



CONSUMER COUNCIL OF FIJI

2012 National Budget Submission

July 2011

1.0 INTRODUCTION

The Consumer Council of Fiji (hereinafter referred to as ‘the Council’) is pleased to make a submission to the Fiji Government for its 2012 National Budget consultation. The Council is the statutory representative of consumers in Fiji, the largest socio-economic group and whose economic well-being is an important indicator of economic stability and development. As a statutory body established under the *Consumer Council of Fiji Act 1976* the Council is mandated by law to represent consumers’ views, concerns and issues. The Council has the legal duty to ensure that the most disadvantaged and poor consumers are not marginalised by economic policies. The Council is obliged to do all that is necessary to highlight and present the concerns of these groups in the formulation of the government’s principal policy document, i.e. the National Budget. Amongst other functions, the Council is empowered (under Section 6 of the Act) to: ... **“make representations to the Government or to any other person/organization on any issues affecting the interests of consumers.”** The Council mainly functions as an independent watchdog to create a fair and just delivery of goods and services in the marketplace. The Council’s insight into consumer needs and issues is a powerful tool for influencing decision-makers to bring about change.¹

1.1 Issues for consideration in the 2012 National Budget

In formulating the 2012 National Budget and policy changes, the Council urges the Government to consider the hardship faced by consumers where the cost of living has further increased via price hikes in basic food and non-food items, the electricity tariff, VAT and weakening of the Fiji dollar. The challenge is not just one of balancing expenditure cuts against tax revenue. The Government also has an obligation to protect its most vulnerable citizens, by ensuring that any changes in policy or spending must provide relief rather than further hardship for Fiji’s consumers.

In the following sections, the Council submits some of the pertinent issues facing consumers. The Council acknowledges Government’s initiative to implement some of the recommendations in our 2011 Budget submission in particular the establishment of a price control system for medicines and hardware products by the Commerce Commission. The Council is well placed to provide a realistic assessment of consumer concerns. This is primarily due to its functions of being the receiver of official consumer complaints; conducting regular market surveillance (price surveys, trader visits, product scrutiny); and research. These functions allow the Council to get a first-hand insight into the problems that consumers face in the market place. The Council’s opinions and assessments of consumer issues provide important indicators of the kind of pressures that ordinary consumers are facing in the local economy. The issues addressed in the following sections are what we consider priority areas that we hope the Government will consider in the formulation of the 2012 National Budget. However, the Council wishes to stress that this list is by no means exhaustive.

2.0 RISING COST OF LIVING

Since the Council’s last Budget submission in 2010, the situation for consumers have worsened with increases in the prices of basic food and non-food items. The VAT increase of 2.5% and the Fiji Electricity Authority’s (FEA) tariff alignments of 2010 and April 2011 (for Commercial/Industrial customers) have contributed to the increases. The weakened Fiji dollar should also be taken into account. For instance against one of our major trading partners and source country for the bulk of our basic food items (wheat & dairy products etc), Australia and New Zealand, the value of the Fiji Dollar on average has dropped by about 30% from July 2006 to July

¹ More information on the Council is available on its website: www.consumersfiji.org

2011.² The decreased value of the FJD puts consumers in Fiji in a vulnerable position due to the high volume of imported food items compared to local production.

Prices of basic consumer items

The Council's monthly price surveys since 2006 has noted significant increases in the price of essential food items, with price increases ranging from 18% to 224% for the July 2006 to July 2011 period (See Table below). Prices of food and non-food items have continued to spiral upwards contributing to the overall increase in cost of living. For instance, for the 19 items³ in the basket of basic food and non-food items that the Council surveys regularly, consumers are now paying 48% more than in 2006. While the biggest increases occurred during the 2007 – 2008 due to the devaluation of the Fiji Dollar and the hike in fuel prices, for 2010 – 2011 business have raised prices as cost from electricity tariff increases in November 2010 and April 2011 were passed down to the consumer.

Six out of the 19 items analysed increased by more than 50% from 2006. A total of 18 items increased in price. The noticeable price increases were for sugar which jumped by more than 100%.

