



Members Survey Report

(A Report forming part of the ILO sponsored Project to enhance the Advocacy Capability of the Vanuatu Chamber of Commerce and Industry)

Version 1.5 (April 2013)

Contents

Summary.....	3
Introduction.....	5
PART A Survey Mechanics.....	7
Survey Design.....	7
Survey Process.....	8
Survey Issues.....	9
Survey too complex.....	9
No Pilot Survey to Test Form Design.....	10
Communications Issues.....	10
Delayed Data Entry and Quality Control.....	10
Survey Sections.....	10
PART B Data Analysis.....	11
Section 1 Business Information.....	11
Section 2 Business Performance.....	13
Section 3 Factors Affecting Growth & Success of Business over the longer term.....	15
Section 4 Managing your Business: Employment Factors.....	19
Section 5 Connecting your Business with VCCI - Priorities and Member Services.....	21
Section 6 Skills Information for Business Efficiency.....	23
Section 7 Training Needs for Business.....	25
PART C Validation Workshop and Discussion.....	27
1. Vanuatu Employment Costs relative to Other Pacific nations.....	27
2. Plea for Consultation of Key Decisions before they are taken.....	28
3. Strong Preference for a Skills based Wage structure rather than a sectoral based structure.....	28
4. Disquiet over likely impact of proposed Maternity Leave provision.....	28
5. Strong disquiet of poor service provided by Shefa Provincial Council despite increasing rates and charges.....	28
6. Concern about Electricity costs and difficulty in Solar Panel connection to Grid.....	28
7. Need for Secure Land Title - a particular issue outside Vila.....	28
8. Concern about limited Skills particularly in more advanced areas (e.g. IT) and Education in general ..	28
9. Concern about increase in problems with Kava taking during working hours or impacting work efficiency.....	28
Conclusions.....	29
Appendices.....	30
1. Survey Form.....	31

Summary

The report presents the results of a sector targeted survey of VCCI Members. The survey was undertaken as part of an ILO supported Project to enhance the capacity of the Vanuatu Chamber of Commerce and Industry (VCCI). The aim of the survey was to provide information which could support Policy and Advocacy positions that VCCI could use as part of an overall enhanced Policy and Advocacy capability.

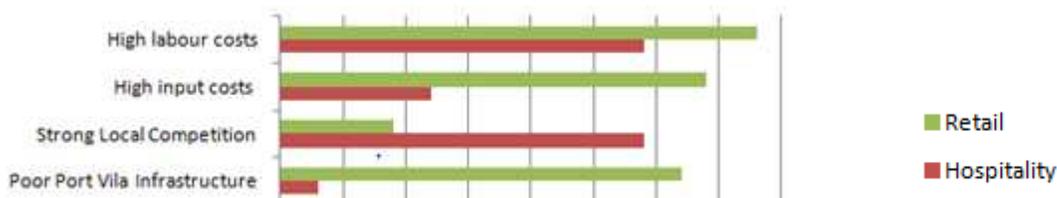
The two sectors chosen in total make up 46 percent of the VCCI Membership base. They are important sectors of the Vanuatu economy and individually face some significant but different challenges.

The survey consisted of 7 sections which covered basic data, factors influencing the future, VCCI activity priorities, views on proposed employment law changes and skills and training needs

There were some issues with both form and survey design which needs to be considered for any future surveys. However 83 responses were collected from a target of 150 which gave a satisfactory 55% response rate. VCCI Staff conducted the survey. This had two very positive benefits; firstly it provided a metric of current VCCI capability and secondly put VCCI directly in touch with many members whom they had not previously touched.

The Survey Results demonstrated a very strong difference between the views and responses of each sector. This was somewhat surprising but also indicates how important it is to consider specific industry circumstances when formulating any Policy actions. Another result of the survey is the very small proportion of Ni-van Business Owners -only 7 of the 83 businesses surveyed where Ni-van owned. *VCCI exists to serve its Members*, yet there is often a tension within the VCCI Council and staff between support for the members and support for Ni-van citizens.

The top concerns for each sector are indicated below. High Labour costs are the number one concern. Retail is also very concerned about high input costs and Port Vila infrastructure whereas Hospitality is concerned about strong local competition



The Validation Workshop reinforced these priorities in particular the high labour costs, poor Port Vila infrastructure and high input costs

Given these views it is not surprising that the survey reflected them in the priorities the respondents indicated for VCCI activities

Each respondent was asked to indicate their view of each of the large set of current VCCI activities. The

Survey Basics

55% Responses Rate

83 responses out of a target 150

Hospitality sector is 11% of VCCI members

28% of sector surveyed

Retail sector is 35% of VCCI members

9% of sector surveyed

Members Survey Report

Hospital tended to give a neutral "need to do" to most activities. Retail however showed a strong preference to see more items as important or critical. The top ranked activities are indicated below.

	Low Priority		Important & Critical	
	Hospitality	Retail	Hospitality	Retail
Negotiating National Wage conditions with Govt & Labour			3	30
Advocating for changes to current Govt Policies			3	23
Business Mgt Mentoring Services		1	2	17
Support to access finance			2	16
Communicating Business Issues to Members			2	16
Communicating Business Issues to Govt / Public Service			2	16

The very strong preference, at least from the Retails sector, is for the VCCI to focus on Wages and Salary conditions and advocating for changes to current Government policies. This priority is in line with the current VCCI Council priority to develop these capabilities (e.g. VEO and Employer Services Unit). The Retails sector also seems to like the VCCI mentoring and finance access programs. Retail wants VCCI to communicate better with members, the Government and Public Service

The Survey asked a range of questions about proposed Employment Law changes. Some interesting differences in view where evident between each sector. Many of the administrative and mechanistic changes were seen to have "no impact" The improved "Maternity Leave" provision was poorly viewed by virtually all.

Overall there is strong evidence that Employers / Members do not see or fully understand many of the options and implications of current provisions or proposed changes. Hospitality which has had a recent "log of claims" appears to be much tougher in its attitude to changes, possibly because of its recent focus on the implications for them.

The data on skills and training further highlighted the difference in the sectors. A large proportion of the Retails respondents were looking for employees at the basic or admin levels, few in the Hospitality sector were. Hospitality however did indicate some demand and difficulty in finding "Specialised" workers. Hospitality was also looking for a number of senior Managers. While not a dominant factor "shortage of skilled workers" was a factor that also came up in the questions about future growth and VCCI Priorities.

A strong need was seen for the Diplomas' of Management and Financial Management being looked at by VCCI. Over half the respondents saw a need in their staff for these qualifications, particularly so in the Retail sector. The Retail sector also indicated a strong willingness to pay for staff to do these courses.

The survey has met its aims. It has provided the basis for Policy and Advocacy approaches that are matched to the Retail and Hospitality sectors. These will be covered in a separate Report. However it has also provided much value to VCCI in other areas. It has reinforced and hopefully provided additional focus to current VEO, Communications and Marketing priorities and work. It has added to the knowledge, tools and experience of VCCI staff. It hopefully will also inform and guide staff and Council in their future decision making.

Most importantly the Survey has asked Members for their views, increased VCCI visibility to members and provided data on what Members think and want. Given that VCCI exists to support its Members this cannot be a bad result.

Introduction

The VCCI Members Survey was a key component of a larger ILO funded Project aimed at strengthening the advocacy and lobbying capacity of the Vanuatu Chamber of Commerce and Industry (VCCI).

The Project Objective as formally set out in the Project Brief is:

"The objective of the project is to enhance the employer advocacy, communication, information gathering and analysis capacity of the VEO and thus the broader VCCI. Using this enhanced capacity will enable VCCI to analyse the business environment in Vanuatu and influence national policy development and implementation to promote sustainable enterprise. It thus also aims to build the capacity of VEO to be able to participate effectively in policy issues with Government and produce well researched papers reflecting their position."

The Project consisted of several elements to be delivered in a number of phases.

Phase 1: Training and guidance around advocacy and policy development for the VCCI.

Phase 2: Conduct a member's survey, analyse results and conduct a validation workshop

Phase 3: Develop Policy Advocacy papers guided by survey results and then develop an action plan based on Papers

Phase 4: Improve VCCI infrastructure and communications capability

This Report largely concerns the Phase 2 Survey, Results and Validation Workshop.

The report will also look at lessons learned and the survey process and analysis aspects. This ILO funded Project was conceived and carried out as a CAPACITY ENHANCEMENT activity. Thus from both the ILO and VCCI Council's point of view the learning was equally if not more important than the actual results achieved from the survey.

A number of participants were involved in the survey.

A local consultant, ACE Consulting, was contracted to deliver support services for the survey. The tasks conducted by ACE included:

- Input into Survey content
- Design and copying of Survey Form
- Selection of Survey Targets
- Delivery of Introductory Letter and blank form to all targets
- Training of Survey Field Workers
- Data entry of completed survey forms

A specialist Policy and Advocacy Consultant, John Field, was contracted to guide VCCI and ACE on the survey and use of the results. The survey tasks conducted by J Field included:

- Development of initial survey content
- Discussions/training with VCCI Council and GM about survey and advocacy process

- Liaison with ACE Consulting
- Monitoring of survey progress
- Analysis of survey results and presentation at Validation workshop
- Development of Survey Report

VCCI staff was assigned to carry out the Survey. Initially in the Project design the survey was to be done by ACE Consulting. However after Project approval VCCI decided that it would be far better if their staff did the survey. The GM and Council saw several advantages in making this decision. These included:

- Making contact with a broad range of Members, many of whom were not likely to have had any previous contact with VCCI.
- Giving VCCI staff experience in the running and organising of a members survey. It was thought likely that such a survey could become a more regular activity for VCCI in the future.
- Enhancing VCCI capacity still further in the policy and advocacy areas.

One of the difficulties within VCCI for the survey and project was the change in leadership of the VEO unit. When the Project was started and the initial training completed the VEO was run by Astrid Boulekone. During the Project Astrid became the Chamber's General Manager with an expanded workload.

Joe Massing who had been seconded to a position away from VCCI returned near the survey start and took on the role of Survey Manager and head of the unit supporting the VEO. Joe unfortunately had not been involved in the work that had lead up to the creation of the VEO, the Project and Survey design.

PART A Survey Mechanics

Survey Design

The ILO who funded the Project was particularly keen to not only enhance the capacity of the VCCI but also align the Project to existing ILO activities which involved the VCCI and VEO. At the time of the Project development several issues were of core concern to the ILO and the VCCI.

