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## STANDING COMMITTEE ON SOCIAL AFFAIRS

### Review Report on the 2025 Fiji National Provident Fund Annual Report



**PARLIAMENT OF THE REPUBLIC OF FIJI**  
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## CHAIRPERSON’S FOREWORD

I am pleased to present the Standing Committee on Social Affairs report on *the Review of the 2025 Fiji National Provident Fund Annual Report*.

Fiji National Provident Fund continues to play an important role in safeguarding the retirement savings of Fijians, with total assets reaching \$12.1 billion as of June 2025. With \$9.5 billion in members fund and \$2.3 billion in general reserve, the fund serves 436,860 members and 8,292 active employers.

For the financial year ending 2025, the FNPF achieved a total investment income exceeding \$1 billion, a testament to the Fund’s robust and diversified investment strategy that include its ongoing focus on sustainable long term value creation.

The Committee noted the increase in income driven by various key contributors such as interest earned from the Government bonds, loans and term deposit, growth in dividend income from hotel subsidiaries, HFC Bank, Telco subsidiaries and other offshore investment. Furthermore, the increase in revenue from the rental income earned from the earlier acquisition of Lyndhurst properties and other rental review completed in year 2025.

Some of the key milestone achieved by FNPF for the year 2025 were as follows:

1. A landmark partnership with Google, for the construction of the ICT facility at Natadola, positioning Fiji as a regional tech hub.
2. New offshore investments of \$138 million were made as part of our diversification strategy and other key investments in BSP-PNG, Standard & Poor’s 500 Exchange Trade Fund, Martin Currie Real Income Fund and IFC Emerging Asia Fund.
3. A comprehensive review of the Investment Policy Statement ensuring alignment with long-term objectives.
4. Acquisition of shares in Higgins Holdings (Fiji) Pte Limited.
5. Strategic funding for the Naisoso Radisson Blu Mirage Resort.
6. Completion of Phase 1 renovations at Yatule Resort enhancing hospitality assets.

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.

The Committee visited the Westin Denarau Hotel in Nadi and ASPEN Hospital in Ba, during its site visit in February 2026.

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 Members of the Social Affairs Committee, Hon. Rakuita Vakalalabure, Hon. Alipate Tuicolo, Hon. Viam Pillay, Hon. Aliko Bia, Hon. Parveen Bala and Hon Ketan Lal for their invaluable contribution and support.

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

BSP	Bank of South Pacific
FNPF	Fiji National Provident Fund
HFC	Home Finance Company Ltd
IFC	International Finance Corporation
RBF	Reserve Bank of Fiji
SO	Standing Order
S&P 500 ETF	Standard & Poor's 500 Exchange Trade Fund
SWSAS	Seasonal Worker Superannuation Administration Service

# 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:



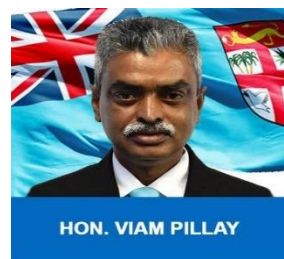
**HON. ILIESA SOVUI  
VANAWALU**

**Chairperson**



**HON. RATU RAKUITA  
S. VAKALALABURE**

**Deputy Chairperson**



**HON. VIAM PILLAY**

**Member**



**HON. ALIPATE TUICOLO**

**Member**



**HON. PARVEEN KUMAR**

**Member**



**HON. ALIKIA BIA**

**Member**

## **1.0 INTRODUCTION**

The 2025 Fiji National Provident Fund annual report was tabled in Parliament on 28th November 2025 and was 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 2025 Fiji National Provident Fund Annual Report commenced in January 2026. The Committee reviewed the report, 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 5th February 2026. Upon receipt of all pertinent information addressing the Committee's queries, the report was finalised and subsequently endorsed on 13th April 2026.

Responses from the FNPF 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 was established in 1966 under the pre-independence government and will be celebrating its 60<sup>th</sup> anniversary this year.

The operation of the fund is guided by the FNPF Act 2011. The Fiji National Provident Fund is a defined contribution fund that provides superannuation services to its members hence FNPF is mandated by law to collect compulsory contributions from employees and employers towards the retirement savings of all workers in Fiji. Apart from retirement savings, the Fund also provides pre-retirement benefits such as housing, medical 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-own the Inter-Continental 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.

In 2025 FNPF invested in BSP PNG, Exchange Trade Fund -S&P 500 Index, Martine Currie Real Income Fund, Martine Currie Core and ITC Emerging Asia Fund.

## 3.0 KEY FINDINGS

The Committee conducted its review of the 2025 Fiji National Provident Fund annual report and identified the following key findings:

- 3.1 The Committee noted FNPF's milestone achievement in all its revenue collection of \$1.1 billion as at 30<sup>th</sup> June 2025 compared to \$909 million in 2024.
- 3.2 The Committee noted that investment in BSP, ATH, HFC, Hotels and offshore investment shows growth in dividend income from \$144,785 million in 2024 to \$190,352 million in 2025.
- 3.3 The Committee noted that FNPF maintained its operational expenses of \$63 million despite increased service demand and inflationary pressures.
- 3.4 The Committee noted that despite an increase in offshore portfolio from \$856 million in 2024 to \$1.1 billion in 2025, FNPF continued to face challenges in transferring its funds offshore for investment purpose as only \$100 million was approved by the Reserve Bank of Fiji.
- 3.5 The Committee noted that the review process of the FNPF Act started in 2011.
- 3.6 The Committee noted that FNPF's engagement with employers and seasonal workers in Australia and New Zealand to become members of FNPF.
- 3.7 The Committee noted that FNPF members under suspense account are not receiving their full benefits.
- 3.8 The Committee visited Westin Hotel construction site at Denarau, Nadi and was assured by the project manager that the construction of phase 2 and 4 of the hotel will be ready by April 2026.
- 3.9 The Committee noted that any person can be a voluntary member registered under FNPF.

