



STANDING COMMITTEE ON SOCIAL AFFAIRS

Committee's Review Report on the University of the South Pacific's (USP) 2016 Annual Report



PARLIAMENT OF THE REPUBLIC OF FIJI
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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 2016 Annual Report.

The Committee had reviewed the University of the South Pacific's 2016 Annual Report in consultation with USP's Senior Officials and can unequivocally state that the year 2016 was a successful for USP both in terms of its planned transformation and continuous improvement.

USP is a robust organization overall, with highly effective governance that has enabled growth and improvement even as unexpected challenges such as devastating tropical cyclones have arisen. The Annual Report therefore reflects the enormous effort and hard work being put in by staff and all stakeholders into the University's transformation from good to excellent.

The University ended 2016 on a high note with student enrolment standing at 27,642, in what has been a record enrolment. This indicates that people value the programmes and qualifications that the University delivers. In 2016, a total of 18 programmes have been internationally accredited and 4 programmes recognized. Out of these, seven accreditations and one recognition was received in 2016 alone. It is very significant that USP's overall performance is steadily improving, that it is educating more people to a higher standard, that it is producing more research for the region and that it is advocating for the region in areas of expertise such as ICT, HR Development and Climate Change.

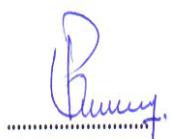
The 2016 Annual Report summarizes the University's main accomplishments as it is being transformed to an outstanding focal point of learning, an exceptional research and development center and a regional institution of high importance as the Pacific people's journey towards their knowledge future.

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's grant.

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 formulation of this report. My Committee colleagues Hon. Veena Bhatnagar (Deputy Chairperson), Hon. Salote Radrodro (Member), Hon. Ruveni Nadalo (Alternate Member) and Hon. Anare Vadei (Member).

Given the review conducted, the Committee recommends that Parliament takes note of its report.

On behalf of the Social Affairs Standing Committee, I commend this report to the Parliament.



Hon. Viam Pillay
Chairman

Introduction

The Parliament at its sitting on 14th July, 2016 referred the 2016 Annual Report of the University of the South Pacific to the Standing Committee on Social Affairs to scrutinize.

In reviewing USP's 2016 Annual Report, the Committee had collected information and data from the University of the South Pacific's 2016 Annual Report so that the Committee Members fully understands how the institution operates with its achievement in 2016.

On 16th July 2015, the Committee convened a meeting with the University of the South Pacific to deliberate on its 2016 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.

In scrutinizing USP's Annual Report, the Committee identified USP's key objectives which are as follows:

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.

This review report on the University of the South Pacific's 2016 Annual Report contains some of the information that the Committee collected from the report as well as from the questions that were raised related to USP's mandates.

Findings

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

1. Speech therapy training available for persons that are living with disabilities.

The Committee found that USP while it does not provide speech therapy it provides the following:

- Awareness on appropriate teaching and learning support.
- Provide recommendations for reasonable accommodation during lessons, course work and exams.
- Co-ordinate meetings to introduce students to their lecturer and tutor as well as to follow up on students' progress.
- Provide study buddies to those who need extra assistance.
- Provide a separate venue for exams when needed.
- Liaise with Students Admission Services (SAS) for the provision of brailled papers for assessments and other reasonable accommodation during exams.
- Provide a student space that students can study in as well as use assistive technologies such as JAWs, Braille Sense U2, NVDA, Read & Write Gold, audio-recorded notes. The student space is also used as a resting area in between classes.
- Provide referrals for counselling and support services outside of the University such as hearing and vision test.
- Provision of sign language interpreters for deaf staff and students.
- Coordinate basic sign language classes.

- Organize classes for new users of JAWS and other software and devices.
- Coordinate library sessions to assist students in library research skills.

2. Medical Faculties similar to what the Fiji National University offered.

- The University does not have any plan to do this as there are already two local institutions providing this.

3. Study facilities available for people working in remote areas and outer islands – Distance Learning mode

- The Committee noted that the delivery of education to distance students has not stopped. USP are currently moving away from the use of the word ‘Distance’ and replacing it by the word ‘Flexible’ for the reason that Distance comes under the overall umbrella of Flexible. The University offered several courses and programme in flexible modes and many of these can be done by students outside of the Laucala Campus.

4. USP’s compliance level under the Fiji Higher Education Accreditation Level, recruitment policies and staff performance audits.

- The Committee noted that the University has 18 programmes which were internationally accredited. Currently USP’s is preparing for accreditation of the whole institution by the Senior College and University Commission (WASC) in April 2018. Also noted that the University has also registered with the Fiji Higher Education Commission.
- Traditionally Universities have been ‘self-accrediting institutions and hence USP have formal systems in place to ensure that quality assurance is maintained. In every case of accreditation and in the case of registration with FHEC all QA processed are verified.
- Staff recruitments follow the University’s policy on recruitment which is shared with the accrediting agencies including the FHEC.

5. A performance audit in terms of staffing will determine whether the position is appropriately filled. The absence of this exercise will be costly to USP as hiring of expatriates regarding their costs, salaries, accommodation are added items on the financial expenditure. Why qualified locals have gone to Fiji National University and University of Fiji. And why USP’s are not looking locally as most of those at USP are from abroad and very importantly which does not understand the way things done in Fiji.

The response received from USP in terms of the issues raised are as follows,

- USP recruitments follow its recruitment policy. Within this all Junior and intermediate positions are recruited locally. All comparable positions below Band 5 are recruited from the region, giving equal chances to citizens of our member countries a chance to apply for positions in any countries.
- Assistant Lecturer positions are reserved for Regional people and are not recruited from outside of the region.
- All senior positions (both academic and Comparable Bands 5 and 6) are recruited through international advertisement. It means that anyone from anywhere can apply. If there are regional applicants then all being equal our policy dictates that we offer the position to the regional candidate.

- At this point in time the statistics are as following for local/regional staff (the highest percentage being Fijian):

- Total USP Staff: 92.81%
- Academic Staff: 79.17%
- Teaching Assistants: 100%
- Comparable Staff: 89.52%
- Junior and Intermediate staff 100% Fijian

6. USP's financial gain from some business arms like the Bookshop, Housing etc. the Committee understands that they are being privatized.

- The Committee noted that USP, like many other Universities around the world develops commercial opportunities in order to grow third stream of revenues to support learning and teaching. USP develops these on self-funding basis but directly linked or connected to learning and teaching such as Bookshop, student and staff accommodations, etc. This to ensure they operate sustainably and do not incur additional burdens to member countries or utilize student fees for these business purposes. These activities operate on commercial terms and conditions and are operated like any other business, not only to generate surpluses, but support learning and teaching.

7. There is a freeze on rental fees and yet USP is charging about 100 to 200% which is quite high and it should be reflected on your cash input....where is this shown.

- The response received that USP is located on high end residential and commercial spaces, it has tried to increase rental to current market levels but is limited by the rental freeze.

8. On page 34, USP Holds OER Workshop –the workshop had agreed on plans to develop the Open Education Resources (OER) and also for its release. Does the USP have some statistics to show the effectiveness of OER and if it has, can this Committee be informed

- The Committee was informed that the work is currently under way to implement the OER policy and develop and use more OER and Learning and Teaching. In 12 months from then we should be able to carry out some analysis.

9. On page 39, the Committee found that ADB loan agreement of USD\$15.4million and a grant agreement for the new Solomon Island Campus was signed on November 3. How much of the loan has been utilized and can we have an indication of the projects that had been completed.

- The Committee noted that a design consultant had been hired and the design had been completed. The construction tender is currently being evaluated with the ADB and hope to sign the construction contract in the new year and commence construction straight away.

10. In regards to the two Patents in page 32 and 33, what sort of financial gain or benefits does USP receives from these two patents.

- The USP advised that products have not been put commercial production. The Braille Eye Slates have been produced and donated in Fiji, Vanuatu and the SI. There have been enquiries from India and Malaysia to have some made but unfortunately we are not allowed by the Govt o import the

specific batteries required. So if we were to go for large production we would have to have exemption to import these batteries.

11. On page 9 USPNet, if USP could elaborate more and clarify on this sentence which says: *“USPNet satellite system running into its extended phase of life is now a significant risk”.*

- The Members were briefed that the receiving hub is 17 years old. To date it has not defaulted so USP have been protected. However we know that it is coming to the end of its life. NZMFAT has already given funds for substantial update of this hub which will happen in 2018. This would allow it to function for at least another 10 years.
- In the meantime our member countries are moving to fiber and as they do we link up to it as well thus releasing the heavy requirement on satellite. As going forward less reliance of satellite will protect the University more and more.

12. In the Annual Report the Committee noted that USP offered free Tablets to 1st year students. Please explain as who bears the costs if there is a damage or loss that may have occurred to these Tablets.

