



CONSUMER COUNCIL OF FIJI

A Submission on the Review of the Fiji National Provident Fund Act

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1.0 Introduction

- 1.1 The Consumer Council of Fiji is pleased to make a submission on the Review of the Fiji National Provident Fund (FNPF) Act 1966 as part of the reforms announced by the Prime Minister and Minister of Finance in the 2010 Budget address.¹
- 1.2 The Council notes that this is the first time ever for a review of the FNPF Act to be made open to public submissions. This is a recognition that all stakeholders including the members of FNPF can have a say in the way forward to reforming the only pension scheme available in Fiji, which is evidently existent due to its members' contribution. The Council believes that the FNPF has become a very important national institution that bears a high burden of public scrutiny, responsibility, transparency and accountability. Such good governance has been a dormant feature for far too long until very recently when the Government of the Day recognised the prevalent abuse of member's funds without due accountability and diligence from the management has to be addressed and eradicated.
- 1.3 The Consumer Council of Fiji (hereinafter referred to as 'the Council') as a statutory body established under the *Consumer Council of Fiji Act 1976 (CCOF Act)* is mandated by law to voice consumer or members' views, concerns and issues through complaints received by the Council as well as part of its legal duty to ensure that the most disadvantaged, poor and needy gets access to affordable and efficient delivery of the services currently offered by the FNPF. Amongst other functions, the Council is empowered (under Section 6 of the Act) to: ***"... make representations to the Government or to any other person/organisations on any issues affecting the interests of consumers."***
- 1.4 The Council mainly functions as an independent watchdog to create a fair and just delivery of goods and services in the marketplace. It does this by representing and protecting the rights and interests of consumers and in particular, the disadvantaged groups, rural poor and women by identifying and articulating the policy issues that are of importance to the consumers. First and foremost, the Consumer Council is an advocacy organization, conducting mass media promotions/awareness raising and rigorous research and policy analysis on key consumer issues. Council's insight into consumer needs and issues is a powerful tool for influencing decision-makers to bring about change.²

2.0 Role of FNPF and the Members/Consumers

- 2.1 It is a mandatory statutory requirement for all employers to register their workers/employees and pay FNPF levies as due. Voluntary members are also included in the scheme to encourage savings for retirement purposes since the FNPF came into being.
- 2.2 FNPF is the only service provider of the superannuation/pension scheme in Fiji, and as such the Council is mandated on behalf of the FNPF members who are consumers of the superannuation/pension scheme to represent their views, particularly when accessing various services such as withdrawals from the FNPF.

1 Prime Minister's 2010 Budget Address made on 27 November, 2009

2 For more information on the Consumer Council please log on to www.consumersfiji.org

- 2.3 While Council notes that the pension scheme has an important role to play in the pensioners' lives, especially when they have reached an age of retirement from employment, the certain policies in place for withdrawals for education, medical and housing purposes has always been an issue of concern to FNPF members and most of the complaints registered at the Council emanate from withdrawal issues.
- 2.4 The Council is aware of the evolution of the FNPF from a state-funded and state-subsidised entity since its inception, to a highly commercialised superannuation fund.
- 2.5 The various amendments³ of the FNPF Act and establishment of Regulations since 1966 has seen the Fund expand and broaden its services from its initial primary objective of providing retirement benefits. For example, the "one day employment" rule has been effective to compel employers to recognise the need for paying FNPF levies for old age security of their workers even if they have worked for a day and not abusing employees without giving them due recognition as a valuable asset of the economy.
- 2.6 It appears that the subsequent reforms in the law was driven by FNPF to make it economically sustainable and encourage more workers to become members of the pension scheme. Like a number of statutory agencies and government service providers, in time the FNPF has adopted the "user-pay" principle whereby its members are now liable to incur some of the costs of services provided. FNPF members now pay pre-application charges and processing fees (and other charges) for partial withdrawals, education and housing assistance. FNPF Chief Executive Officer, Mr Aisake Taito has been quoted in *The Fiji Times* report saying ...*"We reiterate that members need to share the cost of processing pre-retirement assistance."*⁴
- 2.7 Members of the FNPF are thus not "members" *per se*, but are now virtually fee-paying consumers, despite it being their money invested in the superannuation scheme that allows FNPF to invest and provide loans to various entities who in the past have proven anything but a profitable venture or for that matter accountable and transparent. The Momi Bay saga is one such bad investment by FNPF and its Board members at the time. Yet, when FNPF members (whose money is what is used for the investment), need the fund for their critical needs such as education, they are either turned down or given various excuses for not sanctioning their request to educate their own children. But, it seems that the Board who have approved such a loan that fails to be a rewarding investment including being blatantly an abuse of members funds by the recipients of the loan, there is no due diligence apportioned on the part of the Board members who had sanctioned such loan nor there is strict sense of criminal or civil liability against the perpetrators who actually take members' money and defraud.