## 4.0 RECOMMENDATIONS

The Committee recommends the following:

- 4.1 The Committee recommends that FNPF must continue to increase its revenue collection by exploring more investment opportunities.
- 4.2 The Committee recommends that FNPF must maintain its due diligence process and industrial benchmark in mitigating its effective risk management and efficient allocation of resources while investing in various portfolios.
- 4.3 The Committee recommends that FNPF must maintain its operational expenditure by streamlining its HR, procurement, financial, governance and digital processes.
- 4.4 The Committee recommends that the FNPF must continue to engage with the Reserve Bank of Fiji to increase offshore investment limits for better returns for its members.
- 4.5 The Committee recommends that FNPF must fast track its process in reviewing the FNPF Act to align with modern standards and business best practices.
- 4.6 The Committee recommends that FNPF must continue to negotiate with foreign employers in Australia and New Zealand for direct deduction of members contribution under the Seasonal Workers Scheme.
- 4.7 The Committee recommends that FNPF must prioritize employer training on its portal ensuring accurate submission of information to member's accounts.
- 4.8 The Committee recommends that FNPF, together with the Line Ministry must provide a detailed report clearly outlining the change in the project cost and the delay in the completion of the Westin Hotel.
- 4.9 The Committee recommends that FNPF should create more awareness programs that will ensure the registration of school children, farmers and domestic workers around the country under the voluntary membership scheme.

## 5.0 SUSTAINABLE DEVELOPMENT GOALS AND GENDER ANALYSIS

### SDG Analysis provided by FNPF.

Of the 17 SDGs, FNPF contributes only those that is related to its core purpose of enabling members to save for their retirement.

SDGs	FNPF's Contribution
SDG3 - Good Health and Well being	<ul style="list-style-type: none"> <li>• The FNPF partial withdrawal assistance enables members to access their funds for urgent medical treatment.</li> <li>• FNPF invests in the healthcare sector (e.g. PPP with the Government and Aspen Medical) to improve medical facilities, equipment and services</li> <li>• This provides access to affordable healthcare, and the reduction in out of pockets medical expenses.</li> </ul>
SDG4 - Quality Education	<ul style="list-style-type: none"> <li>• The FNPF partial withdrawal assistance also supports education related outcomes by facilitating access to funds for education purposes.</li> <li>• This improves enrolment rates in tertiary institutions and a more skilled labour force.</li> </ul>
SDG8 - Decent Work and Economic Growth	<ul style="list-style-type: none"> <li>• The Fund ensures all employers contribute towards workers' retirement savings as required by law, supporting financial security and stable livelihoods.</li> <li>• The Fund is also progressing initiatives to get informal workers to voluntarily contribute to their retirement savings as well those overseas workers in PALM/RSE schemes.</li> </ul>
SDG9 - Industry, Innovation and Infrastructure	<ul style="list-style-type: none"> <li>• Through strategic investments, FNPF supports growth in key sectors (telecommunications, health, tourism, real estate, ports, etc.) contributing to national economic development and resilience.</li> </ul>

SDG16 – Peace, Justice and Strong Institutions	<ul style="list-style-type: none"> <li>• FNPF is Fiji’s sole retirement savings fund, safeguarding members’ retirement savings and promoting financial security, governance and trust in institutions.</li> </ul>
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**Gender Analysis**

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

<b>Staff</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
Male	191	198	196
Female	184	214	214
<b>Total</b>	<b>375</b>	<b>412</b>	<b>410</b>





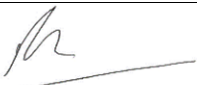

## **6.0 CONCLUSION**

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

The Committee entrust that the recommendations outlined in this report will support the FNPF in achieving its objectives by providing more efficient service to its members.

## 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. Ilesa 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: 13 <sup>th</sup> April, 2026	

# ANNEXURE

## Published evidence

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Written evidence, transcripts, and supporting documents can be viewed on the Parliament website at the following link: <https://www.parliament.gov.fj/committees/standing-committee-on-social-affairs/>

# **[VERBATIM REPORT]**

## **STANDING COMMITTEE ON SOCIAL AFFAIRS**

### **FIJI NATIONAL PROVIDENT FUND 2025 ANNUAL REPORT**

**SUBMITTEE:**            **Fiji National Provident Fund**

**VENUE:**                **Big Committee Room, Suva**

**DATE:**                 **Thursday, 5<sup>th</sup> February, 2026**

**VERBATIM NOTES OF THE MEETING OF THE STANDING COMMITTEE ON SOCIAL AFFAIRS HELD AT THE COMMITTEE ROOM (EAST/WEST WING), PARLIAMENT PRECINCTS, GOVERNMENT BUILDINGS ON THURSDAY, 5<sup>TH</sup> FEBRUARY, 2026 AT 10.53 A.M.**

1. Honourable Iliesa Vanawalu - Chairman
2. Honourable Aliko Bia - Member
3. Honourable Viam Pillay - Member
4. Honourable Parveen Bala - Member
5. Honourable Alipate Tuicolo (virtual) - Member

Interviewee/Submittee: Fiji National Provident Fund

In Attendance:

1. Mr. Viliame Vodonaivalu - Chief Executive Officer
2. Mr. Tevita Lomalagi - Chief Financial Officer
3. Ms. Millie Low - General Manager Business Dev. & Strategy
4. Ms. Farnaz Queet - Manager Member Services

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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 here this morning, especially the viewers who are watching this public hearing session live.

