



COUNCIL APPROVED ANNUAL PLAN 2013

6 November 2012

**Prepared by
Acting Executive Director of Finance and reviewed
by Vice-Chancellor and President**

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Abbreviations and Acronyms

(Includes abbreviations and acronyms used in the electronic collection of Faculty and Section 2013 Annual Plans)

ADB	Asian Development Bank
AHTIPI	Association of Heads of Tertiary Institutions in the Pacific Islands
AP2012	Annual Plan 2012
AP2013	Annual Plan 2013
AusAID	Australian Agency for International Development
CAPEX	Capital Expenditure
CFDL	Centre for Flexible and Distance Learning
CFS	College of Foundation Studies
DVC (ARC)	Deputy Vice-Chancellor (Administration and Regional Campuses)
DVC (LTSS)	Deputy Vice-Chancellor (Learning, Teaching and Student Services)
EDF	Executive Director Finance
EDHR	Executive Director Human Resources
EFTS	Equivalent Full-Time Student
FALE	Faculty of Arts, Law and Education
FBE	Faculty of Business and Economics
FIC	Finance and Investment Committee
FSTE	Faculty of Science, Technology and Environment
FP2013	Financial Plan 2013
GCTT	General Certificate for Tertiary Teaching
ICT	Information and Communication Technologies
I&J	Intermediate and Junior (Staff)
ITS	Information Technology Services
KPI	Key Performance Indicator
MOU	Memorandum of Understanding
OHS	Occupational Health and Safety
P&Q	Planning and Quality
PVC (P&Q)	Pro Vice-Chancellor (Planning and Quality)
PVC (R&I)	Pro Vice-Chancellor (Research and International)
QTS	Quality of Teaching Survey
SAS	Student Academic Services
SMT	Senior Management Team
SP	Strategic Plan
SPOMS	Strategic Plan Online Monitoring System
STAR	Strategic Total Academic Review
TVET	Technical and Vocational Education
USP	University of the South Pacific
VC	Vice Chancellor
WASC	Western Association of Schools and Colleges

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1 Vice Chancellor's Introduction and Overview

The steady progress of the University during its current Strategic Plan 2010-2012 has given it confidence to develop its new, much more ambitious and transformative new Strategic Plan 2013-2018 that will take the University to its 50th anniversary in 2018.

Important gains have been achieved in 2012, the final year of the Strategic Plan. Most importantly, the University has regained its footing as a financially stable institution with the strong backing of member countries and regional and international partners. Over seventy five percent of SP objectives were achieved by the end of September 2012, and many initiatives not foreseen by the framers of the SP were also completed.

Next year will be the first year of the new SP. The University's efforts and activities in 2013 will therefore be guided by the Strategic Plan 2013-2018. The focus under each of the seven Priority Areas will be to provide a solid platform in 2013 that will clearly enable the move towards excellence.

The concept of quality – how we improve it, how we claim and assess it, and how we support its importance throughout the region – will guide all USP activities in 2013. There is a long term focus on equity and quality, and on capitalizing on those characteristics that distinguish USP amongst others.

In line with the theme of “good to excellent”, the Learning and Teaching priority area will pursue further international accreditation of programmes, increase its focus on English language achievement, and continue the work of STAR. The preparatory work of STAR in 2013 will begin to pay dividends from 2013, with the phasing in of a credit points system, and the further elimination of courses that are undersubscribed. The programmes that are offered will be vigorously quality-checked and the assessments analysed to ensure the greatest possible value for money and the best overall outcomes for students and the region. Improvements to student learning and support will further USP's aim of producing graduates that are attractive to employers and possess the analytical and practical skills required to participate in the global knowledge economy.

Student support will be made more equitable across the campuses, with inclusiveness and disability access also key issues that will guide work in this area. Campus Life and its programme of activities will be more active at the regional campuses. Significantly greater support will be provided to ensure the success of first year students across the University.

In terms of research, the number of research active staff will increase in 2013, as will the number of international students enrolling at USP. Student enrolments will continue to increase in 2013, and there will be greater number of postgraduates and students who are actively undertaking research.

ICTs and knowledge economy have been added as a new priority in the new SP. USPNet and related infrastructure will be thoroughly assessed during the course of the year addressing issues of adequacy of speed and reliability. Work will begin on extending USPNet further and on the USP knowledge Hub.

Major developments will occur in regional campuses on 2013. The soft loan from ADB will fund the re-development of the Kiribati campus. Campus Development Plans for all campuses will be completed in 2013 and the planning for the new Solomon Island campus will be completed in 2013.

The University will continue to strengthen its partnerships. Alongside its key mission of providing the highest quality learning, teaching and research to the region, USP will implement and monitor development projects that leverage its comparative strengths to address regional challenges.

In 2013 the HR focus will be on increased efficiency and improvement to the quality of its operations and services. Senior and middle management will be strengthened and developed, as astute leadership and effective supervision are essential to the success of the University's plans.

The structure of Senior Management Team will be reviewed to align it to the ambitious new Strategic Plan. USP has enjoyed a good success in terms of improving its governance and financial management, and is regarded as a regional exemplar of best practice. However, the University's ethos of continuous improvements and its responsibility to member countries and all stakeholders means that it must continue to improve in this area.

I strongly recommend this Annual Plan 2013 for Council approval.

Professor Rajesh Chandra
Vice-Chancellor and President

2 Overview of the Annual Plan 2013 Process

- 2.1 The Council has approved in May 2012 a Financial Plan for the triennium 2013-2015 which was later approved and adopted by the UGC in June 2012. Table 1 below shows this Financial Plan, and will form the minimum financial targets for each year of the triennium.

Table 1: Financial Plan 2013 – 2015

Descriptions	FP2013 \$'000	FP2014 \$'000	FP2015 \$'000
Total Income	166,182	175,722	183,995
Less Expenditures			
Pay	(76,739)	(78,641)	(80,415)
Non-Pay	(76,185)	(78,596)	(81,575)
Depreciations and Provisions	(13,047)	(14,650)	(17,157)
Total Expenditures	(165,970)	(171,988)	(179,147)
Surplus from Operations	112	2,901	4,848
Surplus Over Total Income (%)	0.1%	1.7%	2.6%

- 2.2 Every year the University presents an Annual Plan of the following year to the Council for approval. The Annual Plan of each year provides an opportunity for the University to plan for the activities of the year to meet its strategic objectives and provide a financing plan to fund these activities.
- 2.3 The Annual Plan 2013 (AP2013) has been being developed as the first year of the Strategic Plan 2013-18. The plans and the targets as set in AP2013 have been developed to help the University achieve its strategic objective of moving from being a good university to an excellent university.
- 2.4 The Finance and Investments Committee considered and endorsed the financing of the AP2013 at its meeting of 1st October 2012, with further amendments approved by the FIC Chair after confirmation of 2013 funding by AusAID. This projects an operating surplus of \$2.050m with a total income of \$172.772m and total expenditure of \$170.721m.

Table 2 below shows the summary of the AP2013 compared to the UGC approved FP2013, AP2012 and actual of 2011.

Table 2: Proposed Annual Plan 2013

Descriptions	AP2013 \$'000	FP2013 \$'000	AP2012 \$'000	Actual 2011 \$'000
Total Income	172,772	166,182	148,180	144,158
Less Expenditures				
Pay	(78,627)	(76,739)	(66,812)	(62,399)
Non-Pay	(79,369)	(76,185)	(66,266)	(64,768)
Depreciations and Provisions	(12,725)	(13,047)	(10,470)	(10,746)
Total Expenditures	(170,721)	(165,970)	(143,549)	(137,913)
Surplus from Operations	2,050	112	5,632	6,245
Surplus Over Total Income (%)	1.2%	0.1%	3.8%	4.3%

- 2.5 The AP2013 shows a lower surplus than 2011 and 2012 due to the investment of \$8.5m of University resources to help fund strategic plan initiatives and provision of a once in a triennium salary adjustment for staff.

Table 3 below shows the total costs of initiatives allocated in 2013 by priority area with Table 4 providing the breakdown of funding sources identified during the strategic plan exercise.

Table 3: Costing of Strategic Plan Initiatives for 2013 by Priority Area

Descriptions	Priority 1 (\$'000)	Priority 2 (\$'000)	Priority 3 (\$'000)	Priority 4 (\$'000)	Priority 5 (\$'000)	Priority 6 (\$'000)	Priority 7 (\$'000)	Totals (\$'000)
Operating	1,532	575	5,225	2,410	1,670	830	1,715	13,957
Capex	3,857	5,950	100	2,220	18,890	0	0	31,017
Totals	5,389	6,525	5,325	4,630	20,560	830	1,715	44,974

Table 4: Initiatives Costs Funding Sources for 2013

Descriptions	Recurrent \$'000	Development Assistance- Funded	Development Assist-Unfunded * \$'000	Borrowings \$'000	Totals \$'000
Operating	4,980	3,600	5,377		13,957
Capex	500		6,895	23,622	31,017
Totals	5,480	3,600	15,872	23,622	44,974

** Funds yet to be sourced from development assistance during the year. If these funds are not forthcoming, management will reallocate its current resources to finance some of these important initiatives from its current resources without affecting the financial plan targets.*

- 2.5 The Vice Chancellor and the Senior Management Team (SMT) have established the guidelines for the preparation of AP2013, and all faculties, schools and sections have been involved in this process. The Annual Plan follows a process where priorities, initiatives, targets and the use of a more comprehensive set of data and analysis including selected key performance indicators (KPIs) and benchmark data have been used to inform management decision-making on the allocation of resources for the AP2013.
- 2.6 A capex of \$3m for 2013 was approved by FIC on 1st October 2012. This was reduced from \$6m as initially projected in the FP2013 due to the need to meet the cash reserve target. Additional \$2m was further allocated from the 2013 AusAID additional funding, taking the total capex for 2013 to \$5m. The total capex, however, will be much greater because of the building of Kiribati Campus through ADB loan, building projects at Emalus Campus through assistance from China, planned development of a 96 bed accommodation block at Laucala Campus and new facilities at Lautoka campus through commercial loans, and purchase of equipments from development assistance project funds. The University is confident that it will source additional development assistance funds to meet its asset sustainability benchmark.

3 Progress of the Strategic Plan 2010 - 2012

- 3.1 The USP Strategic Plan 2010-2012 contains 6 Priority Areas, 21 Objectives and 148 Strategies. Each Strategy is broken down into a number of tasks and entered onto the Strategic Plan Online Monitoring System (SPOMS). Each has an SMT member who holds overall responsibility for implementing the strategies and progress is regularly reported to management. Updates are provided on a regular basis to Council, the latest in May 2012. At the beginning of September 2012, the final year of the Strategic Plan and current triennium, the University had achieved overall 75% of the Strategic Plan objectives and tasks scheduled to that date. **This does not include tasks which have been completed ahead of schedule nor the additional strategic achievements identified below:**
- Loan proposal for US\$19m (F\$34m) has been approved by the Asian Development Bank (ADB) for a number of projects including a large campus development in the Solomon Islands. This received Council approval in November 2011. A new campus for Kiribati is under detailed concept and development design and construction will begin in 2012. Subsequent phasing of the soft loan is reliant on sovereign guarantee and grant of land in the case of the Solomon Islands.
 - Project development and project appraisal with funding for A\$24m (F\$45m) for four years.

- Major research funding for climate change and renewable energy (projects funded by the EU and Korea).
- The successful launch of Pacific Islands Centre for Public Administration (PICPA).
- Major funding from JICA for Human Development and human security project for three years.
- Upgrade of USP's internet gateway from STM1 to STM4.

