

**Pacific Islands Tax Administrators Association [PITAA]**

**Strategy and Business Plan**

**2017 - 2021**

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## **Part I**

### **Nature and Scope of the Pacific Island Tax Administrators Association (PITAA)**

#### **PITAA Background**

PITAA is a relatively new Pacific based organization that aims to provide countries with a forum for networking and continual improvement of their tax administrations. PITAA members first met in 2004 to discuss common issues affecting tax administration in the region and continued to meet annually. It was later decided to formalise PITAA into an organization. A Charter and Constitution was signed in 2012 and 2013 respectively. Members contribute to the operations of PITAA by paying annual subscriptions. The Pacific Financial Technical Assistance Centre (PFTAC) has been the primary donor for the period of PITAA's existence.

PITAA membership comprises of sixteen (16) countries spread across the Pacific region Cook Islands, Federated States of Micronesia, Fiji, Kiribati, Republic of the Marshall Islands, Nauru, Niue, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu, Timor-Leste, Tokelau and Vanuatu.

The PITAA Strategy and Business Plan 2017-2021 that follows is the next step in PITAA's organisational development and is made up of four parts:

- Part I -Nature and Scope of PITAA;
- Part II - Informants of PITAA's Strategy and Planning;
- Part III - Strategic Priorities;
- Part IV - PITAA Business Plan.

#### **PITAA's role is to support members and to improve their capacity and capabilities**

Guided by its Charter and Constitution, PITAA has a mission and vision.

##### *PITAA's Vision*

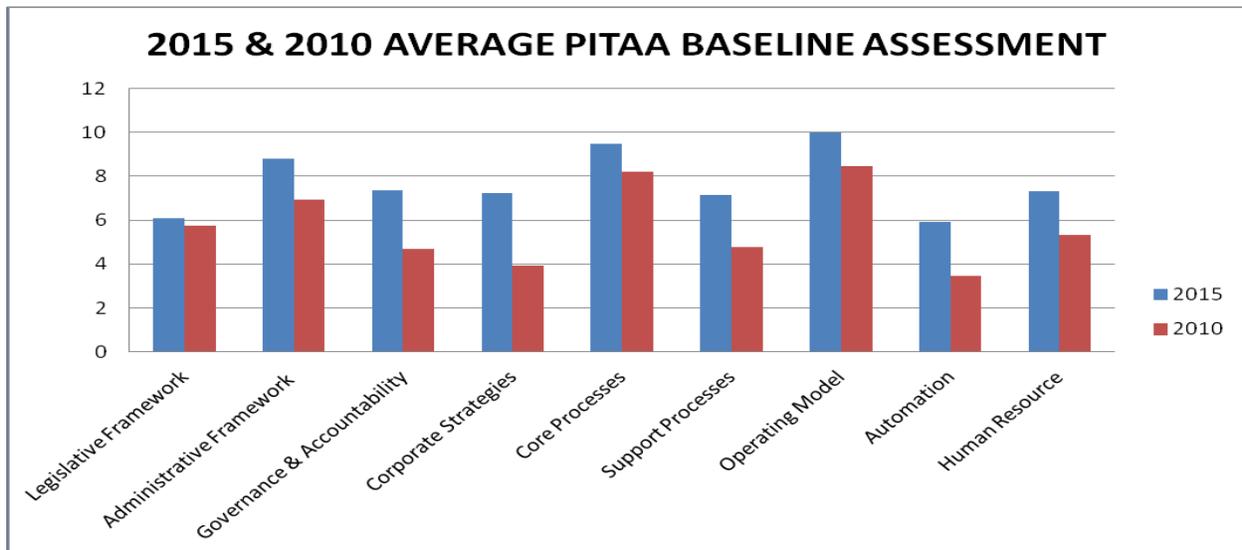
"Leading Pacific Island Tax Administrations towards international best practice".

