

# 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



## Kiribati Country Report

Prabir Majumdar  
Teweariki Teaero

August 2014



Australian Government  
Department of Foreign Affairs and Trade

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

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**Prabir Majumdar  
Teweariki Teaero**

**August 2014**

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## LIST OF ACRONYMS

A\$	Australian Dollar, the currency used in Kiribati
ACER	Australian Council for Educational Research
ADB	Asian Development Bank
ADS	Australian Development Scholarships
APTC	Australia-Pacific Technical College
AQF	Australian Qualifications Framework
AusAID	Australian Agency for International Development*
CBT	Competency-based training
CEDAK	Church Education Directors' Association in Kiribati
DFAT	Department of Foreign Affairs and Trade (Australia)
FBEAP	Forum Basic Education Action Plan
FNU	Fiji National University
FTC	Fisheries Training Centre
FY	Financial Year
GDP	Gross Domestic Product
GoK	Government of Kiribati
HIES	Household Income and Expenditure Survey
HRD	Human Resource Development
ICT	Information and Communication Technology
IELTS	International English Language Testing System
ILO	International Labour Organisation
IMF	International Monetary Fund
ISCO	International Standard Classification of Occupations
KANGO	Kiribati Association of Non-governmental Organisations
ISCO	International Standard Classification of Occupations
KANI	Kiribati Australia Nursing Initiative
KCCI	Kiribati Chamber of Commerce and Industries
KDP	Kiribati Development Plan
KEMIS	Kiribati Education Management Information System
KIT	Kiribati Institute of Technology
KSON	Kiribati School of Nursing
KTC	Kiribati Teachers College
MCIC	Ministry of Commerce, Industry and Cooperatives
MELAD	Ministry of Environment, Lands and Agricultural Development
MFED	Ministry of Finance and Economic Development
MFMRD	Ministry of Fisheries and Marine Resources Development
MHMS	Ministry of Health and Medical Services
MLHRD	Ministry of Labour and Human Resource Development
MTC	Marine Training Centre
MoE	Ministry of Education



NGO	Non-governmental organisation
NRG	National Reference Group
NSO	National Statistics Office
NZAID	New Zealand Agency for International Development
NZAP	New Zealand Aid Programme
ODA	Official Development Assistance
PACTAM	Pacific Technical Assistance Mechanism
PDD	Program Design Document
PIFS	Pacific Islands Forum Secretariat
PQF	Pacific Qualifications Framework
PSO	Public Service Office
RERF	Revenue Equalization Reserve Fund
SOE	State-owned Enterprise
SPMS	South Pacific Marine Services
TAFE	Technical and Further Education (Australia)
TVET	Technical and Vocational Education and Training
TVETSSP	TVET Sector Strengthening Program
UNICEF	United Nations Children's Fund
USP	University of the South Pacific

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

## PREFACE

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

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

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

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

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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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We would like to acknowledge the assistance provided by the Secretaries and officials of the Ministry of Labour and Human Resource Development, the Ministry of Education, the Ministry of Finance and Economic Development, the Ministry of Health and Medical Services, the Ministry of Commerce, Industry and Cooperation, the Ministry of Environment, Lands and Agricultural Development, and the Ministry of Fisheries and Marine Resources Development.

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We also wish to express our gratitude to Linda Uan, the In-Country Manager for Scope Global, and the team she leads, for the warm hospitality and support.

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

Prabir Majumdar

## EXECUTIVE SUMMARY

This report provides a detailed analysis of the financing of technical and vocational education and training (TVET) in Kiribati.

The Kiribati report forms part of the study *Research into the Financing of TVET in the Pacific* that was launched through Australia's aid program in April 2012. Kiribati is one of seven countries taking part in the research. The study aims to produce, in conjunction with host country governments and TVET stakeholders, a comprehensive empirical analysis of the existing systems for financing TVET in each of the participating countries, identify key financing issues within the region, and the policy implications they have for the future financing for TVET to enable it to be more efficient and effective at both national and regional levels.

The main Kiribati fieldwork was conducted over a five-week period from 16 September to 18 October 2013. The team is grateful for the support provided by the National Reference Group formed to guide the study, and to the organisations and individuals who provided information and perspectives on TVET in Kiribati.

This study has been conducted during an important phase in the development of TVET in Kiribati. The country faces major challenges in overcoming economic, environmental and social problems and in meeting the aspirations of the large numbers of young people completing school. The Government of Kiribati (GoK) has identified the need for a greater breadth and depth of skills to lift living standards and ensure a secure future. To help achieve this objective, the TVET Sector Strengthening Program (TVETSSP) was initiated in 2010, with support from Australia, to strengthen TVET policymaking and lift the quality of TVET provision.

### Overview of TVET in Kiribati

As with many countries, the TVET system in Kiribati is somewhat fragmented and an integrated policy framework is yet to fully emerge. Kiribati does not have a national qualifications framework. Rather, it has different sets of qualifications derived from the major ministries that are directly involved in education and training: the Ministry of Education (MoE); the Ministry of Labour and Human Resource Development (MLHRD); and the Ministry of Health and Medical Services (MHMS).

MLHRD is responsible for the policy, planning and coordination of the TVET sector, and there are a number of training institutions delivering TVET under its auspices. The Kiribati Institute of Technology (KIT), the Marine Training Centre (MTC) and the Fisheries Training Centre (FTC) are divisions within the Ministry. FTC will merge with MTC and will operate from a single campus from early 2015. The Kiribati Teachers College (KTC) and Kiribati School of Nursing (KSON) are other public providers managed by different ministries.

The University of the South Pacific (USP) delivers some TVET courses through its Kiribati campus. Two other major regional providers, the Australia-Pacific Technical College (APTC) and the Fiji National University (FNU), do not have campuses in Kiribati, but have a range of partnership arrangements with Kiribati organisations.

It appears that there is only limited non-government provision of TVET through church providers and NGOs. There do not seem to be any private enterprise training organisations operating in Kiribati. The extent of training provided by enterprises for their own workforces is not documented, although it is likely to be fairly small given the limited size of the enterprise sector in Kiribati. A small pilot survey of enterprises conducted by the study team supported this impression.

The approach to TVET that seems to be predominant in TVET in Kiribati is that of long-duration, full qualification courses for relatively young students on a full-time basis. Delivery is largely confined to a small number of institutions located on Tarawa, and access to training for people living on the outer islands is problematic.

TVET spending comes from two main sources: the GoK; and development partners, particularly Australia, New Zealand, and Taiwan. It is estimated that in 2012 a total of A\$9.5 million flowed into the formal TVET system, of which 38 per cent was from GoK and 59 per cent from development partners.<sup>1</sup> An estimated A\$3.5 million went to TVET through the TVETSSP funded by Australia, and an estimated NZ\$1 million was provided by New Zealand to support the MTC. Student fees were estimated to account for less than 2 per cent of overall sector funding. This appears to be the lowest share among the countries taking part in this study, and reflects the limited fees charged by public providers in Kiribati, and the lack of a private training sector.

In 2012 the MLHRD expenditure budget estimate for TVET was A\$3.35 million, a 5 per cent increase over the 2009 budget, but at 4 per cent of total government appropriation, without accounting for inflation. The share of operational cost and personnel cost has remained around 50 per cent. Over the same period the share of development partner funding increased from 10 per cent to 50 per cent of MLHRD budget.

While recognising the significant successes already achieved through the TVETSSP, a number of issues have been identified through the analyses and consultations with TVET providers and stakeholders in Kiribati. In regard some of these issues there are emerging signs of promising approaches that can be built on.

## Issues and Policy Directions

***Moving away from an input-based allocation to TVET:*** The GoK utilises input-based funding mechanisms to fund TVET. Most providers of TVET are allocated funding based on historical trends rather than on input costs for specific programs or in response to provider performance and learner outcomes. These funding levels are also highly dependent on the fiscal health of the Kiribati government. Disconnections between funding levels and system outputs can lead to instances of misalignment to labour market needs, as well as to shortages of the resources actually needed to provide high quality programs.

A movement towards output-based funding will require transparent disbursement mechanisms and fair funding rates for different types of courses, a high degree of management autonomy for the TVET institutions, standard based quality assurance and transparent accounting mechanisms, and better information on course costs, completion rates and graduate outcomes. The pathway to output-based funding requires appropriate tools and support for the professional development of TVET managers.

***Improving information on the TVET system:*** There is not a full picture available of TVET in terms of operations, planning, budgets and funding, which stems from TVET being only part of the way to being recognised as a distinct sector in Kiribati. The TVETSSP has started to collect a range of data and will provide a centralised location for student and trainer information. Those data, when combined with the financial information collected through the present study, have the potential to provide a set of baseline measures that could be progressively built on over time. There is a basis for this work through the Kiribati Education Management Information System (KEMIS). Given Kiribati's small size, and the need to encourage pathways between school and TVET, it is likely to be cost-effective to bring all data

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<sup>1</sup> The currency used in Kiribati is the Australian Dollar, A\$. Unless otherwise specified, A\$ is the currency used in this report.

collection and management responsibilities concerning education and training into a single agency, and to ensure that Kiribati is a full participant in regional initiatives to improve data quality.

**Improving relevance to the labour market:** The need to strengthen TVET's links to the labour market is recognised by all stakeholders. Up-to-date and regular information about enterprise skills needs and TVET graduate outcomes is part of this, but there are governance and funding issues to be considered. A good example of how TVET is able to respond to labour market needs is the funding partnership between MTC, South Pacific Marine Services (SPMS) and NZAID for the purpose of training seafarers. The funding partnership ensures high quality training to international standards and provides students with access to up-to-date equipment and well-qualified personnel. The success of the MTC shows how sharing costs and program development among government, industry and donors can be beneficial for all.

Enterprises in Kiribati are generally small and often lack the capacity to provide their own training programs. Provision of taxation incentives to contract training from current TVET providers, and providing opportunities for providers to retain the funds they raise, would appear to be promising policy options to explore.

**Lifting funding levels:** To open up pathways will require more TVET places to be created. For example in 2013, 800 students sat the competitive examination for just 150 places at KIT. The financing of TVET in Kiribati relies heavily on the government and development partners. In total funding levels for post-secondary education and training and its supporting structures are quite low, and predominantly expended on personnel and operational costs. There seems to be very little incentive for TVET providers to increase student numbers, as tuition fees go into a general revenue pool, rather than being available to expand or improve their operations. A similar policy inhibits TVET providers from undertaking fee-for service or commercial activities. It would be well worth developing arrangements that enable providers to use the funds they raise to improve their programs, while ensuring that appropriate accountability mechanisms are in place.

Although there is probably only limited scope to raise student tuition fees, for those TVET graduates who make a successful transition to employment, consideration could be given to some form of cost-sharing scheme through the taxation system once their income reaches a certain level.

A particularly important step is for the GoK to develop a risk mitigation strategy in the event that donor funds are reduced for TVET.

**Strengthening strategic governance:** Through TVETSSP there is an emerging policy framework in Kiribati. The establishment of Industry Training Advisory Committees, although widely welcomed by stakeholders, appears to be only at an embryonic stage and their future role is not completely clear. The coordination of TVET as a national effort across government, business and non-government providers working in the formal and informal sectors needs ongoing attention in order to contribute to efforts around HRD planning and skills development.

**Improving access to TVET:** TVET in Kiribati is currently limited in the extent to which it offers programs accessible and relevant to females, people from the outer islands and people with disabilities. Access, affordability and proximity are important considerations for TVET expansion in Kiribati. It would be helpful to undertake a detailed investigation of the financial and other barriers to participation in TVET and identify approaches by which such barriers could be reduced. Donors may want to consider supporting such an investigation and using their experiences in other countries to help identify strategies for Kiribati to consider.

## **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 Kiribati.

The report forms part of the study *Research into the Financing of TVET in the Pacific* initiated by Australia's aid program. The Australian Council for Educational Research (ACER) is leading a consortium including specialist research consultants and Scope Global (formerly Austraining International) which is responsible for logistics, in-country support and employment of national consultants.

The research aims to produce, in conjunction with host country governments and TVET stakeholders, a comprehensive empirical analysis of the existing systems for financing TVET in seven Pacific countries (Fiji, Kiribati, Papua New Guinea, Samoa, Solomon Islands, Tonga and Vanuatu), identify key financing issues, and identify directions through which future financing for TVET could be made more efficient and effective at both national and regional levels.

This is not a study of all aspects of TVET. It focuses on the financing of TVET. The research 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. Kiribati was the seventh country where the fieldwork was conducted (in September – October 2013).

**Table 1.1 Countries participating in the study**

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

This report provides the Kiribati country study. A draft report was initially reviewed by the National Reference Group (NRG) established to guide the study, other stakeholders in Kiribati, the DFAT Research Steering Committee, and an external reviewer. The revised draft report was presented at a national forum held in Kiribati in April 2014 before being finalised.

The individual country studies are based on a common conceptual framework and research approach intended to facilitate synthesis and comparative analysis.

## 1.2 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 the-then 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* was:

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

Chapter 2 details how this definition was applied in the Kiribati context to identify the scope of the fieldwork.

## 1.3 RESEARCH QUESTIONS

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

### *Sources of funding*

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

*Expenditure*

- What is the overall level of public and private expenditure on TVET?
- What is the total government expenditure on TVET as a proportion of total government expenditure and what is the relative contribution of national and provincial governments?
- What is TVET's share of the education sector budget?
- To what extent is there a gap between budget allocation to TVET and expenditure?
- Where is expenditure directed, and through what allocative mechanisms?
- What proportion of expenditure on TVET could be defined as quality related expenditures?

*Cost of TVET Services*

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

*Financing Mechanisms*

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

This report addresses these questions for Kiribati to the extent possible with the time and resources available. The report includes data that were able to be collected during and following the fieldwork in order to fill some of the gaps in information available from other sources.

## CHAPTER 2. RESEARCH APPROACH

The *Research Brief* for the overall study includes the systematic gathering and analysis of information under four broad headings:

- sources of funding for TVET;
- expenditure patterns and trends in TVET;
- costs of TVET delivery; and
- financial mechanisms for TVET.

This chapter outlines the approach taken by the team in investigating these issues in Kiribati. The approach is based on the conceptual and empirical frameworks developed to guide the overall study.

The Kiribati fieldwork was conducted over a five-week period from 16 September to 18 October 2013. There was then a period of follow-up work over around six months involving further contact with TVET institutions and stakeholders, and the conduct of a national workshop in South Tarawa on 9 April 2014 in which the revised draft report was discussed.

The team is grateful for the support provided by the National Reference Group (NRG) established to guide the study, and by the organisations and individuals who provided information and perspectives on TVET in Kiribati. Details on the NRG are provided in Annex 3, and Annex 2 lists the people met during the consultations.

### 2.1 DEFINING TVET IN KIRIBATI

The first task was to determine the scope of TVET in Kiribati. The broad definition provided in the *Research Brief* for the overall study was:

*'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 scope for the overall study encompasses the following forms of formal and non-formal learning. Informal (non-structured) learning is excluded from the brief.

- *TVET at upper secondary school level that is provided in specialist vocational secondary schools but not the provision of practical subjects within general education;*
- *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 ministries such as education, labour, youth development, maritime, fisheries and tourism and hospitality.*

In refining this definition for the purposes of the Kiribati 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 types of occupations to which they are directed.

Kiribati does not have a national qualifications framework. Rather, it has different sets of qualifications derived from the major ministries that are directly involved in education and training: the Ministry of Education (MoE); the Ministry of Labour and Human Resource Development (MLHRD); and the Ministry of Health and Medical Services (MHMS). For the purposes of the study, Table 2.1 provides an approximate alignment of programs in Kiribati to the Pacific Qualifications Framework (PQF). The PQF has been used to structure the matrix because Kiribati does not have a national qualifications framework. Providers have been allocated to PQF levels based on information about their programs. The occupations to which the qualifications broadly correspond are classified according to the International Standard Classification of Occupations (ISCO) 2008.

Institutions identified as providing structured TVET programs are classified according to whether they are public, church, private or regional TVET providers based in the country, other Government of Kiribati (GoK) line ministries and agencies that offer TVET-type programs, and employers in the state-owned enterprise and private sectors. The scope of the TVET sector in Kiribati as defined for this study is depicted in green in Table 2.1. The table lists the names of the individual providers (e.g. KIT) concerned. Police training and theological studies were out of scope for the research, and so Kiribati providers in these areas are not listed in the table. Kiribati is a small country with few education and training providers. As such, a number of the cells in Table 2.1 are empty.

**Table 2.1 A skills/employment/training matrix for Kiribati**

Pacific Qualifications Framework		Occupational skills category		Providers			
				Training institutions			Other government Ministries; SOEs; other employers
				Public	Church private or	Regional	
10	Doctoral	1/2	Managers Professionals				
9	Masters						
8	Post-graduate certificate or diploma Bachelor (honours)						
7	Bachelor degree Graduate certificate						
6	Advanced Diploma	3	Technicians Associate Professionals	Kiribati Teachers College (KTC)		USP Continuing Education, Kiribati campus	
5	Diploma			Kiribati Institute of Technology (KIT)			
4/3	Certificate	4	Skilled Trades	Marine Training Centre (MTC)	William Goward Memorial College (Protestant Church)	USP Continuing Education, Kiribati campus	MELAD MCIC MFMRD
		5	Skilled Clerical	Fisheries Training Centre (FTC)			
		6	Skilled agricultural, forestry and fishery/workers	Kiribati School of Nursing (KSON)			
		7	Craft and related trades workers				
2/1	Certificate	4	Clerical support workers	KIT	William Goward Memorial College (Protestant Church)	USP Continuing Education Kiribati campus	Employee training that does not lead to a formal qualification
		5	Service and sales workers	MTC			
		8	Plant and machine operators Assemblers	FTC			
				KSON	Kiribati Chamber of Commerce & Industry (KCCI)		
	Basic manual.	9	Elementary occupations	Vocational subjects in Govt. schools	Vocational subjects in Church schools		

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

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

**Table 2.2 TVET sector scope for the purposes of the Kiribati study**

<b>Element</b>	<b>Inclusion in scope</b>
TVET qualification levels	Approximate equivalence to PQF levels 1 to 6
ISCO-08 major occupational groups serviced by TVET	3. technicians and associate professionals 4. clerical support workers 5. service and sales workers 6. skilled agricultural, forestry and fishery workers 7. craft and related trades workers 8. plant and machine operators, and assemblers
TVET provision	<b>Public providers</b> Kiribati Institute of Technology Marine Training Services Fisheries Training Services Kiribati School of Nursing Kiribati Teachers College <b>Church-based providers</b> Kiribati Protestant Church (William Goward Memorial College) <b>Regional provider(s)</b> University of the South Pacific (USP) Kiribati Campus, Centre for Community and Continuing Education <b>Other structured training providers</b> KCCI Training supported/delivered by other Ministries – MELAD, MCIC, MFRD
TVET regulation	<b>Ministry of Labour and Human Resource Development</b>

*Note:* Police training and theological studies were out of scope for the research, and so Kiribati providers in these areas were not included in the fieldwork.

## 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 data requirements for the study**

Area	Details
Program offerings	<ul style="list-style-type: none"> <li>- Course levels, fields, duration etc</li> <li>- Fees and student assistance</li> <li>- Maximum student contact hours</li> </ul>
Student numbers	<ul style="list-style-type: none"> <li>- Enrolments, new and total</li> <li>- Graduates (successful completions)</li> <li>- Student training hours</li> <li>- Student outcomes (tracer data)</li> </ul>
Staffing	<ul style="list-style-type: none"> <li>- Staff numbers and categories</li> <li>- Equivalent full-time staff</li> <li>- Teaching loads</li> </ul>
Funding sources	<ul style="list-style-type: none"> <li>- Government annual budget allocations</li> <li>- Targeted ODA grants (DFAT, NZAID, others)</li> <li>- Student fees</li> <li>- Sale of products and services</li> <li>- Industry/employer contributions</li> <li>- Churches and community</li> <li>- Other sources</li> </ul>
Expenditure categories – planned and actual	<ul style="list-style-type: none"> <li>- Recurrent expenditure</li> <li>- Personnel – staff salaries and other emoluments</li> <li>- Direct operating expenses – utilities, teaching materials and consumables, etc</li> <li>- Overhead expenses – e.g. pro-rata share of general institutional costs of administration</li> <li>- Development expenditure – staff development, curriculum development, etc</li> <li>- Capital programs – civil works, equipment, etc</li> </ul>
Scholarship and other student assistance programs	<ul style="list-style-type: none"> <li>- Scholarships and other forms of student assistance (living allowances, rent assistance, subsidized accommodation, etc) are transfer payments</li> </ul>

## 2.3 AVAILABLE INFORMATION SOURCES

The team initially conducted an extensive review of whether the data outlined in Table 2.3 were already available for Kiribati. This review included desk analysis and discussion with key organisations during the facilitation visit to Kiribati in September 2013. 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.

The following list summarises the main sources of available data that were identified.

### **Published and unpublished documents of GoK and its Ministries and agencies**

#### ***Planning documents***

*Kiribati Development Plan 2008 – 2011*

*Kiribati Development Plan 2012 – 2015*

*Education Digest, Ministry of Education*

Ministry of Commerce Industry and Cooperatives, *Strategic Plan 2013-2015*

Ministry of Environment, Land and Agriculture, *Strategic Plan 2012–2015*

Ministry of Labour and Human Resource Development, *TVET Strategy*, and *Strategic Plan 2014-2016*

The planning documents contain a great deal of valuable material. However, in terms of the needs of the study, none of them contained any TVET sector enrolment, graduation or staffing statistics or projections; there was also little information on the likely costs of new strategic directions and how they would be financed.

### **GoK Budget Documents**

*GoK Budget* for the years 2009 to 2012

*Budget Manual* 1997

These documents provided detailed information of the Ministry of Finance and Economic Development (MFED) administered annual budget appropriations to line ministries such as the Ministry of Education (MoE). The financial year in Kiribati is the same as the calendar year, and so the annual budget appropriations are for calendar years.

### **National Office of Statistics**

*Report on the Kiribati 2010 Census of Population and Housing, Vol. 1: Basic Information*

*Kiribati 2010 Census: Analytical Report Vol. 2*

GDP 2012 Estimates

*Kiribati Labour Force Monograph*

*Analysis of the 2006 Household Income and Expenditure Survey (HIES)*

These reports provided a range of helpful contextual material.

### **Reports by development partners**

*Cost Benefit Analysis and Economic Impact Analysis of the Marine Training Centre*, Nimmo-Bell and Market Economics, report for NZAID by Bell and McDonald, 2013

*TVETSSP Program Design Document Labour Markets in the Pacific Islands*, World Bank, AusAID 2011

*TVESSP Annual Performance Assessment*, AidWorks, 2011

*TVETSSP Annual Performance Assessment*, AusAID 2013

*Labour Markets in the Pacific Islands*, Emily Farchy, World Bank 2011

*Labour Market Analysis, Kiribati*, Carmen Voigt-Graf, AusAID, 2007

*Australia-Kiribati Partnership for Development*, 2011

*Program Design Document, Kiribati Education Improvement Program*, AusAID, 2012

*Republic of Kiribati: Strengthened Public Financial Management*, ABD, 2011

This group of documents provided helpful information on, and discussions of, key policy issues and strategic directions.

The next part of the review examined the availability of information for the major elements of the TVET sector in Kiribati in terms of the study's focus on the financing of TVET.