At the outset, for your information, 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 the public and the media, and it is also being aired live via the *Walesi* platform and 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, this can be provided to the Committee, either in private or in writing. However, please be advised that Standing Order 111, in the following circumstances, permits the non-disclosure of information. These are:

- (a) National security matters;
- (b) Third party confidential information;
- (c) Personnel or human resources matters; and
- (d) Committee deliberations and the development of the Committee's recommendations based on the report.

This is a parliamentary meeting, and all information gathered is covered under the Parliamentary Powers and Privilege Act 1965. Moving forward, please bear in mind that we do not condone slander or libel of any sort. Any information brought before this Committee should be based on facts. In terms of the protocol of this Committee meeting, please minimise the use of mobile phones, and ensure that all mobile phones are on silent mode while the meeting is in progress. I also wish to remind honourable Members and our guests that all questions are to be addressed through the Chairman of this Committee. I would like the Members of the Committee to introduce themselves. Honourable Members, you may start now.

*(Introduction of honourable Members of the Committee)*

Today, the Committee will be hearing a submission from the Fiji National Provident Fund (FNPF) in relation to its 2025 Annual Report. Before us, we have representatives from the FNPF, and I would like to thank them for availing themselves to appear at this hearing.

Due to the essence of time, you may give a brief response, and the Members will intervene with their supplementary questions during your presentation. I now invite the officials from the FNPF to introduce themselves and then begin with the presentation. Thank you, Sir. You may start now.

*(Introduction of team members from the Fiji National Provident Fund)*

MR. V. VODONAIVALU.- First of all, Chair and honourable Members, first I acknowledge the invitation. I also first acknowledge the creator, who has enabled us to carry out our role as a trustee. And we do honour to be here today to present the financial account for 2025 for the Fiji National Provident Fund.

FNPF at a glance — In summary, we have 436,860 members. Mandatory active members total 250,000, and we have 13,400 voluntary members. The average interest paid over a five-year period is about 6.95 percent. We have grown our total assets to \$12.1 billion and total members' funds to \$9.5 billion.

The difference of \$2.4 billion represents the general account balance, which is similar to undistributed income over the years. This is made up of two investment reserves and the solvency requirement. Defensive investments make up 59 percent, and the balance is in growth funds, which include share investments and property investments. The majority of our funds are in the domestic market, with 91 percent of the total portfolio held locally. Therefore, overseas investments are not a significant portion of our portfolio.

In terms of GDP, we make up 85.2 percent in total, and within the financial system, we account for around 35.4 percent.

Financial performance — Over the years, our key revenue streams are outlined in this slide. Our income is mainly driven by interest. In terms of figures, the majority of that is from Government investments in Government stock and bonds. Of the \$361 million, \$278 million is from Government interest on Government bonds and securities. Dividend income is made up of dividends from related parties or from fully owned subsidiaries that are one hundred percent owned by the Fund.

We have grown over the years. Last year, we recorded about \$909 million in income. This year, we have surpassed the \$1 billion mark, reaching \$1.1 billion. Property rental income is \$37 million. The majority is made up of realised interest income and dividends received. Another major component is the change in fair value of our equity investments and investments in property, which makes up a significant amount—\$465 million compared to \$361 million last year.

Other income amounts to \$50.7 million. Fair value, which we will probably discuss later, is in accordance with IFRS 13, arising from investments in subsidiaries, associated listed and unlisted equity, as well as from foreign equities and properties. Other income is predominantly made up of impairment reversals of financial assets and mortgage loans.

MR. CHAIRMAN.- CEO may I? Looking at your dividends, last year was \$190 million. You mentioned that you have reached the \$1 billion mark for this year. Can you elaborate on some of the contributing factors to that?

MR. V. VODONAIVALU.- Sir, you will notice that there is growth mainly in the change in fair value of equity. It was \$361 million last year and \$465 million this year. This growth is mainly from the equity valuation of our investments in ATH. We are still growing our investment in ATH through expansion offshore, including Papua New Guinea.

We have the second biggest shareholding in BSP. We hold significant positions in other equity investments that include ATH, HFC, and our hotel, the Sheraton Fiji Golf & Beach Resort at Momi Bay, in which we hold shares. There has been a significant movement in share value. We conduct valuations every financial year as a requirement of the accounting standard IFRS 13.

MR. CHAIRMAN.- CEO, that leads to my second supplementary question. When you look at your trends and the growth currently in place, are these long-term growth opportunities, or do they depend on economic and social factors affecting how you run your business?

MR. V. VODONAIVALU.- It is a mix of both. We have grown to a size where we are not struggling but are finding good opportunities within the domestic market. We have shown interest in a number of Government SOEs, statutory equities, and holdings, and we have written to them to express our interest. That is our intention—to grow.

The majority of our liabilities are domesticated each year. It is a collection for members. Whenever we consider investing locally and overseas, if we can spend a dollar in the domestic market, it creates a chain reaction of spending here compared to overseas. It has more social implications if we invest locally than if we invest overseas.