*PITAA's Mission*

1. PITAA will be a forum where the tax administration and policy issues most relevant to Pacific Island countries can be discussed and where experiences can be shared;
2. Promote closer cooperation and coordination of information sharing in tax administration and policy formulation in Pacific Island countries;
3. Help promote international standards and best tax administration practices, suitable to the characteristics of the Pacific Island countries;
4. Encourage taxation institutions to design and adopt strategies to modernize enhance their effectiveness and efficiency; and
5. Enhance administrative skills and encourage the development of high professional standards by facilitating training and the dissemination of resource materials.

It can be seen from Figure 1 that member countries have collectively made good progress when developing core infrastructure and capabilities over recent years. The intent is to maintain this level of progress and embark in new areas of development as outlined in the enclosed strategy and plan.

**Figure 1: 201 to 201 Base Line Assessment of PITAA members**



Source: PFTAC and individual member countries assessment and collation.

With its strategic focus of ensuring PITAA members progressively develop, the PITAA is poised at becoming an organization ready to realise its Vision.

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## Part II

### Informants of PITAA's Strategy and Planning

PITAA's Strategy and Business Plan is informed by:

- a. stakeholder expectations, including members and donors;
- b. the dynamic environment in which it operates; and;
- c. the PITAA Charter & Constitution.

Specific informants that influenced the development of the Strategy and Plan follow.

a. *PITAA member profiles vary.*

The sixteen (16) PITAA members' needs are the focal point of this Strategy and Planning document. PITAA members are spread across the Pacific region and vary in size, and whilst there are core commonalities between the Tax Administrations in the region, the differences in development stages and size of the administrations need to be recognized.

b. *Capacity Building.*

Capacity building has been the main thrust for the PITAA, successfully coordinated and delivered throughout the years with the assistance of PFTAC and other donors. With the increased provision of training for the PITAA members, some smaller countries sometimes find it difficult to take advantage of these training opportunities. Those members also face capacity constraints within their own environments that needs to be catered for.

c. *Information Communication Technology*

Most members have IT systems that are supported by common vendors present in the region. A small number of members still need to fully automate their operations. Members often experience slow and relatively expensive internet and technology services that hinders communication and development.

Members recognise the need to access information and resources across the whole spectrum of tax administration and tax policy. PFTAC, on the other hand, has extensive information and resources accumulated over the time of its involvement with PITAA. Taking these two factors into account, PITAA will need to develop a website that will be the premier interface when making information and other resources available to members.

d. *Meeting Donor Expectations*

The PITAA continues to operate with its main assistance from PFTAC. The assistance extended is in two parts:

- i. Bi-lateral assistance with respective member countries; and
- ii. Multi-lateral capacity building initiatives with all PITAA members. Other partners include the World Bank and International Bureau of Fiscal Documentation.

With the formation of the PITAA Secretariat, it is planned to provide timely updates to members and donors keeping them abreast with progress made against that planned, particularly in areas of capacity building.

*e. Members Commitment*

The PITAA is currently made up of sixteen (16) tax administrations that report and are accountable to their respective Governments. Importantly, it needs to be recognised that the sustainability of the respective PITAA member Governments in turn determines the member's ability to meet their annual membership subscriptions.

*f. Governance and Administration of PITAA*

It is essential that donor funding and member contributions made to PITAA are managed and utilized effectively. The PITAA Constitution provides the framework for governing PITAA; however, it will be necessary to implement the specific developments detailed in the PITAA Strategy and Business Plan 2017 – 2021. These include:

- i. development of policies and procedures for the Secretariat;
- ii. setting the performance measures and indicators for the PITAA;
- iii. putting in place reporting processes to members and donors;
- iv. an expectation that the PITAA Secretariat will be permanently established by the end of 2016 and will be fully functional by 2017.

*g. PITAA Secretariat accountability and capacity*

The Head of the PITAA Secretariat reports to the PITAA Executive Committee and subsequently, to the PITAA Heads at the Annual Heads Meeting.

