

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

Vanuatu Country Report

September 2014



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**Research into the Financing of Technical and Vocational
Education and Training (TVET) in the Pacific**

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Australian Council for Educational Research

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LIST OF ACRONYMS

ACER	Australian Council for Educational Research
ADB	Asian Development Bank
ANZSIC	Australia and New Zealand Standard Industry Classification
APTC	Australia-Pacific Technical College
AusAID	Australian Agency for International Development ¹
CEDEFOP	European Centre for the Development of Vocational Training
DFAT	Department of Foreign Affairs and Trade (Australia) ¹
DYDST	Department for Youth Development, Sports and Training
GoV	Government of Vanuatu
HIES	Household Income and Expenditure Survey
ILO	International Labour Organization
ISCO	International Standard Classification of Occupations
MDAs	Ministries, Departments, Agencies
MoE	Ministry of Education ²
MoET	Ministry of Education and Training ²
MFEM	Ministry of Finance and Economic Management
MYDS	Ministry for Youth Development and Sport ²
MYDST	Ministry for Youth Development, Sports and Training ²
NGO	Non-government organisation
NRG	National Reference Group
NTQF	National Technical Vocational Education and Training Qualification Framework
NZAID	New Zealand Agency for International Development
ODA	Official Development Assistance
PMO	Prime Minister's Office
PQF	Pacific Qualifications Framework
RTCs	Rural Training Centres
SOE	State-owned Enterprise
SPC	Secretariat of the Pacific Community
TVET	Technical and Vocational Education and Training
UNDP	United Nations Development Program
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNICEF	United Nations Children's Fund
USP	University of the South Pacific
VAC	Vanuatu Agriculture College

VARTC	Vanuatu Agricultural Research and Technical Centre
VCCI	Vanuatu Chamber of Commerce and Industry
VCNE	Vanuatu College of Nursing Education
VEMIS	Vanuatu Education Management Information System
VIT	Vanuatu Institute of Technology
VITE	Vanuatu Institute of Teacher Education
VMC	Vanuatu Maritime College
VNQF	Vanuatu National Qualifications Framework
VNTC	Vanuatu National Training Council ³
VNSO	Vanuatu National Statistics Office
VQA	Vanuatu Qualifications Authority ³
VQF	Vanuatu Qualifications Framework
VQTF	Vanuatu Quality Training Framework
VRDTCA	Vanuatu Rural Development and Training Centres Association
VT	Ni-Vanuatu Vatu – currency
VTSSP	Vanuatu TVET Sector Strengthening Program

Notes

1. 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.
2. In 2014 the MoE was restructured into the Ministry of Education and Training, and the MYDST was restructured into the Ministry for Youth Development and Sport. References in this report to the MoE and MYDST refer to the ministry titles at the relevant times.
3. The VQA was established in 2014, and took over the functions of the VNTC. References in this report to the VNTC refer to the organisational title at the times concerned.

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)

Papua New Guinea: Robert Horne (Lead Researcher), Ken Ngangan (Researcher), Simaima Tavil-Melachon (National Consultant), Meghan Toka and Peter Mulligan (In-Country Managers)

Samoa: Leo Maglen (Lead Researcher), Justin Brown (Researcher), Salā Perive T. Lene (National Consultant), Frances Soon-Schuster (In-Country Manager)

Solomon Islands: Andrea Bateman (Lead Researcher), Elizabeth Cassity (Researcher), Judy Fangalasuu (National Consultant), Bob Pollard (In-Country Manager)

Tonga: Andrea Bateman (Lead Researcher), Justin Brown (Researcher), Meleoni Uera (National Consultant), David Wyler (in-Country Manager)

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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This report is based on the fieldwork conducted in August and September 2012 by Ray Powell and Henry Vira, Julie Kos (August) and Kathryn Nako (September) with the very helpful logistical and organisational support of Lou Cochrane from Scope Global (formerly Austraining International).

The team wishes to express our sincere thanks to all stakeholders who we visited and worked with during our time in Vanuatu for their valuable contributions to this report.

The team would like to sincerely thank the National Reference Group (NRG) established for the study and the many individuals, organisations and government departments who assisted in the research. The team would particularly like to acknowledge the contributions of: Joe Iautim (MYDST); Simil Johnson, Ben Lenge and Harry Nalau (Office of Statistics); Rex Willie and Lucy Simon (MFEM); Kalbeo Kalpat and Joseph Molkis (VIT); David Lambukly (VNTC); Richard Coleman (Maritime College); Jane Laycock (College of Nursing); Peter Morris, Anna Gibert and Fremi Shadrack from the Vanuatu TVET Sector Strengthening Program; Christelle Thieffry and Dannie Masoe (DFAT); Tony Tarivonda and Jonah Nahwo (VRDTCA) and Cathy Solomon for providing their services; Commissioner Lionel Kaluat (Department of Labour); and Johnson Vora (Prime Minister's Office).

The team wishes to acknowledge the time, resources and hospitality afforded us by staff at each of the providers we visited during our time in Vanuatu. We are grateful for their openness and generosity.

Thanks are also due to the considerable number of business owners and HR managers who gave of their time to complete the Enterprise Survey and also to VCCI for assisting the team to compile a cross-section of Vanuatu enterprises to survey.

We are grateful to feedback on the original draft report from the NRG and other TVET participants in Vanuatu, two independent reviewers commissioned by the Australian Government Department of Foreign Affairs and Trade (DFAT), and the Research Steering Committee established by DFAT to guide the overall project. Very helpful feedback was also provided by the participants in a workshop held in Port Vila on 19 June 2014.

Justin Brown and Phillip McKenzie (ACER) edited the report.

All analyses, opinions and conclusions herein are those of the ACER team and do not represent the views of members of the NRG, DFAT or any other party, unless stated otherwise. The research team takes full responsibility for any errors or omissions.

EXECUTIVE SUMMARY

Purposes and approach

This document '*Research into the Financing of TVET in the Pacific –Vanuatu Country Study*' ('the report') provides a detailed analysis of the financing of Technical and Vocational Education and Training (TVET) in Vanuatu.

The report forms part of the study *Research into the Financing of TVET in the Pacific* initiated through Australia's aid program in consultation with governments in the Pacific region. Vanuatu was one of seven countries taking part in the research. (The other participating countries are Fiji, Kiribati, Papua New Guinea, Samoa, Solomon Islands and Tonga.) The study is intended to provide a detailed empirical analysis of TVET financing in each country, identify key TVET financing issues, and discuss directions through which future financing for TVET could be made more efficient and effective at national and regional levels.

The broad definition of TVET provided in the *Research Brief* for the purpose of the research is 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.'

In refining this definition for the purposes of the Vanuatu study, a matrix was developed that identifies TVET programs by (a) the skill categories and levels they seek to develop and (b) by the institutions that offer them. Skill categories and levels are in turn identified according to the qualification levels they are pitched at, and the occupations to which they are directed.

Institutions identified as providing structured TVET programs are classified according to whether they are public, church/private or regional TVET providers, other Government of Vanuatu line ministries and agencies that offer TVET-type programs, and employers in the state-owned enterprise (SOE) and private corporate sectors. The study identified many gaps in the information available to adequately document the sources of finance for such providers, the levels of funding and the costs and impact of different forms of provision. Substantial collection of first-hand data was required.

The study has been conducted during an important stage in the development of TVET. A National TVET Policy for the period to 2020 has been developed and is being implemented. The Vanuatu Qualifications Authority has been established as the successor to the Vanuatu National Training Council. Responsibility for TVET policy is being relocated to a TVET Division within the expanded Ministry of Education and Training. The TVET Sector Strengthening Program is being funded until 2016 for Phase III of its operations, and its purchaser model of TVET delivery to respond to demand is now established in three of the six provinces. Provincial skills development plans are being developed with a view to aggregation into a national skills development plan.

While recognising the significant successes achieved in recent years and the potential for further improvement through the National TVET Policy, the study identified a number of financing findings and issues for consideration as part of its implementation.

Overall funding levels and sources

The study suggests that the overall resourcing of TVET in Vanuatu is very limited relative to the economic and social needs of the country, the rapidly expanding number of young people, and widely expressed concerns about the quality and relevance of existing TVET provision. Funding for TVET is predominantly expended on personnel costs with only minimal

expenditure available for staff development, training materials, buildings, equipment and general operational expenses.

Relative to other Pacific countries, non-government sources (students and their families, industry and non-government organisations) appear to provide only a relatively small proportion of the total funding for TVET in Vanuatu. TVET providers are generally heavily reliant on government, and on donor countries. Donor funding is a dominant feature of TVET financing in Vanuatu. There is a need to develop a risk mitigation strategy in the event that donor funds are reduced for TVET at any point in the future.

Uncertainties around future sources and levels of funding make planning and change difficult for TVET providers. There seems to be little incentive for public providers to increase student numbers as student fees are generally not able to be retained to expand or improve their operations. A similar policy also inhibits public providers from undertaking fee-for service or commercial activities. It would be well worth developing arrangements that enable providers to use the funds that they raise, whether from students or industry, to improve their programs, while ensuring that appropriate accountability mechanisms are in place. The success of the purchaser model linked to identification of local training needs that is used in several provinces by the VTSSP shows what can be achieved when TVET providers are able to compete for additional funding and are supported in initiatives to improve quality.

There is probably only limited scope to raise additional resources for TVET through cost sharing with trainees. The further raising of training fees runs the risk of worsening access problems for low-income groups and those from remote locations. However, for those TVET courses that meet skills shortages and have direct labour market benefits, loans or mortgage-type schemes could be introduced on a pilot basis before their possible wider implementation. It would also be helpful for improving access and raising revenue if there were more opportunities for concurrent work and study in Vanuatu. Courses that enable students to earn while they study, and so to pay fees from current earnings, are not widely provided at present.

The introduction of a training levy on employers – as a means to both increase the resources for skills development as well as to link provision more closely to industry needs – would also be worthy of exploration. Any initiative in this direction would, however, need careful study and widespread consultation to ensure appropriate adaptation and suitability for the local context.

Linking funding to costs and outcomes

With the exception of the Centres supported through the VTSSP, most providers of TVET in Vanuatu are provided with baseline funding based on historical trends rather than on input costs for specific programs or on provider performance and learner outcomes. Many of the grants and subsidies provided to TVET providers do not change year on year, despite changing patterns of student and industry demand. The 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.

The successful experience of the VTSSP suggests that it would be desirable for the government to reconceptualise its core role as that of a purchaser of high-quality and relevant TVET from a broader range of both public and private providers, rather than simply that of a supplier of publicly-funded TVET. Critical to this direction though is enhanced capacity for government to monitor and regulate TVET provision as well as a much stronger information base and evaluation culture.

Improving the information and knowledge base

This study has identified many gaps in the available data about the operations of TVET in Vanuatu and the labour market needs that skills training should be attempting to address. There are some promising signs that issues of strategic governance are being addressed, but these objectives will not be achieved without substantially strengthening the information and knowledge base. Hopefully this study has gone some way helping fill some of the information gaps. However, it was only possible to meet some of the data needs through this study and in any event its value as a source of baseline information will be lost unless it is built upon.

Currently ‘nobody holds the full picture’ in terms of operations, planning, budgets and funding, which stems from TVET not being recognised until recently as a distinct sector in Vanuatu. In addition, there is no established national data management standard for TVET statistics or a centralised system for collecting and collating financial and cost data, staffing data, or student background and outcomes data. There is a lack of labour market information to inform planning, training needs, and budgeting, or to monitor the impact of any changes.

Not only is there limited information collected, the little information there is does not appear to have been accessible to potential users, or conceptualised as a way to drive system change and improvement. Given Vanuatu’s relatively small size, it is likely to be cost-effective to bring all data collection and management responsibilities concerning education and training into a single agency. The recent development of the Ministry of Education and Training and the Vanuatu Qualifications Authority provides the scope for this to happen.

It needs to be recognised though that good quality, comprehensive and regular data collection, analysis and dissemination needs adequate resourcing. There would be value in this regard in Vanuatu expanding its cooperation with other Pacific countries in order to share data collection development costs and to ensure that data are collected to a high standard and in internationally comparable ways.

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 Republic of Vanuatu.

The 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.

This is not a study of all aspects of TVET. It is focusing on the financing of TVET and is 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 covers seven country studies conducted in two stages. The timing of the fieldwork in participating countries is outlined in Table 1.1.

Table 1.1 Countries participating in the study

Stage One (fieldwork in 2012)	Stage Two (fieldwork in 2013)
Samoa	Fiji
Vanuatu	Kiribati
Tonga	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 Vanuatu 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 is 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 of this report details how this definition was applied in the Vanuatu context to determine the scope of TVET to be included in the study.

1.3 RESEARCH QUESTIONS

The *Research Brief* asks 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

1. What is the most useful unit of analysis for assessing the costs of TVET services?
2. What are the TVET services provided for the recurrent funds expended, and can they be quantified?
3. What are the comparative costs of TVET between different types of providers?
4. What proportions of total costs are costs of wages and salaries, materials/consumables, and infrastructure?
5. What is the cost of capital?
6. 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 Vanuatu to the extent possible with the time and resources available.

1.4 STRUCTURE OF THE REPORT

The report is structured in five main parts, as shown in Table 1.2. Chapter 2 completes Part I by providing a detailed description of the research approach used in Vanuatu, including the data collection instruments that were developed. Part II (Country Background) contains Chapter 3 that outlines the broad national context of Vanuatu.

Part III (TVET in Context) provides a detailed description of TVET institutions and activities in Vanuatu. It includes discussion of governance, quality assurance, enrolments and access to educational opportunities, and the role of TVET in economic and social developments.

Part IV (The Financing of TVET) presents the main findings and analyses from the study. TVET funding and expenditure patterns and trends and unit costs are presented and analysed in Chapters 5 to 7. The financial mechanisms that channel resources into and throughout the

TVET sector are identified and analysed. Chapter 8 details the study team's pilot survey on enterprise training and its funding.

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 Vanuatu, other TVET stakeholders, and development partners.

Table 1.2 Report structure

Part	Purpose	Chapter
Part I Introduction	Objectives and methodology	Chapter 1. Purposes of the Study
		Chapter 2. Research Approach
Part II Country Background	Discusses contextual social and economic issues	Chapter 3. Country Background
Part III TVET in Context	Focuses on the TVET system - its purpose in Vanuatu, policies, structures and key statistics	Chapter 4. Overview of TVET in Vanuatu
Part IV Financing of TVET	Responds to the research brief	Chapter 5. Overview of TVET Financing
		Chapter 6. TVET Financial Mechanisms
		Chapter 7. TVET Financial Patterns and Trends
		Chapter 8. Surveying Employer Provided and Funded Training
Part V	Discusses the main issues and canvasses possible future directions	Chapter 9. Issues and Directions

Further details on the study are provided in the Annexes:

- Annex 1: Research Scope and Objectives
- Annex 2: National Reference Group
- Annex 3: Classification and coding systems used in data collection and recording
- Annex 4: Data collection templates
- Annex 5: References

CHAPTER 2. RESEARCH APPROACH

The brief for this study of the financing of TVET 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
- Costs of TVET delivery

The approach taken in Vanuatu is consistent with the general framework developed by the research team to guide the overall study.

2.1 DEFINING TVET IN VANUATU

The first task was to determine the scope of TVET in Vanuatu. The broad definition provided in the 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.

In refining this definition for the purposes of the Vanuatu study, a matrix was developed that identifies TVET programs by (a) the skill categories and levels they seek to develop and (b) by the institutions that offer them. The matrix is based on the general framework developed by the research team to guide the overall study. Skill categories and levels are in turn identified according to the qualification levels they are pitched at, and the occupations to which they are directed. The levels are based on the Pacific Qualifications Framework (PQF), and occupations are classified according to the International Standard Classification of Occupations (ISCO), 2008 version.¹

Institutions identified as providing structured TVET programs are classified according to whether they are public, church/private or regional TVET providers, other Government of Vanuatu (GoV) line ministries and agencies that offer TVET-type programs, and employers in the state-owned enterprise (SOE) and private corporate sectors. The matrix is shown in Figure 2.1. The scope of the TVET sector in Vanuatu as used in this study is depicted in green.

¹ The Vanuatu National Technical Vocational Education and Training Qualification Framework (NTQF) developed by the then Vanuatu National Training Council (VNTC) covered six levels from Certificate I to Advanced Diploma. For reasons of comparability with the other countries in this study, the PQF was used instead to classify programs in Vanuatu as it covered a wider range of levels of skills training. The NTQF is in the process of being replaced by the Vanuatu National Qualifications Framework (VNQF) that will cover the complete post-secondary education and training sector. The VNQF is being developed by Vanuatu Qualifications Authority (VQA), the successor body to the VNTC.

Table 2.1 A skills/employment/training matrix for Vanuatu

PQF - level of skills training		Occupational skills category (ISCO 08)		Providers			
				Training institutions			Govt. Ministries & agencies, SOEs etc
				Public	Church/Private	Regional	
10	Doctoral	1/2	Managers Professionals			University of the South Pacific	
9	Masters						
8	PG Dip/Cert/Hons						
7	Degree, Grad. Dip/Cert.						
6	Advanced Diploma	3	Technicians Associate Professionals	Vanuatu Institute of Technology Vanuatu College of Nursing Vanuatu Maritime College Vanuatu Agriculture College	Church-based providers	APTC	-
5	Diploma					APTC University of the South Pacific	Apprenticeships and other structured training delivery arrangements
4/3	Certificate Level 4	4	Skilled trades				
		5	Skilled clerical				
		6	Skilled agricultural, forestry and fishery workers				
		7	Craft and related trades workers				
2/1	Certificate Level 2	4	Clerical support workers			University of the South Pacific	On-the-job training Short course training
			Service and sales workers				
		8	Plant and machine operators Assemblers				
N/A	Basic manual	9	Elementary occupations		Rural training centres		Department of Cooperatives and private industry coaches (through the TVET Centres)
N/A	Foundation and enabling programs	N/A					

	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
	no training provided at this level

For the purposes of this study, the TVET sector in Vanuatu 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	PQF 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) — Vanuatu Institute of Technology (VIT) under the Ministry of Education (MoE) — Vanuatu Agriculture College (VAC) under the Ministry of Agriculture, Quarantine, Forestry and Fisheries — Vanuatu Maritime College (VMC) under Ministry of Infrastructure and Public Works Utilities — Vanuatu College of Nursing Education (VCNE) under Ministry of Health b. Rural Training Centres/ Church provider(s) — Vanuatu Rural Development and Training Centres Association (VRDTCA) and 30-40 Rural Training Centres (RTCs) c. Regional provider(s) — Australia-Pacific Technical College (APTC) — University of the South Pacific (USP) Emalus Campus d. Other structured training provider(s) — Other Vanuatu Government Depts. – Department of Cooperatives — Employers in SOEs and the corporate sector e. Public and private enterprise(s)
TVET regulation, system	a. Vanuatu Qualifications Authority (formerly the Vanuatu National Training Council) b. Department of Education and Training

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 research brief:

- Vanuatu Institute of Teacher Education (VITE);
- Vanuatu Police Training College;
- Tourism Office; and
- Medical and Nurse Education with the exception of Vanuatu College of Nursing Education (VCNE).

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 fields and sub-fields set out in Table 2.3.

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 Economic Management (MFEM) - Targeted ODA grants (DFAT, 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 – e.g. 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

2.3 AVAILABLE INFORMATION SOURCES²

The team initially conducted an extensive review of these data that are currently available for Vanuatu. This review included desk analysis and discussion with key organisations during the facilitation visit to Vanuatu 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.

² A full list of all documents and web-based material cited is contained in Annex 5.

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	- 2006: Govt of Vanuatu: <i>Priorities Action Agenda 2006-2015 – An Educated, Healthy and Wealthy Vanuatu</i> (Port Vila, 2006) - 2006: Ministry of Education, Govt. of Vanuatu, Education Sector Strategy 2007- 2016 (Port Vila, December 2006) - 2010: Ministry of Education, Govt of Vanuatu, Vanuatu National Curriculum Statement (Port Vila); - 2010: MYDST, Govt. of Vanuatu, Vanuatu TVET Policy 2010-2011 (Port Vila); - 2010: Vanuatu National Training Council, Vanuatu Quality Training Framework – Conditions and Standards – Registration as a Training Provider (Port Vila); - 2010: Vanuatu National Training Council, Vanuatu Quality Training Framework – Conditions and Standards – Policy and Procedure Guidelines (Port Vila); - 2010: MYDST, Govt. of Vanuatu, National Youth Employment Plan (Draft) 2010 – 2013 (Port Vila); - 2011: MYDST, Govt. of Vanuatu, Vanuatu National Skills Development Strategy (Draft) for Development Committee of Officials (Port Vila, December 2011) - 2011: Ministry of Infrastructure and Public Works Utilities, Govt. of Vanuatu, 2011-2013 Corporate and Business Plan, (Port Vila) - 2012: Vanuatu Institute of Technology, Five Year Strategic Plan 2012-2016 (Port Vila); - 2012: Vanuatu National Statistics Office, Youth Monograph - Young People in Vanuatu, (Port Vila, August 2012)
	Government Budget Documents	Ministry of Finance and Economic Management (MFEM) - MFEM Budget Papers 2009-2013 - MFEM: ODA Fund Report (Port Vila, 31 August, 2012)
	Department of Statistics	- 2006: MFEM, Vanuatu National Statistics Office, Household Income and Expenditure Survey (Port Vila) - 2009: MFEM, Vanuatu National Statistics Office, National Census (Port Vila)
	Ministry of Finance and Economic Management	- 2010:MFEM, Vanuatu National Statistics Office, Household Income and Expenditure Survey (Port Vila) - 2102: MFEM, Vanuatu National Statistics Office, Youth Monograph – Young People in Vanuatu (Port Vila)
	Annual Reports	- Ministry of Education Annual Reports
	Commissioned reports	- 2010: NZAID, Social Audit Summary Report – Rural Training Centres (Port Vila, November 2010) - 2011: Yiu Hing, Jeanette: Costing Nursing Education – A Cost Analysis for Attending Nursing Education at the Vanuatu College of Nursing Education (Ministry of Health, Port Vila, April 2011)
Published and unpublished documents of development partners		- 2001: Jowitt, Anita: Unemployment in Vanuatu, published in the Development Bulletin, No.56, October 2001 (Australian National University, Canberra) - 2006: Balan, Mihaela & Monro, Claudine: Analysis of Tracer Study of VIT Graduates –TVET Sector Strengthening Program, (AusAID, Canberra August 2006) - 2008: Delegation of the European Union and Aid Coordination and Negotiation Unit (NAO) of the Department of Strategic Policy, Planning and Aid Coordination: 2008 Joint Annual Report (Port Vila) - 2008: AusAID: Phase 2 Design of the TVET Sector Strengthening Program (Canberra, 2008) - 2011: Grinsted, Dr Martin, Mapping Study of TVET in Pacific ACP Countries, (Secretariat of the Pacific Community, Suva, August 2011); - 2011: Hind, Ian: Vanuatu Labour Market Analysis – Background paper to the National Skills Development Strategy (AusAID, Canberra, 2011) - 2012: Tan, Hong W: Did TVET Improve Household Incomes in Rural Vanuatu? (AusAID TVET Strengthening Program, June 2012)

2.4 REVIEW OF SECONDARY SOURCE MATERIAL

Prior to data collection in the field, the research team conducted a review and desk analysis of data available for Vanuatu, typically from sources such as multilateral and bilateral development organisations, for example the World Bank, the Asian Development Bank (ADB), and the European Union and several of the United Nations agencies – UNICEF, UNESCO, ILO, UNDP and the Government of Vanuatu (GoV) itself. The main purpose of this initial review was to minimise the data burden on TVET stakeholders in Vanuatu by making use of existing data and confining any new data collections to filling data gaps.

Nonetheless, the review revealed that the amount of accessible and pertinent data held by these organisations on Vanuatu, and by the GoV was relatively limited. Furthermore, significant portions of what data were published were some years out-of-date. The data also tended to be at a fairly general level, and there were a number of gaps and inconsistencies. The main gaps in regard to financial data related to: government-funded actual expenditures as opposed to budgeted expenditures; financial data at the TVET provider level especially in regard to identifying the unit costs of provision of different types of programs; and the extent and resourcing of enterprise-based training.

Table 2.5 summarises the available pre-existing source material on TVET in Vanuatu that was available to support the fieldwork. The summary refers to the availability of data in terms of the study's particular needs and focus on TVET financing. It does not relate to other aspects of the information included in the documents concerned.

2.4.1. Financial information in the non-government TVET sector

Importantly, very little information for Vanuatu was either available or collected from the non-government sector – primarily comprising of the rural training centres and other private training colleges. Some information is available from the Vanuatu Rural Development and Training Centres Association (VRDTCA) on student activity (e.g. enrolments and graduations) but little to no financial information seemed to be either available or collected to assist with addressing the research brief.

Table 2.5 Summary of pre-existing source material on TVET for the fieldwork

	Public training providers				Private training providers		Regional providers		Enter- prise- based training	Vanuatu National Training Council
	Vanuatu Institute of Technol- ogy	Maritime College	College of Nursing	College of Agricul- ture	Rural training centres	Other private colleges	APTC	USP		
Government budget allocation										
Revenue						N/A				
Development						N/A	N/A			
Capital						N/A				
Other revenue sources										
Australian govt. direct support	N/A	N/A	N/A	N/A	N/A	N/A			N/A	
Other ODA direct support	N/A	N/A	N/A	N/A		N/A	N/A		N/A	N/A
Student fees									N/A	N/A
Sale or products/services					N/A				N/A	
Industry contributions	N/A		N/A		N/A				N/A	
Other funding sources									N/A	
Actual expenditure										
Personnel										
Other recurrent									N/A	
Development										
Capital										
Student assistance schemes									N/A	N/A

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

2.5 APPROACH TO FILLING THE INFORMATION GAPS

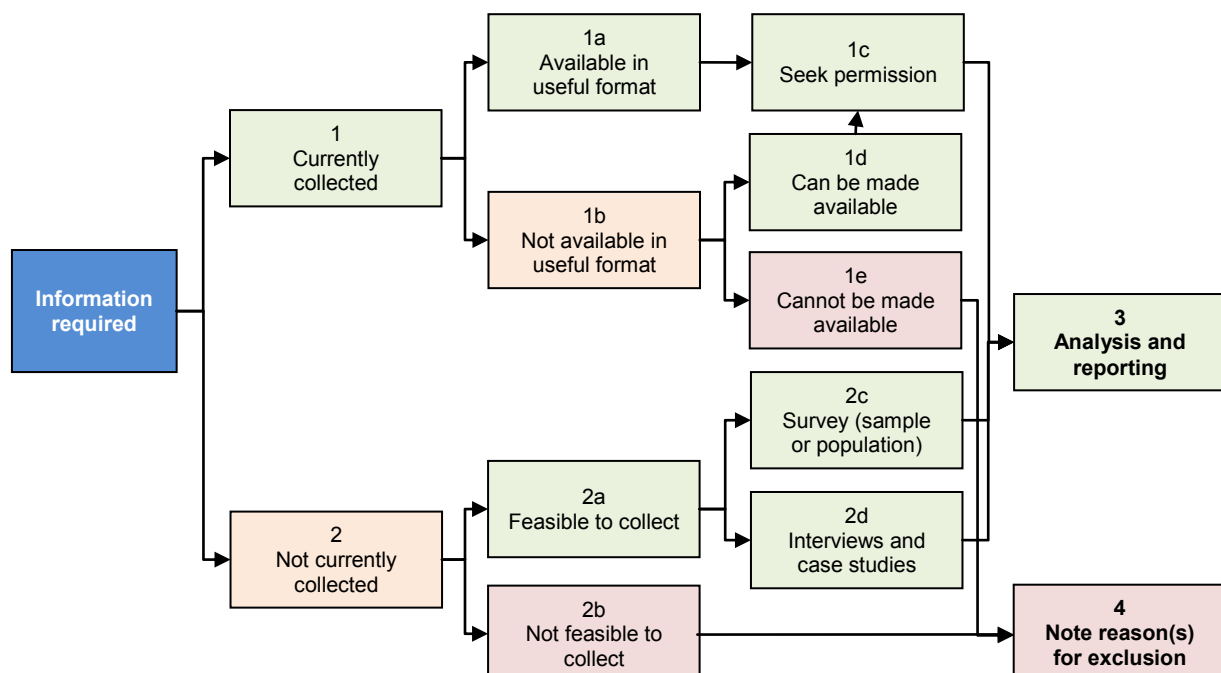
The approach taken by the study team to filling in the information gaps is outlined in Figure 2.1. In summary:

- a) The team sought to directly elicit information from TVET providers about their courses, students and staffing and about their finances. In particular, it approached the four major public TVET providers, private providers including the Vanuatu Rural Development and Training Centres Association (VRDTCA), the Vanuatu TVET Sector Strengthening Program funded by Australia, USP's Emalus Campus in Port Vila, and APTC through its central office in Nadi, Fiji.

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 included in Annex 4. 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. The instrument is included in Annex 4.
- 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 as clear an understanding of the TVET sector, how it is conducted and resourced, as possible. 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 in Annex 2.