There is limited devolution of planning and administrative functions to the TVET provider level. Preparation of budgeting and planning documentation is the responsibility of higher-level Ministries or boards of education. Legislative and planning reports provide information pertaining to the legislative base as well as the broad objectives of education and training for

Kiribati. However, in terms of the study's needs, the strategic planning documents provide little information on TVET sector enrolments, graduations, staffing statistics or costs. It was also apparent that the major TVET providers did not publish much such information themselves. Overall, the team was not able to identify readily available information and data at the level of detail and specificity needed to address the questions in the *Research Brief*.

Table 2.4 summarises the results of the review of source material on TVET in Kiribati. The summary refers to the availability of data in terms of the study's particular needs as defined by the *Research Brief* (see Table 2.3).

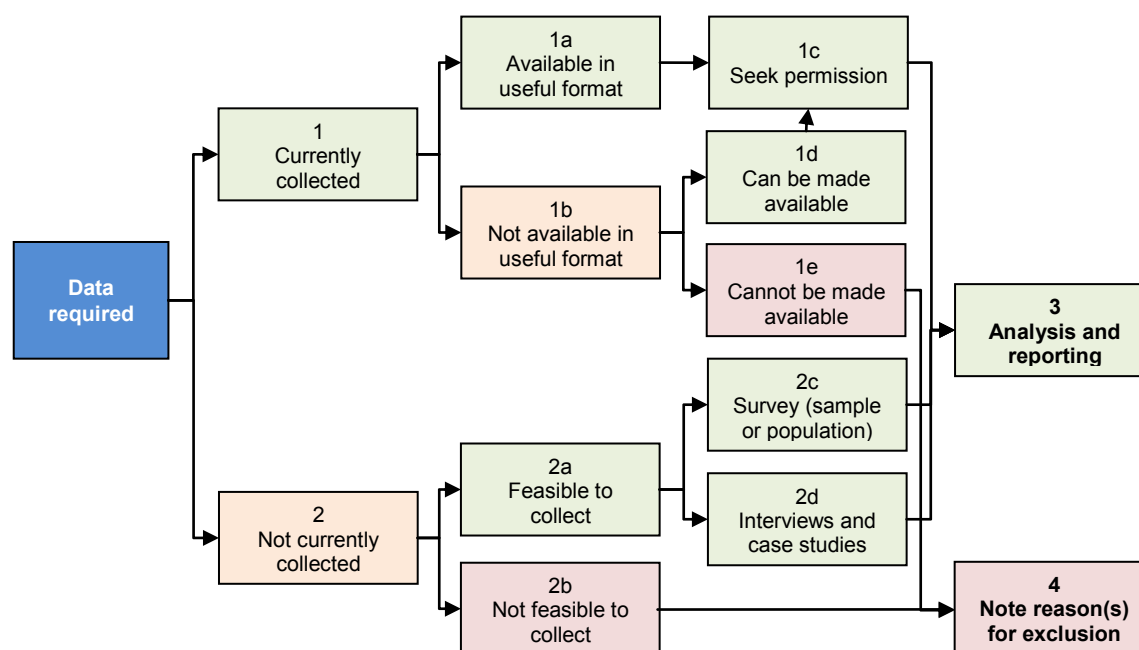
**Table 2.4 Summary of available source material on TVET**

Source material	KIT	MTC	FTC	KSON	KTC	PSO	MLHRD	MoE
Strategic plans								
Operational plans								
Budget allocations								
Annual reports								
Websites								
Donor strategies/plans								
Donor annual reports								
Commissioned reports								

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

## 2.4 APPROACHES TO FILLING THE INFORMATION GAPS

The review of the available information by the research team made it clear that considerable information would need to be collected first-hand in order to fill the gaps. The approaches taken by the team were based on the framework outlined in Figure 2.1.

**Figure 2.1 Framework for filling the information gaps**

The team worked closely with the key Ministries concerned with TVET and its funding (MFED, MoE and MLHRD), the National Statistics Office (NSO), the Church Education Directors' Association in Kiribati (CEDAK), and the Protestant Church Board of Education. The team also made a number of visits to each of the key TVET providers.

Customised data collection templates were prepared for the authorities and providers. The templates, which are included in Annex 4, were based on data collection instruments developed for the overall study, and were adapted for application in Kiribati. The templates were discussed with the authorities concerned before being sent for completion. Follow-up visits were made to respond to any queries and to collect the forms. Providers were sent copies in advance of the team visits and completed templates were sent back to the providers for checking. In all cases, permission was sought and obtained from the management of the respective authorities and providers.

The team conducted an extensive series of meetings and interviews with as many stakeholders and their representatives as time permitted. The discussions were intended to develop as clear an understanding as possible of the TVET sector, how it is conducted and resourced, and the perspectives of stakeholders on financing issues. The team was greatly helped by the NRG in identifying relevant people and organisations and in facilitating access. The people consulted during the fieldwork are listed in Annex 2.

A small pilot survey of public and private enterprises was conducted regarding training levels and expenditures. Planning for the survey was discussed with NSO and KCCI. Both organisations supported the initiative as no such data were available from any other source. KCCI provided a list of enterprises operating in Kiribati and encouraged firms to participate. The pilot survey was based on the methodology developed for the overall study, and adapted for use in Kiribati. The survey form is included in Annex 4, and the outcomes are discussed in Chapter 12.

## 2.5 **QUALITY OF THE DATA AVAILABLE FOR ANALYSIS**

Not all of the attempts to collect data from providers were successful, and cautionary notes for the interpretation of data are included in relevant parts of the text. In some cases it was necessary to only use aggregate data from relevant Ministries, as it did not prove possible to organise on-site discussions and first-hand data collections from the providers concerned. Furthermore, the enterprise survey had a low response rate and produced little usable information.

The data review and additional collections indicated that there were significant issues of standardisation and completeness among the main TVET providers with regard to student enrolment and graduation data, and information on resource use in the aggregate and at the course level. This meant it has not been possible to conduct meaningful analyses of the costs of different types of TVET programs.

Nevertheless, the team compiled and collected considerable data relating to TVET programs, financing, and student and staff statistics, especially for the providers of structured training programs. The most comprehensive data for analysis was available for KIT and MTC.

It should be noted that the TVETSSP is working with authorities and providers to improve data coverage and quality, and to develop a centralised information base. Chapter 13 of this report discusses possible approaches that would complement that work.

## **PART II: COUNTRY BACKGROUND**



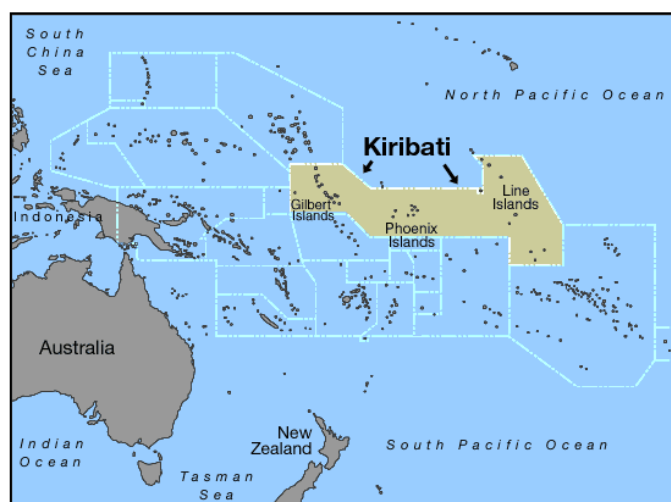
## CHAPTER 3. GEOGRAPHY AND GOVERNMENT

Kiribati is an island nation that straddles the Equator in the central Pacific Ocean (Figure 3.1). The country comprises 33 atolls and islands with a total land area of just 800 square kilometres. The atolls are spread across a vast area of ocean, and Kiribati's Economic Exclusion Zone is more than 3.4 million square kilometres, one of the largest in the world. Many of the atolls are inhabited; most of them are very low-lying and at risk from rising sea levels.

There are four main groups of atolls and islands:

1. Banaba: an isolated island between Nauru and the Gilbert Islands
2. Gilbert Islands: 16 atolls located about 1,500 km. north of Fiji
3. Phoenix Islands: 8 atolls and islands located about 1,800 km. southeast of the Gilbert Islands
4. Line Islands: 8 atolls located about 3,300 km. east of the Gilbert Islands

**Figure 3.1 Map of Kiribati**



Kiribati's geographic isolation and widespread population mean that the country faces considerable problems in regard to communications, transportation, and the provision of access to infrastructure and services, including in education and training.

Kiribati is a sovereign democratic republic that won independence from the United Kingdom in 1979. It has a two-tier system of government, comprising national and local levels. The national Government consists of 42 elected members led by a President. South Tarawa is the Capital. The local level consists of 23 elected and appointed councils, 3 in urban areas and 20 in the outer islands. The national government has responsibility for education and training.

At the national level the executive branch comprises the President, the Vice-President and a Cabinet (the President is a Member of Parliament and leads the Cabinet). The Cabinet comprises the President, Vice-president, and 10 Ministers (appointed by the President) who are members of the House of Assembly. There is a limit of three four-year terms that any one person can serve as President. To form government generally requires establishing a coalition among diverse parties and independents; such coalitions are often quite fluid.



## CHAPTER 4. DEMOGRAPHY

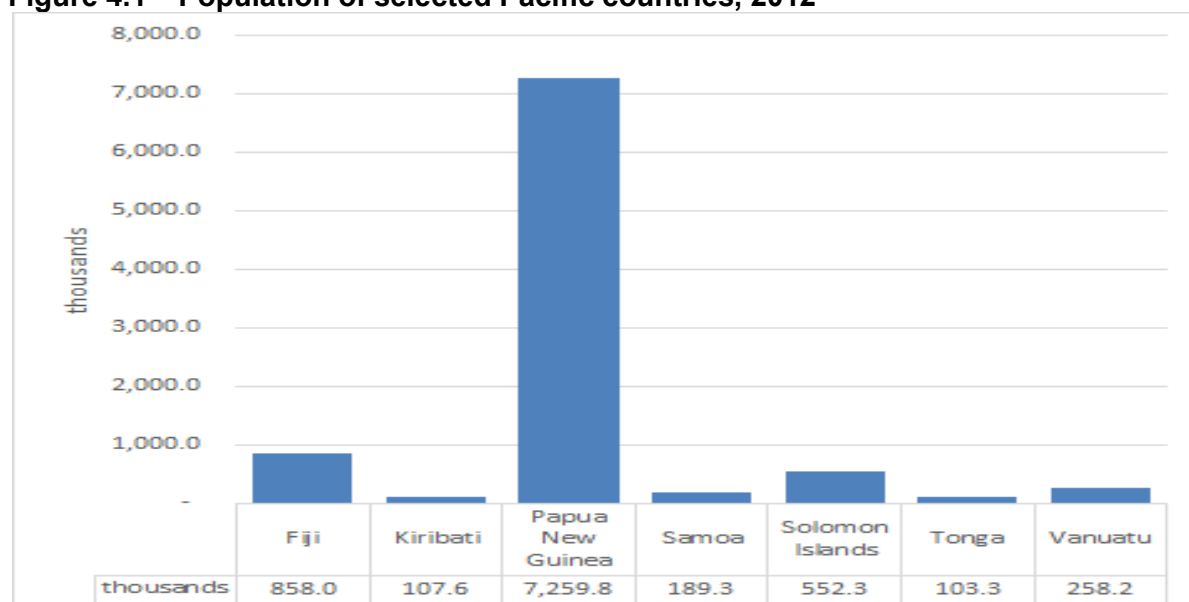
The people of Kiribati are called I-Kiribati. Ethnically, the I-Kiribati are Micronesians. The most recent Kiribati Census, conducted in 2010, enumerated the population at 103,058. The vast majority (>90%) of people inhabit the Gilbert Islands, and about 50,000 of these live on South Tarawa atoll in the main population centres of Betio, Bairiki and Bikenibeu living. Many people, though, continue to live in small villages on remote atolls and islands.

South Tarawa has a land area of just 16 km<sup>2</sup>, and some of its settlements are among the most crowded in the world. South Tarawa's population has trebled since the 1970s as people moved from the outer islands to the capital city in search of education and work opportunities, and the country's overall population grew relatively quickly. The rapid population increase on South Tarawa has placed extreme stress on infrastructure, water quality and sanitation. These concerns are being exacerbated by rising sea levels as the atoll is only a few metres above the ocean.

Despite its small population, Kiribati experiences high population density due to the lack of habitable land. The average population density in Kiribati is 128 people per square kilometre, which is second only to Tonga among the participating countries. However, the extent of population density varies considerably between islands. Overcrowding in South Tarawa continues to worsen, whereas other atolls have only small numbers of people and some are experiencing population decline.

Of the seven countries participating in the overall study, Kiribati has the second-smallest population (108,000 people in 2012) – see Figure 4.1. The small population poses particular challenges in providing a range of education and training programs at reasonable cost, as well in generating jobs for the relatively large numbers of young people leaving school.

**Figure 4.1 Population of selected Pacific countries, 2012**



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

Kiribati has a young population, with 36 per cent under 15 years of age and only 3.6 per cent over 65 years (Table 4.1). As Figure 4.2 shows, the Kiribati population was one of the fastest growing among Pacific countries between 2005 and 2012, and grew at well above world

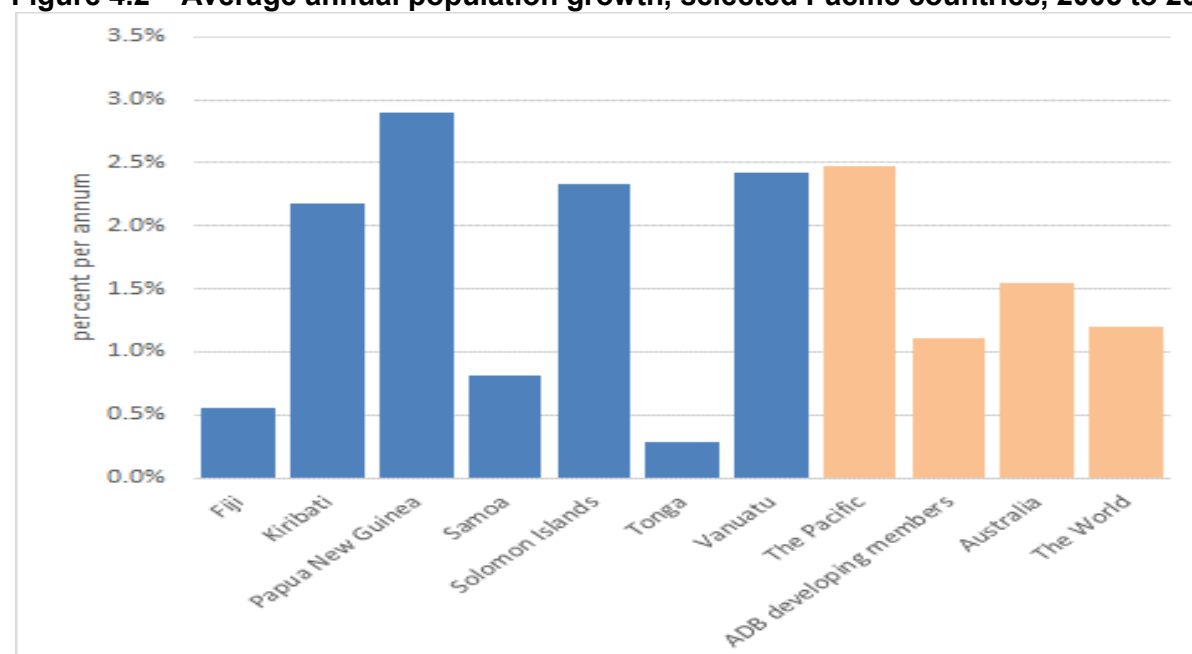
average rates. This is placing significant pressure on the fragile atoll environment and its limited resource base. Almost all of Kiribati's population growth is from natural increase as the country experiences net emigration rather than immigration. The high rate of population growth means that relatively large numbers of young people are looking for education, training and job opportunities.

**Table 4.1 Population by 5 year age groups, by gender, 2010**

Age range	Male	Female	Total	% of total	% Female
0-4	7,126	6,866	13,992	13.6%	49.1%
5-9	5,739	5,287	11,026	10.7%	48.0%
10-14	6,198	5,968	12,166	11.8%	49.1%
15-19	5,582	5,344	10,926	10.6%	48.9%
20-24	5,242	5,124	10,366	10.1%	49.4%
25-29	4,070	4,346	8,416	8.2%	51.6%
30-34	3,223	3,498	6,721	6.5%	52.0%
35-39	2,682	2,943	5,625	5.5%	52.3%
40-44	2,908	3,208	6,116	5.9%	52.5%
45-49	2,519	2,715	5,234	5.1%	51.9%
50-54	1,813	2,079	3,892	3.8%	53.4%
55-59	1,349	1,578	2,927	2.8%	53.9%
60-64	919	1,066	1,985	1.9%	53.7%
65+	1,426	2,240	3,666	3.6%	61.1%
<b>Total</b>	<b>50,796</b>	<b>52,262</b>	<b>103,058</b>	<b>100.0%</b>	<b>50.7%</b>

Source: NSO, 2012

**Figure 4.2 Average annual population growth, selected Pacific countries, 2005 to 2012**



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

## CHAPTER 5. LANGUAGE, LITERACY AND EDUCATION

The people of Kiribati speak an Oceanic language called Gilbertese or Kiribatese. Although English is also an official language, it is not used very widely outside the capital. In everyday conversation English is often mixed in its use with Gilbertese. The Kiribati language is widely used in primary schools, and English is the medium of instruction in secondary schools.

The Kiribati education system consists of five stages:

- Early childhood education; primary (Years 1 to 6);
- Junior secondary (Forms 1 to 3 / Years 7 to 9);
- Senior secondary (Forms 4 to 7 / years 10 to 13);
- TVET – consisting mainly of the Marine Training Centre (MTC), Fisheries Training Centre (FTC), Kiribati Institute of Technology (KIT), and police training and nurse training; and
- Some higher education through a small range of courses provided by the Kiribati Teachers College (KTC) and the University of the South Pacific (USP) campus.

### 5.1 PRIMARY AND SECONDARY SCHOOLING

Schooling in Kiribati is free up to junior secondary level and attendance is compulsory between the ages of six and 14. However, a significant proportion of children in the primary and junior secondary age groups do not attend school. Students who fail competitive examinations at Year 9 and Year 11 are unable to continue their studies. This factor, and the fees charged by all senior secondary schools, contributes to a high attrition rate among older school-age children (see Table 5.1).

The Ministry of Education (MoE) is responsible for the delivery of primary and secondary education (excluding specialised schools for children with disabilities), administration of the KTC, and regulatory oversight of early childhood education.

Like many Pacific Island countries, retention rates into the final years of secondary schooling are an issue in Kiribati. Table 5.1 shows recent enrolment trends from Form 4 (Year 10) to Form 7 (Year 13). Compared to the 1,741 students in Form 4 in 2008, just 487 (28%) were enrolled in Form 7 in 2011. It is noteworthy that the proportion of female students in each Form level increased between 2008 and 2011, and that the retention rate of females to Form 7 also rose. Females comprise the majority of senior secondary students.

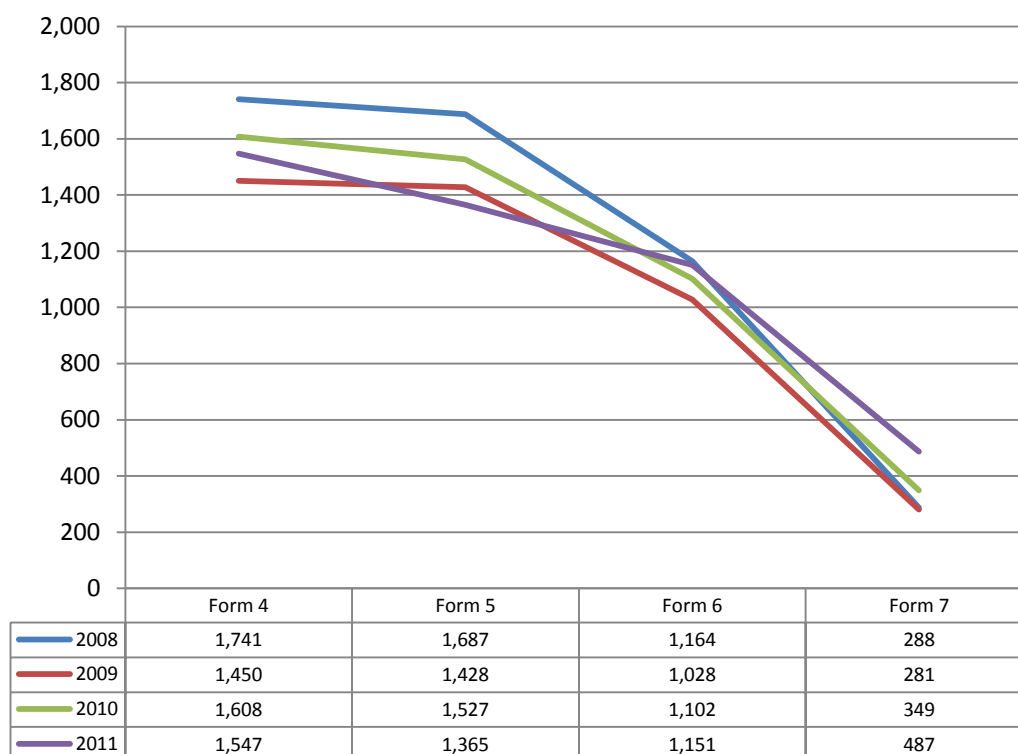
**Table 5.1 Number of students by year of secondary schooling, 2008 to 2011**

Year level	2008		2009		2010		2011	
	Total	% Female	Total	% Female	Total	% Female	Total	% Female
Form 4	1,741	50.3%	1,450	54.8%	1,608	53.8%	1,547	54.6%
Form 5	1,687	52.2%	1,428	53.6%	1,527	54.0%	1,365	54.4%
Form 6	1,164	57.5%	1,028	57.3%	1,102	56.9%	1,151	57.9%
Form 7	288	61.5%	281	57.3%	349	54.7%	487	58.7%
<b>Total</b>	<b>4,880</b>	<b>53.3%</b>	<b>4,187</b>	<b>55.2%</b>	<b>4,586</b>	<b>54.7%</b>	<b>4,550</b>	<b>55.8%</b>

Source: MoE, *Digest of Education Statistics 2011*

Figure 5.1 illustrates the shows the distribution of secondary school enrolments by year level from Form 4 (Year 10) to Form 7 (Year 13) for each of the years 2008 to 2011. The large numbers of students who leave before completing secondary school are evident, although there are some positive signs of a slight increase in the retention rate in recent years.

**Figure 5.1 Number of secondary school enrolments by year level, 2008 to 2011**



Source: Republic of Kiribati Ministry of Education Digest of Education Statistics 2011

## 5.2 POST-SECONDARY EDUCATION AND TRAINING

There are a number of government institutions that offer TVET training in specific fields. These include the following.

- **Kiribati Institute of Technology (KIT)** provides short courses in areas such as the building trades, carpentry, vehicle maintenance, computer skills and business studies, adult education and engineering. Most courses are pre-Diploma level, although there are a small number of Diploma qualifications.
- **Kiribati School of Nursing** runs courses leading to a Certificate in Midwifery and a Diploma in Nursing and Obstetrics.
- **Kiribati Teachers College** offers Certificate Diploma-level teacher training for primary and junior secondary teachers.
- **Kiribati Police Academy** offers pre-service training for recruits to the Kiribati police.

