



# **STANDING COMMITTEE ON FOREIGN AFFAIRS AND DEFENCE**

## **Consolidated Review Report of the Fiji Revenue and Customs Service 2020-2021 and 2021-2022 Annual Reports**



**PARLIAMENT OF THE REPUBLIC OF FIJI**  
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## **Acronyms**

### Acronyms

ABF	-	Australian Border Force
AIS	-	Automatic Identification System
CCP	-	Container Control Programme
EOI	-	Expression of Interest
FNU	-	Fiji National University
FRCS	-	Fiji Revenue and Customs Service
IMF-PFTAC	-	International Monetary Fund - Pacific Financial Technical Assistance Centre
MSME	-	Micro, Small, and Medium Enterprises
MOU	-	Memorandum of Understanding
TPOS	-	Taxpayer Online Services
UNODC	-	United Nations Office on Drugs and Crime
USP	-	The University of the South Pacific
VAT	-	Value Inclusive Tax
WCO	-	World Customs Organization

## Chairperson's Foreword

The Standing Committee on Foreign Affairs and Defence (the Committee) hereby submits to Parliament its Consolidated Review Report on the Fiji Revenue and Customs Service (FRCS) Annual Reports for the financial years 2020–2021 and 2021–2022. These reports were formally referred to the Committee on 10 March 2025.

FRCS plays a critical role in supporting Fiji's economic and social development by efficiently collecting revenue, facilitating trade, and safeguarding national borders. As the government's principal agency for tax administration and customs enforcement, FRCS ensures compliance with tax laws, administers import and export duties, and combats smuggling and financial crimes. In addition to revenue collection, the agency promotes voluntary tax compliance, provides taxpayer education, and fosters business growth by streamlining border operations and reducing trade barriers. Through these core functions, FRCS contributes significantly to national development by securing essential government funding and promoting a fair and transparent economic environment.

As part of its review process, the Committee invited FRCS for a public, face to face submission on 1 April 2025, which was livestreamed via Parliament's Facebook page and aired on the Walesi Parliament channel. The Committee also conducted site visits to FRCS offices in Nadi, Savusavu, and Labasa from 9 to 11 April 2025. These engagements revealed several important matters not previously covered during the oral submission, all of which are reflected in this report. The Committee presents nine (9) recommendations for Parliament's consideration.

The Committee thanks FRCS for compiling and submitting its Annual Reports for 2020–2022. I thank the members of the Standing Committee on Foreign Affairs and Defence, including the Hon. Alipate Tuicolo who served as an alternative member, for their contributions in producing this bipartisan report. I further acknowledge the Secretariat for their invaluable support throughout this review.

On behalf of the Standing Committee on Foreign Affairs and Defence, I respectfully submit this report to Parliament.



**Hon. Lenora Qereqeretabua**  
**Chairperson**

## Recommendations

1. To maintain and enhance customer service, FRCS should adopt organized knowledge-sharing systems to retain institutional experience and assist in effectively integrating new employees. Furthermore, continuous training and regular evaluation of staff performance in customer-facing roles will be crucial in upholding service quality and rebuilding stakeholder trust after the restructuring (*reference to point 3.3.3*).
2. FRCS should continue to prioritize cybersecurity by regularly updating its security protocols, investing in staff training on cyber hygiene, and maintaining partnerships with cybersecurity experts. Routine testing and audits, combined with real-time monitoring systems, will be key in safeguarding sensitive taxpayer data and ensuring system resilience against emerging digital threats (*reference to point 3.3.5*).
3. To address surveillance gaps (*reference to points 3.3.17, 3.3.19–3.3.23*), it is recommended that Fiji legislate mandatory AIS usage for all yachts in Fiji waters, expand scanning facilities to all ports, and acquire a dedicated customs patrol vessel. Enhancing canine (K9) units (*reference to points 3.3.4 and 3.3.28*) and increasing ferry surveillance at provincial ports (*reference to point 3.3.17*) are also essential for combating trafficking.
4. The Committee recommends that outdated airport security technologies (*reference to point 3.3.16*) should be replaced with modern tools such as body scanners to improve screening and risk detection. To support specialized operations, FRCS should secure adequate operational space at key border points and address land disputes (*reference to point 3.3.27*) delaying facility development.
5. FRCS should prioritize implementing an electronic arrival/departure registration system (*reference to point 3.3.12*) and continue cloud migration and system resilience improvements (*reference to point 3.3.21*). Additionally, targeted education and outreach efforts (*reference to point 3.3.13*) are necessary to overcome digital literacy barriers and promote uptake of online services.
6. To reduce trade delays and administrative bottlenecks, FRCS should develop a single-window system for integration with agencies like Ministry of Health and Medical Services, Biosecurity Authority of Fiji, and the Judicial Department (*reference to point 3.3.22*). Inter-agency collaboration in maritime surveillance, especially with the Navy and Police, should be formalized and expanded (*reference to point 3.3.19*).
7. Due to risks highlighted by incidents like the Ba lockdown (*reference to point 3.3.11*), FRCS should transition to government-owned buildings where possible while maintaining