Figure 2.1 Approach to data collection



2.6 INDICATIVE QUALITY OF THE INFORMATION COLLECTED

The research team pieced together, as well as collected, 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

	Public training providers				Private training providers		Regional providers		Enter- prise- based training	Vanuatu National Training Council
	Vanuatu Institute of Technol- ogy	Maritime College	College of Nursing	College of Agric.	Rural training centres	Other private colleges	APTC	USP		
Program descriptions										
Course levels										
Fees and student assistance									N/A	
Duration in student contact hours										
Student numbers										
Enrolments										
Graduates										
Student/trainee training hours										
Student outcomes									N/A	
Staffing										
Staff numbers and categories									N/A	
Teaching loads									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

PART II: COUNTRY BACKGROUND

CHAPTER 3. COUNTRY BACKGROUND

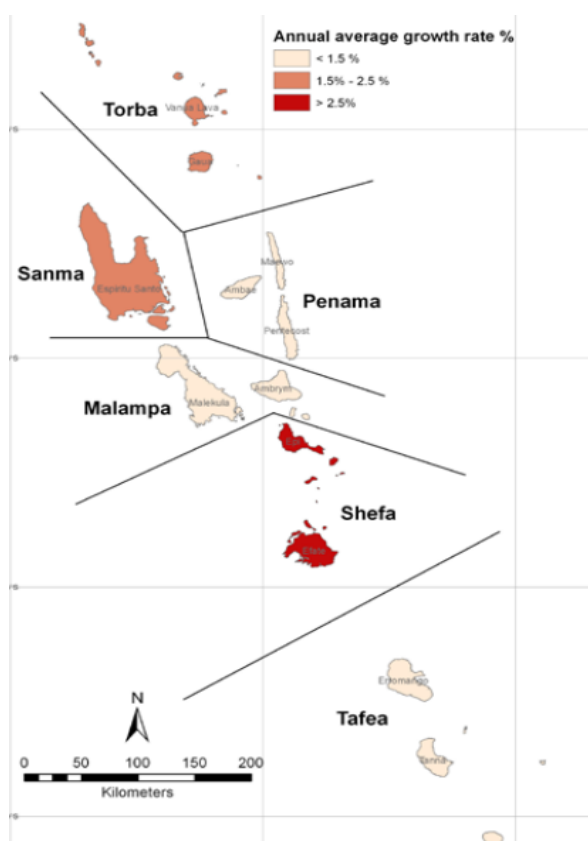
The Ni-Vanuatu Vatu is the currency of Vanuatu. The currency is expressed by the symbol VT in this report. The financial (fiscal) year in Vanuatu runs from 1 January to 31 December.

3.1 GEOGRAPHY AND CLIMATE

Vanuatu is an archipelago of 83 islands, of which 65 are inhabited, stretching north to south over 1000kms (see Figure 3.1). In total, the land mass is around 12,200 kms² of which it is estimated only 10 percent is suitable for agriculture (7.4 percent is used for permanent crops and 2.5 percent is arable land). The largest island is Espiritu Santo, location of the second largest city Luganville; the largest city is the capital Port Vila on Efate Island. Fourteen of Vanuatu's islands have a surface area exceeding 100 kms².

The climate ranges from sub-tropical/tropical in the southern islands to tropical in those in the north. The main natural resources are fish, manganese and hardwood forests. In terms of agricultural produce, Vanuatu has significant small-holder fruit and vegetable production (although predominantly for local consumption) and an expanding organic beef cattle industry that exports to New Caledonia and Australia. Food security is not a major issue but a majority of the population does not have access to reliable supplies of potable water.

Figure 3.1 Map of Vanuatu



Source: Vanuatu National Statistics Office (2009)

Generally, freshwater is becoming increasingly scarce and many upland watersheds are being deforested and degraded. In a number of areas an invasive species of vine has proliferated to such an extent that it has killed off a lot of the inland native vegetation as well as threatening arable land.

Nevertheless, relative to a number of other Pacific countries, Vanuatu has a number of advantages in terms of agricultural potential. The comprehensive study *Skilling the Pacific* by Johanson et al (2008) classified countries in the region into three groups, and included Vanuatu in Group 1³:

Group 1: land rich, low income countries, with low social and economic indexes but positive agricultural potential (e.g. PNG, Solomon Islands and Vanuatu)

Group 2: small, vulnerable island states, with severe economic constraints, few economic prospects and issues of sustainability (e.g. Kiribati)

Group 3: 'advanced' island states, with relatively good prospects for tourism, remittances from abroad and emigration (e.g. Fiji, Samoa and Tonga).

³ Richard Johanson et al, *Skilling the Pacific – technical and vocational education and training in the Pacific*, ADB 2008, Chapter 1.

While some aspects of Vanuatu's geography can be seen as potentially advantageous from an economic perspective - for example it's fertile coastal lands, significant natural resources, and a generally unspoilt environment conducive to eco-tourism, at the same time it presents a number of constraints to development. The country's islands are widely scattered, which makes access time-consuming and relatively costly. The lack of proximity to major shipping routes means that the transportation costs for imports and exports are high. In addition, Vanuatu is highly susceptible to cyclones between November and April each year and because of its position within the Pacific "ring of fire" it is also susceptible to earthquakes and potential tsunamis.

3.2 RELIGION AND CULTURE

In the 2009 national census, the majority of ni-Vanuatu declared they adhered to Christianity and practised their religion under a range of various denominations, predominantly Protestant (76% of the total population).

The largest denominations are Presbyterians (28%) and Anglicans (18%), with the rest a mix of Seventh Day Adventists, Church of Christ, Catholic and other groups. Culturally, the country is Melanesian with a rich tradition of customary ritual, beliefs and art but underneath this broad 'umbrella' there are well over 100 different vernacular languages spoken, and each linguistic group has its own unique set of customs, totems and artwork. According to the Constitution, Bislama, English and French are the official languages; Bislama is the national language.

3.3 DEMOGRAPHY

The latest Census count in Vanuatu estimated the population at 234,023 – the most recent count at 2012 is 256,155 (CIA WorldFactBook, 2013), with a natural rate of increase of 2.27 percent (GoV, 2010). Table 3.1 provides a summary of key demographic indicators from the 2009 Census. This shows that around almost three-quarters of the population is based in rural areas and this does not vary by gender. The share of the population under 15 years is 38.9 percent across Vanuatu, 41.2 percent in rural areas and 31.6 percent in urban areas. The median age is higher in urban areas (22.8) than in rural areas (19.5).

Table 3.1 Summary of demographic indicators, Vanuatu 2009 Census

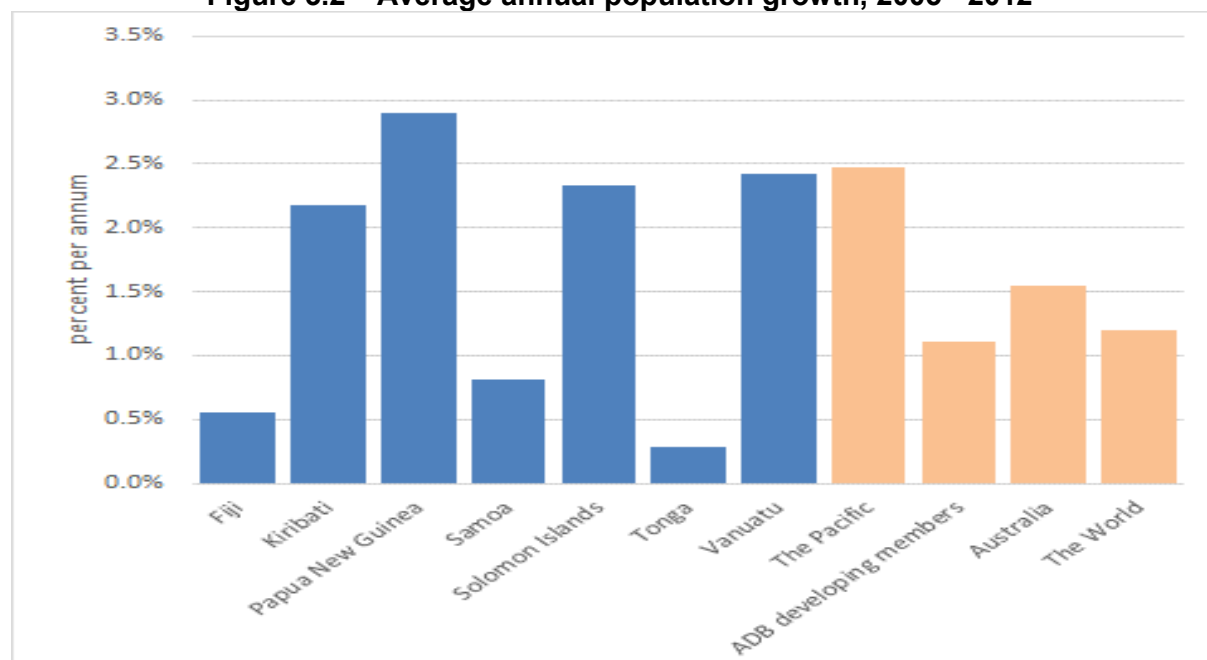
	Vanuatu	Urban	Rural	Urban	Rural
		No.	No.	%	%
Total population	234,023	57,207	176,816	24.4	75.6
<i>Males</i>	119,090	29,624	89,466	24.9	75.1
<i>Females</i>	114,933	27,583	87,350	24.0	76.0
Average annual pop. growth rate	2.3	3.6	1.9		
Number of children (<15 years)	90,973	18,069	72,904	19.9	80.1
Youth population (15-24 years)	45,423	13,648	31,775	30.0	70.0
Population aged 25-59 years	83,821	23,386	60,435	27.9	72.1
Older population (60 years and older)	13,806	2,104	11,702	15.2	84.8
Median age	20.5	22.8	19.5		
Sex ratio	104	107	102		

Source: VNSO, Census of Population and Housing, 2009

As Figure 3.2 shows, the population in Vanuatu was one of the fastest growing among the participating countries between 2005 and 2012, and grew at well above world average rates. Almost all of Vanuatu's population growth is from natural increase in 2012 migrants constituted only 1.3% of the population (UNDP, 2013). The high rate of population growth

means that relatively large numbers of young people are looking for education, training and job opportunities.

Figure 3.2 Average annual population growth, 2005 - 2012



Source: ADB Key Indicators for Asia and the Pacific, 2013 Table 1.1
www.adb.org/statistics

3.4 GOVERNMENT AND ADMINISTRATION

Vanuatu is a representative parliamentary democracy with a constitution based on a tripartite separation of powers between the Executive, the Judiciary and the Legislature. As a republic, it has both an elected President (the Head of the Republic) and an elected Prime Minister (the Head of Government). The President is in the main a ceremonial position; elected every 5 years by a two-thirds majority of an electoral college comprised of members of parliament and presidents of Regional Councils. The Prime Minister is elected by an absolute majority of the members of Parliament. The Parliament is unicameral and operates in close alignment to the Westminster system.

Executive power in the country resides with the Prime Minister and the Council of Ministers who are appointed by the Prime Minister and who cannot exceed 25 percent of the total number of elected members of parliament. The Parliament comprises 52 members representing 17 multi-seat constituencies and is elected for a 4 year term. There are at least 34 political parties with no single party holding a majority of the seats, with the result that power is exercised through majorities created in the Parliament by both informal alliances and formal coalitions between independents and parties. The composition of government and the Ministerial structure change relatively frequently.

Although parties and individuals have changed, a complex mix of a few broad-based and numerous 'single-issue' parties has more or less characterised Vanuatu politics and government since the country achieved independence in 1980, following the joint condominium administration of France and Britain established in 1906. Another dimension of Vanuatu politics, which has prevailed throughout the post-independence period, has been the linguistic divide between Francophones and Anglophones.

This fragmentation of politics in Vanuatu and the frequent waxing and waning of allegiances within expedient and often short-term alliances has contributed to a degree of instability in

government that has made longer term development strategies and the formulation of supporting policy a significant challenge.

Vanuatu is a member of the Commonwealth, and of the Francophone. The country joined the World Trade Organisation in 2012. Vanuatu plays an active role in the Pacific region through the Pacific Islands Forum and the Secretariat of the Pacific Community (SPC).

Administratively, Vanuatu is divided into six provinces – Malampa, Penama, Sanma, Shefa, Tafea, and Torba (with the names of each province being an acronym of the principal islands). Provinces are autonomous units, with their own popularly-elected provincial governments known officially as provincial councils. They collect local taxes and make by-laws in local matters like tourism, the provincial budget or the provision of some basic services. They are headed by a chairman elected from among the members of the local parliaments and assisted by a secretary appointed by the Public Service Commission. Their executive arm consists of a provincial government headed by an executive officer who is appointed by the Prime Minister with the advice of the minister of local government.

The provincial government is usually formed by the party that has the majority in the provincial council and, like the national government, is advised in Ni-Vanuatu culture and language by the local council of chiefs. The provinces are divided into council areas or municipalities in urban areas.

Strategic priorities are detailed in the document *Priorities and Action Agenda 2006-2015* (GoV, 2006a). These priorities include: private sector development and employment creation; macroeconomic stability and equitable growth; primary sector development and education and human resource development. The plans focus on enhancing the two key sectors of primary production and tourism and stress the need for future economic growth led by the private sector (ADB, 2007). As is discussed later, economic development at provincial level, and the decentralised provision of skills training, have been major emphases of TVET initiatives in Vanuatu.

3.4.1 Ministries responsible for education and training

The Ministry of Education and Training (MoET)⁴ is governed through parliamentary regulations including:

- Education Act of 2014
- Education Regulation Order No: 44 of 2005
- Teaching Service Commission Act of 1983, revised in 2013
- Vanuatu Institute of Technology Act No: 24 of 2001
- Vanuatu Institute of Teacher Education Act No: 25 of 2001
- Vanuatu Qualifications Authority Act (2013)

The 2012 Public Expenditure Review (GoV, 2012)) conducted on the education sector in Vanuatu provides some valuable information and analyses on the broader context of budget preparation in the MoE and other line agencies. The PER suggests that there are key weaknesses of public expenditure management contributing to poor outcomes from GoV spending on the education sector (p.7) to the extent that:

4. In 2014 the MoET was formed from the Ministry of Education and parts of the Ministry for Youth Development, Sports and Training, including the office formerly responsible for TVET. Following the 2014 restructure, TVET is the responsibility of a division within the MoET.

- The GoV is trying to do too much relative to current and prospective funding availability.
- In the absence of systematic GoV consideration of its education sector expenditure priorities GoV recurrent budget allocations are typically determined on the basis of 'last year's budget plus or minus a small amount'. Serious debate concerning expenditure priorities is confined to the allocation of development partner funding.
- It appears that decisions and instructions from a political level pay scant regard to either stated policy priorities or funding availability.
- Legislated requirements (and regulations/instructions pursuant to legislation) in relation to financial reporting on public expenditure at the level of Ministries, Provinces and schools are persistently ignored by most players at most levels. Consequently the GoV, the Parliament and communities at large have very little basis for assessing how public expenditure has actually been spent.

In terms of the relationship between strategic objectives and budgeting, the Public Expenditure Review (GoV, 2012) noted that:

The policy statements present no cost estimates of the public resources needed to achieve their goals or even the interim objectives they specify. Related to this, there is a complete disconnect between the formulation and articulation of strategic objectives and priorities for the sector on the one hand and the setting of annual (let alone medium-term) budgets for the sector on the other. Insofar as expenditure priorities for the education sector are debated they appear to be debated almost exclusively in the context of discussions between the GoV and its development partners regarding future amounts and allocations of development partner funding. (p.19)

[The Ministry of Finance and Economic Management] MFEM does undertake systematic analyses of education spending relative to budgets and these are to be commended. However, the MFEM analysis is almost exclusively framed in terms of expenditure control at an aggregate or program level. Debate within the GoV as to spending priorities for GoV funding (as distinct from development partner funding) of the education sector does not appear to occur in any systematic way. (p.19)

Table 3.2, sourced from the Public Expenditure Review (GoV, 2012), summarises the budget planning and financial management responsibilities of government in Vanuatu in relation to education in Vanuatu.

Table 3.2 Budget planning and financial management responsibilities

Budget planning	Line Ministries are responsible for: • Preparation of annual budget submissions including proposed budget allocations within recurrent budget expenditure ceilings and new policy proposals for additional funding. • Budget allocations to programs and cost centres consistent with the aggregate budget ceilings determined by the Ministerial Budget Committee. • Negotiation and agreement with development partners, in consultation with the MFEM and the Prime Minister's Office (PMO), of Development Partner funding contributions for the year ahead and the development activities this funding is to support. MFEM is responsible for: • Management of the GoV's annual budget process including advice to the Ministerial Budget Committee on agency budget submissions, new policy proposals and the setting of aggregate agency expenditure ceilings. • Participation with Line Ministries and the PMO in consultations with development partners regarding development funding for the year ahead. The PMO, together with Line Ministries and MFEM, is responsible for advice to the Ministerial Budget Committee and the Council of Ministers on expenditure priorities and constraints. The Ministerial Budget Committee and, subsequently, the Council of Ministers, are responsible for approval of the annual budget estimates, including those for development partner funding insofar as these are channelled through the GoV Development Fund, and submission of these estimates to the National Parliament for appropriation.
Budget execution	MFEM is responsible for: • The issue to Line Ministries of authorities for their expenditures based on estimates of within-year cash flow requirements. • Within-year expenditure monitoring and consideration of requests for supplementary budgets. • Based on payroll lists provided by Line Ministries, payment of the GoV payroll (including teachers' salaries). • Based on Local Purchase Orders provided by Line Ministries, payments to other suppliers of goods and services (including the payment of school grants). Line Ministries are responsible for: • Management of their expenditure ceilings within approved limits. • Internal monitoring of expenditures against budgets for this purpose. • The maintenance of accurate payroll data. • The authorisation of, and accountability for, Local Purchase Orders. • In consultation with development partners, the authorisation and monitoring of annual development partner funding channelled through the GoV Development Fund. The National Tenders Board is responsible for consideration and approval of tenders and contracts for the purchase of goods or services in excess of the tender threshold (VT5 million or more).
Financial reporting	MFEM is responsible for the preparation of the GoV's annual financial statements. Line Ministries (including their off-budget agencies) are responsible for the preparation of annual financial statements in respect of the funding they have received. Individual schools are responsible for the preparation of annual financial statements of the resources under their control in accordance with the provisions of the MoE Schools Financial Management Manual.
Audit	Internal Audit: Line Ministries External Audit: The Vanuatu National Audit Office (but see Note). Development partners typically reserve the right to appoint, and have appointed, independent external auditors in respect of their funding contributions.

Source: Public Expenditure Review, Government of Vanuatu, 2012

3.5 EDUCATION

Vanuatu inherited a dual Anglo-Francophone education system at independence, heavily biased in favour of academic subjects and run almost exclusively by churches and religious organizations. The government has assumed the main responsibility for staffing the formal school system and providing tertiary-level technical training, but the provision of non-formal education and training in Vanuatu is mainly the responsibility of non-government organisations and the private sector (ADB, 2007).

There are four levels of education in Vanuatu:

- Early Childhood Care and Education is defined as education programs for children before they enter Year 1 at age 6 years. There are around 560 Early Childhood Care and Education centres.
- Primary Education is defined as consisting of Years 1-6, the official enrolment age for Year 1 being age 6 years. There are around 430 primary schools.
- Secondary Education consists of Years 7 to 13 (Anglophone) and 14 (Francophone), covering official enrolment ages of 12 to 18/19. The Secondary sub-sector is further divided into Junior Secondary (Years 7 to 10) and Senior Secondary (Years 11 to 13/14). There are around 90 secondary schools.
- Post-secondary education and training, technical and vocational education and training (TVET), distance education and tertiary education.

There are also a range of national education services such as teacher training, curriculum development, administration of examinations and the national scholarships unit.

The Vanuatu education sector objectives and priorities are directed by the following strategies and plans:

- Vanuatu Education Sector Strategy 'VESS' 2007-2016;
- Corporate Plan 2014-2016;
- Priorities and Action Agenda 2006–2015;
- Planning Long Acting Short: Policy priorities for 2009-2012;
- Vanuatu Education Road Map 'VERM' (December 2009);
- Inclusive Education Policy and Strategic Plan 2010-2020 (2009); and
- Vanuatu Technical Vocational Education and Training (TVET) Policy (March 2011).

The structure of the education system in Vanuatu is summarised in Table 3.3.

Table 3.3 Education structure, Vanuatu

VQF level		TVET Qualification	Apprenticeship	Trade testing
VQF 8	Senior secondary	Advanced Diploma	Employment-based training over 2 years, with institutional assessment	Advanced Intermediate level
VQF 7		Diploma		
VQF 6		Higher Vocational Certificate III (Yr 14)		
VQF 5		Higher Vocational Certificate II (Yr 13)		
VQF 4		Higher Vocational Certificate I (Yr 12)		
VQF 3	Junior secondary	Vocational Foundation Certificate (Year 11)	Institution-based training	Entry level
VQF 2		Vocational Community Certificate – Level 2		
VQF 1		Vocational Community Certificate – Level 1		
		Years 8-10		
	Primary	Years 1-7		
	ECE	Children aged 4-5 years		

Source: VNTC (2005) Vanuatu Qualifications Framework – levels and pathways

3.5.1 Primary and secondary education

The education sector is confronted by the unique challenges of the country, including the physical constraints of schools scattered over more than 60 islands and often in remote locations, diverse linguistic backgrounds, and the resource implications of a bilingual language education policy (Gibert & Morris, 2010).

There is compulsory school attendance for 7 years from the age of 6. Rates of school attendance and adult literacy levels are considered to be among the lowest in the Pacific region (Gibert and Morris, 2010).

In theory, primary education is both free and compulsory. However, parents and community organisations contribute significant amounts to the sustainability of schools in Vanuatu⁵. Secondary schools charge fees for tuition, boarding, textbooks and other services and materials.

The 2010 Household Income and Expenditure Survey results estimate that the total monthly expenditure by Vanuatu households on all forms of education items at some VT114 million a month (around VT1.4 billion in 2010). In addition to general taxation, households contribute directly and substantially to funding of the education sector as a whole (GoV, 2012).

⁵ A school grants scheme was established in 2010 to provide fee-relief and increase access to primary education. Through this scheme, funds are provided directly to all Government and Government-assisted schools in Vanuatu (representing 95% of all schools). Development partners supplement the Government's contribution to school grants, with the government contribution increasing every year by 25% since 2010. Development partner funds are transferred to the Government's accounting system, pooled with Government funds and then disbursed direct to school bank accounts. The funds are managed by schools rather than the Ministry of Education. School grants are being used to pay salaries of teacher assistants and fund stationery, basic equipment, school maintenance and furniture. (UNESCO, ESP Design Document, 2012)

The *Priorities and Action Agenda for Vanuatu (PAA), 2006-2015* released through the Office of the Prime Minister strives to coordinate the efforts of all government ministries and departments by focusing on the challenges, objectives and performance indicators of each sector. Some of the challenges faced by the education sector in Vanuatu are scattered, small communities, the lack of reliable transportation infrastructure, and the bilingual system of education – the combination of which make education costs very high (VIT, 2012, p.7). The PAA also states that the quality and accessibility of tertiary education for both Anglophone and Francophone needs to be improved, while promoting gender equality.

There has been a significant amount of effort and resources, supported by donor agencies, put into improving information systems in the schools sector. However, there do remain gaps in terms of understanding the rate of transition into post-secondary education and training. However, it is possible from the available MoE data, Census and HIES data to discern some broader issues which impinge on the financing of the sector, for example from Table 3.4 it can be seen that:

- The secondary completion rate (Years 7-13) is around 11-12 percent but increasing;
- The secondary completion rate (Years 7-10) is around 48-49 percent and increasing markedly; and
- The transition from Year 10 to 11 is stable at around 80 percent and from Year 12 to 13 has increased significantly since 2006 from around 9 percent to 28 percent in 2010.

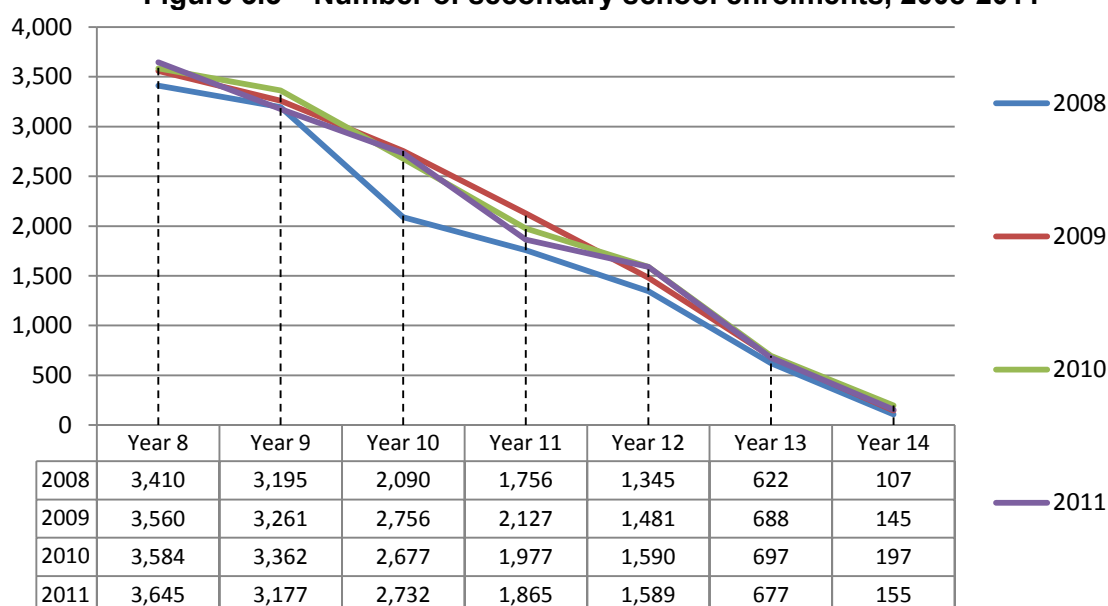
Table 3.4 Completion and transition rates in secondary education, 2006 – 2010 (%)

	2006	2007	2008	2009	2010
Secondary Completion rate, Year 7-13	9.4	9.5	11.7	12.6	12.6
Secondary Completion rate, Year 7-10	35.5	36.6	37.2	49.6	48.6
Transition rate from year 10 to 11	79.6	74.0	76.6	69.6	80.4
Transition rate from year 12 to 13	8.7	13.7	17.2	21.1	28.3

Source: Ministry of Education (VEMIS)

Figure 3.3 shows the sharp drop-off in enrolments with each year of secondary schooling. This means that the pool of students with entry requirements needed for post-secondary studies and scholarships are only a small proportion of those who commenced secondary education.

Figure 3.3 Number of secondary school enrolments, 2008-2011



Source: MoE, VEMIS, 2011.

3.5.2 Post-secondary education and training

Prior to Vanuatu's political independence in 1980, most of Vanuatu's formal academic and technical institutions were established and run by either the British and French Administrators (Vanuatu was a former Condominium of Britain and France from 1906-1980) and established Churches such as Presbyterian, Catholic, Anglican, Seventh Day Adventist and Churches of Christ. While Vanuatu concentrated on developing the formal academic bi-lingual (Anglophone and Francophone) mode of education, it was the communities, churches and other members of civil society which were left to cater for up-skilling of the majority of those who could not find a place or could not afford to continue in formal education. The exception was the government-funded INTV (now Vanuatu Institute of Technology).

Post-secondary education is a relatively small part of the education sector in Vanuatu with about 5 percent of students making the transition from secondary school. The underrepresentation of women is particularly marked in both TVET and university study.

The Vanuatu Institute of Technology is a key TVET provider in Vanuatu for the formal sector. Other major state-run TVET agencies include: the Vanuatu Agricultural College (VAC), the Vanuatu Maritime College (VMC), the Vanuatu College of Nursing Education, the Vanuatu Institute of Teacher Education (Institut de Formation des Enseignants de Vanuatu), the Agence Universitaire Francophone and the Tagabe Agricultural School.

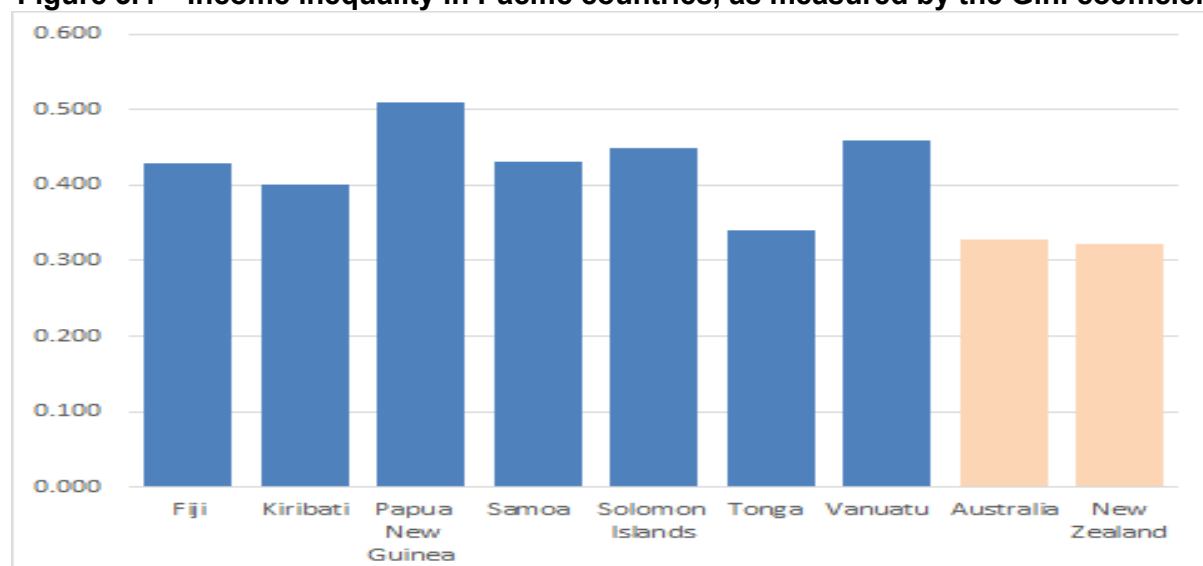
Non-government agencies are largely responsible for the provision of TVET in rural areas. The Rural Training Centres (RTC) network consists of approximately 40 local centres run by private individuals, church groups and community organisations. The RTCs work under the umbrella of the Vanuatu Rural Development and Training Centres Association (VRDTCA) and are independent of the Vanuatu government. A number of NGOs are also active in providing informal training in the areas of community, rural and women's development.

As detailed in Chapter 4, the regional organisation Australia-Pacific Technical College (APTC) is a major provider of TVET in Vanuatu.

The largest single provider of degree-level education in Vanuatu is the University of the South Pacific. The USP has a campus in Port Vila that houses the Law School and three smaller centres elsewhere in Vanuatu.

3.6 ECONOMY AND LABOUR FORCE

Vanuatu is considered a lower-middle income developing country; however, 40% of the total population (51% of people in rural areas) have an income below \$1 a day, 16 percent of the population is under the basic needs poverty line and, as Figure 3.4 shows, among the seven participating countries, and relative to Australia and New Zealand, Vanuatu has a relatively high measure of income inequality (also see Gibert and Morris, 2010).

