

# Timor-Leste Workforce Development Strategic Review:

## Management Response

July 2018

### Activity summary

**Workforce development** is central to Timor-Leste's economic future. In particular, a healthy, educated and skilled workforce will be needed for the Government of Timor-Leste to achieve economic diversification. This workforce will also need access to jobs – each year 9000 people join the labour market, but only 4000 jobs are created. Most Timorese people make a living through subsistence agriculture, micro-business or unskilled labour. The jobs that are available are often filled by foreigners – there are few opportunities for Timorese people to develop skills or get work experience and so businesses look overseas for workers in important skilled occupations. At the same time, many Timorese leave the country to take advantage of unskilled work opportunities in the UK, South Korea and Australia. The Australian development program in Timor-Leste invests in the **Workforce Development Program Timor-Leste** (WDPTL) (\$A12.7m over 2014–18). The overall goal of this program is a skilled workforce for a prosperous Timor-Leste. There are three intended end-of-program outcomes: (1) improved policy and systems for workforce development; (2) more people are workforce ready; and (3) program beneficiaries utilise their skills, experience or income. WDPTL includes management of the Australia Awards scholarship program (AAS), Australia's work on English language training (ELT), vocational skills and training, support to the Labour Ministry (SEJT) on labour market information, and access to Australia's Seasonal Workers Program (SWP). The program supports Timorese government agencies, government and private training centres, as well as the English Language Centre of Timor-Leste's National University.

### Evaluation summary

#### Purpose

The Australian Embassy in Timor-Leste commissioned a Strategic Review of its workforce development activities in Timor-Leste to:

- assess the effectiveness of the Australian government's current approach to workforce development programming in Timor-Leste;
- identify the key strengths, challenges, opportunities and demand side factors that most strongly influence the ability of the workforce development sector to contribute to a more prosperous Timor-Leste; and
- recommend future strategic investment approaches and priorities that will maximise workforce development and contribute to prosperity in Timor-Leste.

#### Methods

The review methods included an initial document review, followed by a 19-day in-country visit in January and February 2018. During the in-country visit, the review team:

- conducted interviews with over 100 key stakeholders

- conducted three focus group discussions with technical and vocational education and training (TVET) trainers, Australia Awards alumni and people with disabilities (PWD) who had undertaken the WDPTL English for Employability course
- presented preliminary findings to the Australian Embassy in Timor-Leste for initial feedback.

### Main findings

**Relevance:** The review highlighted the need for Australia’s approach to workforce developing in Timor-Leste to be adaptive, so that it can respond to changing circumstances. Australia is well placed to support technical and vocational education and training (TVET) in-country, while also providing scholarships for targeted tertiary study in Australia. There is a need for high-quality TVET training that responds to the needs of employers and is based on careful analysis of domestic and international labour market requirements. Improved labour mobility is occurring through expansion of the SWP. There is the potential, with the right preparation, for this to expand in the future through the Pacific Labour Scheme. Experience gained through these schemes can provide skills to returned workers to contribute to Timor-Leste’s domestic tourism, hospitality and commercial agriculture sectors.

**Effectiveness:** DFAT’s support for the SWP is making an increasingly valuable contribution to work readiness through a rapidly expanding program. In a crowded scholarship landscape, DFAT’s support for scholarships and alumni makes a small but important contribution to more Timorese being work-ready. There is widespread support for AAS supporting a more balanced mix of undergraduate and postgraduate study and short courses. Although the ELT component of the program has been of short duration, it has generated positive outcomes. However, ELT should be prioritised for workforce development investments such as labour mobility, TVET training, scholarships and social inclusion activities. WDPTL has made good progress in enhancing the capacity of the Timorese government to collect, analyse and disseminate labour market information, administer the SWP in a responsive manner, engage with stakeholders and administer quality assurance systems.

**Appropriateness:** The range of partners and approaches needs to be broadened to respond to changing circumstances. Workforce development could be enhanced by extending collaborations between DFAT-funded programs, and with a broader range of stakeholders both within Timor-Leste and internationally.

**Learning:** A future workforce development program will need a longer timeframe, of at least five years, with an option to renew to be effective.

