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Recommendation

The Committee had scrutinized USP's 2013 Annual Report and through its findings the Committee recommends the following:

Recommendation One:

That the Auditor General's Office to "audit" USP and the Report be submitted to Parliament.

Chair's Foreword

I am pleased to present the review Report of the Social Affairs Standing Committee on the University of the South Pacific's 2013 Annual Report.

The Social Affairs Standing Committee is mandated to examine matters related to health, education, social services, labour, culture, media and their administration. The objective of the review was to scrutinize USP's 2013 Annual Report specifically on the areas of budget, administration, factors that determines tuition fees on every courses/units, organization structure, functions, policies and USP's contribution to the Fijian economy.

The Committee had assessed the University of the South Pacific's 2013 Annual Report in consultation with a USP Senior Official and identified an area that need to bring to the attention of Parliament.

The review identified that USP had contributed a lot to Fiji on some key areas such as a regional learning institution which is based in Fiji, a major employer, provide relevant research, policy advice, community services and outreach, promotion and maintenance of culture and language and generates economic activity.

It was also noted in the review that out of the 12 member countries, Fiji contributed about 74 percent of the USP grant. In this case, the Committee recommends to Parliament for Government auditors to audit USP's accounts and a report to be submitted to Parliament.

Finally, I wish to acknowledge the input of the Honourable Members of the Social Affairs Committee and the Secretariat Team who were involved in the production of this report. My Committee colleagues Hon. Salote Radrodro MP (Deputy Chairperson), Hon. Veena Bhatnagar MP (Member), Hon. Vijay Nath MP (Member) and Hon. Anare Vadei MP (Member).

On behalf of the Social Affairs Standing Committee, it is an honour to commend this report to the Parliament.



Hon. Viam Pillay
Chairperson

Introduction

The Parliament at its sitting on 6th July, 2015 referred the 2013 Annual Report of the University of the South Pacific to the Social Affairs Standing Committee to scrutinize.

In reviewing USP's 2013 Annual Report, the Committee had collected information and data from the University of the South Pacific's 2013 Annual Report so that the Committee Members fully understands how the institution operates with its achievement in 2013.

On 16th July 2015, the Committee convened a meeting with the University of the South Pacific to deliberate on its 2013 Annual Report. The discussions were basically focused on USP's administration, budget, factors that determines tuition fees on every courses/units, budgetary allocation, organization structure, functions, policies and its contribution to the Fijian economy.

In summary, the information for this report was obtained through:

1. Thorough physical assessment by the Committee on the University of the South Pacific's 2013 Annual Report;
2. PowerPoint Presentation by the University of the South Pacific representative, Mr. Kolinio Boila, the Executive Director Finance; and
3. Documents, additional information requested and obtained from USP.

The Committee noted the vision of the University of the South Pacific which is to achieve excellence and innovation for sustainable development of the Pacific Island Countries.

This review report on the University of the South Pacific's 2013 Annual Report contains the Committee recommendation, Committee findings and the conclusion.

The Social Affairs Standing Committee has conducted the review of the University of the South Pacific's 2013 Annual Report with close consultation with the Executive Management of USP. The Committee in its review findings will outline the areas that need to bring to the attention of Parliament and the overall performance of the Ministry in 2013.

Findings

The review exercise identified the following:

1. That USP was set up to provide Pacific people with a comprehensive range of excellent and relevant tertiary qualifications.
2. To deliver the benefits of advanced research and its applications.
3. To provide communities and countries in the Pacific region with relevant, cost effective and sustainable solutions, including entrepreneurship, to their main challenges.
4. To be exemplar of tertiary education for the Pacific Islands in quality, governance, application of technology and collaboration with national tertiary institutions.

Further to the above, it was also identified that within USP's Strategic Plan, they had seven (7) other Strategic Themes which addressed the relevant needs of the Pacific Island countries which are listed below:

- 1) Pacific Cultures and Societies. This means, when international students come to Fiji, they need to learn Fijian culture, Pacific culture and how they could work together in a multiracial society.
- 2) Pacific Oceans and Natural Resources. Since the Pacific is covered by ocean, USP also provide sustainable solutions and protection of marine and how people can take advantage of their natural resources.
- 3) Environment, Sustainable Development and Climate Change. Environment is the big thing that the University was really on to right now especially in climate change.
- 4) Human Capacity Building and Leadership. One area that was identified by countries in the Region in their strategic plan was the lack of leadership, including transformation of leaders. So this was something that needs to be inculcated as part of USP's curriculum in providing leadership.
- 5) Economic Growth, Regional Cooperation and Integration for Sustainable Economies.
- 6) ICT and Knowledge Economy.
- 7) Government, Public Policy and Social Cohesion.