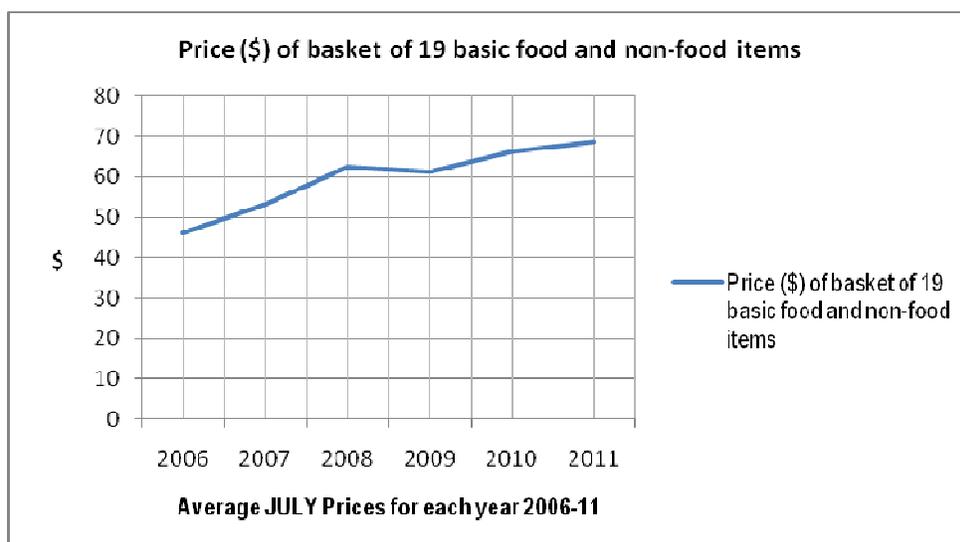
Price change of basic food and non-food items, 2006 to 2011

Comparison of prices (\$) of basic food and non-food items from 2006 to 2011

#	Basic Items	Qty	Jul 06	Jul 07	Jul 08	Jul 09	Jul 10	Jul 11	Price changes
1	FMF/Punjas Flour	4kg	3.55	3.91	5.66	4.74	5.00	5.82	Inc by \$2.27(64%)
2	FMF/Punjas Sharps	4kg	3.55	3.91	5.68	4.76	4.76	5.89	Inc by \$2.34(66%)
3	Rewa Butter	500g	3.21	3.39	4.55	3.45	5.46	6.23	Inc by \$3.02(94%)
4	Rewa Life	1 L	1.52	1.55	1.70	1.70	2.12	1.98	Inc by \$0.46(30%)
5	Rewa Powdered milk	500g	3.66	5.28	5.75	3.77	5.44	5.33	Inc by \$1.67(46%)
6	Red Cow Powdered milk	450g	3.66	5.28	5.75	4.47	5.35	5.39	Inc by \$1.73(47%)
7	Punjas Rice LG Siam Rice	4kg	5.34	6.01	8.68	8.12	7.73	6.54	Inc by \$1.20(22%)
8	Punjas Soya Bean Oil	750 ml	1.83	2.56	2.83	3.32	2.98	4.11	Inc by \$2.28(125%)
9	Sugar	2kg	1.36	1.51	1.55	1.95	1.99	4.41	Inc by \$3.05(224%)
10	Sunbell canned tuna	170g	0.84	0.84	0.77	1.04	0.96	0.99	Inc by \$0.15(18%)
11	Bathing Soap	1pkt	0.79	0.80	0.90	1.09	1.01	1.02	Inc by \$0.23(29%)
12	Eggs	660g	3.51	3.74	3.03	4.08	4.48	4.51	Inc by \$1.00(28%)
13	Onions	1kg	1.25	1.35	1.10	1.67	1.60	1.49	Inc by \$0.24(19%)
14	Potatoes	1kg	0.97	1.14	1.47	1.27	1.26	1.37	Inc by \$0.40(41%)
15	Corned beef	340g	3.93	4.04	4.02	3.52	3.80	3.93	NC
16	Corned mutton	340g	3.05	3.18	3.38	3.43	3.89	4.12	Inc by \$1.07(35%)
17	Salt	1kg	0.57	0.60	0.74	0.93	0.91	0.83	Inc by \$0.26(46%)
18	Tea leaves	200g	1.50	1.46	1.58	2.26	2.22	2.03	Inc by \$0.53(35%)
19	Canned fish	425g	1.26	1.32	1.30	2.23	2.10	2.63	Inc by \$1.37(109%)
TOTAL			\$46.27	\$53.20	\$62.32	\$61.18	\$66.27	\$68.62	Inc by \$22.35(48%)

Source: Consumer Council of Fiji, Market Survey Data, Research Division 2006 & 2011.

