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Prime Minister and Minister for Finance, Strategic Planning, National Development and Statistics, Public Service, Peoples Charter for Change and Progress, Information, iTaukei Affairs, Sugar Industry and Lands and Mineral Resources

**SPEECH AT THE OPENING OF THE NEW FNPF LAUTOKA BRANCH**

Naviti Street Thurs. 6th February, 2014

LAUTOKA 1600 Hours

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**Turaga naTaukei Vidilo;**

**The Special Administrator Lautoka;**

**The Deputy Chairman, Board & Management of FNPF;**

**Distinguished Guests;**

**Ladies and Gentlemen,**

Bula vinaka and a very good afternoon to you all.

I’m delighted to be here in Lautoka and to open the new FNPF branch which will greatly improve the service delivery of FNPF to its members.

Superannuation is all about the future – delivering a future of security and peace of mind for ordinary Fijians who have worked hard all their lives and look forward to a comfortable retirement.

We all owe a great deal to the foresight and vision of those who first set up the FNPF 48 years ago – in 1966 – with that great aim in mind.

From a modest investment of 30-thousand dollars, the FNPF has grown into a Fund of 4 point 2-billion dollars. This amount has been built on the hard work of successive members. It represents their life savings and their hopes for financial security when they retire. It is, therefore, the sacred trust of every Fijian Government and every Board, Management and Staff member of the FNPF to make sure that those hopes are realised. To deliver the peace of mind and contentment that we all want our retirees - both current and future - to have in their advancing years.

My Government has done everything possible to meet that obligation. But unfortunately some of the governments that came before us were not so diligent. And unfortunately, some of the leaders of those governments are back, seeking political office on the back of blatant lies about the state of the FNPF and our stewardship of the life savings of every Fijian worker. They are doing so having done little or nothing themselves to protect those savings when they were in office. And were they to ever regain the levers of power, rest assured that the fortunes of the FNPF would rapidly go into reverse, leaving our future retirees with nothing.

A lot of figures are being bandied about and twisted by these politicians to try to destroy public confidence in our stewardship of the Fund. It is highly irresponsible – a classic fear campaign – but it is also wrong. Because the truth is that my Government and the current Board rescued the FNPF from certain bankruptcy. Without our reforms, it would have gone broke by 2052. Yes, stony broke. So that if you are a worker in your mid-twenties now, there would have been nothing left in the Fund in 38 years time. Nothing for your pension even though you would have contributed to the FNPF for your entire working life.

The reason for this is very simple: You cannot take out more than you put in. You cannot dispense more money from the FNPF without putting more money in. If you do, then of course you will run out. This isn’t rocket science but a principle that every child can understand. Yet for decades, this was how the FNPF operated, in spite of warnings repeatedly given by leading international organisations and financial experts.

Yet repeated governments and FNPF Boards ignored those warnings – including those led by some of these politicians who now want to dupe you all over again. Why? Because it was too hard to take the bold decisions necessary to save the Fund and avert the crunch that was always going to come. Instead these politicians did what they always did; keep on raiding the piggy bank to keep an elite group of retirees happy and to safeguard their own interests. They did so without any consideration for the future - the future of our children, the future of Fiji.

They did it with a whole lot of things that desperately needed reform; the sugar industry, the pine and mahogany industries, industrial relations, our crumbling roads, water systems and other infrastructure. Put simply they failed to put Fiji first.

All these reforms my Government has done over the past seven years. We have arrested the years of neglect, taken the hard but necessary decisions to change the way we do things and we have put our nation's financial position on a better and more sustainable footing. And that included reforming the FNPF.

Yes, a small group of FNPF members have had to make adjustments, but an adjustment necessary to ensure that our pension scheme - which like all pension schemes is based on sharing risks - became sustainable, fair and just for all members of FNPF. Not the select few.

When you hear some of the lies that are being told and the false promises being made, I want every Fijian to remember this; The reform program is working. We’ve not only reversed the downward spiral but achieved a remarkable turnaround. Indeed, these reforms have been acknowledged with the FNPF winning a major international award from the global super-annuation industry.

The FNPF’s financial position is now strong and sound. And the proof of that is in the audited financial results for 2013 - a net surplus of $293-million. That’s a 21 per cent improvement in underlying performance. That means the savings of ordinary Fijians are secure. That means the 300-thousand FNPF members who are yet to retire can be confident about their nest eggs and their futures.

You’ll have heard me say many times that we are building a new and better Fiji. But I take few things more seriously as your Prime Minister than my obligation to do everything I possibly can to ensure the well-being of all our retirees, present and future. So I’m delighted that we are now on a better footing and I want to thank the current FNPF Board under the chairmanship of Mr. Ajith Kodagoda for its role in achieving that objective. With their commitment, vision, and hard work, we are already reaping the rewards of our reform program. With their constant eye on prudent investments, they are laying the foundations for a more prosperous nation in which every Fijian can benefit.

Ladies and Gentlemen, these are great days for Fiji as a whole. They promise a better future for every Fijian.

It is now with great pleasure that I declare the new Lautoka branch of the FNPF open.

Vinaka vakalevu. Thank you.

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