all students within accredited programs) as well as continuous improvement strategies, such as surveys. At this stage there is no national data collection standard, nor the capacity to collect and store individual student data at a national level.

Table 14.31 TNQAB expenditures, 2010/11–2011/12 (T\$)

	2010/2011		2011/2012	
	Budget	Actual	Budget	Actual
Salaries and wages	182,569	241,761	269,332	304,151
Salary	176,791	240,738	260,632	300,499
Labour Wages	1,278	1,023	6,000	2,104
Other Staff Cost	4,500		2,700	1,547
Official duties	46,940	47,830	84,423	53,989
Board meeting fees	3,440	3,330	5,590	3,100
Director's Annual Fees	42,500	40,000	46,583	41,500
Professional Member Fees	1,000		3,000	1,139
QA Panel Member Fees		4,500	29,250	8,250
Operations	113,911	96,737	176,257	156,051
Total Expenditure	343,420	386,328	530,012	514,191
Net Operating Surplus		31,934		144,609

Source: TNQAB Annual Report 2010, TNQAB Annual Report 2011.

Provider expenditures

Registration and accreditation

Prior to the establishment of the TNQAB TVET provision was not quality assured. For providers to be able to offer accredited programs they need to be firstly registered with the TNQAB and also to have the program accredited approved for delivery. Providers are now required to cover the costs of:

- initial registration costs including initial registration fee and preparation for registration costs (for example, consultants);⁵³
- accreditation costs – fee application, development costs for curriculum (either as in kind or as a consultant cost), panel fees and printing costs; and
- an annual registration fee – base fee plus additional costs per effective full-time student.

Table 14.32 sets out the costs incurred by providers related to registration and accreditation processes. Registration applications were granted at no cost in 2010.

⁵³ Note that registration fees were free for a period of time.

Table 14.32 Summary of schools registration and accreditation expenses, 2010–12 (T\$)

FEE TYPE	2010	2011	2012
TIST - SoE		3,738	5,160
Annual Registration fees			2,910
Accreditation application [Certificate/Diploma in Carpentry]		1,150	
Panel members fees [Certificate/Diploma in Carpentry]		2,588	2,250
TIST – SoAg, SoTH (formerly NCVS)		0	1,250
Annual Registration fees			1,250
Accreditation application [Certificate/Diploma in Agriculture]			
Panel member fees [Certificate/Diploma in Agriculture]			
TIST – Maritime (formerly TMPI)		0	0
Registration			
St Joseph's Business College		4,890	0
Annual Registration fees		1,440	
Accreditation application		575	
Panel members fees (Certificate in Secretarial)		2,875	
'Ahopanilolo Technical College		2,035	3,538
Annual Registration fees		1,460	230
Accreditation application		575	575
Document printing			483
Panel members fees			2,250
Tupou Tertiary Institute		0	620
Annual Registration fees			620
Montfort Technical Institute		0	740
Annual Registration fees			740
Totals		10,663	11,308
Annual registration fees		2,900	5,750
Accreditation applications		2,300	575
Panel member fees		5,463	4,500
Document printing			483

* Funded through TNQAB only

Source: TNQAB

Additional quality assurance costs

In addition to the costs mentioned above, providers are required to:

- implement moderation for assessment for all accredited qualifications;
- implement a self-review prior to external audit; and
- maintain student outcomes data.

Moderation costs were incurred by providers in relation to the assessment of their programs. As the cost of moderation is a requirement of program accreditation providers will be faced with increasing moderation costs. These are shown in Table 14.33.

The following table outlines the cost of quality assurance of programs and moderation and the moderation system deployed. Implementation of a self-review and the time for administration or management staff to devote to maintaining the quality management system and the quality assurance arrangements are costs that were not calculated.

In terms of maintaining student data, providers are mainly using hard copy records (for example, graduation booklets) or spread sheets. The move to a more centralised database with TNQAB and to the requirement to store and report in specific formats will increase the quality assurance costs incurred by providers.

Table 14.33 Validation system and costs

Provider	Cost	System
TIST - SoE	Industry members - in kind	Industry associations - involved in the development and review of programs (Welding and Fabrication Association, Building and Construction Association, Automotive Mechanics Association, Electrical Association)
TIST - SoAg	Moderation of exam papers is set at T\$50.00 per paper	Specific to summative assessment and the pre-assessment review of assessment exam papers, although there is an option for post assessment review (double marking). Moderators are ideally to be external to the organisation.
TIST - SoTH	T\$50 for Tonga moderator per unit x 7 units = T\$350 Auspice fee - NZ\$100 per student per unit = \$58,327 (2011/12). There is no additional fee for NZ moderation.	As above
TIHE	Volunteers within ministry	Pre-assessment review of exams.
TTI	Twinning arrangements include varying costs per program, such as: Program manager support - NZ\$3000.00 Course materials NZ\$10,000 Moderation costs (pre and post moderation) NZ\$13,000 plus NZ\$11,110 for additional moderation visit. PAC – in kind contribution	<i>Twinning arrangements</i> include: Course outline and exams are sent for approval Moderation – assessments are sent (sample – high medium low) Post moderation – moderator will visit - 1 person to cover all programs. Visit – once per year <i>Internal QA:</i> Program Advisory Committee (PAC) –made up of industry people (business, architecture and own office representatives). All exam marks are submitted and queried, and further improvements recommended.
'Ahopanilolo Technical College	External moderation - T\$200 per exam paper Staff – in kind contribution	External moderation: ongoing review of exam papers and answers (both for mid-term and final exam papers) Internal moderation: Post assessment answers are exchanged with teachers for checking.

Note: The term moderation is used within the table as this is the terminology used by TNQAB and providers, however in most instances the providers are referring to a form of validation. This model is more about industry engagement as opposed to moderation of assessment processes.

Source: Provider data sheets

TSP1 quality assurance support

The TSP1 program provided additional support to TNQAB for membership fees and professional development fees as well as two quality officers, to assist with the registration and accreditation processes.

The TSP1 program also provided additional support to providers by paying for registration and accreditation processes, paying for a consultant to assist in the development of provider quality management systems as well as development of curriculum documents ready for submission to the TNQAB. In some instances the curriculum was developed by staff (in kind) and not by a consultant; therefore in kind contributions by staff are not included.

Table 14.34 outlines the TSP1 grant expenditure for TNQAB and to providers for quality assurance support for 2010–2012.

Table 14.34 TSP1 grant expenditure on QA, 2010–2012

Grant purpose / recipient	Amount	% of total
TNQAB	96,398	74.0%
Consultant	57,219	44.0%
Salary	18,434	14.2%
Attachment	16,933	13.0%
Membership	3,812	2.9%
Accreditation and registration	33,791	26.0%
TIST - SoE	7,410	5.7%
TIST – SoAg, SoTH (formerly NCVS)	1,250	1.0%
'Ahopanilolo Technical College	12,048	9.3%
Tupou Tertiary Institute	7,068	5.4%
St. Joseph's Business College	6,015	4.6%

Source: TNQAB, 2012

14.11 STUDENT CONTRIBUTIONS

Tuition and Registration/Materials Fees

There are two types of fees charged to students in Tonga: tuition fees and materials fees. Tuition fees vary considerably, depending on the provider, level and field of study. Materials fees are often a smaller, additional fee to assist providers with program viability and short-term cash flows. Table 14.35 shows the annual and total tuition and registration fees by provider and program.

Table 14.35 TVET provider fee levels (T\$)

System / Provider / Title of qualification	Tuition fees		Materials/PTA fees	
	Annual	Total	Annual	Total
Government				
Tonga Institute of Science and Technology				
Certificate in all engineering trades*	200	600	~370	~1,500
Diploma of Agricultural Science	334	668	110	220
Diploma in Tourism and Management	2,100	2,100	140	140
Tonga Institute of Higher Education				
Diploma in Accounting (Financial and Mgmt)	360	1,080	25	75
Diploma in Information Technology	360	720	25	50
Diploma in Media and Journalism	360	720	25	50
Catholic Church				
'Ahopanilolo Technical College				
Certificate in Hospitality	400	800	50/200	n.a.
Certificate in Tourism (Fashion and Design)	400	800	50/200	n.a.
Montfort Technical Institute				
Certificate in Building and Woodworking Trade	400	800	0/200	0/400
Certificate in Motor Vehicle Mechanic	400	800	0/200	0/400
St Joseph's Business College				
Certificate in Secretarial Studies	430	860	250/200	500/400
Free Wesleyan Church				
Tupou Tertiary Institute				
Diploma in Architectural Technology	2,500	5,000	400/0	800/0
Diploma in Business	2,120	4,240	400/0	800/0
Diploma in Information Technology	2,370	4,740	400/0	800/0
Hango Agricultural College				
Diploma in Agriculture	1,315	2,630	270/0	540/0

* Fees are only charged for 3 of the 4 years in the program. Final year is fully in the workplace although support is provided by TIST SoE staff.

