

2007

Ministry of Education

Annual Report

Policy & Planning
Education Department
5/18/2007



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Abbreviations

ARH	Adult Reproductive Health
AusAID	Australian Agency for International Development
AUF	Agencies Universities de France
CDU	Curriculum Development Unit
CNS	Computer Network Services
DAF	Division of Administration and Finance
DBE	Division of Basic Education
DESA	Diploma in Education for Secondary Anglophone Teachers
DFID	British Development Fund for International Developments
DPPS	Division of Policy and Planning Services
DSTFE	Division of Secondary Tertiary and Further Education
EAU	Examination Assessment Unit
ECE	Early Childhood Education
EFA	Education For All
EMIS	Education Management Information System
EUVED	European Union Vanuatu Education Development Projects
GER	Gross Enrolment Ratio
GIP	Government Investment Projects
MBC	Ministerial Budget Committee
MDGs	Millennium Development Goals
MYDT	Ministry of Youth Development and Training
NEC	National Education Commission
NGOs	Non Government Organizations
NZAID	New Government Zealand Aid
PAHP	Pacific Action for Health Project
PEIP	Primary Education Improvement Project
PRIDE	Pacific Initiatives for the Delivery of basic Education
PSC	Public Service Commission
RTCs	Rural Training Centers
SIL	Summer Institute of Linguistics
SWAp	Sector Wide Approach
TVET	Technical Vocational Education and Training
TSC	Teaching Services Commission
TSCU	Training and Scholarship Coordination Unit
UNESCO	United Nations Education Science and Culture Organization
USP	University of the South Pacific
VASTEP	Vanuatu/Australia Secondary Teachers Education Project
VASANOC	Vanuatu Amateur Sports and Athletics National Organization Committee
VAT	Value Added Tax
VEMIS	Vanuatu Education Management Information System
VESAP	Vanuatu Education Support Action Plan
VESS	Vanuatu Education Sector Strategy
VRDTCA	Vanuatu Rural Development and Training Community Association
VSA	Volunteer Services Association
VITE	Vanuatu Institute of Teacher Education
VIT	Vanuatu Institute of Technology
VIOE	Vanuatu Institute of Education

Director General's Statement

31 March 2007

Hon. Leinafau TASO, MP- Minister of Education
Hon. Roro SAMBO, MP- Minister of Youth Development and Training
Ministry of Education, Youth Development and Training
Port Vila

Dear Honorable Ministers,

I have the honour in submitting to you the 2007 Annual Report of the Ministry of Education together with the Ministry of Youth Development and Training.

This report has been prepared under subsection 20 (1) (L) of the Public Service Act of 1998 and in accordance with the guidelines for the preparation of Annual Reports referred to in this subsection and related documents issued by the Public Service Commission.

This year has been another challenging period. A lot has been done in the previous year to review the 2004-2006 corporate Plan. The VESS builds on the strengths of the previous plans but also moves into a new future where Ni-Vanuatu people take fuller control of the development agenda for education.

Year 2007 was also a land mark for the Education Sector as the Ministry adopts a new approach in addressing key issues. This year the ministry has been working tirelessly with each set up taskforce, to priorities the programs that are to be undertaken in each VESS goals. It has adopted another sub-document known as the Vanuatu Education Support Action Plan (VESAP). The document outlines the priority program to be carried out, its rationale, the actions that are to be taken and also the cost of implementing the program.

This restructure of the Ministry of Education was approved on the 14th March 2007 by the Public Service Commission. The proposed new structure is consistent with the VESS. Key tasks and resources will be progressively decentralized from the Department of Education in Vila to the six Provincial Education Offices. The five Director positions will be reduced to two and a new HRD Unit will be established, headed up by a Principal Education Officer. It is hoped that these three senior positions will be advertised and recruited by August, and that most other positions will be resolved by end of the year

Other Major significant event that has occurred this year saw the launching of the National Sports Policy and the National Youth Policy by the Ministry of Youth Development Sports and Training. Also in November 2007, the first ever National Youth Forum was held and a draft National Youth Charter was drafted in an effort to re-establish the National youth council.

With all these relative achievements, one can look back with a lot of satisfaction. Nonetheless, as we can see that, there is certainly a lot of challenges yet to come and I sincerely hope that we can still keep moving forward in that positive direction.

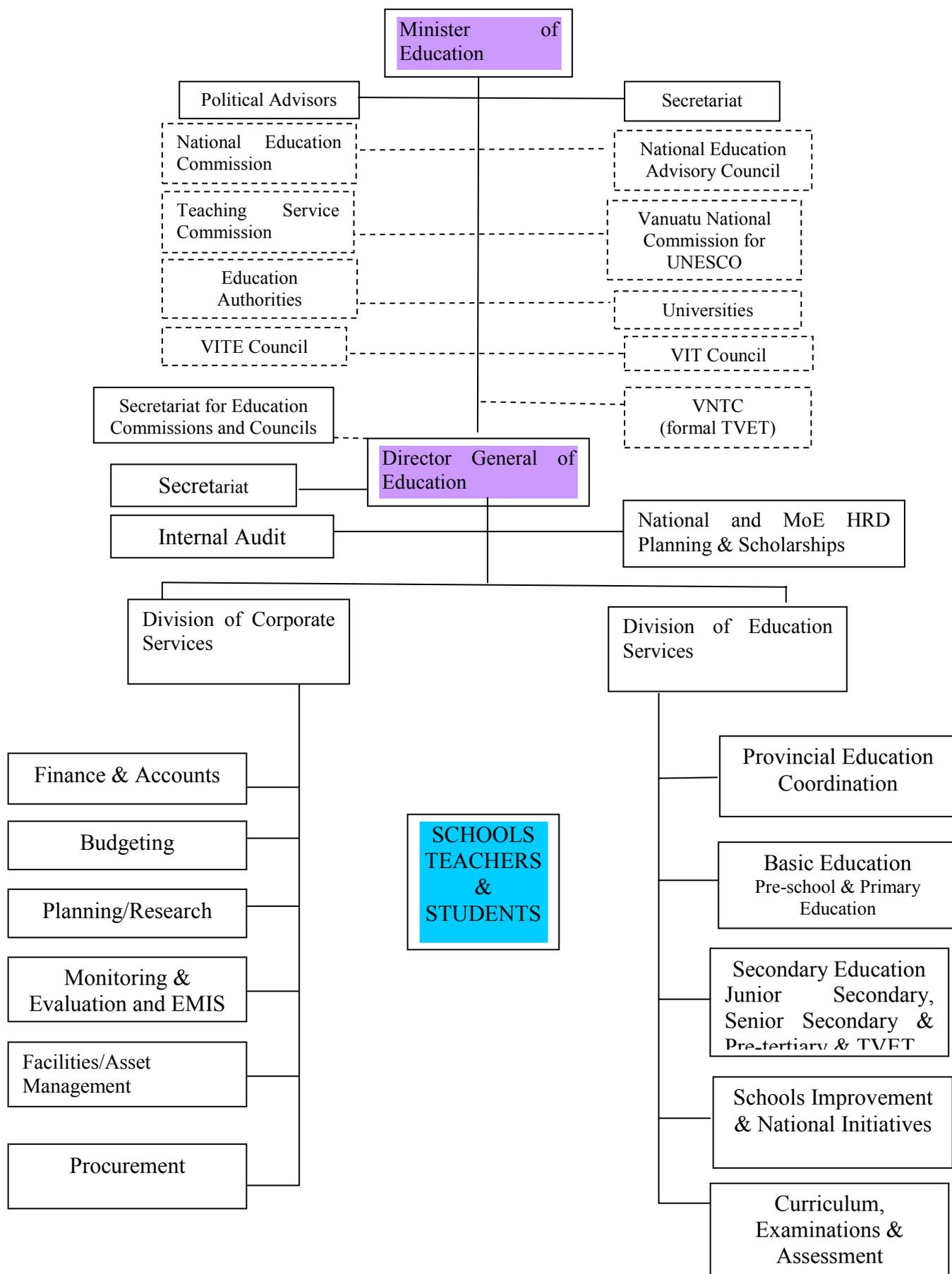
At this stage, I wish to thank the team of people who have worked tirelessly in realizing the changes that have taken place to date. First of all to yourselves as Ministers responsible, for not only rendering me your full support, but in particular for the level of wisdom expended in navigating the changes, culminating in the successes we have experienced to date. The political advisors made the most difference in working together as a strong team in terms of unconditional support that was rendered. The Directors, both Principals of VIT and Vanuatu Institute of Teacher Education (VITE) and the Secretary to the TSC, the PEO's and the general staff have all contributed in their very unique ways in realizing these positive changes.

Honorable Ministers, the two Ministries as you are fully aware, are still going through major changes and I strongly believe that those changes as they unfold, will be of significant benefit not only to the school children of Vanuatu but Also for the youth and adult population at large in the years to come.

Yours sincerely,

Daniel Lamoureux
Director General

Fig. 1 An Overview of the Revised Structure of Education



Vanuatu Education Sector Strategy 2007-2016

The primary purpose of the government's education policy is to create a system, which provides opportunities for knowledge and skills acquisition to enhance a harmonious and peaceful society and promote sustainable way of life. Improving access to and raising standards of education and training and grounding education in Ni-Vanuatu culture and belief

Over view of sector

The Education Sector comprises:

- Over 500 schools, 797 kindergartens, and several national institutions which, under the leadership of school committees and councils and the support of parent-teacher associations, deliver education services to over 65,000 students.
- The sub-sectors of early childhood education, primary education, secondary education, technical vocational education and training (TVET), distance education, and tertiary education.
- National services such as teacher training, curriculum, examinations, and the national scholarships office.
- National advisory groups such as the National Education Commission and the National Education Advisory Council.
- The Teaching Service Commission.
- Education Authorities, notably the churches which are registered to manage some schools.
- The Department of Education and six Provincial Education Offices and their Boards which provide overall leadership, management, monitoring and evaluation of the sector.

Vision for Vanuatu Education

Our vision is for a caring education system which provides every young person with the lifelong skills, values, and confidence to be self-reliant and to contribute to the development of Vanuatu, and which works in partnership with all stakeholders to provide well-managed schools.

The Republic of Vanuatu is proud of its unique identity and is committed to the development of good citizenship through the provision of a relevant, adaptable, quality driven and student centred education system, which takes into consideration the uniqueness of each child.

The Ministry of Education recognises that education is the shared responsibility of education authorities, communities and parents and will provide system, which is accommodating and inclusive and which will lead to self-development and self-realisation for the young people of Vanuatu. This entails the provision of well-trained teachers, adequate teaching materials and appropriate infrastructure to meet local educational and training needs.

Mission

Our mission is to provide student-centred education that is accessible, relevant, sustainable, responsive, and of good quality, to guarantee every young person:

- Pre-school and basic education to year 8, including literacy, numeracy, life skills, and livelihood skills, respect for our history and culture, and respect for human rights;
- Expanded opportunities for secondary, technical, tertiary and higher education;
- Support for parents and communities to participate in and manage their schools;
- A well-managed and accountable education system which focuses on building the human resources of Vanuatu, improving learning, living, and working opportunities, and enabling young people to contribute to the productive sectors in both rural and urban areas.

Student Outcomes at the End of Basic Education

All students who successfully complete Year 8 will be able to contribute to development within their family and community and be able to continue their education or return to education at a later date. They will have:

- Literacy
 - In vernacular, and
 - Be able to communicate in English and French
- Numeracy; and
- Life Skills
 - Traditional knowledge and skills
 - Health and nutrition
 - Basic self-confidence and discipline
 - Practical skills for sustainable development and rural living including food security
 - Enterprise skills for generating and managing money

Student Outcomes at the end of Secondary and TVET

All students who successfully complete Year 12 or higher will be able to gain employment in the formal economy or in public and community service, develop self-employment and income-generation opportunities, and/or continue on to higher education, through skills in

- Communication and fluency in vernacular, English and French
- Mathematics and science
- Enterprise and business skills
- Computers and information technology
- Self-confidence and self management and lifelong learning
- A good understanding of the world of work, career and course choices, and specific skills as identified in the National HRD Plan to contribute to the productive sectors

Student Outcomes at the End of Higher Education

Students, who successfully complete a diploma, a degree, or a post degree program, will be able to gain employment in the formal economy and public service. With experience and regular updating of their skills, they will be able to secure promotion, move into management and government positions, and develop new schemes and opportunities for economic and social development

Goals 2007 - 2016

1. Achieve universal primary education completion, strengthen literacy, languages, and numeracy, and develop a national pre-school curriculum and pre-school teacher training program
2. Continue to expand and improve affordable bi-lingual secondary, technical, and higher education which meet national and international standards.
3. Provide more relevant and accessible curriculum, materials and assessment systems
4. Provide qualified, productive and well-supported teachers for every school and strengthen the professional competence of teachers
5. Bring the education, management and facilities of every school up to a sustainable minimum standard, able to provide a safe and caring learning environment, and continuously improving its services
6. Strengthen the effectiveness, productivity, accountability, transparency, governance, and decentralization of the education system and build capacities for results-based management at all levels
7. Strengthen partnerships at national, provincial and local levels, and empower school communities

Cross-Cutting Issues

- Access and equity: targeted measures to address inequities in access and achievements, and a special focus on women, poverty alleviation, rural and remote areas, people with disabilities, and young people in urban settlements.
- Communication and involvement: an approach based on improving communication and participation across the sector.
- Sustainability and the Vanuatu way: respect for language, culture, history and indigenous knowledge. Local solutions for local problems through building self-reliance and aid effectiveness.