Council's Views/Opinion

It is Council's view that despite the shortcoming in the current legislation for liability/penalty for abuse of members' funds which must be a prominent feature of any new law, the "user pay" system opens up a consumer of FNPF service to have certain rights under the country's consumer protection laws. This includes the right to accurate information, fair prices (fees/charges), disclosure of essential information, etc.

Above all, the consumer expects timely and efficient service and complaints at the Council suggest that there is significant room for improvement in the way the processing of

3 Appendix 1, Table

4 Sophie Foster, 'Our 29 questions to the FNPF', *Fiji Times*, 28/01/09

applications for withdrawals are handled to expedite the time in which the consumer is served and follow-ups by the FNPF staff to ensure any pending matters are quickly addressed.

3.0 Pension Fund to Welfare Provider

3.1 What started as a seemingly simple pension scheme has now extended into a semi-social security or welfare scheme that is probably weighing down the already stretched resources of the FNPF due to years of bad decision-making and/or investments.

3.2 The Council notes that the burden of providing social welfare benefits to the country's low-income earners has virtually shifted from the Government to the FNPF. While the Government's Department of Social Welfare provides monetary relief and other economic measures to the destitute of about 40% of the population living below the poverty line, the FNPF has been essentially covering social security for low-income earners and struggling workers in times of critical need such as during natural disasters.

3.3 The various amendments to the FNPF Act and Regulations throughout the years has moved the emphasis from pensions to pre-retirement benefits. These benefits are primarily for the social needs of members who find it hard to pay for housing, education and other essential needs. For example, the *FNPF Amendment Act 1984* saw the introduction of the 'Housing Financial Assistance' scheme in a bid to allow members to withdraw a portion of their FNPF savings towards their housing. The Fund further added education assistance to the list of pre-retirement benefits in 1993. This scheme also allowed members to include their immediate family members and or dependants as beneficiaries. The Fund also expanded its partial withdrawal scheme to include:

- Medical assistance – local and overseas
- Funeral assistance
- Unemployment assistance
- Employment opportunities overseas
- Re-employment for security services overseas
- Resettlement overseas with provisional visa
- Assistance to members over 55 years
- Withdrawal of Excess contributions
- Low-income earners
- Short Term Re-employment for Tour of Duty

3.4 The Fund has also opened up temporary partial-withdrawal for members during cyclones, floods etc. In the period after the 2000 coup, the Fund provided a partial-withdrawal opportunity for members who had been affected by that event, particularly those who lost their jobs or had their salaries/wages cut.

3.5 The level of partial withdrawals has increased dramatically throughout the years. For instance, education assistance alone rose from a \$2.9million in 1999 to some \$29.772million in 2006.⁵ In 2007 the FNPF paid out approximately \$37.29m for education assistance.

3.6 Partial withdrawals continue to represent more than a quarter of total benefits paid out

5 FNPF 1999 (Chairman/Lionel Yee); FNPF 2008 (CEO/Aisake Taito)

every year since 2004.⁶ Essentially the FNPF has taken on the responsibility of providing a “welfare net” for its members in times of need and consequently diverted much of the burden from the shoulders of the Government.