specialized facilities for enforcement needs. This approach balances cost-efficiency with operational independence.

8. Given the economic growth in the Northern region, appointing a Principal or Chief Customs Officer (*reference to point 3.3.26*) will strengthen oversight. Additionally, upgrading the vehicle fleet and acquiring 4WDs (*reference to point 3.3.29*) is critical for improving mobility and effective enforcement in remote and high-risk areas.
9. The Committee recommends amendment to legislation to enhance enforcement and monitoring of vessels in culturally sensitive zones (*reference to point 3.3.24*).

## 1.0 Committee Remit and Composition

Under Standing Order 109(2)(e) the Standing Committee on Foreign Affairs and Defence is mandated to look into matters related to Fiji's relations with other countries, development aid, foreign direct investment, oversight of the military, and relations with multi-lateral organizations. The members of the Standing Committee on Foreign Affairs and Defence are as follows:



**Hon. Lenora Qereqeretabua**  
**Chairperson**

*Deputy Speaker of Parliament  
Assistant Minister for Foreign Affairs*



**Hon. Rinesh Sharma**  
**Deputy Chairperson**



**Hon. Ratu Isikeli Tuiwailevu**  
**Member**

*Assistant Minister for iTaukei Affairs, Heritage and Arts*



**Hon. Penioni Ravunawa**  
**Member**

*Assistant Minister for Health and Medical Services*



**Hon. Virendra Lal**  
**Member**

## **1.1 Committee Secretariat Team**

Supporting the Committee in its work is a group of dedicated Parliament Officers serving as the Committee Secretariat. These officers are appointed and delegated by the Secretary-General to Parliament by Standing Order 15(3)(i). The Secretariat officers are as follows:

- Mrs. Susana Korovou – Senior Committee Clerk
- Mrs. Elesi Tabuyaqona – Deputy Committee Clerk



## **2.0 Background and Terms of Reference**

The Standing Committee on Foreign Affairs and Defence (the Committee), was referred the Fiji Revenue and Customs Service (FRCS) 2020-2021 and 2021-2022 Annual Reports on 10 March 2025. The referral of the Annual Reports was done in accordance with SO 38(2), whereby the Committee was assigned to investigate the contents of the report and provide a report to Parliament at a future Sitting. This report is outside the usual mandate of the Committee, but the referral was made to help ease the workload of the other Standing Committees.

### **2.1 Procedure and Program**

#### **Public Submission (written and oral submission)**

In relation to Standing Order 111 (1), the Committee is committed to upholding public trust in Parliament, by ensuring that there is public participation and that all such participation is given due consideration. The Committee had called for an oral public submission from FRCS on 01 April 2025. This session was broadcast live on Parliament Facebook page and aired on the Walesi Parliament channel. The Committee also visited FRCS offices in Nadi/Lautoka, Savusavu, and Labasa from 09 to 11 April 2025, where important issues were identified that had not been covered in the in-house oral submission discussions.

