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## **STANDING COMMITTEE ON SOCIAL AFFAIRS**

### **Review of Fiji National Provident Fund Annual Report 2022**



**PARLIAMENT OF THE REPUBLIC OF FIJI**  
**Parliamentary Paper No. 134 of 2023**

*November 2023*

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## CHAIRPERSON'S FOREWORD

I am pleased to present the report of the Standing Committee on Social Affairs on the annual review of *Fiji National Provident Fund Annual Report 2022*. This review was undertaken in accordance with SO 109 (2) (b) which mandates the committee to look into issues related to health, education, social services, labour, culture and media.

The Standing Committee on Social Affairs was referred the *Fiji National Provident Fund Annual Report 2022* on 17 February 2023. As per the normal process for report scrutiny, the Committee was mandated by Parliament to review the annual report and report back on its findings.

The standing committee would like to commend the work carried out by Fiji National Provident Fund (FNPF) for the financial year 2022. The committee noted the achievement of \$8.7 billion of total assets as at financial year 2022. The contribution to the achievement is detailed below:

- a) The net income of \$650.8 million as compared to \$543.5 million in the year 2021;
- b) General Reserve stands at \$1.7 billion;
- c) Members fund is at \$6.7 billion;
- d) Total contribution received from employers for the employees is at \$395.2 million; and
- e) The credited amount of \$370.3 million as interest to members' accounts.

Despite the challenging environment, FNPF continues to support its members, increase investment portfolios and upgrading its system to ensure that operations continue to serve its customers to the highest level without complications.

In addition to the above, the Standing Committee undertook a site visit to inquire further to the investment made by FNPF on the refurbishment of Sheraton Resort, the completion of the Nadi FNPF Retail Complex and the opening of Ba Aspen Hospital which was highlighted in the FNPF annual report for the year 2022.

To commend the work and assisting the committee in its review process, it extends its gratitude to the Acting Chief Executive Officer (A/CEO) of FNPF who appeared at the time of the public submission, Mr. Pravinesh Singh and his staff for their timely assistance, and I would also like to thank the Standing Committee on Social Affairs, Hon. Ratu Rakuita Vakalalabure, Hon. Sashi Kiran, Hon. Parveen Bala and Hon. Viam Pillay for their valuable input and support. My deepest appreciation to Hon. Ketan Lal and Hon. Tomasi Tunabuna for alternating on certain occasions.

On behalf of the Standing Committee on Social Affairs, I commend this Report to Parliament and request all members of this August House to take note of the Report.



.....  
**Hon. Alitia Bainivalu**  
**Chairperson**

## ACRONYM

Acronym	
A/CEO	Acting Chief Executive Officer
ESG	Environment, Social and Governance
FNPF	Fiji National Provident Fund
MP	Member of Parliament
Pte Ltd	Private Limited
PPP	Private Public Partnership
RIF	Retirement Income Fund
SDB	Special Death Benefit
SO	Standing Order

## COMMITTEE REMIT AND MEMBERS

The Standing Committee on Social Affairs (‘Committee’) is established under Section 70 of the Constitution and Standing Order (SO) 109. The Committee’s mandate and functions are provided under SO 109 (2) and 110 (1) (a)-(d) & (f). The Committee consist of the following members:



### **Chairperson**

Hon. Alitia Bainivalu, MP  
Government Member

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### **Deputy Chairperson**

Hon. Ratu Rakuira Vakalalabure, MP  
Government Member

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### **Member**

Hon. Sashi Kiran, MP  
Government Member

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### **Member**

Hon. Viam Pillay, MP  
Opposition Member

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### **Member**

Hon. Parveen Kumar Bala, MP  
Opposition Member

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# RECOMMENDATION

The Standing Committee on Social Affairs has conducted the review of the *Fiji National Provident Fund Annual Report 2022* and recommends that Parliament take note of this report.