In addition, two government institutions provide training for fisheries and marine occupations:

- **Fisheries Training Centre (FTC)** provides seamanship training to the level of rating (Deck, Engine and Fishing) for I-Kiribati intending to work on commercial fishing vessels. Qualifications on offer also include an upgrading course for qualified fishermen.
- **Marine Training Centre (MTC)** runs training courses in deck, engine-room and catering work, including a number of Certificate-level programs. German shipping companies

provide the main employers for graduates of the MTC. MTC is the only institution in the Pacific with White List Status under the Maritime Labour Convention, thus facilitating I-Kiribati gaining employment in marine occupations world-wide. The Centre has received substantial funding support from the New Zealand Government over a long period. As discussed later in this report, a recent evaluation of MTC has concluded that MTC has produced very positive benefits for its graduates and the Kiribati nation.

Kiribati does not have a national qualifications system or a national accreditation agency. At post-secondary level, different authorities issue their own qualifications that range from Certificates to Diplomas. However, a growing feature of training in Kiribati is that programs are now often auspiced through overseas education authorities (such as TAFE South Australia in the case of KIT) to ensure they meet international standards. Training providers are also receiving support for quality assurance through partnerships with major regional providers such as the Australia-Pacific Technical College (APTC) and Fiji National University (FNU).

The major authorities involved in TVET provision are as follows.

- MLHRD offers technical and vocational qualifications in areas related to mechanical engineering, mechanics, construction, carpentry, plumbing, office skills, and computer software. Such courses, which range in duration from a week up to 3-year Certificates in areas such as construction, are conducted at KIT. MLHRD is also responsible for the qualifications issued by FTC and MTC in fisheries and marine occupations respectively.
- MHMS provides Certificate Qualifications related to careers in Nursing. These courses are provided by KSON and run over 3 years.
- MoE provides Certificate and Diploma qualifications to Primary and Junior Secondary pre-service teachers. These courses run between 1 to 4 years at KTC.

There are also a number of religious-affiliated training bodies. The Tangintebu Theological College trains future pastors for the Kiribati Protestant Church. The Kiribati Protestant Church provides certificates, diplomas and a degree qualification in theology. The Protestant Church also runs the Christian Institute for Community Development (CICD), a vocational school for young people who have dropped out of mainstream education; it has an enrolment of around 100 students. The Bahai Faith provides a vocational institute for early childhood teachers.

In addition to institutions offering formal qualifications, there is a significant non-formal sector. Local NGOs and church bodies are active in providing non-formal education and training programs in the areas of nutrition and health, water and sanitation, agro-forestry, small-scale food production, local community planning, recycling, environmental issues and small business development.

### **5.3 QUALIFICATIONS PROFILE OF THE POPULATION**

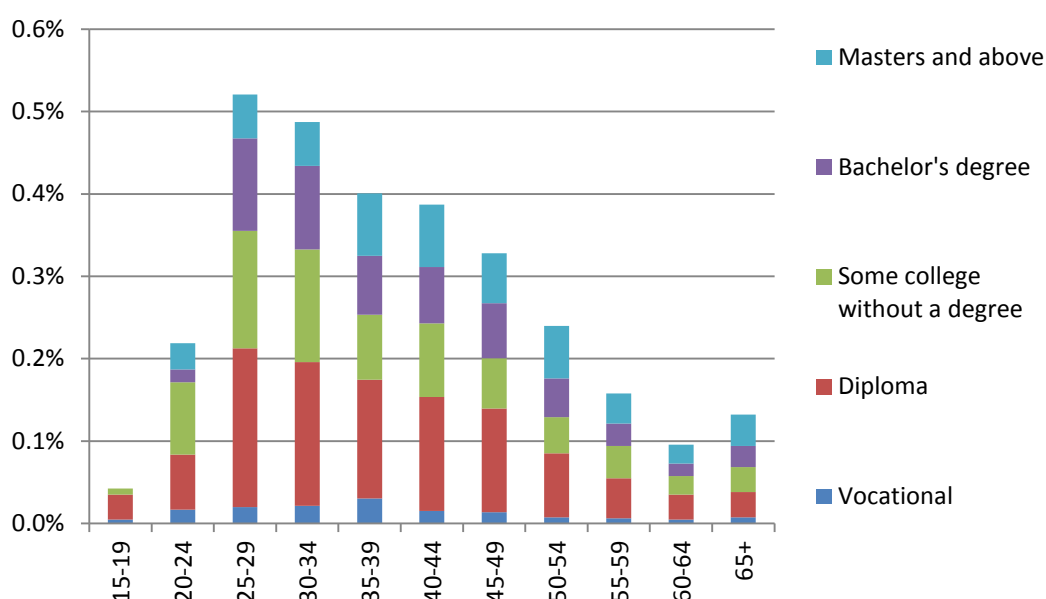
Data from the 2010 Census of Population and Housing indicate that only 3 per cent of the people aged 15 years and over have obtained post-school qualifications (Table 5.2). Around 10 per cent of adults had not attended school, and a further 53 per cent had not progressed beyond junior secondary level. The 2010 Census showed that only a little over 1 per cent of adults have completed a Diploma, and just 1 per cent have completed a university degree. Levels of educational attainment are low, and lifting the number of qualified people is a major focus of GoK and development partners.

Figure 5.2 shows that the 25-29 and 30-34 age groupings comprise the largest shares of the population with post-secondary qualifications.

**Table 5.2 Population aged 15 years and over, educational attainment, 2010**

Age	Total	No school	Primary school	Junior secondary	Secondary	Diploma	Some college without a degree	Bachelor's degree	Masters and above	Other vocational	Other
15-19	10,926	563	1,624	4,355	4,356	20	5	0	0	3	0
20-24	10,366	507	1,399	2,402	5,911	44	58	10	21	11	3
25-29	8,416	506	1,780	1,582	4,197	127	94	74	35	13	8
30-34	6,721	552	2,083	1,219	2,530	115	90	67	35	14	16
35-39	5,625	477	2,161	1,064	1,648	95	52	47	50	20	11
40-44	6,116	594	2,667	1,266	1,327	91	59	45	50	10	7
45-49	5,234	619	2,473	1,067	853	83	40	44	40	9	6
50-54	3,892	565	1,865	712	585	51	29	31	42	5	7
55-59	2,927	562	1,435	476	345	32	26	18	24	4	5
60-64	1,985	471	913	289	248	20	15	10	15	3	1
65+	3,666	1,197	1,583	461	330	20	20	17	25	5	8
Sub-total	<b>65,874</b>	<b>6,613</b>	<b>19,983</b>	<b>14,893</b>	<b>22,330</b>	<b>698</b>	<b>488</b>	<b>363</b>	<b>337</b>	<b>97</b>	<b>72</b>
% of total		10.0%	30.3%	22.6%	33.9%	1.1%	0.7%	0.6%	0.5%	0.1%	0.1%

Source: NSO, 2013

**Figure 5.2 Population aged 15 years and over, post-secondary qualifications, 2010 (%)**

Source: NSO, 2013

## CHAPTER 6. ECONOMY AND THE LABOUR FORCE

Kiribati is one of the world's poorest countries and is classified by the United Nations as one of the least developed countries in the world. It has few natural resources. The end of phosphate mining on Banaba Island in 1979 had a serious impact on the Kiribati economy. Receipts from phosphates had accounted for around 80 per cent of export earnings and 50 per cent of government revenue. GDP was reduced by almost 50 per cent between 1979 and 1981.

Kiribati is one of the largest recipients of aid in the world relative to recipient country GDP. Due to Kiribati's limited domestic production capacity, it imports nearly all of its essential foodstuffs and manufactured items.

Copra and fish represent the bulk of production and exports. However, frequent droughts and infertile soil hinder reliable large-scale agriculture. Many I-Kiribati use the sea for their livelihood and subsistence, and training programs for fisheries and maritime occupations are major emphases of TVET.

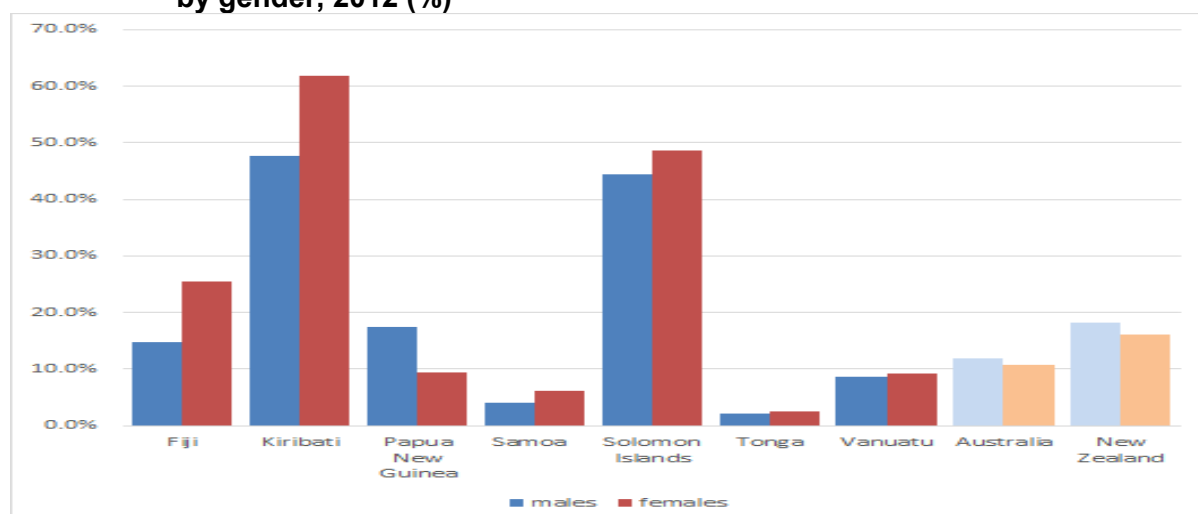
Table 6.1 outlines some economic indicators for the period 2009 to 2012. The economy had contracted by 2.4 per cent in 2009 as the global financial crisis took hold. In more recent years economic growth has been at least 2 per cent, inflation has decreased and the current account balance has improved as a share of GDP. Nevertheless, the country faces major economic challenges and incomes remain low.

**Table 6.1 Economic indicators for Kiribati, 2009 to 2012**

Indicators	2009	2010	2011	2012
GDP (US\$m) (current prices)	120	142	164	173
GDP PPP (US\$m)	561	576	600	626
GDP per capita (US\$)	1,210	1,401	1,594	1,646
Real GDP growth (% change)	-2.4	1.4	2.0	2.5
Current account balance (US\$m):	-24	-21	-43	-12
Current account balance (% GDP):	-19.6	-14.7	-26.2	-6.7
Inflation (% change)	8.8	-2.8	1.2	2.0

Source: DFAT (2012).

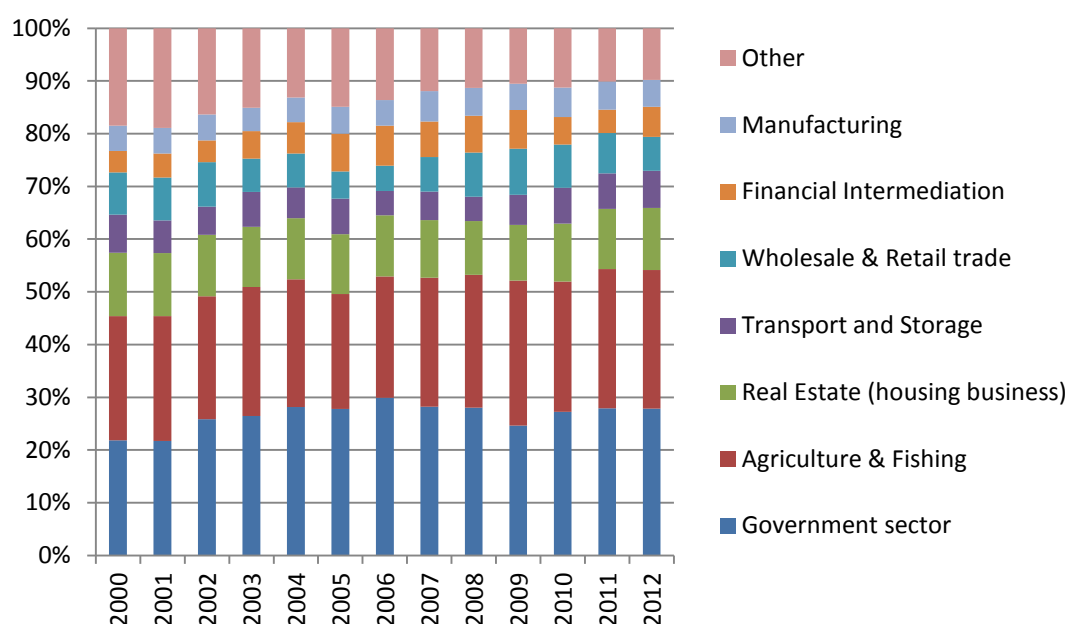
The combination of a relatively fast growing population and an economy that has grown fairly slowly means that Kiribati experiences high unemployment. Among the seven countries participating in this study, in 2012 Kiribati had the highest unemployment rate for 15 to 24 year-olds (Figure 6.1). The unemployment rate of young females in Kiribati is particularly high at around 60 per cent.

**Figure 6.1 Unemployment rates in the 15 to 24 age group, selected Pacific countries, by gender, 2012 (%)**

Source: ADB Key Indicators for Asia and the Pacific, 2013 Table 1.10  
[www.adb.org/statistics](http://www.adb.org/statistics)

Economic development is severely constrained by Kiribati's dispersed and isolated atoll geography, limited fresh water supplies, and a narrow resource base. While there is little potential for agricultural development, the vast territorial waters contain a significant fishery resource. There is a minimal manufacturing sector and agriculture is predominantly subsistence. The major commercial activity in the outer islands is the harvesting of coconuts for the export of copra and coconut oil. The main sources of formal employment are the public sector and work on international shipping lines.

The main contributors to GDP, as shown in Figure 6.2, are the government sector, agriculture and fishing, real estate and transport.

**Figure 6.2 Share of GDP by industry (in current prices), 2000 to 2012 (%)**

Source: NSO, 2013



Kiribati is home to the South Pacific's largest marine reserve. Fishing fleets from South Korea, Japan, People's Republic of China, Taiwan, and the United States pay a licensing fee in order to operate in Kiribati's territorial waters. Fishing is a vital subsistence activity and exploitation of Kiribati's extensive marine resources, primarily varieties of tuna, is a major source of income through the licensing of foreign fishing vessels.

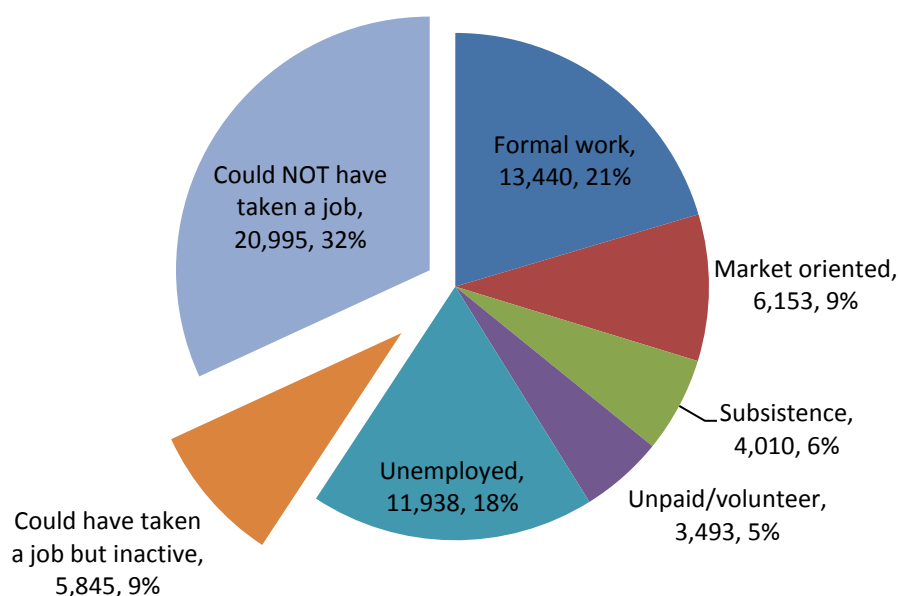
Kiribati, like other Forum Fisheries Agency (FFA) members, also receives revenue from a multilateral treaty signed with the United States and European Union. It has bilateral fisheries arrangements with Japan, Taiwan, the Republic of Korea and Spain. In 2009, Kiribati joined with other Central Pacific nations in a partnership aimed at increasing both sustainability of the tuna fisheries resource, and the share of revenues staying in the Pacific.

Demand for seafarers from Kiribati has picked up following a slump during the global downturn. With only 6,000 regular wage jobs 'on shore', offshore employment provides a critical source of income for many households. An average of 900 jobs are held by MTC graduates each year, and their annual earnings average over A\$10 million in 2012 terms (Bell and McDonald, 2013).

Most islanders engage in subsistence activities ranging from fishing to the growing of food crops like bananas, breadfruit, and papaya. The leading export is the coconut product copra, which accounts for about two-thirds of export revenue. Other exports include pet fish, shark fins, and seaweed.

Figure 6.3 shows the labour force status and type of employment of the population aged 15 year and over from the latest Census, 2010. Only around 30 per cent of the population aged 15 years and over were employed in the wage economy in 2010, including just 9 per cent in market oriented sectors.

**Figure 6.3 Population aged 15 years and over by labour force status and type of employment, 2010**



Source: NSO, 2013

## CHAPTER 7. THE PUBLIC SECTOR AND PUBLIC SECTOR FINANCES

In 2007, GoK released the KDP 2008-11, the theme of which is 'enhancing economic growth for sustainable development'. The KDP encompasses the GoK's policy statements and sector strategies, including GoK's strategies for addressing their key education issues: raising education standards and quality, and increasing retention of school students to continue on to higher classes and engage in work pathways.

In terms of education and training, the Ministry of Labour and Human Resource Development (MLHRD) is responsible for the majority of the schools within the TVET sub-sector with the exception of the KSON which falls under MHMS. MoE is responsible for the delivery of primary and secondary education (excluding specialised schools for children with disabilities), administration of the KTC and regulatory oversight of early childhood education.

### 7.1 GOVERNMENT REVENUE AND EXPENDITURE PATTERNS

Kiribati's GDP per capita is among the lowest in the Pacific, and there is only a very limited revenue base for government. Large fiscal deficits persist despite substantial external grants.

Half of Kiribati's national income is derived from external sources, mainly Official Development Assistance (ODA), fishing licence fees, seafarers' remittances, and revenue from Kiribati's offshore investment fund, the Revenue Equalization Reserve Fund (RERF). The RERF was established in 1956 with the aim of using revenue from phosphate for national development.

The ratio of remittances to GDP has been particularly high (7–12 per cent over the past 20 years) and is one of the highest ratios among the Pacific Island countries.

The recently published *KDP 2012–2015* is a guide on development priorities for Kiribati over the next four years. It is the ninth in a series of development plans for the country. This document includes information on:

- Human resource developments
- Economic growth and poverty reduction
- Health
- Environment
- Governance
- Infrastructure
- Implementation arrangements
- Monitoring and evaluation.

There are around 15 government ministries in Kiribati. Each is headed by a political appointee called the minister and a chief civil servant called the chief secretary. Responsibility for public service recruitment and management is shared between the Public Service Office (charged with human resource management, planning and development), the Public Service Commission (approves public service appointments and monitors discipline) and individual line ministries (responsibilities for recruitment, promotions, discipline and removal of public servants).

The current listing of Ministries covers the following portfolios:

- Ministry of Commerce, Industry and Cooperatives
- Ministry of Communications, Transport and Tourism Development
- Ministry of Environment, Lands and Agricultural Development (MELAD)

- Ministry of Finance and Economic Development
- Ministry of Fisheries and Marine Resources Development (MFMRD)
- Ministry of Foreign Affairs and Immigration
- Ministry of Health and Medical Services (MHMS)
- Ministry of Internal Affairs and Social Development
- Ministry of Labour and Human Resources Development
- Ministry of Public Works and Utilities
- Ministry of the Line and Phoenix Islands
- Office of the Attorney General

## 7.2 OFFICIAL DEVELOPMENT ASSISTANCE

The economy of Kiribati benefits from international development assistance programs. The multilateral donors providing development assistance are the European Union, the United Nations Development Program, and the World Health Organisation. The bilateral donors providing development assistance were Australia, Japan, New Zealand, Taiwan, and other donors including the Asian Development Bank.

The major donors in 2011 were Australia (about A\$15m), Taiwan (A\$11m); New Zealand (A\$5m), the World Bank (A\$9 million), and the European Union (A\$6m). The contributions from major development partners are outlined in Table 7.1.

In 2009 the Governments of Australia and Kiribati signed the Australia-Kiribati Partnership for Development. The areas of focus are on improved basic education, workforce skills development and improved growth and economic management. The Partnership will be the instrument used to facilitate the macro reform process.

**Table 7.1 Major development partners, funding provided, 2011 (A\$ million)**

<b>Bilateral</b>	<b>2011</b>	<b>Multilateral</b>	<b>2011</b>
Australia	15.2	World Bank	8.8
Taiwan	11.1	Asian Development Bank	1.2
European Union	5.6	Secretariat of the Pacific Community	0.1
New Zealand	5.0	World Health Organization	0.8

Source: AusAID Annual Program Performance Report, 2012

## **PART III: TVET IN CONTEXT**



## CHAPTER 8. OVERVIEW OF TVET IN KIRIBATI

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

### 8.1 GOVERNANCE AND MANAGEMENT OF TVET

In 2001, the Pacific Islands Forum Education Ministers developed the Forum Basic Education Action Plan (FBEAP), which covered a broad range of areas of formal and informal education including skills development. In 2004, the leaders of the Pacific Islands Forum in their Auckland Declaration endorsed the development of a Pacific Plan, which emphasised the importance of strengthening vocational and technical training and its links with the labour market.<sup>2</sup>

Drawing on the FBEAP, the KDP for 2008 to 2011 set out a strategy to invest in Kiribati's main assets - its people - and to transform the lives of I-Kiribati through further development of the economy and their capabilities. The theme of the 2008 to 2011 KDP - 'Enhancing economic growth for sustainable development' - reflected the Government's policy direction, and the vision - 'a vibrant economy for the people of Kiribati' - put into focus the ultimate goal of pursuing economic growth.

The GoK is committed to the Education for All (EFA) goals, which is in line with the Millennium Development Goals. Their attainment is a key driver of GoK education policy and influences its sector priorities over the medium term. Human resource development is also seen as of paramount importance in the development and future economic growth of the country. While 'formal education' is seen as important in nurturing human resources at all school levels, 'human resource development' (HRD) goes one step further in highlighting the need to build people's capacity across the lifespan.

Kiribati currently has different sets of qualifications derived from the major ministries that are directly involved in education and training: The Ministry of Education, the MLHRD and the MHMS.

The MLHRD offers technical and vocational qualifications up to Certificate II in areas related to mechanical engineering, mechanics, construction, carpentry, plumbing, office skills and computer software.<sup>3</sup> MLHRD also provides seafaring related qualifications for seamen and fishermen.

The MHMS provides Certificate Qualifications related to careers in Nursing. The course runs over 3 years and is not accredited to any international system.

