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**STANDING COMMITTEE ON SOCIAL AFFAIRS**

**REVIEW REPORT ON THE FIJI NATIONAL UNIVERSITY 2016 ANNUAL REPORT**



**PARLIAMENT OF THE REPUBLIC OF FIJI**  
**Parliamentary Paper No.63 of 2018**

*Thursday, 17<sup>th</sup> May, 2018*

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## **CHAIRMAN’S FOREWORD**

I am pleased to present the Committee report on the review made to the Fiji National University (FNU) 2016 Annual Report.

Fiji National University is a young and dynamic university with colleges that have deep roots reaching back to the 19<sup>th</sup> Century with a clear vision to provide education and training which is aimed at employability – either to ensure that new graduates are highly employable or to assist those already in the workforce to advance their careers. The University is committed to the highest standards of ethics, integrity, transparency, corporate governance and professional standards.

It is interesting to note that for the first time in 2016, female graduates of 1,629 exceeded the male graduates of 1,604 respectively. Taking into consideration the gender composition in staff from different disciplines, the Committee noted that FNU’s administrative staff were predominately in favour of women whilst, the academic staff remained male dominated.

The University continued to enhance and strengthen its organizational and management structure, through fostering coherence and cooperation across the University in its teachings, research and service and promotes the efficient and effective deployment of resources across its Campuses and Centres despite highlighting some of the challenges that hindered the University in fully implementing its vision.

In 2016, FNU experienced a number of innovations designed to strengthen the quality of its learning and teaching and enhance the impact of its research. During the same year, FNU undertook a major ‘Academic Portfolio Review’ designed to assess the academic quality of its programmes. Nevertheless, FNU continues to put the students at the heart of the university and 2016 has seen great strides in connecting the University to its key stakeholders.

It was very pleasing to note that FNU continues to provide education and training which is aimed at employability – either to ensure that new graduates are highly employable or to assist those already in work to advance their future careers. On the same token, through a presentation by Professor Nigel Healey of FNU, the Committee was pleased to note that FNU had made great strides since 2016 to improve on their infrastructure, programs, research and overall service delivery.

The Committee acknowledges and commends the overall performance and achievements of the university however, few recommendations have been proposed for FNU’s consideration.

I thank the Deputy Chairperson, Hon. Veena Bhatnagar, Members, Hon. Salote Radrodro, Hon. Ruveni Nadalo, Hon. Anare T. Vadei and alternate Member, Hon. Alivereti Nabulivou contribution towards the scrutiny and the formulation of this bipartisan Report.

With these words, on behalf of the Standing Committee on Social Affairs I commend this Report to Parliament.



**Hon. Viam Pillay**  
**Chairperson of the Social Affairs Standing Committee**

**RECOMMENDATION:**

The Standing Committee on Social Affairs has conducted a review of the Fiji National University (FNU) 2016 Annual Report and has few recommendations to be brought to the attention of the House:

- FNU to focus on its core role as tertiary education provider and relinquish the investment arm
- There should be more new student accommodation to meet the demand
- Fast track of renovation for existing student accommodations
- Local academic staff to be given scholarship to pursue further studies to upgrade their qualifications.

## INTRODUCTION

The Fiji National University was established in 2009, under the Fiji National University Decree No. 39 of 2009 and is a Customer/ Student focused on understanding and exceeding the expectations of their stakeholders and providing a safe, secure and comfortable learning, teaching and training environment. The University is fully registered with the Fiji Higher Education that was effective for five (5) years from 29<sup>th</sup> November, 2016

It is managed on the core values of accessibility of education and training to all, equal opportunity, respect and tolerance for diversity and a firm sense of belonging and ownership forged through collective decision making, information sharing , providing a ready helping hand to the weaker members of the University community, a healthy lifestyle and collective social and corporate responsibility.

The 2016 Annual Report highlights some of the challenges that lie ahead in implementing its vision. In 2016, student's headcount fell by over 10 % and continuing trend that began in 2015. Most of this decline was focussed in National Training and Productivity Centre (NPTC), where the enrolment fell from 12,024 in 2015 to 9,636 and following NPTC'S decision to move away from pre-services courses and concentrate on in-services training for those in work.

Some of the major challenges faced in 2016 are as follows:

- Quality and relevance of taught programmes
- Qualifications and technical skills and academic staff
- Quality of physical and virtual infrastructure
- Relevance and social impact of research

The University has identified key arrears as way forward:

- Curriculum reform, development of flexible and relearning, greater focus on graduate employability
- Staff development policy, academic promotions and performance management
- Increase R & M, major capital programme, open learning commons, AARNet, campus master plan
- Research themed and clusters, academic promotions and performance management

The University benchmark with International partners to help share information and expertise and upgrade curricula in building new programmes in variety of areas and also work closely with major employers to design new programmes which will meet their needs.

Given that the University's funding is almost wholly derived from teaching, with approximately two – thirds of revenue coming directly from tuition fees and one – third in the form of a tuition subsidy from the Fiji Government.

## **FINDINGS**

The Committee during its meeting on Wednesday, 4<sup>th</sup> April, 2018 received submission from FNU and collated the following findings:

### **STUDENT ENROLMENT IN 2015 AND 2016**

Looking at the 2015 and 2016 student enrolment figures, it was noted that there has been a continuous decrease in the number of student enrolment at the FNU. The statistics as follows:

- College EFTS peaked in 2014 at 10,557:
- ✓ 16.3% decline in 2015
- ✓ 5.0% decline in 2016
- The Committee noted that from 16.3% in 2015 the percentage decreased to 5% in 2016 which indicates the recovery in College EFTS.

### **FINANCIAL STATUS**

- The decline in the student enrolment had affected their financial status

### **REPAIR AND MAINTENANCE**

- There was a 50% savings in their budget but the Raiwai campus was not repaired after Cyclone Winston and the students from Raiwai campus was temporary relocated to Nasinu campus.

### **STUDENTS ACCOMMODATION**

- There is a lack of student accommodation in all Colleges.

### **SOURCES OF REVENUE**

- Government grant
- Fees structure
- Navua investment rental income

### **STAFFING**

- There is a need to upgrade local academic staff qualifications.

### **HIGHER EDUCATION ACCREDITATION**

- FNU is fully registered with the Fiji Higher Education Commission for the period of 5years.

### **LEASE AGREEMENT**

- The transfer of lease agreements from Ministries that had owned previous Colleges to FNU has progressed well.

### **BUSINESS INVESTMENT IN NAVUA**

- FNU has leased the Navua Farm to Grace Farm for 15 years.
- A business arrangement with Pacific Ocean culture was very successful.

- Subleasing of the Navua Hotel to the Fiji Council.
  - Overall, the lease and sublease income were considerably high.

#### **FUTURE PLANS**

- Construction of the veterinary lab, veterinary hospital, and livestock shed to facilitate the delivery of all the CAFF Programmes especially the Bachelor of Veterinary Science and Animal Husbandry Programme;
- Improvement in the Nasinu campus to include the 500 sit lecture theatre and a gymnasium and a creative arts building;
- A new Raiwai campus; and
- A new Labasa campus.

#### **Gender Analysis**

Gender is a critical dimension to parliamentary scrutiny. Under Standing Order 110 (2) where a committee conducts an activity listed in clause (1), the Committee shall ensure full consideration will be given to the principle of gender equality so as to ensure all matters are considered with regard to the impact and benefit on both men and women equally.

In 2016, FNU had recruited 305 female academic staff with 195 female support staff whereas male figures stands at 558 academic staff and 165 males support staff. In 2016, for the first time the female graduates exceeded the male graduates, bringing FNU in line with global trends where about 60% of students are female.

<b>Gender Composition of College Academic Staff</b>	<b>Female</b>	<b>Male</b>	<b>Total</b>
College of Agriculture, Forestry & Fisheries	10	38	48
College of Business, Hospitality & Tourism	40	58	98
College of Engineering, Science & Technology	38	220	258
College of Humanities & Education	49	51	100
College of Medicine, Nursing & Health Sciences	125	70	195
National Training & Productivity Centre	32	105	137
Support Services	10	16	26
<b>Grand Total</b>	<b>304</b>	<b>558</b>	<b>862</b>
<b>Gender Composition of College Support Staff</b>	<b>Female</b>	<b>Male</b>	<b>Total</b>
College of Agriculture, Forestry & Fisheries	21	33	54
College of Business, Hospitality & Tourism	12	4	16
College of Engineering, Science & Technology	35	55	90



College of Humanities & Education	22	10	32
College of Medicine, Nursing & Health Sciences	56	17	73
National Training & Productivity Centre	49	46	95
Grand Total	195	165	360

The Committee is pleased with the Fund's position in playing a significant role towards the (men and women) in Fiji.

## CONCLUSION

To conclude, the Committee commended the overall performance of FNU. In 2016, was a year of change for the University in taking stocks and resetting its strategic direction for the remainder of the decade to 2020.

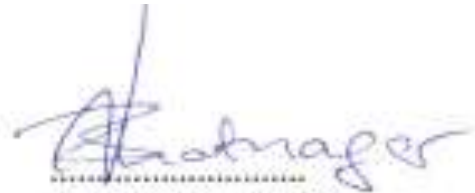
The 2016 Annual Report highlighted some of the impending challenges that lie ahead in implementing its vision. In 2016, student headcount fell by 3,000 (over 10%), continuing a trend that began in 2015. Given that the University's funding is derived from teaching with approximately two-thirds of revenue coming directly from tuition fees, it is critical that, going forward, FNU rebuilds its enrolments.

Finally, the Committee has fulfilled its mandate in examining the Fiji National University 2016 Annual Report and commended the position of the University in becoming the premier university for higher education, technical and vocational education and training, research and development in Fiji and the Pacific region, and to be the national centre of excellence in Fiji for all things to do with training and productivity through provision of good leadership in all intellectual pursuits in higher education in all trades and soft skills that are necessary for development of nations, businesses and communities.