Council’s Views/Opinion

- a) In Council’s view, the FNPF has essentially evolved from merely a pension system to a welfare scheme, or more accurately a poverty-alleviation fund for low-income earners, particularly where the Government assistance has not been adequate or reasonable to meet the economic and social needs of the poor and needy. For example, the mere \$60 per month of social welfare benefits from the Government is not enough to meet medical or educational needs of the family, where cost of education alone has been a burden to even the middle-class family. Therefore, the Government support and assistance with bus fare programme, school books and so forth is a welcome addition to enable every child to receive affordable and reasonable education in Fiji.
- b) Similar Government support is required to ease the burden that is currently placed on the FNPF to meet other costs such as medical and housing because one cannot forget that the elderly population does not have any other scheme or protection once they enter old age. Understandably, the senior citizens have worked in their prime years and they look forward to their retirement with dignity and grace. But if they are left to fend for themselves because they have used much of their funds building a house or educating their children as they did not have elsewhere to seek relief, and they do not have the ability to work and look after their needs, say due to compulsory retirement age being a barrier to get a job, then all the savings at the FNPF is crucial to ensure old age does not become a burden on the pensioner economically, socially and psychologically.
- c) It becomes much worse when the family is unable to uplift their children’s educational and professional needs to enable them earn a decent standard of living in order to provide their parents with a comfortable living at old age. Therefore, how can we expect children to look after the needs of their aged parents when they themselves live in poverty?
- d) While the Council is very much in favour of finding innovative ways to assist the most poor and disadvantaged sections of the society in times when they truly require assistance with basic needs for survival as part of poverty alleviation, the FNPF must be looked at a security net for the aged and retired pensioners and **not** be a social security scheme to address the societal poverty.
- e) This is going to be difficult task to find a way to allow members to maintain a decent standard of living while at the same time, saving up enough for old age bearing in mind the rising cost of living and inflation rate. Therefore a more balanced approach is needed to re-look at what the Government’s social obligation and responsibilities are towards it people who live below the poverty line so that they can get access to affordable, reasonable and basic education, health care, housing and other assistance to maintain a decent standard of living without dipping into the pensioners’ only safety net for old age, being their FNPF.

4.0 FNPF as a Business Entity

4.1 As discussed in 2.4, the FNPF is virtually a commercial entity, equal in business stature and behaviour to financial institutions such as banks, insurance and credit

⁶ Based on FNPF Annual Reports, 2004,05,06,07. Excludes 2008.

providers.

- 4.2 Apart from adopting the “user-pay” principle, the Fund has expanded its investment portfolio especially in the property market in a bid to generate returns on members' funds and also to ensure it is operationally viable. In 2008, the FNPF underwent a “rebranding exercise”⁷ with a redirection towards its “custodian role to grow members' funds”. It also pledged to re-focus on strengthening its superannuation functions, while decreasing pre-retirement services. In other words, a cut back in partial-withdrawals and more emphasis on retaining members' funds for investment purposes. The FNPF is thus an investment fund, providing (indirectly) investment services to members. As an investment fund it is obliged to pay fair returns on members' investments and provide the level of service required of it by members.
- 4.3 Having said this, what is currently missing from the investment equation is FNPF’s inability to invest abroad. This can be an economically challenging venture if well-planned investment with guaranteed rate of returns are mapped out in the long run. For example, Fiji’s high commissions/embassies based abroad can benefit from FNPF investing in properties in those countries and seeking rental where possible or at least the investment will be rewarding through many thousands of dollars being saved by the Fiji government paying in rentals abroad.

Council’s Views/Opinion

a) The Council believes that services of FNPF should not be at cost to consumers as they already contribute funds to the FNPF. For example, members have come to the Council complaining that they had to wait for hours in line to be served and yet they pay a fee of \$20 in administration cost for partial-withdrawal and this is not refundable. If it is going to be a cost to the member, then the service must be efficient and timely and members should not be given a run around as though FNPF is doing them a favour.

b) Loans/Investments must be treated with strict rules of transparency and accountability if the objective is to cut back on withdrawals by the members in order to make the pension scheme financially sustainable and profitable in the best interests of the members. If the vary members who have invested in the pension scheme through mandatory levies are denied use of their own money in order to protect the intention of old age savings, then FNPF management must be totally responsible for any loans or investments made using the members funds.

c) If any fund is abused, there must be checks and balances in the Act to detect this and penalties must be clearly spelt out and enforced.

d) Investments abroad will have a guaranteed rate of return and this should be open to FNPF as a choice to expand and grow on the existing funds. Loans to any entity, albeit the Government should be limited, well structured and properly considered.