Figure 3.4 Income inequality in Pacific countries, as measured by the Gini coefficient

Note: Fiji 2009; Kiribati 2006; PNG 1999; Samoa 2006; Solomon Islands 2006; Tonga 2001; Vanuatu 2006

Source: ADB Key Indicators for Asia and the Pacific, 2013 Table 1.14

www.adb.org/statistics

As more than three-quarters of the Vanuatu population lives in rural areas and outside the formal, monetised economy, subsistence farming and fishing are the main sources of livelihood. Although agriculture, particularly beef cattle, is an important export industry, Vanuatu's economic growth is driven largely by tourism and construction. Agriculture is the engine of the economy, is fundamental to the traditional and cash economies, and involves all but a small percentage of the population. It is the second largest contributor to GDP, provides commodity exports and meets the subsistence needs of most of the population.

Tourism and tourism-related services sectors (wholesale and retail trade, hotels and restaurants, and transport and communication) account for approximately 40 percent of GDP and one third of people in formal employment. Construction activity is being driven by private-sector retail, residential and a number of donor-funded government construction projects mostly on the island of Efate, particularly in Port Vila (DFAT, 2013).

Vanuatu faces a number of major constraints in its development. It suffers from having a small domestic market with little potential for economies of scale (ADB, 2007). A particular constraint is widely scattered and mountainous island geography. This is associated with poor transport infrastructure which makes it difficult and costly to distribute and market products. Like many of its Pacific neighbours, Vanuatu is also vulnerable to natural disasters such as coastal flooding, river flooding, landslides, tsunamis, volcanic eruptions earthquakes and cyclones.

Table 3.5 shows that although there has been a recent trend of strong economic growth and GDP; however these improvements do not seem to be evenly shared across the population and provinces.

Table 3.5 Economic indicators, 2008–2013

Recent economic indicators	2008	2009	2010	2011	2012	2013
GDP (US\$m) (current prices) (c):	608	610	701	786	783	830
GDP PPP (US\$m) (c)(d):	1,060	1,104	1,137	1,178	1,231	1,305
GDP per capita (US\$):	2,657	2,607	2,928	3,211	3,125	3,239
GDP per capita PPP (US\$) (d):	4,632	4,718	4,751	4,812	4,916	5,094
Real GDP growth (% change) (c):	6.5	3.3	1.6	1.4	2.7	4.3
Current account balance (US\$m):	-57	-19	-35	-49	-52	-52
Current account balance (% GDP):	-9.3	-3.1	-4.9	-6.3	-6.6	-6.3
Goods & services exports (% GDP):	45.3	49.7	46.8	45.0	na	Na
Inflation (% change):	4.2	5.2	2.7	0.7	1.4	1.7

Source: DFAT, 2013

Availability of reliable labour market data is a serious constraint for Vanuatu. No regular labour market statistics are available, although plans are underway to collect more human resource development information. Basic data on employment and unemployment need to be derived from other sources of data not specifically designed to collect labour market information such as the National Census or the Household Income and Expenditure Survey (HIES). A National Skills Development Strategy (drafted in 2011) provides some indications of new data collections to assist Vanuatu with future planning in this area.

In terms of industries of employment, the agriculture, fisheries and subsistence sector is not only important from its overall contribution to GDP (about 20%) but most importantly for foreign exchange earned through export earnings. Copra, coconut oil, beef, cocoa, sawn timber, cowhides, kava and coconut meal together earn about 80 percent of all domestic exports (Statistics Office 2009, ADB 2007). A decline in exports over time from this sector has contributed substantially to the increasing imbalance in trade.

However, with the limited data available it is possible to discern some issues which may impinge on the financing of the TVET system:

- In 2009 of the population 15 years and older, only 3.8 percent (a little over 5,000 persons) held a tertiary level qualification and 1.2 percent (1,580 persons) hold a vocational qualification as their highest level (see Table 3.6 and Figure 3.5);
- Of the population 10 years and older, the main types of employment for those holding a certificate or diploma were to work for pay in government or in private enterprise – with a marked difference between those who hold tertiary qualification and those who do not in terms of type of employment (see Table 3.7 and Figure 3.6);
- Of the population aged 10 years and older, the largest employing industries for those holding a certificate or diploma are public administration and defence (mainly diplomas) and agriculture, forestry and fisheries (certificates and diplomas) (see Table 3.7 and Figure 3.7);
- There are significant differences between the proportion of people with tertiary qualifications in urban and rural areas: 7.7 percent of those in urban areas aged 10 years and over in 2010 compared to 2.3 percent of those in rural areas (VNSO, HIES 2010).
- The main occupations for males with a certificate or diploma level qualification are: teaching professionals; personal care workers; agricultural, forestry and fishery

labourers; personal service workers; and building and related trades workers (see Table 3.8); and

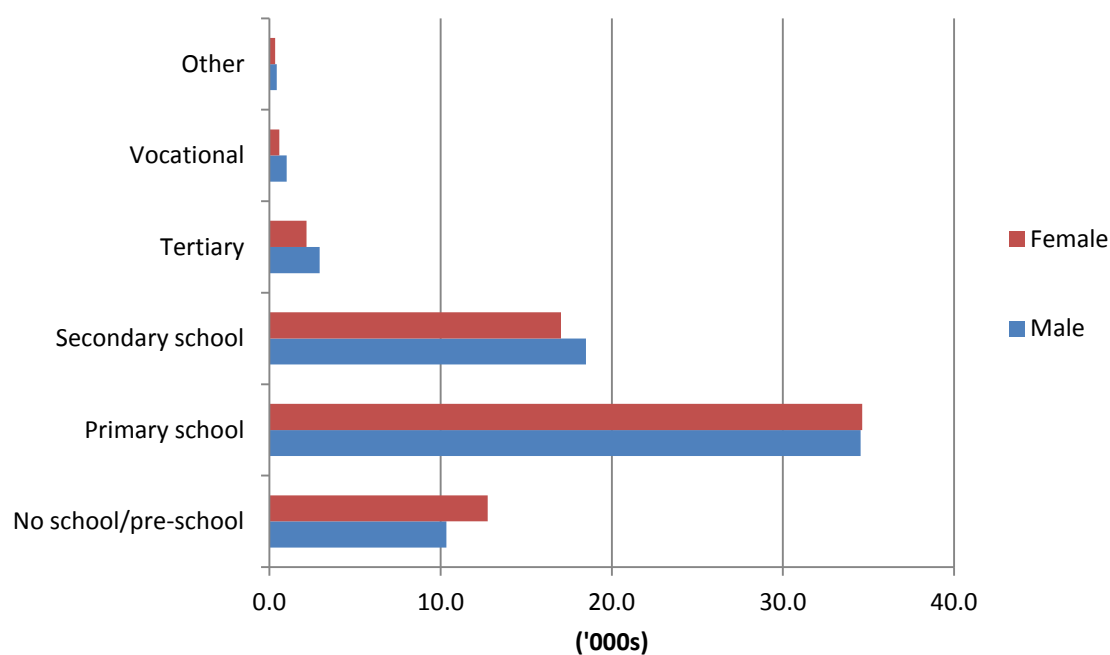
- The main occupations for females with a certificate or diploma level qualification are: teaching professionals; personal care workers; health professionals; customer service clerks; and sales workers (see Table 3.8).

Table 3.6 Population aged 15 years and older by sex and highest level of education completed, 2009

	Total	Male	Female	Total %	Male %	Female %
No school/pre-school	23,083	10,337	12,746	17.1	15.3	18.9
Primary school	69,169	34,545	34,624	51.2	51.0	51.3
Secondary school	35,511	18,488	17,023	26.3	27.3	25.2
Tertiary	5,079	2,924	2,155	3.8	4.3	3.2
Vocational	1,580	1,004	576	1.2	1.5	0.9
Other	754	426	328	0.6	0.6	0.5
Total	135,176	67,724	67,452	100.0	100.0	100.0

Source: VNSO, Census of Population and Housing, 2009

Figure 3.5 Population aged 15 years and older by sex and highest level of education completed, 2009



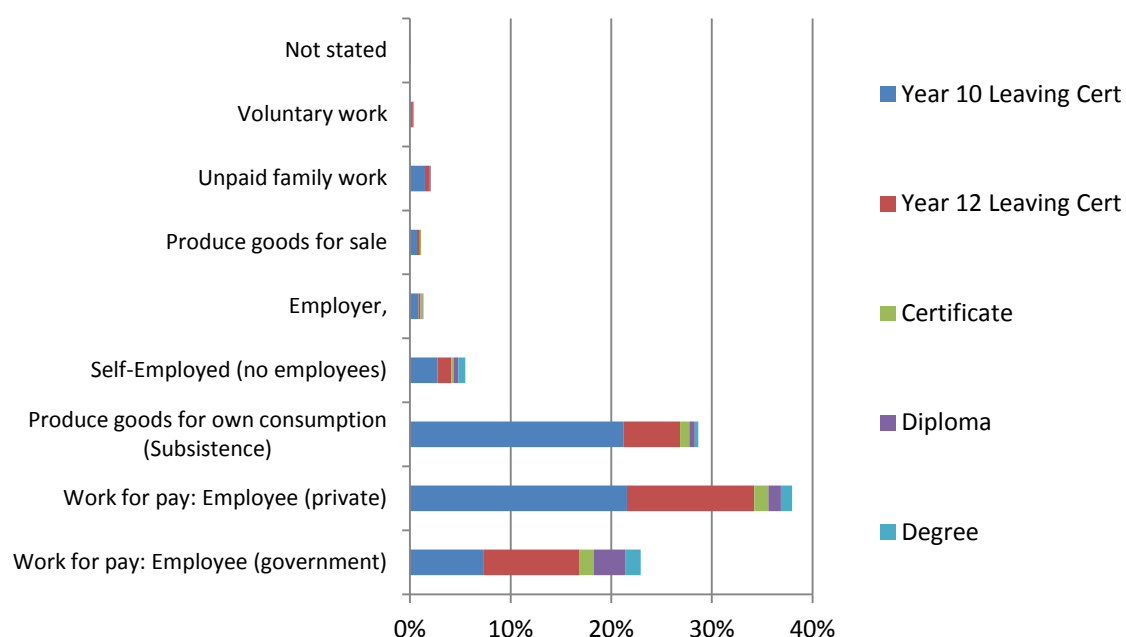
Source: Table 3.6.

Table 3.7 Population aged 10 years and over, selected qualifications by employment type of working persons, 2010 (%)

	Year 10 Leaving Cert	Year 12 Leaving Cert	Certificat e	Diploma	Degree
Employment type					
Work for pay: Employee (private)	21.6	12.6	1.4	1.2	1.1
Produce goods for own consumption (Subsistence)	21.2	5.6	0.9	0.5	0.3
Work for pay: Employee (government)	7.3	9.5	1.4	3.2	1.5
Self-Employed (no employees)	2.7	1.4	0.2	0.5	0.7
Unpaid family work	1.5	0.5	0.0	0.1	0.0
Employer,	0.8	0.2	0.2	0.1	0.0
Produce goods for sale	0.7	0.3	0.1	0.0	0.0
Voluntary work	0.2	0.1	0.1	0.0	0.0
Not stated	0.1	0.0	0.0	0.0	0.0
Total	56.1	30.2	4.3	5.6	3.6
Industry area					
Agriculture, forestry and fishing	24.0	7.9	1.3	1.1	0.7
Public administration and defence; compulsory social security	5.0	6.0	0.9	2.4	0.8
Wholesale and retail trade; repair of motor vehicles and motorcycles	7.7	3.7	0.4	0.3	0.2
Accommodation and food service activities	3.2	1.6	0.2	0.0	0.0
Construction	3.0	1.3	0.3	0.1	0.1
Transportation and storage	2.3	2.0	0.1	0.1	0.3
Administrative and support service activities	2.0	1.6	0.3	0.2	0.1
Activities of households as employers	2.7	1.0	0.1	0.0	0.0
Mining and quarrying	1.3	1.0	0.1	0.2	0.0
Manufacturing	1.3	0.6	0.1	0.2	0.4
Other	3.5	3.4	0.6	0.9	1.0
Total	56.1	30.2	4.3	5.6	3.6

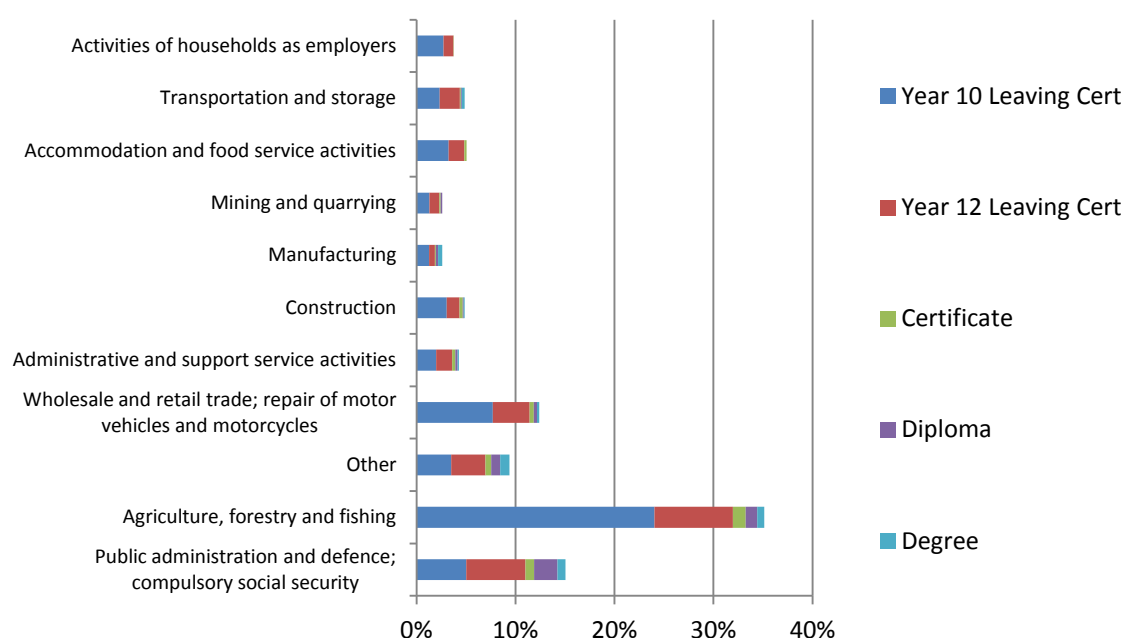
Source: VNSO, HIES 2010

Figure 3.6 Population aged 10 years and over, selected qualifications by employment type of working persons, 2010 HIES (%)



* Sorted by largest numbers holding Certificate or Diploma level qualification
Source: Table 3.7

Figure 3.7 Population aged 10 years and over, selected qualifications by industry area of working persons, 2010 (%)



* Sorted by largest numbers holding Certificate or Diploma level qualification
Source: Table 3.7

Table 3.8 Population aged 10 years and over, selected qualifications by occupation (top 10 by gender), 2010

Gender/Occupation	Certificate	Diploma	Degree	Year 10 Leaving Cert	Year 12 Leaving Cert	Total
Males						
Teaching professionals	52	183	25	76	220	556
Personal care workers		80		30	56	166
Agric., forestry & fishery labourers	54	17		52	47	170
Personal service workers	51	20		294	48	413
Building & related trades workers	34	17	15	420	174	660
General and keyboard clerks	20	21		31	52	124
Protective services workers	17	24	37	347	218	643
Science and engineering associate professionals	37		17	40	31	125
Metal, machinery and related trades workers	17	17		102	73	209
Business and administration associate professionals		31		55	55	141
Other occupations	30	106	189	1,325	935	2,585
Total males	312	516	283	2,772	1,909	5,792
Females						
Teaching professionals	45	51		199	314	609
Personal care workers	20	41	34	88	34	217
Health professionals	11	28		32	45	116
Customer service clerks	17	17		137	145	316
Sales workers	34			489	331	854
Food processing, other craft and related trades workers		34	17	38		89
Market-oriented skilled forestry, fishery and hunting workers		20				20
Administrative and commercial managers	17		17	17		51
Business and administration professionals	17			41	86	144
General and keyboard clerks	17			34	80	131
Other occupations	26	17	116	1,117	599	1,875
Total females	204	208	184	2,192	1,634	4,422
Total	516	724	467	4,964	3,543	10,214

* Certificate, Diploma and degree level

Source: VNSO, HIES 2010

PART III: TVET IN CONTEXT

CHAPTER 4. OVERVIEW OF TVET IN VANUATU

This chapter provides an overview of the strategic framework for TVET, the various stakeholders, current initiatives, regulation and quality assurance arrangements and a statistical overview of provision.

4.1 STRATEGIC POLICY FRAMEWORK FOR TVET

The Government of Vanuatu, often with technical assistance, has issued a number of policy statements in recent years specifying its strategic objectives for the education sector as a whole and/or sub-sectors within it. Prior to 2010, the only formal policy documentation for the sector was generalised as a “*TVET Master Plan*” a document that was developed by Technical Advisers under the auspices of the MoE. However, this document was prepared with limited consultation, no costing and was never elevated to legislative level (Gibert & Morris, 2010).

Like many other TVET systems around the world, there have been periods of uncertainty as to where ‘TVET’ should sit in terms of Ministerial responsibilities. The Vanuatu Institute of Technology *Five Year Strategic Plan 2012-2016* notes that the VIT has often been “caught between the MoE for matters relating to teaching from the Teacher Service Commission and the Ministry for Youth Development, Sports and Training (MYDST) for TVET policy and cooperation with the Rural Training Centres (RTCs)” (p.6).

Between 2009 and 2013, responsibility for the TVET ‘sector’ was formally allocated to the MYDST after a period where it sat between MYDST and the MoE. The role of the MYDST was to ‘finance overall management and regulation of the system’. It is responsible for ensuring ‘adequate funding is provided for the TVET sector, including the VNTC’ within overall Government funding priorities (MYDST, 2011, p.13). The MYDST already had, since 2002, responsibility for facilitating non-formal TVET training provided by NGOs, women, youth and church groups. It was also responsible for facilitating requests for funding to aid donors by the non-formal providers.

In 2014 a restructuring of Ministerial responsibilities concerning TVET is underway. The Ministry of Education is having Training added to its portfolio and will have a distinct TVET Division. The former MYDST is being restructured into the Ministry for Youth Development and Sport and will no longer have direct policy responsibility for TVET; however, a number of the Ministry’s programs will continue to involve training activities.

4.1.1 A national TVET policy

TVET in Vanuatu is undergoing a period of renewal. In 2010, the Minister for Youth Development, Sports and Training commenced a Technical Working Group, chaired by the CEO of the then VTNC to develop a national TVET policy. The Policy was approved by the Council of Ministers in April 2011. The *Vanuatu Technical Vocational Education and Training [TVET] Policy 2011 – 2020* was officially launched in August 2011. Its Foreword highlights the country’s high expectations for the sector:

[TVET] can make important contributions to poverty alleviation, sustainable development, and a life of peace, prosperity and freedom (TVET Policy 2011:1).

The Policy emerged following stakeholder consultations and a review of Ministerial responsibilities for TVET. The document is open about historical sectoral weaknesses, including ‘isolation from the private sector, lack of coordination within the centralised management systems, limited financial support and limited institutional autonomy’, leading to

‘acute skill shortages and diminishing private sector confidence in the TVET system ... compounded by [perceptions of low status and quality and] little accountability ...’ (p. 1). It also noted that skills training received by people when in industry and business was not recognised by TVET providers or articulated into formal qualifications, and often failed to deliver better remuneration.

The *TVET Policy 2011-2020* aims to deliver a well-resourced and accessible TVET system which:

- is demand driven;
- is quality assured, providing pathways to national and international systems;
- is within a coordinated national framework;
- has contributions from a range of stakeholders;
- is flexible in its delivery; and
- leads to a productive, inclusive sustainable society and economy (p. 4).

The Policy includes 19 policy objectives (e.g. that all TVET courses are competency-based and accredited by the restructured national qualifications authority) and 18 indicators to monitor progress (e.g. improved wellbeing of male and female trainees, and an increased number of trainees achieving competency standards). However, no baseline measures or performance targets have been set for any of the indicators and, as noted elsewhere in this report, there are many gaps to be filled in TVET and labour market data.

The Policy places considerable importance on resourcing and investment as enablers of expansion and sustainability of a strong TVET sector in Vanuatu, stating:

“Without adequate resources, implementation of the TVET policy will stall. It will be essential to build the level of resourcing for TVET within national budgets and to supplement these budgets from other funding sources such as employers and donors. Continuing support by employers and donors will be highly dependent on demonstrated commitment to the TVET Sector by the Government. Strong partnerships can be built across the sector if the Government shows leadership and a genuine desire to reduce duplication and wastage, and to create efficiencies that could be used to provide additional resources to the TVET Sector with the aim of improved coordination and service delivery” (pp.4-5).

The TVET Policy has been credited with: having strong provincial input; articulating linkages between national and provincial levels; strengthening the coordination role of Provincial Training Boards; and providing a platform for on-going qualitative improvements (Gibert and Morris, 2010).

As is discussed below, the Vanuatu TVET Sector Strengthening Support (TVSSP), an Australian Government funded program delivered in partnership with the Government of Vanuatu and which has been operating since 2005, is assisting with the implementation of the National TVET Policy.

4.2 TVET STAKEHOLDERS

The key stakeholders for the TVET sector in Vanuatu include:

- Public TVET providers (including staff, students and their families)
 - Vanuatu Institute of Technology (VIT) and its governing council under the MoE
 - Vanuatu Agriculture College (VAC) under the Ministry of Agriculture, Quarantine, Forestry and Fisheries

- Vanuatu Maritime College (VMC) under the Ministry of Infrastructure and Public Works Utilities
- Vanuatu College of Nursing Education (VCNE) under the Ministry of Health
- Non-government providers (including staff, students and their families)
 - Vanuatu Rural Development and Training Centres Association (VRDTCA) and 31 Rural Training Centres (RTCs)
 - Providers operated by church authorities
- Regional provider(s) (including staff, students and their families)
 - Australia-Pacific Technical College (APTC)
 - University of the South Pacific (USP) Emalus Campus
- Provincial Training Boards (PTB)
- Government ministries
- Industry and employers
- Vanuatu Qualifications Authority (formerly the VNTC)

4.2.1 Public TVET providers

VIT is the largest TVET provider, delivering post-year 10 pre-employment training for jobs in the formal and monetised economy. VIT initially was established by the French Government in 1970, prior to independence, as the College d'Enseignement Technique; it was renamed Institut National de Technologie de Vanuatu (INTV) after independence as a key part of the French language education system. The institution began offering dual language programs in 1980, and is now known as the Vanuatu Institute of Technology (VIT). VIT enrolls approximately 800 students on a full-time basis, mainly in two-year programs leading to a trade certificate.

The VIT has a large main campus in Port Vila and two smaller provincial training centres in the other two municipalities in Sanma and Tafea provinces. Courses are offered, mainly at certificate level, in accounting, art, automotive, building, computing, electrical, joinery, journalism, mechanical, office administration and tourism and hospitality as well as a range of short courses. Scholarships are available for VIT study, however these are for tuition only and do not support transport, accommodation or other 'food and basic needs' costs (PMO, 2010).

Most courses at VIT require completion of the Junior Secondary School Certificate (JSSC) or grade 10 for entry with at least 50 percent + marks in English, French and mathematics. The electricity department requires 50 percent + marks in mathematics and sciences at JSSC level. The hospitality and tourism department, and financial management and accounting require grade 12 entry.

All programs are two years full-time, except hospitality and tourism which is one year. All programs require one month of work attachment, except hospitality and tourism where work attachment is for 12 weeks. All programs are "dual-lingual", meaning separate streams for Anglophone and Francophone students. The exception is hospitality and tourism which is "bi-lingual", one stream per certificate taught in both English and French.

Other major state-run TVET agencies include: the Vanuatu Agricultural Research and Technical Centre (VARTC), the Vanuatu Agriculture College (VAC), the Vanuatu Maritime College (VMC), the Vanuatu College of Nursing Education, the Vanuatu Institute of Teacher Education (Institut de Formation des Enseignants de Vanuatu), the Agence Universitaire Francophone and the Tagabe Agricultural School.

Vanuatu has no formal system of apprenticeship organised and sanctioned by government, although some individual enterprises do conduct their own apprenticeship training.

4.2.2 Rural Training Centres

In the early 1980s a network of Rural Training Centres (RTCs) was set up by various church, community and private interest groups. Officially registered as NGOs, the RTCs catered primarily for the growing number of school leavers who were being pushed out of the formal education system by a combination of high fees and the lack of sufficient secondary school places.

In 1989 eight RTCs came together to establish the Vanuatu Rural Development and Training Centres Association (VRDTCA), which was registered as a separate NGO to represent the interests of all RTCs. As the number of RTCs increased with demand in the early 1990s, VRDTCA became the main RTC support organisation providing assistance with curriculum development, learning materials and instructor training. In the late 1990s donor assistance shifted from allocations to individual Centres to the VRDTCA in an effort to strengthen the latter's coordination and support functions (ADB, 2007).

4.3 GOVERNANCE, REGULATION AND QUALITY ASSURANCE

The legal framework for governance and financing of the Education sector is established principally by the Education Act No.21 of 2001 and Regulations issued pursuant to that Act. As noted earlier, between 2009 and 2014 TVET was overseen by the MYDST, with registration and quality assurance provided through the VNTC Act. From 2014 onwards the expanded Ministry of Education and Training will have policy responsibility for TVET, and the registration and quality assurance requirements for all post-secondary education and training, and not just TVET, will be exercised by the Vanuatu Qualifications Authority, the successor to the VNTC.

The legal framework for financial management of the sector is provided by a combination of the Public Finance and Economic Management Act 1998 (as amended), the Finance Regulations under that Act, and the Education Act and its Regulations. Other relevant legislation includes the Teaching Service Act of 1983 and several Acts establishing post-secondary institutions such as the Vanuatu Institute of Teacher Education, the Vanuatu Institute of Technology and the Vanuatu Agriculture College.

Table 4.1 Principal institutions and functions involved in education and training

Institution	Main functions (education-sector related)
Ministry of Education (and Training from 2014)	"The function of the Ministry is to deliver the education aspects of the Millennium Development Goals and the international agreements such as Education for All and respect for the rights of children. This includes the Government's commitment to achieving Universal Primary Education (UPE), improving literacy, and to developing skills for the productive sectors (rural and urban)."⁶ This function entails national responsibilities for: • Teaching and learning services in GoV-funded primary and secondary schools, the VIT and VITE. • Registration and funding of education authorities and Government Assisted schools. • Development, maintenance, printing and distribution of national curriculum and associated learning materials. • School-based assessment, national examinations and student selection processes. • Through the Teaching Service Commission and VITE, teacher recruitment, deployment, pre-service/in-service training and supervision. • Financial and auditing services. • School construction, maintenance and repair, and furnishings. • Procurement and distribution of school stationery and equipment. • The national scholarship program. • Operation and development of the Vanuatu Education Management Information System (VEMIS) and its annual schools survey. • From 2014 onwards, policy advice in relation to TVET, including support for the VQA
Ministry for Youth Development and Sport	• From 2009 to 2013, policy advice in relation to TVET (as the MYDST), including support for the then VNTC, development of the national qualifications framework, and engagement of business, training providers, trade unions and other stakeholders in reform of the TVET system.
Ministry of Health	• Funding of the Vanuatu College of Nursing Education
Ministry of Finance & Economic Management	• Management of the GoV's annual budget process including advice to the Ministerial Budget Committee on agency budget submissions, new policy proposals and the setting of agency expenditure ceilings. • Monitoring and control of agencies' within-year aggregate expenditures including advice on agency requests for supplementary budgets. • Operation and development of the GoV's financial management information system 'Smartstream'. • Administration of annual GoV grants to off-budget agencies including the Vanuatu Agricultural Research and Technical Centre, University of the South Pacific, Vanuatu Maritime College and Vanuatu Agriculture College.
Other Ministries	Other Ministries overseeing and/or funding the delivery of various TVET services include the Ministry of Agriculture, Quarantine, Forestry and Fisheries and the Ministry of Cooperative and Ni Vanuatu Business Development. Pending further review of funding of the TVET sector the nature and scale of their involvement in TVET service provision has yet to be established.
Other GoV agencies	Delivery of specialist post-secondary training and/or support thereof, part-funded by GoV grants: • Vanuatu Agriculture College (Ministry of Agriculture, Quarantine, Forestry and Fisheries) • Vanuatu Maritime College (Ministry of Infrastructure and Public Works Utilities) • Vanuatu Agricultural Research and Technical Centre.
Development Partners	Negotiation, funding and monitoring of support for GoV education sector development priorities, primarily through the MoE and support for TVET. • Provision of technical assistance for service delivery, analytical studies and reviews. • Australian funding of the Australia-Pacific Technical College (including funding of courses delivered in Vanuatu). • Australian funding for the establishment and operations of provincial TVET Centres and national-level policy development support. • Provision of volunteers to schools and TVET centres (e.g. JICA, US Peace Corps).
Non Government Organisations	• Via Churches, provision of ECE, primary and secondary education services. • Via other NGOs, provision of support for ECE and TVET services in particular (including Vanuatu Chamber of Commerce and Industry in respect of TVET). • Via the Vanuatu Rural Development & Training Centres Association (VRDCTA), coordination of Rural Training Centre services. • Via some 31 Rural Training Centres in 2011, delivery of rural vocational training to some 1,200 participants in 2011.

Source: Public Expenditure Review, Government of Vanuatu, 2012

⁶ MoE Annual Report 2011, page 11.

The Department of Labour works in collaboration with other ministries and the VQA to oversee and monitor industry skill requirements and training needs. In particular, the Department of Labour is now responsible for ensuring the Vanuatu National Trade and Testing Scheme is reactivated as a national training provider and to ensure that all training meets the required standards recognised and certified by the VQA (formerly the VNTC).

The VQA's roles include advocating for the benefits of the national training system and supporting access by industry, communities, training providers and trainees. It also plays a central role in development and administration of the new VQF which will cover all post-secondary education and training, and not just TVET.