A summary of the submission is provided in a later part of this report, under the heading ‘Committee’s Deliberation and Analysis’. Copies of the written submission and the verbatim from the meeting can be obtained from the online Appendices of this report, which can be accessed from the Parliament website: [www.parliament.gov.fj](http://www.parliament.gov.fj).

## 3.0 Committee Deliberation and Analysis

### 3.1 Introduction

The Fiji Revenue and Customs Service (FRCS) plays a vital role in supporting the economic and social development of Fiji by efficiently collecting revenue, facilitating trade and protecting our borders. As the primary government agency responsible for tax administration and customs regulation, FRCS ensures compliance with tax laws, administers duties on imports and exports, and works to prevent smuggling and other forms of financial crime. In addition to revenue collection, the agency also promotes voluntary tax compliance, provides taxpayer education, and supports business growth by streamlining border processes and reducing trade barriers. Through these functions, FRCS contributes to national development by securing government funding and maintaining a fair and transparent economic environment.

FRCS operates with a clear mission to help Fiji grow as a leading contributor and funder of sustainable economic, security and social initiatives. Its vision is to be a world-class revenue and border protection agency, driven by innovation and integrity. FRCS upholds core values such as integrity, professionalism, collaboration, and accountability, which guide its operations and stakeholder interactions. The core business of FRCS revolves around the efficient collection of taxes and duties, facilitation of legitimate trade and travel, enforcement of customs and tax laws, and protection of Fiji's borders from illicit activities, all aimed at contributing to national development and economic sustainability.

### 3.2 Summary of the 2020-2021 and 2021-2022 Annual Reports

#### 3.2.1 Key Priority 1: Customer Service, Transparency and Communication with Stakeholders

A summary of the initiatives implemented during the 2020–2021 and 2021–2022 financial years is presented in the table below.

Focus Area	2020–2021	2021–2022
<b>Customer Engagement Mode</b>	Emphasis on physical outreach, bringing services to communities and informal settlements.	Focus on centralized digital engagement—Call Centre improvements, dashboards, email & phone support.
<b>Customer Service Development</b>	Launch of FRCS Customer Service Charter to support organizational transformation to service-oriented values.	Charter revised and enhanced with technical support from IMF-PFTAC, emphasizing service timelines and MSME responsiveness.
<b>Complaint Handling</b>	Introduction of a Complaints Policy to ensure timely and fair resolution of customer issues.	Continued emphasis on service quality, with customer feedback survey showing improved perceptions of FRCS services.

<b>Technical Assistance</b>	Collaboration with UNODC, WCO, ABF, and other agencies on trade security (CCP), and Vuvale Partnership support.	IMF-supported taxpayer services review, strengthening taxpayer engagement and service delivery frameworks.
<b>Service Delivery Monitoring</b>	No major internal monitoring systems reported.	Dashboard reporting system introduced to monitor calls, emails, and types of enquiries across 10 regional offices.
<b>Customer Feedback Collection</b>	Lacked structured feedback mechanisms but worked closely with informal sector via community visits.	Formal customer survey (1,752 responses) confirmed improved service delivery and TPOS system satisfaction.
<b>TPOS Engagement</b>	Focused on onboarding customers—Joint Card Registration, TIN sign-ups, awareness sessions.	Shifted to TPOS feedback and refinement through Talanoa sessions and stakeholder dialogue on issues and improvements.
<b>Policy &amp; Legal Clarity Tools</b>	Conducted general awareness sessions on new policies (e.g., National Budget 2020–2021).	Introduced Standard Interpretation Guidelines (SIGs) and Private Binding Rulings (PBRs) for legal certainty and clarity.
<b>MSME Support</b>	Assisted in distributing COVID-19 concessional loans to MSMEs; awareness on tax incentives and compliance.	Charter and IMF review placed emphasis on improving MSME access and communication.
<b>Workshops &amp; Outreach</b>	Partnered with Ministry of Commerce and co-operative members for tax and compliance education.	Hosted Suva Retailers Workshop, Talanoa sessions, and VAT Bill consultations with key stakeholders and users.
<b>Stakeholder Partnerships</b>	Worked with REACH, BSP, Ministry of Social Welfare, and UNDP for inclusive service access.	Signed 9 MOUs with entities including FNU, Agriculture, Elections Office, and local councils to enhance collaboration.
<b>Community-Level Projects</b>	Launched Operation Waitui with multiple agencies for border awareness and community security.	Focus leaned more on system enhancements and internal reforms rather than physical community visits.
<b>Gender &amp; Inclusion</b>	Targeted rural women via UNDP's Markets for Change program (Kadavu) on financial literacy.	Broader national inclusivity maintained, but with a stronger focus on digital service access and structured customer pathways.