Source: Data supplied by providers

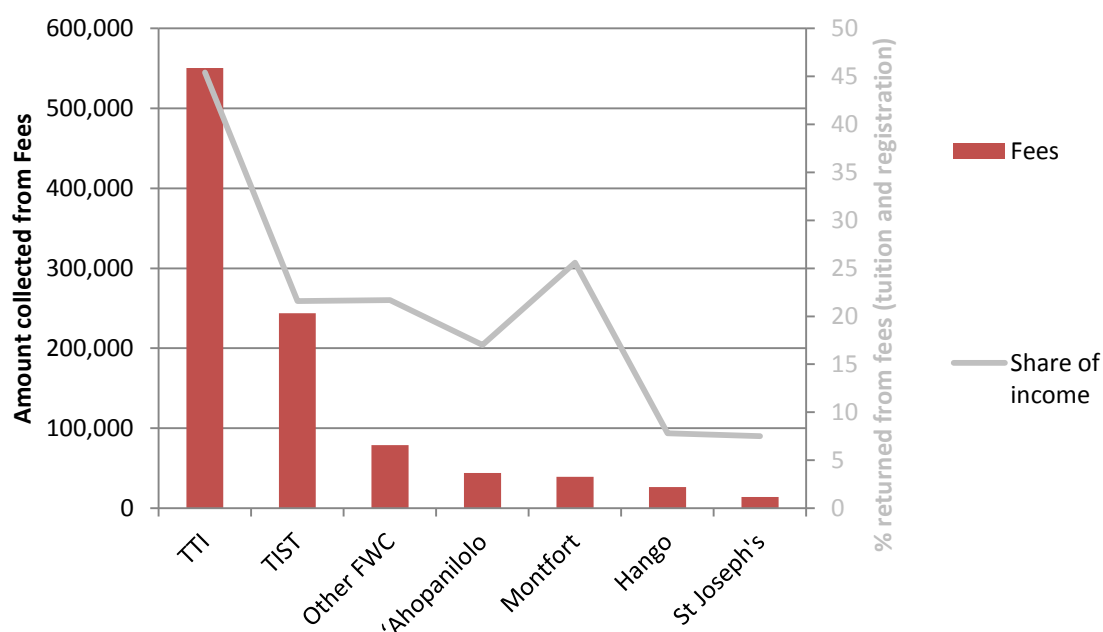
Share of revenue from fees

For a proxy measure of cost recovery, Table 14.36 and Figure 14.17 present the amounts received by providers from tuition and registration fees and expresses them as a proportion of total expenditure in 2011/12. This shows that TIST and the Catholic System each return about 20 per cent of their costs in fees. However, as discussed earlier, these fees are redirected back into general revenues or the Catholic Diocese rather than directly paying for personnel and operational costs at the provider level. The FWC system, which offers many classroom-based and relatively low-cost courses, returns a relatively greater share of its expenditures from fees.

Table 14.36 Share of income from fees, 2011/12

	Fees (tuition and registration)	Expenditure	Cost recovery (fees as % of expenditure)
Tonga Institute of Science and Technology	243,912	1,130,541	21.6
Catholic Church	97,410	599,627	16.2
'Ahopanilolo Technical College	44,005	258,444	17.0
Montfort Technical Institute	39,265	153,474	25.6
St Joseph's Business College	14,140	187,709	7.5
Free Wesleyan Church	655,850	1,915,811	34.2
Tupou Tertiary Institute	550,350	1,210,904	45.4
Hango Agricultural College	26,500	341,497	7.8
Other FWC providers	79,000	79,000	21.7

Source: Government of Tonga Budget Estimates, Data returns

Figure 14.17 Share of income from fees, 2011/12 (%)

Source: Table 14.36

CHAPTER 15. SURVEYING EMPLOYER PROVIDED AND FUNDED TRAINING

This chapter presents the findings from a pilot survey of enterprises which was conducted during the project fieldwork. The survey was adapted for Tonga from the instrument developed for the overall project. These broad estimates of amounts expended on training in the public and private sector aim to provide some guidance on the types of funds allocated and the level of expenditure which occurs.

N.B. These data do not seek to aggregate the total level of expenditure on enterprise-based training in the public and private sector in Tonga. Instead they draw on data from a small-scale pilot survey of a stratified sample of enterprises based on industry type and number of employees.

15.1 SURVEY OBJECTIVES

This pilot survey seeks to identify the level of financial support allocated to technical and vocational education and training by enterprises in Tonga from a sample of organisations. The survey also aims to highlight areas of future data collection needs for the Government of Tonga.

15.2 METHODOLOGY

Survey instrument

The survey seeks information relating to three broad areas of the enterprises' operations:

- general background – type of enterprise; industry; exposure to international markets; annual turnover; annual wages bill; size of workforce;
- workforce characteristics – gender; full-time/part-time; occupations; highest level of educational attainment; recruitment of TVET workers; and
- training – number and trades of apprentices; amount and type of training given to new recruits and annually to existing workers; annual expenditure on training provision and trainee support.

The survey form is included in the Annexes. Wherever appropriate, standard international classification systems were used in the survey instrument design.⁵⁴

Sample selection

With such a small number to be surveyed it would have been difficult to achieve statistically significant results, even if drawing a random sample from a suitably stratified population of enterprises could have been undertaken. The sample was selected in collaboration with the Tonga Chamber of Commerce to identify a cross-section of organisations from the public and private sectors and a variety of enterprises and industries. In total 23 organisations were selected, of which 12 returned mostly or partially completed surveys (see Table 15.1).

The strategy was to select a balance of enterprises – between state-owned and private corporations, between participants and non-participants in the formal training programs and for a broad representation across industries. Preference was given to large and medium-sized enterprises, to cover a more than proportionate number of employees.

⁵⁴ See Annex 5.

The intention was to draw upon the strong local knowledge of the employment scene in Tonga available to the team to maximise the insight into training patterns amongst employers.

The team was aware that in using these selection criteria it could not draw any inferences from the survey about the whole population of enterprises in Tonga. Only qualified statements about findings can be made.

Survey administration

The survey instrument was emailed by the research team national consultant. This email was followed-up with phone calls and site visits to maximise response rates.

Table 15.1 Survey returns from enterprises

	Sector	Type of enterprise
	Survey return mostly complete	
1	Transport and storage	Mixed Tonga and foreign ownership
2	Finance and insurance	Wholly foreign-owned
3	Retail trade	Wholly foreign-owned
4	Transport and storage	Wholly foreign-owned
5	Transport and storage	Government-owned business
6	Government Administration	Government-owned business
7	Agriculture	Wholly Tongan-owned private
8	Retail trade	n.p.
9	Finance and insurance	Government-owned business
	Survey return partially complete	
10	Construction	Wholly Tongan-owned private
11	Telecommunications	Government-owned business
12	Retail trade	Wholly Tongan-owned private

15.3 SURVEY FINDINGS

Respondent profile

Table 15.2 summarises the key characteristics of the survey respondents. The average wages bill across the 12 respondents was T\$1.15m which was distributed to an average of 65 employees per enterprise. The gender split among organisations favoured those employing full-time workers (94.3 per cent), males (61.7 per cent). Of the workforce profiled, 41 per cent held qualifications at certificate levels 1–5 (Certificate to Diploma) and 27 per cent held qualifications at 6 or above.

Table 15.2 Summary statistics for enterprises surveyed, 2011/12

Number of enterprises	12
Average wages bill 2011/12	1,148,919
Average number of employees	65
Gender	
% full-time	94.3
% female	38.3
Qualification level	
% with PQF levels 1–5	40.5
% with PQF levels 6+	27.2
% with no formal qualifications	32.3

Source: Enterprise survey returns

Expenditure on training

For the respondents surveyed, the amount expended on training as a proportion of the wages bill was 1.6 per cent. The amount expended on provider and trainee costs as a proportion of total wages was 3.5 per cent. Table 15.3 shows the average training expenditure was T\$185 per full-time employee and T\$166 per employee, full-time or part-time.

Table 15.3 Estimated expenditure on training in enterprises surveyed, 2011/12

Measure	Indicator
Training expenditure as per cent of wages bill	1.6%
Provider and trainee costs as per cent of wages bill	3.5%
Average training expenditure per full-time employee	T\$185
Average training expenditure per employee	T\$166

Source: Enterprise survey returns

The mechanisms by which public and private enterprises offer training to their employees are diverse. For example, as a financial institution, the Tonga Development Bank supports attachment training for Diploma in Agriculture and Accounting students from local tertiary institutions during school holidays. In June 2012 there were eight supported attachments: one Business (Vava'u Island), one Business, one Office Administration (Ha'apai islands), one Business, one Office Administration ('Eua Island) and two Business, one Office Administration (Nuku'alofa). These students may seek job opportunities with Tonga Development Bank after completion of their studies

CHAPTER 16. UNIT COSTS OF TVET DELIVERY

This chapter presents estimates the unit cost for the financial year 2011/12 in terms of recurrent expenditure per:

- enrolment;
- graduate;
- average annual training hours; and
- average annual student training hour.

The unit costs are calculated by dividing the recurrent expenditure for the 2011/12 year over the inputs and outputs listed above. The calculation is expressed in this simple formula:

$$\frac{\text{Total recurrent expenditure (2011/12)}}{\begin{array}{l} \text{Number of enrolments (2011) OR} \\ \text{Number of graduates (2011) OR} \\ \text{Average annual training hours (2011) OR} \\ \text{Average annual student training hours (2011 enrolment X 2011 training hours)} \end{array}}$$

The following assumptions should be noted:

- On an annual basis, there is no differential built-in to annual budgets that distinguishes between the costs incurred by running Certificate level programs as distinct from Diploma level programs. That is, in terms of teacher remuneration and materials costs, there is no distinction made at course level, for teaching a Certificate level program or a Diploma level program on an annual basis. For this reason, unit costs are not presented by course for Tonga. However, aggregations of fields of education are presented where data permits.
- The financial information, in terms of recurrent costs, is presented on a 2011/12 financial year basis while student enrolment and graduation information is presented on a 2011 calendar year basis.
- The unit costs have been calculated using global financial data at the provider level rather than the aggregation of detailed inputs, for example, staff hours, hourly costs of employing teachers etc. This was partly a pragmatic decision as a result of the paucity of credible information on staff inputs and teaching requirements. This method also provides a more reliable and complete account of the total recurrent expenditures at the provider level. Furthermore, in many cases, the number of nominal hours allocated to preparation, training and assessment are not necessarily a reliable indication of the total annual costs of employing teaching and non-teaching staff.

- Each provider, as presented in Table 16.1, has been codified against a CEDEFOP field of specialisation for the purposes of identifying average unit costs across different fields of education and training. Although TIST operates across a number of fields of education, data has been disaggregated at the school level to allow categorisation.

