

**ST. HELENA**  
**LEGISLATIVE COUNCIL**

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**THE SPEAKER**

Mrs Margaret Anne Catherine Hopkins MBE

**EX-OFFICIO MEMBERS**

The Honourable Chief Secretary	-	Mr Owen O’Sullivan
The Honourable Financial Secretary	-	Mr Paul Blessington
The Honourable Attorney General	-	Mr Kenneth Ian Baddon

**ELECTED MEMBERS**

The Honourable John Gilbert Cranfield	-	East Electoral Area
The Honourable Anthony Arthur Green	-	“ “ “
The Honourable Cyril Keith Gunnell	-	“ “ “
The Honourable Brian William Isaac	-	“ “ “
The Honourable Bernice Alicia Olsson	-	“ “ “
The Honourable Tara Thomas	-	“ “ “
The Honourable Michael Anthony Benjamin	-	West Electoral Area
The Honourable Stedson Graham Francis	-	“ “ “
The Honourable Derek Franklin Thomas	-	“ “ “
The Honourable Raymond Kenneth Williams	-	“ “ “
The Honourable Mervyn Yon	-	“ “ “

The Honourable Rodney Garth Buckley	-	(On leave overseas)
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**CLERK OF COUNCILS**

Miss Gina Benjamin

## **PROCEEDINGS OF THE LEGISLATIVE COUNCIL**

Friday, 24<sup>th</sup> February, 2012

The Council met at 10.00 am  
in the Court House, Jamestown

(The Speaker in the Chair)

### **ORDER OF THE DAY**

**1. FORMAL ENTRY OF THE PRESIDENT**

**2. PRAYERS**

The Right Reverend Bishop Richard Fenwick

**3. ADDRESS BY THE PRESIDENT**

My Lord Bishop, Honourable Members of Council, Directors and other senior Government staff, members of the public, here and listening over the radio, welcome to this the first sitting of the eleventh meeting of this Council. We last met in formal Council in November with the news of the airport contract fresh in everyone's minds. Now, several months on, we can all see progress on the ground with work going on in Ruperts on the temporary jetty and elsewhere, offices out in the former Longwood First School and a Drilling Team having come and gone. What had been for so long just a dream is now a reality with work in progress.

Honourable Members, you have just completed the demanding task of negotiating the next three years of budget with the Development Aid Planning Mission from DfID. The Aide Memoire was signed on Wednesday afternoon and I think it is fair to say that you generally felt that given the current economic climate in the UK and Europe the agreement was as good as the island could expect. A great deal of hard work went into the preparations for the budget and of the approach to the negotiations and thanks are due to all the staff who were involved and to you Honourable Members for your efforts to secure the best possible deal for the island. Whilst in thank you mode, I should like to publicly thank Honourable Members and the Foreign and Commonwealth Office for sponsoring my attendance at the Conference for Speakers and Presiding Officers of the Commonwealth held in Trinidad last month. I found the Conference useful and will be making my report to Members early in March. I

should also like to thank the Honourable Deputy Speaker for taking on my duties whilst I was away.

As is customary, Honourable Members, we opened this meeting with Prayers. They remind us of our duty of service to the people. Given that the next months and years are probably going to be the most challenging time ever in the island's history for its Government, I trust that the foremost thoughts in mind will be that of looking towards what is good for the island as a whole, for what will bring benefits to all sectors of the community. Many challenges will need to be met and overcome and it is you, Honourable Members, who have the responsibility to lead, to guide, to chart the way ahead and to get it right.

Turning to this morning's Order Paper, we have ten Sessional Papers, including some Value for Money Reports, Financial Reports and Statements of Accounts as well as the First Supplementary Appropriation Bill, 2012. We have Questions and two Motions and the meeting will end with an Adjournment Debate. I have little doubt that we will complete the business within the day and look forward to constructive debate with the various issues to be raised. Thank you. Next item of business, please.

#### **4. PAPERS**

The Hon. Paul Blessington (Financial Secretary) –

Madam Speaker, I beg to present Sessional Paper No. 33/2011, the St. Helena Fisheries Corporation Report and Accounts for Financial Year ended 31<sup>st</sup> March 2011 which carries an unqualified audit opinion.

The Speaker –

Thank you.

**Ordered to lie on the table.**

The Hon. Paul Blessington – (Financial Secretary)

Madam Speaker, I beg to present Sessional Paper No. 46/2011 entitled Special Warrants, 2010/11. There were fifteen such Special Warrants issued during that year. Changes to the Constitution and changes in our financial management practices, which now involve regular Supplementary Appropriations have resulted in a decrease in the requirement of such Special Warrants and so I anticipate that there will be smaller call for such requirements in future.

The Speaker –

Thank you.

**Ordered to lie on the table.**

The Hon. Paul Blessington – (Financial Secretary)

Madam Speaker, I beg to present Sessional Paper No. 2/2012, the Financial Statements of the St. Helena Currency Fund. These financial statements received a qualified opinion and for the benefit of Honourable Members and the listening public I should explain that this was due to an investment that had been placed by the Crown Agents, who act on behalf of SHG, that was outside of the Currency Ordinance and that this situation has now been rectified.

**Ordered to lie on the table.**

The Hon. Paul Blessington – (Financial Secretary)

Madam Speaker, I beg to present Sessional Paper No. 3/2012, the Statement of Accounts for the year ended 31<sup>st</sup> March 2011, for the Government of St. Helena which received an unqualified audit opinion. These are the last set of accounts that will have been produced under the modified cash basis of accounting as SHG has now moved, with effect from the 2011/12 year to the accruals accounting system.

The Speaker –  
Thank you.

**Ordered to lie on the table.**

The Hon. Paul Blessington – (Financial Secretary)

Madam Speaker, I beg to present Sessional Paper No. 4/2012, the Government of St. Helena Final Value for Money Report on the Review of Performance Indicators, V28 issued in December 2011. This Value for Money Report received an inadequate rating and that identified a number of areas for improvement in St. Helena Government's Performance Indicators and those will be addressed in the course of the next year.

**Ordered to lie on the table.**

The Hon. Owen O'Sullivan (Chief Secretary) –

Madam Speaker, I beg to present Sessional Paper No. 5/2012, Government of St. Helena, Review of SHG Performance Report 2010 – 2011.

**Ordered to lie on the table.**

The Hon. Ken Baddon (Attorney General) –

Madam Speaker, I beg to present Sessional Paper No. 6/2012 which is the Annual Statutory Report on developments in English Law for the year 2011.

**Ordered to lie on the table.**

The Hon. Paul Blessington – (Financial Secretary)

Madam Speaker, I beg to present Sessional Paper No. 7/2012 by the St. Helena Audit Service, Compliance with Contract Regulations, the Final Value for Money Report, V26 issued in August 2011 which found an adequate finding.

**Ordered to lie on the table.**

The Hon. Stedson Francis –

Madam Speaker, I beg to present Sessional Paper No. 8/2012, the St. Helena Public Accounts Committee report to Legislative Council on the formal session of PAC held on 13<sup>th</sup> January 2011.

**Ordered to lie on the table.**

The Speaker –

Could I just raise a query, because the Report actually refers to the session held on 13<sup>th</sup> January 2012, so I take it it's just a typographical error on the cover? Yes, thank you. Next item, please.

The Hon. Owen O'Sullivan – (Chief Secretary)

Madam Speaker, I beg to present Sessional Paper No. 9/2012, Government of St. Helena, St. Helena Response to the Public Accounts Report of 18<sup>th</sup> November 2011. Madam Speaker, I wish to inform this House that the response to Recommendation 1 is likely to be amended in the light of additional information that has been supplied since the original response was formulated. Honourable Members will be updated accordingly.

The Speaker –

Thank you.

**Ordered to lie on the table.**

The Hon. Owen O'Sullivan – (Chief Secretary)

Madam Speaker, I beg to present Sessional Paper No. 10/2012, Government of St. Helena, SHG Response to the Public Accounts Report of 29<sup>th</sup> July 2011.

**Ordered to lie on the table.**

The Hon. Paul Blessington – (Financial Secretary)

Madam Speaker, I beg to present Sessional Paper No. 11/2012 from the St. Helena Audit Service, the Independent Audit Management Letter for the St. Helena Government Financial Statements 2010/11.

**Ordered to lie on the table.**

The Hon. Paul Blessington – (Financial Secretary)

Madam Speaker, I beg to present Sessional Paper No. 14/2012, the Supplementary Estimates for January 2012.

**Ordered to lie on the table.**

The Hon. Paul Blessington – (Financial Secretary)

Madam Speaker, I beg to present Sessional Paper No. 15/2012, A Bill for an Ordinance, the First Supplementary Appropriation Ordinance, 2012.

**Ordered to lie on the table.**

The Speaker –

Thank you. Clerk, could I please have a pen or pencil, I appear to have lost the ones that I left on the table. Next item of business?

***Question 1. The Hon. Brian Isaac to ask the Hon. Chairman, Health and Social Welfare Committee.***

The Hon. Brian Isaac –

The Speaker –

The question falls away. Next item, please?

***Question 2. The Hon. Stedson Francis to ask the Hon. Chief Secretary.***

The Hon. Stedson Francis –

Will the Honourable Chief Secretary tell this House what is the ex Half Tree Hollow First School currently being used for and what is its planned long-term use?

The Speaker –

Thank you. The Honourable Chief Secretary.

The Hon. Owen O'Sullivan –

The ex Half Tree Hollow First School is currently being used by the Directorate of Infrastructure and Utilities Roads Maintenance Section firstly and also as a Crèche. The Roads Section is occupying it temporarily and they anticipate to relocate back to the Roads Depot in Donkey Plain within three months. The occupation of the School is on a temporary basis to allow the Roads Depot to accommodate the increase in activity anticipated under the R1 Project and the R1 Team and Roads Maintenance Team are now going to co-locate in the Roads Depot. The Nursery was permitted temporary occupation to allow the facility to continue to operate whilst their permanent building was repaired. Crown Estates have now taken advice from Social Services on the necessity to assist in order to keep this important facility operating and it is anticipated that works to the permanent building will be completed by the end of May. As to the long-term use of the facility, this is yet to be decided upon, an Estates Strategy is currently being developed for the Crown Estate which considers how best it be used in the following needs and there are three points; the land and buildings necessary for the delivery of public services by SHG; what land and buildings are needed for general economic growth on the island to support the Economic Development Plan, the Strategic Development Plan and the Tourism Strategy, and what land and buildings are needed to support housing provision on the island to support the Housing Strategy. Thank you.

The Speaker –

Thank you. Honourable Stedson Francis?

The Hon. Stedson Francis –

Will the Honourable Chief Secretary say if consideration can be given to SHAPE in having an area at this location to enable them to operate in a bigger and a more environmentally and disabled friendly location?

The Speaker –

Honourable Chief Secretary?

The Hon. Owen O'Sullivan –

The Estates Strategy is being developed by the Crown Estates Manager with advice from the Estates Management Adviser and the long-term use of the building has not been decided on,

however, the actual decision will be made by liaising with the CEED, myself and Members through the informal LegCo process and you can always suggest the use of SHAPE during that process. Thank you.

The Speaker –

The Honourable Cyril Gunnell?

The Hon. Cyril Gunnell –

Thank you, Madam Speaker. The Honourable Chief Secretary referred to land that could be used for housing at near the Half Tree Hollow old School. Does he have any idea as to when we will see the building of the first Government Landlord House in that area since land was excised from National Forest about six years ago, money has been available in funds to build houses, but there hasn't been any. Would he be able to say when will we see the first house being built there?

The Speaker –

I'm inclined to think that you may not get a reply verbally in the House because this is rather a long way away from the original question, which relates solely to Half Tree Hollow First School. However, the Chief Secretary may well agree to give you a reply at a later date. Honourable Chief Secretary?

The Hon. Owen O'Sullivan –

I agree that I would go back and respond in letter to that question.

The Speaker –

Thank you. Honourable Stedson Francis?

The Hon. Stedson Francis –

Will the Honourable Chief Secretary say if in order to assist SHAPE on their request, has the two containers that was requested to be located on site at the Half Tree Hollow School, had any agreement been made to allow this to happen here?

The Speaker –

I suspect that this also is a little far away from the original question for the Chief Secretary to be able to offer a clear answer.

The Hon. Owen O'Sullivan –

Again, well, I'm unaware of this request for containers and I would have to come back to you at a later date with a response.

The Speaker –

Thank you. Next question, please?

***Question 3. The Hon. Raymond Williams to ask the Chairman, Home and International Committee.***

The Hon. Raymond Williams –

The Speaker –

The question falls away. Next item, please?

***Question 4. The Hon. Stedson Francis to ask the Chairman, Health and Social Welfare Committee.***

The Hon. Stedson Francis –

In view of the recent report on the Land Fill site at Horse Point and its likely contribution to possible bird strikes at the proposed airport site, will the Honourable Chairman of the Health and Social Welfare Committee tell this House what alternative arrangements are being made for the disposal of household refuse?

The Speaker –

Thank you, Honourable Member. The Honourable Cyril Gunnell?

The Hon. Cyril Gunnell (Chairman, Health and Social Welfare Committee) –

Thank you, Madam Speaker and I thank the Honourable Member for his question. Madam Speaker, the first draft of the Bird Strike Report recommended a range of options for managing biodegradable waste and recognised that an on-the-ground survey would be valuable. In light of this and following on from SHG and DfID's discussions, terms of reference have been drafted for a review of the Bird Strike Report to include additional on-the-ground data. The review has also expanded the initial terms of reference to include identification of sites on St. Helena where biodegradable waste can be managed with no measurable risk to the airport. It is envisaged that this piece of work will take a period of approximately ten to twelve weeks. Madam Speaker, in parallel with this process, the Tender Board will shortly be considering proposals for a contract which will strengthen the Strategic Framework and provide a detailed, costed, implementation plan for Solid Waste Management on St. Helena. During this contract, information from the Bird Strike Review will be fed into the Strategic Framework and form an integral part of a final decision on the future of Solid Waste Management for St. Helena. The implementation plan will be build around the decision, Madam Speaker. Thank you.

