



**SUBMISSION ON THE INTER-ISLAND
SHIPPING IN THE MARITIME
ISLANDS OF FIJI: REVIEW OF FARES
AND FREIGHT CHARGES**

OCTOBER 2023

The Voice of Fijian Consumers

1.0 INTRODUCTION

1.1 Purpose

As the principal agency advocating for consumer rights and interests in Fiji, the Consumer Council of Fiji represents the concerns and perspectives of Fijian consumers regarding inter-island shipping in the maritime islands of Fiji. This submission aligns with the Council's statutory obligation to address issues impacting consumer welfare and make representations to relevant stakeholders.

1.2 Importance of Shipping Services for Maritime Islands

The provision of inter-island shipping services holds significant importance within the development process of Small Islands Developing States (SIDS), particularly for Fiji, given its status as a maritime nation. Shipping services stand as a cornerstone for driving the socio-economic advancement of the nation, playing a pivotal role in Fiji's economy by facilitating domestic trade. These services effectively break down geographical barriers, fostering closer connections among Fijians and enabling farms and factories to access markets.

For Fijian citizens residing in maritime areas, shipping services are indispensable for the transportation of various commodities, including fuel, food items, medicines, goods, and products. Sea freight emerges as a cost-effective alternative when compared to air freight expenses, making maritime transport the lifeline of trade for those living on distant islands. The government remains steadfast in its commitment to ensuring the provision of safe, dependable, and affordable shipping services for all Fijians.

2.0 CONSUMER CONCERNS WITH FIJI'S INTER-ISLAND SHIPPING INDUSTRY

2.1 Conduct of Fiji's Shipping Companies in the Provision of Shipping, Passenger, and Freight Services

Whilst the Council acknowledges that consumers lodge their grievances pertaining to certain aspects of shipping, passenger, and freight services, these do not reflect the actual number of complaints and extent of problems consumers are facing. The illustration of underreporting these consumer complaints mostly comprises of:

- The Council receives and documents complaints on a '*per complaint*' or '*per case*' basis rather than enumerating the number of aggrieved persons. The Council has received complaints from individuals representing a larger group of affected consumers and from provincial council representatives, so the actual number of aggrieved consumers may be underestimated in our complaints register.
- The complaints process becomes a very costly, time-consuming, and tedious affair for aggrieved passengers residing in the islands or outside the main urban centres. Some consumers/complainants may not be able to speak face-to-face to a shipping company representative or with the authorities is a major deterrent. The cost of trying to resolve a complaint may be more than the monetary value of the complaint itself.
- Some consumers may have actually raised their complaints to other authorities, for instance, the local police, or provincial council, or directly lodging it with the shipping company; the Council's official statistics may have not captured them.
- Consumers of domestic shipping services are mostly rural island dwellers who often do not have the required level of literacy, know-how, and tact to register their complaints to pertinent authorities. Even if these consumers decide to lodge an official complaint, they will often need to rely on one individual, who most likely would be the learned relative on the urban mainland to manage their complaints.
- Many shipping companies do not have full-time offices or services outside the main islands. They mostly rely on ad hoc agents, who are often the local shopkeepers or a local resident whose main business lies elsewhere. Agents are more often not in a position to resolve complaints effectively as all decisions are made at the company head office. These agents are simply the fare collectors and disburses of tickets.
- The lack of a clear and visible regulatory system for consumer protection in inter-island shipping means consumers are unable to take their complaints to relevant authorities. Consumers simply do not know where and to whom to raise their complaints.
- Shipping companies are a lifeline for many island communities especially when there are virtually no other viable and safe alternative transportation to access goods and services on the mainland. Islanders depend heavily on one or two service providers. Consumers may be deterred from complaining about a particular shipping company so as not to disturb this relationship.
- Local shipping service providers operate under conditions where information and disclosures are severely lacking. Operators, particularly those who service the smaller

outer islands, often do not provide proper information on schedules, fares, and conditions of travel. A lot of information gets circulated via word-of-mouth in the islands. This makes the complaints management very difficult as there is often very little documentary evidence to rely on.

- Consumers and the general public also raise their complaints and concerns in public forums such as letters to the Editor columns of the daily newspapers or other publications.

Irrespective of this, the number of consumer concerns related to inter-island shipping raised at the Council from 2015 to the present (January to October 2023) is illustrated in the tables below and hence reveals the real issues faced by the commuters.

Table 1: Number of Complaints Lodged at the Council from 2015 to October 2023

Year	Complaints Registered	Monetary Value (FJD)
2015	12	\$ 10,038.00
2016	23	\$ 5,559.20
2017	24	\$ 5,510.90
2018	42	\$ 5,670.45
2019	40	\$ 23,775.36
2020	36	\$ 5,223.00
2021	32	\$ 13,276.60
2022	51	\$ 13,245.40
January to October 2023	45	\$ 14,786.00
TOTAL	305	\$ 97,084.91

(Source: Primary Study – Consumer Council of Fiji, 2023)

The abovementioned illustrations portray common problems/issues faced by complaints, which pertain to:

- Cancellations of scheduled trips without cancellation leaving customers stranded;
- Poor redress mechanisms;
- Non-issuance of receipts;

- Poor and inhumane conditions of the vessels in terms of accommodation, washrooms, and eateries on board;
- Exorbitant charges on both regulated and non-regulated food items sold in ships to consumers;
- Issues of overcrowding (passengers);
- Charges levied on the use of showers;
- Non – acceptance of e-copy tickets in situations where the complainant has been robbed or has misplaced his/her tickets;
- Exorbitant fluctuating freight rates imposed on consumers without being weighed;
- Non-disclosure of full information on tickets and freight charges;
- Damages done to the goods and luggage while in the process of loading and off-loading;
- Loss of the consumers/passengers’ belongings with no compensation;
- Priority given to the known customers for vehicle loading; and
- Children were charged adult fares.