Table 16.1 Clusters of providers and programs by CEDEFOP field

		Provider	Programs	CEDEFOP Field
1	Government	TIST School of Engineering (SoE)	Certificate in General engineering Level4 Certificate in Carpentry Level4 Certificate in Electrical engineering Level 4 Certificate Automotive mechanics Level 4 Certificate Panel Beating & Spray painting L4 Certificate Refrigeration & Air conditioning L4	Engineering, Manufacturing and Construction
2	Government	TIST School of Agriculture (SoAg)	Diploma in Agricultural Science L5 Certificate in Agriculture L4	Agriculture
3	Government	TIST Tourism and Hospitality (SoTH)	Diploma in Tourism Management Level 5 Certificate in Tourism and Hospitality Studies L4 Diploma in International Business Level 5 Diploma in Information Technology Level 5	Social Sciences, Business and Law
4	Government	Tonga Institute of Higher Education (TIHE)	Certificate in Accounting L4 Diploma in Accounting L5 Certificate in Information Technology Diploma in Information Technology Certificate in Media & Journalism Diploma in Media & Journalism	Social Sciences, Business and Law
5	Free Wesleyan Church	Tupou Tertiary Institute (TTI)	Diploma in IT Diploma in Business Diploma in Accounting Diploma in Management Diploma in Marketing Diploma in Architecture Diploma in Teaching Cert. Office assistant/administration and computing	Social Sciences, Business and Law
6	Free Wesleyan Church	Hango	Certificate in Agriculture Level 4 Diploma in Agriculture Level 5	Agriculture
7	Catholic Church	'Ahopanilolo	Cert. in Hospitality Level 4 Cert. in Tourism (Fashion & Design) Cert. in Accommodation Services	Humanities and Arts Services
8	Catholic Church	St Joseph's	Certificate in Secretarial Studies Level 4	Social Sciences, Business and Law
9	Catholic Church	Montfort	Certificate in Building and Woodworking Trade Level 2 Certificate in Motor Vehicle Mechanic Level 2	Engineering, Manufacturing and Construction

Source: TNQAB, Oct 2012

To provide some sense of scale across each of the providers, Table 16.2 and Figure 16.1 show the recurrent expenditure, inputs and outputs for each provider. TIST and TTI are the two largest TVET providers and have comparable levels of expenditure and student training hours. Although TTI enrolls a larger cohort, it also has a larger share of classroom-based,

low cost courses compared to TIST. Factors such as these have a bearing on the relative unit costs at the provider level.

Table 16.2 Determinants of unit costs by provider, 2011/12

	Total recurrent expenditure¹	Enrolments²	Graduates²	Annual training hours³	Annual student training hours⁴
Time period	2011/12	2011	2011	2011	2011
TIST - SoE	609,927	185	69	9,660	1,787,100
TIST - SoA	55,114	45	31	2,380	107,100
TIST - SoTH	55,114	119	91	1,960	233,240
TIHE ⁵	339,471	188	28	2,390	530,580
TTI	671,890	460	152	5,100	2,346,000
Hango	187,320	39	30	2,720	106,080
'Ahopaniolo	237,457	134	39	4,488	601,392
St Joseph's	136,910	126	46	990	124,740
Montfort	187,709	51	23	2,600	132,600

1 As reported in the Government of Tonga Budget Estimates and returns to the project survey.

2 Data are estimates from the project survey and depending on the construction of the qualification.

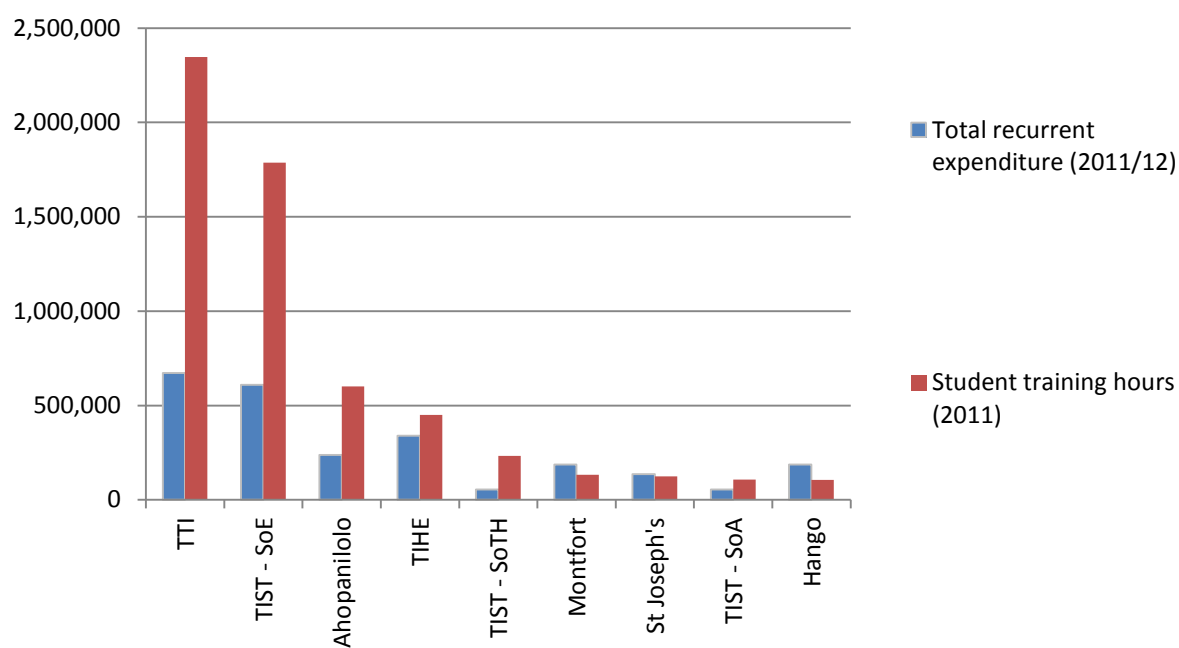
3 The average number of hours of preparation, delivery and assessment across all programs.

4 Refers to the average number of hours of preparation, delivery and assessment across all programs multiplied by the average number of enrolments across all programs in 2011.

5 Enrolment data are estimates based on annual numbers (including part time). Graduation data are estimates depending on the construction of the qualification.

Source: Government of Tonga Budget Estimates, 2011/12, system/provider data returns

Figure 16.1 Determinants of unit costs, by provider, 2011/12 (T\$)



Source: Table 16.2

Results

Tables 16.3 and 16.4, and Figure 16.2 indicate that:

- There are marked differences in unit costs among and within TVET providers. In terms of costs per enrolled student, the costs vary by a factor of 10 from the highest cost provider (Hango agricultural college) to the lowest (the TIST School of Tourism and Hospitality). The differentials are narrower in regard to the cost per training hour (the highest cost provider is about five times more costly than the lowest cost provider) and the cost per student training hour (about seven times higher) but they are still very substantial.
- There are marked differences across field of education, as shown in Table 16.3. The highest unit costs per student training hour are found in agriculture (T\$1.14 per hour) and engineering (T\$0.88) followed by Social Sciences (T\$0.57) and Humanities (T\$0.39).
- Overall, the costs per graduates are markedly higher than those for enrolment due to the number of students who do not complete. This results in relatively higher costs per graduate across all providers and courses, regardless of whether they are part of the government or non-government system.
- In the government system, the unit costs are significantly different, depending on the field of education. The cost per enrolment ranges from T\$463 per enrolment at the TIST School of Tourism and Hospitality to T\$3,297 per enrolment at the TIST School of Engineering.
- The FWC system includes one of the largest TVET providers in Tonga, the Tupou Tertiary Institute. TTI offers diploma-level courses in IT, business, accounting, management, marketing and architecture. The unit costs per student at TTI were T\$1,461 per student at T\$4,420 per graduate. It is to be expected that Hango, an agricultural school based on 'Eua Island, operates at a higher unit cost than many other providers (T\$4,803 per student and T\$6,244 per graduate).
- The Catholic Church providers, each specialising in different areas of TVET provision, have unit costs broadly in line with TIST and the FWC providers. 'Ahopanilolo Technical College, a provider of hospitality catering and design courses, has per unit costs of T\$1,772 per student and T\$6,089 per graduate. Montfort Technical Institute, with a focus on carpentry and automotive has a per student cost of T\$3,681 and a per graduate unit cost of T\$8,161, comparable to the TIST School of Engineering.