The **key findings** which were captured by the Committee during its assessment are highlighted below:

- The total assets received by USP from donors amounted to \$261million in 2013.
- According to the multiplier effect record by member countries in 2013, about 1,287 Fijians were employed by USP and USP spent about \$123, 749 in Fiji.
- The Committee noted that Fiji had contributed about 74 percent of the USP grant compared to other 11 member countries.
- In 2013, the USP awards by programme level for Fiji was exceptional in which 64 students were graduated in pre-degree, 782 in post-graduate and 1,008 were graduated in degree.
- Out of the 24,008 number of students graduated from USP in 2004 to 2014, 17, 991 of them were from Fiji which equivalent to 75 percent out of the total number of students graduated from the 12 member countries.
- The Committee noted that the legal cost allocated by USP was too high which was around \$400,000 per annum on average. The Committee noted that most of the cost involved was based from the human resources related case.
- The Committee noted that the turnover rate for Professors in USP was very high. It was noted that the established number of Professors in USP was around 19 - 32 but currently USP have 19 Professors which 5 of them were in the senior management which was not directly involved in teaching but do research and other administrative work.
- It was noted that the high turnover rate of professors in USP was output related and majority of the professors that left USP was because of the delivery expectation in terms of output and balance that with teaching was not met. The academic leadership required from Professors by USP on the area of teaching as well as its demonstration to students was a major area that always considered by USP while performance assessment for professors were conducted.
- The Committee noted that the USP Council decides on all the cost adjustments that were made to the Units/Programmes offered in USP which was based on certain factors. These included the inflation rate, cost of delivery for each programme with its scope of delivery. For example, the tourism programme which was lately increased its costing based on the fact that the number of field travels required for consultation purposes with the tourism industry and cost of travel involved was increased.

Gender Analysis

Under SO 110(2), where a committee conducts an activity listed in clause (1), the committee ensures full consideration will be given to the principle of gender equality so as to ensure matters considered with regard to the impact and benefit on both men and women equally.

The Committee considered range of issues including recruitment process that were coordinated by the institution and how it affects both male and female in Fiji. In particular, the institution was very clear with all its policies that were in place and programs and courses that were offered to ensure that the benefits are equally distributed amongst the target groups including both men and women from all the 12 member countries.

Conclusion

The Standing Committee on Social Affairs has fulfilled its mandate approved by Parliament which was to examine the University of the South Pacific's 2013 Annual Report. The Committee had conducted its consultation to gather all available information on USP's overall performance in 2013.

The Committee review findings was positive with regards to the focused areas of the review for USP.

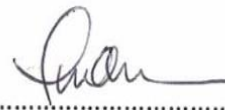
The Committee noted the importance of the institution and commended USP's contribution to Fiji and given Fiji's contribution (74%) to USP, the Committee recommends that Government Auditors to audit USP's Annual Financial Report.

Finally, the Committee had satisfied with its assessment on USP's 2013 Annual Report and noted the overall performance of USP in 2013.

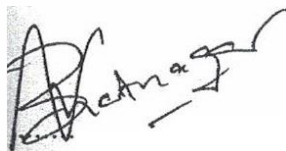
SIGNATURES OF MEMBERS OF THE
STANDING COMMITTEE ON SOCIAL AFFAIRS



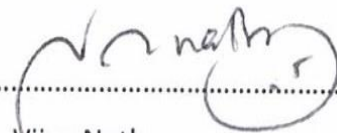
Hon. Viam Pillay
(Chairperson)



Hon. Salote Radrodro
(Deputy Chairperson)



Hon. Veena Bhatnagar
(Member)



Hon. Vijay Nath
(Member)



Hon. Anare Vadei
(Member)


03 / 02 / 16

(Date)

APPENDICES


APPENDIX 1: POWERPOINT PRESENTATION BY THE UNIVERSITY OF THE SOUTH PACIFIC

Appendix 1: Powerpoint Presentation by the University of the South Pacific




THE UNIVERSITY OF THE SOUTH PACIFIC

USP Presentation to the Standing Committee on Social Affairs




Kolinio Boila
Executive Director Finance
16 July 2015




THE UNIVERSITY OF THE SOUTH PACIFIC

Our history


We have grown over the last 47 years




Library 1968



Current Library



Student accommodation 1968



Current student accommodation



THE UNIVERSITY OF THE SOUTH PACIFIC

Contents

- Our history
- Our vision and mission
- Our core functions
- Our finances
- Our impacts
- Our contributions to Fiji's economy
- Conclusion



THE UNIVERSITY OF THE SOUTH PACIFIC

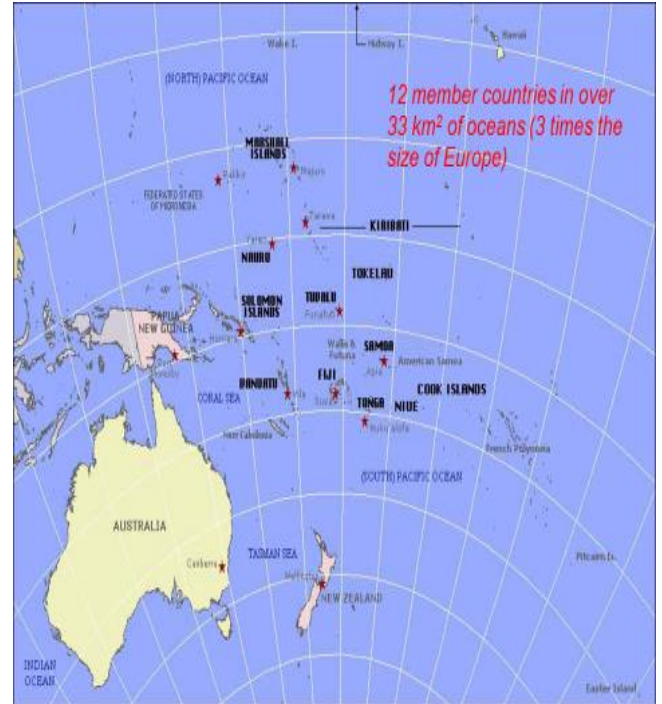
Our uniqueness

- Owned by 12 member countries
- The best example of regional cooperation



Our history

- Established in 1968 to provide affordable and high quality tertiary education for member countries.
- Started with a donation by NZ of its old naval base in Suva.