### 3.2.2 Key Priority 2: Revenue Collection

Years	2020-2021		2021-2022	
Types of Tax	Total Collection	Forecasted Amount/%	Total Collection	Forecasted Amount/%
Income Taxes	\$425.4m	Below by \$37m or 8%	\$426.0m	Above by \$12.7m or 3.1%
Corporate Tax	\$201.2m	Below by \$28m or 12.2%	\$229.9m	Above by \$11.6m or 5.3%
PAYE	\$126.8m	Above by \$15m or 13.5%	\$134.9m	Below by \$0.8m or 0.6%
Withholding Taxes	Unreported	Unreported	\$64.5m	Above by 2.1m or 3.3%
Value Added Tax		Below by \$130.1m or 22.7%	\$660.2m	Below by \$0.4m or 0.1%
Domestic VAT	\$317.8m	Below by \$100.1m or 24.0%	\$398.2m	Above by \$5.6m or 1.4% <sup>1</sup>
<b>Tourism Related Tax</b>				
Customs Duties & Levies	\$400.1m	Above by \$104.3m or 35.2%		Below by \$2.3m or 0.5%
Import VAT	\$		\$444.9m	Below by \$3.2m or 0.7%
Fiscal Duty	\$22.3m	Above by 39.2%	Unreported	Unreported
Domestic Excise Duty	\$10.4m	Above by 138.1%	Gradually increased in the 2021-2022 fiscal year.	
Water Resource Tax	\$6.7m	Above by 37.5%	\$83.6m	Above by 1.0%
Departure Tax	\$1.02m	Below by \$20.3m	Maintained a favorable trend	

In the fiscal year 2020–2021, income tax collections totaled \$425.4 million, which was below the forecast by \$37 million or 8%, indicating a shortfall likely due to economic impacts such as COVID-19. However, in the following year, 2021–2022, income tax collections slightly increased to \$426.0 million, and this time they were above the forecast by \$12.7 million or 3.1%, reflecting a stronger-than-expected economic recovery or improved compliance and enforcement measures by FRCS.

In the fiscal year 2020–2021, corporate tax collections amounted to \$201.2 million, falling short of the forecast by \$28 million or 12.2%, likely due to reduced business activity and profitability during the pandemic. However, in 2021–2022, collections improved significantly to \$229.9 million, exceeding the forecast by \$11.6 million or 5.3%, indicating a rebound in corporate performance and possibly more effective revenue collection efforts.

<sup>1</sup> Growth in domestic VAT was driven by the strong rebound of the tourism sector and wholesale trade market.

In 2020–2021, PAYE revenue reached \$126.8 million, surpassing the forecast by \$15 million or 13.5%, suggesting higher-than-expected formal employment or salary levels. In contrast, in 2021–2022, PAYE increased to \$134.9 million but was slightly below the forecast by \$0.8 million or 0.6%, pointing to a more accurate forecast or slight stagnation in wage growth.

Withholding taxes were not reported in 2020–2021, but in 2021–2022, collections stood at \$64.5 million, exceeding the forecast by \$2.1 million or 3.3%. This may indicate improved tax administration and enforcement in capturing non-resident or contractor income.

In 2020–2021, VAT underperformed significantly, falling short of its forecast by \$130.1 million or 22.7%, reflecting reduced consumer spending and import activity during the pandemic. By 2021–2022, VAT collections increased to \$660.2 million, falling just \$0.4 million or 0.1% below forecast, signalling a strong recovery in consumption and improved forecasting accuracy.

