STANDING COMMITTEE ON ECONOMIC AFFAIRS

Consolidated Review Report of the Energy Fiji Limited Annual Reports 2023 and 2024

PARLIAMENT OF THE REPUBLIC OF FIJI
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Table of Acronyms

ADB	Asian Development Bank
CAPEX	Capital Expenditure
CCoF	Consumer Council of Fiji
CEO	Chief Executive Officer
EFL	Energy Fiji Limited
FCCC	Fijian Competition and Consumer Commission
MWh	Megawatts-hour
SDGs	Sustainable Development Goals

Chairperson's Foreword

On behalf of the Standing Committee on Economic Affairs, I am pleased to present this Consolidated Review Report on the Energy Fiji Limited (EFL) Annual Reports for the financial years 2023 and 2024. This report reflects the Committee's examination of EFL's performance, financial management, governance, and service delivery, and highlights areas requiring improvement to strengthen accountability and ensure the long-term sustainability of Fiji's energy sector.

As Fiji's national electricity provider, EFL plays a critical role in supporting economic growth, social development, and energy security. The Committee acknowledges the importance of EFL's mandate and the challenges associated with meeting growing electricity demand while transitioning towards a more sustainable energy future. However, the Committee's primary responsibility is to assess whether the organisation is operating efficiently, transparently, and in the best interests of consumers and the nation.

The Committee's review identified several significant issues that require focused attention and corrective action. Of particular concern is EFL's continued dependence on imported diesel fuel, which remains its largest operating cost and exposes both the company and consumers to fluctuations in global fuel prices. Despite the national target of achieving 90% renewable energy generation by 2035, progress towards reducing fuel dependency has not advanced at the pace necessary to achieve this objective.

The Committee also noted increasing debt levels and ongoing financial pressures which, if not carefully managed, could affect EFL's long-term financial sustainability. Equally concerning is the recurring pattern of significant underspending on approved capital expenditure programmes. Over several years, substantial portions of approved investment budgets have remained unutilised, raising questions about project implementation capacity, planning effectiveness, and whether anticipated infrastructure improvements are being delivered as intended.

The review further highlighted deficiencies in transparency and reporting. The Committee found limited disclosure regarding dividends paid to customer shareholders, the treatment of interest earned on customer security deposits, and the outcomes of rural electrification programmes. Such information is essential for ensuring public confidence, promoting accountability, and enabling Parliament and consumers to assess whether EFL is delivering equitable benefits to all stakeholders.

In addition, the Committee expressed concern over the substantial expenditure incurred through the hiring of containerised diesel generators. While increasing electricity demand and climate-related impacts on hydroelectric generation present genuine challenges, these costs underscore the importance of stronger long-term planning, timely investment in renewable energy projects, and more effective management of generation capacity requirements.

To address these shortcomings, the Committee has made a series of recommendations aimed at improving EFL's performance and accountability. These include the development of a clear and measurable Renewable Energy Transition Plan, strengthened debt management strategies, enhanced reporting on capital expenditure delivery, greater transparency in shareholder and consumer-related financial matters, improved reporting on rural electrification outcomes, and stronger independent oversight of EFL's operational and financial performance.

The Committee believes that implementing these recommendations will support better planning, improve transparency, strengthen financial sustainability, and ensure that investments in the energy sector deliver tangible outcomes for consumers and the wider economy. Going forward, the Committee expects EFL to demonstrate measurable progress in addressing these areas of concern and to report transparently on actions taken in future Annual Reports.

I extend the Committee's appreciation to the Chief Executive Officer (CEO) and staff of Energy Fiji Limited, as well as stakeholders including the Consumer Council of Fiji (CCoF) and the Fijian Competition and Consumer Commission (FCCC), for their cooperation and valuable contributions during the review process.

I also acknowledge the valuable contributions of my fellow Committee Members - Hon. Premila Kumar, Hon. Semi Koroilavesau, Hon. Alipate Tuicolo, Hon. Kalaveti Ravu and secretariat for their support in producing this report.