² See historical exchange rate (FJD vs. AUD) on www.exchangerate.com Accessed 25/07/11



Sugar and Butter

Two of the basic food items commonly consumed in Fiji – sugar and butter – have had phenomenal increases. Consumer complaints are always on a high when these two items increase in price or experience shortages in the market.

Rewa butter - A 500g packet of Rewa butter price increased by \$3.02(94%). In the past three years, there has only been one decrease, which was in February 2010, but by a very small margin compared to actual hike in prices. The upward trend in butter pricing has been attributed to a drop in supply of the necessary raw materials, especially raw milk. The price of butter and other dairy items has continued in an upward trend relative to a drop in the local supply of raw milk. Fiji Dairy Limited now imports about 90 percent of raw materials for locally-produced butter [Fiji Times, 06/02/11]. I

Rewa Butter Price Changes 2006-2011 [Price Control]					
Effective Date	Qty	Old Price	New Price	Price Inc/Dec	% Price Inc/Dec
29/02/08	500g	\$3.27	\$3.32	Inc by \$0.05	Inc by 1.53%
	250g	\$1.70	\$1.71	Inc by \$0.01	Inc by 0.59%
	125g	\$0.91	\$0.91	No change	No change
24/04/08	500g	\$3.32	\$4.59	Inc by \$1.27	Inc by 38.25%
	250g	\$1.71	\$2.34	Inc by \$0.63	Inc by 36.84%
	125g	\$0.91	\$1.22	Inc by \$0.31	Inc by 34.06%
10/02/09	500g	\$4.59	\$3.45	Dec by \$1.14	Dec by 24.84%
	250g	\$2.34	\$1.78	Dec by \$0.56	Dec by 23.93%
	125g	\$1.22	\$0.99	Dec by \$0.23	Dec by 18.85%
9/10/09	500g	\$3.45	\$3.55	Inc by \$0.10	Inc by 2.90%
	250g	\$1.78	\$1.84	Inc by \$0.06	Inc by 3.37%
	125g	\$0.95	\$0.99	Inc by \$0.04	Inc by 4.21%
10/04/10	500g	\$3.55	\$5.40	Inc by \$1.85	Inc by 52.11%
	250g	\$1.84	\$2.71	Inc by \$0.87	Inc by 47.28%
	125g	\$0.99	\$1.37	Inc by \$0.38	Inc by 38.38%
08/11/10	500g	\$5.40	\$5.51	Inc by \$0.11	Inc by 2.04%
	250g	\$2.71	\$2.76	Inc by \$0.05	Inc by 1.84%
	125g	\$1.37	\$1.39	Inc by \$0.02	Inc by 1.46%
20/11/10	500g	\$5.51	\$5.92	Inc by \$0.41	Inc by 7.44%
	250g	\$2.76	\$2.97	Inc by \$0.21	Inc by 7.61%

	125g	\$1.39	\$1.50	Inc by \$0.11	Inc by 7.91%
01/01/11	500g	\$5.92	\$6.05	Inc by \$0.13	Inc by 2.1%
	250g	\$2.97	3.04	Inc by \$0.07	Inc by 2.3%
	125g	\$1.50	1.53	Inc by \$0.03	Inc by 2%
20/05/11	500g	\$6.05	6.23	Inc by \$0.18	Inc by 3%
	250g	3.04	3.13	Inc by \$0.09	Inc by 3%
	125g	1.53	1.57	Inc by \$0.04	Inc by 3%
19/7/11	500g	6.23	7.34	Inc by \$1.11	Inc by 18%
	250g	3.13	3.69	Inc by \$0.56	Inc by 18%
	125g	1.57	1.85	Inc by \$0.28	Inc by 18%

Sugar price - It is interesting and quite ironic that sugar prices in a sugar-producing country has spiralled upwards. Sugar has had the highest price increase at 224% and this is attributed mainly to a decline in local production, whereby the Fiji Sugar Corporation (FSC) has had to import sugar from Thailand to fill the gap in domestic supply. This was a case where the consumers in Fiji paid a much higher price for FSC to meet its quota. This had resulted in a hike in the price of sugar with the increases in retail prices beginning at more than 60 percent from March 2011. The Council's price surveys found the increase peaking at more than 220%. In mid-July, the Permanent Secretary for Sugar announced (FBCL, 18/07/11) that consumers should expect a 13% drop due to an increase in local production. Any country that produces food should first feed its people before exporting. Unfortunately this has not been the case.