The Speaker –

Thank you, Honourable Member. Honourable Stedson Francis?

The Hon. Stedson Francis –

Will the Honourable Chairman confirm or otherwise that a Land Fill site will be located at Thompson's Valley?

The Speaker –

Honourable Cyril Gunnell?

The Hon. Cyril Gunnell –

Madam Speaker, I am aware that they are trying to see where possible land sites could be, I'm not aware though that one is to be at Lemon Valley, er Thompson's Valley, I beg your pardon.

The Speaker –

Next question, please?

***Question 5. The Hon. Mervyn Yon to ask the Chairman, Access and Transport Committee.***

The Hon. Mervyn Yon –

Madam Speaker, will the Honourable Chairman of the Access and Transport Committee inform this House whether any negotiations have commenced to secure shipping to convey cargo to St. Helena after the withdrawal of the RMS now that approval has been given for the construction of the airport?

The Speaker –

Thank you, Honourable Member. The Honourable John Cranfield?

The Hon. John Cranfield –

Thank you, Madam Speaker, I thank the Honourable Member for his question. In response to his question, Madam Speaker, negotiations haven't yet commenced on shipping options for after the airport opens. It is more sensible to evaluate shipping options closer to the airport opening date, say, eighteen to thirty months, because the airport decision is likely to have an impact on cargo demands, probably increasing the overall requirements and shipping companies will want to evaluate this when there is a firmer date for the start of such service. However, although we are not actively seeking negotiations, Madam Speaker, at this stage, a number of interested parties, including Andrew Weir Shipping, have stated they are aware of the need for such a service and are clearly monitoring the events. Thank you, Madam Speaker.

The Speaker –

Honourable Mervyn Yon?

The Hon. Mervyn Yon –

Thank you, Madam Speaker. Madam Speaker, I am aware of what the Honourable Member has given as a reply, but can I ask when will he, or whoever is responsible, be making any negotiations to apply for a ship knowing how long it will take to find one. It's not easy, you just can't draw one and put it out there, you need some long-term negotiations and I trust that this will come soon, but can I ask how soon will it be before the negotiations start?

The Speaker –

Honourable John Cranfield?

The Hon. John Cranfield –

Thank you, Madam Speaker. I gave the indication that it would be sensible to leave it until between eighteen and thirty months, Madam Speaker. I think it is also informative, Madam Speaker, to inform this House that we only have eighteen more months in our term of office so I cannot pre-empt any decision that another Committee would make during their time, Madam Speaker. Thank you.

The Speaker –

Honourable Mervyn Yon?

The Hon. Mervyn Yon –

Madam Speaker, can I ask, who would be the appropriate people to arrange for negotiations to take place?

The Speaker –

Honourable John Cranfield?

The Hon. John Cranfield –

Madam Speaker, if St. Helena Line still exists within the four-year term with the airport development, Madam Speaker, I'm sure that SHL would be the responsible bodies to negotiate contracting a ship for St. Helena to provide the goods, Madam Speaker.

The Speaker –

Honourable Mervyn Yon?

The Hon. Mervyn Yon –

Madam Speaker, can I ask if SHL will be the appropriate people, knowing that SHL is being hired to look after the RMS and not any other ship?

The Speaker –

Honourable John Cranfield?

The Hon. John Cranfield –

I think that would come under the CEED who at the moment is responsible for the shipping.

The Speaker –

Honourable Mervyn Yon?

The Hon. Mervyn Yon –

Does the CEED work for SHL?

The Hon. John Cranfield –

I believe the CEED is a member of the Board of SHL, Madam Speaker.

The Speaker –

Next question, please?

***Question 6. The Hon. Cyril Gunnell to ask the Hon. Financial Secretary.***

The Hon. Cyril Gunnell –

Madam Speaker, will the Honourable Financial Secretary tell this Council how is the over-expenditure, which resulted from the pay and re-grading, being financed?

The Speaker –

Thank you. The Honourable Paul Blessington?

The Hon. Paul Blessington –

Madam Speaker, I thank the Honourable Councillor for his question. Honourable Members will recall that in 2010/11 year the Pay and Grading exercise was implemented as part of the Public Sector Modernisation Programme. The intention of the Pay and Grading exercise was to regularise the grading arrangements across SHG. What was unforeseen at the time was that the criteria used to undertake the grading resulted in considerably more jobs being upgraded than had been allowed for in the budget projections. As a result, the overall

anticipated spending by SHG increased by up to £400,000 above the budget limit. There were some benefits from this, because SHG staff received an overall average pay increase for that year of 17% with considerably more being received in a number of the more junior grades which had beneficial effects obviously on raising household incomes amongst the low paid as well as putting more money into circulation within the Private Sector and that's boosting Private Sector activity. Having said that, it was necessary by the Finance Directorate to undertake some corrective actions in order to ensure that expenditure was retained within the budget for the year and a number of initiatives were undertaken to ensure that that happened. These included, Madam Speaker, raising what we call the vacancy savings rate from 5% to 6%. That is the amount that is deducted from Directorate's budgets to allow for posts that go unfilled so that deduction was increased, obviously reducing Directorate's other expenditure. In addition, a number of Directorates which had large numbers of vacant posts, we spoke to those Directorates and got agreement from them that they would not proceed during the financial year to fill most of those posts, again holding expenditure down. Other initiatives that were also taken were to put a moratorium on external recruitment so that SHG wherever possible redeployed staff within the existing SHG employment rather than hiring additional staff from outside. Furthermore, a pay freeze was imposed for 2010/11 and has been maintained with pay restraint during 2011/12. Finally, Madam Speaker, there has been adjustments to a number of the job descriptions to ensure that some of those jobs that were upgraded in future would not be recruited to at such a high grade by changing the requirements of the job. As a result of all those corrective actions, Madam Speaker, I am pleased to say that budget expenditure as a result of the Pay and Grading was maintained within budget limits. Thank you, Madam Speaker.

The Speaker –  
Honourable Cyril Gunnell?

The Hon. Cyril Gunnell –  
I'd like to thank the Honourable Financial Secretary, Madam Speaker, for that very informative answer. He mentioned £400,000 above the limit, would he be able to say what the original figure was?

The Speaker –  
Honourable Paul Blessington?

The Hon. Paul Blessington –  
Madam Speaker, the £400,000 was above the budget. The original Pay and Grading exercise was intended to be essentially budget neutral except for a number of posts that were going to be maintained on protected salary, so there would have been a small increase for those. I can't give you the exact figure off the top of my head but it was included within the budget for the year, so the £400,000 that I'm referring to was the extra unanticipated cost resulting from the number of positions that got graded more highly than was anticipated.

The Speaker –  
Honourable Cyril Gunnell?

The Hon. Cyril Gunnell –  
Thank you, Madam Speaker, I think I understand the answer that was given. Would the Honourable Financial Secretary be able to say when the moratorium will be lifted?

The Speaker –  
Honourable Paul Blessington?

The Hon. Paul Blessington –  
Madam Speaker, I'm not able to say when the moratorium will be lifted at the moment.

The Speaker –  
Next question, please?

***Question 7. The Hon. Stedson Francis to ask the Chairman, Home and International Committee.***

The Hon. Stedson Francis –  
Will the Honourable Chairman of the Home and International Committee say what plans are there to celebrate the Queen's Diamond Jubilee on St. Helena?

The Speaker –  
Thank you, Honourable Member. The Honourable Derek Thomas?

The Hon. Derek Thomas –  
Thank you, Madam Speaker, I thank the Honourable Member for his question. I am pleased to report that a Working Group has been established under my leadership to coordinate and plan activities for the Queen's Diamond Jubilee. It was agreed that the celebrations will be held in Jamestown on Monday, 4<sup>th</sup> June, 2012. The Group has had several meetings to plan arrangements and activities. A further meeting is scheduled for Monday of next week to firm up some of the arrangements following of which a detailed programme will be made known to the public and they will be kept fully up to date of progress.

The Speaker –  
Honourable Stedson Francis?

The Hon. Stedson Francis –  
Can I ask how will the celebrations be funded?

The Speaker –  
Honourable Derek Thomas?

The Hon. Derek Thomas –  
Thank you, Madam Speaker. We are seeking sources of funding to fund the event on the day.

The Speaker –  
Next question, please?

***Question 8. The Hon. Mervyn Yon to ask the Chairman, Health and Social Welfare Committee.***

The Hon. Mervyn Yon –

Madam Speaker, will the Honourable Chairman of the Health and Social Welfare Committee inform this House if it is correct that the Health and Social Welfare Directorate contemplating using another hospital in Cape Town for medical referrals?

The Speaker –

The Honourable Cyril Gunnell.

The Hon. Cyril Gunnell –

Thank you, Madam Speaker, I thank the Honourable Member for his question and I'm glad to give the following response. Madam Speaker, the short answer to this question is, yes. The Directorate is exploring the possibility of utilising another hospital in Cape Town for referrals. Madam Speaker, if I may, I shall elaborate on that response. Back in 2006, a report was commissioned to look into the cost effectiveness of overseas referrals. The report, which was written by a Health Economist, suggested various recommendations, one of which was that the Public Health and Social Services Department, as it was known at that time, should formalise arrangements for health care with its South African partners. This recommendation was not taken forward and eighteen months ago the Directorate offered to pursue the possibility of engaging the same Health Economist to prepare an updated report with additional objectives which added to the terms of reference. The first draft of the report was received in mid 2011, Madam Speaker. Honourable Members may be interested to know that the report included a situational analysis reviewing the eleven-year period 2000 – 2011 and during that time the cost of overseas referrals increased by 91% corresponding to an average annual growth of 7%. The report further recommended that the Directorate should explore the possibility of alternative partners for medical referrals. Other than the Life, Healthcare Group, which the Vincent Polati Hospital is part of. On the basis of this recommendation, the Directorate opted to pursue the possibility of utilising one of the provincial hospitals in the Western Cape and Tygerberg Hospital was approached. The Hospital acts as a teaching hospital in conjunction with the University of Stellenbosch's Health Science facility. The Hospital has public and private wards and it is intended that the private wards be used for referrals from St. Helena. The Senior Medical Officer/Clinical Director was tasked with negotiating the possibility of using Tygerberg Hospital and made two visits there last year to assess the facilities. On return from annual leave in November last year, he provided details of the facilities there for the Health and Social Welfare Committee which agreed that the link with Tygerberg should be utilised for a trial period, Madam Speaker. Madam Speaker, the use of Tygerberg Hospital for one hundred percent of medical referrals will not be achieved overnight and it is intended that a gradual change over a period of time will be adopted, subject, of course, to quality of care being maintained, Madam Speaker, quality of care being maintained. To date, we have only referred two patients to Tygerberg and there were some teething problems which appear to have been due to poor communications with the patients concerned. These problems have been fully discussed with the personnel at Tygerberg and resolved for the future. Madam Speaker, we have, to date, this financial year, referred over eighty people for medical treatment overseas. The total cost to date, Madam Speaker, is £770,000. Will we see the million pounds, I don't know. The Directorate aims to achieve reductions in expenditure through utilising alternative care providers without, and I emphasise, without, compromising the quality of care. Thank you, Madam Speaker.

The Speaker –

Thank you. Honourable Mervyn Yon?

The Hon. Mervyn Yon –

.....impact on the referrals budget by moving to another hospital?

The Speaker –

The Honourable Cyril Gunnell?

The Hon. Cyril Gunnell –

Madam Speaker, I offer the following. If all of the referrals were referred to Tygerberg Hospital, we would save five percent. Five percent doesn't sound much but it is a huge amount over the total amount that we actually do spend in a year. I have to emphasise though, Madam Speaker, we would only move people provided that quality of care is not compromised.

The Speaker –

Honourable Mervyn Yon?

The Hon. Cyril Gunnell –

Thank you, Madam Speaker. Can I ask, Madam Speaker, who would be monitoring the care of the patients in this new Hospital?

The Speaker –

The Honourable Cyril Gunnell?

The Hon. Cyril Gunnell –

Madam Speaker, I've been assured that the Senior Medical Officer/Clinical Director will take over the responsibility for quality of care. I've also been informed that 5% would be something like £35,000 today, Madam Speaker. Thank you.

The Speaker –

The Honourable Derek Thomas?

The Hon. Derek Thomas –

Thank you, Madam Speaker, I wasn't sure if the Honourable Member was finished with his line of questioning, but can I ask the Honourable Member is that will he give an undertaking to ensure that the public is notified of these changes in the arrangements and the justification pertaining to such changes? Thank you.

The Speaker –

Honourable Cyril Gunnell?

The Hon. Cyril Gunnell –

Madam Speaker, I think that is very necessary and I will be glad to give that undertaking. Thank you, Madam Speaker.

The Hon. Derek Thomas –

Can I ask the Honourable Member when will the public be notified?

The Speaker –

Honourable Cyril Gunnell?

The Hon. Cyril Gunnell –

Madam Speaker, each patient when they go away, of course, will be informed of what is to be expected. My Director of the Health and Social Welfare Directorate, a very, very busy person, but as soon as she's able to take on that task I'm certain she would be able to do that. Thank you, Madam Speaker.

The Speaker –  
Honourable Mervyn Yon?

The Hon. Mervyn Yon –  
Madam Speaker, will the Honourable Chairman of Public Health say was it the reason for changing over from Vincent Pilotti Hospital due to the services provided?

The Speaker –  
Honourable Cyril Gunnell?

The Hon. Cyril Gunnell –  
Madam Speaker, absolutely not, it's just that we're trying to find a cheaper way of doing things, at the same time maintaining quality of care.

The Speaker –  
Honourable Mervyn Yon?

The Hon. Mervyn Yon –  
Then are we, Madam Speaker, putting money before health?