3.2 Overall, the University remains confident that it will complete outstanding initiatives by the end of 2012. As indicated in Table 5 below, three of the six priority areas are on a strong trajectory to be complete as indicated in the annual plans with Priority Area 1 (learning and Teaching), Priority Area 2 (Student Support) and Priority Area 5 (Human Resources) requiring greater acceleration during the remainder of 2012. The latter has been particularly affected by not having in post an Executive Director of Human Resources. Overall, all the priority areas should achieve most of their targets by the end of 2012. USP management believes it is setting an example of excellence in its strategic implementation with a self-critical and determined approach to achieve its goals and deliver its mission.

Table 5: Overall Completion of the Strategic Plan Tasks as at 1st September 2012

No	Priority Area	Overall Completion at 1 st September 2012
1	Learning and Teaching	75%
2	Student Support	74%
3	Research and Graduate Affairs	94%
4	Regional and Community Engagement	74%
5	Human Resources	52%
6	Governance, Management and Continuous Improvement	86%
	Overall	75%

3.4 Appendix 1 attached provides an update of progress of the Strategic Plan targets and KPIs at 1 September 2012.

4 Activities and Outputs of the Annual Plan for 2013

- 4.1 The University's efforts and activities in 2013 will be driven by the Strategic Plan 2013 to 2018. The focus under each of the seven Priority Areas is to provide a platform in 2013 that will shift the University from good to excellent.
- 4.2 All the plans of faculties and sections will be aligned to this plan and will be monitored closely by management to ensure success.
- 4.3 The key targets and focus areas under each Priority Area are provided under each section below.

i. Priority Area 1 – Learning and Teaching

Objectives and Key Focus Areas

The University wishes to speed up its efforts in delivering flexible, accessible, relevant and quality programmes to develop the skills, knowledge, competencies and experiences for all its graduates.

The key focus and driver in 2013 will be quality in all we do. The University management is making a commitment to obtain internationally regarded accreditations and will provide the platform to prepare the University through the processes in 2013.

The successful implementation of STAR beginning in 2013 is central to the University's mission of excellence. A number of strategies will be put in place during the year to improve the teaching and testing of oral and written proficiency in English. Additional English courses will be implemented for the College of Foundation Studies (CFS) as per recommendations of the external reviewer.

Transforming USP's pedagogies and enhancing ICT delivery will commence in 2013 in order to allow access for all people of the Pacific.

KPI's and targets

Table 6 below outlines the KPIs and targets for 2013 under this Priority Area.

Table 6: 2013 KPIs and Targets for Priority Area 1

#	KPI	Targets
1.1	Transform USP's pedagogy by increasing courses and programmes offered with flexible learning and online	a. 28% of UG programmes offered with flexible learning b. 13% of degree programmes available online c. Complete audit and gap analysis, and implement recommendations on review of Learning and Teaching pedagogies
1.2	Improve employability of students	d. Graduates who finds employment 62%
1.3	Improve quality of teaching in all campuses	e. Achieve 90% overall student satisfactions through surveys
1.4	Improve QTS results	f. Redesign QTS to align with key STAR initiatives, and to formulate and implement policy on assessments.
1.5	Increase number of staff holding PGCTT or equivalent	g. Increase by 10% from 2012 baseline

Risks

- a. Availability of funds to convert courses with speed
- b. Loss of key staff
- c. Perception of students, parents and stakeholders on relevance of USP programmes and courses and their suitability to employers' requirements and professional needs
- d. Unreliable ICT and infrastructure to support learning and teaching
- e. Workload of staff to pursue PGCTT certification

Risk Mitigation Strategies

- a. Management is committed into providing funds through AusAid Incentives fund to outsource and speed up course conversion. Management will monitor progress closely
- b. Reward key staff and high performers
- c. Regular and sustained consultations with all stakeholders
- d. Regular attention and adequate funding is provided to maintain ICT, classroom media and quality facilities
- e. Appropriate work load measurement of all staff and ensure equity for each academic staff member in the faculties.

ii. Priority Area 2 – Student Support

Objectives and Key Focus Areas

The University will continue its efforts to improve quality of support services, to provide an excellence learning environment that offers better student experiences, promotes Pacific consciousness and cohesiveness, and enhances the student community environment. Support for first year students will be important to ensure continuous students success. The University will also establish an Assessment Centre in 2013 and speed up its efforts to provide and centralize work placement opportunities for students.

Providing equity in all campuses on provision of student support services will be priority in the years ahead and in 2013, the University will extend the concept of Campus Life more fully to 3 other main campuses outside of Fiji.

To improve access to all students, the University will further enhance its efforts to improve the quality of infrastructure and support facilities for disabled students. Basic facilities that currently exist in Laucala will continue to be rolled out to all campuses in 2013.

There is also a need to improve security in campuses to allow students to have a safe and secure learning environment. Building fences will be priority for some smaller campuses.

Key targets

Table 7 provides the KPIs and targets to be achieved in 2013.

Table 7: 2013 KPIs and Targets for Priority Area 2

#	KPI	Targets
2.1	Improve satisfaction levels of all student services	a. 90% satisfaction level on student services through surveys
2.2	Increased access by disadvantaged groups	b. Complete compliance audit of disability services c. target 30% access for visual, hearing and physical disability
2.3	Implement OHS and other student related plans	d. Complete disaster management plan, preparations and student training
2.4	Improve student experience to enhance attendance, participation levels, retention and pass rates	e. 77% pass and retention rates
2.5	Facilitate student interactions and cohesiveness	f. Additional 96 beds for students accommodations

Risks

- a. Low class attendance and student engagements could lead to low pass rates and reputational risks
- b. Student engagement is high risk behaviors such as alcohol, drug abuse, diet and sexual activity leading to health, personal and reputational risks
- c. Inadequate funding to support disability plans and extension of Campus Life to other campuses
- d. General crime rate and security issues in all campuses
- e. Funding constraints limiting number of beds for students accommodations

Risk Mitigation Strategies

- a. Enforce compulsory student attendances
- b. Establish an early warning system in all faculties to identify and support at risk students
- c. Effective counseling services at high quality level
- d. Enhanced student recreation, activities and services to reduce student social isolation
- e. Continued education of all students to be responsible for personal safety and security of personal and USP properties
- f. Coordinate with USPSA on “straight talk” seminars and workshops for students.

iii. Priority Area 3 – Research & Internationalisation

Objectives and Key Focus Areas

The University needs to raise the level of performances of its research programmes by developing a research culture, structures and strategies. The key focus for the year is to increase the number of staff engaged in research, including hiring of new professors and post doc fellows. The problems of completion of post graduate researchers will be addressed and an implementation plan will be adopted in 2013 to reverse the situation.

All research clusters will be fully implemented and properly aligned to the 7 strategic themes of the strategic plan in order to align research outputs to the needs of the member countries. It will begin the process of setting up a regional research council by 2014.

More efforts will also be made during the year to increase external research funds and increase number of international students.

Key targets

Table 8 provides the KPIs and targets to be achieved in 2013.

Table 8: 2013 KPIs and Targets for Priority Area 3

#	KPI	Targets
3.1	Increased number of research publications and citations	a. Average publications of 1.15 per academic staff
3.2	Increase external research income	b. \$12m external research income
3.3	Make research more relevant to member countries	c. Implement all research clusters d. Commence process to establish the Pacific Research Council by 2014
3.4	Improve completion rate of PhD research students	e. 10 year PhD completion rates to increase to 10%
3.5	Increase proportion of non-member country enrolments and study abroad placements	f. 10% growth in international students g. 5% growth in overseas student exchange

Risks

- a. Research cluster leaders cannot commit sufficient time to develop research culture, establish structures and develop strategies to ensure research performance
- b. Staff workload increases due to increase in student numbers and reduce time for research activities
- c. Research clusters too narrow, too small or do not disseminate activities and culture across the University
- d. International recruitment and activity unduly influenced by global economic crisis and lack of appropriate facilities and infrastructure at USP that suits expectations of international students

Risk Mitigation Strategies

- a. Provision of funds to buy-out research clusters leader's time
- b. Research Office to fully embed the RSD (Research Skills Developments) framework to train PhD students and early career researchers in research practices
- c. Employ PhD research fellows to focus on externally funded research and to also implement greater research activity and share workload burdens
- d. Continuous review and monitoring of research cluster relevance, operation, management and performance at SMT level
- e. Ensure facilities and services to international students are internationally competitive

iv. Priority Area 4 – Information & Communications Technology

Objectives and Key Focus Areas

It is essential that the ICT infrastructure adequately reflect and meet the needs of the University to effectively deliver services to all campuses and member countries. The priority in 2013 will be to re-examine the technical efficiency and optimization of the USPNet and IT architecture, and implement the recommendations if this review.

In playing its leading role in the region in ICT, the University will organize a new Pacific Regional Digital Strategy during the year. It will further try to expand ICT to disadvantaged communities and groups.

In 2013, the University will commence the process of re-engineering project to automate many processes and also work on a feasibility study of developing an integrated business intelligence and data mining system.

Key targets

Table 9 provides the KPIs and targets to be achieved in 2013.

Table 9: 2013 KPIs and Targets for Priority Area 4

#	KPI	Targets
4.1	Evidence of improved service delivery to all campuses	a. Complete examination of technical efficiency and optimization of USPNet and infrastructure, and implement recommendations of this assessment b. Improve satisfaction through survey to 80%
4.2	Satisfactory review of Pacific Digital Strategy	c. Complete review of Pacific Digital Strategy and implement action plan
4.3	Increase automation and business process reform	d. Automate registration process in SAS e. Automate 30% of the processes in Finance
4.4	Establish businesses using ICT capability	f. Establish one business using ICT capability

Risks

- a. Hike in global telecommunications costs
- b. Inefficient and under utilization of investments into ICT
- c. Failure to keep up with global initiatives and new ICT innovations
- d. Lack of skilled man power
- e. Lack of strong leadership
- f. Insufficient funds to support ICT delivery

Risk Mitigation Strategies

- a. MOUs with telecommunication providers in the region
- b. International networking with key innovators and providers
- c. Recruitment and retaining skilled and key technical staff
- d. Provide institutional and management support to achieve these initiatives
- e. Provide adequate and priority funds to provide ICT delivery for learning and teaching

v. Priority Area 5 – Regional Community and Engagement

Objectives and Key Focus Areas

The University will further invest in enhancing and expanding its campuses, membership and operations. 2013 will see the completion of the development of Emalus Campus through the assistance from China, commence the building of the new Kiribati Campus through the ADB loan, and hopefully commence the Lautoka Campus should the loan funding be approved in 2013.

The University will continue to strive to strengthen its partnerships with stakeholders, governments, industry and communities to better serve the region.

Key targets

Table 10 provides the KPIs and targets to be achieved in 2013.

Table 10: 2013 KPIs and Targets for Priority Area 5

#	KPI	Targets
5.1	Successful independent review of governance, management and administration of regional campuses	a. TOR, tender, and complete review of administration, governance and management of campuses and centres
5.2	Developments and implementation of Campus Development Plans	b. Complete campus master plans incorporating education and infrastructure plans for the 4 large campuses c. Complete review of Alafua Campus and School of Agriculture and Food Technology d. Complete infrastructure developments in Vanuatu and Kiribati
5.3	Increase communications and improve relationships with partners and stakeholders	e. 6 monthly visits to 4 larger campuses and annual visits to other member countries

#	KPI	Targets
5.4	Successful coordination of AHTIPI activities	f. Annual meeting and update of AHTIPI activities
5.5	Increase number of TVET accredited programmes	g. Commence preparations to seek international accreditations for Foundation Programme and certain TVET programmes
5.6	Creation of sports academies	h. Complete a plan for the first Sports Academy

Risks

- a. Support of governments and stakeholders
- b. Changing political climate in member countries
- c. Sustained growth of students numbers and viability of campuses and centres
- d. Availability of funds can slow down developments of regional campuses and students do not have the basic requirements to complete programmes successfully
- e. Capacity of Campus Directors and staff in campuses and centres to deliver excellence

Risk Mitigation Strategies

- a. Continue to strengthen and maintain good relationships with member countries
- b. Promote USP value and contributions to member countries
- c. Source development assistance funds to assist in member country developments
- d. Train and develop staff to deliver excellence, and recruit best staff

vi. Priority Area 6 – Our People

Objectives and Key Focus Areas

The development of people is paramount to the achievements and aspirations of the University to move to excellence. It will invest in its people and will aim to recruit and retain the best people, identify potential leaders and provide opportunities to develop professionally, reward excellence and maintain equity across all campuses. The implementation of the performance management system will be a key output in 2013.

