

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

---

**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 Acting Attorney General	-	The Hon. Frank Wastell

**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)
-------------------------------------	---	---------------------

**CLERK OF COUNCILS**

Miss Gina Benjamin

## **PROCEEDINGS OF THE LEGISLATIVE COUNCIL**

Thursday, 22<sup>nd</sup> March, 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** Fr. Dale Bowers

#### **3. ADDRESS BY THE PRESIDENT**

Honourable Members, senior St. Helena Government Officials, members of the public, good morning and welcome to this the first sitting of the twelfth meeting of this Council. Absent from today's meeting is the Honourable Rodney Buckley who is currently on leave to support his wife who is receiving treatment overseas. We wish her well and look forward to having Councillor Buckley back with us in due course.

Last week, celebrations were held throughout the Commonwealth on Commonwealth Day, and, coincidentally, Honourable Members were invited to comment upon a draft Charter of the Commonwealth. Commonwealth Leaders decided to create a Charter in 2011 at the Commonwealth Heads of Governments meeting in Australia. I should like to commend everyone with an interest in the Commonwealth to read the draft Charter which is on the web. In the light of topics for debate on today's Order Paper, I find it interesting to read under paragraph 12 the section headed Values of the Commonwealth, and I quote, "We believe in the important role functions that civil society and the media of communications play in our communities and nations" and paragraph 13, and again I quote, "We believe in the strengthening of civil society and the organisations that individually and collectively can give expression to these Commonwealth values and aspirations and help harness our share to historical, professional, cultural and linguistic heritage in an abundant spirit of cooperation and mutual support." And another issue, which we cannot get away from, is our smallness in what is a very large world. This is recognised in the draft Charter under paragraph 24, and again I quote, "We recognise the particular vulnerabilities of small islands and developing states. We aspire to a Commonwealth that will pursue innovative and practical support for

small states and recognises its role as a special and effective voice at international forums for the small and vulnerable states of the world”. Honourable Members, St. Helena may be small on the Commonwealth and world stages, but we can and do have a part to play within both. We have quite a lengthy Order Paper before us and I expect the sitting to extend over at least three days and possibly into a fourth. The Budget stage will be, as usual, opened on Friday and the Honourable Financial Secretary will then move to adjourn the debate until Monday in order to allow Honourable Members time to reflect on the content of this year’s budget and prepare their responses. I look forward to focused debate and would remind Honourable Members of the need not to deviate from the substance of their original questions when asking supplementary questions. Standing Order 8, Rule 2 (c) clearly states “not more than one subject shall be referred to in any one question”. Honourable Members, if you would please indicate when you wish to speak by using your name boards if you can’t catch my eye. Finally, I should like to say thank you to the Court for allowing us to sit today, which is normally a Court day. Your assistance is much appreciated. Thank you. Clerk, the next item of business, please.

#### **4. PAPERS**

The Hon. Financial Secretary –

Madam Speaker, I beg to present Sessional Paper No. 8/2012, A Bill for an Ordinance, the Special Funds Ordinance, 2012.

**Ordered to lie on the table.**

The Hon. Stedson Francis –

Madam Speaker, I beg to present Sessional Paper No. 16/2012, the Report to Legislative Council on the formal session of the Public Accounts Committee held on 13<sup>th</sup> January 2012.

**Ordered to lie on the table.**

The Hon. Stedson Francis –

Madam Speaker, I beg to present Sessional Paper No. 17/2012, the Report to Legislative Council on the formal session of the Public Accounts Committee held on 18<sup>th</sup> November 2011.

**Ordered to lie on the table.**

The Hon. Financial Secretary –

Madam Speaker, I beg to present Sessional Paper No. 18/2012 for the St. Helena News Media Services the financial accounts for the year ended 31<sup>st</sup> March 2011 and I would just note for the benefit of our listeners that although this set of accounts has been audited it was not subject to an audit opinion but the Auditor examining the statement says that there were no irregularities found in the accounts.

**Ordered to lie on the table.**

The Hon. Financial Secretary –

Madam Speaker, I beg to present Sessional Paper No. 19/2012, the St. Helena Bulk Fuel Installation financial statements for the year ended 31<sup>st</sup> March 2011. Madam Speaker, I

should like to draw to the attention of members of this House that these accounts do carry a qualified Audit opinion and that the qualification is to do with the fact that the assets of the Bulk Fuel Installation have not been revalued since 2004 whereas financial reporting standards would suggest that they should have been revalued after five years. However, it was my judgement that given the short lifespan remaining for the Bulk Fuel Installation that it would not have been good value for money to undertake an expensive revaluation for a facility that has only got, at the most, three or four years of remaining life.

**Ordered to lie on the table.**

The Hon. Financial Secretary –

Madam Speaker, I beg to present Sessional Paper No. 21/2012, a Bill for an Ordinance, the Pensions Bill 2012.

**Ordered to lie on the table.**

The Hon. Financial Secretary –

Madam Speaker, I beg to present Sessional Paper No. 22/2012, a Bill for an Ordinance, the Economic Development Repeal Bill, 2012.

**Ordered to lie on the table.**

The Hon. Financial Secretary –

Madam Speaker, I beg to present Sessional Paper No. 23/2012, a Bill for an Ordinance, the Appropriation Bill, 2012.

**Ordered to lie on the table.**

The Hon. Financial Secretary –

Madam Speaker, before presenting this document, I would like to draw to Members' attention that I have a Certificate of Urgency signed by the Governor in accordance with Standing Orders. The Income Tax Bill has been subject to a number of minor, technical changes since it was submitted to the Clerk of Councils along with the notice of Motion. These changes have not changed any of the principles included in the Income Tax Bill with which Members will have been familiar from the previous version they have, however, it does affect things such as the numbering of paragraphs in the Bill and so, therefore, because this is a Bill that should be considered before the start of the next financial year it is accompanied with a Certificate of Urgency.

Madam Speaker, therefore, I beg to present Sessional Paper No. 24/2012, a Bill for an Ordinance, the Income Tax Ordinance, 2012.

**Ordered to lie on the table.**

The Hon. Financial Secretary –

Madam Speaker, I beg to present Sessional Paper No. 25/2012, the Estimates for Recurrent Expenditure and Revenue Expenditure and Project Fund Estimates 2012 to 2013.

**Ordered to lie on the table.**

The Hon. Acting Attorney General –

Madam Speaker, I beg to present Sessional Paper No. 26/2012, a Bill for an Ordinance, the St. Helena News Media (Amendment) Ordinance, 2012. This Bill is accompanied by a Certificate of Urgency due to a slight delay in presenting the documents to the Clerk of Councils and therefore the Certificate of Urgency rectifies the position under Standing Order 12, Rule 1.

**Ordered to lie on the table.**

The Hon. Financial Secretary –

Madam Speaker, I beg to present Sessional Paper No. 27/2012, the St. Helena Development Agency Accounts for the year ended 31<sup>st</sup> March 2011.

**Ordered to lie on the table.**

The Speaker –

Next item of business, please?

5.

## QUESTIONS

*Question 1. The Honourable Mervyn Yon to ask the Honourable Financial Secretary.*

The Hon. Mervyn Yon –

Thank you, Madam Speaker. Madam Speaker, will the Honourable Financial Secretary inform this House of how payments are calculated when SHG personnel are made redundant?

The Speaker –

Thank you, Honourable Member. The Honourable Paul Blessington?

The Hon. Paul Blessington –

Madam Speaker, I thank the Honourable Member for his question. The method of calculating redundancy payments is about to change with the passage of the Pensions Bill which is being considered by this House at this sitting and therefore what I am going to outline is the new method of calculating redundancy payments that will come into effect from 1<sup>st</sup> April 2012. Under the new Pensions Ordinance, an Officer, whether pensionable or non pensionable, may be granted a lump sum redundancy payment calculated on each completed year of service as follows: for each of the first five years, half a week's pay; for each of the next five years, one week's pay; and for each additional year of service thereafter, two week's pay. In addition, non pensionable officers will be paid either a gratuity when they leave or a retiring allowance at retiring age calculated on the number of years service they have accumulated based on their final salary. Pensionable officers will also be eligible to a pension at retiring age calculated on the number of years service they have accumulated based on their final salary. However, if the officer, pensionable or non pensionable is fifty-five years of age or over when they are made redundant, they can take their pension or retiring allowance immediately, but would have a deduction of 2% for each year early that they take it before retiring age. Thank you, Madam Speaker.

The Speaker –

Thank you, Honourable Member. The Honourable Tony Green?

The Hon. Anthony Green –

Madam Speaker, just on a point of order, I would like your clarification of Standing Order Number 15 about anticipation. The Financial Secretary is dealing with a matter, giving an answer in respect of what might happen later on. May I have your moving, please?

The Speaker –

Order 15, Anticipation actually deals with Motions rather than Questions and under Questions there's no reference to what might be introduced in a month's time or in a week's time. Certainly would prefer it if it was a Motion that was being brought forward. I could ask the Honourable Mervyn Yon whether he actually wished to have the reply as to what exists now, Honourable Mervyn Yon?

The Hon. Mervyn Yon –

Yes, thank you, Madam Speaker, I would accept that.

The Speaker –

You'd rather know what's in place now?

The Hon. Mervyn Yon –

Yes.

The Speaker –

Okay. Is the Honourable Financial Secretary able to provide that information?

The Hon. Paul Blessington –

Madam Speaker, yes, I can supply that information. It is rather technical, so I hope that people will be able to follow me, but I am happy to provide the information on what the state of play is at the moment.

The Speaker –

Thank you.

The Hon. Paul Blessington –

Prior to the new Pensions Ordinance payments for persons payments coming into place, payments for personnel made redundant were calculated in line with the interim redundancy policy in five different categories. First is for pensionable staff aged 55 years or over with twenty-five years of service. Normal calculation of the number of months, times the rate of annual salary, divided by 600, plus enhancement of one eight hundredth for each and every completed year of service up to a maximum of thirty years. Staff made redundant under this category will receive their pension benefits from the date they are made redundant. Permanent non pensionable staff aged 55 years and over with twenty-five years or more of service, the normal calculation of the number of months, times the rate of annual salary, divided by 800, plus an enhancement of one hundred percent for retiring allowance or a gratuity calculated on final salary per week as follows: For the first five years, one week's pay; the next five years, two week's pay; for additional years, four week's pay plus an enhancement of fifty percent gratuity. Staff made redundant under this category will receive their pension benefits from the date they are made redundant.

Category Three. Pensionable staff appointed before 1<sup>st</sup> April 2010 aged under 55 with less than twenty-five years service, the normal calculation of the number of months, times the rate

of annual salary, divided by 600 plus an enhancement of one eight hundredth for every completed year of service up to a maximum of thirty years. This will be paid to the officer when they've reached retirement age. In addition, a lump sum payment will be payable at the date of redundancy calculated on the formula above.

Type Four. Permanent non pensionable staff appointed before 1<sup>st</sup> April 2010 aged 55 or with less than twenty-five years pensionable service, sorry, aged under 55, or with less than twenty-five years pensionable service, normal calculation, number of months, times the rate of annual salary, divided by 800, plus an enhancement of 100% for retiring allowance or a gratuity calculated on a final salary per week as follows: for the first five years, one week's pay, for the next five years, two week's pay and for the additional years, four week's pay per year, plus an enhancement of the 50% gratuity. If a gratuity is chosen, the officer can receive it immediately, however, if a retiring allowance is chosen it will only be payable from normal retirement age. However, a lump sum payment will be made as follows, based on the number of years service: For the first five years, at half a week's pay; for the next five years, at one week's pay and for additional years at four week's pay.

Finally, Category Five. Permanent staff appointed on or after 1<sup>st</sup> April 2010, a lump sum redundancy payment to staff who have completed two years. Contributions that were made by SHG to the officer's defined contribution pension pot will remain invested to provide a pension at retirement. And that, I hope, was perfectly clear to everybody. Thank you, Madam Speaker.

The Speaker –

Honourable Mervyn Yon?

The Hon. Mervyn Yon –

I thank the Honourable Financial Secretary for that report, Madam Speaker. Like he said, it is complicated and I don't think any Honourable Member could really digest what was said here at that time, but could I ask if it is possible to have that information sent to all elected members through a written paper, please?

The Hon. Paul Blessington –

Madam Speaker, I would be most happy to circulate that information in writing as I think it would be much easier to digest than orally.

The Speaker –

Thank you very much, Honourable Financial Secretary.

The Hon. Mervyn Yon –

Thank you, Financial Secretary.

The Speaker –

Next question, please.

***Question 2. The Honourable Stedson Francis to ask the Honourable Chairman of the Health and Social Welfare Committee.***

The Hon. Stedson Francis –

Will the Honourable Chairman of the Health and Social Welfare Committee tell this House what is the delay in building Government Landlord housing, assuming that funds are available?

The Speaker –

Thank you, Honourable Member. The Honourable Cyril Gunnell?

The Hon. Cyril Gunnell –

Thank you, Madam Speaker, I thank the Honourable Member for his important question. The Health and Social Welfare Directorate is no longer directly responsible for building Government Landlord houses, this responsibility now rests with the Crown Estates. The Government Landlord function operates from the Directorate but is only responsible for assessments of need and allocation of Government Landlord houses. With regard to delays in building Government Landlord houses, I have taken advice from Crown Estates staff and am advised by them that there is no delay as works are currently progressing additional stock to the Government Landlord Estate. Thank you, Madam Speaker.

The Speaker –

Thank you, Honourable Member. The Honourable Stedson Francis?

The Hon. Stedson Francis –

Will the Honourable Chairman say if the sum of £350,000 is still available for house building?

The Speaker –

Honourable Cyril Gunnell?

The Hon. Cyril Gunnell –

Madam Speaker, an answer I gave to a question some months ago was that £350,000 was available at that time. Since then, and only a few days ago, I asked the question and have been advised that this money is still available.

The Speaker –

Thank you. Next item of business, please?

***Question 3. The Honourable Cyril Gunnell to ask the Honourable Financial Secretary.***

The Hon. Cyril Gunnell –

Madam Speaker, when will St. Helena Government establish a poverty line for St. Helena?

The Speaker –

Sorry, Honourable Member, could I have a copy of today's Order Paper, because the wording on my paper doesn't read that?

The Hon. Bernice Olsson –

Mine doesn't read that either.

The Speaker –

Mine starts, will the Honourable Financial Secretary tell this Council.



The Hon. Cyril Gunnell –

Thank you, Madam Speaker, I wasn't reading from the paper as such.

The Speaker –

No, if you wouldn't mind reading it again, please.

The Hon. Cyril Gunnell –

May I just start again?

The Speaker –

Thank you.

The Hon. Cyril Gunnell –

Madam Speaker, will the Honourable the Financial Secretary tell this Council when will St. Helena Government establish a poverty line for St. Helena?

The Speaker –

Thank you, Honourable Member. The Honourable Paul Blessington?

The Hon. Paul Blessington –

Thank you, Madam Speaker. I thank the Honourable Councillor, Cyril Gunnell, for his question, but the answer to this is not as straightforward as I had hoped it would be, having done a little bit of the research into it. The establishment of a poverty line, and I should differentiate there are two types of definition of poverty line, there's absolute poverty and there's relative poverty. Absolute poverty is considered to be that level of income which is only just able to sustain life, and I'm glad to say that on St. Helena we don't have a problem of absolute poverty. However, relative poverty, and the establishment of a relative poverty line, is to do with how members of the society fare in comparison with the norm and the widely accepted definition of relative poverty and the setting of a poverty line is generally set at 60% of the medium income in that society. The problem that we have here in St. Helena is the difficulty in trying to establish what the medium income of an individual or a household actually is. There have been previous attempts by survey to establish what medium income is and we have found that it has generally been significantly understated. For example, in comparing household surveys of income with household surveys of expenditure the levels of expenditure recorded by households are significantly higher than their incomes. How is that, one might ask? And the only explanation that I can give is that in responding to such surveys, people do not disclose all of their sources of income, whether that be earned income, income from remittances overseas or income through the black economy. So trying to establish a poverty line based on income is going to be problematical. I can tell this House that over the course of the next year we are going to be receiving in SHG the services of a Statistician who may be able to devise better ways of calculating household income, but until we can get that data I fear that the only way of establishing some form of a poverty line or at least a level at which we might want to try and set benefits will be by relying on surveys of household expenditure and I think that then comes back to the Directorate of Health and Social Welfare and to members to consider what expenditures in a household are essential and what might be considered as additional or luxuries and use that information in order to set benefit levels. So we have household expenditure data, but .....percent of poverty line, as I've said, following the research that I've undertaken, is more difficult than it would appear at first sight. Thank you, Madam Speaker.

The Speaker –  
Honourable Cyril Gunnell?

The Hon. Cyril Gunnell –  
Thank you, Madam Speaker. I accept the difficulties that there are in establishing a defined poverty line, but would the Honourable the Financial Secretary not concede that it would be important for St. Helena to have a defined poverty line?

The Speaker –  
Honourable Paul Blessington?

The Hon. Paul Blessington –  
Madam Speaker, I certainly don't dispute the importance of having such a defined poverty line if we are able to gather the data in order to be able to establish it. The danger, of course, is if we gather the data and it is not correct because people under reported, we could establish a poverty line that is too low and therefore would build in poverty rather than alleviate it.

The Speaker –  
Honourable Cyril Gunnell?

The Hon. Cyril Gunnell –  
Thank you, Madam Speaker, I accept all of that also. Can the Honourable the Financial Secretary say if he is aware that in other countries there are defined poverty lines?

The Speaker –  
Honourable Paul Blessington?

The Hon. Paul Blessington –  
Madam Speaker, yes, I am aware that in other countries there are defined poverty lines and as I've said, generally, relative poverty is widely accepted to be 60% of the medium income and as I have said, the problem that we have here is in correctly establishing what medium income is because in the past attempts to do it have shown it to be significantly under reported.

The Hon. Cyril Gunnell –  
Thank you, Madam Speaker.

The Speaker –  
Next question, please?

***Question 4. The Honourable Derek Thomas to ask the Honourable Chief Secretary.***

The Hon. Derek Thomas –  
Thank you, Madam Speaker. Will the Honourable Chief Secretary undertake a review of the Code of Management?

The Speaker –  
The Honourable Owen O'Sullivan?