Table 16.3 Estimates of unit costs based on field of education, 2011/12 (T\$)

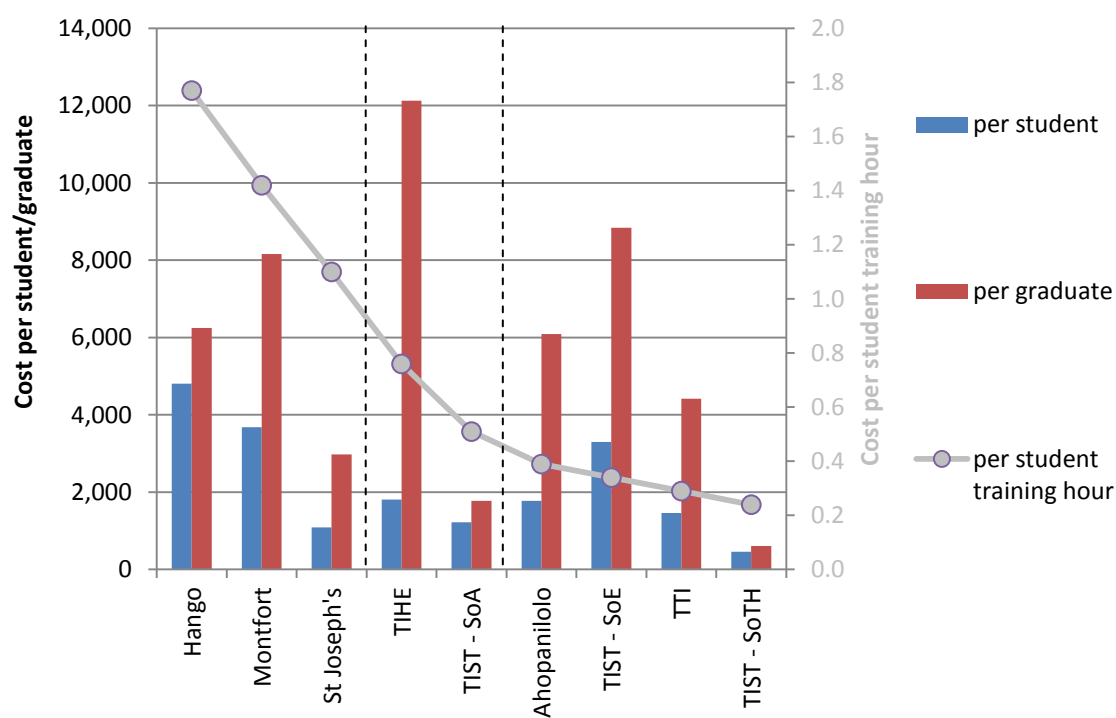
CEDEFOP field of education*	Average enrolments	Average graduates	Average annual training hours	Average annual student training hours
Engineering, Manufacturing and Construction	3,489	8,500	67.7	0.88
Agriculture	3,014	4,011	46.0	1.14
Social Sciences, Business and Law	1,135	3,249	110.0	0.57
Humanities and Arts Services	1,772	6,089	52.9	0.39

Source: Government of Tonga Budget Estimates, 2011/12, system/provider data returns

Table 16.4 Unit cost calculations, 2011/12 (T\$)

Provider / School	CEDEFOP field and notes regarding costing differential between Certificate and Diploma qualifications	per student (annual)	per graduate (annual)	per training hour	per student training hour
TIST – School of Engineering	Engineering, Manufacturing and Construction - <i>Certificate level programs only</i>	3,297	8,840	63.1	0.34
TIST – School of Agriculture	Agriculture - <i>Certificate and Diploma in Agriculture – no annual costing differential at course level</i>	1,225	1,778	23.2	0.51
TIST – School of Tourism and Hospitality	Social Sciences, Business and Law - <i>Certificate and Diploma in Tourism – no annual costing differential at course level</i>	463	606	28.1	0.24
Tonga Institute of Higher Education	Social Sciences, Business and Law - <i>Certificates and Diplomas in Accounting, IT and Media – no annual costing differential at course level</i>	1,806	12,124	142.0	0.76
'Ahopanilolo	Humanities and Arts / Services - <i>Certificate level programs only</i>	1,772	6,089	52.9	0.39
St Joseph's	Social Sciences, Business and Law - <i>Certificate level programs only</i>	1,087	2,976	138.3	1.10
Montfort	Engineering, Manufacturing and Construction - <i>Certificate level programs only</i>	3,681	8,161	72.2	1.42
Tupou Tertiary Institute	Social Sciences, Business and Law - <i>Predominantly Diploma, one Certificate in Office Administration – no annual costing differential at course level</i>	1,461	4,420	131.7	0.29
Hango	Agriculture - <i>Certificate and Diploma in Agriculture – no annual costing differential at course level</i>	4,803	6,244	68.9	1.77

Source: Government of Tonga Budget Estimates, 2011/12, system/provider data returns

Figure 16.2 Unit cost calculations, 2011/12 (T\$)

Source: Table 16.4

Comparison with previous TVET costing in Tonga

Using a broadly comparable methodology, the *Review of Public Expenditure on Education* ('Atiola *et al.* 2010) found that the average total cost of providing TVET in government institutes was T\$2,120 per student in 2008/09, compared to T\$1,245 per student in secondary schools (Refer to Table 16.5). This is consistent with the cost per student identified in Table 16.1 for TIST of T\$2,106.

Table 16.5 TVET unit costs, 2008/09 (T\$)

	Gov't	Montfort	St Joseph's/ 'Ahop.	Hango	TTI	Total
Numbers of students	607	50	225	27	331	633
Number of teachers	28	5	20	8	13	46
Total Cost per teacher	28,092	18,388	10,125	12,294	37,804	19,223
Average Salary per teacher	18,766	8,473	6,226	7,134	10,485	7,832
Fee Income	312,800	13,815	77,219	8,259	535,689	634,982
Recurrent cost per student	1,296	1,839	900	3,643	1,485	1,397
Capital cost per student	824					
Total cost / student	2,120	1,839	900	3,643	1,485	1,397

Source: 'Atiola *et al.* 2010. *Education Sector Public Expenditure Review*, 2010

The Dean of Studies/Deputy Director and principals of departments at TIST had recently undertaken a costing exercise for each of their programs, excluding Maritime (formerly TMPI) (see Table 16.6). The results of this extremely useful exercise highlight the limited funds available, after personnel and operational costs have been accounted for, which can be allocated to vocational training and part-time lecture fees. In 2012/13 this amount could be in the order of T\$10,000–15,000, depending on whether personnel costs for Maritime (formerly TMPI) are included in the overall salaries budget.

Table 16.6 Cost of delivering programs, 2012/13 (T\$)

TIST School and Program	2012/13
School of Tourism and Hospitality	49,017
<i>Program 1</i>	14,892
<i>Program 2</i>	13,650
<i>Program 3</i>	11,700
<i>Program 4</i>	8,775
School of Agriculture	93,974
<i>Program 1</i>	29,770
<i>Program 2</i>	35,530
<i>Program 3</i>	28,674
School of Engineering	42,480
<i>Program 1</i>	34,020
<i>Program 2</i>	8,460
Cost of delivering programs	185,471
Funds available for vocational training and lecturers	197,882
Lecture Fees	47,882
Vocational Training	150,000
Balance	~12,411

Source: TIST costing exercise

PART V: ISSUES AND FUTURE DIRECTIONS

CHAPTER 17. ISSUES AND FUTURE DIRECTIONS

17.1 ISSUES

The following issues have been identified through the research and via consultations with TVET providers and stakeholders.

1. Funding levels are insufficient to sustain a quality TVET system

In 2011/12, a total of T\$6.38m flowed into the formal TVET system in Tonga. If the budget estimate for TSP1 is included, this amount increases to T\$10.12m. These funds comprise of Government of Tonga recurrent funds, donor assistance, student fees and other income. At present, funding levels in the government system are predominantly based on personnel costs with only minimal expenditure available for training materials, equipment and other operational expenses which could affect the quality of training. To ensure the viability of training, many of these costs are borne through in-kind contributions from students, enterprise and other MDAs.

The analysis has also shown that the Free Wesleyan Church and to a lesser extent the Catholic Church contribute, and are in receipt of, a significant level of funding for TVET in Tonga. These systems make a significant contribution to the overall training effort by providing learning opportunities for students that would otherwise not exist under a solely government-funded TVET system.

Donor funding is a dominant feature of TVET financing in Tonga. This reliance relates to both sectoral improvement programs (for example, TSP1, TBEC, Mordi) and to capital works projects and equipment. Government providers have limited capacity and/or incentives to raise funds for capital works, whereas Church providers can rely not only fundraising but also private donor support. There is very little collated data as to the level of donor support and for the type of assistance provided; although some information is kept at the Ministry of Finance and National Planning it is separate from recurrent budgeting and planning processes in the MET. There is no evidence of a risk mitigation strategy if donor funds are reduced for TVET.

In addition to donor funding there is also a high reliance on in-kind contributions to ensure the sustainability of specific programs. TIST, the main government provider, relies heavily on employers to provide suitable workplaces for trade students over a four-year period. Mission providers also seek support from a range of local and overseas stakeholders, including PTAs, students, employers, staff, volunteers, and private donors. Recently accredited mission programs ('Ahopanilolo Technical College and St Joseph's Business College) have included short-term work-placements in the program delivery, therefore relying on the good will of local employers for placements.

Specifically, there are a number of examples of underinvestment which suggest the current level of investment in TVET is insufficient:

- the significant level of non-government funded provision across the islands;
- donor support for the development and refurbishment of capital works;
- class enrolments are at or near capacity in many programs, both in the government and Church systems;
- materials fees / PTA fees paid to providers to assist with cash flow;
- donations and fundraising activities for smaller capital work, for example, libraries;
- alumni donations;

- TSP1 equipment and materials grants;
- low levels of teacher and principal class remuneration in the Church systems in comparison to the government system;
- concentration of spending in government institutions on staff salaries and the pressures placed on training-related expenditures;
- student in-kind contributions (for example, gardening, cleaning of grounds); and
- staff developing quality management documents and curriculum accreditation documents (for example, quality management system) above their normal teaching duties without remuneration.

Uncertainties around future sources and levels of funding make planning and change difficult. This is evident in the disbursement of both recurrent grants and capital projects, both in the government and donor sectors. These issues of uncertainty are linked to, and exacerbated by, significant variances in the amounts budgeted for donor-supported programs and the actual outturns disbursed.

2. Underdeveloped strategic approach to TVET

TVET providers in Tonga are operating without a strong strategic and coordinated approach to TVET policy and system architecture, including policies for financing TVET. There is an identified 'lack of a common vision for technical vocational education and training in Tonga',⁵⁵ coupled with 'an absence of national technical vocational education and training policy'.⁵⁶ The key policy document for education and training in Tonga, the *Lakalaka (MET 2012)*, does not identify TVET as a separate sector from higher education, nor does it recognise its role in meeting one of the key objectives of the *Tonga Strategic Development Framework (MoFNP, 2012)*, to develop an appropriately skilled workforce. However, the recently developed *Draft National TVET Policy Framework 2013–2017 (MET 2012)* does provide a focus and framework for TVET and its role in human resource development.