## SIGNATURES OF MEMBERS OF THE SOCIAL AFFAIRS STANDING COMMITTEE



Hon. Viarn Pillay  
(Chairperson)



Hon. Veena Bhatnagar  
(Deputy Chairperson)



Hon. Salote Radrodno  
(Member)



Hon. Anare T. Vadel  
(Member)



Hon. Ruveni Nadalo  
(Member)



Hon. Allifereti Nabulivou  
(Alternative Member)

## APPENDICES

### APPENDIX 1: LIST OF ACRONYMS

<b>Acronyms</b>	<b>Meaning</b>
SO	Standing Orders
FNU	Fiji National University
EFTS	Equivalent Full-Time Students
NTPC	National Training and Productivity Centre
TVET	Technical and Vocational Education Training
FMA	Fiji Maritime Academy
TELS	Tertiary Education Loan Scheme
FNUSA	Fiji National University Students' Association
DFAT	Department of Foreign Affairs and Trade



## Annual Report 2016

### Standing Committee on Social Affairs



**Professor Nigel Healey**  
**Vice Chancellor**

**4:30pm, 4<sup>th</sup> April 2018**



- Changes in management
- Learning and teaching
- Research
- Student enrolments
- Staffing
- Student: staff ratio
- Financial performance
- Alumni Association

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## Changes in governance and management

- Acting Vice-Chancellor:
  - Mr Ikbal Jannif: 01/01/16 – 31/07/16
- Vice-Chancellor:
  - Professor Nigel Healey: 01/08/16-31/12/16
- 2 Acting Deans / 3 Acting Directors in 2016

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## Learning and teaching

- Comprehensive 'Academic Portfolio Review' undertaken in second half of 2016
- Indicators of student demand: % growth in enrolments, % toppers, average entry marks
- Indicators of student success: Year 1-2 progression, completion rate, average GPA, student satisfaction
- Indicators of graduate outcomes: % employed, average starting salary

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## Research

	2015	2016
Journal articles	69	120
Conference proceedings	96	48
Conference attendances	52	49
Boos/book chapters	13	13
Technical reports	31	8
Consultancies	33	29
Other	80	74
<b>Total</b>	<b>374</b>	<b>341</b>

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## Student enrolments (headcount)

	2015	2016
National Training and Productivity Centre	12,024	9,363
College of Agriculture, Fishers and Forestry	1,219	1,252
College of Engineering, Science and Technology	5,180	4,703
College of Business, Hospitality and Tourism Studies	5,331	5,589
College of Humanities and Education	2,788	2,650
College of Medicine, Nursing and Health Sciences	2,493	2,401
<b>Total</b>	<b>29,035</b>	<b>25,958</b>

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## Student enrolments (EFTS)

	2015	2016
College of Agriculture, Fishers and Forestry	823	804
College of Engineering, Science and Technology	2,265	1,921
College of Business, Hospitality and Tourism Studies	1,996	1,970
College of Humanities and Education	1,259	1,297
College of Medicine, Nursing and Health Sciences	2,493	2,401
<b>Total</b>	<b>8,836</b>	<b>8,393</b>

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## Continuing decline in enrolments in 2016

- College EFTS peaked in 2014 at 10,557:
  - 16.3% decline in 2015
  - 5.0% decline in 2016
- Major enrolment drive in late 2016 (Promotion):
- Comprehensive curriculum reform in 2017 (Product):
- Female graduates (1,629) in 2016 exceeded male graduates (1,604) for the first time

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## Academic staffing (headcount)

	2015	2016
National Training and Productivity Centre	154	137
College of Agriculture, Fishers and Forestry	48	48
College of Engineering, Science and Technology	231	258
College of Business, Hospitality and Tourism Studies	105	98
College of Humanities and Education	104	100
College of Medicine, Nursing and Health Sciences	192	195
<b>Total (incl. other)</b>	<b>865</b>	<b>862</b>

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## Student: staff ratio (EFTS)

	2015	2016
College of Agriculture, Fisheries and Forestry	17.1	16.8
College of Engineering, Science and Technology	9.8	7.6
College of Business, Hospitality and Tourism Studies	19.0	19.6
College of Humanities and Education	12.1	13.0
College of Medicine, Nursing and Health Sciences	13.0	12.3
<b>Total</b>	<b>13.0</b>	<b>12.0</b>

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## Support staffing (headcount)

	2015	2016
National Training and Productivity Centre	111	95
College of Agriculture, Fishers and Forestry	47	54
College of Engineering, Science and Technology	98	90
College of Business, Hospitality and Tourism Studies	17	17
College of Humanities and Education	32	32
College of Medicine, Nursing and Health Sciences	85	73
Administrative Support	1,449	1,067
<b>Total</b>	<b>1,839</b>	<b>1,427</b>

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## Support: academic staff ratio

- Ratio declined from 2.1:1 (2015) to 1.65:1 (2016)
- International benchmarks exist for support to academic ratios (eg, 1.6:1)
- But depends on structure of university, extent of contracting out services

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## Financial performance

	2015*	2016
Government operating grant	33.4	42.6
Tuition fees	61.7	58.7
Other income	48.1	47.5
<b>Total income</b>	<b>143.2</b>	<b>148.8</b>
Employee-related expenses	(70.3)	(72.6)
Other operating expenses	(51.2)	(44.5)
Depreciation	(11.3)	(11.0)
NTPC levy expenses	(7.4)	(6.8)
<b>Total expenses</b>	<b>(140.2)</b>	<b>(134.9)</b>
<b>Operating Surplus</b>	<b>3.5</b>	<b>15.5</b>
Operating Surplus % Income	2.5%	10.4%

\* Restated in 2016 accounts

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## Vinaka

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  - Tel: 339-4000 Ext 2000
  - Cell: 999-6622

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### **APPENDIX 3: VERBATIM REPORT ON THE SUBMISSION BY FNU**

**VERBATIM NOTES OF THE MEETING OF THE STANDING COMMITTEE ON FIJI NATIONAL UNIVERSITY (FNU) HELD AT THE COMMITTEE ROOM (EAST WING), PARLIAMENT PRECINCTS, GOVERNMENT BUILDINGS ON WEDNESDAY, 4TH APRIL, 2018 AT 3.40 P.M.**

**Submittee: Fiji National University**

In Attendance:

Professor Nigel Healey - Vice Chancellor

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DEPUTY CHAIRPERSON.- Honourable Members welcome back to the meeting. Once again *ni bula* and a very good afternoon to you all. Today we have the Vice Chancellor from FNU, Professor Nigel Healey with us and we have been deliberating on the Annual Report of FNU, 2016 and we have our questions. Apart from the questions on the paper, Professor Healey once again a very warm welcome and a good afternoon to you. Thank you for availing yourself and thank you for your time, I know you are a very busy man but upon our request you are here to do your presentation in front of the Social Affairs Standing Committee. Thank you for your time and your commitment. And yes, like I said apart from the questions on the paper, we will have a lot more supplementary questions for you. So without delaying much, I give the floor to you.

PROFESSOR N. HEALEY.- *Vinaka* and thank you for the opportunity to meet with the Committee. I have two presentations, a fairly brief presentation just to introduce the Annual Report for 2016 which I think I should just run through very briefly in about five or 10 minutes, which just picks up the highlights and then a more detailed presentation that gives answers to each of the 23 questions that you posed. I think we will probably spend a bulk of the time on that with your permission.

So, in terms of the overview just to note the change that took place in 2016 in terms of the management, major development till then in teaching and then I will just highlight the key statistics. The main change that took place in 2016 was a change in governance and management so as you may recall the Chancellor also served concurrently as Acting Vice Chancellor for the first half of 2016. I joined the University in August that year, but by the time I joined the Acting Vice Chancellor had quite reasonably not wanted to make a number of appointments before my arrival. So we had, about half of our senior management group was temporary, was acting roles and since we moved to make all these permanent.

The major change on learning and teaching was that when I arrived, we undertook what we call an “Academic Portfolio Review”. This is a very comprehensive exercise to really assess the extent to which programmes were meeting the needs of students and employers.

So we did this for every single programme, we have over 300 and we had 9 indicators. So we looked in detail at indicators of students demand in other words, do students want to study these programmes, so we looked at the trends in enrolments, we looked at the percentage of national Toppers that we were recruiting in areas which were eligible for that and we looked at the average entry marks.

These were all guides to whether or not students actually want to take these courses. We looked then at four indicators of students success. So we looked at progression rates from years one to two, if students are dropping out in the first year, it is a sign of weakness. We were looking for overall completion rates. The average GPA and we also serve a student satisfaction. And the final set of indicators, there were two, we do a survey of graduates once they leave the University to find out what percentage were employed and what the average starting salaries are/ We used the traffic light system. For each of the programmes, we had nine indicators wherever the indicators were below an acceptable threshold, they got a red flag. And we required the colleges to either make significant change or close the programme.

If there is no demand for the programme, if no one wants to employ the students who graduate, if no one can pass the programme, there is a problem. So we were fairly brutal about this. We had green where we had programmes in good health and then we had a tolerance band which was orange or amber where we wanted to keep the programme under review.

But we made a lot of changes in programmes as a consequence of this exercise. It really paved the way for a major crack in reform that took place in 2017. The research remained at more or less the same level. The main thing that we were trying to push here was trying to kind of reduce the number of people going on low level conferences and shift the attention to journal articles which is really the acid test for universities. You can see that the journal articles stacked up almost doubled the previous year.

Now I think we will get into the questioning.

The Trends in Student Enrolment: You will recall when we met in January, we talked about the fact that in the 2015 Report, we reported a decline in student enrolments. That decline continued in 2016 to some extent, once you go into a decline, there is a kind of pipeline effect. So if you have a reduction in first year numbers, even if you stabilised first your numbers, that will roll through because the second year will be smaller than the previous second year and then third next year will be smaller than the previous third year.

So it takes a bit of time to reverse the change in enrolments but you can see here we did suffer a second year of decline in enrolments and I will spend sometime in the detailed questions explaining what we did about that because we have reversed that decline in the last two years.

You can see that it was pretty much, the business college had a slight uptake but the others were still declining. The picture in EFTS, this is equivalent to full time students as opposed to head count. This is the most significant because our income is based on the equivalent full time student numbers. Again, a slight decline in the EFTS in 2016 and so as we last time, we had a 16 percent decline in 2015 and a 5 percent decline in 2016.

I will talk a bit more about the changes that we have made since then to reverse the situation. The only high point I think about 2016 was that our female graduates for the first time exceeded male graduates and interestingly that brings us into line with global trends where about 60 percent of students are women. Academic head count, having grown in the previous year was stable. And there was a reduction in the administrative head count, quite a significant reduction. Between 2014 and 2015, we had become very top heavy with support staff, and during the course of the budget

round in 2016, we tried to make some efficiency savings and in the main this was in terms of Central Administration.

The support academic staff ratio is still high. It is about 1.65 in 2016, came down from 2.1, we are still on the high side, international norms are around about 1.51.6. So we are coming closer to international norms. You cannot be very mechanistic about this because it depends a little bit on your structure of the University. So our academic staff is higher than USP, for example. But USP has contracted out a lot of services. So if you contract out your catering, your security, your halls of residence, obviously, the number of support staff on your books declines but the services are not changed. It can become a bit misleading.

In terms of financial performance, it looks strong but it is not. So when you look at the bottom line you can see the bottom line operating surplus increased significantly. But this was, if you start to unpack that a little bit, our tuition fees which are our life blood are declining because our enrolments are declining. And it is the expenses that have fallen and when we look today in great detail, what we are finding was that it was other operating expenses that were being paid back and that was because we were not doing things we should have been doing.

So for example, our repairs and maintenance budget was about 50 percent underspent. To be completely candid, when I saw these results and we analysed these results, I was quite disturbed by the underline financial position of the University. You cannot be in a position where you are losing your core business which is students and then you are simply cutting back all of your operating expenditure by not repairing buildings and not maintaining your capital stock, et cetera, and then say that your performance is financially strong. I think we may have quite a number of significant changes immediately after 2016 to try to rectify this.

If I may, I think we should go to the detailed presentation. What I am trying to do here is address each of your questions and I think because you have read the report and you have asked a number of direct questions about what happens to student numbers, I have really saved the detail for here.

Just to run through this, Question No. 1 was in the report we note that there is about \$660,000 worth of un-acquitted income. These were grants that were paid to the respective line Ministries to run both FSM, FSN and FCA prior to the merger. Then these funds were not transferred in 2010 and they are still outstanding.

We have had a number of meetings with the ministries, the difficulties with these of course is that 2010 was a long time ago and these monies are not factored into the recurrent operating grants of the ministries so we do not have the funds. We have been in discussions with the Ministry of Health to resolve one issue which is the transfer of Hoodless House and basically write off this amount against the transfer of Hoodless House. We have got that agreement in principle.