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<sup>2</sup> Pacific Islands Forum, 2004, Auckland Declaration.

<sup>3</sup> All students who enroll in the trade courses in KIT are called apprentices. Currently trade testing occurs in the areas of automotive mechanics plumbing, carpentry and electrical. Tests are carried out in English and assessors each represent one of the trade areas. However concerns exist regarding access and quality of current trade testing arrangements. Testing only occurs once a year on South Tarawa and Kirimati Island and is not widely promoted. Furthermore, testing is not aligned with consistent and agreed competency standards.

The Ministry of Education provides Certificate and Diploma qualifications to primary and Junior Secondary pre-service teachers. The courses run between 1-4 years at the KTC. There has been no intake since 2010. During that time, they had been carrying in service courses for existing teachers such as English proficiency courses to all teachers whose levels are below the acceptable standard.

During this period, there has also been a more focused effort on the production of teaching materials and resources, new curriculum for primary schools, Junior Secondary and Senior Secondary School. Discussions with the ministry indicated that 30 new intake will start training as teachers from February 2014.

In 2009 the governments of Australia and Kiribati signed a *Partnership for Development* and committed jointly to achieving the Priority Outcomes: improved *basic education, workforce skills development, economic growth and poverty reduction and management and infrastructure* (with the latter added in 2012).

The second of these outcomes – *workforce skills development* – is to be achieved through a range of activities including training in English as a Second Language (ESL), training for awardees of scholarships and other students attending tertiary institutions, the pilot Kiribati Australia Nursing Initiative (KANI), the Australia-Pacific Technical College (APTC) and the Pacific Seasonal Worker Pilot Scheme.

The activities are to be complemented by strengthening the management and teaching capabilities of TVET institutions in Kiribati, and increasing the employability of the people of Kiribati both at home and abroad.

The TVET sector in Kiribati provides skills training in a range of areas although there are few actual employment opportunities and possibilities in Kiribati at present.

## **8.2 REGULATIONS AND QUALITY ASSURANCE**

Currently Kiribati does not have a National Qualifications Framework.

The quality of training provided by the government providers is underpinned by a number of international agreements. However, there were concerns raised by stakeholders during our field trip about the consistency of quality across the government providers and the whole of the sub-sector, a lack of consistency in qualification levels across the providers, a lack of publically available data (as is documented in this report), the quality of trade testing and the quality of work placements.

To help address such concerns the GoK has chosen to draw on elements of the Australian vocational education and training system. An auspicing agreement signed in 2010 between the KIT and TAFE South Australia (TAFE SA) is working towards delivery of KIT qualifications to international quality standards. KIT subsequently has also developed formal partnerships with APTC and the Fiji National University (FNU), which are also aimed at providing KIT graduates with access to internationally recognised qualifications.

The MTC has, for a long time, been internationally recognised and quality assured, under the International Maritime Organization convention on Standards of Training, Certification and Watchkeeping 78<sup>4</sup> and Germanischer Lloyd certification.

The future development of TVET in Kiribati needs to build on the successes to date in ensuring that qualifications are recognised internationally and that pathways to international employment are opened up. This will support the GoK in achieving the objectives identified in the KDP 2012–2015 of increased participation in TVET by I-Kiribati aged 15 -24 years, increased private sector leadership, and increased community and government understanding of TVET leading to worthwhile career pathways.

### **8.3 CURRENT TVET INITIATIVES AND PROVISION**

The GoK is committed to the establishment of an internationally recognised and respected national TVET sector.

The Technical and Vocational Education and Training Sector Strengthening Program (TVETSSP) led by the GoK and supported by Australian Government has been established to drive attainment of many of the goals and objectives within the KDP 2012–2015. The New Zealand Aid Program, International Labour Organization (ILO), Japanese International Cooperation on Aid and Republic of China (Taiwan), through scholarships and capital budget also contribute to the further development and ongoing delivery of TVET in Kiribati.

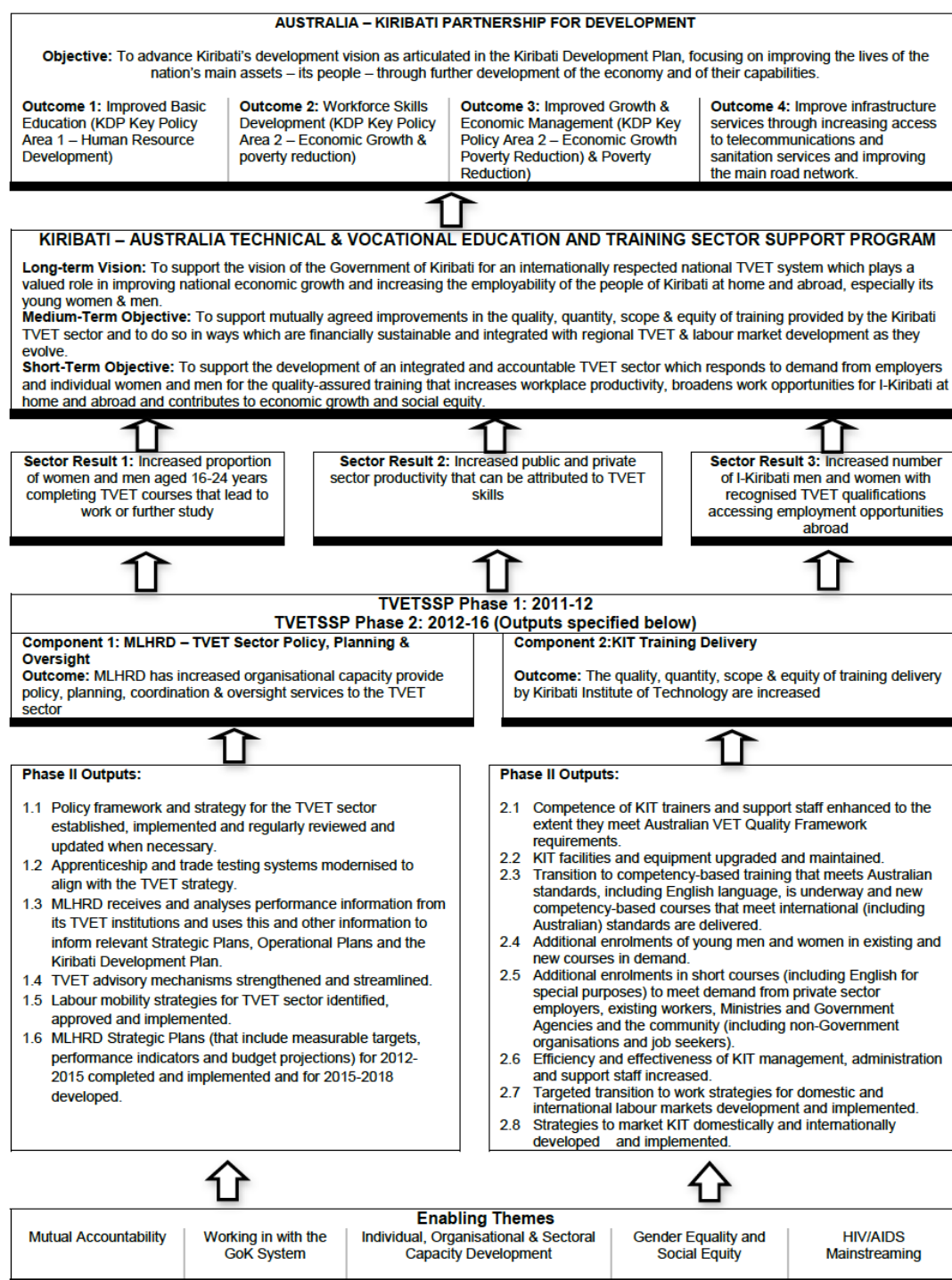
The TVETSSP as described in the Program Design Document (PDD)<sup>5</sup> represents the first substantial step in Australia's partnership with Kiribati in the TVET sector. It responds to the large and urgent need in Kiribati for workforce and skills development, one of the three high-level outcomes to be achieved under the Australia-Kiribati Partnership for Development. The core elements of the TVETSSP are presented in Figure 8.1.

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<sup>4</sup> The MTC is recognised by the International Maritime Organization as a certified training provider under STCW-95 (Standards of Training, Certification and Watchkeeping Convention as revised in 1995); allowing I-Kiribati seamen to retain "White List" status that enables them to be employed on international vessels. A separate international convention for the fishing industry (STCW – F – 95) has been adopted by the International Maritime Organisation and the FTC is working to achieve improvements that will allow it to comply with this standard. Both initiatives are supported by the regional Maritime programme of the Secretariat of the Pacific Community through the provision of advice on maritime issues, technical capacity supplementation and training for maritime administrations, training institutions, ports, ship owners and seafarers throughout the region to ensure their operations conform to international treaties, codes and conventions and accepted best practice.

<sup>5</sup> PDD, Final Draft, 18 January 2010



**Figure 8.1 Australia-Kiribati Partnership for Development**

Source: Program Design Document: Kiribati TVET Sector Strengthening Program, 2010

The program's long-term vision is 'to support the vision of the Government of Kiribati (GoK) for an internationally respected national TVET system which plays a valued role in improving national economic growth and increasing the employability of the people of Kiribati at home and abroad especially its young men and women'.

The TVETSSP was designed in two Phases, beginning in January 2011. Phase I was of 18 months duration. Phase II is for four years. The Program has two components:

- Component 1: MLHRD – TVET sector policy, planning and oversight
- Component 2: KIT – training delivery.

The second Annual Performance Assessment<sup>6</sup> was conducted in July 2013. In summary the assessment concluded that the TVETSSP was *unique* – because of the particular circumstances of Kiribati referred to in earlier chapters, particularly its remoteness, the small size of the population, limited opportunities for economic growth and the environmental issues the country faces; and *challenging* – because of the complexities of the training and employment nexus, that is, the lack of jobs domestically, the desire of many young people to gain employment elsewhere and the difficulties of achieving the appropriate match of quantity and type of training to these factors.

The assessment report also went on to address the strengths and future challenges for the program. Some of the key points noted from the report are:

- The overall commitment of the Australian advisers and I-Kiribati stakeholders to the success of the TVETSSP;
- The introduction of an English-only environment at KIT and introduction of Australian training packages providing internationally recognised qualifications;
- Significantly increased professional development opportunities for KIT lecturers, both teaching and industry-related, leading to improved qualifications, confidence, work practices and professionalism;
- Linkages with other providers particularly the MTC, FTC and APTC; and
- Transition to I-Kiribati senior management at KIT

Challenges that were identified were:

- Weaknesses in data collection, a lack of baseline data to measure progress, and poor monitoring and evaluation capacity;
- Given the budgetary constraints of the Government of Kiribati, meeting the recurrent costs of delivery when the new buildings are in place (especially for staffing, equipment, consumables, maintenance and utilities);
- The rapidity of change at KIT and the demands this is placing on staff;
- Meeting Australian standards at Certificate III level when sometimes the local industry is not compliant and therefore unable to supervise or assess at that level;
- Expansion of programs at KIT into new areas, particularly Plumbing and Community Services (Childcare, Aged Care, Youth Work) as well as short, customised courses;
- Meeting the needs of the outer islands and meeting student demand; for example, in 2013 there were over 800 young people who sat the competitive exam for just 150 places at KIT;
- Successful implementation of planned industry advisory structures in light of their potentially top heavy nature; and
- Resolving tensions related to the growing demand for jobs as more students graduate.

The MTC trains students to achieve the international level of rating for employment on board merchant vessels. There is an agreement to supply seafarers to South Pacific Marine Services (SPMS), a consortium of six German shipping companies, which directly supports the centre, including by paying the salaries of three staff.<sup>7</sup>

<sup>6</sup> Kiribati TVETSSP – Report of the Annual Performance Assessment 2013 (Final Draft)

<sup>7</sup> Personal communication with Manager, SPMS, Kiribati on 16 September 2013.

The New Zealand government has been a long running supporter of MTC through continuous provision of aid since 1984 and recently concluded a cost benefit analysis and economic benefit analysis (Bell and McDonald, 2013). Over the period 1995 to 2012 New Zealand has invested A\$9.1 million (in 2012 money terms) representing 25% of the total cost of running the centre. Remittances from wages earned while overseas provided a much-needed source of foreign exchange for the economy and support to extended families and communities of seafarers.

The cost benefit analysis estimated that the net benefit to the Kiribati economy in Net Present Value terms at a discount rate of 5% over the 18 years was A\$32.7 million. The discounted gross benefits amounted to \$56.3 million and total costs were A\$23.7 million, representing a benefit cost ratio of A\$2.4 for every A\$1 invested.

The FTC trains fishermen to achieve an international level of rating. Until 2006, employment of graduates was guaranteed on board Japanese fishing vessels as FTC was run as a joint venture between the Japanese Tuna Fisheries Cooperation and GoK. Since 2007, FTC has no longer trained exclusively for Japanese fishing vessels. Two intakes per year of 35 students (18 months course duration) are currently in place with selection from outer islands rotated to provide more opportunities for those young people. Currently, most of the FTC graduates are being employed on Taiwanese and Korean boats.<sup>8</sup> Fisheries are a major priority of GoK and there is scope for increased employment on the 130 foreign fishing boats that are currently licensed to fish in Kiribati waters.<sup>9</sup>

The Kiribati Police Academy (not within the scope of the research), the Kiribati School of Nursing and the KTC are also linked with, or receive training from, international organisations. KTC<sup>10</sup> and KSON receive funding from the Australian government for the basic education program and the Kiribati Australia Nursing Initiative, respectively.

On-the job training and scholarships are the other two main sources of training. The dominant form of training in the private sector is on-the-job training. Consultations with KCCI indicated that most employers engaged school leavers without training and provided in-house training.

Kiribati also uses overseas scholarships to develop skills enabling it in most cases to maintain an adequate pool of skilled labour. Scholarships are discussed in the next chapter.

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<sup>8</sup> Verbal communication with Manager, KFS.

<sup>9</sup> AusAID Labour Market Analysis 2007.

<sup>10</sup> KTC had no intakes for 2011, 2012 and 2013. It is expected that the next intake will be in 2014.

## 8.4 TVET WORKING ENVIRONMENT

The 2010 Census reports that the total working age population of Kiribati 15 and over is 65,874; of which the labour force accounted for about 59.3 per cent (39,034). 27,096 (69.4%) are employed. In the absence of a vibrant private sector, the public sector has assumed a large role in economic activities providing the bulk of cash employment opportunities in Kiribati. According to the latest statistics<sup>11</sup> the government of Kiribati employs about 4,530 staff excluding the approximately 2000 staff in State-owned Enterprises (SOEs). Therefore, in total, government and SOE jobs account for 24 per cent of wage employment in Kiribati.

The three main TVET providers KIT, MTC and FTC are divisions within the MLHRD and all staff are government employees as per the Establishment Register. Similarly with KSON and KTC as part of the MHMS and MoE respectively, the staff are government employees.

The Public Service Commission is responsible for hiring, firing, promotion and demotion while the Public Service Office (PSO) is responsible for the planning of positions, the establishment of posts and all other aspects related to public sector employment. Employment of TVET staff is the responsibility of the PSO and not the TVET providers themselves. The PSO has recently completed three key documents to help manage the workforce and plan training in the public sector.

The Kiribati National Strategic Workforce Plan 2007-2009 (PSO, 2006) was developed in order to improve the management of human resources in the public sector. The GoK continues to use “position qualifications requirement” (PQR) for its positions, which do not necessarily reflect the required skills and competencies. PQRs are frequently set at a high level, such as a middle level administrative officer requiring a bachelor’s degree or an accounts clerk requiring an accounts degree. At the same time there is no formal recognition of work experience or participation in short training courses. Hence the GoK has no system in place whereby qualifications required for public sector positions reflect workplace competencies.

The Report on the Kiribati Public Sector National Training Needs Analysis (PSO, 2006) showed that the highest skill gaps and training priorities were technical skills and managerial skills. The National Human Resource Development Plan (PSO, 2012) sets out the national priorities for human resource development activities.

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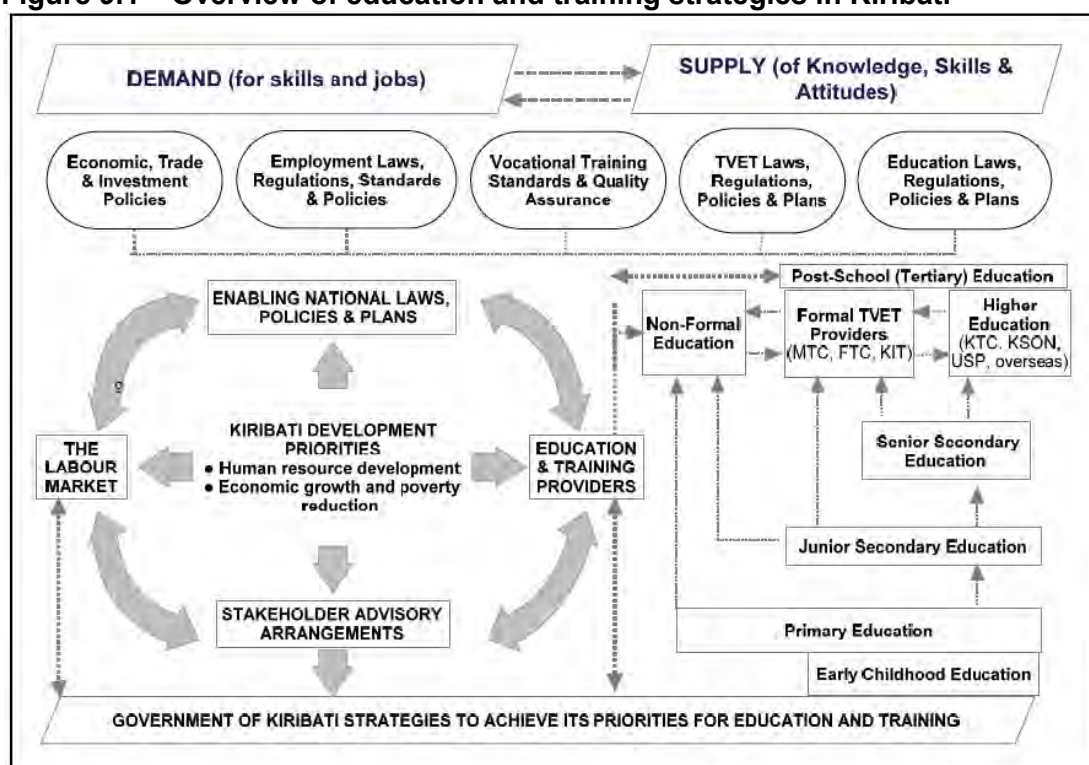
<sup>11</sup> Kiribati Establishment Register, PSO 2013.

## CHAPTER 9. TVET FOR SOCIAL AND ECONOMIC DEVELOPMENT

### 9.1 TVET PATHWAYS

TVET in Kiribati is fragmented. The concept of a sector-wide approach to policy and planning is in its early stages, and is a major focus of the TVETSSP. TVET has tended to be perceived in relation to its governance and bureaucratic arrangements rather than as part of the overall education and training system. For example, the Kiribati Education Sector Strategic Plan 2012-2015 is a plan for the schooling sub-sector only. Figure 9.1 shows the GoK's strategies to achieve priorities in education and training. Improving primary and secondary education have particular relevance for the TVET system in Kiribati.

**Figure 9.1 Overview of education and training strategies in Kiribati**



Source: TVETSSP PDD, 2010, p.8

Literacy and numeracy rates in Kiribati are relatively low. In English Kiribati students have generally achieved 10 marks below the regional mean.<sup>12</sup> The benefits of current efforts to improve literacy and numeracy skills of school age children – a GoK priority and an Australia Kiribati Partnership for Development target – will over flow into TVET. KIT has already made its campus ‘English only’ campus. MTC has a 6-month intensive training program for all its students for IDF<sup>13</sup> course. Similarly all other TVET providers have English courses that are compulsory.

The Kiribati basic education system provides free education for all to nine years of schooling; however, there are concerns about the quality of schooling. The Junior School Certificate, Kiribati National Certificate and the Pacific Secondary School Certificate results demonstrate poor performances by Kiribati students; whose marks were below regional benchmarks.<sup>14</sup> The

<sup>12</sup> GoK, (2008), Kiribati National Education Summit Outcomes, Education Sector Strategic Plan.

<sup>13</sup> Interdepartmental Flexibility Rating Course

<sup>14</sup> Consultation with Permanent Secretary, MoE

Kiribati school education curriculum is academically focused and exam oriented. Furthermore gaining access to senior secondary schooling (SSS) is a highly competitive process due to limited places being available.<sup>15</sup> At the end of school only a small number of academically successful students progress to tertiary studies.

There have been suggestions that the inclusion of vocational programs in the schooling sector could be beneficial, including by reducing high drop-out rates and provide more relevant skills for those who leave the system between Forms 3 and 5 due to the limited number of available places.<sup>16</sup> However, in a cautionary analysis, the ADB study of TVET in the Pacific found that:

*Prevocational programs in secondary education-vocationalising secondary education-have decidedly mixed results. The program works well in Palau at the high school, but rarely succeeds in countries with multiple secondary schools. The reasons have to do with expense of equipment and facilities, shortages of trained instructors, and low status of practical courses in an otherwise academic environment. Little evidence was found that the labour market outcomes of these programs are cost effective.*<sup>17</sup>

The ADB analysis implies that developing clearer pathways from school to TVET may be a more cost-effective strategy than introducing vocational programs into schools.

To open up pathways will require more TVET places to be created. In 2013, 800 students sat the competitive exam for just 150 places at KIT.

In terms of identifying areas into which TVET should expand, there is a lack of current information on labour market needs in Kiribati, and there have been only limited tracer studies of TVET graduates' employment destinations and career paths. However, in a promising development, KIT with support from TVETSSP is proposing tracer studies in the near future.

## 9.2 ACCESS TO TVET FOR DISADVANTAGED GROUPS

There is a lack of data available on the state of people with a disability in Kiribati. The TVETSSP PDD reports that "Kiribati has a high level of preventable disability and there are no rehabilitative specialists" (pg. 48). There is a Special Needs School run by the Parent Support Committee that caters for pre-school, school age and young adults to 21 years, but this is the only provision in the country.

The concept of inclusive education in Kiribati is elusive. There are no vocational training initiatives for people with disabilities and the demand for TVET from people with disabilities is unknown.

All Pacific Island countries have ratified the Convention of the Rights of the Child, Article 23 of which clearly states that disabled children have equal rights. Yet relatively few such children have universal access to school in Kiribati.

Kiribati has limited systems of segregated education for children with disabilities. The segregated school mostly has mixed disability and mixed age enrolments and offer only primary schooling of a very limited quality and with poor educational outcomes. In Kiribati, for example, no teachers at the special education school have undergone any formal training in education for disabled children.

<sup>15</sup> Of the 2200 to 2400 school-leavers each year, between one-quarter and one-third are Form 3 leavers.

<sup>16</sup> TVETSSP PDD 2010, p. 11

<sup>17</sup> ADB-PIFS (2008a) Skilling the Pacific: Technical and Vocational Education and Training in the Pacific, p.xxi

The consultations for the fieldwork indicated that very few children with disabilities progress beyond primary school. The research team found no evidence of any student with special education needs currently enrolled in any of the institutions that provide TVET.