Firstly the development of a draft new Employment Law, with ILO guidance, had been a major activity which had progressed very well within the new TLAC (Tripartite Labour Advisory Council) structure. However no resolution had been reached around any new approach to Severance Pay and Termination Payments. The severance pay changes when introduced had lead to a good deal of criticism of VCCI from employers. The end result of which was the VCCI Council decision to create the VEO and over time develop a far greater capacity within VCCI for employer advocacy and lobbying on Employer issues and policy.

Secondly the Hospitality sector had been targeted for Union action to try and create a separate Hospitality industry wage structure. The Hospitality sector was looking to manage this demand and in particular understand how the new TLAC arrangements might work in their case. The Hospitality sector is a broadly defined sector but is particularly focused on inbound International tourists. The core is well organised via the VHRA (Vanuatu Hospitality and Resorts Association) The Hospitality sector is seen as being of critical importance to the Vanuatu economy and is by far the largest export industry.

Thirdly the Retail Sector was increasingly becoming a focus for friction with many local political and population complaints. The sector is large and is increasingly seen as being taken over by new Chinese operators. The retail sector mostly serves the local population and thus has a significantly different outlook and set of operating conditions to the largely tourism focused Hospitality sector. The VCCI has in the past had little connection to this sector despite its size and significance. Given that VCCI is charged with representing all Employers the VCCI Council felt this lack of contact should be addressed.

The ILO wanted the project to not be too broad and to rather focus in depth on a more narrowly focused set of issues and businesses.

In addition because of cost and time factors the decision was also made to limit the survey targets to Port Vila. Given that over 50% of Vanuatu's economic activities are in the Port Vila area this was seen as reasonable even if the issues raised were quite specific to the Port Vila situation.

In addition to the above matters the VCCI was also keen to use the survey to explore the need and demand for services in particular its training services.

Thus the Survey Design evolved to include the following core elements:

- Two industry sectors targeted in depth - Hospitality and Retail
- Survey Targets to be in Port Vila (and near surrounds)
- Special attention to be given to the New Employment Law, especially Severance and Termination issues.
- General feedback to be sought on VCCI current activities

Members Survey Report

- General information to be sought about employee skills supply and demand
- Specific information to be sought about some possible VCCI Training courses

The survey was the first to be carried out by VCCI and both staff and the Council wanted to get as much information as possible from the Survey given the ILO Project constraints.

Considerable input from taken from a wide range of people including all Employer TLAC Members. In fact this consultation and refinement process was extended, with the survey form finalised about 3 months after the initial draft was provided to ACE and the VCCI.

Survey Process

The survey target group was drawn from the Business Licence Database which is annually partially made available to VCCI. The Hospitality group is covered by the D1 and D2 categories, while the Retail group is covered by the D3 category.

Any Business with an annual turnover greater than 4 mill. vt. must register for a licence. A separate licence must be applied for in each category that the Business operates. A business may operate in a number of locations under one Business licence. The licence fee payable is based on total category turnover.

The table below shows the total business licences issued for 2012 for all Vanuatu

Licence category	2012 Count of Licence Numbers for all Vanuatu				Grand Total
	(a) 4 -10 mill	(b) 10 - 20 mill	(c) 20 - 50 mill	(d) > 50 mill	
A - Mining, Quarrying and Logging	5	2	2		9
B - Manufacturing Industries and Trades	63	2	19	14	98
C - Construction Industries and Trades	57	18	20	15	110
D1 - Import and Re-Export	17	1	1	12	26
D2 - Retailer or Wholesaler	170	70	94	110	444
D3 - Hotels, Motels, Restaurants, Cafes and Bars	76	23	31	18	148
D5 - Open-Air Vendors, Mobile Shops and Door-to-Door Sales	3		2		5
E1a - Air Transport	3	2	3	2	10
E1b - Sea Transport	21	5	7	6	39
E1c - Land Transport	11			1	12
E2 - Storage Facilities	22	1	2	4	29
E3 - Tourism Services	11	6	2	1	20
E4 - Hire Services	17	3	2	4	26
F1 - Commercial Banks				3	3
F2 - Other Financial Institutions				2	2
F3 - Vanuatu Licensed Insurance Company	1			2	3
F3 - Insurance Agents	3			1	4
F3 - Insurance Brokers	1				2
F4 - Other Professional and Business Services	147	21	17	11	196
G1 - Medical and Dental Practitioners, Optometrists, Chiropractors, Oste	9	1	1		11
G2 - Personal, Social, Recreational and Repair Services	86	10	7	3	106
I1 - Electricity Generation and Distribution Companies				1	1
I2 - Telegraphic and Communication Service Companies and Providers	5		1	3	9
I3 - Water Works, Distribution and Supply Companies and Providers				1	1
I4 - Radio and Television Broadcasting Companies and Providers	3			1	4
J - Artist And Sculptors		1			1
K - Planters, Farmers, Dairy Men, Market and other Gardeners, Stock Breeders, Vegetal		8			8
L - Fishermen		1			1
Grand Total	731	175	212	215	1333

The above table indicates the relative importance of the two chosen sectors. Retail is easily the largest group with Hospitality the third largest in licence numbers. While not shown above, the Port Vila and Loganville

areas are home to about 90% of all businesses, Port Vila having about 65% of the total while Loganville has the remaining 25%.

An initial total of 150 target businesses were selected. Later in the survey a further 20 Hospitality targets were added based on a list supplied by VHRA. Out of the 150 total, the design was for 90 to be retail targets while 60 were hospitality of which 30 to come from the accommodation sub group and 30 to come from the bars/restaurant sub group.

The survey plan envisaged the following process:

- VCCI GM signed letter of introduction and form delivered to all Targets by ACE
- Targets divided into Port Vila areas (ACE) and assigned to a VCCI Field Surveyor
- VCCI Surveyor to contact and or visit all targets to either
 - pick up survey form
 - arrange time to come back
 - do survey together with respondent
- Survey Manager to collect survey forms and generally manage survey process
- Survey forms progressively data entered by ACE.

Forms were available in French and English. The decision was made to not translate into Bislama because of technical nature of much of survey and that majority of Business owners / Manager thought to have either French or English.

In total 169 Letters and forms were delivered by ACE. No forms were completed and returned to VCCI before any Surveyor visit. In total only three forms were completed in French.

The Survey spanned a period of over four months, the official start date being the 24/9/2012 and the official end date being the 9/2/2013. VCCI was closed for a two week period in the middle of the survey. Three VCCI senior people did the survey work. In total 83 Forms were collected, with 43 forms collected by one surveyor, 31 from a second and 9 from the third. The actual survey is reported to have taken between 45 minutes to an hour to complete. The data entry of all forms collected started on 11/2/2013. A detailed timeline of activity is included in the Appendix

Survey Issues

There are many as is usual with any survey but in particular with this survey because of inexperience of VCCI with surveys. Given that a major purpose of the Project was capacity building of VCCI many of the issues have highlighted opportunities for future improvements and changes in approach.

Some of the key are discussed in the following sections. The appendix includes a Report from the Survey Manager on his observations.

Survey too complex.

This is likely the major issue as it made other aspects of the survey process difficult. In particular the section on the new employment law provisions and the potential options for Severance Pay and Termination Pay was very poorly understood by all. The ambiguity of understanding and the survey design was such that the data on Severance and Termination options has not been reported in the following sections.

However other sections while seemingly clear to the many Form reviewers also turned out to be complex or misunderstood by a range of respondents.

No Pilot Survey to Test Form Design

This is normally a must do but the Project Team felt under pressure after the initial 3 plus months for Form Design and Approval. However had this step been taken then some of the complexity and communication issues could have been addressed. Costs and time may have been an issue as this step was not included in the original project plan.

Communications Issues

As will be discussed later the majority of the retail sector are non Ni Van and in particular Chinese, very often with little or poor English or Bislama. In addition this group is also very suspicious of anything that looks like Government or formal surveys. Compounding this problem is the limited knowledge the Surveyors had of the relatively technical elements around the New Employment Law, Severance and Termination issues.

Delayed Data Entry and Quality Control

It was also unfortunate that Forms were not data entered at all during the Survey. Had this happened some of the Quality control and above matters may have come to light earlier. This like the others matters mentioned above are all matters which can be fixed for future surveys.

Survey Sections

The Survey consisted of seven sections. The results from each section will be presented in PART B.

The full survey Form is shown in the Appendix together with the list of targeted firms and the actual firms surveyed.

- Section 1 - Basic Control & ID Information
- Section 2 – Business Performance
- Section 3 – Factors Affecting Growth & Success
- Section 4 – Employment Law Issues
- Section 5 – Connecting with VCCI
- Section 6 – Employee Skill Availability
- Section 7 – Business Training Needs

PART B Data Analysis

In the following pages each Section of the Survey's data will be presented and the results discussed.

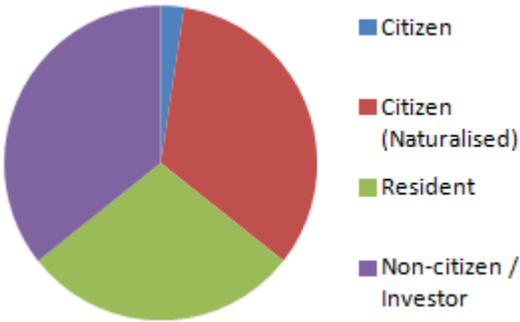
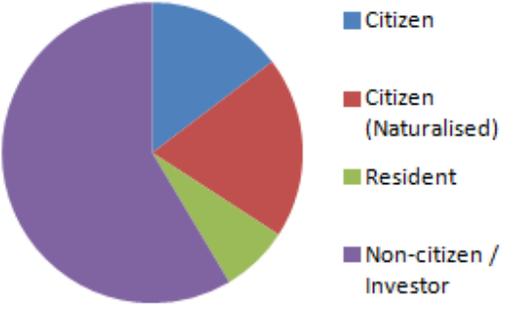
The data analysis will be separated for Hospitality and Retail. At the Validation Workshop the combined results were presented and while the discussion following the presentation is still valid the survey responses discussed below from each sector indicate differences between each sector that VCCI will need to take into account when developing any Policy and action plan.

The Survey issues discussed above do not invalidate the data results that will be presented. Rather the impact has been to limit the depth and detailed understanding that we can draw from the data collected.