The Hon. Owen O'Sullivan –

The Code of Management is a living document and it's actually constantly under review. Since its inception in October 2007, it has had various chapters reviewed and revised. The one currently being revised is Chapter 19 which is on termination procedures, which will take account of any changes resulting of the new Pensions Ordinance. Shortly the document will be given a complete overhaul to make it more user friendly and it will be split into two documents, a Manager's Guide and a Set of Policies. As background, the provisions for staff in the Code of Management, far exceed what the new Employment Rights Law will provide. Thank you.

The Speaker –

Honourable Derek Thomas?

The Hon. Derek Thomas –

Thank you, Madam Speaker, I thank the Honourable Chief Secretary for his answer. Is the Honourable Chief Secretary aware that in addition to the section that is currently being reviewed there are still certain incompliances with the Code of Management?

The Speaker –

Could you just perhaps rephrase your question, Honourable Member?

The Hon. Derek Thomas –

Yes, I will rephrase my question. I thank the Honourable Chief Secretary for his answer in that the living document is currently being reviewed. There is currently a section being reviewed on termination, but is the Honourable Chief Secretary aware that in addition to the current section on termination that's being reviewed the document still contains incompliances?

The Speaker –

I think I have a slight problem with non compliance is one, I think would be my question. I don't think it's possible to answer that question at the moment.

The Hon. Derek Thomas –

Well, I can say what the incompliance is, Madam Speaker.

The Speaker –

I think that would be necessary in order to be able to provide an answer, would it not? Yes, you can't put forward any specific cases in the House, obviously.

The Hon. Derek Thomas –

I'm not putting forward specific cases, Madam Speaker, what I'm saying is that the Code of Management sets out certain compliances and those compliances at present are not as in practice.

The Speaker –

Honourable Owen O'Sullivan, are you.....

The Hon. Owen O'Sullivan –

Thank you very much. I am unaware of any such compliances and I think it may be better if you send or you meet me after to discuss that, because I can't answer it, you know, specific non compliances without further details really.

The Speaker –

Honourable Derek Thomas?

The Hon. Derek Thomas –

Yes, I thank the Honourable Chief Secretary for that, I can highlight one incompliance and there are others, Madam Speaker, the Code of Management sets out a list of persons who can represent employees with discipline issues and that list, according to the Code of Management is kept within Human Resources, is the Honourable Chief Secretary aware that no such list exists? And it goes on and on, but I will make the Chief Secretary aware of others in writing.

The Speaker –

Honourable Attorney General, do you want to comment?

The Hon. Frank Wastell –

Yes, the Honourable Member is quite correct in pointing out that it does mention a list of representatives, but if there are no persons who are members of a body on the list then there cannot be any persons mentioned on the list in the Human Resources. They can't keep a list if nobody has set up a body of representatives.

The Speaker –

Honourable Derek Thomas?

The Hon. Derek Thomas –

Yes, thank you, Madam Speaker, I thank the Attorney General for that. The Code of Management however does say that the Human Resources has a list of the staff who can assist employees with discipline issues and my point is that no such list exists with Human Resources.

The Speaker –

Honourable Attorney General?

The Hon. Frank Wastell –

I think it actually states that the person may have a work colleague or someone from a recognised body and there aren't any recognised bodies and therefore it isn't possible to put anybody on that particular list.

The Speaker –

Honourable Derek Thomas?

The Hon. Derek Thomas –

Yes, I do have the Code of Management here and the actual wording, Madam Speaker, which does place, according to the Code of Management, responsibility on Human Resources to have such a list. However, I will bring that to the attention of the Chief Secretary along with several incompliances.

The Speaker –

Thank you. I take it from your point of information that you will be doing this outside the House?

The Hon. Derek Thomas –

Yes, Madam Speaker.

The Speaker –

Thank you very much. Thank you. Next question, please?

***Question 5. The Honourable Mervyn Yon to ask the Honourable Chairman of the Tourism and Leisure Committee.***

The Hon. Mervyn Yon –

Thank you, Madam Speaker. Madam Speaker, will the Honourable Chairman of the Tourism and Leisure Committee give this House an update on what has been achieved in regards to developments within Tourism over the last six months?

The Speaker –

Thank you, Honourable Member. The Honourable Bernice Olsson?

The Hon. Bernice Olsson –

Thank you, Madam Speaker and I thank the Honourable Member for his question. I am pleased to report to this House that over the past six months considerable progress has been made in respect of Tourism's delivery of products and services and its continued development supporting the economic future of St. Helena. Members will be aware that the delivery of Tourism is covered by SHG's recurrent budget which supports staffing of the Tourist Office and on island tourism services and by the Tourism Development Project which supports the development of tourism as a whole through a series of components agreed by Tourism Sector in 2010. With regard to the Tourist Office, improvements have been made to the level and ranges of services provided and since the start of the year the office is open seven days a week providing a vital service to visitors, both on the island and considering visiting. Support has also been given to Basil Read in sourcing accommodation for their staff for their stay on the island. The Tourist Office has also continued to help the development of tourism through practical support of local events and activities, although this area has had to be reviewed in line with budget reductions across the whole of the Government for the coming financial year. Tourism has worked closely with other Directorates to ensure that where support of tourism is provided by other teams the importance and delivery of such services is achieved, maintained and appreciated. With the move of the Education Office to ELC at Pilling School, administrative functions of tourism have moved from the ground floor to the first floor, allowing the ground floor space to be refurbished as a modern and welcoming visitor centre. At the same time, and in conjunction with the range of tour suppliers, regular excursions have been promoted to support these suppliers. These have been most successful. The Tourist Office organises the tour arrangements for the Napoleonic sites and, again, these continue to be well received by visitors. Almost a hundred tours, as well as Open Days, have been arranged over the past six months. In addition, the Tourist organisers again with arranged partners the arrangements, other than tours, when cruise ship visits. Our survey of visitors indicate a level of satisfaction that is most positive with over

90% rating their visit as excellent or good. With regard to the Tourism Development Project, the past six months has seen a series of project components well underway and heading towards completion. The facilities at Ruperts Valley, Sandy Bay have been refurbished and certainly in the case of Ruperts Valley are being well used and greatly appreciated. The new landing stage at Lemon Valley has been installed and is, again, well used and appreciated. The new car park behind the Museum is almost complete and work has started on Main Street. Madam Speaker, in addition, over the past six months, the Tourism Development Project has supported the provision of an historic environment report giving St. Helena a comprehensive list of its historic assets and their condition as well as work needed for the first time. A series of quality standards for a range of tourism services have been developed in conjunction with stakeholders and in conjunction with SHDA and AVES. It was also possible to utilise the services of **S...Patra?** to deliver an excellent programme of training and support. I am pleased to say that that person is working closely with tourism currently to develop further training at this key time. Other development work has also continued, particularly in respect of the Napoleonic bicentenary and the exhibition of the International Slavery Museum. Of course the Tourism Development Project also supports a considerable amount of activity off the island, building up awareness of St. Helena as a destination, working with Tour and Cruise operators and encouraging new relationships with operators as well as potential visitors. This is done through supporting the work of the Sales and Marketing Executive who is based in the UK who regularly attends Travel/Trade Exhibitions and Conferences to promote the island and who works to develop new and existing relationships with Tour and Cruise Operators. That work is further supported through advertising, marketing and public relations campaigns and activities. We continue to achieve coverage through across a wide range of media internationally and have continued to attract press trips from key journalists and media. The coverage resulting puts the island in front of many millions of people. The Tourist team, lead by the Tourism Development Executive worked hard to contribute to the MOU process where tourism was an important element. Since the airport announcement, the team have also been working closely with the Chief Executive for Economic Development to contribute to the Economic Development Plan and ensure that tourism plays its role as a key driver for the future of St. Helena. I would like to pay tribute to the whole tourist team for this work which goes on behind the scenes, but which is vital for the future wellbeing of the island. I think it is important to highlight too that DfID have been pleased that the tourist development .....important part to understand is whether all this work is achieving additional visitors to the island. The most recent figures indicate that we have seen a 15% growth from 2009 to 2010 and a 3% growth from 2010 to 2011 in the overall number of visitors, other than cruise ship day visitors, with 15% and 11% growth in the number of yacht visits. Cruise ship visitors have shown a significant level of growth, both in terms of the number of ships calling and the number of visitors disembarking.

Madam Speaker, I do not claim everything is rosy. There are still failings from time to time and there's still a long way to go on our road of tourism development. However, we do have a clear line marked out now and the clock is ticking. Three years and a few months is not that long and tourism is already ramping up its activities and its planning. Whilst it is good to look back and note the achievements made, it is also important to look forward and ensure that our tourism development stays on track and is focused on continuing to deliver benefits for Saints businesses and for individual Saints in the coming months and years. Thank you, Madam Speaker.

The Speaker –

Thank you, Honourable Member. Honourable Mervyn Yon?

The Hon. Mervyn Yon –

Thank you, Madam Speaker. I thank the Honourable Chairperson for Tourism for her report. Can I now ask if are there any deadlines set for the uncompleted projects?

The Hon. Bernice Olsson –

Individual projects have individual deadlines, Madam Speaker. I do not have that information on me, but if the Honourable Members would like it it will be sent to all Members in the House.

The Speaker –

Thank you. Honourable Mervyn Yon?

The Hon. Mervyn Yon –

Thank you, Madam Speaker. The question was on tourism for the last six months, Madam Speaker, a point of information, and I expected information to be brought to this House, expecting supplementary questions to be asked. I'm very disappointed that the question could not be asked thoroughly. Can I now ask, Madam Speaker, if the car park at the back of the Museum what is the cause of the delay?

The Hon. Bernice Olsson –

Madam Speaker, I think the.....yes, we have got no tar.

The Speaker –

Thank you, Honourable Member. Honourable Brian Isaac?

The Hon. Brian Isaac –

Madam Speaker, with your permission, could I just stand on a point of information to the relevant question asked? I would just like to say Madam Speaker and Honourable Members, I'm the Deputy Chair for the Tourism Committee and the question arises for the Tourism Development Project, I would like to say that these projects that have been established around the island have not been with all ease, there have been difficulties within, there have been concerns raised by the public and there was some concern from major stakeholders, such as the National Trust and the Heritage Society and these concerns have been addressed at Committee levels, we had some difficulties but we tried to meet the demands that have been put upon us. I would like to also say that the public has been concerned about the funding, but if I'm correct in saying, that the funding is additional from DfID for these projects and not coming out of our current budget. I'd also like to say that these projects have not been easy, there have been setbacks, they have incurred recurrent funding to complete, but overall the feedback I have had from the public they are very satisfied, the development in Ruperts has been very well used, it's used on most days of the week and they're well over used on weekends and they have presented some benefits to the island and the Committee has given all the support to see that these projects are finalised and they do provide a mechanism that will build the economy and will support tourism on the island. Thank you, Madam Speaker.

The Speaker –

Thank you, Honourable Member. Honourable Mervyn Yon?

The Hon. Mervyn Yon –

Madam Speaker, may I respond? Thank you. I thank the Honourable Deputy Chair for his response and I feel sure that he will be there defending his side of the question, and I appreciate him for that. But can I ask, Madam Speaker, now that Colass has arrived on the island, how soon will it be before the car park at the back of the Museum gets started and completed?

The Speaker –  
Honourable Bernice Olsson?

The Hon. Bernice Olsson –  
Thank you, Madam Speaker. Madam Speaker, as soon as we get the tar we will start work and hopefully the car park will be finished in good time. It's up to the Honourable Member's Department.

The Speaker –  
Honourable Brian Isaac?

The Hon. Brian Isaac –  
Madam Speaker, I'm not sure if I'm allowed to continue to second by this way, a point of information, but to continue with what the Chairman has said, I would just like to inform Members that the reason for the Colass not being on the island is that a oil refinery in Cape Town had closed which wasn't able to supply the Colass that was needed and that is the setback for the Colass not being on the island. Thank you, Madam Speaker.

The Speaker –  
Thank you for that point of clarification. The Honourable Cyril Gunnell?

The Hon. Cyril Gunnell –  
Madam Speaker, with so many difficulties to overcome along the way, is the Honourable Chairman of the Tourism not happy that at least funding is on target in accordance with what has been put into the project?

The Speaker –  
Honourable Bernice Olsson?

The Hon. Bernice Olsson –  
Madam Speaker, of course we're happy, really happy we're on target.

The Speaker –  
Clerk, next question, please.

***Question 6. The Honourable Stedson Francis to ask the Honourable Chairman of the Tourism and Leisure Committee.***

The Hon. Stedson Francis –  
Will the Honourable Chairman of the Tourism and Leisure Committee say when will the vantage point near the Guns at Ladder Hill be accessible to tourists and the local population?

The Speaker –



Thank you, Honourable Member. The Honourable Bernice Olsson?

The Hon. Bernice Olsson –

Thank you, Madam Speaker and I thank the Honourable Member for his question. At the present time, due to safety and the fact that explosives continue to be stored in this area, access must be restricted as it would be irresponsible for Tourism to promote this as an attraction. Additionally, funding is not immediately available to address these issues, which, of course, would include a detailed risk assessment and discussions with the Directorate of Infrastructure and Utilities. However, all is not bleak as it seems. I am pleased to advise Members that this vantage point is now included in the Tourist Strategy and a Development Project and opportunity and is therefore receiving much higher priority than previously. This area is included in the Ladder Hill Fort project which is looking at how the whole of this area can be utilised for economic development and wider benefits for the island. The project is already underway to seek visions and concepts for the area from international architectural practices and it is intended that more detailed concepts and plans can then be drawn up. This would provide a potential investment opportunity of major significance. The intention is that as part of the ongoing project, quality and safe access is put in place for everyone to be able to view the Guns and, indeed, to enjoy the outstanding ocean views. Madam Speaker, we recognise that this is an area that has tourism and wider appeal and this is why it has been given a greater priority. However, I hope the Honourable Member will appreciate it is at present impossible to put a definite target date to this because there are many factors that still need to be discussed and resolved, but I do hope that he appreciates that we have not forgotten his wishes for this area and that planning is now underway to move onwards in this. Thank you, Madam Speaker.

The Speaker –

Thank you, Honourable Member. Honourable Stedson Francis?

The Hon. Stedson Francis –

I'd like to thank the Honourable Member for her favourable reply, but can I ask why can't the explosives store at Donkey Plain be used for the re-housing of explosives?

The Speaker –

Honourable Member, I think perhaps you're directing your question the wrong Chairman. The Chairman of Infrastructure and Utilities presumably would be the correct person to direct that towards and he won't have any notice of the question. Honourable Mervyn Yon, do you want to offer to supply that information later, perhaps?

The Hon. Mervyn Yon –

I can see if my Director can provide that information. Do it have to go to all elected members or just to Councillor Francis?

The Speaker –

I would assume that perhaps all members would be interested to see the reply. Thank you for that. Honourable Stedson Francis?

The Hon. Stedson Francis –

Can I rise on a point of information? Just to say that very same question that I asked today I raised in the House a year ago, so it's pleasing to see that it's only taken a short while to move forward. Thank you, Madam Speaker.

The Speaker –

Thank you, Honourable Member.

The Hon. Bernice Olsson –

Madam Speaker, I thank the Honourable Member for his information.

The Speaker –

Thank you. Honourable Members, I think this would be a sensible moment to suspend the sitting. We'll resume at 11.20. Please note the time on this clock, it is working today, 11.20. Thank you.

**Council suspended.**

**Council resumed.**

The Speaker –

Clerk, the next question, please.

***Question 7. The Honourable Mervyn Yon to ask the Honourable Chairman, Health and Social Welfare Committee.***

The Hon. Mervyn Yon –

Thank you, Madam Speaker. Madam Speaker, will the Honourable Chairman of the Health and Social Welfare Committee say what plans are envisaged by the Health and Social Welfare Committee to simplify, where necessary, the policies and regulations of Income Related Benefits and the Basic Island Pensions to enable recipients to better understand the criteria?

The Speaker –

Thank you, Honourable Member. The Honourable Cyril Gunnell.

The Hon. Cyril Gunnell –

Thank you, Madam Speaker, I thank the Honourable Member for his question which I am glad to answer. Madam Speaker, extensive consultation was carried out by the Consultant who recommended the current IRB and BIP system. That involved personal discussion with IRB recipients during his 2010 visit to the island as well as radio discussions, newspaper articles and attendance at constituency meetings, well attended meetings, I might add. There is also a leaflet available from the Customer Services Centre and at Brick House that tries to explain the system as simply as possible. Members of the public can also contact members of staff at any time if they are unclear about the way the system works. But, Madam Speaker, the provision for transitional protection for those correctly in receipt of IRB pre 1<sup>st</sup> April 2011 is probably the most complicated aspect of the regulations to explain and the level of this benefit will differ from household to household depending on the circumstances. Madam Speaker, Honourable Members are aware that an evaluation of the current system is planned early in the next financial year and terms of reference for this evaluation are being drafted by the Social Policy Planner. During the process of the evaluation, the Directorate will seek

advice from the Consultant on ways in which the policies and regulations can be explained more simply. Madam Speaker.

The Speaker –

Thank you, Honourable Member. The Honourable Mervyn Yon?

The Hon. Mervyn Yon –

Thank you, Madam Speaker, I thank the Honourable Chairperson for his reply, but can I ask him if would you not agree that the policies and regulations are a bit complicated for the man in the street?

The Speaker –

Honourable Cyril Gunnell?

The Hon. Cyril Gunnell –

Madam Speaker, they may well be complicated for the man in the street, they certainly are not complicated to myself, but having said that, I had a great deal of involvement in the making up of the policies anyway and these were endorsed, of course, by our Committee and also, of course, by Executive Council and so on, but I would agree that there are some difficult things perhaps to understand and perhaps the most difficult would be the transitional protection for people, but as I have said, you know, and Honourable Members are aware, that there is going to be a review after one year and when DAPM were here they said that possibly this would take place during about May this year, so, Madam Speaker, when the Consultant is here we will be able to see how whatever appears to be difficult to understand, how these things can be made more easily understood. Thank you, Madam Speaker.

The Speaker –

Thank you, Honourable Chairman. Honourable Mervyn Yon?

The Hon. Mervyn Yon –

Thank you, Madam Speaker. Madam Speaker, would the Honourable Chairman consider that when the review of the policies and regulations are looked at if he would consider that the people in the street need to have a better understanding of the papers that they're given or even when they ask to be told in any way what they would like to know. I feel that in some cases.....

The Speaker –

Honourable Member, you've asked your question, could you stop at the end of your question.

