

Press Release: 09/2022
Workers funds to buy into Fiji Airways

The CEO of Fiji Airways has so casually announced the purchase of 30.02% of Fiji Airways which is simply shocking and unanticipated. There has been no word from FNPF Board on the decision to purchase shares nor has there been any information forthcoming on whose shares have been purchased or has the Fiji Airways debt to FNPF been converted to shares to make the Fiji Airways books look good. All these deals appear to have been made in secrecy without proper due diligence and the fact that workers' money is being expended to save the airline.

This is being done at a time when all airlines around the world are struggling to keep afloat coming out of a pandemic. We have not heard of any workers' superannuation scheme investing in airlines more particularly at a time like this. This is further compounded by the fact that some aircrafts operated by Fiji Airways is not owned by Fiji Airways but by Waqavuka Financing Limited based in Ireland. No one appears to know who the directors of that company are. This is no surprise when the entire Board of FNPF are representatives of the Government. They clearly do not recognize that it is workers' funds that they are trustees of and not an extension of the Ministry of Economy. It is time that FNPF comes out and demonstrates greater transparency and accountability to its members.

The Board of FNPF has shown no sensitivity to the fact that Fiji Airways Management has demonstrated its total disregard for workers' fundamental rights and is in the middle of endless litigation against its employees whom it terminated summarily through social media in most cases. Yet it's the workers capital that is being used to prop up the airline. It is time that the Board of FNPF ensure that any investment of workers funds are only made in entities that respect workers' rights. Currently the airline is recruiting workers on inferior salary and conditions of work than it was paying its permanent staff. It is refusing to re-employ workers who have exercised their right to challenge the airlines decision to summarily terminate their employment. It continues to refuse to engage with the Union to attempt to resolve the dispute and prefers to fight workers in the Courts. The intention to

terminate workers is clear and that is to get rid of the Union and the Collective Agreement that existed. Workers were prepared to go on leave without pay during the pandemic but this offer was not acceptable to the airline.

It is the Boards fiduciary duty to do thorough due diligence on not only the financial aspect of the investment but also ensure that social, human rights and workers' rights are respected. All these values fall under the principles of Environmental, Social and Corporate Governance rules (ESG). The RBF also requires licensed lenders to adhere to these rules. It is clear that FNPF does not respect these norms nor does it pay heed to responsible business conduct of its partners when investment decisions are made. Fiji Airways is a fine example of where workers' funds must never be invested.

The FTUC calls upon the Board of FNPF to clearly explain to members of the Fund the basis of its decision to buy into Fiji Airways and to explain its position in regards to the ESG principles and why they were ignored in this case. The risk involved is massive and greater transparency is necessary.

Felix Anthony
National Secretary

All correspondence to be addressed to the National Secretary

Phone : (679) 3315377, 3315402.
Email : ftucns@ftuc.org.fj

32 Des Vouex Road,
P.O. Box 1418, Suva, Fiji

An Affiliate of: International Trade Union Confederation / International Trade Union Confederation Asia Pacific