Section 1 Business Information

The initial section of the survey seeks to collect basic control and quality control information. In total 83 forms were analysed, 41 in the Hospitality group and 42 in the Retail group. In the retail group there are two Business Licence categories D1 - Importers and D2 - Retailers. Of the 42 respondents, 4 are only D1, 27 are only D2 and 11 are both D1 & D2

Of the 41 Hospitality respondents there are no multiple location respondents while the 42 respondents for retail actually represent 72 separate locations

Hospitality - 41	Retail - 42																
<p>Did you know you were a VCCI Member Yes : 36 No : 5</p> <p>Immigration Status</p>  <table border="0"> <tr> <td>Citizen</td> <td style="text-align: right;">1</td> </tr> <tr> <td>Citizen (Naturalised)</td> <td style="text-align: right;">14</td> </tr> <tr> <td>Resident</td> <td style="text-align: right;">12</td> </tr> <tr> <td>Non -citizen / Investor</td> <td style="text-align: right;">15</td> </tr> </table>	Citizen	1	Citizen (Naturalised)	14	Resident	12	Non -citizen / Investor	15	<p>Did you know you were a VCCI Member Yes : 16 No : 26</p> <p>Immigration Status</p>  <table border="0"> <tr> <td>Citizen</td> <td style="text-align: right;">6</td> </tr> <tr> <td>Citizen (Naturalised)</td> <td style="text-align: right;">8</td> </tr> <tr> <td>Resident</td> <td style="text-align: right;">3</td> </tr> <tr> <td>Non -citizen / Investor</td> <td style="text-align: right;">24</td> </tr> </table>	Citizen	6	Citizen (Naturalised)	8	Resident	3	Non -citizen / Investor	24
Citizen	1																
Citizen (Naturalised)	14																
Resident	12																
Non -citizen / Investor	15																
Citizen	6																
Citizen (Naturalised)	8																
Resident	3																
Non -citizen / Investor	24																

Members Survey Report

Hospitality - 41				Retail - 42			
Employment				Employment			
Employee Number Range	FT	PT	Estimated Employees	Employee Number Range	FT	PT	Estimated Employees
1-5	11	8	57	1-5	14	5	57
5-10	11	1	96	5-10	12	1	104
10-30	9	1	200	10-30	13	0	260
30	10	0	500	30	3	0	150
	41	10	853		42	6	571

The Hospitality Sector knows about VCCI while this is not true of the Retail sector. Both sectors are totally dominated by non Ni Van Citizens, with only one citizen showing up in Hospitality (runs a small restaurant/take away). The major presence of non citizen / investor is not such a surprise in the capital heavy Hospitality sector but its very significant presence in the Retail sector reflects the general view of strong Chinese influence.

Hospitality tends to be a bigger employer with larger enterprises as compared to the generally smaller firm size in the retail sector (despite the number of multiple locations represented within respondents)

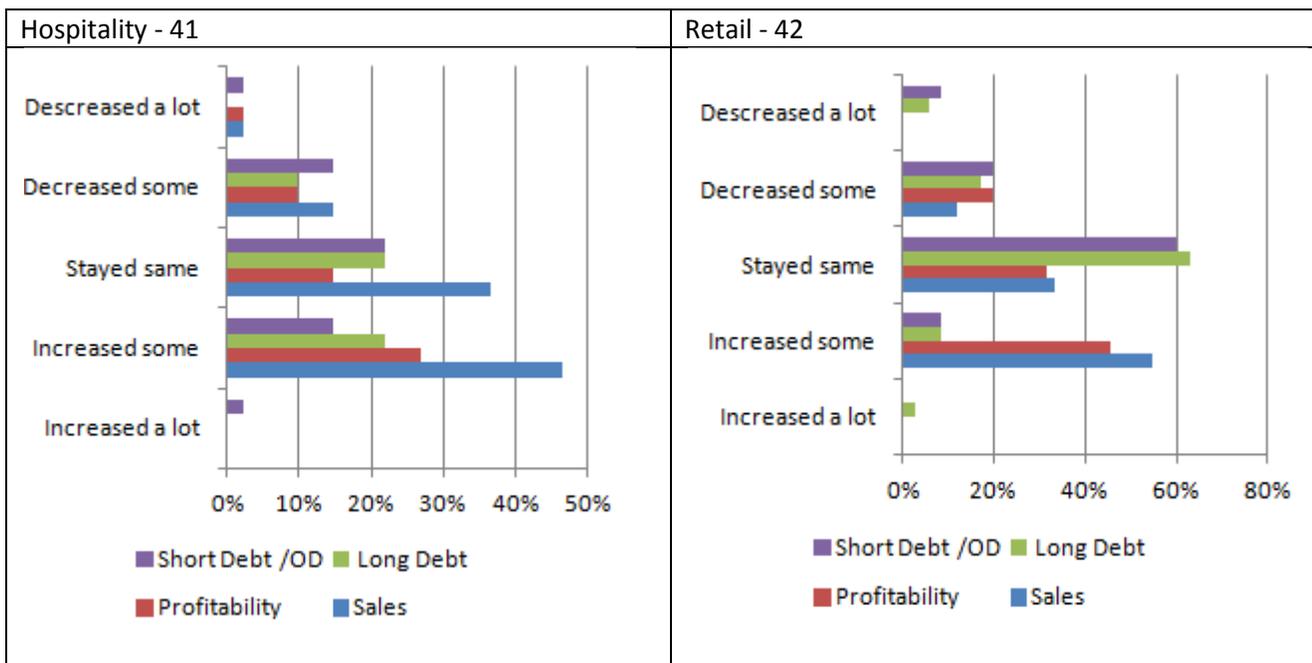
The relatively few part time employees indicated as the firms get larger is a surprise - the data and form does not define what people think constitutes part time work.

Section 2 Business Performance

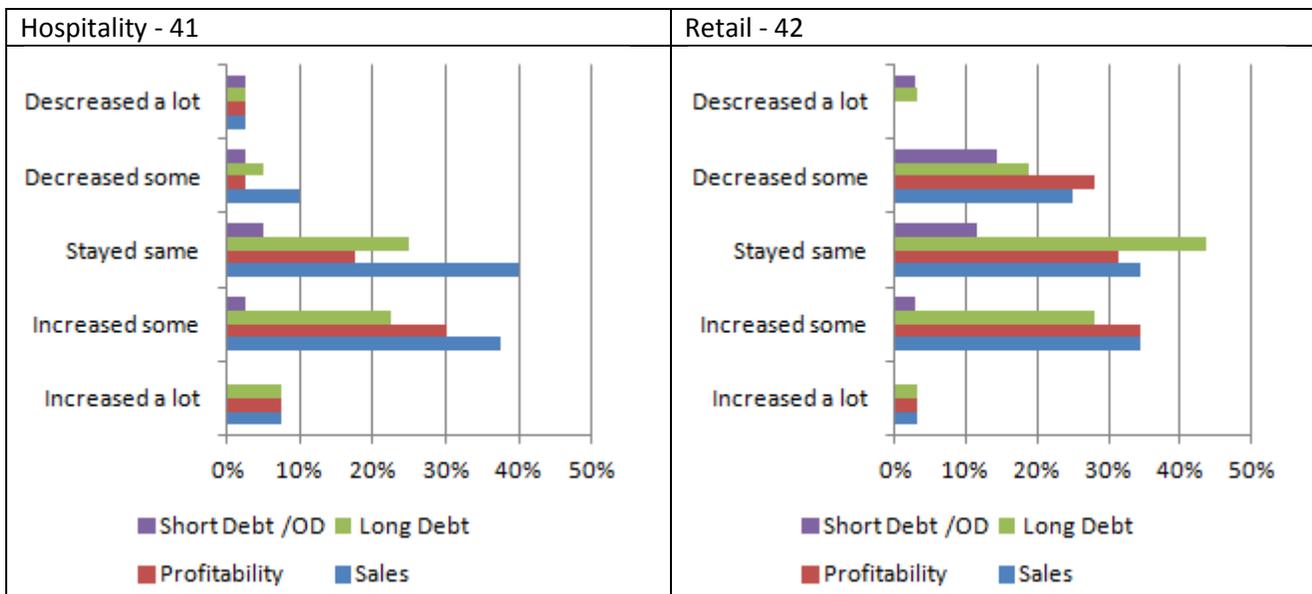
The purpose of this section was to gain an indication of how our respondents businesses have fared over the past three years and how they see their next three years. The Vanuatu economy is reported to have grown strongly over the last three years.

About 80% of the Retail respondents answered this question whereas virtually 100% of the Hospitality answered it.

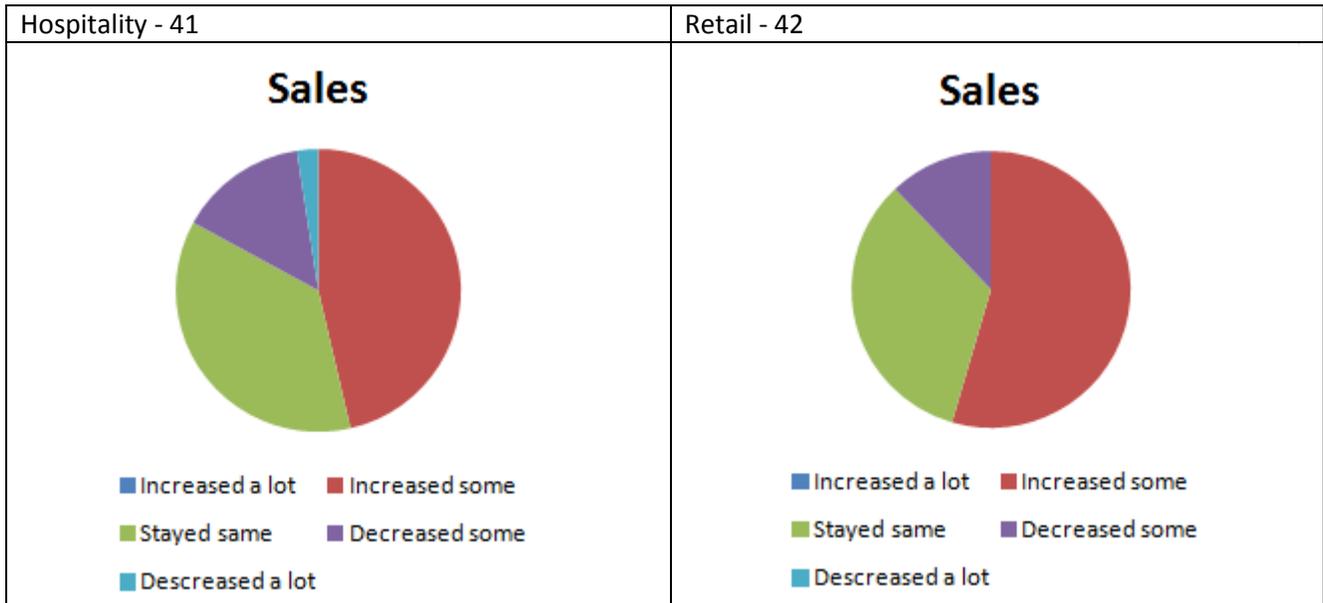
The respondents were first asked: **Over the past three years how have things changed**



The respondents were then asked: **Over the next three years how do you think things will change**



There is not a lot to say about these results. In general both groups have had a positive past three years and expect the next three to be relatively the same. As shown in more detail below the Retail sector has reported more Sales growth than the Hospitality sector in the last three years



The Retail sector expects some changes to the level of long term debt it carries. A portion expects to decrease it while a similar portion expects to make further investments.