At the national level, there is a lack of a clear design of a Tongan TVET system. The Ministry of Education and Training has taken over the remit of TVET since July 2012, along with all other education and training sectors, and these issues, including financial policy directions, will take time to resolve.

3. Funding levels are not linked to input costs or learner outcomes

There are few instances where systems and/or providers connect, in terms of their planning and budgeting, learner outcomes to the cost of inputs. There was very little evident use of data on participation, attrition, graduates, and satisfaction levels (of employers or students) in financial planning or budgeting discussions. Working with a supply-driven training market, most providers of TVET in Tonga are provided with baseline funding based on historical trends rather than on input costs for specific programs or on provider performance and learner outcomes. These funding levels are also highly dependent on the fiscal health of the Tongan economy and of the Church systems.

An example of the supply-driven approach is the disbursement of the TVET Grant to non-government schools. The payments are based on the number of full-time students and do not link to quality outcomes data of the learners or the cost of their training. The

⁵⁵ AusAID (2012). Tonga Annual Program Performance Report 2011. Australian Government.

⁵⁶ AusAID (2012). Tonga Annual Program Performance Report 2011. Australian Government.

payment is the same regardless of industry sector or training priority area or quality outcomes data.

These disconnections between funding levels and system outputs can lead to instances of misalignment to labour market needs as well as to costs incurred by providers with programs that have significant infrastructure, equipment or resource needs.

4. Financial system barriers inhibit flexibility and autonomy

Formal TVET in Tonga has been reported as being delivered by small and relatively inefficient government and mission providers.⁵⁷ However, financial system level policies and procedures act as barriers to flexibility, expansion and sustainability at provider level.

As discussed, personnel costs are the largest expenditure item in the government system. The imperative to meet these costs puts pressures on other areas of expenditure, such as equipment and training materials. In the Government system, the funds available to the Ministry of Education and Training can be reallocated which can create uncertainty at the budget sub-program level (for example, post-secondary education). At the sub-program level, budget line items can also be shifted to fund current priorities. This can make the task of planning, budgeting and managing personnel and non-personnel cash flow extremely difficult.

For government providers there is very little financial autonomy as they are part of the Ministry of Education and Training and as such need to adhere to government directions and financial protocols, such as those detailed in Chapters 7 and 13. In addition, these providers do not have the financing tools to be able to monitor their own expenditure or to manage their own budgets. There is very little incentive to increase student intake as student fees are paid via MET into general revenue; and there is limited scope and incentive for fee-for-service or commercial activity (such as hiring facilities) or for fundraising. Government providers are utilising PTA/materials fees (money collected on behalf of parents/students for student related expenses such as photocopying, ID cards) which is recorded at training provider level and monies are returned to parents if not expended. The accountability focus needs to shift towards providers delivering agreed training outputs, and have the financial and operational flexibility to do so.

Government providers rely on shifting funds from one budget to another budget to make up identified shortfalls. The PFMPR (2010) indicated that this approach (of shifting budgets into other budgets) involves bureaucratic inefficiencies in managing the iterations of budget changes and may lead to unintended short falls in the funding of priority expenditures, since unplanned reallocations might allow resources to be captured by lower priority items.

In the church systems, the situation is similar. Student fees are returned to the Diocese and funds such as the TVET grant for salaries are, in cases, allocated to non-TVET staff within providers. Mission providers also rely on materials and PTA fees as well as fundraising activities to assist with meeting expenses, such as photocopying, electricity bills; and also rely on the Diocese to 'top up line item budgets to make-up shortfalls'. The mission providers have the capacity to fundraise for capital works.

Needless to say, across the providers the research revealed that there was a culture of frugality in terms of managing operational budgets and in the maintenance of equipment

⁵⁷ Fahy et al., 2008.

and resources. There was little waste and all expenditures were carefully accounted for. However, policies which reinforce a supply-driven training model mean there is little scope or incentive to improve the quality of training or shift emphases towards meeting new areas of need or demand.

5. Limited capacity for growth in TVET provision

Providers are already operating at capacity to cater to a lean market. The current capacity of TVET provision is limited across the islands (as there are only two providers not on the main island) and in the breadth of program offerings. In terms of capacity for future growth and responsiveness to industry needs, there is little flexibility to meet potential changes in industry demand, such as those related to new and emerging industries.

The proposed Education Act 2012 has increased the compulsory education age from up to 14 years of age to up to 19 years of age; however, there is no clear Government of Tonga strategy to ensure that TVET can assist in meeting this requirement. In order for this policy to address the needs of all students, the availability of TVET programs, facilities, equipment and teachers will need to be significantly expanded.

The majority of TVET providers are currently providing training services at or near capacity levels given their mode of delivery, facilities and administration structure. In addition, programs are limited to specific areas such as traditional trades, agriculture, secretarial studies, hospitality/tourism and information technology. In comparison to the lower levels of TVET, there are fewer programs offered at the higher end of TVET provision – levels 5 and 6. The option of providing additional programs is limited by the lack of provider facilities and equipment, qualified teachers and accredited curriculum.⁵⁸

There also appears to be limited scope to increase TVET funding through enrolment fees. Enrolment fees associated with pathways agreements into New Zealand, or delivered under auspice arrangements, and those related to trade outcomes, were particularly high, especially for those from lower income families or other disadvantaged groups.

It is unclear from the information available the extent to which formal TVET provision is directly linked to meeting industry needs. Providers are using local or anecdotal information to cater to market and industry needs on an ad-hoc basis. There is limited national data which providers and policy makers can use to use for planning and budgeting purposes. However, the recently completed *Tonga and Regional Labour Market Review 2012* (2013) does now provide a base for analysis of middle-level skills in the Tongan labour market.

Finally, in the majority of the TVET programs there was no strong emphasis on agreed or formal pathways either into middle-level TVET qualifications or out of TVET programs into higher education. Pathways programs were limited mainly to private sector provision.

6. Cost of quality assurance

System level quality assurance has increased in prominence in recent years in Tonga through the establishment of the TNQAB. There are significant costs in ensuring such a

⁵⁸ Perceived lack of other trade provision includes plumbing as well as air-conditioning and refrigeration. Ministry for Labour, Commerce & Industries Annual Report (2010). p. 39–40.

body is established effectively and well-positioned in the broader education and training landscape.

Tongan TVET providers have borne additional (and significant) costs in terms of their registration, program accreditation and moderation requirements stemming from system-led efforts to improve the quality of TVET delivery and operations. However, there has been no increase in funding to assist providers in meeting these requirements, although there has been a heavy reliance on TSP1 funding assistance. Future quality assurance arrangements, such as student data retention, reporting outcomes to TNQAB and external moderation, although important overall, will also place a burden on providers, and this burden needs to be considered in any future funding calculations.

It is difficult to envisage how the emphasis on increasing the number of registered providers and of accredited programs will be sustained without donor assistance or other funding support. In addition, annual registration fees and the ongoing nature of quality assurance strategies such as moderation and external audit means that providers will need to continue to meet additional costs on an annual basis.

The TNQAB Act limits the responsibility of the TNQAB to the registration of providers and accreditation of programs, as well as ongoing monitoring of provision (essentially focused on a panel audit methodology). It does not include the responsibility for evaluating the education and training system nor for the continuous improvement of the system, all which come at a cost.

In addition, there is no established national data management standard for TVET statistics or a centralised system for collecting and collating student outcomes data. There is a lack of system level information on the outcomes of training, for example, completions, destinations, employment, and student and employer satisfaction. There is no strategy in place for how this information could be used to improve TVET provision and efficiencies. There has been a lack of available labour market information to inform planning, training needs, and budgeting.⁵⁹

7. Limited professionalisation of the teaching workforce

The TNQAB Act specifies the requirements for a teacher in the post-secondary education sectors; however, its application is unclear and has led to a range of interpretations across the sector. The proposed Education Act 2012 notes that all teachers will need to meet a minimum standard to be registered; however, this standard is not specified.

Currently, the options of programs to meet the requirements of the draft Education Act 2012 for TVET trainers are limited. There is no teacher training program specifically designed for TVET teachers focusing on competency based training and assessment principles at either the certificate or diploma level. TIOE only provides three education diploma programs for secondary, primary and early childhood education. USP provides a limited range of programs related to post-secondary education.

All three TVET systems (government, Catholic Church and Free Wesleyan Church) have no clear expectations of teachers and of their professional requirements (for example, no specialist TVET/adult education teaching qualification; no clear advice as to industry-

⁵⁹ Note that a Tongan labour market survey was completed in March 2013 as part of the TVET Support Program, and prior to the finalisation of this report.

specific qualifications) as well as no specified work conditions, such as the minimum teaching hours per week.

The lack of documented teaching conditions has led to variations of teachers' workload across programs within providers and also across providers within systems. Consequently, at the provider or system level there are no clear workplace conditions or information to assist with unit cost calculations of programs and planning developmental needs.

Within the systems the lack of requirements around teacher education as well as vocational qualifications has meant that teaching staff are paid according to their level of qualification regardless of relevance to the programs taught.

Across the three TVET systems there is no systemic monitoring and reporting of enrolments, drop out or completion rates to improve TVET outcomes. Within providers, there is no incentive to improve internal efficiencies or teacher performance since funding and wages do not rely on these outcomes.

8. The role of industry in Tongan TVET is not clearly defined

Strong engagement with industry in the development and quality assurance of TVET training is critical to ensuring that TVET provision meets industry needs. However, the role of industry in TVET provision has not been clearly defined. There is no strong link to industry in terms of developing curriculum, informing training provision to meet industry needs both within Tonga and beyond, or assisting in the monitoring and relevance of TVET provision both at system or provider level.