The Hon. Mervyn Yon –

Sorry, Madam Speaker. Madam Speaker, all I'm asking then if could consideration be given to the man in the street when the review is taken of the regulations and policies?

The Speaker –

Thank you, Honourable Member. The Honourable Cyril Gunnell?

The Hon. Cyril Gunnell –

Madam Speaker, I always term the man in the street to be just as educated as anyone else, but I think I have answered the question significantly or sufficiently, Madam Speaker. Thank you.

The Speaker –

Next question, please?

***Question 8. The Honourable Derek Thomas to ask the Honourable Chief Secretary.***

The Hon. Derek Thomas –Thank you, Madam Speaker. Can the Honourable Chief Secretary give an assurance that adequate provision will be in place from 1st April 2012 to ensure that all amenity areas throughout the Island will be properly managed and maintained at all times?

The Speaker –

Thank you, Honourable Member. The Honourable Owen O'Sullivan?

The Hon. Owen O'Sullivan –

Madam Speaker, I regret that I cannot categorically provide an assurance that provision will be in place from 1<sup>st</sup> April 2012 for all amenity areas throughout the island to be properly managed and maintained at all times. The amenity areas throughout the island comprise a mixture of play and picnic areas and natural attraction sites some of which, I understand, are not Crown property, so Horse Pasture, Rock Rose and Green Hill, these belong to Solomons. Those that do belong to the Crown, they are properly managed and maintained, include the Leisure Park, the Mule Yard, Francis Plain and Rosemary Plain as well as areas along the road in the Blue Hill area. The first two, the Leisure Park and the Mule Yard, are managed by the Private Sector through appropriate lease and contract arrangements with necessary support from Crown Estates. The third, Francis Plain, is managed by the Education and Employment Directorate and the fourth, Rosemary Plain, is managed by the Agriculture and Natural Resources Directorate. One may also regard the Run as an amenity area, since while it is not used as a play or picnic area, is both a pleasant and useful feature with historic interest. The upkeep and maintenance to the Run has been raised on many occasions and I am pleased to say that there is provision within the Infrastructure and Utilities budget for next year for the Run to be properly managed and maintained. I am aware, Madam Speaker, that Longwood Green is a popular amenity area and another one that has featured in many discussions. Whilst it is proposed to include this area in a larger grounds maintenance contract, funding was not available to allow this to happen. However, the Crown Estates has a limited budget, £9,000, that has to cover a number of maintenance jobs such as tree cutting in Jamestown and Longwood Avenue and maintaining grounds to Chief Secretary houses and it has been agreed that some of this money will be used to carry out grass cutting on Longwood Green although we cannot guarantee that the Green will be cut all year round. Madam Speaker, I am conscious that we do need to maintain the few amenity areas that we have, but again, we have a limited budget and can only do the best that we can within the funding available and we recognise that this may not meet Members' expectations. A review of the management responsibilities and functions may help identify additional resources. We are in times where prioritisation of resources to achieve maximum impact is essential and this is likely to unfortunately lead to more reactive work rather than the proactive planned maintenance work in the short term. Thank you.

The Speaker-

Honourable Derek Thomas?

The Hon. Derek Thomas –

Yes, thank you, Madam Speaker, I thank the Honourable Chief Secretary for his answer. On a point of information, it is pleasing to see that plans will be in place for the Run which has been a major concern for some while now, for many months, it's a tourist attraction and the Tourist Committee, of which I am a member, has been very concerned about that, so it's pleasing to see adequate arrangements in place to maintain the Run. In relation to all our other amenity areas that are owned by the Crown, the Chief Secretary gave an undertaking that they will be maintained within the boundaries of budget control. Will the Chief Secretary give an undertaking to look at .....efficiency savings, what can be done in terms of efficiency savings in trying to meet the priorities of the Sustainable Development Plan in terms of maintaining the beauty of the island and perhaps look at investigating as soon as possible if all resources can be .....care of a Directorate in maintaining the beauty of our island?

The Speaker –

Thank you, Honourable Member. Honourable Owen O'Sullivan?

The Hon. Owen O'Sullivan –

As I mentioned in my answer, we will be looking at a review of the management responsibilities and functions and that may identify additional resources which, of course, can then be prioritised to those areas that need it.

The Speaker –

Honourable Brian Isaac?

The Hon. Brian Isaac –

Madam Speaker, again I will ask your permission for a point of information? Thank you. I thank the Honourable Chief Secretary for his reply and I think it would be unfair of me not to stand here to today and mention, particularly Longwood, I am concerned of all the amenity sites throughout the island, but I would particularly like to say that the people of Longwood are very interested and very proud of the Longwood Green and I'm continuously when going to the Longwood Supermarket or within the area, I'm always challenged on when are we getting the grass cut, when are we trimming the trees and I know recently money has been found from within the budgets, very hard to find for the grass to be cut at the last time, but there are events that take place on the Longwood Green; weekends people from all over the island stop by and do appreciate the amenity area and I'm also concerned this area is also a play area for young children as well, we have all of the facilities there, but I am aware and I would like to thank the Chief Secretary for his answer, but I will ask that some priority would be given for these areas throughout the island. Thank you, Madam Speaker.

The Speaker –

Honourable Derek Thomas?

The Hon. Derek Thomas –

Thank you, Madam Speaker. Can the Chief Secretary provide a maintenance programme so that elected members can determine whether Chief Secretary housing ground maintenance is more important than public amenity areas, such as Longwood and other areas?

The Speaker –

Honourable Owen O'Sullivan?

The Hon. Owen O'Sullivan –

In terms of providing a maintenance plan, I would have to speak to the Crown Estates as to the plan for the maintenance of Chief Secretary housing. Obviously, in terms of maintaining grounds and tree cutting in Jamestown and Longwood Avenue, you know, this has been prioritised within the limited funds of which there is only £9,000, but I can certainly look at providing the information to Councillors as to the works that are being done within that £9,000.

The Speaker –

Councillor Cyril Gunnell?

The Hon. Cyril Gunnell –

Thank you, Madam Speaker. The question asked that all amenity areas throughout the island will be properly managed and maintained at all times and I've heard the Chief Secretary's answer, but, Madam Speaker, can I point to a particular area and that is the Castle Gardens.....

The Speaker –

Are you asking a question, Honourable Member?

The Hon. Cyril Gunnell –

Yes, Madam Speaker, I will, and on a Sunday morning, Madam Speaker, the Castle Gardens is a disgrace. There is no-one on duty on a Sunday and so the place isn't cleaned up until Monday and Madam Speaker, can I ask the Honourable the Chief Secretary if he could ensure that whomever is responsible for cleaning up that particular area if more consideration can be given to keeping it in a tidy state, especially over the weekends, Madam Speaker?

The Speaker –

Honourable Owen O'Sullivan?

The Hon. Owen O'Sullivan –

Obviously we will try and keep it as tidy and clean as possible within the budget provision provided and we can look to try and make sure that within the limited resources we have that it is a standard there is appropriate for such a key amenity area.

The Speaker –

Honourable Cyril Gunnell?

The Hon. Cyril Gunnell –

Madam Speaker, I'm not certain that I heard him say that he would give special attention to the Castle Gardens?

The Speaker –

I think I understood that he was saying that attention would be given as far as possible within budget. Honourable Bernice Olsson?

The Hon. Bernice Olsson –

Madam Speaker, a point of information. Shouldn't it be the Police who should be policing Castle Gardens? I mean, you know, it is in a disgusting state and surely here the Terrace and Castle....

The Speaker –

Sorry, you're making a point of information, Honourable Member?

The Hon. Bernice Olsson –

It is a point of information, Madam Speaker, it is. Our Gardens are a disgrace, even on a Saturday morning or a Sunday morning and it's not fair on those boys who do good work round our Garden that it's neglected and the Police Station is just here, surely the Police should be monitoring Castle Gardens. Can I ask the Chief Sec if he will try and talk to the Police and find out can Castle Gardens and the Terrace be policed?

The Hon. Owen O'Sullivan –

Obviously, if there is anti social behaviour in the Castle Gardens or on the Terrace, it is the Police's responsibility to deal with that and I'll mention it to the Chief of Police just in terms of keeping an eye on those two areas. Thank you.

The Hon. Bernice Olsson –

Thank you, Chief Secretary.

The Speaker –

Next question, please, Clerk?

***Question 9. The Hon. Stedson Francis to ask the Honourable Chairman of the Infrastructure and Utilities Committee.***

The Hon. Stedson Francis –

Will the Honourable Chairman of the Infrastructure and Utilities Committee say if the Unity Cottage and Prince's Lodge roads have been adopted by the St. Helena Government under the Roads Policy?

The Speaker –

Thank you, Honourable Member. The Honourable Mervyn Yon?

The Hon. Mervyn Yon –

Thank you, Madam Speaker and I thank the Honourable Member for his question. The Honourable Member will know that as well as I do that these two roads have a very long history behind them, therefore, I'll try to answer them separately, but before trying to answer them, can I ask the Honourable Member if he would clarify what he want these roads adopted as? At the moment, it just says "to be adopted by St. Helena Government", I'm not clear as to what he would like to have these roads adopted at at this point in time?

The Hon. Stedson Francis –

District road, Madam Speaker.

The Hon. Mervyn Yon –

Thank you very much, Honourable Member. If my memory serves me correct, the road to Unity Cottage was first constructed with funds from the United Nations Development Fund, but due to deterioration over the years a question from the residents was made to the then PW&SD Department for some assistance. From information received, they did benefit from

some funding under the Community Roads Programme some three and a half years ago approximately, but that was for surfacing several steep areas. Since then, a request was made through the PW&S Department to have this road re-categorised to a District Road, but somehow after being on the list of District Roads after time, it disappeared from the list, thus having the problem that we are still facing today. Since the election of a new Council and having had a new Committee formed for the I&U, a new Roads Policy was drawn up and following questions being asked about this particular road in the House and also the Committee being lobbied by elected members, this road was reviewed by the Committee and it was agreed that it should be revisited before a commitment can be given, due to the length and of the issues, such as private landowners. Under the UNDP Scheme, no further commitment was made as to who would be responsible for the upkeep/maintenance of these roads once they were constructed and since the residents use a private road to access their own road, it is difficult to determine how this issue could be solved, knowing that the private road owner closes his road once in every year to retain private status. I would suggest, Madam Speaker, that the Honourable Member be invited to attend a special Highways Authority meeting if he so wish, to discuss this issue whereby he would be able to have a much better debate although I would not wish to deprive him of his right to ask supplementary questions in this House. I would also like to point out that we are now nearing the end of this financial year, therefore no funds are available at this time and it is very doubtful if funding will be made available for the next financial year because there is no provision in the budget for District Roads.

Secondly, Madam Speaker, with regards to Prince's Lodge road, Prince's Lodge road has been debated recently at the Infrastructure and Utilities Committee and it has, under the District Roads category, been agreed that it could be adopted for future Government maintenance, subject to the drainage and water run-offs accepted by the residents as their own responsibility. Decisions has also indicated that this arrangement would be satisfactory to the residents, but the Director needs to confirm this in writing. So, in conclusion, I would say, Madam Speaker, yes, the Prince's Lodge road could be adopted as a District Road if the residents agree to the request from the Highways Authority, but with regards to the Unity Cottage road that needs further consideration. Thank you, Madam Speaker.

The Speaker –

Thank you, Honourable Member. The Honourable Stedson Francis?

The Hon. Stedson Francis –

Will the Honourable Chairman not agree that the Road Policy states that once a District Road has been upgraded to a sealed surface, which the Prince's Lodge road is, it is adopted by Government?

The Speaker –

Honourable Mervyn Yon?

The Hon. Mervyn Yon –

Yes, Madam Speaker, we have agreed that already within Committee stage.

The Speaker –

Honourable Stedson Francis?

The Hon. Stedson Francis –



Then could I ask why was the residents of Prince's Lodge area asked to take responsibility for the drainage?

The Speaker –  
Honourable Mervyn Yon?

The Hon. Mervyn Yon –  
Madam Speaker, under our new policy that was put in place, it states in there quite categorically that if the road that is expected to be taken up as a District Road does not fall within line of the policy as we made November of last year, then, by rights, it should not be accepted to be put into the District Roads category.

The Speaker –  
Honourable Stedson Francis?

The Hon. Stedson Francis –  
Will the Honourable Chairman not agree that the Policy clearly states that this responsibility only falls to any users of new or modified accesses of which does not apply to the Prince's Lodge road as this is not a new road, neither has it been modified?

The Speaker –  
Honourable Mervyn Yon?

The Hon. Mervyn Yon –  
I can't remember that being in the policy, Madam Speaker, but if it is then I stand to be corrected.

The Speaker –  
Honourable Stedson Francis?

The Hon. Stedson Francis –  
If that is the case, Madam Speaker, will the Honourable Chairman consider revisiting the Policy to review the drainage criteria?

The Speaker –  
Honourable Mervyn Yon?

The Hon. Mervyn Yon –  
As I've said with the drainage problem, Madam Speaker, that will not be changed within the policy, that is something that has been needed in the policy and I feel we should try to adhere to it as much as we can.

The Speaker –  
Honourable Brian Isaac?

The Hon. Brian Isaac –  
Madam Speaker, before I speak, I would just like to declare my interest as a member of the I&U Committee. I'd just like to say that I support the sentiments and the reply that the Chairman has given, but I think it is only fair for me to stand here today and speak, particularly on the people who use the road, at least to Unity Cottage. That road serves a lot

of elderly folk, also serves a family of severely disabled people and I am aware of the policy, but I would like to say if it's not in Government's remit and policy to do this road, we need to get back to these people and say, look it's no longer the responsibility of Government, you must find alternative measures to maintain this road, but I would like to highlight there's a need of this road for our elderly, our policy says that we want to encourage our elderly to remain longer in their homes, but the state of this road is very difficult. I visited this road last week and on either side of the road there are gulleys, deeper than twenty-four inches and it's very dangerous to pedestrians who use the road, to any newcomers who go on that road, it is really an issue that should be taken seriously by Government and if Government cannot provide the support for those people then it's left to Government to tell the owners or the users of this road that it's their responsibility to do it. This is not the first time this question has been raised in the House, it's not the second nor will it be the last. Thank you, Madam Speaker.

The Speaker –

Thank you. Honourable Mervyn Yon?

The Hon. Mervyn Yon –

Thank you, Madam Speaker. As I said earlier, I did not say, Madam Speaker, that we were not going to adopt the road, I said it would be revisited before a commitment can be given.

The Speaker –

Thank you. Honourable Derek Thomas?

The Hon. Derek Thomas –

Thank you, Madam Speaker. Can I ask the Honourable Chairman of The Infrastructure and Utilities Committee if this revisiting of the road at Unity Cottage could be done as a matter of urgency, bearing in mind the state and condition of the road and the problem with access for those people who use it?

The Speaker –

Thank you, Honourable Member. The Honourable Mervyn Yon?

The Hon. Mervyn Yon –

Yes, Madam Speaker. I know the condition of the road myself since I've been there to see it, but with regards to an urgent request to have it revisited, I can say, Yes Sir, I will just arrange with my Committee to go out and we can have a look and see what take from that, but we must remember, like I said, we would be trespassing through a number of private lands and most probably we'd have to get leeways from the private people before any action can be taken with the road.

The Speaker –

Bring in the Honourable Stedson Francis, he actually raised his board before you did on this occasion.

The Hon. Stedson Francis –

Could I ask the Honourable Chairman if he would be prepared to revisit the Roads Policy and can I quote a line from the Roads Policy, Madam Speaker?

The Speaker –

Yes, Sir.

The Hon. Stedson Francis –

It says “The Highways Authority is required to approve any new or modified accesses on to a public road. As one of the conditions for this approval it should be clearly stated in the Land Development Control that the applicant is responsible for any storm water flowing from the road”. But that is specifically, in my way of thinking, for any new or modified accesses and the road at Prince’s Lodge has had a sealed surface for a few years now, Madam Speaker, it’s not a new road and it’s not modified, so it shouldn’t fall under this category and the residents shouldn’t be asked to provide their own drainage?

The Speaker –

Councillor Mervyn Yon?

The Hon. Mervyn Yon –

Madam Speaker, as you know, I mentioned earlier, I offered the Honourable Member to attend a meeting of the Highways Authority if he so wish and if he so wished to agree with that, just let me know, I will arrange a meeting and if these are concerns then we’ll take them onboard at that meeting.

The Speaker –

Honourable Stedson Francis?

The Hon. Stedson Francis –

I thank the Honourable Member for his offer, but I don’t wish to attend any meeting, I just want to make sure that the policy is applied correctly and my idea is it’s not.

The Speaker –

Councillor Derek Thomas?

The Hon. Derek Thomas –

Thank you, Madam Speaker. Can I ask the Honourable Member, seeing that no funding provision will be in the budget for the coming year for District Roads, can I ask then how will urgent, immediate road repairs be carried out?

The Speaker –

Honourable Mervyn Yon?

The Hon. Mervyn Yon –

That will depend on what is referred to as urgent, immediate repairs. The only budget that is in, that is there for District Roads, Madam Speaker, is any surplus that has been left over from Road Maintenance.

The Speaker –

Honourable Bernice Olsson?

The Hon. Bernice Olsson –

Madam Speaker, will the Honourable Chairperson tell this House is this road safe for emergencies such as maybe a Fire Truck, Ambulance or for Nurses who have to go and visit people’s homes down there, is the road safe for emergency?

The Speaker –  
Honourable Mervyn Yon?

The Hon. Mervyn Yon –  
Madam Speaker, I'm no Road Engineer so therefore I could not give that an answer.

The Speaker –  
Honourable Bernice Olsson?

The Hon. Bernice Olsson –  
I was just wondering if he would ask the Head of Department?

The Speaker –  
Honourable Mervyn Yon, do you wish to respond?

The Hon. Mervyn Yon –  
What was the question?

The Speaker –  
If you would ask the Head of Department's advice.

The Hon. Bernice Olsson –  
I see the Head of Department here, Madam Speaker, I just thought.....

The Hon. Mervyn Yon –  
I don't think the Head of Department can give advice at this point in time, because maybe in my own mind, the Head of Department is not aware of the road that we're talking about in question anyhow. If he haven't seen it he cannot give any input into it.

The Speaker –  
Honourable Cyril Gunnell?

The Hon. Cyril Gunnell –  
Madam Speaker, the questions raised by the Honourable Bernice Olsson was is the road safe and that is what I understood, so could the Honourable Member find out from whomever is responsible for matters of safety if the road is safe? Thank you, Madam Speaker.