This is really a legacy issue that has been for some time and we would like to write it off at a point where we actually resolve one, two other issues that are also related to the Ministry.

DEPUTY CHAIRPERSON.-Professor Healey, actually after each question, we will allow time for supplementary questions, if the Members have any, please do let me know so that we will allow you time for supplementary questions, otherwise please continue.

HON. A.T. VADEI.- Thank you Professor for coming forward to share the 2015 Report and sorry for highlighting some of these recurring issues. In cleaning up your books, what are you intending to do on this issue?

PROFESSOR N. HEALEY.- What we have done is we made an offer to the Ministry of Health, it was to the previous PS, basically agree to write this sum off provided that Hoodless House is transferred. So, Hoodless House has not yet been transferred from the Ministry of Health to FNU and the PS agreed that in principle. So it is kind of work in progress. We are just waiting for the transfer of Hoodless House and then we will just write this money off. We have made provision for it.

DEPUTY CHAIRPERSON.- Thank you Professor. Any other questions on Question No. 1?

Thank you. Moving on to Question No. 2, Professor.

PROFESSOR N. HEALEY.- Question No. 2 is what compliance do we have in terms of accreditation. In 2016, we were still provisionally registered with the Higher Education Commission. We had a number of conditions that we had to satisfy and so in September 2016, I went through with Higher Education Commission each of these conditions, updating them on which we have been fulfilled, and which we had already made plans to fulfil and we became fully registered. They were satisfied with that response and we were fully registered at the meeting of 29<sup>th</sup> November, 2016. So we are now fully registered and that is a five-year registration which will obviously be renewable in 2021.

DEPUTY CHAIRPERSON.- Thank you Professor. Honourable Vadei?

HON. A.T. VADEI.- Thank you, Deputy Chair. Regarding the number of professors in the University to have those colleges, do you comply with the requirements as requested by the Fiji Higher Education with the provision of number of professors that you have with the curriculum that is being offered in those various colleges?

PROFESSOR N. HEALEY.- Let me make sure I understand the question. We do not have a requirement from FHC to have a certain number of full professors, if that is what you mean? In our academic ranks in higher education, we have basically lecturers, associate professors and full professors. They do not require staff in a particular rank, but we are required to have staff that are appropriately qualified and we meet those requirements.

What I will come to later is, one of our challenges is that we meet those requirements the moment by having a number of expatriate staff and a big challenge for us is to upgrade the qualifications of our Fijian staff, which is what we are working very hard on.

DEPUTY CHAIRPERSON.- Thank you Honourable Members and Professor. Question No. 3 is what progress has been achieved by FNU towards the signing of MOUs with the following key stakeholders; MOU with WINTEC that was signed in August 2016, MOU with Pacific Disability Forum signed in November 2016; MOU with Skills International Limited, NZ signed in September 2016, Fiji Cooperative Dairy Company Limited signed in July 2016 and APTC signed in June 2016.

PROFESSOR N. HEALEY.- These are all quite active partnerships with WINTEC and Skills International. WINTEC is a polytechnic in New Zealand, Skills International is the international arm of their productivity organisation. These two organisations are helping us with curriculum development. In some cases we have actually taken the curriculum from these institutions and adapted it to the Fijian context. In the case of Skills International they have been doing a lot of work with us re-designing our national apprenticeship scheme.

We partner with Pacific Disability Forum really just to help us improve the quality of services for disabled students and they do audits with us and provide training for our staff. We have got a disability team, obviously the Fiji Cooperative Dairy Company, this is in partnership with the College of Agriculture. APTC is now in its third stage of its project and it runs a number of programmes jointly with us, largely in the engineering space and APTC provide both equipment and expertise to train our staff. These are quite active partnerships.

DEPUTY CHAIRPERSON.- Thank you Professor. At this juncture, in your report on page 12 of the Annual Report 2016, the third paragraph, you have said that FNU's programmes are co-designed with employers to meet their needs and underpin by relevant applied research which aligns with our national priorities. My question is, do you have the expertise to meet these kinds of demands; the employer demands?

PROFESSOR N. HEALEY.- We have reached our programmes; we have each industry advisory committees that comprise sector representatives to guide curriculum design. We do have for all of our TVET staff, we do require them to be actively engaged with the industry in consulting and being out there doing internships and so on. We try to keep a very close link with the industry so that the programmes that we are developing actually are aligned with the industrial needs. In the most successful cases, I can give a couple of examples of that. Douglas Pharmaceuticals, for example, the programme there in manufacturing technology which was jointly designed with them, so that they could, to meet their need for trained technicians because this is a company that manufactures pharmaceuticals for the US markets and is based in Nadi. Because they have got FTA accreditation, they have to have a very high standard of training so it is a course that we designed with them, co-designed with them and all of the students are apprentices with that company. We more recently designed a new programme in mining, an attraction for the mining industry. In the best examples, we are actually responding to the requests from industry to design programmes that are actually meet manpower needs.

DEPUTY CHAIRPERSON.- So, you meet their requirements in the markets.

PROFESSOR N. HEALEY.- Yes.

DEPUTY CHAIRPERSON.- Thank you, Professor. Moving onto Question No. 4.

PROFESSOR N. HEALEY.- Questions Nos.4 and 5 are very closely related. The first question is about progress on the transfer of lease agreements. So, all of the leases on land now being used by FNU was obviously previously leased to the ministries that owned to various colleges. So, the current status, this is being taking place over the last few years, we are almost there. There are just about 20 major sites for which we have leases that we inherited; 13 have now been completely transferred, 4 are almost there and there are 4 more that are at an advanced stage.



I think if I segway to Question No. 5, this will kind of explain why it takes a little bit of time. So, Question No. 5, you had a number of sub questions here which was the vexing issue of the transfer of properties to FNU.

Was there a feasibility study done. No, this was a Cabinet decision. We do not believe there was a feasibility study done. Why has it taken so long? It has taken so long not because the boundary surveys was so slow, I mean we have done all the boundary surveys. It is simply that this extract on the right which you might not be able to see but it actually sets out the legislative process to transfer a lease. Once you have done the boundary surveys, you have got to go through getting the permissions from all the various agencies and ministries involved and then it has to go to the Ministry of Lands. So, it is taking a long time but as I said, it is nearly done. We have got four left at a very advanced stage now.

In terms of the other subsections to Question No. 5, the college has had their own enabling legislation. These have all been replaced by the FNU Act, previously promulgation and now Act 2009 which sets out in detail the requirements on the University, the way that Council runs the appointment of Senate, and so on.

Apart from those 21 properties that were transferred to FNU of sites and properties that were transferred to FNU, the University acquired 4 since its inception. We have subsequently, I think it is fair to say since 2016 really focussed back on core business. My very strong view is the core business of the University is teaching, research and some of the acquisitions we made were well intentioned but a distraction and we never followed through on the original intent. I think we just have to be completely honest about that. So, we acquired the lease on the Navua farm in 2014 with the intention of relocating the College of Agriculture there. That experiment started in in 2015 but we found great resistance to students to travel to Navua for educational purposes and so that experiment was abandoned. At that point we held a 19-year lease with the approval of Council, we made a decision to sub-lease this land. We now have I think five tenants on that land and two more about to sign contracts. We now get a return on that farm. So, our lease income or sub-lease income is considerably high than the lease we paid to Viti Corp. So, the land is now being actively farmed. We have got Grace Farm and Pacific Ocean cultures both running fish farms there. Pacific Ocean Cultures is a very successful aquatic farming operation. I think it is probably going to come closer to providing 50 percent of Fiji's aquatic output.

Grace Road has two holdings there:

- i) Dairy farm; and
- ii) Agriculture farm.

We have heritage turf which is growing grass. We just leased a piggery and the shop and the land to another company and we were asked by the Prime Minister's Office to lease another section of land to someone who was being moved of a different property so we have leased all of those.

DEPUTY CHAIRPERSON.- Sorry to interrupt Professor, but from 2010 to 2016, what happened there, nothing much? Because I think from 2016 you started sub-leasing.

PROFESSOR N. HEALEY.- In the case of the Navua farm, we acquired it in 2014, we had experiment with the college in 2015, it did not work and we made a decision to sub-lease and we

sub-leased in 2016 and since that time. We have almost sub-leased most of these now. We farm a small amount on our own account to provide fresh food and vegetables for the students.

The Navua Hotel which is on the river was acquired in 2014. Again, there was the intention to make it a training hotel but it was not followed through, so we are currently in the process of sub-leasing that to the Fiji Council, this is a training conference centre. Bayveiw Clinic was acquired in 2013, it is currently the FNU medical centre. There has been with Bayview Clinic, there was a caveat on the mortgage by the previous tenant which has now been resolved so will be reviewing what we do with that going forward.

We did also lease some land in Taveuni from the *Mataqali* Valelevu. In 2013 again, that was for a possible site, in fact when we reviewed the situation, we do quite a lot of training in Taveuni but that training is all done using either hotels or schools. We do not have any need for a physical facility there. So, I went last year with a couple of council members to meet the *mataqali* and we agreed to return the land but we honoured the commitment to provide scholarships for students. I think the kind of take home here is, we are trying to focus back on core business which is teaching, research and to be more efficient rather than having a very large number of campuses.

DEPUTY CHAIRPERSON.- Honourable Radrodro.

HON. S.V. RADRODRO.- Thank you, Professor Healey for your explanation on that question. It sounds like that FNU had made some kind of bad decision in terms of investments. You had mentioned that the students do not want to move to Navua and I believe if FNU develops an appropriate and good facility there, the students will move. The matter of the fact is that FNU has not done that. It has acquired the land, it did not develop it to what it was supposed to establish there and like you had mentioned, now it has moved away from its core business. So, now we are into another business, you are sort of leasing out to Grace Farms for 15 years and Fiji is an agriculture-based country. I just find it quite unacceptable that we are an agriculture-based country, this is the core of our economy and we had that opportunity or we still have that opportunity. So my question is, what does FNU plan in terms of developing that land for the very initial purpose it was supposed to be? Now that the lease has been given to Grace Farm for 15 years, like I said, it just does not reflect good management of, I can say, hard earned resources for the FNU as an institution and for the development of our people and our country.

PROFESSOR N. HEALEY.- If I can response to that. I do not want to kind of really make a judgement about previous management decisions, but the fact is that the Fiji College of Agriculture has got a very well developed infrastructure at Koronivia including a farm. It is co-located with the Ministry of Agriculture Research Institute. We are building a major new complex at Koronivia that will house both an Animal Hospital and 12 Laboratories that is well advanced. I think there is a large infrastructure adjacent to Ministry of Agriculture farms and research institutes all in Koronivia.

I think the idea of abandoning that and replicating it all in Navua from scratch would be an unacceptable waste of resources. It would be absurd, I mean, the Koronivia campus is very well established so I think what happened was the University did experiment by, it built a buildings for the Department of Fisheries at Navua and the student numbers collapsed. I think they fell by probably 60 percent to 70 percent and it became very clear quickly that the business case was not there to make this and to make an investment of \$50million in building a new college at Navua, I

think was quickly exposed as being a poor business decision particularly given that we would be replicating infrastructure that we already had. So we did withdraw.