Values

- Students and schools first
- Transparency, fairness, equity, and respect
- Professionalism and accountability, focused on results
- Grounded in the best of Ni-Vanuatu culture and open to the knowledge of the world
- A team/ family approach

Ministry of Education and Youth Development and Training Major Services and Outputs

The Ministry of Education and Youth Development and Training has the overall responsibility for the development of Vanuatu's Formal and Non-formal Education and training systems. In order for the Ministries to achieve their goals outlined in the vision statements, they continue to ensure that;

1. The two sectors are governed by proper legislations, policies and are well instituted.
2. All eligible people in Vanuatu are access to the Education and training services
3. Necessary and sufficient teaching, learning and training materials are available in schools and in other institutions.
4. The learning materials are relevant to our social and economic situations and needs.
5. There is continued development and sustainability at all levels of the Ministries.
6. There is continuous assessment of teachers and students performances in schools
7. There is sufficient and committed manpower.
8. The budget allocated is managed accordingly.

Governing legislations, policies and strategies

Education shall be directed to the full development of the human personality and to the strengthening of respect for human rights and fundamental freedoms. It shall promote understanding, tolerance, and friendship amongst all nations, religious groups... for the maintenance of peace. Article 26 Universal Declaration of Human Rights

Sector Policies and Strategies

Vanuatu has placed a high priority on education. The sub-title of the new Priorities and Action Agenda (PAA) 2006 – 2010 is: An educated, healthy and wealthy Vanuatu. The national vision is:

By 2015 Vanuatu will have achieved a significant increase in real per capita incomes, along with a steady growth in levels of employment. Within the region, Vanuatu will be among the leading countries in achieving the Millennium Development Goals in education, health, environmental management, and other key social indicators. Public sector reforms will have raised standards of governance, levels of productivity in the civil service, and will have resulted in higher standards of service and managerial accountability. Through continuing structural reform, Vanuatu will have established an effective, enabling environment to sustain the private sector growth, which it aims to achieve in output and employment. (Draft PAA 2006 – 2010)

The VESS recognizes that the education sector must strike a balance between its roles in:

- Alleviating poverty and achieving universal primary education completion for all young people.

- Developing the human resources of the nation to enable young ni-Vanuatu to build sustainable self-reliant futures and to participate in the productive sectors in both rural and urban settings.
- Supporting and teaching history, culture and traditional knowledge.
- Opening up the door to the knowledge, new technologies, and opportunities of the world.

This balancing is the basis of the VESS. It is why the MoE must continue to work openly with all stakeholders.

The preparation of the VESS has highlighted the need for further policy work and amendment to legislation and regulations. The proposed policy objectives and indicators are listed below and will be the basis of policy and legislative work in 2007 - 2009.

EFA Assessment Report

The revised and updated version for the Education for All Assessment Report was published in 2004. The goals of EFA are now well integrated into the national education plan therefore monitoring and evaluation will be fully carried out from 2008 when the Education Management Information System is up and operational. Under the supervision of the EFA coordinator, the review focused on Education as a fundamental right for all children and that it is vital to achieving economic prosperity and social welfare. Education and youth development are an investment in the future of our country, and are the major contributing factors to economic prosperity (through providing a literate and skilled workforce) and social stability. It took into account the implementation of various documents such as the EFA action plan, Rethinking Vanuatu Education and the Priorities Action Agenda.

The National EFA mid decade assessment aims to identify problems, issues, policies and strategies of education reform to ensure that education will reach the un-reached groups and the goals of the EFA fully addressed by 2015. The theme of the assessment is therefore reaching the un-reached", focuses on quality and equality in access and participation in achieving each of the six goals of EFA.

This year the Education for All, workshop on the Mid Decade Assessment (MDA) in the Pacific was held in Port Vila on the 29th of June to the 3rd of July. The workshop was held for Pacific countries to initiate in-country preparation for and actual work on the MDA.

Administrative Policies

The two departments have been implementing a number of policies formulated since 2003 to ensure effectiveness and efficiency in their operations.

The Teacher posting criteria for both primary and secondary school teachers is based on the following teacher to student ratio. The approved prescribed numbers of teacher-student ratios are:

- 1:30 for a primary school (years 1-6);
- 1:25 for a community secondary school (years 7-8);
- 1:25 for a junior secondary and vocational schools (years 7-10);
- 1:25 for a junior secondary schools (years 7-10);

1:25 for a senior secondary schools (years 11-13/14);
1:25 for technical schools, (years 11- 12/13)

Other administrative policies for Primary education developed are; Maintenance Policy and Open Distant Learning Policy.

Distance Education is a section under the Division of Secondary Technical and Further Education (DSTFE) entrusted to establish distance mode of learning for the disadvantaged and to give second chance learning opportunities for those who are in very difficult circumstances to access basic and secondary education or to re-enter the formal system. This year the Distant Education finally produced its policy and a Plan of Action for Open and Distant Learning.

The Ministry is embarking on transition from 6 to 8 years of basic education where selected primary schools have become center schools introducing year 7 and subsequently year 8 in 2007. Subsequently secondary schools are phasing out year 7 and 8 which will see secondary education commencing from year 9 in 2008.

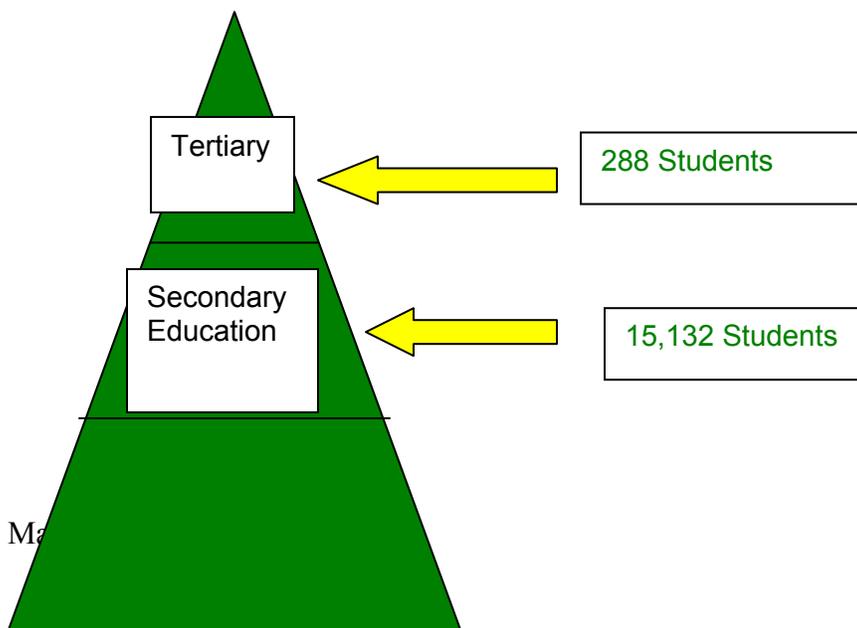
Education System Structure

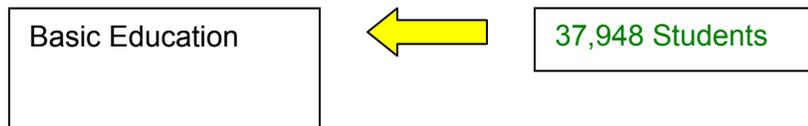
The Education system of Vanuatu comprises:

- Basic Education: includes Pre school years K1-K2 and Years 1 to 8
- Junior Secondary Education: Years 9 to 10
- Senior Secondary Education: Years 11 to 13/14
- Technical Education: Years 7 - 12
- Tertiary Education (USP etc)

The MOE will continue to review its structure to make best use of resources including those in the community, to reduce unnecessary bureaucracy, and to devolve responsibilities to the provinces.

Note that the 2007 primary school enrolment figure only accounts for the Basic Education in the diagram below. The tertiary figure accounts for those that are on scholarship only in the year 2007. The figure includes the new scholarship awardees and the continuing students.





Access to Basic Education

Although basic education covers the first two years of Pre School, it is still not recognized as part of the formal education. This was particularly because all the pre schools were run and owned by the communities and the activities differ from school to school depending on the availability of their resources. More work has been done to upgrade a lot of the pre schools in to model Pre School with some sort of set standards. Negotiations are also underway to give recognition to them in the coming years.

The Ministry with the coordination of the National Pre-school services has recorded a total of 647 which is a decrease by 197 Pre-schools compared to 844 in 2006. Most of these established Pre School are community own or individually based. Figures are known to be fluctuating depending on the support and needs. Further to this, enrolments are also known to vary between seasons of the year.

The issue of equity to access education is an indicator of ensuring equal opportunities for both male and female in education.

Pre school statistics:

- 11,349 child are enrol in the pre school
- 5,888 are male
- 5461 are female

Primary school statistics

- 37,948 children were enrolled in the primary school;
- 19,969 were male
- 17,979 were female

The issue of providing quality education to the children in schools is another major step that the Ministry of Education is working more closely with its stakeholders to address. The sole responsibility to ensure that teaching provided is of good quality. One of the main aims of the Ministry of education is to ensure that all teachers placed in the field are qualified. Moreover various steps have been taken to enhance teaching skills through various projects. For example, currently the ministry embarks on the PEIP (Primary Education Improvement Project) funded by PRIDE (Pacific Regional Initiative for the delivery of basic Education). The PEIP is the Ministry of education upgrade initiative that takes place in the islands.

The recorded number of Primary school teacher in total in 2006 stood at 1,322. Apparently there is no efficient available data to show the total number of primary

teacher trained and the qualifications they have acquired. However with the introduction of VEMIS, we hope to capture most of the details about teachers that are of importance to the quality of education provision. The student teacher ratio (STR) for the primary schools is 1:30.

Access to Secondary school

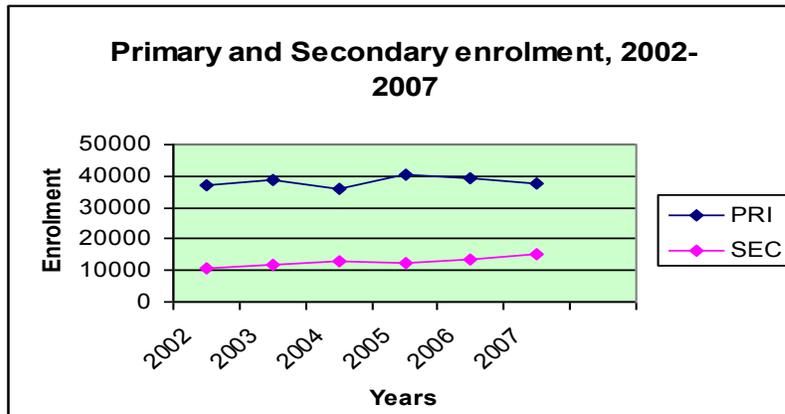
- 15,132 pupil were enrolled in the primary school;
- 7,609 were male
- 7,523 were female

Examination results

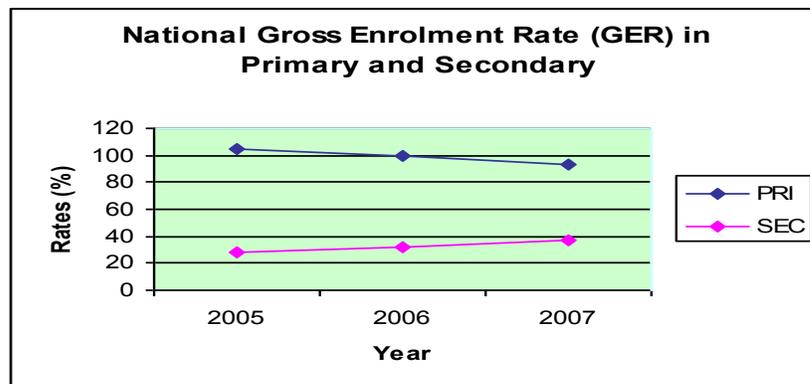
This year, the selection of year 6 children for years 7 were done at the provincial level therefore the data is not available to us.

The 2006 baseline data recorded a total of 762 secondary school teachers altogether this year. 73% of the total teachers were trained and 23% were untrained. 458 were permanent, 207 are temporary, and 58 volunteer and 39 were of unknown status. The student teacher ratio (STR) for the secondary is 1:14, based on 762 teachers and 10,958 students.

The graph below shows the enrolment trend for the primary and the secondary enrolment from 1991 to 2005.



The graph below shows the trend of the gross enrolment rate for both primary and secondary from year 2000-2005.



Source: MOE and Population projection figures from SPC.

Though we continue as indicated by the line graph (graph 1) to increase enrolment (i.e. 5% this year), the overall national school age population and total enrolments remains parallel implying that we continue to maintain intake due to the national population growth. In lower and the upper secondary levels of education we continue to enroll only 40 percent of those who completed year 6.

3. Higher education through the University of the South Pacific and specifically its centres and sub-centres in Vanuatu and through the Pacific region with the cooperation of the UNC and the AUF.

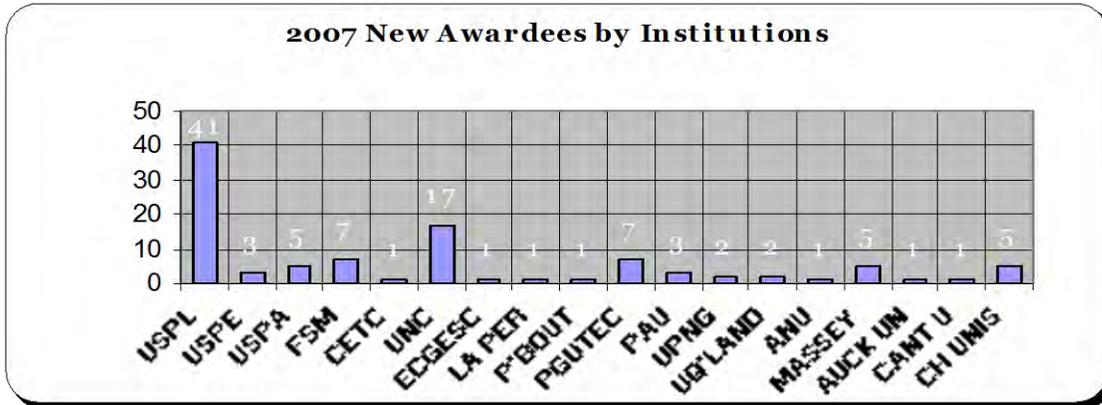
Training and Scholarships Coordination Unit (TSCU)

The function of the Training and Scholarship Coordination Unit (TSCU) is to coordinate and implement the tertiary training needs of the Vanuatu government, provided through scholarships.