Key targets

Table 11 provides the KPIs and targets to be achieved in 2013.

Table 11: 2013 KPIs and Targets for Priority Area 6

#	KPI	Targets
6.1	Excellence in recruitment	<ul style="list-style-type: none"> a. Reduce average time between recruitment and acceptance of offer to 15 weeks b. 90% recruitment of candidates ranked 1-2
6.2	Successful implementation of iPerform System	c. Implement iperform and roll out to all faculties
6.3	Identifications and development of professional development programmes of our leaders	d. Complete professional development programme for Heads of Schools and Campus Directors
6.4	Successful implementation of HR Strategy	<ul style="list-style-type: none"> e. Design and complete a staff climate survey f. Establish as Assessment Centre g. Implement Talent Development Plan h. 6 monthly reporting on implementations of HR Strategy

Risks

- a. HR transformation slow and ineffective
- b. Lack of support and loss of key staff
- c. Lack of training and appropriate succession plans
- d. Lack of job satisfaction
- e. Staff morale diminishes and impacts quality services
- f. Bureaucratic processes hinders timely delivery of HR services
- g. HR is isolated and HR services not responsive

Risk Mitigation Strategies

- a. Increase buy ins into HR transformation objectives
- b. Involve the unions and staff members effectively throughout every step of the process
- c. Talent Development Programme and lifelong learning and embedded in performance rewards
- d. Address shortcomings flowing from staff climate survey results
- e. Enhance organizational culture and embed values promoted by the University into staff everyday work and practices

vii. Priority Area 7 – Governance, Leadership, Management & Continuous Improvements

Objectives and Key Focus Areas

The quality of processes and governance mechanisms are important to bring balance to the big aspirations of the new strategic plan. To support the move to excellent, it will work in 2013 to continue to strengthen its processes, including governance systems and strengthening Senior Management Team.

The University will also focus in 2013 on strategically marketing and re-branding exercise, to position itself as a premier institution for tertiary education and research.

The year will also implement the Commercialisation strategy as the University seeks to raise its fourth revenue stream in order to enhance sustainable funding for the University.

Key targets

Table 12 provides the KPIs and targets to be achieved in 2013.

Table 12: 2013 KPIs and Targets for Priority Area 7

#	KPI	Targets
7.1	An effective external process for monitoring, evaluating and enhancing the work of Council and its sub-committees	a. Implement recommendations of Council, Senate, FIC and ARC self evaluation and assessments
7.2	Effective external evaluation of the University's programmes, research performance and planning processes	b. Complete Quality Audit c. Complete stages 1 and 2 of the WASC accreditation process d. Commence accreditation processes for 6 programmes
7.3	Undertake a comprehensive review of management and administrative systems and processes	e. Complete TOR, tender, evaluate and appointment of reviewer of management and administration processes
7.4	Effective recruitment and division of responsibility of SMT members	f. Complete Job Descriptions of each SMT member
7.5	Maintain financial sustainability	g. Meet the financial KPI's as per the Council approved Financial Plan
7.6	Effective and contributing alumni	h. Implement Alumni strategy and plans
7.7	Enhance USP brand	i. Implement the Marketing and Re-branding Plan
7.8	Implement Commercialization Strategy	j. Increase net revenues by 10%

Risks

- a. Opposition to change
- b. Brand position not fully understood and implemented across all campuses and centres
- c. Lack of support of staff and stakeholders
- d. Review of administration processes not effective and suitable to the context of USP and the region where it operates
- e. Global changes and environment can affect financial performances
- f. Loss of key staff
- g. Reliance on only a few development partners and commercial sources

Risk Mitigation Strategies

- a. Continuous review of operating systems within ITS, HR, Finance and Management to support changes
- b. Involvement of staff in key process changes
- c. Undertake awareness workshops and training on usage of new brand at all campuses
- d. Selection of the best and most suitable consultant to undertake administration review process
- e. Strengthen relationships with key development partners
- f. Recruit and retain best administration staff
- g. Continuous watch over financial shocks and adjust accordingly

- 4.4 Focusing on these seven cross-cutting themes in 2013 will provide a platform to move the University from good to excellent as per the aspirations contained in the Strategic Plan 2013 to 2018. It signals that 2013 will be a year in which there will be a concerted intention to solidify USP as a respected regional institution, well governed, managed wisely and with the foresight of academic leadership in the Pacific.

5 Principles, Guidelines, Assumptions and Targets of AP2013

- 5.1 **Principles and Guidelines:** All income belongs to the University, including that earned by trading units, projects, institute and department funds. All income from each fund is accounted for in the budget against the nature of income. The budget is comprehensive and includes recurrent, department, trading, and institute activities. Unbudgeted expenditure will only be allowed through authorization from the relevant SMT member, generally approved only where it is justified by additional income and in keeping with the scheme of financial delegations. Units and funds will, however, continue to retain the surpluses, after making the required contribution to University's recurrent fund. Estimates are based on 2011 Actuals, AP2012, annualized 2013 Council approved Financial Plan (FP) 2013, but are also aligned with the new priorities and directions set for 2013. Provisions have been made for sound incentive structures that reward cost-control, innovation and entrepreneurship and disincentives for sections that are not innovative or entrepreneurial. Special provisions have also been reduced and these are allocated directly to SMT to enhance immediate action and implementation of plans. Decisive allocations have been made to strategic areas in order to re-shape boldly and with speed.
- 5.2 **Drivers:** The Strategic Plan 2013-18 is the main driver of AP2013. The 2013 plan has been constructed to achieve the goals set by the University for itself in the first year of the new triennium. The University is investing into a number of bold initiatives in this plan to drive the University from good to excellent.
- 5.3 **Assumptions:** The assumptions made while formulating the financial plan 2013-2018 that was approved at May 2012 Council meeting have served as a starting point. These assumptions have been revised given the current year trends, changes to USP's internal and external environment and other factors, to the following:
- Tuition fees income to increase by 9% from AP2012 level as per 2012 trend.
 - Aid and Donations income confirmed at FP2013 agreed level.
 - Provision of \$5.45m for salary adjustments.
- 5.5 **Financial Targets:** AP2013 has maintained the following financial targets:
- All Trading Activities to contribute 20% of their total expenditure to the University's Recurrent Fund.
 - All Department and Institute funds to contribute 15% of their total expenditure to the Recurrent Fund.
 - Adjustments to the above rate apply for costs such as depreciation or rent when charged directly to the respective Non Recurrent Fund.

- All non-recurrent USP activities, other than project funds, will each generate a 4% surplus (surplus over total income) after the required overhead recovery to the recurrent fund.
- A new policy is being proposed for non-recurrent activities in order to incentivize sections to be innovative and generate incomes.
- Capital expenditure will be F\$5.0m.

6 Financing the Annual Plan 2013

6.1 The SMT and FIC have reviewed and endorsed AP2013 for Council approval.

6.2 **Resourcing the Plan:** The bold and ambitious initiatives contained in this plan will require substantial investments to ensure the targets are achieved. Given that no increase in member country contribution is being sought, the University will maximize its current resources through efficiency and transformation, increase in student fees to recover a small percentage of inflation, and raise additional revenues from development assistance, research and commercial activities. Borrowing will also be sought during the year to fund initiatives and developments that meets the strategic needs of the University and member countries.

6.3 AP2013 is projecting a surplus of \$2.050m, or \$1.928m better than the FP2013 target of \$0.122m. The University will generate a projected income of \$172.8m to fund the AP2013 and budget an expenditure level of \$170.7m. Cash and cash equivalents are expected to have a net increase of \$0.7m. University funded Capital Expenditure is budgeted at \$5.0m.

Tables 13 and 14 below show the projected consolidated statement of comprehensive income and recurrent financial summary.

Table 13: AP2013 – Statement of Comprehensive Income (By Fund)

Description	Recurrent Fund	Department Funds	Trading Activities	Institute Funds	Project Funds	AP2013	FP2013	AP2012
Income								
Government Grants	47,946					47,946	47,946	47,946
Tuition Fees	27,853	10,247			1,400	39,500	39,205	36,252
Development Assistance	20,022				17,600	37,622	35,222	32,020
Development Assistance - Unfunded	3,600				5,377	8,977	8,977	
Trading Activities			17,423			17,423	16,357	14,870
Consultancy Income		380	1,470	1,050	100	3,000	1,829	1,579
Other Income	3,240	4,926		2,406		10,572	9,572	9,383
Contribution to Recurrent Fund	6,885	(1,646)	(2,171)	(401)	(2,668)			
Release of Deferred Revenue	5,108				1,423	6,531	7,166	5,630
Net Income-ADB related projects							(1,692)	
Interest Income	1,200					1,200	1,500	1,500
Total - Income	115,854	13,908	16,722	3,055	23,232	172,772	166,082	149,180
Pay								
Pay	(54,706)	(6,343)	(3,421)	(1,309)	(3,564)	(69,343)	(67,003)	(64,382)
Provision for Salary Adjustments	(5,450)					(5,450)	(6,300)	(500)
Pay - Strategic Plan	(2,040)					(2,040)	(2,040)	(1,330)
Pay - Strategic Plan - Unfunded	(1,020)				(375)	(1,395)	(1,395)	
Provision for Leave								
Provision for Restructure	(400)					(400)		(600)
Total Pay	(63,616)	(6,343)	(3,421)	(1,309)	(3,939)	(78,628)	(76,738)	(66,812)
Non-Pay								
General Expenses	(34,757)	(4,677)	(10,407)	(1,365)	(12,868)	(64,074)	(60,830)	(60,379)
General Expenses - Strategic Plan	(2,940)					(2,940)	(2,940)	(1,538)
General Expenses – SP Unfunded	(2,580)				(5,002)	(7,582)	(7,582)	
Depreciation	(8,714)				(1,423)	(10,137)	(8,137)	(6,530)
Provisions & Accruals	(2,190)	(398)				(2,588)	(4,910)	(3,940)
Other Provisions - Book Centre								(400)
Provisions for Exchange Gain/(Loss)	(500)					(500)	(1,000)	(500)
Strategic & Initiatives Fund	(500)					(500)	(1,000)	(500)
Strategic Plan Priorities	(500)					(500)		
Rewards & Incentives Fund	(2,000)					(2,000)	(2,000)	(2,000)
Provision for Energy Savings	(200)					(200)		(200)
Interest Expense	(73)					(73)	(83)	
Contingency	(1,000)					(1,000)	(750)	(750)
Total - Non-Pay	(55,954)	(5,075)	(10,407)	(1,365)	(19,293)	(92,094)	(89,232)	(76,736)
Total - Expenditure	(119,570)	(11,418)	(13,828)	(2,674)	(23,232)	(170,722)	(165,970)	(143,549)
Operating Surplus / (Deficit)	(3,715)	2,490	2,894	381	0	2,050	112	5,632
Operating Margin	(3.2%)	16.0%	15.3%	11.0%	0.0%	1.2%	0.1%	3.8%

