

PACIFIC ISLANDS TAX ADMINISTRATORS ASSOCIATION

***6th Annual Conference
8 – 10 September, 2009
Nuku'alofa, Tonga***

The Tongan Revenue Services Department hosted the 6th Annual Conference of the Pacific Islands Tax Administrators Association (PITAA) from 8 to 10 September 2009 in Nuku'alofa, Tonga. Mr. Sefita Tangi, Commissioner of Revenue, Tongan Revenue Services Department, chaired the meeting. The theme of the conference was "Positioning ourselves for the future".

This Conference was attended by 13 of the 15 PFTAC member countries. There were delegates from the Cook Islands, Fiji, Kiribati, the Republic of Marshall Islands, the Federated States of Micronesia, Nauru, Niue, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, and Vanuatu. Also, in attendance were PFTAC's revenue advisor and consultants, and observers from the Australian Taxation Office, New Zealand Inland Revenue Department, Oceania Customs Organisation, South Pacific Forum and Data Torque.

The Honourable No. Dr Viliami Tangi, Acting Prime Minister and Minister of Health formally opened the Conference. The Minister welcomed the delegates and observers to the 6th Annual Conference of PITAA. The Minister observed that the Conference provides an excellent opportunity for tax administrators in the region to exchange knowledge and experiences. He wished delegates well in their discussions.

After the adoption of the Agenda, the Conference began.

PITAA Tactical Plan: 2009-2011

Mr Carson McNeill, PFTAC, presented to the Conference the draft "PITAA Tactical Plan: 2009-2011", which put forward proposals for the implementation of the decisions taken at the 5th Annual Conference in Vanuatu in 2008 to extend the work of PITAA.

There was extensive discussion of the draft Tactical Plan. The key decisions taken by members in relation to the Tactical Plan to position PITAA for the future were –

- (1) The Annual Conference to be renamed the PITAA Heads Meeting.
- (2) The PITAA Heads Meeting is to be attended by the heads of the revenue authorities of the member countries. In addition, each member may send an additional delegate or delegates to the Meeting depending on the topics to be covered and for the purposes of succession planning.
- (3) The Meeting will continue to be for three days. The first two days will be for high level discussions between the PITAA Heads and the third devoted to training on technical/leadership issues.

- (4) A sub-committee comprising the 2008 (Vanuatu), 2009 (Tonga) and 2010 (Republic of Marshall Islands) hosts was appointed to begin work on a new funding model to support an extension of PITAA's activities. The sub-committee will report to members by the end of 2009. The report will address the following –
- (a) whether there is a need to revise the memorandum of understanding establishing PITAA;
 - (b) explore different contribution models, including the OCO model;
 - (c) the legal framework to support the creation of a full-time PITAA secretariat.

Whatever funding model is adopted it was agreed that all members must be able to attend the PITAA Heads Meeting and participate in PITAA activities, including training activities.

- (5) Training programs to be developed on a sub-regional basis. A sub-committee is to be appointed annually to co-ordinate training activities and to report to the Annual PITAA Heads Meeting. The sub-committee is to comprise three members, one from each sub-region. An interim sub-committee was appointed comprising Fiji, Republic of the Marshall Islands and Tonga (with Fiji chairing) to identify and prioritise the training needs of members. The interim sub-committee is to report to members by end of February 2010.
- (6) Work to continue on the development of a model tax office, including the preparation of further model laws. PFTAC has agreed to assist with this work.
- (7) Work to continue on the development of a PITAA website, including an intranet with a discussion board facility for members.
- (8) Australia and New Zealand to be invited to full member status.
- (9) The Conference secretariat and PFTAC to revise the PITAA Tactical Plan to take account of these decisions and discussions at the conference.

Model Tax Office

Mr Carson McNeill and Professor Lee Burns presented to the Conference a model VAT Law and explanatory notes. This is the first instalment in the preparation of a model tax office. The model is a simple VAT law prepared for a small island economy. It was prepared by Lee Burns and Rebecca Millar and is based on work done by the authors in Pacific and Caribbean countries under the technical assistance program of the Legal Department of the International Monetary Fund. Preparation of the model was funded by The University of Sydney.

Keynote Addresses

There were two keynote addresses.

Ms Margaret Cotton presented a paper on "Getting the Most from Technical Assistance: Taking Ideas from Intent to Reality". Margaret presented findings from her research, which indicated that the larger the degree of change contained in technical assistance recommendations the greater the challenges countries faced in implementing the recommendations. Group discussion focused on why some common policy and administration recommendations face implementation challenges and how technical assistance might be adapted to help countries overcome these challenges.

Professor Lee Burns presented paper on "Role and Value of Double Tax Agreements and Tax Information Agreements in the Pacific Environment". Lee explained the

6. Closing

The 2010 PITAA Heads Meeting will be hosted by the Republic of Marshall Islands. The Conference accepted the offer of Kiribati to host the 2011 PITAA Heads Meeting.

The key topic selected for the seminar of the 2006 conference will be:

In addition, each country has been encouraged to present a short summary of the initiatives undertaken and results achieved in their country to improve audit selection for the past 12 months.

Delegates expressed their gratitude to Tonga for chairing the Conference and to the staff of Tongan Revenue Services Department and Ms. Elenoa Bogiwalu (PFTAC) for the preparation and the organisation of this successful 6th Annual Conference.

This communiqué will be posted under the PITAA section on the PFTAC website, www.pftac.org

Mr. Sefita Tangi
Chair
Nuku'alofa, 10 September, 2009