A central role of the Vanuatu Rural Development and Training Centres Association (VRDTCA) is to ensure the effectiveness of the RTCs' governance and to ensure the standards of training are being met. This includes assisting RTCs with registration and developing course materials.

The Vanuatu TVET Sector Strengthening Program (VTSSP) has been operating since 2005 and is a major resource for TVET reform and improved delivery. Through the Program, locally-staffed TVET Centres have been established in three of the six provinces to coordinate and "purchase" training in response to provincial productive sector demand. Depending on the nature of the demand, the Centres contract local training providers (e.g.: VIT, VAC, RTCs, VMC) to deliver on-site modular accredited courses, as well as the services of industry coaches to provide complementary and on-going Business Development Support (BDS) mentoring and follow-up. Funds are channelled through the VTSSP Employment and Training Fund (ETF). The TVET Centres have now been officially placed within the structure of the newly-named Ministry of Education and Training as the key mechanism for the coordination of provincial level TVET delivery. The VTSSP also supports local training provider capacity building (including RTCs) as well as advisory support to the VNTC (VQA).

Data on trainee numbers supported through the VTSSP and its funding are provided below. The evaluations of Phases I and II have been very positive (Schofield, 2010; AusAID 2012), and Phase III will provide A\$12m over four years to 2016 to continue the work of Phase II and to assist the Government of Vanuatu with the implementation of the national TVET policy.

4.5 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.

4.5.1. Overview

Table 4.2 indicates that the number of enrolments at the Vanuatu Institute of Technology in 2012 was 814, of which 479 (59%) were male and 335 (41%) were female (Table 4.3). Across levels of study, 49 percent were enrolled in Higher Vocational Certificates, 19 percent in Vocational Foundation Certificates, 17 percent in Certificat Professionnel de Haut and 15 percent in Certificat Professionnel de Base. In terms of gender ratios, Higher Vocational Certificate programs are the only type where there are more females than males.

There are a further 871 enrolments at the Vanuatu Maritime College and 315 at the APTC Vanuatu campus. Estimates of the student numbers enrolled in the Rural Training Centres are around 1,181, of which around 70 percent are male.

Table 4.2 Enrolments in TVET programs by institution

TVET provider	Year	Male	Female	Total	% female
Vanuatu Institute of Technology	2012	479	335	814	41.2
<i>Certificat Professionnel de Base (CPB)</i>		76	44	120	36.7
<i>Certificat Professionnel de Haut (CPH)</i>		86	56	142	39.4
<i>Vocational Foundation Certificate (VFC)</i>		111	42	153	27.5
<i>Higher Vocational Certificate (HVC)</i>		191	204	395	51.6
Vanuatu Agriculture College (VAC)*	2010	57	22	79	28.0
Vanuatu Maritime College (VMC)	2012	694	177	871	20.3
Vanuatu College of Nursing Education (VCNE)	2012	40	42	82	51.2
Australia Pacific Technical College (APTC)	2011	205	110	315	34.9
Rural Training Centres (RTCs)**	2012	831	350	1,181	29.6

* Average of Semester 1 and 2 programs in 2010

** RTC enrolments are for modules whereas the enrolment figures for the other institutions in the table are generally for full-time two-year courses.

Source: Annual Statistical Report 2010-2011, MoE (June 2012), page 33

4.5.2 Vanuatu Institute of Technology

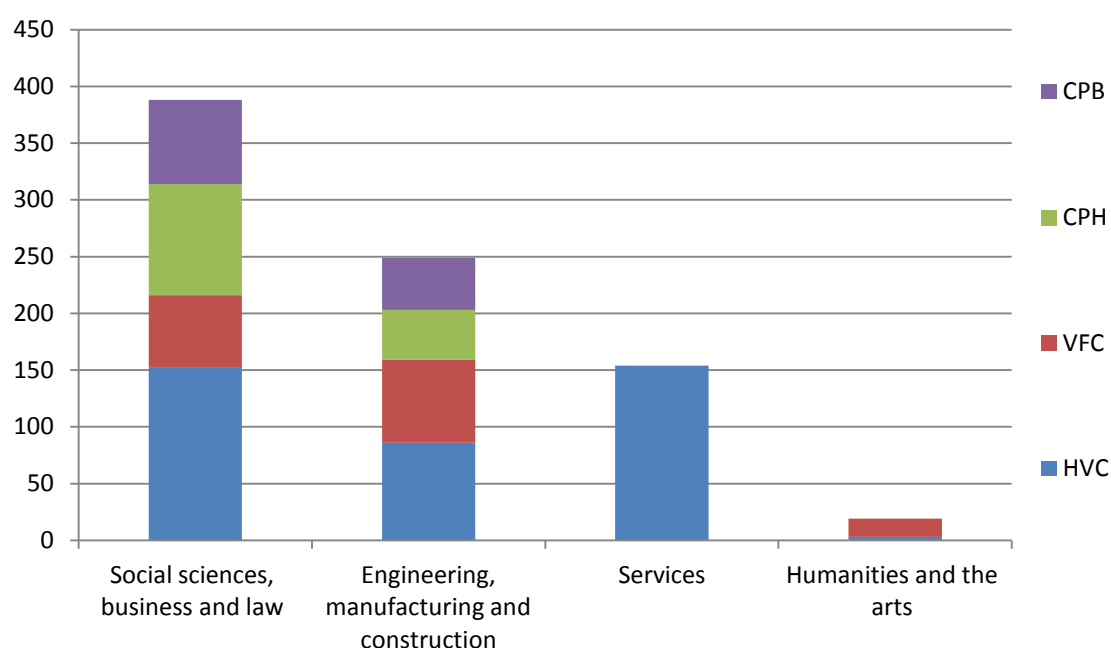
In terms of fields of training, Table 4.3 and Figure 4.1 show that some of the more popular areas at the HVC level are: Culinary Arts & Pastry, Restaurant & Bar, Financial Management and Accountancy, Accounting and Office Administration. At the Vocational Foundation Certificate level, popular areas include: Business Studies, Electrical, Building Construction, Arts and IT.

There is very limited data on student outcomes. A tracer study of VIT graduates from the years 2004 and 2005 was conducted in 2006 is of some use but has become increasingly dated.

Table 4.3 TVET enrolments at VIT, by field of training, as at June 30 2012

	Male	Female	Total	% Female	% of total
Higher Vocational Certificate (HVC)	191	204	395	51.6	48.8
Culinary Arts & Pastry	23	24	47	51.1	5.8
Restaurant & Bar	17	28	45	62.2	5.6
Financial Management and Accountancy (HVC2 / HVC3)	13	27	40	67.5	4.9
Accounting	15	22	37	59.5	4.6
Office Administration	4	29	33	87.9	4.1
Tourism Studies	15	17	32	53.1	4.0
Automotive	29	1	30	3.3	3.7
Housekeeping Studies	1	29	30	96.7	3.7
IT	14	8	22	36.4	2.7
Electrical	20	1	21	4.8	2.6
Media & Journalism (HVC3 / Diploma)	4	16	20	80.0	2.5
Building Construction	16	0	16	0.0	2.0
Mechanical Engineering	14	0	14	0.0	1.7
Joinery	5	0	5	0.0	0.6
Arts	1	2	3	66.7	0.4
Vocational Foundation Certificate (VFC)	111	42	153	27.5	18.9
Business Studies	23	26	49	53.1	6.0
Electrical	19	0	19	0.0	2.3
Building Construction	16	0	16	0.0	2.0
Arts	7	9	16	56.3	2.0
IT	11	4	15	26.7	1.9
Joinery	13	0	13	0.0	1.6
Mechanical Engineering	10	3	13	23.1	1.6
Automotive	12	0	12	0.0	1.5
Certificat Professionnel de Haut (CPH)	86	56	142	39.4	17.5
Administration Commerciale et Comptable (ACC)	13	18	31	58.1	3.8
Communication et Administration du Secrétariat	10	18	28	64.3	3.5
Electrotechnique	20	3	23	13.0	2.8
Comptabilité et Gestion Administrative (CPH2)	10	7	17	41.2	2.1
Informatique	6	5	11	45.5	1.4
Comptabilité et Gestion Administrative (CPH3)	6	5	11	45.5	1.4
Mécanique Automobile	10	0	10	0.0	1.2
Mécanique Générale	5	0	5	0.0	0.6
Menuiserie	4	0	4	0.0	0.5
Construction Bâtiment	2	0	2	0.0	0.2
Certificat Professionnel de Base (CPB)	76	44	120	36.7	14.8
Tertiaire	17	40	57	70.2	7.0
Electrotechnique	18	0	18	0.0	2.2
Informatique	13	4	17	23.5	2.1
Mécanique Automobile	10	0	10	0.0	1.2
Menuiserie	8	0	8	0.0	1.0
Mécanique Générale	7	0	7	0.0	0.9
Construction Bâtiment	3	0	3	0.0	0.4
Total enrolments as at 30 June 2012	464	346	810	42.7	100.0

Source: Data provided by VIT

Figure 4.1 Enrolments in TVET programs at VIT, by CEDEFOP field of training, as at June 30 2012

Source: Table 4.3

Table 4.4 TVET enrolments at VIT, by gender/field of training, as at June 30 2012

	Male	Female	Total	% Female	% of total
Total enrolments as at 30 June 2012	464	346	810	42.7	100.0
Social sciences, business and law	142	189	331	57.1	40.9
Engineering, manufacturing and construction	241	8	249	3.2	30.7
Services	56	98	154	63.6	19.0
General Programs	17	40	57	70.2	7.0
Humanities and the arts	8	11	19	57.9	2.3
Total enrolments	464	346	810	42.7	100.0

Source: Table 4.3

4.5.3 Vanuatu Agriculture College

The number of students enrolled at the Agriculture College fluctuates from semester to semester and year to year. Generally, the College has a 70:30 gender ratio of males to females across their horticulture, livestock, forestry and aquaculture programs (Table 4.5).

Table 4.5 TVET enrolments at VAC, by gender/field of training

	2008			2009			2010		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Semester 1	36	13	49	16	5	21	72	28	100
% of total	73.5	26.5	100.0	76.2	23.8	100.0	72.0	28.0	100.0
Semester 2	10	4	14	2	2	4	41	16	57
% of total	71.4	28.6	100.0	50.0	50.0	100.0	71.9	28.1	100.0

Source: VMC data sheets, 2012

4.5.4 Vanuatu Maritime College

At the Maritime College, the most enrolments are in Safety Certificate courses (47%) followed by rural fishing skills (22.7%) and advanced fire fighting (3.9%).

Table 4.6 TVET enrolments at VMC, by course, 2011

Name of Courses	Training Programs	Enrolments	% of total enrolment	Graduates	% of total graduates
Safety Certificate (Unlimited)	7	322	37.0	307	35.9
Rural Fishing Skills (2 Weeks)	8	198	22.7	198	23.1
Safety Certificate revalidation	4	87	10.0	87	10.2
Advanced Fire Fighting	1	34	3.9	34	4.0
Medical First Aid	1	34	3.9	34	4.0
Small Vessel Operators	2	32	3.7	32	3.7
Proficiency in Survival Craft	1	32	3.7	32	3.7
Master/Engineer Revalidation	5	30	3.4	30	3.5
Master <200GT Gross Tonnes (NCV)	1	21	2.4	21	2.5
Master <20GT Gross Tonnes (NCV)	2	17	2.0	17	2.0
Observers' course	1	12	1.4	12	1.4
Engineer <75Kilowatts (NCV)	1	11	1.3	11	1.3
Engineer <300Kilowatts (NCV)	1	11	1.3	11	1.3
Restricted Radio Operator	1	9	1.0	9	1.1
Master <500GT Gross Tonnes (NCV)	1	8	0.9	8	0.9
SPC Fisheries Course	1	8	0.9	8	0.9
Engineer <500Kilowatts (NCV)	1	5	0.6	5	0.6
Total	39	871	100.0	856	100.0

Source: Vanuatu Maritime College, 2013

4.5.5 Rural Training Centres

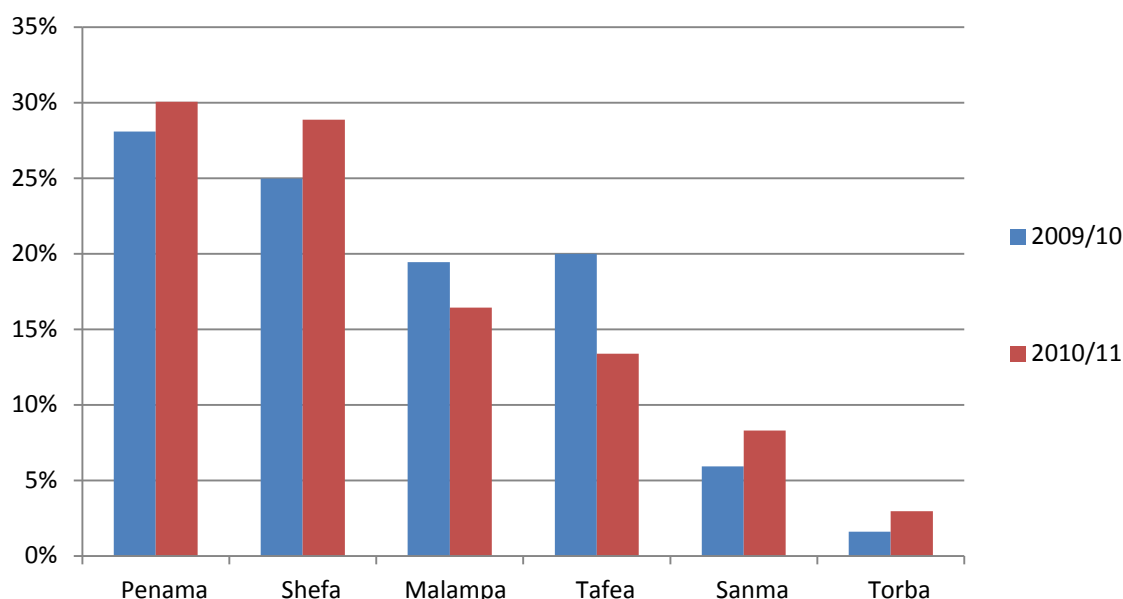
The Rural Training Centres enrolled 1,181 students in 2011 (Table 4.7 and Figure 4.2). There is a spread across provinces with the greatest numbers of enrolments in Malampa (30.1%), Shefa (28.9%) and Penama (16.4%).

Table 4.7 Rural Training Centre enrolments, 2010-11

	2011	2010			2011		
	No of RTCs	Male	Female	Total	Male	Female	Total
Torba	2	17	0	17	35	0	35
Sanma	3	48	15	63	80	18	98
Penama	7	153	54	207	128	66	194
Malampa	7	251	48	299	247	108	355
Shefa	6	235	31	266	242	99	341
Tafea	6	152	61	213	99	59	158
Total	31	856	209	1,065	831	350	1,181

Note: The RTC enrolments are in modules.

Source: MOE Digest 2010-11

Figure 4.2 Rural Training Centre enrolments by province, 2009-10 and 2010-11

Source: Table 4.7

4.5.6 TVET Centres (TVET Sector Strengthening Program Phase II)

The TVET Centres operating under the TVET Sector Strengthening Program have offered a number of courses for people in Malampa and Sanma (Table 4.8) and more recently for Torba (for which data are not yet published). The main providers of the training, in terms of contact with trainees, are Vanuatu Agriculture College (30%), Vanuatu Chamber of Commerce and Industry (25.3%) and Vanuatu Institute of Technology (22.2%).

Table 4.8 Number of participants in TVET Sector Strengthening Program Training, 2012

	Malampa	Sanma	Grand Total	% of total
Vanuatu Agriculture College	444	359	803	30.0
Vanuatu Chamber of Commerce and Industry	195	482	677	25.3
Vanuatu Institute of Technology	334	259	593	22.2
Vanuatu Dept of Cooperatives	272		272	10.2
Vanuatu Maritime College	62	97	159	5.9
St Michel Technique College		87	87	3.3
Matahi Rural Training Centre		73	73	2.7
Torgil Rural Training Centre	12		12	0.4
Grand Total	1,319	1,357	2,676	100.0

Source: TVET Sector Strengthening Program Phase II

4.5.7 Australia-Pacific Technical College (APTC)

The 2011 data collected from APTC for the purposes of this study show 244 Ni-Vanuatu studied APTC courses in 2011. This equates to 19.3 per cent of all APTC students. Table 4.9 and Figure 4.3 show that the most studied programs by Ni-Vanuatu nationals studied on the Vanuatu (83.2%) and Fiji (14.8%) campuses. Across all campuses, the most studied courses were hospitality and catering (88.9%), followed by trade and technology (11.1%). 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 in terms of distribution across Ni-Vanuatu nationals and APTC campuses.

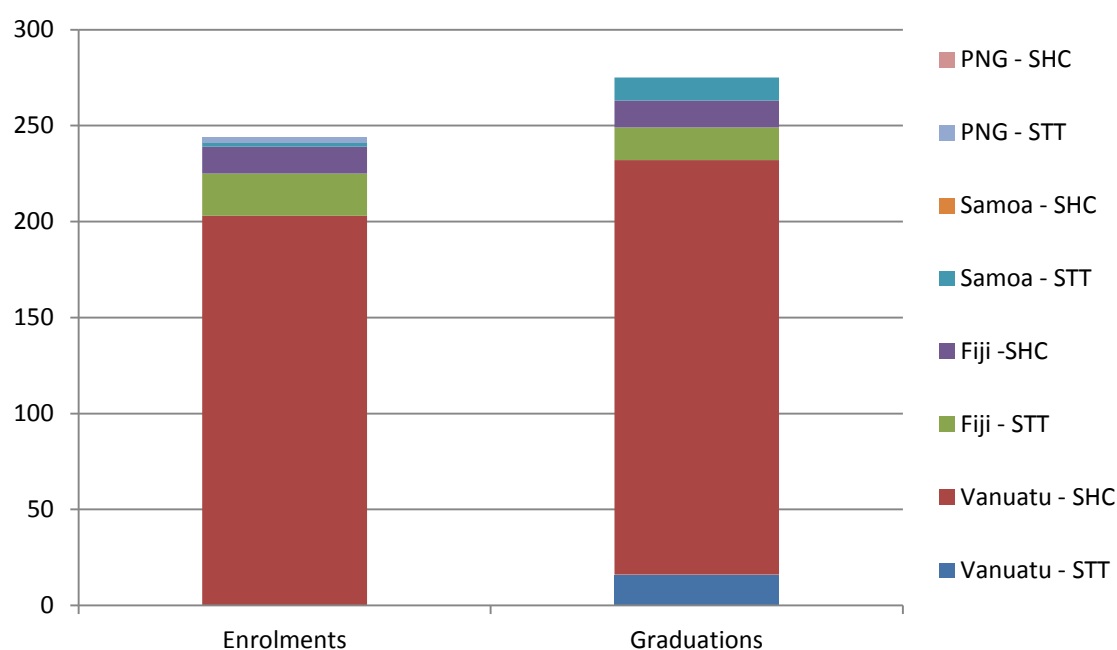
Table 4.9 Location of APTC enrolments/graduations among ni-Vanuatu nationals, 2011

	Enrolments				Graduations			
	Ni-Vanuatu	% of total ni-Vanuatu	Total students on campus	% Ni-Vanuatu	Ni-Vanuatu	% of total ni-Vanuatu	Total students on campus	% Ni-Vanuatu
FIJI	36	14.8	593	6.1	31	11.3	523	5.9
STT	22	9.0	267	8.2	17	6.2	259	6.6
SHC	14	5.7	326	4.3	14	5.1	264	5.3
PNG	3	1.2	153	2.0	0	0.0	186	0.0
STT	3	1.2	153	2.0	0	0.0	186	0.0
SHC	0	0.0	0	0	0	0.0	0	0.0
SAMOA	2	0.8	240	0.8	12	4.4	294	4.1
STT	2	0.8	104	1.9	12	4.4	128	9.4
SHC	0	0.0	136	0.0	0	0.0	166	0.0
VANUATU	203	83.2	278	73.0	232	84.4	333	69.7
STT	0	0.0	0	0	16	5.8	16	100.0
SHC	203	83.2	278	73.0	216	78.5	317	68.1
TOTAL	244	100.0	1264	19.3	275	100.0	1336	20.6
STT	27	11.1	524	5.2	45	16.4	589	7.6
SHC	217	88.9	740	29.3	230	83.6	747	30.8

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 4.3 Location of APTC enrolments and graduates (ni-Vanuatu nationals), field of training, 2011



Source: Table 4.9

4.5.8 Scholarships

Scholarships are an important feature of the TVET landscape in Vanuatu, both in terms of resourcing and student demand. In 2011, 593 tertiary scholarships were awarded, a 40.2 percent increase on the 423 offered in 2010 (Table 4.10). There were increases in the number of scholarships across all provinces apart from Torba where numbers are very low.

Table 4.10 Tertiary scholarship recipients, sex, province of origin, 2010 - 2011

	2010				2011			
	Male	Female	Total	% female	Male	Female	Total	% female
Torba	2	4	6	66.7	1	2	3	66.7
Sanma	17	17	34	50.0	21	22	43	51.2
Penama	91	52	143	36.4	111	82	193	42.5
Malampa	67	56	123	45.5	99	102	201	50.7
Shefa	26	35	61	57.4	49	41	90	45.6
Tafea	35	21	56	37.5	42	21	63	33.3
Total	238	185	423	43.7	323	270	593	45.5

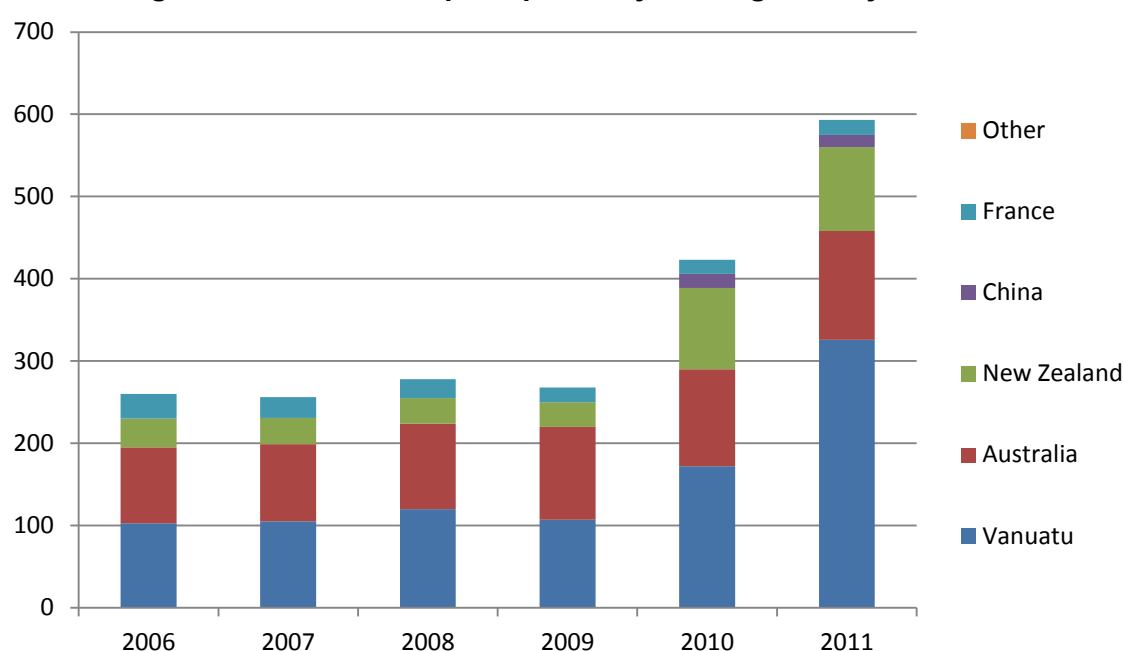
Source: Annual Statistical Report 2010-2011, MoE, (June 2012), page 32 Table 1-40.

In terms of funding country, Table 4.11 and Figure 4.4 indicate that 55 percent of scholarships in 2011 were funded by the Government of Vanuatu, followed by Australia (22.3%), New Zealand (17.2%) and China (2.5%).

Table 4.11 Tertiary scholarship recipients by funding country, 2006–2011

Country	2006	2007	2008	2009	2010	2011	% of total
Vanuatu	103	105	120	107	172	326	55.0
Australia	92	94	104	113	118	132	22.3
New Zealand	35	32	31	30	99	102	17.2
China	0	0	0	0	17	15	2.5
France	30	25	23	18	17	18	3.0
Other	0	0	0	0	0	0	0.0
Total	260	256	278	268	423	593	100.0

Source: Annual Statistical Report 2010-2011, MoE, (June 2012), page 32 Table 1-40.

Figure 4.4 Scholarship recipients by funding country, 2006–2011

Source: Table 4.11

4.5.9 Staffing

Data on TVET staff is limited and patchy. Staff numbers for the Vanuatu Institute of Technology show that around 60 percent of staff are teaching/training in TVET programs, with around 20 percent in non-TVET teaching roles and another 20 percent in non-teaching and administrative roles (Table 4.12).

Table 4.12 Staffing at VIT, 2009 to 2012

	2009	2010	2011	2012
Academic/teaching training staff				
Teaching/training (TVET programs)	70	75	75	75
Other teaching (academic) staff	10	18	26	26
Total academic/teaching training staff	80	93	101	101
Administrative/general support staff	22	25	25	25
Total staff – all categories	102	118	126	126
% TVET teaching	68.6	63.6	59.5	59.5
% All teaching	78.4	78.8	80.2	80.2
% Admin/general	21.6	21.2	19.8	19.8

Source: Project survey

Table 4.13 shows that the number of trainers working in the RTCs in 2011, on average, is around one-quarter female. The largest employment of RTC staff is at Tafea (29.9%), Penama (28%) and Malampa (22.6%).

Table 4.13 Number of RTC trainers, 2011

	Male	Female	Total	% of total	% female
Torba	6	3	9	5.5	33.3
Sanma	8	5	13	7.9	38.5
Penama	36	10	46	28.0	21.7
Malampa	27	10	37	22.6	27.0
Shefa	8	2	10	6.1	20.0
Tafea	37	12	49	29.9	24.5
Total	122	42	164	100.0	25.6

Source: MoE Digest 2010-11

4.6 ROLE OF TVET IN SOCIAL AND ECONOMIC DEVELOPMENT

By the early 1980s it was apparent that Vanuatu's education system needed to be reassessed to address the country's minimal literacy rate and a largely unskilled labour force – about 70 percent of Vanuatu's adult population were illiterate and between 70 to 75 percent of children who attended primary school never made it to secondary school (Bray, 2002).

Provision of vocational education by members of civil society (including Churches, community groups and NGOs) was boosted by the establishment of the Vanuatu Rural Development and Training Centres Association (VRDTCA) by the Foundation of the Peoples of the South Pacific (FSP Vanuatu) in 1992.

4.6.1 Access and uptake of TVET by females

Improving the access of females to education and training is widely recognised as a key factor in social development. There are substantial gender imbalances in TVET enrolments in Vanuatu. While males dominate enrolment in the majority of TVET institutions, females outnumber males at the Vanuatu Nursing College and Vanuatu Institute of Teacher Education.

There are substantial differences among the provinces in the proportion of female enrolments (Table 4.14). Torba province recorded no enrolment by women in RTCs in both 2010 and 2011, followed by Shefa (11.6 percent in 2010 and 29 percent in 2011), Penama (16% in 2010 and 30% in 2011), Sanma (23.8% in 2010 and 18.3% in 2011), Tafea (28.6% in 2010 and 37.3% in 2011).

However the overall increase in female enrolment between 2010 and 2011 (by 10 percentage points) may be attributed to the support from the VTSSP to involve more women in the skill development process nation-wide. The increasing proportion of female enrolments in Program-supported training is likely to be attributable to the wide range of training fields supported, and the flexible provision of training.

Table 4.14 Rural Training Centre enrolments by gender and province, 2010 and 2011

Province	2010			2011		
	Male	Female	Total	Male	Female	Total
Torba	17	0	17	35	0	35
Sanma	48	15	63	80	18	98
Malampa	153	54	207	128	66	194
Penama	251	48	299	247	108	355
Shefa	235	31	266	242	99	341
Tafea	152	61	213	99	59	158
Vanuatu	856	209	1,065	831	350	1,181
	80.4%	19.6%	100%	70.4%	29.6%	100%

Source: VRDTCA office, 2011

4.6.2 Social development in remote areas

Vanuatu has many remote locations and the level of social development varies widely. To address the issue of remote accessibility to skills development, TVET Centres have started delivering courses on-site where course instructors/facilitators travel to remote areas to deliver these certified courses.

A tracer study carried out by the VTSSP found that there were few significant differences in economic outcomes between remote and non-remote participants, suggesting that training in remote areas can produce similar dividends and opportunities (Tracer study). The study also found that participants from remote areas were significantly more likely to report more money in the family post-training than in non-remote areas. They were also more likely to report increased livelihood opportunities in the community and that they had provided food and other donations to the community. These findings suggest training in remote areas may result in relatively greater flow-on benefits to communities than elsewhere and that there is therefore a strong case for further expansion of training in remote locations (AusAID, Vanuatu TVET Final Evaluation, 2012).

The establishment of RTCs within the country was done on a largely ad-hoc basis facilitated mainly by churches, communities and individuals who have the financial ability and conviction to do so. Therefore, distribution has not been equal, with Penama and Malampa provinces leading with 7 RTCs each, followed by Shefa and Tafea with 6 each, Sanma with 3 and finally Torba with 2 (Table 4.15). Participation is limited by geographical location and the inability for families to meet fee requirements. Nevertheless, RTCs continue to provide skills training to over 1,000 students a year giving them another opportunity – around 4,000 students drop out after primary school every year due to limited space in secondary school and higher level institutions (VRDTCA, 2011).