The Speaker –  
Honourable Cyril Gunnell?

The Hon. Cyril Gunnell –  
Madam Speaker, I thought I explained in my answer that this is certainly not the case. Quality of care has to be maintained.

The Speaker –  
Next question, please?

***Question 9. The Hon. Cyril Gunnell to ask the Hon. Financial Secretary.***

The Hon. Cyril Gunnell –  
Thank you, Madam Speaker. Madam Speaker, will the Honourable the Financial Secretary tell this Council what arrangements were made by SHG to study the impact on the lower paid and vulnerable resulting from the changes to the taxes and customs duties introduced following the 2011/2012 budget and leading up to the preparation of the 2012 – 2015 budget?

The Speaker –  
The Honourable Paul Blessington.

The Hon. Paul Blessington –  
Madam Speaker, I thank the Honourable Councillor for raising this very important question which I'm happy to explain. In fact, before I address and respond to the specific issues that

he raises, I feel it will be helpful to explain to Honourable Members and members of the listening public why it was that the changes to the Customs and Taxes were entered into in the 2011/12 budget. You will all be aware of SHG's commitment to developing and growing St. Helena's economy and that the budget process is one of the ways in which we are trying to ensure that there is greater development of the Private Sector and less dependence on the Public Sector as a means of sustaining jobs and our economic output. Part of that has been done by targeting the taxation system, making it more friendly towards investment and the development of business and the participation in work and by shifting the burden of taxation away from direct taxation on incomes towards indirect taxation, that is on the things, the goods and services that we purchase. The changes have been designed to, in general, reduce the level of Customs duties, but spread them over a wider number of items, so that we broaden our tax base and, indeed, as we get more visitors to the island and tourists, they will contribute more to the tax base of St. Helena through the goods and services that they purchase as well as those that are bought by residents on island. The intention of this clearly is to grow the total economic cake so that everybody can share an increase of prosperity on the island. However, I am very aware that both SHG officials and Councillors realise that whilst we need to develop the Private Sector we cannot allow the low income households, the vulnerable, those who do not necessarily have a chance to participate in the Private Sector growth that we are trying to stimulate don't get left behind and a lot of care has been taken in designing the Tax and Customs reforms to ensure that those vulnerable households are protected. If I could maybe now go through a chronology of what has actually happened to ensure that the effects of these changes on low household income families are mitigated, the following things have been undertaken: First of all, at the time that the changes to Taxes and Customs were in the design stage, care was taken to identify what the likely impact on low income households would be. Councillors were involved in the design of an interim Customs tariff that was set so as to keep the rate of duties on a range of basic food items at the same level as they had been before the reforms. Following implementation of the reforms, a full Social Impact Assessment was undertaken by the Social Policy Planner which indicated that in the worst case scenario the cost of the basket of goods bought on a weekly basis by a low income household might have been increased by up to 3.1% depending on how that household's expenditure pattern varied, so at most, we found that a 3.1% increase in the cost of the shopping basket could occur. In order to mitigate that, Honourable Members will be aware that there were changes to the Social Welfare and Pension systems with increases in IRB brought in in 2011/12 and increases or introduction of the new Basic Island Pension which gave very significant increases in income to households where both members qualified for the full Basic Island Pension, comfortably more than outstripping the increased costs of Customs duties. Turning now to the current 2012 – 2015 budget, which has been part of the recent DAPM negotiations and settlement, there are further changes intended to be brought in during 2012/13 to Taxes and Customs duties, again designed at stimulating business investment on St. Helena broadening our tax base and streamlining our collection methods, but SHG, Councillors and Officials continue to be very aware of the impact on the vulnerable and low income households. A Social Impact Assessment of the proposed changes has just been completed, there will be mitigating measures to increase IRB levels and Basic Island Pension in order to compensate for any cost increases resulting from further Tax reform. One of the difficulties that SHG has has been a lack of accurate household income data so that IRB and Basic Island Pension levels can be set accurately and I'm glad to say that as part of the DAPM settlement funding has been made available for a Statistics Adviser, who I hope, will be able to plug that gap in income data. In addition, funding through the DAPM settlement has been made available for a review to be undertaken of the recent changes to Social Welfare arrangements. So, Madam Speaker, I would like to reiterate that both

officials and Councillors are very aware of the impact that changing taxes and duties has on all members of the public, but this is not undertaken lightly, it's done with the aim of enabling the economy as a whole to grow but not at the expense of leaving the poor and the vulnerable behind. Thank you, Madam Speaker.

The Speaker –  
Honourable Cyril Gunnell?

The Hon. Cyril Gunnell –  
Thank you, Madam Speaker. May I thank the Honourable the Financial Secretary for that assurance that he has given. Can I ask him though, with regard to the Social Impact Assessment which has just been completed, could that be made available to the public?

The Speaker –  
Honourable Paul Blessington?

The Hon. Paul Blessington –  
Madam Speaker, the Social Impact Assessment is still in draft form at the moment and once I am satisfied that it is fully accurate and complete, yes, indeed, I have no problem in having it released into the public domain.

The Speaker –  
Next question, please?

***Question 10. The Hon. Brian Isaac to ask the Hon. Chairman of Natural Resources, Development & Environment Committee.***

The Hon. Brian Isaac –  
Madam Speaker, with reference to the Economy Development Plan which indicates that with the construction of an Airport 300....30,000 visitors per annum is needed to make St. Helena financially sustainable, will the Honourable Chairman of the Natural Resources, Development & Environment Committee tell this Council what is being done to support the local market and tourism development as regards to increasing fishing and agriculture output to help grow the economy?

The Speaker –  
Thank you. The Honourable Raymond Williams?

The Hon. Raymond Williams (Chairman, Natural Resources, Development & Environment Committee) –

I thank the Honourable Member for his question, Madam Speaker. Madam Speaker, Honourable Members and the listening public, one of the eight strategically important priorities highlighted in the draft Sustainable Development Plan is development of the private sector, achieving greater domestic production for both local and export markets. Importantly, this includes both agriculture and fishing. The Agriculture and Natural Resources Directorate will shortly be developing a National Agricultural Policy with emphasis on achieving production of those products where production can be continued and increased economically and sustainably over the medium and longer terms. The policy will be supported by a medium term agricultural plan. Projections for the level of production to be targeted will be

based on assessment and analysis of recent and current agricultural production and trade data for the island to provide an indication of current consumption of local and imported vegetable and meat products and the use of economic data and indicators currently used by SHG for our sustainable economic development planning. A&NRD has sourced technical capacity to support this work and an Agricultural Production Officer has recently arrived on island to enable delivery of this key output and facilitate the policy and plan's implementation. With respect to fishing, a fisheries development role is expected to be established shortly under the new Economic Development Organisation "Enterprise St. Helena". This post will focus on assessing necessary technical support and development of our local fisheries through encouragement of commercial developments and promotion of our offshore fishery. Already there are proposals that are being considered and discussed by the current authority, Economic Development and SHG with parties interested in investing in our fisheries. It is hoped these proposals will result in fishing efforts being implemented in our offshore fishery in the new fiscal year. In closing, Madam Speaker, Honourable Members and the listening public, it is important that we highlight the background against which planning for agriculture and fishing will be done. It will not be possible for all of our future needs for vegetables, meats and fish to be met from local sources sustainably and we will need to rely on an appreciable level of imports to supply our needs and ensure there is an environment of free market and trade on St. Helena. Additionally, Government investment and capital funding will be limited over the next three years as SHG invests its ..... of financial resources in a number of national economic priorities. Additional investment by the private sector is key to increased agriculture and fish outputs. Thank you, Madam Speaker and thank you Honourable Members.

The Speaker –

Thank you, Honourable Member. Honourable Brian Isaac?

The Hon. Brian Isaac –

Madam Speaker, I would like to thank the Honourable Member for his reply, which is a very high level reply, but my question is, can I ask the Honourable Chairman what is the Department doing at ground level to assist farmers and fishermen? Thank you.

The Speaker –

Honourable Raymond Williams?

The Hon. Raymond Williams –

Madam Speaker, up until now we have been supporting the farming and fishing industries by subsidisation of various articles or items within the business. Thank you, Madam Speaker.

The Hon. Brian Isaac –

Madam Speaker, can I ask the Honourable Member is there any plans to reduce subsidies?

The Speaker –

Honourable Raymond Williams?

The Hon. Raymond Williams –

There is no plans, as such, to reduce subsidies, Madam Speaker, but it may become necessary to reduce subsidies because of the reprioritisation of Government. Thank you.

The Speaker –

Honourable Brian Isaac?

The Hon. Brian Isaac –

Madam Speaker, can I ask if that approach will encourage farmers and fishermen to develop?

The Speaker –

Honourable Raymond Williams?

The Hon. Raymond Williams -

There is still a concession for farmers and fishermen for the three-year tax holiday, Madam Speaker, which is firm support, in my opinion.

The Speaker –

Honourable Paul Blessington?

The Hon. Paul Blessington –

Madam Speaker, just a point of information. I think I caught an error in the question asked by the Honourable Brian Isaac that might have alarmed some of the listening public, because they could have got this out of context. The number of visitors planned to come to the island is not 300,000, as I think.....

The Hon. Stedson Francis –

He did correct it.

The Hon. Paul Blessington –

I think it was 30,000 so clearly the changes to agriculture necessary would not be trying to meet 300,000 in population.

The Speaker –

Thank you. I think, actually, the Honourable Member corrected himself as he read the question. He began to say 300,000 and that became 30,000. Honourable Brian Isaac?

The Hon. Brian Isaac –

Madam Speaker, can the Chairman offer any guarantee that we will see an increase within the next few years of produce in agriculture and fishing which will support the recommendations?

The Hon. Raymond Williams –

Madam Speaker, I can foresee, as an individual, progress and improvements in agriculture and fishing.

The Speaker –

Next question, please?

***Question 11. The Hon. Mervyn Yon to ask the Hon. Chairman, Education and Employment Committee.***

The Hon. Mervyn Yon –

Madam Speaker, will the Honourable Deputy Chairperson of The Education and Employment Committee inform this House of any plans to revive Technical Trades Training within the Education and Employment Directorate?

The Speaker –

The Honourable Tara Thomas?

The Hon. Tara Thomas (Deputy Chairperson, Education and Employment Committee) –

Thank you, Madam Speaker and I thank the Honourable Member for his question. The Education and Employment Directorate is continually looking for ways to improve trades training and has moved on significantly over the last ten years from what was the old Trades School. I'm sure Members will recall that the old Trades School taught the skills in cabinet making and inlay work and then in the holidays sent students to what was then called the PWSD to work alongside the experienced carpenters to learn skills in construction and joinery. Of course, the old Trades School provided these opportunities to a limited few male students who showed willingness and ability. Today the programme at Prince Andrew School is accessible to all students, male and female, with varied abilities, all now have the opportunity to learn and progress in a trade. From the age of fourteen, young people at Prince Andrew School are able to begin specialising in technology and science. In the vocational areas, we now have a third of all students at fourteen beginning accredited and quality assured programmes in agricultural studies, design, construction and auto mechanics. These lead to either GCSE or City and Guilds qualifications at sixteen. At sixteen, the majority of these young people then remain in the sixth form to extend their qualifications and practical skills to NVQ standards in both construction and auto mechanics. Their work at the school is then enhanced by three days a week working alongside local employers and their performance is assessed both in the workshops in school and in the workplace. All of these young people leave school, unlike in the days of the Trade School, with recognised international qualifications. A number go on to extend their studies in Further Education Colleges in the UK. The Directorate accepts that there are always ways in which to improve provision of these courses. We've been very grateful recently with the support of the DfID-funded Education Sector Support Programme where our Director of Learning responsible for technology at Prince Andrew School, Mr Nick Plato, has recently returned from visits to UK schools and colleges and as a result of his work during this time he is keen to extend opportunities for students in textiles, electrics and plumbing. And I should mention, Madam Speaker, he also has plans to offer 'A' level design studies. Mr Nick Plato would be very keen to discuss with local people with skills in these areas how they can help contribute to these developments. On returning from the UK, Mr Plato was inspired by what he had seen during his visit and was also able to comment that the practical skills of his current vocational students at Prince Andrew School were much higher than those of the same age in the UK. Madam Speaker, I hope this adequately satisfies my Honourable Colleague's question and thank him for his ongoing interest in the work of the Education Committee.

The Speaker –

The Honourable Mervyn Yon?

The Hon. Mervyn Yon –

I thank the Honourable Deputy Chair for her reply, Madam Speaker, but before I go any further I would just like to say, as a point of information, that the old Technical Trades Training did cater for male and female schoolchildren and also for senior or adult people who wanted to train during the evenings. This, in my opinion, is not happening now, but I trust

that in future it will be considered. My next question, Madam Speaker, is, under the local trades training under the AVES Strategy for Lifelong Learning are these trades implemented?

The Speaker –

The Honourable Tara Thomas?

The Hon. Tara Thomas –

Madam Speaker, would the Honourable Member just like to clarify which trades he is referring to?

The Speaker –

Honourable Mervyn Yon?

The Hon. Mervyn Yon –

If I can quote from the Lifelong Learning Strategy, Madam Speaker, the trades I am referring to would be plumbing, carpentry, construction, automotive and electronics and electricians.

The Speaker –

Honourable Tara Thomas?

The Hon. Tara Thomas –

Thank you, Madam Speaker. As I mentioned, at the moment we currently offer accredited courses in Agricultural studies, design, construction and auto mechanics. Following Mr Plato's visit to the UK, we are now also able to investigate introducing plumbing, textiles and electrics into these areas, including 'A' level design studies, so we have been progressing with the objectives set out under the Lifelong Learning Strategy.

The Speaker –

The Honourable Mervyn Yon?

The Hon. Mervyn Yon –

Thank you, Madam Speaker. Madam Speaker, can I ask if do we have the appropriate instructors to teach all of the trades that I just mentioned?

The Speaker –

Honourable Tara Thomas?

