



November 2025

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CHAIRPERSON'S FOREWORD

I am pleased to present the Standing Committee on Social Affairs report on *the Consolidated Review Report on the Fiji National Provident Fund 2023 and 2024 Annual Reports*.

FNPF continues to play a pivotal role in safeguarding the retirement savings of Fijians, with total assets reaching \$10.6 billion as of June 2024. Of this, \$8.1 billion belongs directly to the members. The Fund now serves over 423,000 members, with 264,000 active contributors, 14,138 voluntary active contributors and maintains relationships with 8,488 active employers.

Despite the challenges posed by global economic conditions, particularly the lingering effects of the COVID-19 pandemic, the Fund has maintained a strong investment portfolio. However, the Committee noted that interest earned from government bonds has remained stagnant since 2020 due to high liquidity in the market. To address this, the Committee recommends that the Government and the Reserve Bank of Fiji facilitate easier approval processes for offshore investments, enabling greater diversification and improved returns.

The Committee also acknowledges the ongoing review of the FNPF Act, aimed at aligning the Fund's operations with modern business practices and evolving investment strategies. We recommend that this review continue with robust public consultations and stakeholder engagement to ensure the legislation reflects the needs of today's workforce.

As part of this legislative reform, the Committee commends FNPF's efforts to explore mechanisms that would allow seasonal workers in Australia and New Zealand to contribute to the Fund. This initiative is vital for enhancing financial inclusion and long-term savings for Fijians employed abroad. We recommend that FNPF expedite legislative amendments and strengthen stakeholder coordination to support this initiative.

Transparency remains a cornerstone of public trust. The Committee noted with concern that major investment decisions are not being adequately communicated to the public. We recommend that FNPF strengthen its communication mechanisms, ensuring members are informed of significant investment decisions, including associated risks and benefits.

Operationally, while the Fund has expanded its services, the Committee observed a need to strengthen cost control measures, particularly around consultancy fees and operational expenses. We recommend that FNPF enhance its financial efficiency while maintaining service quality. The Committee also noted an increase in suspended accounts, often due to incomplete employer submissions. We recommend continued employer education and improved submission processes to ensure accurate member contributions.

To conclude, I sincerely thank the Chief Executive Officer of the Fiji National Provident Fund, and their officials for their services and contributions to this review process and commend the implementation of our recommendations.

I am thankful to the Hon. Members, Hon. Ratu Rakuita Vakalalabure, Hon. Alipate Tuicolo, Hon. Viam Pillay, Hon. Alikia Bia and Hon. Parveen Bala for their invaluable contribution and support. I extend my appreciation to Hon. Jone Usamate for his contribution and support as an alternate member.

I would like to thank the Secretariat for their dedication in compiling this report.

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



.....
Hon. Iliesa Vanawalu
Chairperson

Acronym

FNPF	Fiji National Provident Fund
SO	Standing Order

COMMITTEE MEMBERS

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

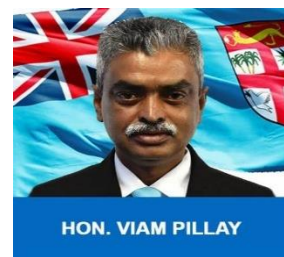
The Members of Committee are:



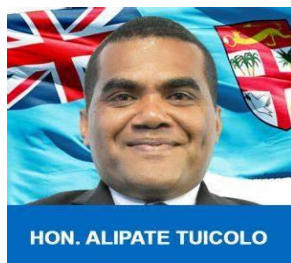
Chairperson



Deputy Chairperson



Member



Member



Member



Member

1.0 INTRODUCTION

The Fiji National Provident Fund Annual Report for 2023 was tabled in Parliament on 24th November 2023, and the 2024 Annual Report was tabled on 6th December 2024. Both reports were referred to the Standing Committee on Social Affairs pursuant to Standing Order 109(2)(b).

Standing Order 109(2)(b) empowers the Standing Committee on Social Affairs to examine matters related to health, education, social services, labour, aviation, culture and media.

1.1 Committee Procedures

Deliberations on the consolidated Fiji National Provident Fund 2023 and 2024 Annual Reports commenced in September 2025. The Committee reviewed the reports, prepared questions, and sought clarifications on key issues of interest from the FNPF.

A public submission was held with the Fiji National Provident Fund on 4th September 2025. Upon receipt of all pertinent information addressing the Committee's queries, the report was finalised and subsequently endorsed on 31st October 2025.

Responses from the Fiji National Provident Fund can be accessed via the following link:
<https://www.parliament.gov.fj/committees/standing-committee-on-social-affairs/>

2.0 Background of Fiji National Provident Fund

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

FNPF is a major investor in Fiji and is one of the country's largest property owners. The Fund owns majority shares in Amalgamated Telecom Holdings Pte Ltd, Vodafone Fiji Pte Ltd, Home Finance Company Pte Ltd, and fully-owns the InterContinental Fiji Golf Resort & Spa, Natadola Bay Championship Golf Course, Yatulé Resort & Spa at Natadola Beach, Holiday Inn Suva, Fiji Marriott Resort Momi Bay, Sheraton Fiji Resort, Westin Resort, Denarau Golf & Racquet Club and the Grand Pacific Hotel.

2.2 The Committee conducted site visits to the following FNPF Property Investments

1. Future Farms Rooster Poultry – Ba
2. Westin Denarau Hotel - Nadi
3. Natodola Beach Estate - Sigatoka

3.0 KEY FINDINGS

The Committee conducted its review of the Fiji National Provident Fund 2023 and 2024 Annual Reports and identified the following key findings:

- 3.1 The Committee noted that FNPF, interest earned from government bonds, has remained stagnant since the Pandemic in 2020 due to high liquidity in the market.
- 3.2 The Committee noted that FNPF is undertaking a review of its governing legislation to ensure alignment with contemporary business practices and evolving investment portfolios.
- 3.3 The Committee noted that as part of the ongoing review of the Fiji National Provident Fund Act, discussions are underway to explore mechanisms that would enable seasonal workers in Australia and New Zealand to contribute to the Fund.
- 3.4 The Committee noted with concern that major investment decisions undertaken by FNPF are not being adequately communicated to the public, thereby limiting transparency and stakeholder awareness.
- 3.5 The Committee noted that FNPF has expanded its operational scope and service delivery, there is a need to strengthen cost control measures, particularly in relation to consultancy fees and operational expenditures and to ensure financial efficiency without compromising service quality.
- 3.6 The Committee noted the increased number of suspended accounts in the period under review.
- 3.7 The Committee noted that there is a need for FNPF to enhance transparency and accountability by providing clearer reporting on returns from government investments. Additionally, the reassessment of underperforming assets is necessary to safeguard member interests and ensure optimal portfolio performance.
- 3.8 The Committee noted that the review of the Concession Agreement between Healthcare Fiji Ltd and the Government remains ongoing.
- 3.9 The Committee noted that property acquisitions, including the Lyndhurst investment and the Westin redevelopment project, must be strategically aligned with the Fund's long-term objectives and deliver measurable returns. FNPF must strengthen oversight and ensure that investments are guided by robust evaluation frameworks that is essential to safeguard member interests and enhancing portfolio performance.

- 3.10 The Committee noted the continued enhancement of FNPF's digital platforms, including the mobile application and employer portal, has significantly improved member engagement and service delivery. Expanding digital services such as M-Paisa further supports accessibility, for its members in remote areas.
- 3.11 The Committee noted there was limited information on Gender analysis and target SDG's performance indicators in the 2023 and 2024 Annual Reports.

4.0 RECOMMENDATION

The Committee recommends the following

- 4.1 The Committee recommends that Government and Reserve Bank of Fiji should facilitate easier approval processes for offshore investments to diversify FNPF's portfolio and improve returns.
- 4.2 The Committee recommends that FNPF must expedite the review of the FNPF Act to align with modern standards and business best practices, with public consultations.
- 4.3 The Committee recommends that the FNPF expedite the necessary legislative amendments to strengthen coordination with relevant stakeholders to facilitate and support the inclusion of seasonal workers and voluntary contributors based in Australia and New Zealand.
- 4.4 The Committee recommends that FNPF strengthen existing mechanisms to ensure that members are adequately informed of major investment decisions prior to their finalisation. This should include clear communication of the associated risks and benefits to promote transparency and enhance member engagement.
- 4.5 The Committee recommends that FNPF strengthen its cost control measures, especially around consultancy fees and operational expenses, while maintaining service quality.
- 4.6 The Committee recommends that FNPF continue employer education and improve submission processes to reduce suspended accounts and ensure accurate member contributions.
- 4.7 The Committee recommends that FNPF provide clearer reporting on returns from government investments and reassess underperforming assets to protect member interests.
- 4.8 The Committee recommends that FNPF must immediately finalize the Concession Agreement with Healthcare Fiji Ltd to ensure that the public is not affected.
- 4.9 The Committee recommends that the FNPF Board must ensure property acquisitions like Lyndhurst and Westin redevelopment deliver expected returns and every investment project must be thoroughly scrutinized to guarantee the best returns for the members.
- 4.10 The Committee recommends that FNPF must continue to improve digital platforms like the mobile app and employer portal and expand services like M-Paisa contributions especially to assist members in the rural and maritime areas.
- 4.11 The Committee recommends that FNPF must provide detailed information on its performance on SDG's and Gender Analysis in future Annual Reports.

