

Speech at the 40th Anniversary celebration of Solomon Islands National Provident Fund delivered by Mr Gideon Zoleveke, Acting Chairman of SINPF Board

Hon. Minister of Finance & Treasury, Hon. Snyder Rini
The Governor, Central Bank of Solomon Islands
Past Chairmen of the Board and Board of Trustees
Past General Managers
Chief Executive Officers and Management of All subsidiary Companies
Representatives from late Anthony Saru family
Past Management and Staff
Past and Current Employers
Past and Current Contributing Members
Distinguished Guests
Ladies and Gentlemen

Today is a great and exciting day in the life of this nation – the 40th anniversary of Solomon Islands National Provident Fund. It is a special day that all peoples of this nation should join with us in celebrating 40 years of unprecedented service by Solomon Islands National Provident Fund for its members and our nation – Solomon Islands. Truly, it is an exciting journey the Fund had undertaken in the last four decades in providing lasting social benefits for Solomon Islanders.

It is really a wonderful occasion to celebrate the exceptional achievements attained by the Fund in terms of the delivery of services to members and the valuable contributions to our nation building. Let us gracefully accord our acknowledgement to this very financial institution which guarantees the future of thousands of Solomon Islanders in providing comfortable life during and after retirement through the sustainable contribution growth.

Furthermore, it is an occasion for all us to recognise and pay special tribute with gratitude to the founder of the Solomon Islands National Provident Fund – the late Mr Anthony Saru - a simple school teacher who had the dream and vision to establish a provident fund scheme that had changed the lives of thousands of Solomon Islanders while working and after retirement from formal employment. He moved a motion through the legislative Council in 1973 and was passed. It gave birth to what we now know as Solomon Islands National Provident Fund in Year 1976. Ladies and Gentlemen, without the founders' visionary dream there would be no provident fund institution in Solomon Islands and we would not be here today. In fact, his dream and foresight has ensured that

reasonable levels of dividend to members are returned to members of the Fund each year to-date. Let us all salute this remarkable leader - late Anthony Saru for his dream which changed lives of many Solomon Islanders and others either through their contribution funds or through investments made by the National Provident Fund.

It would be amiss of me, at this juncture, not to extend our huge gratitude and thanks to the great and able men and women who had untiringly rendered their services to the Fund with success notwithstanding the challenges faced in the past four decades. Many of them are still with us today and they include: Prime Minister, Hon. Manasseh Sogavere, Hon. Minister of Finance & Treasury, Hon. Synder Rini, former Prime Minister, Hon. Gordon Darcy, former Governor, CBSI - Anthony Hughes, Leonard Maenuú, David Quan, John Beverley, Adrian Wickham, Austin Holmes, Baora Koraua, Kervin Misi, Reuben Moli, Leslie Teama and the many Board of Trustees and senior management who had served the Fund with commitment and dignity during their tenure in office. There are many others more, whom I have not mentioned, are great pioneers of the Fund. Certainly, they deserve our salutation, respect and gratitude for progressively moving the Fund forward to become the largest financial institution in this country.

Since inception, the Fund has been successful in realizing its statutory mandates - protecting, preserving and grow the members' financial contributions for the benefit of the members during working lives and providing for the post retirement era. The existence of the Fund and its significant growth over the years is a beautiful story and one of national pride for all of us.

Ladies and Gentlemen, today Solomon Islands National Provident Fund has become one of the largest and important financial institutions in the country. The Fund not only securing the future of its members but it plays a crucial role in the economic development and prosperity of the country. Moreover, it is a major player in the domestic market providing support for the needed economic and social developments for nation-building and in turn delivering much benefit for the citizens of Solomon Islands.

The Fund's performance during the last decades has been impressive; on that has seen satisfactory rates of growth and return on investment. These following figures are reflective of these achievements since inception in 1976. These include:

- First, contributing members recorded in the Fund's first financial year in 1977 stood at 18,700. In 2016, the Fund has a cumulative membership of 174,000 contributors;
- Second, total registered employers in 1977 was 520 and in 2016, the registered active employers total 2,630
- Third, total Contributions collected from members in Year 1977 was about 800,000 AUD. Currently the members' total contribution has reached SBD\$2.5 billion;
- Fourth, in 1977 total Net Asset was only AUD 875,300. In 2016, the total Net Asset of the Fund has exceeded SBD\$3 billion mark;
- Fifth, initial investment by the Fund in Year 1977 was \$700 AUD compared to total investments in 2016 which now stands at SBD \$2.9 billion; and
- Sixth, during the last decade, the Fund had delivered an average rate of 11.4% to members from its performing investment assets. A satisfying double-digit return indeed compared to the counterpart Funds in the Pacific region.