Our uniqueness

- One of the two only regional universities in the world



Our roles have evolved





Key Roles

USP
THE UNIVERSITY OF THE SOUTH PACIFIC

Role	Aim
➤ Train to meet the human resource needs of the countries	➤ Deliver quality and flexible programmes that develops skills, knowledge, competencies and attributes for graduates, as future drivers of building knowledge societies and economies.

Key Roles

USP
THE UNIVERSITY OF THE SOUTH PACIFIC

Role	Aim
➤ Provide research relevant to member countries	➤ Increase quantity, quality and impact of research to inform countries on how they can overcome economic challenges facing them

Key Roles

USP
THE UNIVERSITY OF THE SOUTH PACIFIC

Role	Aim
➤ Assist in development of member countries	➤ Provide relevant, cost effective and sustainable solutions ➤ Provide key advise on policy ➤ Model quality, governance, technology and collaboration

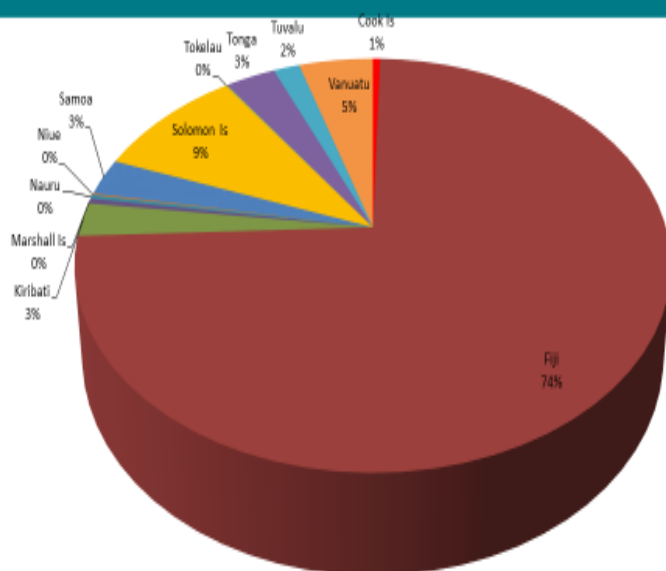
Key Roles

- 7 Strategic Themes of USP's strategic plan;
1. Pacific Cultures and Societies
 2. Pacific Oceans and Natural Resources
 3. Environment, Sustainable Development and Climate Change
 4. Human Capacity Building and Leadership
 5. Economic Growth, Regional Cooperation and Integration for Sustainable Economies
 6. ICT and Knowledge Economy
 7. Government, Public Policy and Social Cohesion

Overview of USP Finances

Budget	F\$180m				
FUND	Recurrent	Dept	Trading	Institutes	Projects
2013 Actuals	F\$123m 68%	F\$12m 7%	F\$13m 7%	F\$3m 2%	F\$29m 16%
Volume	112 units	112 units	21 units	5 units	> 200 a/cs

Member country contributions

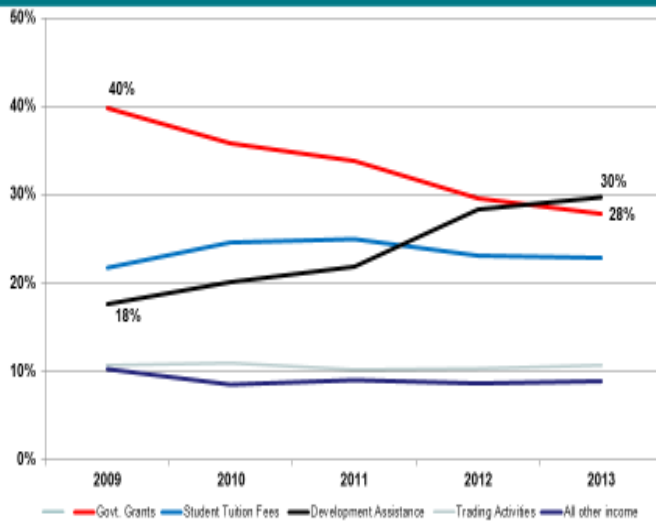


Member Country Contributions

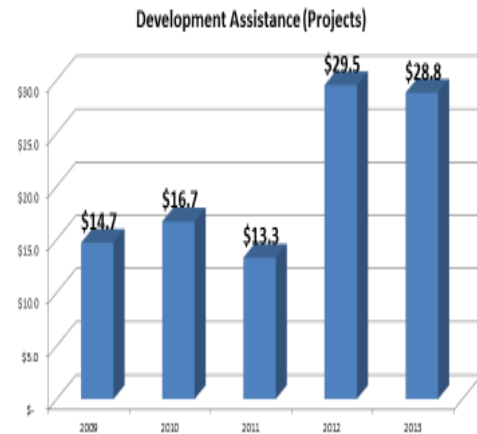
Distribution based on two criteria:

1. Student Grant – 50% based on weighted average of equivalent full time students (EFTS) sent to the university over the previous two years. The weightings depend on the mode of study, subject area and course level.
2. Campus Grant – 50% based on budgeted total salaries for the year, as a proxy for the economic benefits that flows into the country by having a campus.