Table 4.15 Number of RTCs, students and population by province, 2011

Province	Number of students	Share of students (%)	Number of people in province	Share of population (%)	Number of RTCs
Torba	35	3.0	9,359	4.0	2
Sanma	98	8.3	45,860	19.6	3
Penama	355	30.1	30,819	13.2	7
Malampa	194	16.4	36,722	15.7	7
Shefa	341	28.9	78,723	33.6	6
Tafea	158	13.4	32,540	13.9	6
Vanuatu	1,181	100.0	234,023	100.0	31

Source: VRDTCA, 2011 and VNSO Census of Population and Housing, 2009

Vanuatu does not collect systematic data on the proportion of trainees with a disability or the extent to which people with a disability in the general population are participating in TVET. Hence the data available are limited and centre-specific.

The TVET Centres operating through the TVET Sector Strengthening Program in Sanma and Malampa have worked closely with disability associations such as SANMA Frangipani Association to coordinate the delivery of skills training in key economic development sectors and to ensure their members have access to training courses to maximize their income generation potential.

4.6.3 Role of scholarships in supporting access

While the Government of Vanuatu increased the number of scholarships in 2011 to 593, the vast majority (89%) were for Degree courses, while the remainder were for in-service short term trainings offered by various agencies, including the New Zealand Government-sponsored Short Term Training Awards (STTA). The STTA provide opportunities for ni-Vanuatu who are currently employed to gain knowledge and skills through vocational New Zealand-based training that would contribute to the development of Vanuatu. Nearly 200 Ni-Vanuatu have benefitted from this program since 2009. Over half or 55 percent of the scholarships awarded in 2011 were funded by the government of Vanuatu, followed by 22 percent awarded by Australia and 17 percent by New Zealand (MoE Annual Statistical Report 2010-2011).

The Australia-Pacific Technical College (APTC) provided 106 scholarships in 2009 to Ni-Vanuatu with 47 percent enrolling with the School of Health & Community Services (SHCS), 46% with the School of Automotive, Construction & Electrical & Manufacturing (SACEM), and 8 percent with the School of Tourism and Hospitality (APTC Mid Term Review, 2009).

4.6.4 Role of TVET in supporting economic growth and development

The government's *National Plan, Draft Priorities and Action Agenda* (2006-2015) focuses on building economic growth through the productive sectors, improved infrastructure, improved education and health services and poverty alleviation. However, according to Gibert & Morris “*the link between economic growth and education and training to reduce poverty is very weak and there has been no coherent HRD planning in place and very limited conceptual and practical understanding of the potentially dynamic partnership between TVET and the productive sectors*” (Gibert & Morris, 2010).

Approximately 80 percent of Ni-Vanuatu live in the rural areas of the country and are engaged in agriculture – either subsistence or smallholder farming of coconuts or other cash crops. The remainder is employed in Vanuatu's small modern sector which is confined primarily to the two urban areas of Port Vila and Luganville (ADB, 2007). With the economy producing far fewer jobs per year than the number of students leaving the education system, opportunities for employment in the formal economy are severely limited.

Consequently, most out-of-school youth have only two options: to return to their villages and a subsistence existence or to remain in towns and cities looking for work in the informal sector. However, meaningful participation in the latter either as an employee or as the operator of a micro-business requires at least some basic vocational and/or entrepreneurial skills (VNSO, 2009; ADB, 2007).

The informal sector in Vanuatu is defined as all household establishments owned and operated by sole proprietors or partnerships that are not registered for value added tax (VAT). These establishments may or may not be registered with central/provincial governments under the business licence system and they do not necessarily maintain financial accounts of their operations. In practice the main categories of informal sector activity in Vanuatu are the following:

- Transport services, e.g. taxis, vans, mini buses and trucks;
- Kava bars;
- Small retail outlets;
- Open air vendors and food stalls;
- Handicraft producers and sellers;
- Marketers of manufactured goods and agro products; and
- Coastal Fishing.

Vanuatu has no formal system of apprenticeship organised and sanctioned by government. Individual enterprises sometimes organise their own apprenticeship training. A skills testing or recognition of prior learning (RPL) service once existed within the Department of Labour. This provided the opportunity for the workforce who had otherwise not obtained formal TVET qualifications to gain recognition for the skills they possess. This service which only focused on a small number of skill areas however has since been discontinued primarily because of problems of updating equipment (ADB, 2007).

Currently, through the VTSSP, existing provincial Skill Development Plans for Sanma and Malampa provinces (developed through VTSSP Phase II) are being revised, and provincial Skill Development Plans are being developed for the other four provinces. The objective, as articulated by the Ministry of Education (and Training), is then to aggregate these plans into a national Skills Development (HRD) Plan.

PART IV: THE FINANCING OF TVET

CHAPTER 5. OVERVIEW OF TVET FINANCING

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

The recurrent and capital expenditures which support the TVET system in Vanuatu are come from a number of government and non-government sources. Table 5.1 presents each of the main income sources (columns) and each of the main recipients (rows) to estimate a total level of funding to TVET providers in Vanuatu for the 2011-12 financial year. The main income sources, for purposes of comparability, are:

- Government (e.g. operating grants for government providers)
- Donors (e.g. recurrent and annualised capital income for large-scale donor projects, such as buildings, support from NZAID to the VRDTCA, and establishment of TVET Centres through Australian funding for the VTSSP)
- Student Fees (e.g. tuition and registration fees paid to providers)
- Sale of services (e.g. restaurants which open to the public, sale of carpentry projects);
- Other income

Table 5.1 and Figure 5.1 show that, excluding donor programs, a total of VT458.7m of funds flowed into the formal TVET system in 2011-12 from governments, donor support (excluding APTC and VTSSP), student fees, sale of services and other income. If estimates for the APTC and VTSSP donor programs are included this amount increases to VT1,095m.

Table 5.1 Summary of estimated funding for TVET provision and quality assurance, 2012 (VTm)

	Govt.	Donors ^a	Student Fees	Sale of services	Other income	Total
Providers						
Vanuatu Institute of Technology (VIT)	98.4	--	68.0	17.0	25.5	208.9
Vanuatu Maritime College (VMC)	41.3	--	3.9	--	2.5	47.7
Vanuatu Agriculture College (VAC)	82.8	--	--	--	--	82.8
Vanuatu College of Nursing Education (VCNE)	48.5	1.7	3.4	--	--	53.6
Rural Training Centres (RTCs)	--	--	--	--	--	--
System co-ordination, QA						
Vanuatu National Training Council (MYDST)	20.0	2.2	--	--	1.4	23.6
MYDST co-ordination	37.8	--	--	--	--	37.8
Scholarships ^b	8.2	98.2	--	--	--	106.5
VRDTCA (NZAID)	--	34.0	--	--	--	34.0
Total excluding APTC and VTSSP	337.0	136.1	75.3	17.0	29.4	458.7
Donor programs						
APTC (Australian Government)	--	~300 ^c	--	--	--	300
VTSSP (Australian Government)	--	~200 ^c	--	--	--	200
Total	337.0	636.1	75.3	17	29.4	1,094.9

a. Funds received from donors via the VTSSP are included in the 'donor programs' category.

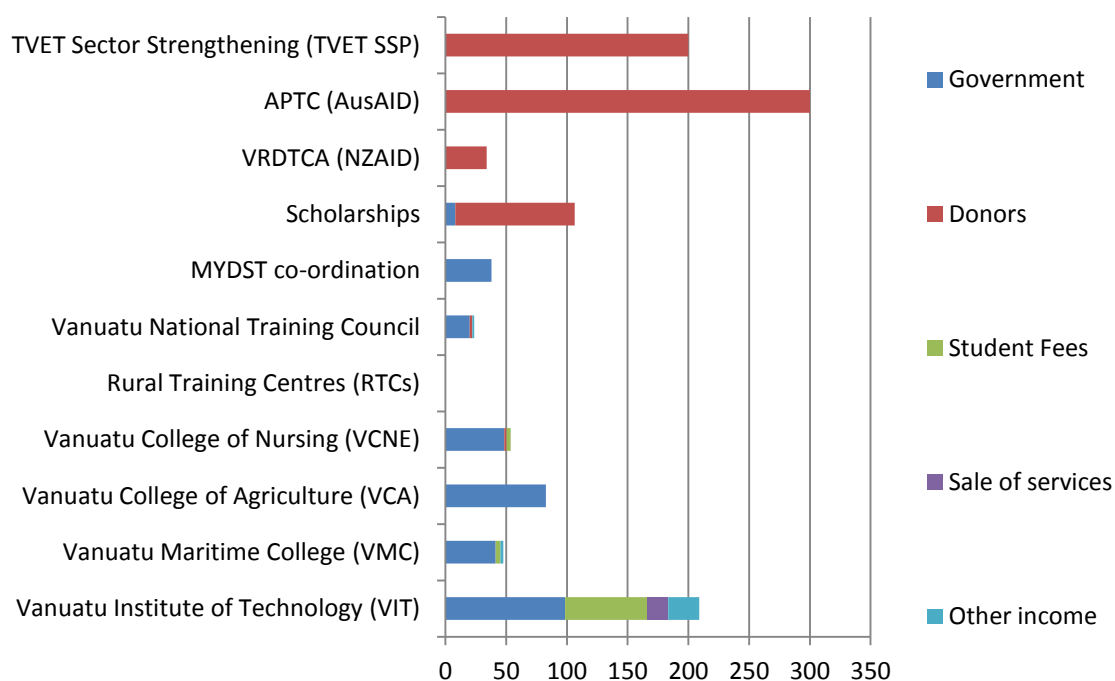
b. In the absence of scholarship data disaggregated by education level, the estimate is based on a conservative assumption that 15% of annual scholarship funds are allocated for TVET.

c. Estimates.

Sources: Government budget papers, TVET provider data returns, donors' annual reports.

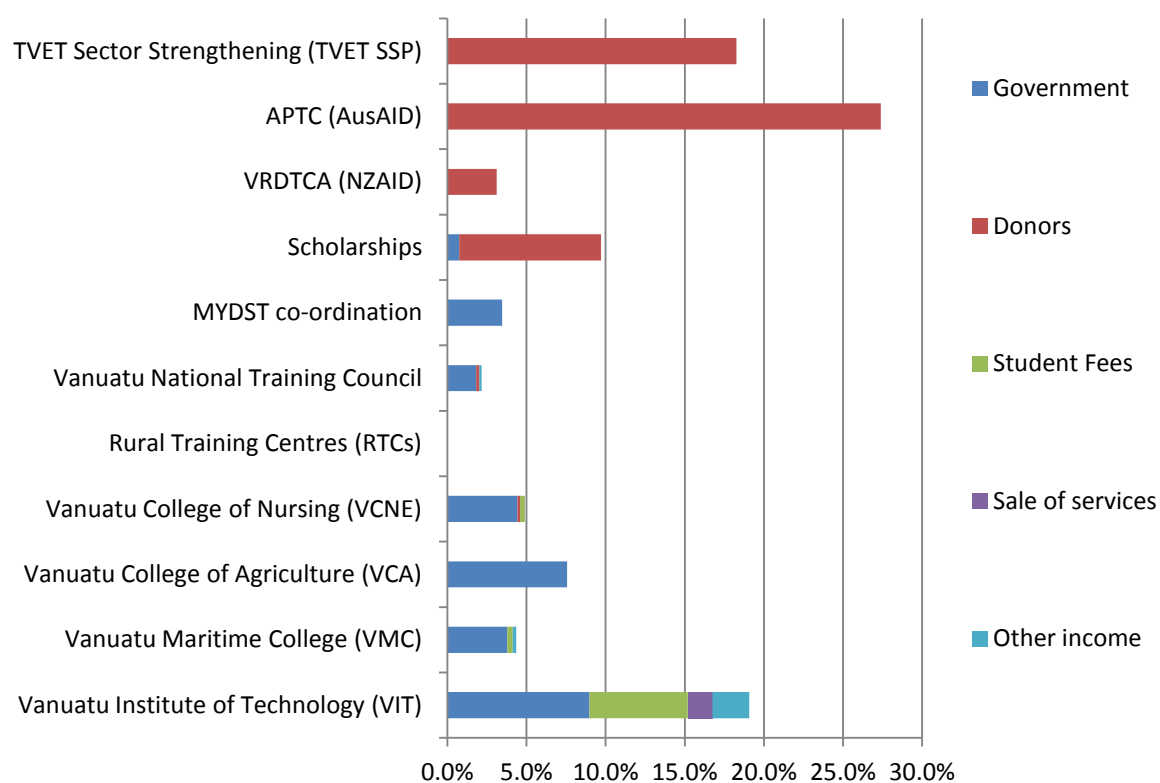
The data from Table 5.1 are presented graphically in Figure 5.1 and as proportions in Figure 5.2.

Figure 5.1 Summary of estimated funding for TVET provision and quality assurance, 2011-2012 (VTm)



Source: Table 5.1

Figure 5.2 Summary of estimated funding for TVET provision and quality assurance, proportions of total by source, 2011-2012



Source: Table 5.1

CHAPTER 6. TVET FINANCIAL MECHANISMS

6.1 OVERVIEW

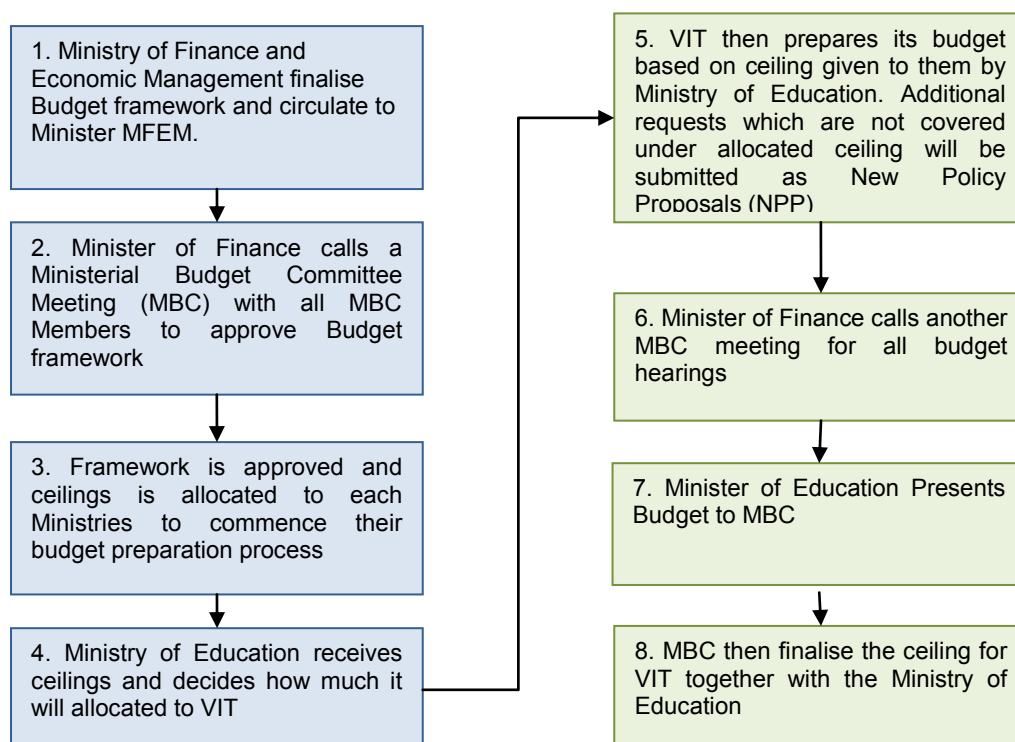
This section describes the manner in which finances are disbursed into the TVET system in Vanuatu. Many of these flows, especially the more minor ones, and those to and between small elements of the system, are currently not well documented. Many emanate from the MoE (e.g. provider funding and scholarships), the MFEM (e.g. grants and subsidies); development partners of Vanuatu (the principal donor being the Australian Government via the TVET Sector Strengthening Program); and from students themselves in the form of fees to the major public, private and regional providers (e.g. APTC and USP).

6.2 PUBLIC BUDGET PREPARATION AND DISBURSEMENT PROCESSES

The MFEM allocates the funds to the MoE based on agreed line items in the Annual Workplan (UNESCO ESP Design Document 2012). Under the MoE budget program structure the *‘Technical and Higher Education’* sub-sector comprises three main elements, namely spending on the Vanuatu Institute of Technology, the Vanuatu Institute for Teacher Education, and GoV-funded scholarships (including funding of the Scholarships Unit within the MoE).

The process by which the Vanuatu Institute of Technology budget is disbursed is summarised in Figure 6.1.

Figure 6.1 Summary of the budget disbursement process for VIT



Source: MFEM, 2012

Funded separately through their own annual grants and subsidies disbursed by the MFEM are: the Vanuatu Agriculture College; the Vanuatu Agricultural Research and Technical Centre; the Maritime College; and the USP.

6.3 OFFICIAL DEVELOPMENT ASSISTANCE MECHANISMS

Australia has supported TVET in Vanuatu since 1997, first through funding of particular initiatives and then through a comprehensive sector strengthening program (Phase I, 2005-2008); Phase II, 2008-2012). Phase III (2012-2016) will provide A\$12m over four years to continue the work of Phase II and to assist the Government of Vanuatu with the implementation of their national TVET policy.

6.3.1 Government of Vanuatu - donor partnership arrangements

The design document for the Vanuatu Education Sector Program (VESP) summarises the means by which development partner contributions have been allocated to the MoE since 2008 (UNESCO ESP Design Document 2012):

The bulk of development partner funding to the education sector has been provided through direct financing [through the Development Fund] and technical assistance. The Joint Partnership Arrangement (JPA) was agreed in 2009 between the Government of Vanuatu and development partners to implement the Vanuatu Education Road Map (VERM).

The JPA signatories are categorised in two groups: "Pool Partners" – Government of Vanuatu, Australia (AusAID), New Zealand (NZMFAT) and UNICEF – make a financial contribution through a tripartite Grant Financing Arrangement. "Non-Pool Partners" contribute through separate mechanisms (including the European Union's General Budget Support) ... Other donors provide technical support ... Japan provides funding for classroom construction with France and US Peace Corps providing volunteers and/or in-kind support. The World Bank has provided [other] technical support.

Despite recent changes and reforms to the funding mechanisms, there remain difficulties in identifying the funds which flow into TVET as a 'system' in Vanuatu from development partners. The Public Expenditure Review of Education (Gov 2012) found the following in relation to education and TVET spending:

It has not been possible for the present review to quantify aggregates for Vanuatu's funding sources and uses, especially in relation to Vanuatu's post-secondary technical and vocational training sub-sector. (p.23)

The [PER] encountered difficulties in quantifying the funding contributions of individual development partners on a consistent and comprehensive basis. It is clear, for example, that even for development partner funding channelled through the GoV Development Fund amounts budgeted can bear little relationship to amounts received and expended by the GoV. (p.25)

6.3.2 Scholarships

The Government offered scholarships for the first time in 1997. Unlike some other Pacific Island Countries, all ni-Vanuatu graduates return home after studying overseas for a two year bonding period which reduces the impact of 'brain-drain' on the Vanuatu labour market. At the same time, there remain concerns about the academic progress of students on scholarships while overseas which has prompted new Ministerial requirements linking pass rates with ongoing scholarship support.

The scholars themselves are selected by the National Education Commission with a preference towards highest academic achievers from Year 13. Each year, according to the National Education Commission, around 80 percent of scholarships are awarded to applying scholars, 15 percent to people already in work and 5 percent in private enterprise.

To date, the government has not mandated the disciplines or levels of study for its scholarships and has left such decisions to the National Education Commission. This does, however, make it difficult to estimate the number of scholarships being undertaken at each level of study. There have been signals that the Government will move to a more targeted approach under new governance arrangements (i.e. separation of the Scholarships Board from the National Education Commission) and approaches to human resource planning.

6.3.3 Vanuatu TVET Sector Strengthening Program

The VTSSP is an Australian Government funded program delivered in partnership with the Government of Vanuatu. It has supported the development of an innovative and decentralised approach to TVET delivery based on a "purchasing" model. Through the Program, locally-staffed TVET Centres have been established in three of the six provinces to coordinate and "purchase" training in response to provincial productive sector demand. Depending on the nature of the demand, the Centres contract local training providers (e.g., VIT, VAC, RTCs, VMC) to deliver on-site modular accredited courses, as well as the services of industry coaches. The industry coaches provide complementary and on-going Business Development Support mentoring and follow-up.

Program funds are channelled through the VTSSP Employment and Training Fund. The TVET Centres have now been officially placed within the structure of the newly-named Ministry of Education and Training as the key mechanism for the coordination of provincial level TVET delivery. The VTSSP also supports local training provider capacity building (including RTCs) as well as advisory support to the VQA.

6.3.4 Rural Training Centres

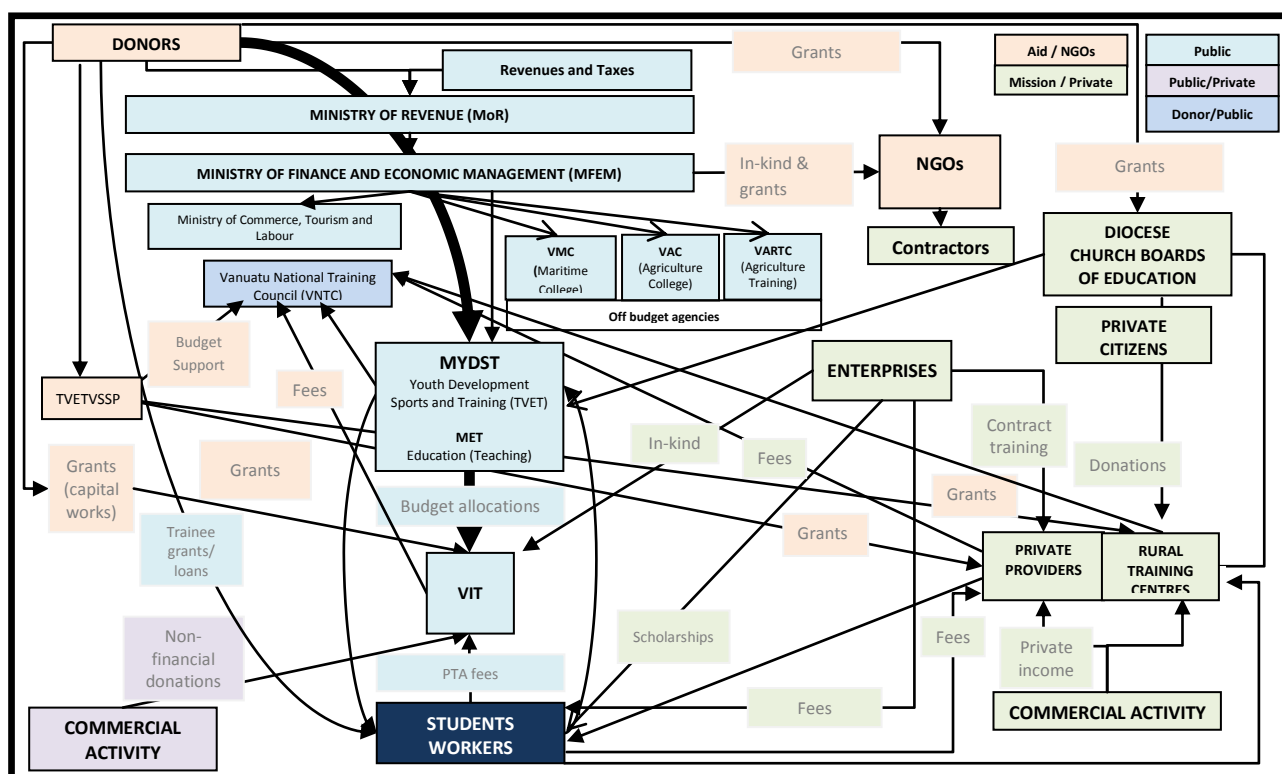
There is no direct financial support from the Government of Vanuatu for the RTCs, but government departments and agencies do provide practical placement for trainees. In terms of income sources, donor funds flowing to RTCs from government are disbursed through the Ministry of Internal Affairs. This is codified as 'Aid In-Kind' and is sourced from NZAID. This is provided for training but not for salaries.

For Rural Training Centres, donor funds do not go direct to the providers but are directed to VRDTCA to assist providers with projects that are suitable for them. Funding may cover infrastructure, classrooms, water tanks, furniture and toilets. In some instances, funding can go direct to the RTCs for smaller projects.

6.4 SUMMARY DIAGRAM

Figure 6.2 summarises the financial management and flows activity occurring within the TVET sector in Vanuatu. The diagram reflects not just the complexity of the TVET system but also the many financial flows which exist between and within the government and non-government sectors. The diagram is sub-divided into five colour-coded categories: Aid/NGOs; church/private; public/government; public/private combination; and donor/public.

Figure 6.2 Summary diagram of TVET financing flows in Vanuatu



CHAPTER 7. TVET FINANCIAL PATTERNS AND TRENDS

This chapter presents an analysis of TVET financial patterns and trends in Vanuatu, primarily using data from budget documents and estimates from non-Government TVET providers.

7.1 EXPENDITURE ON EDUCATION

The *Priorities and Action Agenda for Vanuatu, 2006-2015* states that education is a major component of the national budget in Vanuatu. TVET, as a subsector of education in its own right, is a relatively recent emergence and Government of Vanuatu (GoV) expenditure directed to TVET is currently at 0.7 percent of the national budget and 28 percent for education generally (Gibert & Morris, 2010). The Public Expenditure Review (GoV, 2012) found that:

At the aggregate level MoE's budgets and expenditures as a proportion of total GoV-funded recurrent expenditure have been trending upwards over the past decade, albeit with fluctuations from year to year. Its budgets have also been on a (slightly) upward trend as a proportion of Vanuatu's GDP. Both trends are consistent with the high priority attached by successive governments to raising access to and the quality of education. (p.5)

Table 7.1 shows the share of annual education spending by sector. Post secondary comprises a small, albeit growing, share over time. The increasing share of the post secondary sector in MoE budgets has been largely attributable to the growth of spending on GoV-funded scholarships (GoV, 2012). There was a 64 percent increase of scholarship awardees in 2012-13, and it is not clear that the budget implications were fully taken into account.

Table 7.1 Estimates of government expenditure on education, by level, 2008 - 2011 (VTm)

	2008	2009	2010	2011
Primary schools	51.6	50.7	48.0	46.9
Secondary schools	30.8	30.7	27.9	28.4
Post secondary	4.7	5.6	4.7	13.4
Support services	12.9	13.1	19.4	11.3
Total	100.0	100.0	100.0	100.0

Source: Derived from MFEM Finance Regulation 2.2 annual reports 2011 and 2012 in Public Expenditure Review (GoV, 2012).

For regional comparisons, Table 7.2 shows data from the ADB (2008) the international position of Vanuatu in the Pacific in terms share of TVET spend compared to GDP and MOE budget. Although the data need to be treated cautiously because of gaps and the assumptions that needed to be used, the government budget for TVET in Vanuatu appears relatively low as a proportion of GDP and of total government expenditure.

Table 7.2 Relative size of TVET budgets, Pacific Island Countries

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.

- a. If the training and productivity authority of Fiji was included, this increases to 0.68.
- b. Data for Tarawa Technical Institute only. If the Fisheries Training Centre and the Marine Training Centre are included, this figure rises to 2.0.
- c. 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%.
- d. 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%.
- e. Pertains to government funds only, excludes external funds.
- f. Palau Community College only, which also offers bachelor degree courses.
- g. Ministry of Education (MoE) expenditure here also includes external funding through the Compact.
- h. Vocational centres and business technical colleges only. Excludes the National Training Council.
- i. TVET reference is for all tertiary sectors so the actual TVET expenditure is much smaller.
- j. Vanuatu Institute of Technology only; 6% for all TVET-related activities.

7.1.1 Expenditure on TVET across Ministries, Departments and Agencies

Within the constraints of available data, it is possible to discern trends in the following areas of TVET provision and administration:

- funding of VIT and VITE (within the Ministry of Education);
- direct funding of TVET functions within the then Ministry for Youth Development, Sports and Training, namely funding of the Office of TVET and the then Vanuatu National Training Council; and
- funding via grants from MFEM for the following institutions: Vanuatu Rural Training Centres, the Vanuatu Maritime College, and (since 2008) the Vanuatu Agriculture College.

Table 7.3 shows the annual government budgets from 2009 to 2012 for the relevant Ministries along with the 'off-budget' grants and subsidies allocated to other TVET-oriented organisations. This shows that the MYDST receives VT145.7m annually which is allocated across the Office of TVET and Employment Opportunities (VT5.1m), Vanuatu National Training Council (VT20.0m) and Non & Informal Education Development (VT3.9m).

Within the Ministry of Education budget of VT6,355m sit the Vanuatu Institute of Technology (VT98.4m), the Vanuatu Institute of Teacher Education (VT80.3m), the In Service Unit (VT17m) and the Vanuatu Government Scholarship Fund (269.6m). The Vanuatu Government also issues a set of 'off-budget' grants and subsidies to the Agricultural College (82.8m), the VARTC (VT35.7), the Maritime College (VT41.3m) and USP (VT146.2m).

The Public Expenditure Review (GoV, 2012) noted that *the relative decline in MoE funding of VIT and VITE has been enabled, at least in part, by substantial funding of VITE in particular by the Pool Partners under the VERM - a possible example of the 'fungibility' of development partner funding* (p.31).

Table 7.3 Summary of expenditure on TVET by Ministry 2009 – 2012 (VTm)

	2009	2010	2011	2012
Ministry for Youth Development, Sports & Training	103.8	150.7	146.7	145.7
TVET & Employment Opportunities	14.7	25.5	25.3	28.9
Office of TVET & Employment Opportunities	3.4	3.3	3.3	5.0
Vanuatu National Training Council	7.3	21.2	20.0	20.0
Non & Informal Education Development	4.0	1.0	2.0	3.9
Ministry of Education - Technical and Higher Education Division				
Vanuatu Institute of Technology (excluding donors)	99.0	113.1	113.1	113.1
Vanuatu Institute of Technology (including donors)	99.0	287.1	153.1	113.1
<i>Personnel Emoluments</i>	89.0	103.1	103.1	103.1
<i>Subsidies & Transfers</i>	10.0	10.0	10.0	10.0
+ <i>Donors</i>	0.0	174.0**	40.0*	0.0
Vanuatu Institute of Teacher Education (including donors)	74.1	74.1	75.2	147.0
Vanuatu Institute of Teacher Education (excluding donors)	74.1	74.1	75.2	80.0
Vanuatu Government Scholarship Fund	--	250.0	270.0	269.6
Scholarship Fund (donors)	--	465.5	411.6	--
Development Fund	6.0	--	--	--
Grants and subsidies	262.8	306.0	314.3	306.0
Agricultural college	82.8	82.8	82.8	82.8
VARTC Grant (farmer extension training)	35.7	35.7	44.0	35.7
Maritime College Grant	41.3	41.3	41.3	41.3
USP Grant	103.0	146.2	146.2	146.2

Source: Government of Vanuatu Budget Papers (GoV, 2013)

* European Union Projects

** TVET Project

-- Not collected or unavailable

7.1.2 System Regulation

Table 7.4 provides data from the-then Vanuatu National Training Council for 2012, and shows that 84.9 percent of income was sourced from a government grant, with the remainder being sourced from Australian aid (9.5%), registration fees (2%), certificates (2%) and accreditation fees (1.5%). At the time of writing, financial data were not yet available for the VQA, which succeeded the VNTC in mid-2014.