5.0 Submission on amendments, variation and/or revocation of the FNPF Act

5.1 FNPF to be subjected to fair trading laws

a) The Consumer Council wishes to see the FNPF as a body corporate and business-like entity that has adopted the “user-pay” principle and acted as an investment/financial

⁷ FNPF Press Release, Ref: 2912/08 *FNPF undergoes re-branding exercise*

institution be subjected to the relevant provisions of the Fair Trading Decree 1999 pertaining to Consumer Protection. The Council regards members of the FNPF as “consumers” who have bought (invested in) a product/service and paid the applicable fees for specified services, and thus deserve value for their money.

b) The FNPF should be subjected to the same laws/regulations which other businesses and services providers are answerable to when it comes to consumer protection. Consumer Credit Act applies for example, where the fund is used for purposes of obtaining advancement towards home loans in conjunction with financial institutions. Often, consumers’ lack of choice for own lawyers and disclosure of vital information is a cause of worry when there is an exorbitant cost passed onto the members/consumers who have been forced to pay because there is no other option as the much needed funds from FNPF will only help to secure the loan.

c) It must be noted that membership of FNPF is by law compulsory, however there are no independent authority to provide protection and redress when needed by members. There are currently no clear form of redress in case of complaints in the legislation. FNPF members have mostly directed their complaints and frustration via the media or by coming to the Council when all avenues fail. (See 5.6 *Member/Consumer Redress*)

5.2 Penalties against employers

a) The Council would like to see penalties on employers invoked or enforced who are late in making FNPF contributions or do not make contributions. The 2 per cent surcharge on monthly contributions under Part 4, Section 14 (*Surcharge on late payment*) of the FNPF Act is perhaps, too small and does not provide enough deterrence to offending employers. This section was last amended in 1998 and no change to reflect market value of penalties has been implemented since then. The continuous flow of contributions from employers is essential if members are to derive any beneficial outcome to this compulsory savings scheme.

b) Likewise for Part 11 (Offences and Penalties) Section 79 (Offences by employees) changes should be made to the minuscule \$500 maximum penalty against employers who fail to disclose documentation. The maximum penalty should be adjusted to current economic levels and be increased to evoke strong deterrence.

c) Furthermore, the Council believes that higher penalty charges not only deters non-compliance, but can become an income source for the Fund.

5.3 Share Investment Scheme

a) The Share Investment Scheme introduced in 2001 is a welcome and timely opportunity for members to be able to participate in the local capital market and increase the breadth of returns on their retirement savings. However, members' participation and choice is limited to what the FNPF Board prescribes as approved entities listed on the SPSE⁸.

b) Part 9A, Section 42C of the Act places considerable powers on the Board in the decision-making process regarding which companies members can divert part of their savings towards.

8 SPSE - South Pacific Stock Exchange

c) The Council wishes to see that consumers be given the choice of which companies to invest in and of course this should be done under proper investment advice/information from the FNPF or recognised investment information providers. The SPSE and the local capital market is well regulated under the Capital Markets Development Authority/Reserve Bank of Fiji, so all listed companies are in compliance of the relevant laws and regulations and thus should be open for investment choice to FNPF members. The FNPF while being a trustee of members' pension funds, should not monopolise investment decision-making, but rather allow members some leeway in choosing where they can invest part of their funds.

5.4 Pension/Annuities

a) The FNPF (Annuities) Regulations needs amendment in Part 2 – Amount of Annuities whereby the amount of annuity should be adjusted to account for current cost of living and inflation. Most annuities would be going to retirees whose daily living expenses would be much higher due to extra costs – transportation, medical expenses etc. A cost of living and inflation-adjusted amount should be factored into the Act or Regulations. The Council believes that a yearly review of the FNPF pension should be done and this necessary action should be included in the legislation.

5.5 Partial Withdrawal/Benefits – Unemployment assistance

a) The Council appreciates the Unemployment assistance scheme provided to FNPF members who become unemployed due to factors beyond their control (natural disasters, economic problems, pay cuts, etc).

b) However, the Council feels that 'Unemployment Assistance' should be an entitlement of the members and the Act should be amended accordingly to effect this. At the moment there is a lot of inconsistency with 'Unemployment Assistance', with the FNPF normally providing this benefit on an ad hoc basis with no clear needs assessment or criterion to establish what constitutes 'Unemployment Assistance'. Of course, it is subject to some abuse by members who may feel that it entitles them not to seek permanent jobs or take on a paid employment at all as the scheme will bail him/her out by pledging unemployment. However, if the new law was clear how this will be assessed and applied then the genuine members who suddenly become unemployed through some event beyond their control, they should have the chance to access a portion of their savings to cope with their daily necessities or living expenses until such time they get a paid job.

c) Furthermore, the current amount of \$500 provided by the FNPF is ridiculously low and has remained static for a while with no adjustment to reflect the increase in cost of living and inflationary trends. A worker who is intent on regaining employment will need more to cover for his/her needs (and, or family's needs) while he/she searches goes job hunting and even the job application process can take a month.

d) The amount provided cannot cover for the members' necessities during this period. In addition, the \$500 unemployment relief should be adjusted based on a members' term of membership and consistency in contributions. The amount should be based on a members' ability or chance of getting re-employed and this can be ascertained by employment history and personal marketability.