Share of total incomes



Developments and Outreach



Total Assets by donors

- Donated by partners \$155.1m
- Members & USP funds 105.9m
- **Total Assets 2013** **\$261.0m**

Our impacts



Our impact



- multiplier effect (social returns on grants received)

- Economic benefits derived from grants to USP
- The impact of having a campus due to:
 - Human resource development
 - Employment
 - Tax revenues (PAYE and VAT)
 - Infrastructure developments
 - Economic activity



Multiplier effect by country 2013

Country	Calculated multiplier	Grants 2013 (F\$'000)	Tax payment to govt (F\$'000)	Salaries & Wages (F\$'000)	Total Expenditure (F\$'000)	No. of staff employed
Cook Islands	5.21	333	156	381	581	8
Fiji	4.53	36,419	17,799	72,884	123,749	1,287
Kiribati	1.30	1,321	234	606	857	17
Marshall Islands	4.52	201	148	321	473	10
Nauru	4.47	140	53	259	329	8
Niue	6.03	76	13	217	383	2
Samoa	4.80	1,201	432	674	1,225	81
Solomon Islands	2.31	3,906	406	480	938	40
Tokelau	3.67	48	13	30	82	1
Tonga	9.64	1,580	272	470	708	33
Tuvalu	1.58	770	71	284	375	4
Vanuatu	3.51	1,950	376	1,905	3,171	93
Average/Total	4.30	47,946				1,584

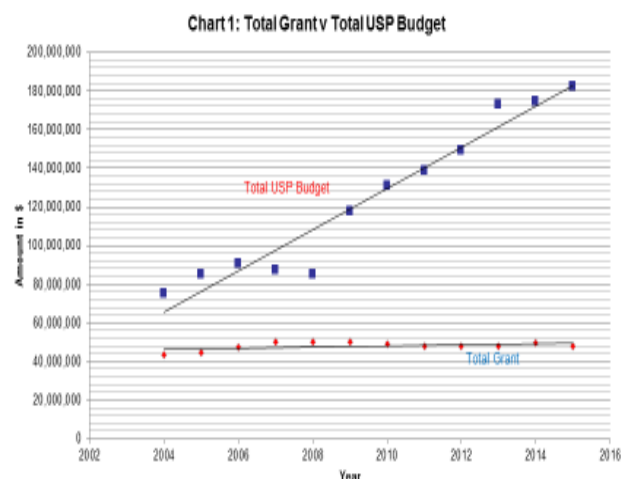


Contributions to Fiji

Year 2013	Fiji	Ratio over Grant	Share of Total
Grant	36,419		74%
Tax paid to govt	17,799	0.49	
Salaries & Wages	72,884	2.0	92%
Total expenditures	123,749	3.4	75%
No of staff employed	1,287		81%
Multiplier	4.53		
Fiji student numbers (EFTS)	7,702		56%
Grant per EFTS	\$4,728		
Graduates	1,833		70%



Contributions to Fiji



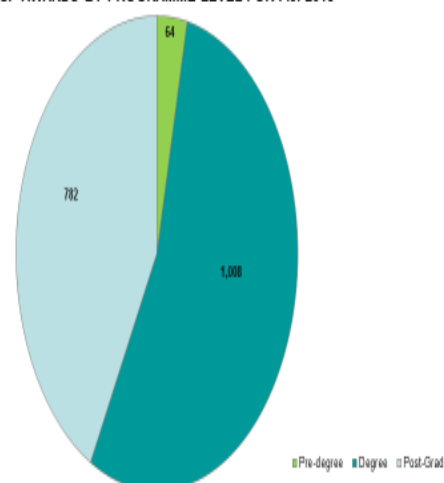
Contributions to Fiji

Number of graduates by nationality over the 10-year period from 2005-2014

USP member country	Number of programme graduates	% of Total
Cook Islands	268	1%
Fiji	17,991	75%
International	323	1%
Kiribati	598	2%
Marshall Islands	126	1%
Nauru	61	0%
Niue	29	0%
Samoa	855	4%
Solomon Islands	1,859	8%
Tokelau	15	0%
Tonga	821	3%
Tuvalu	327	1%
Vanuatu	735	3%
Total	24,008	

Contributions to Fiji

USP AWARDS BY PROGRAMME LEVEL FOR FIJI 2013



Contributions to Fiji

- A regional learning institution
- A major employer
- Provide relevant research
- Policy advice
- Community services and outreach
- Promotion and maintenance of culture and language
- Generates economic activity

Thank you.

APPENDIX 2: VERBATIM

Appendix 2: Verbatim

VERBATIM REPORT OF INTERVIEWS CONDUCTED BY THE STANDING COMMITTEE ON SOCIAL AFFAIRS ON THURSDAY, 16TH JULY, 2015 IN THE COMMITTEE ROOM, EAST WING, GOVERNMENT BUILDINGS AT 9.30 A.M.

Present:

- | | | | |
|----|-------------------------|---|--------------------|
| 1. | Hon. Viam Pillay | - | Chairperson |
| 2. | Hon. Salote V. Radrodro | - | Deputy Chairperson |
| 3. | Hon. Vijay Nath | - | Member |
| 4. | Hon. Veena Bhatnagar | - | Member |
| 5. | Hon. Anare T. Vadei | - | Member |

Presenter: **University of the South Pacific (USP)**

In Attendance

Mr. Kolinio Boila - Executive Director Finance

Secretariat

Mr. Savenaca Koro - Secretariat

(Welcome and Introduction by Mr. Chairman)

(Recording starts)

...that will develop skills, competencies and attributes for graduates. So, in order to meet that growth, the University targets to provide not only qualifications but the full attributes of a student so that when the student graduates, one of the other efficacy that we want to put in is to enhance innovation and commercialisation in the student so that when the student graduates, he/she will not only rely on being employed by others but how they can generate their own source of revenue.