There are limits on the extent to which industries can contribute in financial terms to the costs of structured training outside of in-kind contributions. There is no apprenticeship act which means that employers are not compelled to carry part of the cost of training. However, as shown in the survey of enterprises and budget data on training conducted by MDAs, there exists a significant amount of training and professional development outside formal training institutions.

9. A paucity of *collated financial* information on the TVET system

Currently 'nobody holds the full picture' in terms of operations, planning, budgets and funding, which stems from TVET not being recognised as a distinct sector in Tonga.

Government provision of TVET was managed prior to July 2012 by two Ministries – MEWAC and MoTEYS – the Ministry of Education and Training is now solely responsible for TVET. For government TVET provision, prior to the establishment of the MET, the TIHE budget was prepared and disbursed through the MEWAC budget⁶⁰ and the TIST budget was prepared and disbursed through the MoTEYS budget. The recent restructure has created difficulties in constructing a times series of finances.⁶¹ For example, there were difficulties in disaggregating the budget information for TIHE as distinct from TIOE as both institutes share a common accounting code in the post-secondary education and training budget program. With the MET providing oversight of all TVET there will now be a single budgeting and reporting framework.

⁶⁰ Line item: Post-secondary (Subprogram 5) of MEWAC budget.

⁶¹ An extensive amount of time by the team was spent on collating this information.

17.2 FUTURE DIRECTIONS

To support and enhance the current TVET system in Tonga, the Government of Tonga and its development partners (such as Australia and New Zealand) need to reconsider the approach to financing vocational and technical skills development in Tonga. Consideration needs to be given to designing an effective supply driven TVET system and implementing it in stages; this could take significant time. In the interim, donors should consider how best to support and enhance the current quality assurance arrangements, including progressing accredited curriculum development and review, as well as how best to support professional development of TVET teacher vocational skills and teaching skills.

- a) Opportunities for supporting and financing quality TVET provision include: In the redesign of the TVET sector consideration could be given to:
 - increasing levels of provider autonomy which is linked to outputs-based performance incentives;
 - formalising strategic engagement with industry and employers;
 - strengthening a culture of monitoring and evaluation which embeds outputs measures into budget and planning processes;
 - focusing on strengthening and supporting:
 - the implementation of quality assurance strategies at both the system level⁶² and provider level;
 - ongoing curriculum development; and
 - professionalisation of the teaching workforce.
- b) Coupled with the redevelopment and renewal of the TVET sector consideration could be given to recognising TVET separately from higher education within strategic development and policy frameworks. It is suggested that this would:
 - enable TVET to be considered as a distinct and identifiable sector in the Tongan education system;
 - provide a focus not only for the Ministry of Education and Training but also for development partners; and
 - encourage the provision of more detailed and disaggregated data on TVET in Tonga.

⁶² This could include review of TNQAB role in terms of system evaluation and continuous improvement.

- c) Consideration could be given to rationalising government TVET provision which could reduce costs. The Government could give consideration to minimising administration and management costs and inefficiencies through avoidance of duplication of organizational structures.
- d) Linked to TVET provision is the provision of higher education at TIOE, the teacher training provider. Consideration could be given to extending the provision of TIOE as the quality of TVET provision is founded on quality teaching. The Ministry of Education and Training, through TIOE, could consider developing a program specifically for TVET teachers and ensure that it meets the requirements of the draft Education Act 2012 and focuses on the principles of competency based training and assessment.

Additional opportunities include:

- a) Increasing individual TVET scholarships to source offshore training for targeted labour market needs and continue to couple this scholarship program with an agreement that the knowledge and skills gained are bought back to Tonga for a specified period of time,
- b) Funding offshore programs to develop the knowledge and skills of TVET trainers to further enhance the competency based nature of TVET training provided in Tonga, as well as the develop the vocational skills of the trainers,
- c) Funding onshore quality training from Tongan TVET providers for targeted labour market needs. The funding model should be coupled with strong quality assurance and performance requirements to ensure that student attrition rates are minimised and quality outcomes are achieved, for example, completions and employment rates, and satisfaction rates. Development partners should target higher performing providers in specific program areas, and ensure that funding allows for the implementation of quality assurance strategies at provider level, and
- d) Strengthening other existing regional arrangements for the provision of TVET in Tonga, for example APTC.

ANNEX 1. RESEARCH SCOPE AND OBJECTIVES

This Annex sets out the definition of TVET applied in this study, and the research questions the study sought answers to.

They were provided by the Research Brief - Research into Financing of Technical and Vocational Education and Training (TVET) in the Pacific - Research Brief, AusAID, 2011 (pages 8-10)

Research scope

For the purpose of this research, TVET is defined as follows:

Post-secondary education and training programs designed to develop vocational skills. Degree and higher-level programs, and subjects delivered as part of general education by secondary schools, are not included in this definition.

The research will encompass the following formal and non-formal learning. Informal (non-structured) learning is excluded:

- TVET at upper secondary school level (at and above Year 4) that is provided in specialist vocational secondary schools but not the provision of practical subjects within general education;⁶³
- Post-secondary non-tertiary TVET provided for school leavers in specialist vocational colleges/centres;
- Post-secondary tertiary TVET up to Bachelor level programs;
- Structured training for both the formal waged economy and informal labour market;
- Structured training for pre-employment and for existing workers;
- Structured training provided on- and off-the-job, including apprenticeships;
- Enterprise-based, community-based and institution-based TVET;
- Structured training funded from public, private, community or external sources; and
- Structured training provided under the auspices of the Ministries of Education, Labour, Youth Development, Maritime, Fisheries and Tourism and Hospitality.

Research objectives

The following research objectives represent the minimum that the successful tenderer must cover; they will be refined in the design process (i.e. stage 1 of the project).

Sources of funding (revenues)

- What are the current public and private sources of capital and recurrent funding for TVET? A broad view is required and could include trainees, employers, the state, community (local, religious, ethnic and other communities), and international agencies (donors and NGOs). Funding for the Australia Pacific Technical College (APTC) should be included in calculations.
- What is the relative contribution from each source in terms of the overall funding of TVET?
- What is the level of reliance on donor funding?
- What is the level of reliance on foreign private funding, and are there strategies in place to limit risks if there is a danger of funding being removed at short notice as investment decisions change?

⁶³ In the Pacific these practical subjects within the general secondary curriculum include Design and Technology, Agricultural Science, Food & Textiles, Visual Arts, Fine Arts, Computer Studies.

- What non-financial inputs are provided for TVET, from what sources, and what is their estimated value?

Expenditure

- What is the overall level of public and private expenditure on TVET?
- What is the total government expenditure on TVET as a proportion of total government expenditure and what is the relative contribution of national and provincial governments?
- What is TVET's share of the education sector budget?
- To what extent is there a gap between budget allocation to TVET and expenditure?
- Where is expenditure directed, and through what allocative mechanisms?
- What proportion of expenditure on TVET could be defined as quality related expenditures (for example, teaching and learning materials and assessment, teacher/trainer professional development?)

Cost of TVET Services⁶⁴

- What is the most useful unit of analysis for assessing the costs of TVET services?⁶⁵
- What are the TVET services provided for the recurrent funds expended, and can they be quantified?⁶⁶
- What are the comparative costs of TVET between different types of providers (for example, government and non-government, small and large, education institutions, and employer based training), levels of training, fields of training, course duration, mode of delivery, and geographic location?
- What proportions of total costs are costs of wages and salaries, materials/consumables, and infrastructure?
- What is the cost of capital?
- What areas offer the greatest potential for improved cost efficiency?

Financing Mechanisms

- What funding mechanisms are currently being used in Pacific Island countries to finance or co-finance TVET? Such mechanisms could include the following: input-oriented or output-oriented financing, voucher systems, individual training fees and subsistence allowances (student loans, fellowships, scholarships or grants), traditional apprenticeship schemes or other co-financing arrangements such as work placements; employer training incentives (training cost reimbursement schemes, income tax rebate incentives, payroll-levy exemption), matching grants, self-financing of training institutions through fee-for-service and other revenue generating activities.
- How efficient and effective are these different mechanisms?
- To what extent are they responsive to demand from industry, communities and individuals?
- To what extent are they being used to promote inclusion of groups at risk of labour market and social exclusion?
- How successful are these mechanisms in providing the country with a predictable and sustainable source of financing for skills development?
- What policy measures are in place to improve diversification and sustainability in funding mechanisms?

⁶⁴ Analysis of the costs of services should take into account the methodology used by Minford et al (2010) for the Tonga education sector.

⁶⁵ Outputs will need to be defined but may be measured based on student guided hours, equivalent full time students, graduates by level and funding rates.

⁶⁶ The issue of the comparability will be a complex one given the varying stages of implementation of competency based training (CBT) across the Pacific, the absence of comparability of national qualifications, and the differing quality of learning outcomes. These issues will need to be factored into the methodology used for costing.

- Is the existing funding model sustainable if access to TVET is to be expanded?
- What changes would ensure more financially sustainable and demand-based national TVET systems?

