Taxes, if designed well, can advance economic growth, lessen extreme inequalities, tackle climate change and fund the delivery of the Millennium Development Goals (MDGs), thereby significantly improving the lives of all economic growth and especially poor people.

Tax is a core part of state effectiveness and the most visible sign of the social contract between citizens and the state. Fair and transparent tax collection demonstrates good governance and shapes government legitimacy by promoting accountability to tax-paying citizens, and by stimulating effective state administration and good public financial management.

Tax revenues that increase with economic growth ensure sustainable funding of essential public services (‘public goods’) such as security, health and education on which economic growth and social development depend.

Rising tax revenues together with sustainable economic growth are the basis of an exit strategy to get developing countries out of aid dependency.

The importance of taxation in the Commonwealth

Promoting better tax systems in the Commonwealth deserves priority because:

- Taxes, if designed well, can advance economic growth, lessen extreme inequalities, tackle climate change and fund the delivery of the Millennium Development Goals (MDGs), thereby significantly improving the lives of all citizens and especially poor people.
- Tax is a core part of state effectiveness and the most visible sign of the social contract between citizens and the state. Fair and transparent tax collection demonstrates good governance and shapes government legitimacy by promoting accountability to tax-paying citizens, and by stimulating effective state administration and good public financial management.
- Tax revenues that increase with economic growth ensure sustainable funding of essential public services (‘public goods’) such as security, health and education on which economic growth and social development depend.
- Rising tax revenues together with sustainable economic growth are the basis of an exit strategy to get developing countries out of aid dependency.

The work of the Commonwealth Association of Tax Administrators

Founded in 1978, the Commonwealth Association of Tax Administrators (CATA) came into being after a decision made by Commonwealth finance ministers at a meeting in Barbados in 1977. Initially, CATA had a membership of 27 Commonwealth countries; today, CATA’s membership has grown to a total of 49 Commonwealth countries and dependencies. When CATA was formed, tax administration boundaries were very clear as many tax administrations were government departments within the purview of ministries of finance in respective member states. While tax administrations are still overseen by finance ministers, the tax administration landscape has changed significantly over the years, with many tax administrations having been converted into revenue authorities with significant levels of autonomy. The benefits of this metamorphosis include improved efficiency, increased human resources skills, and better quality of service to governments and to taxpayers.

While this transition has not impacted directly on CATA activities, there has been a visible transformation in the services that CATA members now demand of the Association. Early CATA events focused on discussing key administrative issues, but since the demand for more technical knowledge-sharing has increased, calls for greater interaction between CATA and other multilateral tax organisations have grown. In spite of originating as a tax administration association, there have also been further demands for greater involvement in policy-based issues around public finance and development. CATA continues to seek new avenues of addressing these needs and looks forward to improving its status as a centre for knowledge and skills development.

CATA is proud to have played a part in the growth of knowledge and skills in a very dynamic tax world, and continues to enjoy its status as the largest tax organisation of its kind in the world. Below is a synopsis of the various activities that CATA regularly undertakes.

- Annual technical conference – every year, CATA holds its flagship technical conference in one of its member states. Information and experience-sharing has proven to be beneficial to all members, hence the popularity of the conference. Over the years, CATA has gained much from the support of other multilateral tax organisations and this has enhanced CATA’s profile as a platform for the global sharing of best practice.
- Training programmes – within its member countries, specific training departments provide support by hosting training programmes on different aspects of tax administration. Two of these programmes have been running for at least 25 years, and up until 2010 a total of over 500 delegates from different member countries had participated. CATA is proud that it can take some credit for the career developments of many of the trainees, including those who have subsequently taken up very senior positions within their own revenue administrations.
- Publications – in collaboration with authors from among its member countries, CATA has published a number of books and other material on various relevant topics in tax administration and in some technical areas.
- Provision of experts to member countries – CATA has been able to secure the services of experts to provide support to members who have requested assistance in various tax-related areas. Though this is a not a common service, where this has occurred it has proven to be a great success. CATA continues to observe developments around similar initiatives being planned by other multilateral tax organisations to determine how its own members can benefit from them.

Tutu Bakwena is Executive Director, CATA