Our other role is to provide research relevant to member countries. Whatever the needs of the countries, we do a lot of consultations with the countries in regard to what are their research needs, and then we try to increase their quantity, quality and the impact of those researches, so that they can inform their countries on how they can overcome economic challenges that they face.

In order to do that with regards to research and also research in the form of academic delivery, it also helps with providing what could be the relevant, cost effective solutions for countries in many ways. We also provide key policy advice to many countries and model quality, governance, technology and collaborations. So, for example, when it comes to key policy advice, we believe that we have the whole expertise within the University that would be able to help with policy advice. One simple well known example is where a University

staff was engaged with the Minister of Education earlier this year regarding scaling. So, that is just a simple example.

Within our Strategic Plan, we have seven Strategic Themes which address the relevant needs of Pacific Island countries and they are as follows:

- 8) Pacific Cultures and Societies. This means, when international students come to Fiji, they need to learn Fijian culture, Pacific culture and how they can work together in a multiracial society.
- 9) Pacific Oceans and Natural Resources. Since the Pacific is covered by ocean, we also provide sustainable solutions and protection of marine and how we can take advantage of the natural resources.
- 10) Environment, Sustainable Development and Climate Change. Environment is the big thing that the University is really on to right now especially in climate change.
- 11) Human Capacity Building and Leadership. One area that really has been identified by countries in the Region in their strategic plan is the lack of leadership, including transformation of leaders. So this is something that needs to be inculcated as part of our curriculum in providing leadership.
- 12) Economic Growth, Regional Cooperation and Integration for Sustainable Economies.
- 13) ICT and Knowledge Economy.
- 14) Government, Public Policy and Social Cohesion.

Just a brief on our University context, our budget is around F\$180 million in a year. 2013, it was F\$123 million in which, when divided up into five components, the first component is the core funding activity which is around \$120 million. The second component is the consultancy which is basically to support the core activity which is around \$12 million. The other one is our commercial arm and at the moment, the commercial arm is purely the Book Centre, Student Accommodation, Staff Accommodation which is not really pure commercial but is commercial that supports the core functions of teaching and learning. The other component is our institutes which are research centres. They do research, that is the only small component. Then we have project activities which is now a major part of the University's activities in organising projects for climate change research, et cetera.

In the context, Fiji contributes around 74 per cent of USP's contributions and grant, compared to the other 12 countries. The distribution of grant which, in 2013, was around \$36 million is basically divided according to a formula that is basically 50 per cent Student Grant, 50 per cent Campus Grant. Student Grant is related to the benefit of training those students from your country and that is linked to the amount of money that you contribute. So, the bigger the size of the students you send to the University, the bigger your contribution.

Also, the campus budget shows that because university existence in any country demonstrates the economic activity that it generates in that country, so that member contribution is also linked to what would be a reward for generating economic activity in that

country. So, those are the two main deciding factors in what would be the share of the pie that they contribute to the University. So, Fiji contributes $\frac{3}{4}$ of the contribution.

Also, member country contributions in 2013 which is a government grant is less than 30 per cent of our total funding. So, around 30 per cent is also from development assistance or donations. The biggest one is Australia and the second one is New Zealand, and then the other components are really tuition fees and then we also have around 20 per cent of commercial income.

Our government grants as a share of our total pool, has been dropping since 2009 because it has been maintained at the same level in nominal terms. What that means is that, the University generates the other funding sources, especially from donations and also increases in tuition fees, to be able to sustain its operations.

This graph (indicating on the slide) shows the development assistance projects so this means by USP existing, it generates sufficient external money to be able to generate project activities. So, you can see 2012 and 2013 have huge increases largely because of climate changes and our projects relating to development to Pacific countries from EU. So, going forward, this becomes a major activity and in 2013, it was also more than \$30 million so it becomes our major activities. So, these are the funds that USP attracts and more than 90 per cent of these are spent in Fiji with regards to activities generated for projects and outreach.

Also, by USP existing over the last 47 years, it has \$261 million worth of assets and out of that, \$155 million worth were donated. So, its ability to attract external funds to be able to build facilities suited for excellent higher education provision and over 90 per cent is built in Fiji, especially around Laucala, so if you go to USP, it is the Library, the ICT Centre, all the Faculties, a lot of the lecture theatres, so those were all donated.

This slide shows really, just in summary, the impact of the University to the Region, especially to Fiji.

- 1) Highly qualified graduates.
- 2) We provide international accredited and well recognized research; majority of our research outcome has been really in science and we have a lot of breakthrough research that comes in science in 2013.
- 3) Provide sustainable solutions.

As I had mentioned, we do a lot of development and outreach. Outreach means we receive funds from EU and AusAID to do a lot of community outreach in climate change, for example, where we go from village to village, island to island to basically teach them on how to protect their marine environment and sustain them. A lot of activities are going on that basically cannot be measured directly, but has a huge social impact on the communities in Fiji.

We have our School of Economics and economists do calculate social returns for any investment so we also try to compete with social returns and we call it a multiplier effect, that is, economic benefits derived from a country by giving a grant to USP and whatever that grant acts, how much of that is invested back into the country through generation of activities in that country either through human resource development, employment, even including tax payments to the country, infrastructure development and general economic activities, the impact on the transport industry, catering industry, construction industry, and the like.