On behalf of the Standing Committee on Economic Affairs, I commend this Review Report to Parliament and urge all Hon. Members to give due consideration to its findings and recommendations, which are intended to strengthen the performance, accountability, and sustainability of one of Fiji's most important public utilities.

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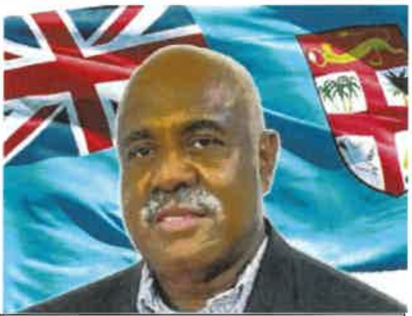
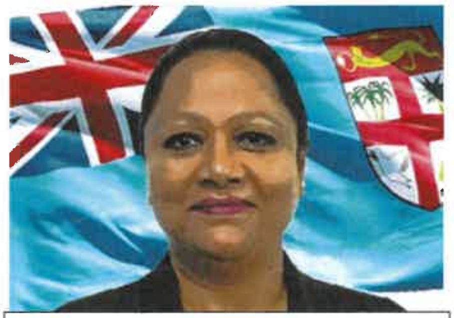
Hon. Sakiusa Tubuna
Chairperson

1.0 Committee Membership

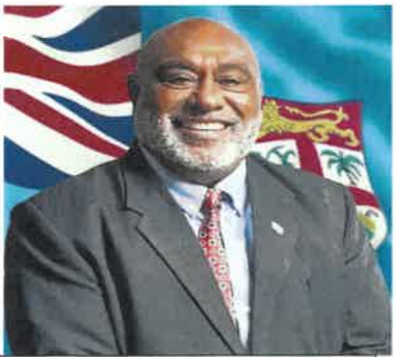
Pursuant to Standing Order 109(2)(a) the Standing Committee on Economic Affairs is mandated to look into matters related to economic development, finance, banking and taxation. The members of the Standing Committee on Economic Affairs and are as follows:



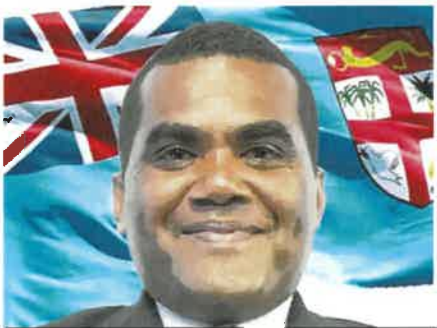
Hon. Sakiusa Tubuna
Chairperson



Hon. Premila Kumar
Deputy Chairperson



Hon. Semi Koroilavesau
Member



Hon. Alipate Tuicolo
Member

Hon. Kalaveti Ravu
Member

1.1 Committee Secretariat

The Committee is supported by a team of Parliament Officers serving as the Committee Secretariat. These officers are appointed and delegated by the Secretary-General to Parliament under Standing Order 15(3)(i). The Secretariat team consists of the following Parliament officers:

- Ms. Marica Tuisoso – Senior Committee Clerk
- Ms. Awantika Raj – Deputy Committee Clerk

Committee contact details.

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2.0 Introduction

The Standing Committee on Economic Affairs ('the Committee'), was referred the Energy Fiji Limited Annual Report 2023 on 12th July 2024 and subsequently the Energy Fiji Limited Annual Report 2024 on 18th July 2025, pursuant to Standing Order 38(2) of the Standing Orders of the Parliament of Fiji. The Committee was mandated to review these Annual Reports and table its findings to Parliament.

In line with its mandate, the Committee undertook a detailed examination of the reports and now presents its findings and observations to Parliament.

2.1 Procedure and Programme

2.1.1 The Committee began its review of the Annual Report in May 2026. The review process was agreed upon by consensus among the Committee Members and involved a comprehensive and systematic examination of the reports.

