



## 12<sup>th</sup> Annual PITAA Heads Meeting

### COMMUNIQUE

*28 – 30 September 2015*

**Holiday Inn Hotel, Port Moresby, Papua New Guinea**

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The Papua New Guinea Internal Revenue Commission (PNGIRC) hosted the 12<sup>th</sup> Annual PITAA Heads Meeting at the Holiday Inn Hotel Conference Room in Port Moresby from the 28<sup>th</sup> – 30<sup>th</sup> September 2015.

The meeting was attended by delegates from fourteen of the sixteen PITAA members countries. These countries were Papua New Guinea, Solomon Islands, Kiribati, Federated States of Micronesia (FSM), Nauru, Cook Islands, Tuvalu, Republic of Marshall Island (RMI), Fiji, Niue, Samoa, Kingdom of Tonga, Timor- Leste and Vanuatu. Apologies were noted from Palau and Tokelau.

The meeting was also attended by a few Observers and Presenters. The attending organizations were New Zealand Inland Revenue Department (NZIRD), Australian Taxation Office (ATO), Autonomous Region of Bougainville, Pacific Financial Technical Assistance Centre (PFTAC), International Monetary Fund (IMF), World Bank Group (WBG), Asian Development Bank (ADB), International Bureau of Fiscal Documentation (IBFD) and the Australian Department of Foreign Affairs & Trade (DFAT).

The meeting was officially opened by the chief guest, Minister for Treasury Honorable Patrick Pruaitch. In his opening address, Minister Pruaitch welcomed all the delegates and observers to Papua New Guinea. He stated that the Government of PNG recognizes regional initiatives with some of the major regional events taking place here in Port Moresby a few months back. He further stated that PITAA is recognized in PNG and urged members to share experience and learning during the course of the three day meeting. He also challenged members to evolve and reform in establishing the Pacific administrations into a modern tax office.

Following the handing over of Chairmanship to Papua New Guinea, the Statement of the outgoing Chair was presented to the Members by Fiji Representative, Mr. Visvanath Das. Members also noted the Statement of the current Meeting Chair. In her statement, she commended the contributions by both the outgoing Chair and Vice

Chair, and the work by the Interim Secretariat and PFTAC for the past year, and sought Members' continuous support during her term.

The Members then adopted the revised Meeting Agenda after agreeing to the amendments proposed by the Solomon Islands and Kiribati.

### **PITAA Matters**

The Interim PITAA Secretariat presented four Meeting Papers, namely PITAA Secretariat Establishment; Update on Capacity Building and Communication Work Plan; Update on PITAA Financials; and Draft 2016 Budget for the PITAA Secretariat. These papers have already been tabled and discussed by the PITAA Executive Committee.

The Members noted and discussed the subject matters contained in the Papers.

The Members agreed to the revised timelines for the establishment of the PITAA Secretariat Office and the Communication Work Plan. Members also endorsed the amendments to the Constitution in respect to the composition of the PITAA Executive Committee.

Members noted the statement of PITAA's income and expenses. Members noted and agreed that an Auditor be engaged to audit the accounts.

Members discussed and agreed that PITAA Membership subscription fees be invoiced in Fijian currency as the permanent Secretariat Office will be established in Fiji. The approved PITAA funding model would have to be converted to the equivalent Fijian amount.

Members discussed the draft 2016 Budget, and also considered the alternative budget with the assumption that positions of the permanent Secretariat be advertised and recruited locally in Fiji. The alternative budget took into consideration the current financial position of PITAA and sustainability to fund PITAA's operations, with emphasis that expenditures should be within annual forecasted income.

Members discussed and agreed to the recommendation that there be an additional position for the PITAA Secretariat to be responsible for finance and other administrative functions.

Members discussed and agreed that all the three positions, the Head of Secretariat, Training Co-ordinator/Administrator, and Finance/Administration Officer, be advertised and recruited in Fiji.

The Members adopted the PITAA 2016 Budget associated with recruitment of Secretariat officers locally. It was agreed that this approach of local recruitment is for the initial establishment of the office and would be reviewed once the permanent office has commenced operations.

### **Pacific Managers Development Programme Update**

Mr. Samuel Loi, PNGIRC, informed members of the PMDP's background and the positive impact and progress the programme has brought to administration that were able to attend the workshop. This was further proven by the country presentations given by Vanuatu. The presentation also highlighted the programmes future plans to develop an on- going review and evaluation process. Recommendation was received for the programme to be extended to include other Government agencies, recognition for University certification and the sharing of successful projects to PITAA members. It is to be noted that Vanuatu confirmed to host the programme in 2016.

### **Country Initiative-Solomon Islands**

The presentation by Mr. George Tapo and Mr. Aylton Jamieson, Solomon Island Inland Revenue Division, elaborated on the five priority areas for the Division. The main area of interest and discussion surrounded the Division's Competency Framework, Training Needs Analysis and Training Plan 2015 – 2017.

### **Country Experience- PNGIRC IT Solution**

Mr. Chris Anderson, PNGIRC Advisor, presented on PNGIRC's journey in acquiring the IT Solution package, SIGTAS, and its benefits, challenges and the lessons learnt. He advised that the new system has brought a lot of change processes within PNGIRC. This in turn has generated positive results and increased revenue collection at a rapid pace for PNGIRC.