Mr. Chairman and honourable Members, this slide briefly shows, I would put a caution though that this is an internal calculation. We have always provided country reports to member countries to show this. What member countries have asked us to do is to do an independent calculation of that so that it is independent. So, that process is currently in progress. The report would probably come out in two or three months' time. There was a draft report done so there is a lot of work done on that to validate that, to make sure that it has economic sense. However, what is showing on the screen now which you have a copy is something that does not need to go into the public domain but it is only for the purpose of this presentation. So, I will just show a little bit of caution on that. Hopefully, this is not used in Parliament, somehow.

Basically, the multiplier effect means is that, for every grant each country gives the University, how much activity generates through tax, employment, human resource development and even some of these are beyond our scope because of its multiplier effect rolls on to the next 20 years for graduate students and their future income potential, et cetera. For example, Fiji is around 4.5 so for the \$36.4 million that Fiji gives USP in 2013, in which we paid back \$17.8 million in tax, both PAYE and VAT, in which we paid around \$72.8 million in Fiji for salaries, in which we spent \$123.7 million in Fiji including salaries, so the other components are travel, purchasing, catering, hospitality, et cetera. Then we employ 1,287 staff who are based in Fiji which include international staff but they are based in Fiji, they pay tax in Fiji and they contribute to buying and selling in the economy as well. So, that basically in a nutshell what that means.

Basically Fiji pays around \$36 million which is around 74 per cent of the total grant in which USP paid back around 50 per cent of that in tax by generating that activity and also contributes twice that amount through employment and also paid back around 3.4 per cent of that by spending in Fiji because even though Fiji pays about \$36 million but we generate other funds, to generate other activities including tuition fees. So, you can see here, if Fiji pays a grant of 74 per cent, you can see why is it, for example, salaries and wages – 92 per cent of that is paid in Fiji, our total expenditure 75 per cent of that is spent in Fiji, 81 per cent of the staff members are employed in Fiji and close to 67 per cent of students are Fijians in EFTS (fulltime equivalent) and then 70 per cent of our graduates are Fijians.

Also, the Grant per EFTS is an important component; one EFTS student will cost around \$11,000 to teach, on average for Fiji students, therefore on average, the Government subsidises close to 50 per cent. So, the other 50 per cent we generate through fees and other funding sources. That is the purpose of the grant, to subsidise tuition fees to allow member country students to be able to afford higher education. So, that is the purpose of that.

You can see this graph that the grant has been nominal over the last few years since 2004, but we have been grazing our USP fund from other sources, so that means the University really has the ability to draw on many other sources in order to deliver on its outcomes. You can also see here that for the last 10 years, USP has graduated close to around 18,000 Fiji students which means that 75 per cent of its graduates over the 10 year period from 2005 to 2014.

Our awards in 2013, 1,008 were for Fiji Degree students and 782 was for Post-Graduate students. This is a very good achievement because we have been trying to increase, not only Degrees but also encourage people to go beyond Degree so in 2013, 782 and also five per cent in that 64 per cent pre-Degree. These are largely Foundation and those who are doing a few Diplomas that are still in the Programme.

Basically, our major contribution to Fiji is really that it is:

- 1) A regional learning institution.
- 2) A major employer in Fiji.
- 3) Provides relevant research.
- 4) Provides policy advice to Fiji and its communities.
- 5) Provides community services and outreach, even out to the villages and islands.
- 6) Promotes and maintain the culture and language. We have just started, on the advice of the Council, a Pacific Language Centre in order to protect Pacific languages and we also teach Hindi and I-Taukei which is subsidized by the Fijian Trust Fund because of its importance to the Pacific.
- 7) Generate large economic activity.

Mr. Chairman and honourable Members, that is basically in a nutshell the summary of my presentation today within the 20 minutes allocated to me. I look forward to receiving any questions from the Committee.

MR. CHAIRMAN.- Thank you, Mr. Boila. I will request Members if they have questions to ask, they may do so now.

HON. S.V. RADRODRO.- Thank you, Mr. Boila, on your presentation, enlightening us on the business of the University, particularly in the education of our children. My point of interest is regarding staffing. I note from your annual report on page 34 where you have the staffing numbers. Also, you have a student numbers of about 24,986. Looking at that kind of number, and USP being a top academic tertiary in Fiji and the Region, I note that there are only 19 Professors. Actually, that seems a very small number for an institution with that kind of student population.

I note the academic staff, like you have 19 Professors, 31 Associate Professors, 48 Senior Lectures, et cetera. Is there an established number of Professors that the University must have at all times?

MR. K. BOILA.- That is a very valid question. It proves the academic staffing within USP, something that we have often discussed at management and governance level with regards to the number of Professors. The established number is around 32 – 19 was the actual at that point in time so because we have turnovers and on top of that, out of that 32, five are in senior management. They are not directly teaching, they do research but they mainly do administrative work.

We have in our strategic plan a target to move towards 60, but we also understand that it is expensive to double that to 60 within three years, so it comes down to affordability as well. The issue regarding turnover of professors has been around, and maintaining excellent professors within our salary grade because we have a comparative with Australia and New Zealand so we pay around 80 per cent of our comparative in the market. So, it has been really challenging to attract top professors and the University has the freedom to attract someone more excellent. So, the output of professors is something that is of interest to us.

Of course, the staff ratio is a major concern. We want to reduce that over the next three years but it also comes down to costs, whether you can afford it. So, at the moment, we are running really on a thin line and I agree with your question. It is a matter of excellence, quality, balanced with affordability.