The Speaker –  
Honourable Mervyn Yon?

The Hon. Mervyn Yon –  
Yes, Madam Speaker, that is a different question. My answer to that is, yes.

The Hon. Bernice Olsson –  
Excuse me, I didn't hear that. Did the Honourable Member.....

The Speaker –  
The Honourable Member said, yes.

The Hon. Bernice Olsson –  
It's safe for emergencies?

The Speaker –  
The Honourable Member said yes, he would find out. Thank you.

The Hon. Bernice Olsson –  
It's just that the Honourable Member did mention before in one of his answers to the Honourable Member, Stedson Francis, that he had been down there to see the road himself, so I just thought that maybe, you know, he could have given this House some kind of idea whether the road is safe or not.

The Speaker –  
I think he would be trying to express an opinion which he might not actually be qualified to give. Honourable Stedson Francis?

The Hon. Stedson Francis –  
I'm just trying to recall if did I get a commitment from the Honourable Chairman if they would revisit the policy and see if my interpretation is different to theirs?

The Speaker –  
I think you did get a commitment that the policy would be revisited in light of your comments. Next item of business, please?

## 6. MOTIONS

### *Motion 1. The Honourable Financial Secretary.*

#### **THE INCOME TAX BILL, 2012**

The Hon. Paul Blessington –  
Madam Speaker, I beg to move that the Income Tax Bill, 2012, be approved in principle and referred to a Committee of the whole Council.

The Speaker –  
Thank you, Honourable Member. Is there a seconder to the Motion, please?

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

The Speaker –  
Thank you. Honourable Mover?

The Hon. Paul Blessington –  
Madam Speaker, I refer to a Bill for an Ordinance to review and amend the law relating to Income Tax on gains and profits and for matters connected therewith or incidental thereto. Madam Speaker, to begin with, I would like to apologise to Members for the fact that this Bill was accompanied by a Certificate of Urgency and if I may just take a moment to explain why that was necessary. The Administration and the Income Tax Reform Working Group

have been working for over a year now on modifications to taxation, to Income Tax in particular, and it is a very complex topic. Although Members have been presented with a version of the new Income Tax Bill and none of the principles that have been presented to them have changed, there have since the Motion was filed with the Clerk of Councils, been a number of changes to such things as the numbering of paragraphs and the cross referencing within the Bill, simply because of its complexity and it has taken time for all these consequential changes to be picked up, so I can assure Members that the Bill as they have seen it in detail and gone through it in informal LegCo session has not changed in principle, but that because of the need to get the Bill as absolutely correct as possible for publishing today, it has had a number of further, minor edits done to it and that is why it was submitted with a Certificate of Urgency.

Now if I could turn to the substance of the Income Tax Bill itself. Members will be aware that we have already had a first phase of Income Tax Reforms and that the first phase which came into effect on 1<sup>st</sup> April 2011 had the objective of simplifying the tax system, broadening the tax base and making it easier both to collect taxation and for taxpayers to comply with the Tax law. The changes that were introduced at the beginning of last financial year were mainly aimed at individuals. The changes that are included in this Income Tax Bill, however, are mainly aimed at the business community. Under the Memorandum of Understanding, which was signed with DfID as a pre-condition to the granting of the airport, one of those conditions was that St. Helena opens its economy .....*(break in recording)*.....features that an inward investor considers when making an investment decision is what are the taxation implications for a business investment in this particular country and a lot of work has gone on, both with Members and with the Administration with the aid of an external Taxation Specialist Adviser as to how to make our tax system attractive to investors, in this case, investors from externally and investors on island. As a result, the changes being proposed in this Income Tax Bill are designed specifically to encourage investment by businesses here on St. Helena and from outside. There are five main areas, Madam Speaker, which have been changed as a result of this Income Tax Bill.

Firstly, there is the introduction of what is called an Investment Tax Credit. That means that any new investment in the island either by importing plant and equipment or by constructing plant and equipment for buildings or improving buildings here on island will become eligible for a 15% deduction directly from a business's income tax liability. So, for example, if a business invests £100,000 it will be able to take 15% of that, i.e. £15,000 and deduct it from its tax bill in a given year. That is a very significant advantage to any business considering investing here in St. Helena. That is the Investment Tax Credit, Madam Speaker.

The second part of the investment incentives is what is called Accelerated Depreciation. Accelerated Depreciation is an ability by a business that makes an investment to write down the cost of the asset faster against its revenue than it otherwise would. In this case, we are going to allow businesses to claim an extra 20% write down against any new assets in the first year of investment. That will reduce the taxable revenue in that first year and enable them to recover their outlay more quickly.

Madam Speaker, the third area of change proposed in this Bill is to allow for what we call the Indefinite Carry Forward of Losses. This replaces the old rules where if a business incurred an operating loss it only had a period of five years in which to offset that loss against future years profits. After that five years, it lost that ability. We're replacing that with a rule that says "a business may carry forward a loss indefinitely until it has profits against which it can use that loss to reduce its tax liability." This is going to be a particularly valuable concession for new start-up businesses where it is often several years before they recoup their initial investment and start to break into profit. So whereas those businesses in the past may not

have been able to carry forward their losses to offset against future expected profits, now they will, again, making St. Helena a more attractive place in which to invest.

Another important modification is to introduce what we call Rollover Relief on Asset Sales. If a business sells an asset, in the past it would have to pay capital gains tax on any gain that it made. However, to encourage those businesses to re-invest the profits or capital gains that it makes back into the business, the new Income Tax Bill will allow that business to rollover the capital gain if it re-invests back into the business and not have to pay capital gains tax. So, again, it's encouraging investment, Madam Speaker.

Fifthly, there is a change to the rate of capital gains tax, which had previously been at 25% and it is being reduced to a rate of 10%, again, making it worthwhile for businesses to invest in the island in the expectation of making future capital gains, those will be taxed, Madam Speaker, but if they're re-invested, obviously the business can defer paying that additional tax.

Madam Speaker, there is some cost, obviously at giving these tax concessions. It's estimated that in the second and third year of this tax change that we will see a reduction in revenue of £150,000; £100,000 in the second year and £50,000 in loss in revenue in year three. However, it is not anticipated to be necessary to increase any other taxes in order to offset this revenue loss. Madam Speaker, it is proposed that simply by maintaining the existing tax rates and the personal allowance at £7,000 for the next year almost all of the revenue loss will be recouped and that from the end of Year Three onwards the additional investments, that may have caused the tax reduction in the first place, will start to pay dividends, because we'll be collecting more tax on the profits generated by those business investments.

Madam Speaker, there are a couple of other minor changes that the new law will bring in. One is to close an existing loophole in the law which allowed people to offset business losses against the tax on their personal incomes. That, unfortunately, Madam Speaker, could encourage behaviour that would make people run businesses at a loss to get maybe some personal benefit so that they could then set that off against their tax on income from employment. That loophole is being closed by this, Madam Speaker.

And finally, one other change that does affect personal income tax payers is that the personal allowance for making contributions to an approved superannuation fund is being increased from 20% of the total income of an employee to 30% of the total income of the employee and any employer contribution which will make it more possible, Madam Speaker, for people to put some of their own salary towards their future pension fund and obtain a tax deduction for it.

Madam Speaker, I said at the beginning that the Income Tax system in any country can exert a very strong influence, either for good or for bad, on whether businesses choose to come to a place and invest or, indeed, reason that businesses choose to invest. All of the major changes included in this Tax Bill will encourage businesses to invest more in St. Helena, grow its economy and ultimately increase the prosperity of everybody here. Madam Speaker, I thoroughly endorse the principles within this Bill.

The Speaker –

Thank you, Honourable Member. Before I put the question, Honourable Members, I can see that one or two members are actually feeling the heat this morning and much as I would prefer not to, if the air conditioning was functioning a bit better, I will give you permission to remove your jackets if you so wish.

The Hon. Brian Isaac –

Thank you, Madam Speaker.

The Speaker –

I put the question that the Income Tax 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? The Honourable Tara Thomas.

The Hon. Tara Thomas –

Thank you, Madam Speaker and I thank the Honourable Financial Secretary for such a comprehensive summary of this Bill. Changes to tax systems often attract negative reactions from members of the public, but I am pleased to be able to rise in support of this Bill, Madam Speaker, which seeks to make changes to our tax legislation which can only attract positive responses, particularly from St. Helena's business community. Last year, this Government endorsed a new Investment Policy and one of our primary objectives under this policy is to support the locally-based private sector businesses in a more open economy to allow them to compete in a more open economy. The existing Approved Investor Scheme, which was introduced to act as an incentive for investors, is limited to a few selected businesses and business sectors, whilst the new tax incentives that are proposed under this Bill are designed to be available to all businesses on the island, whether they be involved in tourism, mechanics, retail, construction, which will help to ensure that we create a more business friendly environment for all of our local entrepreneurs. Whilst this legislation could affect our revenue streams, I am still able to support its enactment as St. Helena Government will only lose money through these new incentives if businesses are investing more money into the economy. These losses in the first two years can only mean good things for St. Helena's economy in the long run as it means that our people are growing their businesses and taking advantage of the opportunities that the construction of the airport and the introduction of air access will bring. Madam Speaker, I would like to congratulate the Financial Secretary and his team for their dedication and support in preparing this Bill over the last year which again reinforces this Government's desire to develop an environment which supports and enables greater private sector participation and growth. Thank you, Madam Speaker.

The Speaker –

Thank you, Honourable Member. Any other Honourable Member wishes to speak? Honourable Derek Thomas?

The Hon. Derek Thomas –

Thank you, Madam Speaker, I rise in full support of this Bill. This Bill, Income Tax Bill, is certainly designed to provide great incentives to develop the economy and businesses. There's nothing in the Bill that will impact negatively on the community other than providing positive outcomes. There are five key changes to the Bill, which the Financial Secretary highlighted; the Investment Tax Credit for all businesses, that was very encouraging; No. 2, this Accelerated Depreciation to allow 20% write down of assets against tax revenue in the first year; the third point, allowing an indefinite carry forward of losses rather than the current five-year limit, for instance, if you make a loss on your business in your first year, it can be offset against taxable profit in ten year's time, therefore the loss, in reality, will never become a loss, that is very positive to the business community. The fourth point, Madam Speaker, business will receive rollover relief if they re-invest the capital gains back into the business, so what it does, it encourages people to re-invest on their gains from their businesses; and the fifth point, Madam Speaker, the rate of capital gains tax has been reduced from 25% to 10% with effect from 1<sup>st</sup> April if this goes through. So that is all positive signs for our business community in growing our economy. Furthermore, Madam Speaker, there is also incentive



for staff, the limit on personal allowance for contributions has been raised from 20% to 30%, so staff can make a bigger contribution to their pension fund and get tax deductability, that is very positive indeed. The Financial Secretary said in Year 1 there won't be any loss in revenue, but in years 2 and 3 there will be a loss of revenue in the region of £150,000. However, Madam Speaker, this will be offset by maintaining the personal allowance of £7,000 for those years. Again, that is very encouraging and will be welcome to staff, maintaining the personal allowance at £7,000. So in all, it is a very positive Bill in trying to grow our economy and I will also endorse the views of Councillor Tara Thomas in that the Financial Secretary and his team should be congratulated on all their hard work and efforts in bringing, what I see, is such an excellent Bill to this House to the benefit of our economy. Thank you.

The Speaker –

Thank you, Honourable Member. The Honourable Brian Isaac?

The Hon. Brian Isaac –

Madam Speaker, I support the Tax Bill that's been tabled here today. A lot of work has been undertaken to reach the agreement where we are. It's very positive, as has been said by Honourable Members around the table today. If it was a negative Bill, I would have different views. I would just like to share with my colleagues that the Bible say when Jesus was questioned on taxes he said "Render unto Caesar the things that are Caesar's and render unto him the things that is his". No-one likes to pay taxes, I don't like paying taxes, but I must pay taxes. There's two things in life you must do, Madam Speaker, (1) you will have to pay taxes, the next one you will have to do is to die, but on a much more positive note, the issues relating to this is to strengthen our economy to give us a better future for our generations to come, and I hope that it will deliver what is expected and I hope that my support to this Bill today will give our people a better life for the future. Thank you, Madam Speaker.

The Speaker –

Thank you, Honourable Member. The Honourable Michael Benjamin?

The Hon. Michael Benjamin –

Thanks, Madam Speaker, I rise in support of this Bill, especially now that we are having an airport and need every incentive we can get to help trigger both inward and local investment and I think I can just reiterate exactly what the Financial Secretary has said and my other colleagues and I would like to thank them for the hard work over the previous months for bringing this Bill to us. Thank you.

The Speaker –

The Honourable Stedson Francis?

The Hon. Stedson Francis –

Madam Speaker, I feel this Bill would make St. Helena an internationally competitive tax environment to attract stable, long-term investment and to encourage the growth of enterprise and local businesses whilst meeting the revenue requirements of the Public Sector. I believe this kind of business sought by St. Helena will be more attractive by favourable general tax conditions than by short-term concessions designed to lure new businesses, which may then leave again when the tax concessions expire. The old Approved Investor Scheme, a discretionary scheme which provides a three-year holiday on Customs duties, for plant and equipment and for Corporation Tax, will then be closed to new applications. The new

investment incentives comprise tax concessions which are offered to all investors on St. Helena, whether local or from overseas and include Investment Tax Credit, Accelerated Depreciation, Rollover relief from capital gains from the sale of business assets and loss carry forward and the reduction in rates in the capital gains tax. I give my full support to this Bill, Madam Speaker.

The Speaker –

Thank you, Honourable Member. The Honourable Mervyn Yon?

The Hon. Mervyn Yon –

Thank you, Madam Speaker. Madam Speaker, I rise in support of this Bill. I think it can only be for the betterment of this island and since it's asking us to review and amend the laws relating to Income Tax on gains and profits and for matters connected therewith or incidental thereto, I support the Bill, Madam Speaker.

The Speaker –

Thank you, Honourable Member. The Honourable Tony Green?

The Hon. Anthony Green –

Thank you, Madam Speaker, I too rise in support of the Bill, I think it's right to say that Honourable Members and Officials have thoroughly debated this Bill over a period of time in recent months and I certainly think it is favourable to where we're going with St. Helena. I would just ask reassurance from the Honourable Financial Secretary about the calculation regarding the loss of revenue, because it would have a terrific negative impact if, of course, we lost greater than that amount and my mind is just thinking about when we, sort of, were thinking recently last year about looking at what we would get by Customs and I think we fell short. I just would also want to mention that perhaps, and I'll do so in the Committee stage, that there's no explanatory note on the Bill and I think we accepted this morning generally that we would try and make sure that we put out very simple information to the public and a simple explanatory note often goes a long way to help the layman to understand it, but Madam Speaker, I fully support the Bill.

The Speaker –

This is a point of information; I have a detailed explanatory note with my Bill so I just wonder if perhaps you didn't receive yours.

The Hon. Anthony Green –

No, I don't think so.

The Speaker –

No, okay. The Honourable Raymond Williams?

The Hon. Raymond Williams –

Thank you, Madam Speaker. I rise in support of the Bill, I believe that the Bill is designed to strengthen our economy and I give it my full support. Thank you, Madam Speaker.

The Speaker –

Thank you, Honourable Member. Does any other Honourable Member wish to speak to the Motion? The Honourable John Cranfield.

The Hon. John Cranfield –

Yes, Madam Speaker, just to say thank you very much and I rise in full support of the Bill and I think the Bill is in the best interests of the whole of the public interest and in the best interest of St. Helena as a whole, Madam Speaker.

The Speaker –

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

The Hon. Anthony Green –

Madam Speaker, just on a point of information, I just want to admit that I did have the explanatory note but, sort of, put it away somewhere else, but I do apologise to the Honourable Financial Secretary.

The Speaker –

Thank you. In which case, if nobody else wishes to speak I'll invite the Honourable Financial Secretary to reply to the debate.

The Hon. Paul Blessington –

Madam Speaker, I would like to thank the Honourable Members for voicing their support for this Bill, which is, I believe, an extremely important step forward in making this island a very attractive place to do business. There was just one point of concern that was raised by the Honourable Tony Green, about what happens if our forecasts for loss of revenue turn out to be incorrect and that we find ourselves with a larger loss of revenue than has been projected. Madam Speaker, I have to admit that forecasting tax revenues is more of an art than a science and that even though we applied as scientific an approach to this as possible in doing our tax modeling, I could be wrong and that it is possible our revenue losses are greater than forecast. In the long-term, that is actually good news because as Councillor Tara Thomas says the bigger our revenue loss today the more that businesses must be investing and therefore we will get our money back with dividends later on. But should there be significantly greater short-term losses in revenue, and I don't think they will be significantly greater, but should they be, then obviously we will have to come back to this House to seek guidance or approval for mitigation measures, but it is my hope and expectation that that will not be necessary. 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 Speaker –

I would think that it would be sensible to suspend the sitting for a lunch break of one hour rather than to move into Committee stage and then break and come back to it, so I suggest that I'm going to suspend the sitting until half past one. Thank you, Honourable Members.

**Council suspended.**

**Council resumed.**

The Speaker –

Thank you. Clerk, the next item of business.

## THE INCOME TAX BILL, 2012

### **Resumed debate.**

The Speaker –

The Honourable Paul Blessington.

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 –

Thank you. Is there a seconder, please?

The Hon. Tara Thomas –

Madam Speaker, I beg to second.

The Speaker –

Thank you, Honourable Member.

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

### **Council in Committee.**

The Speaker –

Before I put the question, can I just ask if Members would be happy to invite the Senior Accountant, Finance, to come to the table for the Committee stage?

Honourable Members –

Very happy with that, Madam Speaker.

The Speaker –

I put the question that the Title, Enacting Clause and Clause 1 do stand part of the Bill. Does any Honourable Member wish to speak to this?

Title, Enacting Clause and Clause 1.

Question put and agreed to.

The Speaker –

I put the question that Clause 2 do stand part of the Bill. It's the Interpretation Clause and it's quite a long one. Does any Honourable Member have any questions or comments?

The Hon. Anthony Green –

Madam Speaker, I just want to raise a point that I had raised early in informal discussion and that is under Court, and I did ask for an explanation why Supreme Court has been omitted, because under the current 2009 Ordinance Supreme Court is added? It's the middle page, overleaf.

Mr Dax Richards –

.....that point with the Legislative Draughtsperson and she said that is no longer necessary under the current.....