## 1. INTRODUCTION

The Standing Committee on Social Affairs ('Committee') was referred the *Fiji National Provident Fund Annual Report 2022* on 17 February 2023 as pursuant to SO 38 (2). Therefore, the Standing Committee was referred to review the annual report as pursuant to its mandate as stipulated in SO 110 (1) (c).

### 1.1. Committee Procedure

The standing committee reviewed the annual report through its committee meeting deliberation and formulated questions pertaining to the *Fiji National Provident Fund Annual Report 2022* were undertaken. Hence, the executive management from FNPF presented on the responses.

The responses and any supporting documents is available on the Parliament website, at the following link: <https://www.parliament.gov.fj/committees/standing-committee-on-social-affairs/>

## 2. FIJI NATIONAL PROVIDENT FUND (FNPF)

### 2.1. Background

FNPF is a defined contribution fund that provides superannuation services to its members. The operations of the fund is guided by the FNPF Act 2011. The fund collects compulsory contributions from employee and employers towards the retirement savings of all workers in Fiji. It also provides pre-retirement benefits such as housing, medical, unemployment, education assistance and funeral.

In addition, the fund is also known to be the major investor in Fiji and is one of the country's largest property owner. It also owns majority shares in Amalgamated Telecom Holdings Pte Ltd, Home Finance Company Pte Ltd, and fully-owns the Intercontinental Fiji Golf Resort and Spa, Natadola Bay Championship Golf Course, Yatule Resort and Spa at Natadola Beach, Holiday Inn Suva, Fiji Marriott Resort Momi Bay, Sheraton Fiji Resort, The Westin Resort, Denarau Golf and Racquet Club and the Grand Pacific Hotel.

## 2.2. Achievements

The Fund achieved \$8.7 billion of assets in the financial year 2022:

- a. Net Income of \$650.8 million;
- b. A general reserve of \$1.7 billion;
- c. Member fund of \$6.7 billion (excluding RIF and SDB) ;
- d. Total contribution received from employers for the employees is at \$395.2 million;
- e. Interest credited at 6% amounting to \$370.3 million; and
- f. Net Increase in net assets (available for allocation) amounting to \$600.5 million.

## 2.3. Highlights

The benefits of \$467 million paid out to members during the financial year 2022 were for;

- a. Early retirement withdrawal equated to \$64.4 million;
- b. Housing withdrawals was \$78.5 million;
- c. Retirement at the age of 55 years and members chose to retire beyond 55 years, the withdrawal amounting to \$209.8 million;
- d. Withdrawal under death ground was \$48.3 million;
- e. Withdrawal under disability was \$5.6 million;
- f. Migration assistance \$42.9 million; and
- g. Small Accounts including low balance account amounting to \$17.5 million.

Further to the above, the fund managed to register a total of 398,593<sup>1</sup> members for the year 2022. Compulsory Members totalling up to 214,536 with 41% females and 59% males. As for voluntary members a total of 12,242 members with 55% of females and 45% males. However, 171,815 are registered members but did not contribute in the 2022 financial year.

## 3. KEY FINDINGS

The committee through its deliberation, formulated the following findings:

- 3.1. The participation in Environmental, Social and Governance (ESG) investments by FNPF through Public Private Partnership (PPP);
- 3.2. FNPF is working on a scheme accessible for voluntary members in the informal sector. This will ensure that when retiring from being farmers or market vendors they have saved for Life after Retirement;
- 3.3. It is still a challenge for FNPF to pursue the substantial number of inactive members; and

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<sup>1</sup> Fiji National Provident Fund Annual Report 2022



- 3.4. Awareness programmes conducted in tertiary institutions and secondary schools.

## **4. COMMITTEE’S RECOMMENDATIONS**

The committee recommends that FNPF:

- 4.1. To continue and build on the participation in Environmental, Social and Governance (ESG) investments by FNPF through Public Private Partnership (PPP);
- 4.2. To develop schemes and create awareness for voluntary members in the informal sectors as well as;
- 4.3. To enhance on investment portfolios; and
- 4.4. To continue building on the fund's awareness programmes targeting tertiary institutions and secondary schools.