The Hon. Tara Thomas –

The courses that we currently offer at Prince Andrew School, I believe the skills we have in place are adequate. Mr Nick Plato is only returned recently from his training overseas where he identified the additional areas of electrics and plumbing. As I mentioned, he will be looking to work with local people with local skills to ensure that any progression in either of those areas is provided by people with the relevant skills.

The Speaker –

The Honourable Mervyn Yon?

The Hon. Mervyn Yon –

Thank you, Madam Speaker. When making reference, Madam Speaker, to local people, I wonder what people are the Deputy Chairperson referring to, is it the private sector?

The Speaker –

The Honourable Tara Thomas?

The Hon. Tara Thomas –

Madam Speaker, I wouldn't want to pre-empt any work that the Director of Learning is planning to undertake. I presume he will want to try and engage with the private sector, similar to what we do at the moment with the other areas where our vocational students spend three days a week working alongside local private sector employers.

The Speaker –

The Honourable Derek Thomas?

The Hon. Derek Thomas –

Thank you, Madam Speaker. Can I ask the Honourable Member, is she aware that when attempts are made to place students in the workplace within the private sector to learn and develop practical skills that are essential to the needs of the island there is a reluctance in the private sector to accept students because there's no form of remuneration?

The Speaker –

The Honourable Tara Thomas?

The Hon. Tara Thomas –

Madam Speaker, I'm not aware of that. I'm not sure where the Honourable Member has actually derived those sources of information. From the School's perspective and from the Education Committee's perspective, based on feedback, we have found that these students are avidly sought after by local employers and the relationship between the School and the workplace is excellent. Now, as I said earlier, we accept that there are always ways to improve the provision and we will be trying to look at how we can introduce initiatives that enhance the current scheme that we have at Prince Andrew School.

The Speaker –

The Honourable Derek Thomas?

The Hon. Derek Thomas –

Thank you, Madam Speaker. Will the Honourable Member give an undertaking to investigate this matter to establish whether there is a reluctance in the private sector to accept students due to remuneration, not being paid remuneration?

The Speaker –

Honourable Tara Thomas?

The Hon. Tara Thomas –

Madam Speaker, I can follow that up with the Directorate. Our experience to date, which is based on actual feedback from the employers that we currently have our students placed with is that they value the skills that are taught by Prince Andrew School and the skills that go in when they are working with the employers. I'll repeat, as I said earlier, Mr Plato has actually indicated that our vocational students on St. Helena have a much higher ability than those in the UK who undertake the same courses, but I will take his concerns onboard, I hope that that isn't the case, but we will, of course, work to ensure that if it is that the private sector feels

they are reluctant to take on any future students, which at the moment isn't the case, that we will work towards ensuring that that is overcome.

The Hon. Derek Thomas –

Yes, thank you, Madam Speaker. I can assure the Honourable Member that is the case in certain sectors, but I'm pleased that she will take it onboard to fully investigate the matter.

The Speaker –

Thank you. Honourable Mervyn Yon?

The Hon. Mervyn Yon –

Thank you, Madam Speaker. Would the Honourable Deputy Chairperson say what trades are being taught to the youngsters from the private sector?

The Speaker –

Honourable Tara Thomas?

The Hon. Tara Thomas –

Madam Speaker, as I said earlier, and I'm happy to repeat again, at the moment the students take part in three days a week in auto mechanics, in construction and agricultural studies.

The Speaker –

Honourable Mervyn Yon?

The Hon. Mervyn Yon –

Can I ask if their progress is being monitored, Madam Speaker, and by whom?

The Speaker –

Honourable Tara Thomas?

The Hon. Tara Thomas –

Madam Speaker, the work at the School is supported by AVES who provide much of the accreditation and support for these students and who also provide additional training programmes that enhance and extend the curriculum offered at the school. So the quality assurance is undertaken by AVES who support the GCSE and City and Guilds qualifications, and, of course, the NVQ standards that our students are required to attain.

The Speaker –

Honourable Mervyn Yon?

The Hon. Mervyn Yon –

Can I ask how are these students assessed?

The Speaker –

Honourable Tara Thomas?

The Hon. Tara Thomas –

Madam Speaker, these courses are accredited and internationally-recognised qualifications. They are assessed in the same way as these courses are delivered around the world. I can

always provide a copy of the quality standard that is required to be met by our NVQ students if the Member so wishes.

The Speaker –

Thank you. I'd just point out to the Honourable Member that you have strayed quite a long way from the origin of your question. Honourable Mervyn Yon?

The Hon. Mervyn Yon –

Thank you, Madam Speaker, I was going to end up anyhow, but I would appreciate a copy of the .....

The Speaker –

Thank you. Honourable Members, I think this is an appropriate time to suspend the sitting for a short break, we'll resume at half past eleven.

**Council adjourned.**

**Council resumed.**

The Speaker –

Honourable Members, I'm not sure how well the air conditioning is working today; it certainly isn't working up at my end of the room. I think, in view of the humidity in here and the high temperature, I will suggest that any Honourable Member who wishes to remove his jacket may do so in order to be a bit more comfortable. Thank you. Next item, please.

***Question 12. The Hon. Raymond Williams to ask the Hon. Financial Secretary.***

The Hon. Raymond Williams –

Thank you, Madam Speaker. Will the Honourable Financial Secretary say what progress is being made in terms of loan funding for private sector development, now that we have a positive response to air access?

The Speaker –

Thank you, Honourable Member. The Honourable Paul Blessington?

The Hon. Paul Blessington –

Madam Speaker, I thank the Honourable Member for this important question. Loan funding for private sector development is going to become increasingly important now that we've got the air access contract signed and businesses, both existing businesses and we hope new start up businesses, look for opportunities to expand. We do, of course, have the Bank of St. Helena whose role is primarily to provide loan funding, but I understand that it has limits .....the quantum of funds that it can loan out and also surrounding the security on loans, so ensuring that there is adequate collateral may not always be possible for start up businesses, particularly those that don't operate from premises or something that a loan can be secured on. So the question is how can businesses that are not able to source finance through the Bank find that money. Although this probably falls more within the remit of the St. Helena Development Agency, and, indeed, under the CEED and Enterprise St. Helena, I can make a few comments as far as I'm aware of where things stand. Currently we've got our Senior Financial Adviser, Mr Paddy Perry, on island working here and on his way here he undertook

a visit to Mauritius to study how that island economy supports private sector funding, and, indeed, he looked at two of the organisations, including the small and medium enterprise agency and another one that I can't remember its name off the top of my head, but he looked and will be bringing back and presenting his ideas to Council on funding options for business startups and expansions. At the same time, SHG has been discussing funding for business enterprise with DfID in our recent Development Aid Planning Mission discussions and DfID have made it quite clear that while they are very keen to see SHG support and prioritise private sector development, it is not easily within DfID's remit to provide loan funds or other forms of capital funding for private sector development, beyond what they provide currently through SHDA. So I know that Julian Morris, the Chief Executive for Economic Development, and Paddy Perry are looking at alternatives to loan funding that may involve some form of venture capital participation where risk capital is put into new businesses with the ability if the business thrives for it to be extracted later down the track at a profit and re-ploughed into new businesses. Obviously, any form of investment, particularly in start up businesses is risky and we have to accept that some of the money that the Government sets aside, puts into such businesses, may not return to Government, but if you are going to support private sector development that is a risk that we have to take and I know that Julian Morris and Paddy Perry are looking at alternative ways that SHG can use its existing asset base in order to provide some funds that could go into such a scheme. Thank you, Madam Speaker.

The Speaker –  
Honourable Raymond Williams?

The Hon. Raymond Williams –  
Will Council be informed of Mr Paddy Perry's findings or his proposals?

The Speaker –  
Honourable Financial Secretary?

The Hon. Paul Blessington –  
Yes, he will be presenting a report to Council.

The Speaker –  
Just on a point of information, that report's going to take place on Monday morning.

The Hon. Raymond Williams –  
Alright, I thank the Honourable Member for his information given. Thank you.

The Speaker –  
Thank you. Next question, please.

***Question 13. The Hon. Brian Isaac to ask the Hon. Deputy Chairman, Education and Employment Committee.***

The Hon. Brian Isaac –  
Madam Speaker, will the Honourable Chairman of the Education and Employment Committee tell this Council if there has been any reduction in post Year 11 students continuing to study in comparison with the last two years, following the withdrawal of the Year 12 student allowance?

The Speaker –

Thank you. Honourable Tara Thomas?

The Hon. Tara Thomas –

Thank you, Madam Speaker and I thank the Honourable Member for his question. His continued interest on this issue does not go unnoticed. Madam Speaker, I'd like to respond to this question in two parts; the first one, has there been a reduction in the number of Year 11 students continuing to study in comparison with the last two years? Yes. In 2009, 66% of students stayed on at school; in 2010, 68% of students stayed on at school compared with 2011 when just 38% of the students stayed on at school. Very stark when compared in isolation, Madam Speaker. However, there is one significant factor that contributes to these numbers and that is that the Education Committee supported Prince Andrew School, increasing the entry requirements for students wishing to study 'A' levels after their GCSEs. Therefore, the number of students eligible to return has decreased. This was done for a number of reasons but mostly because it was seen that students were struggling to cope at 'A' level if they did not have the required academic performance or the minimum grade in the subject area. Whilst I accept that this all might not be down to the new entry requirements, is the decrease a result of the withdrawal of Year 12 student allowances? Firstly, Madam Speaker, I would just like to clarify that the Year 12 student allowances have not been removed in entirety; they are paid to students who are from low and medium income households, i.e. those who have an income under £11,000. So is the reduction in the number of Year 11's progressing to 'A' levels as a result of means testing student allowance, the short answer is we don't know, but as an Education Committee and as a Government our objective is not to incentivise students with cash to stay on in school, but to provide opportunities and access to quality education. A high quality education system requires that cash to be invested in quality teachers and quality resources. Thank you, Madam Speaker.

The Speaker –

Thank you. Honourable Brian Isaac?

The Hon. Brian Isaac –

Madam Speaker, thank you for allowing me and thank the Honourable Deputy Chairman for her response. Honourable Chairman, you did say that students are struggling to cope at 'A' level qualification courses, but my question is, previously students who had the qualifications to support their 'A' levels were paid to seven to eight pounds to continue their studies at 'A' level standards, what is your comment on that issue, please?

The Speaker –

Honourable Tara Thomas?

The Hon. Tara Thomas –

Madam Speaker, the reason why we've changed is because of the fact that we were paying students seven to eight pounds a day to stay in school to study 'A' levels, but they weren't actually achieving 'A' levels because they didn't have the GCSE academic background to support them in those areas.

The Hon. Brian Isaac –

Madam Speaker, I agree, but the criteria previously was that if students had the qualifications, the GCSE qualifications to sit their 'A' levels then they would be accepted. I

understand it is difficult to put students in at 'A' level standards if they don't have the background information to support them, but I understand that was the criteria. If you had the qualifications, you'd be kept on to study your 'A' levels, but my question would be, would you agree that for St. Helena to achieve the full potential of growing the economy, education will be the main driver?

The Speaker –

Honourable Tara Thomas?

The Hon. Tara Thomas –

I fully agree, Madam Speaker, which is why education has been placed in one of our top three priorities in our Sustainable Development Plan.

The Speaker –

Honourable Brian Isaac?

The Hon. Brian Isaac –

Thank you for that and my other question, the youth programme pays in the region of £7.65 to study various subjects and currently work outside of school, but still to continue schooling if they so wish, what is the main driver behind this? If I can clarify, it seems the Honourable Member might not have the gist of my question. The Youth Programme pays in the region of £7.65 to students per day to study various subjects and to continue schooling if they so wish. What is the main driver behind this?

The Speaker –

Honourable Member, you have strayed from your original question which was to do with the reduction in Year 11 students, post Year 11 students continuing studies following the withdrawal of the Year 12 allowance. If the Honourable Chairman of Education and Employment wishes to attempt to answer this slightly far removed question, I don't know. Honourable Tara Thomas?

The Hon. Tara Thomas –

Madam Speaker, the Youth Development Policy allows students to attend school if they so wish. There is no obligation for students to stay in school beyond the age of sixteen. Our view, as an Education Committee, as a Government, is that it is not in the best interest of students to put what was in the region of £80,000 a year into paying students to stay on school as an incentive. As a society, Madam Speaker, I think it is our obligation to improve the quality of teaching and the quality of time our students spend in school so as that they will soon learn that receiving £7.00 a day is not the reason to stay in school, but getting academic and vocational qualifications, which we must remember is being provided for free, will make them better students, better professionals, better members of our community who we will be relying on to contribute to St. Helena's growing economy.

The Speaker –

Thank you. I think, Honourable Members, if you want to pursue this further, Honourable Brian Isaac, it would be perhaps sensible to pursue it in the form of a written question or outside this forum where you can explain the background to the particular detail that you're seeking.

7.

**MOTIONS*****Motion 1.*****THE FIRST SUPPLEMENTARY APPROPRIATION BILL.**

The Hon. Paul Blessington (Financial Secretary) –

Madam Speaker, I beg to move that the First Supplementary Appropriation Bill, 2012, be approved in principle and referred to a Committee of the whole Council. I formally confirm that this Bill is presented on the recommendation of the Governor in accordance with section 73, subsection (2) of the Constitution.

The Speaker –

Thank you. Is there a seconder for the Bill, please?

The Hon. Tara Thomas –

Madam Speaker, I beg to second.

The Speaker –

Thank you.

The Hon. Paul Blessington –

Madam Speaker, before speaking to the Motion, I beg to move that Standing Order 13, Rule 1, subsection (3) be suspended so that debate does not stand automatically adjourned at the end of my speech. It would, I respectfully suggest, be a gross waste of resources to reconvene on Monday to complete this item of business.

The Speaker –

Thank you, Honourable Member. Is there a seconder to the Motion?