At the 2015 PITAA Heads Annual Meeting, the PITAA Heads approved to recruit three Secretariat positions. The positions include the Head of the PITAA Secretariat, the Training Coordinator/ Office Administrator and the Finance Officer. The modest resourcing of the PITAA Secretariat has been considered when determining the annual work programme.

## Part III

### Strategic Priorities and Outcomes

Five strategic priorities have been determined that sets the parameters for PITAA's operation over 2017 - 2021. Each priority has outcomes to be achieved on which PITAA's Business Plan development areas are based.

#### **Strategic Priority 1: Effectively manage member and donor resources.**

*Outcome:*

- *PITAA Status is formalised and recognised.*
- *A robust governance framework is in place for PITAA.*
- *The PITAA Secretariat is managed effectively.*
- *A Performance Measurement Framework (PMF) is in place for PITAA.*
- *Members and Donors are kept updated of activities and developments within PITAA.*

#### **Strategic Priority 2: Assist members to manage erosion of the revenue base.**

*Outcome: Member countries are assisted to manage risks that erode the tax base.*

#### **Strategic Priority 3: Assist members to build their capability and capacity.**

*Outcome: PITAA supports members to build their capability and capacity.*

#### **Strategic Priority 4: Utilise information, skills and knowledge across member countries.**

*Outcome:*

- *The collective knowledge, skills and information of member countries and PITAA capacity development is available for all members to access.*
- *Information is easily accessible to members.*

#### **Strategic Priority 5: Contribute to regional and international forums.**

*Outcome: PITAA is engaged at the regional and international level.*

**Part IV**

**PITAA Business Plan 2017 - 2021**

Strategic Priority 1: Effectively manage member and donor resources.						
Outcomes	Development	Delivery 2017	Delivery 2018	Delivery 2019	Delivery 2020	Delivery 2021
<b>PITAA Status is formalised and recognised.</b>	PITAA's status in Fiji is ratified and Head of Secretariat (HOS) is appointed.	<ul style="list-style-type: none"> <li>▪ Confirm Host Country Agreement (HCA) was signed in 2016.</li> <li>▪ Appoint Head of Secretariat and staff the secretariat.</li> <li>▪ Open PITAA Secretariat Office.</li> </ul>				
<b>A robust governance framework is in place for PITAA.</b>	PITAA Heads and Executive Committee carry out their governance responsibilities.	PITAA Heads and Executive Committee carry out their governance responsibilities.	PITAA Heads and Executive Committee carry out their governance responsibilities.	<ul style="list-style-type: none"> <li>▪ PITAA Heads and Executive Committee carry out their governance responsibilities.</li> <li>▪ Review adequacy of Policy and procedures of the PITAA Secretariat.</li> </ul>	PITAA Heads and Executive Committee carry out their governance responsibilities.	PITAA Heads and Executive Committee carry out their governance responsibilities.
<b>The PITAA Secretariat is managed effectively.</b>	Maintain PITAA's Constitution, Charter, Strategy and Business plan.	Review and update PITAA Strategy and Business plan at PITAA Heads meeting.	<ul style="list-style-type: none"> <li>▪ Review and update PITAA Strategy and Business plan at PITAA Heads meeting.</li> <li>▪ Executive committee to review Constitution and</li> </ul>	<ul style="list-style-type: none"> <li>▪ Review and update PITAA Strategy and Business plan at PITAA Heads meeting.</li> <li>▪ Changes made to PITAA Constitution and Charter.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Review and update PITAA Strategy and Business plan at PITAA Heads meeting.</li> <li>▪ Undertake Secretariat satisfaction</li> </ul>	Review and update PITAA Strategy and Business plan at PITAA Heads meeting.