### Recommendations and management response

The review team made 13 recommendations – these recommendations, and Australia’s Department of Foreign Affairs and Trade (DFAT) responses, are below. The recommendations provide a valuable opportunity to reflect on Australia’s work to support workforce development in Timor-Leste. DFAT agrees, at least in part, to all 13 recommendations made by the review team. DFAT notes that some recommendations require the Government of Timor-Leste’s agreement and guidance.

### Management responses to the recommendations – July 2018

Recommendation	Response	Action Plan	Timeframe
<p><b>RECOMMENDATION 1:</b> Include an emphasis on quality TVET training in country that can close existing labour skill gaps currently filled by foreign workers and meet the needs of prospective domestic and international employers.</p>	<p>Partially agree</p>	<p>DFAT will work with the Government of Timor-Leste and training institutions in Timor-Leste to provide quality in-country TVET training in sectors relevant to job opportunities in Timor-Leste and in Australia. These sectors are likely to be hospitality and agriculture, as they are both identified as key sectors for economic diversification in Timor-Leste and there is potential for labour mobility opportunities in Australia.</p> <p>It will be out of the scope of the next workforce development program to provide TVET training in all sectors that are currently filled by foreign workers.</p>	<p>Considered during design phase on new program (January-June 2019)</p>
<p><b>RECOMMENDATION 2:</b> Focus on supporting the acquisition of skills that can contribute to the development of identified export industries such as coffee, tourism and labour services and the development of commercial agriculture to enable import substitution. Over the longer term it will be important to take a broad and responsive view of the technical and business skills required to support diversified value chains in these areas.</p>	<p>Agree</p>	<p>DFAT agrees that tourism and labour services will both be important for economic development. The initial focus in the new program will be on these sectors.</p> <p>Longer term the program will consider the benefits of broadening the focus to include other sectors and the value chains.</p>	<p>Ongoing</p>
<p><b>RECOMMENDATION 3:</b> Support initiatives that will position Timor-Leste for improved labour mobility opportunities.</p>	<p>Agree</p>	<p>DFAT will continue to support the GoTL to enable Timorese participation in labour mobility opportunities in Australia – particularly the Seasonal Workers Programs,</p>	<p>Ongoing and a strong</p>

<p>These should include continuing support for the development of <b>GoTL capacity to manage expanded involvement in the SWP</b>, as well as for the development of relevant <b>Australian-level qualifications in Timor-Leste</b> suitable for participation in the Pacific Labour Scheme. Ideally these skills, or components of them, will also be relevant for the domestic tourist and commercial agriculture market.</p>		<p>and other opportunities as they arise. This support will be delivered through a new bilateral workforce development program and DFAT's regional Pacific Labour Facility. There will a focus on increasing opportunities for women, as well as rural and unskilled workers.</p>	<p>focus in the new program</p>
<p><b>RECOMMENDATION 4:</b> Deepen the current benefits of the SWP by providing additional reintegration support to returning seasonal workers to find pathways to employment, establish businesses, access further training or take advantage of new labour mobility opportunities.</p>	<p>Agree</p>	<p>DFAT recognises the importance of providing reintegration support for returning seasonal workers, and will consider options for additional support in its new workforce development program.</p>	<p>Analysis and activities will be planned in 2019</p>
<p><b>RECOMMENDATION 5:</b> Continue to support Australia Awards scholarships and alumni, explore opportunities for co-funding to increase the availability of scholarships, and ensure the relevance of qualifications pursued, and consider restoring the emphasis on undergraduate training.</p>	<p>Partially agree</p>	<p>DFAT will continue to provide Australia Awards scholarships and support alumni.</p> <p>The number of scholarships available each year is subject to annual funding confirmation. DFAT will consider including undergraduate scholarships again and short term awards. Value for money and development needs in Timor-Leste will be considered to decide the most appropriate mix of scholarships to offer.</p>	<p>Australia Awards scholarships are ongoing. Early in the new program DFAT will decide on the types of</p>