The Vision that is kept as a target is striving for excellence in educating professionals for the development of Vanuatu. The unit ensures that the TSCU is committed to the provision of higher education through scholarships for appropriately qualified Ni Vanuatu in a manner that is accountable, transparent and equitable to all.

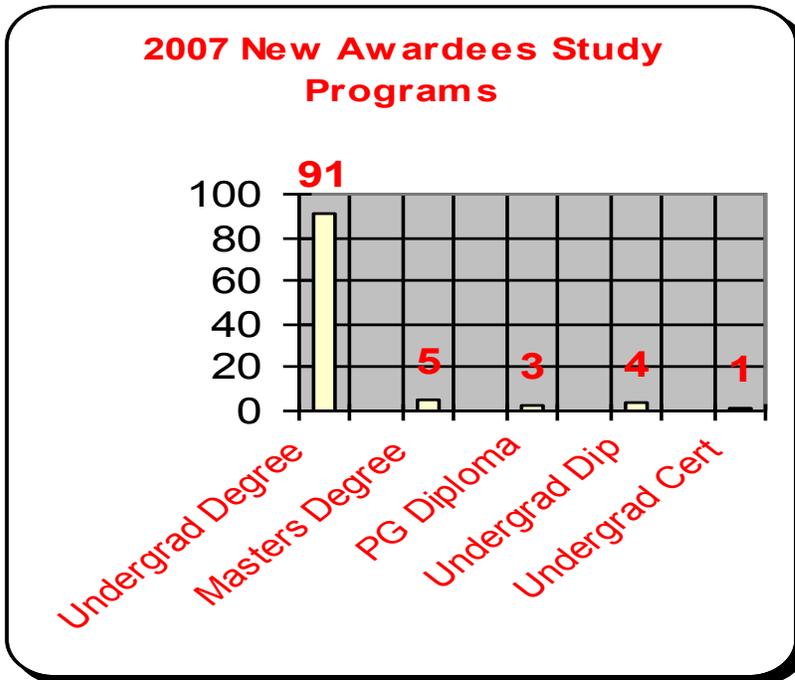
2007 NEW SCHOLARSHIP AWARDEES

The total number of new awardees in 2007 was 104. The majority of these new award holders study in various institutions within the Pacific regional countries of Fiji, New Caledonia, Papua New Guinea, Western Samoa and Vanuatu. A few of the new awardees, though, study in various universities in Australia, China and New Zealand.



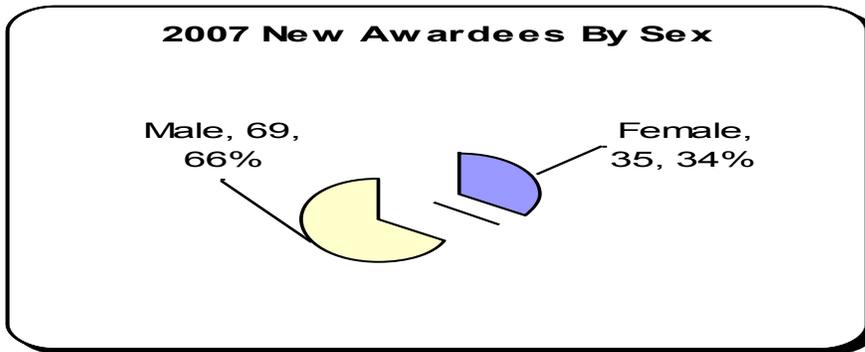
2007 New Awardees Program and Courses

The new awardees were engaged at different program of studies. The majority of them were undertaking the undergraduate programs of studies, mainly at the Bachelor's degree level, while a few were doing the lower level undergraduate programs, such as a certificate or a diploma. In addition, there were also a few of the students who were undertaking their various studies at the higher or post-graduate level programs.



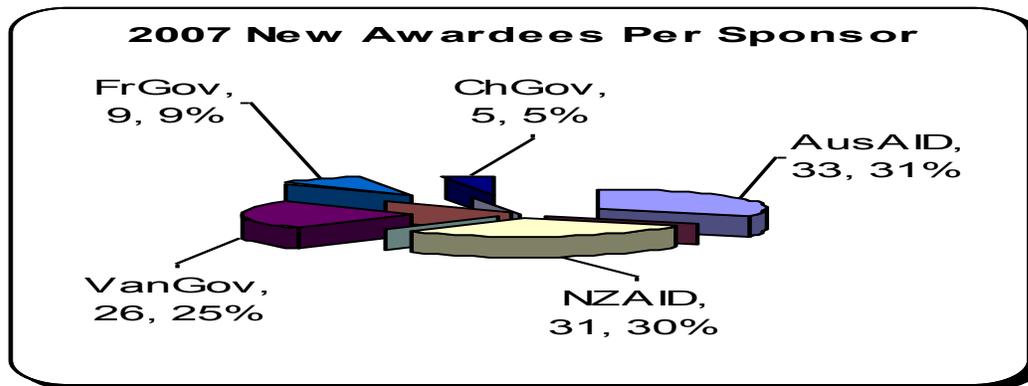
2007 New Awardees by Sex

In 2007, there were 69 male students and 35 female counterparts. This difference in number between the male and female reflected in part, the applications that were received from the two categories. There were more males who applied in 2006 than the females. It reflected as well, the quality of applications that were received. There were more qualified males than the female applicants in 2006.

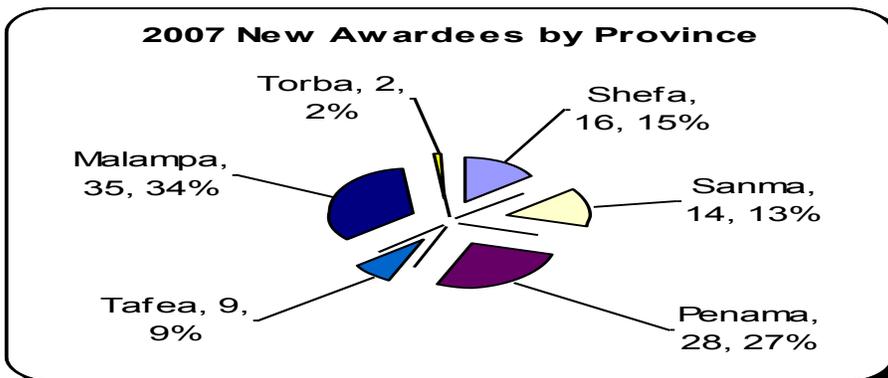


2007 New Awardees by Sponsors

The major sponsors of the new awardees in 2007 were, as usual, the AusAID, the NZAID, the VGFS, the French Government and the Chinese Government.



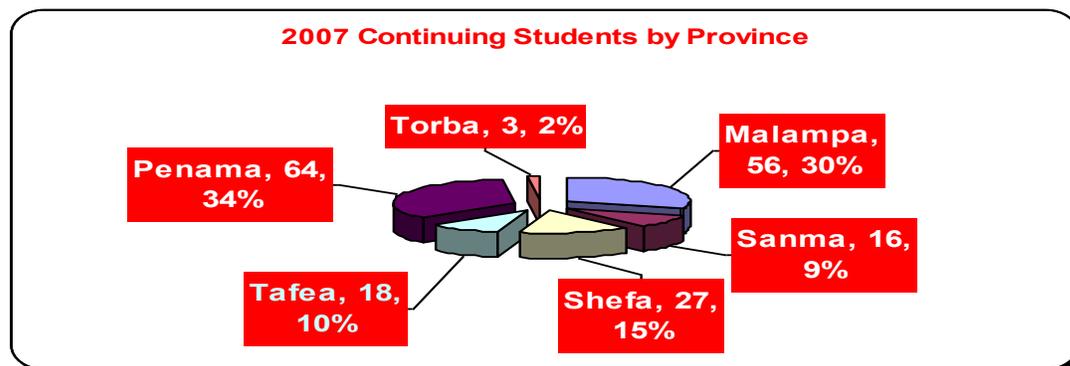
Scholarship awardees by Province, 2007.



Grouping them by province show how each province of Vanuatu is contributing to the scholarship program and towards tertiary education of the country. Everyone is reminded that provincial distribution of awardees is not based on any political, social or economic ground of each province, but on the academic merit of each applicant.

2007 ONGOING SCHOLARSHIP STUDENTS

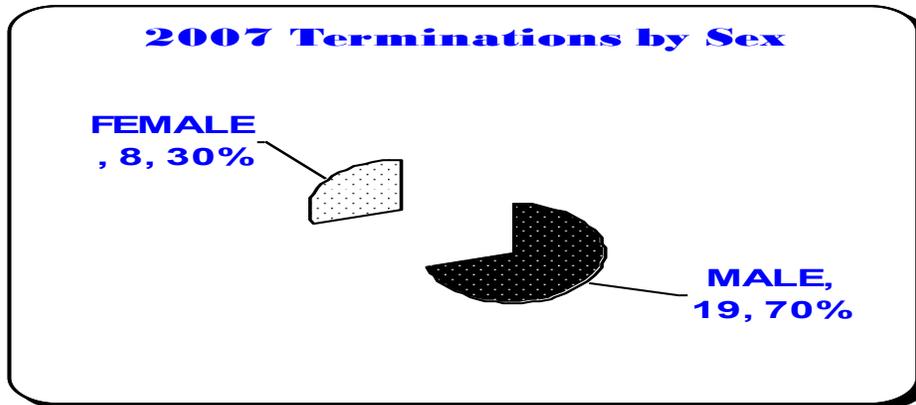
The number of continuing students on scholarship in 2007 was a total of 184. These continuing awardees were attending various institutions in the Pacific with a fewer number in the other countries outside the Pacific region.



By the end of the year, there were quite a number of scholarship award variations which included, 55 students who graduated from their studies, 1 upgrading of award, 1 deferral of award, 12 incomplete program of studies, 6 suspension of awards, 23 extension of awards and there were also 27 terminations of awards.

Terminations

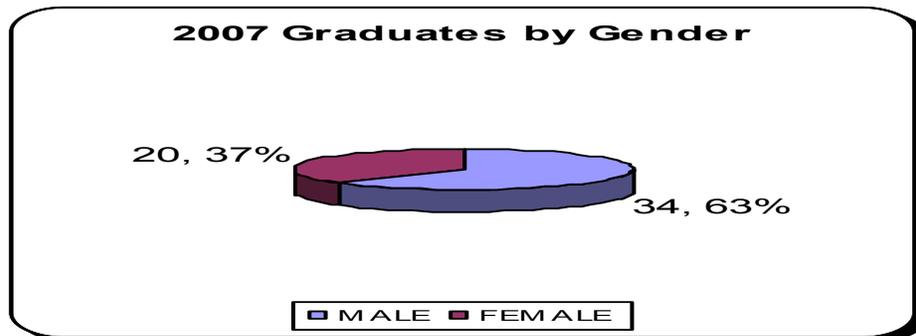
The 2007 terminations in terms of number from each institution of study revealed that the UNC had 12 students whose awards were terminated, followed by USP with 10 students and the FSM and the FIT had 3 and 2 award terminations respectively. All terminations were based on poor academic performances of the students, which have resulted in the respective students not meeting the award continuation criteria.



GRADUATES OF 2007

Despite the fact that, at the end of each academic year, there are students whose awards would be suspended, deferred or even some whose awards will have been expired without completing study programs, in addition to those whose awards would be terminated there are always many students who would be successful at the end of the year and therefore, would graduate from their study programs. In 2007, there were 54 of such graduates.

These graduates as separated by gender show that there were 20 females and 34 male counterparts. Dividing the graduates by sponsor shows that there were 7 who were funded by the French Government, 5 by the Vanuatu Government, 18 by the AusAID and 24 by the NZAID.



Vanuatu Institute of Teacher Education (VITE) Statistics

This year VITE (Vanuatu Institute of Teacher Education) recorded a total enrolment of 130 primary and secondary trainee teacher altogether. The total primary trainee teacher is 81 and 49 for secondary.

For primary cycle, there are 56 Anglophone and 25 Francophone teacher trainees altogether. In the secondary cycle, there are 28 Anglophone and 21 francophone. Given efforts to improve access to education opportunities, the Ministry is also aware and monitoring the effective use of facilities available through continuous collection and analysis of school data compiled by the DPPS.

The trainee teachers of the primary comprises of 48 males and 33 females. The secondary constitute of 30 males and 19 females. For the Anglophone primary cycle, there are 38 males and 18 females. On the other hand the Francophone primary cycle constitute of 10 males and 15 female trainees. In the secondary cycle, there are a total of 16 male and 12 female Anglophone trainees and 14 male and 7 female Francophone trainees.

Teacher Trainee	Primary			Secondary		
	Male	Female	Totals	Male	Female	Totals
Anglophone	38	18	56	16	12	28
Francophone	10	15	25	14	7	21
Total	48	33	81	30	19	49

In 2005, the Vanuatu institute of teacher education did not recruit any teacher trainee, therefore leaving us with no report on the number of graduated trainees this year.

4. Technical Vocational Education and Training (TVET) providing a second chance for basic education to school drop-outs through the Vanuatu Community Certificate, and Year 11 and 12 alternatives through the Vocational Foundation Certificate, and higher level certificates and diplomas to meet the needs of the formal economy and as an alternative pathway to higher education.

Vision for Technical Vocational Education and Training (TVET)

A demand driven, coordinated, cooperative, and continually improving TVET system

A TVET system provides lifelong and practical opportunities to develop skills and values for self-reliance and to participate in the building of the economy and a productive and well-governed nation.

The goal of TVET is to contribute to Vanuatu's economic and social development and the alleviation of poverty, increasing skills development opportunities relevant to national, provincial and community needs.

The purpose of TVET is to strengthen and extend provision of skills development and training, targeting support to the MoE, MYD&T, VNTC, VIT and selected providers in Port Vila in the provinces within strengthen quality assurance measures at system and provider level.