Domestic VAT collections in 2020–2021 were \$317.8 million, which was \$100.1 million or 24% below forecast, likely due to suppressed domestic economic activity. In 2021–2022, collections grew to \$398.2 million, surpassing the forecast by \$5.6 million or 1.4%, reflecting a positive shift in domestic demand and business activity.

Customs duties and levies in 2020–2021 totalled \$400.1 million, outperforming the forecast by \$104.3 million or 35.2%, possibly due to import volume spikes or improved enforcement. However, in 2021–2022, performance dipped slightly, with collections falling below forecast by \$2.3 million or 0.5%, suggesting stabilization in import patterns.

Import VAT was not reported in 2020–2021 but in 2021–2022, it totalled \$444.9 million, coming in \$3.2 million or 0.7% below forecast, showing relatively stable import activity with only a minor deviation from expectations.

In 2020–2021, fiscal duty collections totalled \$22.3 million, exceeding the forecast by 39.2%, potentially due to a surge in dutiable imports or adjustments in duty rates. Data for 2021–2022 was not reported, making further analysis difficult.

Domestic excise duty totalled \$10.4 million in 2020–2021, which was 138.1% above forecast, suggesting either underestimation of consumption or successful enforcement efforts. In 2021–2022, it reportedly increased gradually, indicating steady growth in excise-related products or compliance improvements.

Water resource tax collections in 2020–2021 were \$6.7 million, exceeding forecasts by 37.5%, possibly due to increased usage or changes in rates. In 2021–2022, revenue jumped

significantly to \$83.6 million, still slightly above forecast by 1.0%, indicating structural or policy changes that substantially raised its contribution.

In 2020–2021, departure tax revenue was just \$1.02 million, falling short of the forecast by \$20.3 million due to the collapse in international travel from COVID-19 restrictions. By 2021–2022, while no specific collection amount was reported, it was noted to have maintained a favourable trend, likely signalling a partial recovery in outbound travel.

### **3.2.3 Key Priority 3: Corporate Culture Change**

During the 2020–2021 fiscal year, the FRCS initiated a proactive organizational restructuring process in response to the economic and operational challenges brought on by the COVID-19 pandemic. Recognizing the long-term implications of reduced international trade, border closures, and a shift toward digital service delivery, FRCS embarked on a “Right Sizing” exercise to streamline its workforce and build a leaner, more agile structure. This began with the introduction of a voluntary redundancy program through an Expression of Interest (EOI) process, where 175 staff exited the organization, resulting in a staff turnover rate of 22.36%. Despite these transitions, the focus was maintained on preserving service delivery, particularly in essential functions. Remote work arrangements, health protocols, and staff protection measures (such as the use of the careFIJI app, PPE distribution, and office sanitization) were swiftly adopted, ensuring minimal disruption to operations.

In the subsequent year, 2021–2022, the restructuring effort advanced into a more strategic phase, driven by both economic imperatives and the increasing adoption of technology, particularly the phased rollout of the new Taxpayer Online Services (TPOS) platform. As services became more automated, allowing taxpayers to lodge returns, print TIN letters, and view tax statuses online, the need for manual processing staff diminished. Consequently, the organization underwent further downsizing, reducing total staff numbers from 698 in August 2021 to 566 by January 2022. This reduction in workforce was not merely reactive but aligned with the transition toward a self-assessment environment, where automation would streamline internal processes and reduce operational overhead.

Despite the challenges, FRCS remained committed to staff development and cultural transformation. A staff survey conducted in August highlighted areas requiring improvement, particularly in morale, workplace culture, and service mindset. As a result, investments continued in capacity building through virtual training and workshops, ensuring staff remained adaptable and equipped in a changing work environment. This dual focus, downsizing while investing in upskilling, reflected FRCS’s balanced approach to managing change.

Moreover, while 2020–2021 saw FRCS focus on crisis management and continuity planning, including the implementation of COVID-19 protocols and emergency fiscal responses, the 2021–2022 period marked a shift toward long-term institutional reform and modernization, paving the way for digital transformation and operational efficiency.