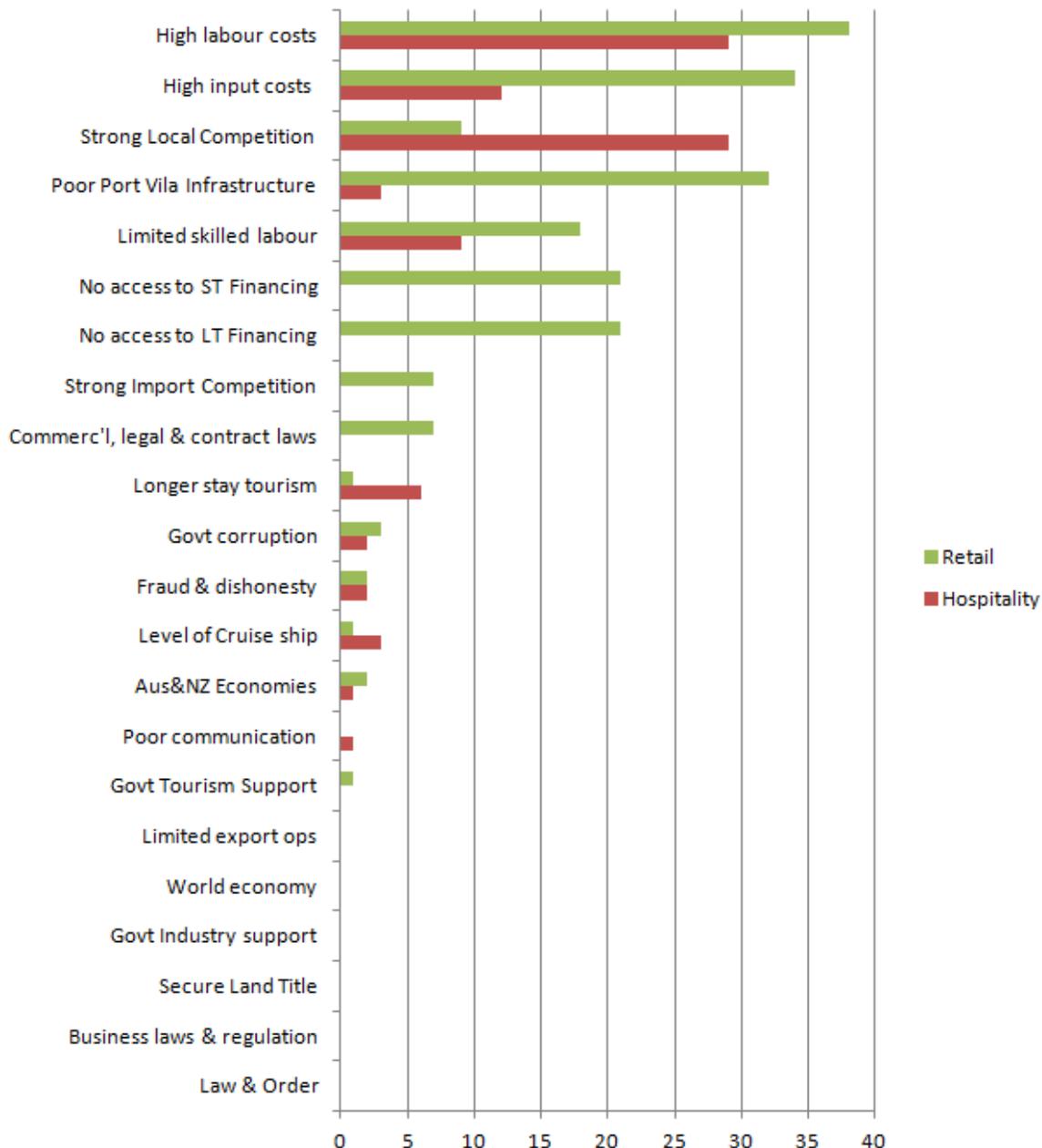
Overall both sectors are reporting a strong or at least stable financial position and expectations. This would not be true for a lot of the world's economies.

Section 3 Factors Affecting Growth & Success of Business over the longer term.

The key responsibility of the VCCI is to support their members. VCCI members are businesses operating for profit, in doing this they generate jobs and wages which benefit the total Vanuatu economy and population. Thus if the VCCI is to do its job then understanding what its members think are the key factors influencing their future growth and success is vital. It is also the first step in developing Policy and Advocacy approaches which may lead to a better future for their members.

This section asked which factors are important or not in two ways. Below is shown the results when each respondent was asked to Rank their top five factors (they could indicate from one to five factors but no more). This is a powerful way of eliciting the MOST important factors as respondents have to choose not just use the question to comment on all factors.

RANKING TOTALS FOR EACH FACTOR



The above table added together all rankings. Thus Rank 1's are treated equally with Rank 5's. Many respondents did not indicate a factor for all five Rankings. In Hospitality most people ranked their first two important factors but less than half ranked the 3rd, 4th and 5th factors. In Retail virtually everyone ranked five factors. This explains why Retail factors show much more strongly in the above table.

There is common ground between the sectors in that both see high labour costs as the most important factor. However there is strong difference between the two sectors.

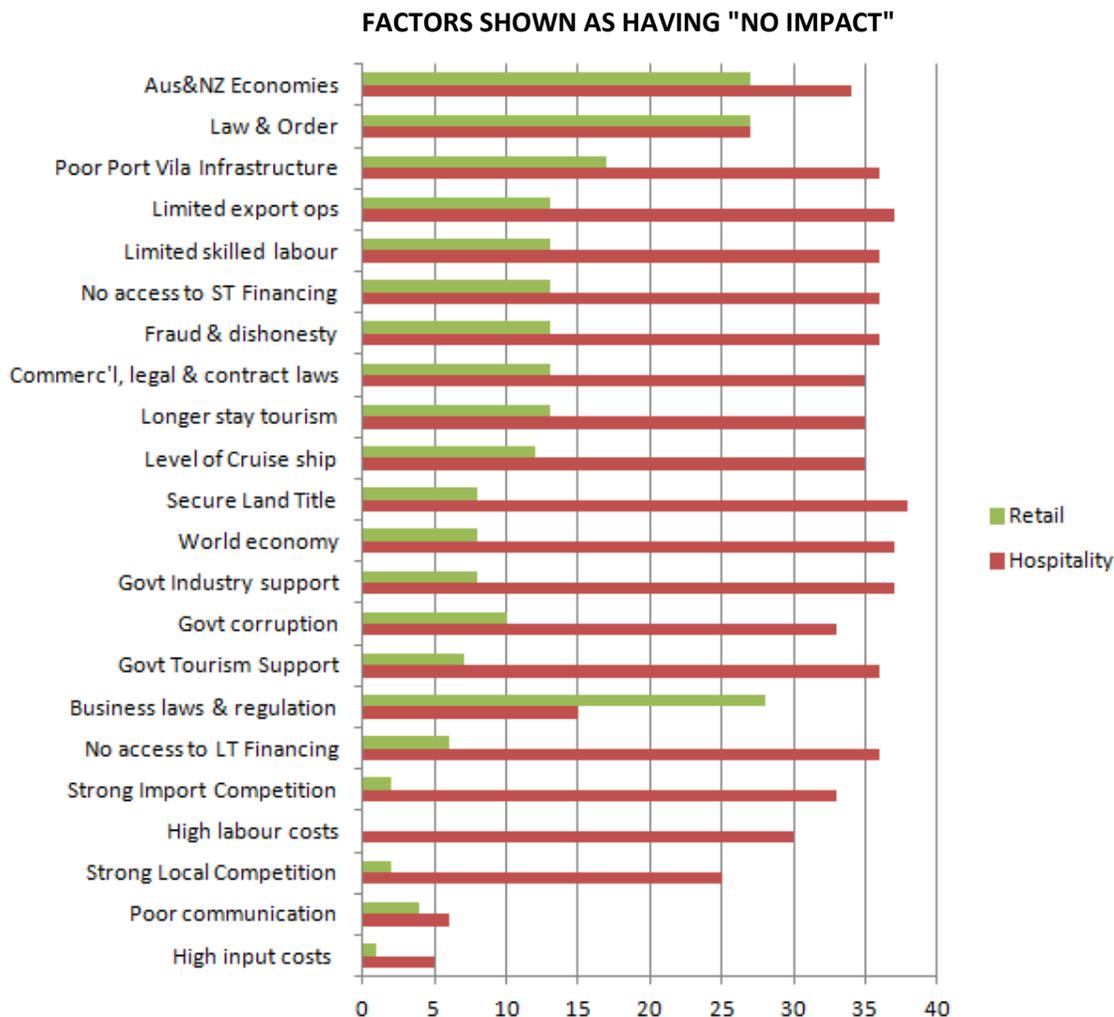
The next biggest concern for Hospitality is the competition they get from elsewhere in their sector; they feel strong pricing pressure in attracting customers.

Retail by comparison see the high cost of inputs and the standard of Port Vila Infrastructure as important factors impacting their future. Hospitality are not much concerned about these factors.

Both Sectors see that limited skilled labour as being a factor but retail are more concerned about this.

Retail seems to be quite concerned at the ability to access finance, both short and long term.