			<p>Charter and recommend changes at the PITAA Heads meeting.</p> <ul style="list-style-type: none"> <li>▪ Undertake Secretariat satisfaction survey with member countries.</li> </ul>		<p>survey with member countries.</p>	
	<p>Develop Secretariat policies and procedures:</p> <ul style="list-style-type: none"> <li>▪ Human Resource management.</li> <li>▪ Planning, Finance and Budgeting of donor and members funds.</li> <li>▪ Governance and Reporting.</li> <li>▪ Information Technology.</li> <li>▪ Communication.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Secretariat to develop and implement policies and procedures.</li> <li>▪ Appoint external Auditor.</li> </ul>	<p>Secretariat to implement policies and procedure.</p>	<ul style="list-style-type: none"> <li>▪ Secretariat to implement policies and procedures.</li> <li>▪ Secretariat to undertake formal review of policies and procedures.</li> </ul>	<p>Secretariat to implement policies and procedures.</p>	<p>Secretariat to implement policies and procedures.</p>
<p><b>A performance measurement framework (PMF) is in place for PITAA.</b></p>	<p>Develop and implement the <i>PITAA Performance Management Framework</i>.</p>	<p>With PFTAC assistance, maintain the existing country baseline assessment in key tax administration development areas.</p>	<ul style="list-style-type: none"> <li>▪ Develop PMF framework with appropriate performance measures and indicators.</li> <li>▪ With PFTAC assistance, maintain the existing country baseline</li> </ul>	<ul style="list-style-type: none"> <li>▪ Pilot the <i>PITAA Performance Management Framework</i> and include results in the annual report.</li> <li>▪ With PFTAC assistance, maintain the existing country baseline</li> </ul>	<ul style="list-style-type: none"> <li>▪ Launch the PMF for all member countries</li> <li>▪ With PFTAC assistance, maintain the existing country baseline assessment in key Tax Administration</li> </ul>	<ul style="list-style-type: none"> <li>▪ Collect country data and report outcomes within the annual report and to the Heads meeting</li> <li>▪ With PFTAC assistance, maintain the existing country baseline</li> </ul>

			assessment in key Tax Administration development areas.	assessment in key Tax Administration development areas.	development areas.	assessment in key Tax Administration development areas.
<b>Members and Donors are kept updated of activities and developments within PITAA.</b>	Inform members and donors of developments within PITAA.	Prepare and issue a four monthly newsletter that inform members and donors of current developments and events.	Prepare and issue a four monthly newsletter that inform members and donors of current developments and events.	Prepare and issue a four monthly newsletter that inform members and donors of current developments and events.	Prepare and issue a four monthly newsletter that inform members and donors of current developments and events.	Prepare and issue a four monthly newsletter that inform members and donors of current developments and events.

**Strategic Priority 2: Assist members to manage erosion of the revenue base.**

<b>Outcomes</b>	<b>Development</b>	<b>Delivery: 2017</b>	<b>Delivery: 2018</b>	<b>Delivery: 2019</b>	<b>Delivery: 2020</b>	<b>Delivery 2021</b>
<b>Member countries are assisted to manage risks that erode the tax base.</b>	Members exchange information to assist the management of risks to compliance.	Members agree in principle to develop instruments to enable the exchange of information between their respective jurisdictions.	Exchange of information instruments are developed and ratified between members. These may include multi-lateral TIEA's or signing up to the <i>Convention of Mutual Administrative Assistance in Tax Matters</i> (MAC).	A process to exchange information between members in accordance with their exchange of information instruments is developed and implemented.	Information is exchanged between members in accordance with their exchange of information instruments.	Information is exchanged between members in accordance with their exchange of information instruments.
	Members work collaboratively to manage multinational enterprise (MNE) compliance.	Provide members with awareness training on <i>Base Erosion and Profit Sharing</i> (BEPS) and the <i>BEPS tool package</i> . (OECD).	Assist members' to implement BEPS risk management processes.	Review member implementation of BEPS and assist them to fully implement as required.	Review member MNE compliance and provide guidance and assistance as required.	Assist members where gaps exist with their multi-national response.
			Draft feasibility paper for consideration by the Executive Committee relating to the development of <i>Roving Audit Teams</i> (RAT's).	Decision by Executive Committee on the implementation and processes of RATs.	Implement RAT processes.	
	Develop specific industry responses	Scope and develop strategies, information and industry expert	Train and develop industry experts &	Review progress with members and review industries selected and	Review progress with members and review	Review progress with members. Review industries

