

ST. HELENA
LEGISLATIVE COUNCIL

THE PRESIDENT

The Honourable John Gilbert Cranfield

EX-OFFICIO MEMBERS

The Honourable Chief Secretary	-	Mrs Susan O'Bey
The Honourable Financial Secretary	-	Mr Dax Richards
The Honourable Attorney General	-	Mr Allen Cansick

ELECTED MEMBERS

The Honourable Clint Richard Beard
The Honourable Cruyff Gerard Buckley
The Honourable Gavin George Ellick
The Honourable Jeffrey Robert Ellick
The Honourable Corinda Sebastiana Stuart Essex
The Honourable Anthony Arthur Green
The Honourable Lawson Arthur Henry
The Honourable Brian William Isaac
The Honourable Cyril Kenneth Leo
The Honourable Christine Lilian Scipio
The Honourable Derek Franklin Thomas
The Honourable Russell Keith Yon

CLERK OF COUNCILS

Mrs Connie Johnson

PROCEEDINGS OF THE LEGISLATIVE COUNCIL

Friday, 26th June, 2020

The Council met at 10.00 am
in the Council Chamber, Jamestown

(The Speaker in the Chair)

ORDER OF THE DAY

1. **FORMAL ENTRY OF THE PRESIDENT**

2. **PRAYERS**
(Deacon Jonathan Green)

3. **ADDRESS BY THE PRESIDENT**

4.

PAPERS

- SP 17/2020 *(Hon Financial Secretary)*
A Bill for an Ordinance - Appropriation Ordinance, 2020
- SP 18/2020 *(Hon Derek Thomas)*
A Bill for an Ordinance - Public Health (Amendment) Ordinance, 2020
- SP 19/2020 *(Hon Russell Yon)*
A Bill for an Ordinance - Road Traffic (Amendment) Ordinance, 2020
- SP 20/2020 *(Hon Anthony Green)*
A Bill for an Ordinance - Magistrates' Court (Amendment) Ordinance,
2020
- SP 21/2020 *(Hon Derek Thomas)*
A Bill for an Ordinance - Control of Tobacco and Related Products
Ordinance, 2020
- SP 22/2020 *(Hon Financial Secretary)*
Withdrawal Warrant One 2019/2020

- SP 23/2020 *(Hon Financial Secretary)*
Estimates of Recurrent Expenditure and Revenue and Capital
Expenditure 2020/2021
- SP 24/2020 *(Hon Financial Secretary)*
Financial Statements 2018/2019
- SP 25/2020 *(Hon Financial Secretary)*
Management Letter - SHG Financial Statements 2018/2019
- SP 26/2020 *(Hon Financial Secretary)*
Follow-up on previously issued performance audit recommendations
June 2020
- SP 27/2020 *(Hon Financial Secretary)*
Enterprise St Helena - Financial Statements for the year ended 31
March 2019
- SP 28/2020 *(Hon Financial Secretary)*
Enterprise St Helena – Annual Report and Financial Statements 2018 –
2019
- SP 29/2020 *(Hon Chief Secretary)*
Government of St Helena – Proceedings of the Legislative Council –
Monday 25th March 2019 – First Sitting of the Tenth Meeting
- SP 30/2020 *(Hon Chief Secretary)*
Government of St Helena – Proceedings of the Legislative Council –
Thursday 28th March 2019 – Second Sitting of the Tenth Meeting
- SP 31/2020 *(Hon Chief Secretary)*
Government of St Helena – Proceedings of the Legislative Council –
Friday 6th December 2019 – First Sitting of the Twelfth Meeting

5. Questions

1. The Hon Cyril Leo to ask the Hon Chairman of the Public Health Committee:

Will the Honourable Chairman of the Public Health Committee tell this Council what public services SHG Public Health provides for early cancer detection through cancer screening and cancer blood testing?

2. The Hon Gavin Ellick to ask the Hon Financial Secretary:

Will the Honourable Financial Secretary tell this House what is the status of the new Bulk Fuel Installation (BFI), whether the old BFI is still fit for purpose and how much funding has been spent to date?

3. The Hon Dr Corinda Essex to ask the Hon Chairman of the Economic Development Committee:

Will the Honourable Chairman of the Economic Development Committee give this Council an update relating to the outcomes of the consultancy pertaining to insurance that took place in early 2019?

