



ST HELENA LEGISLATIVE COUNCIL

# ORDER PAPER

## First Sitting of the Seventh Meeting of Legislative Council

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Thursday 25<sup>th</sup> August 2022 at 10am  
in the Council Chamber

1. Formal Entry of the President
2. Prayers
3. Address by the President
4. Papers

**Unconfirmed Sessional Papers** from First Sitting of the Second Meeting on the 10 December 2021 – SP 49/2021, SP 50/2021, SP 51/2021, SP 52/2021 and SP 53/2021

SP 21/2022 *(Hon Minister for Treasury, Infrastructure & Sustainable Development)*  
Supplementary Appropriation (2022/23) Bill, 2022

SP 22/2022 *(Hon Minister for Safety, Security, and Home Affairs)*  
Health and Safety (Amendment) Bill, 2022

SP 23/2022 *(Hon Minister for Treasury, Infrastructure & Sustainable Development)*  
Criminal Procedure (Amendment) Bill, 2022

SP 24/2022 *(Hon Gillian Brooks)*  
Report to Legislative Council on the Formal Sessions of the Public  
Accounts Committee held on 27 April 2022 – (Final)

SP 25/2022 *(Hon Minister for Treasury, Infrastructure & Sustainable Development)*  
St Helena Fisheries Corporation - Administrator's Report and  
Financial Statements for the year ended 31 March 2020

- SP 26/2022 *(Hon Minister for Treasury, Infrastructure & Sustainable Development)*  
St Helena Fisheries Corporation - Administrator's Report and  
Financial Statements for the year ended 31 March 2021
- SP 27/2022 *(Hon Minister for Treasury, Infrastructure & Sustainable Development)*  
Audit St Helena - Performance Audit: Enterprise St Helena – July  
2022
- SP 28/2022 *(Hon Chief Minister)*  
Government of St Helena - Proceedings of the Legislative Council -  
Friday 29<sup>th</sup> January 2021 - First Sitting of the Twenty-first Meeting
- SP 29/2022 *(Hon Chief Minister)*  
Government of St Helena - Proceedings of the Legislative Council -  
Friday 26<sup>th</sup> March 2021 - First Sitting of the Twenty-second Meeting
- SP 30/2022 *(Hon Chief Minister)*  
Government of St Helena - Proceedings of the Legislative Council -  
Friday 28<sup>th</sup> May 2021 - First Sitting of the Twenty-third Meeting
- SP 31/2022 *(Hon Chief Minister)*  
Government of St Helena - Proceedings of the Legislative Council -  
Friday 4<sup>th</sup> June 2021 - First Sitting of the Twenty-fourth Meeting
- SP 32/2022 *(Hon Chief Minister)*  
Government of St Helena - Proceedings of the Legislative Council -  
Friday 18<sup>th</sup> June 2021 - First Sitting of the Twenty-fifth Meeting
- SP 33/2022 *(Hon Chief Minister)*  
Government of St Helena - Proceedings of the Legislative Council –  
Friday 16<sup>th</sup> July 2021 - First Sitting of the Twenty-sixth Meeting
- SP 34/2022 *(Hon Chief Minister)*  
Government of St Helena - Proceedings of the Legislative Council –  
Monday 19<sup>th</sup> July 2021 – Second Sitting of the Twenty-sixth Meeting
- SP 35/2022 *(Hon Chief Minister)*  
Government of St Helena - Proceedings of the Legislative Council -  
Friday 30<sup>th</sup> July 2021 - First Sitting of the Twenty-seventh Meeting
- SP 36/2022 *(Hon Chief Minister)*  
Government of St Helena - Proceedings of the Legislative Council –  
Monday 2<sup>nd</sup> August 2021 - Second Sitting of the Twenty-seventh  
Meeting

## 5. Questions

### 1. The Hon Rosemary Bargo to ask the Hon Minister for Treasury, Infrastructure & Sustainable Development:

Will the Honourable Minister for Treasury, Infrastructure and Sustainable Development say what plans SHG has for outsourcing their Tourism entity to private sector businesses?

**2. The Hon Ronald Coleman to ask the Hon Minister for Environment, Natural Resources and Planning:**

Will the Honourable Minister for Environment, Natural Resources and Planning tell this House what types of assistance is the St Helena Government providing for farmers farming private lands compared to farmers using the lands from the Crown Estates?