The Speaker –

Possibly the Acting Attorney General can .....

The Hon. Frank Wastell –

It could be that because of the plans to introduce a Senior Magistrate and increase the jurisdiction, in terms of penalties etc, that the Magistrates Court under the Senior Magistrate can deal with, it was felt, and I can only presume this is the case, by the Legislative Draughtsperson that all the provisions of this Ordinance can be dealt with by the Magistrates Court and it does, of course, leave it open then in all circumstances for appeals to the Supreme Court.

The Hon. Anthony Green –

So, Madam Speaker, I only asked the question because its omission is obvious. Would the Acting Attorney General confirm that nobody's rights to a particular level of, what would you call it, recompense or whatever, referral, through the judicial system is limited by the omission of Supreme Court in this particular context?

The Hon. Frank Wastell –

Where it says Court, and it may well say, I haven't checked, Supreme Court as well, but I doubt it, but if there are penalties that are above the jurisdiction of the Magistrates Court then it must go to the Supreme Court.

The Hon. Anthony Green –

On that basis, Madam Speaker, I am content.

The Speaker –

Are there any other comments or questions concerning the Interpretation Clause?

The Hon. Cyril Gunnell –

I do have one, Madam Speaker, and that's to do with the income earned, accrued or derived in or from St. Helena. I'm looking at (a) income received by a resident from services etc. I take it that's a St. Helena resident?

The Hon. Frank Wastell –

Yes.

The Hon. Cyril Gunnell –

So, could that be included do you think?

The Hon. Tara Thomas –

There is an interpretation on the other page giving a definition for resident, but I don't know if that means, because this section is in an earlier part of the Bill, whether that still applies.

The Hon. Frank Wastell –

Yes, it would still apply.

The Speaker –

Anything further on the Interpretation Clause?

Clause 2.

Question put and agreed to.

The Speaker –

I put the question that Clauses 3 and 4 do stand part of the Bill.

The Hon. John Cranfield –

Madam Speaker, poor little Part II is all on its lonesome, Madam Speaker, look, couldn't that go over to the next page where it will feel like it's part of the Ordinance and not left out?

The Speaker –

There are one or two issues with the actual layout I think, Honourable Member, perhaps we could ask that when it's finally printed it's easy to ..... Are you just going to say what the part is, what the clauses deal with please, because I think otherwise the listening public will get a little bit lost, they might do anyway with 82 clauses.

The Hon. Paul Blessington –

Sorry, we're on Clause 2, Madam Speaker?

The Speaker –

3 and 4.

The Hon. Paul Blessington –

Clauses 3 and 4. Part II concerns the Commissioner, officers and confidentiality which Clause 3 makes provision for the appointment of the Commissioner of Income Tax and other officers and Clause 4 provides that all tax officers and other persons shall treat all information and documents relating to taxpayers affairs as confidential.

The Speaker –

Is there any change in this from the previous legislation, the same as the previous legislation? Any questions or comments, Honourable Members?

Clauses 3 and 4.

Question put and agreed to.

The Speaker –

I put the question that Clauses 5, 6 and 7 do stand part of the Bill. Chapter 2, Liability to Income Tax.

The Hon. Paul Blessington –

Madam Speaker, Clause 5 is the main charging provision which imposes income tax. Income tax is charged on a person's chargeable income as determined in Clause 7 and withholding income as referred to in Clause 25.

The Speaker –

Any questions, Honourable Members? Any changes to the previous legislation? No, it's the same as it was before.

Clauses 5, 6 and 7.

Question put and agreed to.

The Speaker –

I put the question that Clauses 8 and 9 do stand part of the Bill.

The Hon. Paul Blessington –

Clause 8 describes the taxable income to be used for the calculation in Clause 7 and it includes the total amount earned, accrued or derived in or from St. Helena from employment, self employment, trade or business, income from property and capital gains.

The Speaker –

Any questions, any difference from the previous law? It's the same as it was in the previous law.

Clauses 8 and 9.

Question put and agreed to.

The Speaker –

I put the question that Clause 10 do stand part of the Bill.

The Hon. Paul Blessington –

Madam Speaker, this Clause does have one of the changes in it. The main part of the clause provides for an annual allowance of £7,000 for each individual. Now, that hasn't changed, but the clause also provides an allowance for contributions to an approved superannuation and pension fund, so contributions made are effectively allowed as deduction from taxable income. The amount of this allowance is determined in accordance with a formula to limit the deduction to an amount which is either the lesser of £20,000, which is as it was before, or 30% of a person's income, taking into account the employer's contribution. Now, that is the part that has changed and that has risen from 20% to 30% enabling taxpayers to contribute a larger sum from their pre-tax income into a superannuation fund, encouraging them, therefore, to put more towards their future pension.

The Speaker –

Any questions or comments, Honourable Members?

Clause 10.

Question put and agreed to.

The Speaker –

I put the question that Clause 11 do stand part of the Bill.

The Hon. Paul Blessington –

Madam Speaker, this is also a new clause in that it provides for an investment tax credit where expenses incurred in respect of the acquisition or creation of certain assets will be deducted from the tax payable. This will apply to depreciable assets that will be used in the business of the taxpayer where the assets did not previously exist on the island. So this is the investment tax credit, which is one of the investment incentives.

The Speaker –

Any questions or comments?

The Hon. Tara Thomas –

Madam Speaker, can I just raise a query. It talks about the acquisition or creation of certain assets, but does that apply to the enhancement of assets?

The Hon. Paul Blessington –

Madam Speaker, yes, it would include the enhancement of existing assets, but the one thing to note though is this clause is to encourage the acquisition of new capital on the island so that simply the purchase of an existing secondhand asset would not acquire a tax credit, but if you bought a secondhand asset and then spent money on enhancing it, that enhancement would qualify for a tax credit/

The Hon. Tara Thomas –

Thank you, Madam Speaker.

The Speaker –

Any other comments or questions?

Clause 11.

Question put and agreed to.

The Speaker –

I put the question that Clauses 12, 13 and 14 do stand part of the Bill.

The Hon. Paul Blessington –

Madam Speaker, these concern income from employment. Clause 12 describes what constitutes income from employment. Clause 13 includes as employment income all benefits which are provided to an employee or his family to which a monetary value can be applied. Clause 14 is certain allowances and benefits provided in respect of employment which are not included in taxable income and an employee is therefore not taxed on the value of those benefits and those exempt benefits include, for example, allowances for uniforms, transport to and from work, travel and subsistence allowances.

The Speaker –

.....?

Mr Dax Richards –

Only for a small.....and that's without the .....  
.....superannuation fund and that's.....

The Speaker –



Any questions, Honourable Members?

Clauses 12, 13 and 14.

Question put and agreed to.

The Speaker –

I put the question that Clauses 15 and 16 do stand part of the Bill.

The Hon. Paul Blessington –

Madam Speaker, Clauses 15 and 16 relate to Pay As You Earn schemes. No changes to what the system was before. Clause 15 simply requires an employer to deduct PAYE from the salaries of an employee and Clause 16 provides that where an employee is not required to file a tax return for any other income, the PAYE deducted from salary of an employee is the final count.

The Speaker –

Any questions, Honourable Members?

The Hon. Cyril Gunnell –

Madam Speaker, just on that word “employee”. Now, if I were to get somebody to build a wall for me and it took him two days, would that person be an employee of mine and do I have to fill in some kind of form and stuff?

The Speaker –

I hope not, because I didn’t when I employed somebody to build a wall the other day.

The Hon. Frank Wastell –

Madam Speaker, there are definitions built into this Ordinance of “employee”. It can sometimes be difficult to say exactly whether somebody is an employee or is working for someone under contract for services and there are numerous cases in England that have differentiated whether somebody is actually an employee or a contractor, to put it simply. Well, you’ll see that the definition under this Ordinance states that it means an individual person deriving income from employment, but excludes a person who is self employed, so normally when a person asks someone to come round to the home, for example, and build a wall or clean windows or do that sort of job, that person is self employed and would not be regarded as an employee of you although you’re paying under a contract, not paying under a contract of employment.

The Hon. Cyril Gunnell –

Thank you.

Clauses 15 and 16.

Question put and agreed to.

The Speaker –

I put the question that Clauses 17, 18 and 19 do stand part of the Bill.

The Hon. Paul Blessington –

Madam Speaker, these clauses are to do with income from self employment, trade or business. Clause 17 calculates income from self employment. Clause 18 determines the amount of consideration for the purposes of Clause 17 (b) which was the nett gain on disposal of a business asset. Clause 19 determines the cost of the capital asset for the purposes of Clause 17, which is disposal of that asset. I don't think there are any significant changes of before.

Clauses 17, 18 and 19.

Question put and agreed to.

The Speaker –

I put the question that Clause 20 do stand part of the Bill.

The Hon. Paul Blessington –

Clause 20, Madam Speaker, determines the method of calculating gains and profits from long-term contracts. Now, this is where, perhaps, the profit or payment isn't completed within a single tax year. Again, I don't think there's any change from previous law.

Clause 20.

Question put and agreed to.

The Speaker –

Short though it is, I put the question that Clause 21 do stand part of the Bill.

The Hon. Paul Blessington –

Clause 21 deals with property income and describes what constitutes property income and includes interest, rent, royalties, premiums and other payments which relate to the use of real property. Again, no change.

Clause 21.

Question put and agreed to.

The Speaker –

I put the question that Clause 22 do stand part of the Bill.

The Hon. Paul Blessington –

Clause 22, Madam Speaker, is the clause that prescribes which deductions are allowed against business income and property income under the interest. There are, I think, some changes to these, which I might ask Dax Richards to comment on, in particular, I think, trading stock.

Mr Dax Richards –

Under Clause 22, part (g), there's been a change to what can be deducted under a superannuation fund.....by actually limiting, based on profits, what someone can actually put into a superannuation fund. If a business makes a loss during the year, basically you're not allowed to contribute to a superannuation fund, so we felt that this isn't fair and

the change that we're suggesting here is that as a self-employed person you can contribute up to £20,000 in any financial year.

The Speaker –

Any questions or comments, Honourable Members?

Clause 22.

Question put and agreed to.

The Speaker –

I put the question that Clause 23 do stand part of the Bill.

The Hon. Paul Blessington –

Clause 23 prescribes the expenses which may not be deducted for tax purposes and includes, for example, domestic or private expenses, capital improvement or amounts expended which have been recovered under insurance; again, no change from previous law.

Clause 23.

Question put and agreed to.

The Speaker –

I put the question that Clause 24 do stand part of the Bill.

The Hon. Paul Blessington –

Madam Speaker, this is one of the clauses which does contain one of the changes in principle to the..... The clause deals with trade losses and allows losses from one business to be set off against other income. This does not, however, apply to employment income and business losses can therefore not be offset against salary income. That was the loophole that was being closed. Where not all the losses can be set off in a year against other income it is carried forward and can be used as a deduction in the following year. That is the clause which empowers the indefinite loss carried forward, so if a business makes a loss in any given year it is no longer time expired.

The Speaker –

Any questions, Honourable Members?

Clause 24.

Question put and agreed to.

The Speaker –

I put the question that Clauses 25, 26 and 27 do stand part of the Bill.

The Hon. Paul Blessington –

These clauses, Madam Speaker, are to do with withholding tax. Clause 25 limits the application of the part relating to withholding tax on property income to apply in respect of payment of interest. Clause 26 requires the withholding income payer to deduct withholding tax at the rate of 10% from the payment of interest; and, Clause 27 provides that withholding

tax under Clause 26 is a final tax which means once you have paid it you can't be taxed again. There are no changes to the existing law with any of those clauses.

The Speaker –

Any questions, Honourable Members?

Clauses 25, 26 and 27.

Question put and agreed to.

The Speaker –

Honourable Members, I'm just going to stop for a minute. My apologies, I've had to take the robe off because it was just too hot and I'm going to ask if the Honourable Chief Secretary would undertake to ask that the air conditioning in here is actually.....look into it, because I can't see how it's actually operating effectively today at all. It's a bit like being in a sauna.....concentration.

I put the question that Clause 28 do stand part of the Bill and now it's Chapter 5, Capital Gains and Profits, Interpretation Clause.

The Hon. Paul Blessington –

Clause 28 defines certain words and phrases relating to capital gains and losses. For example, an asset is defined to mean any land or interest in land, any buildings and other things permanently affixed to land and any stake or interest in a business which was held by a person for at least three years. Now, the definition of what ranks as an asset or a capital gain has changed and it's been reduced so that whereas the capital gains tax used to apply to a very wide range of assets, it is now limited to land, buildings or a stake in a business.

The Speaker –

Any questions, Honourable Members?

The Hon. Anthony Green –

Madam Speaker, I know when we previously discussed this I asked for some clarification. I can't immediately now remember what that clarification was, but if anybody can tell me that that clarification has now been addressed or if any other Member can remember why we asked that?

Mr Dax Richards –

You asked about permanently affixed to land and we did seek legal representation and we were told that this is what.....

The Hon. Anthony Green –

Thank you so much, thank you.

Clause 28.

Question put and agreed to.

The Speaker –

I put the question that Clause s 29 and 30 do stand part of the Bill.

The Hon. Paul Blessington –

Some minor changes here, Madam Speaker. Clause 29 excludes certain things from capital gains tax, the main exclusion being a person's principle, private residence. So if you sell your principle, private residence and your .....is enough to make the capital gain, you won't be liable to capital gains tax. In Clause 30, this provides an exemption or an allowance that a person's taxable income, an individual is entitled to an exemption of £2,000 per year on capital gains. So if you sell something that is subject to capital gains, such as, you have a second home, maybe one that you're renting out and you make a capital gain on that or you sell some shares, and you make a capital gain on those, then the first £2,000 of that capital gain will not be taxable. It's to try and make sure that small transactions don't get caught in the net and it's only significant sized transactions that will be subject to tax.

The Speaker –

Any questions?

The Hon. Bernice Olsson –

So can you just explain this a bit more, especially for the listening public as well? If I had a second house and I sell the second house, I would have to pay tax on the first £2,000, is that what you're saying?

The Hon. Paul Blessington –

No.

The Hon. Bernice Olsson –

If you just make it a bit clearer for people out there.

The Hon. Paul Blessington –

I'll try and make this as clear as I can. The £2,000 exemption is to try to make sure that things that are subject to capital gains tax, but are only relatively small value, don't get picked up and clog up the system. So, for example, if you happen to own some Solomons shares and you sold some Solomons shares and you made a gain on selling those shares of £500, then that would be less than the £2,000 annual exemption so you would not pay any capital gains tax. If, however, you have a second home and you make a taxable gain of £30,000 on selling that property, then you would get tax relief on the first £2,000, so you'd pay tax on the remaining £28,000 gain. Does that make it a little bit clearer?

The Hon. Bernice Olsson –

I think so, yes.

The Hon. Tara Thomas –

And the rate of that gain now has been reduced.

The Hon. Paul Blessington –

The rate of that tax that you would pay, instead of being 25% as it was previously, has come down to 10%.

The Speaker –

Alright?

The Hon. Bernice Olsson –

Yes, thank you.

Clauses 29 and 30.

Question put and agreed to.

The Speaker –

I put the question that Clause 31 do stand part of the Bill.

The Hon. Paul Blessington –

Clause 31 calculates the gain or loss from the disposal of an asset. Just checking to see whether there was any change from previous arrangements included in this clause. Can you just explain what those are?

Mr Dax Richards –

One of the main things is the period of ownership. Part 3 of Clause 31 you'll see there is a formula that's also been included which looks at the period of ownership of such dwellings and this will be for a second home, for example, that was after 1<sup>st</sup> April 2010 and keeping the total ownership period to after 1<sup>st</sup> April 2010 as well. So I think the intention here is that only gains after 1<sup>st</sup> April 2010 for a set period will be subject to capital gains tax.

The Hon. Stedson Francis –

Just explain that again. You said after 2010, so after you purchase, purchase after 2010?

Mr Dax Richards –

Yes, if, for example, you had a second property and you owned that property for ten years, but you bought that in, say, 2003, any gains from 2003 up until 1<sup>st</sup> April 2010 is not taxable, the only part that would be taxable is on any gains.....after 1<sup>st</sup> April 2010.

The Hon. Paul Blessington –

Perhaps I can just also clarify a bit more. Members may be aware that before the Income Tax Bill 2009 was enacted, there wasn't actually a capital gains tax, but any business which sold an asset and made a gain on it, that was just treated as normal trading income and would have been taxed at 27%. The Income Tax Ordinance 2009, which came into effect on 1<sup>st</sup> April 2010, specifically identified capital gains as a separate taxable item and individuals who previously had had no liability for capital gains tax came into that net. However, if you owned an asset previously to 2010, any capital gain from the point at which you had acquired that asset up to the introduction of capital gains tax, was excluded. So, for example, if you bought an asset in 2000 and you sold it in 2012, then any gain between 2000 and 2010 would be exempted and only the gain from 2010 to when you sold in 2012 would be taxed. So, ten twelfths of the gain would be exempted and two twelfths would be taxed. It's simply to make sure that nobody suffers any capital gains tax on any part of a gain that was earned before the tax was introduced.

The Speaker –

Any questions, Honourable Members?

The Hon. Stedson Francis –

I'm not so sure how I'm going to word my question, but if somebody, talking about the house now, would that be only on the second house if somebody had a second house that they had bequeathed to them, say, thirty, forty years ago, and they sold it just before 2010 and then, on the other hand, they sold it 2011?

The Hon. Paul Blessington –

Okay, that's a good example. If somebody had owned a house for forty years and they sold it before 2010 and it was their second house, because their first one is exempted under all circumstances, but if it was their second home, if they sold it before 2010 there was no capital gains in existence at that stage so they wouldn't pay any tax. If they sold it in 2011, capital gains tax was then in existence for one year so if the gain had been accumulating over forty-one years, forty-fourths would be exempt and you would only be taxed on one-fourth of the gain.

The Hon. Stedson Francis –

So if I bought that place forty years ago for £41.00 I would only pay £1.00?

The Hon. Paul Blessington –

You'd pay tax. If you got it for nothing and you sold it for £41.00, you would pay tax on only £1.00 and you'd pay that tax, under the new rules it's only 10%, so you'd pay ten pence in tax, which would be less than the £2,000 annual exemption so you'd pay nothing.

The Hon. Stedson Francis –

I suppose in the real world that house would be valued by you people?

The Hon. Paul Blessington –

Well, it might be £41,000 these days rather than £41.00.

