



*2021-2022*

***NATIONAL BUDGET REVIEW SUBMISSION***

**04 March 2022**

## **1.0 About Consumer Council of Fiji's Role**

The Consumer Council of Fiji (CCoF) as the statutory representative of consumers in Fiji is required by the Consumer Council of Fiji Act 1976 “to do all such acts and things that it may consider necessary or expedient to ensure that the interests of consumers of goods and services are promoted and protected” (Section 6(1)). The Council is obliged to make representations to the Government or to any other organizations/persons on any issues affecting the interests of consumers. The National Budget is of paramount importance to the Council as budget policies have direct or indirect consequences on consumers. The Council has intimate knowledge and hands-on experience of the problems faced by consumers in the marketplace. It is the leading recipient of consumer complaints, undertakes point-of-sale price surveys, market surveillance, price monitoring, and product scrutiny and consumer research.

## **2.0 Consumer Council of Fiji's Submission**

Consumers are the single largest group impacted by economic decision making. The Council encourages the Government to consider consumer needs a priority when reviewing the 2021-2022 National Budget. The Council is well placed to provide a realistic assessment of consumer concerns mainly due to its functions of being the receiver of official consumer complaints; conducting regular market surveillance; and research. These functions allow the Council to get a first-hand insight into the problems that consumers face in the market place on a daily basis. We believe it is particularly important for the Government to consider the concerns of Fijian consumers in setting its budget priorities. With this in mind we make the following recommendations are being made;

### **2.1 Disposable e-transport cards**

#### Nature of issue:

- The unavailability of disposable e-transport cards has been a grave concern experienced by consumers. Disposable cards were intended to cater for emergencies and one-off travel on buses, as well as to cater for tourists travelling into Fiji, now that the international borders are reopening. Phasing out the disposable card leaves consumers with no alternative when faced with unforeseen circumstances, such as loss of cards and emergencies.
- Additionally, the tourism sector will be affected as many tourists will face difficulties commuting. Globally, public transport, including buses, provide disposable cards to tourists so that they can commute with ease and more affordably while discovering new places. For instance, in London an Oyster travel card is issued to all tourists for ease of convenience which is also made available to other commuters as well.
- Disposable cards are not a temporary solution. It is a requirement under the law to provide disposable cards on buses. This is pursuant to Section 5a (1) of the Electronic Fair Ticketing (Budget Amendment) Act 2019 which states that “*a passenger may purchase a disposable card from a solution provider, top up issuing agent or an omnibus driver*”. Furthermore, the Regulation 7A of the Electronic Fair Ticketing (Omnibus) (Amendment) Regulations 2017 clearly stipulates that “*An omnibus operator must ensure that disposable bus cards are available for sale at all times on any omnibus owned by the omnibus operator*”. It is important to note that unused

monies in disposable cards can also be redeemed either in cash by simply visiting any solution provider, or have it transferred to permanent bus cards.

- With the introduction of e-transport into Fiji's market, it is mandatory for all bus service providers to install the e-ticketing machine or terminal on their buses. Therefore, there is no provision for cash payment by consumers. There has been concerns raised by consumers residing in rural areas and in interior of Viti Levu and Vanua Levu on the alternative payment modes for bus transit in these rural settings, where e-transport agents are limited.
- A snap survey was conducted by the Council in the Central, Western and Northern divisions whereby a total of 150 consumers residing in rural areas were interviewed. The following are key findings:
  - Most areas surveyed (81%) do not have access to authorized agents for top-up of e-transport cards. For example, all consumers surveyed in Sigatoka have to travel to town to top-up their cards. This becomes particularly concerning as at times consumers do not have enough cash to travel to these agents to top-up their cards. Furthermore, in cases where consumers become ill and need to travel to seek medical attention, they do not have any means to travel when their e-transport cards do not have enough balance.
  - Most bus companies (79%) that provide service to rural areas, where there is little to no e-transport agents, do not provide alternative payment methods to consumers who do not have enough balance in their e-transport card to commute. Unsurprisingly, 21% of consumers surveyed stated that bus operators accept cash payments, which is illegal, or consumers pay cash to bus drivers in exchange to tapping their e-transport cards.
  - A total of 76.98% of consumers surveyed want disposable e-transport cards to be re-introduced.
- Hence, most vulnerable consumers who are low-income earners and residing in rural areas with limited e-transport top-up agents, in addition to non-availability of disposable cards on buses, are facing difficulties to commute.
- In a public notice on February 2020 (<https://www.fijitimes.com.fj/virus-affects-supply-of-disposable-cards/>), Vodafone Fiji advised bus commuters that due to the outbreak of COVID-19, many areas in China, including factories, were in lockdown mode. As a result, there were delays in production and shipping of disposable cards to Fiji. However, as operations have become normalized, disposable cards have yet to be supplied.