## 5. COMMITTEE SITE VISIT

### 5.1. FNPF PLAZA NADI TOWN, NADI



*(Standing Committee visited Nadi FNPF Plaza on 21<sup>st</sup> September 2023)*

#### 5.1.1. BACKGROUND

The Nadi MyFNPF Plaza is a three-storey building that comprises of FNPF pension and customer care services, business outlets such as RB Patel Shopping Centre, Home and Living (Vinod Patel), Vodafone Fiji, Food and Beverage outlets and ICT outlets. Currently, the occupancy rate of the myFNPF plaza is at 74 percent, the number of tenants applying for a lot is increasing due to the recovery from COVID-19 pandemic.

### 5.2. SHERATON FIJI GOLF AND BEACH RESORT, NADI



*(Standing Committee visited Sheraton Fiji on 21<sup>st</sup> September 2023)*

### 5.2.1. **BACKGROUND**

The Sheraton was the first resort to open on the 344-hectare Denarau Island Back in 1987, and remains the largest fully integrated resort complex, featuring an 18-hole golf course, its own on-site farm, and access to two adjoining sister properties, the Westin and Radisson Blu. The resort is one of the high-end Fijian Resort properties and renovated during the two year shutdown due to the COVID-19 pandemic.

The resort embraces a new layered design with a fresh and modern feel in the 300 guest rooms and suites. The ambience of the suite reflects a view at 180 degrees parallel to the ocean offering its guests an amazing morning panoramic view of Nadi Bay and an unforgettable flair of sunset over Malolo.

### 5.3. **ASPEN MEDICAL, BA**







### 5.3.1. **BACKGROUND**

Health Care (Fiji) Pte Ltd trading as Aspen Medical and its shareholder partner, the Fiji National Provident Fund (FNPF) has signed a Public Private Partnership (PPP) agreement with the Fijian Government for the upgrading of the Ba and Lautoka Public Hospitals.

Aspen Medical is committed to the following:

- a) providing international standard health care to the people of the Western Division;
- b) providing free heart surgeries as well as CathLab and Angiography to Fijian citizens;
- c) upgrading and continuing to provide healthcare services for free at both campuses (Lautoka and Ba) for Fijian citizens;
- d) achieving and maintaining the Joint Commission International (JCI) accreditation;
- e) providing additional free health care services new to the public health care systems in Fiji such as Magnetic Resonance Imaging (MRI), CT Angio, Fluoroscopy, 3D Memography and Radiation Oncology to Fijian citizens;
- f) installing state-of-the-art medical equipment throughout the facilities;
- g) installing an Australian Standard Central Surgical Sterilising Department (CSSD);
- h) training our workforce and creating job opportunities for Fijians including those persons with disabilities;
- i) buying Fijian products and utilising Fijian services to encourage job creation and economic stimulus, wherever possible.

Under the PPP arrangements, Aspen Medical will develop, finance, upgrade, operate and maintain Lautoka Hospital, Fiji's second largest hospital, and the new Ba Sub-divisional Hospital, with Aspen Medical responsible for all aspects of the delivery of these services.

Key elements of this partnership with the Government of Fiji include:

- a) the management and upgrading of Ba and Lautoka public Hospitals;
- b) providing free international standard heart surgeries and health care services to all Fijians;
- c) the execution and installation of new ICT systems featuring patient management administration, enhanced communication facilities, financial management and building management systems;
- d) gaining JCI accreditation to international standards for the services delivered at both hospitals; and
- e) an emphasis on delivery of enhanced clinical services with the upgrading of clinical skills.