5.0 SUSTAINABLE DEVELOPMENT GOALS AND GENDER ANALYSIS

SDG Analysis provided from FNPF.

Whilst FNPF did not advice which particular SDG it supposed to address, it identifies the following challengers:

- Resource constraints
- Market pressures
- Balancing return objectives with SDG goals
- Operational complexity in embedding SDG frameworks across a large property and investment portfolio.

Gender Analysis

Gender equality is addressed through internal HR policies, workforce development, and reporting (staff diversity and inclusion initiatives).

Staff	2023	2024
Male	209	198
Female	206	199

In future Annual Reports FNPF must provide detail information on SDG target performance and Gender Analysis.

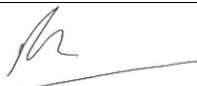
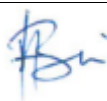
6.0 CONCLUSION

- 6.1 In conclusion, the Committee commends FNPF for its continued commitment to member welfare, financial sustainability and national development.

The Committee trust that the recommendations outlined will support the Fund in achieving its strategic objectives and enhancing its service to the people of Fiji.

COMMITTEE MEMBERS' SIGNATURE

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

Committee Member	E-Signature
Hon. Iliesa Vanawalu Chairperson	
Hon. Ratu Rakuita Vakalalabure Deputy Chairperson	
Hon. Alipate Tuicolo Member	
Hon. Viam Pillay Member	
Hon. Parveen Bala Member	
Hon Aliko Bia Member	
Date: 31 st October, 2025	

ANNEXURE

Published evidence

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/>

**Social Affairs Site Visit to FNFP Property Investments – Thursday 11th -12th
September 2025.**

Lautoka Aspen Hospital

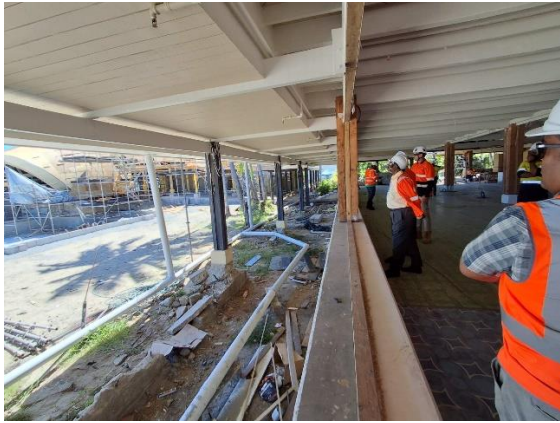


Future Farm Rooster Poultry in Ba.



Westin Hotel and Natadola Beach Estate Project





[VERBATIM REPORT]

STANDING COMMITTEE ON SOCIAL AFFAIRS

FIJI NATIONAL PROVIDENT FUND

SUBMITTEE: **Fiji National Provident Fund**

VENUE: **Committee Room, Parliament**

DATE: **Thursday, 4th September, 2025**

**VERBATIM REPORT OF THE STANDING COMMITTEE ON SOCIAL AFFAIRS HELD
AT THE PARLIAMENT PRECINCT, GOVERNMENT BUILDINGS, SUVA ON
THURSDAY, 4TH SEPTEMBER, 2025, AT 8.48 A.M.**

Interviewee/Submittee: Fiji National Provident Fund

In Attendance:

- | | | |
|--------------------------|---|---|
| 1. Ms. Millie Low | - | General Manager, Business Transformation |
| 2. Ms. Farnaz Queet | - | Acting Senior Manager Member Services |
| 3. Mr. Atlesh K. Sharma | - | Manager Finance |
| 4. Mr. Waisea Kamikamica | - | Manager Equities |
| 5. Ms. Shandiya Gounder | - | Acting Manager Hotel & Tourism Investment |
-

MR. CHAIRMAN.- Honourable Members, members of the public, Secretariat, dear viewers, ladies and gentlemen — a very good morning to you all. It is a pleasure to welcome everyone present at this public submission this morning, especially those viewing this public hearing session live.

At the outset, for information purposes and pursuant to Standing Order 111 of the Standing Orders of Parliament, all Committee meetings are to be open to the public. Therefore, please note that this submission is open to both the public and the media, and is also being broadcast via the *Walesi* platform, streamed live on the Parliament website and social media platforms.

For any sensitive information concerning the matter before us this morning that cannot be disclosed in public, such information may be provided to the Committee either in private or in writing. However, please be advised that Standing Order 111 permits non-disclosure of information in the following circumstances:

- National security matters;
- Third-party confidential information;
- Personnel or human resources matters; and
- Committee deliberations and the development of the Committee's recommendations based on reports.

This is a Parliamentary meeting, and all information gathered is covered under the Parliamentary Powers and Privileges Act 1965. However, please bear in mind that slander or libel of any kind is not condoned, and any information brought before this Committee must be based on facts. In terms of protocol for this Committee meeting, please minimise the use of mobile phones, and ensure all devices are on silent mode while the meeting is in progress. I also wish to remind Honourable Members and our guests that all questions to be asked are to be addressed through the Chairman.

(Introduction of Members of the Committee)

MR. CHAIRMAN.- Today, the Committee will be hearing a submission from the Fiji National Provident Fund in relation to its 2023/2024 Annual Reports. Before us, we have the representatives from the Fiji National Provident Fund, and I would like to thank them for availing themselves to appear before this hearing. We acknowledge receipt of your responses to the questions that were sent to the Fiji National Provident Fund. Due to the essence of time, you may provide your responses briefly, after which Honourable Members will intervene with their supplementary questions during your presentation.

MS. M. LOW.- Thank you, Mr. Chairman, Sir, of the Parliamentary Standing Committee on Social Affairs, Deputy Chairman, and Committee Members. Thank you for this opportunity to appear before this Committee to respond to the queries and clarifications raised on the Fiji National Provident Fund Annual Reports for the Financial Years 2023 and 2024. Before I introduce myself, our sincere apologies are extended on behalf of our Chief Executive Officer and our Chief Investment Officer, who are currently travelling and returning to Fiji.

(Introduction of representatives from Fiji National Provident Fund)

MS. M. LOW.- Mr. Chairman, Sir, we have prepared a brief presentation on an overview of the key achievements for the fund for the financial year 2023/2024 and just reiterating some of the responses that we have already provided. So, this presentation provides a quick snapshot of the fund. Discusses some key investment highlights before we move into some of the value enhancements we have done for members. Also, we will conclude on a brief summary of what the focus is for the future.

FNPF at a Glance — The next slide gives you a brief glance of FNPF as of 30th June Financial Year 2024, we had about 423,000 members of which only 264,000 were active. When we say active members, what we mean is that we have received at least one contribution from these members in that financial year. So out of the total number of members, only 264,000 were active. Of these active members, only 14,100 were voluntary members, those that were part of the informal sector. We have about 8,488 active employers and about 7,800 pensioners. Our total assets as of June 2024 stood at \$10.6 billion, of which \$8.1 billion belongs to members. The difference is the undistributed profit maintained as our general reserves.

In terms of size, FNPF makes up about 35 percent of the financial system, second to combined banks, which is about 50 percent. In terms of GDP, the fund measures up to 78 percent of our gross domestic product as reported by RBF based on 2024 figures. Our over \$10 billion investment portfolio is made up of 58 percent defensive assets and 90 percent of our investments are held locally. Over the past five years, we have accredited an average interest rate of about 6.95 percent to our members.

Interest credited over the last 6 years — The next slide just gives you a graph on six years of interest credited to our members. As you will note, the credit interest rate dipped in 2020 and 2021, mainly because of COVID. From 2022 onwards, the credit interest rate has increased steadily, which reflects the strength of our investments, and the returns earned. Over the past six years, we have paid into member funds about \$2.3 billion worth of interest.

Investment highlights — In terms of our investment portfolio, it grew from \$9.4 billion in 2023 to close to \$10.6 billion in 2024. Our broad investment objective is to maximise long term returns aimed at containing fluctuations in return over short term periods to ensure appropriate balance between risk and return. We also expanded our investments into resilient sectors capable of withstanding economic challenges. In terms of our investment portfolio, it is made up of fixed income, commercial lending, equities, properties and cash term deposits.