- The Committee was informed that Tablets are funded by the University and given to 1st year students who are full time and have paid their fees (or are sponsored or on TELS etc). They are required to pay for any damage or loss. However, any malfunction which is to do with the Tablet design or manufacture then the University does this at its own cost.

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.

The Committee in its findings noted the following:

- Operational achievement of 2016 was the graduation of 3,224 people, 1,861 women and 1,363 men.
- Enrollment by gender in 2016, female 8,820 (55%) and male 7,208 (45%).

The University as part of its prospectus offers courses in gender equality aiming at mainstreaming gender in the USP curriculum that will inspire graduates to cross-examine their own positions and take collective actions and contribute towards achieving gender equality concerns in their own communities, institutions and society as a whole. As regional and international organizations including women's NGOs maintain the need for institutionalizing gender and development curriculum in the context of the region, this is offered by the University in the Gender Studies programme. The content of the courses are practically relevant for

the Pacific as it reflects historical, cultural, economical and developmental realities of not only Fiji but the South Pacific region, whilst being grounded in gender/feminist research and methodology.

Conclusion

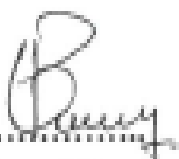
The Standing Committee on Social Affairs has fulfilled its mandate approved by Parliament which was to examine the University of the South Pacific's 2016 Annual Report. The Committee had conducted its consultation to gather all available information on USP's overall performance in 2016.

The Committee review findings were 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 Parliament to take note of its report.

Finally, the Committee had satisfied with its assessment on USP's 2016 Annual Report and noted the its overall performance.

Signatures of Members for the Standing Committee on Social Affairs



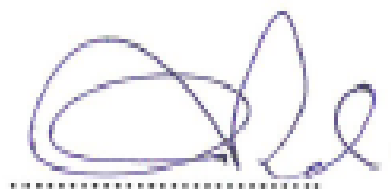
Hon. Viam Pillay
(Chairperson)



Hon. Veena Bhatnagar
(Deputy Chairperson)



Hon. Salote Radrodro
(Member)



Hon. Anare T. Vadei
(Member)

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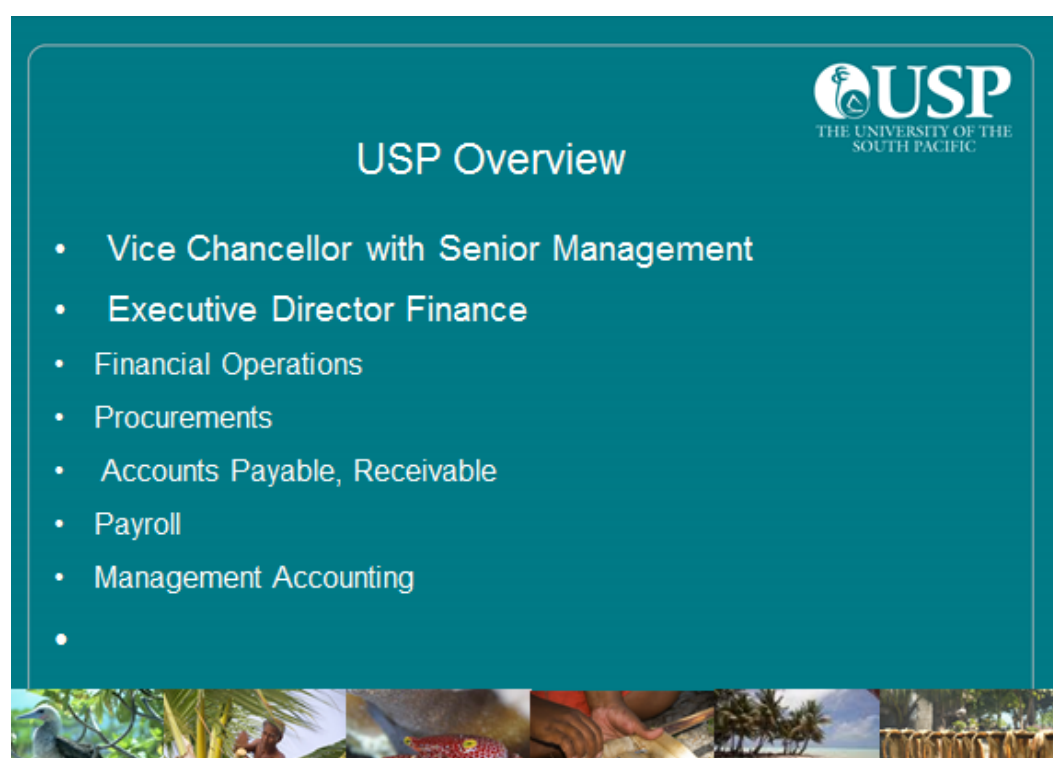
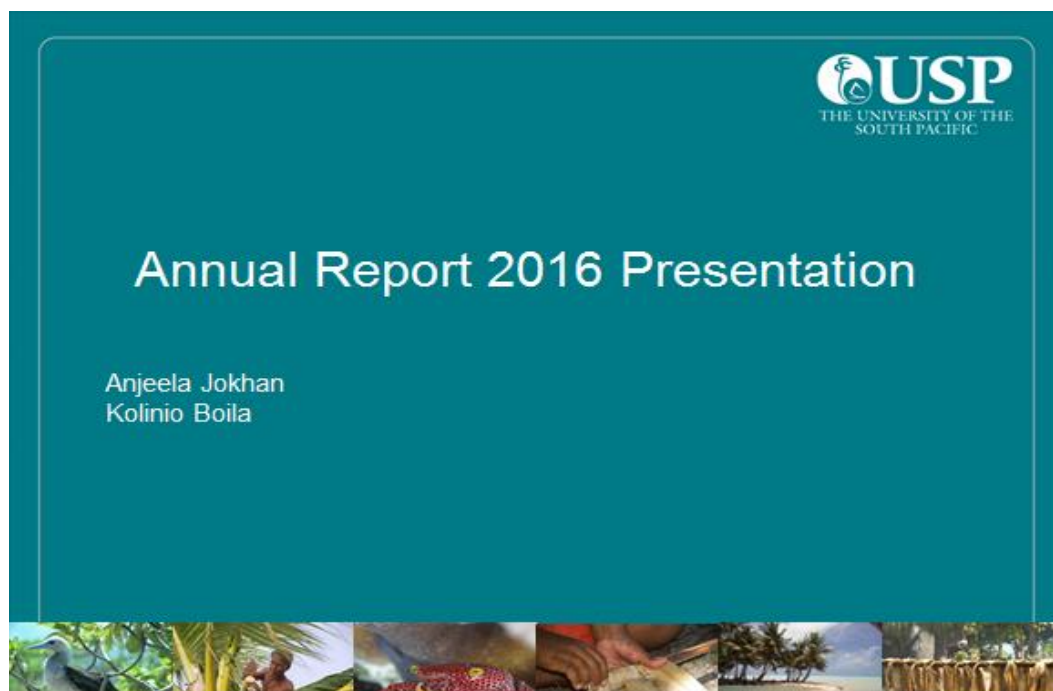
Hon. Ruveni Nadalo
(Alternate Member for Hon. Mohammed M. A Dean)

APPENDICES

APPENDIX 1: LIST OF ACRONYMS

ADB	Asia Development Bank
HR	Human Resource
FHEC	Fiji Higher Education Commission
ICT	Information Communication Technology
NGOs	Non-Government Organizations
SO	Standing Orders
TELS	Tertiary Education Loan Scheme
OER	Open Education Resources
USP	The University of the South Pacific

APPENDIX 2: POWERPOINT PRESENTATION BY THE UNIVERSITY OF THE SOUTH PACIFIC



2016 Annual Report

- 2016 – 4th year in USP's Strategic Plan – Aiming for Excellence
- Reports on the University's main accomplishments
- Significant achievements of the SP targets so far
-



2016 Annual Report

Effective Governance

- o Significant progress made in the regional campuses' and Member Country Engagement
- o Secured loan from ADB for SI campus
- o Provided exceptionally high level support to the PIC during the international Climate Change negotiations
- o USP implemented its Annual Plan satisfactorily and kept its budget



Major Achievements 2016



- 27,642 students enrolled (record enrolment)
- 3,224 students graduated (1,861 women & 1,363 men)
- 11 graduates with declared disabilities
- Approx 32% awarded PG qualification
- Pacific TAFE graduated 533 individuals
- 7 programme accreditations (out of 18) & 1 recognition (out of 4)



Major Achievements 2016



- January USP attained Eligibility Status for Senior Colleague and University Commission (WSCUS) accreditation progressed toward preparing for initial accreditation
- Invested in its regional campuses: loan USD15.5m and grant USD1.5m for SI (with SI sovereign guarantee)
- Pacific TAFE established – the only non-Australian provider given Registered Training Organisation status in Australia



Finances



- 2016 operations managed carefully to ensure that it fulfils its dual role as an academic institution and a regional organisation
- Significant investment in the University's Management Information System financial planning & reporting was further improved.