Every year, we request approval from the Central Bank to move funds overseas, not to the level that we want, but we always ask each year to provide us with a parcel of funds that we can allocate to overseas investments. I have stated that more than 90 percent of our investments are domestic.

Major Expenditures — If we move on to our expenses, the people capacity cost, which relates to our salaries and other benefits, amounts to \$21.9 million of the \$63 million total. This has grown slightly from \$62 million to \$63 million over the years. As I have stated, FNPF is not only a cost centre; we are a net profit centre, in the sense that our ability to distribute to members comes from the net amount.

If we talk about deficiency, we would normally consider the total income to total expense ratio—how it is derived. However, looking at expenses alone, there has been a movement of \$0.4 million growth from the previous year, while our income has grown from \$900 million to \$1.1 billion in revenue.

I will elaborate on the expense line. If you compare it with the principal objective of the Fiji National Provident Fund Act, stated in Section 2A, it is to ensure that workers accumulate savings throughout their working life to provide income after they cease working. From this perspective, FNPF functions as both a cost centre and a net profit centre, because we distribute to members only the net amount after covering our costs.

A partial withdrawal prior to retirement dampens the member's accumulation growth. However, the onus is more on investment income growth, as well as how efficiently we manage our expenses.

At that level, if you compare the two years, for 2025, for every dollar of cost we spend—taking the two figures together—we generate \$17.55 in income. In other words, for every million dollars spent in costs, we make approximately \$17.5 million in income.

Comparatively, in 2024, for every dollar of cost we spent, we generated \$14.48 in income. That is, for every million dollars spent, we made \$14.48 million in income. This comparison reflects how we manage costs relative to income, rather than looking at expenses alone.

MR. CHAIRMAN.- This is an interactive session, whereby all the honourable Members are free to intervene at any time, as they see fit.

MR. V. VODONAIVALU.- If you focus on that, our major costs are people capacity costs—\$21.9 million—and core investment expenses, which amount to \$14.6 million. The dilemma we face is that we normally conduct due diligence on major investments that require external parties for validation. It is not solely internal; because of the size of the investment, we require legal due diligence, pricing assessments, and technical cost evaluations. These services are procured through a tender process. These costs are directly related to how we grow our income. When we invest in equity, these costs also reflect changes over the years.

Regarding costs and property expenses, we have added a number of properties to our income line during the years. This is also documented in the materials we have sent through. We can now move on to that, if you wish to add to it.

HON. V. PILLAY.- Mr. Chairman, through you, CEO, if you could correct that amount on people and capacity costs. You said \$21,000; it should be \$21.9 million, as it will appear in the verbatim report. Please make that correction.

MR. V. VODONAIVALU.- It is \$21.9 million compared to \$20.8 in 2024.

MS. M. LOW.- Policy and Regulatory Changes — In terms of policy and regulatory changes, there were some changes made to our partial withdrawals scheme, particularly in housing and education. We have made incremental changes to allow members to access their funds to further their education and housing needs. In particular, for education, we have included professional development courses, which were not previously allowed by FNPF. This change was mainly in response to requests from our members to include courses such as CPA professional exams. This has now been included in 2025.

HON. P.K. BALA.- Mr. Chairman, what percentage of their funds can members withdraw for housing and education, or is there a ceiling?

M. M. LOW.- Mr. Chairman, for partial withdrawals, members can access up to 30 percent of their general account balance. Early withdrawals are allowed up to the limit of what the member has accumulated in their general account. Specifically, for education, the withdrawal is limited to the member's general account balance on the day of application, and they will qualify provided they meet the eligibility criteria and are enrolled in approved institutions.

For housing, the withdrawal is unique. This is an encouraging withdrawal under the partial scheme and is the only opportunity for members to access up to 51 percent of their funds, which includes the 21 percent from the provident account. This is designed to support members in acquiring a capital asset, aligning with the core purpose of the Fund.

Under housing, members have a one-time opportunity to withdraw the full 51 percent. The policy change ensures that this withdrawal can cover all aspects of a housing project, including purchasing unsurveyed land, obtaining a proper title, and constructing a property, enabling full project completion.

Regarding voluntary membership, children can now be registered from birth. Previously, the entry age for the voluntary membership scheme was six years, but this has now been reduced to birth.

We have also introduced a product called the Transfer of Savings Entitlement. This is available only to members who have reached an entitlement event, mainly at 55 years of age or in cases of medical incapacity. This product allows members to transfer a portion of their savings to another member's account, simplifying the process.

In terms of the review of the FNPF Act 2011, our Board, in the last financial year, appointed an Independent Law Review Committee to oversee the drafting of the terms of reference for the review. This was done because it is an important exercise requiring public consultation.

The Committee was composed of representatives from our Board, employer institutions, and worker institutions, including one representative from FCEF and one from the unions. The Committee has completed its work and conducted public consultations in Suva, Labasa, and Lautoka. We also conducted online surveys and accepted written submissions to gather the views of members and the general public on matters they would like to see reviewed in the Act. This exercise has now been completed, and the tender for the review of the law will be issued in February 2026.

MR. CHAIRMAN.- Madam, may I? When you talk about the review of your policies, these go back to 2011, and we are now in 2026. Looking at the accumulated time and the process involved, what are some of the areas that need to be expedited to ensure these reviews are completed on time? I understand that you have your target timelines, and there is a lot to discuss in terms of your terms of reference while also considering the public consultations held. Specifically, when reviewing an Act, there are statutory timelines to follow.