At the First Forum Disability Ministers Meeting, 2009, Ministers endorsed the Pacific Regional Strategy on Disability 2010-2015, which encourages actions be taken to ensure disability inclusive education and training programs. Ministers also urged members to develop an inclusive employment policy (ILO Convention 159) and set clear standards and guidelines on the employment of people with disability.

The Kiribati National Youth Policy 2011-2015, p.22, states that *'the principle of equity ensures that young people living with disabilities are included in strategies addressing key youth issues. In particular, specific strategies are required for education and employment/livelihoods'*. It is yet to be seen how MLHRD will integrate the principle in its strategy, which is still in its developmental phase.

In contrast with education up to Form 7 (Year 13) where gender parity has been almost achieved, as noted earlier the TVET system enrolls many more males than females. There are multiple causes of female under-enrolment in the sector and their concentration in limited training and occupational fields. Women are found almost exclusively in the secretarial, business services and hospitality sectors.<sup>18</sup> Some other factors include limited range of courses available, cultural values, parental bias, family responsibility and lack of equal employment policies and enforcement.

The Outer Islands involve subsistence living and just a small cash economy. They severely lack training opportunities and largely rely on other organisations to bring in instructors and associated equipment, usually on an irregular basis. One of the strategies outlined in KDP 2012-2015 is to improve development on the Outer Islands, through adequate, relevant and necessary skills training. Both FTC and MTC have a prescribed intake quota from each island to ensure geographical equity in access to the institutions. No such policy exists for KIT, with access to the KIT trade programs based on the highest achievement in entrance examinations.

KIT has identified providing training in the Outer Islands, current resources limits its ability to do so. It is envisaged that through TVETSSP support of training for students from the Outer Islands, during Phase 2 will:

- provide funding for training allowances (equivalent to those provided to FTC trainees) for 20 trainees from the Outer Islands; and
- develop a vocational preparation program for Outer Island students who do not meet the KIT English language and numeracy entrance standards.

Provision has also been made in the budget for Outer Island representatives to attend National TVET workshops and for TSSP advisers to undertake consultation visits outside of Tarawa.<sup>19</sup>

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<sup>18</sup> Refer table 8.2 and figure 8.4

<sup>19</sup> TVETSSP PDD pg.48

### 9.3 THE ROLE OF SCHOLARSHIPS

Scholarship programs are often the defining factor in whether a student is able to enrol in a course or not. In Kiribati, they play a key role in improving access for students, to study at home, on other Pacific islands, and in Australia and New Zealand.

Discussions<sup>20</sup> on the scholarships<sup>21</sup> offered to students in Kiribati indicated that they are typically offered to high-academic achievers who are near the end of secondary schooling or who have qualified for the entrance test.<sup>22</sup> The respective ministries involved with the education system offer the scholarships. The types of scholarships offered to the TVET students aim to assist students with the cost of:

- Tuition fees;
- Local travel, if required;
- Relocation and study allowance contribution towards accommodation<sup>23</sup> expenses, textbooks, and study materials;
- Contribution to basic living expenses (per diem)<sup>24</sup> and food at hostels.<sup>25</sup>

There are significant amounts of development partner assistance allocated to scholarships through the National Human Resource Development Plan, managed by the PSO. However these are mainly for higher education students.

#### 1. Australian Government Awards

The total number of awards for the Public Sector for 2012 was 15 and selection was coordinated by the PSO and decided by Human Resource Planning Committee (HRPC) and the Australian High Commission. The 2012 awards were for:

- o 2 Australian Development Scholarships (ADS)
- o 2 awards for Open (Private and Civil Society)
- o 10 Australian Regional Development Scholarships
- o 1 Australian Leadership Scholarship Award for Kiribati

It appears that the Australian Government offered the same number of awards to candidates coordinated through the Ministry of Education. However, data was not available during the in country field trip.

#### 2. New Zealand Government Awards

The NZ Embassy in South Tarawa funds the following awards

- o New Zealand based Pacific Awards (10 pre-service and 5 open)
- o Short term training awards – less than 12 months course, PSO provides the list of candidates
- o In-country training fund for public sector staff

<sup>20</sup> Discussions with Deputy Secretary, MLHRD and Principals of KIT and MTC

<sup>21</sup> MLHRD offers a total of 30 scholarships (10 each for carpentry, automotive and electro-technology).

<sup>22</sup> For KIT and MTC the selection process begins six months before the intake with announcements made through various media. The minimum standard is Form 3 level English. The selection process includes written and oral exams in which applicants must score 50% as well as medical check. MTC has quotas for outer island applicants to ensure geographical equity.

<sup>23</sup> MTC, FTC, KSON have boarding hostels.

<sup>24</sup> All commuter students receive \$50 pocket money per fortnight; boarders receive \$30 per fortnight.

<sup>25</sup> All students staying in hostels are entitled to free meals. KSON students are entitled to 3 sets of uniforms each academic year.



### 3. GoK Awards

The total number of GOK scholarships awards for regional study in 2012 was 12, comprising six for undergraduate study, one postgraduate award, four Masters degrees at USP, and one Masters degree at the Fiji School of Medicine. None of the GoK scholarships were for TVET-related studies.

### 4. Taiwan awards

The total number of short and long term Open Scholarship Programs for Taiwan for 2012 was 39.

Five were selected from different sectors (Ministries, SOE, Chamber of Commerce, NGO) and sponsored through the Taiwan ICDF International Higher Education Scholarship Programs; six were sponsored by the MOFA Taiwan Scholarship; three were sponsored by the MOFA Huayu (Mandarin) Enrichment Scholarship; and 25 were sponsored by the ICDF Taiwan Fellowship program in different specialised fields and professions according to 2012 Kiribati Priority List.

In 2012, the total number of in-service<sup>26</sup> applications received and perused by PSO was 94. Out of the 94, there were 33 eligible applications, 13 pending (await regional offers) and 48 ineligible applications. From the total of 33 eligible applications, there were 18 postgraduate applications (7 Australian Development Scholarship, 6 NZ Post graduate Scholarship, 5 regional) and 15 Bachelor Degree applications (all regional). Out of the ineligible applications, there were 2 applications for a PhD program. Both applicants did not meet the age requirement, as they were both over the required age limit.<sup>27</sup>

### 5. Estimated Costs of Regional Scholarships

The estimated cost of one Regional Award for an Undergraduate Program is approximately A\$17,800 a year.<sup>28</sup> The estimated cost for one Regional Award for a Postgraduate or Masters degree is about A\$34,000 a year. The estimated cost of a scholarship for postgraduate study in Australia is approximately A\$50,000 a year. At the time of the fieldwork, the annual GoK funding for such awards was about A\$300,000, which indicates that only a small number of Regional Scholarships were able to be supported each year. Scholarships, particularly those for international study, use substantial funding for only small numbers of awardees.

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<sup>26</sup> Full time employee

<sup>27</sup> Kiribati Human Resource Development Plan 2011-15

<sup>28</sup> Kiribati HRD Plan 2012-15

## **PART IV: THE FINANCING OF TVET**



## CHAPTER 10. OVERVIEW OF TVET FINANCING

This chapter presents a broad overview of the latest available information on TVET income sources, budget allocation and expenditure for the financial year 2012.<sup>29</sup> The chapter begins with a summary of the financing of the TVET system in Kiribati, followed by a similar summary of expenditure patterns among TVET providers.

Chapter 11 looks in greater detail at financial mechanisms and Chapter 12 at trends and patterns in funding and expenditure across the sector.

### 10.1 FINANCING OF THE TVET SYSTEM

The financial year in Kiribati is the calendar year. Information obtained from Development Partners was adapted to fit the calendar year. Table 10.1 brings together the 2012 estimates of funding. The information provided has been gathered from MFED, providers and donors.<sup>30</sup> The table presents income sources (rows) and the main recipients/providers (columns).

TVET spending comes from a variety of sources, which can broadly be separated into three categories: government (domestic), foreign (aid donors/development partners), and private (households, individuals non-government organisations and enterprises). The main income sources for purposes of comparability within the research are:

- GoK (e.g. budget appropriations through MLHRD to the three TVET divisions)
- Development partners' funding (includes capital and TVETSSP funding)
- Student fees (e.g. tuition and material fees paid to providers)
- Sale of services (e.g. cafes which are open to the public, sale of carpentry projects)
- Other income (any other income providers would have received directly)

**Table 10.1 Summary funding of TVET provision by institution and source, 2012 (A\$)**

	KIT	MTC	FTC	TOTAL
GoK	569,360	1,121,241	625,741	2,316,342
Student fees	55,000	34,086	0	89,086
Development partners	3,384,539	800,000	1,000,000	5,184,539
<b>TOTAL</b>	<b>4,008,899</b>	<b>1,955,327</b>	<b>1,625,741</b>	<b>7,589,967</b>

Source: Material provided by Ministry of Finance

It is apparent that government and development partners are the predominant funders of TVET in Kiribati. Table 10.1 indicates that during 2012, a total of A\$7.5 million flowed into the formal TVET system, of which approximately 30% was from GoK and 68% was provided by development partners.

<sup>29</sup> The estimates should be treated with caution, as some data was very difficult to gather and there were a number of data gaps.

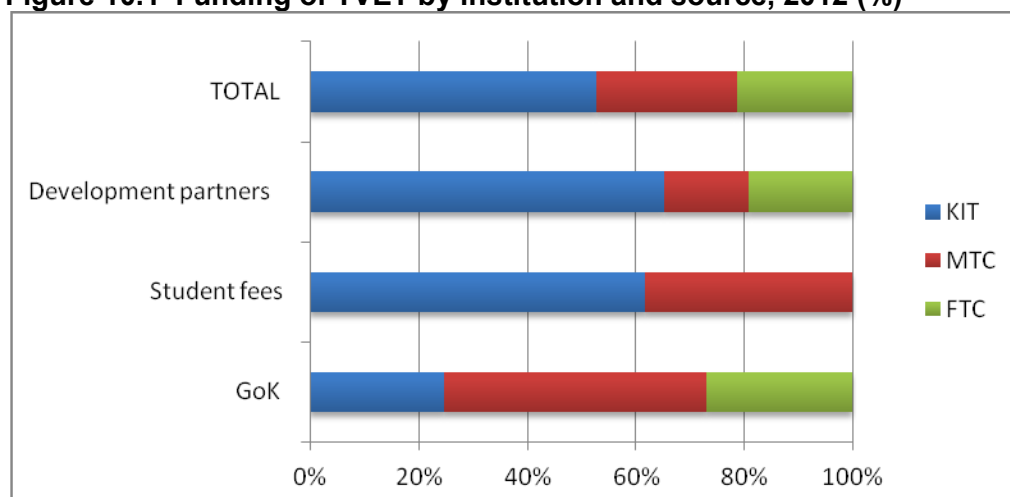
<sup>30</sup> The templates used to record information for the study are provided in Annexes 5.

Australia is the major development partner. In 2012, of a total of A\$19 million of Australian support provided to Kiribati, approximately A\$3.5 million was for the TVET sector. Most of the support was to KIT through the TVETSSP. The New Zealand government spent approximately NZ\$1 million on supporting capital works for MTC.<sup>31</sup>

Two of the government providers (KIT and MTC) collect fees for short courses from students. However, the fees contributed by students are not retained by the providers or directly reinvested in the TVET system, but rather are transferred to the general revenue of the Ministry. On the available data, none of the TVET providers obtained any income in 2012 from the sale of services or from 'other sources'.

Figure 10.1 further highlights the funding imbalance within the TVET sector. Support from development partners (68%) and GoK appropriations (30%) constituted almost all of the funds flowing into the TVET sector in 2012. In contrast student fees accounted for less than 2 per cent of overall sector funding. This appears to be the lowest share among the countries taking part in this study. Among the other six countries the gross contribution of fees to the funding of the TVET system as a whole (including public and private providers), is estimated to have ranged from about 60 per cent in PNG, through over 40 per cent in Solomon Islands and Fiji, to just over 20 per cent in Samoa and Tonga, and 12 per cent in Vanuatu (Horne, 2014).

**Figure 10.1 Funding of TVET by institution and source, 2012 (%)**



Source: Material provided by Ministry of Finance, and Table 10.1

There are also a number of training and development activities outside of the formal TVET sector in Kiribati. These include:

- Training undertaken through the Kiribati Chamber of Commerce and Industries (KCCI), funded by participants
- Scholarships offered through donors for training offshore
- Targeted training programs undertaken through the PSO, Ministry of Commerce, Industry and Cooperatives, Ministry of Environment, Lands and Agriculture, Ministry of Fisheries and Marine Resources Development
- Non-formal training, which occurs through a range of organisations such as AMAK<sup>32</sup> (women's national body) and secondary church schools funded through donors and the church headquarters respectively.

<sup>31</sup> Information provided by respective donor.

<sup>32</sup> We made several appointments but were unable to meet with AMAK as they were going through some legal issues.

## 10.2 RECURRENT EXPENDITURE ON TVET PROVISION

Table 10.2 shows the recurrent expenditure of the training providers. Of all recurrent funds there was an approximately equal share allocated to staffing/personnel and operational costs.

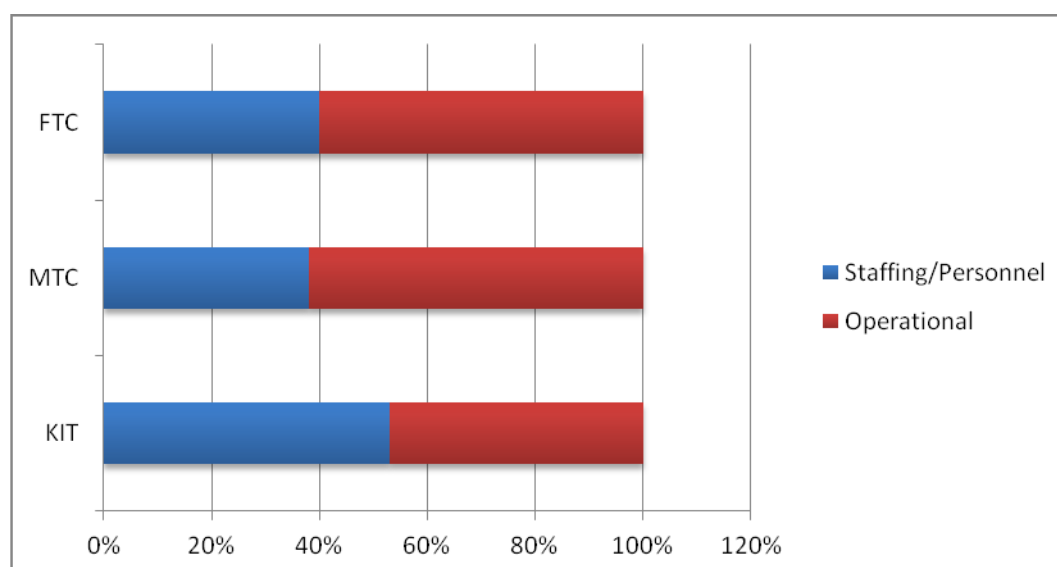
**Table 10.2 Summary of MLHRD recurrent expenditure, by TVET provider, 2012 (A\$)**

Total MLHRD	3,350,964				
	KIT	MTC	FTC	Total	Total of MLHRD
Staffing/ Personnel	322,106	515,353	259,400	1,096,859	33%
Operational	282,539	853,578	395,101	1,531,218	47%
Total Recurrent	604,645	1,368,931	654,501	2,628,077	
	KIT	MTC	FTC		
Staffing/Personnel	53%	38%	40%	42%	
Operational	47%	62%	60%	58%	
Total Recurrent	100%	100%	100%	100%	

Source: Ministry of Finance

Figure 10.2 shows that large proportions of recurrent expenditure are allocated to staffing and personnel costs with KIT whereas MTC and FTC spend relatively little. With the limited time and not enough data available the research team were unable to analyze if this meant quality related inputs were well provided and professional development of teaching staff were carried out on a regular basis.

**Figure 10.2 Recurrent expenditure on TVET, by institution, 2012 (%)**



Source: Ministry of Finance

### Recent trends

Especially in the aftermath of the recent financial and economic crisis, most countries have made serious efforts to consolidate public budgets. Education and especially TVET has to compete with a wide range of other government-funded areas for available public resources.

Table 10.3 indicates that total GoK expenditure rose by A\$13.3 million or almost 15% between 2009 and 2012. However, the shares allocated to MLHRD fell during this period: between 2009 and 2012, the GoK contribution to MLHRD the main ministry with TVET responsibilities, declined and remained static from 4% to 3%. If GoK needs to achieve its objectives as laid out in the KDP 2012-2015 then there has to be significant shift in the allocations made to MLHRD and subsequently the three providers managed by MLHRD.

**Table 10.3 Budget allocations to MLHRD, 2009 to 2012 (A\$)**

	2009	2009	2010	2010	2011	2011	2012	2012
Total GoK Budget	90,300,898	100%	92,401,606	100%	95,134,613	100%	103,606,200	100%
Ministry of Labour & Human Resource Development	3,210,164	4%	3,130,977	3%	3,165,520	3%	3,350,964	3%

Source: Kiribati Budget Handbook 2012

### 10.3 AUSTRALIAN GOVERNMENT SUPPORT FOR TVETSSP

The TVETSSP aims to help the GoK develop an educated and skilled workforce, achieved through a system that links education, skills development, labour market entry and lifelong learning is a critical component of this new emphasis on labour markets and their performance.<sup>33</sup>

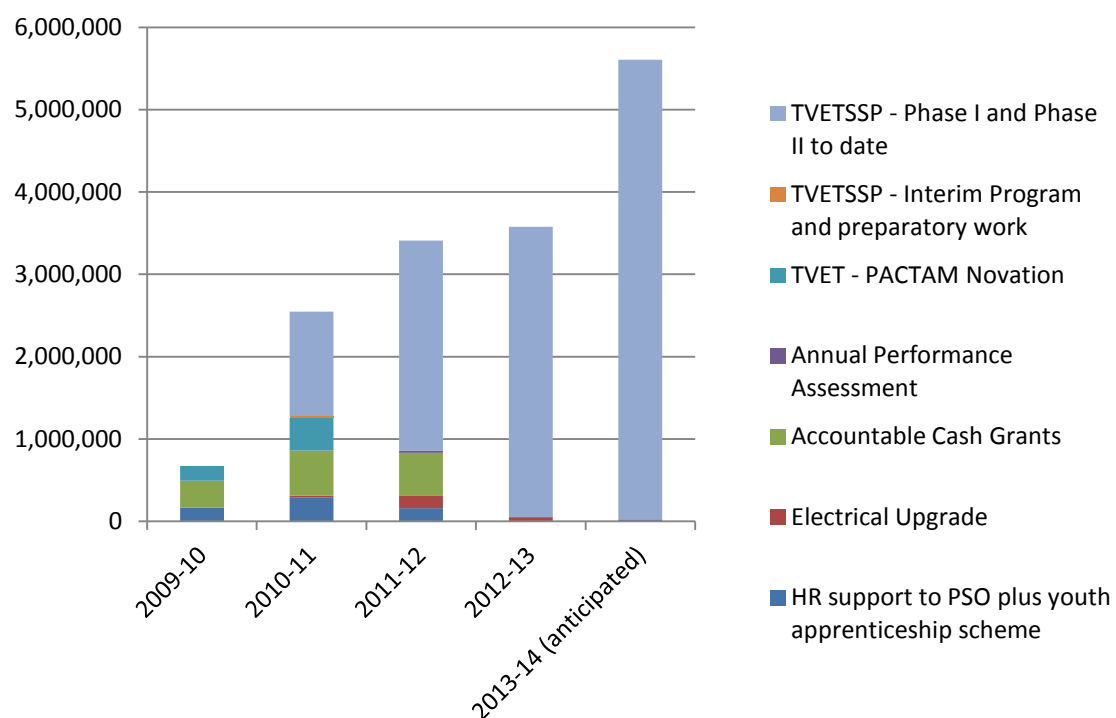
The AusAID report *Tracking Development and Governance in the Pacific* noted that while poverty data are sparse and unreliable, the incidence of poverty in the Pacific is highest in PNG and Kiribati.<sup>34</sup> The Australian government has already chosen to support the workforce development objectives of GoK, through a number of measures including labour mobility policies, seasonal labour schemes and by supporting the education and training sector through various initiatives.

The Australian Government provided total funding support of about A\$85.5 million to Kiribati for a wide range of development activities during the period 2009 to 2013. Of this amount, the largest areas of support were for basic education (about A\$27.1 million or 31%), workforce skills development, including through TVETSSP (A\$15.8 million or 18%), and the Kiribati Australia Nursing Initiative (A\$14.7 million or 17%).

Australian funding support for TVETSSP has grown substantially in recent years. Figure 10.3 indicates that TVETSSP funding from the Australian Government increased from about A\$1.3 million in 2010 to around A\$5.6 million in 2013.

<sup>33</sup> ILO (2008a) Conclusions on skills for improved productivity, employment growth and development.

<sup>34</sup> AusAID (2008) *Tracking Development and Governance in the Pacific*, p.4

**Figure 10.3 Australian Government expenditure on TVETSSP, 2009-10 to 2013-14 (A\$)**



## CHAPTER 11. TVET FINANCIAL MECHANISMS

This chapter aims to understand financial mechanisms that are currently being used in Kiribati to fund TVET. Many of these funding mechanisms are currently not well documented. As discussed in Chapter 10, most of the flows emanate from the GoK recurrent budget and Kiribati's development partners.

### 11.1 GOVERNMENT BUDGET PREPARATION AND ALLOCATION

The Constitution of Kiribati states that authority to spend has to be authorised by Parliament, either under an Annual Appropriation Act or under permanent statutory authority. This is part of the concept of separation of powers between the Executive and Parliament.

Permanent statutory authority for expenditure is reserved for special types of expenditure. This includes debt servicing and the personal emoluments of officers who hold positions that are important parts of democracy e.g. Judges and the Auditor General.

The Constitution makes provision for the Minister of Finance to authorise urgent expenditure and for spending to continue without an Appropriation Act for a period of 3-4 months (but only at the same level as authorised the previous year) to cover situations where Parliament has not passed an Appropriation Act or if Parliament has been dissolved for an election. (This happened in early 2012 as an Appropriation ACT was not passed before the 2011 general election). Normally, in addition to the main Appropriation Act, there may be one or more Supplementary Appropriation Acts to authorise changes to the budget. The Minister of Finance is required to issue warrants to authorise spending from the Consolidated Fund to limit the total that can be spent to keep spending within approved levels.

The overall responsibility for directing and coordinating national and sectoral planning, budgeting and resourcing in Kiribati is with the MFED. MFED's National Economic Planning Office (NEPO) leads fiscal policy development.

Basically, NEPOs role is reflected in the two key functions it performs. One is to provide technical advice to inform national policies for all national or government investments – which include the RERF, national development projects and SOEs – national development plans, and budgets for the implementation of these national plans. The other key function is to provide technical advice, leadership and oversight services to line ministries in the implementation of national policies. Of particular relevance to TVET, it is in the area of national development projects, in terms of formulation and implementation, where NEPO works hand-in-hand with the Development Cooperation Committee (DCC), whose members are the key sectoral policy development advisers to government and implementers of approved sectoral development projects to ensure:

- adherence, coherence and integration of the sectoral or ministries' development project proposals with national policy development priorities and strategies stipulated in the KDP approved by government from time to time; and
- the smooth and successful implementation of approved national development projects.