HON. S.V. RADRODRO.- Following on from that, you look at the total number of staffing you have, it is a huge number but I think less than 50 per cent of that is academic staff so the way I see it, that more than half of your staffing goes to mainly administrative roles, et cetera, which means that more than half of your budget would go to salaries and wages of administration staff. I do not see your structure here but reading from your report, it suggests to me that maybe, you have a top-heavy management staff which has consumed your budget and also like you mentioned, it is a matter of money as well. Maybe, it is more prudent financial management rather than giving them a good portion of your budget to employ professors which is very important for an institution like USP or maybe, there is more money being given to the administration staff.

MR. K. BOILA.- Mr. Chairman and honourable Members, yes, we agree with that. Our administration staff is around 56 per cent on average compared to academic and other institutions whom we benchmark with, they are around 50 per cent, so the target is; how do you shift it towards 50 per cent? The issue is that, it is the nature of the University and because it is so diverse and it is in 12 countries, so you can have an academic staff in one country and three administration staff. It is the nature of the delivery because it is so diverse and you need to have face-to-face in the country and then you also have administrative support. That is part of the challenge, so in the context with our benchmarking information, we are targetting a shift towards 50 per cent. There is a reform going on right now on how you can outsource more of the non-core function activities so that you can divert funds more into academic activities and research.

HON. S.V.RADRODRO.- My next question is in relation to staffing. You mentioned that you have a bit of attrition rate on professors. What is the reason of their leaving and what are the legal costs in terms of governance issue at USP and HR issues?

MR. K. BOILA.- Our legal cost is around \$400,000 per annum on average but mostly, HR related. For example, people leaving and they sue. It is all levels for various reasons so \$400,000 out of \$180 million budget.

There are various reasons where people leave, including professors. Many of them are output-related, especially the greatest number leaving is because of the delivery expectation of the University in terms of output and balance that with teaching. So, because of academic leadership needed by professors, we require professors to teach as well in order to demonstrate to students that you are being taught by a professor who is really a top person regarding this field. But two of our professors who have left do not want to teach, they just want to do research and on top of that, they did research that they wanted to do instead of the relevant research we asked them to do that is relevant to member countries. So, those are two things that I can remember from the latest cases, but people do leave for various reasons.

HON. S.V. RADRODRO.- I also note that there had been reviews undertaken. I understand that these reviews must have something to do with the overall operation of the University. How many of those reviews have been implemented in terms of the recommendations of the review?

MR. K. BOILA.- There are two lots of reviews; the first set is the academic review which is the review of the programmes to ensure they meet quality standard. That is implemented straightaway and be part of the programme, especially if you have an accredited programme and which needs to be implemented straightaway because continuous reviews are done by External Examiners with regard to the quality of the programme.

The other review is really on administration to improve processes or to address quality in terms of delivery of services. Those are implemented through an Implementation Plans and most of those are achieved through various activities and interactions throughout the University. For example, for the last three years, we have been really saving our budget of about \$2 million to \$3 million every year by reviewing and also cutting. That is not only cutting but also regenerating efficiencies – generating funds from non-efficient areas and diverting them to priority areas. Some of those reviews are implemented and of course, we implement those that suit the context of USP and what Management agreed. We implement some and we do not implement some.

HON. S.V. RADRODRO.- In terms of accreditation of USP to the Fiji Higher Education Commission (FHEC), can you explain to us why the USP is still not being registered with the FHEC?

MR. K. BOILA.- That is news to me, I am aware that we have been registered. I am not sure, Mr. Chairman, I request that I come back with the clarification of that, Sir. I cannot remember out of my head, on that issue.

HON. A.T. VADEL.- In your report, it says that or maybe, you have not been fully registered.

MR. CHAIRMAN.- What are the programmes that have been registered, I mean, most are but not all.

MR. K. BOILA.- I would not be able to provide a response to that, but I can provide them to Save by e-mail.

HON. A.T. VADEL.- One of the issues raised with me was regarding one the teachers that were employed as markers. What is the process of them being paid? Todate, some of them are still complaining that they still have not being paid. What was the arrangement done?

MR. K. BOILA.-There are various reasons for non-payment. If I know that case, I can address it straightaway but the process is simple....the examiner would have a sheet to confirm that they have marked, they will submit all paperwork for approval and then it comes to the Finance Section and then the Payroll Section pay immediately within the following fortnight.

Some of the challenges we face with regard to markers is really filling in their tax forms, especially when they fill the payroll, they need to give their TIN number so that they will appropriately address their tax. If some of them are unemployed, no tax is charged because they are below the tax threshold but if they are employed, it becomes an additional income to them so they are liable to pay tax by law. So, until that is confirmed, then those are some of the operational issues.

HON. A.T. VADEL.- The splitting of Units at the University, some of the students are finding it very difficult because like to for some reasons, I may have LL114 and they split it to UU100 and UU101 in the following year. What the students find is that, this is an additional burden to them and also, an increase in the Units that they have to do. What is the position of USP on that?

MR. K. BOILA.- Mr. Chairman, through you, the academic review a few years ago was agreed that that needs to be comparable to what is happening in other countries and in other

educational jurisdictions, that the normal workload would be around 24 Units per graduate student and 20 Units for four years. So, we adjusted that, so for some of us who had graduated, we did eight, six, six, so now will be eight, eight, eight.