**3. The Hon Gillian Brooks to ask the Hon Minister for Treasury, Infrastructure & Sustainable Development:**

Will the Honourable Minister for Treasury, Infrastructure & Sustainable Development tell this Council what preparations are being made for this year's Financial Aid Mission, and whether this will be held in St Helena now that quarantine restrictions have been removed?

**4. The Hon Robert Midwinter to ask the Hon Chief Minister:**

Will the Honourable Chief Minister tell this Council, when will the Draft Policy and Legislative Programme be presented to this House?

**5. The Hon Rosemary Bargo to ask Hon Minister for Environment, Natural Resources and Planning:**

Will the Honourable Minister for Environment, Natural Resources and Planning inform this House what has been achieved with regards to putting in place a strategy that supports an increase in local produce in order to reduce the Islands reliance on imports?

**6. The Hon Ronald Coleman to ask the Hon Chief Minister:**

Will the Honourable Chief Minister tell this Council, since the beginning of the Financial Year 1<sup>st</sup> April 2022 up until the end of July 2022 how much money has the St Helena Government spent on advertising in the three local papers?

**7. The Hon Gillian Brooks to ask the Hon Minister for Treasury, Infrastructure & Sustainable Development:**

Will the Honourable Minister for Treasury, Infrastructure & Sustainable Development tell this Council what progress has been made towards the development of a new prison for the Island, and when is it anticipated that this work will be completed?

**8. The Hon Robert Midwinter to ask the Hon Minister for Health and Social Care:**

Will the Honourable Minister for Health and Social Care tell this Council, whether his Portfolio has been monitoring the Covid situation in St Helena since the removal of quarantine restrictions, and if he will make a statement on the matter?

**9. The Hon Rosemary Bargo to ask the Hon Chief Minister:**

Will the Honourable Chief Minister say what plans SHG has for immediate and long-term review of the Public Transport System taking into account potential additional demand for seats due to ongoing fuel increases?

**10. The Hon Ronald Coleman to ask the Hon Minister for Environment, Natural Resources and Planning:**

Will the Honourable Minister for Environment, Natural Resources and Planning tell this Council, because of the seriousness of the effects of Climate change globally, and the recent proposal to increase electricity tariffs in St Helena, can the Minister inform this House what progress has been made with the Islands Renewable Energy Strategy.

**11. The Hon Robert Midwinter to ask the Hon Minister for Treasury, Infrastructure & Sustainable Development:**

Will the Honourable Minister for Treasury, Infrastructure and Sustainable Development tell this Council, whether the Visitor Information Service has experienced an increased level of enquiries following the announcement that quarantine restrictions would be lifted, and if he will make a statement on the matter?

**12. The Hon Andrew Turner to ask Hon Minister for Safety, Security and Home Affairs:**

Will the Honourable Minister for Safety, Security and Home Affairs tell this Council what work has taken place to review reforms on the use of CBD products on St Helena following the successful Motion in the House to this effect on the 15 June 2022?

**13. The Hon Gillian Brooks to ask the Hon Minister for Treasury, Infrastructure & Sustainable Development:**

Will the Honourable Minister for Treasury, Infrastructure & Sustainable Development tell this Council whether an application is being made to FCDO for a further Economic Development Investment Programme and, if so, what is being included in the second phase?

**Motions**

**1. The Hon Minister for Treasury, Infrastructure & Sustainable Development:**

That the Supplementary Appropriation (2022/23) Bill, 2022 be approved in principle and referred to a Committee of the Whole Council.

**2. The Hon Minister for Safety, Security and Home Affairs:**

That the Health and Safety (Amendment) Bill, 2022 be approved in principle and referred to a Committee of the Whole Council.

### **3. The Hon Minister for Safety, Security and Home Affairs:**

That the Criminal Procedure (Amendment) (No 2) Bill, 2022 be approved in principle and referred to a Committee of the Whole Council.

### **6. Adjournment Debate**

#### **WRITTEN RESPONSES TO QUESTIONS**

##### **1. The Hon Dr Corinda Essex to ask the Hon Minister for Health and Social Care:**

Will the Honourable Minister for Health and Social Care explain the reason why it is not mandatory for persons arriving in St Helena to wear a mask in public spaces for at least five days following their entry to the Island?