The fund's investment portfolio has grown steadily over the last five years from about \$7.9 to \$10.6 billion. The fund has over these years implemented a balanced investment strategy by integrating both defensive and growth-oriented assets. The investment universe in Fiji is however limited, and growth investments are more attractive offshore. However, the fund continues to face constraints in investing offshore.

In terms of our equity investments for FY2023 and 2024, just highlighting some of the key investments. A significant acquisition was the 40 percent stake in Future Farms Limited, which is

trading as a Rooster Poultry. This was achieved through a partnership with BSP Life Fiji Limited, who previously owned 100 percent of the shares in that company. We also purchased Fletcher Higgins of the Fletcher Construction Group.

In terms of our offshore equities, the purchase of shares in BSP PNG, making the fund the second largest shareholder with more than 49 million shares. The fund has also made additional acquisitions on ASX through Martin Curry. Significant investments were also made in HFC Bank and in the Healthcare Fiji, which runs the private hospitals in Lautoka and Ba.

In terms of our property portfolio, we have pursued growth opportunities through strategic real estate acquisitions. In FY2024, we acquired Garden City complex in Raiwai, the acquisition of the Lyndhurst property, as well as the Natadola Beach Estate. The property portfolio has increased by 29.4 percent and is close to about \$602m in FY2024.

In terms of projects. The key project the Fund has embarked on is the Westin Project which commenced in January 2023 and is focusing on the guestrooms, central facilities and redesigns.

HON. P.K. BALA.- When did the Westin Resort project start? There have been talks about the project.

MS. S. GOUNDER.- The works on the Westin Resort commenced in 2023. The project was initially planned as a renovation to add rooms to the existing hotel. However, once the project began, we were advised that the Westin Hotel is the oldest hotel on Denarau. As a result, certain structural and maintenance issues were discovered due to the age of the property, which required an additional scope of rectification works to be included.

As the project progressed, announcements were made in the market regarding new suppliers entering the tourism sector. BSP announced its Vatu Talei project, which is an extension of the Sofitel. The Crowne Plaza Nadi Bay also came online, along with other new developments. This prompted us to reconsider our own project scope to ensure competitiveness within the market.

Consequently, the scope and timeline of the project were extended. The hotel is now expected to be completed in the first quarter of 2026. Significant progress has been made on site, and members are welcome to visit and inspect the development.

HON. P.K. BALA.- I am pleased that you have informed us that the building is quite old, as we were not previously aware of this. Do you believe that the consultants engaged during the initial stages failed to advise the FNPF Board regarding the actual condition of the building? It appears that only midway through the project did people become aware that it is, in fact, a very old structure.

We require clear and accurate information from you. What will be the total cost of the project upon completion? What was the initial estimated cost, and what is the current projected cost following the variations and additional works required?

MS. S. GOUNDER.- The Westin Project is owned by a wholly owned subsidiary of the Fiji National Provident Fund, Dubbo Pte Limited, which is spearheading this development. Therefore, the answers to the questions raised by the Honourable Member may not be readily available to us at this time. However, we are happy to take the questions back and provide the necessary responses to the Committee.

MS. M. LOW.- We will move on.

Member highlights — This slide illustrates the Net Contributions. Net Contributions refer to total contributions less the withdrawals that occurred during the financial year. As shown in the graph, and as expected, in the 2021–2022 financial year we recorded a negative Net Contribution. The 2023 financial year was the first year in which we returned to a positive Net Contribution. At present, contributions to the Fund are largely driven by additional and voluntary contributions, which increased significantly—by approximately 80 percent—from the 2023 to the 2024 financial year. That trend is reflected in the adjacent graph.

Benefits — In terms of benefits paid out by the Fund, a total of \$474.2 million was disbursed through partial withdrawals, full withdrawals, and pension benefits. During the 2023 financial year, several changes were made to withdrawal benefit policies. For instance, we revised our education assistance policy to include globally recognised courses and to cover the purchase of laptops for students. Other policy revisions were made to unemployment assistance and medical assistance programmes.

Regarding advocacy and awareness, the Fund has established a dedicated team that conducts member advocacy sessions throughout the year. These sessions have been held in various communities, villages, and workplaces—not only in urban centres but also in areas such as Koro, Levuka, and Taveuni. Our team also engages with seasonal workers and conducts orientation sessions under the Seasonal Worker Scheme prior to their departure overseas. For digital developments, enhancements were made to both our mobile application and the employer portal. Currently, approximately 98 percent of employers are using the portal, which we view as a positive response to the improvements implemented.

Looking ahead, as Honourable Members may be aware, we are guided by a five-year strategic plan covering the 2023 to 2027 period. We are now midway through its implementation. The focus areas for the next two years are to grow membership and member balances, continue pursuing sustainable investment strategies, simplify operations to improve member accessibility, and enhance overall member value. A key exercise currently underway is the review of the FNPF Act.

HON. V. PILLAY.- There is a mention of legislative amendments permitting the Fiji National Provident Fund to establish an office in Australia. What is the current status of this?

MS. M. LOW.- We are currently in discussions regarding the legislative amendments; however, an office in Australia has not yet been established. We are still engaging with various stakeholders in Australia and New Zealand to explore ways to facilitate the transfer of superannuation funds from Australia to Fiji, as withdrawals are currently subject to high taxation. This process is ongoing. We note that the discussions are complex and require coordination between both governments, the respective foreign affairs departments, and the superannuation authorities in Australia. Therefore, this matter remains in progress.

HON. V. PILLAY.- In regard to the workers working overseas, are they members of the FNPF?

MS. M. LOW.- Do you mean the seasonal workers?

HON. V. PILLAY.- Yes.

MS. M. LOW.- If a person is a seasonal worker and is not employed in Fiji, they are not part of our mandatory scheme. They may, however, join the voluntary scheme. Some members who are overseas may have enrolled in the voluntary scheme, but the consistency of their contributions is entirely their responsibility. They are not considered mandatory members if they are not working in Fiji. I trust that answers your question.

HON. P.K. BALA.- Mr. Chairman, Sir, just a follow up question. Can I get it right? You were saying that the office in Australia has not been set up.

MS. M. LOW.- Correct, Sir.

HON. P.K. BALA.- But in the response, it says that the office has been set up.

MS. M. LOW.- That would be an error on our part, Sir. We are currently in discussions.

HON. P.K. BALA.- What is the purpose of having that office in Australia? Are you going to have FPNP Australia branch? Or is that purely for seasonal workers? What is that?

MS. F. QUEET.- Mr. Chairman, the purpose is to ensure that our members who participate in the worker scheme are able to save while they are abroad, as these schemes are time-bound. We are encouraging these workers to have the opportunity to establish a savings fund with us. The partnerships we are pursuing with Australia and New Zealand, through the Seasonal Worker Schemes, are designed to ensure that there is a means of savings while they are overseas.

We are creating a platform to facilitate consistent contributions back to the Fund. The primary intention is to promote regular contributions to ensure that savings are available when the workers return home. As I previously explained, if they are not compulsory members, we have an opportunity to engage with them before they depart. We endeavour to enrol them under the Voluntary Scheme if they meet the standard eligibility criteria. However, enrolment in the Voluntary Scheme does not guarantee contributions. The objective of this partnership is to enable continual contributions, providing a mechanism for savings that members can access upon their return. I hope that answers your question.

HON. P.K. BALA.- Mr. Chairman, Sir, just to follow up, we have also attempted to engage with employers overseas; however, they have been very reluctant. If this initiative can be successfully implemented, it will be highly beneficial for the workers.

HON. RATU R.S. VAKALALABURE.- Mr. Chairman, Sir, a follow-up question along the same line of inquiry: specifically, in which location in Australia do you intend to establish the FPNP office, given that Australia is quite large? Do you also intend to extend this to New Zealand, for public information purposes?

MS. M. LOW.- Mr. Chairman, Sir, we have not progressed that far yet. Our current focus is on establishing the office itself before determining its specific location.

HON. P.K. BALA.- Do you have plans for New Zealand?

MS. M. LOW.- Yes, we do. However, there is a difference. For our RSC members, it is mandatory to join a superannuation fund in Australia while they are working, even under the RSC scheme. In New Zealand, the situation is different, as participation is voluntary; they are not required to join KiwiSaver.

That is the distinction. Nevertheless, we already have mechanisms in place with the companies in New Zealand, whereby employers can deposit members' voluntary contributions, and the company then remits these funds to us. This arrangement is currently operational in New Zealand, but not in Australia. Mr. Chairman, Sir, that concludes our final slide on our future outlook.

MR. CHAIRMAN.- Honourable Members that is the end of the presentation this morning. The floor is open for our supplementary question.

