

Column Corruption – A social disease • Part 139

# The metaphor of basics in rugby to improve Inland Revenue

**JOHAN COETZEE**



Johan Coetzee

There is the saying in sport that you have to master the basics in order to advance in any sport code. If you for example, play rugby and you cannot catch the ball and pass it on to the next player at exactly the right time, you are "selling that player with the ball". You disadvantaged the player to such extent that the opposition can overturn the ball with ease to score against you. This is especially the case if you make such a mistake in your own quarter – similar to the position of the Government in the current economic situation – we cannot get away from our goal line. In rugby and in any sport there are numerous basics a player has to master in order to play at a competitive level internationally. This metaphor also connects well with the theme of the Namibia Tourism Expo: the critical importance of the small things (basics) in tourism in order to promote Namibia as a destination of choice. The theme applies to the public service and specific to the Ministry of Finance.

**THE BASICS OF GOVERNANCE**

What do the Ministry of Finance need to do so that Namibia can

make Vision 2030 a reality with the assistance of entrepreneurs such as farmers? In order to be at the level of developed countries by 2030, we have to talk about tackling corruption in our mediocre and under-performing Inland Revenue. If we talk about corruption, we have to talk about getting the basics of governance right - making decisions and implementing them to provide services to taxpayers and entrepreneurs. One of the basics of governance is to respect law and order, to obey rules and regulations. This does not mean that laws should not be challenged, they must be challenged and tested, but always within the framework of the law. From reading newspapers and observations it is disturbing to take note of the trend of increasing dis-

order in Namibia. There seems to be a general disrespect for law and order.

For example, traffic rules are there for all road users' safety. A high ranking public official recently shot a student leader twice after a road accident. Can this be an illustration of the general disrespect for traffic rules? Is this example merely an exception? Another example: A crop farmer near Otavi is waiting since November 2017 for his Value Added Tax Value (VAT) repayment by Inland Revenue. Is this another exception? Are the mentioned examples illustrations of a trend in Namibia that entrepreneurs have to wait for half a year and longer to get a return on VAT?

Meatco halted VAT repayments to meat producers because Meatco cannot absorb the interest on their credit in waiting for Inland Revenue VAT reimbursements.

The meat producers are now crippled by a cash flow challenge. Why should the entrepreneurs and farmers be crippled by the inability of Inland Revenue?

The same office expects on time tax payments and provisional tax payments before an entrepreneur has even earned the money. Where are the ethics or do ethics not apply to Inland Revenue?

**VAT IS A CRITICAL ISSUE**

Why is VAT repayments critical for entrepreneurs such as farmers and contractors? It is very basic: Small and medium size entrepreneurs have to make capital investments of millions, pay market rates on interest to financial institutions with some of the highest service rates in the world based on a study done by the Institute of Public Policy Research some years ago. Entrepreneurs cannot sustain cash flow challenges if they have to pay their suppliers and their distributors in order to get their mealies and cattle to the market and pay their workers (Coetzee). Large businesses can somehow absorb cash flow shortages because they have extended credit lines and previous earnings that they can use to survive. Small scale and medium size businesses cannot wait for six months and longer. Cash flow is the blood of any business, even more so for SMEs. Does the Ministry of Finance understand cash flow?

It is with great gratitude that the Minister of Finance is trying to tackle corruption in the Ministry of Finance and the author assume that most people in Namibia have great anticipation about his efforts – he is one of the beacons of hope in a visionary, moral and transformational leadership vacuum in Namibia. Addressing the challenges mentioned in the Ministry of Finance implies getting the basics in place, e.g. on time refunds, the rooting out of ignorance, addressing incompetence and firing people that are not performing. We have great anticipation and the clock is ticking for Inland Revenue.

**References**

Coetzee, J.J. 2012. Systemic corruption and corrective change management strategies: A study of the co-producers of systemic corruption and its negative impact on socio-economic development. Unpublished PhD dissertation. Stellenbosch: University of Stellenbosch.



**WECKE & VOIGTS  
WHOLESALE**

TOMMIE MULLER STREET  
NORTHERN INDUSTRIAL AREA

**DUE TO STOCKTAKE**

We will be closed on

**Saturday 16 June 2018**

**REQUEST FOR PROPOSAL (RFP)**  
LEGAL PANEL



**PARATUS**  
ALWAYS PREPARED

to all our clients for an