4. The Hon Cyril Leo to ask the Hon Chairman of Public Health Committee:

Will the Honourable Chairman of Public Health tell this Council if the level of chlorine in the public drinking-water, has ever exceeded, anywhere throughout the water distribution network, the World Health Organisation required standard for drinking-water?

5. The Hon Gavin Ellick to ask the Hon Attorney General:

Will the Honourable Attorney General explain to this House, the role of the members in committee, in light of the recent Order made by Executive Council to give Chairman the power to make decisions, where a Committee is unable to make a decision and a reasonable amount of time has passed?

6. The Hon Cyril Leo to ask the Hon Financial Secretary:

Will the Honourable Financial Secretary tell this Council if the Harbour Master is accountable and answerable to you as his senior manager?

7. The Hon Christine Scipio to ask the Hon Chairman of the Environment and Natural Resources Committee:

Will the Honourable Chairman of the Environment and Natural Resources Committee provide this House with an update on St Helena becoming self-sufficient through the renewal energy strategy?

8. The Hon Dr Corinda Essex to ask the Hon Chief Secretary:

Will the Honourable Chief Secretary tell this Council what progress has been made in relation to divestment of St Helena Government's non-core functions, and what further action is envisaged?

9. The Hon Christine Scipio to ask the Hon Chairman of the Social and Community Development Committee:

Will the Honourable Chairman of the Social and Community Development Committee say what progress has been made with the review of the Social Security Ordinance?

10. The Hon Brian Isaac to ask the Hon Chief Secretary:

Will the Honourable Chief Secretary inform this Honourable House, of the procedure for the implementation of Motions and Questions once given the assent of this Honourable House?

Due to technical problems the first part of the meeting, as per the Order Paper above, and the session after the lunch adjournment, at the end of document, was lost from the recording.

Recording begins with response to Question 10.....

The Hon. Susan O’Bey (Honourable Chief Secretary) –

Thank you, Mr Speaker and I thank the Honourable Member for his question. I think this is a very, it’s a good opportunity to be able to inform the listening public of what happens when questions and motions are raised in the House.

I’ll deal with questions first. Questions that are submitted for oral responses at formal meetings of the Legislative Council are answered by the relevant Committee Chair or Official at that meeting, as we’re currently doing at this time. Supplementary questions sometimes arise, which are also answered by the relevant Chair or Official and from time to time supplementary questions might seek information that cannot be answered on the spot as the question is asked and in such instances an undertaking is usually given that the information will be provided at the earliest opportunity. Undertakings given are recorded by the Clerk of Council during the Legislative Council meeting and when the meeting is concluded she is then responsible for reminding officials and/or Committee Chairs of the undertakings that they have given and it is then incumbent upon the Officials or Chairs to either provide the information to the Members themselves or to ask the Clerk of Councils to forward it to Members on their behalf. When the House resolves that a Motion should be carried, the required action is allocated to the relevant SHG official to take forward. All resolutions made are listed on a tracker document which is then maintained by the Clerk of Councils who will check for updates on progress from the official who is taking forward the action and feedback on progress on taking forward resolutions is provided to Members of the Legislative Council periodically.

The Speaker –

Thank you. The Honourable Brian Isaac?

The Hon. Brian Isaac –

Thank you, Mr Speaker and I thank the Honourable Chief Secretary for her response and my question is will we, the tracker was very much a document, very much a process in the past, but it has, sort of, slipped a bit, can the Chief Secretary give confirmation that the tracker will now be published on a more regular basis to Elected Members? Thank you.

The Speaker –

The Honourable Chief Secretary?

The Hon. Susan O’Bey –

Thank you, Mr Speaker and thank you, Honourable Member. Yes, I can give that assurance that we will ensure that the tracker is published more regularly and shared with Elected Members.

The Speaker –

Thank you. The Honourable Brian Isaac?

The Hon. Brian Isaac –

Thank you, Mr Speaker and thank the Honourable Chief Secretary for her response

The Speaker –

Thank you. The Honourable Dr Corinda Essex?

The Hon. Dr Corinda Essex –

Thank you, Mr Speaker. Will the Honourable Chief Secretary ensure that the tracker is shared with Elected Members at least on a quarterly basis?