HON. P.K. BALA.- Mr. Chairman, Sir, I had expected that you would provide an explanation regarding the partnership between Aspen and FNPF. We have received some responses, but not in detail. I would like to know whether due diligence was conducted at the time FNPF entered into the agreement with Aspen. There has been much discussion on this matter.

I do not believe that FNPF would have proceeded without conducting proper due diligence, particularly considering that FNPF owns approximately 80 percent of Aspen, if I am correct. Could you please provide a brief on this matter? Time and again, there have been claims suggesting that no due diligence was undertaken. I believe this is the appropriate opportunity for you to clarify the facts.

MR. W. KAMIKAMICA.- Mr. Chairman, Sir, through you, the investment by FNPF was, in fact, a partnership between FNPF and Aspen Medical through a vehicle called Healthcare Fiji Limited. This vehicle was specifically established for this joint venture under a public-private partnership arrangement. Regarding due diligence, we have conducted our part in accordance with the arrangement. We engaged consultants who specialise in public-private partnership arrangements to advise us on the appropriate structure to follow. In addition, the financial aspects were reviewed with reference to the Fund's mandate and expected returns, which were also considered as part of our due diligence. For all our investments, the primary objective remains the return on investment.

Mr. Chairman, Sir, in relation to this healthcare investment, we also evaluated it from a social infrastructure perspective. While we remain focused on achieving returns, we also considered the benefits it provides to our members. The assessment included due diligence conducted with the support of consultants specialising in public-private partnership projects to advise on the structure of this deal.

HON. P.K. BALA.- Mr. Chairman, through you, to date, has FNPF received any dividends or returns on this investment, given that it owns 80 percent of the entity?

MR. W. KAMIKAMICA.- Mr. Chairman, through you, at this stage, since we are still developing the hospital to enhance the level of services in accordance with the agreement with the Government, we have invested significantly in the project to bring the capital expenditure to the level required to meet those services. We have not received any dividends at this time. However, the benefits we have observed include the new infrastructure recently established, such as the Cath Lab and MRI facilities, which we believe will be highly beneficial to both the economy and our members. Additionally, the opening of the Emergency Unit forms part of the concession agreement that Healthcare Fiji Limited is required to facilitate.

HON. P.K. BALA.- Mr. Chairman, Sir, through you, in recent times there has been considerable discussion regarding medicine. We have been informed that this was not part of the original agreement. Could you clarify the position on this matter?

MR. W. KAMIKAMICA.- Mr. Chairman, Sir, that is correct. Based on the agreement signed between Healthcare Fiji Limited and the Government, medicine and pharmaceutical services are not included. At present, as I mentioned, discussions are ongoing with the Government regarding the review of the Concession Agreement, with the aim of benefiting both the Government and Healthcare Fiji Limited, which is the primary operator of the two hospitals. The review of the Concession Agreement is progressing well, and we hope it can be finalised soon.

HON. P.K. BALA.- Mr. Chairman, Sir, one final question regarding Aspen and FNPF — how many beds is the hospital in Lautoka expected to have?

MR. W. KAMIKAMICA.- As per the agreement, Mr. Chairman, Sir, through you, we are to construct a 305-bed hospital. In addition to the 305 beds, there are also existing facilities that require renovation as part of the overall infrastructure upgrade. As we are all aware, Lautoka Hospital is one of the oldest hospitals in Fiji, and this is included in the agreement. The mandate is to provide a 305-bed hospital.

HON. P.K. BALA.- Mr. Chairman, Sir, through you, when is the time frame for the construction of that 300-bed hospital that you have just mentioned?

MR. W. KAMIKAMICA.- Through you, Mr. Chairman, Sir, the initial stage we are focusing on is reviewing the Concession Agreement, as this will determine the level and standard of services to be provided at the hospital. This review will guide the construction of the new hospital. The current target is to work with the Government to finalise a Concession Agreement that is satisfactory to both parties, after which we will proceed with the construction of the hospital. That being said, part of the work we are undertaking, including renovating the hospital, installing new equipment, and investing in capital expenditure, forms part of this overall project.

HON. V. PILLAY.- Mr. Chairman, Sir, through you, I believe the review of the Concession Agreement is very important. When this public-private partnership commenced, it was functioning well. This is based on feedback from people on the ground. In particular, the supply of medicine and related services was adequately provided by the hospital, which is not the case currently. At present, people have to visit the hospital, then go to the pharmacy, obtain the medicine, and in some cases, purchase it elsewhere. Therefore, this review is very important.

HON. A. BIA.- Mr. Chairman, Sir, through you, thank you for the presentation, ladies and gentlemen. Returning to the topic of membership: there are over 400,000 members, with more than 200,000 active and over 14,000 voluntarily active. This suggests that close to 200,000 members may be considered non-active. In reviewing these numbers, does this reflect employers who are not complying, or what are the reasons for members being non-active?

MS. F. QUEET.- Mr. Chairman, Sir, through you, there are two components to this. First, there are active members, which are those contributing through their employers. Second, there are members who are active through voluntary contributions, which is at their own choice. You are correct that we also have inactive members.

Inactive members can be divided into two categories. The first category is employer-related non-compliance. To date, we have 95 percent compliance among employers in our records. A small portion, approximately five percent, may be considered habitual non-compliers. However, there is a process through debt recovery to bring contributions from these members into the Fund.

The second category of inactive members consists of voluntary members who do not make consistent contributions. These members may have left formal employment and are no longer contributing through mandatory channels. They may have returned to the informal sector or joined the PALM scheme earlier, resulting in inconsistent contributions. We classify them as inactive if they have not made a single contribution throughout the financial year.

HON. A. BIA.- I believe that could be one of the reasons for establishing an office in Australia: to maintain engagement with members who have gone overseas for employment, including those participating in the PALM scheme.

MS. F. QUEET.- Absolutely, so what we are trying to drive through that scheme is the drive contribution.

HON. A. BIA.- Just in terms of investing offshore, you have mentioned that there were some constraints. Can you elaborate more.

MS. F. QUEET.- Mr. Chairman, Sir, one of the key constraints for investing offshore is the requirement to seek approval to transfer funds outside of Fiji, as governed by the Exchange Control Act and regulated by the Reserve Bank of Fiji. Any funds that the Fund wishes to invest offshore must receive approval from both the Reserve Bank of Fiji and the FPNF Board.

We are grateful to the Reserve Bank of Fiji that, in the last financial year, 2024, they approved a sum of \$100 million for offshore investment. However, this approval was not for a lump sum transfer, but to be implemented gradually over several months. Any funds intended for offshore investment require such approval, which represents a significant constraint. Once the approval is obtained, we have multiple avenues to invest offshore, but the process is dependent on the Reserve Bank's authorisation.

HON. A. BIA.- Mr. Chairman, Sir, through you, regarding the processes for making investment or purchase decisions, I appreciate the list of investments and purchases that you have presented, and I understand that these investments ultimately benefit the membership, and the funds entrusted to the FPNF.

However, is there a process in place whereby members are informed before a final decision is made? We do not want to be left in the dark, with major announcements being made suddenly, such as FPNF investing in a particular project or purchasing an asset. Is there a mechanism to inform members beforehand, explaining the advantages, benefits, and risks involved, prior to the final decision?

MR. W. KAMIKAMICA.- Thank you, Mr. Chairman, Sir. Regarding the current process, we operate in accordance with the rules that are in place. The mandate given to us allows for responsible reinvestment of funds.

One of the avenues we use to inform members is through our member forums, which we conduct regularly. During these forums, we provide advice and updates on all the investments that the Fund is undertaking.

HON. A. BIA.- Mr. Chairman, Sir, the reason this was raised is that anything can happen down the line. I suppose it would be beneficial, particularly if the law is silent on the matter, to have an avenue for informing members in advance. You have done a good job in terms of media awareness and public outreach, creating awareness among members and the general public. That is commendable.

HON. RATU R.S.S. VAKALALABURE.- Mr. Chairman, Sir, regarding the \$10.6 billion investment portfolio: I understand that you just mentioned \$100 million for offshore investment. Is that correct? To clarify my question: out of the \$10.6 billion investment portfolio, how much is being invested offshore from Fiji? Is it only the \$100 million you mentioned, or is it more than that?

MS. F. QUEET.- Mr. Chairman, Sir, the \$100 million was a new approval granted by the Reserve Bank of Fiji in the 2022 financial year. The total offshore portfolio represents approximately ten percent of the Fund's investments.

HON. RATU R.S.S. VAKALALABURE.- Mr. Chairman, Sir, regarding our offshore investments, do we have a clear understanding of who we are investing in and in which locations?