The Hon. Stedson Francis –

I think I get the gist of it now.

The Hon. John Cranfield –

Madam Speaker, I know we've been through this before, but why is it from 1<sup>st</sup> April 2010 and not 1<sup>st</sup> April 2012?

The Hon. Paul Blessington –

The capital gains tax was brought in originally from 1<sup>st</sup> April 2010 when the Income Tax Ordinance 2009 was enacted, so it was brought in at that stage at 27% tax and this new Income Tax Bill reduces the rate of tax to 10% and it gives various other exemptions and exclusions, so from the taxpayer's point of view, it's a much friendlier tax than it was before.

Clause 31.

Question put and agreed to.

The Speaker –

I put the question that Clauses 32, 33 and 34 do stand part of the Bill.

The Hon. Paul Blessington –

These clauses are, again, dealing with capital gains and losses. Clause 32 prescribes the manner in which the disposal price and the acquisition value should be determined. Clause 33 adjusts the acquisition value to take into account all expenses incurred in respect of the asset after it was acquired and Clause 34 deals with the application of this chapter in the case of bankruptcy. Now, I'm not sure if there was any changes to the previous law here?

Mr Dax Richards –  
No.

The Hon. Paul Blessington –  
No.

The Speaker –  
Any questions?

The Hon. Anthony Green –  
Madam Speaker, just to seek reassurance with regard to 32 (1) (a) that at the end of that first line in (a) it should be an 'and' and not an 'or'?

The Hon. Frank Wastell –  
Yes, that is correct.

The Hon. Anthony Green –  
That is correct. Okay, thank you.

Clauses 32, 33 and 34.

Question put and agreed to.

The Speaker –  
I put the question that Clause 35 do stand part of the Bill.

The Hon. Paul Blessington –  
Yes, Madam Speaker, this is one of the main change principles in the new act. Clause 35 provides rollover relief in certain instances to provide that the initial capital gain or loss that arises from the disposal is rolled over to the next disposal. In other words, you don't pay capital gains tax right away if you re-invest the proceeds of your capital gain back into your business. Just to carry on, this will apply in the case of the transfer of an asset from a person to a beneficiary, of a deceased's state of a person or a person's spouse. So if you die and your asset is passed on to your beneficiary or spouse you will get rollover relief. The person who acquires the asset from the owner continues to own the asset on the same basis as if it was held by the original owner for the purposes of determining any gain or loss that may arise when that person later disposes of that asset. But also, rollover relief is provided where a person disposes of an asset and re-invests the proceeds within two years in a similar asset. No gain or loss is determined on that first disposal, but when the similar asset is ultimately disposed of, the gain or loss shall be determined with reference to the acquisition value of the first asset. So what this does, it gives you a one time chance to roll over a capital gain when you sell an asset into a new one, however, you can't put off the day of reckoning forever. If you subsequently sell that second asset, you will pay a capital gain and then the cycle starts again. If you purchase a new asset with the remains of your proceeds and then you sell that,



you will get a gain one time relief, so it's an incentive to re-invest but it's not, it doesn't lead to permanent avoidance of paying tax.

The Hon. Cyril Gunnell –

Madam Speaker, when is an asset not an asset in terms of the Income Tax Ordinance. I don't see anything in the Interpretation about asset. I mean, if I sold a radio, for example, is that an asset or it's not an asset?

The Hon. Paul Blessington –

There are only certain things that are classed as assets for capital gain tax and those are land, buildings and shares or stakes in businesses. Anything else, cars, television sets, antique furniture, Grand Masters paintings, anything else you like, they're assets, you might make a gain on sale, but you will not be taxed under the capital gains tax.

The Speaker –

I'm not sure.....

The Hon. Tara Thomas –

Madam Speaker, can you just give an example in terms of when perhaps a family member inherits a property, because this isn't just about re-investing, well businesses that are, a property that is acquired via business purposes, this is also personal as well?

The Hon. Paul Blessington –

Yes, if, let's say your grandmother dies and hands over her house to you and you acquire that, that is not, even though it might have gone up greatly in value since its time of original build or acquisition, you won't at that stage rank for any capital gains tax on that transaction. Let's say you've now got it as a second home, so it's a second asset and potentially then taxable through capital gains tax if you then sell it. It's considered to be one period of ownership, so you can sell it and if you re-invest the proceeds you can avoid into another business of ....., you've let this property out, you sell it and re-invest the proceeds into another business, you would get rollover relief on it. However, once you've bought a new asset with those proceeds that you got rollover relief on, if again you sell that for a capital gain you will then pay tax because you've had your relief once, you can't get it twice.

The Hon. Tara Thomas –

And that money doesn't have to be invested in the same sector, it could be into a new sector?

The Hon. Paul Blessington –

It could be into a new sector, as long as it is re-invested.

The Hon. Tara Thomas –

Thank you.

The Hon. Frank Wastell –

Madam Speaker, just for the sake of clarity, asset is defined for the purposes of Chapter 5, Capital Gains and Losses in the Interpretation Section.

The Hon. Raymond Williams –

What happens if you dispose of an asset later than two years? Why are you quoting two years, why can't I sell my asset four years after I acquire it? Same tax rules apply?

The Hon. Paul Blessington –

The intention of this clause is to try to ensure that we encourage you to re-invest your gains and two years is a reasonable period in which to re-invest. If you don't do it in that time, then, well, for example, even though you would be assessed for capital gains tax in the first instance, you wouldn't end up paying any tax because of the way that tax is always slowly in arrears of the financial year. If you re-invested within two years, you'll end up getting the benefit before you were due to pay any tax in the first place, so if we made it a longer period than that it starts to get very complicated and we're trying to keep things simple.

The Hon. Raymond Williams –

So what you're saying, the quicker the better?

The Hon. Paul Blessington –

The quicker the better.

The Hon. Raymond Williams –

Okay, thank you.

Clause 35.

Question put and agreed to.

The Speaker –

We have a fairly substantial number of clauses now that have not been changed from the previous Bill, so we take, I put the question that Clauses 36, 37, 38 do stand part of the Bill.

The Hon. Paul Blessington –

Clause 36 is to do with registration of business, 37 submit an annual income tax return, 38 exempt to people from putting in returns. I don't think there's any changes there.

Clauses 36, 37 and 38.

Question put and agreed to.

The Speaker –

I put the question that Clauses 39, 40, 41 and 42 do stand part of the Bill.

The Hon. Paul Blessington –

These clauses are, again, administrative clauses to do with making tax returns, and, again, I don't think there's any change from the present law.

Clauses 39, 40, 41 and 42.

Question put and agreed to.

The Speaker –

I put the question that Clauses 43, 44, 45 and 46 do stand part of the Bill.

The Hon. Paul Blessington –

These are, again, administrative clauses to do with due dates and so forth for payment of taxes and there's no change to the existing law.

Clauses 43, 44, 45 and 46.

Question put and agreed to.

The Speaker –

I put the question that Clauses 47, 48 and 49 do stand part of the Bill.

The Hon. Paul Blessington –

Again, these are purely administrative clauses and there's no change from before.

The Speaker –

I am checking and just looking at numbers in case anybody has a question to raise, but where there's not been a change I'm assuming that we might be able to move quite quickly.

The Hon. Tara Thomas –

Madam Speaker, would it be appropriate to do it via a check because there's nothing else that's been changed in the Bill?

The Speaker –

Until we get the checks first. I'm at Members' disposal on this?

The Hon. Cyril Gunnell –

.....confusing, Madam Speaker, just carry on the way we are.

The Speaker –

The way we are, okay.

Clauses 47, 48 and 49.

Question put and agreed to.

The Speaker –

I put the question that Clauses 50 and 51 do stand part of the Bill.

The Hon. Paul Blessington –

These are clauses to do with foreign tax credits and provision for refunds of tax overpaid, and, again, no changes.

Clauses 50 and 51.

Question put and agreed to.

The Speaker –

It's Chapter 8, I put the question that Clauses 52, 53, 54 and 55 do stand part of the Bill.

The Hon. Paul Blessington –

Chapter 8, Madam Speaker, is to do with information, books and accounts and documents and there are no changes to previous provisions.

Clauses 52, 43, 54 and 55.

Question put and agreed to.

The Speaker –

I put the question that Clauses 56, 57, 58, 59, 60, 61 and 62 do stand part of the Bill.

The Hon. Paul Blessington –

Madam Speaker, these clauses form Chapter 9 on trusts, partnerships and representative taxpayers. They are administrative and there is no change in them from last time.

Clauses 56, 57, 58, 59, 60, 61 and 62.

Question put and agreed to.

The Speaker –

I put the question that Clauses 63, 64 and 65 do stand part of the Bill.

The Hon. Paul Blessington –

These are to do with objections and appeals by taxpayers and there are no changes to the previous law.

Clauses 63, 64 and 65.

Question put and agreed to.

The Speaker –

I put the question that Clauses 66, 67, 68 and 69 do stand part of the Bill.

The Hon. Paul Blessington –

These clauses are all to do with penalties for such things as failure to submit a tax return and there have been no changes made.

Clauses 66, 67, 68 and 69.

Question put and agreed to.

The Speaker –

I put the question that Clauses 70, 71, 72, 73, 74 and 75 do stand part of the Bill.

The Hon. Paul Blessington –

This, Madam Speaker, section deals with offences and includes such things as criminal penalties and there is no change from the previous law.

Clauses 70, 71, 72, 73, 74 and 75.

Question put and agreed to.

The Speaker –

I put the question that Clauses 76, 77, 78, 79 and 80 do stand part of the Bill.

The Hon. Paul Blessington –

These clauses are covering general items about administration and, again, there are no changes to the previous law.

Clauses 76, 77, 78, 79 and 80.

Question put and agreed to.

The Speaker –

I put the question that Clause 81 do stand part of the Bill.

The Hon. Paul Blessington –

Clause 81 is to do with the making a provision of regulations and one of the changes in the Income Tax Bill 2012 is that it has been simplified with quite a lot of things being moved from the primary Ordinance into Regulations so that's really affecting that.

The Speaker –

Any questions?

Clause 81.

Question put and agreed to.

The Speaker –

I put the question that Clause 82 do stand part of the Bill.

The Hon. Paul Blessington –

Madam Speaker, Clause 82 is the clause that repeals the existing Income Tax Ordinance 2009 and makes provision for transitional measures and in effect it's what operationalises the new tax law and the principles included in this Bill.

The Hon. Cyril Gunnell –

Madam Speaker, can I ask, you know, as we're going through these rather quickly now because there are no changes, can I assume then that when there were consultations there were no questions asked about any of this, so this is why appear to just accept them the way they were, is that correct?

The Hon. John Cranfield –

.....the consultation period and there were no objections to any of the .....

The Hon. Cyril Gunnell –

Thank you.

Clause 82.

Question put and agreed to.

The Speaker –

I put the question that Schedule I do stand part of the Bill.

The Hon. Paul Blessington –

Madam Speaker, Schedule I shows the proposed new rates of tax. There is no change in the standard rate of income tax at 25%, however, there is a change in 1 (b) in the Schedule which is that the rate of capital gains tax has been reduced from 25% to 10%.

Schedule I.

Question put and agreed to.

The Speaker –

Can I just add my thanks to the teams who have actually been working on the Income Tax Ordinance and have provided support this afternoon. Thank you.

**Council resumed.**

The Speaker –

They say when you actually go higher above sea level it's cooler, maybe I haven't gone far enough up above sea level, it's no cooler up here, Honourable Members, than it is down there. Honourable Mover?

The Hon. Paul Blessington –

Madam Speaker, I beg to report that the Income Tax 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.

The Speaker –

Thank you. Is there a seconder, please?

The Hon. Tara Thomas –

Madam Speaker, I beg to second.

The Speaker –

Thank you. Does the Honourable Mover wish to speak to the Motion?

The Hon. Paul Blessington –

I have no more comments I think to make. Thank you, Madam Speaker.

The Speaker –

I put the question that this Council approves the Income Tax Bill 2012 and recommends to the Governor that it should be enacted. Does any Honourable Member wish to speak at this point? Honourable Tony Green?

The Hon. Anthony Green –

Madam Speaker, if I may, just two small points. My Honourable colleague, John Cranfield, mentioned about how the Ordinance is set out. In years ago they talked about Widows and Orphans when you got a heading left all alone down the bottom, and I just wanted to, for presentational purposes, suggest that perhaps we should tidy those things up. Secondly, I did

apologise this morning for what I thought was a mistake regarding the explanatory note, I now would like to say that I didn't make a mistake, the explanatory notes we got actually explains what each section is about, each clause, but in all Ordinances it's always been the standard practice that a very simple explanation of what the Ordinance is about, and this one, I do believe, excludes that, and I would hope and recommend that that be included before publication of the Ordinance.

The Speaker –

Thank you, Honourable Member. Any other Honourable Member wish to speak? In which case, I will invite the Honourable Mover to respond if you wish to?

The Hon. Paul Blessington –

Madam Speaker, I don't know whether it will be possible to put a simple explanatory note that would explain the entire content of the Income Tax Bill, but I will certainly undertake to do my best to see that such an explanatory note is appended.

The Speaker –

Thank you.

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

The Speaker –

Honourable Members, I propose that we should take a fifteen minute break now and then we'll resume. I have no intentions of attempting to work too late this afternoon, mainly because it's so hot and steamy in here, but I think we can certainly handle a little bit more business before we finish, so we'll break now and we'll resume at ten to three. I suspend the sitting.

**Council suspended.**

**Council resumed.**

The Speaker –

Honourable Members, I have decided that we will omit Motion No. 2 for the moment and we will now continue with Motion No. 3. Clerk?

***Motion 3. The Honourable Financial Secretary.***

### **THE ECONOMIC DEVELOPMENT (REPEAL) BILL, 2012**

The Hon. Paul Blessington –

Madam Speaker, I beg to move that the Economic Development (Repeal) Bill, 2012 be approved in principle and referred to a committee of the whole Council.

The Speaker –

Thank you, Honourable Member. Could I have a seconder, please?

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

The Speaker –  
Thank you. Honourable Mover?

The Hon. Paul Blessington –  
Madam Speaker, the Economic Development Ordinance or rather a Bill for an Ordinance to repeal the Economic Development Ordinance, 2007, and to make provision for transitional measures for matters connected therewith and incidental thereto, this is the piece of legislation that terminates the AIS or Approved Investor Scheme. With the tax incentives that are built into the new Income Tax Ordinance that was passed just now, the main benefits of having the AIS scheme become obsolete because those rather selective benefits are going to be replaced by a much broader based set of investment incentives that will operate through the Tax Ordinance. Any existing Approved Investor Scheme beneficiaries will be able to continue to get the benefits under the old AIS rules, however, they will not be able to simultaneously claim, for example, Customs exemption on an asset under the AIS Scheme and also apply for an investment tax credit of 15% on the same tax, so they can't double dip, Madam Speaker. So anybody who wishes to apply for Approved Investor status will have up to 31<sup>st</sup> March 2012 to put in an application. After that date, all new applications will be closed and the Scheme will just go into run-off mode with no new applicants being brought in, so the purpose of this Bill, Madam Speaker, is to repeal the Economic Development Ordinance 2007 with effect from 1<sup>st</sup> April 2012.

The Speaker –  
Thank you, Honourable Member. I put the question that the Economic Development (Repeal) 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? I take it that the fact that no Honourable Member wishes to speak that they don't have any problem with us. There has been no debate; does the Honourable Mover wish to say anything else?

The Hon. Paul Blessington –  
I don't think, Madam Speaker, that I have anything to respond to.

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 –  
Thank you. Is there a seconder, please?

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

The Speaker –  
Thank you.



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

**Council in Committee.**

The Speaker –

I put the question that the Title, Enacting Clause and Clause 1 do stand part of the Bill. Does any Honourable Member wish to speak?

Title, Enacting Clause and Clause 1.

Question put and agreed to.

The Speaker –

I put the question that Clause 2 do stand part of the Bill. Does any Honourable Member wish to speak?

Clause 2.

Question put and agreed to.

**Council resumed.**

The Hon. Paul Blessington –

Madam Speaker, I beg to report that the Economic Development (Repeal) Bill, 2012, passed the Committee without amendments and to move that this Council approves the said Bill and recommends to the Governor that it should be enacted.

The Speaker –

Thank you. Is there a seconder, please?

The Hon. Tara Thomas –

Madam Speaker, I beg to second.

The Speaker –

Thank you. I have to offer the Mover the opportunity to speak again if he so wishes?

The Hon. Paul Blessington –

I have no further comments, thank you, Madam Speaker.

The Speaker –

Thank you. I put the question that this Council approves the Economic Development (Repeal) Bill, 2012 and recommends to the Governor that it should be enacted. Does any Honourable Member wish to speak at this stage?

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

The Speaker –

Next item, please?

***Motion 4. The Honourable Financial Secretary.***

**THE SPECIAL FUNDS ORDINANCE, 2012.**

The Hon. Paul Blessington –

Madam Speaker, I beg to move that the Special Funds Ordinance, 2012 be approved in principle and referred to a Committee of the whole Council.

The Speaker –

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

The Hon. Tara Thomas –

Madam Speaker, I beg to second.

The Speaker –

Thank you. Honourable Mover?

The Hon. Paul Blessington –

Madam Speaker, this Bill, its full title, a Bill for an Ordinance to establish Special Funds for Government Landlord Housing, for Capital receipts and for Other Locally Funded Projects is a Bill, basically of technical nature, that under the new Public Finance Ordinance allows Council to set up special funds to ringfence monies for specific purposes and the basis of the Special Fund is so that any money that is received into such a Fund at the end of the year does not have to go straight back into the Consolidated Fund, so once it's been appropriated in the first place it doesn't then fall back into the general fund with the restrictions that are placed upon it by the Consolidated Fund rules. There are three special funds and they can only be established by way of an Ordinance and the three that are being looked at in this instance are a special fund for Government Landlord Housing, that is to ensure that any rents or sales of Government Landlord Houses, those monies can be ringfenced and put towards the further renovation or building of new Government Landlord Housing, so it's basically to ensure that the funding that is being generated from Government Landlord Housing or Housing sales is kept in that particular pot and used only for that purpose. The next one is a Special Fund for Capital Receipts. Capital Receipts is a new fund and it wouldn't correspond to any of the projects that used to sit within the old Development Fund. Its purpose would be to facilitate the development of the Crown Estate by allowing capital receipts to be plowed back into the development of the Crown Estate without requiring further appropriation. Madam Speaker, again, the purpose of this is to prevent us from effectively selling off the family silver and spending it on operating expenses. It means that asset sales will be put into a special fund to ensure that we maintain the value, the real value of our Crown Estate or, indeed, to enhance it. The third of the special funds is for Other Locally Funded projects. Other Locally Funded Projects are essentially a casual fund for any projects that we wish to be able to put money into which would not then end up returning to the Consolidated Fund at the end of the financial year, so essentially this is a technical Bill, it doesn't have an major policy change implications. Thank you, Madam Speaker.