The Speaker –

The Honourable Chief Secretary?

The Hon. Susan O’Bey –

Thank you, Mr Speaker, I think that’s a very reasonable request and, yes, I will undertake to ensure that.

The Speaker –

Thank you. The Honourable Cruyff Buckley?

The Hon. Cruyff Buckley –

Can the Honourable Chief Secretary confirm what happens to Motions that have been put through by previous Members of Council that are no longer serving on Legislative Council?

The Speaker –

The Honourable Chief Secretary?

The Hon. Susan O’Bey –

Motions that are put forward and have been supported by Councillors actually then form part of the work plan for SHG, so work continues unless there is a reason to prevent that work.

The Speaker –

The Honourable Cruyff Buckley?

The Hon. Cruyff Buckley –

Just on a point of information, Mr Speaker, since I’ve joined the Council, I’ve noticed there’ve been a few Motions by ex-Members of Council and I know conventionally around this table we’ve been saying that whoever puts the Motion forward it’s their duty to drive it. Thank you, Mr Speaker.

The Speaker –

Thank you. Any other questions? Our next question, please?

Question No. 11 – The Honourable Dr Corinda Essex to ask the Honourable Chairman, Social and Community Development Committee.

The Speaker –

The Honourable Dr Corinda Essex?

The Hon. Dr Corinda Essex –

Thank you, Mr Speaker. Will the Honourable Chairman of the Social and Community Development Committee tell this Council what progress has been made regarding the development and implementation of a work scheme for the unemployed and what are the related next steps?

The Speaker –

The Honourable Anthony Green?

The Hon. Anthony Green (Chairman, Social and Community Development Committee) –

Thank you, Mr Speaker and I thank the Honourable Member for her question. A policy decision made by ExCo in October 2018 to implement a temporary work scheme in SHG, which came into effect from 6th January 2020 and it actually ended during March 2020. The work scheme directly employed individuals on a ...?...week fixed term basis. The temporary work scheme targeted the hire of twenty workers and operated over three days per week. Fifteen workers were utilised in the Roads Section and five within Forestry. All placements were filled over the duration of the scheme. The road workers focused on verge cleaning to improve the safety for road users. Forestry workers contributed to the nursery production and grounds maintenance and silviculture. As part of the Labour Market Strategy, effective from 1st January this year, SHG proposed to set up a Career Access St Helena, which we call CASH, as a one-stop shop for career services on St Helena. CASH is intended to centralise all employment-related resources on St Helena and serve not only those who are unemployed, but St Helenians at every stage of their career and every level of ability. Recruitment for staff to manage CASH's function is ready to proceed following approval of the 2020/2021 budget. Officers have advised that they will continue to monitor the progress and will advise Elected Members when the position is advertised. Thank you, Mr Speaker.

The Speaker –

Thank you. The Honourable Dr Corinda Essex?

The Hon. Dr Corinda Essex –

Thank you. As the Honourable Chair indicated, the work scheme that's been rolled out was a great success, can he please indicate whether there are any plans for a similar scheme in the current or next financial year?

The Speaker –

The Honourable Anthony Green?

The Hon. Anthony Green –

Thank you, Mr Speaker. As I indicated, the CASH function will address opportunities for employment. Funding has been allocated for CASH this year for a Manager post and the associated costs and will sit under Head 12 – Corporate Service Support (Policy and Planning).

Initially £11,000 was put in the budget, but more is now required and we will look forward to ways to be able to fund the difference this year.

The Speaker –

Thank you. Dr Corinda Essex?

The Hon. Dr Corinda Essex –

Will the Honourable Chairman please clarify whether CASH will actually provide temporary work placement schemes or only support those unemployed to apply for current vacancies?

The Speaker –

The Honourable Anthony Green?

The Hon. Anthony Green –

Mr Speaker, I do not have a definitive answer for the Honourable Member, but I will take that away and provide that to her after this session. Thank you.

The Speaker –

Thank you. The Honourable Dr Corinda Essex?

The Hon. Dr Corinda Essex –

I thank the Honourable Chairperson for his assurance. Will the Honourable Chairman please state if any budgetary provision has been proposed for a work scheme, similar to that which has been concluded, in the budgets for next year, not this financial year, next year?