Major Achievements 2016



- USP's Pasifika Voices provide the soundtrack for the Hollywood Disney animation Moana.



Finances



The University recorded positive financial results for the year:

- Achieved an operating surplus of \$9.0m, compared to \$4.8m projected in the budget and compared to \$7.2m in 2015.
- Generated positive net cash flows of \$21.4m
- and net assets grew by \$18.8m from \$116.9m in 2015 to \$135.7m in 2016.



Finances



The key highlights for the 2016 financial year are as follows:

Total income increased by 2% to \$191.8m.

Total expenditure increased by 1% to \$182.8m.

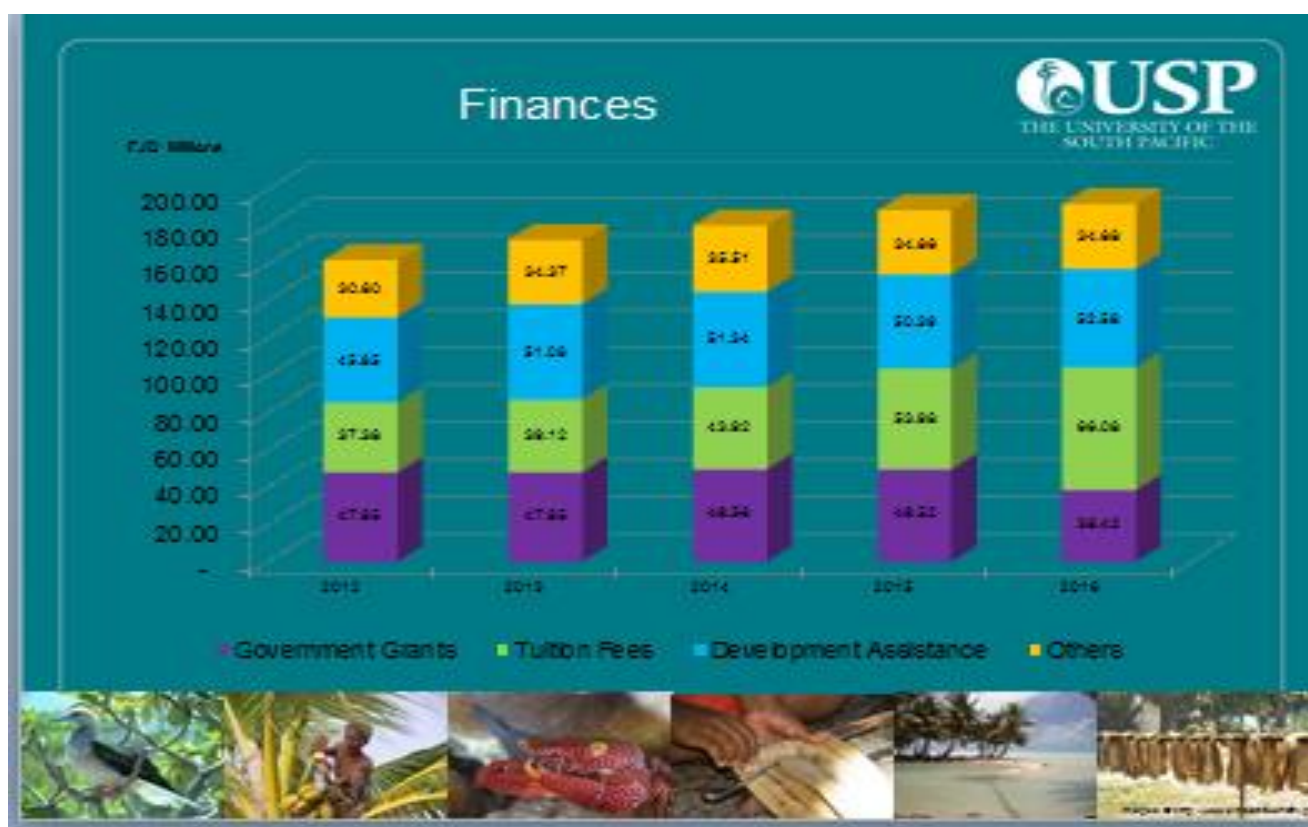
Operating surplus increased to \$9.0m representing 4.7% of total income.

Cash and cash equivalent increased by \$21.4m to \$69.7m.

Borrowing increased by \$0.1m to \$8.9m.

Capital investment in the year totalled \$20.3m.

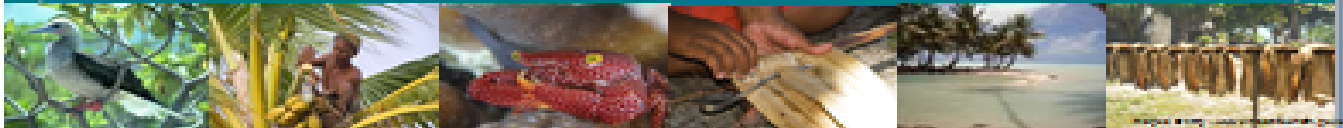




Finances



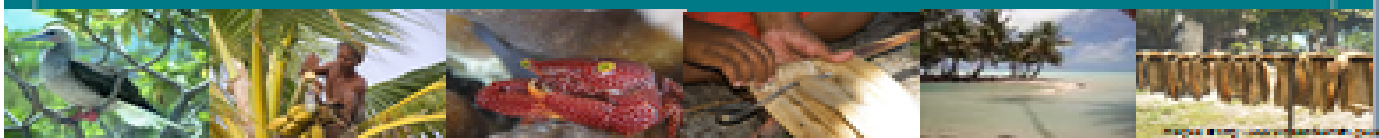
	Actual 2016 (\$m)	Budget 2016 (\$m)	Actual 2015 (\$m)
Income	191.8	188.5	188.5
Expenditure	182.8	183.7	181.4
Operating Surplus	9.0	4.8	7.1
% of operating surplus over Income	4.7%	2.5%	3.8%



Finances



- Total income of \$191.8m was above the budget of \$188.5m by \$3.3m or 1.8%. This was driven by increase in development assistance project fund income, offset by drop in commercial revenues and lower tuition fees due to enrolments of 4% falling slightly below the target of 5%.
- Total expenditure of \$182.8m was below the budget of \$183.7m by \$0.9m or 0.5%. This was largely driven to vacancy savings during the year offset by more project expenditures and provisions for staff salary increases.



Financial Ratios – based on benchmarks USP THE UNIVERSITY OF THE SOUTH PACIFIC

	Financial Ratio	B/mark	2013	2014	2015	2016
FINANCIAL VIABILITY	Operating Surplus	5.0%	-1.0%	2.7%	4.5%	4.7%
	Core Earnings	11.0%	2.9%	9.0%	10.7%	12.0%
	Net Cash from Operations	115.0%	102.9%	104.4%	108.2%	123.0%
	Liquidity Ratio	16.0%	37.3%	16.5%	20.0%	28.0%
	Quick Ratio	1.5x	0.4	0.6	0.6	0.6
FINANCIAL SUSTAINABILITY	Debt to Equity Ratio	20.0%	0%	5.0%	3.7%	6.0%
	Interest Coverage	3	0	0	81	50
	Return on Long Term Assets	6.0%	5.6%	6.5%	9.7%	11.0%
	Debt Repayment	3	0	1.8	1.9	1.12



Community Engagement



- 1 Staff (Alzima Bano) & 1 student Luisa Tuilau received the 2016 Queen's Young Leaders Awards
- Communities continue to benefit: new coastal revetment at Vusasivo in Natewa
- Continue to work with communities in building climate change resilience 44 communities



Issues raised in 2015 Annual Report



1 Student attrition

Our attrition rates in the first year are around 22%. This is comparable to our comparators in Australian Universities. The fact that USP gets students from at least 14 different education systems demonstrates the extensive work it does to maintain an acceptable retention of students.



Regional Engagement



- USP provided extensive input in the review of the CROP Charter, SIDS Strategy, Framework for Resilience Development in the Pacific, SDGs, regional priorities
- We Chair 2 CROP working groups: Human Resource Development and ICT.



First Year Student Support



1 Student attrition

Our attrition rates in the first year are around 22%. This is comparable to our comparators in Australian Universities. The fact that USP gets students from at least 14 different education systems demonstrates the extensive work it does to maintain an acceptable retention of students.

Support: pp54-55



Human Resources

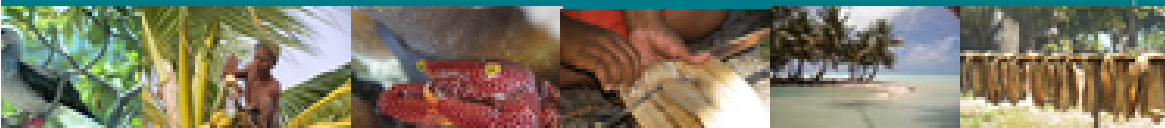


Recognise it is our number one risk.

