



PRESS RELEASE

FIRCA RESPONDS TO “SLAP IN THE FACE” ASSERTION BY FIJI TV

FIRCA refers to the main feature broadcast on Fiji TV as part of the early news on the evening of Friday 13th April, comprising certain statements made by the Honourable Minister of Tourism regarding a certain project, and Fiji TV’s observations in regard to such statements.

In the broadcast, Fiji TV asserted that the action of the Minister in granting final SLIP approval (that is, approval for certain tax concessions) was a “slap in the face” for FIRCA which had insisted upon taxing profits which Fiji TV seem to have assumed would be exempted by the granting of the final SLIP approval.

By way of response, FIRCA must firstly deplore the puerile and abusive language unnecessarily used by Fiji TV in the broadcast. The use of such language trivializes the grave subject matter of the broadcast. That subject matter comprises the collection of tax, which is the lifeblood of the nation and which funds 90% of Government expenditure, without which Government would be unable to supply services of health, education, security and all other vital aspects of life, and without collection of which society could not function.

FIRCA secondly wholly refutes that in any sense of the term the decision made comprises a “slap in the face”.

As I had explained previously, the grant made is ineffective for a number of reasons some of which have already been enumerated:

- (i) There was no prior consultation with the Minister of Finance as required by law. This fact alone invalidates the granting of the SLIP approval;
- (ii) The relevant project had neither been completed nor substantially completed, hence the approval was inherently incapable of being given; and
- (iii) The grant was ineffective in not being confined to the relevant hotel project.

Thus, FIRCA's insistence upon taxing relevant proceeds of sale of land is in no way diminished by the granting of the SLIP approval.

FIRCA thirdly refers to the calculations stated in the news item, as showing allegedly a lesser loss by grant of the concession than by not granting same. The figures cited are not accepted as accurate. Nor can the immediate up front benefits of substantial tax collection, vital in these difficult and dangerous times, be discounted by putative future alleged earnings from a project not yet completed. Further, and in any event, FIRCA wholly disputes the necessity to give the exemption in order to ensure completion.

FIRCA fourthly points out that problems of the sort described arise only because some developers insist on funding developments from taxable land sales instead of ensuring funding from other sources or from their own resources. Such developers must expect to pay tax. In complaining of the need to pay tax they are simply complaining of the logical outcome of their own voluntary behaviour.

FIRCA fifthly refers to the unfortunate reference in the broadcast to its insisting on getting its pound of flesh. Indeed, tax required by law to be collected by FIRCA was branded as "their pound of flesh." That tax does not however in any way belong to FIRCA. It is the lifeblood of society without which society would disintegrate. The tax collected by FIRCA is what gives Government the means to supply essential services for all citizens.

In conclusion, FIRCA hopes that future dialogue by Fiji TV with regard to issues as grave as taxation be conducted in civilized and intelligent fashion rather than as to date.

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