Goals of the TVET system

1. Strong and effective policy, coordination, recognition, and support for the Vanuatu's TVET system
2. Expanded range of practical, high quality and relevant competency-based TVET courses to meet the development needs for the formal, informal and non-formal economies, and to promote self-employment and self-reliance.
3. Expansion and strengthening of TVET training in the rural areas and to meet Provincial development needs.

4. A strong Vanuatu Institute of Technology and other formal TVET providers, with a long term vision of a single, sustainable, multi purpose, multi-campus national institute
5. Strong, community responsive, non-formal TVET groups providing various learning opportunities and services for empowerment, community development, and improvement of quality of life
6. An accessible and equitable TVET system
7. Sustainable funding for the TVET system, both formal and non-formal

The TVET strengthening sector has done a lot to improve and enhance the skills of the various sub-sector of the education in Vanuatu. Not only for those in the formal economy but also for those in the provinces, communities and other partnership organizations that work more closely in educating people. One of the major activities of the year is on training of the trainers. That is delivering expert exercise and trainings to individuals and groups to enhance their work performances in various working places. Although most training of trainers participants are from the RTCs (Rural Training Centres) and the formal sector, there is also a growing number from the communities and the other organizations like the youth challenge and world vision. This two are examples of organizations that work very closely with youths in rural areas.

TVET also provides trainings to public servants in order to enhance their work place performances. This year, a group of senior education officers undertook the front line management training program to improve their work place performances at their various working places.

Management

Provision of teaching and learning materials

This year, the pre school coordinators throughout the country have run several awareness programs on the importance of ECE. Bridging program is another new initiative taken by the MoE to close the gap between Preschools and Class 1s so there is a smooth transition for the children at the end of 2 years in the preschool.

The Ministry ensures that sufficient quantitative and relevant teaching and learning materials is in place through continuous development, editing, illustration, production and distribution of textbooks by the Curriculum Development Unit (CDU) – a section under the Vanuatu Institute of Education (VIOE). A number of books have been produced this year, which some are ready for approval by the National Education Commission. The Curriculum Development Unit prepared new curriculum materials for the Year 7 and 8 Basic Education. For each subject to be taught, there are a panel of teachers who are in charge of writing the new materials. For some subjects the syllabus are the same as the existing Year 7, however for others there are some slight changes. A monitoring committee has been set up to check through the content and the form of the syllabuses. They made recommendation to the Basic Education steering Committee. The BESEC has then presented the overall Year 7 syllabus to National Education Commission for approval for use in schools in 2006.

The Secondary schools in particular continue to order their books overseas, as it is cheaper. We continue to encourage use of private printing houses due to printing capacity problems with the CDU printers.

Quality and relevance of education

The Ministry of Education continues to work towards an education system envisioned by our vision statement. We fully support the ideas of Millennium Development Goals, "Education for All" and "*Re-thinking Vanuatu Education*" initiative as the first major step to review the whole education system in terms of our cultural values, social and economic practices and the capacity of the department. The 7th National EFA Coordinators' Meeting/Mid-Decade and Assessment Planning Meeting this year, in Apia, Samoa, addresses a further development of the "Inclusive Education" as a strategy for reaching EFA. Its emphasis is about reforming education systems but more importantly it is about promoting the RIGHTS of all children to education.

In the meantime a Quality Assurance Manual Committee comprising VIOE and DPPS officers was set up to develop a manual for primary and secondary schools and it has drafted the manual with the assistance from the UNESCO/DFID Education For All project in Vanuatu. This document was published and used this year. The review and updating of text books used in classrooms is our continuous effort to improve quality and as mentioned earlier, CDU has done a lot of work on it this year.

Other major measures to improve quality and performance include workshops, conferences and trainings for teachers and administrative officers.

Development and sustainability of Education, Youth Development and Training services

The Director General's office has the overall responsibility for effective implementation of the Government's education and training policies. The Director General supervises the seven Directors with the office of the National Commission for UNESCO (refer to the organisational chart). Currently all Directors position are on the acting basis, as the department is currently under the restructure. The Ministry is working towards coming up with the new structure that will bring together some of the existing divisions to work closely. To date, each division's Acting director is entrusted to ensure effective and efficient management of resources there in. Generally, the major activities include budgeting and management of facilities, equipment and human resource, policy formulation, coordination and monitoring of activities in the central office, provinces and also in the schools.

Development and sustainability of the sectors to a large extent is a collective effort of the government, the aid donors and other stakeholders. Assistance to education physical and technical developments has been from donor agencies (refer to development projects), communities and institutions. This year there has been a wider consultation with the government and non-government organizations as VRDTCA, which is the umbrella body for RTC's (Rural Training Centers), World Vision, VANGO, the Vanuatu Cultural Centre, and aid donors to name a view in development of the TVET Master Plan. The education partners are very well represented in the Education For All (EFA) forum and meetings.

At the end of every year, a Senior Education Officers Conference is held to discuss major and specific issues to be implemented the following year. However this year the SEO conference was not held, simply because the Ministry and its entire staff are

focused on carrying out the SWAp processes which begins with the provincial consultations.

There is continuous monitoring through field visits, conferences, collection and analysis of data on various education needs that includes special, distance, technical, vocational and the conventional education. Last year a more genuine survey form was designed for this years use to collect statistical data in all schools. The design survey form covers all the areas that the Ministry collects yearly data on.

The Division of Policy and Planning Services has been working in collaboration with other divisions to develop workable matrices of various documents developed under the Ministry of Education. The focus is to bring a limit to development of different planning documents and policies which should assist the Ministry derive a more realistic document.

Vanuatu Education Management Information System

Towards this end of this year (2006) a team of technical personnel arrived and set up with the DPPS. The team helped specifically in setting up a data management information system previously known as EMIS (Education Management Information System). This system has the advantages of using standard Microsoft and Excel software and has been developed specifically for use in Pacific island countries. To date, the same system is used in the neighbouring Solomon Islands and Kiribati. The team are currently working closely with the IT staffs and the policy and planning staffs to ensure the system hardware are installed properly and proper and efficient school statistics data are incorporated into the system. The system is formally known now as the Vanuatu Education Management Information System (VEMIS). VEMIS is a data base which can hold vast quantities of information and can store all Education data in one place and can be accessible to everyone.

The current thinking of the Ministry about data is to streamline the data collecting processes to have an accurate and timely data that can be used for policy development, planning and decision making. The data will also be used to inform the Vanuatu Education Sector Strategy (VESS) towards the achievement of the VESS goals and the feedback of the implemented programs. The first phase of the project ends this year. The initial second phase of the VEMIS project will begin later on in 2008 or early 2009.

There is in place a Human Resource Information System used by the Personnel Section of the Department of Education. DAF has conducted a review on teacher housing allowances to ensure housing allowances paid to teachers renting private houses are justified. The Division has also engaged itself on the review of the current organizational structure as a cost saving measure and also to ensure it is inline with the Education Act.

The work of the National Sports Council continues to be under the Division of Youth and Sports. It continues to supervise maintenance works of sporting grounds, buildings and facilities, which have been contracted to two separate local companies and Management of sporting facilities through collection of fees.

Assessment of Teachers and students

There are two major mechanisms in place for measurement of students and teachers performances; the Examination and Assessment Unit (EAU) coordinates national

examinations in years 6,8,10,12,13/14 and the Inspectorate Services is in charge of schools developments and teachers performances.

This year the EAU uses a new method of student selection and student summary results is shown in table 5. There are comments that the new selection method needs further review.

The Inspectors have visited fewer schools this year and production of teacher and school's reports were carried out effectively. Apart from these the inspectors have involved themselves in specific projects such as researching into reading for francophone students, under the "Au Bord du Lagon" (ABL) Scheme; conducting feasibility study on book flood and its teacher training in French primary and secondary schools; conducting awareness on Basic Education Reform; assisting in developing VANSTA Test; and assisting in training of tutors for In-service training program that involves Zone Curriculum Advisors (ZCA's) and the Provincial Education Officers (PEOs).

Human Resources, Training and Development

The Ministry of Education manages the Teaching Service Commission (TSC) employees (public servants and teachers respectively). The employees and their working status are outlined in the tables below.

Teachers by Language of Instruction

Province	Primary			Secondary		
	Anglophone	Francophone	Total	Anglophone	Francophone	Total
Torba	120	64	184	6	0	6
Sanma	242	144	386	70	62	132
Malampa	180	144	324	44	50	94
Penama	216	82	298	91	18	109
Shefa	324	124	448	175	108	283
Tafea	189	118	307	40	35	75
Total	1271	676	1947	426	273	699

Teachers by Level of teaching qualification

Province	Primary Education			Secondary Education		
	Trained VITE	Untrained	Total	Trained VITE	Untrained	Total
Torba	65	119	184	6	0	6
Sanma	261	125	386	94	38	132
Malampa	240	84	324	75	19	94
Penama	197	101	298	74	35	109
Shefa	344	104	448	160	123	283
Tafea	192	115	307	59	16	75
Total	1299	648	1947	468	231	699

Department of Education Administrative staff

Administrative Unit	Authorised	Appointed	Temporary Appointees	Vacant	Total	Male	Female	Total	English	French	Total	% Female	% French
Director General	4	3	1	0	8	1	3	4	3	1	4	75.0	25.0
Policy and Planning	12	8	3	1	24	9	2	11	9	2	11	18.2	18.2
Administrative Services	23	14	7	2	46	16	5	21	16	5	21	23.8	23.8
Secondary and Further Education	12	2	0	10	24	2	0	2	2	0	2	0.0	0.0
Torba Education	6	3	0	3	12	2	1	3	2	1	3	33.3	33.3
Sanma Education	9	3	3	3	18	3	3	6	3	3	6	50.0	50.0
Penama Education	10	6	1	3	20	6	1	7	6	1	7	14.3	14.3
Malampa Education	10	4	2	4	20	5	1	6	3	3	6	16.7	50.0
Shefa Education	10	7	0	3	20	6	1	7	5	2	7	14.3	28.6
Tafea Education	10	7	0	3	20	5	2	7	4	3	7	28.6	42.9
Youth and Sport	20	10	5	5	40	11	3	14	11	3	14	21.4	21.4
Teaching Service Commission	4	3	0	1	8	1	2	3	1	2	3	66.7	66.7
Scholarship Office	8	6	2	0	16	3	5	8	4	4	8	62.5	50.0
Curriculum Development Office	19	12	4	3	38	8	8	16	11	5	16	50.0	31.3
Examinations Unit	7	4	2	1	14	3	3	6	3	3	6	50.0	50.0
Early Child, Primary and Special Education,	5	4	1	0	10	4	2	6	3	3	6	33.3	50.0
Total	169	96	31	42	338	85	42	127	86	41	127	33.1	32.3

Major and important day-to-day duties of the Ministries include; preparation of payroll, processing of allowances provided for under the commissions' manuals, addressing general complaints and queries, leave entitlements, and staff recruitment.

The VITE is engaged in pre-service certificate training of primary and diploma training program for secondary school teachers. There are also secondary and primary school teachers who also graduate from studies in universities and other institutions abroad. As a result of the Basic Education reform the first in-service training for Year 7 and 8 teachers commence in December 2005 and will continue until 2007.

Human resource constraints

As the Ministry continues to recruit more teachers and administrative staff, they also continue to face staff turnover when employees find more attractive jobs elsewhere. There are 42 employees currently working on contract or temporary basis in the department and its offices, which includes all the directors of the department and 1 Provincial Education officer. The Ministry is continuing to sort out the working status of these officers.

Development Projects

The Project Management and Implementation Section under the Division of Policy and Planning Services in the Department of Education main work is to supervise on behalf of the Government the planning and preparation of future and ongoing projects and programs.

In 2007, the Ministry of Education reduced submissions of project proposals under the traditional project approach as it embarked on developing an adhoc funding for 2008 in transition to a full sector funding later.

The only education project proposals submitted are for Non Government Organisations and education institutions governed under separate Acts.

Below is a summary of the 2007 education sector project submission.

1. Good Governance, Education, Advocacy & Training Project
2. Vanuatu Maritime College – Marine Propulsion Simulator
3. Vanuatu Maritime College – Ship Handling, Watching & Navigating Simulator
4. Project 4: Vanuatu Maritime College – Student, Learning, Resource and Administration Center
5. The project for the Improvement of Training Facility for the Automotive Mechanic Course at the Vanuatu Institute of Technology

The major projects completed in 2007 are outlined in the table below.

PROJECT	DONOR	VALUE (VUV)
Vanuatu Tourism & Training Project	EU	354,542,000
Construction of Six Double Classrooms at Kamewa French, Kamewa English, Sarakata, St Therese, Luganville East and Santo East primary schools in Luganville, Santo Furnishing of a double classroom at Sarakata SDA Primary School	Japan	61,615,502
Vanuatu Education Assistance Program-NZAID/ Vanuatu EAP	New Zealand	126,475,097

Statutory Bodies

Teaching Service Commission

The Teaching Services Commission is the employer of all government pay teachers in the country. The commission has members who serve for 4 years and a Disciplinary Board that looks after the welfare of the teachers. The Commission met several times this year to approve termination of 5 teachers, retirement of 15 teachers, 3 teachers' resignation, 4 teachers' dismissal and 3 teachers' death in service. It has also approved and made submission to the Ministry for 80 Primary teachers, 113 secondary teachers and 25 appointments on local contracts to teach in 2006. The commission has also approved the re-grading of 16 teachers due to achievement to higher qualifications and

ensures payment of 7 teacher's increments and 47 teachers have been confirmed permanent.

The Teaching Service Commission (TSC), which is governed by the Teaching Service Act, employs the teachers. The Public Service Commission (PSC) that is governed by the Public Service Act employs the Public Servants. Teacher's grievances are taken care of by the Teaching Service Staff Manual. The public servants work and grievances procedures are outlined in the Public Service Staff Manual.