Table 7.4 VNTC income and expenditure, 2012, VTm

	Jan-Sep 2012	Share of total
Income		
Government grant	20.0	84.9%
Donor funding - Australia	2.2	9.5%
Registration fees	0.5	2.0%
Certificates	0.5	2.0%
Accreditation fees	0.4	1.5%
Total income	23.5	100.0%
Expenditure		
Wages and salaries	6.0	45.8%
QA training programs	3.9	30.0%
Office Admin	1.9	14.9%
Travel	0.5	3.6%
Operating expenses	0.4	3.2%
Motor Vehicle	0.3	2.2%
Staff training	0.0	0.2%
Utilities	0.0	0.1%
Total expenditure	13.0	100.0%

Source: Vanuatu National Training Council Profit and Loss Statement, 2012

7.2 GOVERNMENT PROVIDERS OF TVET

This section presents an analysis of the income and expenditure patterns of government TVET providers: the Vanuatu Institute of Technology; the Vanuatu Maritime College; and the Vanuatu College of Nursing Education.

7.2.1 The Vanuatu Institute of Technology (VIT)

The Vanuatu Institute of Technology (VIT) is located in 'Post Secondary Schools' section of the MoET budget.

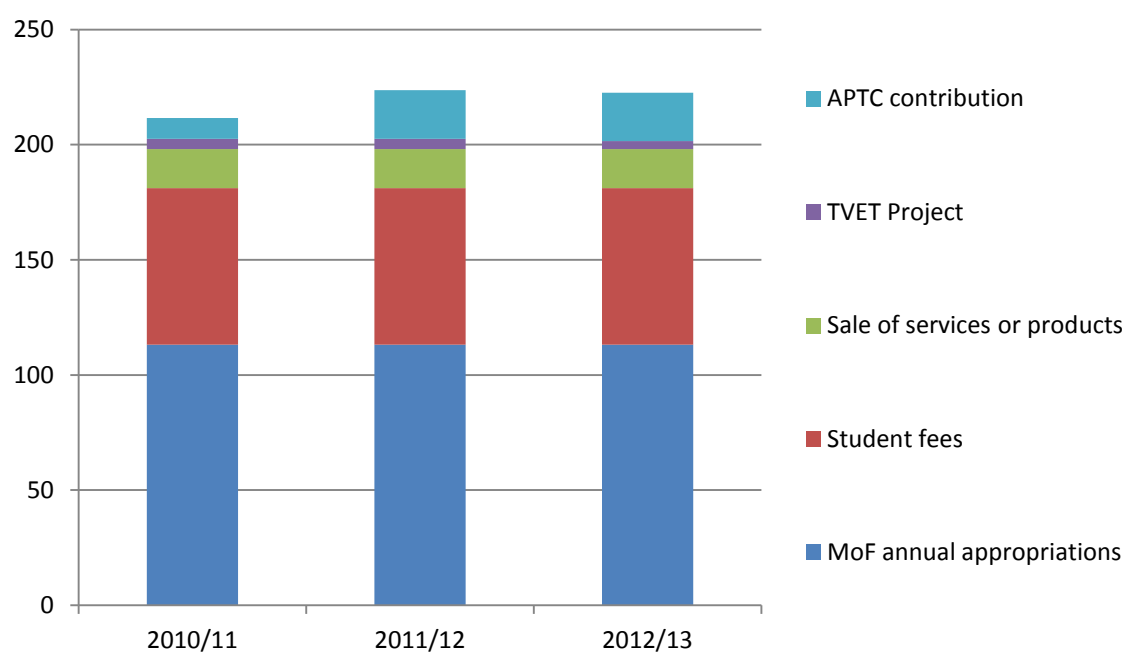
Income sources

VIT receives about half of its annual income through the Government of Vanuatu – averaging around 53 percent over the three years to 2012-13 (Table 7.5). Importantly, around one third of annual income is sourced from student fees – averaging around 31 percent for the three years to 2012-13. The remaining income sources come from the sale of services and products and other sources such as the management fees obtained in the delivery of courses through the VTSSP TVET Centres and APTC contributions.

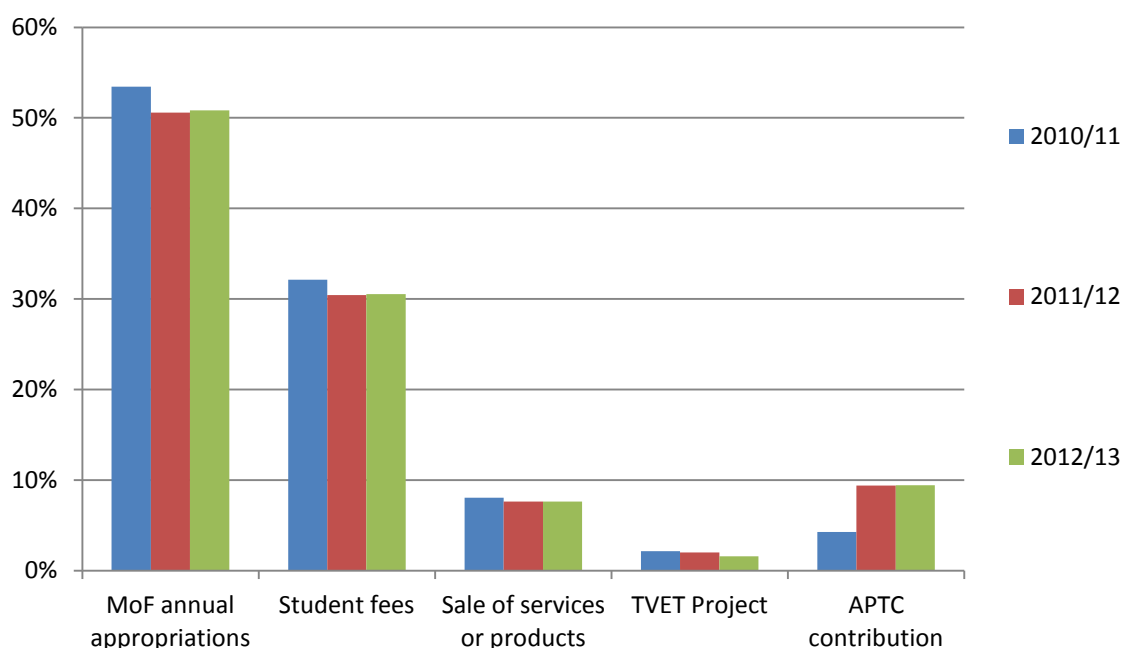
Table 7.5 VIT income sources, 2010-11 to 2012-13 (VTm)

	2010-11 actual	2011-12 actual	2012-13 projected
Annual MoE government appropriations	113.1	113.1	113.1
Student fees	68.0	68.0	68.0
Sale of services or products	17.0	17.0	17.0
Other revenue sources			
Management fees from TVET Centre delivery	4.5	4.5	3.5
All other sources (including APTC contribution)	9.0	21.0	21.0
Total other sources	13.5	25.5	24.5
Total Income	211.6	223.6	222.6

Source: Project survey

Figure 7.1 VIT income sources, 2010-11 to 2012-13 (VTm)

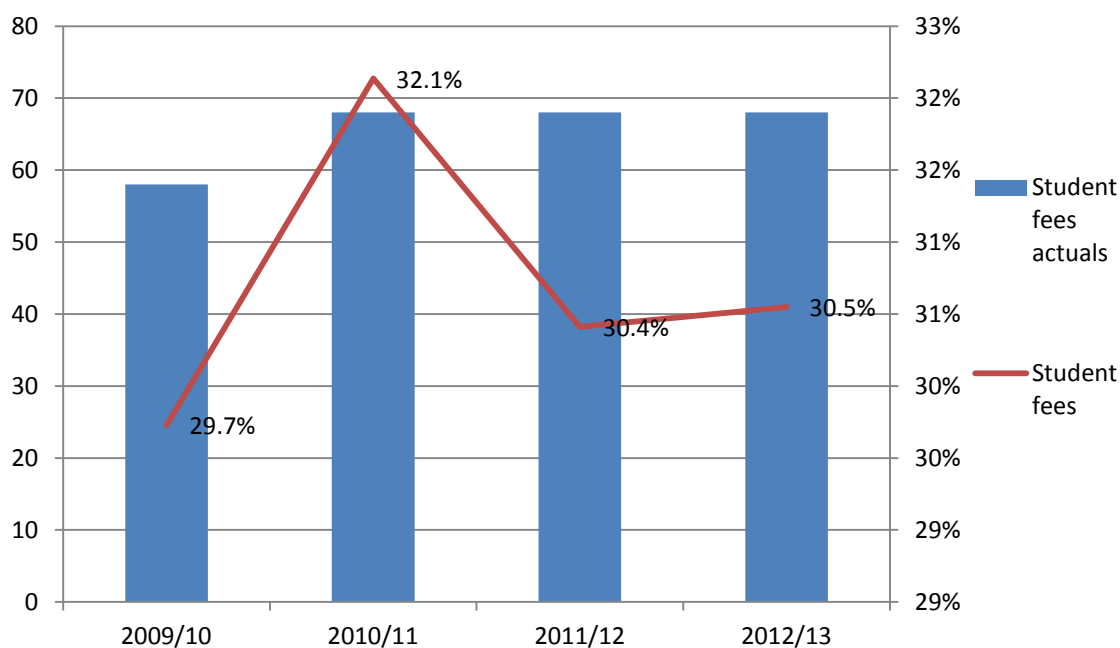
Source: Table 7.5

Figure 7.2 VIT revenue sources, 2010-11 to 2012-13 (% of total)

Source: Table 7.5

Student contributions

As a proxy measure of cost recovery, the Figure 7.3 presents the amount received by VIT and expresses it as a proportion of total expenditure for the period 2009-10 to 2012-13. This shows that the share of income sourced from student fees has run between 29.7 percent and 32.1 percent over the four years to 2012-13.

Figure 7.3 Share of VIT income from student fees, 2009-10 – 2012-13 (%)

Source: Table 7.5

Patterns of expenditure

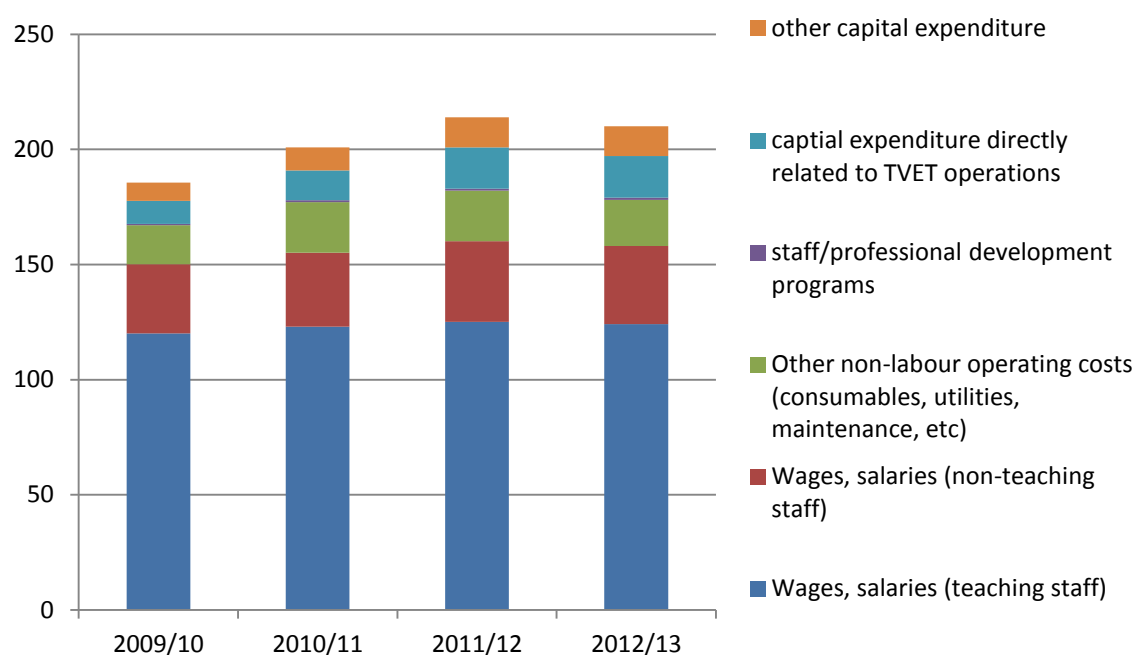
In terms of expenditure, the largest share is allocated on salaries and wages – around 61 percent of total expenditure is expended on salaries of teaching staff and around 16 percent on non-teaching staff (Table 7.6).

According to information provided by VIT, operating costs account for around 10 percent on an annual basis. The remaining 10-15 percent of annual expenditure is on capital projects, such as building works, equipment and machinery. This proportion spent on capital has increased over time as a share of total annual expenditure.

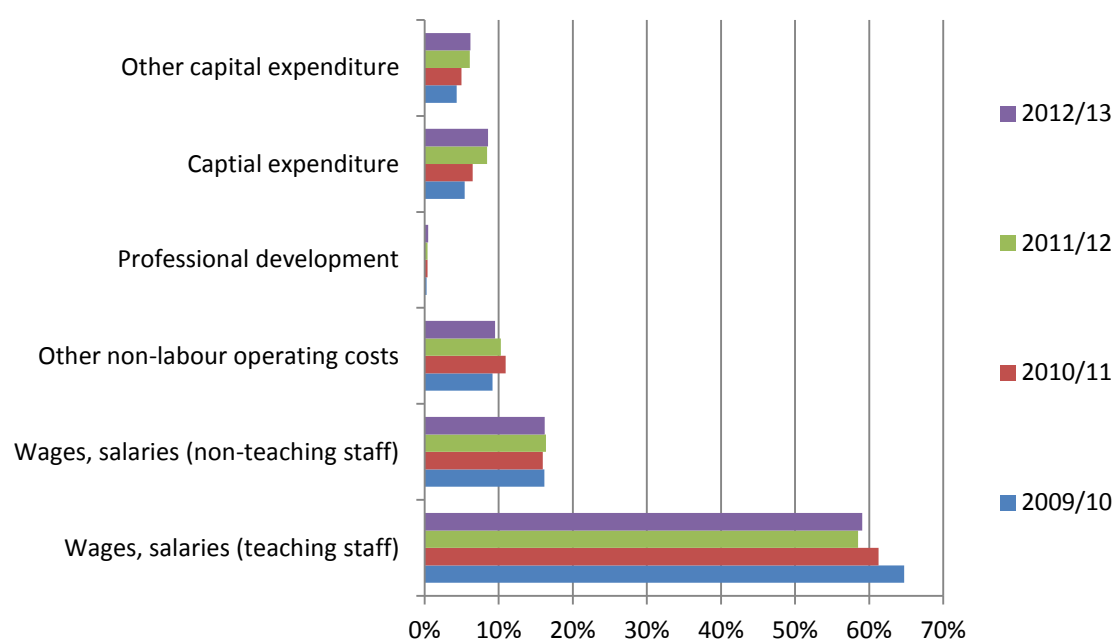
Table 7.6 VIT expenditure estimates for 2009-10 to 2012-13 (VTm)

	2009-10 actual	2010-11 actual	2011-12 actual	2012-13 projected
Routine recurrent/operational budget allocation				
<i>Wages, salaries and other staff emoluments</i>				
salaries and other emoluments of teaching/training staff directly involved in TVET programs	120.1	123.1	125.1	124.1
wages, salaries and other emoluments of non-teaching staff	30.0	32.0	35.0	34.0
<i>Total wages, salaries, etc</i>	150.1	155.1	160.1	158.1
<i>Other non-labour operating costs (consumables, utilities, maintenance, etc)</i>	17.0	22.0	22.0	20.0
Total routine recurrent budget	167.1	177.1	182.1	178.1
Development budget (including staff development)				
development/introduction of new TVET programs and/or upgrading of existing TVET courses	n/a	n/a	n/a	n/a
staff/professional development programs	0.5	0.8	0.8	1.0
other development items				
Total development budget	0.5	0.8	0.8	1.0
Capital budget (expenditure on civil works, equipment, machinery, etc)				
directly related to TVET operations	10.0	13.0	18.0	18.0
other capital expenditure	8.0	10.0	13.0	13.0
Total capital budget	18.0	23.0	31.0	31.0
Total Expenditure	185.6	200.9	213.9	210.1

Source: Project survey

Figure 7.4 VIT expenditure items, 2009-10 to 2012-13 (VTm)

Source: Table 7.6

Figure 7.5 VIT expenditure items, 2009-10 to 2012-13 (% of total)

Source: Table 7.6

Unit costs of training at VIT

Because it was not possible to collect data on the actual unit costs of provision at VIT, the following assumptions needed to be used in making estimates:

- The unit costs have been calculated using global financial data at the provider level rather than the aggregation of detailed inputs e.g. 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.
- VIT courses has been codified against a CEDEFOP field of specialisation for the purposes of identifying average unit costs across different fields of education and training (Table 7.7).

Table 7.7 Clusters of providers and programs at VIT by CEDEFOP field

Programs	CEDEFOP Field
- VFC/HVC 1 Joinery / Menuiserie - VFC/HVC 1 Building Construction / Construction Bâtiment - VFC/HVC 1 General Mechanic / Mécanique Générale - VFC/HVC 1 Automotive / Automobile - VFC/HVC 1 Electrotechnology / Electrotechnique	Engineering, Manufacturing and Construction
- VFC/HVC 1 Information Technology / Informatique - VFC Business Study / Tertiaire (Compta. Secretariat) - HVC 1 Accounting / Administration Commerciale et Comptable - HVC 1 Office Administration / Communication et Administration du Secrétariat - HVC 2/3 Financial Management and Accountancy / Comptabilité et Gestion Administrative - HVC3/Diploma Media and Journalism	Social Sciences, Business and Law
- HVC1 / Culinary Arts and Pastry - HVC1 / Housekeeping Operations - HVC1 / Restaurant & Bar Operations - HVC1 / Tourism Studies	Services
- VFC / HVC1 Arts	Humanities and the arts

Source: VNTC listing

The input data for the unit cost estimates is shown in Table 7.8.

Table 7.8 Background data for estimating unit costs for VIT, 2011-12

	Total recurrent expenditure *	Enrolments	Max annual training hours	Max annual student training hours
Time period	2011-12	2011	2011	2011
Vanuatu Institute of Technology	113,086,297	814	1,150	936,100
<i>Engineering, Manufacturing and Construction</i>	34,763,565	250	1,150	287,500
<i>Social Sciences, Business and Law</i>	54,169,732	390	1,150	448,500
<i>Services</i>	21,500,358	155	1,150	178,250
<i>Humanities and the arts</i>	2,652,642	19	1,150	21,850

Source: Government of Vanuatu Budget, TVET providers, MoE

* Breakdown of expenditure across CEDEFOP fields based on enrolment share

The resulting unit cost estimates are shown in Table 7.9.

Table 7.9 Unit cost estimates for VIT, 2011-12 (VT)

CEDEFOP field	per student (annual)	per training hour (annual)	per student training hour (annual)
Engineering, Manufacturing and Construction	139,054	30,229	120.9
Social Sciences, Business and Law	138,897	47,104	120.8
Services	138,712	18,696	120.6
Humanities and the arts	139,613	2,307	121.4

Source: Government of Vanuatu Budget, TVET providers, MoE

For comparison, previous unit cost analyses conducted by the MoE of Education indicate that expenditure per post-secondary student is around VT201,840 including the Vanuatu Institute of Teacher Education (Table 7.10).

Table 7.10 Expenditure per student by level of education, Vanuatu 2011 (VT)

Education level	2011 Actual expenditure (VTm)	Enrolment (Govt and Govt-assisted schools)	Expenditure per student
Early Childhood Education	1.9	11,601	164
Primary 1-6	2042.9	40,328	50,658
Secondary	1249.2	17,019	73,400
Post-Secondary	203.7	1,009	201,840
Scholarships	334.0	593	563,160

Source: Government of Vanuatu Budget, TVET providers, MoE

7.2.2 Vanuatu Maritime College

The Vanuatu Maritime College (VMC) is allocated an 'off-budget' grant through the MFEM. Using the limited data available, Table 7.11 shows that the VMC receives 41.3m from the Government which is topped up by 3-4m in student fees and 2.5m in revenues from the Shipping Register Training Fund. VMC also receives revenue through management fees when contracted to deliver courses through the VTSSP TVET Centres.

Table 7.11 VMC income sources 2009-10 to 2012-13 (VTm)

	2009-10 actual	2010-11 actual	2011-12 actual	2012-13 projected
Annual MFEM grant	41.3	41.3	41.3	41.3
Direct funding (ODA) from international donors	n/a	n/a	n/a	n/a
Student fees (TVET only)	n/a	2.8	3.9	3.4
Sale of services or products	n/a	n/a	n/a	n/a
Other revenue sources				
Shipping Register Training Fund	n/a	n/a	2.5	2.5
Total Income	41.3	46.6	47.6	47.2

Source: Project survey

7.2.3 Vanuatu College of Nursing Education

The VCNE is funded through the Ministry of Health (Table 7.12). It has generated an annual income of around VT46.3m for the four years to 2012-13 – of which more than 90 percent has come from the Government of Vanuatu. Additional amounts have been sourced from donors (1.8%) and student fees (6%). There is a roughly equal share of total recurrent expenditure allocated to salaries as to operational costs (Table 7.13).

Table 7.12 VCNE income sources 2009-10 to 2012-13 (VTm)

	2009-10 actual	2010-11 actual	2011-12 actual	2012-13 projected
Annual Ministry of Health (MoH) grant (TVET only)	32.0	64.3	48.5	26.0
Direct funding (ODA) from international donors*	0.0	0.0	1.7	1.7
Student fees (TVET only)	1.6	2.9	3.4	3.2
Sale of services or products	0.0	0.0	0.0	0.0
Other revenue sources	0.0	0.0	0.0	0.0
Total Income	33.6	67.2	53.5	31.0

Source: Data sheets completed for this project

* 40,000 X 40 students Australian Government funded and 2 students funded by a Catholic university

Table 7.13 VCNE expenditures 2010-11 to 2012-13 (%)

	2010-11 actual	2011-12 actual	2012-13 projected
Routine recurrent/operational budget allocation			
<i>Wages, salaries and other staff emoluments</i>			
salaries and other emoluments of teaching/training staff directly involved in TVET programs	22.0	18.7	25.4
wages, salaries and other emoluments of non-teaching staff			0.2
Total wages, salaries, etc	22.0	18.7	25.6
<i>Other non-labour operating costs (consumables, utilities, maintenance, etc)</i>	20.0	23.8	27.8
Total routine recurrent budget	42.0	42.5	53.4
Development budget (including staff development)			
development/introduction of new TVET programs and/or upgrading of existing TVET courses			
staff/professional development programs			
other development items			
Total development budget	0.0	0.0	0.0
Capital budget (expenditure on civil works, equipment, machinery, etc)			
directly related to TVET operations		6.0	6.0
<i>other capital expenditure*</i>			30.0
Total capital budget	6.9	6.0	6.0
Total Expenditure	64.3	48.5	59.4

Source: Data sheets completed for this project

* In 2012 AusAID funded a VT30 million Building Extension – not included as a contribution to 'TVET'.

7.3 RURAL TRAINING CENTRES

Reliable financial data for the Rural Training Centres (RTCs) in Vanuatu is quite limited. The amounts allocated to the RTC line item by the Ministry of Internal Affairs in the 2012 budget was VT32.2m. This is in-kind donor support from NZAID to the VRDTCA to be used for training, and not staff salaries.

Each RTC collects student fees (on a per term basis) in the range of 7,000VT to 35,000VT per year. Previous studies have found the single most expensive item for RTC budgets is staff salaries (ADB, 2007). Typically, RTC teaching staff receives a salary ranging from 25,000VT to 30,000VT per month over a 10 month period. Staff costs alone for a RTC running 4 courses is in the range of 1.5mVT. This suggests that a minimum of 30 fee paying students is required just to cover staff costs (ADB, 2007).

7.4 OFFICIAL DEVELOPMENT ASSISTANCE TO TVET

This section provides a summary, using the limited data available, to present a picture of TVET financing from donor governments in three areas: scholarships; the TVET Sector Strengthening Program funded by Australia; and the Australia-Pacific Technical College, also funded by Australia.

7.4.1 Scholarships

The 2012 budget for tertiary scholarships, as presented in Table 7.14, shows funding is provided from five sources: Australia (41.8%), NZAID (22.2%), Pacific Island countries (20.2); short-term training awards (8.1%); and the Government of Vanuatu (7.7%).

It is unclear, however, the proportion of these scholarship funds directly allocated to TVET-related courses. For the purposes of aggregating a total investment in TVET in Vanuatu, an estimate of 15 percent is used to include all certificate and diploma-level TVET delivered in Vanuatu and overseas (excluding those areas outside scope of this study)⁷.

Table 7.14 Scholarships via the Training and Scholarship Coordination Unit, 2012 budget (VTm)

	2012	% of total	TVET*
Government of Vanuatu	54.9	7.7	8.2
Development budget	654.8		98.2
Australia	296.7	41.8	44.5
NZAID	157.6	22.2	23.6
Other Pacific countries	143.2	20.2	21.5
Short term training awards	57.3	8.1	8.6
Total	709.7	100.0	106.5

* In the absence of scholarship data disaggregated by education level, the estimates are based on an assumption that 15% of annual scholarship funds are allocated for TVET studies.

Source: Budget Estimates, 2012 Government of Vanuatu.

7.4.2 Donor contributions to post-secondary education and TVET programs

The TVET Sector Strengthening Program sits within the Australia aid program's strategic goal of '*Promoting opportunities for all*'. The 2011-12 budget allocation for TVET in 2011-12 was A\$2.3m (Table 7.15).

Table 7.15 Australian aid budget program for Vanuatu: Strategic goal - promoting opportunities for all

Initiative Budget	2011-12	Initiative description
Education Road Map	A\$6 million	Support Government of Vanuatu to improve access, literacy and numeracy of 43,000 primary school students.
Technical and Vocational Education and Training	A\$2.3 million	Employment and incomes increased in the provinces, through support for training, business development and employment services.
Australian Development Scholarships	A\$2 million	20 new awardees plus 50 ongoing students equipped with skills and knowledge to drive change and influence development outcomes in Vanuatu utilising tertiary qualifications from participating Australian higher education institutions and technical colleges.
Pacific Regional Development Scholarships	A\$2.3 million	60 new awardees plus 200 on-going students gain qualifications and skills that contribute to Vanuatu's development priorities through study at tertiary institutions in the Pacific region and in-country training.
Vanuatu Women's Centre	A\$0.9 million	Violence against women and children in Vanuatu reduced and prevented

Source: AusAID

The VTSSP TVET Centres contract a range of providers to deliver training in their respective provinces. Table 7.16 and Figure 7.6 show the distribution of contracted funds among

⁷ The APTC contribution is identified as a separate line item.

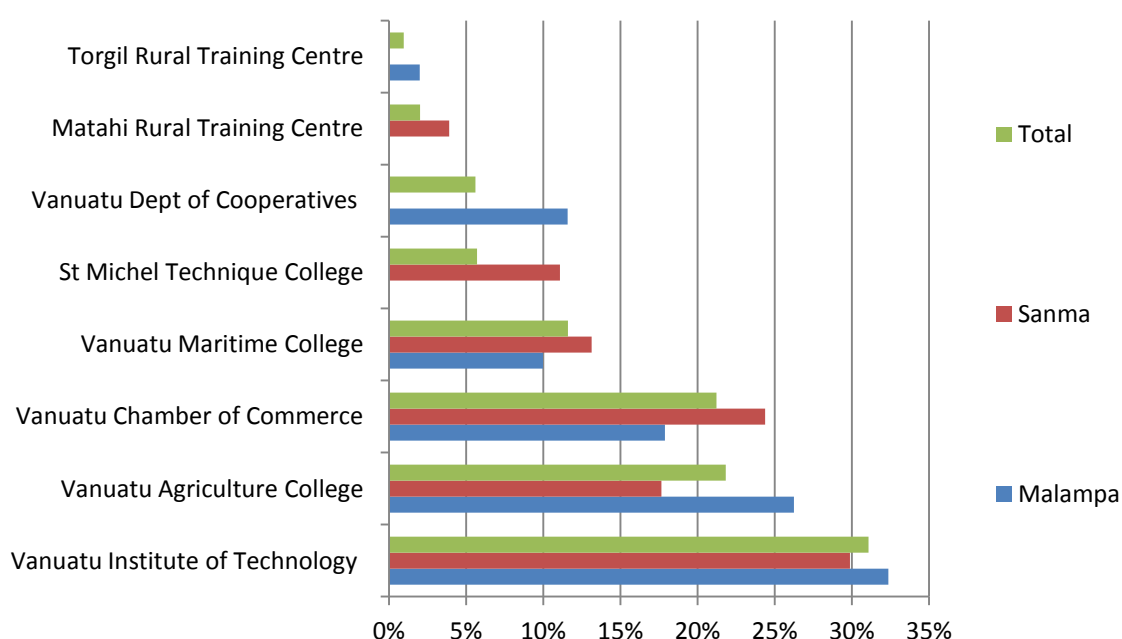
providers contracted by the Malampa and Sanma TVET Centres in 2011-12. In total, VIT received 31.1 percent of the funds contracted by the two Centres in 2011-12, VAC received 21.8 percent and the Vanuatu Chamber of Commerce and Industry 21.2 percent.