The Speaker –

Thank you. I put the question that the Bill to establish Special Funds for Government Landlord Housing; Capital receipts and Other Locally Funded Projects; and for matters connected therewith or incidental thereto, 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? The Honourable Mervyn Yon?

The Hon. Mervyn Yon –

Thank you, Madam Speaker. Madam Speaker, could I ask if it can be clarified under what Committee is responsible for Crown Estates?

The Speaker –

The Honourable Mover will presumably respond when he replies to the debate. Any other Honourable Member wish to speak? The Honourable Cyril Gunnell?

The Hon. Cyril Gunnell –

Thank you, Madam Speaker, just to rise to say I welcome this Bill and just for some clarification perhaps from the Honourable the Financial Secretary though, does this mean when it comes to other locally funded projects fund, does it mean that, sort of, projects that are not at the moment identified, you know, there could identify such Fund then one could be set up and then the money would be ringfenced and not go into the Consolidated Fund and the reason why I ask this, Madam Speaker, is because for quite some time now we have been trying to have a fund for the environment, an Environment Fund, and obviously this couldn't happen because all monies had to go into the Consolidated Fund and so money couldn't be ringfenced for Environment or anything else, would this allow, for example, an Environment Fund to be set up. Other than that, Madam Speaker, I certainly welcome the Bill. Thank you.

The Speaker –

Thank you, Honourable Member. The Honourable Stedson Francis?

The Hon. Stedson Francis –

Yes, Madam Speaker, I support the Bill, which is to establish special funds for Government Landlord Housing, Capital Receipts and Other Locally-funded Projects. Maybe the Honourable Financial Secretary will tell us how much money we have which would go into starting these Funds up for the three special Funds: Government Landlord Housing, Capital Receipts and Other Locally-funded Projects, how much money do we have if we have any at the moment, that when this Bill is passed we will have money to start the Funds off?

The Speaker –

Thank you, Honourable Member. The Honourable Brian Isaac?

The Hon. Brian Isaac –

Madam Speaker, thank you. I rise in support of this Bill, in my opinion, it's a way forward. We have experienced problems in the past as Government Landlord housing has experienced situations where funding hasn't been in place to complete requirements of the tenants. Capital receipts. That's another good move, I think. A lot of our heritage and other valuable properties are deteriorating and if we have a fund of this kind I think we would nip it at the bud instead of it escalating into big repairs. Also, the locally funded projects, I think that's a right move, but I'm sure we will be given further information as this Bill progresses. Thank you, Madam Speaker.

The Speaker –

Thank you, Honourable Member. The Honourable Owen O'Sullivan?

The Hon. Owen O'Sullivan –

Thank you, Madam Speaker. I would just support the Honourable Mervyn Yon in his comments on 4.5 in terms of the Council Committee that is responsible for Crown Estates. I've been recently looking at terms of reference for Council Committees and my personal opinion would be it would be more appropriate for the Infrastructure Committee. Thank you.

The Speaker –

The Honourable Derek Thomas?

The Hon. Derek Thomas –

Thank you, Madam Speaker, I rise in support of the Bill, I think it is a sensible Bill in establishing the three special funds. There are sensible funds, Government Landlord Housing, .....money instead of going into the Consolidated Fund clearly will support renovating and development of Government Landlord Housing and maintaining. The Capital Receipt Fund will support Crown Estates. Again, Crown Estates is a valuable asset and needs to be looked after and properly maintained. The other Locally Funded Projects will give elected members flexibility as to how these funds should be set up so, yes, it's a useful Bill and I rise in full support of the Bill, 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 this Bill and establishing these three new special funds. At the moment, the Capital Receipts Fund that my two colleagues referred to does have the Committee responsible as the Economy and Finance Committee, I would have no objections to that moving over to Infrastructure and Utilities. At the time of when this Bill was prepared and presented to Executive Council for being presented to this House, at the time the governance arrangements for Crown Estates and the management arrangements for that hadn't been determined, I think it's pleasing for this House to note that Crown Estates have now been placed under a more appropriate Directorate and would like to offer my support when it comes to the Committee stage for the Economy and Finance Committee's responsibility to be removed and replaced by Infrastructure and Utilities.

The Speaker –

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

The Hon. Anthony Green –

Thank you, Madam Speaker. Just for clarification, in fact, I support the Bill, but I see under the Bill that we have various Committees that actually will monitor the monthly accounts and reports, but just for clarification, will these Committees be the same ones that be the drivers and also does policies already exist for which these funds will be used in a way to conform with the policies already that we have or is it a question that we have to draft up new policies? I just need some clarification. Thank you.

The Speaker –

Any other Honourable Member wish to speak? In which case, I invite the Honourable Mover to respond?

The Hon. Paul Blessington –

Thank you, Madam Speaker. I shall try to deal with the various points that have been raised. In terms of which Committees are responsible for these funds, I've got no problem with the suggestions that, for example, the Capital Receipts Fund should be transferred to the watchful eye of the Infrastructure and Utilities Committee, the Government Landlord Housing Capital Fund was down to Health and Social Welfare Committee, and I think that probably makes sense as they're the ones who are responsible for the provision of Government Landlord Housing. The other Locally Funded Projects Fund, which is the catch all, was put down under Economy and Finance Committee and given that there could be projects from each and every Directorate going into that, probably Economy and Finance Committee would seem to me to be a sort of sensible compromise place for it to be monitored. There was a question as to whether this would enable some form of ringfencing for an Environment Fund to occur and I think the answer is, yes, exactly that sort of purpose can be served by having the Other Locally Funded Projects Fund. The purpose of the Other Locally Funded Projects Fund is to finance locally funded projects for the development of St. Helena so therefore a project that was for the protection of the St. Helena environment would seem to fall pretty neatly into that category.

How much money is available to go into these funds? Well, these funds are going to be established from 1<sup>st</sup> April and I think it will be then up to our Council to determine what amounts should be transferred into those, but, for example, the three hundred thousand odd pounds that had originally been earmarked for Government Landlord Housing, that would seem to be a good candidate for starting the Government Landlord Housing Capital Fund up. The other Funds, such as the Capital Receipts Fund, well that is to be funded from the sale of capital receipts from the Crown Estate, so as such capital receipts come in they will be used to create that fund. The amounts that are to go into the Other Locally Funded Projects Fund will be a matter, in the first instance, of appropriation from the Consolidated Fund, but once the monies are in there they are then ringfenced for the purposes for which they were appropriated and if they're not spent at the end of the year they don't disappear as an annual appropriation does.

I think that probably answers the main questions that were raised, Madam Speaker, unless I've missed one, but I failed to, I think, write down the question that the Honourable Tony Green said, so would he mind just repeating that for my.....

The Speaker –

If you'd like to rise on a point of information so that you can advise the Honourable Member?

The Hon. Anthony Green –

Thank you, Madam Speaker, I can't remember exactly what I said, but I really was actually asking who actually determines the purposes of these Funds and will drive it forward.

The Hon. Paul Blessington –

Okay, Madam Speaker, I think the policies around these Funds, well Government Landlord Housing, I would think that would fall under the remit of Health and Social Welfare Committee. The Capital Receipts Fund for the management of the Crown Estate, that would seem to fall under I&U Committee for which they have responsibility for Crown Estates and I would say that for Other Locally Funded Projects, Economy and Finance Committee would take advice from other Committees as to the purposes of the individual funds that are being set up under those Other Locally Funded Projects. Thank you, Madam Speaker.

The 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.

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

### **Council in Committee.**

The Speaker –

I put the question that the Title, Enacting Clause and Clause 1 do stand part of the Bill. Does any Honourable Member wish to comment or raise a question?

#### Title, Enacting Clause and Clause 1.

Question put and agreed to.

The Speaker –

I put the question that Clauses 2, 3, 4 and 5 do stand part of the Bill.

The Hon. Paul Blessington –

Madam Speaker, Clause 2 simply defines the meaning of Accounting Officer, Clause 3 operationalises the creation of the Government Landlord Housing Capital Fund, Clause 4 does the same for the Capital Receipts Fund and Clause 5 creates the Other Locally Funded Projects Fund.

The Speaker –

Does any Honourable Member wish to move an amendment to Clause 4, paragraph 5 where it reads the Council Committee responsible for Economy and Finance should consider the monthly accounts, is that correct? I believe in the opening discussion it was suggested that that should actually be amended to read Infrastructure and Utilities?

The Hon. Tara Thomas –

That's correct, Madam Speaker.

The Speaker –

It would need moving as an amendment, Honourable Member.

The Hon. Tara Thomas –

Madam Speaker, I beg to move that Clause 4, subclause (5) be amended to read “The Council Committee responsible for Infrastructure and Utilities shall consider the monthly accounts and reports relating to the Capital Receipts Fund, etc.

The Speaker –

Could I have a seconder to the amendment, please? The Honourable Brian Isaac?

The Hon. Brian Isaac –

Madam Speaker, I beg to second.

The Speaker –

Thank you. Now, does any Honourable Member wish to speak to the amendment?

The Hon. John Cranfield –

Sorry, Madam Speaker, just a minor amendment. Under 4, subsection.....

The Speaker –

Sorry, can we take the first amendment first and then we’ll come back, if you don’t mind. Can you just hold it please?

Question on amendment to Clause 4, paragraph 5, put and agreed to.

The Speaker –

I believe now Councillor Cranfield you may have an amendment to make to Clause 4, another amendment?

The Hon. John Cranfield –

Yes, just an insertion, Madam Speaker, there’s one word missing, “by”. It should be “authorised by the Governor”.

The Speaker –

“Or by a body authorised by”. I think we could take that as a typographical rather than a full amendment. Thank you for noticing that.

The Hon. Tara Thomas –

Madam Speaker, now that the change for the Council Committee has been amended to read Infrastructure and Utilities in Clause 4, I wonder if payments from the Capital Receipts Fund should also be authorised by the responsible Accounting Officer for that Directorate as opposed to the Financial Secretary?

The Speaker –

Sorry, can you point me to where that is, oh yes, Clause 4 (4).

The Hon. Tara Thomas –

So that it would read payments from the Capital Receipts Fund may be authorised by the Accounting Officer.

The Speaker –

Any comments on that, you're going to propose a proper amendment for that, can I just ask the Honourable Paul Blessington if he's got any comment on that before we go for an amendment?

The Hon. Paul Blessington –

Madam Speaker, I agree with that suggested amendment.

The Speaker –

Thank you. So I now need a proposal for the amendment, please, the wording for the amendment?

The Hon. Stedson Francis –

Am I right in saying, Madam Speaker, that the Accounting Officer will be wholly responsible for making payments from that budget, if you like, to whoever he pleases?

The Speaker –

Not to whoever he pleases.....

The Hon. Stedson Francis –

Well, without acquainting Financial Secretary or somebody?

The Speaker –

Financial Secretary?

The Hon. Paul Blessington –

It would be the same principle as applies in Clause 3, section (4) which says for the Government Landlord Housing Capital Fund, payments from the GLHC Fund may be authorised by the Accounting Officer in relation to such Fund, so the Accounting Officer in that case is the Accounting Officer as defined in the Public Finance Ordinance, 2010, and I think that would, in that case, be the Accounting Officer for the Directorate of Health and Social Welfare.

The Hon. Stedson Francis –

Whilst he would be responsible he would be guided by his Committee I take it?

The Hon. Paul Blessington –

I beg your pardon, but the question was?

The Speaker –

Would he be guided by his Committee?

The Hon. Paul Blessington –

I'm sure the Committee would provide the guidance and that would then be carried out by the Accounting Officer.

The Speaker –

So, as we understand it, the same applies to the Capital Receipts Fund and it would be the Accounting Officer for Infrastructure and Utilities?

The Hon. Tara Thomas –



Yes.

The Hon. Paul Blessington –  
I believe so.

The Speaker –  
Now, can I have, in that case, if a Member .....can I now have an amendment proposed?

The Hon. Tara Thomas –  
Madam Speaker, I beg to move that Clause 4 (4) be replaced with the following text. “Payments from the Capital Receipts Fund may be authorised by the Accounting Officer in relation to such Fund”.

The Speaker –  
Is there a seconder, please?

The Hon. Stedson Francis –  
Yes, Madam Speaker.

The Speaker –  
Thank you, the Honourable Stedson Francis. Does any Honourable Member wish to speak to the amendment?

Question on amendment, put and agreed to.

The Speaker –  
Is there any further comment on Clause 3, Clause 4, as amended, or Clause 5?

The Hon. Cyril Gunnell –  
Yes, Madam Speaker, the Other Locally Funded Projects Fund then, now the Honourable the Financial Secretary mentioned earlier on about monies to go into this Fund, when, and I spoke about the Environment Fund, but there could be other funds also, but with regard to an Environment Fund, when that was being talked about, the suggestion was that, for example, only for example, the Landing Fees, now there could be something, some little bit from the Landing Fees that would go into the Environment Fund, so that is the way the Fund would .....up and when we talk about the environment, the environment is, you know, all things, to do with all kinds of thing. I don't know how you would get around that, but that is the way it was envisaged, that money would be able to go into the Environment Fund.

The Speaker –  
.....Honourable Financial Secretary?

The Hon. Paul Blessington –  
I think, whilst the accounting details may have to be sorted out, in principle, I would say, yes, that if we are going to identify certain sources of revenue to be put or hypothecated towards specific ends, then this type of fund would be the right vehicle to enable that to happen.

The Speaker –  
Any other questions, please?

Clauses 2, 3, 4 (as amended) and 5.

Question put and agreed to.

**Council resumed.**

The Hon. Paul Blessington –

Madam Speaker, I beg to report that the Special Funds Bill, 2012, passed the Committee with two amendments and to move that this Council approves the said Bill and recommends to the Governor that it should be enacted.

The Speaker –

Thank you. Is there a seconder, please?

The Hon. Tara Thomas –

Madam Speaker, I beg to second.

The Speaker –

Thank you. The Honourable Mover wishes to say anything at this stage?

The Hon. Paul Blessington –

I have no comments to make, thank you, Madam Speaker.

The Speaker –

I put the question that this Council approves the Bill to establish special funds for Government Landlord Housing, Capital Receipts and Other Locally Funded Projects and for matters connected therewith or incidental thereto and recommends to the Governor that it should be enacted. Does any Honourable Member wish to speak at this point? The Honourable Cyril Gunnell?

The Hon. Cyril Gunnell –

Madam Speaker, just one point, Madam Speaker and maybe I should have raised it earlier on, but, for example, the Government Landlord Housing capital fund, now, I wouldn't wish to put more work than is necessary on the officers of the Health and Social Welfare Directorate and was wondering if, you know, that had been considered when the drafting of this Bill took place? I mean, the Department is overloaded with work anyway and to put some more on top of it, you know, it wouldn't be an easy thing to do, but I was wondering if that had been considered?

The Speaker –

Any other Honourable Member wishes to speak? The Honourable Tara Thomas?

The Hon. Tara Thomas –

Madam Speaker, if I may just say, in the Bill the purpose of the Government Landlord Housing Fund is to finance the construction or purchase of or major renovations to social housing. That will be undertaken by Crown Estates, so the reporting function and the reports that would need to go to the Committee so as they can undertake that function would be collated by the Crown Estates team within the Infrastructure and Utilities Directorate.

The Hon. Cyril Gunnell –

I welcome that clarification, Madam Speaker, thank you very much.

The Speaker –

Does any other Honourable Member wish to speak to the Motion? I'll invite the Honourable Financial Secretary to respond if he wishes to?

The Hon. Paul Blessington –

Madam Speaker, I think the only further comment I've got to make is that these funds are set up to facilitate certain actions, they're not designed to create additional work, but it provides the opportunity to Directorates that wish to be able to carry out renovation work or projects without going through the annual appropriation cycle, to be able to do so, so to that extent it will probably slightly reduce workload than increase it.

The Speaker –

Thank you, Honourable Member.

Question that 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 5. The Honourable Acting Attorney General.***

**ST HELENA NEWS MEDIA (AMENDMENT) BILL, 2012**

The Hon. Frank Wastell –

Madam Speaker, I beg to move that the St. Helena News Media (Amendment) Bill, 2012 be approved in principle and referred to a committee of the whole Council.

The Speaker –

Thank you. Is there a seconder, please?

The Hon. Paul Blessington –

Madam Speaker, I beg to second.

The Speaker –

Thank you, Honourable Member. Honourable Mover?

The Hon. Frank Wastell –

Madam Speaker, this Bill does invite an explanatory note at the end, however, it is very short, so just to expand on the purpose of bringing this Bill to the House, the Bill is the St. Helena News Media (Amendment) Ordinance of 2012. Recently, a new Broadcasting Corporation was set up for the purpose of establishing an independent community owned and sustainable media company in St. Helena. The new Company expects to produce its first newspapers very shortly with radio broadcasting following later in the year. For this reason, the St. Helena News Media Board needs to remain in existence after 1<sup>st</sup> April until the new radio broadcasting can commence. Under the current law, the Media Board are required to publish a newspaper, but there will now be no need for this requirement and this Bill introduces

amendments and consequential amendments to remove that requirement. It is intended that the Media Board will be wound up in the next few months as the new Company swings fully into operation. There are, therefore, winding up provisions in this Bill, together with amendments widening the scope of those who could be potential members. This move is a reflection of the fact that members of the current Board have made it known that they do not wish to serve after 31<sup>st</sup> March and in the past it has been difficult to recruit members to this particular Board. Madam Speaker, I beg to move.

The Speaker –

Thank you, Honourable Member. I put the question that the St. Helena News Media (Amendment) Bill, 2012, be agreed in principle and referred to a Committee of the whole Council. The question is open for debate. Does any Honourable Member wish to speak? It will be difficult for the Honourable Mover to respond since there's not been any debate.

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

The Hon. Frank Wastell –

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. Paul Blessington –

Madam Speaker, I beg to second.

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

### **Council in Committee.**

The Speaker –

I put the question that the Title, Enacting Clause and Clause 1 do stand part of the Bill. Any Honourable Member wish to speak?