The Hon. Tara Thomas –

Madam Speaker, I beg to second.

The Speaker –

Thank you.

Question that Standing Order 13, Rule 1(3) be suspended, put and agreed to.

The Speaker –

The Honourable Mover?

The Hon. Paul Blessington –

Madam Speaker, I am pleased to introduce a Bill for an Ordinance to increase the amounts provided for the services of the financial year 1<sup>st</sup> April 2011 to 31<sup>st</sup> March 2012. Under section 105 of the Constitution, it states that “if in the course of any financial year it is found that the amount appropriated for any purpose is insufficient or that a need has arisen for expenditure for a purpose which no amount has been appropriated a supplementary estimate showing the sums required shall be laid before the Legislative Council by the Financial Secretary and the Heads of Expenditure contained in that estimate shall be included in a Bill to be known as The Supplementary Appropriation Bill.”

Madam Speaker, the purpose of this Bill, therefore, is to seek this Council's approval to appropriate a further £256,900 from the Consolidated Fund to increase the 20011/12 budgets, approved by Legislative Council in July 2011 and amended in November 2011, all the various Heads of Expenditure listed on the Bill. Executive Council has examined the additional spending requirement and endorsed this Bill for consideration by Legislative Council. The extra expenditure provides for sick leave cover in the Governor's Office, printing of new passports, forensic costs and a market forces supplement in Police, staffing and IT costs in the Audit Office, a service level agreement with Saint FM and establishment costs for the Community Media Service and repair costs of the ferry boat incurred by the Finance Directorate, funding for Fisheries for making part of their site available for airport construction and additional diesel costs required for electricity generation by the Infrastructure and Utilities Directorate. Madam Speaker, a breakdown of the additional appropriations is listed in the Supplementary Estimates Schedule which has been tabled as a Sessional Paper. Only those Heads of Expenditure in the Supplementary Estimates Schedule which are to be increased require an appropriation. Those which are to be reduced or are subject to a Special Warrant signed by the Governor do not require appropriation nor do the estimates for reductions in revenue collection. Savings have been identified in HR, Procurement, SHG Pensions and Health and Social Welfare which partially offset some of the additional expenditure and revenue shortfalls. In order to ensure that the budget remains in balance, additional revenue has been transferred to the Consolidated Fund by withdrawals from the Currency Fund and the Infrastructure and New Construction Revolving Fund. Madam Speaker, I therefore ask that the First Supplementary Appropriation Bill, 2012, should be approved in principle and referred to a Committee of the whole Council.

The Speaker –

Thank you, Honourable Member. I put the question that the First Supplementary Appropriation Bill, 2012, be approved in principle and referred to a Committee of the whole Council. The question is open for debate. Does any Honourable Member wish to speak? Honourable Tara Thomas?

The Hon. Tara Thomas –

Thank you, Madam Speaker. As the Honourable Financial Secretary has indicated, the majority of these costs are due to unforeseen things like fuel increases and, of course, our requirement to print additional passports and the other areas .....in keeping with Government policy, which includes the setup of our new Community Radio Station. Madam Speaker, I am happy to support the Bill.

The Speaker –

Any other Honourable Member wish to speak? Honourable Cyril Gunnell?

The Hon. Cyril Gunnell –

Madam Speaker, I rise just to say I would be happy to support the Bill, it would be sensible to have some discussion on it and think about over the weekend.

The Speaker –

I'm sorry, we.....

The Hon. Cyril Gunnell –

I thought the Honourable Financial Secretary felt that we could reconvene on Monday.

The Speaker –

No, you actually.....

The Hon. Cyril Gunnell –

I'm happy to support the Bill anyway. Thank you.

The Speaker –

No, you've already agreed that you wouldn't adjourn over the weekend and come back to it. Honourable Derek Thomas?

The Hon. Derek Thomas –

Madam Speaker, I rise in full support of the Bill. The details and the justification pertaining to this has been fully explained prior to coming here today so I rise in full support of the Bill.

The Speaker –

Thank you. The Honourable Stedson Francis?

The Hon. Stedson Francis –

Yes, Madam Speaker, I, too, support the Bill. Maybe it would be useful if some of the Heads could be broken down during Committee stage.

The Speaker –

Honourable Brian Isaac?

The Hon. Brian Isaac –

Madam Speaker, I rise in support of the Bill.

The Speaker –

The Honourable Mervyn Yon?

The Hon. Mervyn Yon –

I rise in support of the Bill, Madam Speaker. I am a little disappointed about the amount of money that has been put here for Infrastructure and Utilities, but it cannot be helped, it's due to the inflation, especially with the cost of fuel.

The Speaker –

Honourable Raymond Williams?

The Hon. Raymond Williams –

I rise in support of the Bill, Madam Speaker.

The Speaker –

Honourable Michael Benjamin?

The Hon. Michael Benjamin –

Madam Speaker, I rise in support of the Bill, but I have one slight concern. Did the Financial Secretary mention that we were using Finance money to convert a Fisheries building for the Airport Project?

The Speaker –

I'm sure the Honourable Financial Secretary will respond in his response to the debate.

The Hon. Michael Benjamin –  
Thank you.

The Speaker –  
The Honourable John Cranfield.

The Hon. John Cranfield –  
Yes, Madam Speaker, thank you very much, I rise in full support of the Supplementary Appropriation.

The Speaker –  
Does the Honourable Mover wish to respond to the debate?

The Hon. Paul Blessington –  
Madam Speaker, I thank Honourable Members for their support for this Bill and for their agreement that we should not adjourn following the presentation of the budget speech. I am certainly willing to explain in more detail as we go through the Committee stage of the Bill what the various adjustments to Heads of Expenditure are for and in response to the Honourable Member's specific query about an appropriation to Fisheries, I should explain that money was sought by Fisheries as the result of a request by Basil Read to have an additional lay down area in Ruperts Valley that they would require some space that was currently occupied by the Fisheries and that Fisheries sought permission to build additional storage facilities in order to house equipment that would be moved. They went ahead and entered a contract to produce that additional storage area, I understand that subsequently Basil Read found alternative arrangements but that by this time we had committed funds in order to build the lean to, which I understand when Fisheries have completed, will be leased out on a commercial basis. Thank you, Madam Speaker.

Question that the Bill be approved in principle and referred to a Committee of the whole Council, put and agreed to.

The Hon. Paul Blessington –  
Madam Speaker, I beg to move that the Council do resolve itself into a Committee to consider the detailed provisions of the Bill.

The Speaker –  
Is there a seconder, please?

The Hon. Tara Thomas –  
Madam Speaker, I beg to second.

The Speaker –  
Thank you.

Question that Council resolve itself into a Committee, put and agreed to.

**Council in Committee.**

The Speaker –

Just to remind Honourable Members that as this is an Appropriation Bill we look at the Schedule before we look at the Clauses and the special rules of procedure are set out under Order 13, Rule 2.

I put the question that Head 11, Governor, standing in the amount of £5,940 do stand part of the Bill. Do you wish to offer any explanation before Members are asked to comment, please?

The Hon. Paul Blessington –

Madam Speaker, this amount has become necessary as a result of one of the Plantation House staff being required to travel overseas because of medical purposes and a replacement temporary staff member having to be brought in.

The Speaker –

Any questions or comments from Members?

The Hon. Bernice Olsson –

Can I just ask, the person gone overseas, is she still getting her pay as well as you employing a temporary staff, are you paying two wages?

The Hon. Paul Blessington –

Madam Speaker, SHG does have sick leave provisions within its Code of Management.

Head 11, Governor - £5,940.

Question put and agreed to.

The Speaker –

I put the question that Head 15, Police, standing in the amount of £31,480 do stand part of the Bill. Honourable Paul Blessington?

The Hon. Paul Blessington –

The appropriation for Police is made up of three items. There is an amount of £17,813 which is funding for a computer package and consumables and new passports necessary to be able to provide passports that are compliant with international immigration requirements. Our existing stock of passports was running very low and a decision had to be taken for us to be able to continue to be able to provide residents with St. Helena passports and so this funding became essential and urgent.

The Speaker –

Any questions or comments, Honourable Members?

Head 15, Police - £31,480.

Question put and agreed to.

The Speaker –

I put the question that Head 16, Audit, standing in the amount of £12,166 do stand part of the Bill.

The Hon. Paul Blessington –

The amount for Audit comprises funding for IT costs that had been unanticipated and also additional intranet charges that were not fully budgeted in the initial budget allocation, so this is a case of Audit carrying out, I think, more work and therefore incurring more charges than had been anticipated. And, in addition, there was a further £2,973 which was funding for salaries, allowances and part-time savings as a result of the 5% vacancy saving reduction that had been applied, but because they're a very small Directorate they weren't able to actually give up 5%, it would have been 20% or nothing.

The Speaker –

Any questions or comments, Honourable Members?

Head 16, Audit - £12,166.

Question put and agreed to.

The Speaker –

I put the question that Head 17, Finance, £53,016 do stand part of the Bill.

The Hon. Paul Blessington –

The Finance Head comprises three separate items. The first item for £18,000 is for funding for the Saint FM Service Level Agreement to the end of March 2012. There is £32,000 funding for the initial work done on the establishment of a new Community Media Broadcasting Organisation and there is a further £3,016 for essential repairs to the Ferry Boat which was in excess of the amount set aside in the depreciation account. As Members are aware, our Ferry Boat is now, I think, close to twenty years old and the aluminium hull had become badly degraded. It is now being refurbished and encased in fibreglass that should give it another useful extension to its operating life.

The Speaker –

Good to know that the bottom of the Ferry Boat will be secure and not likely to sink. Any questions from Honourable Members?

The Hon. Michael Benjamin –

Yes, Madam Speaker, I'm not sure if this is going to deviate. Is this the same Ferry Boat that we sent to Cape Town for repairs?

The Hon. Paul Blessington –

I believe it is the same Ferry Boat. It was sent to Cape Town, assessed, I'm not sure that it actually had any significant repairs undertaken, but when it was brought back it was still found not to be fully serviceable and although options were looked at to replace it with a new ferry boat, the most economical version, way to extend its life has been to fibreglass and prolong the life of the existing hull. That is being done locally, I should say, so it's not money going out of the local economy.

The Hon. Michael Benjamin –

I believe the Financial Secretary said that it was found that the Ferry Boat was not serviceable and we're spending additional funds on trying to service it, would that not be considered a waste of money?

The Hon. Paul Blessington –

The Ferry Boat options were to buy a new one at a cost of something, I believe, in excess of £20,000 or fix the old one to give it probably ten to fifteen years extra life for an additional £3,000, so it seemed to be the most economical option in the circumstances.

The Speaker –

Yes Councillor, the Honourable Brian Isaac?

The Hon. Brian Isaac –

Madam Speaker, were any local assessments made before sending the boat off to Cape Town in respect of the repairs to be undertaken?

The Hon. Paul Blessington –

Yes, they were.

The Hon. Brian Isaac –

And were there recommendations that they could not be done locally on island?

The Hon. Paul Blessington –

There was no-one, I believe, on island who had the appropriate tools and equipment to handle the aluminium in the Ferry Boat.

The Hon. Brian Isaac –

But yet we are able to repair the boat locally to make it seaworthy at a local workshop?

The Hon. Paul Blessington –

That's not repairing the aluminium, but it is encasing it in fibreglass, which is able to be done locally.

The Hon. Brian Isaac –

Thank you, Madam Speaker.

Head 17, Finance, £53,016.

Question put and agreed to.

The Speaker –

I put the question that Head 25, Agriculture and Natural Resources, standing in the amount of £15,000 do stand part of the Bill.

The Hon. Paul Blessington –

This is the amount that I've already referred to being a payment to the Fisheries Corporation following a request from Basil Read for them to vacate land for a lay down area.

The Hon. Cyril Gunnell –

Madam Speaker, as Basil Read then no longer require the loan to and the money that has been spent on making it, will this impact in any way on the subsidy that Fisheries gets? I mean, if it's going to be loaned out commercially, with a rent I would imagine, will this mean that this would be balanced against any subsidy, future subsidy of the Fisheries Corporation?

The Hon. Paul Blessington –

I would imagine that it will be taken into account in adjusting future subsidies to the Fisheries Corporation.

The Hon. Cyril Gunnell –

Thank you.

Head 24, Agriculture and Natural Resources, £15,000.

Question put and agreed to.

The Speaker –

I put the question that Head 26, Infrastructure and Utilities, standing in the amount of £139,298 do stand part of the Bill.

The Hon. Paul Blessington –

This additional request is as a result of the increased cost of the fuel feedstock for electricity generation. It's been partially offset by increased revenue as a result of hired plant for electricity.

The Speaker –

Any questions?

Head 26, Infrastructure and Utilities, £139,298.

Question put and agreed to.

Schedule I, £256,900.

Question put and agreed to.

The Speaker –

I put the question that the Title and Enactment Clause and Clause 1 do stand part of the Bill.

Title, Enactment Clause and Clause 1.

Question put and agreed to.

The Speaker –

I put the question that Clause 2 do stand part of the Bill.

Clause 2.

Question put and agreed to.

**Council resumed.**

The Hon. Paul Blessington –

Madam Speaker, I beg to report that the First Supplementary Appropriation Bill, 2012, passed the Committee with no amendments and to move that this Council approves the said Bill and recommends to the Governor that it should be enacted.

Question that the Council approves the Bill and recommends to the Governor that it should be enacted, put and agreed to.

The Speaker –

Next item of business, please.

***Motion 2. The Honourable Brian Isaac.***

The Hon. Brian Isaac –

Madam Speaker, I beg to move that this House, recognising the international importance of the Bi-Centenary of Napoleon's residence on St. Helena, and the programme of events that is being drawn up to commemorate the Bi-Centenary, resolves to issue invitations, through the appropriate diplomatic channels, to Her Majesty the Queen and to the President of the Republic of France, to visit the island during the Bi-Centenary period.

The Speaker –

Thank you, Honourable Member. Is there a seconder to the Motion?