I think in the sense of, I do not want to make a judgement on the previous business cases, but I think in terms of making a rational decision we have made the right rational decision. We focused our resources in Koronivia where we have, say a good infrastructure and we have with the sub-leases we have done in Navua, they have been very carefully drafted so that there is a strong educational dimension to this. So that each of the tenants or each of the companies that are operating out there allows our staff to go there for attachments and training. So we are getting our hands on training for our students at the sites. I think Grace Road and Pacific Ocean Cultures are really cutting edge final operations. So they are driving productivity in the sector and because our students are able to access these, we are taking that knowledge and then sharing it. So I think the model is working quite well and these farms are very productive now.

DEPUTY CHAIRPERSON.- Thank you, Professor for the explanation.

Question No. 6 - Please elaborate on the Navua Farm arrangement with Grace Roads?

PROFESSOR N. HEALEY.- So this is just a detail of Grace Road. Grace Road is an interesting company, it is one of the few companies that I have come across in recent times that is vertically integrated in the sense that they have a construction company which built the farms; they have six farms now around the country. But they also have food processing and of course they have got all the retail operations like Grace Road Kitchen, Noodle Story, Snowy Dessert and they have got the youngest Steakhouse as now. So it is completely vertically integrate in the sense that they build the farms, they grow the food, they process the food and they sell it. It is an interesting company to be partnered with.

The original lease was signed in 2016 for about 100 hectares, originally for rice farming but they have now diversified, if you have seen the farm, the farm is absolutely state of the art. They have now moved into aquaponics or hydroponics. They have dozens of huge greenhouses, the size of aircraft hangars and they are growing a whole lot of crops in nutrient rich water. It is really an interesting operation.

The second lease we signed with them, we had a dairy farm within the Navua Farm and we had no capability to run the dairy farm. It was not being well managed, so we took a decision as a matter of urgency that the dairy farm needed to be leased, and they have taken over, brought vets in. Some of the herd was infected with TB, so they tackled that problem and they rebuilt the buildings there. They have got two operations now with roughly 250 hectares. The total sites are just over 11,000 hectares so they got about a quarter of it. So they are relatively good partners for us in the sense that they are pushing the boundaries in terms of food production. So it has been a productive educational partnership as well as a commercial partnership.

DEPUTY CHAIRPERSON.- You sound it very right. Any supplementary questions?

HON. S.V. RADRODRO.- Thank you, Professor Healey. I note going up and down, the workers are very much like foreigners. In regards to your student attachment, how does your agreement sort of also include transfer of knowledge and skills to the local community so that when the time comes should they leave or extend at least there is some kind of sustainable development in

regards to the community. Like I noticed there are machineries which they might have brought with them, I am not too sure what economic contribution they make in regards to those areas.

PROFESSOR N. HEALEY.- Thank you, it is a very good question. We keep quite a close relationship with Grace Road for that exact reason. We want to make sure that what they are doing is sustainable both environmentally and economically so they have a commitment to developing the local workforce. At the last review meeting, we had more than half their workforces local and increasingly they are using the expatriate workforce to train the local workforce.

So if you go to the hydroponics areas now, what you will find is that for each of the big sheds there would probably be one Korean overseeing it, but it will be a number of the local staff they trained out. It is not a commercial company in the normal sense, it is founded by a church, Grace Road is a church in Korea. So it has a kind of developmental mission not a commercial mission. They seem to me as far as we can see very committed to ensuring that this is for the benefit of the local community.

The same is true for something like Pacific Ocean Culture. There are a couple of expatriates who own the company but all the staff are local and they work quite hard to engage with the local communities.

DEPUTY CHAIRPERSON.- Thank you, Professor.

Question No. 7 how do you identify risks in the areas of management and compliance?

PROFESSOR N. HEALEY.- We have a Risk Management Office and what the Risk Management Office does is, as I said is set out here. Basically they sit down with the Deans and Directors on a regular basis and review both the primary risks that the different colleges and sections face and also the risk mitigating strategies that they put in place. We use a very standard kind of probability impact type approach. So you take a particular risk and you say, what is the probability of that risk, low, medium or high? What would the impact be of that risk?

So you take a risk like tsunami or risk like cyclone and the probability is low but the impact is very high. Other risks might have a higher probability but a low impact, so we try and identify the key risks that we think the University faces. Some of these are natural disasters, of course, so we are particularly at risk to of both cyclones, tsunami and earthquakes. We face risks of a change in our operating environment, I mean our biggest stakeholder is the Government. So the Government is paying about 40 percent of our income, our revenue in the form of Operating Grant and the rest of it is coming in tuition fees which is funded by TSLB, so a major change in policy would have a significant impact on the University.

We agree the risk register at senior management group level, we review it regularly. And that is overseen by an Audit and Risk Committee of Council, which has a standard item to look at our risk register. At the moment we are updating our disaster management plan to make sure it still fit for purpose, particularly to take advantage of new technologies we have got to communicate with staff and students in the event of a crisis. But have had a number of events, I mean, clearly flooding has been a big problem in the recent past. We have currently got a water outage at Ba Campus following the flooding. So we do need to make sure we have got our communications plan is up to date.

DEPUTY CHAIRPERSON.- Thank you, Professor. You got a supplementary question Honourable Vadei?

HON. A.T. VADEI.- Thank you Chair. Through you regarding the risk management. What I am quite confused with is the number of standards that has been used in the University; quality circles, ISO 28000, 14000 and all these standards, whether there is a standard being used by the University for all these operations.

PROFESSOR N. HEALEY.- We use ISO 9000 as the standard kind of bench mark and we have gradually been working through, what ISO 9000 does is, basically audits your procedures and policies and makes sure that they are kind of efficient and fit for purpose. We have NTPC, the library, various parts of University already ISO 9000 certified. We are rolling that process out. It is a common framework. The next two sections that we are looking at are Finance and HR. These are the two sections that we need to improve the efficiency and the customer response in itself. The quality circles are just part of the broad pro-activity movement to basically encourage different sections to champion pro-activity improvements. They are not inconsistent, they are not separate from ISO 9000, but if you had a particular issue you wanted to try to address and it might be, so for example the state of facilities have developed a new system for managing complaints about things that are not working and need repair. So they put in place a new centralised management system for dealing with, so you can get very quick responses, we use the quality circles kind of thing. There is a lot of different things at all, it is that ISO 9000 is the one we are using, we use quality circles to address particular issues.

DEPUTY CHAIRPERSON.- - Thank you Professor Healey. Before moving on to Question No. 8, I have got a question for you Professor, referring once again to your VC's foreword on page 4. Actually you have said that on paragraph three, that FNU has a clear vision to provide education and training which is aimed at employability. My question is, are there any data collation which determines the employment ratio to the number of students graduating every year from FNU?

PROFESSOR N. HEALEY.- There are two parts to the answer. The first part is, we do survey our graduates to track employment rates and starting salaries. In some areas, as you would expect because the Government is a major employer is 100 percent. So 100 percent of the teachers will be employed on graduation because they are simply assigned by the Ministry of Education to schools; a 100 percent of the doctors are taken into the Public Health System. But we need to use surveys for areas where people going into private sector; for commerce graduates, accounting graduates, lawyers and so on.

So we do our own survey, we have a project underway at the moment in discussion with Fiji Higher Education Commission (FHEC), , Tertiary Education and Loans Board (TSLB) and the Fiji Revenue and Customs. We think that if we can get the right safeguards in place that Fiji could have some of the best data in the world on gradual employability. The reason we say this is because since 2014 all our graduates repay their loans through the tax system, so there is already an agreement between Fiji Revenue and Customers (FRCS) and TSLB under which the revenue service collects the loan repayments and remix to TSLB. Our discussions with FHEC and those two stakeholders is, if we can normalise the data we could in principle have a very detailed data on, not just graduate employment for every program but also average salaries for every program. This will be richer data

then anyone has got in the world at the moment. So the world lead at the moment on this data is the UK.

The UK is trying to do what we could do now, they have not figured it out yet because of data protection issues. So you can go to the UK to I think called “unistats” and you can see for any degree program in the UK, you can see exactly what percentage of students employed six months after graduation and exactly what the average starting salary is, but they are doing it through a survey which is second best. You do it through a tax system you cannot escape, you have got to pay your taxes, you got to pay FNPF. A friend of mine is doing this data for the UK and the problem they are having there is data protection. There are various sort of stringent safeguards on using data for other purposes than what it was collected and it is causing an obstacle. In principle, provided we can get safeguards right, we could have outstanding data for graduate employment.

It is actually really important for Fiji as a nation and the reason why I say this is, at the moment if you look at every higher education system in the world, there is some way of marrying the supply in demand. The problem is, if we start producing graduates that no one wants to employ, we are wasting public resources and we are messing people’s lives up. There are two ways of doing it, either what you do is, you control the supply and Australia used to do this, New Zealand used to do this, UK used to do this. So what they would do, is they just give University’s quotas and we effectively have that for medicine.

The government says we need a 100 doctors a year, you can take 100 students into your programme, it is limited because it is a top scheme, there is only 100 places, highly competitive when there are gone, they are gone. A lot of countries will have quotas for different programmes where you can take, we do our manpower planning, we need 400 accountants a year, USP you can take 200, FNU you can take 200. You can do it that way or you could do it by basically informing students about the demand when they graduate. That is how the UK currently does it, it is how Australia currently does it. So, that is why they produce it in the UK. So, when students can now study whatever they want without restriction, but they go to this site “unistat” and they look to see, “oh look, if I want to be an accountant, a 100 percent chance where I do it from my old university.” It is yesterday, a 100 percent probability that you will be employed six months after graduation, starting salary \$60,000, “right, I will have that.”

You go and look at that for English, 35 percent of students employed six months after graduation, I am going to really love English if I want to go and study English because I do not have much chance to get a job with that qualification. The problem we have got at the moment is, we do not have either a supply, we do not control supply and we do not know what the demand is. So, there is a risk that students are going to do subjects like accounting and commerce, believing that there are jobs at the end and then when they graduate they find they cannot get a job.

Now, we do not think that is a big risk at the moment because we do our own surveys, but what we think is that if we had authority to have independent data for all the universities, it would be really powerful policy development and it would help to shape higher education or tertiary education because we could see very clearly where the gaps were. With too many of these, not enough of these. At the moment we are trying to use our own survey data, we work with the Ministry of Employment, Productivity, Industrial Relations, we have got data on work permits being issued for different professions that give them an idea of shortages.

We also work with Investment Fiji to see what, for things like this it is process outsourcing, what areas are coming down the track for future demand.

DEPUTY CHAIRPERSON.- So, do you take these as food for thought like you could in collaboration with other stakeholders, propose to, do you have any plans to lead the collation.

PROFESSOR N. HEALEY.- Yes. We have done all the provisional conversations and analysis. We believe we could provide, provided that the agreements are in place with the stakeholders and it would probably need to be sanctioned by government, we could produce. Ideally this work could be done by the Bureau of Statistics to make it completely independent. We have the capacity to do that but obviously we have a conflict of interest. It is in our benefit if the statistics look good. Actually we really want independence, so you know you have got someone say if the Bureau of Statistics, for example, had over-sighted this, it would be great but it is something we are very keen on.

DEPUTY CHAIRPERSON.- Thank you Professor. That was just off-the-cuff question but moving on to Question No. 8 - On page 10 Government budgeted \$4.74 million for construction of Veterinary Lab, Veterinary Hospital and Instructional Livestock Shed to facilitate the delivery of all the CAFF Programmes especially our Bachelor of Veterinary Science and Animal Husbandry Programme. Please explain on the progress on these projects?