The tables below show the second way Survey Respondents were asked this question. They were asked to indicate for ALL factors whether they had "no impact", "minor impact", "moderate impact" or "major impact"

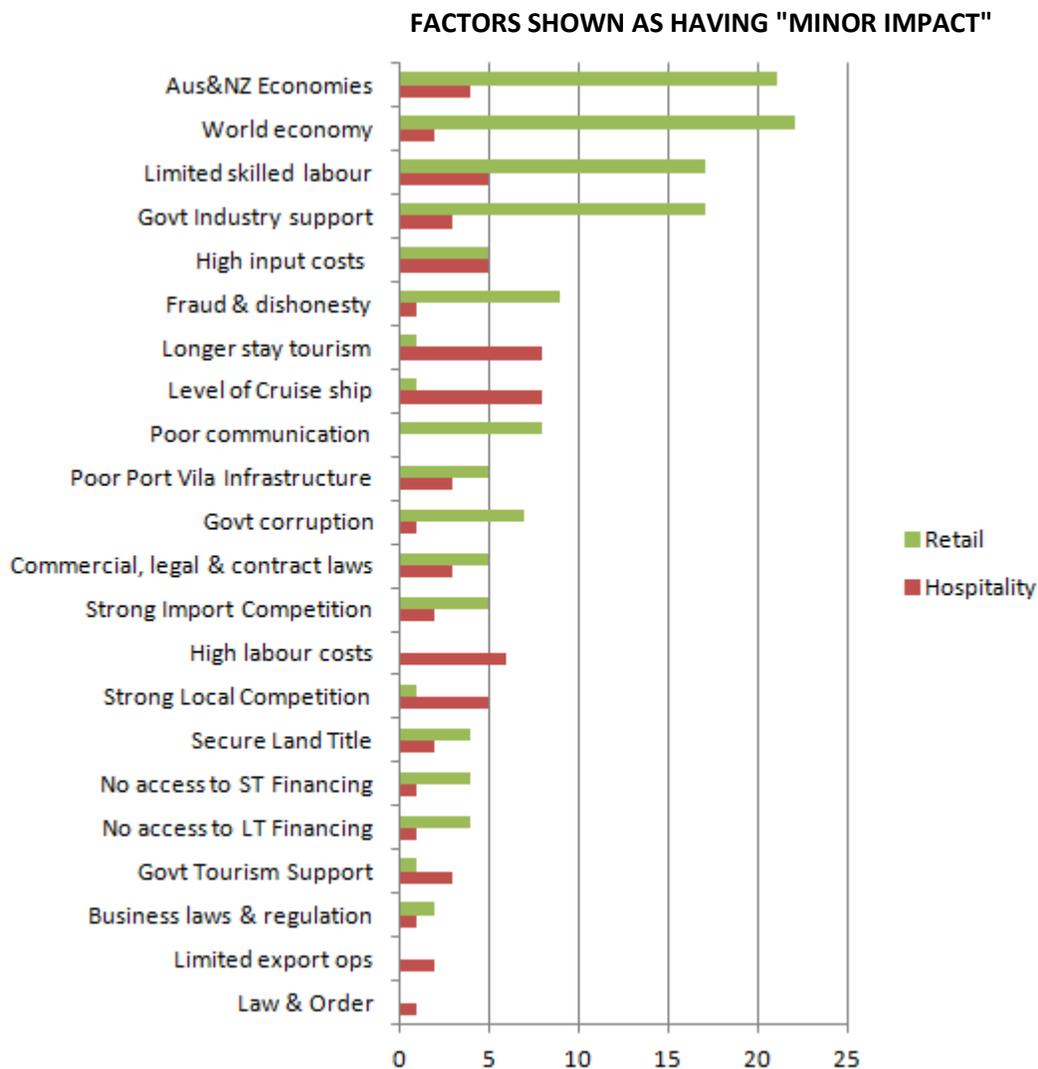


In broad terms Hospitality respondents don't see very much as impacting their future. Apart from *high input costs, poor communications* and *business laws & regulations* very little seem to concern them.

Retail in comparison shows a far wider set of concerns with most factors having impacts. They don't appear too many concerns about *business laws & regulations, law & order* and *Australian & NZ economies* but virtually all other factors rate as having low levels of "No Impacts".

However to really explore what factors are important the factors actually rated at minor, moderate and major tell the respondents story.

The first table below looks at the rating for "minor impact". Again the significant difference between Retail and Hospitality concerns is shown.

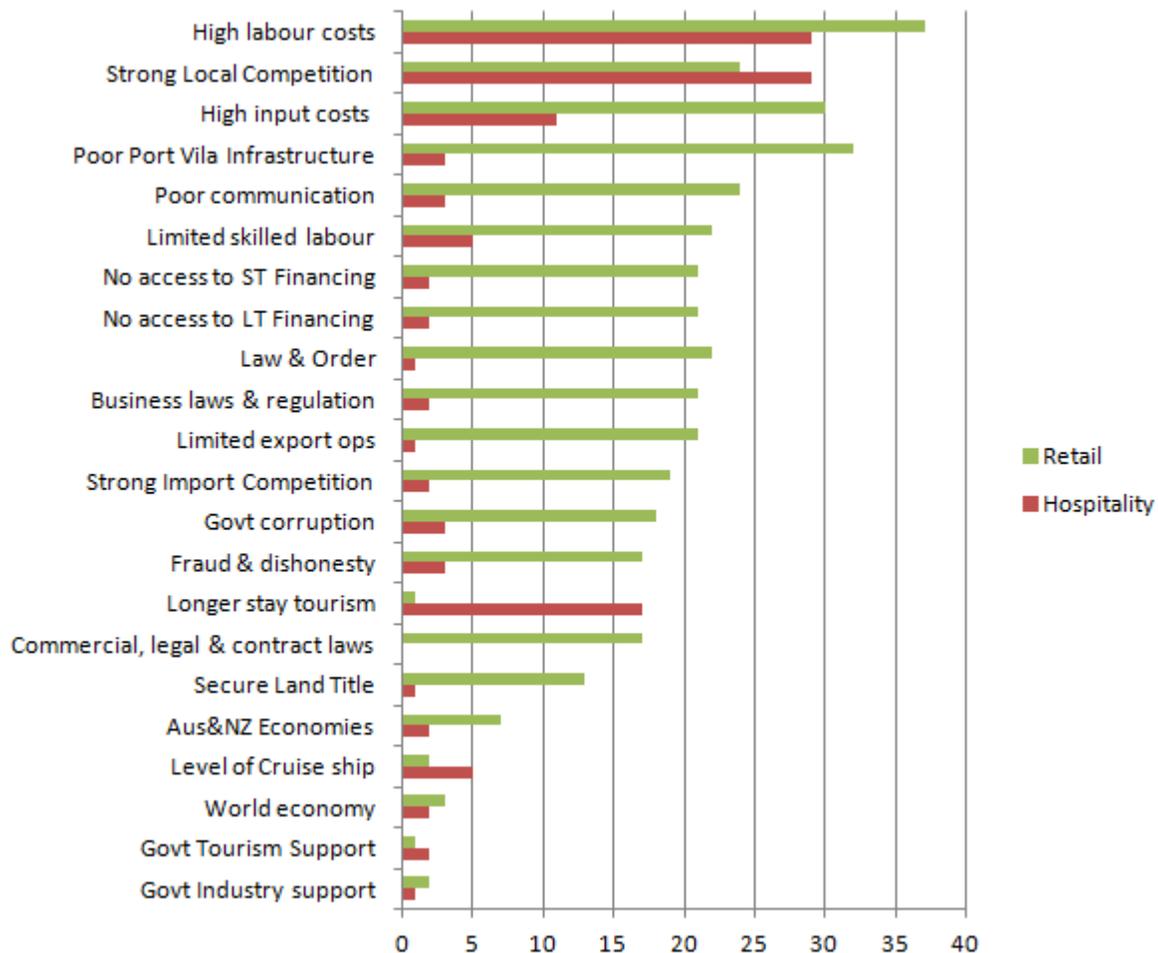


Retail sees some concern around *regional and world economies and limited skilled labour*. While not a ringing endorsement Retail does believe that *Government Industry support* could have a minor impact.

Hospitality does see some "minor" impact from the *level of longer stay tourism and level of cruise ship visits*.

The strongest indicator of important factors for both sectors should be reflected in their rating of factors as *Moderate or Major*. The previous tables rather reflect what people are NOT worried about while the table below indicates what people ARE concerned about.

FACTORS SHOWN AS HAVING "MODERATE & MAJOR IMPACT"



These results do reflect the earlier Ranking results with *High Labour costs, strong local competition, high input costs and Port Vila infrastructure* also being the four top concerns as they were for the Ranking results. However a wide range of other factors are seen as important, especially by the retail sector.

Retail has concerns about financing access, a range of "good government" factors, limited skilled labour and poor communications.

Hospitality somewhat surprisingly seems to have few other areas of concern. They are as one would expect concerned about the level of *long term tourism* but little else outside the already mentioned top factors is of significant concern, including somewhat surprisingly poor Port Vila infrastructure and limited skilled labour .

Given the importance of a continuing tourism demand for Hospitality it is surprising at how little rated is Government Tourism Support. Is this a statement on the sectors view of the effectiveness of the current support or is it a view that says that promotion is best done by the Sector and individual businesses

themselves rather than Government. This would seem to a good area for some further work.

Section 4 Managing your Business: Employment Factors

This section of the Survey as was mentioned earlier is both the most technical and the most poorly answered.

The sections on Severance and Termination options cannot be reported.

The main question listed 17 actions that are being actively considered for inclusion in the NEW Employment Bill. The VCCI and TLAC Staff involved in this process are very familiar with these discussions and this may have coloured the expectation of what is understood in the general business / management community about this matters. Respondents were asked to rate whether they thought the action would have a positive, negative or no impact.

	Positive Impact		No Impact		Negative Impact	
	Hospitality	Retail	Hospitality	Retail	Hospitality	Retail
Regular min wage rate increases linked to inflation	2	28	5	4	33	7
Min. wages by sector	2	28	5	4	33	6
Min. wage rates for skill categories	2	21	5	10	33	7
Mandatory payslip	3	14	36	27	1	0
Greater inspection of pay records	3	7	36	25	1	9
Protection of union membership right	4	12	34	19	2	10
Mandatory union fee deduction if member	3	22	35	12	2	6
Collective wage bargaining across a sector	4	22	35	19	1	0
Improved OH&S Laws	4	11	35	29	1	1
Maternity leave to 14w at 66% of wage	4	15	3	2	33	23
Improved Worker compensation scheme	4	15	15	2	21	22
Workers Compensation premium via increased VNPF rate	4	15	15	1	21	22
Improved flexibility to bring in foreignworkers	6	6	31	28	3	7
Termination only for redundancy and wrong doing	3	14	21	11	16	16
Reduced notice period at employee separation	4	14	17	10	19	17
Decrease sick leave allowances	4	38	12	1	24	0
Paid public holidays even if worker does not work	4	21	3	1	32	16

Some of the results in the above table are baffling to say the least! They reflect some fundamental differences in understanding and outlook between the two sectors. As the two sectors were interviewed by the same team and intermixed the differences cannot be ascribed to Surveyor differences.

The six questions outlined in **BLUE** reflect almost completely opposite points of view. The retail sector generally see the setting of minimum wages by inflation, sector or skill as positive, the hospitality sector see them as negative. The Hospitality sector has just been in an action with a Union log of claims over these matters and this could be the cause for this divergence of views. If this is the case it does indicate how views can change once an actual event forces more understanding and creates a firmer point of view.