Table 14: AP2013 - Recurrent Summary

Description	AP2013	AP2012
INCOME		
Government Grants	47,946	47,946
Tuition Fees	27,853	24,480
Development Assistance	20,022	16,020
Development Assistance unfunded	3,600	
Consultancy Income		100
Other Income	3,240	4,273
Contribution to Recurrent Fund	6,885	5,399
Release of Deferred Revenue	5,108	5,630
Interest Income	1,200	1,500
TOTAL INCOME	115,854	105,348
EXPENDITURE		
<i>Faculties:</i> Arts & Law	8,996	8,164
Business & Economics	10,886	11,825
Science, Technology & Environment	12,377	11,597
Sub-Total: Faculties	32,259	31,585
Sub-Total: Strategic Supports	1,395	847
Sub-Total: Regional Campuses	11,661	11,799
<i>Academic Support Services</i>		
CFDL	2,294	2,336
Information Technology Services	7,327	6,879
ICT Centre	1,054	1,058
Library	4,668	4,692
Sub-Total: Academic Support	15,343	14,965
<i>Administration Support</i>		
Vice-Chancellor	4,038	4,135
DVC (Admin & RC)	492	517
DVC (LTSS)	5,623	5,699
PVC (Research & International)	3,019	3,059
PVC (Planning & Quality)	6,105	5,874
EDHR	4,313	4,224
EDF	4,217	4,238
Sub-Total: Administration	27,806	27,747
Sub-Total: Other Budgets	31,107	17,748
TOTAL EXPENDITURE	119,570	104,690
OPERATING I&E SURPLUS/(DEFICIT)	(3,715)	658

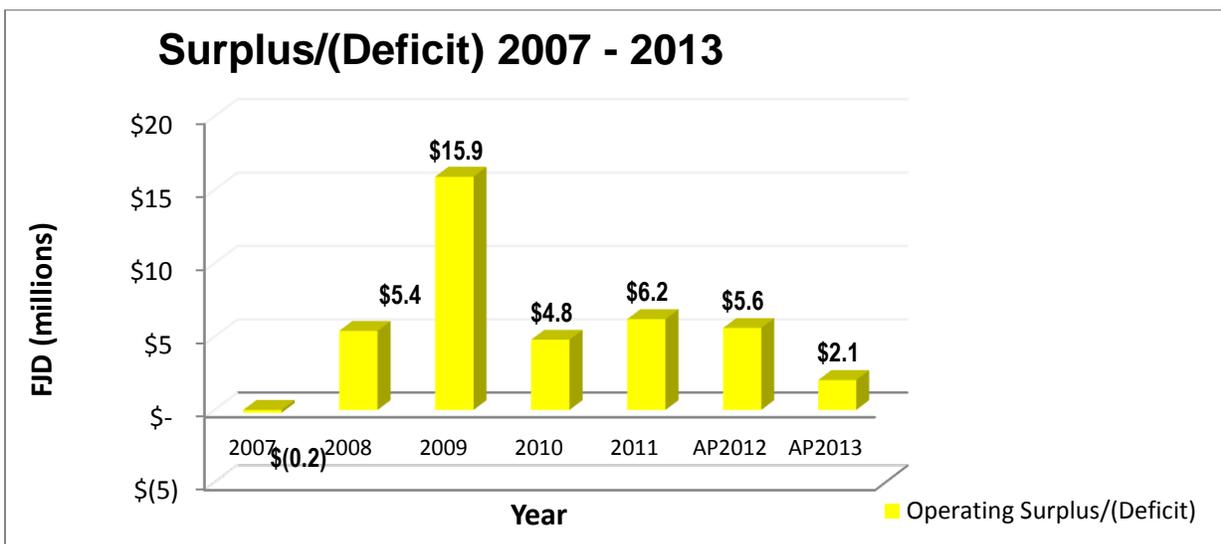
6.4 **Annual Plan 2013 - Surplus from Operations:** The proposed annual Plan for 2013 is projecting a surplus from normal operations of \$2.050m or \$1.928k better than the FP2012 target of \$0.112m. Figure 1 below shows that USP's financial performance (operating surplus as a percentage of income) has been improving over the last 5 years compared to other universities. The lower target surplus for AP2013 was approved by Council in the Financial Plan 2013-2018 to allow the University to invest into initiatives that will transform the University from good to excellent.

Figure 1: USP Financial Performance Ratios Vs Comparable Universities



Figure 2 below shows the operating surplus trend for the University from 2007 to target 2013.

Figure 2 Operating Surplus/(Deficit) for 2007 to AP2013



6.5 **Income:** The Annual Plan 2013 is projecting an income of \$172.8m, an increase of \$33.6m or 22% compared to the Annual Plan 2012 figure of \$149.2m. The major reasons for income variances compared to the 2012 planned level are as follows:

- \$3.248m increase in student tuition fees due to 5% general increase in fees to be effective from 2013 and increase in enrolments due to current marketing efforts and expected increase in post graduate, professional programme enrolments, combined with increase in higher fee paying students (third country students through increase in AusAid and EU climate change scholarships) and international students.
- \$3.579m expected from increased Development Assistance in 2013 based on FP2013 projections and AusAID doubling their support for 2013.
- \$5.4m unfunded development assistance funds to be sourced from development partners to fund the initiative costs contained in the strategic plan.
- \$1.421m from increased consultancies expected in 2013 in line with centralized consultancies under the Director Commercial.
- \$2.5m increase in trading activities, mainly from additional revenue expected from new Book Centre computer shop operations.
- \$1.2m increase in other income, largely from enhanced targets for department funds and institutes, which constitutes of income from sources like ITS domain registration, hire of DFL facilities, and RCCCE professional development programmes.
- Offset by a small reduction in interest income of \$300k in line with reduction in interest rates in the market.
- Figures 3 to 5 below bring out total USP income and its components respectively, for 2007 to 2012 period.

Figure 3: Total Income for 2007 to AP2013

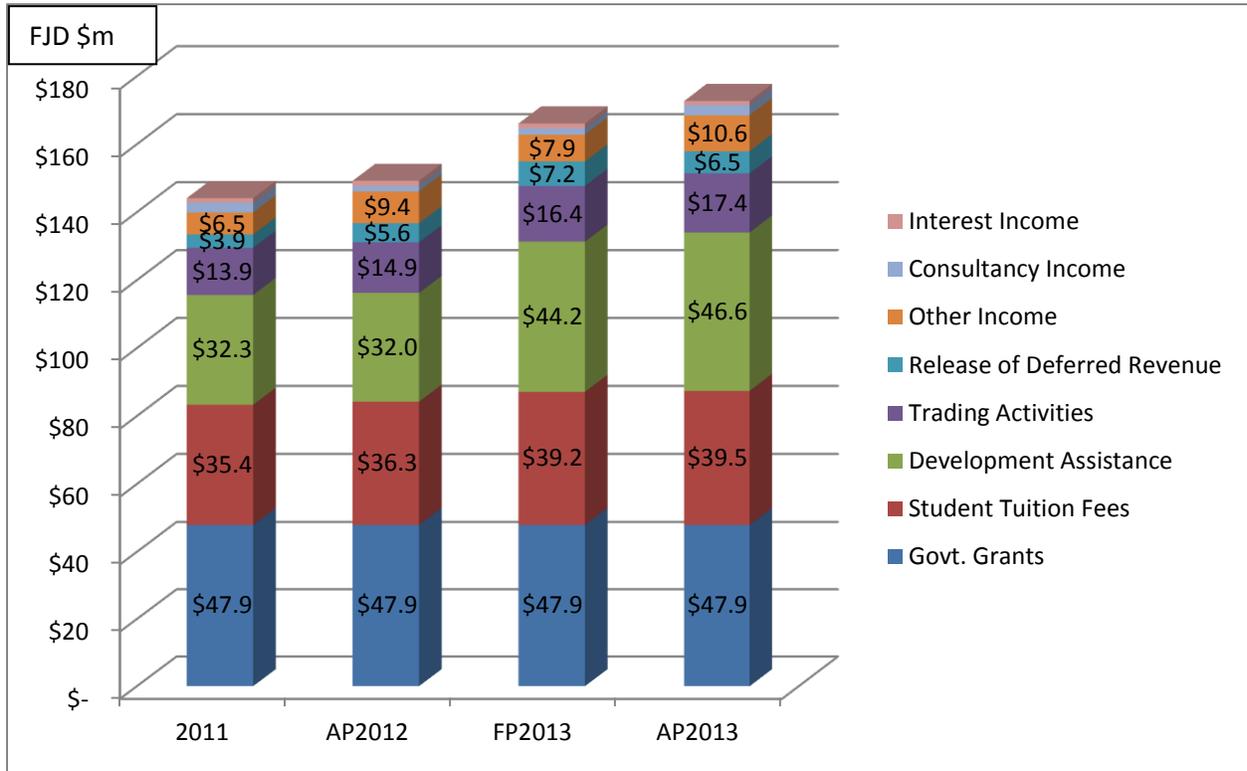
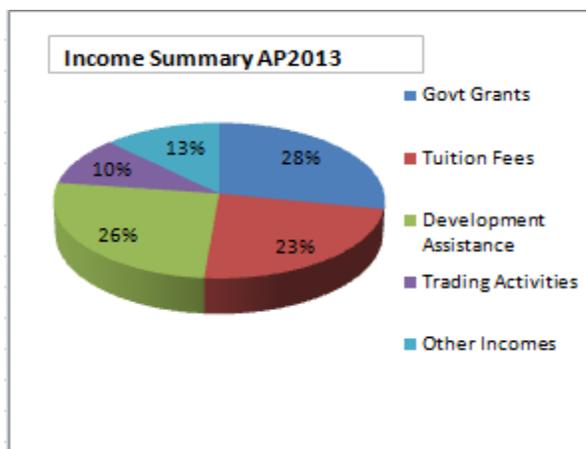
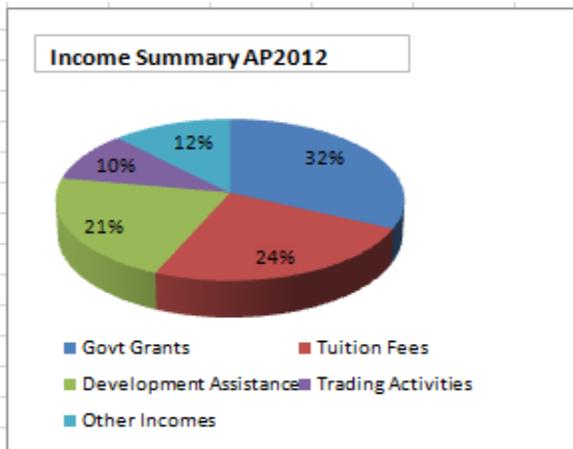


Figure 4 Income Summary AP 2012 Figure 5 Income Summary AP 2013



- 6.6 **Expenditure:** Total expenditure projected for 2013 is \$170.7m, compared to \$143.5m for AP2012, an increase of \$27.2m or 19%.
- 6.7 Salary expenses are projected to be \$78.6m, compared against \$66.8m in AP2012, an increase of \$11.8m or 18%.
- 6.8 Non salary expenses are projected to be \$92.1m, when compared against the AP2012 figure of \$76.7m, an increase by \$15.4m or 20%.
- 6.9 The major assumptions and variances on expenditure items are as follows:
- \$11.2m increase in salary expenses is mainly coming from:
 - a. \$1.3m increase in faculty's pay budget to support increase in student numbers of which \$600k held for additional targeted staffing.
 - b. \$5.4m as contingency for salary adjustments.
 - c. Additional \$0.2m for sabbatical leave under HR.
 - d. \$4.9m attributed to appointment of positions in various areas as per current structure and to meet Strategic Plan priorities.
 - e. Offset by a reduction in restructure provision by \$200k.