	to compliance risks.	training for specific industries that present high compliance risk in a number of member countries. Examples being the fishing and the construction industry.	auditors in member countries.	maintenance of pool of experts.	industries selected and maintenance of pool of experts.	selected and maintenance of pool of experts.
	Identify emerging and/or common risks to member countries.	Scope and develop strategies to deal with emerging and/or common risks.	Assist members to implement strategies to deal with emerging and/or common risks.	Provide training & other assistance as identified.	Review emerging and / common risks for members.	Develop strategies to respond to emerging and/ or common risks to countries.

**Strategic Priority 3: Assist members to build their capability and capacity.**

<b>Outcomes</b>	<b>Development</b>	<b>Delivery: 2017</b>	<b>Delivery: 2018</b>	<b>Delivery: 2019</b>	<b>Delivery: 2020</b>	<b>Delivery: 2021</b>
<b>PITAA supports members to build their capability and capacity.</b>	Determine training and development policy.	Develop and implement a training and development policy.			Review training and development policy.	
	Identify country capability and capacity needs.	<ul style="list-style-type: none"> <li>▪ Develop and make available a training needs analysis (TNA) template.</li> <li>▪ Have member countries undertake a TNA including the utilisation of benchmark assessments and RA-FIT (TADAT):                             <ul style="list-style-type: none"> <li>○ Administrative Framework.</li> <li>○ Governance &amp; Accountability.</li> <li>○ Corporate Strategy.</li> <li>○ Core Processes.</li> <li>○ Support Processes.</li> <li>○ Operating Model.</li> <li>○ Automation.</li> <li>○ Human Resources and Leadership.</li> <li>○ Tax Policy.</li> <li>○ Legislative Framework.</li> </ul> </li> <li>▪ Design training to target those areas identified in the</li> </ul>	Cost and develop a PITAA training calendar that specifically targets by member country the areas of needed training and development for 2019.	Cost and develop a PITAA training calendar that specifically targets by member country the areas of needed training and development for 2020.	Cost and develop a PITAA training calendar that specifically targets by member country the areas of needed training and development for 2021.	Cost and develop a PITAA training calendar that specifically targets by member country the areas of needed training and development for 2022.

		<p>countries stage of development for which specific training and development through PITAA would be most beneficial.</p> <ul style="list-style-type: none"> <li>▪ Develop and cost a draft PITAA training calendar that specifically targets by member country the areas of needed training and development for 2018.</li> </ul>				
	<p>Deliver a costed Training and Development Calendar.</p>	<ul style="list-style-type: none"> <li>▪ Assess the availability of member and donor resources to deliver the training calendar and make adjustments as needed.</li> <li>▪ Finalise the funded training and development calendar and issue to members.</li> <li>▪ Deliver PITAA's training and development programme.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Assess the availability of member and donor resources to deliver the training calendar and make adjustments as needed.</li> <li>▪ Finalise training and development calendar and issue to members.</li> <li>▪ Deliver PITAA's training and development programme.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Assess the availability of member and donor resources to deliver the training calendar and make adjustments as needed.</li> <li>▪ Finalise training and development calendar and issue to members.</li> <li>▪ Deliver PITAA's training and development programme.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Assess the availability of member and donor resources to deliver the training calendar and make adjustments as needed.</li> <li>▪ Finalise training and development calendar and issue to members.</li> <li>▪ Deliver PITAA's training and development programme.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Assess the availability of member and donor resources to deliver the training calendar and make adjustments as needed.</li> <li>▪ Finalise training and development calendar and issue to members.</li> <li>▪ Deliver PITAA's training and development programme.</li> </ul>