ANNEX 2. CLASSIFICATION AND CODING SYSTEMS USED

International classification and coding systems were applied in this study for the following variables:

- Fields of training
- Occupations
- Industries

Fields of training

0. General Programs

- 010 Basic programs
- 080 Literacy and numeracy
- 090 Personal development

1. Education

- 141 Teaching and training
- 142 Education science

2. Humanities and the arts

- 211 Fine arts
- 212 Music and performing arts
- 213 Audio-visual techniques and media production
- 214 Design
- 215 Craft skills
- 221 Religion and theology
- 222 Foreign languages and cultures
- 223 Mother tongue
- 224 History, philosophy and related subjects

3. Social sciences, business and law

- 310 Social and behavioural science
- 321 Journalism and reporting
- 322 Library, information, archive
- 341 Wholesale and retail sales
- 342 Marketing and advertising
- 343 Finance, banking, insurance
- 344 Accounting and taxation
- 345 Management and administration
- 346 Secretarial and office work
- 347 Working life
- 380 Law

4. Science

- 420 Life science
- 440 Physical science
- 460 Mathematics and statistics
- 481 Computer science
- 482 Computer use

5. Engineering, manufacturing and construction

- 521 Mechanics and metal work
- 522 Electricity and energy
- 523 Electronics and automation
- 524 Chemical and process
- 525 Motor vehicles, ships and aircraft
- 541 Food processing
- 542 Textiles, clothes, footwear, leather
- 543 Materials (wood, paper, plastic, glass)
- 544 Mining and extraction
- 581 Architecture and town planning
- 582 Building and civil engineering

6. Agriculture

- 621 Crop and livestock production and fishery
- 622 Horticulture
- 623 Forestry
- 624 Fisheries
- 640 Veterinary

7. Health and welfare

- 721 Medicine
- 722 Medical services
- 723 Nursing
- 724 Dental studies
- 761 Child care and youth services
- 762 Social work and counselling

8. Services

- 811 Hotel, restaurant and catering
- 812 Travel, tourism and leisure
- 813 Sports
- 814 Domestic services
- 815 Hair and beauty services
- 840 Transport services
- 850 Environmental protection
- 861 Protection of property and persons
- 862 Occupational health and safety
- 863 Military

9. Not known

Source: European Centre for the Development of Vocational Training (CEDEFOP) *Fields of Training Manual*, Eurostat, 1999,

Occupations

1. Managers

- 11 Chief executives, senior officials and legislators
- 12 Administrative and commercial managers
- 13 Production and specialized services managers
- 14 Hospitality, retail and other services managers
- 2. Professionals**
 - 21 Science and engineering professionals
 - 22 Health professionals
 - 23 Teaching professionals
 - 24 Business and administration professionals
 - 25 Information and communications technology professionals
 - 26 Legal, social and cultural professionals
- 3. Technicians and associate professionals**
 - 31 Science and engineering associate professionals
 - 32 Health associate professionals
 - 33 Business and administration associate professionals
 - 34 Legal, social, cultural and related associate professionals
 - 35 Information and communications technicians
- 4. Clerical support workers**
 - 41 General and keyboard clerks
 - 42 Customer services clerks
 - 43 Numerical and material recording clerks
 - 44 Other clerical support workers
- 5. Service and sales workers**
 - 51 Personal service workers
 - 52 Sales workers
 - 53 Personal care workers
 - 54 Protective services workers
- 6. Skilled agricultural, forestry and fishery workers**
 - 61 Market-oriented skilled agricultural workers
 - 62 Market-oriented skilled forestry, fishing and hunting workers
 - 63 Subsistence farmers, fishers, hunters and gatherers
- 7. Craft and related trades workers**
 - 71 Building and related trades workers, excluding electricians
 - 72 Metal, machinery and related trades workers
 - 73 Handicraft and printing workers
 - 74 Electrical and electronic trades workers
 - 75 Food processing, wood working, garment and other craft and related trades workers
- 8. Plant and machine operators, and assemblers**
 - 81 Stationary plant and machine operators
 - 82 Assemblers
 - 83 Drivers and mobile plant operators
- 9. Elementary occupations**
 - 91 Cleaners and helpers
 - 92 Agricultural, forestry and fishery labourers
 - 93 Labourers in mining, construction, manufacturing and transport
 - 94 Food preparation assistants

- 95 Street and related sales and service workers
- 96 Refuse workers and other elementary workers

10. Armed forces occupations

- 01 Commissioned armed forces officers
- 02 Non-commissioned armed forces officers
- 03 Armed forces occupations, other ranks

Source: ILO International Standard Classification of Occupations, 2008 (ISCO-08)

Industries

- Agriculture, Forestry and Fishing
- Mining
- Manufacturing
- Electricity, Gas and Water Supply
- Construction
- Wholesale Trade
- Retail Trade
- Accommodation, Cafes and Restaurants
- Transport and Storage
- Communication Services
- Finance and Insurance
- Property and Business Services
- Government Administration and Defence
- Education
- Health and Community Services
- Cultural and Recreational Services
- Personal and Other Services

Source: ABS, Australian and New Zealand Standard Industrial Classification (ANZSIC), 1993

ANNEX 3. PERSONS CONSULTED DURING THE FIELDWORK

NAME	ORGANISATION	ROLE
Emeli Pouvalu	Ministry of Education and Training	Director
Dr. 'Uhila moe Langi Fasi	Tonga National Qualifications and Accreditation Board	CEO
'Ata'ata Finau	Department of Statistics	CEO
Sr Kieoma Finau	'Ahopanilolo Technical College	Principal
'Oto Va'inga Misi	Tonga Association for TVET	Chairperson
Aloma Johansson	Tonga Institute of Science and Technology	Dean of Studies/Deputy Director
Tiofilusi Tiueti	Tonga Chamber of Commerce and Industry	President of Tonga Chamber
Tatafu Moeaki	Ministry of Finance and National Planning	Sec for Finance and National Planning
Fololeni Fatai	Ministry of Commerce, Tourism and Labour	CEO
Sr Sela Misinale	St. Joseph's Business College	Principal
Bro. Joseph Kottoor	St. Joseph's Business College	Deputy Principal
Dr. Mele'ana M. Puloka	Montfort Technical Institute	Principal
Mr. Samiuela Fonua	Tupou Tertiary Institute	Director
Nonga Soakai	Tupou Tertiary Institute	Finance Officer
Fatui Langilangi	Tonga Institute of Science and Technology	Principal, School of Engineering, TIST
Sosefina Fineanganofa	Tonga Institute of Science and Technology	Principal, School of Agriculture, TIST
Dr. 'Ana Hau'alofa'ia Koloto	Tonga Institute of Science and Technology	Principal, School of Tourism and Hospitality
Lisiate Nuku	USP – Tonga Campus	Campus Director
Sela Havea	USP – Tonga Campus – College of Foundation Studies	Course Coordinator for Foundation Level
'Alifeleti 'Atiola	USP – Tonga Campus – Centre for Community and Continuing Education	Manager, Continuing Education Program
Etuate Manuofetoa	Free Wesleyan Church – Education Office	President, Free Wesleyan Education System
Soane Vahe	Free Wesleyan Church – Education Office	Finance Officer
Palei 'Olie	Catholic Church – Education Division	Director of Education for the Catholic Schools
	Catholic Church – Education Division	Finance Officer

NAME	ORGANISATION	ROLE
Natalia Latu	Ministry of Finance and National Planning	Deputy Director for Aid Management Division
Geoffrey Penhall	TVET Support Program	Project Technical Manager
Tilema Cama	Queen Salote School of Nursing and the Institute of Health Sciences	Principal
Tuluta Fisihoi	Hango Agricultural College	Principal
'Etuete Lavulavu	'Unuaki 'o Tonga Royal Institute	Chairman, UTRI Board
'Akosita Lavulavu	'Unuaki 'o Tonga Royal Institute	Principal
Pesi Ilangana	Tonga Chamber of Commerce and Industry	Office Manager
Monica Hamilton	Tonga Chamber of Commerce and Industry	Program Manager
'Analupe Voi	Tonga Institute of Education	Principal, TIHE
Senitila Tutone	Tonga Institute of Higher Education	Deputy Principal, TIHE
Saone Patolo Jnr.	MORDI Tonga Trust	General Manager
'Asela Sauaki	MORDI Tonga Trust	Senior Programme Officer
Cyril Guiramand	TBEC	Manager
Emeline Siale Ilolahia	Civil Society Forum of Tonga	Director
Vanessa Lolohea	Tonga National Youth Congress	Director
Rhemer Masser	NATA (Naunau 'oe 'Alamaite Tonga Disability Association),	President, NATA
Tuna Fielakepa	Langafonua 'a Fafine Tonga	Member of Langafonua 'a Fafine Tonga Board

ANNEX 4. ROLE AND MEMBERSHIP OF THE NATIONAL REFERENCE GROUP

Role of the National Reference Group (NRG)

The role of the NRG was to assist, advise and support the activities of the country study:

- advise on country-specific TVET financing issues;
- advise on implementation of the research program in the country;
- encourage and facilitate stakeholder engagement in the program;
- provide feedback on such data collection instruments and interview schedules that the country research team are employing;
- provide feedback on the draft country study report;
- participate in the final country-specific dissemination workshop;
- participate in the research program's regional forum (some members); and
- assist with dissemination of the program's findings and reports.

Membership of the NRG

Position	Name
Ministry of Education and Training (as Chair)	Ms Emeli Pouvalu
Tonga National Qualifications and Accreditation Board	Dr 'Uhila moe Langi Fasi
Ministry of Finance and National Planning	Mr Tiofilusi Tiueti
Ministry of Commerce, Tourism and Labour	Mr Tatafu Moeaki
Department of Statistics	Mr 'Ata'ata Finau
Tonga Association for TVET	Sr Kieoma Finau
Tonga Institute of Science and Technology	Mr 'Oto Va'inga Misi
Tonga Chamber of Commerce and Industry	Ms Aloma Johansson

NRG meetings

The NRG met formally twice during the mission – 25 September 2012 and 23 October 2012.

ANNEX 5. DATA COLLECTION TEMPLATES



Research into the Financing of TVET in the Pacific
Australian Aid – Managed by ACER and Austraining on behalf of AusAID

Return number:

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DATA COLLECTION TEMPLATES FOR PROVIDERS OF TVET IN TONGA

TVET PROVIDER NAME

ADDRESS

Location
Telephone number.....
Fax number.....
Email address.....

NAME OF CONTACT.....

ROLE/TITLE.....