The Speaker –

The Honourable Anthony Green?

The Hon. Anthony Green –

Mr Speaker, we have the provision, as I mentioned, for this year, but we do not have any information as to what will happen for the next financial year.

The Speaker –

The Honourable Financial Secretary wants to.....

The Hon. Dax Richards – (Financial Secretary) –

On a point of information, Mr Speaker?

The Speaker –

Yes.

The Hon. Dax Richards –

Just to say there's no specific provision within the budget for a further scheme other than what's been outlined by the Honourable Chair.

The Speaker –

Thank you. The Honourable Dr Corinda Essex?

The Hon. Dr Corinda Essex –

Thanks to both the Honourable Members who attempted to reply to different aspects of my question. My question does not relate to funding for employees within the actual CASH section, but to the actual direct employment of individuals who may be currently unemployed, could I have a response that actually clarifies the situation in that regards, please?

The Speaker –

Thank you. The Honourable Anthony Green?

The Hon. Anthony Green –

Thank you, Mr Speaker. The Career Access St Helena, the CASH, would be working directly with individuals and employers to actually find them work and placements so that the scheme shouldn't be needed or should only be run to address the recommendations by CASH.

The Speaker –

The Honourable Dr Corinda Essex?

The Hon. Dr Corinda Essex –

I rise on a point of information, Mr Speaker. Given the current situation with Covid 19 and its implications on our economy and the growing number of unemployed, I do not find that response very convincing. Thank you.

The Speaker –

Thank you. The Honourable Financial Secretary?

The Hon. Dax Richards –

Maybe I can also raise as a response to the point of information. I'd just like to make mention also that, taking on board what the Councillor has mentioned around the current Covid-19 crisis, we do have some support mechanisms in place for those within specific sectors. I realise they don't necessarily extend to those who would normally be able to benefit from a scheme of this nature, however, if Members choose to during the year, as part of the Policy Priority Process, agree that this is something that needs to be given a higher priority then that is entirely up to Elected Members and then we as the Administration will have to find the resources to be able to do it. However, it does mean potentially having to stop doing something else to allow this to happen.

The Speaker –

Thank you. Any other questions? The Honourable Cruyff Buckley?

The Hon. Cruyff Buckley –

Thank you, Mr Speaker. Given that Education has now assumed the portfolio of Employment, Mr Speaker, is it intended for this provision under Head 12 – Corporate Services, be moved to the Education Recurrent budget?

The Speaker –

That's not a relevant question to the original question, Councillor Buckley. Any other questions? Okay, our next question, please?

Question No. 12 – The Honourable Christine Scipio to ask the Honourable Chief Secretary.

The Speaker –

The Honourable Christine Scipio?

The Hon. Christine Scipio –

Thank you, Mr Speaker. Mr Speaker, will the Honourable Chief Secretary provide this House with an update on the conversion of the Freight Terminal into a Community Marine Visitor Centre?

The Speaker –

The Honourable Chief Secretary?

The Hon. Susan O’Bey –

Thank you, Mr Speaker and thank you to the Honourable Member for her question. Mr Speaker, the UK Government Blue Belt Programme is funding the construction work of the Marine Centre to ensure that the Freight Terminal, the current Freight Terminal building, has a functional Marine Laboratory, Office and display space and storage for SHG Marine-based services with a view to the building having maximum potential use for the future for marine conservation and science on St Helena. Before any construction work can commence in the Freight Terminal, H M Customs require some renovations to, what is referred to as the White Customs building, next door, to ensure a smooth transition of Customs services from one building to the next. Work in relation to the new Customs facilities was formally completed, I’m pleased to say, on Wednesday, 17th June. H M Customs will continue to use the Freight Terminal space until the completion of cargo operations following the recent arrival of the M V Helena and once cargo operations are completed, the Environment, Natural Resources and Planning Directorate will acquire control of the building. In preparation for renovations, procurement of the floor superstructure commenced in January 2020, but unfortunately failed to secure a suitable tender for the manufacture of the floor. Since then, a suitable tender has been received from a manufacturer in South Africa and contract negotiations are expected to be completed shortly. This particular superstructure is quite a costly piece of work and we’re pleased to report that this is now being funded by the Blue Belt Programme and the FCO. SHG Technical Services Section is currently outlining further procurement needs and undertaking additional investigations with a view to completing the scope of works for procurement of contractor services to undertake the work and complete the project within the current financial year. Initially, prior to the arrival of the superstructure, demolition of existing partitions and the installation of drainage and utilities will commence.