Other statutory authorities that report to the Ministry of Education are;

- Vanuatu Institute of Technology
- National Education Advisory Council
- National Education Commission
- Provincial Education Boards
- Vanuatu National Training Council
- National Sports Council
- National Youth Council

Non Statutory Bodies

National Commission for UNESCO

Activity	Performance Measurement	Remarks
Administration	<ul style="list-style-type: none"> · Co-ordinates relevant UNESCO Programmes/activities · Ensure full participation and benefits on all UNESCO programmes · Facilitate travel arrangement for UNESCO meetings and consultations • Strengthening Operational Capacity of the Vanuatu National Commission for UNESCO Project 	The Executive Officer, Education Bodies Post that looks after UNESCO matters is currently Vacant
Education	<ul style="list-style-type: none"> • Pre-school Improvement Project funded under the UNESCO PP • Vernacular Education Project, MoE • Special Training Needs Malampa, Province 	Activities under education are coordinated directly by the Vanuatu National Commission for UNESCO and the Ministry of education.

Culture	<ul style="list-style-type: none"> Malvatumauri Information Systems Project under the Participation Programme 	<p>Through the Vanuatu National Commission for UNESCO, the Vanuatu Cultural Centre Deals directly with UNESCO's Cultural Activities.</p> <p>But for the project mentioned, Malfatumauri is responsible for its execution.</p>
Communication	<ul style="list-style-type: none"> VBTC News Rooms Computer system upgrade Tugeta Yumi Toktok: A community Resource and Information Network 	<p>The two projects are implemented directly by VBTC and VANGO</p>

Vanuatu Maritime College

Vanuatu maritime college is the other non statutory body that reports to the Ministry of Education. The college runs high quality maritime training courses and helps to prepare potential seafarers and fishers for both domestic and international trades. The college relies heavily on many organizations for support in its operation, particularly:

- The government of Vanuatu
- The European Union
- The High Commission of New Zealand, Port Vila
- The High Commission of Australia, Port Vila and
- The British High Commission, Suva

There are a total of 437 trainee participants altogether that have attended the college various training programs in 2006 compared to 665 for the previous year. The table below shows the number of trainee participants in the various training programs run by the maritime college.

Training programs offered for the Domestic Shipping Industry

Courses	No of Trainees
Safety Certificate	85
Safety Revalidation	10
Preparatory Skills	32
Pre-Sea Rating	20
Master <20 Gross Tones	21
Master <20 Gross Tones	1
Engineer <75 Kilowatts	12
Engineer <300 kilowatts	3
Restricted Radio Operator	25

Training programs for Rural Fishing Sector

Courses	No of Trainees
Fishing Operations	108
Small Vessel Operation	99

Other trainings

Courses	No of Trainees
Training for port & security officer	4
Fire-Fighting for tourism operators	15
First aid proficiency in survival craft and occupational health and safety	1
Total	436

1999 - 2006 maritime college course participant numbers.

Maritime Participant Trend 1999-2006								
Year	1999	2000	2001	2002	2003	2004	2005	2006
Total Participants	99	485	796	580	728	615	665	436

College resources

At the end of 2006 the college fulltime establishment was:

Chief Executive Officer	Senior Nautical Instructor	Senior Engineering Instructor
Office Manager	4 x Nautical Instructors	1 x engineering Instructor
Accounts Officer	2 x Fishing Instructors	Fitter / Mechanic
2 x Administration Assistants	Drill Instructor	Senior Catering Instructor
2 x handymen		Cook

College income summary

2006 Budget	Actual Income	Difference
65,290,088	78,826,190	13,536,102

College Expenditure Summary

2006 Budget	Actual Expenditure	Difference
65,290,088	79,525,626	14,235,538

Budget management

Department of Administration and Finance (DAF) ensures that there is proper management of the allocated 21.65 % of government budget (refer to table 6). There has been auditing of 10 secondary schools funds and one primary school. The Division is fully access to the financial system "*Smart stream*" and ensures timely payment of bills and the production of monthly financial reports to the Directors. There has been significant reduction in outstanding bills this year as there is strengthened and improved management of invoices.

The Division has also processed VAT and Duty Exemption Certificates for 20 schools that are doing bulk order from overseas and assist in processing clearance formalities.

Budget

The Finance Unit within the Ministry of Education ensures that there is proper management of the allocated 25.66 % of government budget. The Unit has access to the government finance system "*Smart stream*" and ensures timely payment of bills to suppliers and reports to other sectors or non-government organizations in terms of financial reports. There has been significant reduction in outstanding bills this year as there is strengthened and improved management of invoices.

The Ministry is working towards providing heads of schools with training in financial management & administration to ensure that they become capable of being responsible for the day-to-day operations of schools. This training will be done with the assistance of the provincial education officers.

Education Finance

In 2007, the Ministry of Education (MOE) was allocated an annual budget of 3.201 billion vatu, which was approximately 25.66% of the total government recurrent budget. Due to the implementation of the GRT, the Ministry paid out arrears of housing allowances to teachers which exceeded 50 million vatu, at the end of the year. Thus, by the end of 2007, the Ministry had exceeded its annual budget by 34,149,700 vatu.

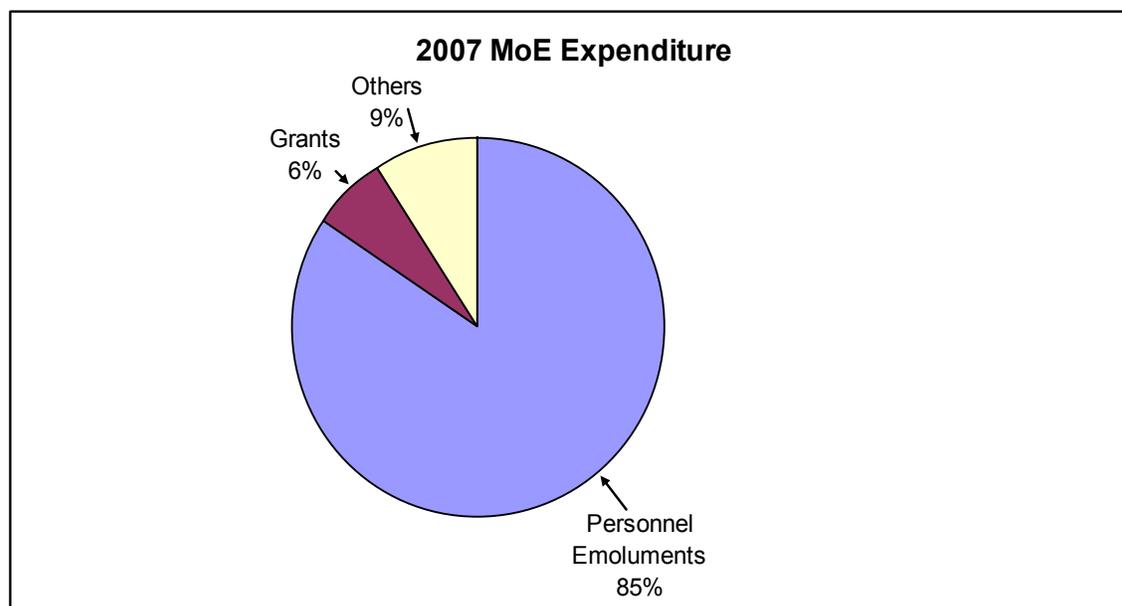
The Ministry of Education comprises of various divisions. The following table shows budget allocations and its actual expenditure that have been incurred by the Ministry, by the respective divisions in 2007:

Activity	Details	Actual Expenditure	Annual Budget	Variance
MEAA	Cabinet Support	28,800,210	27,268,555	(1,531,655)
MEBA	Office of the Director General	9,352,143	9,862,134	509,991
MEBB	Office of the Director of Corporate Services	64,964,746	70,079,526	5,114,780
MEBC	Administration and Finance	59,475,880	61,972,634	2,496,754
MEBD	Policy and Planning	25,156,169	25,713,858	557,689
MECA	School Support Services Administration	129,454,033	136,596,176	7,142,143
MECB	Secondary Schools	1,132,159,327	1,118,677,200	(13,482,127)
MECC	Primary Schools	1,587,071,271	1,547,283,835	(39,787,436)
MECD	Post Secondary Schools	119,234,945	120,822,354	1,587,409
MYBA	Youth Development and Training Administration	37,725,934	39,501,676	1,775,742
MYBB	Contribution to Training and Development Bodies	24,387,193	25,053,652	666,459
MYCA	Vocational and Continuing Education	17,730,387	18,530,938	800,551
	Total MoE	3,235,512,238	3,201,362,538	(34,149,700)

Extract from Smartstream

The Ministry has the central role in overseeing the effective and efficient financing of the education system, and ensures that the public funds allocated to the MOE are properly utilized. The MOE budget covers all levels of education: Basic Education (pre-school to year six), Secondary (year seven to year fourteen), Technical & Vocational, and Tertiary Education.

The MOE spent approximately 84.51 % on personnel emoluments in 2007. Of the remaining funds 6.36 % was spent on government grants to government and government-assisted educational institutions, and the remaining 9.13 % was spent on the MOE operating expenses for 2007, as can be depicted in the following pie chart:



Due to the country's financial constraints, the Budget section in the Ministry of Finance & Economic Management is forced to limit the rate at which ministries use their approved budget. This is done through the release of monthly warrants, which are prioritized according to the area of expenditure.

All government and government-assisted schools are paid termly grants, through their respective Provincial Education Boards or Education Authority. No grants are paid to private schools which operate in the country. The total grant paid to educational institutions in 2007 was 205,742,556 vatu, which comprised 6.36% of the total Ministry budget.

Government-assisted education authorities (GAEA) schools are paid an annual grant as well as having their teachers' personnel emoluments paid for by the Ministry of Education.

The following table shows the allocation of grants and payroll to GAEA schools:

	2007 Authorities	Total Grant	Payroll		Total Allocation to Education Authorities
			Primary	Secondary	
		(in vatu)			
1	Church of Melanesia (St Patrick College)	2,129,352	-	28,670,075	30,799,427
2	Presbyterian Mission (Onesua Pres College)	2,150,160	-	35,341,323	37,491,483
3	Church of Christ (Ranwadi High School & Londua Technical College)	2,261,136	-	21,967,518	24,228,654
4	Protestant Mission	2,293,516	46,505,220	35,649,121	84,447,857
5	Catholic Mission	12,461,153	253,013,016	104,911,902	370,386,071
6	Apostolic Mission (Navuturiki College)	1,880,886	3,207,908	17,698,192	22,786,986
7	Neil Thomas Ministry	2,000,000	-	-	2,000,000
8	Seventh Day Adventist Mission	10,000,000	6,993,294	18,881,345	35,874,639
9	Heads of Education Authorities	-	2,220,489	-	2,220,489
	Total Grant to Educational Authorities	35,176,203	311,939,927	263,119,476	610,235,606

It must be noted that to further develop government institutions, grants to government-assisted (GAEA) schools must gradually be decreased.

On another note, government contributions to the University of the South Pacific and the South Pacific Board for Educational Assessment have been transferred from the MOE budget to the Ministry of Finance budget in 2005. Funds allocated are 100 million vatu and 3 million vatu respectively. The following shows the MOE financial statements for the 2007 financial year.

1. Statement of Financial Position (for the Vanuatu Government)

Government of Vanuatu
ALL FUNDS STATEMENT OF FINANCIAL POSITION
ALL FUNDS

For the Twelve Months Ending Monday December 31 2007

CURRENT ASSETS				
CASH AND CASH EQUIVALENTS				
CASH IN BANK				
Reserve Bank Accounts				
11 01	<u>Number One Account (Number 01-111130-01)</u>	170,894,975		
11 02	<u>Number 2 Account (Number 01-111130-02)</u>	-8,915,077		
11 03	<u>Santo Account (Number 01-111130-03)</u>	100,592,960		
11 05	<u>General Expenditure - No 5 Account</u>	-31,783,058		
11 06	<u>Value Added Tax</u>	172,151,110		
11 07	<u>Trust Fund - Arandra Gosh</u>	51,000		
11 16	<u>Bond Redememtion Account (Number 01-111139-16)</u>	545,300,889		
11 17	<u>Development Fund Account (Number 01-111130-17)</u>	932,862,502		
11 22	<u>Number 2 Account (New Changes)</u>	-207,259,325		
	<u>Total for Reserve Bank Accounts</u>		1,673,895,976	
	Bank of Hawaii Accounts			
11	<u>BHV Santo Account</u>	500,000		

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41				
11 44	BHV Telecom Development Fund	1,063,574		
	<u>Total for Bank of Hawaii Accounts</u>		1,563,574	
	ANZ Bank Accounts			
11 53	ANZ Visa A/C	666,971		
	<u>Total for ANZ Bank Accounts</u>		666,971	
	National Bank of Vanuatu Accounts			
11 61	NBV Foreign Currency Account	7,041,057		
11 62	Company Liquidations Account	-66,357,362		
11 64	Vat-Island Receipts	3,090,706		
	<u>Total for National Bank of Vanuatu Accounts</u>		-56,225,599	
	Crown Agents London Bank Accounts			
11 71	Crown Agent Sterling Account	100		
	<u>Total for Crown Agents London Bank Accounts</u>		100	
	<u>TOTAL FOR CASH IN BANK</u>		1,619,901,022	
	Cash held by Cashiers			
11 81	Vila Cashier	10,000		
11 84	Santo Cashier Account	10,000		
11 85	Government Island Revenue	9,045,114		
11 86	Santo Customs Cashier	20,000		
	<u>Total for Cash held by Cahiers</u>		9,085,114	
	Petty Cash (Standing imprests)			
12 20	Petty Cash (Standing imprests)	4,411,547		
	<u>Total for Petty Cash (Standing Imprest)</u>		4,411,547	
	TOTAL FOR CASH AND CASH EQUIVALENTS			1,633,397,683
	RECEIVABLES			
	Accounts receivable			
13 00	Sundry Debtors	1,133,873,676		
13 01	Sundry Debtors - Provision for Doubtful Debts	-404,236,663		
13 03	Accounts Receivable Clearance	-1,222		
13 09	Dishonoured Cheques	34,495,748		
	<u>Total for Accounts Receivable</u>		764,131,539	
	Taxes Receivable			
13 10	Taxes Receivable	432,365,928		