From 2011 to 2026, the process times have been quite long. As custodians of the Fund and the interests of FNPF members—which, as we all agree, include all of us—are there ways to accelerate your process? I understand you are now in the final phase, but looking at it, it has taken more than ten years to complete this legislative review. I cannot place blame, as there have been changes in management and institutional machinery.

However, as a point of support, we are always available to assist. If you schedule such reviews for a five-year period, it must be completed within that timeframe. The world is changing rapidly, and the Fund must keep pace. That is my input to you, CEO.

MR. V. VODONAIVALU.- We will take note of that, Mr. Chairman. Specifically, if you refer to the reform of 2011, that was a major change from the initial Act to the 2011 amendments. Even during that period, the Fund was in an accumulation phase, with the change in the mix from 30/70; prior to that, it was 50/50. The scheme changes were intentional.

Taking our objective, as stated in Section 2, it is accumulation, ensuring that members have sufficient funds and income upon retirement. If that were our only focus, achieving it would be straightforward.

However, when considering the members, there is no broader social security network, and FNPF has been used to fill that purpose, as legislated. This is why we operate according to the requirements of the legislation. If we were to focus solely on our accumulation objective and eliminate all partial withdrawals, it would simplify matters, but we do not have the legislative mandate to do that.

The amendments currently being proposed are quite interesting, as members continue to ask what funds they can withdraw.

HON. P.K. BALA.- Sir, going back to the consultation, as stated, the team conducted consultations throughout the country. What are some of the concerns that members have raised in particular areas? I do not need details, but what are the major concerns they want amended?

MS. M. LOW.- A lot of members raised issues about withdrawals. There is particular interest in business withdrawals, with members looking at ways in which the Fund can help them generate more income so that they can save more. They are approaching us from the perspective that the Fund should allow them to withdraw funds for business purposes, enabling them to save more for retirement.

There were also questions about the types of investments we undertake and how we distribute members' funds.

What we are finding is that a one-size-fits-all approach does not suit everyone. Our membership is diverse, with about 70 percent at the lower end, 20 percent in the middle, and a small number with high balances. Our current products do not adequately suit the range of members we now have, and members are seeking greater flexibility through the law review.

HON. A. BIA.- When you talk about members, in the last report that we deliberated regarding FNPF, there were discussions about members who are seasonal workers in Australia and New Zealand. Could you provide an update on their status?

MS. F. QUEET.- Yes, we have progressed quite significantly in that area. We have signed an MOU, which is now being executed with Appello Services Limited, using the Seasonal Worker Superannuation Administration Service (SWSAS) platform for New Zealand workers. Discussions are now progressing toward the Australian market. As we have explained, the Australian environment is quite different and heavily legislated, which differs from our system, but that has not deterred us. We are working with key stakeholders to ensure their participation.

Internally, we are also taking a proactive approach by raising awareness before workers depart. They are engaged through the NEC programme and the PALM scheme before leaving. We appreciate the interventions provided prior to departure. We ensure that these seasonal workers are fully registered with us before leaving, so that they can also use the platform on arrival.

For our members before they leave, we are working on a mindset change, registering them and providing training on how they can self-contribute. However, this has been challenging, which is why we are partnering externally, for example with Appello, and exploring similar arrangements in Australia, to provide a consistent platform before the funds reach their hands. This remains a work in progress.

On the same note, we are working closely with other regional countries. The Cook Islands is already on board, with a super-to-super arrangement in place for Fiji workers returning from there. We are now exploring similar arrangements with two other regional countries, working closely with their governments and super funds to bring them on board.

HON. V. PILLAY.- It is also a concern regarding the suspense account. Last year, the balance was close to \$185,000, and this year it is about \$126,000. If this amount has been accumulating over the years, it could total thousands or even millions of dollars that have not been credited to the correct accounts.

This should be a significant concern for FNPF, because members are losing out. The amount in the account is not increasing appropriately, and members are not receiving the full benefits or entitlements they are due. How can this be improved? Every year, funds appear in the suspense account, and we have observed that thousands of dollars are not reaching the members' accounts.

MR. V. VODONAIVALU.- I believe part of the reform includes a new system in which we have introduced invoicing. Previously, we relied on schedules uploaded by employers, who then made payments. This made it difficult for our collection team to accurately identify members.

With invoicing, employers pay the exact invoiced amount, which ensures that funds are credited directly to the members' accounts. This is a new process introduced as part of the reform and also serves as a control measure to reduce the number of suspense accounts.

HON. V. PILLAY.- Can you confirm the accumulated amount in the suspense account to date? What is the current total? If you do not have the data at hand, you can provide it to us later. This is a significant concern, and it is important that we take steps to improve this.

MR. CHAIRMAN.- Honourable Members, if the information is not readily available, please feel free to go back to the office, CEO, and provide us with all the details. This will assist us in reporting key findings before we make any recommendations when tabling this report to Parliament. We are still at the exercise stage, which is why we need clarity.

MR. T. LOMALAGI.- Mr. Chairman, it is on the balance sheet on page 53. The suspense account balance has actually reduced from \$15.5 million to \$4.3 million.

HON. V. PILLAY.- So, from \$15.5 million to \$4.3 million—the difference represents amounts for which the members have been identified, and the funds have been credited to their accounts.