### **3.3 Committee Findings**

The Committee's findings are outlined below:

- 3.3.1 The inquiry revealed that a Memorandum of Understanding with the Port of Denarau has indeed been established to address issues such as smuggling and under-declaration of goods, particularly in the tourism sector involving yachts. The collaboration includes close engagement with marina operators, yacht associations, and regional partners such as New Zealand and other Pacific countries to enhance intelligence sharing. A framework and specific inspection guidelines for yachts have been developed, guided by intelligence from previously visited ports, ensuring a targeted and intelligence-led inspection process.
- 3.3.2 The rollout of the National Tax Information System (NTIS) and the online Taxpayer Online Services (TPOS) has faced several challenges since its inception in 2018, including system transitions and internal leadership changes. These factors initially affected the efficiency and effectiveness of the platform, particularly in delivering services for corporate and personal income tax. Over the past 12 months, FRCS has taken a more targeted approach by establishing a governance group to identify and resolve key issues raised by industry stakeholders. While some productivity and system update challenges remain, there has been a noticeable increase in system uptake, indicating growing user confidence.
- 3.3.3 The inquiry revealed that the FRCS restructuring and redesign process presented significant challenges, particularly in maintaining service delivery standards. The redundancy process led to the departure of approximately 300 staff members, including the loss of experienced personnel, which negatively affected customer service and institutional knowledge. Despite these setbacks, the organization has since made efforts to recover, focusing on rebuilding capacity and reinforcing key service areas. This includes the recruitment of around 150 new staff, 50 at critical points like the airport and 100 across other essential delivery units.
- 3.3.4 FRCS currently operates detector dog units in Nadi and Suva, each with two dogs, and is planning to expand to Savusavu in response to increased maritime activity. Due to limited resources, the dogs are not deployed for every flight but are used selectively for high-risk arrivals. This targeted deployment strategy is a result of the small number of available dogs and capacity constraints. FRCS is actively addressing this gap by collaborating with New Zealand Customs to train more handlers and procure additional dogs. Over the next 12 to 24 months, the organization aims to expand canine coverage, particularly in the northern region, and is working with Fiji Airports and the police to strengthen border monitoring.



- 3.3.5 Concerns about cybersecurity risks amid FRCS's transition to digital systems were raised. It was confirmed that FRCS has established a comprehensive business continuity and cybersecurity framework, developed in partnership with external experts. Efforts are ongoing to further strengthen disaster recovery capabilities and enhance digital security infrastructure. This includes the use of secure online systems, multiple protective gateways to block external threats, and regular penetration testing to detect and resolve system vulnerabilities.
- 3.3.6 During the COVID-19 period, FRCS supported businesses through a reduced 20% corporate tax rate, extensive sector-specific incentives, and flexible relief measures, while engaging in broad consultations to ensure responsive policymaking, contributing to Fiji's status as one of the most incentivized economies in the region.
- 3.3.7 FRCS confirmed it is actively collaborating with the Ministry of Education to develop a program that integrates taxation and entrepreneurship awareness into the national curriculum, aiming to instill financial literacy and civic responsibility in Fiji's youth.
- 3.3.8 FRCS highlighted that the pandemic underscored the need for better resourcing and inter-agency collaboration. Moving forward, FRCS plans to strengthen partnerships with international agencies and enhance border security through container examination facilities, improved coordination with the police and Navy, and the use of advanced technologies like drones and satellites. These efforts aim to balance enhanced security with the facilitation of tourism recovery, aligning with Fiji's broader economic development goals by securing the borders while ensuring smooth trade and travel.
- 3.3.9 FRCS explained that its MOU with Fiji National University (FNU) was established to enable data sharing specifically, to help FNU assess graduate outcomes, such as average income and employer types, using aggregated and confidential data. While this arrangement is currently exclusive to FNU, FRCS is also engaging with other institutions like the University of the South Pacific (USP) to integrate taxation into academic programs. Additionally, FRCS has launched a structured internship-to-employment program in partnership with the Australian Tax Office, targeting second-year students from all universities. The program offers paid roles, rotations across departments, and eventual full-time employment upon graduation. Selection is done via advertised vacancies, with applicants going through a formal interview process.
- 3.3.10 FRCS confirmed that Fiji was blacklisted by the European Union in 2019 as a non-cooperative jurisdiction for taxation, primarily due to unmet commitments following