Lack of leadership

Interim Director HR appointed in July 2017 to improve the systems and processes.

A major priority in 2018 will be the automation of key HR processes. A project has commenced to automate the Performance Management System from Quarter 1 of 2018.



Regional Engagement



- Following the review of rational campuses in 2015 – Council established PV positions in Emalus, Alafua & Solomon Islands
- ToR for Campus Advisory Committee revised to have Minister for Education to Chair
- USP invited to all PIF Leaders meetings and attends most
- VC attends CROP Heads meetings



Thank You



APPENDIX 3: VERBATIM NOTES

Appendix 3: Verbatim Notes

VERBATIM NOTES OF MEETING OF THE STANDING COMMITTEE ON SOCIAL AFFAIRS HELD IN THE COMMITTEE ROOM (WEST WING), PARLIAMENT PRECINCTS, GOVERNMENT BUILDINGS ON THURSDAY, 7TH DECEMBER, 2017 AT 2:15 P.M.

Submittee: University of the South Pacific (USP)

In-Attendance:

1. Dr. Angeela Jokhan : Dean, Faculty of Science, Technology and Environment
2. Mr. Kolinio Boila : Executive Director, Finance

MR. CHAIRMAN.- Thank you, Honourable Members, welcome back. On behalf of the Standing Committee on Social Affairs, I wish to welcome Dr. Angeela Jokhan and Mr. Kolinio Boila from the University of the South Pacific. They are here to present to the Committee in regards to the 2016 Annual Report.

Honourable Members, I have advised them in regards to the questions that have been put to them if they have problems, they can write back to us in regards to some of the questions. After their presentation, you may have some more questions if you feel that you need to ask.

So thank you very much, and I will now give the opportunity to Madam to present to the Committee, thank you.

DR. A. JOKHAN.- Thank you very much, Honourable Chairman, Honourable Members and colleagues, we are pleased to present our 2016 Annual Report.

On the presentation, both Mr. Boila and I will present.

In terms of the Administration at USP, the Vice Chancellor is the CEO with his senior management; and the senior management includes the two Deputy Vice Chancellors, two Vice Presidents, three Deans, the Executive Director for Finance and the Executive Director of the Pacific TAFE.

The Key Financial Office is that of the Executive Director for Finance. Under his Office, there are separate departments: Financial Operations, Procurements, Accounts Payable, Receivable, Payroll, Management, Accounting which hold different functions.

So the 2016 Annual Report essentially highlights our achievements in 2016 which is the fourth year of our current Strategic Plan of 2013 to 2018. The aim in that Strategic Plan is for the University to "Aim for Excellence". It reports on the University's main accomplishments and highlights some significant achievements as far as the Strategic Plan is concerned.

It continues to emphasise effective governance of the University, significant progress has been made in our Regional Campuses and other universities' member country engagement. It talks about the significant loan that it has secured from ADB for the new Solomon Islands Campus and that loan has been secured following the sovereignty assurance by the Solomon Islands Government.

The University of the South Pacific continues to give an exceptionally high level of support to Pacific Island countries overall, particularly in important negotiations such as climate change, in its preparation for climate change meetings.

We are pleased to report in that Annual Report that the University's Annual Plan was satisfactorily delivered and kept well within the budget. The University does not produce budgets for its annual operations, it produces the Annual Plan which highlights all the activities and the associated costs of activities, so that is our budget equivalent.

Major Achievements: last year was our record of 27,642 students right across the University; 3,224 students graduated of which more than 50 percent were females; 11 students graduated with declared disabilities, and we are happy to say that they have gone out into the workforce to contribute to society; approximately 32 percent of our students were graduated with Post Graduate qualifications; and the Pacific TAFE graduated about 533 individuals last year.

In terms of Accreditations, seven out of 18 currently Accredited Programmes were accredited in 2016. You will see that a large percentage (close to 50 percent) of the programmes were accredited last year, one out of four recognition was obtained last year.

In January last year, the University attained eligibility status for the Western Senior College and University Commission (WSCUC) accreditation and a lot of work was put in last year in preparation to the actual accreditation by WSCUC in early 2018.

The University as a whole decided in 2013 that while we get our individual programmes accredited, we thought we would want to get the entire Institution accredited by the Western College University Commission in the United States of America. What that means is, if the University gains accreditation as an institution, every single process, every single qualification of the Institution would be benchmark.

I think last year was a year when the University invested quite a lot into its regional campuses, securing the loan from ADB as well as a grant from ADB for the Solomon Islands.

The Pacific TAFE was established and it is the only non-Australian provider that was given registered training-organisation status in Australia. So that again, if you are looking at benchmarking and quality, then the Pacific TAFE is really at the same level as TAFEs in Australia, it has the same recognition.

As part of the Major Achievements, we highlighted in our Annual Report that our four-year Engineering Programmes in Mechanical Engineering, Electrical Electronics were accredited by the Institution of Professional Engineers, New Zealand.

The Institution of Professional Engineers, New Zealand is signatory to the Washington Accord that rules the entire engineering profession right across the world. So while Fiji is not a signatory to the Washington Accord, New Zealand is, so we could not ask Fiji to go to recognition through the Washington Accord, our bet was to go via New Zealand which is what we have done and achieved.

The Minister for Education opened our new Engineering Projects Lab which was absolutely critical in the accreditation and in building the links between our students, the industries and strengthening to ensure that the graduates who come out, come out with a fairly significant knowledge and experience in industries well before they join the workforce.

The University registered its first two innovation patents in Australia last year and, finally, I think everyone would be aware that the University's Pasifika Voices provided the sound track for the Hollywood Disney Animation, Moana, which was released last year in November.

Mr. Boila will continue with the Finances.

MR. K. BOILA.- Thank you, Mr. Chair and Honourable Members, the Finance of the University remains strong as shown in the Audited Financial Statements 2016.

So, basically the University records positive financial results. The Operating Surplus was \$9 million above the budget and also grew compared to the same period in 2015. It generated positive net cash flows, that means it was able to pay off all the bills with an additional \$21 million for future investments and capital projects. The net assets grew by \$18 million largely because there was an addition of a new Campus in the Marshall Islands, donated by the Marshall Islands Government through aid.

Key Highlights for the Year: Total Income increased just by 2 percent to \$191 million; Expenditure also increased by a slight 1 percent to \$182 million (that means we are just keeping our Expenditure within the pool of money that is available); Operating Surplus was \$9 million, representing 4.7 percent of

our Total Income; Cash increased by \$21 million; Borrowing increased by \$0.1 million, largely it is just the drawdown of the loan that was expense on the Solomon Islands Campus.

The Capital Investment of the Total of \$20.3 million, the large component of that as I had mentioned earlier is the Marshall Islands Campus, so the Total Income has been growing. This is a trend of the last few years on the screen, so it has been growing largely because of that tuition fee component that has really been driven by the increase in the student numbers. The expenses also have been growing largely with the operating costs while the staffing costs have been really largely kept at the same level. So, this is a comparison of expenditure versus budget so we performed well above budget and we performed better than 2015, so financially, the University's financial management is sound and sustainable over the long-term.

So our Total Income was above budget, largely driven by increase in Development Assistance Project Fund Income but there was an offset by the drop in commercial revenue which was largely because our books and the business are affected by the current trend that now people are no longer buying books when moving in to more online materials, et cetera.

Enrolment was slightly below target because we had targeted 5 percent but it settled at around 4 percent. The total expenditure was really kept within budget. We were around just slightly \$1 million below budget, that was really largely driven by vacancies' savings but they were, of course, offset by other salary increases that had to be approved during the year as part of our negotiation with staff.

So the University, as part of its financial sustainability, do benchmarking across the Australian and New Zealand University industry and the Council had agreed on these benchmarks, on this call so we tried our very best to be growing close to the benchmark or exceed the benchmark, so the University is finding some of these to be challenging but what it is doing, it is adjusting its financial to ensure that it is achieving the budget. For example, Operating Surplus, our benchmark is 5, we show over the last few years that we are growing towards that 5, which means in the next strategic plan, we will target to exceed 5 percent. This is what the benchmark says, in order to be financially sustainable, you need to be generating 5 percent surplus every year.

The main reason for that, it will give you the ability to be able to have sufficient cash to invest into your Capital Replacement Programme. For example, if a computer falls dead you should have the money to replace it straightaway so that student learning is not affected. So, these are some of the ratios which help us to monitor that so we monitor this at governors' level and the Council is on top of this to ensure that we are financially sustainable. So the ratios are divided into two:

- i) Viability (means on the short term); and
- ii) Sustainability (means over the long term).

I will now ask Angeela to continue from here onwards, thank you.

