



# TAX REVIEW COMMITTEE

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#### THE NARRATIVE SHOULD BE ABOUT “PARADIGM SHIFT” AND “ALL GOVERNMENT TRANSFORMATION”.

The Chairman of the PNG Tax Review Committee, Sir. Nagora Bogan, KBE stated that the comprehensive and holistic tax reform provides an opportunity for a catalytic transformation, if I may say a paradigm shift, and if managed well and implemented successfully, it will be an unprecedented stimulus for **“All Government Transformation”** resulting in **“Real Economic Growth and Diversification”** because of its strategic significance and once in a generational change effect.

Forty years after independence, we find that the very policies, governance framework, institutional and administrative framework handed to us during independence have served us well, but the reality is that Papua New Guinea of today compared to what it than was is significantly different.

Developments and changes domestically, regionally and globally have outstripped our out of date suite of policies, governance framework and institutional structures.

Our economy has expanded so fast and becoming more complex, but the most risky feature is that our economy is too dependent on the non-renewable extractive sector. We have a small manufacturing base, a tourism base that is shackled by expensive airfares and perception of law and order, a fisheries base that has untapped potential as we have 30% of the world’s tuna but yet collect pittance in licence fees, a forestry sector that is maligned and exploited with less regard for environmental and inter-generational considerations. The list is extensive if we really care to be honest and sincere and take a closer and serious stock take of the way we are.

PAPUA NEW GUINEA cannot continue to operate the way it has been for the last 40 years with its inherent antiquated policies, governance, institutional frameworks, systems and processes. It is time to take a new and visionary approach to nation building.

With the 40 years behind us – **What is the Hope, the Promise and Dreams for the next 40 years?**

To answer this, we must as a people and country be true to ourselves, take a step back and ask ourselves *“Where did we come from?” “Where are we now?”, “Where we are going?” and “Why do we need to be in a place different than now?” and “How and when do we eventually get there?”*

A good and honest reflection of that journey may very well be another wake-up call for action and change.

Sir. Bogan closed by saying emphatically that ultimately, the Comprehensive Tax Reform Program can be a vital empowering tool to re-define our future. If properly managed, the results can be far reaching, transcending generations with the potential to impact an entire nation. Furthermore, it can positively influence Papua New Guinea’s socio-economic growth and international reputation.

It is time to get out of our comfort zone, think outside of the box. We do not necessary need to reinvent the things because most nations have taken the same path and all we need to do is learn from them, but make paradigm shifts which is modulated for our country specific circumstances and conditions, but mindful that we are part of the World geopolitics and socio-economic dynamic which is becoming more integrated.

Authorized by the Chairman of the PNG Tax Review Committee.

28<sup>th</sup> October, 2015