##### **Response:**

The Regulations under The Public Health Ordinance in relation to communicable diseases, specifically Coronavirus have been revoked. There is therefore no legislation mandating the requirement for the wearing of PPE in public places on St Helena. All arriving passengers by air are encouraged to wear a mask and if they feel unwell or symptomatic contact the helpline for advice.

##### **2. The Hon Dr Corinda Essex to ask the Hon Chief Minister:**

Will the Honourable Chief Minister give this Council an update regarding funding availability for suitably qualified Prince Andrew School students to enable them to commence Degree courses in Britain this year and in 2023?

##### **Response:**

In the sitting of Legislative Council in March 2022 Honourable Members were given an update with regard to suitably qualified Prince Andrew School students being able to obtain access to degree courses in Britain this year and in 2023. At that point in time we were working with our UK representative and FCDO to learn more about the opportunity that had presented itself in the form of securing funding for our potential scholarship students from Student Finance.

Since then our UK Representative has, along with other representatives from overseas territories, pursued this opportunity. We were made aware that whilst students from the UK Overseas Territories were eligible to apply for financial support for university fees they were not eligible to apply for a maintenance loan. As a result of this SHG gave a commitment to the two potential scholarship students that they would be sponsored by SHG in relation to their travel, one-off bonus and stipend. Students were made aware that given the current financial climate and constraints on budget the stipend would be a reduced one. SHG also made the commitment to fund the university fees for both students should their applications be declined by Student Finance. Students have now completed their Application Forms and these have been submitted to Student Finance along with the other required documentation.

Given the commitment made by SHG two students have been successful in gaining placements in universities and to date one has already left the island and is

currently in the UK and the second student is due to depart at the end of the month. Both are awaiting the outcome of their application to Student Finance.

As stated previously, the current financial situation that we are facing makes it extremely difficult to predict what we are able to afford in relation to supporting scholarships in 2023. We are aware that we have ten students who have indicated that they are interested in scholarships for next year, therefore it is of utmost importance that we continue to work proactively to ensure that access to scholarships continues.

In the response given in March 2022 we made a commitment to review how scholarships are funded in the future with particular focus being placed on developing a process that is reasonable, affordable and sustainable. We have met with past scholarship students to investigate the possibility of establishing a Scholarship Trust. Discussions indicated that there is more to consider in relation to establishing a Trust, these considerations included:

- a. What is the purpose of the Trust?
- b. Who would the Trust support?
- c. Where would funding come from?
- d. Who would be the trustees?

Going forward we will still work to progress the establishment of a Scholarship Trust. We await the outcome of our students' applications to Student Finance to determine if we can progress this opportunity and will ensure that this review is included in the MTEF process this year to plan for 2023.

### **3. The Hon Dr Corinda Essex to ask the Hon Minister for Treasury, Infrastructure and Sustainable Development:**

Will the Honourable Minister for Treasury, Infrastructure and Sustainable Development tell this Council why the option of increasing revenue by the introduction of a higher Income Tax rate for persons earning over £50,000 per year has not been pursued?

#### **Response:**

Historically, tax in St Helena has focused on income tax and customs duties as the chief mode to achieve revenues. This disadvantages people who rely solely on local employment and business for their livelihood and favours people who are able to sustain a lifestyle from gains or profits that are not presently taxable on St Helena such as through inheritance, overseas pensions, or property wealth. This is inconsistent with the goal of the 2020 Labour Market Strategy to attract people to live and work on St Helena.

Tax reform provides St Helena with an opportunity to ease the tax burden on individuals, particularly of working age, by improving the efficiency of tax-collection and spreading the tax system over a wider base.

It also provides an opportunity to ensure that the tax system enables the Island's community as a whole to be in a position to benefit from tourism and successful inward and local investment. Also, very importantly, tax reform will provide the funding we need for the safety net of welfare benefits.

All tax reforms on St Helena are considered initially by the Tax and Revenue Working Group and endorsed by Executive Council and where applicable the full Legislative Council. The Tax and Revenue Working Group applies a set of tax principles when developing options.

The current tax principles have been agreed as follows:

- **Tax rules should be fair and equitable**

SHG supports laws that are fair and can be applied equitably.

- **Tax rules should be progressive**

Members of the community should pay taxes and fees according to their capacity to pay and the tax system should not exacerbate inequality.