Table 7.16 Proportions of the training funds contracted by the Malampa and Sanma TVET Centres allocated to various training providers, 2011-12

	Malampa TVET Centre	Sanma TVET Centre	Total
Training provider	Contracted Training Funds (% of funding contracted)	Contracted Training Funds (% of funding contracted)	Contracted Training Funds (% of funding contracted)
Vanuatu Institute of Technology	32.4	29.9	31.1
Vanuatu Agriculture College	26.2	17.7	21.8
Vanuatu Chamber of Commerce and Industry	17.9	24.4	21.2
Vanuatu Maritime College	10.0	13.1	11.6
St Michel Technique College	0.0	11.1	5.7
Vanuatu Dept of Cooperatives	11.6	0.0	5.6
Matahi Rural Training Centre	0.0	3.9	2.0
Torgil Rural Training Centre	2.0	0.0	1.0
Proportion (%)	100.0	100.0	100.0
Value of training contracted (VT)	33,069,457	35,223,888	68,293,345

Source: VTSSP

Figure 7.6 Proportions of the training funds contracted by the Malampa and Sanma TVET Centres allocated to various training providers, 2011-12



Source: Table 7.16

A separate piece of unit costing has been undertaken for courses operating at the Sanma and Malampa TVET Centres in 2011-12. These are presented in Table 7.17.

Table 7.17 ETF-funded TVET Sector Strengthening Program courses, 2011-12 (VT)

Training Provider	Total Cost	Number of participants	Average Cost per participant
Malampa			
Torgil Rural Training Centre	658,533	12	54,878
Vanuatu Agriculture College	8,679,308	444	19,548
Vanuatu Chamber of Commerce and Industry	5,911,377	195	30,315
Vanuatu Dept of Cooperatives	3,825,533	272	14,064
Vanuatu Institute of Technology	10,698,367	334	32,031
Vanuatu Maritime College	3,296,339	62	53,167
Malampa Total	33,069,457	1,319	25,072
Average cost per student per training day			3,505
Sanma			
Matahi Rural Training Centre	1,375,499	73	18,842
St Michel Technique College	3,898,500	87	44,810
Vanuatu Agriculture College	6,217,436	359	17,319
Vanuatu Chamber of Commerce and Industry	8,585,221	482	17,812
Vanuatu Institute of Technology	10,519,013	259	40,614
Vanuatu Maritime College	4,628,219	97	47,714
Sanma Total	35,223,888	1,357	25,957
Average cost per student per training day			2,969
Grand Total	68,293,345	2,676	25,521
Average cost per student per training day			3,223

Source: VTSSP.

7.4.3 Australia-Pacific Technical College

Analysis of the APTC data for operations in Vanuatu show that around 63 percent of expenditure is allocated to personnel costs, compared to 37 percent on operational expenditure (Table 7.18). Total expenditure on the APTC Vanuatu campus, after campus and regional overheads are apportioned, is estimated to be around VT300m in 2011-12.

Table 7.18 APTC in Vanuatu, expenditure by school and input category, 2011-12 (VTm)

	STT	SHC	Campus management	Total Vanuatu campus	Pro-rata regional o'heads	Total APTC Vanuatu
Recurrent expenditure	4.86	88.33	63.57	156.76	55.73	212.48
personnel	4.23	60.53	25.06	89.82	44.45	134.27
operating expenditure	0.63	27.81	38.51	66.94	11.27	78.21
Scholarship program	0.00	0.00	60.58	60.58	0.00	60.58
Capital expenditure	0.00	0.00	25.35	25.35	9.41	34.76
Total operations	4.86	88.33	149.49	242.69	65.14	307.82
Share of recurrent expenditure%						
personnel	87.1%	68.5%	39.4%	57.3%	79.8%	63.2%
operating expenditure	12.9%	31.5%	60.6%	42.7%	20.2%	36.8%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

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

Source: APTC provided material.

The APTC expenditure data for 2011-12, when combined with enrolment data for the same period (315 students in 2011), indicates that expenditure per student was around VT975,000 for that year when all costs were included in the estimations. This is high figure compared to the estimates of per student expenditure for other TVET providers in Vanuatu that were included earlier in this chapter.

It should be noted, however, that there is a substantial impact on APTC's estimated per student costs of adding in the overhead expenses associated with campus management and regional administration. APTC has a higher overhead component than any of the national TVET providers. The unit costs of program delivery by APTC are also likely to be inherently greater than for other national providers because APTC's programs are aimed at producing relatively high-level qualifications, and most of the staff are seconded from Australian TAFE colleges and employed on Australian salary scales.

If just the direct costs of providing the STT and SHC courses at APTC's Vanuatu campus were taken into account (a total of VT93 million in 2011-12, i.e., not including campus management and regional overheads), the per student expenditure figure would be much lower, at around VT295,000. Nevertheless, even this figure is comparatively high in terms of Vanuatu's TVET sector. On the other hand, because APTC's graduation rates may well be higher than those for a number of other providers, the differentials in terms of the cost of producing a graduate are likely to be narrower than the per student figures imply.

CHAPTER 8. SURVEYING EMPLOYER PROVIDED AND FUNDED TRAINING

This chapter presents the findings from a pilot survey of enterprises which was conducted during the 8 week fieldwork period. The survey was adapted for Vanuatu 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 Vanuatu. 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.

8.1 SURVEY OBJECTIVES

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

8.2 METHODOLOGY

8.2.1 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 Annex 4. Wherever appropriate, standard international classification systems were used in the survey instrument design (see Annex 3).

8.2.2 Sample selection

A sample of some approximately 50 enterprises was selected from a list of businesses provided by the Vanuatu Chamber of Commerce and Industry. As this was not a complete list other enterprises were selected based on size and type covering a range of industry and business types.

8.2.3 Survey administration

Surveys were circulated by email to the Vanuatu Hotel and Resort Association to distribute to all members and to the Vanuatu Tourism Association members. Surveys otherwise were hand delivered and followed up by return visit and by email.

The survey was left with each organisation for at least one week prior to follow up. Where possible the Survey was directed to HR managers or to principal owners of each business.

8.3 SURVEY FINDINGS

8.3.1 Respondent profile

The sample selected attempted to cover the main enterprises involved in communications, transport and hospitality. The sample selected covered thirteen different industry types. It is acknowledged that the enterprises are not representative of all Vanuatu employers, but focused on the larger firms more likely to have training departments. Figures 8.1 and 8.2 provide background information on the enterprises in the survey.

Figure 8.1 Profile of enterprises responding to survey, by type

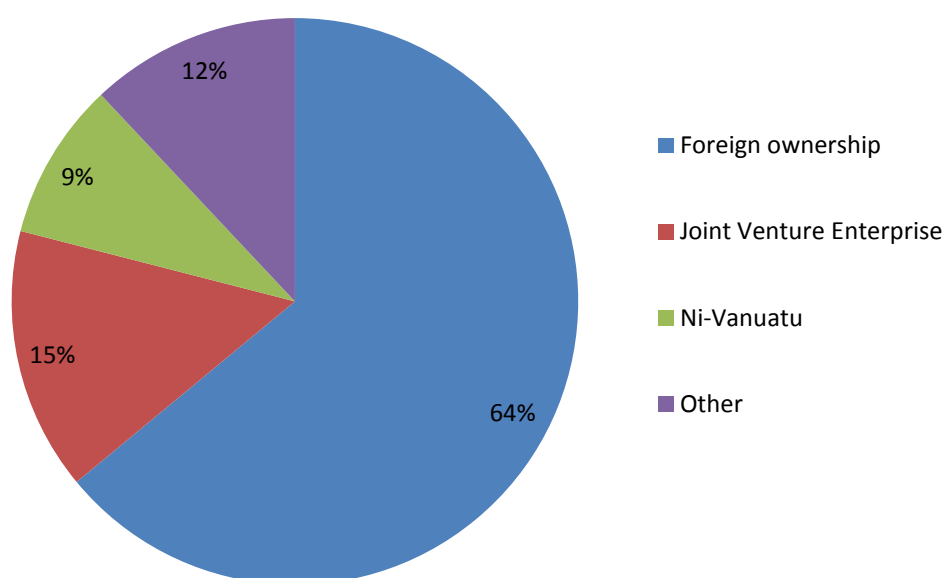
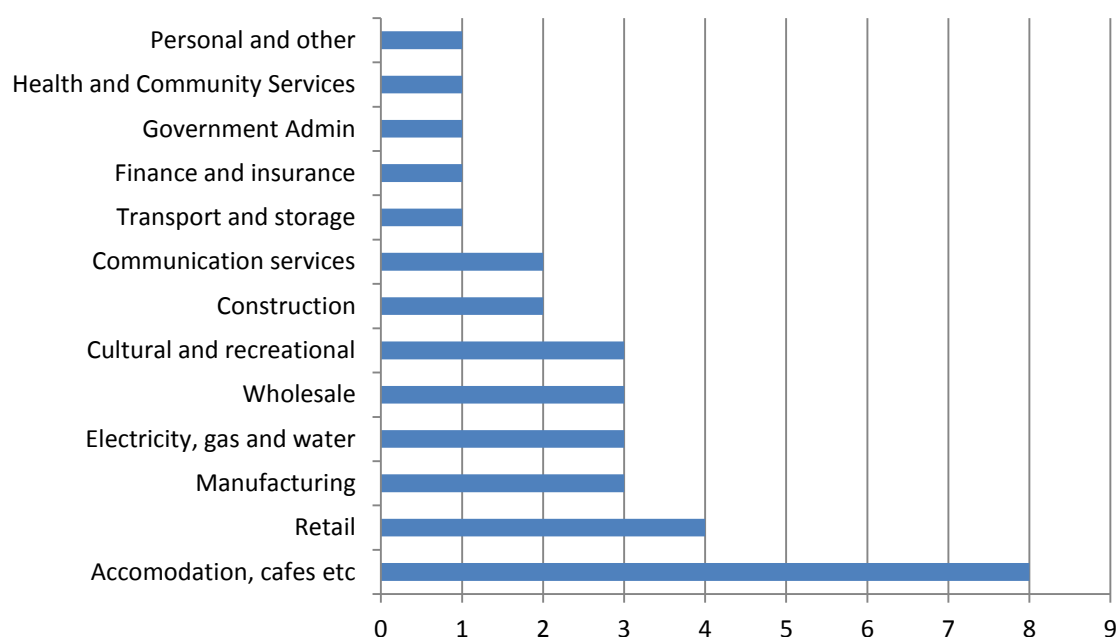


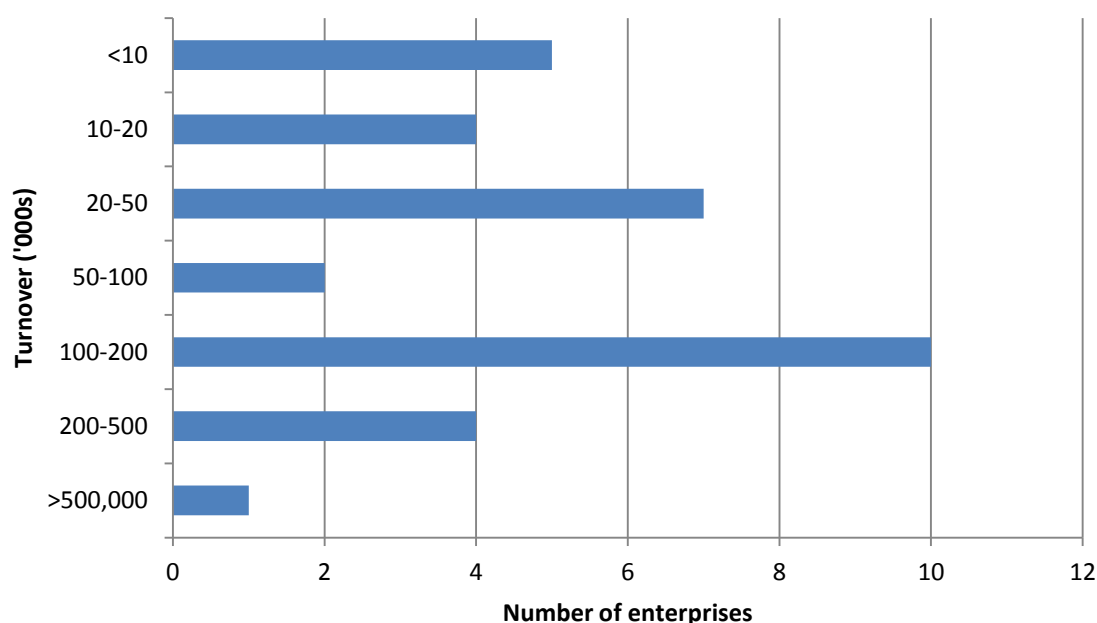
Figure 8.2 Profile of enterprises responding to survey, by industry sector

8.3.2 Enterprise Turnover

Each enterprise was required to indicate the business turnover. Many had no problem with providing this information however some of the bigger enterprises were unable to provide this information for a number of reasons. Some of the reasons given were that it was proprietary and confidential information, that management did not allow this information to be released or simply that the HR manager or finance personnel were not in possession of year end data that summarizes both turnover and annual staff wages.

Figure 8.3 indicates how many enterprises were selected in each size category. Note an assumption was made for the larger enterprises that did not provide detail that their turnover was in the less than Vt200 million range. In reality at least two of these it is estimated would have a turnover in excess of this however it was not possible to find alternate sources of information to verify this.

The turnover figures of the enterprises that returned the survey indicates a good spread of different sized enterprises were sampled.

Figure 8.3 Profile of enterprises responding to survey, by turnover

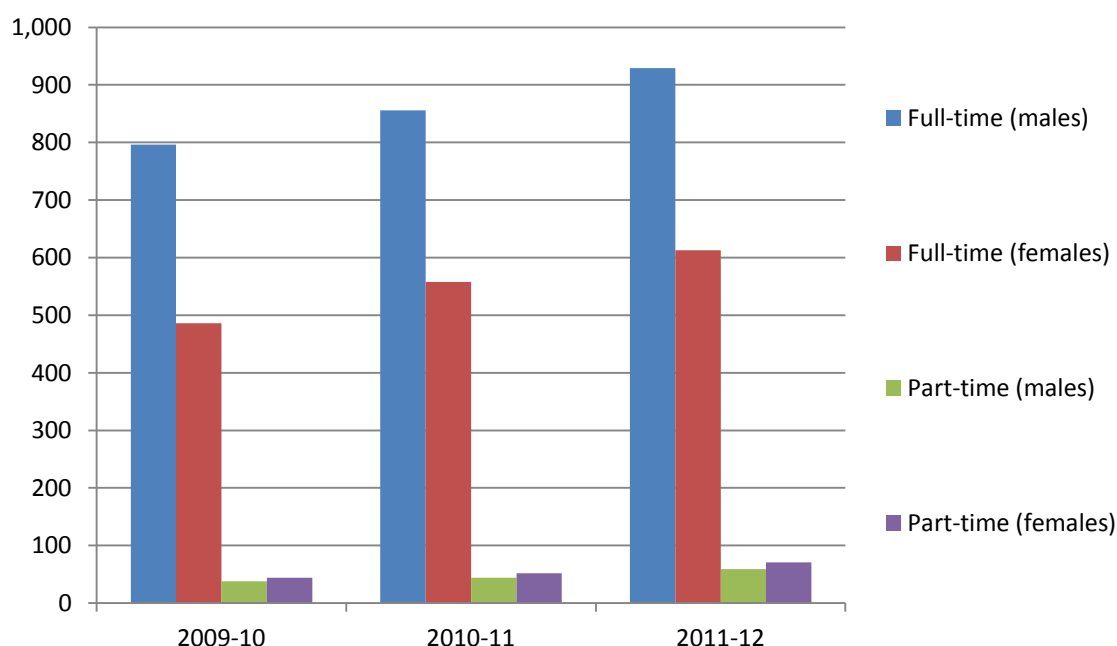
8.3.3 Wages

The amount spent on wages for those that completed this data was added and an average calculated for that year as a proportion of turnover. This averaged between 22-23 percent over 2009/10 to 2012/13.

It can be surmised that wages have marginally increased or turnover has decreased. This trend may be because of a recent determination to increase the minimum wage from Vt26,000 per month to Vt30,000 per month however given the timing of this in the second half of 2012 this is unlikely to have had much of an effect on the figures requested for 2009, 2010 and 2011. Calculations were also made omitting data that may have been erroneous and yielded a similar result with the wages % being on average 16-17 percent of Turnover consistently.

8.3.4 Workforce profile

Figure 8.4 indicates that the total proportion of female employees of those enterprises surveyed has increased by about 1 percent per year whilst the number of males employed has reduced by this amount. There is possibly a trend to employ more females or this might be a reflection of the number of Hotel and Resorts in the survey that employ female domestic staff. However, many more males are employed than females from this sample survey. In terms of part-time work there were more females employed however the number of part-time workers is small.

Figure 8.4 Workforce profile of responding enterprises, by year

As can be seen in the range of business enterprises surveyed most employees were categorised as Personal Service workers and elementary occupations (Figure 8.5). The latter includes domestic workers and housekeepers, gardeners and helpers, labourers and assistants and other non-skilled workers. Only a minority of employees had qualifications at post-secondary school level (Figure 8.6).

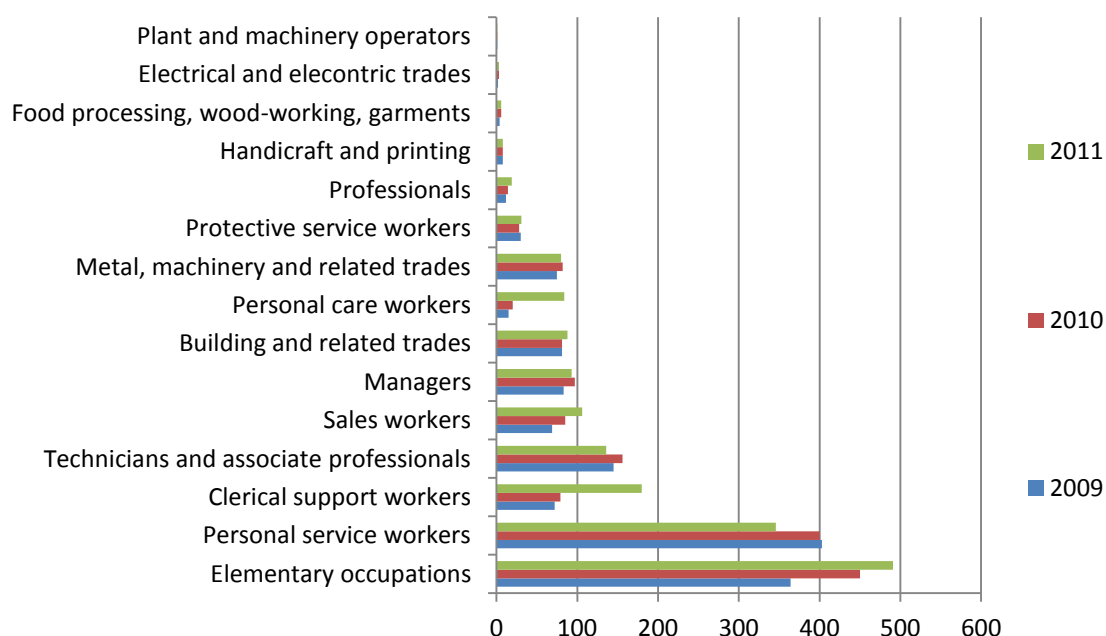
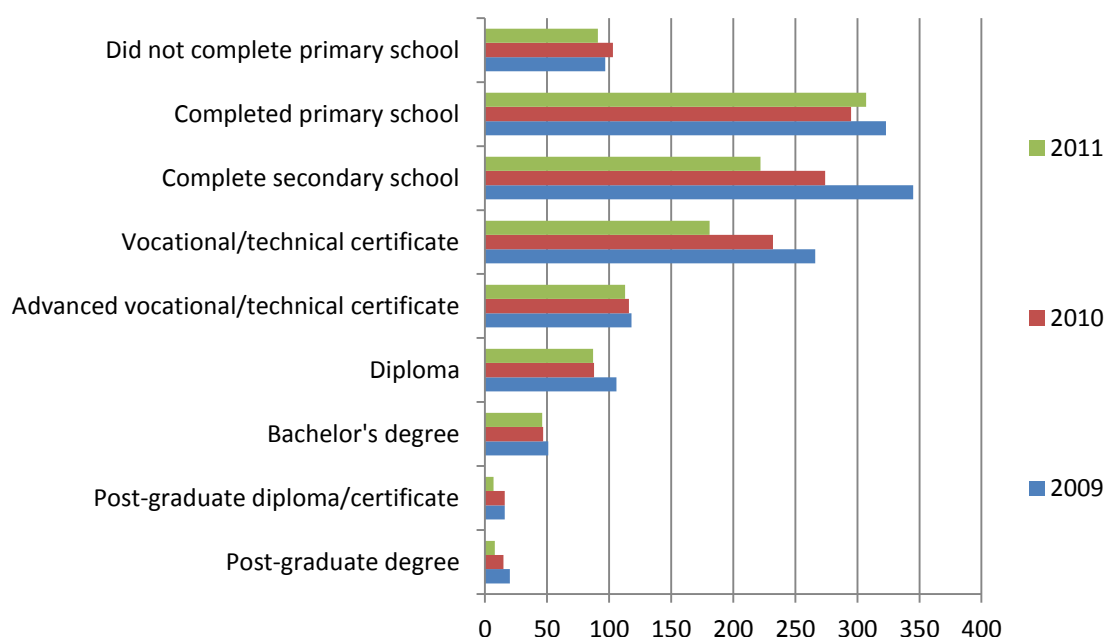
Figure 8.5 Workforce profile of responding enterprises, by occupation

Figure 8.6 Workforce profile of responding enterprises, by highest level qualification

Of the 33 enterprises surveyed 45 percent or 15 enterprises indicated that they have an apprenticeship program that involves a period of training with 112 employees being considered apprentices out of some 1,671 employees employed by these enterprises. This is 6-7% of employees working in the enterprises surveyed.

The Vanuatu Employment Act allows for a six month⁸ probationary period and most employers see this as a training period where by employees are given initial training. After this period Employees must be either engaged or can be put off. Whilst there are very few formal training apprenticeship programs nearly all indicated that there is a period of training, instruction and on the job components normally carried out by other employees.

There appears to be few governing regulations on formal Apprenticeship programs and the Vanuatu National Training Council has ultimate responsibility to accredit courses and provide certification of standards. The register of accredited courses from the VNTC may or may not correlate with those enterprises that indicate they run apprenticeship programs. This could be further researched to indicate how many enterprises are registering as training providers as a significant proportion 45% of those surveyed consider that they do provide apprenticeship training.

The Employment Act itself is very broad in relation to Apprenticeships giving the Minister the power to make regulations.⁹

⁸ Section 14 of the Employment Act Cap 106 Probationary period states (1) Every contract of employment for an unspecified period shall be subject to a probationary period of 15 days. This period may be increased to a maximum of 6 months, including renewals, by agreement between the parties to the contract.

(2) During the probationary period a contract of employment may be terminated by either party without notice at any time.

⁹ Section 71 of the Employment Act Cap 160 Apprenticeship states

The Minister may make regulations in respect of –

(a) the technical and other qualifications required of employers in order that they may employ and train apprentices;
 (b) the conditions governing the entry of young persons into apprenticeship;
 (c) the mutual rights and obligations of employer and apprentice.

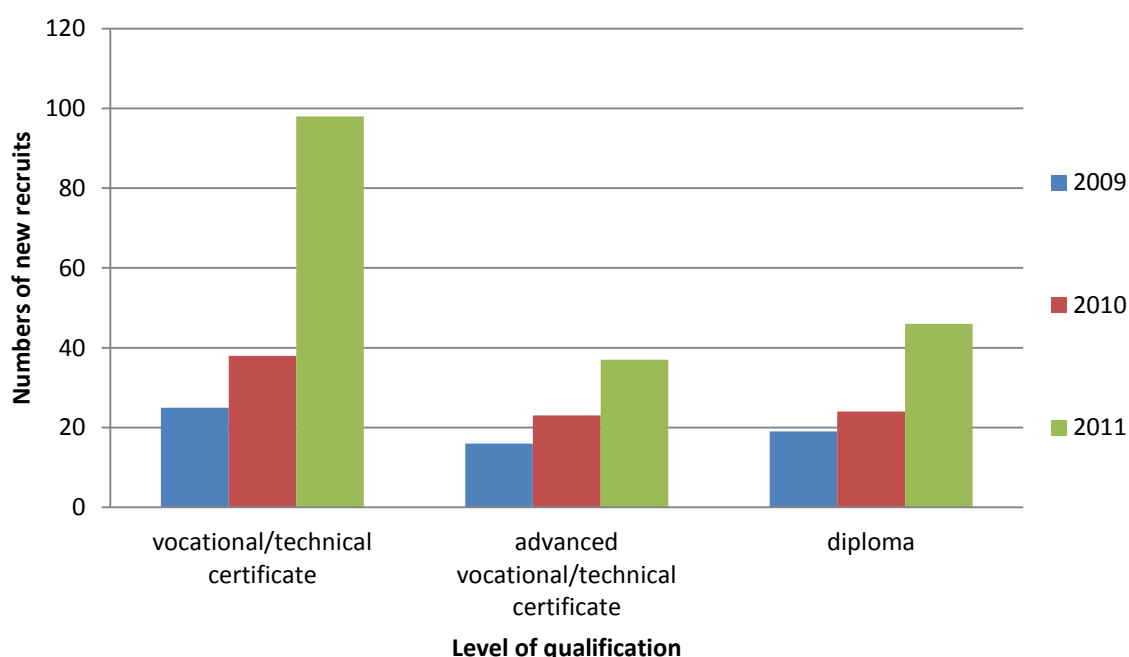
An amendment to the Employment Act in 2010 gives power to a Labour Advisory Council to make recommendations and proposals on the establishment and functioning of national bodies responsible for vocational training.¹⁰

By far the largest numbers of Apprenticeships are in automotive and welding trades. There were also a number of employees considered apprentices in the hospitality industry and as administration, marketing and sales personnel. There were smaller numbers of apprentices in refrigeration, plumbing, fitting and machinery and electrical trade areas. Of the other categories indicated there was a computer technician, a graphic designer, some painters, gardeners and accounting/audit trainees.

8.3.5 Recruitment

From the survey data it can be seen that there has been many more vocational/technical level employees taken on in 2011 in these 33 enterprises than in the two previous years (Figure 8.7). This may be a result of new graduates coming through from the APTC or from VIT during 2011. As part of the VIT program there are work experience placements and this may also mean that some of these have been taken up on completion of their courses.

Figure 8.7 New employees, 2009 to 2011



8.3.6 Training for employees with Certificates

¹⁰ The EMPLOYMENT (AMENDMENT) ACT NO. 25 OF 2010

Provides for :

A Tripartite Labour Advisory Council to be established with objectives to make recommendations on labour issues, promote employment and industrial relations practices in accordance with the Port Vila Statement on Decent Work; and ensure active consultation with tripartite constituents on the development, adoption, implementation and regulation of International Labour Standards.

The Council consists of the following members appointed in writing by the Minister:

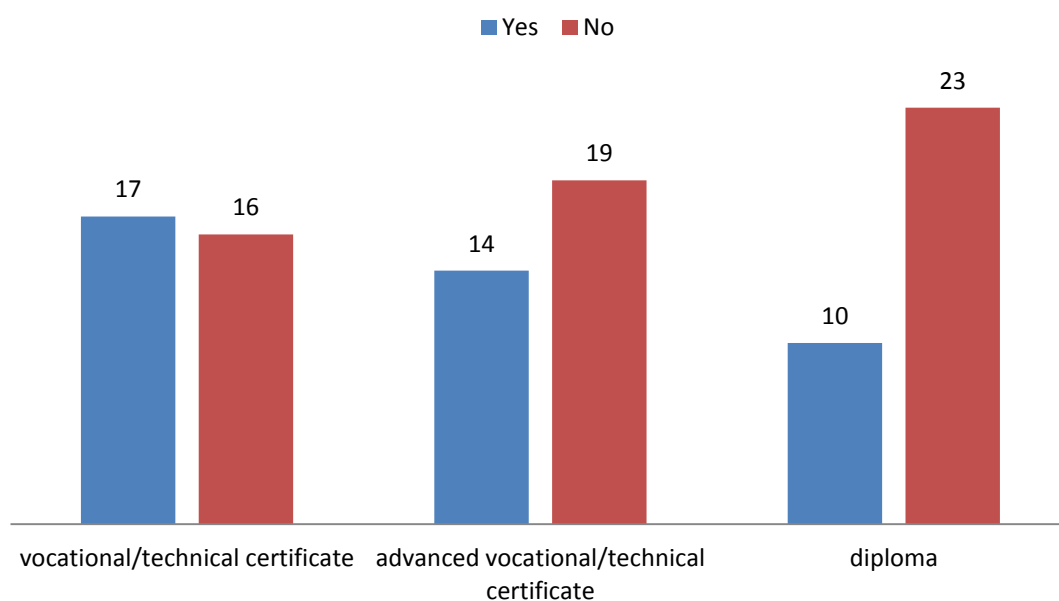
- the Commissioner of Labour, who is the chairperson of the Council; and
- three Government representatives nominated by the Minister of Internal affairs upon the advice of the Director General of Internal Affairs; and
- three members nominated by the Vanuatu Council of Trade Unions;
- three members nominated by the Vanuatu Chamber of Commerce and Industry.

One of the functions of the Council are to consider and make recommendations or proposals to the Government on the establishment and functioning of national bodies responsible for vocational training.