Section 1: Revenue

Source of Income Annual amounts in local currency	Financial year			
	2009/10 actual	2010/11 actual	2011/12 actual	2012/13 projected
<i>Government</i>				
<i>Church/Mission</i>				
<i>Direct Donor Support (if applicable)</i>				
<i>Student Fees</i>				
<i>Sale of Services or Products</i>				
<i>Other Income (please, specify)</i>				
Total Income				

Questions

1. What is included in other income?

Section 2: Expenditure

Expenditure Category Annual amounts in local currency	Financial year			
	2009/10 actual	2010/11 actual	2011/12 actual	2012/13 projected
Recurrent Budget				
Staffing costs				
<i>Teaching staff costs (e.g. salaries, wages, leave, benefits etc)</i>				
<i>Non-teaching staff costs (e.g. salaries, wages, leave, benefits etc)</i>				
Non-staffing costs				
<i>Operational costs (e.g. consumables, utilities, maintenance, etc)</i>				
<i>Quality assurance costs (e.g. per capita charge via TNQAB, auspice via NZ)</i>				
<i>Other recurrent costs</i>				
Total Recurrent Budget				
Development Budget				
TVET programs (e.g. new programs, accreditation, paperwork, consultants etc)				
Staff/professional development programs				
Other development items				
Total Development Budget				
Capital budget (for example, equipment, machinery, etc)				
Other Expenditures				
TOTAL EXPENDITURE				

Section 3: Staffing

Staff category	Full-time equivalent staffing numbers (as at 30 June)			
	2009	2010	2011	2012
<i>Teaching Staff</i>				
<i>Non-Teaching Staff</i>				
<i>TOTAL STAFF</i>				

Teaching/training staff directly involved in TVET programs	
Number of teaching weeks in a year	
Average student contact hours during teaching week, per staff member	
Average number of staff hours preparation time per TVET program	
Average number of staff hours assessment time per TVET program, additional to program delivery time	



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Return number:

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ENTERPRISE TRAINING AND EXPENDITURE SURVEY

<i>The information you provide us will be treated with the strictest confidentiality, and will not be identifiable in any of the results of the survey.</i>

ENTERPRISE NAME

ADDRESS

Location
Telephone number.....
Fax number.....
Email address.....

NAME OF CONTACT.....

ROLE/TITLE.....

SECTION A: ENTERPRISE TYPE

1 What type of enterprise is this?

please tick



Government-owned business enterprise	
Co-operative	
Wholly local-owned private enterprise	
Wholly foreign-owned enterprise	
Joint venture company with mixed local and foreign ownership	
Wholly local NGO	
International NGO	
Religious organisation	
Other	

2 What is the main industry in which the enterprise operates?

please tick



A	Agriculture, forestry and fishing	
B	Mining	
C	Manufacturing	
D	Electricity, gas and water supply	
E	Construction	
F	Wholesale trade	
G	Retail trade	
H	Accommodation, cafes and restaurants	
I	Transport and storage	
J	Communication services	
K	Finance and insurance	
L	Property and business services	
M	Government administration	
N	Education	
O	Health and community services	
P	Cultural and recreational services	
Q	Personal and other services	

SECTION B: ENTERPRISE SIZE

3 What was the annual wages⁶⁷ bill for last three financial years?

Item	Unit	2009/10	2010/11	2011/12
Annual wages bill	Local currency			

4 What was the number of people employed as at November 30 2011?

		Number of employees as at November 30 2011
Full-time employees (More than 35 hours per week on average)	Females	
	Males	
	Full-time Sub-total	
Part-time employees (Less than 35 hours per week on average)	Females	
	Males	
	Part-time Sub-total	
Total employees	Females	
	Males	
	Total Number of Employees	

⁶⁷ All expenditures on wages, salaries and other employee entitlements.

SECTION C: ENTERPRISE WORKFORCE**5 What was the occupation profile of the enterprise at November 30 2011?**

ISCO-08 code	Occupation	Number of employees as at November 30 2011
1	Managers⁶⁸	
2	Professionals⁶⁹	
3	Technicians and associate professionals⁷⁰	
4	Clerical support workers⁷¹	
5	Service and sales workers⁷²	
6	Skilled agricultural, forestry and fishery workers⁷³	
7	Craft and related trades workers	
71	Building and related trades workers, excluding electricians	
72	Metal, machinery and related trades workers	
73	Handicraft and printing workers	
74	Electrical and electronic trades workers	
75	Food processing, wood working, garment and other craft	
8	Plant and machine operators, and assemblers⁷⁴	
9	Elementary occupations⁷⁵	
Total Number of Employees		

Check 'Total Number of Employees' in Table 5 matches 'Total Number of Employees' in Table 4.

⁶⁸ Chief executives, senior officials and legislators, Administrative and commercial managers, Production and specialized services managers, Hospitality, retail and other services managers.

⁶⁹ Science and engineering professionals, Health professionals, Teaching professionals, Business and administration professionals, Information and communications technology professionals, Legal, social and cultural professional

⁷⁰ Science and engineering associate professionals, Health associate professionals, Business and administration associate professionals, Legal, social, cultural and related associate professionals, Information and communications technicians

⁷¹ General and keyboard clerks, Customer services clerks, Numerical and material recording clerks, Other clerical support workers

⁷² Personal service workers, Sales workers, Personal care workers, Protective services workers

⁷³ Market-oriented skilled agricultural workers, Market-oriented skilled forestry, fishing and hunting workers, Subsistence farmers, fishers, hunters and gatherers

⁷⁴ Stationary plant and machine operators, Assemblers, Drivers and mobile plant operators

⁷⁵ Cleaners and helpers, Agricultural, forestry and fishery labourers, Labourers in mining, construction, manufacturing and transport, Food preparation assistants, Street and related sales and service workers, Refuse workers and other elementary workers

SECTION D: ENTERPRISE INVOLVEMENT WITH TRAINING

6a Is your enterprise involved with workplace training linked to a training provider/school (e.g. the apprenticeship program at TIST)?

(please tick)

√

Yes	☐
No	☐

If you answered 'Yes' to 6a go to 6b.

If you answered 'No' to 6a go to 7.

6b If yes, then how many employees are in each of the following trades?

	Number of employees
Automotive mechanics	
Panel beating and spray-painting	
Carpentry and joinery	
Electrical	
Fitting and machinery	
Plumbing	
Refrigeration and Air-Conditioning	
Welding	
Other (please specify)	
Total	

7 How many of your employees participated in training in the 2011/12 Financial Year?

	All Employees		New employees recruited in last 12 months (excluding apprentices)	
	A	B	C	D
Highest level of education and training	Total number of employees	Number who participated in training in last 12 months	Number of <i>new</i> employees recruited in last 12 months	New employees who have participated in training ⁷⁶
Did not complete primary school				
Completed primary school				
Completed secondary school				
Vocational/technical certificate				
Advanced vocational/technical certificate				
Diploma				
Bachelor's degree				
Post-graduate diploma/certificate				
Post-graduate degree				
Total				

Check Total Number of Employees in Table 7 (Column A) matches total in Table 4 and Table 5.

⁷⁶ E.g. Staff development, accompanying the introduction of new systems, equipment, etc

8 What is the estimated average duration of training per employee in hours in the last 12 months?

Note: To calculate hours, estimate average number of days per staff member in each category in the last 12 months then multiply by 8 (working hours per day).

	Hours of training in last 12 months	
	For employees recruited in last 12 months	For all other employees (not recruited in last 12 months)
<i>In-house structured training</i> ⁷⁷		
Structured training using external training providers		
Government provider		
Mission provider		
National university (if applicable)		
Regional training provider (e.g. APTC)		
Regional university (e.g. USP)		
Private training provider		
Industry or professional association		
Equipment and/or product manufacturer/supplier		
Overseas training provider		
Other (please specify)		
Unstructured training ⁷⁸		
Total hours on average per employee		

⁷⁷ For example, internal workshops, lectures, etc; computer assisted training programs; other enterprise conducted training courses, etc

⁷⁸ Includes on-the-job training as the need arises - reading manuals, journals or training notes, training through group discussion, computer-assisted unstructured training, etc

SECTION E: ENTERPRISE EXPENDITURE ON TRAINING**9 What was the estimated gross amount spent on training by this enterprise in the 2011/12 Financial Year?**

	<i>Local currency</i>
Provider costs	
Salaries, wages and other emoluments for designated training staff, managers and instructors	
Costs of equipping and operating dedicated training facilities, including training materials, utility charges, etc	
Apprenticeship training fees	
Government training levy	
Industry association training fees, levies, etc	
Fees to external training providers	
Other, including in-kind (please specify)	
Sub-total Provider Costs	
Trainee support costs	
Employees' wages and salaries while attending training	
Employees' external structured training fees	
Employees' training materials (e.g. tool kits)	
Employees' travel or accommodation costs during training.	
Other (please specify)	
Sub-total Trainee Support Costs	
Estimated gross training expenditure in the 2011/12 Financial Year	

10 What funding sources were available in the 2011/12 Financial Year to enable the enterprise to reduce the net cost of training?

	<i>Local currency</i>
Trainee fees	
Lower trainee wages (i.e. wages bill was reduced due to training wages being below normal wages)	
Government subsidies or incentive payments	
Other (please specify)	
Estimated Total Funding Available	

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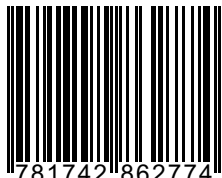
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The study was conducted in seven Pacific countries: Fiji; Kiribati; Papua New Guinea; Samoa; Solomon Islands; Tonga; and Vanuatu. The aims of the research were to produce, in conjunction with host country governments and TVET stakeholders, comprehensive analyses of the systems for financing TVET and discussions of policies through which the financing of TVET could be made more efficient and effective. This volume is one of the seven country reports produced by the study.

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