



BRINGING BACK THE DOLLARS

Many Solomon Islanders can remember the difficult times during the 'Tensions' period, when the government did not have enough funds for even the basics such as roads, schools and hospitals. **TOM PERRY** meets two people focused on making sure this never happens again.

They are the basics of our everyday lives; the core necessities of a country: roads, schools, hospitals and police. These are the essential services that we rely on to help us get through our day. Yet seven years ago, with virtually no revenue coming into the country and no taxes being collected, the Solomon Islands Government did not have the funds to sustain any of these basic necessities.

With the arrival of RAMSI in 2003 and the end of the tensions, these core services have been restored to Solomon Islands.

And while funds earned from trade contribute to the Solomon Islands economy and government revenue, the key source of funds for running the nation remains closest to home; the people and businesses of Solomon Islands.

This happens through one very important process: taxation.

The Inland Revenue Division of Solomon Islands Ministry of Finance and Treasury collects approximately 60% of the Solomon Islands Government's revenue.

With 97 staff, backed up by a team of four advisers from RAMSI, Solomon Islands Inland Revenue Division is led by Andrew Minto, a New Zealander currently acting as Commissioner, and George Tapo, his counterpart and acting Deputy Commissioner.

Both Minto and Tapo aim to make sure taxes are collected so that government has the money to run the country effectively.

"Without people contributing to the country by way of taxation, the basics of our everyday lives may not be able to be provided or work properly," explained Minto, who before arriving in Solomon Islands in early 2008, served with New Zealand's Inland Revenue division for more than 30 years.

"A tax system is a country's core way of ensuring it has the money it needs to provide for its citizens."

Following the arrival of RAMSI in 2003, the economy of Solomon Islands has seen a startling resurgence. This year the government expects to collect more than \$1420 million—a stark contrast to the \$379 million the country collected in 2003. This additional revenue to the country is set to go towards core services, such as education, health, security, etc.

As Minto explained, this money is vital to supporting the continual growth of Solomon Islands. "As the country's revenue increases, so will



The tax men... Inland Revenue's acting Commissioner Andrew Minto (right) and his deputy George Tapo.

the positive changes Solomon Islanders see in their daily lives," he said.

Internally too, the Inland Revenue Division has undergone significant change in just six short years.

A strong focus on training and skill development is now in place with 30 percent of the Inland Revenue Division staff now undertaking formal part-time study in conjunction with their work, including studying for diplomas and degrees in areas such as business, commerce and management.

Internal training programmes include skill development in areas such as leadership and management alongside taxation skills.

This focus will help to ensure the long-term strength and health of the organisation.

The role of bringing back the revenue Solomon Islands needs—and doing it fairly—is, however, not without its challenges.

Many businesses have not been contributing their fair share to Solomon Islands, despite running strong, financially-successful businesses in the country. According to Tapo, this is now changing.

"We've got three approaches," said Tapo. "They are to identify businesses that are outside the tax system, help educate business operators

so that they're aware of their obligations, and take action against businesses that deliberately try to avoid tax."

The tough new approach is clearly working, with revenue increasing considerably since 2003. This money is flowing directly to the roads, schools and health services that Solomon Islanders use every day.

However, according to Tapo, business owners are also seeing significant benefits to their businesses through the improved tax system.

"By getting involved and understanding how the Solomon Islands' tax system works, many businesses are actually also improving the way they run their finances," said Tapo. "There is an immediate benefit to both their country and their own business."

Tapo added that as their country's revenue increases and the country's financial situation improves, Solomon Islanders will feel a strong sense of pride in their country's core services.

"Whether driving along Honiara's roads, standing alongside police, or taking their children to school, Solomon Islanders can now have greater confidence in the knowledge that they have played their part in building some of the core elements of their nation."