MS. A. JOKHAN.- Given that USP is a regional institution, regional engagement, it is very high on our agenda, following the last review of our regional campuses, the University Council established three Pro-Vice Chancellors' positions in Emalus, Alafua and the Solomon Islands given that these campuses are fairly large and are growing.

The Terms of Reference (TOR) of our Campus Advisory Committees have been revised and they now have the Minister for Education from that country to chair the Campus Advisory Committee giving it

the high level of prominent responsibility as well as authority to influence how the University Campus functions in that particular country.

The University is invited to all Pacific Island leaders' meetings, virtually all of them, and we attend most of the meetings, particularly those that are critical, such as Ministers of Finance, ICT ministers' meeting, Fisheries, Agriculture, Economics, et cetera. So we are lucky and fortunate enough to be part of all those important regional forums.

The Vice Chancellor (VC), of course, attends the Council of Regional Organisation of the Pacific (CROP) Heads meetings. There are four meetings in a year and, as a CROP Agency, our role in the CROP meetings are very important.

The University has had the opportunity to provide extensive input in to the review of the CROP Charter, Small Island Developing States (SIDS) Strategy, Framework for Resilience Development in the Pacific, Sustainable Development Goals (SDGs), regional priorities, et cetera. So, every single regional initiative that takes place, the University is always consulted and provides a significant amount of input into that.

The University also chairs two CROP working groups:

- i) Human Resource Development; and the
- ii) ICT Working Group, where we lead all of these initiatives at the regional level.

Community Engagement: we have one staff (Ms. Bano) and a student who received in 2016 the Queen's Young Leaders Award. They actually went to the Buckingham Palace, met Her Majesty the Queen and received their awards.

Communities in all our countries benefit quite significantly from our work, particularly in climate change where the work is done with the communities and that particular example is: We continue to work with 44 communities around the country in areas of building climate change resilience. This is the continuation of the EU funding which is now being taken over by the US funding, so there is a lot of work on the ground with the communities in Fiji as well as in the region.

At this point, I just want to address a couple of issues raised in the Annual Plan earlier this year. This is the 2015 Annual Plan where there was a concern raised about the attrition rate of our students and I just want to verify that our attrition rate last year was 22 percent. It hovers between 22 percent to 25 percent and that is very comparable to our comparators in Australia and New Zealand universities, so it is not an alarming attrition rate at the first year.

The fact that the University operates with students from 14 different education systems and brings them basically to a level playing field in the first year and maintain acceptable retention rate, means that it has to work much harder than most of the universities will have to work, to maintain that level of retention.

The other issue that we were made aware of was Human Resources (HR), and we still recognise that it is our No. 1 risk. There is lack of leadership, there has been in our HR section for quite some time affecting certain appointments, et cetera, and we have this year appointed an interim Director, HR to improve systems and processes. A number of work has been done and I think a major priority for this

year leading into next year is the automation of key HR processes so that the whole system can run much more efficiently with good accountability.

One of the main issues that we are dealing with is not just accountability and the speed with which things happen but people better knowing HR processes. USP is really complex with its 14 campuses, 10 subcentres and Laucala itself to manage HR right across, creates very very complex HR systems, so we are totally aware of that and we continue to work with them.

This is where I think we end but, if possible at all if I can just draw the Honourable Committee's attention to a couple of things. First, it is important for us to note that our Students Income (that is the green one) is steadily increasing hence while the projected 5 percent did not reach last year, it certainly grew up to 4 percent, I think.

The other interesting thing to note is that, this purple line here (indicating) which is the Total Government Contribution, you can see that in 2012, it was some 47 percent, last year it was 38.4 percent. So, over the years, Government contributions are going down. What that means is while the University is growing, the University expenses are growing, it is not putting a burden on governments to fund the University more, and that is important for us to ensure that our governments actually see value in the Institution.

In terms of expenses again, you would notice that while the top (this brown one here) which is our actual expenses, is increasing, this is non-salary expenses, it is obvious that it would increase in light of larger student numbers. However, the important thing to note there is that, our salaries' budget is not necessarily increasing, it has not in the last two to three years.

The main reason for that is, the University is driving very strongly to get higher efficiencies from staff and full processes so that we do not necessarily require more people to deliver the quality to more clients, students.

The other thing is that, the University, when it allocates funding using its own internal funding model, that is adjusted to ensure that staff teach, for example, and carry out their duties as they would do in other comparator universities and a bit more. What that means is, with the same number of staff, by distributing and re-allocating duties, you can manage to serve more people and not grow your basic staffing population.

I think those two are good examples of the University's efficiencies and its commitment to ensure that it is managing its funds properly. Another thing, it also tells us that that is one of the reasons why the University is making some real effort to grow its commercial end so that it can have an income which would then lower its reliance on government and government funding more.

So, thank you very much for allowing us to make the presentation, and we are happy to answer any questions.

MR. CHAIRMAN.- Thank you very much, Madam, for the presentation and also thank you, Mr. Boila. I believe, Madam, you already have those questions in front of you, and would you like to respond to those questions?

MS. A. JOKHAN.- Thank you very much, Mr. Chairman. We would like to attempt to address some of these quickly and if you wish, we can go and send some more formulated responses.

With Disability on Page 35, yes, most of our students who are declared “disabled” or in very general terms fall into the category of either “blind” which seems to be the most severe one, some of them would be “deaf and dumb” and “physical disability” particularly with “walking impairments”.

The Disability Centre is really one that provides them with extra support in terms of speech therapy, in terms of providing appropriate software for the blind students to be able to interact with the learning materials for students who require translation of what is in-text into voice, it does those kinds of things. It helps students with mobility disability and more recently with the invention of the braille eye slate. Those students, through the Disability Centre, have the opportunity to actually use the braille eye slate as well for their learning, so it is that kind of support that the Disability Centre provides.

In answer to Question No. 2, Medical Facilities: No, the University will not provide any medical facilities because we do have FNU with its medical facilities which serves the region. However, our agreement with the Solomon Islands Government is that, the Anchor Programme in the Solomon Islands when the new Campus is developed will be Public Health, so we will offer a Bachelors, a Masters and a PhD in Public Health, but that will be based in the Solomon Islands.

You may already be aware that whichever country a main Campus gets built into, basically, it is the Government’s call as to what the Anchor Programme in their own country will be and the Solomon Islands has requested Public Health, so that is what we intend to develop there.

HON. A.T. VADEI.- Just to add on to that, Fiji is approaching an ageing population and my question there is: What is the University providing or offering to provide services to the communities, especially services that we do not have? They say that people are growing old and there is nothing for them in terms of the services being rendered to them or they are being trained with. That is why I am asking that question so that they can be certified from professional institutions like the University of the South Pacific (USP) so that they can offer those services that we have, like Local Government townships and boards, that is where I am coming from, where they can offer medical services or some sort of institutions whereby services are provided to people who live in areas like Nasinu, Raiwaqa, et cetera.

MS. A. JOKHAN.- Thank you, Honourable Member, in terms of medical services, because I think one of the things that USP is very acutely aware of, and the agreement with the three Vice Chancellors and the Government is that, where an institution is already offering something and is established, the other tertiary institution really should not, within the same country, compete so I think in terms of what you are raising, Honourable Member, this is in fact true.

In all our interest, it would be best that we collaborate with the Fiji National University (FNU) because I know they have a number of extension programmes and they provide a lot of, I think, Public Health Programmes because we worked quite closely with them in developing our Solomon Islands Programme. They do a whole range of Public Health Programmes. I guess in terms of communities, it is preventative medicine that is more important and that is where Public Health comes in so they would be, I think, our best bet as a community.

Question No. 3: I believe that that misunderstanding might have come from the use or the lack of use of the words “Distance Learning” in our 2016 Annual Report. There is a reason for that. USP has always been in the business of doing Distance Learning.

More recently, in the last few years we are shifting the philosophy of Distance Learning into Flexible Learning. Basically what that means is, learning that is flexible, that is, when a student wants to learn; how he or she wants to learn; and where he or she wants to learn, is really up to the student. So Flexible Learning is the over-arching framework that covers Distance Learning and more Flexible Learning within the classroom. So we continue to do Distance Learning under the big umbrella of Flexible Learning, and more than 54 percent of our students are actually mature age, so I hope that clarifies that.

HON. A.T. VADEI.- Thank you, Mr. Chairman, thank you, Madam, for those answers and I believe the reason why I asked this question is because it comes from civil servants who had been stationed out in remote areas. Some of them had been posted there for five to ten years where they cannot continue to do their courses again, and after the period of five or seven years then their courses lapse.

What are the outreach programmes that USP can offer to those civil servants, not only teachers but also agricultural officers and doctors who have been stationed in those remotes areas for a certain period of time which they cannot continue. It is not only for Post-Graduates but also for the Under Graduates, especially teachers and nurses, who have been sent to the field, and what sort of assistance are accessible for those people in your Learning Programmes?