MS. F. QUEET.- Yes, Mr. Chairman, Sir, our offshore investments include shares listed on the Australian Stock Exchange, which are managed through our fund managers. We also have investments

in Australia via private equity infrastructure funds. Additionally, we are invested in the emerging Asian markets through the International Finance Corporation's Emerging Asia Funds. In Papua New Guinea, we have an investment in DSP, where we are the second-largest shareholder. Furthermore, we hold various global equities and exchange-traded funds in multiple countries.

HON. RATU R.S.S. VAKALALABURE.- Mr. Chairman, Sir, with respect to the eight percent increase in the last financial year, thank you very much for that. My question relates to sustainability — how will you be able to maintain that rate, and what risks could affect future returns? I understand that you are best placed to advise us, as it likely depends on market conditions. Am I correct in assuming that it is primarily determined by market performance, or are there other contributing factors as well?

MS. M. LOW.- It is correct.

HON. RATU R.S.S. VAKALALABURE.- It depends on what the market is?

MS. M. LOW.- Thank you for the question, which we receive frequently. The interest that we credit is based on the investment income that we receive. Once the investment income is determined, the law requires that we first allocate funds for solvency before declaring any interest. Specifically, the law mandates that for every dollar collected, we set aside an additional ten percent. In simple terms, if we collect one dollar, we are required to keep aside one dollar and ten cents. This is referred to as the solvency requirement.

In practice, FNPF maintains approximately \$1.25 for every dollar, rather than the legislated \$1.10. Therefore, when we receive investment income, we are required by law to satisfy the solvency requirement before any interest can be declared. As you have correctly noted, Sir, the interest credited is ultimately based on market performance and the returns generated from our investments.

HON. RATU R.S.S. VAKALALABURE.- I heard from a gentleman that there was an annual member meeting. What were some of the things that came out from the public, from the members, basically?

MS. M. LOW.- As you know, Mr. Chairman, Sir, for our annual member forums, we are required by law to conduct them within four months of the end of the financial year. Many of the questions raised at these forums relate to providing additional assistance to our members. Some of the withdrawal policy changes shown on the slides, such as laptop assistance and relaxed requirements for unemployment withdrawals, emerged from feedback received during these forums.

We have observed a shift in mindset over time. Members are increasingly focused not on what they can withdraw, but on savings and new products. They have expressed interest in initiatives such as medical insurance, which the Fund is currently exploring, and funds to start businesses. These inquiries reflect a broader interest in how the Fund can add value to members' lives while they are still working, rather than simply facilitating withdrawals. Another recurring issue raised in the forums concerns pensioners and their grievances, which remains a key area of focus.

HON. RATU R.S.S. VAKALALABURE.- I am particularly interested in the digitisation part because part of the slide I saw M-PAiSA. Can a member make contributions through M-PAiSA?

MS. F. QUEET.- Definitely, yes.

HON. RATU R.S.S. VAKALALABURE.- It is in the M-PAiSA App, right?

MS. F. QUEET.- Yes.

HON. RATU R.S.S. VAKALALABURE.- Thank you very much for the report, Mr. Chairman, Sir. We rarely receive reports of this quality. It reflects very well on the organisation from which you come. I also appreciate your punctuality in presenting the report, which demonstrates compliance with the Financial Management Act, as it requires an annual report.

Many reports we receive are two or three years overdue. On behalf of myself and my colleagues, I would like to commend you and your senior staff, and I ask that you convey our appreciation to the CEO and the entire leadership team. Thank you for producing a timely and well-presented report. For us as Members of Parliament, we hold the mandate of the people, and it is essential that reports are presented properly, clearly, and on time. Timely submission is critical, as delays of two or three years are not acceptable.

HON. P.K. BALA.- Yesterday, Fiji Airways was here, and I believe that you people have given a loan to Fiji Airways. What is the difficulty with Fiji Airways in repaying the loan.

MS. F. QUEET.- Mr. Chairman, Sir, we do have a loan with Fiji Airways. The current balance of the loan is approximately \$359 million. There have been no difficulties with repayments; they are up to date with all payments. We have not experienced any instances of default. Fiji Airways has consistently met its obligations as a borrower.

HON. P.K. BALA.- Mr. Chairman, Sir, we received a different account from Fiji Airways yesterday. A few weeks ago, we saw in the media that FNPf purchased a property at Kalabu Lenders. Can you confirm that the Fund purchased the property only, and not the business? What was the purchase price, and who were the owners of the company?

MS. F. QUEET.- Mr. Chairman, Sir, yes, the Fund has purchased properties from Lyndhurst. The properties were previously owned by Lyndhurst Investments Limited, and we acquired them for a sum of \$47.5 million. The acquisition comprises six buildings and was made as part of our ongoing strategy to actively expand our property portfolio.

The investment met our criteria in terms of diversification:

1. The properties are located outside the Suva CBD area, in the Kalabu Tax-Free Zone.
2. The investment is in industrial properties, rather than commercial or retail.
3. The tenancy mix includes businesses involved in business processing and outsourcing, logistics, and manufacturing.

The properties are both tenanted, and we have been earning rental income from them from day one. As I mentioned, the total investment was \$47.5 million, and it has proven to be a good investment for the Fund.

HON. P.K. BALA.- Mr. Chair, just a follow up chair. Was this company, before you purchased, was given a loan?

MS. F. QUEET.- The Fund has not given a loan to Lyndhurst, and they are not a loan client for us.

HON. A. TUICOLO.- Mr. Chairman, Sir, I have two questions. The first is a follow-up to Honourable Bia's question. We understand that FNPf membership is compulsory for casual, temporary, and permanent workers employed in Fiji, with a total of 8,488 employees. What percentage of these employees work for non-compliant businesses that continue to avoid deducting contributions from their workers, and what actions are being taken to address this issue?

MS. F. QUEET.- Mr. Chairman, Sir, I do not have the exact statistics at the moment, but I can provide the details later. Generally, employers are currently 95 percent compliant in meeting their statutory obligations, including timely submissions and payments.

For non-compliant employers, we have established processes, which include debt recovery and liquidation procedures. These processes ensure that both current and aged debts are recovered, and prosecution is pursued where necessary. I hope that answers your question.

HON. A. TUICOLO.- Mr. Chairman, Sir, my second question relates to the health of the members. Fiji's mortality rate continues to rise, driven by a non-communicable disease crisis, resulting in more people passing away before reaching retirement age. My concern is that members should be able to enjoy their retirement without their families having to contend over their retirement funds. Do you have records of members who have passed away before retirement during the years under review? Additionally, do you have health awareness programmes in place to remind members of the importance of maintaining their health?

MS. F. QUEET.- Through you, Mr. Chairman, Sir, we do maintain statistics. We have records of member deaths, which we can provide to the Standing Committee after this session. Regarding your second question, we do not currently have a health programme specifically for our members, and we do not conduct health awareness initiatives at this time. However, thank you for that feedback. We will take it back to our Member Advocacy team and consider it as part of our ongoing engagement with members.

MR. CHAIRMAN.- I have three questions for the team. Regarding the review of your Act and policies, could you please provide a brief overview of the review process? Are there any timelines in place for completing the review, considering that the current methods of operation need to align with modern standards and evolving business practices, which can present obstacles? Additionally, in the context of moving forward, similar to the standards set by the Reserve Bank of Fiji, what standards is FNPF applying in the review process?

MS. M. LOW.- Mr. Chairman, Sir, the review of the FNPF Act has just commenced. As you may be aware, we recently conducted public consultations in three key areas: Lautoka, Suva, and Labasa. The purpose of these consultations was to inform the preparation of the terms of reference for the review. A subcommittee of the Board, which included union representatives and employer representatives, visited these three areas to solicit public submissions on which aspects of the law should be reviewed.

The timeline for this process allows four months to prepare the terms of reference, which will then be tabled to the Board. Following that, the Fund will issue a tender to engage consultants with the required expertise to assist in reviewing the law. We anticipate that this exercise will be lengthy, with an estimated nine months required to complete the review, including public consultations and engagement with key stakeholders before the law is submitted to Cabinet. The full exercise is expected to be completed by Financial Year 2027, primarily due to the multiple levels of government review required, even once a draft scheme design or proposed changes have been developed.

MR. CHAIRMAN.- My second question relates to withdrawals for members aged 55 to 59. Please correct me if I am wrong. How well was this process communicated and explained to the members?

MS. M. LOW.- Mr. Chairman, Sir, thank you for that question. The change in the law we made allows for a secondary entry, meaning that members who have previously fully withdrawn from the Fund

can now rejoin. This latest change, which came into effect in September, provides for this secondary entry.

Another amendment relates to voluntary membership. Previously, the law stopped voluntary registration at age 54. We have increased this to age 59 for registration as a voluntary member. What you are referring to, Sir, is the entitlement age at which members can withdraw their full funds. That entitlement age remains at 55 years. There was some incorrect reporting in the newspapers regarding this. To clarify, the entitlement age has not changed and remains at 55 years.