The Hon. Bernice Olsson –

Madam Speaker, I beg to second.

The Speaker –

Thank you. There is one typographical error .....the printing of the Motion. In the centre line it reads Di-Centenary, but quite correctly, the Honourable Mover read it as Bi-Centenary, I don't think we'll try and deal with .....Di-Centenary would be. The question is open for debate, the Honourable Mover, do you wish to speak?

The Hon. Brian Isaac –

Thank you, Madam Speaker. Madam Speaker, thank you and I'm very pleased and happy to propose this Motion. Honourable Members, I don't think Napoleon could have planned things better when he died exactly 200 years before the opening date of our new airport. Despite what we might think about his politics or his philosophies or his character, there is little doubt that Napoleon was the most important person to have lived on St. Helena. Whilst he appears as just a historical figure to us today, we perhaps forget that this was someone who dominated world history for something like twenty-five years. This is someone whom even Wellington, his co-.....his presence on the field made the difference of 40,000 men. The bi-centenary of his arrival and time in exile here will be a period when the interest and the eyes of many parts of the world will focus on St. Helena. The hugely successful "Save Longwood House Project" has already heightened interest and as we speak, a major international exhibition about Napoleon on St. Helena is being planned in Paris, France. This will take place alongside Napoleon's resting place in Paris and is expected to attract over five hundred thousand visitors a year. It is fitting that our island should mark this bi-centenary, but more importantly, it is the opportunity that we must seize to ensure that the profile of St. Helena is as high as possible on the world stage and at no better time than coinciding with the opening of the airport. Even though the start of the bi-centenary is four year away, a small

and dedicated team has been working at developing a series of events, bigger and smaller, to take place throughout the whole bi-centenary period. The draft programme, which I'm able to circulate to Honourable Members today, lays in place a foundation of great ideas that can ensure we get real benefits from this opportunity. The draft programme is proposing pageants, visits, expeditions, community events, parties, banquets and very much more. It's a draft and more will be added and developed and we are progressing well with this. As I mentioned earlier, Napoleon, for good or ill, was a major world figure and remains a fascinating, historical one. He is one, who in one way or another, joined together the characters of the British and the French alike, so I believe it is wholly appropriate in recognition of this fact that we start the move towards the bi-centenary with the Motion I bring before the House today in seeking to mark the bi-centenary of Napoleon's exile here is one of the opportunities to invite the Heads of both countries so intimately involved, this Motion therefore asks this House, on behalf of the people of St. Helena, to invite Her Majesty the Queen and the President of the French Republic to visit St. Helena during the period of the bi-centenary. I believe this would be a time never to be repeated when we could welcome these two most distinguished guests and show them not just the Napoleonic legacy and its importance these 200 years later, but to .....welcome and friendly St. Helena. Indeed, it may even be hot and sunny at Longwood. Madam Speaker, I beg to move.

The Speaker –

Thank you, Honourable Member. Does any other Honourable Member wish to speak to the Motion? Honourable Tony Green?

The Hon. Anthony Green –

Madam Speaker, thank you. I'd like to commend my Honourable Colleague for the idea that he's proposed in the form of a Motion, which I fully support. Thank you.

The Speaker –

The Honourable Bernice Olsson?

The Hon. Bernice Olsson –

Thank you, Madam Speaker. I think I'm going to be repeating what the Honourable Member has been saying in his speech, however, thank you, Madam Speaker, I also thank the Honourable Brian Isaac for bringing forward this Motion and I am very pleased to support and second it. Napoleon was an important world figure and is a key part of our history and our contemporary tourism offering, so it is absolutely right that we should commemorate the bi-centenary of the time he lived on St. Helena. We are hugely fortunate that we have living amongst us here on St. Helena someone who is dedicated to maintaining the legacy of Napoleon on St. Helena, yet, someone too, who is interested in telling the stories of ordinary people that interweaved with Napoleon's time here. I refer, of course, to Michel Martineau and I would like to pay tribute to his constant hard work and his commitment. He has spearheaded both "Save Longwood House Campaign" which has raised over one million pounds and the work to get to the Paris Exhibition about Napoleon on St. Helena is on the way. I hope that we can further support his work in practical ways in the future. I also want to thank Councillor Isaac and his team who have been working on the draft programme of the events for the bi-centenary with exhibitions, pageants, visits, banquets and much more, it is an ambitious programme, but why shouldn't we aim high? It has been said we have only one opportunity to get it right in presenting St. Helena to the world when we get our airport. This is very true and if we agree this Motion, what better ambassadors could we wish for to highlight our island than Her Majesty the Queen and the French President. The eyes of the

world truly will be on St. Helena and our story would lock into the bi-centenary events, the exhibition in Paris and would encourage visitors from across the globe. But I believe it is important for another reason. Our people are probably more British than the British themselves, our loyalty is second to none, how wonderful it would be to once again welcome a reigning Monarch to our island. I believe such a visit would reinforce the long ties that exist between the UK and St. Helena and to welcome the French President too would be another honour for the island. Madam Speaker, although there is still almost four years to go, in many respects, this Motion is the first event of the bi-centenary, the first of many exciting events what I know we can look forward to. I hope all Members will support this Motion. Thank you.

The Speaker –

Thank you, Honourable Member. The Honourable Stedson Francis?

The Hon. Stedson Francis –

Madam Speaker, I fully support this Motion, I feel there is no better time than this 200<sup>th</sup> anniversary of Napoleon's stay on the island in putting St. Helena in the eyes of the world and having the Monarch and the President of the French Republic visit us I feel would certainly do that. Maybe the Honourable Member could say exactly what would be the actual bi-centenary period. Thank you, Madam Speaker.

The Speaker –

Thank you, Honourable Member. The Honourable Derek Thomas?

The Hon. Derek Thomas –

Thank you, Madam Speaker, I rise in full support of this Motion. Such an initiative can only add value and support in what we are trying to achieve in the development and growth of our economy. Thank you.

The Speaker –

Thank you. The Honourable Cyril Gunnell?

The Hon. Cyril Gunnell –

Thank you, Madam Speaker, I have no difficulty with this Motion and fully support it. I don't know how long it takes though to invite people like Her Majesty and, indeed, the President of France, they do have diaries that are full and I would imagine it takes several years so the quicker they are invited through the appropriate diplomatic channels the better. Thank you, Madam Speaker.

The Speaker –

Thank you. The Honourable John Cranfield?

The Hon. John Cranfield –

Thank you, Madam Speaker, I fully support the Motion as I feel that the Napoleonic era will go a long way to improving our economy as the airport does. I support the Motion, Madam Speaker.

The Speaker –

Thank you. Honourable Michael Benjamin?

The Hon. Michael Benjamin –

Thank you, Madam Speaker, I rise in total support of this Motion and I thank my Honourable Colleague for bringing it to this House. Thank you, Madam Speaker.

The Speaker –

The Honourable Mervyn Yon?

The Hon. Mervyn Yon –

Thank you, Madam Speaker. Madam Speaker, I rise in support of this Motion and I congratulate my Honourable Colleague for bringing this Motion to the House.

The Speaker –

Honourable Raymond Williams?

The Hon. Raymond Williams –

I rise in support of the Motion, Madam Speaker.

The Speaker –

Thank you. Any other Honourable Member wish to speak to the Motion? In which case, I invite the Mover, the Honourable Brian Isaac, to respond to the debate.

The Hon. Brian Isaac –

Madam Speaker, as you see from the support given for this Motion in this House, there's nothing much left for me to say, but I would just like to thank the Seconder of the Motion and the comments made by Members. The bi centenary, was asked, will run from October 2015 to May 2021, but as you can see from the programme, there will be events throughout that period of time. Councillor Gunnell mentioned the reasons for raising this Motion so early is because these high officials do have diaries that run from year to year and we need to get in early. I know that the Motion states that we're inviting Her Royal Highness, but I think probably she will send a representative to represent her, but it would be most welcome, it will be something really for this island if Her Highness could attend, but we will have to wait and see the response. Well, that concludes, thanks, Madam Speaker and once again thanks also to Members.

The Speaker –

Thank you.

Question on Motion, put and agreed to.

The Motion is carried.

The Speaker –

Next item of business, please?

## 6.

## ADJOURNMENT DEBATE

The Speaker –

The Honourable Chief Secretary?

The Hon. Owen O'Sullivan –

Madam Speaker, I beg to move that this Council do now adjourn until 22<sup>nd</sup> March, 2012.

The Speaker –

Is there a seconder, please?

The Hon. Ken Baddon –

Madam Speaker, I beg to second.

The Speaker –

Thank you. Any Honourable Member wish to speak in the adjournment debate, please? The Honourable Brian Isaac?

The Hon. Brian Isaac –

Madam Speaker, I support the adjournment debate. Firstly, I would like to thank the Council for the support received in respect of the Motion to invite Her Majesty the Queen and the French President to St. Helena to commemorate the bi-centenary of Napoleon. Moving on from the bi-centenary to the signing this week of the Aide Memoire. A reasonable settlement and agreement at this time when the world faces economic decline is most welcoming. The achievement of this is the result of much hard work over the past years by Councillors, officials, Directorate staff and Administration in partnership with the British Government. The DAPM Team will now have to present the draft Agreement in London for ministerial endorsement. Under the economic climate throughout the world, this Agreement has proven to be one which was expected to be much more difficult. The total package for 2012/13 is £12.1M, an increase of £13.5% over the last year. There have been difficult decisions to be made, efficiency savings to be found, drastic cuts within the budget and overall SHG is expected to do more with less and with that reduction in head count and redundancies being proposed the island do have some major setbacks which will have to be managed appropriately. The additional funding for two new doctors for the team and the improvement to the facilities at the Hospital and services has been most welcoming, but the main increases are the RMS, the island infrastructure, education, environmental management and economic growth. A review of the benefits system will be conducted shortly by an independent body following a year of implementation of the new system, which is now supported by legislation. The downside is the proposed increase in the cost of services provided by Government and additional increase in freight and related issues identified for the new financial year, which will be a hard pill to swallow. These increases will impact heavily on the low income and vulnerable in society. We must have a safety net to support these groups. I understand there will be an increase in benefits and salary in line with inflation. This will be welcoming, but I would like to say as a responsible Government with such increases are necessary, but we must always reassure that there is adequate protection for those who cannot accommodate these increases. Yes, St. Helena is going through major changes and air access is now in progress and the economic and social transformation is a major challenge and we must be able to manage it in a way that everyone gets their piece of the cake. Saints must take these challenges seriously, but without financial support available to support new and existing businesses, Saints will get left behind. We must learn from mistakes made in other small territories, such as Goya, Jamaica, Montserrat, a few to mention, where islanders were left in the slums when tourism bloomed on the white, sandy beaches. How do we overcome this situation? We have to channel these sources to support sustainable and economic growth. The Sustainable Development Plan set bases for prioritisation of SHG's expenditure for the next three years. SHG has been criticised in not being able to spend project funding within

the agreed timeframe. The big question is, are we getting the best value for the island from the investments made by DfID? What are the messages we are sending when we are asking for additional funding and have surpluses of unspent project funding waiting to be spent? These are major concerns of infrastructure performance which has hindered progress to overcoming some of these setbacks and an agreement was made to reprioritise such of the core projects. Again, we do find ourselves in these situations. Each time, there are delays, revenue is lost and the shortfall must be met. Following the signing of the Airport Contract, St. Helena is moving into greater economic development and the end result being that the island .....

.....the world is in economy recession with major cuts in many of their frontline services. We are a long way from where we would like to be, but to get there we must work together and be more open and transparent in taking people of this island along when decisions of national importance are tabled, debated and implemented. The improvement of the island's Education system will also have to be a high priority for St. Helena as the island will suffer if we do not have high quality education to enable the island to achieve its full potential. It is most important that when setting priorities they are manageable and productive. Currently standards of attainment are very low at Prince Andrew School. To overcome this scenario, we need to create a well-balanced teaching profession and a high quality of training for our teachers. It has been said that most successful countries are those where teaching has the highest status as a profession. The new financial year will bring with it many increases in the current changes which will have to be implemented on low income families, the elderly and disabled. We must be able to have protective measures in place to support those who are really affected by these changes. Madam Speaker, I will conclude by saying it has been a very busy year, the start of the New Year, work has been very intense and I look forward to the new challenges that lie ahead in the new financial year. We all need to be proactive and scrutiny needs to be high on our agenda. Madam Speaker, I beg to move.

The Speaker –  
Thank you.

The Hon. Stedson Francis –

Madam Speaker, I support the adjournment of this Council until 22<sup>nd</sup> March and in doing so, and with your permission, I would just like to acknowledge all the hard work over the last two weeks, both with our on island Core Negotiating Team and others as well as the DfID Team, in reaching a negotiated settlement for 2012/13 of some £24m, subject to ministerial approval, of course and an indicative settlement for 2013/14, 2014/15, a good result considering the difficult economic climate across the world and knowing that the UK Government has had their budget slashed by some 33%. We've had to refocus on our immediate priorities and it's good to see additional funding for Health, including improved facilities at the Hospital and the two new doctors; Infrastructure, Education and Economic Growth and also an independent review of the benefits system in May is also most welcome. Madam Speaker, there's still some concerns about the Land Planning Development Control Plan and the second round of consultation closes on 7<sup>th</sup> March and further discussions amongst elected members will continue then. The Land Development Control Plan does say that Government is committed to ensuring that the Plan meets the needs of the island and its people. It is also pleasing to see Basil Read contractors on island and already started work and I would like to wish them well with the project and that they enjoy their time amongst us.

Finally, Madam Speaker, I would just like to comment on the road works being carried out on the road between Church Ground Point and the Sandy Bay/Blue Hill junction. Good progress there is evident and workers are to be commended. Thank you, Madam Speaker.

The Speaker –

Thank you, Honourable Member. Any other Honourable Member wishes to speak? Honourable Tony Green?