PROFESSOR N. HEALEY.- This is in total, it is a \$30 million project which is about a year in now, it is another 3-year project, and it is well on track. We have the project managers appointed, we are working close with Massey University which has the leading Veterinary Science provision in the southern hemisphere. Massey University has already sent a team over to review our Bachelor of Veterinary Science and Animal Husbandry and we completely rebuilt the programme as a consequence of that visit. So, it is being re-designed and re-launched this year but we did go and spend some time with Massey University looking at their facilities and doing a very comprehensive exercise to make sure that we could build what we need within that \$30 million envelope.

We are now at a stage where we have appointed the architect and the tenders for the other structural engineering the building and so as the service engineering are all out and will be appointed in the next six weeks. So, it is all on track, we have got it detailed which takes us through to the beginning of 2020. We decided the original plans were rather excessively ambitious given that the scale of the provision that we need to provide. In Fiji we have 14 vets currently. It is remotely not enough. When Grace Road took over our dairy farm, they had to bring vets from offshore to inspect the herd and cull the herd because we did not have any capacity domestically.

So, we have a chronic shortage of vets. The steady state number is not going to be 100. I think New Caledonia which has a third our population has 60 VETs. So, it maybe 200 vets so we wanted to make sure that we have got a strong business case and we have got facilities, we are probably going to be graduating somewhere in the range of 10 to 15 vets a year. So, the programme is being re-designed so that people can exit the veterinary science programme at different points. It is a veterinary kind of, a veterinary nurse qualification that you can exit after 2 years, and you can exit with animal husbandry after 4 years. You need to have all these different players in the mix to have a proper veterinary science provision.

So, it is a bit like, if you think about the medical profession, for every doctor or every surgeon. For every doctor, or for every surgeon you need nurses, you need radiologists, you need a raft of other things. So, we have re-designed the programme to get balance back in the system. We think that is on track now and we are very grateful to Massey. We have made a submission to MFAT for financial support so that we can have an ongoing collaboration with Massey in this field.

DEPUTY CHAIRPERSON.- Thank you, Professor. Moving onto Question No. 9 – Is there enough student accommodation facilities on campus? Please explain student accommodation in Rewa Street and Lautoka Campus?

PROFESSOR N. HEALEY.- The short answer is no, there is not. There is not enough accommodation. We have done a fairly systematic analysis, this is a list of the accommodations that we have. We have roughly 2,000 beds at the moment, although the number of applications received is only just over 2,000; students do not apply because they know what the priority listings are, and they know they have no prospects if they live in Suva, for example, of getting accommodation in a halls of residence but there is a real pressure on these halls. We are in the process of renovating all our hostels. They were somewhat degraded and they needed extensive renovation, that puts further pressure on them because, you will see here, if you can read the numbers, at the present time we have got about 15 percent of the beds are kind of offline.

The renovations are taking place now, so we have to have certain blocks as renty, they have renovate that block and then we move students into the renovated block and moved to the next one. So, we have completed the renovations, so you mentioned particularly Lautoka and Natabua Campus. There are 454, as a 100 percent occupancy, which has been completely upgraded and renovated. We are currently working on Tamavua and Samabula but we do think that we need extra capacity in the beds. At the moments these hostels are not very satisfactory, they all shared rooms. Some of them have occupancy rates above what is desirable in a study stage. We have got rooms that should be for two, for three people, for example, so the only way we can get back to a sort of sustainable level is really by having a greater capacity. I think as the University continues to grow, we have got real pressure on accommodation.

Of course accommodation, Suva itself is growing. On the Suva – Nausori corridor, the population is growing and the pressure on rent, getting rent for accommodation is very problematic for students.

This is a big challenge for us and we are exploring partnership with private providers. We have a lot of land and we could in principle work with the private provider to build accommodations to supplement what we already have. That is a medium term objective for us.

DEPUTY CHAIRPERSON.- Thank you. Moving on, Question No. 10.

PROFESSOR N. HEALEY.- This relates to the Labasa Campus where the contractor has already started work on this site. This is now in the second phase. For those of you who are not familiar with this, we were allocated land by the Government adjacent to the river, just outside the town centre. That land is a flood plain. The worst case scenario is, we probably have two metres of water come over that section.



The project has been slower because what we had to do is first of all build a platform three metres high. So we basically had to dig out soil and then build a raised platform. It is the size of several football fields. It is quite a major piece of civil engineering and that was completed in 2016 but the land had to be compacted.

You have to make sure there is no subsidence. We are now in the construction phase and there are two parts to the construction. One is, we have to build a retaining wall all the way around that so in the event of flooding, the flood waters go down the flood canals or the flood storm drains and do not erode into the side of the raised platform.

The building itself sits on a concrete pad which is itself a further half a metre above the already raised land. So that is the way we have mitigated that risk. The problem is that all the land around there is at flood risk and if we decline that site and try to look for a site further away from the town will create access problems. For the moment, it is a short walk from town and Damodar City will be opposite. Damodar City is being constructed directly opposite, so they will have food and retail outlets right next door.

That is why we took the decision to mitigate the flood risk rather than go for another site. We have aired on the side of caution at each stage. When I arrived, we did a raft of extra testing to make sure the compaction was complete because obviously we have seen the examples. My family lives in Christchurch where we had major liquefaction because it turned out most of Christchurch was built on land which was not stable enough and we did not want to make that same mistake. I think we are in good shape there. The contractor is on site now for a couple of months so we will be going up to see how they are getting on shortly.

DEPUTY CHAIRPERSON.- Thanks Professor. Moving onto Question No. 11. What was the gender composition in 2016 in terms of staffing on each faculty?

PROFESSOR N. HEALEY.- The gender composition by faculty. We call our faculties, colleges. So, we have five colleges plus National Training & Productivity Centre (NTPC). You will see that for support staff, female staff are in the majority which you would expect. I think it tends to be the case that the gender balance in administrative staff tends to be more in the favour of women.

Our academic staff remain predominately male which reflects the disciplines we currently teach. So what you find is, in areas like business, hospitality, humanity, social science and arts, there tends to be pretty much gender equality. But we do have a couple of big employers, NTPC that is doing industrial training or hands-on training and engineering which remain at the moment largely male-dominated. I mean we are working quite hard to change that perception but the reality is there is a long legacy here. A lot of the staff in engineering would be in their 50s and 60s and there were not women engineers 30 years ago in those numbers.

If we look at international norms, these numbers will steadily change. If you look at our student population is now majority female. So you would expect over time the balance to self-correct.

DEPUTY CHAIRPERSON.- Thanks Professor. Question No. 12. What were the challenges faced?

PROFESSOR N. HEALEY.- I have tried to keep it really simple. Our core business is teaching and research and our primary resource is staff. Pretty much it relates to teaching, research and staff. The rest of it is a sideshow as far as I am concerned. In terms of our programmes, a key challenge is to ensure the quality and relevance of the programmes, to ensure that we are providing programmes that meet the national needs.

Our academic portfolio review was an exercise to try to understand the extent to which we are doing that and what we have done going forward is, based on that is we have done a whole set of curriculum reforms of the entire undergraduate programmes. Every undergraduate programme has been completely redrafted. So we moved all our programmes for 2018 to a semester basis, they were previously on trimesters. We have moved back to a semester basis to bring us into line with international norms. We redesigned all our programmes with the focus on graduate employability. All of them have internships or attachments.

We are now moving on flexible and e-learning. As of 29th March, we are now connected to FINTEL Landing Station so we are now part of Australia's Academic and *Research Network* (AARNET) which brings us on par with USP so broadband speeds have increased in many fold in the last week and we have access to a whole raft of new tutorial resources through our net.

It is about making sure that the programmes are relevant to the nation's needs.

The second big challenge for us is about upgrading the qualifications of our academic staff so many of our colleges come from a Technical and Vocational Education and Training (TVET) background.

A lot of the growth in enrolments is in the higher education space as the economy becomes more knowledge-based. We need to upgrade the qualifications of our academic staff. We are redesigning our staff development policy to make it easier for staff to upgrade qualifications. We have already made a number of changes in that area and we brought forward a new academic promotion scheme that prioritises upgrading qualifications.

There has been a little bit pushback from some staff but it is something that we cannot blink from. We have to invest in the quality of our academic teachers. That is a big challenge for us but we are very focused on that.

The third one is we inherited a lot of old buildings and campuses. The Namaka Campus is new, it was done in 2011. Tamavua and Pasifika are reasonably in good shape but Nasinu is a very old campus. It has a lot of old wooden buildings that are falling down. Samabula Campus has got some pretty dated buildings there. Our digital infrastructure is very weak. Our broadband was very slow, our libraries were outdated, so we have basically got a major drive here to upgrade the quality of our physical and virtual infrastructures. So we have increased our spending on repairs and maintenance from \$2 million in 2016 to \$9 million this year.

So if you go on our campuses, every campus has a buildings site where we are upgrading existing facilities. We have a major capital programme, it is \$51 million this year. So we are building a large number of new buildings and we have a campus master plan exercise in place. As I have said, we have connected our net to get ourselves on a par with other modern universities and

we are in the process of converting all our libraries to digital learning spaces. So we have cleared out a lot of books now. We are moving everything online.

So that is a big project and the final area is just ensuring that our research is relevant to Fiji. We had too much of our research which was quite esoteric and unrelated to national priorities so we really are now willing to support research, the lines with national priorities and naturally enforced through the academic promotions and forms a management scheme. Basically it is just get your programmes right, get your research right and make sure you have the staff and the state to deliver that.

DEPUTY CHAIRPERSON.- Thank you Professor. Question No. 13 is, despite a very humble beginning, only two years ago, the College has already made submissions to the Board of Legal Education for accreditation for the LLB Degree. That was in reference to Page No. 11. So what is the progress of your submissions?

PROFESSOR N. HEALEY.- The LLB is fully accredited as at September 2017 and the first students graduated in December 2017.

DEPUTY CHAIRPERSON.- That is lovely. Looking at the 2015 and 2016 student enrolment figures, you have already mentioned it in your presentation as well, so basically it was noted that there has been a continuous decrease in the number of students' enrolments. So in reference to Page No. 4 actually, please explain what measures are put in place to combat this underlying situation? How do you propose to rebuild the FNU's enrolment?

PROFESSOR N. HEALEY.- It is absolutely right that Equivalent Full Time Students peaked in 2014 and there was a sharp decline in 2015 and a smaller decline in 2016. This was pretty clear in 2016, this was a major issue for us was to rebuild student numbers. And it is worth noting that we have bounced back very significantly so we had 7 percent increase last year. We have not got the figures yet because we are only halfway through the year but head count is 12 percent up. So we have almost pretty much back to where we were in 2014.

What do we do to get there, we just made a few changes. The first we did was, we introduced at the end of 2016 a Contribution Margin Model. What this means is, we basically said to the Deans, "you can only spend 60 percent of what you earn." Previously there was a very different budget model in place where all the resources were centralised, were held by the VC's office and the Deans would come to the VC's office and say, "please, VC give us money to buy x or to buy y." So there was no link between what the colleges earned and what they spent. It was completely dysfunctional in my view.