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13				
12	<u>Vat Accounts Receivable</u>	50,000,000		
	<u>Total for Taxes Receivable</u>		482,365,928	
	TOTAL FOR RECEIVABLES			1,246,497,467
	ADVANCES			
	Advances to employees			
14				
02	<u>Personal Accounts Advance Summary Account</u>	11,541,419		
	<u>Total for Advances to Employees</u>		11,541,419	
	TOTAL FOR ADVANCES			11,541,419
	TOTAL FOR CURRENT ASSETS			2,891,436,569
	NON CURRENT ASSETS			
	LONG TERM ADVANCES			
	Advances to Other Government Business Units			
24				
21	<u>Advances to Other GBUs</u>	171,768,888		
	<u>Total for Advances to other Government Units</u>		171,768,888	
	Advances to Telecom			
24				
40	<u>Advances to Telecom - Opening Balance</u>	390,558,162		
24				
41	<u>Advances to Telecom</u>	101,719,940		
24				
42	<u>Repayment of Advances from Telecom</u>	-424,966,712		
24				
45	<u>Foreign Exchange Difference - TVL</u>	23,736,958		
	<u>Total for Advances to Telecom</u>		91,048,348	
	Advances to Airports Vanuatu Limited			
24				
50	<u>Advances to AVL - Opening Balance</u>	655,704,244		
24				
51	<u>Advances to AVL</u>	60,800,000		
24				
52	<u>Repayment of Advances from AVL</u>	-269,889,489		
24				
55	<u>Foreign Exchange Difference - AVL</u>	52,905,536		
	<u>Total for Advances to Airports Vanuatu Limited</u>		499,520,291	
	Other Advances			
24				
70	<u>Vanuatu Livestock Development - Advance</u>	13,780,000		
24				
81	<u>Other Advances - Drawdowns</u>	77,657,149		
24				
82	<u>Other Advances - Repayments</u>	-2,166,862		
24				
90	<u>Advance - Luganville Municipal</u>	3,250,000		
	<u>Total for Other Advances</u>		92,520,287	
	TOTAL FOR LONG TERM ADVANCES			854,857,814
26				
10	<u>Share Investments</u>	115,605,963		

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26 11	<u>Sale of Share Investments</u>	-115,605,963		
	OTHER LONG TERM FINANCIAL ASSETS			
	Government Business Units			
26 40	<u>GBU - Opening balance</u>	7,105,436,068		
26 42	<u>GBU - Net Surplus</u>	151,994,779		
26 45	<u>GBU - Other Equity Movements</u>	386,016,000		
26 47	<u>GBU - Government withdrawals</u>	-270,000		
	<u>Total for Government Business Units</u>		7,643,176,847	
	TOTAL FOR OTHER LONG TERM FINANCIAL ASSETS			7,643,176,847
	PHYSICAL ASSETS			
	Land			
27 00	<u>Land - Opening balance</u>	20,316,040,337		
	<u>Total for Land</u>		20,316,040,337	
	Commercial Buildings			
27 10	<u>Commercial Buildings - Opening balance</u>	5,550,274,500		
27 11	<u>Commercial Buildings -Purchases</u>	14,054,095		
27 19	<u>Commercial Buildings - Accumulated Depreciation</u>	-3,221,689,592		
	<u>Total for Commercial Buildings</u>		2,342,639,003	
	Residential Buildings			
27 20	<u>Residential Buildings - Opening balance</u>	1,560,253,211		
27 29	<u>Residential Buildings - Accumulated Depreciation</u>	-398,227,659		
	<u>Total for Residential Buildings</u>		1,162,025,552	
	Office Furniture & Fittings			
27 30	<u>Office Furn & Fittings - Opening balance</u>	24,067,242		
27 39	<u>Office Furn & Fittings - Accumulated Depreciation</u>	-21,629,554		
	<u>Total for Office Furniture & Fittings</u>		2,437,688	
	Residential Furniture & Fittings			
27 40	<u>Residential Furn & Fittings - Opening balance</u>	3,516,781		
27 41	<u>Residential Furn & Fittings - Purchases</u>	3,869,598		
27 49	<u>Residential Furn & Fittings - Accumulated Depreciation</u>	-420,992		
	<u>Total for Residential Furniture & Fittings</u>		6,965,387	
	Plant & Equipment			
27 50	<u>Plant & Equipment - Opening balance</u>	1,571,849,341		
27	<u>Plant & Equipment - Purchases</u>	194,753,618		

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51				
27 59	<u>Plant & Equipment - Accumulated Depreciation</u>	-1,173,753,586		
	<u>Total for Plant & Equipment</u>		592,849,373	
	Motor Vehicles			
27 60	<u>Motor Vehicles - Opening balance</u>	920,107,938		
27 61	<u>Motor Vehicles - Purchases</u>	258,331,431		
27 69	<u>Motor Vehicles - Accumulated Depreciation</u>	-634,163,926		
	<u>Total for Motor Vehicles</u>		544,275,443	
	Ships & Boats			
27 70	<u>Ships & Boats - Opening balance</u>	851,321,372		
27 79	<u>Ships & Boats - Accumulated Depreciation</u>	-637,144,085		
	<u>Total for Ships & Boats</u>		214,177,287	
	Computer Hardware			
27 80	<u>Computer Hardware -Opening balance</u>	232,985,576		
27 81	<u>Computer Hardware -Purchases</u>	147,826,000		
27 82	<u>Computer Hardware -Revaluations</u>	11,564,377		
27 89	<u>Computer Hardware - Accumulated Depreciation</u>	-180,768,342		
	<u>Total for Computer Hardware</u>		211,607,611	
	Computer Software			
27 90	<u>Computer Software - Opening balance</u>	55,473,490		
27 91	<u>Computer Software - Purchases</u>	11,564,377		
27 99	<u>Computer Software - Accumulated Depreciation</u>	-48,817,880		
	<u>Total for Computer Software</u>		18,219,987	
	Roads & Bridges			
28 20	<u>Roads & Bridges - Opening balance</u>	1,397,950,645		
28 29	<u>Roads & Bridges - Accumulated Depreciation</u>	-224,559,829		
	<u>Total for Roads & Bridges</u>		1,173,390,816	
	Port and Wharf Infrastructure			
28 50	<u>Port and Wharf Infrastructure Assets - Opening balance</u>	899,400,239		
28 59	<u>Port and Wharf Infrastructure Assets - Accumulated Depreciation</u>	-616,776,982		
	<u>Total for Port and Wharf Infrastructure</u>		282,623,257	
	TOTAL FOR PHYSICAL ASSETS			26,867,251,741
	INTANGIBLE ASSETS			
29	<u>Intangible Assets - Opening balance</u>	26,358		

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00				
		TOTAL FOR INTANGIBLE ASSETS		26,358
		TOTAL FOR NON CURRENT ASSETS		35,365,312,760
		TOTAL ASSETS		38,256,749,329
		CURRENT LIABILITIES		
		PAYABLES		
30	00	Accounts Payable	62,031,391	
30	01	Outstanding Commitments carried forward	761,936,876	
30	10	Interest Payable	198,728,523	
30	98	VAT payable	172,534	
		TOTAL FOR PAYABLES		1,022,869,324
		EMPLOYEE ENTITLEMENTS		
35	00	Accrued Annual Leave Payable	392,973,462	
		TOTAL FOR EMPLOYEE ENTITLEMENTS		392,973,462
		SPECIAL FUND LIABILITIES		
36	00	Special Fund Liabilities	19,739,511	
		TOTAL FOR SPECIAL FUND LIABILITIES		19,739,511
		TRUST FUND LIABILITIES		
37	00	Trust Fund Liabilities	508,759,366	
		TOTAL FOR TRUST FUND LIABILITIES		508,759,366
		SUSPENSE ACCOUNTS		
		Payroll Clearing Accounts		
39	00	Payroll Clearing Account	40,130,133	
39	01	Payroll Clearing Account	-1,229,581	
39	10	Payroll Invalid Code Clearing Account	-877,049	
		Total for Payroll Clearing Accounts		38,023,503
		General Suspense Accounts		
39	40	General suspense account	-12,596,412	
39	41	General suspense - LPO/GPV	-1,289,733	
39	42	Suspense account - GPV cheques	28,900,478	
39	43	Suspense account - LPO cheques	1,405,796	
39	48	Chief Registrar Supreme Court Trust Fund	200,000	
39	53	Cancelled Cheques Suspence A/C	323,548	
39	94	Old style account codes to be converted clearing a/c	100	

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39 97	Invalid journal suspense account	-1		
	Total for General Suspense Accounts		16,943,776	
	TOTAL FOR SUSPENSE ACCOUNT			54,967,279
	TOTAL FOR CURRENT LIABILITIES			1,999,308,942
	NON CURRENT LIABILITIES			
	LONG TERM BORROWINGS			
	FOREIGN LOANS			
43 10	Opening Balance - Other Foreign Loans	180,227,513		
43 12	Repayment - Other Foreign Loans	-180,227,513		
	ADB Loans			
43 20	Opening Balance - ADB Loans	6,508,540,465		
43 21	Drawdown - ADB Loans	73,198,641		
43 22	Repayment - ADB Loans	-316,242,990		
43 25	Foreign Exchange Difference - ADB Loans	-1,240,990,649		
	Total for ADB Loans		5,024,505,467	
	CFDD Loans			
43 40	Opening Balance - CFDD Loans	521,035,060		
43 41	Drawdown - CFDD Loans	101,719,940		
43 42	Repayment - CFDD Loans	-222,252,694		
43 45	Foreign Exchange Difference - CFDD Loans	62,583,583		
	Total for CFDD Loans		463,085,889	
43 50	Opening Balance - China Loans	558,752,000		
43 53	Writeoff - China Loans	-407,100,000		
43 55	Foreign Exchange Difference - China Loans	-151,652,000		
	EIB Loans			
43 70	Opening Balance - EIB Loans	659,704,244		
43 71	Drawdown - EIB Loans	10,425,121		
43 72	Repayment - EIB Loans	-228,175,194		
43 75	Foreign Exchange Difference - EIB Loans	58,968,780		
	Total for EIB Loans		500,922,951	
	IDA Loans			
43 80	Opening Balance - IDA Loans	1,791,278,784		
43 82	Repayment - IDA Loans	-201,914,769		
43	Foreign Exchange Difference - IDA Loans	-256,356,073		

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85				
	Total for IDA Loans		1,333,007,942	
	TOTAL FOR FOREIGN BORROWINGS		7,321,522,249	
	DOMESTIC BORROWINGS			
	Reserve Bank Bond Issues			
44 60	Opening Balance - Reserve Bank Bond Issues	2,000,122,347		
44 61	Drawdown - Reserve Bank Bond Issues	6,918,040,798		
44 62	Repayment - Reserve Bank Bond Issues	-3,746,113,145		
44 64	Bond Redemption Provision	-2,189,100,000		
	Total for Reserve Bank Bond Issues		2,982,950,000	
44 70	Opening Balance - Other Domestic Loans	225,000,000		
44 72	Repayment - Other Domestic Loans	-225,000,000		
	TOTAL FOR DOMESTIC BORROWINGS		2,982,950,000	
	TOTAL FOR LONG TERM BORROWINGS			10,304,472,249
	TOTAL FOR NON CURRENT LIABILITIES			10,304,472,249
	TOTAL LIABILITIES			12,303,781,191
	NET ASSETS/EQUITY			
51 00	Accumulated Surplus	15,826,243,709		
51 01	Consolidated Revenue Fund Van Govt	2,946,280,382		
51 04	Development Fund Balance	829,963,661	829,963,661	829,963,661
54 00	Balance sheet creation balances	5,988,721,283		
	Equity Balance			361,759,103
	TOTAL FOR NET ASSET/EQUITY			25,591,209,035

2. Statement of Appropriations (for MOE only)

Government of Vanuatu
SUMMARY OF APPROPRIATIONS BY DEPARTMENT (EXPENSES AND CAPITAL PAYMENTS)
Recurrent Fund excl Accruals
For the Twelve Months Ending Monday December 31 2007

	Original Appropriation	Supplementary Appropriation	Final Appropriation	Budget Virements	Final Budget	Actual	Variance	%
MINISTRY OF EDUCATION								-
EDUCATION MINISTRY CABINET	26,768,555		26,768,555	500,000	27,268,555	28,800,210	-1,531,655	5.60
EDUCATION DEPARTMENT	3,060,507,717	52,000,000	3,112,507,717	-21,500,000	3,091,007,717	3,126,900,514	-35,892,797	1.20

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%

TOTAL FOR MINISTRY OF EDUCATION	3,087,276,272	52,000,000	3,139,276,272	21,000,000	3,118,276,272	3,155,700,724	-37,424,452	1.20 %
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3. Statement of Financial Performance (for MOE only)