When that move was made, it was a move by the corporate bodies so that means co-award now graduates with eight, will be eight, eight, six; then the next lot will be eight, eight, eight. So, if someone who is taking 10 years to graduate will still do 20 Units because they had enrolled way back then. Then different fees apply. So, what happens is that, for our 200 and 300 level fees, they were reduced so that the same student doing 24 Units would be paying relatively the same amount. For those who are doing 20 and those doing 24 by reducing the fees because when they do now eight, eight, eight; we decrease the fees so that it is similar to someone who is doing six before. That is my response on the issue of costs – there is no cost to students.

With regard to your first question on the splitting of the Unit, it was more to do with introducing generic cost that is relevant to that programme. So, the LL114 was reviewed and converted into UU114 so it becomes a generic English course because of the complaints that the graduates were really not proficient in English, not only in speaking but in writing as well, and grammar. So, the UU114 introduces a comprehensive way of delivery that helps the students to improve their English.

HON. A.T. VADEI.- In this report, I did not find the Dean's report or the success rate of the various Faculties in terms of the student's pass rates and the ethnicity breakdown. Is that information accessible to the public?

MR. K. BOILA.- We do have that information – the success rate. If it is required, it can be provided to the Committee. If it is not here, it is something that we can look at.

HON. A.T. VADEI.- In addition to that, the success rate determines the performance of the lecturers.

MR. K. BOILA.- Yes, of course. We do regular analysis on that because we do evaluations after every semester. There are various reasons of attrition and failures. It could be textbook availability, it could be the lecture, and then that process is done at the Faculty level – the success of a programme or course. I will check whether that can be provided publicly, and will forward that information to the secretariat.

HON. A.T. VADEI.- I am surprised that there is no I-Taukei to be a board member of the USP. There used to be I-Taukei who are successful in the field of accounting, economics, et cetera, to be there. What really happened to that?

MR. K. BOILA.- Mr. Chairman, I will not be able to respond to that question. There are various factors that would contribute, so I cannot comment on that.

HON. V. NATH.- (inaudible)

MR. K. BOILA.- Basically, the increase over the last few years has just been inflationary adjustment. As I had mentioned earlier, it cost about \$11,000 to teach one student on average. Then the student fees contribute around 30 per cent of the delivery costs. Then, of course, member countries pay around 50 per cent, the other 20 per cent we raise through other sources. So, the average is 30 per cent fees, 50 per cent subsidies from member countries and around 20 per cent raised through other sources through donation and our commercial activities.

HON. V. NATH.- The adjustments made to the Units, who does that and what are the reasons for that?

MR. K. BOILA.- The USP Council. That was basically because of inflation and the cost of delivery. If there is a change in the scope of the delivery, for example, the tourism programme now would increase if it requires more field travels because consultation with the tourism industry noted that students are not ready. They include field trips in order to give students exposure. When they go for field trips, they actually stay in posh hotels, they see the excellent services, they see the quality of food so that contributes to that extra cost. I am just stating an example as to what will constitute a request for an increase. It will go through the management, consultation with students, it will go through the industry, the FRC Committee who endorses it and then the Council approves it. So it normally takes a six months process going through various levels of approval.

HON. V. NATH.- What is your greatest challenge at USP?

MR. K. BOILA.- I am talking from my personal perspective; there are various challenges but the greatest challenge would be the culture and secondly the systems.

HON. V. NATH.- You mentioned culture, what strategies are in place to preserve our culture?

MR. K. BOILA.- I did mention the first strategic in our one of earlier slides – Pacific culture and societies, and that is a very strong element. Also, now, in regard to the issues that we have been facing regarding staff, especially the two Professors who left, now the Council has asked USP to instil a proper induction programme for ever staff, especially the professors who do come.

HON. S.V. RADRODRO.- I am looking at the head count for the various courses and Post-Graduate is very low as compared to the Bachelor Programmes. Apart from the MBA Programme, what other programmes do you have to be able to take in the working population that would, sort of, want to come in but rather not going through the normal programme for that recognition of their work so that they could be accommodated into a Post-Graduate programme?

MR. K. BOILA.- Within our strategic plan, an increase in Post-Graduates has been a major initiative. Also, we provide a lot of flexibility, that has been an increase in the number of Post-Graduate enrolment this year, compared to the previous years; largely around restructure, around the management in the accounting programmes. Most of that is related to CPA accreditation for accounting programmes, and also law. Those are the two main programmes with regard to the professional development, especially for people who are working. Do they part-time and our class is normally run from 5.00 p.m. to 9.00 p.m. in the evening so it is flexible, it allows them to attend.

Our roles of MPs, we come from different backgrounds and in here, in terms of the law, how flexible is the institution like? I am wondering if the Parliament secretariat could, sort of, customise a programme that may be brought to our doors – a short course kind of programme to be able to assist parliamentarians.

MR. K. BOILA.- Yes, there are various levels of flexibility, depending on the need. If it is a short programme, there is a short provision, for example, in the Pacific TAFE that directly relates to short courses for professional development, it could be anything, like

administration, budgeting, et cetera. However, when it wants to be inculcated into a curriculum, there is also a process for that and especially, USP takes the needs of member countries seriously because it needs to meet their resource skills and the resource needs of a country.

I think for the last two years, we have a new programme funded by AusAID on public administration. So, we have been doing a lot of training for public servants.

MR. CHAIRMAN.- Thank you, honourable Members, there being no other question, I must thank Mr. Kolinio Boila for his presentation.

(Vote of Thanks by Chairman)