PACIFIC ISLANDS FORUM SECRETARIAT

LISTENING TO THE PACIFIC

The Framework for Pacific Regionalism

The Framework for Pacific Regionalism represents a high-level commitment to pursuing deeper regionalism and establishes a process for developing and prioritising regional public policy. It articulates the vision, values and objectives of an enhanced Pacific regionalism. It also sets out an inclusive process by which anyone can propose ideas for regional initiatives to address key challenges facing the Pacific. For more information, click here.

Regional Issues and Guidance

When preparing your submission, think carefully about why this is an issue of regional significance and why it should be placed before the Leaders of the Pacific Islands Forum. For further information on the process and types of submissions being sought, please refer to the guideline below.

To Submit a Regional Initiative

1. Complete the below regional initiative template below.
2. Submit initiative to the Forum Secretariat by deadline: **5pm, Fiji time, Sunday 10 April 2016.**
3. Initiatives should be submitted to the Forum Secretariat, through one of the following ways:

PACIFIC ISLANDS FORUM SECRETARIAT

FRAMEWORK FOR PACIFIC REGIONALISM – REGIONAL INITIATIVE TEMPLATE

Please complete each section below.

1. Contact Details

Please provide the following contact details:

Name of individual or group submitting initiative	Tradestaff Global
Name and position of primary contact	Paul Pledge – General Manager - Operations
Email address	
Phone number	
Fax number	
Mailing address	

2. Name of Initiative

Adopting standardised procedures for business administration in the Pacific.

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3. What is the <u>common regional issue or challenge</u> that this regional initiative aims to address?

You may also want to address the following: What are the causes of this issue? Are there links to national, regional or international goals/policies?

Please limit your response to no more than 750 words.

Both the public and private sector face a number of challenges with the complexity and variety of procedures and administration related to doing business in the pacific region.

There are a number of systems that most pacific nations have in common, below are some examples but by no means is this list exhaustive.

- Business Registrations

- Filing Corporate Tax returns

- Filing PAYE returns

- GST/VAT/Consumption tax returns

- Business/Work Visa systems

Each Pacific nation has their own processes and procedures that a business must follow in order to remain compliant. I am extremely respectful of each country's sovereignty and right to run their country as they see fit, I am sure there are very valid reasons as to why many things run the way they do. I am by no means an accountant, a tax lawyer, an economist or a politician I work in the private sector. I run a business that does work in a number of pacific nations and this gives me exposure to a number of systems and procedures that we have to follow on a daily basis. I see some great systems in some countries that make doing business easy but I also regularly feel frustrations with dealing with systems, processes and government departments that make doing business very difficult. I believe that if a regional approach was taken to simplifying and standardising some of these processes then the benefits would be great. The main challenges that nations face in my mind are

Cost – Implementing new systems can cost significant amounts of money and maintaining current systems can also require a significant budget.

Expertise – Not all nations have easy access to the people needed to implement new systems or even to maintain current processes

Increased non-compliance – I believe that a number of unscrupulous businesses do not follow procedures when they are perceived as being too difficult

4. Briefly describe this regional initiative

You may also want to address the following in this section:

How would this initiative contribute to a positive change to the region?
Who are the main beneficiaries?
How would the initiative contribute to the vision, values and objectives of the Framework for Pacific Regionalism?
Has the initiative been carried out previously?
What are the key risks in implementing this initiative?
Are there any complementary projects and programmes that are currently active?

Please limit your response to no more than 750 words.

If the pacific nations were to take a more regional approach to the systems and processes related to doing business there would be some key benefits, an example is below

Each country has a different tax system, a different work visa system and a different business registration system, the complexity of these systems varies country by country. I am not saying that all of the pacific should have the same systems for everything, this would be unrealistic. But there are elements of these systems that follow common themes. I will use taxation as an example and specifically PAYE returns but have many examples similar to this available.

As a business we have to complete tax returns on different dates, some countries require paperwork weekly some monthly, some six monthly and some annually and some have differing financial year dates this creates a large amount of administration for businesses, in particular those businesses operating in multiple regions. If return dates for paperwork were standardised then it has the potential to reduce administration for businesses.

Paperwork for PAYE returns differs country by country although 99% of the returns that I have encountered are asking for the same information, an individual Tax ID number, Worker Names, Earnings for a specific period, tax payable. If a standardised online system was in place for filing returns in each country to gather this information then there would be huge benefits.

Time taken dealing with documentation would be greatly reduced by both the government department and the company, this obviously reduces costs due to being less labour intensive.