The Hon. Anthony Green –

Thank you, Madam Speaker, I will support the adjournment. With your permission, I would like to share just a few thoughts. I've been thinking about the Aide Memoire that has just been signed. This sets the amount of money that we should get from Britain for the new financial year from April and provides indicative figures for the two following years. I've also thought about the recent announcements that water and electricity charges will be increased. I've wondered too about the new freight and passenger charges that will come into force in July. Having to agree price increases is not easy for Councillors. We are all human, we all have to live. Most of us, at least, have been through difficult times; with more to come I'm sure. We, as Councillors, know that agreeing to price increases is not going to be popular and talking about price increases never makes for an easy conversation. It's easy when a politician has to make popular decisions, but our role goes beyond simply trying to be popular. So I've been asking myself why we, as a Government, really have to increase prices. Thinking about it, I reminded myself that Government is no different to a company or a private business. It can only exist if it raises money. As the price of imports, like fuel, goes up so then delivering these services come at a higher cost. I then asked myself what if I didn't want prices to rise. Would I wish to recommend that we lower the level of our health service? Would I like to see our Education Sector lower its standards? Do I wish to see decreases in wages, pensions, income related benefits and basic island pensions? For now, I won't add to that list. To provide the same level of services, or, indeed, improve services as we strive for, can only be delivered if we can afford it. As price rises, simply delivering the same services cost more. At the same time, I also know that Councillors want to see services delivered more efficiently, which would mean reduced costs. As Governor Capes said in a Press Release yesterday, and I realise that not everyone will have seen it yet, he said that we must learn to do more with less. I was also confident from my thoughts that Councillors and Officials are always concerned about how increases in Government charges affect the more vulnerable members of our society. I recall too, that it's the duty of Government, under good governance, to recognise that the most vulnerable of society are of particular importance as they require the opportunity to maintain or improve their wellbeing. I then remembered that yesterday's Press Release also announced that income related benefits and basic island pension payments will increase from 1<sup>st</sup> April by 4.7% with a further increase planned for around October. By that time, a full review of the income related benefits system should be completed. This is all mentioned in the Aide Memoire, which also sets out the need to continue to monitor how changes to the tax rates, fees, charges, affect our different sections of the St. Helena population so that appropriate measures can be taken, particularly for the vulnerable and the low income households. But is St. Helena the only place affected by high costs of fuel and food, to mention just two items? It has been said that looking at the economic indicators, the United States has, since 2008 financial crisis, gone back in time by some ten years. Apparently, since that time, Greece has faced the worst in economic terms. Italy is now facing an emergency. In Africa, the impact of high cost of fuel and food has been significant. In Britain at the moment, 2.7 million people are unemployed, there have been cuts everywhere and finding jobs there now is not easy. So many of us think that this

week's DAPM settlement is good in the circumstances, but has St. Helena slipped back in time with the level of grant-in-aid we get from Britain? See what you think. In 2009/10, our grant-in-aid was £19.6m, in 2010/11 we had a generous settlement, in 2011/12 it was £21.4m and now for the years ahead, in 2012/13 it is to be 24.4m. As well as over the past six years, we've had millions of pounds from the European Union. Add to all this, that on 3<sup>rd</sup> November, 2011, we had a decision by the UK Government to give St. Helena an airport. This is the biggest, single investment in a British Overseas Territory ever undertaken by a UK Government. £201.5m for the design and the construction of the airport and an additional up to £10m in a shared risk contingency and £35.1m for the next ten years of operation. It won't provide the answers, but it will present opportunities, so success or failure is down to us. So I ended up thinking is it that bad in St. Helena at the moment? Thank you, Madam Speaker, I support the adjournment.

The Speaker –

Honourable Raymond Williams?

The Hon. Raymond Williams –

Madam Speaker, I support the adjournment debate. Madam Speaker, Honourable Members, as we all know, the hot topic of the week has been the signing of the Aide Memoire. I am concerned that there is much speculation by certain members of the public as to what the outcome, in physical terms, will bring for St Helena in the forthcoming year. I have my concerns also in respect of “can we deliver the goods for the benefit of the island?” Yes, Madam Speaker, I'm very concerned. We are told that in UK alone the Budget is being cut by 33% with some 2.7 million people unemployed as a factor of the worldwide recession. Yet we are saying “well that is in the UK, we can't compare St Helena to the UK”, but in this case we must, as we see DfID as the investor to this island. The Aide Memoire in some areas is very encouraging and I take particular notice of DAPM who has noted the concerns raised by Councillors and the public about the implementation of the new Income Related Benefit system, and have highlighted the need for an independent review in May this year.

Another area that has come to mind is consideration for the potential for Service Level Agreements with Civil Society Organisations that can deliver essential services, cost effectively, to support disadvantaged groups; a welcome move where I personally have a passion to help those who cannot help themselves.

The allocation of additional resources to Health, including the provision of two additional doctors, is most welcoming and I'm sure we all will agree.

There is, however, some areas within the Aide Memoire which will not be welcome, particularly those areas where we are expected to pay more to try and take a different look at improving the gap to our Budget spend. I'm very conscious of this but need to remind myself that whatever we do in the best of faith, we can never and will never be able to satisfy all, even at our best attempt.

Madam Speaker, Honourable Members, before moving away from the Aide Memoire, let me openly thank the negotiation team of SHG, which included three Councillors, for their hard work and bargaining with the DAPM Team, which has resulted in a better deal than I had expected. It has been recommended that in future we should perhaps increase the political view by delegating the five Executive Council members to be the negotiating team. I hope this suggestion will be given some thought among elected members.

Finally, Madam Speaker, Honourable Members, I wish to wind down by expressing my thoughts waste disposal and the elimination of possible bird strike in respect of the Horse Point Dump. It's my view that we leave the Dump for hard core refuse and other metals at Horse Point. The eyesore of rusty metal and suchlike can be overcome by covering the scrap

metal or exporting the scrap metal to Cape Town using some of the empty containers that are returned for refill of goods. Secondly, we should draw up a policy for homeowners to separate all refuse before collection, allowing all household waste to be collected on a regular basis for composting in an isolated area, which can be re-used for agricultural purposes; and, finally, metal cans and bottles are separated, recycling the bottles locally and the tin and other small metal containers reduced in size by crushing, flattening and exported in returning containers as scrap for recycling. Where is the area for composting is food for thought, an excellent job for Councillors and officials to think about. Madam Speaker, Honourable Members, this is not a dream, it's a major concern in our community and a problem that needs addressing. Madam Speaker, I beg to move.

The Speaker –

Any other Honourable Member wishes to speak? Honourable John Cranfield?

The Hon. John Cranfield –

Thank you, Madam Speaker, I rise in support of the adjournment debate and I would ask that the Chief Secretary, as the Head of the Public Service, if he would give an undertaking that he will ensure that Directorates will deliver on the conditions of their services as laid down by the DAPM team. We, as Councillors, will do everything in our power to address all issues in Committee stages and to remind Directorates of their commitments. We need to demonstrate to DfID that we can deliver on our commitments, it is vitally important, Madam Speaker, to show that we can deliver or we face the consequences of further reductions in our budgetary aid. If there is early evidence of poor performance within Directorates, then I would suggest to the Chief Secretary that the time would be to crack the whip as such, Madam Speaker, and ensure that Directorates tow the line. Thank you very much, Madam Speaker.

The Speaker –

Thank you, Honourable Member. Any other Honourable Member wishes to speak? Honourable Cyril Gunnell?

The Hon. Cyril Gunnell –

Thank you, Madam Speaker. I would like to support the adjournment debate and comment briefly on some of the positive things that I see happening in St. Helena and all of this at a time when St. Helena is, and not unlike the rest of the world, caught up in the global recession. I would also like to share my thoughts on some areas where I believe we are not doing so well and where improvements ought to be made. I don't want to say too much, Madam Speaker, about the DAPM Team visit. You know, we have been talking about that for quite some time now, I was part of the Negotiating Team, but what I will say is that I believe that St. Helena got the best deal possible from DfID when one considers the kind of impact that global recession is having on the people living in the UK and we trust the ministerial approval will be given, but the real work, Madam Speaker, starts now in St. Helena to live up to our part of the bargain.

Basil Read is on the island to build the St. Helena Airport and there are other associated developments. Immediately some of our residents are deriving the benefits from the contractors' presence here, for example, job opportunities. I was out in Longwood one night in last week and I heard that one lady, you know, a cleaner, gets £600 a month, now that's the pay I would suppose for a Cleaner, but that's the kind of opportunities that are there now and, of course, the people who rent houses, you know, they are being able to get some money out of the deal also and there are other, sort of, good news stories as well. Madam Speaker, the

airport will not be complete until 2015, but one of the components of the Airport Project is to build much larger bulk fuel storage capacity than that which we already have in Ruperts. This means cheaper fuel, Madam Speaker, that's a good news story, surely, as fewer tankers will be required each year to replenish fuel stocks. As the contractor has decided to bring forward the building of the fuel farm by some eight months, the benefits to the island from this will be derived much sooner than anticipated.

Madam Speaker, a while ago, a few months ago, before the RMS St. Helena went into drydock, I reported to this House that the Hospital on the ship needed to be refurbished. We need to make certain that when our people are referred to wherever, well, to Cape Town mostly, on medical referrals, we know that they do have good medical facilities onboard. When I came back recently on the RMS, I had a chat with the Doctor and he showed me around his little Hospital and, Madam Speaker, it is completely refurbished, you know, better equipment, brand new equipment, all kinds of things, a bed that used to be fixed to the wall and people couldn't get behind it to administer oxygen and that kind of thing, all that now is gone away, there are some very good improvements there, so I think that is a plus for us, Madam Speaker, and like I said, one of the good news stories and some of the positive things that's happening.

I'm very pleased to hear, Madam Speaker, that we will be, after one year, and let's not forget, Madam Speaker, this has always been the intention that after one year, because we're not complacent, the Benefits System would be reviewed. This is going to happen, this has been confirmed, by an external person taking the review and it will be happening around about May this year. Whilst on benefits, Madam Speaker, they are going to be increased by 4.7% on 1<sup>st</sup> April and then there's a further chance of another increase later on in the year, October, but, Madam Speaker, as I've always said, the benefit levels are too low, so the increase that will be given is not sufficient, in my opinion, when one considers the things that people need to buy to be able to get by on their very low benefit, so who knows what will happen in October when the further increases are made. I think I am on record for saying that in the UK people on benefits get by, certainly with food, basic foodstuffs, because food in the UK can be cheaper, you have different opportunities there, you can go to different shops and get cheaper food and so on, in St. Helena you can't do that, everyone goes to the same shop, so we need to give due consideration to the plight of these people.

Madam Speaker, some time ago, during the first years of my Council career, shall we say, I tried to put in place a poverty line for St. Helena, to establish a poverty line in St. Helena so that you would know if someone was below it or above it. You know, the Motion didn't pass at that time, but there needs to be, Madam Speaker, a poverty line in St. Helena established so that information is available. You know, when you're trying to decide does someone have enough to live on or so on, if you've got a poverty line in place then you can determine that right away if you know what the person's income is, so I think I will have to push that we do, in the short term, establish a poverty line in St. Helena, Madam Speaker.

There has had to be some re-prioritisation, DfID demanded that from us and there was no choice, people just had to do it. When it came to the Hospital, or the Health and Social Welfare Directorate, re-prioritisation did mean that we lost 5% on the recurrent budget. 5% on the kind of money it takes to run that Directorate is massive, it's massive 5%, huge monies, but we had to do it otherwise there wouldn't have been any signing of the Aide Memoire anyway. However, there is good news, Madam Speaker, we know that we are now going to get two additional doctors, something we have been struggling with for a while now and there are other improvements too and also the Sheltered Accommodation places will be, well, we're going to try to make them bigger so that we can take all the stress off the CCC, so that also is a good news story. And there are other things, Madam Speaker, that we need to

be mindful of too, when we're, sort of, talking about things in a negative way, you know, there are some positive news stories out there as well.

Madam Speaker, talking about costs, I mentioned earlier on that medical referrals to Cape Town cost in the region of £770,000, you know, up to now, this financial year. Huge monies, of course, and we've got to find a way to be able to pay for that and so this is why Directorates are being squeezed all the time, to be able to get money together for necessary things like medical referrals. You know, some of our cuts, Madam Speaker, and I thought I heard someone say that we don't give any support to the fishing industry. You know, Madam Speaker, it's not quite true if people were to know how finances actually is given out. For example, at Health and Social Welfare Directorate, well, to run the Lab cost about £80,000 in a year, Madam Speaker, £30,000 to £40,000 of that actually pays for materials to test fish to be sent away. Now, if that is not a support to the fishing industry, you know, then I will have to give up, but those are the kind of costs that Health and Social Welfare has to actually deal with. People may as well know that we have been asked by DAPM to try to find ways of increasing the revenue. Now, we will have to do it, but it's going to hurt. Madam Speaker, perhaps I'll leave it there for the time being. Thank you very much for the adjournment debate. Thank you.

The Speaker –

Thank you, Honourable Member. The Honourable Derek Thomas?