3.0 CASE STUDIES

3.1 Shipping Services

The case studies below illustrate complaints registered at the Council against service providers pertaining to shipping services.

Case Study 1

The complainant raised grievances against Goundar Shipping (respondent). The complainant stated that there was a lack of concern for passengers’ safety. The vessel was overcrowded, and consumers were sleeping on the stairs and floor.

Case Study 2

The complainant on behalf of a religious group which comprised of 160 individuals raised grievances against Goundar Shipping (respondent). The complainant stated that no prior cancellation notice was provided to the group but only came to know on their arrival to Narayan Jetty. The complainant stated that their religious group was left stranded figuring their meals, provision for restrooms and accommodation for the night as these costs were being borne by customers in the end.

Case Study 3

The complainant on behalf of a group comprising of 89 individuals had paid for their trip. However, upon arriving on the jetty on the scheduled date of departure, they were advised that the trip have been cancelled and would leave the next day. The cancellation without any prior notice resulted into more costs as the group had to arrange for accommodation and the meals for an additional day.

3.2 Passenger Rates

The case studies below illustrate complaints registered at the Council against service providers pertaining to passenger rates.

Case Study 4

The complainant purchased two return tickets from Interlink Shipping (respondent), however, she had misplaced the tickets. Upon raising the same to the respondent, she was advised to purchase a new set of tickets. The respondent had discarded her request of locating the duplicate copy of tickets in their system, despite been provided the return dates.

Case Study 5

The complainant had purchased two adult tickets to travel from Labasa to Suva. Instead of being charged \$30 as advertised on their page online, the complainant was charged \$40 on each ticket. Thus, the complainant sought the Council's assistance.

3.3 Freight Rates

Case Study 6

The complainant raised his grievances against the Goundar Shipping (respondent's) faulty scale. The complainant advised that the respondent's faulty scale incurs higher freight rate. For instance, he had brought 16kg worth of yaqona from his village in Moala (to travel to Suva). However, on the respondent's scale, it read as 32kg. As a result, he was required to pay freight rates for the latter weight. The complainant weighed the same in a pounding shop in Suva, who affirmed that it was 16kg of yaqona. Dissatisfied with the respondent's service, the complainant lodged his matter with the Council.

Case Study 7

The complainant raised his grievances about freight charges against Goundar Shipping (respondent). He stated that he was asked to pay \$27 instead of \$10 for a 10kg yaqona, despite the freight charges being under Control Order. As a result, he lodged his complaint with the Council.

4.0 COUNCIL'S PERSPECTIVE ON THE EXISTING FIJIAN COMPETITION AND CONSUMER COMMISSION (CONTROL OF MARITIME SHIPPING SERVICES, FREIGHT RATES, AND PASSENGER FARES) ORDER 2022

It is disheartening to observe a persistent deficiency in the standards and practices portrayed by these shipping companies towards vulnerable consumers/commuters. For instance, the complaints lodged at the Council (such as; misleading advertisements, exorbitant freight charges, overbooking of passengers, damages/missing luggage, poor redress mechanism, no receipts issued at times, no disclosures on schedule changes) illustrate that there is a clear indication that shipping service providers continuously breach the FCCC (Control of Maritime Shipping Services, Freight Rates, and Passenger Rates) Order 2022.

Whilst it is understood that a surge in fuel prices have been noted in the recent months, an increase in the passenger freight and fares should not be considered until changes are seen in the behaviour of the shipping service providers towards consumers. The consumers often are the end receivers of any actions imposed, hence imposing any increase in shipping, passenger, and freight charges amidst the high cost of living would be unreasonable – especially further financially burdening the maritime populace.

5.0 RECOMMENDATIONS

The Council recommends that:

- The FCCC reviews and extends the Review of Fijian Competition and Consumer Commission (Control of Maritime Shipping Services, Freight Rates and Passenger Fares) Order 2022.
- The current passenger fares and freight rates should remain the same. Unless there is improved monitoring and enforcement within the industry, there should be no increase in passenger fares and freight charges.
- Shipping industry to provide a safe, reliable, and cleanest form of transport to provide safe, affordable, and sustainable shipping services around the country.
- Emphasis to be endowed on freight rates (install a weighing scale across all shipping service providers). The Council has witnessed through its complaints, that in most instances, the domestic shipping businesses do not weigh the luggage/products, rather a rough estimation is done and passengers are charged exorbitantly.
- Strict monitoring and policing by FCCC (Control of Maritime Shipping Service, Freight Rates, and Passenger Fares) on the implementation of the order and hefty fines to be imposed when breached. The complaints registered with the Council are a clear illustration of the non-compliance shipping industries have towards the existing Order. This causes the consumers to receive the impact of such hasty decisions and has further reduced purchasing power.

6.0 CONCLUSION

A great concern to the Council is the continued exploitation of Fijian consumers by the shipping companies through their unethical practices and abuse of consumer rights. The complaints received at the Council such as exorbitant freight charges, unexpected passenger fare hikes, cancellations, missing/lost/damaged cargo, non-disclosure of fares and conditions, overbooking, unhygienic conditions, absence of redress and compensation, etc. reflect the gross disregard for the sea commuters.

In light of the above the Council would reiterate that the Control of Maritime Shipping Services, Freight Rates, and Passenger Fares Order 2022 remains, as it would cushion the negative impacts of high cost of living on the Fijian consumers and stringent monitoring measures to be implemented to ensure ethical business practices are adopted which benefits the consumers.