		<p>Our initial assessment is that co-funding would be difficult to implement, but DFAT will consider potential co-funding models in the next program.</p>	<p>scholarships to off. Co-funding options will be considered during 2019 (the first year of the new program)</p>
<p><b>RECOMMENDATION 6:</b> Continue to support ELT as a priority and undertake targeted and independent assessments to strengthen its delivery. These assessments should include ELT learning outcomes to date, and whether the current standard of English is adequate for labour mobility, domestic tourism and hospitality purposes. ELT for SWP, AAS, PWD and TVET trainers should continue, but ELT for secondary school teachers and support for the UNTL ELC should not. ELT should be integrated into all other program activities as appropriate and be delivered through existing training institutions, which could be co-funded by the Government of Australia (GoA), and strengthened through partnerships with institutions in Australia or Timor-Leste (where those institutions deliver to the Australian</p>	<p>Partially agree</p>	<p>DFAT will continue to support provision of ELT, with a greater focus on training people engaged in the other activities within the program, such as SWP, AAS, and TVET initiatives. ELT as a standalone activity will not continue.</p> <p>DFAT will work with existing ELT Timor-Leste training providers that can provide Australian-standard training.</p>	<p>ELT will be ongoing for the new program. More analysis about which institutions to use for ELT will happen in early 2019.</p>

standard).			
<b>RECOMMENDATION 7:</b> Continue to support GoTL capacity to analyse and disseminate labour market information and manage labour mobility programs.	Agree	<p>As per recommendation 3, providing support to GoTL to manage labour sending and access to international labour schemes will be a core part of Australia’s future workforce development program.</p> <p>DFAT will continue to support GoTL in a targeted way to collect and analyse labour market information to ensure planning in the TVET sector can respond to skills gaps and workforce needs.</p>	Ongoing
<b>RECOMMENDATION 8:</b> Demonstrate the value of establishing high-quality Australian-standard TVET qualifications that respond to international and domestic demand to drive domestic TVET reform.	Agree	<p>In its new program, DFAT will work with training institutions to provide qualifications that are relevant for work opportunities in Australia. This will explicitly consider:</p> <ul style="list-style-type: none"> <li>- the advantages (and disadvantages) of using Australian-standard qualifications</li> <li>- what skills and qualifications are required to meet labour demand, both in Timor-Leste’s domestic market and international labour mobility programs.</li> </ul>	2019
<b>RECOMMENDATION 9:</b> Continue to work with GoTL but put greater emphasis on partnering with industry, employers and Australian institutions in all areas.	Agree	DFAT will continue to work with GoTL, and will strengthen partnerships with industry, employers, and national and international institutions.	Ongoing in new program
<b>RECOMMENDATION 10:</b> Greatly increase support for future labour mobility opportunities in and establish linkages	Agree	As per recommendation 3, DFAT will support labour mobility opportunities that build technical and business	Ongoing in the new program

with the commercial agriculture, domestic tourism and hospitality sectors, and target the technical and business skills required to support diversified value chains in these areas.		skills that are also relevant within the Timor-Leste agriculture, tourism and hospitality sectors.	
<b>RECOMMENDATION 11:</b> Ensure other GoA investments are further leveraged for maximum workforce development, in particular the forthcoming PLS, as well as To'os Ba Moris Diak (TOMAK – Farming for Prosperity) and the Market Development Facility, to maximise linkages between labour mobility and development of commercial agriculture and domestic tourism opportunities.	Agree	DFAT will strengthen collaboration between various investments that relate to workforce development, in order to maximise opportunities for skill development through labour mobility programs that can then be applied in the domestic context.	Ongoing
<b>RECOMMENDATION 12:</b> Plan for a longer-term and more flexible program that is able to respond to emergent opportunities – of at least five years, with an option to renew.	Agree	Australia's next workforce development program will be 5 years long with the option to extend for a further 5 years.  The initial 6 months of the new program will focus analysis and design work to plan activities that relate to skills development and job opportunities.	Ongoing
<b>RECOMMENDATION 13:</b> Utilise a “coalitions for change” approach to address complex workforce development issues.	Agree	Understanding dynamics of influence and decision making is important in any development program. The future program will consider how to best approach workforce challenges in the design phase.	This will be considered during the design stage in early 2019