5.6 Member/Consumer Redress

a) The Council recommends and supports the establishment of an independent redress mechanism to afford FNPF members protection. At the moment there are no external complaints avenues for members other than the FNPF's members' services.

b) The Consumer Council has provided some redress for FNPF members; two officially cases registered in 2008; and nine cases in 2009. Most the complaints had to do with unsatisfactory services and slow processing of applications and claims. While the number of registered complaints maybe small and appear statistically insignificant, nevertheless many FNPF members have sought to raise their dissatisfaction with services via the media through the open columns of the daily newspapers. Also complaints and general issues regarding the FNPF, its services and objectives have been the subject of regular public debate, which demonstrates an urgent need to have an independent redress system to look into consumer issues and concerns.

c) The Council recommends the establishment of a complaints tribunal similar to Australia's Superannuation Complaints Tribunal which is managed by that country's financial services, consumer protection and market integrity regulator, the Australian Securities and Investments Commission (ASIC).⁹

d) In Fiji, such a complaints tribunal can be established under the ambit of the Reserve Bank of Fiji (RBF) keeping in mind that they have a similar redress system in place to provide redress and remedy to consumers complaining against financial services under their Compliance Unit. However, the RBF currently has a supervisory role as a prudential regulator with no definite or clear cut legal powers to take financial institutions to task for non-compliance of its orders/directives and as such time will tell whether FNPF should move towards have a more independent redress system with legal powers to look into consumer complaints and adjudicate on violation of rights of the members. However, if resource constraint is an issue in the current times, there is no reason why RBF cannot begin to provide redress to FNPF consumers – this is better than nothing.

5.7 Medical Assistance

a) The current Medical Assistance scheme of the FNPF comes under the Partial-Withdrawal benefits afforded to members. It is not a standalone benefit such as Housing Assistance, which is embedded in the Act. The Council recognises the innate need of the poor and needy to access medical care in the absence of any governmental assistance or support for social health insurance or free medical care which means that FNPF members will still need this form of assistance from FNPF until alternative support is provided by the State. In the interim, the Council submits that together with Unemployment Assistance (5.5 above), the FNPF should extend mandatory member benefits to include Medical Assistance.

b) An International Labour Organisation (ILO) report¹⁰ recommended that the FNPF should start health insurance coverage for members and their family members. The ILO noted that only a small proportion of the population can afford private medical care and/or private medical insurance. The FNPF should consider the Central Provident Fund¹¹ of Singapore's 'Medisave' scheme where a portion of members' contributions are diverted to their Medisave Account to build up savings for healthcare and medical needs.

9 [www.http://www.treasury.gov.au/content/superannuation.aspContentID=344&titl=Superannuation](http://www.treasury.gov.au/content/superannuation.aspContentID=344&titl=Superannuation), Accessed 9 February 2010.

10 ILO (2006) 'Fiji: Extension of Coverage of the Fiji National Provident Fund' in Social Security Extension Initiatives in South East Asia, ILO Series. <http://www.ilo.int/public/english/region/asro/bangkok/events/sis/download/paper21.pdf> Accessed 8 February, 2010.

11 www.cpf.gov.sg/

6.0 ADDITIONAL REMARKS & CONSIDERATIONS

The Council suggests that a successful review of the FNPF Act can be realised through a more holistic review of the pensions and superannuation system in Fiji, and not just amending part of the existing laws that suits the current economic climate.

The Council takes this opportunity to submit the following for consideration:-

6.1 De-monopolisation of Superannuation

- a) The Council believes that a way forward for superannuation in Fiji is to de-monopolise the current situation where the FNPF is the sole receiver of compulsory superannuation deductions/pension contributions from employees and employers. While it is required by law for workers to part with a portion of their salaries and wages towards a superannuation or retirement fund, they do not have a choice to whom this goes to.
- b) Consumer choice to superannuation services is limited only to one fund. Unlike in countries like Australia which has a labour force of approximately 10.9million¹² with a range of 300,000 superannuation funds from which workers can choose from.
- c) The Council submits that the Government should look towards opening up the superannuation/retirement fund market to other players or financial service providers.
- d) A proper research and analysis of the potential for this liberalisation of the market is necessary. The ideal future scenario would be in which superannuation deductions will remain compulsory; however workers will have the choice of more than one fund for their savings. The Council believes that FNPF's services will improve in the future if it is subjected to controlled competition in the dynamics of Fiji market. This means that we recognise that there cannot be many players as seen in Australia but there is a potential to open up the Fiji market to more players who should adhere to proper laws and policies for consumer protection and redress.