MR. T. LOMALAGI.- Yes.

HON. V. PILLAY.- So, there is a system in place.

MR. T. LOMALAGI.- That is the impact of invoicing.

MR. V. VODONAIVALU.- So, on the slide, we have shown growth over the years. As noted, the majority of our investments remain in defensive assets, which include government paper and fixed income, such as bank deposits, loans to other institutions, and government securities. This makes up the bulk of our investment portfolio.

The other area showing growth is in equity investments, including ATH, our hotel holdings, and the BSP group. We also hold a number of overseas stocks and other investments that contribute to this growth. It is worth noting that FNPF operates as a unique super fund compared to others internationally. Unlike many overseas superannuation funds that have a pass-through system—where losses and gains are directly passed to members—FNPF cannot pay negative interest to members due to legislation. This ensures the preservation of the principal value, which is why solvency reserves are maintained.

As a result, not all income is distributed each year. For example, while our total assets are \$12.1 billion and members' funds total \$9.0 billion, the \$2.1 billion difference represents the solvency reserve, which is undistributed income maintained to comply with the legislative requirement of preserving principal.

In terms of returns, although we earned 9 percent in 2025, only 8.75 percent was passed to members, with the balance retained in the solvency reserve. The legislation requires that 10 percent of our liabilities be preserved, and the remaining balance forms part of the investment solvency cover to protect against market fluctuations. This structure ensures stability and protects members' funds.

Regarding key infrastructure projects, the Westin project has been queried multiple times. Construction is ongoing, and practical completion is targeted for April of this financial year. Other pipeline projects include the Momi Development, which is also progressing.

HON. P.K. BALA.- Mr. Chairman, through you, CEO, as you have highlighted, this matter has reached the floor of Parliament and has also been reported in the media. I believe there is significant public interest. As a Committee, it becomes our responsibility to thoroughly examine this issue so that we can prepare a clear and comprehensive report for Parliament.

Having said that, CEO, what was the initial cost of the project, and what is the current estimated cost required to complete it?

MR. V. VODONAIVALU.- The cost of construction remains around \$231 million. The project is divided into four phases, with phase four including additional scope. Our intention is to position Westin as a price setter in Denarau, where we are in competition with other stakeholders—there are about eight hotels in total, of which we own two, and the others are owned by different stakeholders.

We first constructed the Sheraton during COVID. As part of the acquisition deal, Westin required renovation, which was planned but held back during COVID. Once Sheraton began operating and generating income, we proceeded with the Westin project.

Phase four included additional infrastructure work, as Westin is the oldest hotel on site and required significant repairs. Civil works had to be redone. All works are undertaken to ensure a positive return on investment (ROI). The operator guarantees ROI before we proceed, and the project only moves forward once the ROI is confirmed.

HON. P.K. BALA.- Am I correct in understanding that the initial cost of the project was around \$90 million?

MR. V. VODONAIVALU.- No, that is not correct. To clarify, the project originally had three phases, and then additional scope was added. Phase one had a firm cost. Phase four required reworking civil works, including re-digging and installing all the lines. The additional costs arose from this expanded scope. This is not a budget blowout; it is an investment in additional work to position Westin as a price setter in Denarau.

HON. P.K. BALA.- Mr. Chairman, last supplementary. There has been talk that a fibreglass swimming pool was purchased but will not be used. Is there any truth to this?

MR. V. VODONAIVALU.- I cannot answer that now, but we can provide the answer later.

MR. CHAIRMAN.- To recap, if a response to that question can be provided.

MR. V. VODONAIVALU.- Yes, Sir. The Fund also invests in Fiji infrastructure bonds. We are not only investing in our own infrastructure but also funding the Government through bond investments. Last year, we invested \$363 million in Government securities, thereby supporting Government infrastructure indirectly through bond issues.

Additionally, we have made several investments in telecommunications networks through our FNPF subsidiary, Amalgamated Telecom Holdings Limited (ATH). We have also taken major steps in investing in world-class medical equipment and technology to better serve the people of Fiji and improve healthcare, through Health Care Fiji Limited (HCF).

HON. P.K. BALA.- Mr. Chairman, a supplementary question. CEO, when you refer to Health Care Fiji Limited, is this in partnership with Aspen?

MR. V. VODONAIVALU.- Yes, Sir.

HON. P.K. BALA.- Last time the team appeared, they confirmed that due diligence was conducted by FNPF before entering into the partnership, and that is on record. Later, in Parliament, the then Minister of Finance stated that FNPF was forced to enter into the partnership. Is there any truth to this? We need to clarify the matter, as such claims do not reflect well on the country when engaging a partner.

MR. V. VODONAIVALU.- I will attempt to answer that. Hospital Health, our in-health investment, was the first public-private partnership (PPP) arrangement ever undertaken in this country. Healthcare had not been a primary consideration before, but we recognised its social implications. Our intention was to facilitate healthcare effectively while also incorporating it as part of our investment portfolio in medical care.

We leveraged our approach to land acquisition, as with the FSC land in Lautoka. All the FSC land in Lautoka City is now mainly owned by FNPF. When we engaged with Health Care Fiji Limited (HCFL), the plan was already established. By positioning it strategically—close to the airport—we ensured the potential for medical tourism. This was the strategic thinking at the time, and we have not deviated from it.