The number of companies asking questions around returns to tax offices would be greatly reduced as people would be familiar with a system even when doing business in a new country.

We do not need to invent brand new systems to administer this, existing systems like the NZ IRD system could be adapted in order to reduce costs. We regularly deal with IT issues when trying to send paperwork to some countries there is no reason why the IT systems could not be centralised and hosted in one place thus reducing costs again and potentially increasing reliability.

By making being compliant easy for businesses it is more likely to happen. I pride myself on the fact that our business doesn't cut corners and is 100% compliant regardless of how difficult it is. Unfortunately not all businesses take the same approach. If I look at the PNG Work Permit system the processing time is so long at present that I regularly see businesses sending workers to work there with Business Visas rather than work permits. This is illegal and has a knock on effect that they are unlikely to be PAYE, Training Levies, Corporate Tax and Workers Compensation. I agree that companies should not break the law but it is less likely to happen if getting the correct visa is easier. From my observation PNG loses millions of dollars in tax revenue each year as companies find being compliant too difficult.

There are literally hundreds of examples but ultimately the theme is that is the Pacific Nations and Private sector take a regional

approach to this everyone wins.

5. Why does this initiative require the attention of the Leaders of the Pacific Islands Forum?

Please consider whether this initiative requires the attention and consideration of the Leaders of the Pacific Islands Forum in order to be implemented and outline why this is the case. Could it not be overseen or implemented at the level of Ministers, officials or by a regional agency?

Please limit your response to no more than 750 words.

In order to make this happen it would require commitment from the Pacific Leaders and their respective nations. It would require cooperation from Trade and Economic ministers and would need to be project managed in my mind by a regional agency.

So many Policies that I read about would benefit with these principles being applied.

- Creating an enriching environment for businesses to thrive
- Enabling MSME's
- Increased Labour Mobility
- Assisting economic growth
- Attracting foreign investment
- Increasing revenue for governments

6. Attachments

Please <u>attach</u> additional information in support of this initiative.

Please attach no more than 3 pages.

7. Uploading initiatives to the Forum Secretariat website

In line with the process outlined in the [Framework for Pacific Regionalism](#), all submitted initiatives, inclusive of all attachments, will be publicly available via the Forum Secretariat website.

8. Guidelines and Contact Details

For further information on completing this template, consult the submissions guideline below or contact Pacific Regionalism Adviser Joel Nilon at the Forum Secretariat:

Submission Guidelines

These guidelines are designed to assist those submitting regional initiatives through the Framework for Pacific Regionalism. For more information contact Pacific Regionalism Adviser Joel Nilon at the Forum Secretariat:

1. About the Framework for Pacific Regionalism

The Framework for Pacific Regionalism represents a high-level commitment to pursuing deeper regionalism and establishes a process for developing and prioritising regional public policy. It articulates the vision, values and objectives of an enhanced Pacific regionalism. It also sets out an inclusive process by which anyone can propose ideas for regional initiatives to address key challenges facing the Pacific. For more information, click here.

2. How do I submit a regional initiative?

To submit a regional initiative, complete all sections of the submission template and submit to the Forum Secretariat by no later **5pm, Fiji time, Sunday 10 April 2016.**

Submissions must be made on this template. Submissions made directly via email, letter or other format will not be considered.

3. Who can submit an initiative?

Any interested stakeholder can submit a regional initiative. This may include individuals, or groups of individuals or organisations, including government, civil society (including church or religious organisations), the private sector, community groups, multilateral agencies and CROP agencies.

4. What information is required?

In completing the regional initiative template, you should:

    a. Identify and seek to respond to issues and challenges that are common to the Pacific region and that could be best addressed through a regional response.

    b. Demonstrate that a high level political decision needs to be made.

    This is not a process for seeking endorsement of existing projects or activities. No standing fund exists in which to allocate funds to initiatives that are endorsed. Submissions that consist of projects or initiatives that may be ordinarily carried out under the governance arrangements or work-plan of the submitting organisation are unlikely to be successful.

    c. Demonstrate how the initiative would contribute to one or more of the objectives of the Framework for Pacific Regionalism.

5. What assistance will the Forum Secretariat provide through this process

The Forum Secretariat will provide general advice and suggestions to those making submissions. This advice will include clarifying the information set out in this guideline, such as how initiatives can be completed and submitted; the type and level of information sought; the assessment process; and clarification of the overall process.

6. Assessment process

Step 1   The Forum Secretariat will collate all submitted initiatives and check them for completeness.