#### Our recommendation

- The Council recommends that disposable e-transport cards are re-introduced and supplied to consumers for the above-mentioned reasons.

## **2.2 Availability of M-PAiSA**

### Nature of issue:

- In the announcement of the National Budget 2021-2022, Vodafone's M-PAiSA services are to be made available at all corners and small dairy stores to as this will provide convenience to all Fijians and save time and cost in travelling to stores with M-PAiSA services. The Council yearns for this initiative to be implemented.
- As Fiji step towards a digital and cashless society, the Council welcomed Vodafone's M-PAiSA "Scan to Pay" QR Code payment feature that basically turns a person's phone into a wallet. This allowed consumers to use their mobile phones to scan, and make contactless, secured and convenient payments. M-PAiSA QR Pay can also prevent retailers from taking advantage on consumers. While consumers do not need to pay using any cash or card, this App's feature can assure consumers that retailers are not charging additional fees for their own pockets.
- An example of a situation where M-PAiSA QR Pay was of great assistance to Fijians is the \$360 unemployment Government assistance withdrawal. However, retailers, including registered M-PAiSA agents, were found overcharging consumers over-the-counter fee ranging between \$2 to \$15 for withdrawal of the cash assistance. The cash assistance granted by Government was intended to provide some relief to those who were severely affected by the socio-economic impacts of the COVID-19 pandemic. By overcharging consumers, these agents were double-dipping and denying the people full benefits of the intended assistance by Government.

### Request(s):

- The Council recommends that M-PAiSA services to be made available at all corners and small stores especially in the semi-urban and rural areas as it will promote a cashless society and enable consumers to make payments for purchases with ease. Consumers will also not be inconvenienced looking for stores with these mobile money services. With this initiative, M-PAiSA QR Code must also be made available to prevent predators from preying on vulnerable consumers by charging exorbitant service fee.
- The Council also proposes for a standard guideline to be drawn by Vodafone Fiji and adopted by M-PAiSA agents on M-PAiSA services and the fees associated with certain transactions and this is in turn can be advisory made to their customers.

## **2.3 Existing Initiatives from 2021-2022 National Budget**

The Council recommends the following initiatives announced in the 2021-2022 National Budget to be continued for the betterment of our Fijian consumers.

### **2.3.1 Free Water Subsidy**

The Council recommends that Government continues to provide free water supply for those with a household income earning \$30,000 or less.

### **2.3.2 Electricity Subsidy**

For households earning \$30,000 or less, the Council recommends that Government continues to meet the full cost of 34.01 cents per unit for 100 kilowatts of power usage for eligible Fijians.

### **2.3.3 Social Welfare Recipient – Bus Fare**

The Council recommends that the bus fare support for the elderly will not only continue but increase from \$10.00 to \$20.00 per month. The increase in bus fare concession for the elderly will help them with their traveling, as businesses and essential services like health centers operate as normal nowadays. This will further promote an inclusive society, leaving no one behind.

The Council commends the Government for providing consumers with both direct and indirect support through various policies and subsidies announced in the 2021-2022 National Budget. These initiatives have certainly put money into the pockets of Fijian consumers. The Council hopes that these initiatives will continue for higher consumer spending, and consequently more business for traders and ultimately positive economic growth.