Title, Enacting Clause and Clause 1.

Question put and agreed to.

The Speaker –

I put the question that Clauses 2, 3, 4 and 5 do stand part of the Bill.

The Hon. Frank Wastell –

Madam Speaker, as you will see and as I said in Stage 1, this Bill is about deleting the requirement for publication of a newspaper and in Clause 2 you will see that definition of newspaper and various references to newspapers have been deleted and there's also a deletion of a restriction on who can be members of the Board. Clause 3 refers to winding up of the Board and it makes the winding up easier and it also puts in a provision for transfer of property of the Board so it can be disposed off by St. Helena Government. The transitional provisions at 4 allow for the Governor to give directions as to the auditing reporting of the

Board rather than under Section 13 as it is now of the principle Ordinance where annual auditing is required, that will be deleted and there's a consequential amendment at Section 10, there's a list of restrictions and parameters on the duties of the Board, that's all deleted. As you can see, it's ensured that programmes broadcast by the radio comply with the Media Standards Ordinance of 2011.

The Speaker –

Thank you. Any questions, Honourable Members?

Clauses 2, 3, 4 and 5.

Question put and agreed to.

**Council resumed.**

The Hon. Frank Wastell –

Madam Speaker, I beg to report that the St. Helena News Media (Amendment) 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.

The Speaker –

Thank you. Is there a seconder, please?

The Hon. Paul Blessington –

Madam Speaker, I beg to second.

The Speaker –

Thank you. Does any Honourable Member wish to speak at this stage?

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

The Speaker –

And I'd like to ask the Clerk to call Motion No. 7, please?

***Motion 7. The Honourable Stedson Francis.***

The Hon. Stedson Francis –

Madam Speaker, I beg to move that this House fully supports the importance of Civil Society and its role in the present and future development of St Helena.

The Speaker –

Honourable Member, the wording on the Order Paper is that "this House fully recognises the importance", would you just read your Motion again please for me?

The Hon. Stedson Francis –

I thought it was fully supports.

The Speaker –

It has to be moved according to the Order Paper.

The Hon. Stedson Francis –

I beg to move that this House fully recognises the importance of Civil Society and its role in the present and future development of St Helena.

The Speaker –

Thank you. Is there a seconder, please?

The Hon. Anthony Green –

Madam Speaker, I beg to second.

The Speaker –

Thank you. Honourable Mover?

The Hon. Stedson Francis –

Madam Speaker, Honourable Members, this Motion is being put forward to ensure we do not lose sight of the importance of Civil Society and the work of voluntary organisations in the life of the island community and in the success of having an airport. Much of the emphasis of the change and development currently taking place is focused on the public and private sectors yet there is the third and equally important sector, Civil Society. There are about seventy recognised charitable organisations on the island that make up this sector. The work they do for the island community encompasses a whole range of activities; social, environmental, economic and cultural. Voluntary organisations not only support Government in its policies, but make an important contribution in these fields, estimated to be around one million pounds annually. Included in this sum, is attracting outside funding. We cannot in this forum, Madam Speaker, list the seventy organisations and the work they do, but I hope Honourable Members in the debate on the Motion will highlight the work of some individual organisations. A number of the charitable organisations play a critical role in tourism development, examples being the St. Helena National Trust and Conservation, the Yacht Club for organising the St. Helena .....Yacht Race with one taking place in December this year, attracting the greatest number of participants; NASAS in the biennial Festival of Running, the Heritage Society and Museum and the SHAPE Centre at Sandy Bay. However, a major input of voluntary organisations, is the social work they do in helping individuals and families. It reflects the care the community has for the vulnerable, providing assistance where it is not possible or where there have been SHG budget cuts. There are fundamental reforms taking place connected with having an airport. The agreement that our Government and the British Government have signed to have air access is the Memorandum of Understanding that was made public just before Christmas in 2010. The various reforms listed in the MOU almost entirely deal with the economy. This is an essential element, but we must not lose sight of what it says in the MOU is the overall aim – it is economic growth and social development. The overall aim of the MOU is in two parts, one balancing the other. That is what we signed for, that is the balance we should be aiming to achieve and Civil Society organisations play a critical role in bringing this about. Unfortunately, that balance between economic growth and social development is not happening. The focus is on economic growth and inward investment. The main Government policy document, the Sustainable Development Plan, reinforces this imbalance and it says that St. Helena simply must attract overseas visitors for quality of life to improve and major economic resources should be directed towards doing this. We all know that we have to meet the conditions set out in the MOU and that the island needs to move forward, that there needs to be change and reform, but it should not be at any cost. At the moment, there is real concern about how reforms are affecting the vulnerable and those who have low incomes. The current rate of

inflation is about 10%. It was said recently that the current higher inflation rates will hit the vulnerable and poor in St. Helena. The political figures are talking about 10% per annum inflation, even in the future. Some people are speculating that inflation could be even higher. Does this mean that in three year's time when the airport is open the inflation could be 40%? If this prediction is correct, it will create even more of an imbalance between economic growth and social development making an increasing number of people poorer. It will create a divide within the island community with the ensuing social problems. It will also mean that the work of the Civil Society organisations on the island will be weakened, limiting what Civil Society members can contribute and what funds can be raised locally. It will mean that essential support given by these voluntary organisations will have to be taken up by the Government at more expense and more money having to be raised from within the island. It will change the lifestyle of the people, which is a key ingredient in the tourism product that makes St. Helena a unique destination. Madam Speaker, this might seem like a worse case scenario, but we must face realities if we want to find solutions. The role of Civil Society is critical to the successful outcome of having an airport. It does not mean working in isolation, but as one of the few main sectors of our community working together in partnership with Government, the private sector and the people. Madam Speaker, I beg to move.

The Speaker –

Thank you, Honourable Member. I put the question that this House fully recognises the importance of Civil Society and its role in the present and future development of St. Helena. The question is open for debate. The Honourable Tony Green?

The Hon. Anthony Green –

Thank you. Madam Speaker, as the seconder of this Motion and being a Member of this House, I have no doubt that Honourable Members recognise completely and unreservedly the importance of Civil Society and the role it plays in the development of St. Helena. Civil Society has a vital part to play in providing essential input into Government's decision making. It is commonly held that the legitimacy of Government is derived from the people and Civil Society is well placed to understand the needs of our society. It also helps to hold Government to account. For me, the mention of the word Civil Societies have only emerged in recent years, but long before that, community groups, such as Churches, religious groups, media and others, have played important roles, so who are we really talking about when we say Civil Society. Some say that the simplest way to see Civil Society is as a further sector, distinct from Government and business. Ban Ki-moon, the UN Secretary General, said in 2009, and I quote, "Our times demand a new definition of leadership, global leadership, they demand a new constellation of international cooperation, Governments, Civil Society and the Private Sector working together for a collective global good". That may be on the world stage, but it illustrates the importance of Civil Society, which is no less relevant to St. Helena, so, Madam Speaker, I have no doubt that this House will fully support this Motion. Thank you, Madam Speaker, I support the Motion.

The Speaker –

Thank you, Honourable Member. The Honourable Tara Thomas?

The Hon. Tara Thomas –

Thank you, Madam Speaker, I rise in support of this Motion. I've always been a strong advocate of the third sector and was very pleased to see this Motion brought before the House today. We recently saw the level of importance placed by this Government on Civil Society reinforced only a few weeks ago when Civil Society was added back into the title of a

Council Committee now known as the Home, International and Civil Society Committee. The 2009 Social Policy Plan is currently under review and it is the intention of the Home, International and Civil Society Committee in partnership with the Economy and Finance Committee to establish a Community Development Grant Scheme which will seek to support the work of our local community groups. In due course, Madam Speaker, members of this House will be called to turn their verbal support into re-election when the Home and International and Civil Society Committee and Economy and Finance Committee will put forward a proposal on how this Scheme, which seeks to allow Civil Society groups to take a bigger role in the community, we will be looking for their support in allowing us to put money aside for this purpose. Madam Speaker, I fully support this Motion.

The Speaker –

Thank you, Honourable Member. The Honourable Brian Isaac?

The Hon. Brian Isaac –

Madam Speaker, I rise in support of this Motion and I am very supportive of all non-government organisations who are working for the best interests of the island, but I would just like to sing the praises of one of the organisations that I'm very much involved with and that's the Disabled Society. The Disabled Society has been in operation for the past thirty years and some of the founder members are still very active in the Society today. I think the first meeting that took place took place in this very Court House here today. The Society survives on a small donation from Government and fundraising throughout. It supports people from the cradle to the grave and the main objectives for the Society being set up thirty years ago was to bring children, the main focus on children who were disabled, to bring them out into the community, to make them feel equal, to give them the sense of feeling in the community. Today, those guidelines have developed into a state where we see that our disabled are very much equal in the community, we have our disabled in schools, we are working very hard to get them into the workplace and just in the past then years or so the Disabled Society was the main driver for a very good enterprise that we have on the island today, SHAPE, the Disabled Society was the main driver in getting that motivated. Today, SHAPE has moved away slightly from that and is left entirely to manage itself. Overall, the Society receives requests for all types of aids to help people to live more comfortably in their home, roads, railings, there's showers, fridges, and this takes a lot of burden off Government. I know that the Health and Social Welfare Committee, of which I am a Member of, doesn't have the funding to support all the needs that is required by our disabled in the community, but today I am proud to say that the Society is functioning well, I'm glad that all Civil Societies are being given full recognition in the House today and I give my full support and I thank the Honourable Member for bringing it to the House and I also thank the Members for their support. Thank you, Madam Speaker.

The Speaker –

Thank you, Honourable Member. I might just say that I daresay you would have wished to remember to just declared your interest as a very active member within the Disabled Society?

The Hon. Brian Isaac –

Madam Speaker, I do apologise for that, thank you.

The Speaker –

Yes, thank you. I think, actually, it's this sort of debate sometimes is quite difficult, because I think all of you in some capacity or other are actually members of various, Civil Society



organisations. The Honourable Mervyn Yon, who I can't actually see, but when you stand up I will.

The Hon. Mervyn Yon –

Thank you, Madam Speaker. I'm going to make it short. Madam Speaker, I rise in support of this Motion. It is important for Civil Societies and the role they can play in the present climate and future development of St. Helena. I am pleased to say, Madam Speaker, that Civil Society has now been highlighted into the Home and International Committee, the Committee will now read as follows - Home and International and Civil Society Committee. Madam Speaker, I trust that by doing so it will enlighten the Government to see that they do play their major role in listening to the Civil Societies, this has been asked for and we have now put it into Home and International as is requested. 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 the Motion and I won't repeat what has been repeated but just to reinforce that the proposed Community Development Grant, that my colleague referred to, is designed to empower St. Helenians district communities to help themselves and redistribute control from Government to local communities. This initiative, Madam Speaker, will enable a wide variety of community and voluntary organisations that further SHG's aims and that actively assist the community to enjoy a better quality of life, particularly where such projects would not go ahead without financial assistance, so a Group has been established and that is the purpose and the background of what we're trying to do, Madam Speaker, and we will certainly look forward to the Members' support when the funding request is required from within the coming year, from the new financial year, we will be making proposals for funding to support to better enhance Civil Societies to enable them to develop and play a more active role in our community. As my Honourable Members already said, Madam Speaker, that the Civil Societies have been officially now approved by Executive Council and added to the Home and International Committee so they are part of the Home and International Committee and I understand the Attorney General was being asked to take the action and make this official by having it properly endorsed on the Home and International Committee. A forum, annual forum was held last year for Civil Societies and progress are being made for another forum to be held within the next two months and hopefully some of the funding initiatives we will be able to take forward and discuss with Civil Societies as to how we can best support them in the future development of our island, so I certainly support the Motion, Madam Speaker.

The Speaker –

Thank you, Honourable Member. Does any other Honourable Member wish to speak? The Honourable Cyril Gunnell?

The Hon. Cyril Gunnell –

Thank you, Madam Speaker. I declare an interest in this Motion. I have been, for many years, a member of a Civil Society organisation in St. Helena, namely, the Citizenship Commission, which was formerly named Bishop's Commission on Citizenship. The Commission's primary task in their formative years was to research and prepare the facts and figures that could be used by everyone, including members of Legislative Council, to press the claim for restoration of British citizenship. British citizenship, as we are all aware, was

unjustly taken away as a result of the 1981 Nationality Act. Eventually, in 2002, British citizenship was restored to St. Helenians and the right to British citizenship is now enshrined in our present Constitution. Madam Speaker, the right to British citizenship was also restored to citizens of the other Overseas Territories who recognised and acknowledged the stand that St. Helena had made. The very important work carried out by the aforementioned Civil Society organisation towards the restoration of British citizenship cannot be understated. The Commission continues to be a voice for ordinary citizens. During the consultation on the draft of the present Constitution, the Commission, through the Commonwealth Foundation, was able to get legal advice for Councillors on two important matters. These were the right to nationality and ensuring that legal action could be taken on partnership values, including rights under international law, which were not included, but now are. The Commission has been supportive in the current proposal to set up a Human Rights institution and giving support to property owners in the proposal to re-zone land. Madam Speaker, for an island of just 4,000 people, there are numerous Civil Society organisations within St. Helena, I heard 70 mentioned earlier. Cancer Support and Awareness, Disabled Persons Aid Society, SHAPE, and I'm pleased to be able to say that with regard to SHAPE and funding, I think we are all aware, or should all be aware, that Health and Social Welfare Directorate have been asked to make funds available for SHAPE, that should come out, hopefully, in the Financial Secretary's budget speech later on; Women's Corona Society, Madam Speaker, to name just a few. A considerable number have been established for a long time, some have charitable status, having registered under the St. Helena Charities Ordinance, some are more prominent than others perhaps and many of them play a significant role in the community and thus facilitate sustainable development. Collectively, these organisations are an expression of the lifestyle of the people, a major asset that makes St. Helena a unique tourism destination. Many Civil Society organisations make an input into the island economy, either directly or indirectly. Madam Speaker, may I just pause for a moment or two. What should also not go unnoticed is the voluntary work that many of our citizens do. I refer specifically here to people showing their care, for example, by running errands for the elderly or taking the time to visit someone in hospital. The hospital bed can be a lonely place and when someone comes to visit, you know, that's a massive thing for someone in hospital. Although not Civil Society, as such, these volunteers contribute regularly to the wellbeing of our community. Madam Speaker, the St. Helena Government recognises the role of Civil Societies in the development of St. Helena and its people, social, cultural, economic and environmental, which has been said, it was very fitting, therefore, when under the governorship of Mr Andrew Gurr, Civil Society did receive deserved recognition when the word Civil Society was included in one of the portfolios; Civil Society, Tourism and Leisure. Councillors were unshakeable in their determination for the words to be included. The intention was to give Civil Society a voice. Indeed, both SHG and Civil Society can benefit from regular dialogue which could aid important decision making. It is important that the words Civil Society are enshrined in a portfolio and it was therefore disappointing when, inadvertently perhaps, they were recently dropped. They are, however, now enshrined in the portfolio with Home and International. Madam Speaker, the importance of Civil Society and its role in the present and future development of St. Helena cannot be understated. I wholeheartedly support this Motion and commend the Honourable Mover for bringing it to the House for debate. Madam Speaker.

The Speaker –

Thank you, Honourable Member. The Honourable Raymond Williams?

The Hon. Raymond Williams –

Thank you, Madam Speaker. I'll keep mine very short. I rise in support of the Motion and as a matter of fact I can't do otherwise. We have a moral right to be supportive of these agencies whose efforts on this island are invaluable. We should work together, hand in hand, to give financial and physical support to all involved in the community. I wholeheartedly support this Motion. Thank you, Madam Speaker.

The Speaker –

Thank you, Honourable Member. The Honourable Bernice Olsson?

The Hon. Bernice Olsson –

Thank you, Madam Speaker. Madam Speaker, I support this Motion. It is important to support the values and benefits that a helpless society can bring to bear to aid sustainable development and a vibrant and diverse economy for St. Helena. St. Helena is fortunate to have a strong sense of community. When and where there is need, the support comes from within. We are indebted to hundreds of passionate and committed people, generating a network of support for the Social Welfare and all its culture diversity; arts, people, animals and buildings. Madam Speaker, these grass root organisations and society are deeply connected to people and the environment of which they are extremely knowledgeable. They hold valuable experience, important to access to help inform Government policy and planning. Additionally, they provide valuable and fulfilling jobs, generate revenue, often raise the means not accessible to Government or the private sector through donations, sponsorship, project funding, they are an essential life support to the island and its economy. Organisations like the National Trust, SHAPE, are attracting international funding and attention and providing an important service to tourism, managing and protecting the various assets that tourism would depend upon. Giving Civil Society recognition of its importance to sustaining the island's culture, diversity and its role in the island's future development is really important. Giving it a forum and a voice is essential and I am delighted that this Motion has been brought before Councillors. Madam Speaker, I support the Motion.

The Speaker –

Thank you, Honourable Member. Any other Honourable Member wish to speak to the Motion? So in that case, I'll invite the Honourable Mover to respond to the debate?

The Hon. Stedson Francis –

Thank you, Madam Speaker. I would like to thank Honourable Members for their overwhelming support to this Motion; to Tony Green who was the seconder of the Motion, Tara Thomas commented on the Community Grant Scheme to support Civil Society groups, Councillor Brian Isaac talked about the voluntary work of the Disabled Society which has been running now for thirty years and it was also the driver of SHAPE, Councillor Mervyn Yon who spoke about the Civil Society now being under the umbrella, if you like, of Home and International Committee as a result of an ExCo decision, so it's now the Home and International and Civil Society Committee, Councillor Derek Thomas spoke about the community project involvement and Councillor Cyril Gunnell, thank you for your support when you spoke about your involvement as a member of the Citizenship Commission who was instrumental in having our citizenship restored and enshrined in the Constitution and also your part still being played under the Citizenship Commission as a member to date, Councillor Raymond Williams spoke about moral rights in supporting the Civil Society on the island and finally to Councillor Olsson who spoke about the island's passionate people who all have an important role to play in the voluntary service to the islanders or the community of St. Helena. Thank you, Madam Speaker.

The Speaker –

Thank you, Honourable Member.

Question put and the Motion is carried.

The Speaker –

I think, Honourable Members, this is a sensible point at which to stop proceedings for the day, I therefore suspend the sitting until 10 o'clock tomorrow morning.

**Council suspended.**