6.2 Decide Whether FNPF a Social Welfare or Superannuation Provider

- a) There is definitely a need to re-look at the principles and objectives of pensions and superannuation in Fiji. At the moment the fund is duplicating its role as a social welfare provider and deviating from its core objective.
- b) Obviously the FNPF has become a social welfare scheme with members funds meant for retirement being used up through the various pre-retirement benefits because there are no other alternative available to the members. For example, in overseas countries like Australia, New Zealand, USA and so on, there is a social security programme to assist the needy and poor with medical, housing, education and other needs. In Fiji, this is yet to be established in the true sense and so in the name of addressing in poverty FNPF has always stepped in to fill in the gap. While members have the right to access to their funds, the many pre-retirement withdrawals being made available by the FNPF defeats the whole purpose of the Fund.

¹² Australian Bureau of Statistics > <http://www.abs.gov.au/ausstats/abs@.nsf/mf/6202.0>. Accessed 11 February 2010.

- c) As noted, the Government has not been able to adequately provide social welfare benefits to everyone, so it only is natural that low-income earners facing financial hardship would fall back on their FNPF savings for relief when given the opportunity.
- d) In the long-term, if FNPF members continue to draw on their savings, the likely end-result would be a large retiree population with diminished pensions. Fiji's elderly population is expected to increase in the years to come. The proportion of people over 60 years of age was estimated at 8 percent of the population in 2008.¹³
- e) The government in 2009¹⁴ acknowledged the increasing number of elderly people in Fiji and the associated social problems of an ageing population. It consequently endorsed the appointment of an inter-agency working committee on senior citizens that include NGO participation. The FNPF is poised to be a key agency that addresses the welfare of elderly retired citizens.
- f) Furthermore, an independent watchdog body entrusted with the mandate to protect pensioners' interest will be welcome change to currently no one keeping an eye on FNPF's dealings, particularly where big loans are sectioned without due diligence and accountability. In order to protect pensioners' funds from potential abuse, it is important an independent watchdog body is formed that can provide advice to its members; assist in seeking remedies and redress for its members; as well as represent members voice on loans and investments to create transparency and accountability in the use of FNPF money.

6.3 Criminalise Act of Fraud and Abuse

- a) In the last few years many stories have unravelled in terms of many years of poor management, neglect and abuse of members' funds that is now impacting on the pensioners' future, particularly those who are reaching retirement age and fear that there may not be enough money to take home after all.
- b) Such abuse of members funds have to be curbed and perpetrators including the board members taken to task under the new law for criminal and civil action for making decisions that are not compliance with rules of good governance or laws of Fiji.

7.0 Conclusion

The Council has made its submission on the premise that members of the FNPF are essentially consumers of a financial service and thus have certain rights under Fiji's consumer protection laws. The Council wishes to see the FNPF subjected to the same laws and treatment afforded to other financial service providers.

Furthermore, the Council believes that current penalties against employers are too lenient and outdated, and thus should be increased to deter non-compliance and also generate compensatory income to the FNPF. The Council is also of the view that members benefits for social needs (education, unemployment & health) should be just be part of an ad hoc partial-

¹³ United Nations Data, Country profile: Fiji

¹⁴ Fiji Government, Cabinet Release 6/10/09 'Cabinet approves appointment of agency to oversee welfare of senior citizens in Fiji

withdrawal scheme, but become part of the core benefits afforded to members, until such time the State can find an alternative way to meet these costs so that FNPF remain a mere pension scheme.

The Council finally recommends that Fiji progresses towards a de-monopolised superannuation market that satisfies the consumer's right to choice. Controlled competition is needed in the market to improve service delivery, allow choice and generate commercial activity through diversifying investment choices for workers' savings. Above all competition will force the players, especially a dominant monopoly player of many years like FNPF to raise its standard and quality of service. It will be forced to re-look at its redress policies which are currently non-existent in law.

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