The other divergences are equally surprising. The Decreased sick leave allowance is the most baffling. Currently workers are entitled to 21 days paid sick leave. The question asks about the impact of reducing this allowance (the proposal is to 10 days). On the surface this would appear to be a very good thing for

employers / managers. Retail does overwhelming see it as a good thing, hospitality however mostly see this as a bad thing. Further investigation and questioning of the people in Hospitality would be needed to understand why there is this strong difference of opinion.

The question re Paid Public Holidays (even if a worker does not work) reflects a divergence that is more explainable due to difference in industry operation. Hospitality sees this as a bad thing while over half the Retail respondents see it as good. Hospitality is a 24*7 activity with people operating on Rosters even during Public Holidays. Thus for the Hospitality sector, while workers they might get paid extra for working on a Public Holiday it would not seem at all sensible to also pay staff for the Public Holiday who were not Rostered to work. However for Retail they would normally close on Public Holidays and Full Time workers salary might tend to reflect a monthly / weekly salary rather than a Roster based salary package. Thus in the Retail sector building in the notion of paid Public Holidays as part of a salary package would not likely have the same impact as for Hospitality. Again to fully understand the differences would require more investigation.

Both sectors see the Maternity Leave proposal as either a moderate or major negative.

Both sectors are also not keen on the Workers Compensation proposals.

The other particularly notable difference is that Retail is much more receptive to many of the administrative and compliance elements. The Hospitality sector, possibly because of their recent wage activity is less receptive while largely recognising the proposals will have No Impact

The differences in response do suggest the difficulties likely when looking at creating a new Law that will be equally applied and administered across the many different sectors of the economy.

Section 5 Connecting your Business with VCCI - Priorities and Member Services

VCCI does many things. VCCI cannot effectively meet all current expectations. This section of the survey asked people to indicate for each of the listed activities whether VCCI "should not do", assign a "low priority", "needs to do", "is important" or "is critical"

The vast majority of respondents answered this for all activities. The majority of people indicated that VCCI "needs to do" most activities. While that is a nice affirmation for the range of VCCI activities and a general approval of all this activity it does not help VCCI determine its own priorities nor what members want..

Thus the analysis has focused only on the data were people indicated a priority

The following table lists only the two sets of choices - Low priority (sum of survey "should not do" and "low priority") and the sum of the Important and Critical responses.

	Low Priority		Important & Critical	
	Hospitality	Retail	Hospitality	Retail
Negotiating National Wage conditions with Govt & Labour			3	30
Advocating for changes to current Govt Policies			3	23
Business Mgt Mentoring Services		1	2	17
Support to access finance			2	16
Communicating Business Issues to Members			2	16
Communicating Business Issues to Govt / Public Service			2	16
Supporting Chambers across Vanuatu		1		9
Services to support Port Vila growth			2	9
Services to support Rural & provincial growth		8	2	8
Supporting Export focussed business			2	8
Representing Business in Economic Policy discussions with Govt			1	8
Providing Employment Law & Training Services			1	8
Supporting Local business (not importers and new investors)	2	1	1	7
Short Course Training in Finance & Bus Mgt			2	1
Short Course Training in Agribusiness	1		2	1
Supporting inwards Overseas investment		15	3	1
Donor fund seeking - training			1	1
Local trade shows & exhibits		1	1	1
Donor fund seeking - business devt		1	2	
Overseas trade shows & missions		1	1	
Advocating for new Govt Policies			2	
Representing Vanuatu at Overseas Forums		1	2	
Representing Business on key statutory bodies		1		
Communicating Business Issues to Public		0		

Again the responses are significantly different for Retail and Hospitality.

In general terms Hospitality does not have any strong opinions or priorities for VCCI. Hospitality respondents in general know they were members of VCCI and the sector has a very strong and active industry association

in the VHRA. This lack of any strong priorities also is consistent with the early responses when they also did not indicate many factors as influencing their future.

The retail sector is quite different. They have strong views on what they think should be VCCI priorities. They give significant weight to both the roles of Negotiating National Wage conditions and the Advocating for changes to current government practices. This is also consistent with their previous views on what they think will influence their future.

The Retail also strongly supports two activities that VCCI uses external agents to deliver, the Business Mentoring Service and the Support to Access Finance program.

Possibly because of the lack of knowledge of VCCI within this sector they also give high priority to VCCI communicating business issues to Members, Government and Public Service. Overall the Retail sector seems to be expressing a desire for VCCI to be a stronger voice for Business issues in general.

The Retail sector also has some opinions about what VCCI should not do - specifically it should give low priority to attracting in more overseas investment.

The Retail sector also seems to be more supportive of a range of VCCI activities aimed for more general economic growth and spreading its activities beyond Port Vila.

Section 6 Skills Information for Business Efficiency

VCCI has been involved in Business Skills training for a long time. The limited supply of Skilled Labour has arisen as a factor important for future growth.

In order for VCCI to understand the nature of Members concerns about Skills this section of the Survey asks questions about five broad levels of skill, from a Basic Worker to the Senior Manager level.

Four Yes/ No questions are asked about each level of skill:

- Are you looking to hire staff at this level
- Are you happy with the skills of your staff at this level
- Do you have difficulties hiring at this level
- Are you happy with the skills of staff available for hire at this level.

Again significant differences are evident for each sector. The first data below indicates how many people answered Yes or No - In most cases the responses was good. However about 30 of the 42 Retail respondents answer *Not Relevant* to the questions for the higher skill levels. The type and range of work in Hospitality is greater than Retail which is mostly the Basic or Clerical/Admin level. This is clearly reflected in the responses.

Hospitality - 41					Retail - 42				
How many people responded to each question					How many people responded to each question				
	Looking to add staff	My Staff OK	Hard to find	Vanuatu Skills OK		Looking to add staff	My Staff OK	Hard to find	Vanuatu Skills OK
L1: Basic worker	36	37	38	38	L1: Basic worker	41	35	34	34
L2: Admin&CS	36	36	37	38	L2: Admin&CS	41	34	35	34
L3: Specialist	36	37	40	38	L3: Specialist	34	12	13	12
L4: Manager /Leader	37	39	38	38	L4: Manager /Leader	34	12	13	12
L5: Sr Mgr./ Sr Specialist	37	37	38	38	L5: Sr Mgr./ Sr Specialist	33	12	13	12
How many people answered yes for question					How many people answered yes for question				
	Looking to add staff	My Staff OK	Hard to find	Vanuatu Skills OK		Looking to add staff	My Staff OK	Hard to find	Vanuatu Skills OK
L1: Basic worker	3	36	2	36	L1: Basic worker	31	34	1	33
L2: Admin&CS	1	36	1	36	L2: Admin&CS	29	32	2	31
L3: Specialist	6	36	11	33	L3: Specialist	3	10	5	8
L4: Manager /Leader	3	39	4	37	L4: Manager /Leader	0	10	2	9
L5: Sr Mgr./ Sr Specialist	2	37	4	37	L5: Sr Mgr./ Sr Specialist	0	10	2	9

--	--

The second set of data above indicates very few of the Hospitality sector is looking to add workers except to some degree in the Specialist area but that most of the Retail sector is looking to add basic Workers and Admin/Clerical staff. That being said given the limited numbers of Senior Managers and Managers in a Hospitality business it is interesting that from our 41 businesses they are looking for 5 Senior positions

Mostly Businesses are happy with the skills of their own staff and the availability of skills within the Vanuatu workforce. The only exception to that seems to be for Specialists who seem for some to be hard to find. Further the only group that is reported at being more difficult to find is the Specialist level.

The Hospitality sector is particularly well served with a specialised Port Vila based Training facility. This may help explain both the earlier difference in Limited Skills as a factor to growth in Hospitality as against Retail and the generally lower level of new staff requirements shown above for Hospitality.

Section 7 Training Needs for Business

The final section of the Survey concerns possible demand for a range of courses. Two types of courses are presented. The first is three Middle Management courses that if offered would be accredited with the Vanuatu national Training Council (VNTC)

The second set of proposed courses would be unaccredited and reflect suggestions made to VCCI over time.

Currently VCCI offers accredited Certificate Courses. The Diploma courses would be of a higher standard, longer and provide a more complete qualification.

Yet again there is a significant difference between the Retail and Hospitality responses. About half of all respondents believe they have staff that have a need for the Middle Management Diplomas. (Less see need for Quality Course, particularly in Retail.) However a far larger portion of Retail business appear willing to pay for staff to do these courses. This indication is further explored with data breaking down the "pay" responses by size of firm. All firm sizes indicate this willingness to pay, a somewhat surprising result.

Hospitality - 41		Retail - 42	
How many people responded to each question		How many people responded to each question	
	Have staff who have this need	Employer willing to pay for Training	
Middle Management Skills Courses		Middle Management Skills Courses	
Dip of Financial Mgt	18	4	
Dip of Business Mgt	17	3	
Quality Mgt (Short)	16	3	
What size of Business are willing to pay for training		What size of Business are willing to pay for training	
	Firm Size		
	1-5	5-10	10-30 >30
Middle Management Skills Courses		Middle Management Skills Courses	
Dip of Financial Mgt	2		2
Dip of Business Mgt	2		1
Quality Mgt (Short)	1	2	
How many see a general need for this training		How many see a general need for this training	
Middle Management Skills Courses		Middle Management Skills Courses	
Dip of Financial Mgt	18	33	
Dip of Business Mgt	18	28	
Quality Mgt (Short)	17	29	

There is a strong correlation between those who see a general need and a need in their staff, except for

Members Survey Report

Retail firms who see a strong need for more Quality training BUT not for their staff.

The final element of the survey was the question about Specific Skills short course training. Hospitality saw little need either generally or within their businesses. Retail saw little need within their businesses but a reasonable percentage of the respondents saw a general need. However when Hospitality businesses did see a need they were also very likely to be willing to pay for the course.

Hospitality - 41				Retail - 42			
How many people responded to each question				How many people responded to each question			
Short Courses Training	General Need	Staff Need	Would pay	Short Courses Training	General Need	Staff Need	Would pay
Domestic helpers	6	5	3	Domestic helpers	19	0	0
Artistic Painting & drawing	0	0	0	Artistic Painting & drawing	19	0	0
Commercial Painting /Interior Decoration	2	2	0	Commercial Painting /Interior Decoration	19	0	0
Basic Mechanical repairs	1	1	1	Basic Mechanical repairs	19	0	0
Basic Elec	2	2	2	Basic Elec	19	0	0
Basic Wood	1	1	0	Basic Wood	20	1	0
Basic Flower	3	3	3	Basic Flower	19	0	0
Basic Food	3	3	3	Basic Food	15	0	0
Fashion	1	0	0	Fashion	20	1	1
Gardening	3	3	2	Gardening	20	1	1
Handyman	3	3	2	Handyman	19	0	0

This data offered very poor support for any of the Specific Skill courses.

