ADDRESS AT THE FORUM ECONOMIC MINISTERS
MEETING (FEMM), LUNCH ON THURSDAY 28TH OCTOBER 2010, MILLENNIUM HALL, ALOFI, NIUE

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The Honourable Premier of Niue
Honourable Ministers of Finance
Secretary-General of the Pacific Islands Forum and its senior officials
Senior Government Officials
Development partners and regional and international agencies
Ladies and gentlemen

Fakaalofa lahi atu (Greetings to you)
I extend a very warm welcome to all of you to this lunch hosted by your University of the South Pacific. Thank you for joining us, and for allowing me to address you.

As you all know, USP is funded by 12 member governments most of whom are represented here today, so I thought this would be a good opportunity for me to say few words about your regional university.

Hon. Ministers will be aware that USP Regional Ministers of Finance normally meet every three years to discuss the report of the University
Grants Committee (UGC) on the performance of the University, its development plan and its funding requirements for the following triennium. They then decide on the appropriate level of funding keeping in mind their own circumstances.

The last USP Regional Finance Ministers Meeting was held in June 2008 in Suva just before I took up my position on 12 July 2008. At that meeting, there was a lot of concern and unhappiness expressed by the Ministers of Finance about, among others, “USP living beyond its means”, a bloated senior management salary bill and cost structure, its responsiveness to regional needs, the need to get better value from investments in USP, and the need for better governance and accountability. In short, USP was in a financial crisis, and the confidence of member countries and other stakeholders (including donors) in the University had been seriously eroded.

The University took serious heed of the criticisms of the Ministers and their wise counsel. Even though I had not taken up my position, I attended this meeting as Vice-Chancellor Elect and became convinced that the University needed to take immediate and decisive action to deal with its problems and to win back the trust and confidence of Governments, donors and stakeholders.

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1 Opening Address of the Fiji Minister of Finance, National Planning, Sugar Industry, Hon. Mahendra P. Chaudhry, at the 2008 USP Regional Finance Ministers Meeting
The University Council had already set in train mechanisms to deal with the problem. We added greater urgency to the tasks and brought bolder decision-making into play. Through the combined efforts of the Council, the Governance Task Force, the Finance and Investments Committee, the Management and members of staff, I am pleased to report that the University has made a turn-around in its finances, undertaken deep reforms, got back on track with a new triennial funding cycle (2010-2012); produced a Strategic Plan; and embarked on a major academic reform programme that will see a much more relevant, higher quality, regionally and internationally engaged, forward looking USP that our governments and stakeholders can be proud of and can sustain. The aid commitments of F$60 million to August 2010 is one testimony to this renewed confidence among donors in your regional university.

Let me identify the most significant improvements since the last meeting of the USP Ministers of Finance Meeting:

- Although the Ministers had given the University until 2010 to balance its budget, the University delivered a surplus of $5.4 million in 2008 itself, followed by a surplus of F$16.7 million in 2009. This year too, the University is on track to produce a surplus.
- The University voluntarily reduced the Government grant by 2 percent or about F$1 million for 2010; it is proposing to reduce it by a further 2 percent for 2011 to reduce the burden on member countries.
This will save member countries about F$5 million between 2010 and 2012.

- The University has transformed its annual budget to a proper Annual Plan, with the focus being on activities, targets, monitoring and evaluation.
- The implementation of the first year of the new Strategic Plan is on target.
- Aid and donations have picked up; Australia and New Zealand have signed three year partnership agreements with significant increases in aid; Japan has increased its aid significantly with the construction of the Japan-Pacific ICT Centre; Korea has become a new development partner from 2010 with a grant of US$2.5 million and India has given a US$1 million grant through the ADB.
- Through the Governance Task Force, the Charter and Statutes have been reviewed and modernized; accountabilities improved; and a large number of reviews have been completed.
- The academic structure has been streamlined, low-enrolment courses have been deleted and a culture of results and innovation emphasized.
- A major capital expenditure programme has commenced, with a 120 bed student hostel under construction that will allow more regional students to be accommodated on campus.
- Regional campus development has been prioritized: new campus development is projected for Solomon Islands, Kiribati, Cook Islands.
and RMI. Additional F$1.5 million is being made available for regional campus development

- USPNet has been upgraded with significant new features and benefits
- A major review of academic programmes, called Strategic Total Academic Review (STAR) has commenced with a view to making them more relevant, future-oriented, work-related and higher quality.
- An active programme of public policy dialogues has been started with good feedback from member countries.
- The decline in enrolment of the last few years has been arrested and enrolment has increased by about 4 percent in 2010 despite greater competition from other providers.
- Quality has been upgraded at USP given its critical importance.
- A follow up to the 2008 quality audit by Australian Universities Quality Agency (AUQA) has praised the University for its progress and indicated that the University is on track for its next audit in 2013
- USP obtained accreditation from CPA Australia this year for the BCom in Accounting programme. The Tourism and Hospitality Programme was also accredited. These show that in addition to becoming more cost-effective, the University is increasing the quality of its programmes.
- And finally the University has strengthened its Pacific studies programme with the appointment of a distinguished Pacific Islander, Professor Vilsoni Hereniko, to head this.
Honourable Ministers, USP has come out of its financial difficulties. It has made good progress in transforming itself and has laid out an ambitious reform agenda for the remainder of this triennium. It has received strong support and encouragement from Governments, development partners and other stakeholders. None of the progress we have witnessed would have been possible without the rock-solid support of member countries throughout USP’s 42-year history. Through you, Honourable Ministers, we thank your respective governments for all your contribution and support to USP.

The establishment of this unique regional university in 1968 is testament to the foresight and wisdom of our leaders. In its 42 years, USP has played a major role in providing for the human resource needs of our member countries. In this age of rapidly globalizing knowledge economy and society—and when the region faces so many challenges, USP’s value to the region will increase in the future.

USP has nurtured a strong sense of unity among our Pacific communities and has produced many of our leaders. The creation of a strong Pan-Pacific consciousness is essential to the achievement of the Vision that our Leaders have set out in the Pacific Plan. No other institution is able to mould so many minds to enable the Vision of the Pacific Plan to be achieved. In 2018, USP will reach the half-century
mark. Our humble ambition is to transform USP from being a good university to a great university; a university that is deeply embedded in the Pacific islands; indispensable to the development of our member countries; a symbol of good governance and accountability; a think tank for the leaders; and a world leader in all things Pacific. In short, an institution that our leaders can call their own and a university that makes all Pacific islanders proud.

Honourable Ministers, ladies and gentlemen, I thank you for your patience and for the opportunity to address you. Finally, I wish to thank the Pacific Islands Forum Secretariat and the Niue External Affairs Department for allowing us to host today’s lunch and for fitting us into the FEMM 2010 programme.

Thank you and God Bless.
25 October 2010