As I mentioned, the PPP arrangement is the first of its kind in the country. It began during FFP's tenure and has since progressed. We are still finalising the agreement between the parties, including Government, FNPF, and Aspen. The process is nearing completion. Initially, FNPF's role was to find a partner before fully committing, so the arrangement may have appeared unusual, but we were confident it would succeed. Medical care is critical for the country, and if positioned correctly, it could become a significant future income source.

Regarding our offshore investments, BSP Papua New Guinea represents a significant and profitable venture for FNPF. Questions have arisen in the PNG Parliament about Fiji's interest, but our focus is returns for members. We acquired shares from existing ADB stakeholders exiting PNG, and as a result, we are now one of the second or third largest BSP shareholders there. This investment is highly profitable, with dividends paid in Australian dollars, and it is fully reported to the Reserve Bank of Fiji.

HON. V. PILLAY.- As you have mentioned, there is a very good return from offshore investments. You also stated that only 10 percent of the Fund is invested offshore. If the returns are that strong and can benefit members, why is only 10 percent allocated to overseas investments?

MR. V. VODONAIVALU.- As I stated, for FNPF to invest funds overseas, we must obtain approval from the Central Bank. They manage foreign exchange, which has a significant economic impact. If it is not done carefully, it could affect the economy, so the Central Bank balances the outflows. Whatever amount they allow us to move, we transfer and invest overseas. We have been requesting allocations, and they currently provide us with a parcel of \$100 million per year, which we then invest abroad.

HON. V. PILLAY.- Is that a challenge for FNPF regarding offshore investments?

MR. V. VODONAIVALU.- Yes, it is. We are currently working on some of the arrangements, and if these are approved, we will be able to implement hybrid arrangements with other overseas institutions.

HON. P.K. BALA.- Is that the reason why you do not want to bring that money back to Fiji?

MR. V. VODONAIVALU.- Yes, but the Reserve Bank is fully aware and has given us approval to do so.

MS. M. LOWIn terms of the SDGs, out of the 17, we directly impact five, which are highlighted on the slide. This is primarily because they align with our core purpose of increasing members' savings for retirement.

The five SDGs we contribute to directly are:

- SDG 3 – Good Health and Well-being: As the CEO mentioned, this is through our PPP partnership and also via partial withdrawals for urgent medical assistance for members.
- SDG 4 – Quality Education: Support is provided through partial withdrawals for education, benefiting members and their immediate families.
- SDG 8 – Decent Work and Economic Growth: The Fund has a strong compliance unit that ensures employers pay accurate contributions for their workers, who are FNPF members.
- SDG 9 – Industry, Innovation, and Infrastructure: As highlighted earlier, the Fund has invested in key sectors to grow infrastructure in Fiji and support economic growth.
- SDG 16 – Peace, Justice, and Strong Institutions: This reflects our role in maintaining robust institutional governance and compliance.

Regarding Fund performance and execution of our strategic plan, we currently have a five-year plan running from FY2023 to FY2027. We are in the fourth year of implementation, and progress has been significant. Most of our investments continue to pursue opportunities that support our growth strategy and maximize returns for members.

We also work closely with the Reserve Bank of Fiji on offshore investments. An integral part of the plan still pending is the review of the scheme design, the FNPF Act, and determining an optimized operating model for the Fund. Details of the five strategic themes and updates on each initiative are provided in our full response.

MR. CHAIRMAN.- Honourable Members, are there any supplementary questions that need to be addressed at this time to the team present, based on the 2025 FNPF Annual Report?

HON. A. BIA.- Mr. Chairman, through you, CEO, I understand that your five-year Strategic Plan is now in its third year. I have one question regarding the sustainability of the Fund and its future outlook. How does it look from now into the future?

MR. V. VODONAIVALU.- As I have mentioned, we actively look for investment opportunities. We are not heavily involved in some sectors yet, such as retail, but we prefer to invest in operations that are already running or to partner with parties that have expertise in the field. For example, in hotels, we acquire properties and engage world-class operators; our role is solely to generate returns, not to co-manage operations.

We are also expanding in banking, both in Fiji and in other Pacific markets. Similarly, in telecommunications, we began in Fiji and have now entered the Papua New Guinea market, where Vodafone is performing very well. We expect these overseas operations to outgrow our domestic ones.

We carefully weigh risks but are confident in our ability to manage them. Our strategy is to diversify not only within the domestic market but also internationally. As we have grown in size, we

continue to explore opportunities. We have communicated to the Government our intention to invest in key infrastructure such as airports and ports, aiming to expand the Fund's overall portfolio. We are also engaging with Australian superannuation funds to explore co-investment opportunities in both their markets and ours.

To strengthen our expertise, we have introduced internationally renowned members to key sub-boards. Our Board Investment Committee now includes two former executives from Rest Super—one a former CEO and the other a former Chief Investment Officer—as well as a former chair of one of Australia's top superannuation funds. Their knowledge helps us understand international markets while applying it to ours.

We are restructuring our investment team to support offshore growth. Even though the Fiji market may appear limited, significant opportunities remain. We have expressed to the Government our intention to acquire and partner with global operators for more efficient operations, which benefits both the Fund and our members. All our investment decisions are return-based: if a project generates returns, we will pursue it.

HON. V. PILLAY.- Mr. Chairman, through you, will we continue to face challenges regarding the release of funds?

MR. V. VODONAIVALU.- Yes.

HON. V. PILLAY.- Good opportunities also bring challenges with the release of funds.

