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Prime Minister of Fiji and Minister for iTaukei Affairs and Sugar Industry

SPEECH AT FRCA CEO's FORUM AND LAUNCH OF FRCA DAY CELEBRATIONS

Holiday Inn
SUVA

Fri. 17 April, 2015
0930 Hours

Cabinet Ministers;

Your Excellencies Members of the Diplomatic Corps;

Our International Guests;

Representatives of the Private Sector;

The Board, CEO and Staff of FRCA;

Ladies and Gentlemen,

Bula vinaka and a very good morning to you all.

As the old saying goes, there are only two certainties in life - death and taxes. I'd like to say another is Fiji winning the Rugby World Cup but unfortunately that's just a fervent hope.

As we all know, the challenge for governments the world over is to persuade their citizens that while they can't escape paying tax, meeting their tax obligations is actually good for them.

Because our ability as governments to provide our citizens with the services they've come to expect depends on us getting everyone to pay their fair share.

This is the message that I would like to press home today - that every citizen has an obligation to society as a whole to meet their tax obligations, and we as tax collectors need to be fair in our efforts to get them to do so.

First off, I want to welcome you all to this Forum and especially our speakers and guests from Australia and New Zealand. A big *vinaka vakalevu* for accepting our invitation to come to Fiji and share your insights with us as we strive to make our own tax system, processes and

decisions more efficient, more transparent and more consistent.

I also want to thank those representatives of the private sector who are attending this gathering - an important opportunity to network and exchange ideas.

I always say that Fiji can only move forward with an effective partnership between Government and the private sector. You employ more Fijians than anyone and generate most of our exports. And you also contribute 80 per cent of the Government's total revenue.

So as Prime Minister, I thank you on behalf of every Fijian for your role in building our economy and driving the growth on which the prosperity and well-being of every Fijian depends.

I have a number of messages I want to leave with you all this morning but one of the most important is this: The

private sector, indeed every Fijian, has a right to expect that you are dealt with fairly and equitably by FRCA.

In some instances, FRCA has failed you. Some companies and individuals have been unfairly targeted. Some have been treated in a high-handed manner. And decisions or rulings have been inconsistent and there has been a lack of transparency.

Worse, some investigations, audits and decisions have been influenced by prejudices based on ethnicity, gender, religion or socio-economic status.

FRCA's job is to be enthusiastic in raising the revenue that we require as a nation for our programme of service delivery. But that enthusiasm should not extend to behaving in an inappropriate or unlawful manner. And to those Fijian companies, individuals and indeed foreign companies who have just cause to be aggrieved, you deserve redress.

Unfortunately, we continue to receive complaints about the poor professional conduct of some FRCA Officers.

These complaints are based not only on the unfair treatment of taxpayers but on the inconsistency of certain decisions and unnecessary delays.

I have instructed the Minister for Finance to ensure that FRCA redoubles its efforts to deal with these serious shortcomings. And I want to issue this call today to every FRCA Officer: Yes, your job is to extract the revenue Government needs to do its own job. But you must always regard the taxpayer as a customer - as in any other business - who deserves to be treated in a professional manner and with consideration and respect.

I ask you all to examine your own behaviour in this regard. Because frankly, we are still getting far too many complaints about FRCA and we need to see a change in the organisation's culture for the better.

I am not here as Prime Minister to single you out for a verbal caning because we have similar problems across much of our bureaucracy. And that is why we are about to embark on a major reform of the Civil Service across the board with the assistance of our friends at the World Bank.

These reforms are vital for the future of Fiji. Because this Government has a vision to take our nation to the next level, to put us on the path to become a highly efficient and productive modern nation-state.

We are inspired by countries like Singapore and what they have been able to achieve and ask ourselves: “why can’t we be like that?” And the answer isn’t a lack of resources - because Singapore didn’t have any at all - but the need for better-educated workers and, most important of all, a change in the mind-set of our people.

Developing a ‘can do’ attitude at every level. Creating a culture of excellence. Creating a culture of service. We

need initiative and innovation which are also critical – a constant rethink of how best to service the customer. An ability to embrace new technology to streamline processes, create more transparency and expedite decision-making.

Attitudinal change is the thing that is most important. Whether it is in an organisation like FRCA or any other Government department or state enterprise or the private sector.

I want to give FRCA the task today of meeting three basic objectives:

*Transparency in your operations and in your dealings with taxpayers.

*Consistency in your application of the tax laws and in your approach to compliance - to do your jobs without fear or favour but also do them better.

*And thirdly efficiency - to finally put a stop to a culture of mediocrity, keep up with developments in the world of commerce and taxation and aspire to world-class performance.

Lest people think I'm singling out FRCA, I am not. Across Government we need to lift our game and perform much better. There are a number of notable problem areas such as Immigration and Town & Country Planning. But every civil servant needs to be put on notice that their performances will come under greater scrutiny.

To those of you from the private sector, I also have two important messages for you. First you need to come out and tell the Minister for Finance where there are problems with FRCA. I know many of you hesitate because of fear of victimisation. But I assure you now that if you come forward, you will be protected. If you do not tell us, how will we ever improve?

My second message to you is that while you must be treated fairly and with greater consideration, FRCA will be relentless in requiring you to comply with your tax obligations.

For too long in Fiji, there has been a culture in certain business circles not to minimise tax - which is legal - but to avoid tax, which is against the law and will not be tolerated.

A case in point is the large number of retail stores that are either transfer pricing or filing false VAT returns to unscrupulously take advantage of the provision of VAT exemption on basic food items.

There is only one way to describe this behaviour - robbery.

And you are not only robbing the Fijian Government, you are robbing the Fijian people because you are depriving them of revenue that is rightfully theirs and

which they depend on for things like education, health and all of the other services Government provides.

I have asked the Minister for Finance to investigate how we can make the VAT system a lot more equitable, transparent and efficient.

As the theme for this Forum suggests, the issue of taxation doesn't have to be one of confrontation or unpleasantness between tax collectors and taxpayers. As the slogan says, it is about Promoting Partnerships for Progress - the progress we will all see if we can raise the tax that people legitimately owe and provide more of the services that have already transformed the lives of many ordinary Fijians.

We are all partners in our collective mission to make Fiji great - whether it is Government or private sector groups.

We can all have relationships marked by civility, respect and even a degree of warmth when we realise that by working together as Team Fiji, we are building the nation we all know we can be.

I wish you all a happy FRCA Day and have great pleasure in declaring this Forum open.

Vinaka vakalevu, thank you.