MR. CHAIRMAN.- Thank you very much for that clarity. Many people had questions regarding this, and as you have indicated, it was incorrectly reported in the newspapers. My second-last question relates to your key revenue streams. When reviewing these revenue streams, what are some of the major challenges you face that members need to be aware of, given that they are the primary stakeholders of the Fund? How do you intend to address these challenges as you continue to conduct business for the benefit of the members?

MR. A.K. SHARMA.- Mr. Chairman, Sir, I would like to respond to that. Our major revenue streams are primarily derived from interest, which includes interest from government securities, representing the largest portion of total interest earned. We also earn interest on mortgages and other fixed-term deposits, or cash held with banks. This main line of interest accounts for approximately \$337 million out of the total \$900 million in revenue.

Next, we have dividend income, which is split between our local and offshore investments. Returns from our property investments are also a source of revenue, though they are not as significant compared to the other streams.

A major challenge we face is that interest earned from government bonds has remained stagnant since the pandemic in 2020, largely due to high liquidity in the market. Despite increasing our holdings in government bonds, the returns have been limited, which presents a significant challenge.

To address this, we have diversified our investments rather than concentrating solely on fixed-income assets. This includes investing in growth assets both locally and offshore. For example, the investments team has made significant strides with offshore investments such as BSP, ETF funds, and other opportunities managed through our fund managers.

These measures are part of our ongoing efforts to mitigate challenges in the local market. In maintaining our revenue streams, we also consider fair value gains reported in the financials. Our investment strategy focuses on two aspects: income return and growth. Our primary focus is on increasing investments in growth assets to enhance long-term returns for the Fund.

HON. A. BIA.- Mr. Chairman, Sir, through you, I noted in the report that there was an increase in the suspended accounts from 2023 to 2024. How does the Fund plan to resolve these? My understanding is that funds are placed in suspended accounts when employers do not provide sufficient information on where the contributions should be allocated. What steps are being taken to address and resolve this issue?

MS. F. QUEET.- Mr. Chairman, Sir, that is a very good question. We have been very active in establishing what we call the Employer Awareness Forum platform. This platform educates employers on correctly providing payment narrations and other required details. This detailed training has been rolled out to our employers, and as a result, 95 percent of them are now compliant.

We have also implemented a process where the cut-off date for submissions has been moved to the 14th of every month. When submissions are received by this date, it allows us an additional two weeks to work with employers to prevent issues that may result in suspended accounts.

This initiative has been effective, and we have seen a significant reduction in suspended accounts compared to previous years. The combination of employer education and our digital platforms enables in-depth sessions with employers, guiding them not only on meeting their statutory obligations but also on the operational processes required to avoid such instances.

HON. P.K. BALA.- Mr. Chairman, Sir, we have observed that consultancy fees have increased from \$300,000 to \$1.5 million. Could you please provide some context or explanation for this increase?

MR. A.K. SHARMA.- Mr. Chairman, Sir, as mentioned in our earlier response, the consultancy expenses include costs incurred for project-based work. For Financial Year 2024, there was a one-off FNPF rebranding exercise – the Vinaka Campaign. You may have seen our billboards as part of this campaign.

The purpose of this exercise was to position FNPF in the market, create awareness, and promote the notion of securing the future for members. The rebranding exercise was integral to our strategy and was completed successfully. A consultant was engaged through a formal process from Australia to carry out this rebranding, which contributed to the increase in consultancy costs.

HON. V. PILLAY.- Mr. Chairman, Sir, regarding the grants, in 2022, FNPF did not receive the expected returns from government bodies. Will there be any reassessment of these returns? If this situation continues, members may not receive the benefits they are entitled to. As the officer mentioned, in 2022, the returns were not received from any of the government bodies. What plans are in place to ensure that these investments yield returns so that members also benefit?

MR. A.K. SHARMA.- Mr. Chairman, Sir, as I mentioned earlier, there is a high level of liquidity in the market, which has kept interest rates low. The Reserve Bank has maintained the overnight policy rate at 0.25 percent for several years. FNPF is actively strategising in response to this environment. As previously stated, we are continuously shifting from fixed-income investments to growth-oriented investments. Our income from property and returns from offshore investments have helped to offset these shortfalls. We are actively pursuing offshore investment opportunities, as highlighted by my colleague, to enhance returns for the Fund and its members.

HON. V. PILLAY.- Mr. Chairman, Sir, as you have mentioned, liquidity in the market is high, and the returns from government securities in 2022 did not meet the levels expected by FNPF. Are there plans to increase offshore investments in order to achieve better returns for the Fund?

MR. W. KAMIKAMICA.- Mr. Chairman, Sir, looking at the returns, this highlights the importance of diversification in the FNPF portfolio. If one investment underperforms, other investments can help achieve the overall target returns. For us, portfolio diversification is key. Beyond bonds, we actively seek growth opportunities within our portfolio. As you mentioned, Honourable Member, offshore investments present significant opportunities. We recognize these opportunities and are working through the necessary processes with the Reserve Bank of Fiji to expand our offshore portfolio.

Additionally, we are reviewing our Investment Policy Statement, which will provide guidance for pursuing growth opportunities and further enhancing the Fund's portfolio performance.

HON. A. BIA.- Mr. Chairman, Sir, lastly, I would like to make a comment. I believe it is important for Members to support FNPF investing offshore. Given the size of our domestic economy, FNPF's continued growth may be constrained if investments are limited to local opportunities. This is where the Government should play a role.

It is a valuable recommendation, Mr. Chairman, that we work with the Reserve Bank of Fiji and FNPF to address these limitations. This will help ensure that FNPF continues to grow. Considering the Fund's growth over the years and its significant property investments – being one of the largest property holders in Fiji – collaborating with the Reserve Bank to enable offshore investments is the appropriate way forward.

MR. CHAIRMAN.- My last question relates to the Fund's major expenditures, which appear quite high when reviewing the figures. Are there controls in place, and what measures are being taken to minimise expenditures? How can the Fund ensure a clear distinction between income and expenditure for the benefit of members?

MR. A.K. SHARMA.- Mr. Chairman, Sir, our Board is actively pursuing strategies to ensure that costs are controlled through regular budget reviews. Previously, we conducted a half-year review, and we now also review costs when the Government announces its budget. While costs have increased due to post-pandemic inflation, the Fund has implemented measures to control expenses, including long-term contracts and careful onboarding of vendors through processes that ensure we receive the best value for the monies earned.

As I mentioned earlier, consultancy costs contributed to an increase of \$12 million to \$14 million. Additionally, in this digital age, we have expanded services to our members through digital platforms, which has also contributed to higher costs. Other expenses, such as general operating costs, have been maintained or slightly reduced.

We have worked diligently to manage costs while ensuring that necessary expenditures, which directly benefit our members, are appropriately accommodated.

MR. CHAIRMAN.- As we are in the process of wrapping up this discussion, for the benefit of Honourable Members present, our reporting back to Parliament will be based on our key findings, as well as our recommendations, which we hope will assist FNPF. Apart from the matters discussed this morning by Honourable Members, are there any other areas that you believe should be included as part of our recommendations to Parliament on behalf of FNPF?

MR. W. KAMIKAMICA.- Mr. Chairman, Sir, Honourable Aliki Bia has rightly stated the point. At present, most of our investments are locally domiciled, representing approximately 90 percent of the portfolio. In terms of growth opportunities, we are looking to increase our offshore investments, and this is an area where we will require Government assistance to support that agenda.

MR. CHAIRMAN.- Thank you very much, Honourable Members. At this juncture, I wish to sincerely thank you all for availing yourselves for this public hearing session. We appreciate your time and hope that you will continue to make yourselves available for any further queries that the Committee may have regarding this report. On that note, I declare this public submission closed.

The Committee adjourned at 10.00 a.m.

FNPf RESPONSES TO THE STANDING COMMITTEE ON SOCIAL AFFAIRS QUESTIONS ON THE FNPf ANNUAL REPORTS FOR FY 2023 AND FY2024

1. What were the key revenue streams for the FNPf for the year 2023 and 2024, and how did they evolve over the years?

Type of revenue	Ref.	2024	2023
		\$000	\$000
Interest	1	337,996	322,896
Dividend	2	144,785	121,270
Property rental	3	29,452	24,596
Change in fair value of equity investment & investment property	4	361,012	264,980
Other income	5	36,169	45,405
Total income		909,414	779,147

1. Increase in interest income resulting from returns on government bonds, loans, and term deposits.

2. Growth in dividend income mainly from investees HFC, Vodafone, Momi bay resort and Fiji airways.

3. Growth in rental income arising from acquisition of Garden city building and improvement in occupancy rates.

4. Fair value gains recognized in accordance with IFRS 13, arising from investment in subsidiaries, associates, listed/unlisted equities, foreign equities and properties.