<p>Members Information Communication Systems (ICS) are modern and affordable to maintain.</p>	<p>Members collectively negotiate maintenance and upgrading agreements with ICT providers and vendors that have a presence in the region.</p>	<p>Members identify their generic areas of ICT interest and collaborate with the intent of taking a regional approach when negotiating contracts with common vendors in the region.</p>	<p>Members negotiate regional agreements with common ICT vendors.</p>	<p>Regional ICT agreements are evaluated and enhancements identified in readiness for next contract discussions with vendors.</p>	
<p>PITAA makes a best practice tax administration model office toolbox available for members to access.</p>			<p>Scope the model office framework in areas including: policy and legislations, functional operating model, structures, processes and systems and structures.</p>	<p>Develop two components of the of the model office toolbox.</p>	<p>Develop a further two components of the of the model office toolbox.</p>

**Strategic Priority 4: Utilise information, skills and knowledge across member countries**

<b>Outcome</b>	<b>Development</b>	<b>Delivery: 2017</b>	<b>Delivery: 2018</b>	<b>Delivery: 2019</b>	<b>Delivery: 2020</b>	<b>Delivery: 2021</b>
<b>The collective knowledge, skills and information of member countries and PITAA capacity development is available for all members to access.</b>	Make available a register of experts by discipline and country to assist facilitate secondments, internships and attachments between members and donors.	Develop the criteria and discipline on which to develop the register of <i>subject matter experts</i> .	<ul style="list-style-type: none"> <li>• Members to advise PITAA of staff and managers that meet the criteria of a <i>subject matter expert</i>.</li> <li>• Register made available on the PITAA website for countries to access.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Maintain and update register of <i>subject matter experts</i>.</li> <li>▪ Set annual delivery targets and measures based on member requirements.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Maintain and update register of <i>subject matter experts</i>.</li> <li>▪ Set annual delivery targets and measures based on member requirements.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Maintain and update register of <i>subject matter experts</i>.</li> <li>▪ Set annual delivery targets and measures based on member requirements.</li> </ul>
<b>Information is easily accessible to members.</b>	Develop and implement the PITAA website to become the primary interface of information sharing with members and donors.		<ul style="list-style-type: none"> <li>▪ Transfer and locate web master from PFTAC to PITAA.</li> <li>▪ Secretariat to modernise PITAA website technical specifications to include:                             <ol style="list-style-type: none"> <li>a. Member’s portal.</li> <li>b. Secretariat information for members.</li> <li>c. Operating finance and expenditure position.</li> <li>d. Training calendar.</li> <li>e. Country secondments and attachments.</li> <li>f. Newsletters and publications.</li> <li>g. Survey outcomes.</li> <li>h. Model office toolbox.</li> </ol> </li> </ul>	Engage a website developer to design and test the new website.	Launch the new PITAA website.	Maintain and service the PITAA website.

**Strategic Priority 5: Contribute to regional and international forums**

<b>Outcome</b>	<b>Development</b>	<b>Delivery 2017</b>	<b>Delivery 2018</b>	<b>Delivery 2019</b>	<b>Delivery 2020</b>	<b>Delivery 2021</b>
<b>PITAA is engaged at the regional and international level</b>	Form working relationships with relevant regional and international bodies.		Identify regional and international organizations with whom PITTA should engage. These organizations may include: <ul style="list-style-type: none"> <li>○ OCO</li> <li>○ PIFS</li> <li>○ SGATAR</li> <li>○ OECD</li> <li>○ WB/IFC</li> <li>○ PFTAC/IMF</li> <li>○ CATA</li> <li>○ ADB</li> <li>○ ISORA</li> <li>○ Global Forum</li> </ul>	Communicate with the organisations to communicate (a) the existence and purpose of PITAA (b) areas where co - operation on common issues would be of benefit.	Develop MOU's with regional and international organizations and develop work plans where appropriate.	<ul style="list-style-type: none"> <li>▪ Review the MOU's to identify new issues for the next five years.</li> <li>▪ Continue work on the agreed initiatives.</li> <li>▪ Continue work on the joint initiatives to implement.</li> <li>▪ Continue implementation of the MOU.</li> </ul>