a 2017–2018 assessment. The blacklisting was based on three key areas: tax transparency, harmful taxation practices, and Base Erosion and Profit Shifting (BEPS). Since then, Fiji has made substantial progress—joining the Global Forum, implementing transparency frameworks, amending or removing harmful tax policies, and working on BEPS standards with support from international partners. If current efforts continue as planned, Fiji is expected to be delisted within 4 to 18 months.

- 3.3.11 FRCS clarified that while co-locating in government-owned buildings is ideal for improving public access and reducing dependency on private landlords, FRCS faces operational challenges that sometimes require specialized facilities, such as for enforcement units and detector dogs. The Ba incident highlighted the risks of relying on private premises, reinforcing the need for greater control over their facilities. Although they support the idea of government hubs and shared spaces for efficiency, FRCS continues to assess the balance between cost-effectiveness, operational autonomy, and service delivery, with ongoing discussions at the board level to determine the best path forward.
- 3.3.12 One of the key challenges FRCS faces is the digitization of arrival and departure processes, particularly in streamlining passenger profiling. To address this, FRCS aims to implement an electronic pre-arrival and departure registration system, allowing individuals to complete necessary procedures 72 hours before arrival. Achieving this goal requires not only enhanced digital infrastructure but also legislative amendments to support and enforce the new systems effectively.
- 3.3.13 Digitisation remains central to broader strategic plans. FRCS's goal is to shift customer engagement to digital platforms and reduce dependency on physical service centres. However, this transition is hampered by digital literacy barriers, especially among the elderly. To address this, the organisation has deployed a strong education and outreach team targeting remote areas, villages, and MSMEs.
- 3.3.14 A major constraint at the airport is the limited operational space allocated to border agencies. Discussions are ongoing with Fiji Airports Limited to secure adequate office facilities as mandated by the Customs Act and International Aviation Agreements.
- 3.3.15 Despite increased staffing, resource limitations remain, and FRCS continue to seek additional personnel to meet growing demands.
- 3.3.16 Airport security technologies are currently outdated, posing a significant vulnerability due to the absence of body scanners—allowing undetectable items to potentially

bypass existing screening measures. Upgrading to modern security tools is essential to enhance detection capabilities and enable more accurate risk targeting.

- 3.3.17 Provincial airports and other entry points continue to be high-risk areas, particularly with contraband such as marijuana entering through ferries. There is a need for structured intervention, including more x-ray machines and enhanced ferry surveillance.
- 3.3.18 Hypothetical but realistic security threats, such as the misuse of 3D printers to create weapons or the hijacking of domestic flights, highlight the urgent need to strengthen domestic aviation security.
- 3.3.19 Yacht monitoring and maritime surveillance present ongoing challenges, with the number of incoming yachts steadily increasing. FRCS is currently developing a yacht risk-profiling app to address this. A recent example of successful enforcement involved penalizing a yacht captain for non-compliance. This outcome underscores the value of inter-agency collaboration and asset sharing in protecting Fiji's interests.
- 3.3.20 FRCS's container examination facility will centralise inspections and enhance operational integrity. Surveillance technologies and on-site procedures will reduce opportunities for compromise and improve detection of illicit items.
- 3.3.21 FRCS's IT infrastructure includes servers in Suva with a backup in Lautoka. FRCS is exploring cloud migration and implementing a high-availability plan to minimize downtime. So far however, system outages have been minimal.
- 3.3.22 One of the key obstacles to efficient trade facilitation is the lack of digital integration with agencies such as Health and Biosecurity, who still rely on manual record-keeping. These delays processes that could otherwise be streamlined through a single-window platform. Similarly, the Justice Department's register of titles remains undigitized, creating further bottlenecks in operations that require timely access to property and ownership records.
- 3.3.23 FRCS highlighted that a major concern is the absence of a legislative mandate requiring yachts to operate Automatic Identification Systems (AIS) in Fijian waters. Without AIS, vessel tracking becomes nearly impossible, creating significant security and compliance gaps. Many yacht owners exploit this loophole, knowing there are no legal repercussions. In contrast, countries like Australia have made it illegal to switch off AIS highlighting the urgent need for Fiji to adopt similar legislation to strengthen maritime surveillance and border security.