The percentage price increases since July 2006 are higher than the inflation rate change of 4.08% between 2006-2010.⁴ The Reserve Bank of Fiji has stated that consumer prices increased by 8.7% after the 2009 devaluation of the Fiji Dollar by 20%. However, the Council's price surveys which provide a more accurate off-the-shelf assessment show that price increases actually went beyond the 20% mark and in some cases by as much as 100%.

The Commerce Commission's new price control regime may have provided some relief towards the end of 2010 as noted in our price comparisons for 2009-2010. A total of 9 items dropped in price, 8 increased while 1 item had no price change. However, for 2010-2011, a total of 14 items increased while only 5 items dropped in price. The huge increases for this period is mainly attributed to the new 15% VAT imposed as part of the 2011 Budget. Also, it is important to highlight the fact that the new price control system under the Commerce Commission has not been successful in countering inflation or providing relief to consumers. Between November 2010 (when the new price control regime came into force) and July 2011, price changes for most basic food items changed upwards on average every 2 to 3 months. While VAT is an important factor for price increases in 2011, price changes have been regularly dished out by the Commission following application by traders and most often than not prices are going upwards rather than downwards. Some of the increases are: Golden soybean oil (500ml) increased by 18%, Ocean Blue mackerel in oil (425g) by 11%, Sunbell tuna (170g) by 25.84%, FMF Long grain Sunrice (1kg) by 9% and 1kg retailer-packed Split peas (dhal) by 14.48%. It should be noted that VAT had increased by 2.5% under the 2011 Budget, however the price increases cited here show exorbitant jump in prices.

Electricity Tariffs

The increase in prices for basic consumer items is just one aspect of the rising cost of living. In June 2010, the Fiji Electricity Authority's Domestic Life-Line tariff cap dropped from 8.21KWh to 4.27KWh. This meant that consumers used to paying 20.59cents/KWh for consuming less than 8.21KWh per day have had to drop their daily average consumption by 48% to 4.21KWh. The

⁴ Reserve Bank of Fiji, Key statistics www.rbf.gov.fj Accessed 23/07/11

reduced domestic tariff lifeline from 250kWh to 130kWh to 75kWh has forced a large number of consumers to the higher tariff rate. In just a matter of four months, the Commerce Commission implemented a second tariff realignment. This time, the Domestic Lifeline tariff was removed and replaced with a flat 38.84cents/unit for all consumption above 75kWh. This again has pushed the majority of consumers to an even higher tariff rate. The November 2010 tariff changes included a policy whereby the Government subsidises at the rate of 17.64cents/unit for all consumption equal to or less than 75kWh per month. This subsidy mainly targets ‘low consumption’ rather than actually benefitting poor consumers. It is important to note that poor consumers tend to live in larger households where electricity consumption are much higher than 75kWh per month. The government subsidy thus does not benefit the poor, but benefits consumers who have low electricity consumption per month. The Council continues to push for fair tariffs by FEA, and also for Government-funded household energy efficiency measures are needed such as energy saving lights and increasing the duty on inefficient appliances.

Consumers from our neighbouring countries (Australia & New Zealand) only pay 12.5% GST on staple food items whereas Fiji consumers pay both fiscal or excise duty and 12.5% VAT except those products which are zero rated.

2.1 Requests

The Council requests the Government to:

- Review the Commerce Commission’s price control regime with a view of minimizing irregularity and high turnover of Price Control Orders, particularly on basic food and non-food items. This would bring about better predictability and assist consumers better manage their budgets.
- Increase duty on unhealthy food items to reduce government expenditure on health bills.
 - Snacks and confectionaries
 - Edible oil high in saturated fats
 - Carbonated beverages (fizzy drinks)
 - Canned meat and fish with high saturated fat content
 - Food items high in *sodium chloride* (salt)
- Remove VAT on electricity bill for those consumers using less than 250 KWH per month.
- Impose higher duty on unhealthy oil (e.g. Perfect Choice Oil⁵) sold to low-income earners who are at risk;
- Ban Palm oil or increase the duty on palm oil which is bad for human consumption. Traders are also mixing palm oil with Soya bean oil because palm oil is cheaper.

