



STANDING COMMITTEE ON ECONOMIC AFFAIRS

Review Report of the Fiji Revenue & Customs Service 2018-2019 Annual Report



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Chairperson's Foreword

The Standing Committee on Economic Affairs is pleased to submit to Parliament, the Review Report of the Fiji Revenue and Customs Services 2018-19 Annual Report.

While deliberating on the report, the Committee noted the benefits of the CEO's forum held by FRCS annually and recommended for forums of such nature to be held at least on a bi-annual basis to further strengthen engagement with stakeholders. FRCS plays a variety of significant roles and so it is important to maintain a strong relationship with its stakeholders.

The Committee noted the fourteen (14) Memorandum of Understanding signed during the period under review and recommended that these stakeholders work in collaboration to ensure compliance at all levels.

The Committee noted with concern the significant increase in debtors due to outstanding Fees and Charges as well as a significant increase in outstanding VAT refunds. The Committee recommended that more practical measures be pursued to alleviate these matters.

Furthermore, the Committee noted the various services and programmes introduced by FRCS such as tax talk which appear in newspaper articles and Border Control tv shows and recommends that continuous awareness sessions be conducted so that people are able to understand the compliance requirements.

Finally, I would like to thank our Committee Members who were part of the team that produced this report: - Deputy Chairperson Hon. Veena Bhatnagar, Hon. Sachida Nand, Hon. Inosi Kuridrani and Hon. Ro Filipe Tuisawau. I also take this opportunity to acknowledge and thank the Parliamentary Staff who have given us invaluable support.

On behalf of the Standing Committee on Economic Affairs, I commend the Review of the Fiji Revenue and Customs Services 2018-19 Annual Report to Parliament.



Chairperson – Hon. Sakiusa Tubuna

Acronyms

ASYCUDA	Automated System for Customs Data
ECAL	Environment & Climate Adaptation Levy
EFL	Energy Fiji Limited
FRCS	Fiji Revenue And Customs Services
STT	Service Turnover Tax
VAT	Value Added Tax

1.0 Introduction

1.1 Background

The Fiji Revenue and Customs Service is the major funder of the National Budget. Apart from its primary mandate, FRCS continues to partner and support other government initiatives as needed. Its strategic plan is aligned with the Government's national plan to ensure sustainable and effective performance.

FRCS services are available from ten locations throughout Fiji: Ba, Labasa, Lautoka, Levuka, Nadi, Rakiraki, Nausori, Savusavu, Sigatoka and Suva. Regular visitations are also held with outer islands, often in partnership with Government.

Committee Remit and Composition

The Committee is made up of five (5) Members of Parliament, three (3) of which are Government members and two Opposition members. According to Section 109(2) (a) the Standing Committee is responsible to look into matters related to economic development, finance, banking and taxation.

2.0 Findings and Recommendations

1. The Committee noted the benefits of the CEO's forum held by FRCS annually and recommends for such forums to be held bi-annually to further strengthen connections/engagements with stakeholders.
2. Given the significant role played by FRCS, it is of utmost importance to maintain a strong relationship with relevant stakeholders. The Committee noted the fourteen (14) Memorandum of Understanding signed during the period under review and recommends that these stakeholders work in collaboration to obtain maximum mutual benefits.
3. The Committee noted with concern the significant increase in debtors due to outstanding Fees and Charges as well as a significant increase in outstanding VAT refunds. The Committee recommends that more practical measures be pursued to alleviate these matters.
4. The Committee commends the FRCS for implementing Government's initiatives such as the Gold Card Services and Authorized Economic Operators, a priority and privileged services accorded to those companies that are compliant in matters of Taxation and Customs.
5. The Committee noted the various services and programmes introduced by FRCS such as tax talk which appear in newspaper articles and Border Control tv shows and recommends that continuous awareness sessions be conducted so that public understand the compliance requirements.
6. The Committee noted the slight decline of 0.6 % the overall revenue collections compared to the previous year, however commends the increase in VAT and Trade Taxes collections by 5.5% and 0.2% respectively. Similarly, there was decline in the forecasted revenue compared to the actual collection by 1.4%.
7. The Committee noted that FRCS conducted a Customer Service Survey in which it received a rating of 2.55 out of 5. The Committee recommends that FRCS identify areas of improvement to enhance their rating.
8. The Committee strongly recommends the review of archaic laws which have been initiated by FRCS to be expedited.

3.0 Sustainable Development Goals Analysis

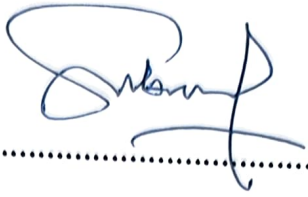
FRCS ensures equal opportunities (merit-based) in all of its recruitment processes and fair gender distribution is strongly evident in all areas.

The female staff accounts for 47.95% and the male staff accounts for 52.04% of the total number of employees. The executive management/ leadership roles are also quite diversely distributed.

4.0 Conclusion

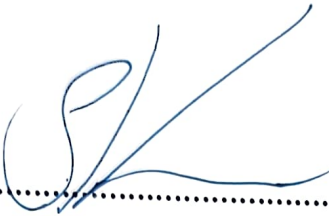
Overall, the Committee is satisfied with the performance of FRCS during the 2018/19 financial period and ensuring that they continue their journey of transformation to build a world class revenue collection service.

Members Signature



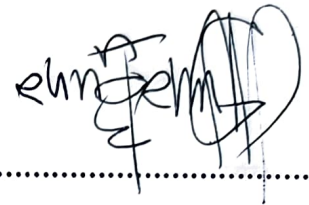
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Hon. Sakiusa Tubuna (Chairperson)




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Hon. Sashi Kiran (Deputy Chairperson)



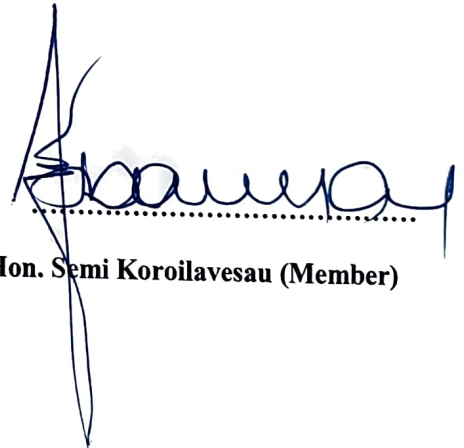
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Hon. Tomasi Tunabuna (Member)



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Hon. Premila Kumar (Member)



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Hon. Semi Koroilavesau (Member)