The Speaker –

Thank you. The Honourable Christine Scipio?

The Hon. Christine Scipio –

Thank you, Mr Speaker and I thank the Honourable Secretary for her response. Can the Honourable Chief Secretary advise the House what was the original completion date for this project?

The Speaker –

The Honourable Chief Secretary?

The Hon. Susan O’Bey –

Thank you, Mr Speaker. The original completion date for this project was March this year.

The Speaker –

Thank you. The Honourable Christine Scipio?

The Hon. Christine Scipio –

Thank you, Mr Speaker. So, Mr Speaker, can the Honourable Chief Secretary advise if there are likely to be any reputational issues with the funders for delivering this project late?

The Speaker –

The Honourable Chief Secretary?

The Hon. Susan O’Bey –

Thank you, Mr Speaker. We have kept in close contact with the UK Blue Belt Programme and the FCO through the Governor’s Office and I can confirm that there will be no reputational risk here, the funders have indicated that they will ensure that the funding is available for completion of the project.

The Speaker –

Thank you. The Honourable Christine Scipio?

The Hon. Christine Scipio –

Thank you, Mr Speaker. Just so that I’m absolutely clear, can the Honourable Chief Secretary confirm that the funding that’s received from Blue Belt will include labour, installation, refurbishment and equipment for the Marine Centre?

The Speaker –

The Honourable Chief Secretary?

The Hon. Susan O’Bey –

Thank you, Mr Speaker. Yes, so that funding provided by Blue Belt and the FCO will be for the first floor, as was originally envisaged, particularly for the laboratory.

The Speaker –

The Honourable Christine Scipio?

The Hon. Christine Scipio –

Sorry, Mr Speaker, I didn’t hear the Honourable Chief Secretary state if equipment costs is included in the funding from Blue Belt.

The Hon. Susan O’Bey –

Yes, for the laboratory.

The Speaker –

Thank you. The Honourable Christine Scipio?

The Hon. Christine Scipio –

Mr Speaker, my question was about the Marine, sorry, the Community Marine Visitor Centre and where the Freight Terminal is going to be converted into Marine Visitor Centre and a Laboratory, my question was about the Marine Visitor Centre section of this conversion.

The Speaker –

The Honourable Chief Secretary?

The Hon. Susan O’Bey –

Thank you, Mr Speaker. The Blue Belt funding that I’m referring to is specifically for the Marine Laboratory, however, it was also envisaged that in doing this work that the building itself would be available for a Marine Centre, so the building will be available as a multi-purpose building for all things marine, but the funding that I’m referring to at the moment is specifically, as I said, for the Marine Laboratory.

The Speaker –

Honourable Christine Scipio?

The Hon. Christine Scipio –

My question, Mr Speaker, the question was the conversion into a Community Marine Visitor Centre, where is the funding coming from, can I ask the Honourable Chief Secretary to ask where is the funding coming from for the Marine Visitor Centre and not the Lab?

The Speaker –

Okay. The Honourable Chief Secretary?

The Hon. Susan O’Bey –

Thank you, Mr Speaker. As I stated earlier, the funding that I’m referring to from the UK Blue Belt Programme is specifically for the Marine Laboratory. The Honourable Member is referring to a Marine Visitor Centre, we still hope that funding for this will be made available through a partnership approach utilising the top floor of the, what is the current Freight Terminal building, through a partnership approach with the St Helena National Trust. However, funding is still to be identified.

The Speaker –

Okay. The Honourable Christine Scipio?

The Hon. Christine Scipio –

So, Mr Speaker, can I ask the Honourable Secretary, knowing that the completion date was March 2020, converting this building into a multi-purpose, as the Honourable Chief Secretary stated, if a lease has been drawn up with in partnership with the St Helena National Trust, bearing in mind that the completion date was March 2020?

The Speaker –

The Honourable Chief Secretary?