The Hon. Derek Thomas –

Thank you, Madam Speaker, I rise in support of the adjournment debate. Madam Speaker, we have just completed very intensive negotiations with DfID for our grant-in-aid settlement for the coming year. We have seen no reduction in funding, which I would describe as being a satisfactory settlement compared to world, global economic crisis. Great focus has been placed upon our Sustainable Development Plan in supporting our three priority areas – economic development, education and the development of our most needed infrastructure. This agreement was carried out in a partnership approach with St. Helena Government performing and DfID supporting development. The Airport Project is the largest investment the British Government has put into an Overseas Territory in allowing the economy to develop to the benefit of Saints and be less reliant on British aid in years to come, a condition, which was fully endorsed by all elected members. The process in growing the economy will not be an easy task and many tough decisions will have to be made on the way in order to see the benefits. This was clearly demonstrated in our negotiations for funding with DfID who will support funding in essential areas of development, such as additional funding for the RMS in providing twenty-four extra berths, funding support to take our education system forward in providing better education for our children and improved training for our teachers and the development of our infrastructure. But in turn, Madam Speaker, we must show willingness to increase revenue in areas which are at present being heavily subsidised, such as electricity, water, freight and passenger tariffs. Getting down to the specifics, increase in freight tariffs by 12% is a catch up of 3% each year by not increasing freight since 2008. What this means in real terms in purchasing power, this 12% will be no more than 1 to 2% increases in prices on imported items. These increases are very much dear to my heart. As an elected member, I have a responsibility to develop the economy for the benefit of Saints, but at the same time, I have a responsibility to ensure that the vulnerable and low wage earners are not left behind and can afford to live. This will be reflected in our forthcoming budget session in March which will specifically allocate additional funds for welfare and basic island pension recipients to ensure that they are protected against the general increase in the cost of living. With further increases anticipated

in October to reflect the increases in the freight tariffs. We are also looking at the introduction of a minimum wage to ensure that the private sector are protected from the effects of inflation in their purchasing power. Officials and Councillors are aiming to introduce these measures from 1<sup>st</sup> October of this year. I am also mindful that the rest of the working population within the Government Service will need to be considered during their annual pay round to take account of inflation increases.

Madam Speaker, I end on a note that is of public concern and that is about the medical referrals and access to funding. This is in no way designed to criticise current arrangements, I am sure that the medical authorities do the best they can with limited funding, but what I will be pushing for a review as to see how the funding process can be improved. I am not proposing for any response here to this issue, but proposing that the current system be reviewed to see whether an improved solution to the funding issue can be developed through the relevant Committee. Madam Speaker, I beg to move. Thank you.

The Speaker –

Thank you, Honourable Member. Any other Honourable Member wish to speak to the debate. If not I will invite the Honourable Mover to wind up the debate and respond and will actually suspend the sitting. Is there any other Honourable Member who wishes to speak to the debate? Honourable Bernice Olsson?

The Hon. Bernice Olsson –

Thank you, Madam Speaker. Madam Speaker, I don't always take the opportunity to speak in the adjournment debate of Legislative Council meetings, but this time I feel that I have to say something, but first of all, I would like to thank the St. Helena Government and the recently departed DfID Team for their hard work over the last few weeks to get the Aide Agreement together for the coming three years. The Agreement, if passed by Ministers, has certain positive features. Unfortunately, there are also a few negatives. I have mentioned them in the meetings with DfID and I would like to air them here in the House. I have the view, which is shared by many, that the extreme high inflation policies argued by DfID can lead to huge problems on the island. We can live with the imported inflation of about 4% in UK and maybe 6% in South Africa, but if we on top of this create maybe as much as 10 or 15% to cover Government's expenses on the island, will create an unsustainable situation for many of the people on this island. Madam Speaker, I opposed the huge increase of 12% in freight tariffs and 14% for fares for Saints on the RMS as this will further increase the hardship for many people on the island. This, together with agreed increase of locally raised revenue by almost 50% over the next three years, is far too much when we still do not have a revenue source of our own. Electricity and water, duty fees, will all increase to add to Government's revenue. We have too many people on low incomes, IRB, Basic Island Pension, to drive this policy. If we want to avoid a social disaster on this island, huge amounts of money will need to be allocated to cover more disadvantaged people from the soaring inflation. This will need more resources from Government funds and revenues will need to increase even further. We still only have DfID as a major source of revenue, either in form of aid or Government contracts. Everything from the Airport Project to our Social Welfare is funded by the British taxpayer. This, Madam Speaker, is not sustainable. Most people on the island are saying that we put the cart before the horse, as usual. The money and the portrayed wealth is not there yet. There is nothing to share except for DfID's funds. To increase the risks and income gaps on this island at this stage will get serious social consequences. The high inflation policy is doing exactly this. I am aware, Madam Speaker, it has been agreed that an adviser should come to the island to revise the IRB tariffs, but will the money actually be there to solve the problem, I much doubt it and would like to challenge

the Honourable Financial Secretary and ask what amounts are available for the purpose over the next three years.

I do not want this friendly little island to suffer from social risk and discontent as this is the basics for our existence. Madam Speaker, St. Helena is nothing without its people and its society and I am deeply worried that some of the current policies can lead to problems which can be very difficult to solve. Madam Speaker, that is what I wanted to say about the Aide Memoire. There is another big concern thing going on on the island at the moment and hopefully the Chief Sec when he's doing his winding up could give us some answers. We have a lot of tourists at the moment on this island and apparently they cannot go into the Post Office and buy a First Day Cover of St. Helena stamps because it has now been reallocated to somewhere in UK. We have a gentleman on the island who every month pay a prescription so that every time First Day Covers, stamps come out, it is sent to him and he is very, very disappointed that he's come all this way and been told we have to refund your money, because you'll have to buy your First Day Covers of St. Helena stamps in Poole in UK, and I would like that confirmed, Madam Speaker. Thank you.

The Speaker –

Thank you, Honourable Member. The Honourable Tara Thomas?

The Hon. Tara Thomas –

Thank you, Madam Speaker, I rise in support of the adjournment debate and I'd like to thank the Honourable Bernice Olsson for raising those concerns about the people on our island on low income households, I think that sentiment has been shared by a lot of Members and equally by myself. The path to economic growth I don't think is going to be an easy one and it is up to us as Councillors to ensure that there is sufficient money in the budget to cover those who are adversely affected by any changes that may happen. On that note, the changes that we have made and proposed over the next three years in our Sustainable Development Plan is to encourage people to take more of an active role in our economy. There will be those who won't be able to participate and it is up to us as a Government to ensure that they still have opportunities and are not left behind. Yesterday, the Head of DfID was heard saying that at the heart of the Airport Project is making St. Helena a better place to live, work and raise a family and I think all of us in this room stand by that.

Madam Speaker, I am greatly encouraged by the words been said in the House today about the result of the Aid negotiation and I am certain that by working together with the Public Service we will be able to improve performance that will only lead to an enhanced package coming forward from the Development Aid Planning Mission next year. It is in St. Helena's best interest to see ourselves graduate from grant-in-aid. I was saying yesterday in a Press Conference that it is not in our best interest to continue these negotiation sessions whereby we have to justify every single penny that we choose to spend in St. Helena, so it is in everybody's best interest to see a reduction in grant-in-aid and an increase in domestic revenue from increased economic activity.

Madam Speaker, at that point, I would like to turn to our Education system as it's the Education Sector that's received an enhanced package from the Aid negotiations. Education always feature high on any Government's agenda, but what we do as a Government does not always reflect what we say as a Government. Education is a top priority. Our young people are our future. We need to help our youth so that they can compete in an open economy. That is what we all say, but my fear is that over the last few years that hasn't been reflected in what we do. The staff in the Education system has taken a few knocks over the past few weeks with low attainment levels of our students being the focus of discussions. Madam Speaker, as a member of the Education Committee, I am pleased to say that we have reached

a turning point. As a result of the importance placed on Education by our community and by our Government in the Sustainable Development Plan, Education has seen an increase in their recurrent budget and in their Sector Support Programme following the DAPM negotiations. This year, we have a number of key arrivals. Arriving in April will be a new addition to our Primary Sector whose focus is specifically on raising attainment levels. Later we will see a new Director of Education who is keen to continue and build upon the great work that John Sullivan has delivered in just a few months. We have also been awarded an additional £250,000 to partner with Edgehill University in Shropshire to ensure that our teachers are able to continue their professional development in accredited courses, some of which will be achieving UK qualified status as teachers. All very significant investments, Madam Speaker, but our concerns should not stop at inputs into the Education Sector, our primary concern should be the outputs. We, as a Council, can and must move to enhancing our strategic monitoring role which doesn't just mean asking questions about technical trades or student allowances, but asking questions about our students' attainment levels and what they are achieving. As the Honourable Brian Isaac rightly said, the most successful countries are those where teaching has the highest status as a profession and in order for St. Helena to be in those most successful countries we need to invest in a separate scheme of service that rewards or teachers, some of whom that have been in the profession for over forty years. Madam Speaker, I understand that there are plans to undertake cadre reviews for Education, Police and Nursing and I would see this as being critical to ensuring that the attainment levels within our education system are improved. Madam Speaker, I beg to move.

The Speaker –

Thank you.

The Hon. Mervyn Yon –

Thank you, Madam Speaker. Madam Speaker, I did not intend to have any input into this adjournment debate this morning, but I think it would be amiss of me if I didn't put some effort into it. Madam Speaker, to begin with, I support the adjournment debate, there are a number of issues that are the concerns of our island people. Unfortunately, these issues cannot be helped. I agree that increases in utilities, the increase in the RMS tariffs and also other increases that has to go along with, all of this, without doubt, must take place, although it would have some impact on our people. There will be some comfort to our IRB and BIP recipients who will be receiving an increase from 1<sup>st</sup> April this year and I believe that there will also be another increase in October of this year. The approval of the signing of an Airport Contract was most welcomed and I'm pleased to see that the contract in the Ruperts Valley area has commenced, together with other areas connected to the contract. It is encouraging to note that our Medical Services will be improved by having two additional doctors added to the list. The Aide Memoire was most welcome, although it could have been much worse, it was a satisfactory solution. I will say that the island's negotiation team should be congratulated for their hard work. I wonder if in the next DAPM visit consideration would be given to having all of the elected members involved with the negotiations like did happen in the past. Perhaps Honourable Members would like to think about it. Madam Speaker, I don't wish to reiterate what other Members have said, therefore I will conclude by saying that the hard work for St. Helena, the island and its people, has just begun, and, therefore, Honourable Members, we must now put our back to the wheel and do what we have to do to take this island forward. Thank you, Madam Speaker.

The Speaker –

Thank you, Honourable Member. Any other Honourable Member wishes to speak to the adjournment debate? In which case, I will not ask the Honourable Mover to wind up at this point, I suggest that we will suspend the sitting until ten past two; it's currently nearly twenty past one. Thank you, Honourable Members.

**Council suspended.**

**Council resumed.**

The Speaker –  
Next item of business.

### **Adjournment Debate (Resumed)**

The Speaker –  
The Honourable Chief Secretary.

The Hon. Owen O'Sullivan –

Thank you, Madam Speaker. There have been a number of comments about DAPM and the Aide Memoire. This is hardly surprising since it is at the forefront of our minds having been signed yesterday and the DfID Team leaving us. I would like to say and agree with the number of Councillors comments that the DAPM settlement, in the context of the world economy, was extremely generous. Councillors have quoted previous statistics, I would like to add some more. In Ireland, for example, house prices have crashed 50%, in Greece, 50% of Doctors have emigrated because there's no jobs there for them. Italy has lost 0.7% GDP in the last quarter. The list goes on. The UK has now, with agreement from Ministers, just committed to a total of a third of a billion pounds for a population of 4,000. That is £10,000 for every man, woman and child on the island. Councillor Olsson talked about the commitment of St. Helena to Britain. I think that those figures illustrate the real commitment that Britain has shown for St. Helena.

I now want to move on to my thanks for the particular people who were part of the DAPM process. Obviously I give my thanks to the SHG negotiating team, in particular, the Councillors Tara Thomas, Derek Thomas and Cyril Gunnell. I would like to give particular thanks though to three officials who worked consistently into the night and over the weekend to make it a success – Michelle Yon, Owen James and Janet Lawrence. Without their technical input, it wouldn't have been half as successful.

Let me now briefly address particular points that Councillors have raised.

The raising of tariffs. Government is increasing freight tariffs by 12%. This will result in a rise in prices of 1 to 2% overall; electricity tariffs are rising and we are all concerned at the impacts of this, particularly on the vulnerable and the low paid and the Government is committed to prioritising those in need. A number of Councillors have talked about the Social Welfare review of IRB and BIP that is going to be happening soon, and, as has been mentioned, from 1<sup>st</sup> April, BIP and IRB will rise by 4.7% with further increases expected in October.

There's also been talk about revenues. Revenues in SHG will rise with economic growth, not through hire taxis or Customs duties. As I mentioned before, a third of a billion pounds is being spent on St. Helena over the next few years. There will inevitably be a trickle down effect and the economic growth on the island and future GDP projections would be the envy of any country in the western world.

I'd like now to address Councillor Olsson's comments on stamps. Sales did used to be a valuable income stream for small islands. However, recent years have seen sales reduce dramatically and SHG is responding to pressures to keep this line of business profitable.

I'll briefly address Councillor Tara Thomas's comments on cadre reviews. She mentions about cadre reviews for Teachers, Police and Nurses. I can commit that we have plans to undertake these.

My final topic is about prioritisation. As Councillors have said in the adjournment debate, the DfID Team made it a condition of the talks that SHG prioritises budget to the strategic priorities. This is only right and proper, to put funds into what we view as important. However, there are winners and losers. The important thing over the next year is to deliver on the winners; economic development, education and infrastructure and minimise the impact through efficiencies and working **slarter** on those that have reduced funding. There have been a number of comments from Councillors in terms of making sure Directorates and Directors deliver. Part of that is making clear our expectations and holding them to account to deliver through targets and support in taking these actions through. I hear Councillors want reassurance that SHG will not get cuts in funding next year because of non performance and I will be putting processes in place to monitor and report on progress, particularly in Aide Memoire identified areas of infrastructure and Technical Cooperation. I will also be seeking Councillors' support though in making these tough decisions and sticking to them. We cannot support everything. We need to focus our efforts to growing the economy and providing the tools for self determination of St. Helena's future. The DAPM settlement provides us with the resources to do this. Now the hard work starts and I look forward over the next year to making this happen with you. I beg to move.

**Question that the House do stand adjourned until 22<sup>nd</sup> March, 2012, put and agreed to.**

The Speaker –

Thank you, Honourable Members.

**Council adjourned.**