Cabinet is responsible for setting the expenditure Budget ceilings for individual ministries as well as providing guidance on other expenditure, such as Grants and Subsidies and Contributions to the Development Fund.

The Cabinet process is based upon the Fiscal Strategy review and use the MTTF to provide data for summary tables and charts demonstrating the current projections for the next three

years, especially for revenue, as well as options for consideration. The options might use the MTTFF financial model to calculate the impact of particular proposals, e.g. a 1% increase on non-personal expenditure would result in an increase in the deficit of A\$0.2 million, but a 1% increase in salary rates would result in a A\$0.4 million increase. The aim is to provide Cabinet with some 'rules of thumb' when they are considering options, as well as parameters that enable ministries as much as flexibility as possible, within the agreed ceiling.

Each ministry is responsible for preparing their own three-year Strategic Plans, for submitting their projects for inclusion in the development budget, and for preparing draft recurrent revenue and expenditure estimates. Ministry strategic plans indicate the level of outputs that can be produced, based on agreed projections of the resources available.

The NEPO in the MFED is responsible for updating the three-year forecasts of revenue and expenditure. It appraises the projects submitted by ministries for inclusion in the development budget and the strategic investment programme. It analyses and checks the draft recurrent estimates prepared by ministries. The NEPO is also responsible for preparing the various tables, subsidiary statements and the attachments from the information submitted by Ministries.

Once draft budgets are submitted to NEPO, the drafts are consolidated and presented to the Permanent Secretary and Minister of MFED for consideration by Cabinet.

Once the Appropriation Act has become law, MFED prepares warrants for the Minister of Finance to authorise "release" of funds for each Ministry. This may involve partial release to ensure that spending is spread throughout the year. This is part of cash flow management as much of GoK's revenue is received near the end of the year. This aspect can pose particular problems for TVET institutions in terms of matching the receipt of government funds to the timing of spending commitments e.g. for salaries.

## **11.2 DEVELOPMENT PARTNER FUNDING MECHANISMS**

This section outlines how development partner funding is integrated into GoK processes. It does not discuss how the various partners may directly fund programs. Donors and the GoK finance the development budget. Ministries submit their development projects to NEPO for analysis and prioritisation. DCC reviews the prioritisation of projects and the proposed development budget, including concessional loan expenditure, and then submits to Cabinet for endorsement. The Cabinet uses a sub-committee to review budget bids.

The budget tables are built up by reference to either the revenue or recurrent or development expenditure database and the appropriate budget table is automatically updated. NEPO and the Accounting Division using information in their own files or data supplied by individual ministries to prepare the subsidiary statements and attachments.

The recurrent estimates tracking sheet is used to keep stakeholders informed of the progress of the particular year's current estimates. It is referenced to the recurrent expenditure database.

When funds are received for development projects, which the GoK has approved, they are credited to the Government No.4 account. MFEP, particularly NEPO is notified about the credit from the remitter. Once the deposit/credit is confirmed, NEPO provides allocation for that fund and pays out or issues a warrant to the Account Division in MFEP. The Account Division then issues a different warrant with the amount to the ministry concerned. All the expenditure/payments against that warrant are raised on a Purchase Voucher (PV) by the

executing/implementing ministry and sent to MFEP to pay out the cheques or cash to the payee. The payment is centralized at MFEP; line ministries cannot issue cheques or cash payments.

### 11.3 CONTINUING EDUCATION AND TRAINING

#### ***Kiribati Chamber of Commerce and Industries***

KCCI more formally emerged as a recognised body for the private sector and businesses in the late 1980s when businesses decided to come together and form the Kiribati Chamber of Commerce. It was registered and recognised by government and regional / international private sector organisations as the national peak body for the businesses, employers and private sector in Kiribati. By 2008 KCC registration grew and membership increased and to reflect wider representation, its name was changed to “Kiribati Chamber of Commerce and Industries”. It is a self-financing body generating most of its funding from membership fees. At the end of 2012, KCCI had 87 members. KCCI has recently in 2013 engaged with its membership in pursuing training for the private sector and the participants or their organisations fund such training. KCCI also receives some limited assistance from donors.

#### ***University of South Pacific – Centre for Continuing and Community Education***

USP Centre was first opened in Kiribati in 1976 with the appointment of a resident Centre Director who operated out of a one-room office at the Government secondary school, King George V School. The Kiribati Centre became a USP campus in 2006.

The Campus offers a wide range of Distance and Flexible Learning courses, face-to-face classes and a Flexi-School Programme. The most popular courses are English, Computer Science, Education, Science, Management and Accounting. The Campus also offers a Continuing and Community Education Programme for the people of Kiribati. Data on enrolment by course, length and outputs were unavailable at the time of submission of this report.

All enrolled students on the Kiribati campus have to pay fees, which contribute to meeting operational expenses.<sup>35</sup> All capital expenses are funded through the headquarters of USP.

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<sup>35</sup> The team was unable to obtain any information on the amounts of actual costs.

## CHAPTER 12. TVET FINANCIAL PATTERNS AND TRENDS

This chapter presents a more detailed examination of funding and expenditure patterns beginning with the allocation made to expenditure on TVET by MFED through its annual budget allocations. Data published here is obtained from GoK budget papers, donors and provider documents.

### 12.1 GOVERNMENT BUDGETARY ALLOCATIONS

MFED is the major conduit through which funds are allocated to MLHRD to fund the respective TVET providers. This is further supplemented by official donor assistance.

Table 12.1 presents the recurrent budget appropriation through MLHRD for 2009 to 2012. The data provided are as detailed and as TVET specific as it was possible for the team to obtain, working with staff from MFED. Table 12.1 indicates that although there has been an upward trend in terms of the overall GoK budget, MLHRD has not experienced the trend and allocation has been relatively constant or.

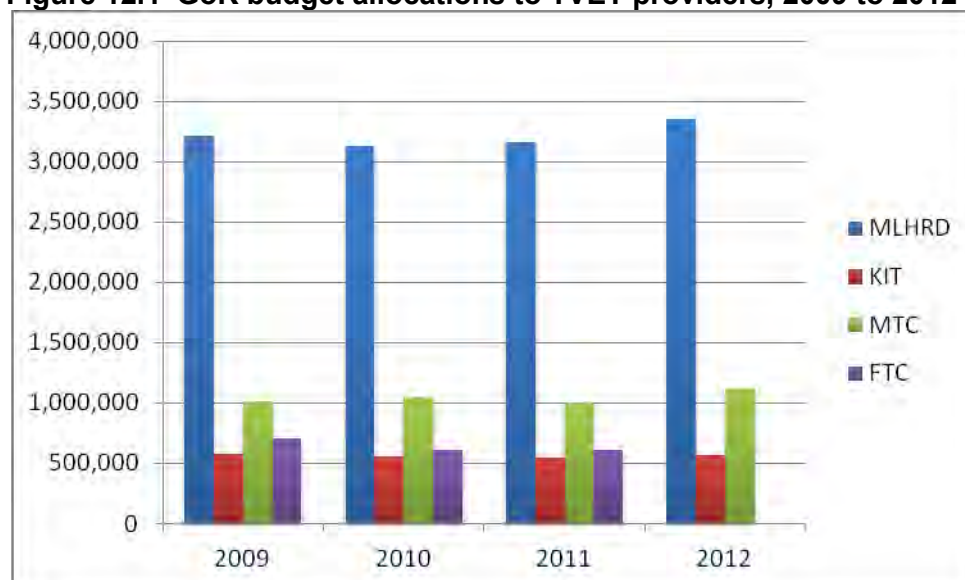
It is also important to note here that MLHRD consists of five units or divisions namely: Administration and Policy Development, Labour and Employment and the three training providers. Disaggregated data on TVET related expenditure from the other two divisions was very hard to obtain as the current financial systems does not allow for such information.

**Table 12.1 GoK budget expenditure for TVET, 2009 to 2012 (A\$)**

	2009	%	2010	%	2011	%	2012	%
<b>MLHRD</b>	<b>3,210,164</b>		<b>3,130,977</b>		<b>3,165,520</b>		<b>3,350,964</b>	
KIT	574,176	18	556,437	18	550,360	17	569,360	17
MTC	1,015,184	32	1,049,087	34	999,175	31	1,121,241	33
FTC	708,187	22	607,993	19	605,307	19	625,741	19
<b>Total</b>	<b>2,297,547</b>	<b>72</b>	<b>2,213,517</b>	<b>71</b>	<b>2,154,842</b>	<b>67</b>	<b>1,690,601</b>	<b>69</b>

Source: GoK budget documents

Figure 12.1 indicates that over the four years to 2012 government allocations have been largely constant among all the government providers. In each year the largest government allocation has been to MTC.

**Figure 12.1 GoK budget allocations to TVET providers, 2009 to 2012 (A\$)**

Source: Table 12.1

## 14.2 MINISTRY OF LABOUR AND HUMAN RESOURCE DEVELOPMENT

The table below sets out total MLHRD recurrent budget broken down into personnel and operational categories. It shows the recurrent budget trend including revenue from donors adapted to suit the GoK financial year. In 2009 MLHRD recurrent budget was A\$3.2 million, with a total staff of 136 people. Salaries accounted for 46% of the total Ministry's budget. The Ministry also benefitted from development funds provided by donors of A\$4.5 million (A\$3.3 million of which was NZAID support for MTC and A\$1.2 million was Australian Government Aid support for MTC).<sup>36</sup>

In 2012 the MLHRD expenditure budget estimate was A\$3.35 million, a 5% increase over the 2009 budget (without accounting for inflation). In 2012 MLHRD had a total of 141 staff.<sup>37</sup> Allocations are made from direct appropriations to cover personnel and operational costs. In general, donors fund capital costs.

**Table 12.2 Total budget for MLHRD, 2009 to 2012 (A\$)**

	2009	2010	2011	2012
Personnel	1,463,502	1,482,788	1,558,936	1,598,339
Operational	1,746,661	1,592,364	1,506,584	1,752,625
<b>GoK Total</b>	<b>3,210,163</b>	<b>3,075,152</b>	<b>3,065,520</b>	<b>3,350,964</b>
Donors	335,912	1,609,647	2,953,132	3,490,563
<b>Total</b>	<b>3,546,075</b>	<b>4,684,799</b>	<b>6,018,652</b>	<b>6,841,527</b>

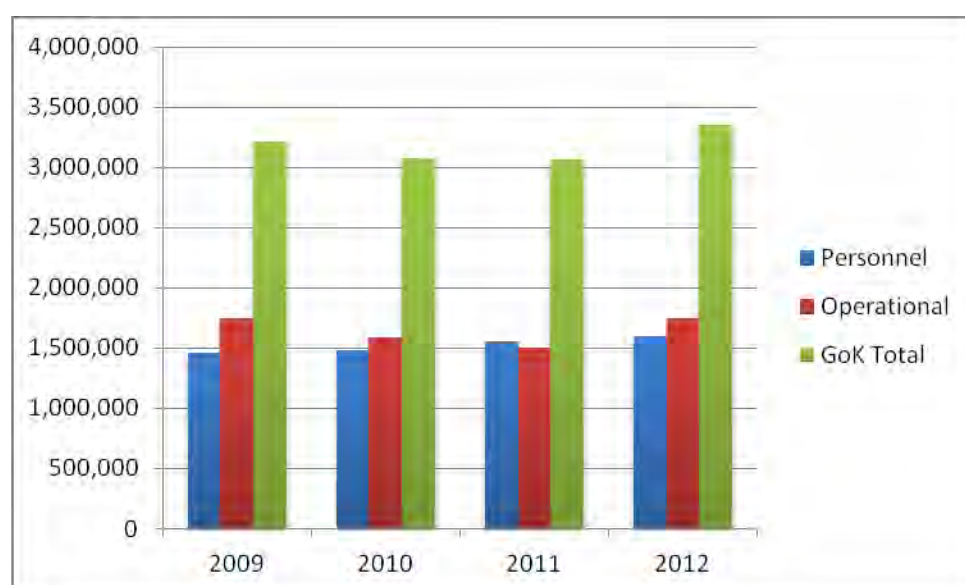
Source: GoK budget documents

<sup>36</sup> TVETSSP Program Design Document, AusAID 2010.

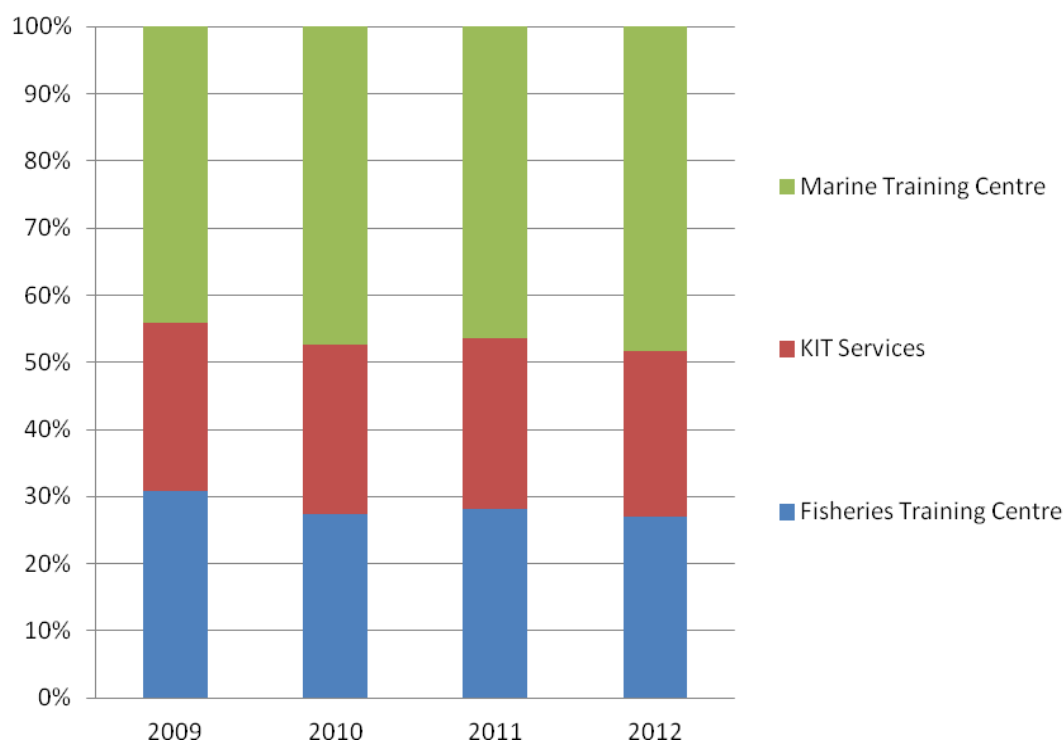
<sup>37</sup> Establishment Register, Public Service Office, GoK 2013.

The budget estimates are supplemented by official donor assistance. Since 2009 the Australian government has been a major provider of TVET funding to MLHRD through its TVETSSP program. As table 12.3 sets out, over the four years from 2009 to 2012, the share of donor funding has increased from approximately 10% of the Ministry's total budget to around 50% while the operational and personnel costs of GoK budget appropriations has remained somewhat constant over the four years and currently are at 50% of the total budget. This trend is due to continue due to the TVETSSP funding for the next few years.

**Figure 12.2 Budget allocations for MLHRD, 2009 to 2012 (A\$)**



Source: Table 12.2

**Figure 12.3 MLHRD allocations to TVET divisions, 2009 to 2012 (%)**

Source: Table 12.1

### 12.3 KIRIBATI INSTITUTE OF TECHNOLOGY (KIT)<sup>38</sup>

KIT is a business division within MLHRD and receives its funding through GoK annual appropriations. All of the funds received from MLHRD are spent on personnel and operational costs (Table 12.1). Over the 4 years from 2009 to 2012) there was no significant increase in budget allocations. In fact the budget decreased over its 2009 expenditure by approximately 2.4 per cent.

The 2012 KIT recurrent budget was A\$569,360, 55 per cent of which was spent directly on salaries for the 45 staff. The annual allocation did not include any budget for staff training. Professional development is funded through TVETSSP. Aside from TVETSSP funding, KIT has no other access to formal GoK development funding.

In 2012 KIT had 25 lecturers/trainers, 3 executives and 17 support staff. Most staff are employed on permanent basis.

<sup>38</sup> Historical data for KIT was difficult to ascertain due to the loss of documentation in a major fire in 2010. KIT with the support of TVETSSP has since been developing a database to collect all necessary information.

**Table 12.3 KIT budget allocations, 2009 to 2012 (A\$)**

Expenditure Item	2009	2010	2011	2012
Personnel	321,469	319,953	337,437	313,592
Operational	252,707	236,484	212,923	255,768
Special Projects*		325,955		
<b>KIT</b>	<b>574,176</b>	<b>882,392</b>	<b>550,360</b>	<b>569,360</b>
Share of total (%)				
Personnel	56%	36%	61%	55%
Operational	44%	27%	39%	45%
Special Projects	0%	37%	0%	0%
<b>Total KIT</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

\* The special project was the KIT toilet block

### ***KIT revenue sources***

As there were no consolidated financial accounts available for KIT, it was necessary for the team to compile figures from a range of government sources to present a complete picture. Table 12.4 indicates that the operating grant provided through MLHRD has averaged \$644,072 for the four years from 2009 to 2012. This was equivalent to 26 per cent of KIT's revenue during this period. Donor funding, which has grown substantially since 2009, provided 74 per cent of KIT's revenue since 2009.

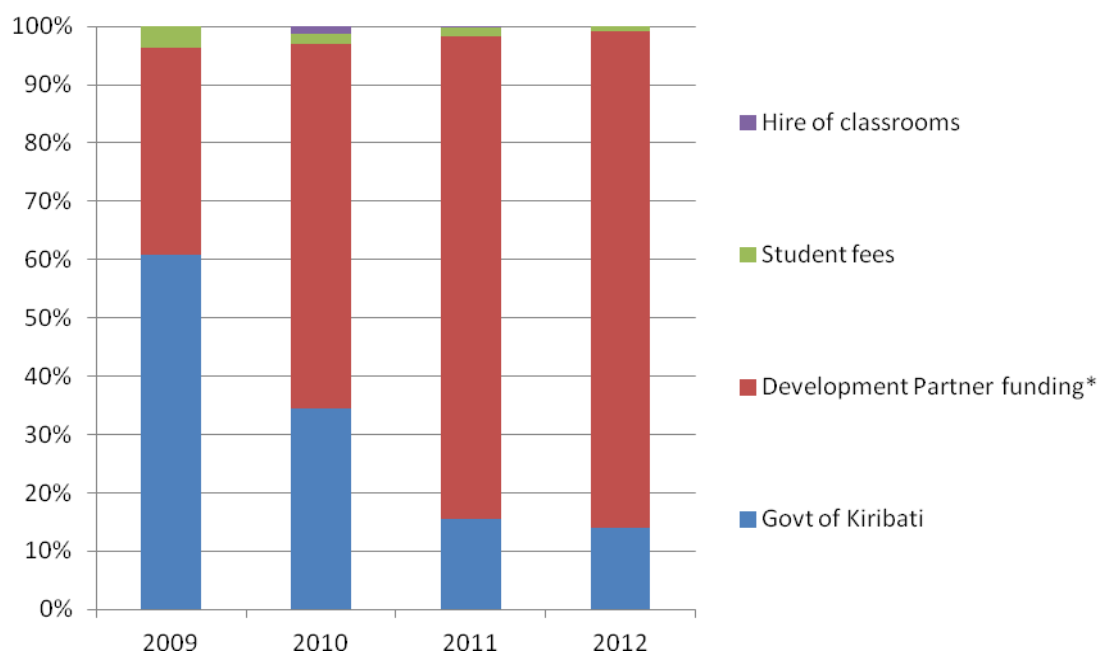
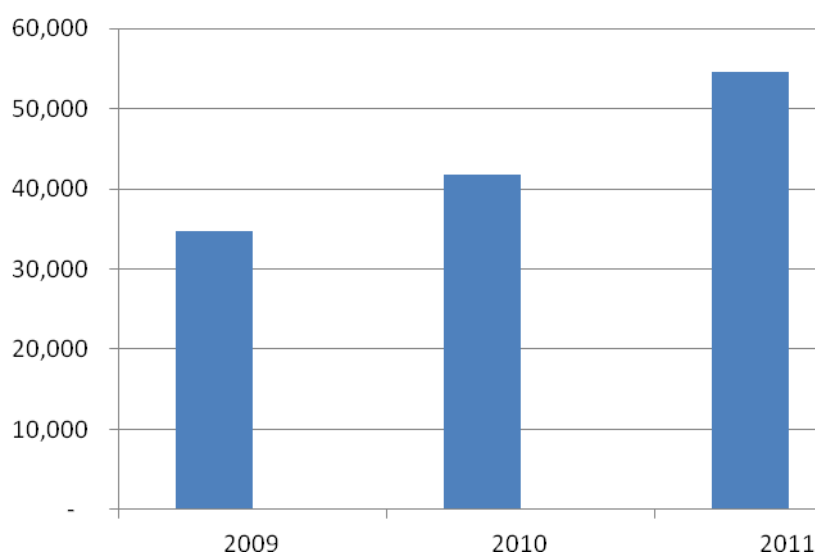
The income is further supplemented to a small extent by student fees for the short courses on offer (accounting, business and English) and hire of classroom facilities. In the four years to 2012 KIT collected revenue of just A\$131,070 revenue from student fee, which is only 5 per cent of total government allocation. These monies are paid directly to MLHRD and returned to general revenue. Even though the fees account for 5 per cent of total revenue there has been an increase in the fees collected since 2009. This trend is due to continue due to accounting, business, and English courses KIT is offering including fee paying evening courses.

**Table 12.4 KIT revenue sources, estimates for 2009 to 2012 (A\$)**

Revenue Source	2009	2010	2011	2012
GoK	574,176	882,392	550,360	569,360
Student fees	34,678	41,737	54,655	NA
Hire of classrooms	0	34,455	3,550	880
<b>Sub-total</b>	<b>608,854</b>	<b>958,584</b>	<b>608,565</b>	<b>570,240</b>
Development Partner funding*	335,912	1,609,647	2,953,132	3,490,563
<b>Total KIT Revenue</b>	<b>944,766</b>	<b>2,568,231</b>	<b>3,561,697</b>	<b>4,060,803</b>

\* From all donors.



**Figure 12.4 KIT revenue sources, estimates for 2009 to 2012 (%)****Figure 12.5 KIT total revenue from student tuition fees, 2009 to 2012 (A\$)*****KIT recurrent expenditures***

Expenditure on budget items are relatively straight forward to account for, as consolidated budget estimates provide a complete picture of government funds available to KIT for a given financial year.

As shown in Table 12.5, on average 55 per cent of the MLHRD funding for KIT in the 2009 to 2012 period has been allocated to personnel costs. Of the total of personnel costs on an average 88% was allocated to salaries and provident fund. The rest was allocated to expenses such as housing, leave, overtime and other allowances. The budget process does not allow for further analysis in terms of identifying where these funds are allocated within the organisation.