#### 5.4. **KEY FINDINGS FROM THE SITE VISIT**

- a) Ambulance service in Fiji is a challenge.
- b) A very small space for parking.
- c) Shortage of medical personnel in Ba Aspen hospital as most qualified medical personnel are opting overseas employment for better working conditions.

#### 5.5. **COMMITTEE RECOMMENDATIONS**

- a) Aspen Medical is in the process of procuring ambulance emergency vehicles which is fully equipped, this will assist with Ba Aspen Medical.
- b) Discussions of expanding the parking area for the centre is in progress.
- c) The medical hospital should continue with the triage system as this is found to be the best for the operation of the hospital.
- d) Aspen to continue and improve packages for its medical personnel so that Aspen Medical Ba is a sought-out employer for existing and future medical personnel.

## 6. SUSTAINABLE DEVELOPMENT GOALS (SDGs) ANALYSIS

### 6.1. No Poverty (SDG 1)

FNPF is taking steps towards this SDG with its retirement savings purpose. Old-age poverty is a reality that we want to improve in Fiji enabling more members to be financially independent in their golden years. While it's still a challenge, progress have been made over the years particularly with the increase in contribution rate, reduction in withdrawal ground, recent increase in retirement age, and the preservation policy of 70/30.

More efforts will continue to be carried out on this front over the coming years.

### 6.2. Good Health and Wellbeing (SDG 3)

The Fund through its social security platform provide access to members from their retirement savings General Account under medical withdrawal ground.

On investment, FNPF entered into a PPP with Government and Aspen Medical for the provision of quality healthcare in Fiji. This brought quality and overseas type of health care to Fiji making services accessible and affordable for many Fijians.

### 6.3. Quality Education (SDG 4)

FNPF allows members and their immediate family members to access the General Account for tertiary education.

### 6.4. Gender Equality (SDG 5)

FNPF supports gender equality in the workplace it was noted that gender distribution always fluctuates depending on turnover, however, significant improvement made at the Executive Level whereby 30% women are represented. As for appointments this is made on the basis of competency.

FNPF Employee Composition		
Level	Male	Female
Executive	7 (70%)	3 (30%)
Management	27 (62.96%)	10 (37.04%)
Staff	165 (48.2%)	177 (51.8%)
Total	199	190

#### 6.5. **Decent Work and Economic Growth (SDG 8)**

Indirectly through our investments, employment are created and economic activity are generated.

#### 6.6. **Sustainable Cities and Communities (SDG 11)**

There is plan to pursue in this planning period affordable housing in collaboration with Government to allow more Fiji citizens to own a home.

#### 6.7. **Climate Action (SDG 13)**

Strategy are in place to adapt the Fund's policies, processes and essentially our investments to climate sustainable practices as well as our disclosures in the financial report that complies to this.

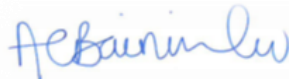



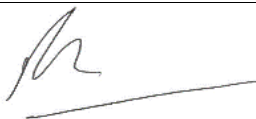
Progresses are already in place to initiate with solar renewable energy practices for some of our properties.

## **7. CONCLUSION**

In this review, the committee highlighted various areas that needs to be strengthened by the Fund and relevant recommendations formulated for the resolution of issues.

## COMMITTEE MEMBERS' ELECTRONIC SIGNATURE

We, the Members of the Standing Committee on Social Affairs, hereby agree with the contents of this report:

Committee Member	Electronic Signature
Hon. Alitia Bainivalu, MP (Chairperson)	
Hon. Ratu Rakuita Vakalalabure, MP (Deputy Chairperson)	
Hon. Sashi Kiran, MP (Member)	
Hon. Viam Pillay, MP (Member)	
Hon. Parveen Bala, MP (Member)	
Date: 7 November 2023	



# ANNEXURE

## Published evidence

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Written evidence, transcripts and supporting documents can be viewed on the Parliament website at the following link:

<https://www.parliament.gov.fj/committees/standing-committee-on-social-affairs/>