	BUDGET	ACTUAL	COMMITMENT	EXPENDITURE	VARIANCE	%
REVENUE						
<u>1 Commercial Activities</u>	Vt 100,527,250	Vt. 94,188,018		Vt. 94,188,018	Vt. 6,339,232	6.30%
<u>2 Departmental Recoveries</u>	426,225,000	533,283,806		533,283,806	-107,058,806	-25.10%
<u>5 Tax Revenue</u>	9,925,077,859	10,587,673,251		10,587,673,251	-662,595,392	-6.70%
<u>6 Interest</u>	46,120,000	38,775,067		38,775,067	7,344,933	15.90%
<u>7 Income from Investments</u>	170,000,000	273,766,817		273,766,817	-103,766,817	-61.00%
TOTAL REVENUE	10,667,950,109	11,527,686,959		11,527,686,959	-859,736,850	-8.10%
Expenses						
<u>8 Personnel Expenses</u>	5,243,816,237	5,097,335,698		5,097,335,698	146,480,539	2.80%
<u>9 Operating Expenses</u>	2,891,130,664	3,176,121,528		3,176,121,528	-284,990,864	-9.90%
<u>10 Transfer Payments and Grants</u>	845,906,566	833,876,238		833,876,238	12,030,328	1.40%
<u>11 Fixed Asset Purchases</u>	140,273,029	465,909,193		465,909,193	-325,636,164	-232.10%
<u>12 Interest and Loan Service Charges</u>	1,267,200,000	392,597,976		392,597,976	874,602,024	69.00%
<u>15 Accrual Expense</u>		-207,642,016		-207,642,016	207,642,016	
Budget Virements	478,593,705				478,593,705	100.00%
TOTAL EXPENDITURE	10,866,920,201	9,758,198,617		9,758,198,617	1,108,721,584	10.20%
NET SURPLUS/(DEFICIT)	-198,970,092	1,769,488,342		1,769,488,342	1,968,458,434	989.30%

NOTES TO THE ACCOUNTS						
NOTE A: STATEMENT OF FUND MOVEMENTS						
Revenue and Capital Receipts						
Revenue	10,667,950,109	11,527,686,959		11,527,686,959	-859,736,850	-8.10%
<u>16 Capital Receipts</u>	620,000,000	222,616,569		222,616,569	397,383,431	64.10%
Total Revenue and Capital Receipts	11,287,950,109	11,750,303,528		11,750,303,528	-462,353,419	-4.10%
Expenses and Capital Expenditure						
Expenses	10,866,920,201	9,758,198,617		9,758,198,617	1,108,721,584	10.20%
<u>17 Capital Expenditure</u>		529,467,768		529,467,768	-529,467,768	
Total Expenses and Capital Expenditure	10,866,920,201	10,287,666,385		10,287,666,385	579,253,816	5.30%

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SURPLUS/(DEFICIT)	421,029,908	1,462,637,143	1,462,637,143	1,041,607,235	-247.40%
NOTE 1: COMMERCIAL ACTIVITIES					
<u>Tug Hire Charges</u>	22,656,250			22,656,250	100.00%
<u>Landing Charges</u>	50,000,000	62,703,665	62,703,665	-12,703,665	-25.40%
<u>Marine Fees Charges</u>	20,000,000	22,901,939	22,901,939	-2,901,939	-14.50%
<u>Pilotage Charges</u>		313,000	313,000	-313,000	
<u>Miscellaneous Charges</u>	7,846,000	6,390,692	6,390,692	1,455,308	18.50%
<u>Other Sales</u>	25,000	1,878,722	1,878,722	-1,853,722	7414.90%
TOTAL COMERCIAL ACTIVITIES	100,527,250	94,188,018	94,188,018	6,339,232	6.30%
NOTE 2: DEPARTMENTAL RECOVERIES					
<u>Other Disposals</u>	16,350,000	9,402,368	9,402,368	6,947,632	42.50%
<u>Vehicles Disposals</u>		500,000	500,000	-500,000	
<u>Election Fees</u>	4,000,000	9,256,000	9,256,000	-5,256,000	-131.40%
<u>Hospital Fees</u>	16,000,000	16,287,187	16,287,187	-287,187	-1.80%
<u>Other Fees</u>	126,220,000	58,746,433	58,746,433	67,473,567	53.50%
<u>Passport Fees</u>	2,000,000	30,028,250	30,028,250	-28,028,250	1401.40%
<u>Repairs Fees</u>	1,000,000	1,118,855	1,118,855	-118,855	-11.90%
<u>Training Fees</u>	21,550,000	2,438,658	2,438,658	19,111,342	88.70%
<u>Other Fines</u>	2,000,000	5,934,827	5,934,827	-3,934,827	-196.70%
<u>Traffic Fines</u>	3,500,000	5,898,000	5,898,000	-2,398,000	-68.50%
<u>Firearms Licenses</u>	15,000,000	15,555,990	15,555,990	-555,990	-3.70%
<u>Application Charges Recoveries</u>	32,000,000	40,432,884	40,432,884	-8,432,884	-26.40%
<u>Court Costs Recoveries</u>	500,000	281,647	281,647	218,353	43.70%
<u>Equipment Hire Recoveries</u>		377,555	377,555	-377,555	
<u>Currency Gain/Loss Recoveries</u>		138,058,421	138,058,421	-138,058,421	
<u>Registration Charge Recoveries</u>	500,000	483,355	483,355	16,645	3.30%
<u>Government Houses Recoveries</u>	55,000,000	39,247,100	39,247,100	15,752,900	28.60%
<u>Levies Recoveries</u>	43,000,000	57,007,782	57,007,782	-14,007,782	-32.60%
<u>Commissions Recoveries</u>	12,000,000	21,948,000	21,948,000	-9,948,000	-82.90%
<u>Other Recoveries</u>	38,250,000	23,304,847	23,304,847	14,945,153	39.10%
<u>Permits Recoveries</u>	1,500,000	2,561,478	2,561,478	-1,061,478	-70.80%
<u>Rents & Leases Recoveries</u>	200,000	26,732	26,732	173,268	86.60%
<u>Testing Charges Recoveries</u>	500,000	1,587,447	1,587,447	-1,087,447	-217.50%
<u>Other User Charges Recoveries</u>	5,000,000	4,649,790	4,649,790	350,210	7.00%
<u>Water Charges Recoveries</u>	25,000,000	42,487,573	42,487,573	-17,487,573	-70.00%
<u>Other Items Revenue</u>	3,100,000	356,559	356,559	2,743,441	88.50%
<u>Publications Revenue</u>	2,055,000	5,306,068	5,306,068	-3,251,068	-158.20%
TOTAL DEPARTMENTAL RECOVERIES	426,225,000	533,283,806	533,283,806	-107,058,806	-25.10%

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NOTE 5: TAX REVENUE						
Rent Tax on Business Activity	47,564,000	50,128,830	50,128,830	-2,564,830	-5.40%	
Turnover Tax on Business Activity	324,315,000	204,864,687	204,864,687	119,450,313	36.80%	
Fees - Tax on Companies	2,000,000	1,167,654	1,167,654	832,346	41.60%	
Registration - Offshore Companies	100,000,000	79,062,151	79,062,151	20,937,849	20.90%	
Stamp Duties on Companies	163,000,000	147,012,972	147,012,972	15,987,028	9.80%	
Export Duties		6,731,871	6,731,871	-6,731,871		
Court Fines	20,000,000	16,560,154	16,560,154	3,439,846	17.20%	
Gaming Duty	125,000,000	97,967,818	97,967,818	27,032,182	21.60%	
Merchant Charges	23,174,194	28,844,112	28,844,112	-5,669,918	-24.50%	
Beer Import Duties	90,380,125	36,488,707	36,488,707	53,891,418	59.60%	
Asycuda Fee Import Duties	17,829,000	6,759,018	6,759,018	11,069,982	62.10%	
Motor Spirit Import Duties	533,252,919	683,852,395	683,852,395	-150,599,476	-28.20%	
Not Elsewhere Specified Import Duties	1,817,875,914	1,854,228,543	1,854,228,543	-36,352,629	-2.00%	
Service Fees Import Duties	53,354,330	13,244,756	13,244,756	40,109,574	75.20%	
Tobacco & Tobacco P Import Duties	365,510,000	469,463,437	469,463,437	-103,953,437	-28.40%	
Vehicles Import Duties	302,290,000	163,665,546	163,665,546	138,624,454	45.90%	
Wines And Spirits Import Duties	177,290,000	163,612,761	163,612,761	13,677,239	7.70%	
Business Licences & Refrigeration	254,985,000	212,780,671	212,780,671	42,204,329	16.60%	
Fishing Licences & Refrigeration	130,000,000	115,458,936	115,458,936	14,541,064	11.20%	
Liquor Licences & Refrigeration	7,287,000	7,035,169	7,035,169	251,831	3.50%	
Prospector Licences & Refrigeration	3,000,000	11,665,791	11,665,791	-8,665,791	-288.90%	
Temporary Permit	45,000,000	9,280,000	9,280,000	35,720,000	79.40%	
Residency Permits	37,000,000	100,185,565	100,185,565	-63,185,565	-170.80%	
Shipping Registrati	50,000,000	49,864,247	49,864,247	135,753	0.30%	
Timber Licences	13,000,000	4,187,063	4,187,063	8,812,937	67.80%	
Vehicle Licences	258,365,000	290,891,203	290,891,203	-32,526,203	-12.60%	
Work Permits	75,000,000	106,600,000	106,600,000	-31,600,000	-42.10%	
Interactive Gaming Taxes	28,106,000	46,179,834	46,179,834	-18,073,834	-64.30%	
Beer Duty	80,742,450	1,724	1,724	80,740,726	100.00%	
Other Excise Tax	465,000,000	571,296,428	571,296,428	-106,296,428	-22.90%	
Port Dues	110,000,000	105,845,774	105,845,774	4,154,226	3.80%	
Wharfage Tax	85,000,000	51,449,415	51,449,415	33,550,585	39.50%	
Land Registration	550,000,000	562,700,830	562,700,830	-12,700,830	-2.30%	
Land Lease		865,176	865,176	-865,176		
Land Premiums	30,000,000	40,459,115	40,459,115	-10,459,115	-34.90%	
Land Rent	258,752,627	153,394,258	153,394,258	105,358,369	40.70%	
Telecom Franchise Fees	45,000,000	46,269,790	46,269,790	-1,269,790	-2.80%	
Value Added Tax	3,236,004,300	4,077,606,850	4,077,606,850	-841,602,550	-26.00%	
TOTAL TAX REVENUE	9,925,077,859	10,587,673,251	10,587,673,251	-662,595,392	-6.70%	

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NOTE 6: INTEREST						
Interest from AVL Advances	20,000,000	12,467,916		12,467,916	7,532,084	37.70%
Interest from Bank Deposits	12,000,000	19,222,216		19,222,216	-7,222,216	-60.20%
Interest from Development Bank Advances	12,000,000				12,000,000	100.00%
Interest from Other Advances		238,885		238,885	-238,885	
Interest from Telecom Advances	2,120,000	2,352,326		2,352,326	-232,326	-11.00%
TOTAL INTEREST	46,120,000	34,281,343		34,281,343	11,838,657	25.70%
Error - Account missing		-		-	4,493,724	
		4,493,724		4,493,724	4	
NOTE 7: INCOME FROM INVESTMENTS						
National Bank Dividends	20,000,000	20,000,000		20,000,000		
Postal Services Ltd Dividends	20,000,000	29,384,000		29,384,000	-9,384,000	-46.90%
Telecom Dividends	70,000,000	118,620,956		118,620,956	-48,620,956	-69.50%
Reserve Bank Dividends	60,000,000	105,761,861		105,761,861	-45,761,861	-76.30%
TOTAL INCOME FROM INVESTMENTS	170,000,000	273,766,817		273,766,817	-103,766,817	-61.00%
NOTE 8: PERSONNEL EXPENSES						
Family Allowance	134,655,191	104,140,189		104,140,189	30,515,002	22.70%
Political Gratuitie Allowances	53,787,620	55,093,562		55,093,562	-1,305,942	-2.40%
Housing Allowances	341,424,884	386,619,958		386,619,958	-45,195,074	-13.20%
Other Allowances	75,034,310	20,121,663		20,121,663	54,912,647	73.20%
Home Island Passage Allowances	26,269,347	8,231,769		8,231,769	18,037,578	68.70%
Staff Rentals Allowances	26,793,870	2,814,430		2,814,430	23,979,440	89.50%
Special Allowances	35,996,972	115,419,802		115,419,802	-79,422,830	-220.60%
Provident Fund	168,845,411	178,646,210		178,646,210	-9,800,799	-5.80%
Contract Wages	2,325,138	4,601,282		4,601,282	-2,276,144	-97.90%
Daily Rated Wages	563,038,710	37,272,199		37,272,199	525,766,511	93.40%
Overtime Wages	36,201,847	67,493,345		67,493,345	-31,291,498	-86.40%
Permanent Wages	3,779,442,937	4,116,881,289		4,116,881,289	-337,438,352	-8.90%
TOTAL PERSONNEL EXPENSES	5,243,816,237	5,097,335,698		5,097,335,698	146,480,539	2.80%
NOTE 9: OPERATING EXPENSES						
M.P. Allocation Allowances	104,000,000	100,919,757		100,919,757	3,080,243	3.00%
Subsistence Allowances	64,535,841	64,263,056		64,263,056	272,785	0.40%
Food Allowances	642,460	1,029,706		1,029,706	-387,246	-60.30%
Repatriation Allowances		64,880		64,880	-64,880	
M.P. Representation Allowances	135,473,840	137,121,192		137,121,192	-1,647,352	-1.20%
Sitting Allowances	11,455,186	14,704,532		14,704,532	-3,249,346	-28.40%
M.P. Touring Allowances	43,607,390	43,530,344		43,530,344	77,046	0.20%
International Accommodation	9,080,471	20,560,882		20,560,882	-11,480,411	-126.40%
Local Accommodation	26,853,430	40,505,470		40,505,470	-13,652,040	-50.80%
International Courses	2,673,049	300,985		300,985	2,372,064	88.70%