- **Tax rules should be attractive to local business and investment from overseas**

SHG supports the growth of business and tourism as per the 2010 Memorandum of Understanding<sup>1</sup> with HMG where SHG agreed to implement the reforms needed to open the island's economy to inward investment and increased tourism.

- **Tax rules should help reap the benefits of the airport**

In order to achieve a return on the airport investment, revenues should increase as visitor numbers and air traffic increases.

- **Tax rules should be sustainable considering an aging population**

Our statistics show that St Helena has an aging population and one of the highest dependency ratios (the ratio of those above/ below working age to those of working age) in the world<sup>2</sup>. SHG supports tax streams which will 1) continue to yield revenue despite these demographics and 2) address this trend by attracting and retaining more individuals of working age.

- **Tax rules should favour those who make efforts to be greener**

SHG supports investment into low carbon electricity generation and heat generation and water collection. It also has reduced tax rates for biodegradable food containers and implemented a carrier bag charge. Current tax rules support investment into low carbon vehicles but this will be re-evaluated to ensure policies regarding green vehicles facilitate local environmental, social and economic benefits. SHG will also continue to explore how the tax system can be used to facilitate other environmental priorities.

- **Tax rules should stimulate supply of land, housing and infrastructure**

Land and housing is scarce and expensive on St Helena, and tax should encourage the sale or rent of currently under occupied plots and the development of infrastructure to support development.

- **Tax revenue generated should outweigh cost of tax collection**

Any taxes will need to generate enough revenue in order to justify their existence.

- **Tax rules should work to reduce market failure**

Tax exemptions should only be granted where they enable the provision of necessary goods or services, improve equity or encourage significant additional resources to the island which would not otherwise arrive.

All tax proposals going forward should align with the principles set out to ensure that the tax system is sustainable going forward.

In 2021, the Income Tax Ordinance was revised to clearly define what allowances could be paid tax free. This change was made to increase revenue while also addressing a disparity between taxation for internationally recruited workers in the private sector compared to SHG. The result of this was that most allowances paid to internationally recruited workers will be subject to tax from October 2021.

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<sup>1</sup> [http://www.sainthelena.gov.sh/wp-content/uploads/2012/08/mou\\_2012101.pdf](http://www.sainthelena.gov.sh/wp-content/uploads/2012/08/mou_2012101.pdf)

<sup>2</sup> <https://www.sainthelena.gov.sh/wp-content/uploads/2021/08/Census-2021-Main-Report.pdf>

Historically, the Tax and Revenue Working Group has not supported proposals to raise income taxes for those living and working in St Helena. This is to ensure that St Helena is an attractive place for the working age population to stay, noting that St Helena already has lower tax free thresholds and higher income tax bands than some other countries, and any increases would be counter to the objectives of the Labour Market Strategy and Investment Strategy to attract individuals to work on the Island. As stated earlier, St Helena's tax system already focuses very heavily on income tax and import duties and therefore the primary focus of future proposals is on broadening the tax base.

Currently, individuals pay income tax of 26% on income between £7,000-£25,000 and 31% on income over £25,000. Elected Members have previously requested consideration of a third band with a higher rate on income above a certain threshold (e.g., 31% on income between £25,000 - £50,000 and 33% on income above £50,000).

According to income tax data for 2019-20, only 41 individuals on the island earned more than £50,000. Approximately 29 (70%) of these are Technical Cooperation officers. A tax on earnings over £50,000 would further reduce net incomes of this particular group of people, who have already been disproportionately affected by the decision to tax allowances which came into effect last year.

Charging a higher rate of tax on these individual's earnings over £50,000 would earn SHG additional revenue of approximately £21,000. This is considered negligible compared to the costs that could be associated with recruiting individuals who might choose to leave as a result of this change. Following the recent changes to taxing of allowances, there were a number of resignations which lead to additional recruitment costs and periods where posts were vacant.

A full assessment of revenue generating opportunities should include increases to existing Income Tax rates and others such as additional Corporation Tax through the rollout of an improved company registry function and diversifying into other areas such as Financial Services. However, increasing tax on income earned from working on St Helena is a deterrent to people choosing to reside and work on St Helena which runs counter to this Government's vision of seeking to increase the resident and working age population.