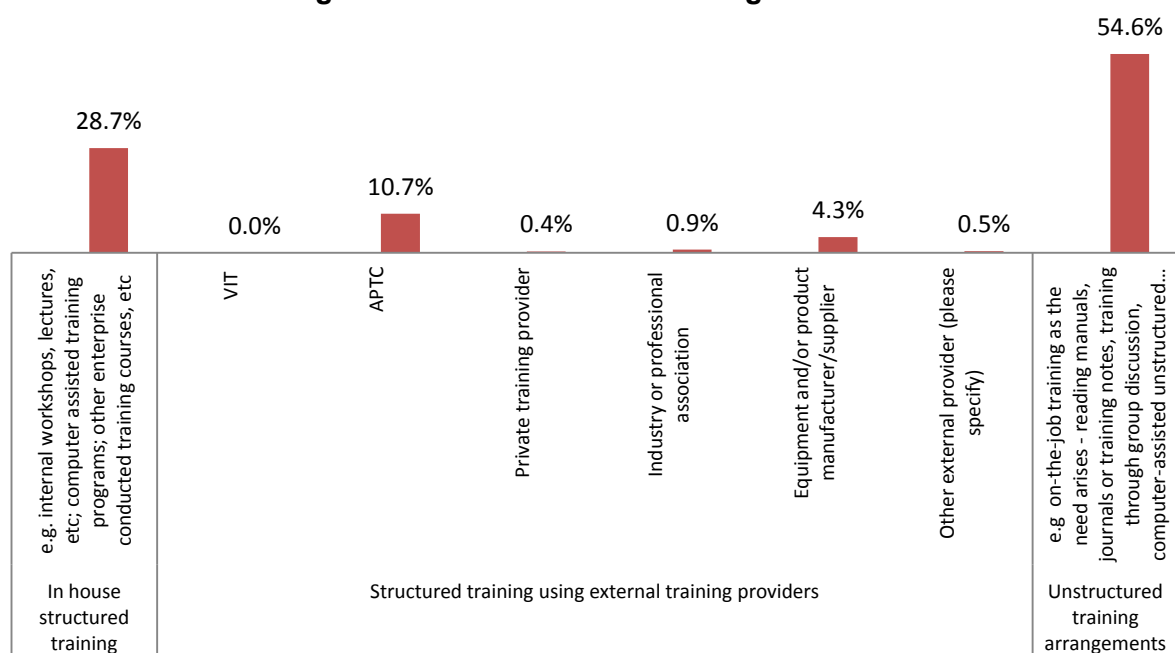
More than 50% of enterprises surveyed indicated that they conduct training for vocational certificate level employees (Figure 8.8). The number of enterprises providing training for higher levels of certification reduced to 42% for advanced certificates and 30% for those with diplomas.

The types of training indicated were workshop safety, specific safety training, insurance certification, work place procedures and systems and minimum basic office skills and sales as well as computer based training.

Figure 8.8 Number of enterprises conducting training for employees



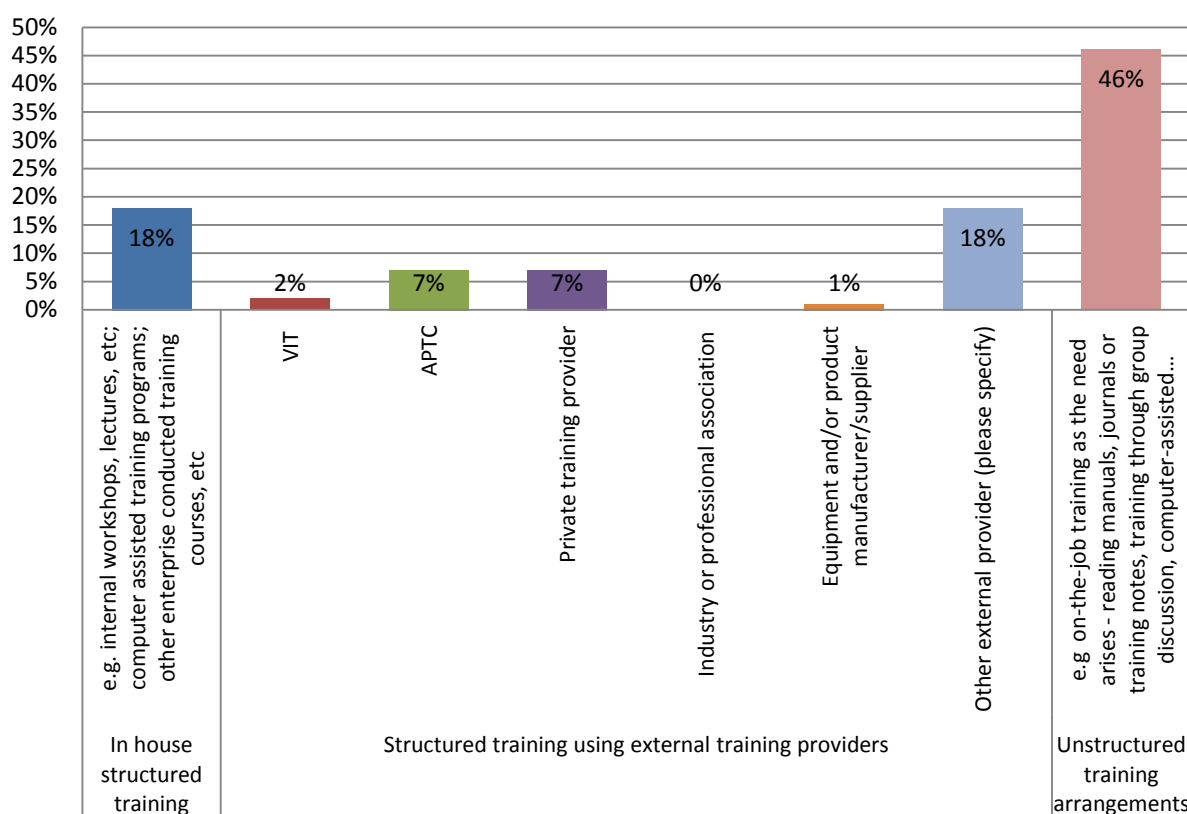
Of the thirty three (33) enterprises surveyed it was estimated that some 8,100 hours per year in total were given to training of new staff. It was indicated that the most number of hours was spent in on the job training as the need arose with 55% of training hours used in this way (Figure 8.9). Around 29% was in house structured training with 10% of the hours being provided by the APTC.

Figure 8.9 Share of total training hours

8.3.7 Training for employees other than new recruits

Of the 33 enterprises surveyed one-third indicated that they did not provide training to employees other than new recruits and two-thirds indicated they did provide training to other employees.

It was estimated that in total some 12,200 hours were spent on training existing employees compared to some 8,100 hours training for new recruits. Over the 22 enterprises that indicated they provided training this averaged a total of 46 days training for their new recruits and 69 days training for other staff. Figure 8.10 shows that 18% of the total training hours consisted of in house structured training whilst 18% was from other external providers. Most training hours consist of unstructured arrangements on the job with 46% of all training being comprised of work related training as the need arose.

Figure 8.10 Employee training hours other for than new recruits

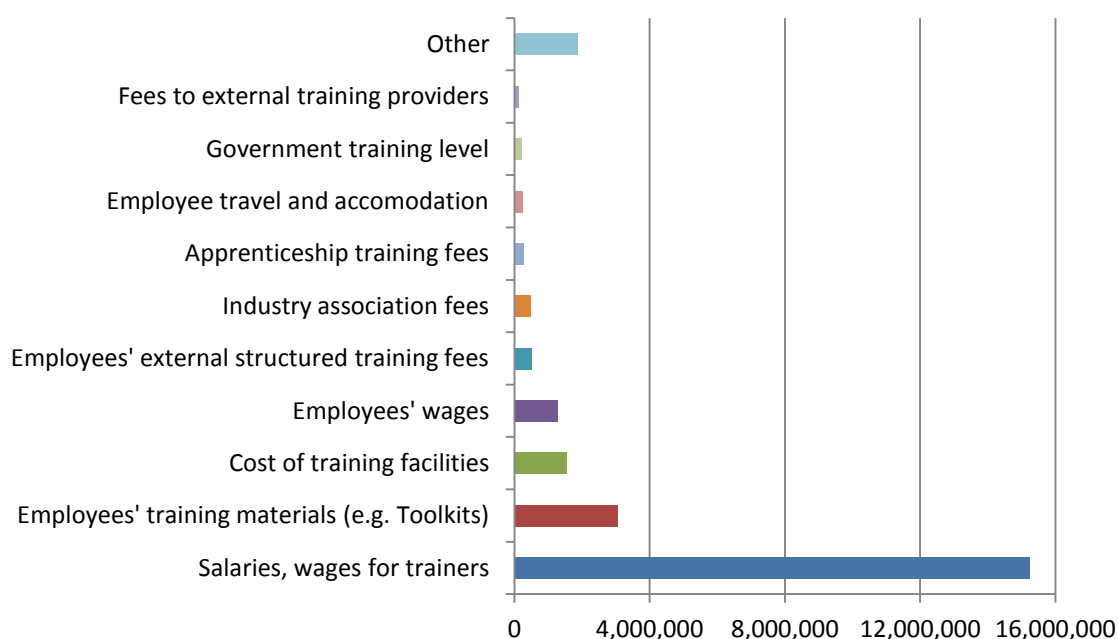
8.3.8 Cost of training

Provider costs consist of designated training staff wages, costs of equipping training facilities and providing materials and utilities, training fees and levies and fees to external providers. On the other hand Trainee support costs are employee wages and salaries whilst attending training, employee's external fees, training materials and travel or accommodation.

Figure 8.11 indicates it is more likely that an enterprise provides specific training staff and materials with 73% funds spent in this way rather than provide trainee support in terms of wages, external fees materials, travel or accommodation.

Enterprises spend most on wages for management and training staff and their own facilities and least on fees to external training providers.

Some larger companies invested in overseas training of staff but did not give it a Vatu value. If the data for a particularly large company is removed that spends 12 million on specific training staff then the total of 24.9 million vatu reduces to around 12.8 million vatu in total over the other 22 enterprises, or an average of around Vt600,000 per enterprise per annum. Some industries have specific safety training requirements such as the gas and electricity suppliers and some have professional requirements to be certified such as in the insurance industry. From discussion with most enterprises training is carried out when required rather than on a regular basis. Sometimes this is ad hoc but sometime more a feature of the nature of the industry.

Figure 8.11 Estimated training expenditure by enterprises

8.4 Conclusions

All enterprises were keen to assist with data however many did not have readily at hand the information needed. In particular over a three year time frame covered by the survey many HR managers and owners did not have staff data on file or even keep an employee file.

This in itself says quite a lot about the importance they place on formal levels of qualification and staff background data. Many informally noted that they employ more on personality and perceived aptitude rather than on certificate level qualifications particularly in the hospitality industry, however the data does show that more TVET certificate level employees do seem to be being taken up in full-time work and more female employees have been employed.

It was also evident that many employees are only primary school graduates as the cost to employ those with even TVET certificate level course becomes prohibitive for many enterprises. Even the bigger enterprises tend to hire many lower level employees.

There was some level of not wanting to disclose too much information on staff levels of schooling also since it was acknowledged this may reflect badly on their organization. For this reason it is probably likely that the numbers indicated as having finished school are overstated. This may also occur because there was no option to indicate what level of secondary schooling had been completed i.e. Junior to year 10 or complete to year 13.

The cost structure for business in Vanuatu suggests that although the cost of the main utilities has been falling over the last five year these are still significant factors affecting the ability to employ more skilled staff added to which last eighteen months has seen the economic climate slow considerably.

There does not appear to be a lot of new recruits being taken on and for those that have jobs there is likely to be very little mobility between jobs. The tendency seems that once people have firm employment they do not move around or change jobs often. However this being noted the data does show a significant jump in the number of TVET certificate level recruits taken on between 2010 and 2011.

Whilst there is some indication that many enterprises undertake staff training they all had quite a deal of difficulty at putting a cost on this and it is considered that the cost data indicated is probably understated. This is due to the fact that some managers and HR personnel do not have access or permission to access or provide financial data. Many of the costs detailed therefore would be only approximate and estimates at best. It is considered likely that enterprises spend quite a deal more on informal training in both time and cost than indicated.

They do however seem to spend more time on informal training than in formal structured training and the training that is structured tends to be in house rather than paid for externally. This is one reason why the cost has been difficult for most enterprises to estimate as the associated training costs are not necessarily a separate line item from wages and salaries and other staff amenities or may be recorded not a training cost but as other general business expenses.

It proved very difficult to correlate the number of hours indicated as spent in training with the associated costs as it was felt many enterprises could easily identify the hours spent in training but the staff completing the data did not have the experience to link this to the specific costs needed to provide this training.

The further comments section drew out a wide variety of comments that indicated that VIT and APTC are widely recognized as training providers. It is likely from comments received that many staff have undertaken and/or paid the cost of their own training either whilst employed or prior to being employed.

In general the trends seemed positive for TVET qualified persons with there being more opportunities there for employment and some 98 new TVET person recruited in 2011 compared to 38 in 2010 and 25 in 2009 over only 33 enterprises surveyed.

PART V: ISSUES AND FUTURE DIRECTIONS

CHAPTER 9. ISSUES AND FUTURE DIRECTIONS

Vanuatu faces major challenges in lifting literacy levels, widening access to education and training, and stimulating regional development. TVET is recognised as having a key role in meeting these challenges and is emerging as an increasingly important sector, but the achievements have been limited to date.

The study has been conducted during an important stage in the development of TVET in Vanuatu. Skills development has been identified by the Government of Vanuatu as a critical element in the country's future. A National TVET Policy for the period to 2020 has been developed and is being implemented. The Vanuatu Qualifications Authority has been established as the successor to the VNTC and has responsibility for provider registration and qualifications across all of post-secondary education and training. Responsibility for TVET policy is being relocated to a TVET Division within the expanded Ministry of Education and Training. The TVET Sector Strengthening Program is being funded until 2016 for Phase III of its operations. The purchaser model of TVET delivery used by the Program to respond to provincial productive sector demand is now established in three of the six provinces. The provincial TVET Centres have recently been placed within the structure of the newly-named Ministry of Education and Training as the key mechanism for the coordination of provincial-level training delivery. Provincial skills development plans are being developed with a view to aggregation into a national skills development plan.

Within this context the question of how to finance enhanced TVET provision is clearly critical. TVET funding levels and mechanisms have the potential to influence the achievement of national development objectives (effectiveness), outputs per unit cost (efficiency) and the degree to which people from different backgrounds and locations have access to good quality training (equity).

The scattered nature of Vanuatu's islands, the spread of communities, the bilingual system of education, and a lack of reliable transportation infrastructure, make education and training costs high compared to many other countries. Enterprises in Vanuatu are generally small and often lack the capacity to provide their own training programs. At the same time, while high quality TVET can be costly for the country to provide, low quality TVET will prove more costly in the long run.

While recognising the significant successes achieved in recent years and the potential for further improvement through the National TVET Policy, the following issues for consideration as part of its implementation have been identified through the analyses and consultations with TVET providers and stakeholders in Vanuatu.

Overall funding levels and sources

Although caution is needed in interpretation due to data limitations, the information collated and collected through this study suggests that the overall resourcing of TVET is very limited relative to the economic and social needs of the country, the rapidly expanding number of young people, and widely expressed concerns about the quality and relevance of existing TVET provision. Like many of its Pacific neighbours, funding for TVET and its supporting structures are predominantly expended on personnel costs with only minimal expenditure available for staff development, training materials, buildings, equipment and general operational expenses.

Donor funding is a dominant feature of TVET financing in Vanuatu. This reliance relates to both sectoral improvement programs (e.g. VTSSP) and to capital works projects and

equipment (e.g. VCNE). There is no evidence of a risk mitigation strategy if donor funds are reduced for TVET at any point in the future.

Relative to other Pacific countries, non-government sources (students and their families, industry and non-government organisations) appear to provide only a relatively small proportion of the total funding for TVET in Vanuatu. TVET providers are generally heavily reliant on government, and on donor countries.

Uncertainties around future sources and levels of funding make planning and change difficult for TVET providers. There seems to be little incentive for public providers to increase student numbers as student fees are generally not able to be retained to expand or improve their operations. A similar policy also inhibits public providers from undertaking fee-for service or commercial activities. It would be well worth developing arrangements that enable providers to use the funds that they raise, whether from students or industry, to improve their programs, while ensuring that appropriate accountability mechanisms are in place. The success of the purchaser model linked to identification of local training needs that is used in several provinces by the VTSSP shows what can be achieved when TVET providers are able to compete for additional funding and are supported in initiatives to improve quality.

The extent to which fees make TVET providers more responsive to the demands of students and employers depends in part on how they are set. Fees are more likely to enhance responsiveness if:

- they are determined locally rather than centrally;
- providers retain fee income, rather than being obliged to remit it to central government; and
- fee income contributes to the total revenue of the institution rather than have salaries paid by government, and fees supporting only non-teaching costs.

Given the relatively low income levels in Vanuatu, there is probably only limited scope to raise additional resources for TVET through cost sharing with trainees, particularly where fees are levied up-front. The further raising of training fees runs the risk of worsening access problems for low-income groups and those from remote locations. However, for those TVET courses that meet skills shortages and have direct labour market benefits, loans or mortgage-type schemes could be introduced on a pilot basis before their possible wider implementation.

It would also be helpful for improving access and raising revenue if there were more opportunities for concurrent work and study in Vanuatu. Courses that enable students to earn while they study, and so to pay fees from current earnings, appear to be little provided. The main model of TVET provision, at least in the larger public institutions, is full-time pre-employment courses of relatively lengthy duration. Admittedly, in some areas part-time paid work for students is hard to find. On the other hand there is great potential to increase the supply of skills by training employees through flexible learning programs which do not incur student support costs. Consideration could be given to more programs where the provider uses students as workers in a business such as building or catering which generates income for the institution. Student work in such enterprises could be credited towards fee costs.

The introduction of a training levy on employers – as a means to both increase the resources for skills development as well as to link provision more closely to industry needs – would also be worthy of exploration. There are different kinds of levy in operation around the world, and any initiative in Vanuatu would need careful study and widespread consultation to ensure appropriate adaptation and suitability for the local context. Points to consider in the potential development of a training levy are:

- the purposes which a levy is desired to achieve;
- how to build support for a levy among stakeholders, including employers and training providers;
- the method of collection, its likely feasibility in the economic context, and the cost;
- the balance between the levy giving an overall lift to training activity, and targeting specific training needs;
- the potential displacement effect of a levy on the training activities already undertaken by enterprises; and
- how to build in ongoing monitoring and independent review of any such scheme.

Linking funding to costs and outcomes

With the exception of the Centres supported through the VTSSP, most providers of TVET in Vanuatu are provided with baseline funding based on historical trends rather than on input costs for specific programs or on provider performance and learner outcomes. Many of the grants and subsidies provided to TVET providers do not change year on year, despite changing patterns of student and industry demand.

The National TVET *Policy 2011-2020* sets out the objective of moving to a more demand-driven system. As yet though there is only limited evidence to date of TVET policymakers and providers planning and budgeting for demand-led training. There was no evident use of data on participation by students from different backgrounds, attrition, graduation rates, or satisfaction levels (of employers or students) in allocating funding or shaping institutional planning.

In the main, public providers offer relatively long-duration full certificate courses aimed largely at young people who have not yet started work. In turn, this means delivery is confined to formal and urban based institutions (VIT, Vanuatu Agriculture College, Vanuatu Maritime College) – this potentially exacerbates issues of access.

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.

The successful experience of the VTSSP suggests that it would be desirable for the government to reconceptualise its core role as that of a purchaser of high-quality and relevant TVET from a broader range of both public and private providers, rather than simply that of a supplier of publicly-funded TVET. Critical to this direction though is enhanced capacity for government to monitor and regulate TVET provision as well as a much stronger information base and evaluation culture.

Improving the information and knowledge base

This study has identified many gaps in the available data about the operations of TVET in Vanuatu and the labour market needs that skills training should be attempting to address. In part these gaps reflect the hitherto fragmented nature of the TVET 'sector' and the lack of clear policy responsibility and coherence. There are some promising signs that issues of strategic governance are being addressed, but these objectives will not be achieved without substantially strengthening the information and knowledge base.

Hopefully this study has gone some way helping fill some of the information gaps, including by documenting sources of TVET funding, identifying the main ways that resources are used, and piloting a study of enterprise training levels and costs. However, it was only possible to meet some of the data needs through this study and in any event its value as a source of baseline information will be lost unless it is built upon.

Currently 'nobody holds the full picture' in terms of operations, planning, budgets and funding, which stems from TVET not being recognised until recently as a distinct sector in Vanuatu. In addition, there is no established national data management standard for TVET statistics or a centralised system for collecting and collating financial and cost data, staffing data, or student background and outcomes data. There is a lack of system level information on the outcomes of training, e.g. completions, destinations, employment, student and employer satisfaction. There currently appears to be no strategy in place for how this information could be used to improve TVET provision and efficiencies. There is a lack of labour market information to inform planning, training needs, and budgeting, or to monitor the impact of any changes.

Not only is there limited information collected, the little information there is does not appear to have been accessible to potential users, or conceptualised as a way to drive system change and improvement.

Given Vanuatu's relatively small size, and the need to encourage pathways between school and TVET, it is likely to be cost-effective to bring all data collection and management responsibilities concerning education and training into a single agency. The recent development of the Ministry of Education and Training and the Vanuatu Qualifications Authority provides the scope for this to happen.

It needs to be recognised though that good quality, comprehensive and regular data collection, analysis and dissemination needs adequate resourcing. There would be value in this regard in Vanuatu expanding its cooperation with other Pacific countries in order to share data collection development costs and to ensure that data are collected to a high standard and in internationally comparable ways.

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;¹¹
- 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.

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?
- What non-financial inputs are provided for TVET, from what sources, and what is their estimated value?

¹¹ 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.

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 (e.g., teaching and learning materials and assessment, teacher/trainer professional development?)

Cost of TVET Services¹²

- What is the most useful unit of analysis for assessing the costs of TVET services?¹³
- What are the TVET services provided for the recurrent funds expended, and can they be quantified?¹⁴
- What are the comparative costs of TVET between different types of providers (e.g. 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?
- 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?

¹² Analysis of the costs of services should take into account the methodology used by Minford et al (2010) for the Vanuatu education sector.

¹³ 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.

¹⁴ 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.

ANNEX 2 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 Vanuatu country study:

- advise on country-specific TVET financing issues;
- advise on implementation of the research program in Vanuatu;
- encourage and facilitate stakeholder engagement in the program;
- provide feedback on such data collection instruments and interview schedules;
- provide feedback on the draft country study report;
- participate in the final country-specific dissemination workshop; and
- assist with dissemination of the study's findings and reports.

Membership of the NRG

The following people served on the NRG during the fieldwork phase, and the team is very grateful for their advice and support. The positions shown are those that they held at the time.

Joe lautim (Chair)	Director, Department for Youth Development, Sports and Training
Astrid Boulekone	General Manager, Vanuatu Chamber of Commerce and Industry
Simil Johnson	Director, National Statistics Office
Kalpat Kalbeo	Director, Vanuatu Institute of Technology
David Lambukly	CEO, Vanuatu National Training Council
Malcolm Michielsen	Manager, BDO Barrett & Partners
Fremden Shadrack	Business Development Services Manager, Sanma TVET Centre
Kathy Solomon	Director, Vanuatu Rural Development and Training Centres Association
Johnson Vora	Senior Policy Analyst, Prime Minister's Office
Rex Willie	Director, Ministry of Finance and Economic Management

The work of the NRG was greatly assisted by Christelle Thieffry (Australian High Commission) and Lou Cochrane (Scope Global).

NRG meetings

The NRG met formally twice during the in-country fieldwork, on 7 September and 27 September 2012. There were also a number of meetings and consultations with individual members.

ANNEX 3 CLASSIFICATION AND CODING SYSTEMS USED IN DATA COLLECTION AND RECORDING

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 Industry Classification (ANZSIC), 1993

ANNEX 4 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 sheet for providers of TVET in Vanuatu

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 TQNAB, 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 (e.g. 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	



Research into the Financing of TVET in the Pacific
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Return number:

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Enterprise Training and Expenditure Survey

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.

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 wages¹⁵ 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	

¹⁵ 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	Managers¹⁶	
2	Professionals¹⁷	
3	Technicians and associate professionals¹⁸	
4	Clerical support workers¹⁹	
5	Service and sales workers²⁰	
6	Skilled agricultural, forestry and fishery workers²¹	
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 assemblers²²	
9	Elementary occupations²³	
Total Number of Employees		

Check 'Total Number of Employees' in Table 5 matches 'Total Number of Employees' in Table 4.

¹⁶ Chief executives, senior officials and legislators, Administrative and commercial managers, Production and specialized services managers, Hospitality, retail and other services managers

¹⁷ Science and engineering professionals, Health professionals, Teaching professionals, Business and administration professionals, Information and communications technology professionals, Legal, social and cultural professionals

¹⁸ Science and engineering associate professionals, Health associate professionals, Business and administration associate professionals, Legal, social, cultural and related associate professionals, Information and communications technicians

¹⁹ General and keyboard clerks, Customer services clerks, Numerical and material recording clerks, Other clerical support workers

²⁰ Personal service workers, Sales workers, Personal care workers, Protective services workers

²¹ Market-oriented skilled agricultural workers, Market-oriented skilled forestry, fishing and hunting workers, Subsistence farmers, fishers, hunters and gatherers

²² Stationary plant and machine operators, Assemblers, Drivers and mobile plant operators

²³ 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 VIT)?

(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 ²⁴
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.

²⁴ 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>²⁵		
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 ²⁶		
Total hours on average per employee		

²⁵ For example, internal workshops, lectures, etc; computer assisted training programs; other enterprise conducted training courses, etc

²⁶ 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	

ANNEX 5 REFERENCES

Publication status	Document type	Document name
Published and unpublished documents of Government and its ministries and agencies	Legislation and planning documents	- 2006: Govt of Vanuatu: <i>Priorities Action Agenda 2006-2015 – An Educated, Healthy and Wealthy Vanuatu</i> (Port Vila, 2006) - 2006: Ministry of Education, Govt. of Vanuatu, Education Sector Strategy 2007- 2016 (Port Vila, December 2006) - 2010: Ministry of Education, Govt of Vanuatu, Vanuatu National Curriculum Statement (Port Vila); - 2010: Ministry for Youth Development, Sports and Training, Govt. of Vanuatu, Vanuatu TVET Policy 2010-2011 (Port Vila); - 2010: Vanuatu National Training Council, Vanuatu Quality Training Framework – Conditions and Standards – Registration as a Training Provider (Port Vila); - 2010: Vanuatu National Training Council, Vanuatu Quality Training Framework – Conditions and Standards – Policy and Procedure Guidelines (Port Vila); - 2010: Ministry for Youth Development, Sports and Training, Govt. of Vanuatu, National Youth Employment Plan (Draft) 2010 – 2013 (Port Vila); - 2011: Ministry for Youth Development, Sports and Training, Govt. of Vanuatu, Vanuatu National Skills Development Strategy (Draft) for Development Committee of Officials (Port Vila, December 2011) - 2011: Ministry of Infrastructure and Public Works Utilities, Govt. of Vanuatu, 2011-2013 Corporate and Business Plan, (Port Vila) - 2012: Vanuatu Institute of Technology, Five Year Strategic Plan 2012-2016 (Port Vila); - 2012: Vanuatu National Statistics Office, Youth Monograph - Young People in Vanuatu, (Port Vila, August 2012)
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	Department of Statistics	- 2006: MFEM, Vanuatu National Statistics Office, Household Income and Expenditure Survey (Port Vila) - 2009: MFEM, Vanuatu National Statistics Office, National Census of Population and Housing (Port Vila)
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	Commissioned reports	- 2010: NZAID, Social Audit Summary Report – Rural Training Centres (Port Vila, November 2010) - 2011: Yiu Hing, Jeanette: Costing Nursing Education – A Cost Analysis for Attending Nursing Education at the Vanuatu College of Nursing Education (Ministry of Health, Port Vila, April 2011)
Published and unpublished documents of development partners		- 2001: Jowitt, Anita: Unemployment in Vanuatu, published in the Development Bulletin, No.56, October 2001 (Australian National University, Canberra) - 2006: Balan, Mihaela & Monro, Claudine: Analysis of Tracer Study of VIT Graduates –TVET Sector Strengthening Program, (AusAID, Canberra August 2006) - ADB, 2007, Technical-Vocational Skills Development in Vanuatu. Technical Assistance for Implementation of Pacific Education Strategy: Skills Development (Financed by the Japan Special Fund) Prepared by: Paul Brady, Alex Gorham, Richard Johanson and Henry Vira, Suva, FIJI - 2008: Delegation of the European Union and Aid Coordination and

Publication status	Document type	Document name
		Negotiation Unit (NAO) of the Department of Strategic Policy, Planning and Aid Coordination: 2008 Joint Annual Report (Port Vila) - 2008: AusAID: Phase 2 Design of the TVET Sector Strengthening Program (Canberra, 2008) - 2010: Schofield, K, 2010, Vanuatu Technical and Vocational Education and Training Sector Strengthening Program (Phase 2), Strategic Review, June 2010. AusAID, Canberra. - 2011: Grinsted, Dr Martin, Mapping Study of TVET in Pacific ACP Countries, (Secretariat of the Pacific Community, Suva, August 2011); - 2010, Gibert and Morris, <i>Blurring the Boundaries – Creating Partnerships and Strengthening Participation in the TVET Sector to Stimulate Sustainable Economic Development across the Formal and Informal Economies in a Small Island State</i>, ESD in TVET 2010 Conference Proceedings - 2011: Hind, Ian: Vanuatu Labour Market Analysis – Background paper to the National Skills Development Strategy (AusAID, Canberra, 2011) - 2012: Tan, Hong W: Did TVET Improve Household Incomes in Rural Vanuatu? (AusAID TVET Strengthening Program, June 2012) - 2012: Vanuatu TVET Sector Strengthening Program Phase II: Final Evaluation Report, AusAID, Canberra
Other studies	Research reports	- Johanson, R. et al (2008), <i>Skilling the Pacific – technical and vocational education and training in the Pacific</i>, ADB, Manila - ADB Key Indicators for Asia and the Pacific, 2013 - www.adb.org/statistics - UNDP (2013) <i>Trends in Migration Stock – the 2013 revision</i>. UNDP, New York

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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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