

Skills Needs Industry Survey

Vanuatu Chamber of Commerce and Industry (VCCI)

Australia Pacific Training Coalition (APTC)

Background

- Better understand current and future skills gaps
- Look at contributing factors to skills gaps
- Survey implemented October – November 2022
- Responses from:
 - 5 sectors
 - 570+ enterprises
 - Across 5 provinces

Findings Report - focus

- **Section 1** provides an overview of the labour market context in Vanuatu, including an assessment of the skills shortages expected in the next year and the negative and positive impact of labour mobility programs on businesses; an examination of skills and jobs in which enterprises employ foreign workers; and analysis of the challenges experienced recruiting new staff in the past three months.
- **Section 2** examines the skills needs of junior, intermediate, and senior staff. Key survey findings are presented by economic sector and enterprise size.
- **Section 3** analyzes the specific skills needs of enterprises in the agriculture, manufacturing, service, tourism and hospitality, and trade sectors.

Top level findings

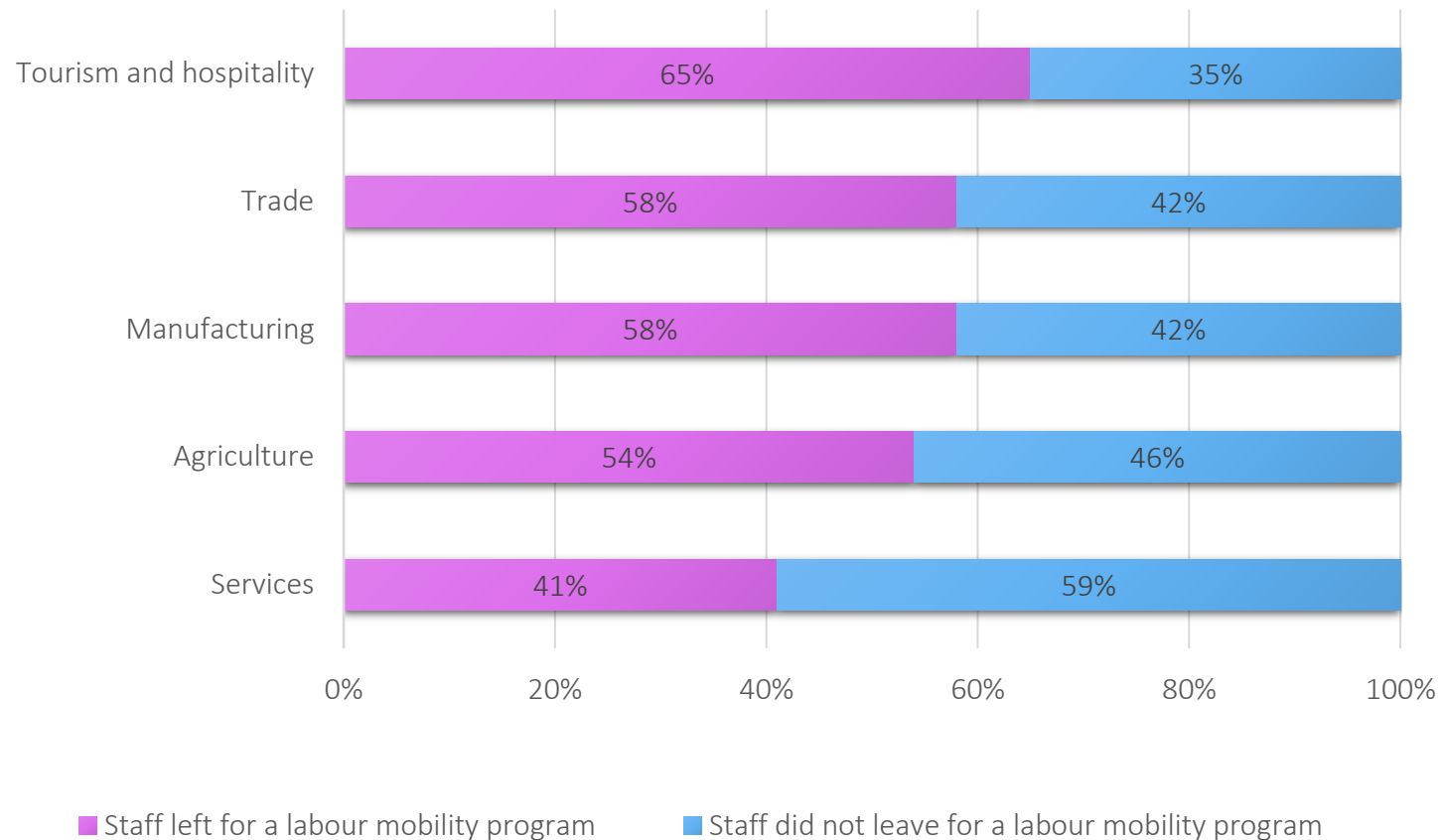
- The most common occupations in which enterprises anticipated facing a shortage of skills were trade occupations (e.g., mechanics, carpenters, electricians, technicians, welders), professional and administrative jobs (e.g., accountants, engineers, managers, and supervisors), and restaurant jobs (e.g., chefs, waitstaff, and bakers).
- Half of the surveyed enterprises had at least one staff member leave for Australia in the past year as part of a labour mobility program. Enterprises in the tourism and hospitality sector were the most affected by labour mobility programs, followed by enterprises in the manufacturing and trade sectors.
- More than half of enterprises held staff positions with and without benefits when staff left to work abroad.