MS. A. JOKHAN.- Thank you, Honourable Member, I think you are absolutely right and yes, we continue to provide that. Our School of Education, particularly, has a number of similar training opportunities for people who are outside, several of our programmes are fully online which means students can do that.

Our main Learning Management System is no longer PC(Personal Computer)-based, it is actually on mobile as well, so you know students from anywhere can use their own mobiles to study their courses, get all the resources that they need, as well as those who have tablets. Incidentally, from this year, we have been giving tablets to our fulltime First Year Students, and who are fee-paying and have paid their fees, including Tertiary Education Loan Scheme (TELS) and other sponsored students, so we are basically sending out these learning resources to students anywhere they want to go.

Question No. 4, Compliance with the Higher Education Accreditation: As I mentioned in my presentation, currently the University has 18 international accreditations for 18 of its programmes and we are registered with the Fiji Higher Education Commission (FHEC) hence we have the FHEC accreditation for all our operations.

We are in the process of getting ready for the accreditation visit by the Western Association Universities and Colleges in the United States in April next year, so I think the University is moving very aggressively in the area of accreditation because that globally is the only thing that will demonstrate value for an education institution.

In terms of Appointments and Staff Performance, if you look at our website you will see that we have the Recruitment Policy which very clearly states all the processes in Recruitment.

We also have our Policies in Performance Management which again clearly set out the measures in Performance Management.

One thing we are aware of is that, the Performance Management Policy is probably not as robust in terms of converting that into processes, so we are currently working to ensure that the processes we

create are very clear and very easily followed by staff, not only for Academic staff but all staff, so that is the progress on Staff Appointments.

HON. A.T. VADEI.- My question on this is: after going through the Fiji Higher Education Report, we found out that USP has some criteria to satisfy their national accreditation, that is where I am coming from on that area, the compliance to their accreditation nationally. Now you have mentioned “international accreditation”, that is my main worry; how do you satisfy that?

MS. A. JOKHAN.- Our agreement which we have signed with the FHEC is where the University has international accreditation, the national accreditation will not apply. So as long as there is an international accreditation, the FHEC will not require us to get registration for those.

Just one clarity, there has been a fair amount of misunderstanding between the terms “accreditation”, “recognition” and “registration”. I have been working with the FHEC since its establishment and the most recent update there is that the new policy which the Higher Education Commission is now finalising, is basically excluding all the universities from accreditation by them because universities, by definition, are self-accrediting organisations. What they require universities to do is to register with them just so that they are there, so that is one clarification that is being finalised which should come into effect by early next year.

Question No. 5: if I can just draw attention to how staffing is allocated at USP, particularly for teaching.

The University has an internal funding formula which means it basically expects for all non-science sections, one staff member to teach four courses in a year, that is higher than what an Australian or New Zealand University would expect staff to teach, they usually teach between one to three courses a year.

For the sciences, they expect one staff member to teach three courses because they have much higher lab component, et cetera. So based on the number of viable courses that a Faculty has, they get allocated funding for staffing. So the Faculties have to live within that funding and ensure that they meet their teaching criteria.

In terms of hiring staff, whether we are hiring local, regional or international staff in academic areas, as academics, the minimum qualification requirement is the same. So we will advertise all our positions except for Assistant Lecturers internationally globally, and even if our locals were to apply, they will have to apply and meet the same minimum qualifications, hence, in specific areas of expertise, if there is no local or regional staff then we will obviously hire expatriate staff.

For the University to retain its credibility and benchmark internationally for quality assurance, it also requires to have a certain number of staff at the professorial level, also at Professor level, Senior Lecturer, et cetera, so the hiring has to be done internationally.

I just also wanted to inform the Honourable Members that as of now, the total University’s staffing has more than 85 percent local staff.

Actual Academic Teaching Staff: there are more than 70 percent locals and comparable staff who are the Senior Non-Academic staff, there are more than 90 percent locals. So I just wanted to reassure the Government that we will actually give actual numbers when we go back but this is the most reasonable figures, that the University is still predominantly local.

MR. K. BOILA.- Thank you, Mr. Chair and Honourable Members, Question No. 6, on the Business Arm: the University, like other universities, wishes to raise a third stream of revenue to support Learning and Teaching. That means it should not rely on the Subsidiary Grant from countries and Tuition Fees, and we look for other revenue streams, one of them would be commercial, so the University is still developing that.

Our commercial revenue is still less than 10 percent of our Total Revenue, so traditionally it has been Accommodation which is largely Student Accommodation and the Bookshop.

As I mentioned earlier, the Bookshop is dropping largely because the Book Business is now phasing out because now they have online materials, but it is something that the University will continue to pursue to develop commercial avenues to support Learning and Teaching, not really pure commercial but commercial activities that support Learning and Teaching, like the Bookshop, Student Accommodation and Staff Accommodation. We do provide that just for the purpose of Learning and Teaching, but it is done on a commercial basis to ensure that they are self-sustainable. The reason is that we should not give the money that the Government gives for Grant for commercial purposes, it is purely self-funding.

Question No. 7, Rental Freeze: Of course, the University, through changes in its commercial leadership, had tried to increase rent but we understand that we are limited by the rent freeze. It is something that is a continuous challenge because we know the market value of a particular facility, especially in the development that is going on at that side of USP, with Damodar City, et cetera, coming up, but we are limited by the rent freeze.

The University tries to live within the means of the law, and understand there are some challenges there which the University is facing with each staff who has been affected by any possible request for increase in rent.

DR. A. JOKHAN.- Question 8: in terms of Open Education Resources (OER), the University has started quite intensively its work on OER and will be developing more OERs as we go forward.

Today, we will not have the statistics in the actual learning and analytics of the use or effectiveness of OER with us, but there is a lot of literature globally that talks about the effectiveness of Open Education Resources in learning.

The advantage of the Open Education Resources as opposed to the proprietary ones that you buy of the shelf is that it is free, so anyone can have access to it. A lot of it is non-proprietary which means the issues of copyright in several cases will not necessarily apply and if there is a creator, if we were to create something, we would automatically not expect, we would give the copyright away to whoever uses it, for example. It is, of course, localised so it is more contextualised if you were to develop your own.

I have to say at this point that the Ministry of Education's Open Education Resource Section is pretty well-developed, it is ahead of us in terms of creating OERs for students and depositing it so that is being quite an impressive development with the Ministry of Education. So the value is there, it is documented and I think the best thing is that because it is free and open, it can be shared with no limitations as to who uses it to benefit.

MR. K. BOILA.- Thank you, Honourable Chair and Honourable Members, I will answer Question No. 9 on the ADB loan. At this moment, only 5 percent of the project value has been dispersed which is largely architectural and design works and the project currently is on tender for the construction and currently the University is going together with ADB with the evaluation.

Right now, the ADB is evaluating the bids and we will be awarding it very soon and hopefully soon after the contract is signed and the construction actually starts. That is the progress on the project, thank you.

DR. A. JOKHAN.- Question No. 10: with registering patents, there is no financial gain. We in fact have to pay to register but when a patent is commercialised, that is when you stand to gain.

At this point in time, we have five patents in total and they all have innovation patent status at the moment but meaning that they are valid as patents for eight years but during this time, we do not have legal control over that patent. We are working currently to upgrade those patents into what they call "standard patent" where then we totally own them and no one in the world can touch that product.

At that point, if we wanted to then we re-invest in commercialisation. Our top priority is the braille eye slate and we are currently working on getting a standard patent which apparently takes two to

three years. As soon as we have that then that is when you produce commercially and then you start to sell it, and that is when the financial gains can be reached.

On the USP Net, it is true that our USP Net is the original one, 17 years on now, its lifetime is anything between 15 to 20 years. It is working, it has never failed us ever. The dish has been solid, we have recognised this and the investment is huge.

Late last year and early this year, the New Zealand Government has granted us close to, I think, FJ\$8 million, to not just upgrade our main Hub in Laucala but to upgrade all the satellite dishes in all the campuses plus whichever centres that it be in, I assume, so 2018 beginning to end will see that work complete. So come 2018, we will have a refurbishment of our current Hub here, as well as all the satellite dishes.

In addition to that, as we speak, we are working with JICA because they were the ones who regionally funded the USP Net Hub with New Zealand, I presume, but they are keen to actually give us a brand new satellite receiving station at Laucala, so we are working on that. In fact, after this meeting we are going into that meeting to finalise some initial agreements, so the plan essentially is that money has already been informally approved by the Japanese Government. It will go to the Parliament in March next year, I believe, for them to formally approve it before the money becomes available to us later in the year.

So 2019 is when they are looking at giving USP a brand new dish which should last us another 20 years but in the meantime, our reliance on our satellite is becoming less as the countries are linking up to fibre. So, for example, Tonga, Marshall Islands because they are on fibre means that we no longer need to rely on our satellite to reach those countries.