3.0 DUTY

Government changes fiscal and exercises in a bid to modify consumption patterns stimulate consumer spending or provide economic and non-economic incentives for both consumers and business. Any decrease in fiscal duty is welcomed by consumers, a long as the drop is reflected in retail prices of goods and services. The Council urges the Government to ensure that changes in fiscal and excise duty have a positive impact on consumers’ pockets. This means targeting the right products for increases or decreases. In the 2011 Budget some luxury items like golf cars received duty reductions and even zero-rating.

⁵ Perfect Choice Oil containing palm or other oils, but market as ‘Vegetable Oil’

3.1 Requests

- Reintroduce 32% duty on golf cars. Government should be able to earn revenue from this luxury item that is used mainly by tourists and affluent local consumers;
- Impose high duty on imported cigarettes to deter flooding of the market with cheaper imports;
- Excise rates on imported alcohol should be increased further from the 2010-2011 hike;
- Ready-to-drink (RTDs) mixtures of alcohol beverages should have a much higher duty than the current \$1/liter rate. Because of their high alcoholic content and drinkability with young consumers (source of NCDs);

4.0 DUTY AND VALUE ADDED TAX – Compliance

In the 2011 Budget, the Government had made some duty concessions in an effort to stimulate economic activity and also allow consumer benefits. However, businesses have been very slow in responding to Government's initiative which is designed to benefit all parties. For instance consumers were disappointed that prices of USB wireless modems did not drop last year despite the Government's 2011 Budget providing a decrease in fiscal duty on these products from 5 to zero percent.

USB wireless modems are used for wireless internet connection. The product is sold as part of either post or pre-paid internet packages by Connect, Vodafone and Digicel. Vodafone and Connect were the first to introduce this product in 2008. In an effort to bolster the local ICT sector and as part of its policies to foster economic growth the government in its 2010 Budget announcement decided to decrease fiscal duty. However, the duty change has not been reflected in the retail pricing offered to consumers in 2010. It was not until this year that prices started coming down. While exchange rates would understandably affect pricing, duty concessions should still mean some reduction in pricing.

One of the Government's "ten point economic plan" is "Fiji to grow its Communication Services sector business by 100 per cent." The budget's 'Broadband Incentive' to the ICT sector was the reduction in the duty rate on USB wireless modems to 0 per cent. The government stated that "this incentive will bring about accessibility and capability in particular in the development, accessibility and affordability of broadband in Fiji". Unfortunately this policy has not produced the desired effect because ISPs have not reduced USB dongle prices for consumers to reflect the drop in duty.

Furthermore, the Council's surveys in January 2011 found retailers increasing their VAT charges by more than the stipulated 2.5% hike. Our market surveillance found irregularities in the application of the new VAT. For example, Crest Chicken (No.12) was sold at a prominent supermarket for \$9.29 VIP. The VAT calculations should have come to \$8.25. The price difference is \$1.04 or 13%. Farmers Sausage was sold \$8.45, while the new VAT calculation should see the price at around \$7.67. Consumers have been made to pay 9%. Also, the Consumer Council found one municipal council charging increasing VAT by more than 2.5% on its new schedule of rates for 2011.

4.1 Requests

- Government to urge the FIRCA to ensure rigid monitoring and impose penalties on businesses who do not reduce prices of products where duty has been removed or reduced;
- Businesses that take advantage of VAT increases by overcharging should be made to pay hefty fines as deterrence to others.

- FIRCA should publicize fully the price of goods that are expected to decrease due to duty concessions.

5.0 PERSONAL TAX REFORM

Consumers are struggling with increase in cost of living with no changes to their pay packet. The wage freeze and early retirement policy for the civil service; and stagnant wage levels in the private sector (tourism especially) is having negative effects on consumers. Cost of products and services have increased including transport, utilities, The household budgets will give the value of true ‘disposable’ income which is — income left over after utilities, housing, food, transport, health and education needs have been accounted for. The limited or no disposable income is having a negative impact on consumer spending. To stimulate economic growth through consumer spending requires reduction in personal income tax. Cutting taxes increases the incentive to work and invest which not only stimulates the economy in the short run but underpins an increase in the long run potential growth rate of the economy. Personal tax cut will deliver an improvement in taxpayer wellbeing beyond that which would flow from higher disposable incomes.