Step 2   The Forum Secretariat will, in collaboration with CROP agency officials and other experts as required, conduct a first round of assessment of all submitted initiatives using the tests for regional action (see Table 1 below).

Step 3   The Forum Secretariat will provide all assessed initiatives to the Specialist Sub-Committee on Regionalism (SSCR), which will assess initiatives against the vision, values and objectives set out in the Framework (see Table 2 below). Reports on current regional initiatives under the Framework for Pacific Regionalism that are in progress will also be considered by the SSCR when they assess initiatives.

Step 4   Based on its assessment of all submissions, the SSCR may recommend a limited number of initiatives to Forum Leaders. Those initiatives recommended to Leaders will be first sent to the Forum Officials

Committee for commentary and incorporation on the Leaders' annual meeting agenda. Forum Leaders will then receive the final recommendations of the SSCR and make decisions on these at the annual Forum Leaders Meeting. In 2016 this meeting will take place in the Federated States of Micronesia

Proponents whose initiatives have been selected for Leaders' consideration will be informed of this selection within two weeks of the SSCR's decision. All proponents will be informed in due course of the outcome of their submissions.

7. Leaders' decisions on initiatives

Forum Leaders' decisions on initiatives will be publicly announced through the Forum Leaders' Communique that is issued at the conclusion of the Leaders' meeting. As directed by Leaders, the Forum Secretariat will initiate implementation of the decisions in consultation with the proponent, the proposed implementing agencies, funding partners, and other relevant organisations or stakeholders.

8. Further help and feedback

For further information or guidance or to provide feedback on the process, contact Pacific Regionalism Adviser Joel Nilon at the Forum Secretariat:

Table 1 – Tests for Regionalism

TEST	CRITERIA FOR REGIONAL IMPLEMENTATION
Market test	The initiative should not involve a service that markets can provide well.
Sovereignty test	The initiative should maintain the degree of effective sovereignty held by national governments (countries, not regional bodies, should decide priorities).
Regionalism test	The initiative should meet one of the following criteria at a sub-regional or regional level, in support of national priorities and objectives: ▪ establish a shared norm or standard ▪ establish a common position on an issue ▪ deliver a public or quasi-public good which is regional (or sub-regional) in its scope realise economies of scale ▪ overcome national capacity constraints ▪ complement national governments where they lack capacity to provide national public goods like security or the rule of law ▪ facilitate economic or political integration ▪ Where benefits accrue sub-regionally, the contribution to broader regionalism should be clear.
Benefit test	The initiative should bring substantial net benefits, as demonstrated by a cost-benefit analysis. The distribution of benefits across countries and across stakeholders within the region should also be considered—particularly with respect to: ▪ The relative costs and benefits for smaller island states (an "SIS test") ▪ How inclusive the proposal is of all stakeholders who might benefit from regionalism.
Political oversight test	The initiative should require the Leaders' attention and input (as opposed to being within the mandate of Ministers or other governing bodies).
Risk and sustainability test	The initiative should demonstrate a robust risk and sustainability evaluation, be based on a sound implementation plan, be supported by some identified funding, and demonstrate available capacity and experience for successful implementation.
Duplication test	The initiative should not be currently under progress by another organisation or process, and there should be no duplication of effort.

Table 2 – Vision, Values and Objectives of the Framework for Pacific Regionalism

Vision:

Our Pacific Vision is for a region of peace, harmony, security, social inclusion, and prosperity, so that all Pacific people can lead free, healthy, and productive lives

Values:

- We value and depend upon the integrity of our vast ocean and our island resources.
- We treasure the diversity and heritage of the Pacific and seek an inclusive future in which cultures, traditions and religious beliefs are valued, honoured and developed.
- We embrace good governance, the full observance of democratic values, the rule of law, the defence and promotion of all human rights, gender equality, and commitment to just societies.
- We seek peaceful, safe, and stable communities and countries, ensuring full security and wellbeing for the peoples of the Pacific.
- We support full inclusivity, equity and equality for all people of the Pacific.
- We strive for effective, open and honest relationships and inclusive and enduring partnerships—based on mutual accountability and respect—with each other, within our sub-regions, within our region, and beyond.

These Pacific regional values will guide all our policy-making and implementation.

Principal Objectives:

- Sustainable development that combines economic social, and cultural development in ways that improve livelihoods and well-being and use the environment sustainably;
- Economic growth that is inclusive and equitable;
- Strengthened governance, legal, financial, and administrative systems; and
- Security that ensures stable and safe human, environmental and political conditions for all.