 - The \$15.5m increase in general expenses is largely due to:
 - a. Additional \$1.4m allocated for Strategic Plan non-pay expenses earmarked to fund initiatives to transform the University.
 - b. \$2.0m costs of goods sold for new computer shop.
 - c. Additional \$0.5m for ICT developments and bandwidth requirements to enhance delivery in the regions.
 - d. Additional \$0.3m for accreditations.
 - e. Additional \$3.5m for depreciation due to increase based on June 2012 actual.
 - f. Additional allocation of \$7.5m for Strategic Plan unfunded expenses. As per UGC submissions, these funds will only be spent if funds are received to fund these initiatives.
 - g. Enhance VC contingency by \$0.25m to \$1m.
 - h. \$0.2m for Fringe benefit tax.
 - i. \$0.5m additional funds to allocate towards strategic plan initiatives.
 - j. \$0.1m for review of the Law Programme.
 - k. The above increases were offset by savings in travel of \$0.6m to be generated by better travel planning and scrutiny and a further \$0.1m from workshop and retreat costs as management seeks to control this cost element more in 2013. The Budget Efficiency Committee will pursue other cost savings initiatives during the year.

6.10 Figures 6 to 8 below shows total USP expenditure and its components respectively, for 2012 to 2013 period.

Figure 6 – Total Expenditure 2012 to AP 2013

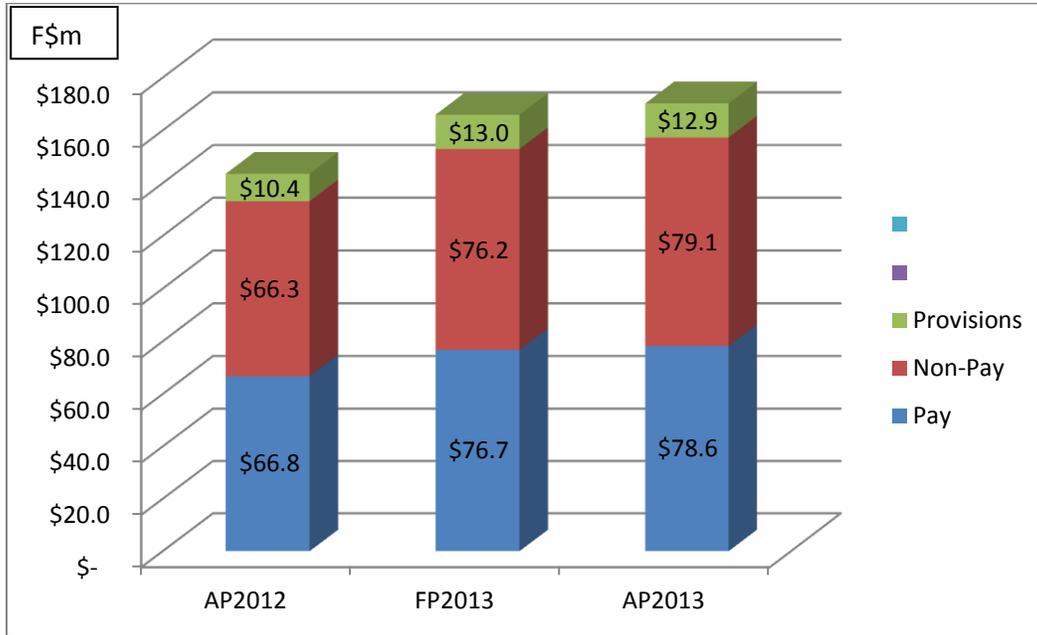


Figure 7 Expenditure Summary AP2012

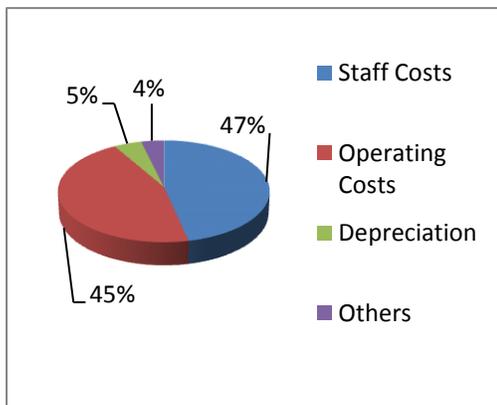


Figure 8 Expenditure for AP2013

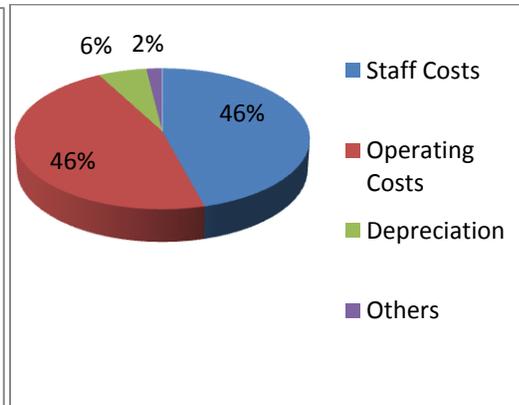
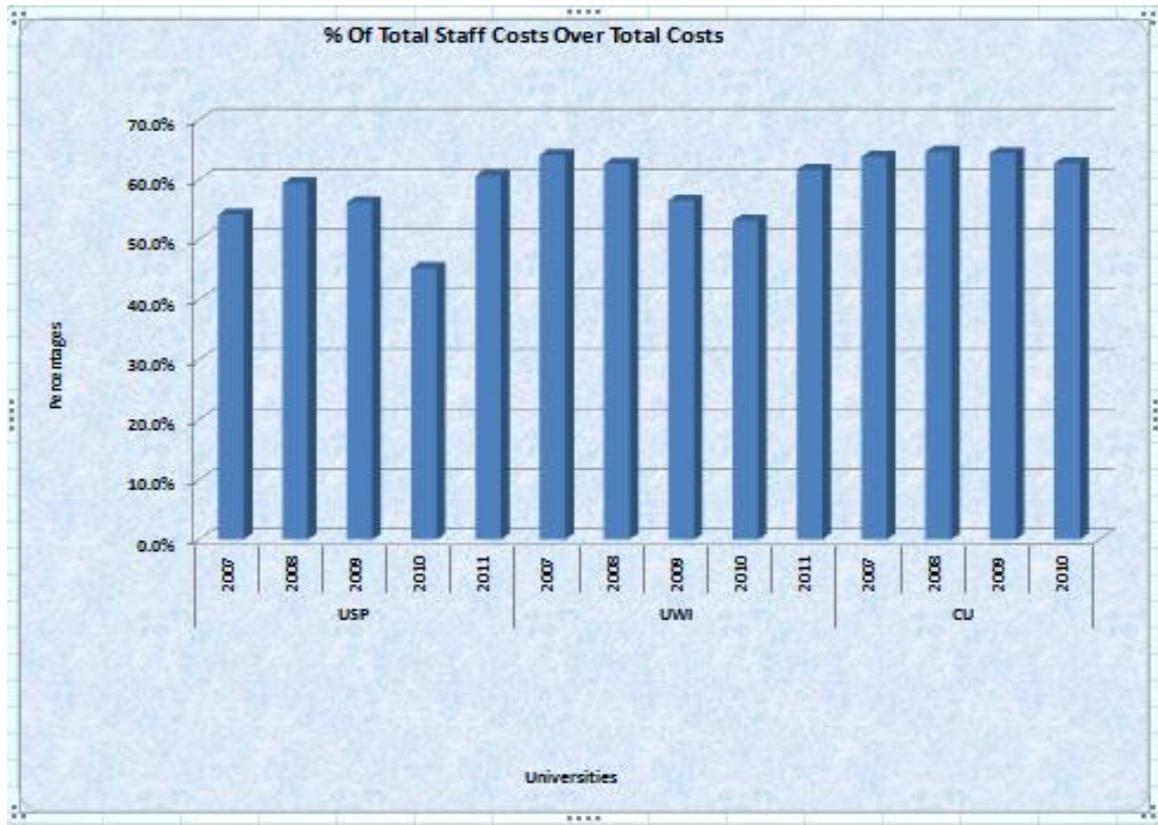


Figure 9 below compares USP staff costs over total costs against other Universities and shows that it is almost the same with the University of West Indies (UWI).

Figure 9: Total Staff Costs as % of Total Costs - Comparisons against Other Universities



6.11 **Funding the Priority Areas** - Under the Financial Plan for 2013, the University has set aside \$5.48m from its own resources to invest into strategic plan initiatives. A further \$3.6m is funded by AusAID, with an additional \$13.6m is already approved through ADB borrowing (\$4.6m first drawdown for Kiribati campus and balance awaiting ADB conditions to be met) and a further \$22.3m is budgeted for but to be sourced from development partners. Table 15 below shows the breakdown of funding sources by Priority Area.

Table 15: Funding Sources of Costs of SP Initiatives for 2013 by Priority Area

Descriptions	Priority 1 (\$'000)	Priority 2 (\$'000)	Priority 3 (\$'000)	Priority 4 (\$'000)	Priority 5 (\$'000)	Priority 6 (\$'000)	Priority 7 (\$'000)	Totals (\$'000)
University Funds	0	0	1,255	610	1,070	830	1,715	5,480
Borrowing	712	0	0	520	12,390	0	0	13,622
Dev Assist – Funded	1,255	875	770	700				3,600
Dev Assist- Unfunded	3,422	5,650	3,300	2,800	7,100	0	0	22,272
Totals	5,389	6,525	5,325	4,630	20,560	830	1,715	44,974

The major funding for the plans under each Priority Area to meet the objectives as detailed in Section 4 is provided below.

Funding for Priority Area 1 – Learning and Teaching

The University will speed up the delivery of flexible and on line courses and programmes in 2013 with a commitment to allocate the first \$1m from AusAid incentives fund to outsource these developments. Further funds will be allocated for tablets and development of online learning resources and \$0.3m under capex to trial smart classrooms.

Implementation of STAR will roll out in 2013 with \$0.5m already provided as support costs from recurrent resources and further resources (budget of \$0.6m) is allocated under the AusAid incentives fund to implement the recommendations of STAR with key focus on first year supports and improving English proficiency and numeracy skills.

Fund of \$0.12m is also made available to resource the new Career and Advisory Centre to enhance work placement opportunities, \$0.25m for science teaching and \$0.2m to enhance learning resources in campuses.

The strategic plan budgeted \$2.5m to improve, configure and add learning spaces to align to new technologies and pedagogies. These will proceed when development assistance funding is received for this purpose.

Funding for Priority Area 2 – Student Support

Student success remains a priority for 2013, with an allocation of \$0.5m. Improving student support services has been boosted with additional \$0.6m allocated to DVC/LTSS to ensure appropriate staffing level at Student Academic Services and Campus Life (Counseling Centre, Placement Centre and Student Activities), including an additional \$0.15m for Pacific Academic Excellence Awards.

An additional fund of \$0.16m is allocated for widening participation including disability initiatives and plans, \$0.35m to improve security in all campuses, \$0.2m to improve post graduate learning resources in regional campuses, and a further \$0.5m for SAS student service enhancements.