5.1 Requests

- Government should reduce the tax payable amount on chargeable income to allow consumers to cope with the increased cost of living. For instance those in the \$15000 - \$15600 income bracket are taxed at 25% of any excess income over \$15000. The tax payable percentage should at least be reduced by 2% to ease the burden on this group. Reductions should also be made for those in higher income brackets.
- *Income Tax Deduction on Extra Ordinary Payment (L/N 69)* – Tax on bonus, gratuity and other additional earnings or retrospective increase in emoluments should be removed particularly for those in the lower 2 income brackets. A tax on bonuses is a disincentive for people who work hard and contribute to overall economic productivity in Fiji.

6.0 INSURANCE

Insurance plays an important role in risk management and helps consumers to recover from unforeseen damages and losses. However, insurance services in Fiji operate in an environment riddled with numerous problems, such as outdated legislation and barriers by insurance companies that make claims that are costly and a time consuming affair. In 2009, the Council launched a campaign on the Compulsory Third Party Insurance (CTPI). This insurance is compulsory with intended purpose to protect accident victims. Unfortunately the unreasonable exclusion clause drawn by the insurance companies have left the grieving families or the accident victims to become government’s responsibility or their families in meeting health costs or loss of productivity (through welfare system) thus defeating the purpose of CTPI. In all fairness insurance industry must be made accountable for accepting third party insurance but not being ethical in attending to claims.

6.1 Requests

The Council requests the Government to:

- Create an Accident Compensation Commission that could deal with various types of accidents, including motor vehicle accidents and accidents at work places.
- Review the CTP legislation so that the victims of motor vehicle accidents are adequately and fairly protected not become State’s or families burden.

7.0 WATER

Fiji's water woes are well documented and problems have exacerbated despite reforms leading to the corporatisation of the Water Department giving birth to the Water Authority of Fiji (WAF) as a commercial statutory authority. In urban areas, aging systems and rapid population growth have resulted in regular water cuts, while rural communities suffer from a lack of clean and safe piped water. WAF's inefficiency, lack of customer care and unprofessional conduct has worsened the situation.

Since the WAF took over water services previously carried out by the Water & Sewerage Department (WSD) in January 2010, complaints on water services registered with the Council actually increased by an incredible 705%! (See Table below) The latest data for 2011 shows that complaints against WAF are likely surpass the 2010 figure. It must be noted that these are only registered official complaints, as many consumers have given up hope on getting any redress from WAF that they do not bother. Many consumers may also have pending complaints with WAF, while others have sought to raise their grievances with other authorities. Consumer grievances after the establishment of WAF has certainly increased and consumers are finding themselves in a worse situation than when WSD was taking care of water.

REGISTERED CONSUMER COMPLAINTS ON WATER SERVICES		
YEAR	Agency	No. Complaints
2008	WSD	26
2009	WSD	18
2010	Water Authority of Fiji	145
2011 (up to July)	Water Authority of Fiji	88

Source: Consumer Council Complaints Registry

The WAF is fraught with problems, despite corporatization and a move towards professional user-pay service. The following complaints and problems are becoming the norm for this so-called corporate entity, and those in charge at the WAF have shown appalling negligence and disinterest.

- Disconnection of water supply without prior notice to customers;
- Late or non-deliverance of water bills/statements;
- Incorrect billing;
- Non-disclosure and no clarity in how rates are applied;
- Recent abnormal increase in monthly water bills;
- Faulty water meters (new meters);
- No consumer rebate or compensation for faulty meters where consumer is not at fault;
- Inaccuracy of timetable for planned water cuts;
- Substandard customer care

The Council's investigations has found that new water meters which have recorded higher than normal reading have not be properly vetted by the Department of Weights & Measures due to lack of available expertise and necessary technology. However, WAF has gone ahead to replace old meters even in cases where consumers have not requested the change-over. The Council calls for a re-look at WAF's operations and how its current practices and systems are no resulting in an efficient and trusted water supply system.

Furthermore, consumers in rural and peri-urban areas pay higher installation costs for water supply to their homes. This due mainly to the fact that residences in these areas are most often located in longer distances from water mains from the road as compared to urban residences. As recent studies on Fiji's poverty level points to an increase rural poverty relative to a decrease in urban poverty, Government policies should be aligned towards minimising rural poverty.

7.1 Request

- Government should intervene and seriously review the operations of WAF with the view to improve water delivery services and customer care;
- WAF or Government should subsidise the cost of water installation in rural and peri-urban consumers who pay higher costs to access the water system due the location of their homes.
- Government to urge WAF to provide certification from an independent authority in regards to its new water meters. Government could also put this on zero duty and allow other businesses to import the new meters in an effort to reduce prices for consumers.