2.1.2 Before the formal meetings, the Members of the Committee read and reviewed the 2023 and 2024 Annual Reports. During the Committee deliberations, Members analysed the content of the reports, identified key issues, and engaged in in-depth discussions to evaluate the findings. These discussions led to the formulation of the key questions and identification of issues requiring further clarification.

2.2 Oral Evidence Received

2.2.1 The Committee received briefing and public submissions from the Consumer Council of Fiji and Fijian Competition and Consumer Commission on 22 June 2026 and Energy Fiji Limited on 23 June 2026.

2.3 Written Evidence Received

2.3.1 The Committee received written submissions from CCoF, FCCC and EFL to the questions that was sent to them for their response.

3.0 Committee Deliberations and Analysis

3.1 Background

Energy Fiji Limited is Fiji's national power utility responsible for the generation, transmission, and distribution of electricity across the country. It plays a central role in supporting economic development by providing reliable and affordable energy services to households, businesses, and industries.

EFL operates across the main islands of Viti Levu, Vanua Levu, Ovalau, and Taveuni, supplying electricity to over 200,000 customers and maintaining an extensive power network.

The company is guided by its vision of "Energising our Nation" and aims to deliver clean and affordable energy, with a strategic target of achieving at least 90% renewable energy generation by 2035.

In addition to electricity provision, EFL is actively involved in expanding rural electrification, investing in infrastructure, and advancing renewable energy projects, including hydroelectric and solar developments, to support Fiji's long-term energy security and sustainability.

3.2 Summary of the 2023 and 2024 Performance and Achievements

3.2.1 2023 Performance and Achievements

- EFL maintained reliable electricity supply despite significant challenges, including low rainfall, rising fuel costs, and increased electricity demand.
- Electricity production increased to 1.12 million Megawatts-hour (MWh), with customer numbers rising to over 219,000.
- The company expanded access through rural electrification and new connections, supporting national development.
- Key infrastructure and renewable energy projects progressed, including hydropower feasibility studies, solar projects, and transmission network upgrades.
- However, due to high fuel costs and reliance on diesel generation, EFL recorded a loss after tax of $24.80 million.

3.2.2 2024 Performance and Achievements

- EFL recorded a strong recovery, achieving a profit after tax of $7.17 million.
- Electricity production and demand increased significantly, with output rising to 1.22 million MWh and demand growing by about 9%.

- Continued expansion of the network increased customers to over 223,000 and enhanced service coverage.
- Major progress was made in the renewable energy transition, including solar project development, hydro expansion plans, and achieving over 50% renewable generation mix.
- Significant investments were made in grid infrastructure, capital projects, and partnerships (e.g., Asian Development Bank (ADB) and World Bank) to support long-term energy security.

4.0 Committee Findings

The Committee conducted a thorough review of the EFL Annual Reports and received public submissions from CCoF, FCCC and EFL. The following findings are presented for the attention of Parliament:

4.1 Fuel Costs: The Main and Growing Financial Risk

4.1.1 Fuel remains EFL's highest operating cost and a major threat to its financial sustainability and electricity affordability for consumers. Fuel costs increased from $192.97 million in 2023 to $211.07 million in 2024, representing around 50% of electricity sales revenue.

4.1.2 This high dependence on imported fuel creates significant exposure to global fuel price fluctuations and foreign-exchange pressures. Although EFL has a target of achieving 90% renewable energy by 2035, progress has been slow, with the contribution of renewable energy declining rather than increasing. The continued high fuel bill reflects years of delayed investment in renewable energy which reduces EFL's ability to lower long-term electricity costs.

4.2 Rising Debt and Financial Pressure

4.2.1 EFL's total loans increased significantly from $169.50 million in 2023 to $225.06 million in 2024, an increase of $55.56 million in one year.

4.2.2 While EFL states that its borrowings are commercial loans without Government guarantees, the combination of rising debt, high fuel costs, limited revenue growth, and delayed capital investment increases financial risk.