Ladies and Gentlemen, the National Provident Fund now enters the next 40 years with a sound and strong financial footing. It is a dynamic Financial Institution and one that should guarantee desirable economic and social developments for our nation. To sustain its success and growth in the future, we must reflect on the importance of managing the Fund efficiently and prudently under the guidance of existing relevant legislative regime. Effective good governance must be exercised at all times and relevant qualified professionals engaged to further uplift the Fund to new heights to provide more benefits to the members and its contribution to our economy in the next forty years.

On the investment front, ladies and gentlemen, the Fund is always committed to proactively search and identify more prudent investment opportunities both offshore and onshore in order to grow its investment base so that it can deliver satisfactory returns to its members notwithstanding the limited investment opportunities in our domestic economy. This will be the Fund's ongoing major challenge. We are all too aware that the investment environment will evolve significantly during the next 40 years and with proper and careful evaluation, planning, commitment and execution we foresee that the future economic

environment will be conducive for delivery of the Fund's future aspirations. If this is so, the Fund will continue to sustain its position as a major investment player either on a single platform and/or private public partnership arrangement as promoted by the current DCC government. This is an important strategic policy direction as it aims to lure potential investors to our shores. We welcome this initiative and concept because it provides to potential investors the ability to mitigate or share potential investment risks and at the same time sharing financial rewards derived from such investments.

Ladies and Gentlemen, the Fund has the financial capacity and capability to make further investments in viable business opportunities emerging in our domestic economy in future. Therefore, we call upon all stakeholders – government, employers and employees throughout the nation for your continuous support to the Fund and potential investors to move our economy forward on an upward trend.

Currently, the Fund has invested in number of sectors in our economy including: telecommunication, energy, hospitality, financial, infrastructure, properties and housing which has resulted in \$2.9 billion investment assets to-date. We firmly believe the investment asset value will further increase in the next 40 years.

Ladies and Gentlemen, by way of summary, allow me now to pose a number of important thoughts to help us capture the Fund's course and vision for the next forty years. Some of these proposed key strategies being canvassed will obviously require critical analysis to ensure that prudent decisions are being made however the strategies include:

- (a) Diversifying and continuously pursuing investments opportunities in other potential sector and/or investment areas in both domestic and offshore economies to maximize returns to members and to fulfil its corporate responsibility in contributing to the economic development of Solomon Islands;
- (b) Embracing the digital revolution through the adoption of robust and "state of the art" information technology systems that will provide better and improved service delivery to members and stakeholders. I am happy to inform you all that this is being implemented at the moment and it is our hope that in the second half of 2017, we will be able to roll out and test the Fund's new IT based integrated management information system with the help from both local and overseas IT specialists;

- (c) To liaise with Government and stakeholders to consider establishing pension scheme to provide annuity payment support to members after retirement. Such a scheme should be complimentary with provident fund (deliver lump sum money to members) to ensure a comfortable life for retirees after employment; and
- (d) To consider offering of Social Security Benefits to members. Such social security offerings may include: health insurance scheme, tertiary health care and home for retirement. We know this will require real demographic data and proper financial analysis prior to making any financial commitments;
- (e) Strengthening the Fund's human resource base and capacities through various training and empowerment programmes to ensure that the Fund is always at the "cutting edge";
- (f) To instil and nurture a corporate culture that is both professional and service-oriented; and
- (g) To heighten the Fund's consciousness of "good governance" processes and procedures at all levels of management and staff levels.

In concluding, Ladies and Gentlemen, let us once again accord our gratitude and appreciation to the remarkable founder of this very institution, former Chairmen of the Boards, General Managers, Management and staff for their wisdom, commitment and dedication to the Fund during the last four decades. Let us be proud of our Fund. We firmly believe that it will continue to grow and provide benefits to its members and the people of Solomon Islands for the foreseeable future.

To the current trustees and custodians, let me leave you with this charge; let us continue to render our service to the Fund to safeguard the interest of contributing members and for nation building for betterment of Solomon Islanders in the next 40 years. Let us exercise our fiduciary duties to assist the members of the Fund with Almighty God's interventions and guidance to achieve the Fund and members' dreams by managing their financial wealth in a prudential manner and with world best practice and standards.

Ladies and Gentlemen, please enjoy the rest of the day and May God Bless Solomon Islands and Solomon Islands National Provident Fund in their bright journey to the future.

Thank you all.