Funding for Priority Area 3 – Research and International

There is a commitment to increase quality and impact of research by allocating \$0.8m new fund under the strategic plan to develop the remaining research clusters and further implement all research clusters, support the development of early career researchers, recognize and reward research active staff, effectively communicate research achievements regionally and internationally and establish a Pacific Research Council to guide priorities in regional research. Additional \$0.15m is provided to improve PG facilities and extend international student programmes in regional campuses, a further \$0.25m to support the development of the USP Press, and another \$0.2m to establish a Pacific Centre for Economic Policy and Modeling.

Research funding from recurrent sources remain at \$3m in 2013 and new positions for research fellows will be funded from external research funds. Strategic Funds and those to be sourced from AUsAid under its research strategy will seek to implement the focal areas of excellence, especially in Pacific Arts & Culture and Marine Studies.

Funding for Priority Area 4 – Information & Technology

To enhance delivery to the region, the University needs to leverage its ICT capacity and has allocated \$0.45m in the strategic plan to support these initiatives with an additional \$1.0m allocated from AusAid Incentives Fund to improve bandwidth. AusAID has allocated F\$3.9m to fund the banner roadmap. Further funds are being sought through development partners to establish a knowledge hub.

The University will re-allocate resources should the need arise to address and implement the recommendations of the technical review of the USPNet and IT infrastructure. A budget of \$2.5m was made for 2013 to expand USPnet into a knowledge network in the region and this project will proceed should development assistance funds are received for this purpose.

Funding for Priority Area 5 – Regional Community & Engagement

Additional funds of \$1.5m were allocated in 2011 to increase support for regional campuses and these have been maintained each year with total budget of \$11.7m for regional campus support. Additional funds of \$0.7m was provided in the strategic plan cost to increase support for Small Island States, increase marketing, enhance public policy engagements, and commence process to rationalize RCCCE, CFS and TVET.

2013 plans to complete the development of the new campus in Kiribati through the ADB loan. Indications are positive in the Solomon Islands on the provision of land and guarantee in order to utilize the ADB borrowing earmarked for this project. The University is also planning to complete the developments at Emalus Campus through the assistance from China. The University will pursue other development assistance opportunities to commence other regional development projects as contained in the strategic plan 2013-2018.

Funding for Priority Area 6 – Our People

The University is providing \$0.15m to develop and implement a talent development and management framework aimed at linking talent and career to the University's strategic objectives. An allocation of \$0.5m is made to implement the iperform initiative that recognizes high achievements and incentivize staff based on objectives and measurable criteria. A further \$0.18m is made available to establish an assessment centre and intensify efforts to attract, recruit and maintain excellent staff.

Funding for Priority Area 7 – Governance, Leadership, Management & Continuous Improvements

The University will strive to obtain accreditations in 2013 with an allocation of \$0.4m to commence the process. Additional \$0.3m is available under the rewards and incentives budget for accreditation purposes.

A total of \$1m is separately provided under the strategic plan to conduct the external quality audit, manage and coordinate the ADB loan projects, enhance USP's role in CROP, implement various strategies, and to review and enhance the risk management strategy of the University.

- 6.12 **Faculties' Funding Plan:** The Faculties have been funded with \$32.3m for 2013, an increase of \$0.7m or 2%, when compared against the AP2012 figure of \$31.6m. The increase is to support increase in student numbers as projected in the plan. However, another \$1.8m is made available under various centralized funds such as Rewards & Incentives for Faculties achieving and exceeding their KPIs, reinforcing the reward driven nature of AP2013. The summary is recorded in Table 16 below:

Table 16 Faculties Funding Plan

Faculty	AP2013 (\$)	AP2012 (\$)
Arts, Law and Education	9.0m	8.2m
Business and Economics	10.9m	11.0m
Science, Technology and Environment	12.4m	12.4m
Total	32.2m	31.6m

(Note: excludes Strategic Support Areas and Rewards and Incentives allocations)

- 6.13 The funding plan for the strategic support areas under the control of the Vice Chancellor / Deans is summarized in Table 17 below:

Table 17 Funding Plan for Strategic Support Areas

Strategic Plan Support Area	AP2013 (\$)	AP2012 (\$)
Oceania Centre for Arts, Culture and Pacific Studies (OCACPS)	0.385m	0.388m
PACE-SD	0.317m	0.319m
Institute of Education	0.084m	
Institute of Marine Resources	0.148m	
IRETA	0.157m	
Herbarium	0.138m	0.139m
Institute of Applied Science	0.165m	
Total	1.395m	0.846m

- 6.14 **Regional Campuses:** Regional Campuses have been provided with funding of \$11.7m, the same allocated for AP2012, in total. The \$1.5m previously allocated as strategic initiatives in 2011 has now been fully transferred to campuses to fund all their staffing and operational requirements as was the case in 2012. Additional funds will be provided in the AusAid Incentives Fund to support small island developments.
- 6.15 **Support Sections' Funding Plans:** The total funding for support sections is \$43.3m for 2013, an increase of \$0.6m, when compared against the AP2012 figure of \$42.7m as summarized in table 18 below.

Table 18 Support Section Funding Plans

Support Sections	AP2013 (\$)	AP2012 (\$)
Total Expenditure	43.3m	42.7m

- 6.16 The increase provides for \$0.5m additional budget to ITS to cater for increase in bandwidth.
- 6.17 **Non-recurrent Funds:** All other funds have been allocated budgets (both income and expenditure) in keeping with their contribution and surplus targets as outlined in the previous chapter. 2013 will be the first year of implementation of the commercialization strategy as the University seeks to grow this as its 4th source of income. The details are summarized in table 19 below.

Table 19 Other Funds Income and Expenditure

Fund	AP 2013		AP 2012	
	Income	Expenditure	Income	Expenditure
Department	\$15.6m	\$11.4m	\$13.6m	\$10.1m
Trading	\$18.9m	\$13.8m	\$14.9m	\$9.9m
Institute	\$3.5m	\$2.7m	\$3.2m	\$2.5m
Project	\$29.5m	\$26.8m	\$17.5m	\$15.9m

- 6.18 **Financial Targets as per AP2013:** If AP2013 financial targets are achieved, the comparisons against Council approved targets in FP2013 are shown in Table 20 below.

Table 20 Financial Targets for AP2013

Ratio	Formula	Approved Targets for FP2013	AP2013
Financial Surplus	$\frac{\text{Operating Surplus}}{\text{Total Income}}$	0.1%	1.2%
Cash Margin	$\frac{\text{Operating Cash Inflows}}{\text{Operating Cash Outflows}}$	100.8%	102.3%
Asset Sustainability	$\frac{\text{Capital Expenditure}}{\text{Depreciation}}$	73.7%	70.0%
Financial Liquidity	$\frac{\text{Liquid Fund} + \text{Available Borrowing}}{\text{Annual Operating Cash Outflows}}$	33.5%	37.3%

Table 21 on the next page shows the full list of ratios from 2010 to AP2013.

Table 21: Financial Ratios 2010 – AP2013

Financial Ratio	Formula	Measurement	Bench- mark	2010 Audited	2011 Audited	2012 AP	2013 FP	2013 AP
1.) Financial Performance	$\frac{\text{Operating surplus}}{\text{Total USP income}}$	Measures the level of surplus generated from income each to provide a buffer on variations on incomes and expenditures and indicates level of re-investments to meet capital needs.	5.0%	3.4%	4.3%	3.8%	0.1%	1.2%
2.) Cash Margin	$\frac{\text{Net non-project operating cash flows}}{\text{USP funded capital expenditure}}$	measures the net operating cash flow that has been generated to fund capital investments required to protect and grow its asset base.	110.0%	134.2%	58.7%	93.3%	19.4%	102.3%
3.) Asset Funding	$\frac{\text{Total net capital additions}}{\text{Total USP funded net capital additions}}$	Measures the extent to which USP relies on donor capital contributions to fund its overall capital expenditure requirements.	no bench- mark	1119.5%	248.6%	248.6%	555.1%	300.0%
4.) Asset Sustainability	$\frac{\text{Total USP funded net capital additions}}{\text{Depreciation expense}}$	Measures whether USP is investing in capital expenditure sufficient to maintain its 'stock' of assets and is assumed to be consumed or used up by the depreciation expense.	115.0%	77.9%	183.6%	107.2%	73.7%	70.0%
5.) Financial Liquidity	$\frac{\text{Total cash \& bank balance - endowment funds + unutilized overdraft limit}}{\text{Operating cash outflows}}$	Measures whether USP has sufficient cash or access to sufficient cash to meet its operating cash outflows	16.0%	41.3%	48.2%	31.1%	33.5%	37.3%
6.) Cash Availability	$\frac{(\text{Total cash \& bank balance - endowmt funds - all creditors + all debtors})}{(\text{Non-project operating cash outflow + USP funded capital cash outflows})}$	Measures whether USP has sufficient free (ie, uncommitted cash) to meet operating and capital cash outflows	no bench- mark	17.9%	12.2%	10.1%	8.2%	11.4%
7.) Debt & Borrowings	$\frac{\text{Total debt (current \& non-current)}}{\text{Total assets (net current assets and non-current assets)}}$	Measures how much of USP's assets were financed by borrowing.	20.0%				4.6%	
8.) Debt & Servicing Rpmts								
i.) Debt Servicing	$\frac{(\text{Net non-project operating cash flow - USP funded capex})}{-(\text{Interest exp + loan repayments})}$	Measures whether USP is able to generate sufficient cash to service the debt	3				(58)	
ii.) Interest Coverage	$\frac{\text{Operating Surplus + Interest Exp}}{\text{Interest Expense}}$	Measures whether USP is able to generate enough revenues to meet interest payment requirements on borrowings.	3				113	
9.) ADB Related Ratios:								
i.) Debt to Net Revenue	$\frac{(\text{Total Revenue - Prov for D/Debts}) - (\text{Total Expenses - Depreciation - Other Non-cash})}{\text{Interest Expense + Loan Repayments}}$	Measures whether USP is able to generate sufficient cash from operations to meet the interest and loan repayment requirements	3				4106	
ii.) Operating Ratio	$\frac{\text{Total Exp - Depreciation - Interest exp}}{\text{Total Revenue - Prov for D/Debts}}$	Measures cash profitability of the University that can create a buffer to repay the loan	<100%				98%	

6.17 **Cash Flow Projections:** Table 22 shows the projected cash-flow position of the University, with a net increase in cash and cash equivalents of \$0.7m, taking the projected cash balance to \$57.7m at end of December 2013.