**Table 12.5 KIT expenditure estimates, 2009 to 2012 (A\$)**

<b>Expenditure Item</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Total GoK	574,176	556,437	550,360	569,360
<b>Personnel</b>	<b>321,469</b>	<b>319,953</b>	<b>337,437</b>	<b>313,592</b>
KPF	22,397	14,490	25,094	26,132
Salaries	183,980	191,219	280,219	249,886
Housing assistance	14,498	8,094	13,773	7,156
Allowances	5,740	7,305	5,856	6,035
Overtime	14,995	10,037	2,776	3,336
Temporary Assistance	68,666	78,394		10,962
Leave grant	11,193	10,414	9,719	10,085
<b>Operational</b>	<b>252,707</b>	<b>236,484</b>	<b>212,923</b>	<b>255,768</b>
Transport to work	28,224	14,796	21,517	30,168
Internal Travel	960	2,882	-62	2,441
External Travel	7,356	2,000	0	4,800
Local Purchase	87,700	91,033	85,947	85,918
Overseas Purchase	10,879	5,516	-2,730	0
Local Services	46,202	43,267	48,859	69,331
Overseas Services	0	1,000	0	0
Hire of Plants and Equipment	23,530	19,975	0	0
Telecoms	11,931	16,675	18,530	6,310
Electricity	30,688	37,318	40,862	56,800
Local Training	5,237	2,022	0	0
<b>Donors</b>	<b>335,912</b>	<b>1,609,647</b>	<b>2,953,132</b>	<b>3,490,563</b>
<b>Total KIT Budget</b>	<b>910,088</b>	<b>2,166,084</b>	<b>3,503,492</b>	<b>4,059,923</b>

Source: MFED

## 12.4 MARINE TRAINING CENTRE

MTC is a business division within MLHRD and receives its funding through GoK annual appropriations. All of the funds received from MLHRD are spent on personnel and operational costs (Table 12.6). Further details of line items on personnel and operational costs are in the expenditure section. Over the four years 2009 to 2012 there was no significant increase in budget allocations for MTC.

The 2012 MTC recurrent budget was A\$1,121,241, 46 per cent of which was spent directly on salaries for the 21 permanent staff and 10 contract staff. Furthermore, South Pacific Marine Services paid salaries of 4 senior staff including the Directors. (Amount not disclosed to the research team). SPMS and the New Zealand government also fund MTC. The Australian government has also provided some funding.

In 2012 MTC had 20 trainers (both permanent and on contracts), which was 83% of all MTC staff.

**Table 12.6 MTC budget allocations, 2009 to 2012 (A\$)**

Expenditure Item	2009	2010	2011	2012
Personnel	470,927	447,001	485,543	466,236
Operational	544,257	602,086	513,632	655,005
<b>MTC</b>	<b>1,015,184</b>	<b>1,049,087</b>	<b>999,175</b>	<b>1,121,241</b>
Share of total (%)				
Personnel	46%	43%	49%	42%
Operational	54%	57%	51%	58%
<b>Total MTC</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

**MTC revenue sources**

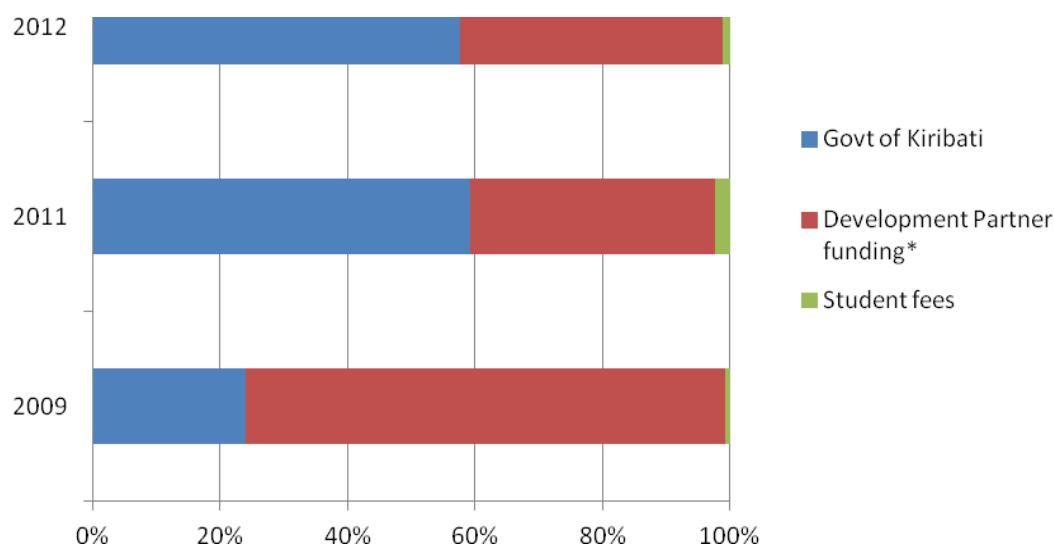
As there were no consolidated financial accounts for MTC, it was necessary for the team to compile figures from a range of government sources to present a complete picture. Table 12.7 shows details of the allocation provided through MLHRD, which has averaged A\$939,222.25 for the four financial years till 2012, which equates to 51 per cent of total revenue over the four years till 2012. Donor funding which averages to 49% over the four years has supplemented MTC revenue.

The income is further supplemented to a small extent by student fees. Table 12.7 sets out the key revenue categories that were available to fund MTC. MTC collected revenue of less than A\$89,367 towards short courses that were offered (figure 14.6), which is less than 3 per cent of total revenue. These monies are paid directly to MLHRD and returned to general revenue.

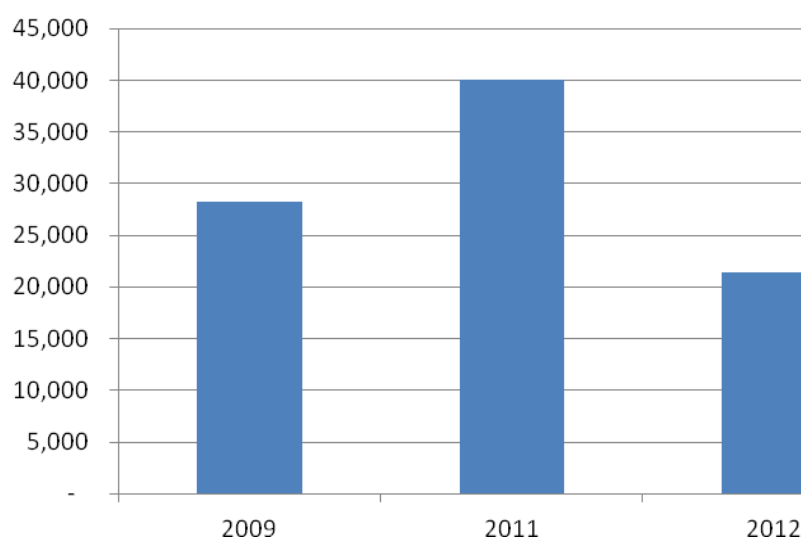
**Table 12.7 MTC revenue sources, estimates for 2009 to 2012 (A\$)**

Revenue Source	2009	2010	2011	2012
GoK	1,015,184	1,049,087	999,175	1,121,241
Student fees	28,188	-	40,061	21,388
<b>Subtotal</b>	<b>1,043,372</b>	<b>1,049,087</b>	<b>1,039,236</b>	<b>1,142,629</b>
Development Partner funding*	3,180,961	1,790,099	648,836	800,000
<b>Total Revenue</b>	<b>4,224,333</b>	<b>2,839,186</b>	<b>1,688,072</b>	<b>1,942,629</b>

\* All donor-funding programs to MTC

**Figure 12.6 MTC revenue sources, estimates for 2009 to 2012 (%)**

Source: Table 12.7

**Figure 12.7 MTC total revenue from student tuition fees, 2009 to 2012 (A\$)**

Source: Table 12.7

***MTC recurrent expenditures***

Expenditure on budget items are relatively straight forward to account for. Consolidated budget estimates provide a complete picture of government funds available to MTC.

On average 45 per cent (Table 12.7) of the MTC fund was allocated to personnel costs. Of the total of personnel costs on an average 40% was allocated to salaries and provident fund. The rest was allocated to expenses such as housing, leave, overtime and other allowances. The budget process does not allow for further analysis in terms of identifying where these funds are allocated within the organisation.

Table 12.8 shows total spending trends between 2009 and 2012. Personnel emoluments have fallen from A\$470,927 to A\$313,592 a fall in 33 per cent from 2009 figures (without taking

consideration of inflation). By contrast, operational spending rose from A\$544,257 to A\$655,005 an increase by 16 per cent.

Spending on 'transport to work' has risen from A\$30,000 in 2009 to A\$43,000 in 2012. This is A\$13,200 increase in four years or an increase in 44 per cent. This is an indication that with rising global fuel prices this trend is going to continue.

Spending on electricity and water has also increased significantly since 2009. Electricity spending has increased by A\$39,120 since 2009 figures, which is around 31 per cent.

With a new building being funded by NZAP and the rise in fuel prices, it can be deduced that the share of spending on water and electricity can only go up.

**Table 12.8 MTC expenditure estimates, 2009 to 2012 (A\$)**

Expenditure Item	2009	2010	2011	2012
Total GoK	1,015,184	922,039	851,069	968,597
Personnel	470,927	319,953	337,437	313,592
KPF	30,267	14,490	25,094	26,132
Salaries	356,985	191,219	280,219	249,886
Housing assistance	18,810	8,094	13,773	7,156
Allowances	7,000	7,305	5,856	6,035
Overtime	10,500	10,037	2,776	3,336
Temporary Assistance	29,570	78,394		10,962
Leave grant	17,795	10,414	9,719	10,085
Operational	544,257	602,086	513,632	655,005
Transport to work	30,000.00	31,655.00	33,550.00	43,200
Internal Travel	15,480	4,480	1,310	21,480
External Travel	6,000.00	-	18,000	15,600
Local Purchase	239,960	229,925	230,475	293,245
Overseas Purchase**	36,000	122,429	34,670.00	51,620.00
Local Services	47,000	14,000	16,000	18,479
Hire of Plants and Equipment				
Telecoms	12,000	14,000	18,000	11,309
Electricity	84,467	109,777	109,277	123,587
Water		16,000	10,000	19,348
Local Training	73,350	59,820	42,350	57,137
Special Projects*	-	1,760,230	-	-
Total MTC Budget	1,429,841	2,712,138	1,499,905	1,768,597

Source: MFED

\* MTC infrastructure and upgrading of facilities

\*\* Capital and equipment purchase

Contributions from the New Zealand Aid Programme (NZAP) have historically played a key role in supporting MTC operations. Table 12.9 shows the amount of aid flow into MTC. There has been a substantial funding as a new building is being built to house both MTC and FTC within the same campus. It is envisaged that the merger will be complete by January 2015.

**Table 12.9 NZAP allocations to MTC, 2008-09 to 2012-13 (NZ\$ 000s)**

	2008-09	2009-10	2010-11	2011-12	2012-13
Maritime training	488	37	811	1,177	513
Marine Training Centre buildings	2,250	2,149	0	0	365
<b>Total</b>	<b>2,738</b>	<b>2,186</b>	<b>811</b>	<b>1,177</b>	<b>878</b>

Source: NZAID

The experience of MTC illustrates the benefits from industry funding training in public TVET. In this instance the funding model is actually tripartite, involving the Government of Kiribati, a consortium of German shipping agencies, and development partners, principally the Government of New Zealand. As was discussed in Chapter 8, the evaluation by Bell and McDonald (2013) concluded that each A\$1 invested in MTC over the period 1995 to 2012 had generated A\$2.4 of benefits. Almost all of the benefits are due to remittances from MTC graduates employed on international shipping lines. MTC fills a vital role in Kiribati economy and society by producing graduates whose qualifications are recognised internationally and who earn overseas funds that are remitted back to support families and communities.

The evaluation indicated that key factors in MTC's success have been: the shipping industry playing a major role over a long period in establishing standards; MTC providing qualifications that are recognised internationally; having experienced staff support the training provided by the centre; partnerships with industry that provide trainees with structured workplace learning on shipping lines during training; and rigorous quality assurance processes.

## **12.5 FISHERIES TRAINING CENTRE**

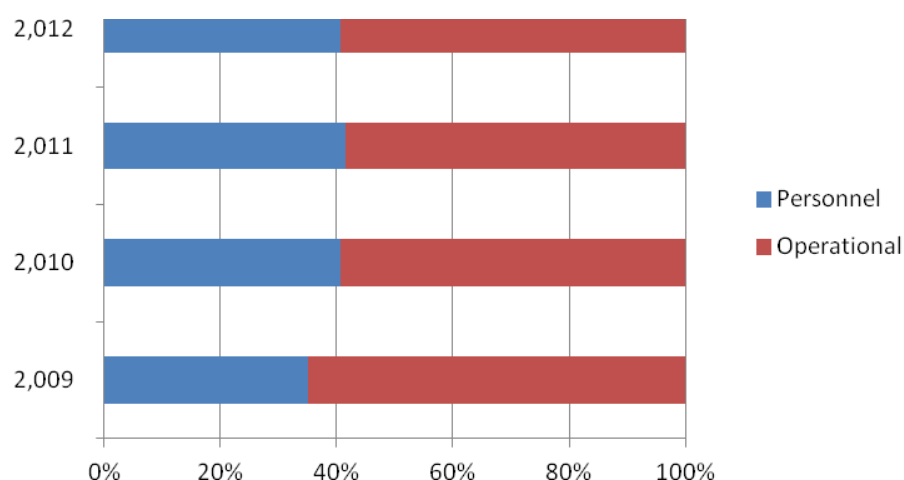
FTC is a business division within MLHRD and receives its funding through GoK annual appropriations. All of the funds received from MLHRD is spent on personnel and operational costs (Table 12.10). Over the four years from 2009 to 2012 there was no significant increase in budget allocations from MLHRD to FTC. The 2012 budget was approximately 11 per cent lower than in 2009.

The 2012 FTC recurrent budget was A\$625,741; of this amount a little over 40 per cent was allocated to salaries and personnel emoluments. Aside from GoK, FTC also receives direct funding from donors. The team was unable to gather any more detailed information from either FTC or MFED.

**Table 12.10 FTC recurrent budget allocations, 2009 to 2012 (A\$)**

Expenditure Item	2009	2010	2011	2012
Personnel	248,622	247,645	250,965	255,105
Operational	459,565	360,348	354,342	370,636
<b>FTC</b>	<b>708,187</b>	<b>607,993</b>	<b>605,307</b>	<b>625,741</b>
Share of total (%)				
Personnel	35%	41%	41%	41%
Operational	65%	59%	59%	59%
<b>Total FTC</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Source: MFED

**Figure 12.8 FTC budget allocations, 2009 to 2012 (%)**

Source: Table 12.10

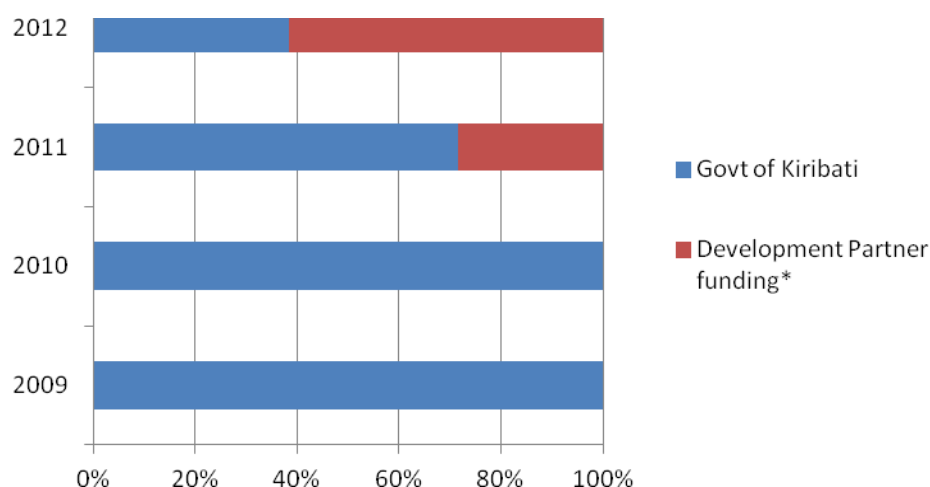
**FTC revenue sources**

As there were no consolidated financial accounts for FTC, it was necessary for the team to compile figures from a range of government sources to present a complete picture. Table 12.11 shows details of the allocation provided through MLHRD, which has averaged A\$636,807 for the four financial years till 2012. This equates to 6.3 per cent % of total MLHRD revenue over the four years till 2012.

**Table 12.11 FTC revenue sources, estimates for 2009 to 2012 (A\$)**

Revenue Source	2009	2010	2011	2012
Govt. of Kiribati	708,187	607,993	605,307	625,741
Development Partner funding*	0	0	240,000	1,000,000
<b>Total FTC Revenue</b>	<b>708,187</b>	<b>607,993</b>	<b>845,307</b>	<b>1,625,741</b>

Source: MFED

**Figure 12.9 FTC revenue sources, estimates for 2009 to 2012 (%)**

Source: Table 12.11

***FTC expenditures***

Expenditure on budget items are relatively straight forward to account for, as consolidated budget estimates provide a complete picture of government funds available to KIT for a given financial year.

On average 55 per cent of the MLHRD fund has been allocated to personnel costs. Of the total of personnel costs on an average 40% was allocated to salaries and provident fund. The rest was allocated to expenses such as housing, leave, overtime and other allowances. The budget process does not allow for further analysis in terms of identifying where these funds are allocated within the organisation. The merger process between MTC and FTC has already started and it is expected that they will start operating from the same campus from early 2015.



**Table 12.12 FTC expenditure estimates, 2009 to 2012 (A\$)**

Expenditure Item	2009	2010	2011	2012
Total GoK	708,187	680,301	691,779	684,228
Personnel	248,622	319,953	337,437	313,592
KPF	12,300	12,871	15,051	15,758
Salaries	134,870	162,346	170,909	157,726
Housing assistance	7,148	4,648	10,781	8,600
Allowances	5,688	3,892	4,712	3,268
Overtime	41,400	30,304	29,361	28,716
Temporary Assistance	36,779	24,261	11,556	30,877
Leave grant	10,437	9,323	8,595	10,160
Operational	459,565	360,348	354,342	370,636
Transport to work	26,892.00	20,532.00	21,167	21,494
Internal Travel	15,434.00	13,030.00	15,626	16,324
External Travel	1,500.00	14,734.00	6,600	26,034
Local Purchase	269,079.00	172,402	144,839	190,133
Overseas Purchase	39,073.00	18,250.00	16,720	22,340
Local Services	29,465.00	40,380.00	71,560	17,150
Overseas Services	15,000.00	14,875.00	11,800	8,621
Hire of Plants/Equipment	3,600	3,300	2,435	3,529
Telecoms	6,418	3,210	-	-
Electricity	-	-	4,594	1,347
Local Training	34,884	34,200	37,622	44,809
Total FTC Budget	708,187	680,301	691,779	684,228

## 12.6 EMPLOYER PROVIDED AND FUNDED TRAINING

The team conducted a pilot survey of public and private enterprises regarding training levels and expenditures. The potential role and operation of the survey was discussed in advance with NSO and KCCI, and both organisations supported the survey as such data were not available in Kiribati.

The pilot survey was based on the methodology developed for the overall study, and adapted for use in Kiribati. Wherever appropriate, standard international classification systems were used in the survey instrument design (see Annex 1). The draft survey form was provided to NSO and KCCI for comment. The Enterprise Training and Expenditure Survey form is included in Annex 4.

The survey sought information relating to three broad areas of enterprises' operation:

- General background – type of enterprise; industry; annual wages bill; size of workforce;
- Workforce characteristics – gender; full-time/part-time; occupations; highest level of educational attainment; recruitment of workers; and

- Training – number and trades of apprentices; type and amount of training given to new recruits and existing workers; annual expenditure on training provision and trainee support; and sources of funds for training.

KCCI assisted by providing contact details for enterprises operating in Kiribati and encouraging firms to participate. With the constraints of time and resources, the pilot was conducted on a small scale and only 15 enterprises were approached. These were based on the KCCI list, and were a selection of SOEs and private organisations from the utility, services and primary industry sectors. With such a small number to be surveyed it would have been difficult to achieve statistically significant results, even if drawing a sample from a suitably stratified population of enterprises could have been undertaken.

Once the selection had been made, a team member made an initial approach to the enterprise, usually through CEO, outlining the nature of the exercise and seeking an appointment. As was the case with every enterprise selected, the first meeting led to an agreement to participate. A copy of the survey instrument was left with the enterprise and a point of contact established. Further meetings were arranged, first to assist with the compilation of the information and in the correct filling of the form, and then to collect the completed survey.

Confidentiality was stressed. It was emphasised that the completed questionnaires and database would be kept secure, and that it would not be possible to identify individual enterprises in any reporting.

Of the 15 surveys distributed, only three enterprises decided to return them. Of the three enterprises, two were locally owned private enterprises and the third was a joint venture company with local and foreign ownership. The three enterprises that returned the survey did not provide all the information that was requested. However, they stressed that they did not carry out any training over the previous 12 months, the reference period for the survey.

It could not be reasonably concluded that the lack of any data from the pilot survey means there is little or no enterprise training in Kiribati. The discussions with enterprises had certainly indicated that employee training was important to them. One possibility is that the low response rate, and the limited information from those who did respond, indicates that HR and financial record keeping were not well configured to answer the questions relating to their training activities. This issue would need to be investigated if a larger, more systematic survey of enterprise training were to be conducted in the future by an organisation such as NSO. It is also likely that enterprises would need considerable assistance in the field to help them provide usable data. Importantly, too, enterprises would need to be convinced that their participation in any such survey would be beneficial for skill development in Kiribati.



## **PART V: ISSUES AND FUTURE DIRECTIONS**



## CHAPTER 13. ISSUES AND FUTURE DIRECTIONS

This study has been conducted during an important phase in the development of TVET in Kiribati. Skills development of the I-Kiribati has been identified by GoK as a critical element in Kiribati's future. The country faces major challenges in overcoming economic, environmental and social problems and in meeting the aspirations of the large numbers of young people completing school. A greater breadth and depth of skills is needed to lift living standards and ensure a secure future. To help achieve this objective the TVETSSP was initiated in 2010 to strengthen TVET policymaking and lift the quality of TVET provision.

The question of how to finance enhanced TVET provision is among the most crucial and at the same time most contentious issues facing the country. Underlying reasons may vary, but in Kiribati where GoK is the main provider through its annual appropriation, budget constraints mean there is a need for a greater diversity of funding sources. High quality TVET can be costly to provide, but low quality TVET will prove more costly in the long run.

TVET funding mechanisms have the potential to influence the achievement of national development objectives (effectiveness), outputs per unit cost (efficiency) and on the degree to which students from different background have access to good quality training (equity).

The ability to increase the skills of its workforce is a significant concern for GoK. Kiribati is facing growing unemployment and this is more pronounced with the bulging youth population exiting formal education from Forms 3 to 7. Stakeholders including ministry officials identified that the current school curriculum is recognised as too academic and failing to provide different pathways.

The scattered nature of the atolls, concentration of all services in South Tarawa, high transportation costs, lack of infrastructure, increases the costs to the community to access training to gain successful employment.

While recognising the significant successes already achieved through the TVETSSP Phase 1 and 2, the following systemic issues have been identified through the analyses and consultations with TVET providers and stakeholders in Kiribati. In regard to a number of these issues there are emerging signs of promising approaches that can be built on.

### **Moving away from an input-based allocation to TVET**

The GoK utilises input-based funding mechanisms to fund TVET. Most providers of TVET are allocated funding based on historical trends rather than on input costs for specific programs or in response to provider performance and learner outcomes. Disbursement of funds is rather rigid, and incremental, with changes each year in response to the changing state of the overall GoK budget. As the research has indicated, the main TVET providers spend large proportion of GoK funding on staffing and operational costs, with very little or no funding available for professional development of staff, material costs or new equipment.