4.3 Capital Expenditure (CAPEX) Underspending: A Continuing Concern

4.3.1 EFL's capital expenditure shortfall appears to be a recurring issue rather than a one-off occurrence.

Year	**Approved CAPEX F$M**	**Actual CAPEX F$M**	**Underspend F$M**
2019	105.37	62.77	42.60
2020	96.23	43.71	52.53
2021	133.72	33.58	100.14
2022	145.83	44.54	101.29
2023	111.98	56.37	55.61
2024	233.83	152.23	81.61
2025	298.96	147.11	151.85
Total	**1,125.92**	**540.31**	**585.63**

4.3.2 In the last seven (7) years, EFL underspent its approved capital expenditure budget of $1.1 billion by $540.31 million, meaning only about approximately 48% of approved capital projects were implemented.

4.3.3 In 2024, EFL spent only $172 million of its approved $234 million capital expenditure budget, leaving a $62 million shortfall. Continued underspending on approved capital projects raises questions about whether tariff-funded investment plans are being delivered.

4.3.4 This is concerning because EFL has sought tariff increases, partly to fund future capital investment, while failing to fully utilise previously approved capital allocations. Where customers are paying higher tariffs to support infrastructure improvements, there must be transparency and assurance that approved projects are delivered and that funds are used for their intended purpose.

4.4 Dividends and Interest Payments to Consumers

4.4.1 EFL's Annual Report does not disclose whether dividends were paid to customer shareholders, who collectively hold 5% of the company, or the amount received by them. This is despite EFL reporting a dividend payment of $40.68 million to foreign shareholders in 2023.

4.4.2 The report also does not disclose whether interest earned on customer security deposits, totalling $49.5 million, was paid to consumers and at what interest rate. This lack of disclosure raises concerns regarding transparency and the equitable treatment of consumer shareholders.

4.5 Containerised Diesel Generator Hire

4.5.1 EFL has acknowledged that approximately 50% of electricity generation continues to come from renewable sources and 50% from fossil fuels, while demand increases by around 5% annually and climate change continues to affect hydro generation reliability. Despite these known challenges, EFL incurred high costs for hiring containerised diesel generators, amounting to $21 million in 2023 and $31 million in 2024.

4.5.2 This raises questions about whether sufficient long-term planning and investment in alternative renewable energy capacity have been undertaken to reduce dependence on costly diesel generation. And why was a cost-benefit analysis not undertaken before hiring the generators?

4.6 Rural Electrification Works

4.6.1 The 2023 Annual Report provides limited information on progress in expanding electricity access to rural and underserved communities. It does not disclose the number of new grid connections completed under Government rural electrification schemes during the year or the impact of capital investment on improving energy access.

4.6.2 Without clear reporting on rural electrification outcomes, it is difficult to assess whether EFL's investments are contributing to equitable access for low-income and remote communities.

5.0 Committee Recommendations

Based on the critical analysis of the 2023 and 2024 Annual Reports, the Committee makes the following recommendations:

5.1 Accelerate Renewable Energy Investment and Reduce Fuel Dependency

EFL should develop and table a clear Renewable Energy Transition Plan with annual targets, timelines, and investment requirements to achieve its 2035 renewable energy goal. The plan should include measurable milestones to reduce reliance on imported fossil fuels and protect consumers from fuel price volatility.

5.2 Strengthen Financial Sustainability and Debt Management

EFL should develop a long-term debt management strategy addressing rising borrowings, fuel cost exposure, and future capital requirements. Any major borrowing should be supported by clear financial projections demonstrating affordability and long-term sustainability.

5.3 Improve Capital Expenditure Delivery and Accountability

EFL should provide detailed reporting on approved capital projects, actual expenditure, project delays, and reasons for underspending. The Auditor-General should conduct an independent audit of EFL's capital expenditure from 2019–2025 to assess whether tariff-funded capital allowances have been used for their intended purposes and why there is a high underspend on capital expenditure.

5.4 Link Tariff Increases to Measurable Investment Outcomes

Where tariff increases are approved to fund capital investment, EFL should be required to demonstrate that the approved projects are delivered within agreed timelines. The Energy Fiji Limited Annual Report should include a detailed comparison of approved capital expenditure against actual implementation.