### **World Bank Presentation**

Mr. Jonathon Kirkby, of the WBG, presented the meeting with a proposal from the World Bank Group on an opportunity to be part of a network called Asia Tax Network. The presentation was on the growing demand of a strong tax regional network and the benefits of being part of the Asia Tax Network. He invited members' views and feedback on this proposal.

### **Pacific Financial Technical Assistance Center (PFTAC) Work in the Region**

Mr. Stanley Shrosbree, PFTAC, advised delegates of PFTAC's continuous support to the Pacific Island Countries Revenue administrations in their modernization efforts.

He further stated that the PFTAC/PITAA Training Needs Analysis carried out in 2014 identified high priority training needs which were captured into the PFTAC/PITAA training and capacity building plan. These training initiatives have been strongly aligned to PFTAC's technical assistance delivery model and have focused primarily on improving compliance risk management and strengthening core tax functions. Mr. Shrosbree advised members of the comprehensive PFTAC technical assistance and training plan is in place for 2015-2016 which will further assist PIC revenue administrations in their modernization programs.

### **PITAA Baseline Assessment**

Mr. Stanley Shrosbree, PFTAC, presented to delegates that the Baseline Assessment Framework provides a tool for Pacific Island Tax Administrators to self- assess the operational capacity of their administration against a model tax administration. The framework outlines the core components of a modern tax administration and uses clear indicators to identify the presence of those core components. In addition, the Secretariat informed members the results of the 2015 and 2010 Baseline Assessment and indicated that this baseline assessment will be used by donor agencies to direct their funding towards areas needing assistance.

### **ADB- Enhancing Transparency & Exchange of Information for Tax Purposes**

Mr. Yuji Miyaki, ADB, presented delegates with background information of the history and work of the Asian Development Bank. Of much interest to delegates, is the capacity development technical assistance for Exchange of Information and the regional seminars on Exchange of Information provided by the Asian Development Bank.

### **IBFD Advice**

Ms. Mei-June Soo and Ms. Rachel Saw advised delegates of an opportunity to attend a symposium on Regional Co-operation on Tax Policy & Administration in Thailand in 2016. The symposium, amongst other things, will discuss outcomes of effective Exchange of Information.

- *PITAA members agreed that the PITAA Secretariat liaise with donor partners on capacity building initiatives. PITAA members may continue to have bilateral discussions with its existing partners.*

### **Facilitating Change through Effective Change Management**

Mr. Carson McNeill, IMF, presented on Change Management and stated that effective tax administrators need to respond and adapt to their changing operating environments and that on occasions this would involve major reforms. Inevitably this involves organizational change that presents challenges and risks that if not well managed can result in unwanted outcomes. The presentation elaborated on options and approaches to manage change effectively.

### **Prerequisites for Introducing A Compliance Strategy**

Mr. Chris Barlow, IMF, presented on the features of the Compliance Plan including some examples of treatment strategies and the important role that senior management play.

### **Latest Trends in Taxpayer Audits**

Mr. Tony Morris, NZIRD, highlighted that audit is an important core tax function in tax administration and is essential to help carry out the task of monitoring tax compliance and thus collect the total tax liabilities due to the government

### **Modern Trends in Arrears & Debt Collection**

Mr. Richard Philp, NZIRD, provided delegates with the latest international good practice in this area and provided Pacific Island Countries with valuable information on how they can further improve operations.

### **Modern Taxpayer Services**

Mr. Carson McNeill presented on the session on Modern Taxpayer Services. He stated that as tax administrators better understand taxpayer compliance behavior the role of service and assistance to taxpayers is increasingly being regarded as fundamental to their strategy of improving levels of voluntary compliance. When responding to compliance risks a more balanced approach is being taken through applying both assistance and enforcement interventions. The session explored developments in service delivery.

### **Performance Management**

Ms. Margaret Cotton, IMF, presented a session on “Using Data in Modern Tax Administration”. The session focused on the importance of data to inform management decisions and measure effectiveness of tax administration activities. New international measurement tools, for example, RA-GAP, RA-FIT and TADAT, were introduced and Ms. Cotton explained how these could be used by PITAA Members.

In addition, Mr. Visvanath Das, FRCA, presented on Fiji's experience on its assessment with the TADAT Secretariat team and the lessons learnt from the assessment and experience.

### **Latest Tax Policy Trend Issues**

Mr. Peter Mullins, IMF, presentation discussed the current trends in tax policy with a particular focus on: tax incentives; international tax; taxation of natural resources; impact of trade liberalization; and subnational taxes.

### **MALE ADVOCACY NETWORK**

Dr. Alois Daton, PNGIRC, informed delegates of the networks work to promote awareness to Violence Against Women and encourage male delegates to take a proactive approach to ensuring women in our workplace have equal opportunities.

### **Closing**

The 13<sup>th</sup> Annual PITAA Heads Meeting will be held in Fiji (May 2016) and the 14<sup>th</sup> Annual PITAA Heads Meeting will be held in the Republic of the Marshall Islands (2017).

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