The Hon. Susan O’Bey –

Mr Speaker, I can confirm that no lease has been drawn up. Unfortunately, the St Helena National Trust with their partners have still not yet been able to identify funding. SHG is not able to draw up a lease with National Trust until such funding is identified.

The Speaker –

Thank you. Any other Member wishes to speak? The Honourable Cruyff Buckley?

The Hon. Cruyff Buckley –

Can the Honourable Chief Secretary say if a lease can be drawn up without financial given by National Trust?

The Speaker –

I think you've answered that question? Yes, she's already answered that question, Honourable Member.

The Hon. Cruyff Buckley –

On a point of information, Mr Speaker, I don't think it is absolutely essential for National Trust to give their intentions in terms of their financial stability to be able to acquire a lease from SHG.

The Speaker

No, you're making a statement now, Councillor Buckley. Any other questions? Our next question, please?

Question No. 13 – The Hon. Gavin Ellick to ask the Honourable Attorney General.

The Speaker –

The Honourable Gavin Ellick?

The Hon. Gavin Ellick –

Thank you, Mr Speaker. Will the Honourable Attorney General tell this House, the criteria that allows non-St Helenians, who do not have St Helenian status, to buy local land and houses?

The Speaker –

The Honourable Attorney General?

The Hon. Allen Cansick (Attorney General) –

Thank you, Mr Speaker and thank you to the Honourable Member for his question. Part 6 of the Immigration Ordinance 2011 is titled Landholding by Immigrants. The definition of controlled immigrant in section 27 includes a person without St Helenian status. This part prohibits a controlled immigrant from taking part in specified land transactions. The controlled immigrant is prohibited from holding more than two acres of cumulative land without a licence from the Immigration Control Board and the Immigration Landholding Regulations 2012 which contain the application for the licence. A licence must be granted unless it is considered by the Immigration Control Board to be against the public interest to do so under section 34, subsection (3) of the Ordinance. Section 34, subsection (5) of the Ordinance provides that the Control Board may take into consideration policy guidelines from Governor in Council. Policy guidelines were given by Governor in Council by Gazette Notice No. 66 on May 10th, 2012. Thank you.

The Speaker –

The Honourable Gavin Ellick?

The Hon. Gavin Ellick –
make a statement.....(*inaudible*).

The Speaker –
 Okay, thank you very much indeed. Our next item of business, please?

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MOTIONS

Motion No. 1 – The Honourable Financial Secretary.

THE APPROPRIATION BILL, 2020

The Speaker –
 The Honourable Financial Secretary?

The Hon. Dax Richards (Financial Secretary) –
 Mr Speaker, I beg to move that the Appropriation Bill, 2020, be approved in principle and referred to a Committee of the whole Council.

The Speaker –
 Do we have a seconder, please?

The Hon. Susan O’Bey –
 Mr Speaker, I beg to second.

The Speaker –
 Thank you. Financial Secretary?

The Hon. Dax Richards –
 Thank you, Mr Speaker. Mr Speaker it gives me great pleasure today to present the Budget for the 2020/21 financial year. This budget provides for the continuation of essential public services for the year ending 31 March 2021. As outlined in the March sitting, due to not receiving a confirmed settlement for Financial Aid from Her Majesty’s Government until the end of March 2020, it was necessary for this House to approve a resolution for a rollover budget authorising expenditure equivalent to one third of the 2019/20 budget. Over the last three budget speeches I have commented on the challenging times facing our community and, specifically, our economy. It seems this will continue to be a common thread for some time to come. Whilst our economy had shown signs of stabilising during the last financial year as airport project related activities came to an end and tourist numbers were showing steady increases, we have had a significant new challenge arising from the Corona virus pandemic - COVID 19 - which has devastated economies large and small across the globe. St Helena is no exception and we are already seeing the impact on markets, supply chains and international travel. The most visible result has been the premature curtailment of this year’s summer season for tourism. Mr Speaker, whilst it is important to recognise that there are many challenges ahead, we must also celebrate the positive outcomes that we have achieved in these difficult times. The signing of a contract with Google in December 2019 to provide a branch on the Equiano cable to St Helena has the potential to be a “game changer” for our Island’s economy if utilised to its full potential. This vital infrastructure investment will provide a virtual link

between St Helena and the rest of the world to complement an improved access made possible by the UK government's investment in our airport and hopefully translate into less reliance on UK aid. The signing of the contract with PASH global at the end of May 2020 was another monumental step forward for the Island as we look to achieve the goals set out in the Energy Strategy of generating 100% of energy from renewable sources. Whilst the investment will give stability to price of energy for the foreseeable future, the ultimate aim is to reduce the cost of living on the Island by lowering energy bills for residents and businesses. These two key work streams have the potential to change the economic climate on St Helena and bring real benefits to the community.