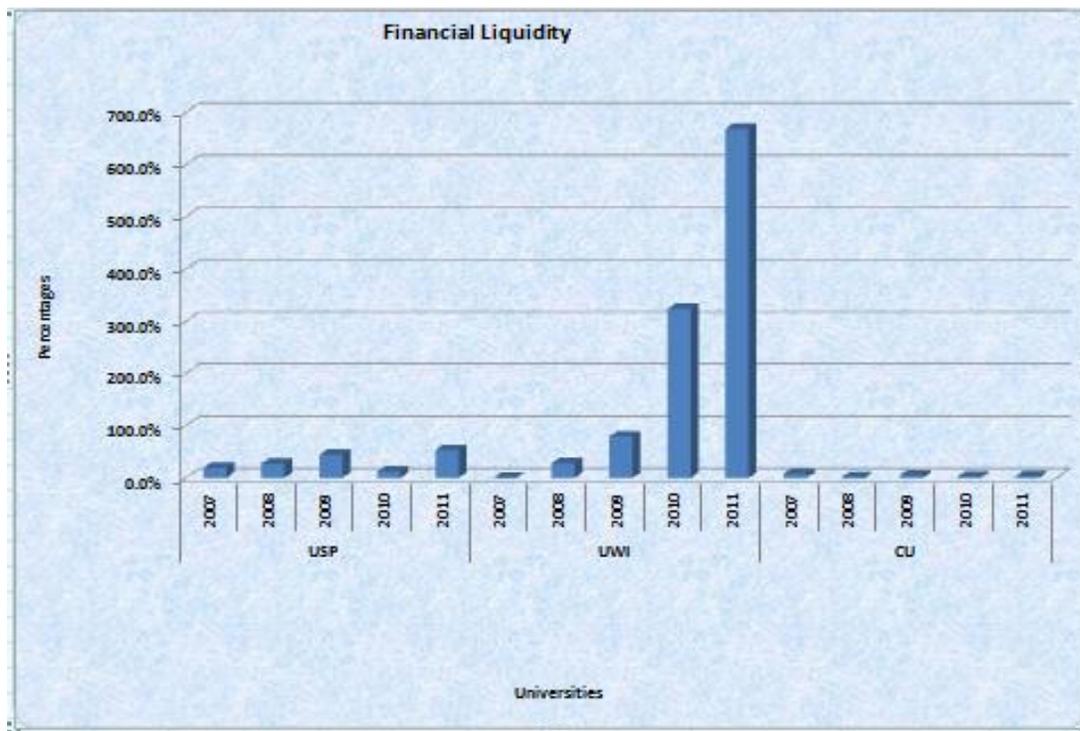
Table 22: Statement of Cash Flows

(All amounts in F\$'000)

Description	AP2012	FP2013	AP 2013
Operating Activities			
Government Contributions	47,946	47,946	47,946
Student Fees	32,312	34,295	36,912
Development Assistance	32,020	44,199	46,599
Trading Activities	14,870	16,357	17,423
Other Receipts	10,963	9,709	13,572
Interest Received	1,500	1,500	1,200
	139,610	154,007	163,653
Salaries	(66,812)	(76,739)	(78,627)
Other Expenses	(66,266)	(76,102)	(79,369)
	(133,079)	(152,841)	(157,996)
Net Cash flows from/(used in) Operating Activities	6,532	1,166	5,656
Investing Activities			
Purchase of Fixed Assets	(7,000)	(6,000)	(5,000)
Net Cash flows used in Investing Activities	(7,000)	(6,000)	(5,000)
Financing Activities			
Interest expense		(83)	
Net Cash flows used in Financing Activities		(83)	
Net Increase/(Decrease) in Cash & Cash Equivalents	(468)	(4,917)	656
Cash & Cash Equivalents at 1 January (*)	57,525	58,036	57,057
Net Increase/(Decrease) in Cash & Cash Equivalents	(468)	(4,917)	656
Cash & Cash Equivalents at 31 December	57,057	53,119	57,713
(*) Cash balance as per 2011 end \$57,525k			

- 6.18 The projected cash surplus generated from normal operating activities is \$5.7m, and after deducting \$5.0m for projected capital expenditure, a net increase in cash and cash equivalents of \$0.7m is projected.
- 6.19 Figure 10 below shows that the liquidity position (cash and available borrowings over operating cash outflow) has improved from 2007 to 2011, and is also slightly above average when compared against other universities.

[Figure 10: Financial Liquidity Comparisons against Other Universities](#)



- 6.20 **Statement of Financial Position Forecast:** Non-Cash Current Assets are estimated to be around \$13.0m, Non-Current Assets are projected to be \$205.2m, Liabilities \$222.7m, with Total Funds and Reserves totaling \$222.8m.

Table 23 shows the projected financial position of the University at 31 December 2013.

Table 23: Statement of Financial Position

(All amounts in F\$'000)

Description	Council Approved AP2012	FP 2013	AP 2013
CURRENT ASSETS			
Inventories	4,200	4,907	5,000
Accounts Receivable	6,724	4,482	7,020
Accounts Receivable - Projects	6,809	3,822	4,727
Prepayments	650	762	650
Cash and Cash Equivalents	49,157	47,307	51,713
Cash and Cash Equivalents - Endowments	7,900	5,812	6,000
Total Current Assets	75,440	67,092	75,109
NON-CURRENT ASSETS			
Property, plant and equipment	194,076	226,147	205,184
Total Non-Current Assets	194,076	226,147	205,184
TOTAL ASSETS	269,516	293,239	280,293
CURRENT LIABILITIES			
Creditors and Accruals	23,989	19,841	27,301
Bank Overdraft			
Project Funds Unexpended	18,574	22,552	24,778
Total Current Liabilities	42,563	42,393	52,079
NON-CURRENT LIABILITIES			
Creditors and Accruals	600	1,017	847
Loan – ADB		13,618	4,600
Total Non-Current Liabilities	600	14,635	5,447
TOTAL LIABILITIES	43,163	57,028	57,525
TOTAL ASSETS LESS LIABILITIES	226,353	236,211	222,767
Represented by:			
FUNDS AND RESERVES			
Statement of Income & Expenditure	57,583	55,263	60,228
Endowment Capital	7,900	6,048	6,000
Deferred Revenue Reserve	160,870	174,900	156,539
Total Funds and Reserves	226,353	236,211	222,767

6.21 The asset sustainability ratio (CAPEX/Depreciation) as shown in Table 13 was below the FIC target from 2007 to 2009 and again in 2013, largely due to budgetary constraints in the prior years. In AP2012 the new ICT Centre, part and the new students 10th Hall were part of the increased capex expenditure hence enabled the approved target to be exceeded. In AP2013 the FBE Postgraduate library is expected to be completed and fewer capex additions as compared to 2012.

6.22 Other Financing Arrangements:

- User Pay

To ensure efficiency and enforce energy and cost savings, electricity meters will be installed in each major building and user units shall be responsible for controlling consumption.

- Monthly Projections

The University will prepare month-by-month forecast of AP2013 based on the 2012 actual spread and expectations of receipts and payments. This distribution will be done in January 2013 and submitted for FIC approval at its February 2013 meeting. Upon FIC approval, the month by month Income and Expenditure Budget and Cash flow Budget will be used for monthly reporting purposes in 2013.

- Incentives Structure

Similar to 2012, the plan has set aside \$2.0m as rewards and incentives budget for 2013, that has \$1.8m earmarked for the faculties and the remaining \$0.2m for sections. Rewards shall be distributed based on SMT approved criteria being followed in 2012.

6.23 Strategic Initiatives: The following Strategic Initiatives and Provisions have been made in AP2013:

Table 24 Strategic Initiatives Provision

Fund	Purpose	Amount	Budget Controller
Strategic and Initiatives Fund	To fund any activities that meet the Strategic Plan targets not budgeted for earlier.	\$0.50m	Vice Chancellor and President
Strategic Plan Priorities	To fund new initiatives identified in 2013	\$0.50m	Vice Chancellor and President
Provision for Energy Savings	To fund initiatives to realize energy savings	\$0.20m	DVC/ARC
Contingency	For any unforeseen costs that might arise during the year.	\$1.0m	Vice Chancellor and President

7 Capital Expenditure

- 7.1 The University's Finance and Investments Committee (FIC) at its meeting on 1st October 2012 agreed to a CAPEX budget of \$3.0m for 2013. This was reduced from the projected \$6.0m as per the FP2013 in order to meet the cash reserve target by the end of 2013. A further \$2m is allocated for capex given the increase in funding from AusAID in 2013.

Additional capex will be added from development of Kiribati Campus through ADB loan, completion of Vanuatu developments through assistance from China, planned commencement of Laucala students accommodations and Lautoka Campus should the commercial loans be approved by Council, and equipments purchased through development assistance project funds.

- 7.2 For the first tranche of \$3m capex approved by FIC, the Committee approved \$0.5m for Strategic Plan capex plans, \$0.5m as contingency provision under SMT control to fund operational capex requirements and \$2m allocated for specific projects. The details are provided below.

- \$500,000 for CAPEX plans that are identified in the Strategic Plan 2013 and detailed as follows:

	\$	SMT
SP target 13.1 – Campus development plans	400,000	DVC (ARC)
SP target 6.14 – PG facilities	<u>100,000</u>	DVC (LTSS)
TOTAL	<u>\$500,000</u>	

- Similar to 2012, the SMT is given an allocation as contingency to fund all CAPEX proposals of emergent and unforeseen nature in their respective section. The approved allocation for each SMT is as follows:

VC	150,000 (2012: \$450,000) *
DVC/ARC	75,000
DVC/LTSS	50,000 (2012: \$100,000)
PVC/RI	25,000 (2012: \$30,000)
PVC/P&Q	50,000
Dean/FALE	35,000
Dean/FBE	35,000
Dean/FSTE	56,000
EDF	12,000 (2012: \$100,000)
EDHR	12,000
Total Contingency	500,000

3. \$2,000,000 has been allocated for specific projects and allocated as per Table 25 below.

Table 25: Capex Allocation to Specific Projects 2013

#	SMT	Recommending for	Approved capex (F\$'000)
1	All SMT; based on number of equivalent* staff under their charge.	Staff PCs	350
2	DVC (A&RC) - PC numbers from Director ITS.	Student PCs	300
3	VCs Office	Admin Building renovations	175
4	DVC (A&RC)	Regional Campuses	200
6.	PVC (P&Q)	OHS Related	100
7	PVC (R&I)	Office upgrade	150
		PG Facilities	200
8	Dean FSTE	Lab Equipment	200
		Smart class room	100
9	Dean FBE	Lab Equipment	25
		Smart class room	100
10	Dean FALE	Smart class room	100
	TOTAL		\$2,000

8 AusAid Incentive Proposed Allocations

AusAid Incentives allocation is expected to be around AUD \$2.5m or approx FJD\$4.5m in AP2013. This is part of the development assistance project income and only spent for specific end purpose. When received, Table 26 below shows the proposed allocations based on Strategic Priorities for 2013 financial year.

Table 26: AusAid Incentives Proposed Allocations 2013

Proposed Allocations	F\$'000
1. Course conversion	1,000
2. ICT Developments and Bandwidth	500
3. Disability Initiatives	340
4. Enhance student support through SAS facilities	500
5. Enhance First year Experience	460
6. Implement OHS Plan	300
7. Energy Efficiency	100
8. Tourism Training Restaurant	300
9. Enhance Arts & Culture	500
10. Oceanscape – Marine Resource Initiatives	200
11. Country Updates	100
12. Contingency	200
Total	4,500

9 Monitoring and Evaluation Mechanisms

- 9.1 The Senior Management Team (SMT) shall be responsible for the full implementation, monitoring and evaluation of AP 2013. The following reporting and monitoring structure will be in place as in 2012:
1. The Finance Section will prepare and distribute Monthly Management Accounts to the SMT, Heads of Schools and other Heads of Departments.
 2. The Finance Section will prepare and submit Quarterly Financial Reports to FIC.
 3. The Finance Section, through the FIC, will prepare and submit a 6-monthly report to the Council.
 4. The Finance and Planning and Quality Office will work in coordination to put together progress reports and present to SMT on a monthly basis.
 5. Monitoring through the Planning Office's online system (SPOMS).
 6. The CAPEX Progress Review Group will monitor quarterly progress of spend against capital budgets.
 7. The progress will be reported to the FIC and Council continuously throughout 2013.
- 9.2 In addition, there will be greater focus on analysis of financial information, particularly variances, rather than the mere reporting of data.

10 Risk Management

- 10.1 USP recognizes the importance of risk management and strongly believes that risks must be managed on an enterprise-wide basis and must be independent.
- 10.2 The University considers risk management as a comprehensive process integrating concepts of strategic planning, operations management and internal control. There are 59 risks to the University. In terms of functions, risks are divided between Strategic (13), Operations (33) and Financial (13).
- 10.3 The first draft of the risk register has already undergone reviews with SMT, Audit and Risk Committee and Council. Particular emphasis is being placed on addressing the top 13 risks (Extreme Residual) viewed as likely to prevent the University from achieving its SP objectives.
- 10.4 Management considers the following financial risks to be key in achieving the 2013 financial targets.