- 3.3.24 Yachts entering Fiji are required to obtain a Coastal Cruising Permit from the iTaukei Affairs Board after securing clearance from Health, Biosecurity, Immigration, and Customs. This permit, which is currently issued free of charge, allows vessels to cruise Fiji's waters for up to six months—including access to traditionally restricted or “qoliqoli” (forbidden) areas. While this supports tourism, it also raises concerns around enforcement and monitoring in culturally sensitive zones.
- 3.3.25 Currently, yachts scanned upon arrival in Nadi are not subject to a second inspection when they proceed to other ports such as Labasa or Savusavu, primarily due to the lack of scanning facilities at those locations. This creates a significant gap in border security and customs oversight, increasing the risk of illicit activities going undetected in secondary ports.
- 3.3.26 Given the economic growth and rising import activities in the Northern region, there is a clear need to appoint a Principal or Chief Customs Officer to provide strategic oversight, ensure regulatory compliance, and strengthen leadership for customs operations in this increasingly active area.
- 3.3.27 Operational expansion efforts are being hindered by unresolved land disputes, particularly involving *mataqali* (clan-owned) land. In at least one case, a key construction project remains stalled due to ongoing disagreements between landowners.
- 3.3.28 There is an urgent need to strengthen border enforcement and drug detection efforts through the establishment or expansion of canine (K9) units. Detector dogs serve as a critical force multiplier in identifying illicit substances.
- 3.3.29 The current fleet of vehicles is outdated and insufficient for effective field operations. There is a pressing requirement for new 4WD vehicles and a dedicated customs patrol vessel to enhance mobility and response capacity, especially in remote and high-risk zones.

## **4.0 Relevance to Sustainable Development Goals (SDGs)**

### **4.1 Gender Equality in Parliamentary Scrutiny**

The Parliament of Fiji Standing Orders 110 (2) requires the Committee to give full consideration to the principle of gender equality so as to ensure all matters are considered with regard to the impact and benefit on both men and women equally. FRCS has made significant strides in aligning with the Sustainable Development Goals (SDGs), particularly in promoting gender equality and economic growth. The representation of women in the workforce has increased from 50% in August 2021 to 57.4% in August 2022, reflecting the organization's commitment to SDG 5 (Gender Equality). Despite a decline in total staff numbers, the growing proportion of female employees indicates focused efforts to improve women's participation in the workplace. Moreover, gender balance within the FRCS executive team, with 4 out of 8 leadership positions held by women, demonstrates alignment with SDG 8 (Decent Work and Economic Growth) by providing more opportunities for women and addressing employment disparities. These efforts also contribute to SDG 10 (Reduced Inequalities), ensuring greater equity in career opportunities across genders.

## **5.0 Conclusion**

The Standing Committee on Foreign Affairs and Defence has conducted a thorough review of the Fiji Revenue and Customs Service 2020-2021 and 2021-2022 Annual Reports. The Committee report is bi-partisan and has eight (8) recommendations for consideration. The Committee commends the FRCS for being up to date with its Annual Reports.

## 6.0 Committee Members' Signatures



Hon. Lenora Qereqeretabua  
**Chairperson**



Hon. Rinesh Sharma  
**Deputy Chairperson**



Hon. Ratu Isikeli Tuiwailevu  
**Member**



Hon. Penioni Ravunawa  
**Member**



Hon. Virendra Lal  
**Member**

## **7.0 Annexure**

### **Published evidence**

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Written evidence, transcripts, and supporting documents can be viewed on the Parliament website at the following link:

<https://www.parliament.gov.fj/committees/standing-committee-on-foreign-affairs-and-defence/>