

PACIFIC ISLANDS TAX ADMINISTRATORS ASSOCIATION
(PITAA) 9TH ANNUAL HEADS MEETING

10-12 SEPTEMBER 2012

The Kiribati Tax Office hosted the 9th Annual Heads Meeting of the Pacific Islands Tax Administrators Association (PITAA) from the 10th-12th September 2012 at the Marine Training Centre, in Tarawa, Kiribati.

The meeting was attended by delegates from 14 of the 16 PITAA member countries, Cook Islands, Republic of Fiji, Federated States of Micronesia (FSM), Kiribati, Nauru, Niue, Republic of the Marshall Islands, Palau, Papua New Guinea (PNG), Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu.

Also in attendance were 5 Observers from the Pacific Financial Technical Assistance Center (PFTAC), Pacific Islands Forum Secretariat (PIFS), SOPAC and Data Torque Ltd.

The Chief Executive Officer of the Fiji Revenue and Customs Authority and Head of Secretariat of the Oceania Customs Organization (OCO) convey their apologies for not being able to attend the meeting due to other work commitments.

Kiribati's Minister for Finance, Honorable Mr. Tom Murdoch officially opened the meeting. The Honorable Minister, in his opening address welcomed the delegates and observers and highlighted the significance of sharing experiences, skills and facilitating technical discussions amongst tax administrators and policy officials. He further reminded the delegates and observers of the importance of regional cooperation to address declining tax revenues, and modernizing current tax systems to boost compliance levels which are consistent with our theme for PITAA Heads Meeting 2012 " Supporting Regional Priorities".

After the adoption of the Agenda and the election of Kiribati as Chair, the meeting began.

PITAA Strategic Direction.

Ms. Jennifer Regan, PFTAC Revenue Advisor presented the outcome of the action points from the 2010 – 2012 Tactical Plans and further emphasized the importance of reviewing the plan for the periods 2013 – 2015.

PITAA had identified 4 key areas; (1) PITAA Heads Meeting, (2) Training, (3) Regional Model, and (4) Communications. The meeting resolved to formulate working groups within the member countries to analyze these four key areas.

PITAA Secretariat

PNG and Samoa presented the summary scoping paper they prepared with regards to the establishment of the PITAA Secretariat as well as the draft copies of the PITAA Constitution, Charter and proposed amendments made to the Constitution. It was resolved that the members agree in principle to review the Constitution subject to the amendments.

The funding model in the scoping paper were highlighted and discussed.

It was also resolved that Fiji will host the interim secretariat and PNG has agreed to provide assistance.

Baseline Framework Reforms – Legislative Framework

Professor Lee Burns gave a presentation on drafting tax legislation. The presentation focused on the following legislative reforms: (i) tax law rewrite (particularly income tax (Samoa and Fiji)); (ii) introduction of a new tax (such as VAT/GST (Kiribati) and mineral rent resource tax (Cook Islands and Tonga) or new tax system (FSM and RMI); (iii) legislation for a specific issue (such as mining (Cook Islands) and transfer pricing (Fiji); and (iv) introduction of tax administration

legislation providing for a harmonised set of procedural rules applicable across all taxes (Solomon Islands and PNG). There were discussions of the key issues in managing tax reform projects. At the end of the presentation, a delegate from each country provided the meeting with an update on legislative reforms in their country, including proposed reforms.

Information Technology

PFTAC IT consultant, Mr. Tony Lester confirmed that the IT Training in Nadi was a great success. 14 out of 16 member countries attended. The key messages for the PITAA Heads were:

- (1) That there are great skills within the Pacific and so how can we best use them to help each country advance further;
- (2) Business owners are to take full ownership of their IT systems and be consistent in their implementation and;
- (3) Disaster Recovery, Business Continuity Plans need to be developed in a serious manner.

PNG Management Development Program.

PNG and Vanuatu presented a paper on Pacific Managers Development Program (PMDP) which Vanuatu hosted in March 2012. The program was developed by the PNG IRC and available for the PITAA members. The purpose is to develop and enhance the management skills and project management skills of officers to effectively manage people, processes and systems in their respective work places.

The 2013 PMDP will be hosted by Fiji.

Revenue Administration Fiscal Information Tool (RA-FIT).

PFTAC Coordinator Mr. Matt Davies introduced the concept of RA-FIT and requested all member countries that had not yet filled in the questionnaire and returned it to the IMF to attempt to do so this year. PFTAC will recirculate this questionnaire to finance, tax and customs departments and stands ready to assist countries in the completion process.

PITAA Priorities (2013)

The PITAA priorities for 2013 were identified as follows:

1. Natural Resource Tax
2. IT Strategy
3. Disaster Recovery Plan
4. Working Groups – pool of regional expertise.
 - Policy and training
5. Funding Model for the Permanent Secretariat
6. Capacity Building – technical training i.e. audit skills and regional training
7. VAT Implementation – technical assistance.
8. Sharing Regional Experience with policy and administration.
9. Sharing Knowledge and Approaches ie training materials
10. Training Needs Assessment Mechanism
11. Compliance Improvement Strategy.

The topics for PITAA Heads Meeting 2013 will be finalized by the interim secretariat Fiji.

Closing

The Solomon Islands will host the 2013 PITAA Heads Meeting on the 1st or 2nd week of September and the preliminary details were provided by Mr. Mark Bell.

2014 host to be confirmed.

Mr. Iaokiri Koreaua
Chair (Kiribati)

September 11th, 2012