In the next three years or so, I think several other countries including Tonga, Vanuatu, Solomon Islands, in fact, are all looking at going to fibre which means we may not even need to use our satellite so intensively after the next three to five years.

HON. A.T. VADEI.- Mr. Chair, just to add on to that supplementary question: In regards to the national development like in Fiji, can that new development done by USP be compatible to our local fibre system?

DR. A. JOKHAN.- Yes.

HON. A.T. VADEI.- So that it is accessible as well by those in remote areas?

DR. A. JOKHAN.- Yes, our satellite really comes to Laucala, from there it goes into our system and then through our fibre to FINTEL and then out through O-Net fibre. The O-Net fibre sits right next to the Southern Cross fibre, its very link, but in fact we are currently looking at other alternatives where we may wish to work with the countries as we do in all the other countries who have fibre to actually use the country's fibre. The systems are very compatible.

Question No. 12: I did mention that from this year, we are presenting our First-Year Students with tablets. These tablets are very robust, we get them tailor-made in China and brought back to us. Our students keep those tablets right throughout their studies and when they finish, we will most likely let them have them anyways. The tablets are very robust. We have only had five returns on the actual hardware malfunction, but very robust and we think they will last three years and beyond.

The University buys them and we give them to our students. It is really from the same fund that we used to buy desktops and basically PCs so rather than spending all the money on PCs, we apportion some for our First Year Students and then use the rest of the money to buy our PCs.

MR. CHAIRMAN.- Thank you, Madam and Honourable Members, if there are no other questions or clarifications, before we actually close, Madam, would you like to say anything else?

DR. A. JOKHAN.- Just on behalf of Mr. Boila, myself and the University, thank you, for giving us this opportunity really, and I think the questions that you have given us have really been useful because that means that there were things in the Report that may not have been as clear, we appreciate that, and thank you for your time.

MR. CHAIRMAN.- Thank you very much, Madam. On behalf of the Committee, once again, thank you very much for the presentation, thank you.

The Committee adjourned at 3.11 p.m.

Appendix 4: Written Questions & Responses Received

QUESTIONS TO BE RAISED BY THE SOCIAL AFFAIRS STANDING COMMITTEE ON USP's 2016 ANNUAL REPORT

- 13. On page 35, please explain what type of training does the University of the South Pacific offer to all Persons with Disabilities? Does USP offer Speech therapy training, and if no, please elaborate on what other options that are available specifically for Disabilities?**

14.

While the Centre does not provide speech therapy it provides the following:

- 1. Awareness on appropriate teaching and learning support.*
- 2. Provide recommendations for reasonable accommodation during lessons, course work and exams.*
- 3. Co-ordinate meetings to introduce students to their lecturer and tutor as well as to follow up on students' progress.*
- 4. Provide study buddies to those who need extra assistance.*
- 5. Provide a separate venue for exams when needed.*
- 6. Liaise with Students Admission Services (SAS) for the provision of brailled papers for assessments and other reasonable accommodation during exams.*
- 7. Provide a student space that students can study in as well as use assistive technologies such as JAWs, Braille Sense U2, NVDA, Read & Write Gold, audio-recorded notes. The student space is also used as a resting area in between classes.*
- 8. Provide referrals for counselling and support services outside of the University such as hearing and vision test.*
- 9. Provision of sign language interpreters for deaf staff and students.*
- 10. Coordinate basic sign language classes.*
- 11. Organize classes for new users of JAWS and other software and devices.*
- 12. Coordinate library sessions to assist students in library research skills.*

- 15. Does USP have any plans to also introduce Medical Faculties similar to what the Fiji National University currently have in Extension Street, the Fiji School of Medicine?**

The University does not plan to do this as there are already two local institutions providing this.

- 16. Please explain as to why Distance Learning has been stopped? This facility affects Civil Servants who are posted in remote areas and want to take up Post Graduate Courses? How can Students continue their studies on this Distance Learning mode?**

I would like to assure honourable members of the Standing Committee that the delivery of education to distance students has not stopped. We are moving away from the use of the word 'Distance' and replacing it by the word 'Flexible' for the reason that Distance comes under the overall umbrella of Flexible. We offer several courses and programme in flexible modes and many of these can be done by students outside of the Laucala Campus

- 17. What sort of compliance does USP have at the moment in terms of Higher Education Accreditation? In addition, what policies does USP have at the moment which are used to make appointments and also in conducting staff performance audits?**

The University has 18 programmes internationally accredited. Currently it is preparing for accreditation of the whole institution by the Senior College and University Commission (WASC) in April 2018. The University is also registered with the Fiji Higher Education Commission.

Traditionally Universities have been 'self-accrediting institutions and hence we have formal systems in place to ensure that quality assurance is maintained. In every case of accreditation and in the case of registration with FHEC all QA processed are verified.

Staff recruitments follow the University's policy on recruitment which is shared with the accrediting agencies including the FHEC.

- 18. A performance audit in terms of staffing will determine whether the position is appropriately filled. The absence of this exercise will be costly to USP as hiring of expatriates regarding their costs, salaries, accommodation are added items on the financial expenditure.**

Most of our qualified locals have gone to FNU and UniFiji. Why are we not looking locally as most of those at USP are from abroad and very importantly they do not understand the way we do things?

USP recruitments follow its recruitment policy. Within this all Junior and intermediate positions are recruited locally. All comparable positions below Band 5 are recruited from the region, giving equal chances to citizens of our member countries a chance to apply for positions in any countries.

Assistant Lecturer positions are reserved for Regional people and are not recruited from outside of the region.

All senior positions (both academic and Comparable Bands 5 and 6) are recruited through international advertisement. It means that anyone from anywhere can apply. If there are regional applicants then all being equal our policy dictates that we offer the position to the regional candidate.

At this point in time the statistics are as following for local/regional staff (the highest percentage being Fijian):

Total USP Staff:	92.81%
Academic Staff:	79.17%
Teaching Assistants:	100%
Comparable Staff:	89.52%
Junior and Intermediate staff	100% Fijian

- 19. How will USP gain financially from some business arms like the Bookshop, Housing etc as we understand they are being privatized? Can you elaborate?**

The USP, like many other Universities around the world develops commercial opportunities in order to grow third stream of revenues to support learning and teaching. USP develops these on self funding basis but directly linked or connected to learning and teaching such as Bookshop, student and staff accommodations, etc. This to ensure they operate sustainably and do not incur additional burdens to member countries or utilise student fees for these business purposes. These activities operate on commercial terms and conditions and are operated like any other business, not only to generate surpluses, but support learning and teaching.

- 20. There is a freeze on rental fees and yet USP is charging about 100 to 200% which is quite high and it should be reflected on your cash input....where is this shown?**

The USP is located on high end residential and commercial spaces, it has tried to increase rental to current market levels but is limited by the rental freeze.

- 21. On page 34, USP Holds OER Workshop –the workshop had agreed on plans to develop the Open Education Resources (OER) and also for its release. Does the USP have some statistics to show the effectiveness of OER and if it has, can this Committee be informed?**

Work is currently under way to implement the OER policy and develop and use more OER and Learning and Teaching. In 12 months from then we should be able to carry out some analysis.

- 22. On page 39, on the ADB loan agreement of USD\$15.4million and a grant agreement for the new Solomon Island Campus were signed on November 3. How much of the loan has been utilized and can we have an indication of the projects that had been completed?**

A design consultant had been hired and the design had been completed. The construction tender is currently being evaluated with the ADB and hope to sign the construction contract in the new year and commence construction straight away.

- 23. In regards to the two Patents in page 32 and 33, what sort of financial gain or benefits does USP receives from these two patents?**

The products have not been put commercial production. The Braille Eye Slates have been produced and donated in Fiji, Vanuatu and the SI. There have been enquiries from India and Malaysia to have some made but unfortunately we are not allowed by the Govt o import the specific batteries required. So if were to go for large production we would have to have exemption to import these batteries.

- 24. On page 9 USPNet, if you could elaborate more and clarify on this sentence which says: “USPNet satellite system running into its extended phase of life is now a significant risk”?**

The receiving hub is 17 years old. To date it has not defaulted so we have been protected. However we know that it is coming to the end of its life. NZMFAT has already given funds for substantial update of this hub which will happen in 2018. This would allow it to function for at least another 10 years.

In the meantime our member countries are moving to fiber and as they do we link up to it as well thus releasing the heavy requirement on satellite. As going forward less reliance of satellite will protect the University more and more.

- 25. In the Annual Report we have noted that USP offered free Tablets to 1st year students. Please explain as who bears the costs if there is a damage or loss that may have occurred to these Tablets.**

The Tablets are funded by the University and given to 1st year students who are full time and have paid their fees (or are sponsored or on TELS etc). they are required to pay for any damage or loss. However any malfunction which is to do with the Tablet design or manufacture then the University does this at its own cost.