Top level findings

- Most enterprises (60 per cent) reported negative or no benefits from labour mobility programs. Overall, enterprises reported struggling to find new employees and found it costly to train new staff. Many surveyed enterprises could not comment on the benefits of labour mobility programs because their former employees had yet to return to Vanuatu.
- Forty per cent of enterprises reported some benefits from labour mobility programs, including improved skills, confidence, and experience of returning staff.
- Enterprises were not keen to extend the labour mobility visa to three years. Such an extension would negatively impact their businesses because finding skilled staff to fill vacancies would be burdensome and costly.
- Most enterprises believed that technical, vocational, and workplace training for local workers would help meet the skills needs of Vanuatu businesses.

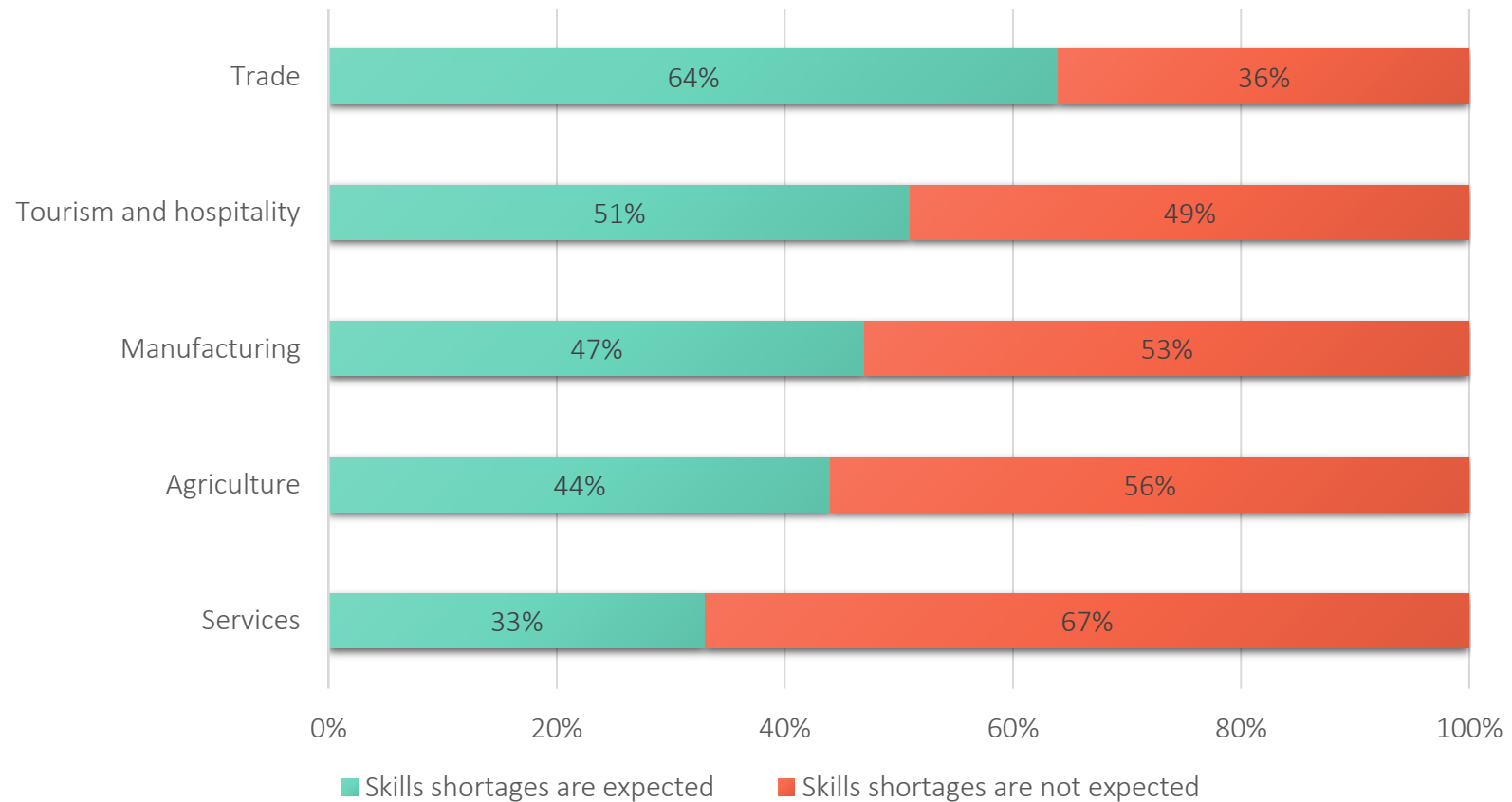
Labour Mobility

- 50% - had staff leave for a labour mobility program in last 12 months



Skills Needs

44% - expecting skills shortages in the next 12 months



Meeting the Need

74% -TVET could help meet skills needs

64% - Workplace training would help improve skills

47% - employers should provide training for recent graduates

42% - promote better wages to respond to need

AT A GLANCE¹

¹ Disclaimer: The following data presents findings in response to feedback from the private sector and the most common enquiries received from the Government of Vanuatu and other key stakeholders. It is not intended to represent key findings based on VCCI analysis of the data nor to provide a comprehensive overview of all data collected.