I have never come across something like it, in my view. So just this one change transforms the way people behave because if you say, "you can spend 6 percent of what you earned and no more." The only way they can spend more is to go and earn more. So it focusses the colleges straightaway on recruiting the students. We also changed the Deans Bonus Scheme. The only thing I care about is, "you hit your student number target and you make your contribution." So 40 percent they have to pay to the University to provide central services, library, ICT and so on.

That has had quite a transformational change because it changes the incentives people have instead of trying to spend all their time sucking up to the VC to get money, I just go and speak to

you - never come and ask me for money, you go and earn it and you can spend it. Another change we made was we had two campuses in Ba and Labasa which were really kind of outraged centres with no one in charge. It was a very odd setup so basically in Ba and Labasa the Deans would send staff to go and run programmes at these campuses if they thought there might be demand but the Deans are here in Suva. There is no one in charge of these, there was not anyone in charge of these campuses and it was answerable to the local population. So we appointed academic heads so they would actually have an incentive to find out what programmes we needed in the North and in Ba and then provide those programmes so it becomes more ....

And then the other thing is that it just bogs down to marketing 01. The first one, academic portfolio review, we wanted to understand how good our programmes were. And if they were not any good, we wanted to even improve more closely. So that was a big exercise. We then followed that through where we basically said, “look, there are so many things that need changing and might as well we do everything. Just redesign the programme from the ground up.”

So this reform took most of 2017. We ended up having a situation where Senate was meeting every fortnight to get all the programme changes through. But it completely redesigned programme to try to make them much stronger. Think about the four Ps of marketing, you know Price Product Promotion Place, to get a better product. The Government gave us in the budget last year \$2.7 million for the hardware where we would need to connect our net. So we have had a lot of support for that but this means now that our virtual learning is greatly enhanced.

The last one that we did was just straight forward promotion. We were not selling, we were not making people aware of what we had, so we did a major enrolment drive for 2017 which was launched by the Prime Minister at Albert Park in November 2016. And enrolments with the same product, enrolments went up by 7.5 percent. Now we have got a new product, obviously we want to push that out, so we have reorganised completely market and communications. We have appointed a Director of Marketing and Communications, we are making a number of changes in schools outreach and the website will be redesigned shortly.

It is perhaps about having better programmes that people want to do and employers want to employ but also making sure that the market understands what we have got to offer. I think we have turned the tide here now. We do work very closely, we set up the Students Association at the end of 2016, they have also worked closely with us in schools outreach.

DEPUTY CHAIRPERSON.- I must congratulate for your achievements. Thank you very much for achieving that. Question No. 15 says, how often does each faculty conduct its market/industry demand assessment of survey?

PROFESSOR N. HEALEY.- For each programme there is an Industry Advisory Committee. That involves the stakeholders. If the programme is about mining, it will be people from the mining industry. They have to at least annually review the curriculum and the assessment regime to make sure that it is relevant to employers’ needs. Many of those Industry Advisory Committee meet more frequently than that. So we very actively engage the end users in the design and review of the curriculum. And then there is a number of other areas in which we try to make sure that these programmes reflect industry needs, everyone has an industrial attachment.

Obviously the students are then coming back, having been in the workplace, we encourage the TVET staff to be very engaged with the employers and as I said before we measure in graduate employability and where ever we can, we get accreditation for programmes. So again accreditation tends to be based on international best practice. We are trying to be very engaged with our communities. We have with the Employers Federation, that has a number of sectoral groups and we have representation on everyone of those groups.

DEPUTY CHAIRPERSON.- Thank you Professor Healey, we still have quite a lot of questions on hand. Question No. 16 – What has been done to address the operational and strategic challenges of old access cables and end of life equipment in reference to page number 16?

PROFESSOR N. HEALEY.- This is really something from history now. We have ripped out all of the old copper cables, everything is connected now by optical fibre so the buildings and the campuses are all connected by optical fibre and we have switched over to the Managed Switches. We are replacing all our service but because part of our strategy was to connect on net, which means that we get access to a whole raft of cloud basic services now.

I think we still have a long way to go but not very far. We are now getting close to being in steady state. We have a 3-year replacement cycle for laptops, a 4-year replacement cycle for desktops and we have complete access now, I think all our campuses are WIFI enabled. The big question for us is, at what point, we have not been brave enough to take this decision yet, but at what point as a University do we say, “we no longer provide desktop computers for students.”

We do regular surveys of students; what we know is more than 90 percent of students have their own device. All our WIFI is configured in a way that you bring, it is called “Bring Your Own Device” (BYOD) so you can just bring your own device on campus and connect to the network and get access to all the moodle, et cetera.

All universities are kind of grappling with this, at some point it does not make sense when everyone has got a smartphone and everyone has got a tablet to continue to provide desktops. You might be better off to put the money into perhaps providing subsidise for low income students to better buy their own device. But we are in a world where you cannot really function without a device. This is all happening very very fast in Fiji. If you think 4G is not even two years old but it is universal now. I am with TFL and TFL just without even asking, doubled my data from 100GB to 200GB a month at no cost. Everything is changing quickly and we just need to keep up with that.

I think we are in a very different space in ICT so we have got a good team there.

DEPUTY CHAIRPERSON.- Professor, Question No. 17 7 - Please explain how effective is the centralisation of maintenance works of all colleges?

PROFESSOR N. HEALEY.- We have in early 2017, we restructured our Properties and Facilities Division which was quite not performing very well. One of the problems we had with our Properties and Facilities was, they were responsible for both day to day maintenance and for capital projects. It was proving very problematic for the same team to deal with a \$30 million capital project and at the same time fixing broken louvers. So we took the decision to actually separate it because we have a large capital programme, so we now have a division of Capital Projects and Infrastructure with its own team and basically what they do is they just liaise with the Ministry of

Economy and with the various project managers for the big capital projects. And then we have a separate team called Estates and Facilities, which manages the repairs and maintenance and the hostels and cafeterias. The reason we put it altogether was, a lot of the complaints about the maintenance come from hostels and they were being dealt with by different divisions. So we put it all altogether as a one-stop shop. We have appointed new Directors for these roles and they have made a very large number of changes. The big change they have made is having a kind of centralised management of repairs and maintenance. The budget this year is somewhere between \$9 million - \$10 million for repairs and maintenance. It is a huge budget.

We have a long term maintenance plan for the campuses. For each campus, we now do active space management planning, utilisation work and we have adopted building standards of Queensland University Technology, so that we have got common standards for all of our repairs and maintenance. So, whenever we do a building, we bring it up to the same standard so that it is fully compliant.

We previously were not doing that and I think that was a mistake. So all our new repairs and maintenance is coming up to full cyclone building certification. It is more expensive, in some cases a lot more expensive, so we are just in process of bringing Tamavua hostels up to cyclone certification. I think the cost of shutters went from \$100,000 to \$300,000. One shutter per room, it trebled the cost to get cyclone compliance. I think we owe it to the students to get the best standards as we can.

These things have been working very well under the new team. I am pretty impressed with the changes that they have made. It has been a big exercise.

DEPUTY CHAIRPERSON.- Professor Healey, on page number 30, FNU successfully launched Fiji's first ever physical fitness testing manual for primary and secondary schools. Actually how successful is the implementation of this manual?

PROFESSOR N. HEALEY.- It has been widely used by the PEMAC teachers so they test all students when they enrol in school and they use the manual for selecting school athletes for the Milo Games and Coca-Cola Games. We use it ourselves to train teachers so the manuals are used for training Physical Education teachers both pre-service, the regulatory training at primary and secondary level but also for the in-service training. We are working with Dr. Tukana to roll it out for the rest of the schools. Not all schools have PEMAC teachers at the moment.

DEPUTY CHAIRPERSON.- Members, do you have any supplementary questions on that? Moving on, No. 19 - Have the Raiwai and Ba Campuses being re-opened?

PROFESSOR N. HEALEY.- This is a mixed story in the sense that the Raiwai Campus was being re-roofed at the time of the cyclone so the roof was being changed and in *TC Winston* the roof was partially torn and the building flooded. That caused significant structural and electrical damage. We commissioned the structural engineering report beginning in 2017 and that report came back that it would cost \$8 million to remediate the building.

Bear in mind, this is a converted textile factory on Carpenters Street. It is an industrial zone. My view quite strongly in accounts of how I came around with this view was that it makes no sense

to spend \$8 million remediating a textile factory when for \$11 million you could build a purpose-built Creative Arts building.

Secondly, it makes no sense to build a purpose built building in an industrial zone where there are no sidewalks and parking when you could build it at Nasinu Campus and make it the heart of, you know you have got a campus with a huge amount of parking spaces, you could make that the kind of heart of the campus. That has been agreed by Council and it is in the capital programme. The building has been designed; it has a 500 seat lecture theatre that can be used for performing arts, so you can use it for music, drama and cinema. We have a TV studio in the recording studio, radio station, hair dressing salon and an art gallery.

What we are doing at the moment with that one is, and this has been widely reported to the media because almost every journalists in every interview wants to know what has happened to Raiwai because they were all journalism students and went there. We are doing for the next couple of months a campus master planning exercise because we are building on Nasinu Campus a gymnasium, the Creative Arts building, a new business school and we probably want to build a new administration block on that campus. We just need to decide where the buildings go; we design the buildings but we need to kind of agree what the layout for roading is, rather than just plonking them in vacant spaces. We need a bit of a more structure to think about it so we will probably start work on that towards the end of the year.

The Ba Campus is a happier tale, the main teaching blocks were both damaged with the roof being torn off. It did require a quite significant remediation because the water damage was partly structural. It damaged the framing and the geo-boards and so on. So, it has been fully remediated now; it is just under a million dollars and it will be re-opened in April 2017. It is a beautiful campus. It is a small campus, it probably only has 300 students but it is probably our most attractive campus, inside of a hill and it has been redone very well. What I found fascinating about it was, even though the building was damaged and unused, the ground staff kept that campus immaculately for the 12 months it was not occupied. So when you went there, every stone was white washed, every blade of grass was cut. They are really proud of that campus. So, we were pleased we back in there. We were on a temporary campus in the town centre for a year, which was a real challenge for the staff and students because it flooded three times and it is almost certainly flooded today. It was next to the New World and that whole area would flood. So, we are pleased to be back at the campus. At the moment, we have repurposed some buildings so the students that would have been at Raiwai are almost all now on Nasinu Campus. There is a smaller group that are in Samabula, the hairdressing is in Samabula. So, we have got interim arrangements, which is how we built the new building.

DEPUTY CHAIRPERSON.- Thank you, Professor, we have got one supplementary question.

HON. S.V. RADRODRO.- Thank you, Deputy Chair. Professor Healey in regards to Raiwai Campus, the relocation of the students like you have said to Nasinu Campus and when will the new Raiwai Campus be constructed and open is like a question that you may need to respond to because having said that, what is the future of that programme? Like you said, it is a temporary arrangement that now they have moved to Nasinu and some to Samabula Campus. Temporary is for how long? If that new Raiwai Campus, costing \$11 million will take five years to construct and what is going to happen to that programme? Are you still going to be relocating it to Nasinu on temporary arrangement or you are going to down size the programme or what is the long term plan?

PROFESSOR N. HEALEY.- These programmes were broadly in creative arts, they were in hairdressing at certificate level, journalism in television and radio. These programmes have all been relocated and are continuing. The only one that is being temporarily suspended for one semester is journalism because the programme is being redesigned. This was part of that big curriculum refreshed that we did. The Journalism Diploma has been redesigned so it is both the Diploma and Degree and that took a little bit longer than they thought so we did not have any intake in February but we will restart that.