MR. V. VODONAIVALU.- For example, we can do a swap. If an overseas investor holds a particular share, they transfer some of their overseas funds to us, and we transfer our share of a Fijian investment to them of equal value. There is no principal flow of funds—only the income. We receive the income in Australian dollars, and they receive the income in Fiji dollars. This approach allows us to operate outside the restrictions imposed by the Central Bank, and it is a method we have been discussing with some investment offices.

HON. P.K. BALA.- Mr. Chairman, perhaps we can conclude this session on a positive note. The last payout to members was 8.75 percent. What is your forecast for future returns?

MR. V. VODONAIVALU.- I believe we have set the expectation. The 8.75 percent payout has been maintained. I cannot predict exactly how much we will make, but our board has set a challenging target for us to achieve.

HON. V. PILLAY.- Members are discussing expectations outside, aiming for at least 10 percent.

(Laughter)

MR. CHAIRMAN.- Thank you very much, Honourable Members. Honourable Tuicolo, do you have any contributions or supplementary questions from the States?

HON. A.N. TUICOLO.- Mr. Chairman, through you, I have a supplementary question on voluntary membership.

1. Is voluntary membership strictly for Fijian citizens, or can fellow Pacific Islanders from neighbouring island states also become members?
2. Are former Fijian citizens or dual citizens eligible to become members?

3. What percentage of the total voluntary membership are subsistence farmers from the 14 provinces?

MR. CHAIRMAN.- Honourable Tuicolo, your questions have three parts. We will allow the team to respond to each part one by one.

MS. F. QUEET.- Through you, Mr. Chairman, thank you for the question. Regarding voluntary membership, the product is primarily designed to support local members. However, if a person is based overseas and holds dual citizenship, they can become a voluntary member, provided they meet the product criteria, including being under the age of 54. This addresses the first part of your question.

HON. A.N. TUICOLO.- I believe you have addressed the first and second parts. For the third part: what percentage of the total voluntary membership are subsistence farmers from the 14 provinces?

MS. F. QUEET.- Thank you for the question. Subsistence farmers from the 14 provinces make up only a small portion of the voluntary membership portfolio. We will provide the exact numbers after the session.

MR. V. VODONAIVALU.- To add to that, we have a team called the Member Education and Advocacy Team. Initially, the team had three members, but it has now grown to 14, and we plan to continue expanding. Their primary role is to onboard voluntary members, particularly in rural areas, as this is the main avenue to reach them. By joining, members can benefit from FNPF's strong investment portfolio.

We are also targeting provincial members specifically. Voluntary membership can now start from birth, allowing a child's account to accumulate over time. If managed properly, by the time the member reaches 18 years, they could have substantial savings, potentially even reaching a million dollars.

HON. V. PILLAY.- In this regard, FNPF needs to increase awareness efforts to promote voluntary membership in rural communities. I recall that during previous consultations, FNPF was present, engaging with people and recruiting members. However, more needs to be done to capture farmers and other potential members. For example, maintaining a mobile office that travels to Government roadshows, consultations, or any other available opportunities would allow your team to be present and actively increase voluntary membership.

MR. CHAIRMAN.- We are focusing more on voluntary contributions. In Parliament, most of us are retired, and currently, we are only allowed to reapply twice. Are there any options being considered to allow members who are still working to rejoin FNPF? How is the Fund looking at this, given that we were informed members can only withdraw twice and cannot return afterward?

MS. F. QUEET.- The law has been amended to allow for a third re-entry, provided the member is in full-time formal employment. There is no age limit for this third entry into the Fund.

MR. CHAIRMAN.- Thank you very much for that clarity. Honourable Members, we now understand that there are still ways to rejoin FNPF as members. Lastly, we have discussed several challenges. Challenges exist in any business, and for FNPF, some relate to Central Bank restrictions and offshore investments. If there are other challenges we did not address this morning, you may provide them to us in writing.

Following this deliberation, we will set targets for a site visit exercise. Any matters not covered during this session will be clarified on the ground. Upon return, we will compile our report, which is essential before tabling it to Parliament. The Secretariat will provide the list of locations for the visits.

This exercise will carry significant weight, complementing the information reviewed in the report. The site visits are expected to take two weeks, after which we will submit the compiled report to Parliament. On that note, I wish to sincerely thank all participants for availing themselves for this important discussion, based on the public hearing session of the 2025 Annual Report.

HON. A.N. TUICOLO.- CEO, my question relates to housing assistance. What percentage of properties purchased under the housing assistance scheme were sold during the year under review? Additionally, were the funds used to acquire these properties fully recovered and deposited back into the vendors' accounts?

MS. F. QUEET.- To answer your question, Mr. Chairman, any housing withdrawal under the partial grounds can be repaid to FNPF. Every withdrawal is assigned a unique withdrawal ID. For example, if a member uses FNPF funds for a property deposit and later decides to sell the property, they can repay the withdrawn amount back into their FNPF account.

This repayment goes directly into the member's account, and we have many success stories of members using FNPF funds to acquire multiple properties under this arrangement. The only restriction is that the 51 percent withdrawal for housing can only be accessed once. After five years and replenishment of the 51 percent, members can use their general account balance to acquire additional properties. Should they sell a property, the funds can always be returned, tied to the original withdrawal ID. This policy ensures funds are recovered and properly tracked.

MR. CHAIRMAN.- We thank you all for your time and cooperation and hope that you will be available to respond to any further queries the Committee may have regarding our findings on this report. On that note, I declare this meeting closed.

The Committee adjourned at 11.57 a.m.