PART C Validation Workshop and Discussion

The Project and Survey process included a Survey Validation Workshop. This workshop was to provide the survey respondents with the opportunity to see the results, respond with any questions and by open discussion of the results to provide further detail and overall validation of the survey results.

The Workshop was advertised twice in the local Daily Post. Survey respondents with emails, VCCI Councillors and a more general email contact list were all sent notifications of the Workshop.

The Workshop was planned for a morning ending in a provided Lunch. The key element was a presentation of the results followed by an open discussion of the results and any other relevant issue raised by attendees.

The Workshop was held in the VNPF (Vanuatu National Provident Fund) conference room. About 20 people attended. The Australian Business Volunteer (John Field) working on this project presented the Survey Results and lead the following discussion .The Survey Presentation is distributed with this Report. A lively and frank discussion followed the presentation with many excellent points being raised. Notes taken of the discussion are included in the Appendix. A number of the key issues raised will be discussed further below.

While billed as a Validation Workshop only two of the people surveyed attended the Workshop and while no-one questioned the findings it would be hard to say they were validated. However it was clear that many of the themes identified by the survey resonated with the respondents.

Overall the major observation from the Workshop was that Businesses in Port Vila are very frustrated. They are frustrated at the lack of action and follow through on past discussions, surveys and meetings. They are frustrated by what they perceive as poorly delivered services and a lack of accountability. They are frustrated by seemingly ever increasing costs and complexity of doing business in Port Vila.

In general they seem to be directing this frustration towards all levels of Government and the public service. They feel as if Government, in general, see business as a "magic pudding" to be raided without any understanding or sympathy for the difficulties they face in saying in business.

It was also clear that if action was to be taken on any of their frustrations then it was best done within a Group or Structured manner. Many mentioned the likelihood of retaliatory actions against individuals firms if they made any complaints. Attendees emphasised the important of a strong VCCI and Industry Associations, who should be working together to actually get things done, not contributing to more meetings and discussions.

Apart from the broad discussion on the need for effective activity to actually get things done 9 specific matters were raised and discussed. Many of these are reflective of the survey data, some expand on the survey and some additional matters.

1. Vanuatu Employment Costs relative to Other Pacific nations

The perception is that Vanuatu's wage and salary costs are high, particularly with the severance pay conditions. The question was asked how Vanuatu's conditions compared to other similar countries,

particularly in the Pacific. Given the free Pacific Free Trade Agreements this higher cost structure is likely to hurt our economy. Mention was made of a report on this matter and it was also thought that the ILO likely has data on this as well.

2. Plea for Consultation of Key Decisions before they are taken

There was a strong plea that Government consult more broadly with business before it makes key decisions that are likely to significantly impact business. The point was made that the new TLAC structure was intended to work this way. To date there is little history to see if this does in fact work this way. Some scepticism was expressed based on history.

3. Strong Preference for a Skills based Wage structure rather than a sectoral based structure

In discussing wage setting options a strong preference was made for a skills based structure rather than a sector based structure.

4. Disquiet over likely impact of proposed Maternity Leave provision

The proposed maternity leave changes were seen as likely to lead to a hiring bias and other actions that would work against woman. It was also felt to be very difficult for small businesses to manage.

5. Strong disquiet of poor service provided by Shefa Provincial Council despite increasing rates and charges

In exploring the "poor Port Vila infrastructure" question the Shefa Provincial Council and Port Vila Municipal services came in for considerable criticism. In particular the poor rubbish service seemed a very common complaint. The general point was made that no one minds paying rates and taxes if good and effective services are received in return, however the general opinion was that very poor value for money was returned yet there are new property taxes and other charges being considered.

6. Concern about Electricity costs and difficulty in Solar Panel connection to Grid

On the high input costs question electricity was in particular seen as expensive. It was also noted that even if one wanted to become more self reliant via solar panels (or other means) that UNELCO had no mechanism as yet to allow grid interconnection.

7. Need for Secure Land Title - a particular issue outside Vila

The point was raised that while this was not a major issue within Port Vila it was outside. Very hard to encourage and commit investment without secure land title and that given the time this issue has been known about and looked at it should have been fixed.

8. Concern about limited Skills particularly in more advanced areas (e.g. IT) and Education in general

The survey concerns about limited Specialist skills was strongly endorsed and particularly in some of the more advanced areas like information and communications technology. The discussion broadened to a general concern about the total education effort and its importance for the longer term development of the economy. People wondered what would happen once the current AusAid subsidy arrangement phased out.

9. Concern about increase in problems with Kava taking during working hours or impacting work efficiency

A range of comments were made about the Vanuatu work ethic and work culture but particular concern was raised about the impact of Kava. It was perceived that the influence of Kava in particular but also drugs and alcohol was increasing. Several stories were told of actions taken against employees because of Kava

Conclusions

This Report documents the Survey Phase of the ILO Project aimed at building up the VCCI policy and advocacy capability.

The Survey collected 83 responses and enabled an in depth look at the Retail and Hospitality sector. There were many issues and lessons learned in carrying out the Survey. While the original design envisaged the Survey and related mechanics would be totally done by external consultants the change to have a major VCCI input was in retrospect very positive, when looked at from the capacity building perspective. VCCI should build upon this capability and consider it along with other communication and information activities.

The surprising degree of difference in response and outlook of the Retail and Hospitality sectors was a revelation. This would not have come out had the Survey been across all business. The devil as they say is often in the detail and appreciating the differing needs of its members sectors can only improve the effectiveness of VCCI actions and services.

The Survey is not an end in itself. It is a tool for informing and guiding subsequent Policy and Advocacy actions. These matters will be considered in a separate Paper. Business tends to only worry about factors that it can control and then expect others to manage broader issues to the benefit of the total economy. This more narrow focus was reflected in many of the surveys, particularly from the Hospitality sector.

The frustration at lack of action and effectively responses by Government and responsible bodies was also reflected both in the survey and at the workshop.

There is much that VCCI staff and Council can take from the Survey and Workshop to direct and inform their future planning. The current activity to improve the Marketing and Communication activities and capabilities of VCCI is very timely and of a very high priority. The Retail sector is poorly linked to the VCCI yet seems very interested in a wide range of matters that VCCI could contribute to improving. The Hospitality sector is strongly supported by the VHRA and the already good link between it and VCCI should be even further strengthened. The survey results could be jointly explored to guide how they might work together even more effectively.

The overwhelming priority which was given to VCCI around Wage and Salary Negotiations and Employment Policy is continued strong endorsement of the VEO establishment and development. The capabilities within VCCI to meet member's expectations in this area are still not strong and needs further development. The majority of VCCI resources and staff are engaged in revenue generation activities or Donor funded Projects. These are important in their own right and also help fund and support a base capability for VCCI. However member's priorities are directed to areas largely outside of the majority of current VCCI work. This will continue to be a difficult juggling act for the VCCI Council and GM.

The biggest challenge of all however is how to channel the vast desire for improvements and actions within the business community into a record of solid and recognisable actions. Both the survey and the workshop tapped a well of frustration and as well the desire for better and co-ordinated action via VCCI to improve the total business environment in Vanuatu.

Appendices

1. Survey Form

VCCI Membership Needs and Priorities Survey

FOR OFFICE USE ONLY

Surveyor Information

Survey number		Surveyor's name	
Date of setup interview		Date for full interview	
Date all data collected		Survey Quality Checked	<input type="checkbox"/>
Data Survey data entered		Quality checker's name	

Part 1 – Business Information

1. Name of Business			
2. CT Number		3. Business License Number	
4. Number of locations in Vanuatu			
5. What is the your main business licence category			
6. Do you know that holders of a business licence in Vanuatu are automatically members of the VCCI?	YES	<input type="checkbox"/>	NO <input type="checkbox"/>
7. Person answering the survey			
Full Name			
Business Position/Title			
email address			
mobile contact			
phone contact			
mailing address			
8. Address & Location of principal place of business			
9. Your Immigration Status		<input type="checkbox"/> Citizen <input type="checkbox"/> Citizen (Naturalised) <input type="checkbox"/> Resident <input type="checkbox"/> Non-Citizen / Investor	
10. Owner of the business if not the person answering the survey			
Full Name			
email address			
mobile contact			
phone contact			
mailing address			
11. Is there any overseas or non citizen ownership in the business?	YES	<input type="checkbox"/>	NO <input type="checkbox"/>
12. If YES to Question 11, what percentage (%) is overseas owned?			
13. How many employees (workers) are employed in the business?	1 only More than 1 -5 More than 5 – 10 More than 10 - 30 More than 30		
14. How many employees (workers) are part-time?			

Part 2 - Business Performance

In this part of the survey, VCCI would like to know how well your business/company has been doing. We are interested to know how your business has changed and grown over the last few years.

1. Over the last three (3) years has:	Increased a lot	Increased some	Stayed same	Decreased some	Decreased a lot
Sales Revenue/Turnover					
Profitability					
Long Term Debt					
Short term Debt/Overdraft					

2. Over the next three (3) years the Business expects:	Increase a lot	Increase some	Stay the same	Decrease some	Decrease a lot
Turnover to					
Profitability to					
Long Term Debt to					
Short term Debt/ Overdraft to					

Part 3 – Factors Affecting Growth & Success of Business over the longer term (more than one year)

Look at the following list. For Vanuatu, these are factors that often affect the growth and success of businesses. Look at each one, and in applying it to your business, can you tick the appropriate box which supports your view on how this factor affects your business. (For e.g. if your business is a Restaurant, then a factor such as ‘Level of Cruise Ship Tourism”, may cause you to view it as having a ‘Major Impact’ on the growth and profitability of your business.)

Issue	No Impact	Minor impact	Moderate impact	Major impact
1. Level Cruise Ship Tourism				
2. Level of longer stay Tourism				
3. Law & Order				
4. Vanuatu Commercial, Legal and Contract Laws				
5. Laws & Regulations for Business				
6. Secure Land Title				
7. Strong Import Competition				
8. Strong Local Competition				
9. Level and Focus of Government Tourism Support				
10. Level and Focus of Government Industry Support				

11. Stable and growing world economy				
12. Stable and growing Australian and New Zealand economies				
13. Government Corruption				
14. Business Fraud and Dishonesty				
15. Poor Quality of Port Vila Infrastructure				
16. Poor Quality of Communications/Internet				
17. Lack of Access to Long term Financing				
18. Lack of Access to Short term Financing				
19. Limited Export Opportunities				
20. High Cost of Business Inputs (not Labour)				
21. High Cost of Labour				
22. Limited Supply of Skilled Labour				

Are there any other issues which are affecting your business now or have affected the growth and success of your business in the past. Please list them here in your own words.