Appendix 5: Research Briefs



Annual Report Summary- The University of the South Pacific 2016 Standing Committee on Social Affairs

Vision- "Achieving excellence and innovation for sustainable development of the Pacific Island Countries"

Mission- "To provide Pacific people with a comprehensive range of excellent and relevant tertiary qualifications;

-To deliver the benefits of advanced research and its applications;

-To provide communities and countries in the Pacific region with relevant, cost effective and sustainable solutions, including entrepreneurship, to their main challenges;

-To be an exemplar of tertiary education for the Pacific Islands in quality, governance, application of technology and collaboration with national tertiary institutions."

	2016	MPs Comments
Principal Activity	The University of the South Pacific (USP) is the premier institution of higher learning for the Pacific, uniquely placed in a region of extraordinary physical, social and economic diversity to serve the region's need for high quality tertiary education, research and policy needs. Established in 1968, it is jointly owned and governed by 12 Member Countries: Cook Islands, Fiji, Kiribati, Marshall Islands, Nauru, Niue, Samoa, Solomon Islands, Tokelau, Tonga, Tuvalu and Vanuatu.	
Organization structure	<p>The Council</p> <p>The Council is the governing body of the University. It exercises all powers conferred on the University by the Charter, subject to the powers, duties and functions conferred upon it by the Statutes. The Council has general control over the conduct of the affairs of the University.</p> <p>It has the custody of the Common Seal and is responsible for the management and administration of the revenue and property of the University.</p> <p>The following are the major Committees of the Council.</p> <ul style="list-style-type: none"> • Executive Committee • Finance and Investments Committee (FIC) • Audit and Risk Committee (ARC) • Remuneration Committee • Search Committee • Legislation Taskforce • Executive Committee Sub-Committee on Papua New Guinea 	

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	<ul style="list-style-type: none"> • Joint Committees of Council and Senate • Honorary Degrees Committee <p>The Senate</p> <p>The Senate is the chief academic authority of the University, responsible for all academic matters, including quality. It exercises the powers, duties and functions conferred by the Charter and Statutes to promote excellence in teaching, consultancy, research and other academic work of the University.</p> <p>The Senate makes Regulations and approves policies and procedures to govern learning and teaching at the University as well as all matters with respect to students, including academic and non-academic support services aimed at improving the overall student experience at USP.</p> <p>The Senate meets at least 4 times a year, and has 11 standing committees to expedite its work and execute its assigned statutory responsibilities as well as a number of ad-hoc committees and working groups for specific tasks.</p>	
Projects and Achievements for 2016	<ul style="list-style-type: none"> • USP - New Zealand Partnership- A new Partnership Agreement (2016-2018) worth NZD 15m was signed between New Zealand and USP. • USP Claims 6th SPSE Annual Report Award- USP won the South Pacific Stock Exchange (SPSE) Annual Report Competition for the sixth year in a row, in the 'Co-operatives, Non-Profit and Charitable Organizations' category. • Launch of Microsoft Initiative at USP- USP's School of Computing, Information and Mathematical Sciences (SCIMS) launched the 'Microsoft Student Accelerator Programme'. • New Pacific Diplomacy Book Launched- USP's School of Government, Development and International Affairs (SGDIA) launched a book, titled, 'The New Pacific Diplomacy'. The book is the product of the Diplomacy and International Affairs programme at the University, which has been running for the past 3 years and is a culmination of the research undertaken by the School's postgraduate students. • Student IEEE Chapter Branch in Fiji- USP is the first university in Fiji to have established a branch of the Institute of Electrical and Electronics Engineers (IEEE) student chapter for the Asia-Pacific region. IEEE is one of the leading standards-making organisations in the world. In addition to this, IEEE has provided USP student chapter with a sum of USD 3,000 to help the School of Engineering and Physics (SEP) after the effects of Tropical Cyclone (TC) Winston. • Wave Solar Energy Harvesting Device- Two staff and a student of USP's SEP have officially received a patent for their invention of a 'Portable Wave-Solar Energy Harvesting Device' by Intellectual Property (IP) Australia. • USP Donates to Prime Minister's Relief Fund- USP donated FID 100,000 to the Prime Minister's 	

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	<p>Natural Disaster Relief and Rehabilitation Fund to help the victims of TC Winston as the first part of a broader support towards Fiji's relief efforts.</p> <ul style="list-style-type: none"> USP's New Engineering Lab- new Engineering laboratory at USP's Lauqa Campus. USP has accreditation of the Engineering programmes by the Institution of Professional Engineers New Zealand (IPENZ). Queen Awards USP Student and Staff- A student of USP and a staff were honored with the Queen's Young Leaders (QYL) Award by Her Majesty, Queen Elizabeth II at a ceremony in Buckingham Palace. Students with Disabilities Start Studies Pacific TAFE Registered RTO- Pacific TAFE was declared a Registered Training Organisation (RTO) with Australian Skills Quality Authority (ASQA) to deliver qualifications accredited within Australian Qualifications Framework (AQF). This means that Pacific TAFE will deliver qualifications, by adding to its scope of registration which are accredited with Australian Qualifications Framework (AQF) and has global recognition. Climate Change Forum at USP- The crucial role played by local Governments, communities, women, youths and civil society members in addressing the impacts of climate change and building local resilience was emphasised at a Climate Change Forum at USP in Suva on 16 February. Facilitated by the Pacific Islands Development Forum (PIDF), the discussion saw COP21 participants; stakeholders and leading regional analysts and experts share their thoughts on how the Paris Agreement affected the lives of the Pacific people. USP RMI Campus Renovation Commences- USP and the Government of the Republic of Marshall Islands (RMI) signed a Deed of Assignment on 26 May at the RMI Embassy in Suva. This enabled USP to initiate all renovation works at Long Island Hotel, which the RMI Government has allocated for the University to develop its new campus. Loan for New Campus in Solomon Islands- USP officially signed the ADB loan agreement of USD 15.4m and a grant agreement of USD 1.5m for the new Solomon Islands Campus. Academic Receives International Award- An assistant lecturer in Psychology at USP's School of Social Sciences (SOSS), was awarded the inaugural Higher Education Research and Development Society of Australasia (HERDSA) Roger Landbeck Professional Development Fund Award. JENESYS 2016 Project- the Japan-East Asia Network of Exchange for Students and Youths (JENESYS) 2016 project at USP was a success with 7 tours successfully conducted in 2016. The JENESYS Programme is a project advanced by the Japanese Government with an overarching goal of providing a foundation for strong solidarity within Asia through large-scale youth exchange from all around the Pacific. 	
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	<ul style="list-style-type: none">The proposal by the Disability Resource Centre (DRC) for the funding and introduction of a Regional Disability Scholarship scheme was approved by the University and will be implemented in 2017.Four (4) deaf students with disabilities were given offer letters by USP to study through the Department of Foreign Affairs and Trade (DFAT) scholarship. These scholarships in partnership with the new USP Disability Scholarships will greatly improve financial accessibility of many regional disabled persons entering tertiary study in 2017.	
Other initiatives	<ul style="list-style-type: none">Research and Industrialisation - A total of FJD 1.5m was allocated to 30 research teams carrying out work under the scheme in 2016.In 2016, the University celebrated the award of its first 2 patents for inventions 2016 registered under the Australian Patents Act. A team from (School of Engineering and Physics) SEP, patented their invention of a Mobile Cane for the Blind and Visually Impaired, whilst a second team, also from the SEP, patented their Portable Wave-Solar Energy Harvesting Device.Information & Communication Technologies-Improved Network Security (ITS) successfully deployed the new Network Firewall worth FJD 1.2m in July. This upgrade of the Network Firewall was one of ITS' major projects for 2016, and enabled USP to improve security and manage risks.	
Financial Position (Company's)	Total Revenue	\$191,753,763 All components of income showed increases compared to 2015, except for government grant contributions. Government grant was reduced due to change in the government grant formula as approved by Council in 2015.
	Total Expenses	\$181,866,854 Staff costs decreased slightly by \$0.14m or 0.2% to \$82.5m while operating cost increased by \$3.43m or 4.1% to \$86.2m.
	Net Profit for the year	\$9,886,909 compared to \$7.2m in 2015
	Total Assets	\$309,580,102
	Total Liabilities	\$173,899,297
	Net Assets	\$135,680,805
	Total Changes in Funds and Reserves	(\$4,369,817)
	Cash and Cash equivalents at end of the financial year	\$55,538,669
Auditor's Opinion (PWC)	In the Auditors opinion the financial statements give true and fair view of the financial position of the University as at 31 December 2016, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.	

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Gender Analysis	<ul style="list-style-type: none">Operational achievement of 2016 was the graduation of 3,224 people, 1,861 women and 1,363 men pg 6Enrollment by gender in 2016, female 8,820 (55%) and male 7,208 (45%). Pg. 19Gender analysis is also provided on pages 47 – 48, a breakdown of the graduation.	
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Disclaimer

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