8.0 MARITIME TRANSPORT

A government policy objective on marine transport is: “Communities and the country enjoy better access to passenger and cargo shipping services”. The Council notes that inter-island shipping has improved a lot in terms of newly refurbished and larger ships serving the outer islands including Rotuma. However, the Council continues to receive complaints regarding the onboard and port services provided by the shipping companies. Most shipping companies disregard the provision of hygienic amenities and proper cargo bays for passengers. In some cases passenger belongings are stored together with live animals and other cargo. Also there are problems of over-booking where shipping companies over-book for a journey and the ship/ferry is stopped at port by the Fiji Island Maritime Safety Authority (FIMSA). Passengers become stranded and shipping companies do not provide refunds, until FIMSA and the Ministry of Transport intervene.

It must be noted that the percentage mark-up on prices of goods for the outer islands is primarily pegged on the cost of cartage or freight.⁶ Thus a rationalisation of the domestic shipping freight rates is needed to ensure that island consumers pay fair prices for goods they purchase on the islands. This should also include *consumer freight charges*. Inter-island companies have been found to impose other unreasonable and unjustifiable charges like handling charges, wharf charges, etc.

The price control on freight has been around for more than 20 years and needs an urgent review. Also,

Some of the other common complaints that the Council has received from consumers are those regarding:

- Non-disclosure of full information on ticket, condition of ship and freight charges;
- Consumers incurring costs due to ship delays or cancellation;
- Non-provision of bus transportation for ferry services in Vanua Levu;
- Damage to cargo and personal items;
- Cargo stranded at wharf or held by shipping company when ships do not sail.

8.1 Requests

The Council urges the government to:

- Strengthen FIMSA so that its work extends beyond maritime safety to include monitoring and enforcing service quality and shipping business practices. This includes monitoring ticket sales so that they match the regulated safety capacity of the ships and avoid consumers being turned back at the wharf after paying their tickets;

⁶ Commerce Commission comment, 2011 Shipping Sector Consultation [Transport Planning Unit/Ministry of Transport]

- Commerce Commission to establish a new and proper freight rates schedule and ensure compliance by local shipping companies.
- Government improve port facilities by providing basic amenities like proper toilets, bathroom and roofed waiting rooms.

9.0 SENIOR CITIZENS

In its past submissions, the Council has continually highlighted the plight of senior citizens – a group of consumers in the ‘vulnerable’ category. The problems of senior citizens will potentially become part of Fiji’s package of social problems in the future. Fiji’s elderly population (60 years & above) are estimated to at 7% of the national population and this has been predicted to increase to 23% in 2050. The plight of the elderly as a vulnerable group is being made worse by: the decline in the traditional social structure supporting them; loss of regularly income due to early retirement policies; pension cuts and diminishing returns; increase in cost of health care, and so forth.

Issues of concern

- Of particular concern for the Council is that Fiji’s only surviving pension scheme and superannuation fund, the Fiji National Provident Fund is proposing to reduce the current pension rate by a massive 40%, that is from 15% to 19% for single pensioners. The decrease would not only impact heavily on retirees, but would also trigger more social and economic problems for the elderly and for those who have dependent children and other family members.
- Elderly are also being affected by lack of access to health and social services. For instance, it has been difficult for elderly people on the food voucher scheme to get to the Department of Social Welfare as the services are only provided from a few centres. The elderly also find it hard to get to government services because of the cost of travel, distance and time taken.
- Other issues: Medical insurance also discriminates older persons by imposing high premium which lacks clarity or transparency in the manner premium rates is fixed. Also concern is on the cut off age for travel insurance for our elderly.

9.1 Requests

The Council requests the Government to:

- Provide higher tax relief to children or relatives looking after the elderly;
- Government urge FNPF to reconsider its policy reform especially its plans to reduce the pension rate;
- Government to urge FNFP to waive all fees and charges levied on elderly members;
- Establish a special health care scheme for the elderly in both the public and private health services. This should involve free or subsidised medical checks and treatment for senior citizens above the age of 55 years
- Decentralise government services for to cater for the elderly and other vulnerable groups. Waivers and special considerations should be provided to the elderly when they seek services from Registrar General, health centres/hospitals, etc.