You are right insofar as not having dedicated purpose-built facilities means the numbers are not as high as they would have been and is a problem. You know things like, we do not have a full blown television station now whereas we previously would have done. So, it has had an impact on numbers but those programme will continue and we have made arrangements for other space so that we have fitted out that space for students. So, is not that we stopped the programmes, the programmes are still there, the staff are still there but we have to concede that the programmes are not as vibrant as they would be if they had a dedicated special space. For example, the music, we have fitted out a building for music practice rooms by sound proofing them but it is not as good as they had before. So, we are doing our best for the interim while we wait and plan for a long term solution.

DEPUTY CHAIRPERSON.- Thank you, Professor. What is the timeframe you are looking at for that new Creative Arts Building?

PROFESSOR N. HEALEY.- The building is designed, we are just a campus master planning exercise which started this month, a company is coming over. From memory it is 3-month project. Once we have got a location for the building, we have got to extend for the architectural services so I suspect, it will probably be a 30-month start to finish process based on current experience.

DEPUTY CHAIRPERSON.- Any other questions, Members?

Question No. 20 - The Committee in its findings in 2015 Annual Report identified that there has been a lack of student numbers attending classes to complete the Maritime Able Seamen Deckhand Training Courses for Levels 3 and 4. The University in its last response mentioned that it will need to look into substantiating and hiring of more qualified staff of the Fiji Maritime Academy. Currently FNU engages expatriates from CINEC Sri Lanka (on short term purpose). They are employed by CINEC and assist the staff of FMA in addressing all the challenges and issues. So, what is the current update on this particular issue.

PROFESSOR N. HEALEY.- Since we last met in January 2015 Report, I had a number of discussions with the FMA Chief Executive and also this team from CINEC who are here at the moment actually and just to get an update on where we are with all of this, currently you can see that there has been a big expansion, we only just started in 2018 programme so there are not many students who finished it yet but you can see 2017, almost doubling the student numbers on these programmes. So, by working with CINEC, it essentially has been a train the trainers approach. They send their staff over for finite periods. There is only one member of staff from CINEC who is kind of long term and that is the CEO, the rest come over on short term assignment to train Fijian staff so that they can take over these courses. We have been pretty successful in developing a trained workforce now and the number of students has quite significantly increased.



When people talk about Classes 3 and 4, the maritime industry no longer uses these terms. What was classed as 1 and 2, they now call management and what was classed as 3 and 4 they call operational level. So, you can see we are doing a range of courses at both management and operational level but the courses at operational level are smaller. We have got the core workforce now of qualified FMA instructors who have all been trained and are all Fijian at the different levels - Master Mariner, chief engineer and then the different classes of master and engineers. So, we have got a core team now which is very strong. It has been trained up. So, we are getting to the point of being self-sufficient in terms of our faculty or our instructor base.

The issue no longer is a lack of qualified staff. We have increased salaries, we have had to increase the salaries quite significantly in the higher ranges because we are competing with obviously sea-goers. That is a challenge because if I go and talk to those who are captains on the faculty, they will say, "I can get paid \$US10,000 a month if I go to sea and you only want to offer me \$FJD80,000 a year", and of course that sounds like an enormous amount. But the fact is, of course, that if you are out at sea you are being paid hardship, you are away from the family and so on. This folk is jumping in their car at 5 o'clock and having dinner with the family at 5.30 p.m. So, we have been trying to kind of accommodate that, but we have got a good pool of qualified staff now. Having analysed this, it seems that the issues are two-fold at the operational level. Essentially it boils down to the shipping companies being reluctant to release staff to go on these courses. There is that their reluctance stems from the fact that it interferes with their operating schedule because it is taking people out, scarce staff out of circulation while they are training with us or it is a lack of funding. So this is what the shipping companies have reported through the Industry Advisory Committees reported back to FMA that either it is difficult for them to release the staff or they cannot afford to because they do not have the funding for it. We do get students who come on their own account but some of them are not qualified for TELS funding. So it seems to be more on the supply of students rather than our capacity to deliver the programmes. You can see from the numbers that we are reporting here, capacity is greatly enhanced in FMA more than doubled between 16 and 17. So that is really the challenge in that space.

DEPUTY CHAIRPERSON.- Professor Healey, you mean to say that if they can afford there would be more students interested in doing this class?

PROFESSOR N. HEALEY.- What the shipping company tells us is that one of the constraints is they cannot afford the cost of the fees to send their students on the training courses. So that ....

DEPUTY CHAIRPERSON.- What could be way forward for them? How do you propose to assist those people who are interested?

PROFESSOR N. HEALEY.- Well, the obvious solution is to provide scholarships for the students through some kind of vehicle like that or to bring it into the levy funding.

DEPUTY CHAIRPERSON.- We also could put that as one of our recommendations, if they need to?

PROFESSOR N. HEALEY.- It is an issue for us that a lot of the shipping companies are relatively small, from family businesses and that is always the challenge. We have the same problem for NTPC where we are providing in-service training for employers. This training is

effectively free because the employers pay the levy and they claim it back when they take the training but from a lot of small firms they cannot afford to take it up.

DEPUTY CHAIRPERSON.- What is the market demand? Have you done a survey on that particular sector?

PROFESSOR N. HEALEY.- We do survey, we know what the scale of the issues are because MSAF tracks very carefully the number of trained staff and so on. So we know there is late in demand to take these qualifications but there seem to be various constraints that prevent companies from sending people on them.

DEPUTY CHAIRPERSON.- *Vinaka.* Any questions, Honourable Members?

Moving on to Question No. 21 - On page 93 Professor Healey under contingent liabilities which states that the University has a number of claims pending to be resolved. So management has not provided for this claim on the basis that it is not considered probable that the claim will be successful. Please explain.

PROFESSOR N. HEALEY.- These are primarily legal claims against the University, and many of them are speculative or highly inflated. For example, we have got one member staff who was terminated for gross misconduct who is suing the University for \$3 million.

Now there is no basis on which any Court even if he wins the case will find damage as a \$3 million because this individual was properly terminated for a clear and demisable breach. Now, I think of a time the previous management view was, these are also speculative. We should not bother making any provisions. We have subsequently taken a more cautious approach. We currently in the last accounts made a provision of 50 percent but that is very conservative. I asked in preparation for today a list of those that are outstanding and most of them are nonsense, I mean absolutely nonsense. Someone is trying to sue us because their child took a FNU vehicle and crashed it and hurt them. Every point, there is no base in this case. The vehicle was taken without permission, it was used without authority, the individual was wholly responsible for the accident has no basis of a claim against us.

I think there is a lot of these but we tend to attract I think any major public organisation tends to attract the speculative chances and that is what most of these are. But we do think it is sensible to make provision at least, a conserved provision. But I think that we agreed on 50 percent because it is a number but it is a very conservative one. These are complete, you do not really know. So it is a fair point to pick us up on. I think we should have made some provision, however, respect that we thought there were and we subsequently have.

DEPUTY CHAIRPERSON.- Thank you, Professor Healey. Just another two questions.

On page 92, item No. 23 under trade and other payables stating the other payables and accruals includes \$500,000 which are Department of Foreign Affairs and Trade (DFAT) could be claiming from FNU should it consider the amount spent on AusAID funded projects as ineligible expenditure. Please explain.

PROFESSOR N. HEALEY.- So this is an example of going the other direction where we were excessively conservative. Our internal audit reviews our projects. We did a review of a DFAT project that had been finished so it was already closed. Actually it had been approved by DFAT but when we did the Internal Audit we were concerned that some of the expenditures did not appear to be eligible in the sense that there were two ways they could not eligible either they were legitimate expenditures but they had not being fully acquitted or properly acquitted or they were expenditures that appeared to be outside the scope of the project.

So they had been acquitted but it did not appear that they were within the scope of the project. So we had question marks over that, we alerted DFAT immediately and we did a full internal investigation. We set aside a sum of \$500,000 because we want to be on the side of caution.

In the event we did our own investigation and then we referred that investigation to EY who is our internal auditor who reviewed the investigation and did a 30 percent sampling. So they actually took 30 percent of the expenditures and actually drilled right down. After the full analysis and full discussion with DFAT, DFAT determined that about \$25,000 was ineligible in the sense that these expenditures were legitimate but they have not being fully acquitted.

In other words the person who spent the money could explain what the money have been spent on but they had not got the receipts. So we have the credit card receipts but we have not got the full receipts we need to acquit. So a good example would be, remember this was in support of the Medical College and a lot of this funding was used to bring foreign consultants here to train our staff or to carry out operations. So you might have, for example, something where the Dean of the Medical School had taken two consultants out for dinner and there is an item for \$300 on the credit card for Tiko's but they have not provided the receipt. Under our rules, they have to provide the receipt because certain expenditures we would not cover like our call for example. So that was why they did not. So it was not any question that they were not legitimately incurred but they could not be fully acquitted.

The other was that the funds were being used to pay to make, we had an overdue tax payment because we had not filed one of the consultant's taxes on time, we were \$17,000 by FRCA as it was then. DFAT said that is not an item we will fund within the scope of the project. So we ended up paying back \$41,000, which is fine. Considering this project was a multi-year project, tens and millions of dollars, occasionally these things happen. In fact the irony is that, after DFAT accepted it, so we said, "DFAT, you got it wrong where I used the money."

But DFAT is a very important funder for us, so we wanted everything to be, and subsequently we invited DFAT to send an audit team in to complete and review all our financial process and protocols. They did a full audit in 2017 and approved, we met all their requirements and we have now signed a new project for the next three years.

DEPUTY CHAIRPERSON.- The relationship is all good?

PROFESSOR N. HEALEY.- Yes.

DEPUTY CHAIRPERSON.- Thank you, Professor Healey just one last question.

You are now well positioned to be Post Graduate School of choice for Medical Education and Training in Fiji and the region. You have listed Timor Leste as one of the emerging markets to be accommodated in the future. Was there any agreement made between the two, and which other countries in the region are you targeting?

PROFESSOR N. HEALEY.- Thank you for the last question. You will see from the screen shot from the CMNHS programme listings that we have quite a large number of Masters Programmes, now across all of the main medical disciplines. So emerging medicine, anaesthesia, paediatrics, et cetera. So we have a pretty extensive specialist programme now in all these areas. We are providing the specialists training not just to Fijian doctors but to doctors across the region. We signed an MOU with Ministry of Health at Timor Leste in early 2017.

Under this arrangement, the Ministry of Health in Timor Leste provides full scholarships for doctors from Timor Leste to come to Fiji for post graduate training. It is part of that MOU that we provide support services for the students and we also do follow up assessments when they go back to Timor Leste. We get a large amount of funding from DFAT to basically support this work across the Pacific and so you will see from that list, we support our medical training for practitioners in Kiribati, Tuvalu and so on, all the way through, the most recent is Tonga where we are just preparing the MOU now. The key for us in this is we have always been since 1885 the main centre for medical training in the South Pacific Islands.