50%

of enterprises surveyed had at least one member of staff leave their positions to work in Australia or New Zealand in the last 12 months

Most enterprises reported **needing one or two more skilled employees**

to respond to skills shortages in the next 12 months

Most enterprises believed that technical, vocational, and workplace training for local workers

would help meet future skills needs of Vanuatu businesses.

Enterprises in the tourism and hospitality sector were the most affected (65%), followed by enterprises in the manufacturing and trade sectors (58%)

A large percentage of enterprises

60%

reported experiencing negative effects related to existing labour mobility programs

Most enterprises find it **costly to train new staff**

The most difficult positions to fill were trade occupations



(e.g., builders, electricians, plumbers, and welders), retail jobs (e.g., salespeople, shopkeepers, cashiers, and retail assistants), and restaurant staff (e.g., chefs, bakers, bartenders, and waitstaff)

KEY FINDINGS BY SECTOR:

100%

of enterprises from the manufacturing sector agreed that technical and vocational training is needed to respond to skills demands, followed by enterprises in trade (83 percent), agriculture (80 percent), tourism and hospitality (74 percent), and services (69 percent).

80%

of enterprises in the tourism and hospitality sector agreed that workplace training is needed to address skills gaps, followed closely by 7 out of 10 trade enterprises.

8 out of 10

enterprises from the trades sector believe employers should provide practical training for new hires that are recent graduates (for example internships/cadetships).

Agriculture, manufacturing and trade enterprises are more supportive of employment standards related to wages

with enterprises in the services, and tourism and hospitality sectors less supportive.

KEY RESULTS BY SECTOR:

7 out of 10

agriculture, services, tourism, and hospitality enterprises reported needing more qualifications or experience among local applicants.

nearly 70%

of enterprises in the tourism and hospitality (68 percent) and trade (65 percent) sectors reported that local applicants needed more work experience.

HALF

of enterprises in the tourism and hospitality and 4 out of 10 enterprises in the agriculture sectors reported a need for more motivation or interpersonal abilities.

4 out of 10

manufacturing, service, tourism, and hospitality enterprises thought that more digital skills and knowledge were required.

about 60%

of enterprises in the agriculture and manufacturing sectors reported needing more work-ready skills.

Most enterprises in tourism and hospitality (77 percent) and trade (73 percent) sectors reported local applicants' need for up-to-date technical skills.

AN OVERVIEW OF THE MOST COMMON REASONS TO OPEN JOB VACANCIES IN DIFFERENT SECTORS:

50%

of enterprises in the tourism, hospitality, and trade sectors reported losing experienced staff to labour mobility programs.

40%

of enterprises in the tourism and hospitality sector reported changes in business demands due to the COVID-19 pandemic /shutting of borders.

50%

of manufacturing enterprises reported needing more staff to meet business growth needs.

The survey asked enterprises about roles that they found hardest to fill. The most difficult positions to fill include:

- Trade occupations such as builders, electricians, plumbers, welders and maintenance staff.
- Retail jobs such as salespeople, shopkeepers, cashiers, and retail assistants.
- Hospitality staff such as chefs, bakers, bartenders, and waitstaff.

9 out of 10

Most enterprises (9 out of 10) reported difficulties finding adequate qualifications, skills and experience among local applicants.

Running a Sectoral Employer's Survey

To **further deepen understanding of skills shortages** in Vanuatu, a more detailed analysis is currently being rolled out for the Construction and a little later the Tourism sector.

Sectoral focus was chosen to be able to concretize recommendations and to embed the skills needs analysis in an understanding of the sectoral vision and other bottlenecks.

To gather **policy-relevant information at occupational level** a list of 13 occupational profiles in construction was developed.

We are currently administering the survey to 100 businesses with a **budget** of around 6,000 – 7,000 USD.

Sectoral employer's survey

Three variables are of key interest:

1. What is the nature of **skills shortages** (i.e. which vacancies are hardest to fill and what are businesses doing about it?)
2. Which occupational profiles suffer the most from **skills gaps** (i.e. how many workers are lacking some skills to do their job right, and what are employers doing about it)?
3. **Which competencies** exactly are they missing (digital skills, technical skills, soft skills)?
4. Interest in and feasibility of different modes of work-based learning.

Discussion points:

How aligned are local training systems in Vanuatu

What has been the impact of labour mobility on domestic industries?

What are some proposed solutions to address these issues? (for example Apprenticeships)