At present it appears that there are limits on the extent to which TVET policymakers and providers can plan and budget for more effective and responsive training. There is no evident use of information on training hours, course completion rates, unit costs, graduate outcomes or employer satisfaction in financial planning or budgeting discussions.<sup>1</sup>

The academic paradigm that seems to operate in TVET is linked to long-duration full certificate courses for relatively small number of students in a full-time residential context. In turn, this means that delivery is largely confined to formal and urban-based institutions. Outer islands have traditionally had to rely on adhoc and irregular supply of instructors and equipment which limited training approaches exacerbates issues of equity.

Working within a supply-driven training market, most providers of TVET in Kiribati 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. These funding levels are also highly dependent on the fiscal health of the Kiribati government.

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.

For output based funding mechanisms to work, it will require transparent disbursement mechanisms and fair funding rates for different types of courses, standard based quality assurance, transparent accounting mechanisms, better information on course costs, completion rates and graduate outcomes. The pathway to output based funding requires appropriate tools and the professional development of TVET managers.

### **Improving information on the TVET system**

Whilst MLHRD plays a predominant role in managing the three main TVET providers, other departments' roles in terms of operations, planning, budgets and funding are not clear, and TVET being only part of the way to being recognised as a distinct sector in Kiribati.

Government provision of TVET was managed prior to 2008 by the Ministry of Education. The MLHRD is the main coordinating agency for TVET now. The Ministry of Health and Medical Services and Ministry of Education are the other two ministries who share elements of the TVET portfolio.

There are challenges in collecting actual revenue and expenditure data from TVET providers and in using such data for strategic purposes. In the main, TVET providers did not have any financial or other operational information for their own use on-site, as information was centralised within the Ministry of Finance and Economic Development.

The TVETSSP has started to collect a range of data and will provide a centralised location for student and trainer information. Those data, when combined with the financial information collected through the present study, have the potential to provide a set of baseline measures that could be progressively built on over time. Consideration could be given to establishing an agency with the mandate to collect, analyse and disseminate data on the TVET system and to ensure that appropriate standards of data quality are maintained and are consistent with regional frameworks.

There is a basis for this work through the KEMIS. Given Kiribati's 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 collection, analysis and use of high-quality data involves considerable resources; cooperation at regional level enables countries to share costs, gain scale economies and, critically, to ensure that the TVET data from any one country can be compared and contrasted with other countries, thereby increasing opportunities for benchmarking performance and learning from others' experience. As one of the smaller Pacific countries, Kiribati has much to gain by ensuring it is a full participant in regional initiatives to improve TVET and labour market data coverage and quality.

### **Improving relevance to the labour market**

An effective TVET system in Kiribati is a critical pillar for human resource and economic development as identified in the 9<sup>th</sup> KDP (2012-2015). Effective TVET also recognises that education and training needs to be based on reliable labour market information and be responsive to job vacancies and employer needs. Both the Labour Market Survey and the HIES were last undertaken in 2006 and it is a priority to implement the next survey cycles and maintain them on a frequent and regular basis.

A good example of how TVET is able to respond to labour market needs is the partnership between MTC, SPMS and NZAID for the purpose of training I-Kiribati for marine occupations. The GoK funds most recurrent expenditure; SPMS funds three senior positions and one medical doctor and provides work placement opportunities for trainees; and NZAID funds buildings and facilities and essential equipment. This tripartite partnership has helped ensure that young people and their families want to enrol in MTC programs and that the College has proven to be a cost-effective provider over the long-term.

Aside from a few examples, there is an apparent lack of connection between the TVET system and the private sector. Nor is there a strong link to industry in terms of developing curriculum, informing training provision to meet industry needs in Kiribati, or assisting in the monitoring and relevance of TVET provision both at system or provider level, although KCCI is a member of the Technical Advisory Council.

Staff from key industries need to interact frequently with training institutions to ensure that training and equipment is up to date and relevant, and that training programs address industry needs. This attribute underpins graduate pathways to employment.

Enterprises are key beneficiaries of good and relevant TVET as a skilled workforce improves productivity and profits. The success of the MTC shows how sharing costs and program development among government, industry and donors can be beneficial for all. Developing such partnerships across TVET more broadly, and maintaining close interactions between industry and providers, are necessary to overcome skill mismatches and make TVET more demand-driven.

Enterprises in Kiribati are generally small and often lack the capacity to provide their own training programs. Provision of taxation incentives to enterprises to contract training from TVET providers, and providing opportunities for providers to retain the funds they raise, would appear to be promising policy options to explore.

### **Lifting funding levels**

To open up pathways will require more TVET places to be created. For example in 2013, 800 students sat the competitive examination for just 150 places at KIT. The financing of TVET in Kiribati relies on the government and development partners. Even though there is funding support by the government, like many of its Pacific neighbors', funding for post-secondary education and training and its support structures is predominantly expended on personnel and



operational costs with only minimal expenditure available for training materials, equipment and staff development.

Donor funding is a dominant feature of TVET financing in Kiribati. This reliance relates to both sectoral improvement programs (e.g. TVET Sector Strengthening Program) and to capital works projects and equipment (e.g. NZAID - MTC). There is very little collated data as to the level of donor support and the types of assistance provided. Although some information is kept at the Ministry of Finance and Economic Development it is separate from recurrent budgeting and planning processes in the Ministries responsible for post-secondary education and training. A particularly important step is for the GoK to develop a risk mitigation strategy in the event that donor funds are reduced for TVET.

There seems to be very little incentive for TVET providers to increase student numbers as student fees go into a general revenue pool, rather than being available to expand or improve their operations. A similar policy also inhibits TVET providers from undertaking fee-for service or commercial activities. It would be well worth developing arrangements that enable providers to use the funds they raise to improve their programs, while ensuring that appropriate accountability mechanisms are in place.

It is important for GoK and related ministries to distinguish (in general) between sources of funds and how these funds are allocated and to which programmes and then used. In other words, the distinction should be made between resource mobilisation, resource allocation and resource utilisation.

Compared to the other six countries participating in the study, in Kiribati student fees contribute a particularly small proportion of the resources for the TVET system. There seems to be only very 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 the outer islands. However, for those TVET graduates who make a successful transition to employment, consideration could be given to some form of cost-sharing scheme through the taxation system once their income reaches a certain level. Where TVET graduates are working overseas it could be necessary to make appropriate arrangements with government authorities in other countries.

### **Strengthening strategic governance**

The TVETSSP is in the process of developing a GoK TVET policy framework in Kiribati. The MLHRD is responsible for TVET policy, planning and coordination. However, it appears that the Program Oversight Committee is yet to be fully functional. We were informed that it has met only once since its inception and were not clear about the role of its members. The establishment of Industry Training Advisory Committees, although widely welcomed by stakeholders, appears to be only at an embryonic stage and their ToR is being developed. The coordination of TVET as a national effort across government, business and non-government providers working in the formal and informal sectors needs ongoing development in order to contribute to efforts around HRD planning and skills development.

### **Improving access to TVET**

A fundamental aspect of a successful TVET system is the access it provides to trainees from a wide range of social backgrounds, ages and geographic areas. TVET in Kiribati is currently limited in the extent to which it offers programs accessible and relevant to females, people from the outer islands and people with disabilities. The predominant focus on long-duration, full-time courses means that TVET is currently not appropriate for many adults. Access and proximity are important considerations for TVET expansion in Kiribati. In the absence of available data for per student cost, affordability was difficult to determine. This should be a focus of future research.

With the current high unemployment and demographic pressures in Kiribati, it would be helpful to undertake a detailed investigation of the financial and other barriers to participation in TVET and identify approaches by which such barriers could be reduced. Donors may want to consider supporting such an investigation and using their networks and experiences in other countries to help identify strategies for Kiribati to consider.



## **ANNEXES (SUPPORTING INFORMATION)**



## ANNEX 1. CLASSIFICATION AND CODING SYSTEMS USED

International classification and coding systems were applied in this study for the following variables:

- Fields of training
- Occupations
- Industries

### Fields of training

#### 0. General Programs

- 010 Basic programs
- 080 Literacy and numeracy
- 090 Personal development

#### 1. Education

- 141 Teaching and training
- 142 Education science

#### 2. Humanities and the arts

- 211 Fine arts
- 212 Music and performing arts
- 213 Audio-visual techniques and media production
- 214 Design
- 215 Craft skills
- 221 Religion and theology
- 222 Foreign languages and cultures
- 223 Mother tongue
- 224 History, philosophy and related subjects

#### 3. Social sciences, business and law

- 310 Social and behavioural science
- 321 Journalism and reporting
- 322 Library, information, archive
- 341 Wholesale and retail sales
- 342 Marketing and advertising
- 343 Finance, banking, insurance
- 344 Accounting and taxation
- 345 Management and administration
- 346 Secretarial and office work
- 347 Working life
- 380 Law

**4. Science**

- 420 Life science
- 440 Physical science
- 460 Mathematics and statistics
- 481 Computer science
- 482 Computer use

**5. Engineering, manufacturing and construction**

- 521 Mechanics and metal work
- 522 Electricity and energy
- 523 Electronics and automation
- 524 Chemical and process
- 525 Motor vehicles, ships and aircraft
- 541 Food processing
- 542 Textiles, clothes, footwear, leather
- 543 Materials (wood, paper, plastic, glass)
- 544 Mining and extraction
- 581 Architecture and town planning
- 582 Building and civil engineering

**6. Agriculture**

- 621 Crop and livestock production and fishery
- 622 Horticulture
- 623 Forestry
- 624 Fisheries
- 640 Veterinary

**7. Health and welfare**

- 721 Medicine
- 722 Medical services
- 723 Nursing
- 724 Dental studies
- 761 Child care and youth services
- 762 Social work and counselling

**8. Services**

- 811 Hotel, restaurant and catering
- 812 Travel, tourism and leisure
- 813 Sports
- 814 Domestic services
- 815 Hair and beauty services
- 840 Transport services
- 850 Environmental protection
- 861 Protection of property and persons
- 862 Occupational health and safety
- 863 Military

**9. Not known**

**Source:** European Centre for the Development of Vocational Training (CEDEFOP) *Fields of Training Manual*, Eurostat, 1999,

## Occupations

### 1. Managers

- 11 Chief executives, senior officials and legislators
- 12 Administrative and commercial managers
- 13 Production and specialized services managers
- 14 Hospitality, retail and other services managers

### 2. Professionals

- 21 Science and engineering professionals
- 22 Health professionals
- 23 Teaching professionals
- 24 Business and administration professionals
- 25 Information and communication technology (ICT) 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 ICT technicians

### 4. Clerical support workers

- 41 General and keyboard clerks
- 42 Customer services clerks
- 43 Numerical and material recording clerks
- 44 Other clerical support workers

### 5. Service and sales workers

- 51 Personal service workers
- 52 Sales workers
- 53 Personal care workers
- 54 Protective services workers

### 6. Skilled agricultural, forestry and fishery workers

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

### 7. Craft and related trades workers

- 71 Building and related trades workers, excluding electricians
- 72 Metal, machinery and related trades workers
- 73 Handicraft and printing workers
- 74 Electrical and electronic trades workers
- 75 Food processing, wood working, garment and other craft and related trades workers

### 8. Plant and machine operators, and assemblers

- 81 Stationary plant and machine operators
- 82 Assemblers
- 83 Drivers and mobile plant operators



**9. Elementary occupations**

- 91 Cleaners and helpers
- 92 Agricultural, forestry and fishery labourers
- 93 Labourers in mining, construction, manufacturing and transport
- 94 Food preparation assistants
- 95 Street and related sales and service workers
- 96 Refuse workers and other elementary workers

**10. Armed forces occupations**

- 01 Commissioned armed forces officers
- 02 Non-commissioned armed forces officers
- 03 Armed forces occupations, other ranks

**Source:** ILO International Standard Classification of Occupations, 2008 (ISCO-08)

**Industries**

- Agriculture, Forestry and Fishing .
- Mining .
- Manufacturing .
- Electricity, Gas and Water Supply .
- Construction .
- Wholesale Trade .
- Retail Trade .
- Accommodation, Cafes and Restaurants .
- Transport and Storage .
- Communication Services .
- Finance and Insurance .
- Property and Business Services .
- Government Administration and Defence .
- Education .
- Health and Community Services .
- Cultural and Recreational Services .
- Personal and Other Services

**Source:** ABS, Australian and New Zealand Standard Industrial Classification (ANZSIC), 1993

## ANNEX 2. PERSONS CONSULTED DURING THE FIELDWORK

<b>Government of Kiribati</b>	
<i>Ministry of Labour and Human Resources Development</i>	
Mr Ioataake Timeon	Permanent Secretary
Ms Penita Kabubuke	Deputy Secretary
Mr Watati Irata	Ag Director for Labour, Senior Labour Officer for Workplace Relations
Ms Ema Navan	Labour Officer for Vocational Training
Mrs Wiriki Tooma	Permanent Secretary, MHMS
Mr Boakarawa Kaake	Senior Accountant Officer
<b><i>Kiribati Institute of Technology</i></b>	
Ms Pamela Morgan	KIT Senior Management Advisor, TVETSSP
Mr Rokobati Tearo	Principal
Ms Bannau Tiiata	Acting Deputy Principal
<b><i>Marine Training Centre</i></b>	
Captain Boro Lucic	Captain Superintendent
Ms Rooro Bwarane	Senior Accountant
Mr Etekieru Iotua	Deputy Captain Superintendent
<b><i>Fisheries Training Centre</i></b>	
Mr Tiaeki Kiaroro	Deputy Principal
<i>Ministry of Finance and Economic Development</i>	
Mr Atanateora Belatau	Secretary
Mr Eriati Tauma Manaima	Accountant General
Mr Jason Reynolds	Director, NEPO
<i>Ministry of Commerce, Industry and Cooperatives</i>	
Mr Debweh Kanono	Deputy Secretary
Mr Momoe Kaam	A/g Director, Business Promotion
Ms Roreti Eritai	Senior Officer for Trade Promotion
<i>Ministry of Education</i>	
Ms Terrerei Abele	Secretary
Mr Kinta Eram	Senior Education Officer – Statistics/IT
Ms Danietta Apisai	Senior Education Officer – Senior Secondary and Scholarships
<b><i>AUSAID - Tarawa</i></b>	
Ms Alison George	Counsellor
Mr Mark Sayers	Development Program Specialist
Ms Sainiana Rokovucago	Senior Program Manager, Workforce Skills Development
Mr Tiroam Neeri	Program Manager, Workforce Skills Development Sector
<b><i>Private Sector</i></b>	
Mr Mohammed Iqbal	General Manager Tarawa Motors
Mr Joe Teanako	President Kiribati Major Employers Organisation
Mr Teekeuea Tarati	President, KCCI
Mr David Collins	Vice President, KCCI
<b><i>Civil Society</i></b>	
Ms Roko Timeon	Director, KANGO
Mr Buraini Uarai	Information and Technical Officer KANGO
Rev Kibau Rimon	Secretary for Education Kiribati Protestant Church

Mr Meita Beiabure	Chief Education Officer Kiribati Protestant Church
Sr Tiura Kaiuea	Director Catholic Church Education
Mr Tatoi Kaiteie	Secretary Kiribati Union of Teachers, KUT
<b>Other Donors/Development Partners</b>	
Ms Nuzhat Shahzadi	Chief of Field Office and UN Joint Presence, UNICEF
Mr Peter Kemp	Deputy Head of Mission and First Secretary, New Zealand High Commissioner
Ms Bereti Awira	Development Officer, NZAID
Mr Noriyuki Nakamura	Volunteer Coordinator, JICA/JOCV Kiribati
Mr Abraham Wen-Shang Chu	Ambassador, Taiwan
Mr Ngutu Awira	Youth Employment National Officer, ILO, Kiribati
Mr Antoine Barnaart	Team leader/TVET Advisor TVETSSP
Capt. Peter Lange	Manager, SPMS

### ANNEX 3. ROLE AND MEMBERSHIP OF THE NATIONAL REFERENCE GROUP

The role of the NRG was to assist, advise and support the study in Kiribati:

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

#### Membership of the NRG

	NRG members	
1.	Ms. Peniita Taia-Kabubuke (Chair)	Deputy Secretary, MLHRD
2.	Ms. Kurinati Robuti Teaeki (Deputy Chair)	Acting Director, National Economic Policy Unit, MFED
3.	Ms. Tererei Abete Reema	Permanent Secretary, Ministry of Education (ME)
4.	Ms. Miire Awira-Raieta Delegated to Ms. Utinia Anruiti, Senior Assistant Secretary	Permanent Secretary, PSO
5.	Mrs Wiriki Tooma	Permanent Secretary, MHMS
6.	Mr. Eriati Manaima	Director, Budget and Accounts, MFED
7.	Ms. Aritita Tekaieti	Deputy Government Statistician
8.	Mr. Rokobati Teaero	Principal, KIT
9.	Captain. Rui Nataka	General Manager, Kiribati Fisherman's Services (KFS)
10.	Captain. Lucic Boro	Principal, MTC
11.	Mr. Tekeeua Tarati	President, KCCI
12.	Dr. Ueantabo Mackenzie	Director, USP Campus, Kiribati
13.	Captain Peter Lange	Manager, South Pacific Marine Services
14.	Reverend Kibau Robuti Rimon	Secretary, Kiribati Protestant Church
15.	Mr. Wataki Irata	Acting Director, Labour and Workplace Skills (MLHRD)

**NRG meetings**

The NRG met twice during the in-country mission.

- 19 September 2013, and
- 17 October 2013

NRG members also participated in a national workshop held in South Tarawa on 9 April 2014 at which a draft of this report was discussed and feedback provided to assist with its finalisation.

## ANNEX 4. DATA COLLECTION TEMPLATES



Return number:

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### DATA COLLECTION TEMPLATE FOR TVET PROVIDERS IN KIRIBATI

TVET PROVIDER NAME .....

#### ADDRESS

Location .....

Telephone number.....

Fax number.....

Email address.....

NAME OF CONTACT.....

ROLE/TITLE.....

**Section 1: Revenue**

<b>Source of Income</b> Annual amounts in local currency	<b>Financial year</b>			
	<b>2009/10 actual</b>	<b>2010/11 actual</b>	<b>2011/12 actual</b>	<b>2012/13 projected</b>
<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>				
<b>Total Income</b>				

**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
<b>Recurrent Budget</b>				
<b>Staffing costs</b>				
<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>				
<b>Non-staffing costs</b>				
<i>Operational costs (e.g. consumables, utilities, maintenance, etc)</i>				
<i>Quality assurance costs (e.g. per capita charge via TNQAB, auspice via NZ)</i>				
<i>Other recurrent costs</i>				
<b>Total Recurrent Budget</b>				
<b>Development Budget</b>				
TVET programs (e.g. new programs, accreditation, paperwork, consultants etc)				
Staff/professional development programs				
Other development items				
<b>Total Development Budget</b>				
<b>Capital budget (e.g. equipment, machinery, etc)</b>				
<b>Other Expenditures</b>				
<b>TOTAL EXPENDITURE</b>				



**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>				
<b><i>TOTAL STAFF</i></b>				

Teaching/training staff directly involved in TVET programs	
Number of teaching weeks in a year	
Average student contact hours during teaching week, per staff member	
Average number of staff hours preparation time per TVET program	
Average number of staff hours assessment time per TVET program, additional to program delivery time	



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## 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 wages<sup>39</sup> 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
<b>Full-time employees</b> (More than 35 hours per week on average)	Females	
	Males	
	<b>Full-time Sub-total</b>	
<b>Part-time employees</b> (Less than 35 hours per week on average)	Females	
	Males	
	<b>Part-time Sub-total</b>	
<b>Total employees</b>	Females	
	Males	
	<b>Total Number of Employees</b>	

<sup>39</sup> 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
<b>1</b>	<b>Managers<sup>40</sup></b>	
<b>2</b>	<b>Professionals<sup>41</sup></b>	
<b>3</b>	<b>Technicians and associate professionals<sup>42</sup></b>	
<b>4</b>	<b>Clerical support workers<sup>43</sup></b>	
<b>5</b>	<b>Service and sales workers<sup>44</sup></b>	
<b>6</b>	<b>Skilled agricultural, forestry and fishery workers<sup>45</sup></b>	
<b>7</b>	<b>Craft and related trades workers</b>	
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	
<b>8</b>	<b>Plant and machine operators, and assemblers<sup>46</sup></b>	
<b>9</b>	<b>Elementary occupations<sup>47</sup></b>	
<b>Total Number of Employees</b>		

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

<sup>40</sup> Chief executives, senior officials and legislators, Administrative and commercial managers, Production and specialized services managers, Hospitality, retail and other services managers

<sup>41</sup> Science and engineering professionals, Health professionals, Teaching professionals, Business and administration professionals, Information and communications technology professionals, Legal, social and cultural professionals

<sup>42</sup> Science and engineering associate professionals, Health associate professionals, Business and administration associate professionals, Legal, social, cultural and related associate professionals, Information and communications technicians

<sup>43</sup> General and keyboard clerks, Customer services clerks, Numerical and material recording clerks, Other clerical support workers

<sup>44</sup> Personal service workers, Sales workers, Personal care workers, Protective services workers

<sup>45</sup> Market-oriented skilled agricultural workers, Market-oriented skilled forestry, fishing and hunting workers, Subsistence farmers, fishers, hunters and gatherers

<sup>46</sup> Plant and machine operators, Assemblers, Drivers and mobile plant operators

<sup>47</sup> Cleaners and helpers, Agricultural, forestry and fishery labourers, Labourers in mining, construction, manufacturing and transport, Food preparation assistants, Sales and service workers, Cleaners and other elementary workers

**SECTION D: ENTERPRISE INVOLVEMENT WITH TRAINING**

**6a Is your enterprise involved with workplace training linked to a training provider (e.g. KIT)?**

(please tick)

√

Yes	<input type="checkbox"/>
No	<input type="checkbox"/>

**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)	
<b>Total</b>	

**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
<b>Highest level of education and training</b>	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 <sup>48</sup>
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				
<b>Total</b>				

**Check Total Number of Employees in Table 7 (Column A) matches total in Table 4 and Table 5.**

<sup>48</sup> 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)
<b><i>In-house structured training</i></b> <sup>49</sup>		
<b>Structured training using external training providers</b>		
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)		
<b>Unstructured training</b> <sup>50</sup>		
<b>Total hours on average per employee</b>		

<sup>49</sup> For example, internal workshops, lectures, etc; computer assisted training programs; other enterprise conducted training courses, etc

<sup>50</sup> 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>
<b>Provider costs</b>	
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)	
<b>Sub-total Provider Costs</b>	
<b>Trainee support costs</b>	
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)	
<b>Sub-total Trainee Support Costs</b>	
<b>Estimated gross training expenditure in the 2011/12 Financial Year</b>	

**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)	
<b>Estimated Total Funding Available</b>	

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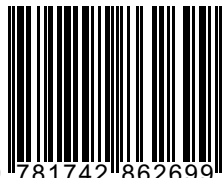
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The study was conducted in seven Pacific countries: Fiji; Kiribati; Papua New Guinea; Samoa; Solomon Islands; Tonga; and Vanuatu. The aims of the research were to produce, in conjunction with host country governments and TVET stakeholders, comprehensive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

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