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Of Trees and Forest

Raising Gov't Fees And Charges

THE Department of Finance's proposal to authorize cabinet secretaries to raise the fees and charges imposed by bureaus and other agencies under their respective departments is a good idea.

Finance Secretary Cesar Purisima said that under the current setup, state agencies needed the approval of the National Economic and Development Authority (NEDA) before they could adjust their fees and charges.

Technically, fees and charges are supposed to cover the cost of services provided by government agencies, but these are also recorded as revenues, just like taxes.

During the first four months of 2012, fees and charges generated a total of R32.43 billion, up 11.7 percent from the R29.03 billion generated in the same period last year. In April, 2012, alone, revenues from fees and charges increased by 24.6 percent to R7.79 billion, compared with R6.26 billion in April, 2011.

I agree that fees and charges may be raised to cover the increasing costs of providing services. I also agree with the rationale behind the Finance Department's proposal, which is to allow agencies to adjust their fees and charges promptly or as costs increase instead of going through the cumbersome process of seeking NEDA approval.

Nevertheless, I believe the proposal should be refined, particularly in determining which fees and charges should be raised, to prevent undesirable consequences, such as adding to the burden of the masses.

For example, many of the people who apply for clearance certificates from the National Bureau of Investigation (NBI) or from the Philippine National Police (PNP) are jobless people who are required to present such certificates together with their applications for domestic or overseas jobs. It's almost inhuman to compel these people, who are obviously undergoing hard times, to pay more for NBI or PNP clearance.

I'm also opposing the plan of the Philippine Health Insurance Corp. to increase the premium contribution of overseas Filipino workers (OFW) by as much as 167 percent.

In fact, I have filed Senate Proposed Resolution No. 706, urging the Senate Committees on Health and Demography and Labor, Employment and Human Resources Development to look into Philhealth's plan to increase the premium contribution of OFW members from R900 to R2,400.00 per year. Most of our OFWs are considered low-wage earners in their host countries so I will not agree to any plan to add to their burden.

My position is that we should be thinking of more ways to thank them for their sacrifices for their families and their country. In addition, it should be considered that OFWs work abroad and that there is a slim chance to use Philhealth services in the Philippines.

The government should look at other agencies that provide services (and collect fees) from ordinary people. In general, I would prefer that these agencies refrain from raising their fees and charges.

On the other hand, I support higher fees and charges that are imposed by agencies that provide services to big companies, which obviously have the capacity to shell out more money and will gladly to do so in exchange for better service.

The mining industry is a good example. Investors in the mining industry, which is a very capital-intensive industry, include some of the world's biggest corporations. Fees and charges are ordinary components of their business costs, and I am sure these companies would be willing and able to pay higher fees and charges if they get efficient and prompt service in return.

Another good example is the drug industry, which is dominated by multinational corporations. These companies will not resent upward adjustments in fees and charges in connection with their applications for the accreditation and registration of their products with the Food and Drug Administration (FDA).

There are other agencies whose clients are not the ordinary, low-income (or even "no-income") Filipinos but big businesses. These agencies should be allowed to adjust fees and charges in line with increases in the cost of providing their services. And the clients, of course, have a right to demand faster processing in return for the higher fees and charges.

With this refinement, the government can achieve two things: increase revenue collections while at the same time spare the masses from additional financial burden.

(To be continued)

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