One of the keys for us is to ensure that where we are providing these medical services, medical training both in country and by bringing the regional students here, that this provision is fully funded. So I have been very clear with the college that we need to ensure that if we are training students from the region, the full cost of that training are borne either by the government of that country or by a donor agency. We cannot cross- subsidise from our core funding because the core funding is both our operating grants and our tuition fees; this is Fiji Government money. So we have been very, very clear about this and it has been quite useful having that clarity. So with DFAT we have said to them, “we are willing to train both the post graduate level and undergraduate level.”

We probably have about 250 to 300 students from across the region at any one time. We said, “we are willing to train this but it is at full cost.” We need to ensure that the full cost of training is provided so that we are not skimping and saving and stretching our staff, we are hiring more staff so that we are fully staffed to meet those needs. DFAT have been very helpful with that, so under the current project that is just starting now, DFAT is actually funding the Associate Dean Regional. I think it is about \$200,000 a year to actually do the coordination. So it is a member of our management team in the college that will actually do all the liaison with the regional governments. It is a very valuable relationship with DFAT and I think it made a big contribution to the region as a consequence.

DEPUTY CHAIRPERSON.- Thank you Professor Healey for the much enlightening and very informative question and answer session. Thank you for the presentation, thank you for your time, I believe this is one of the longest sessions we have had with any submittee. So we are really sorry, we have kept you here for I think a little longer than you should have been, but thank you for answering all the questions and for your time.

These questions were compiled by our Committee Members. . Thank you Honourable Members and thank you Secretariat for the support. Once again, Professor Healey, the Vice-

Chancellor of FNU, thank you so much for your time and for your very informative and enlightening presentation. *Vinaka Vakalevu.*

PROFESSOR N. HEALEY.- It is a pleasure to be here. I think we are hugely in the debt of the Fiji Government for the way the University functions and we know why we are here, we are here to serve the Fijian people. So I will come to any Committee meeting at any time for as long as you want because that is why we know what we serve. I would like to thank the Committee for taking the time to read the report and for asking the detailed questions because that level of scrutiny is very valuable.

One or two of your questions had put us on the spot, there are areas where we had to say that we made a mistake there, we have done something different subsequently. So I think this is a good innovation to provide the detailed questions ahead of time because we can work much better at providing you with insight, so thank you.

DEPUTY CHAIRPERSON.- Thank you once again Professor and Honourable Members, for your time and your commitment. This brings us to the end of today's meeting, we will meet tomorrow at 1 p.m.

The Committee adjourned at 5.40 p.m.

## APPENDIX 4: RESEARCH ANNUAL REPORT SUMMARY

PARLIAMENT OF THE REPUBLIC OF FIJI Research and Library Services		Annual Report Summary 2016/17
<p><b>Annual Report Summary-Fiji National University 2016</b> <b>Standing Committee on Social Affairs</b></p>		
<p><b>Vision</b>-"The University aims to be the premier university for higher education, technical and vocational education and training, research and development in Fiji and the Pacific region, and to be the national centre of excellence in Fiji for all things to do with training and productivity."</p> <p><b>Mission</b>-"The University shall provide leadership in all intellectual pursuits in higher education, research and development, and the development and acquisition of relevant and quality technical skills in all trades and soft skills that are necessary for development of nations businesses and communities."</p>		
Principal Activity	<p>The University are the provision of post-secondary programmes of study in higher education and technical vocational education and training that are responsive to the needs of industry, the market place and non-formal sector of employment to students from Fiji and other countries in the South Pacific region.</p> <p><b>FUNCTION</b> The Fiji National University Decree provides the functions, including the specific provisions as follows:</p> <ul style="list-style-type: none"> <li>dissemination of knowledge, through scholarship, research and teaching to the standards acceptable by the Council;</li> <li>to provide courses of study or instruction, at the levels of achievement the Council considers appropriate, to meet the needs of the community, including technical and vocational education and training;</li> <li>to confer higher education awards as determined by the Council;</li> <li>to participate in community discourse through the application of knowledge generated and advanced at the University to society, industry, and government in an environment where the rights of all are respected; and n to perform other functions given to the University under this Decree or under another Decree, or as determined by the Council.</li> </ul>	MPs Comments
Act in place	Fiji National University Decree 2009.	
Organization structure	<p>FNU was established in 2009, under the Fiji National University Decree No. 39 of 2009.</p> <p>University Council- under the Decree, the FNU Council is the University's governing body and has overall responsibility for the University's sound and effective governance. The Council approves the University's strategic direction; monitors the University's progress, using agreed performance indicators; and approves the University's budget, its policies, and delegations of authority. The Council also reviews its own performance and the</p>	
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PARLIAMENT OF THE REPUBLIC OF FIJI Research and Library Services		Annual Report Summary 2016/17
	<p>performance of its committees.</p> <p>Under the University there are colleges, the name as follows:</p> <ul style="list-style-type: none"> <li>College of Agriculture, Fisheries and Forestry</li> <li>College of Business, Hospitality and Tourism studies</li> <li>College of Engineering, Science and Technology</li> <li>College of Humanities and Education</li> <li>College of Medicine, Nursing and Health Sciences</li> <li>National Training and Productivity Centre</li> </ul>	
Projects	<ul style="list-style-type: none"> <li>FNU Assists Tropical Cyclone Winston Victims- Students and staff of FNU organised a fundraising through donation, movie night and BBQ night to assist the Tropical Cyclone Winston victims. Seven medical students joined the DISMAC team and were involved in cleaning the Health centres and assisted in making them functional.</li> <li>Electoral Workshop For Republic Of Fiji Military Forces (RFMF) - FNU in collaboration with the Embassy of Japan organised an Electoral Workshop for 14 senior officers from the Republic of Fiji Military Forces (RFMF). The theme of the workshop was: 'The Law, Parliament and You'. The key focus of the professional development workshop was to discuss the role as members of the defense forcing upholding and ensuring a democratic election and a democratic nation.</li> <li>FNU Launched Physical Fitness Manual- FNU successfully launched the Fiji's first ever physical fitness testing manual for primary and secondary schools in Fiji. The manual intends to test the physical fitness of students and assist in building a healthier nation.</li> <li>FNU Partners with APTC- a Memorandum of Understanding (MOU) was signed between FNU and the Australia-Pacific Technical College (APTC), for the two institutions to work collaboratively on the delivery of APTC's Painting and Decorating and Applied Fashion Design and Technology qualifications.</li> <li>Students Receive Coaching on Employability- FNU organised a series of workshop in collaboration with the student support services and the Alumni Office on Curriculum Vitae and Cover Letter writing coaching for final year students and graduates.</li> <li>FNU Engages with FCDCL- A MOU was signed on 7 July between FNU and the Fiji Cooperative Dairy Company Limited (FCDCL) to inspire and promote academic-industry cooperation between the two organisations. The MOU focuses on education, research and training in dairy production where FNU and FCDCL will provide technical assistance in any dairy farming research.</li> <li>GRFC Donates Tractor-Grace Road Food Company (GRFC) donated a multipurpose tractor to the FNU's College of Agriculture, Fisheries &amp; Forestry (CAFF). The tractor was intended to be utilised for land preparations at the instructional Agricultural Farm Complex hence making student practical classes</li> </ul>	
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	<p>signed to current farming trends.</p> <ul style="list-style-type: none"> <li>• <b>FNU Signs MOU with WINTEC-</b> FNU signed a MOU with the Waikato Institute of Technology (WINTEC) of New Zealand.</li> <li>• <b>World TVET Conference-</b> the World TVET Conference was organized on 23-25 August, 2016, at The Grand Pacific Hotel with Fiji being the first country to host it. Speaking at the event, the President, Major General (Ret'd) Jioji Konrote stated that this venture would help improve the education and vocational training so that there is a better transition for the children from school to the employment sector. 40 countries were represented at the three-day conference including Russia, Finland, England, USA, Nigeria, Kenya, South Africa, Australia, New Zealand and Malawi with 215 overseas and 53 local delegates. Meanwhile, FNU, by the International Vocational Education and Training Association (IVETA), was honoured with the Robert D. Cain Business Organisation Award for its commitment to Technical, Vocational Education and Training.</li> <li>• <b>FNU Partners with Skills International Limited-</b> a MOU was signed in September, between FNU and New Zealand's Skills International Limited which is a prominent educational institute providing integrated competency based standards, qualifications and quality assurance. This venture opened up opportunities for NTPC to discover ways to elevate the profiles of its programmes to an even higher level.</li> <li>• <b>MOU with Pacific Disability Forum-</b> a MOU was signed in November, 2016, between FNU and the Pacific Disability Forum (PDF) at the Nazimu Campus hence promoting academic excellence and enhanced employability opportunities for persons with disabilities in the Pacific. FNU is currently working on the University Disability Policy which is based on international best practice to allow benchmarking.</li> <li>• <b>Technicians Aligned to International Standards-</b> A training which embarked on Fiji's obligations to the Vienna Convention on the Protection of the Ozone Layer and the Montreal Protocol on substances that deplete the Ozone Layer was organised by the National Training &amp; Productivity Centre in conjunction with the Department of Environment. Twenty two refrigeration and air conditioning technicians receive specialised training on good practices when handling controlled substances.</li> <li>• <b>Fiji School of Nursing Library (new extension) -</b> The FSN Library new extension project started in November 2015 and completed in April 2016. The existing Library had a sitting capacity of approximately 60 and 27 computers. The new Library extension has increased the sitting capacity to approximately 168. The new extension has created space for the increasing number of students. The Colleges have recently included Bachelors and Masters Programmes therefore; there was a need for more space for research and studies.</li> </ul>		
<b>Financial Position</b>		<b>2016 (\$)</b>	<b>2015 (\$)</b>
	Operating Profit	15,508,637	3,502,901

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	Comprehensive income for the year	16,417,431	4,229,190
	Total Assets	342,993,274	320,804,811
	Total Liabilities	60,320,033	54,747,001
	Net Assets	282,473,241	266,057,810
	Cash & cash equivalents at end of year	88,152,207	69,088,250
<b>Auditor's Opinion (KPMG)</b>	<p><b>Audit Opinion</b> Auditor has audited the financial statements of the Fiji National University ("University"), which comprise the statement of financial position as at 31 December 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the statement by appointed officers.</p> <p>In the Auditor 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, its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").</p> <p><b>Emphasis of Matter</b> Without qualifying auditor's opinion, draw attention to Note 13 (refer to page 88 of the Annual report) to the financial statements which describes the uncertainty related to the finalization of the transfer of lease arrangements to the University in respect of certain leasehold land assets that were vested in the University under the Fiji National Decree 2009 [as amended by the Fiji National University (Amendment) Decree 2010]. The transfer of these lease arrangements has not been completed at the approval of these financial statements.</p>		
<b>Gender Analysis</b>	<ul style="list-style-type: none"> <li>• The gender analysis is provided in terms of the student studying in 2016, there were 4,563 females and 3,830 males.</li> <li>• Information on graduation was provided by gender.</li> </ul>		

27 March 2018

**Disclaimer**

The Annual Report Summary was prepared to assist the Standing Committee on Social Affairs in its review of the Fiji National University 2016 Annual Report. Although every effort has been made to ensure accuracy, it should not be taken as a complete or authoritative guide to the Report. The Research and Library Team shall not be liable for any errors or omissions, or for any loss or damage of any kind arising from its use, and may remove, vary or amend any information at any time without prior notice. The Research and Library Team accepts no responsibility for any reference or links to, or the content of, information maintained by third parties. Other courses should be consulted in the review of the Report.

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