23. After considering the factors affecting business, numbered 1 to 22, and any others you have identified, you now need to make a ranking. Of the factors listed above, choose and rank five (5) which you consider as most important factors affecting your business. Rank them from 1 to 5 in order of importance to you with 1 being the most important.

Rank	Item and Number from list above (e.g. You may Rank as (1) the 'Issue no. 20. Level of Government Industry Support)
(1)	
(2)	
(3)	
(4)	
(5)	

Part 4 A– Managing Your Businesses: Employment Factors

This section is not relevant for micro or small family businesses which do not employ staff. If you are a business that does not employ any staff go to Part 5.

As an Employer Organisation, the VCCI, the Trade Unions and the Government are working together to review and revise employment law in Vanuatu. The new Employment Relations Bill, sectoral minimum wages are among the subjects discussed by the Tripartite Labour Advisory Council (TLAC) where VCCI's representatives are representing employers at TLAC.

Look at the list below. Many items on the list are being discussed and considered for new employment laws and regulations which could be part of a new package of conditions which would apply to most businesses. Look at each one, and think of how it might impact your business. Tick the appropriate box which supports your view on how this factor could impact your business.

Please Rate the Impact to your Business's Profitability and Growth of the following employment factors.	Major Positive impact	Minor Positive Impact	No impact	Manageable negative impact	Major negative impact
1. Regular increases of minimum wage rates linked to inflation					
2. Introduction of Minimum Wage rates by Sector (e.g. Hospitality / Retails)					
3. Introduction of Minimum Wage Rates for Skill Categories					
4. Mandatory requirement to provide Pay Slip with all wage details					
5. Greater inspection of Business Pay and Employment Records					
6. Protection of Employees right to join and be a Union Member					
7. Mandatory deduction of Union fees by employers (for union members in the company)					
8. Collective Wage Bargaining across a Sector					
9. Improved Occupational Health and Safety Laws and Regulations					
10. Increasing maternity leave to 14 weeks, with leave being paid at a rate of 66% of usual salary by the employer					
11. Improved Workers Compensation insurance scheme					
12. Workers Compensation Insurance paid for by an increase in VNPF rate					
13. Flexibility to bring in foreign workers to meet skill shortages					
14. Termination of employees only because of employee wrongdoing or redundancy					
15. Reduced notice period at employee separation (resignation or termination)					
16. Decreased sick leave allowances					
17. Payment of wages for public holidays that the employee does not work.					

Part 4 B—Managing Your Business: Severance Allowance

Employers have expressed strong feelings about the Severance Provisions introduced in 2009 under the Employment Act.

The current provisions mean that all workers who are full time employees (i.e. employees who work 4 or more days per week) and who have been in continuous employment for more than 6 years are paid 4 weeks salary for each year of service when they leave their employment regardless of the reason they leave unless they are terminated for serious misconduct. They are entitled to this payment if they resign take a new job, retire, leave for reasons of ill health or are retrenched (terminated due to job restructure or business reorganisation).

Please Rate the Impact to your Business of the current Severance Pay provisions on the following business decisions	Major Positive impact	Minor Negative Impact	No impact	Manageable Negative impact	Major negative impact
1. Making further investments into the Business					
2. Hiring additional full time staff					
3. Hiring additional part time staff					
4. Using contract staff to avoid the provisions					
5. Obtaining financial support for the business					
6. Profitability of the Business					
7. Change the status of full time staff to part time staff					
8. Reduction in number of full time staff					

9. Other Impact or Comment

Part 4 C–Managing your Business: Options for Termination and Severance Pay Reform

As an Employer Organisation, the VCCI, is working with the Trade Unions and the Government to review and revise the employment law in Vanuatu.

Severance pay and termination of employment are among the areas that have been identified for reform and some new options have been proposed. Look at the list below, it identifies several options for changing the Severance pay provision in the employment law. These are not the detailed options likely in any new law but your views will help guide VCCI.

Remember, the current provisions mean that all workers who are full time employees (i.e. employees who work 4 or more days per week) and who have been in continuous employment for more than 6 years are paid 4 weeks salary for each year of service when they leave their employment regardless of the reason they leave unless they are terminated for serious misconduct. They are entitled to this payment if they resign take a new job, retire, leave for reasons of ill health or are retrenched (terminated due to job restructure or business reorganisation).

Please indicate which Option you would Prefer and which would be most unacceptable.

These are possible law reform options	This is the Option I think would be best	This is the Option I think would be Worst
1. No change to current Employment Act in Vanuatu regarding Severance Allowance Provisions.		
2. Current Severance to only apply to redundancy		
3. Current Severance Provisions to only apply to termination initiated by employers (retrenchment, redundancy) but with a 6 month cap in pay-out		
4. Current Severance to only apply to redundancy but with a 6 month cap		
5. New termination and redundancy provision that only pays workers who lose their job through employer initiated action (retrenchment, redundancy) at a rate of 4 week's salary for the first year of service and 2 weeks salary for subsequent years worked, and with a cap on payout		
6. New termination and redundancy provision that only pays workers who lose their job through employer initiated action, at a rate of 4 week's salary for their first year of service and 2 weeks salary for subsequent years worked, and with a cap on payout		
7. Abolition of current severance provisions but increased VNPF payments, with employees able to access VNPF savings		

8. Would you like to suggest another alternative?

Part 5 – Connecting Your Business with VCCI– Priorities and Member Services

VCCI has a role to play in representing the interest of businesses in Vanuatu and provides many services and activities for its Members and Stakeholders. Please rate how important you think the current VCCI activities are.

VCCI Activity	Should not do	Low Priority	Need to do	Important	Critical
Training & Services					
1. Short Course Training in Financial Management					
2. Short Course Training in Business Management					
3. Agribusiness Training aimed at creating viable small scale agribusinesses					
Business & Trade Development Support					
4. Supporting Business to access Finance					
5. Providing Business Management Mentoring Services					
6. Establishing and Supporting a network of Chambers of Commerce and Industry across Vanuatu					
7. Deliver services to support Private sector growth in Port Vila					
8. Deliver services to support Private sector growth in Villages and Provinces					
9. Supporting Overseas Investment into Vanuatu					
10 Supporting Export focused Businesses					
11. Support Local Business against Imports and New Overseas Investors					
12. Seeking Donor Funds to Deliver Economic Development Services					
13. Seeking Donor Funds to Deliver Expanded Training Services					
14. Supporting and/or running Overseas Trade Shows & Missions					
15. Supporting and / or running Local Trade Shows and Exhibits					
Advocacy & Representation					
16. Representing Private Sector in Employment Policy discussions between Government and Labour					
17. Representing Private Sector in Economic Development Policy discussions with Government					
18. Negotiating National wage and salary conditions with Government and Labour					
19. Advocating for Changes in current Government Policies					

20. Advocating for new Government Policies					
21. Represent Vanuatu Private Sector at Pacific Forums					
22. Represent Vanuatu Private Sector at International Forums					
23. Represent Vanuatu Private Sector on Key Local Statutory bodies					
Communication & Public Relations					
24. Communicating Private Sector Issues & concerns to the wider Public					
25. Communicating with VCCI Members on issues that might impact their Business					
26. Communicating the concerns of the Private Sector to Government and the Public Service					

Part 6 – Skills Information for Business Efficiency

In general, a business or company will look to employ a person with skills to fill a certain position. VCCI is interested to know more about how your business is finding the skill levels of employees.

Skills level (Instructions: Read the Skill Level below and go across to the right. For each skill level you need to indicate 'Yes', 'No' or 'NA' (Nor Applicable) to the given question in each column.)	Are you looking to hire additional staff at this level?	Are you happy with the Skills of your staff at this level?	Do you have difficulties hiring people at this level?	Are you happy with the Skills of staff available for hire at this level?
	Yes/No/NA	Yes/No/NA	Yes/No/NA	Yes/No/NA
1. Level 1 Basic Worker - manual work, little customer interaction, minor clerical / financial tasks, no special skill training				
2. Level 2 Admin / Customer Service Worker - Possibly has some basic skills training in customer service, clerical work. Interpersonal skills and financial skills often important part of job				
3. Level 3 Specialist Worker - Worker will have had some in depth training that defines their job eg cook, book keeper, mechanic, dive instructor				
4. Level 4 Manager/Leader - Worker who in addition to specific job skills also has responsibility for people management. Has authority and autonomy to deliver their teams results				
5. Level 5 Senior Manager/ Senior Specialist - Worker who is likely to manage a "Department" and / or be responsible for complex management functions including budgeting, reporting and financial controls				

6. Any other comments you would like to add regarding the skills of workers and skills availability that affects your business?

Part 7 – Training Needs for Businesses

VCCI has been working hard over the years to develop useful and practical training products for Businesses in Vanuatu. VCCI is interested to if there is a need to develop new training products to be offered by VCCI to local businesses. VCCI is a Registered Training Provider of the Vanuatu National Training Council. The standards of VNTC certification system are regional standards of Pacific Island Countries under South Pacific Commission Programme. Short Course Training are unaccredited. Middle Management Skill Courses are accredited by VNTC.

	Do you see a need for this Skills Training (Write 'YES' or 'NO'.)	Do you have staff that might benefit from this Course (Write 'YES' or 'NO'.)	Would you pay for your staff to do this course (Write 'YES' or 'NO'.)
<i>Middle Management Skills Courses</i>			
1. Diploma of Financial Management			
2. Diploma of Business Management			
3. Quality Management (Short Course)			
<i>Short Course Skills Training</i>			
6. Domestic Help / Cleaners / Housemaids			
7. Painting/Drawing/Sketching Techniques & Colour Illustration			
8. Commercial Painting & Interior Decoration			
9. Basic Mechanical Repairs			
10. Basic Electrical and Plumbing Repairs			
11. Basic Wood Carving Techniques			
12. Basic Flower arrangement techniques			
13. Basic Food Handling & Food Hygiene			
14. Fashion Creation – Island Dress Sewing			
15. Gardening / Urban Farming			
16. Handyman			
Your Suggested Skill / Training Course Need:			

You have reached the end of this Survey Questionnaire Form!

Thank you very much for taking the time to complete this Survey Form and also for giving your time to be interviewed by our Team. You will be kept informed of the outcome of this Survey and an invitation will be provided to you to attend a Workshop on the results and findings of the Survey.

You can contact the Vanuatu Chamber of Commerce and Industry on telephone 27543 or by sending an e-mail to the Officer-in-Charge, Augustine Betsesai on augustine.betsesai@gmail.com for more information.