5. Other income is predominantly made up of impairment reversals on financial assets and mortgage loans.

2. Can you provide insights into the major expenditures and how they contributed to operational efficiency?

General administration expenses	Ref.	2024	2023
		\$000	\$000
Audit – KPMG – current period		363	341
Directors fees		83	55

Electricity		398	469
Insurance	1	2,291	2,309
Loss on sale of fixed assets and investment property		-	7
Repairs and maintenance		152	103
Advertising	2	1,584	1,388
Software maintenance and support	3	2,532	2,304
Motor vehicle cost		212	231
Communication	4	1,480	825
Stationery and printing		147	85
Travelling and subsistence		590	279
General and operating expenses		677	705
Small assets		69	48
Computer sundries		214	222
Consultancy	5	1,517	311
Legal cost		175	251
Office cleaning		225	171
Rent	6	1,822	1,808
Water rates		4	10
Office sundries		49	54
Security expense		199	169
		14,783	12,145

1. Insurance expense includes Motor vehicle, MDBI, Annual service fee, and Investment Management contributing to risk mitigation and continuity of services.

2. Advertising expenses included costs incurred for public awareness campaigns (billboards), member education (member forums), promotion of services, and media coverage. This contributes to reduced member queries and enhanced employer compliance.

3. Software maintenance and support includes expenses for annual license renewals, vendor supports and service-level agreements, user support and helpdesk services contributing to enhanced productivity, improved accuracy, and security assurance.

4. Communications expenses included telecommunication, internet, and member notifications & alerts costs. This has contributed to improved member engagements, connected and streamlined processes.

5. Consultancy expense included costs incurred for project-based work and one – off FNPF rebranding exercise. These had contributed to enhanced decision-making, clearer communication and trust, and stronger brand image.

6. Rental expenses at various locations for improved service delivery through strategically located branches closer to members and corporate office.

In addition, software costs of \$446,000 and \$6,846,000 for 2023 and 2024 respectively was utilized to upgrade our member system PROMIS, myFNPF mobile app, employer

portals and other systems (FMIS). This was done to also improve service delivery (Refer Note 17 of the FS).

3. Were there any significant financial challenges faced during 2023 and 2024, and how they were addressed?

Challenges included ongoing global uncertainties (inflation and interest rates) and economic challenges and the COVID-related withdrawals.

As an institutional investor, the Fund's strategic approach involved diversifying our investment portfolio across a wide range of asset classes including equities, properties and commercial loans. The Fund also pursued its investments in the bonds market, driven by the reliable fixed income returns it offered during a time of volatility (COVID pandemic).

The restored contribution rates (to 18% effective 1 Jan 2024 following Government action) and increased marketing and awareness of the additional and voluntary contributions improved the contributions and asset growth throughout both financial years.

4. What major policy changes were implemented during year 2023 and 2024, and how did they impact services to the members?

Notable changes in the Early Withdrawals policies include:

Withdrawal benefit	Change	Effective Date
Education Tuition –	Removal for criteria where member has to provide proof for covering the balance of tuition where General Account > 50% of tuition	1 August 2023
Medical assistance	Removal for criteria where the member has to provide proof for covering the balance of medical cost where GA > 50% of medical cost	1 August 2023
Medical incidental expenses	Increase from \$5,000 to \$10,000	1 August 2023
Unemployment assistance	Members who are still unemployed can apply again after one year since their last unemployment withdrawal. 3 months stand down period for members who have resigned was removed.	1 August 2023

Education Laptop	– Members able to purchase laptops under the Education withdrawal benefit	15 April 2024
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5. Were there any amendments to regulations that directly affected members?

There were legislative amendments permitting FNPF to open an Australia office (improving service to Fijian migrants) and Government decision to change contribution and the restoration of the mandatory contributions.

6. What were the key infrastructure projects undertaken in 2023 and 2024 and how have these contributed to the performance of FNPF?

Investment in core infrastructure such as telecommunications through Amalgamated Telecom Holdings Pte Limited and social infrastructure in Health Care Fiji (HCF) for medical equipment and machines.

The Fund also invests in the Fiji Infrastructure Bonds issued by the Government which are then utilized for infrastructure development in Fiji.

Technology infrastructure investments included improvements to the myFNPFapp, Employer Self-Service Portal.

These infrastructure investments have led to significant impact on FNPF performance such as:

- Asset Growth – total assets rose from \$9.4 billion in 2023 to \$10.6 billion in 2024
- Net income increased from \$882.1 million in 2024 compared with \$775.8 million in the previous year
- Increase in member funds
- Increase in crediting rate declared to members
- Enhanced member engagement and operational efficiency
- Better service delivery to members

7. How does FNPF plan to ensure that all its infrastructure remains sustainable?

The Fund takes a proactive approach to ensure its infrastructure remains sustainable – both financially and environmentally.

As one of Fiji’s largest property owners, FNPF is committed to maintaining and upgrading its assets to meet long-term sustainability goals. This includes periodic maintenance of its properties through ongoing maintenance cycles, upgrades to extend asset lifespan, incorporating green building practices, exploring renewal energy solutions for its properties, regular risk assessments for climate related and operational threats, insurance coverage to mitigate financial exposures from natural disasters.

8. Were there any delays or budget overruns on major projects, and what measures were taken to mitigate them?

The major project currently in progress to completion is the Refurbishment of Westin Resort in Denarau. Initially planned to “make good” has changed to a complete refurbishment due to latent conditions of the Property and its facilities. Additional scope, that are value and profit enhancements were also included during refurbishment to ensure Westin’s competitive edge over upcoming Resort and Hotel developments.

The Fund, through its fully owned subsidiary Dubbo Ltd (which owns the Westin Resort) ensures that an acceptable Return on Investment is received after the Refurbishment by working with Marrott as operators of Westin Resort.

The Fund undertakes due diligence prior to embarking on the major projects. This includes obtaining cost estimates against which budgets are set. Additionally, the projects are robustly managed through a project management team to monitor the costs against budget and to anticipate any situational changes. Strategies to mitigate include using project management software and tools, tracking of costs in real time using appropriate software, setting contingency reserves, regular budget reviews, continuous risk assessments to spot potential delays or cost drivers, ensuring appropriate actions taken to reduce impact or likelihoods, having a formal control process whereby any scope or budget change goes through formal review and approval and constant communication with all stakeholders to prevent issues.

9. Can FNPF highlight on membership during the year 2023 & 2024 as per table below.

Age boundary interpreted as distinguishing minor from adult.

The cohort label has been changed accordingly

“Age 0-18” - Minor (below age 18)

“Age > 18” - Adult (age 18 and above)

Account Type /Age Cohort	Male Count		Female Count	
	FY2023	FY2024	FY2023	FY2024
Compulsory	219,021	224,029	163,737	170,410
Voluntary	11,380	12,905	11,727	15,800
Minor (below age 18)	1,518	2,090	1,164	1,611
Adult (age 18 and above)	228,883	234,844	174,300	184,599

10. Can FNPf highlight on member advocacy program for the rural and maritime zone members. Were there any specific membership drive for farmers in the rural and maritime areas?

In FY 2023, the Fund conducted 356 awareness sessions which included workplace seminars, community and villages outreaches and offered pop up services in areas where there is no FNPf office.

Routine visits to farmers in Naitasiri, Lomaivuna, Muaniweni, Navua and Sigatoka were made to ensure these farmers were able to consistently contribute towards their retirement savings.

In 2024, there was 542 sessions registered. This highlights rural and maritime engagement and targeted community programs; while specific 'farmer' drives are referenced in select reports, the outcomes are far-reaching and have driven up voluntary membership numbers as a direct result.

11. Can FNPf provide its return on investment in each entity it invested as at 30/06/2024?

The FNPf Act 2011 stipulates that FNPf can invest or apply funds within applicable investment guidelines. These guidelines or the Investment Policy Statement specifies the classes of investments that are permitted. The IPS provides the basis of diversification of the portfolio, which is important for reducing risks in a portfolio while maintaining levels of expected returns. A diversified fund protects against volatility of sharp losses in one asset class.

FNPf discloses a consolidated return on investments which is a clear and concise snapshot of overall investment performance. This is easier for stakeholders to understand as one unified figure rather than breakdown of several entities as individual investments may fluctuate widely due to market conditions, sector-specific risk or timing. Aggregate ROI averages out these swings, presenting a more stable and realistic view of long-term performance. Furthermore FNPf (and similar funds) manage investments as a portfolio and not isolated investments. Consolidated ROI reflects the effectiveness of diversification, asset allocation and risk management which are core elements of institutional investing. Consolidated ROIs also avoids misleading comparisons as entities vary in size, sector and risk profile. FNPf is also mindful of protecting confidentiality of sensitive financial details or giving away strategic positioning which may erode competitive advantages.