Table 27: Risk to Financial Targets

No.	What is the Risk?	Likely Financial Impact	How can Risk be Minimised/Reduced?
1	Ability of Governments to honour their grants commitments	Will affect cash flows.	Appropriate engagement with member countries.
2	Reduction in enrolments	Will reduce income.	Complete coordination of marketing efforts.
3	Change in Government Policy eg tax on educational materials	Will increase costs and increase costs of text books for students.	Continued consultation with the member governments and other stakeholders.
4	Increase in tariffs	Will increase costs.	Continued consultation with the governments, FEA and other service providers.
5	Inflation	Will increase costs.	Obtain value for money for every dollar spent.
6	Under-performance of Key Trading Areas and Institutes	Will reduce income by reduced contribution to recurrent fund. Deficits will worsen overall USP bottom line.	All trading funds and institutes to be monitored regularly and corrective action identified and implemented.
7	Loss of Quality Staff	SP initiatives not achieved and development assistance funding reduced.	Ensure staff job satisfaction and institutionalize appropriate succession planning methods.

Appendix 1: Progress of the Strategic Plan 2010-2012 Targets and KPIs as at 1 September 2012

PRIORITY AREA	KEY TARGETS	COMMENTS ON PROGRESS WITH AND ABILITY TO ACHIEVE TARGETS
<p>Learning and Teaching</p>	<ul style="list-style-type: none"> • Learning and Teaching Policy and Plan • Japan-Pacific ICT Centre: 2010 • Review of Academic Portfolio completed: 2011 • Four new courses at undergraduate level (refer to Strategy 2.2) to be operational by 2011 • 50% increase in number/percentage of courses to be implemented through <i>Moodle</i> by 2012 	<ul style="list-style-type: none"> • The Learning and Teaching Policy which was approved by the Senate at its 29th September 2010 meeting is now available online. The Learning and Teaching Plan is now complete and was approved by Senate. • The ICT Centre is now operational with the second phase of the project completed in November, 2011. A replacement Director for the ICT Centre is in office. • This is a work in progress. Nine Working groups were formed to work on particular components of STAR and a Management Retreat in September, 2011 considered progress. A STAR Project Office has been established and is fully staffed. Over 100 courses were deleted in 2011 and a credit framework was approved by Senate in 2012. • The courses were introduced in phases. In Semester 1, 2010 the English for Academic Purposes UU114 course was introduced at the 100-level. The second course, on Communications and Information Literacy (UU100), commenced in Semester 2, 2010, and the last two remaining courses, UU200: Ethics and Governance and UU204: Pacific Worlds are now being offered in 2012. • At the end of 2011, 482 of 570 courses utilised Moodle, equalling 85% of all courses. The latest update as of June 2012 by faculty is as follows: <ul style="list-style-type: none"> FALE – 67% FBE – 92% FSTE – 90% Overall – 85% The above statistics are for UG and PG courses only and excludes CFS, 600, 700, 800 and 900 courses.

PRIORITY AREA	KEY TARGETS	COMMENTS ON PROGRESS WITH AND ABILITY TO ACHIEVE TARGETS
<p>Student Support</p>	<ul style="list-style-type: none"> • Student Charter to be fully implemented by 2010 • An increase in the number of student accommodation – additional 100 beds by 2011 • Graduate Destination Survey (GDS) operational by 2010 • Careers Advisory Services to be established by 2011 • 20% improvement in student to computer ratio by 2012 	<ul style="list-style-type: none"> • The Student Charter was approved by Senate and Council in May, 2011. • The new 10th Hall of residence was opened by the Prime Minister of Fiji, Honorable Commodore Josaia Voreqe Bainimarama on 24 November, 2011. The new facility comprises six buildings, each with three floors and accommodates 144 students. Each floor consists of an eight-bedroom multi-share facility and has its own showers, hot water, bathroom, toilets, washing machine, kitchen and cooking facilities. The facility is fully let. • The GDS was reinstated in 2010 at both graduation ceremonies. The survey was also conducted for the April and September, 2011 graduations. A 63% response rate was recorded for the April graduation. For the September, 2011 graduation a 71% response rate was recorded and the report is now complete. Benchmark data is being obtained and a longitudinal survey has now been completed based on the two year trend. The GDS survey was also conducted for those who completed their studies in Semester II of 2011 and the response rate was 65%. The draft report was circulated to SMT. • This will be completed by the end of 2012 and to be operational from 2013. • The ratio of the number of students to a computer has improved to 1 computer per 6 EFTS, with specific laboratories at a ratio of 1 computer per 5 EFTS.

PRIORITY AREA	KEY TARGETS	COMMENTS ON PROGRESS WITH AND ABILITY TO ACHIEVE TARGETS
Research, Graduate Affairs and Innovation	<ul style="list-style-type: none"> • Research clusters to be operational by end of 2010 • Increase the number of PhD students to 40 EFTS by 2012 • Increase the number of research-active professors to 20 by 2012 • Increase internal research allocation by 25% each year to 2012 • Increase external research income by 25% each year by 2012 	<ul style="list-style-type: none"> • Six Research Clusters have been identified. The clusters modus operandi has been formulated and will be governed by a Research Cluster Project Implementation Group (RCPIG). The PVC(R&I) joined the University in April 2012 and spearheading the initiatives and activities of research. • The enrolments for PhD in 2011 was 42 EFTS, and currently at 51 EFTS, a growth of 20% to date. • With new appointments recently made, there are now 28 Professors in the University. There are also 4 Directors of Professorial rank and several adjunct professors. There are also two Professors in the Vice-Chancellor's Office. This target therefore has been exceeded. • Internal research funding has increased from \$0.5m to \$1.0m in 2010. This has further increased to \$1.05 million for 2012 with \$0.45m going to internal research and \$0.6m to the Research Clusters. • The external research income of \$600,000 is now being allocated to the six cluster areas.
Regional and Community Engagement and Internationalisation Regional and	<ul style="list-style-type: none"> • At least 3 member countries visited by a member of the senior management each year 	<ul style="list-style-type: none"> • The Vice-Chancellor visited the following member countries in 2010 and 2011: Vanuatu, Samoa, Solomon Islands, Tonga, the Cook Islands, Tuvalu and Niue. He visited Tonga in January 2011 and Emalus Campus in March this year to celebrate the Pacific Islands Forum 40th Anniversary and Vanuatu and Samoa at the end of 2011. He also visited Tonga Campus, the Alafua Campus, Kiribati Campus, Emalus Campus and the Lautoka Campus in 2010 and Tonga again in 2012 for the ceremonies marking the passing of late King George Tupou V. The DVC (ARC) also visited the Emalus Campus in March, 2011 and Tuvalu in June 2011. Visits to Campuses were also made by the Faculty Deans.

PRIORITY AREA	KEY TARGETS	COMMENTS ON PROGRESS WITH AND ABILITY TO ACHIEVE TARGETS
<p>Community Engagement and Internationalisation</p>	<ul style="list-style-type: none"> • Infrastructure development implemented in 3 regional campuses by 2011 • 25% increase of international students by 2012 	<ul style="list-style-type: none"> • The Director Property and Facilities visited 2 regional campuses- Solomon Islands, Kiribati in 2011 with the Asian Development Bank (ADB) team to evaluate campus physical development and improvement. The Government of the Peoples' Republic of China (PRC) is providing some funds towards the development of the Emalus Campus. Campus design for Lautoka has also been done. In February and March, 2012 the Director P&F also went on Site Visit inspections of the Cook Islands Campus. • USP International (USPI) was fully established in 2010. In the first semester of 2010, the increase in international students was 20% from the same time in 2009. A new Strategic Plan has been put in place by the PVC (P&Q) as interim SMT (pending the replacement of the PVC (R&I). Target KPI is back on track in 2011 with an anticipated enrolment of 267 international headcounts by the end of 2011. International student numbers for 2011 were just short of the goal with a total enrolment of 264, a 9% increase over the baseline year. 2012 is expected to meet planned enrolments. • During 2011, USP International partnered with the faculties to attend four student recruitment fairs in Canada, China and India. Semester 1, 2012 is looking to be a very promising year, with the University's largest cohort of new international students with approximately 92 new international students this semester. In 2011, the University has also seen an increase in international student PhD applications and an increase in the number of applications from countries such as India, China and Korea.

PRIORITY AREA	KEY TARGETS	COMMENTS ON PROGRESS WITH AND ABILITY TO ACHIEVE TARGETS
Human Resources	<ul style="list-style-type: none"> • Vice-Chancellor's Forum by 2010 • Workload Model to be in place by end of 2010 • Human Resources Strategy and Plan implemented by 2011 • Increase in the number of PhD staff at lecturer level and above by 2012 	<ul style="list-style-type: none"> • The University hosted the fourth annual Vice-Chancellor's Forum on Learning and Teaching at its USP Laucala Campus in Suva, Fiji Islands in September 2012. • Each Faculty has a workload system in place. The post AUQA review of the 2008 audit (in June, 2008), however, highlighted the need for a more comprehensive institution-wide workload model. A Guideline to Academic Workload Model drafted by the three Deans and supported by the Pro Vice-Chancellor (Planning & Quality) and the Executive Director HR is now approved by the Senior Management Team and is being piloted in the Faculties. • This is now complete and presented to the Senior Management Team and being piloted in 2012. • As of 1 September 2012, the Doctoral Qualifications of academic staff at lecturer level and above by faculty is as follows: FALE – 54% FBE – 69% FSTE - 68%
Governance, Management and Continuous Improvement	<ul style="list-style-type: none"> • Review of Council governance, structures and roles completed by 2010 • Integrated Management Cycle encompassing planning, budgeting, review and audit operational by 2010 	<ul style="list-style-type: none"> • This was reported to Council in May 2010 and the new management structure is embedding well. • Identification of KPIs and targets of SMT members have been conducted and disseminated. The P&Q Office has created a Strategic Plan Online Monitoring tracking System (SPOMS) with traffic light indicators that is now “live” online. Training has taken place for over 50 managers and staff. The 3rd Strategic Planning Workshop for the SMT and HOS was completed in September, 2011 with another follow up retreat to be done from 16-18 March, 2012 to undertake planning for the Strategic Plan 2013-2018. The main agenda of

PRIORITY AREA	KEY TARGETS	COMMENTS ON PROGRESS WITH AND ABILITY TO ACHIEVE TARGETS
<p>Governance, Management and Continuous Improvement</p>	<ul style="list-style-type: none"> • Formal implementation of External Quality Audit review completed by end of 2011 • Risk Management Plan Developed by 2011 	<p>this workshop was the presentation of the 2013-2018 Strategic Plan initiatives. Another audit on the Strategic Plan has been conducted by our internal auditors (KPMG) in April 2012. SPOMS results of the current Strategic Plan now show 80% achievement at 29 May 2012.</p> <ul style="list-style-type: none"> • A progress report made by the AUQA Auditor Professor Robyn Quin was made to Council in November, 2010. Affirmations and recommendations arising from the Quin Report are now almost closed and a report on progress against them was presented separately to the May, 2011 Council. • The University is on track for the next international academic audit in 2013. • A Risk and Insurance Unit was created in February 2009. The University has developed its Risk Mitigation Plan and Risk Management Policy approved by the Council in 2010. • The University now has a Risk Register where 53 risks have been identified and this includes the top 11 risks. Assessment of the University's risk is being continuously monitored by the Risk and Insurance Unit which is responsible for administering risk management and insurance programme in compliance with the University policies, procedures and member country legislations. This target is now achieved.