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<u>Local Courses</u>	12,878,056	1,996,624		1,996,624	10,881,432	84.50%
<u>Compensation Damages</u>	1,685,166	339,902		339,902	1,345,264	79.80%
<u>Injuries Damages</u>	2,720,644	1,579,000		1,579,000	1,141,644	42.00%
<u>Consultants Fees</u>	32,546,580	56,842,882		56,842,882	-24,296,302	-74.70%
<u>Other Fees</u>	2,550,000	2,814,022		2,814,022	-264,022	-10.40%
<u>Freight Fuel</u>		451,210		451,210	-451,210	
<u>Vehicles Fuel</u>	78,434,810	114,821,384		114,821,384	-36,386,574	-46.40%
<u>Mail Carriage Freight</u>	577,676	501,463		501,463	76,213	13.20%
<u>Other Charges - Freight</u>	6,570,965	1,326,205		1,326,205	5,244,760	79.80%
<u>Transport - Freight</u>	13,479,415	33,469,534		33,469,534	-19,990,119	-148.30%
<u>Storage - Freight</u>	50,000	1,283,798		1,283,798	-1,233,798	2467.60%
<u>Drug Distribution - Medical</u>		105,582		105,582	-105,582	
<u>International Medical Treatment</u>	1,700,000	112,763		112,763	1,587,237	93.40%
<u>Local Medical Treatment</u>	9,585,593	10,166,281		10,166,281	-580,688	-6.10%
<u>Other Medical Treatment</u>	42,718	63,041		63,041	-20,323	-47.60%
<u>Visiting Specialist - Medical Treatment</u>	1,150,000				1,150,000	100.00%
<u>Equipment Hire</u>	2,390,012	113,638,546		113,638,546	-111,248,534	4654.70%
<u>Facilities Hire</u>	417,503	5,042,568		5,042,568	-4,625,065	1107.80%
<u>Vehicles Hire</u>	447,216	4,786,978		4,786,978	-4,339,762	-970.40%
<u>Hospitals Cleaning</u>	9,472,500	6,509,384		6,509,384	2,963,116	31.30%
<u>Office Cleaning</u>	4,303,051	8,383,230		8,383,230	-4,080,179	-94.80%
<u>Advertising - Communications</u>	5,121,654	8,655,765		8,655,765	-3,534,111	-69.00%
<u>Translation Communications</u>	2,433,965	2,636,757		2,636,757	-202,792	-8.30%
<u>Postage - Communications</u>	12,872,769	2,431,105		2,431,105	10,441,664	81.10%
<u>Printing - Communications</u>	19,823,459	22,202,352		22,202,352	-2,378,893	-12.00%
<u>Stationery - Communications</u>	52,857,533	82,522,919		82,522,919	-29,665,386	-56.10%
<u>Telephone / Fax - Communications</u>	88,715,082	97,384,101		97,384,101	-8,669,019	-9.80%
<u>Compensation Land</u>	100,400,000	132,679,500		132,679,500	-32,279,500	-32.20%
<u>Leases - Land</u>	3,536,601	1,733,801		1,733,801	1,802,800	51.00%
<u>Rates - Land</u>	444,450	15,663,918		15,663,918	-15,219,468	3424.30%
<u>Survey Cost - Land</u>	550,000	55,556		55,556	494,444	89.90%
<u>General - Materials</u>	8,598,075	9,728,757		9,728,757	-1,130,682	-13.20%
<u>Hospitals - Materials</u>		7,787		7,787	-7,787	
<u>Office - Materials</u>	3,137,413	2,616,057		2,616,057	521,356	16.60%
<u>Road Material</u>		25,857		25,857	-25,857	
<u>Schools Materials</u>	157,000	1,423,450		1,423,450	-1,266,450	-806.70%
<u>Office Rental</u>	37,583,781	46,847,644		46,847,644	-9,263,863	-24.60%
<u>Other Rental</u>	100,000	2,726,128		2,726,128	-2,626,128	2626.10%
<u>Court Costs</u>	6,332,052	115,733,023		115,733,023	-109,400,971	1727.70%
<u>Research & Developm</u>	169,838				169,838	100.00%
<u>Terminal Payments</u>		200		200	-200	
<u>Refunds</u>	20,320,000	8,315,585		8,315,585	12,004,415	59.10%
<u>Incidentals</u>	362,572,314	184,063,432		184,063,432	178,508,882	49.20%
<u>Medals</u>		-34,391		-34,391	34,391	

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<u>International Organ</u>	50,747,651	43,758,862	43,758,862	6,988,789	13.80%
<u>Official Entertainm</u>	10,314,376	36,466,349	36,466,349	-26,151,973	-253.50%
<u>Recruitment Costs</u>	587,461			587,461	100.00%
<u>Insurance</u>	4,426,853	11,046,220	11,046,220	-6,619,367	-149.50%
<u>Termination Payment</u>	59,014,125	119,849,481	119,849,481	-60,835,356	-103.10%
<u>Uniforms</u>	8,032,577	10,619,165	10,619,165	-2,586,588	-32.20%
<u>Buildings Repairs & Maintenance</u>	55,038,578	126,866,426	126,866,426	-71,827,848	-130.50%
<u>Equipment Repairs & Maintenance</u>	59,329,571	82,456,295	82,456,295	-23,126,724	-39.00%
<u>Houses Repairs & Maintenance</u>	45,194,719	27,422,983	27,422,983	17,771,736	39.30%
<u>Maintenance Contrac</u>	535,687,002	31,948,866	31,948,866	503,738,136	94.00%
<u>Roads Repairs & Maintenance</u>	71,252,849	320,846,656	320,846,656	-249,593,807	-350.30%
<u>Vehicles Repairs & Maintenance</u>	52,589,773	64,235,280	64,235,280	-11,645,507	-22.10%
<u>Distribution Supplies</u>		68,875	68,875	-68,875	
<u>Food - Suppliers</u>	18,307,735	13,642,896	13,642,896	4,664,839	25.50%
<u>Medicines Suppliers</u>	122,200,000	111,267,529	111,267,529	10,932,471	8.90%
<u>Other Suppliers</u>	5,350,000	3,197,901	3,197,901	2,152,099	40.20%
<u>Rations Suppliers</u>	13,987,404	14,786,568	14,786,568	-799,164	-5.70%
<u>International Travel</u>	67,089,316	70,416,615	70,416,615	-3,327,299	-5.00%
<u>Local Travel</u>	79,813,406	74,346,439	74,346,439	5,466,967	6.80%
<u>Gas - Cooking Utilities</u>	5,730,922	2,784,188	2,784,188	2,946,734	51.40%
<u>Electricity Utilities</u>	124,882,347	203,062,932	203,062,932	-78,180,585	-62.60%
<u>Lighting Utilities</u>	754,476	1,078,173	1,078,173	-323,697	-42.90%
<u>Gas - Medical Utilities</u>	14,360,571	16,532,046	16,532,046	-2,171,475	-15.10%
<u>Water Utilities</u>	27,460,555	34,380,650	34,380,650	-6,920,095	-25.20%
<u>International Workshops</u>	787,379	199,376	199,376	588,003	74.70%
<u>Local Workshops</u>	9,303,649	840,328	840,328	8,463,321	91.00%
<u>Death Benefit - Ex-gratia</u>	11,084,919	2,503,695	2,503,695	8,581,224	77.40%
<u>Relief Emergency</u>	3,622,282	4,250,942	4,250,942	-628,660	-17.40%
<u>Rescue Emergency</u>	314,652			314,652	100.00%
<u>Value Added Tax</u>	128,815,958	222,591,288	222,591,288	-93,775,330	-72.80%
TOTAL OPERATING EXPENSES	2,891,130,664	3,176,121,528	3,176,121,528	-284,990,864	-9.90%
NOTE 10: TRANSFER PAYMENTS AND GRANTS					
<u>International Organ</u>	4,484,919	9,216,621	9,216,621	-4,731,702	-105.50%
<u>Municipalities</u>	4,750,000	9,364,265	9,364,265	-4,614,265	-97.10%
<u>Operating Grant</u>	42,500,801	57,702,328	57,702,328	-15,201,527	-35.80%
<u>Provinces</u>	202,000,000	197,072,046	197,072,046	4,927,954	2.40%
<u>Repairs</u>	6,672,460	9,562,522	9,562,522	-2,890,062	-43.30%
<u>Stationery</u>	24,000,000	40,966,513	40,966,513	-16,966,513	-70.70%
<u>Other</u>	496,883,773	464,667,954	464,667,954	32,215,819	6.50%
<u>Other Non Profit Institution</u>	49,314,613	38,690,589	38,690,589	10,624,024	21.50%
<u>V.B.T.C. Non Profit Institution</u>		246,181	246,181	-246,181	
<u>Vanuatu Youth Council Non Profit Institution</u>	15,300,000	6,387,219	6,387,219	8,912,781	58.30%

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TOTAL TRANSFER PAYMENTS AND GRANTS	845,906,566	833,876,238		833,876,238	12,030,328	1.40%
NOTE 11: FIXED ASSET PURCHASES						
<u>Buildings - New</u>		60,955,083		60,955,083	-60,955,083	-
<u>Buildings - Renovation</u>	770,644	11,247,599		11,247,599	-10,476,955	1359.50%
<u>Equipment - Additional General</u>	71,631,636	52,279,643		52,279,643	19,351,993	27.00%
<u>Equipment - Computer</u>	19,972,676	50,992,905		50,992,905	-31,020,229	-155.30%
<u>Equipment - Heavy Equipment</u>	450,000	27,795,735		27,795,735	-27,345,735	6076.80%
<u>Equipment - Photocopiers</u>	612,122	10,749,542		10,749,542	-10,137,420	1656.10%
<u>Equipment - Replacement General</u>	12,635,014	11,773,583		11,773,583	861,431	6.80%
<u>Equipment - Specialised</u>	550,000	1,988,559		1,988,559	-1,438,559	-261.60%
<u>Equipment - Computer Software Purchases</u>	9,324,103	4,179,565		4,179,565	5,144,538	55.20%
<u>Furniture - Housing Furniture</u>	1,662,460	2,036,281		2,036,281	-373,821	-22.50%
<u>Furniture - Office Furniture</u>	5,271,768	14,323,984		14,323,984	-9,052,216	-171.70%
<u>Houses - New Houses</u>		4,319,993		4,319,993	-4,319,993	-
<u>Houses - Renovation</u>		746,252		746,252	-746,252	-
<u>Infrastructure - Airport</u>		79,329,735		79,329,735	-79,329,735	-
<u>Infrastructure - Roads & Bridges</u>		10,863,153		10,863,153	-10,863,153	-
<u>Infrastructure - Water Supply</u>		166,941		166,941	-166,941	-
<u>Vehicle - Additional Vehicle</u>	3,863,797	70,352,143		70,352,143	-66,488,346	1720.80%
<u>Vehicle - Replacement</u>	13,528,809	49,921,387		49,921,387	-36,392,578	-269.00%
TOTAL FIXED ASSET PURCHASES	140,273,029	464,022,083		464,022,083	-323,749,054	-230.80%
<u>Error - Account missing</u>		-1,887,110		-1,887,110	1,887,110	
NOTE 12: INTEREST AND LOAN SERVICE CHARGES						
<u>Agents Commissions</u>		71,538		71,538	-71,538	
<u>Bank Charges</u>		298,694		298,694	-298,694	
<u>Interest - Bonds</u>	1,267,200,000	236,586,663		236,586,663	1,030,613,337	81.30%
<u>Interest - Government Loans</u>		-4,733,176		-4,733,176	4,733,176	
<u>Interest - On Lent Loans and Advances</u>		20,914,323		20,914,323	-20,914,323	
<u>Service Charges - Government Loans</u>		59,770,815		59,770,815	-59,770,815	
<u>Service Charges - On Lent Loans</u>		79,689,119		79,689,119	-79,689,119	
TOTAL INTEREST AND LOAN CHARGES	1,267,200,000	392,597,976		392,597,976	874,602,024	69.00%
Note 15: Accrual Expense						
<u>Vat Expense Refund</u>		-207,642,016		-207,642,016	207,642,016	
TOTAL ACCRUAL EXPENSE		-207,642,016		-207,642,016	207,642,016	

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NOTE 16: CAPITAL RECEIPTS						
Repayment of Advances from Telecom		22,616,569		22,616,569	-22,616,569	
Drawdown - Reserve Bank Bond Issues	620,000,000	200,000,000		200,000,000	420,000,000	67.70%
TOTAL CAPITAL RECEIPTS	620,000,000	222,616,569		222,616,569	397,383,431	64.10%
NOTE 17: CAPITAL PAYMENTS						
Repayment - ADB Loans		80,162,189		80,162,189	-80,162,189	
Repayment - CFDD Loans		37,590,116		37,590,116	-37,590,116	
Repayment - EIB Loans		54,432,664		54,432,664	-54,432,664	
Repayment - IDA Loans		37,282,799		37,282,799	-37,282,799	
Repayment - Reserve Bank Bond Issues		320,000,000		320,000,000	-320,000,000	
TOTAL CAPITAL PAYMENTS		529,467,768		529,467,768	-529,467,768	

4. Statement of Specific Fiscal Risks

The ministry has no statement of fiscal risk.

5. Statement of Commitments

MINISTRY NAME:		Education					
AS AT DATE:		31st December 2007					
MINISTRY COMMITMENTS AND CONTINGENCIES							
COMMITMENTS							
Description	Type of commitment	Contract Start date	Contract end date	Total Commitment	Amount due within 1 year	Amount due within 2-5 years	Amount due after 5 years
(in VATU)							
1. 2006 Primary Schools Stationery: Snoopys	Operating Contract	2006	2007	3,601,758	3,601,758		
2. 2007 Primary Schools Stationery: Lyle R Agnew & Associates	Operating Contract	2006	2007	12,425,753	12,425,753		
3. MoE and VTU Collective Bargaining Agreement	Long term support contracts	2007	2010	114,000,000	38,010,000	76,020,000	0
4. 2007/8 Reprinting of Year 9 Textbooks: Sun Productions	Operating Contract	2007	2008	11,772,420	11,772,420		
5. 2008 Primary Schools Stationery: Natural Partners Australia Pty Ltd	Operating Contract	2007	2008	43,955,406	43,955,406		

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6. MoE Director General's House Repairs	Operating Contract	2007	2007	4,758,588	4,758,588		
Total Commitments				190,513,925	114,523,925	76,020,000	0

The following Financial statements also require to be included in this report are not available;

- Statement of accounting policies
- Statement of borrowings
- Other statements such as
 - Notes to the accounts
 - Unappropriated expenditure
 - Trust monies

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