5.5 Improve Transparency on Dividends and Consumer Shareholder Benefits

EFL should disclose in its Annual Reports to ensure transparency and equitable treatment of all shareholders:

- dividends paid to all shareholder groups, including customer shareholders holding 5% shares;
- the basis for dividend allocation;
- interest earned on customer security deposits; and

- interest rates applied.

5.6 Strengthen Rural Electrification Reporting

EFL should include detailed reporting on rural electrification outcomes, including:

- number of new connections completed;
- communities connected;
- expenditure on rural electrification projects; and
- progress in improving access for remote and disadvantaged communities.

This will allow Parliament and the public to assess whether investment is delivering equitable access to electricity.

5.7 Establish Stronger Independent Oversight of EFL Performance

The Committee recommends strengthened oversight of EFL through regular reporting on fuel costs, renewable energy progress, capital expenditure delivery, debt levels, tariffs, and consumer outcomes to ensure accountability for a critical national utility.

6.0 Sustainable Development Goals (SDGs)

The Energy Fiji Limited Annual Reports for 2023 and 2024 demonstrate strong alignment with several Sustainable Development Goals, particularly SDG 7 (Affordable and Clean Energy), which remains the central focus through renewable energy expansion and electrification initiatives. The reports also reflect significant contributions to SDG 9 (Industry, Innovation and Infrastructure), SDG 13 (Climate Action), SDG 11 (Sustainable Communities), SDG 8 (Economic Growth), and SDG 17 (Partnerships for the Goals). Notably, the 2024 report shows strengthened international partnerships and accelerated progress in renewable energy transition.

In particular, EFL's work during the financial years 2023 and 2024 contributes to the following key SDGs:

- **SDG 7 - Affordable and Clean Energy:** EFL's operations strongly support SDG 7 through its commitment to providing clean and affordable electricity, including its target of achieving at least 90% renewable energy generation by 2035 and continued investment in hydro and solar energy projects.

- **SDG 9 – Industry, Innovation and Infrastructure:** EFL contributes to SDG 9 by expanding and modernising national energy infrastructure, including transmission networks, digital systems, and large-scale capital investments to strengthen service delivery and operational efficiency.

- **SDG 13 – Climate Action:** The company advances SDG 13 by actively transitioning from fossil fuels to renewable energy sources and implementing strategies aimed at reducing carbon emissions and supporting Fiji's climate resilience goals.

- **SDG 8 – Decent Work and Economic Growth:** EFL supports SDG 8 through employment creation, workforce development, and its contribution to economic growth via increased electricity production and improved financial performance.

- **SDG 11 – Sustainable Cities and Communities:** EFL promotes SDG 11 by expanding rural electrification and improving energy access to communities, thereby enhancing living standards and enabling inclusive development.

- **SDG 17 – Partnerships for the Goals:** The company demonstrates alignment with SDG 17 through strategic partnerships with international organisations such as ADB and the World Bank, facilitating financing, technical expertise, and collaboration to achieve sustainable energy objectives.

7.0 Conclusion

The Committee acknowledges EFL's progress in improving financial performance, expanding electricity access, and advancing renewable energy initiatives.

However, key challenges remain, including reliance on diesel generation, rising costs, delays in capital projects, and concerns around service reliability, financial sustainability, and transparency.

The Committee emphasises the need for stronger planning, improved operational efficiency, and a clear renewable energy transition roadmap, and expects EFL to implement the recommendations outlined and report on progress in future Annual Reports.

8.0 Committee Members' Signatures

We, the undersigned Members of the Standing Committee on Economic Affairs agree with the content of this report.

.... Hon. Sakiusa Tubuna **Chairperson**	
.... Hon. Premila Kumar **Deputy Chairperson**	.... Hon. Semi Koroilavesau **Member**
.... Hon. Alipate Tuicolo **Member**	.... Hon. Kalaveti Ravu **Member**
15/7/2026	

9.0 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-economic-affairs/