Outlined below is the Gross ROI based on the various asset classes in which the Fund invests.

	FY24
Fixed Income	6.4%
Cash & Cash Equivalents	1.2%
Commercial Lending	8.6%
Equity	14.7%
Property	11.6%
Total Returns (Gross)	8.94%

12. Can FNPF clarify whether the acquisition of Lyndhurst is on property or business?

In 2024, FNPF acquired a mix of commercial and prime property assets at the Kalabu Tax Free Zone from Lyndhurst Investments Pte Limited. These acquisitions comprise of three factory outlets and three warehouse buildings. FNPF has signed tenancy agreements with the tenants and properties are fully tenanted.

The Fund reiterates that it has not invested in Lyndhurst as a business.

13. FNPF could update current balance of Fiji Government Guaranteed loan to Fiji Airways in 2020.

In July 2020, FNPF had provided a loan of \$53.6M to Air Pacific Limited t/a Fiji Airways which was secured by a Government Guarantee by the Government. The loan balance as at 31/7/25 stands at \$47,973,832.74.

14. What is the business arrangement and return on FNPF investment in ASPEN Hospital (Ba and Lautoka Hospital)?

The PPP arrangement with Govt was signed with Heath Care (Fiji) Limited (“HCF”) of which 80% was owned by FNPF and the other 20% by Aspen who also manages the operations of the two hospitals (Ba/Lautoka).

Key objectives of Health Care investment by the Fund are as follows:

- Diversification of the Fund’s investment portfolio
- Impact investment - benefit to members and people of Fiji
- Advance health facilities for Fiji
- Enabler to other investment opportunities available for FNPF e.g Medical tourism
- Opportunity for medical insurance cover for members through FNPF savings

In FY24, fair value gain of \$12.5m was recorded for this investment. HCF is actively working with Government to review the Concession Agreement to better align with the current hospital operations and to assist with the construction of the new Lautoka hospital which is part of this arrangement.

15. How did FNPF engage with the public and stakeholders to ensure transparency in its decision-making?

The Fund is mandated to conduct Annual Member Forums where management must present on its performance, achievements, operations and future plans for the year. Members can question the Board on its investments decisions and governance and also provide suggestions/feedback for improved/new products and services.

Other engagement methods includes member satisfaction surveys, nationwide advocacy campaigns, member surveys, public consultations, improved digital channels (chatbot, live chat, myFNPF app).

16. Were there any public consultations or feedback mechanisms that influenced policy changes of FNPF?

Yes, a number of changes to Fund withdrawal policies and products and services being explored are a result of members feedback during our engagement surveys and the Annual Forum discussions.

17. How did FNPF address concerns raised by the public regarding members' service?

FNPF has the complaints and whistle blower mechanisms in place. Members can raise their grievances through these channels. For complaints, the Fund has a dedicated officer that looks into these complaints and Whistleblower issues are assigned to the Internal Audit and Corporate Governance and Compliance teams for investigations.

18. How Sustainable Development Goals assisted the FNPF to maintain Gender equality throughout the organization?

Gender equality is addressed through internal HR policies, workforce development, and reporting (staff diversity and inclusion initiatives).

19. What were some of the obstacles in implementing SDGs?

Resource constraints, market pressures, balancing return objectives with ESG goals, and operational complexity in embedding SDG frameworks across a large property and investment portfolio.

20. FNPF provide staff breakdown based on gender using the following table.

Staff	Year 2023	Year 2024
Male	209	198
Female	206	199

21. The Committee noted the foundation of a 5-year strategic plan was introduced. What is the progress of this strategic plan?

FY 2023 and FY 2024 marked the first and second year of implementation of the Fund's five-year Strategic Plan. The first two years served to align the Fund's strategic direction — setting the foundation, clarifying intent, and outlining the necessary steps to bring the strategy to life, with some key initiatives been implemented.

Some of the notable achievements in Year 1(FY 2023) include:

- Restoration of the contributions rate back to the 18% enabled the Fund to achieve a positive net contribution of over \$100m after being in the negative for two years due to COVID withdrawals
- Implementation of a new retirement product, the Drawdown Account which offers members more flexibility and widens their choices when making decisions in retirement
- Growth in our investment portfolio from \$8.6b to \$9.4b. Notable investments were made in HFC Bank, Toyota Tsusho Limited and Healthcare Fiji Limited
- The set up of a sperate unit to focus on member education and advocacy leading to increased workplace seminars, community and village outreach, and retirement expos and pop – up services in rural areas.
- Increased voluntary and additional contributions of over \$70m
- Enhanced digital services through the mobile app and increased payment options made available to members.

Some of the notable achievements in Year 2 (FY 2024) include:

- Declaration of 8% interest crediting rate for members. This resulted in over \$500m being distributed to member accounts.
- Acquisition of shares in Future Farms – Rooster Chicken, Fletcher Higgins of Fletcher Construction, mixed use commercial/industrial property assets – Garden City, Lyndhurst Property and Natadola Beach Estate
- Increased member education and advocacy sessions nationwide resulting in an additional and voluntary contributions of over \$81m.
- Changes to partial withdrawal policies to make them more member centric - education, medical and unemployment
- Amendments to the law to allow for children from birth to become members of the fund (previously it was 6 year-olds)
- Launch of the gifting product (decumulation phase)
- Enhancements to the member system PROMIS.

22. Committee noted that there was an introduction of the Draw Down account. How this has contributed to the progress of the FNPF?

The DrawDown Account is a retirement product which offers members more flexibility that the life pension and term annuity products. Members get monthly payments and still earn interest on their reducing balance annually. They also have the flexibility to make a withdrawal should their personal circumstances change.

This product offers a better range of options for members that have turned 55 years and are deciding what to do with their retirement savings. It also allows for a gradual run down of funds from the FNPF and in return members earn interest.

This product was introduced in FY 2023 and there was a 4.2% uptake rate in the first 6 months of its introduction to the market. The uptake of the DDA product in 2024 was 3.86%.

23. In diversifying your investment portfolio and given the volatility of the market how will FNPF ensure these investments will maximize returns?

In the current dynamic investment environment, FNPF uses multi-pronged strategies to ensure that its diversified investments continue to deliver strong returns while safeguarding members savings.

These include:

- Using a Strategic Asset Allocation model to balance risk and return by investing across multiple asset classes like fixed income, equities, commercial lending, properties and term deposits
- To reduce reliance on Fiji's domestic economy. FNPF is actively pursuing its offshore investments in international markets which helps to mitigate local economic risks and tap into broader growth
- FNPF also has target sectors that are less vulnerable to economic downturn such as government securities, commercial properties and resilient sectors such as telecommunications, healthcare, supermarkets etc
- Prudent risk management by ensuring returns are comparable to similar investment funds or market benchmarks
- Continuous performance monitoring and flexibility to adapt to changing market conditions

24. In the report it was noted that an office was open in Australia. How successful was the setup of this office?

The Fund is still in discussions with the relevant stakeholders regarding the transfer of superannuation savings of Fiji seasonal/migrant workers in Australia and New Zealand when returning home. This requires collaboration between Governments, tax offices and superannuation funds.

25. How well have employers complied with FNPF rules and regulations?

- a) 90 - 95% of our Active and Contributing Employers follow their statutory obligation monthly by submitting and paying their contribution.
- b) 95 - 98% of our Active and Contributing Employers fully utilize our online portal service monthly (submission & payments).

26. What benefit does FNPF give to the employers who regularly comply with the regulations?

- a) Compliance Certification: With a full compliance status, these Employers are recognized to have a clean compliance record with full adherence to the law and are issued a 1 Year Compliance Certificate.
- b) Seamless Experience to FNPF Employer Portal Self Services: With a full compliance status, these Employers have a clean compliance record and high data integrity enjoy our online services and platforms without any interruption.
- c) Avoidance of Penalties and Legal Action: With a full compliance status, these employers avoid penalties and other legal ramifications that come with non-compliance, saving their reputation, increasing their business engagement or growth, and money in the long run.

27. Which of the FNPF Properties have been leased out for management?

FNPF's property portfolio is currently managed by an internal team with expertise across leasing, maintenance coordination, and tenant engagement. While this model has ensured close oversight and operational consistency, the team is actively exploring modalities for leasing as a future option to enhance service delivery to tenants—particularly in areas such as reactive maintenance, customer service, and compliance.

This shift would allow the internal team to focus more strategically on asset performance, redevelopment planning, and portfolio-level initiatives. In parallel, FNPF is finalising the implementation of its own property management system, which will streamline workflows, improve data visibility, and support more proactive decision-making across the portfolio.