Mr Speaker I would like to highlight some of the other key success stories over the past 15 months:

To date, we have successfully kept the Island COVID 19 free. New coronavirus testing services were developed, supplies were received and the quarantine, isolation and medical facilities at Bradleys' were developed in an incredible 6 weeks, all significant achievements given the limited resources available. Standard and Poor's (S&P) awarded St Helena an investment grade credit rating of triple B (BBB) this year. SHG received the second tranche of the EDF 11 funding from the EU amounting to €3.5 million which will be used to fund the St Helena branch on the Equiano cable project. The Gibraltar International Bank is offering international bank accounts to local residents and businesses. The UK Government approved a new economic development capital investment programme of £30 million over 6 years. St Helena Government rolled out a new Labour Market Strategy which focuses on developing our working age population for both now and in the future. The launch of the St Helena Research Institute occurred in November 2019 with the aim to attract visiting researchers. The New Earth Station licensing policy was agreed, laying the groundwork for a new revenue stream made possible through the fibre optic cable. We have been exploring other new revenue streams such as through ships registry and company registry. There has been refurbishment of 6 Government Landlord Houses, this coupled with reorganisation has seen the housing register waiting list reduced by some 20%. We now have planning permission for the Comprehensive Development Area (CDA) at Bottom Woods. The Investment Prospectus was endorsed and launched in October 2019 and has stimulated interest in developing a number of SHG's strategic assets into business premises. 15 staff in the Education Directorate have achieved success in their studies with 100% pass rates. 24 Orthopaedic operations were undertaken on Island during the last year avoiding costs associated with overseas medical referrals and ensuring patients could recover in the comfort of familiar surroundings. 43% of the cohort achieved 5 or more GCSE's at Grade C and above. We have 9 students currently studying degrees overseas through the scholarship programme who will return bringing new skills with a long-term view of filling key roles across the Island.

Turning now to the process, Mr Speaker. Mr Speaker, we started the strategic planning and budgeting process in June 2019 where members agreed the policy priorities. A draft three-year budget was presented to Her Majesty's Government before the Financial Aid mission in December which requested an additional £1.75 million in 2020/21 financial year to support essential services and some new activities. Her Majesty's Government officially informed the St Helena Government at the end of March that the annual settlement would be a flat line budget in monetary terms which, in real terms, is a reduction after taking into consideration inflation. The settlement is for one year only and, whilst it was disappointing not to have received a longer-term settlement to provide the assurance the island needs to plan, it is recognised that the upcoming spending review within the UK Government means it would be difficult to provide the level of certainty that this Government needs. Mr Speaker, it was pleasing to receive confirmation in April that Her Majesty's Government would provide an additional £2.5 million to the St Helena Government to support the Island in its preparedness

response to the COVID 19 pandemic. This means that this year we will receive in total £34.3 million in Financial Aid, £28.3 million of that is core budget support, £3.5 million for Airport operations and £2.5 million for COVID 19 preparedness. Mr Speaker we are grateful for the continued support from Her Majesty's Government and we hope the recent announcement of a merger of the Foreign & Commonwealth Office and the Department for International Development means that, going forward, there will be more certainty about the level of ongoing support from Her Majesty's Government to allow for longer term planning. The uncertainty relating to the possibility of multi-year funding from Her Majesty's Government given the impact of COVID 19, together with the Political Governance reform project already underway and planned restructure of the public service, is why we have not been able to include indicative budgets for years two and three within the budget book this year. Mr Speaker, the reality of this year's settlement and the uncertainty about the future has meant a number of difficult decisions have been taken by Elected Members on what activities to prioritise, given the increasing costs of front-line services, the flat line settlement for financial aid and the limited growth and potential reductions in our local revenues. Members and Directors have worked together to agree a balanced budget which protects the vulnerable in society and has the least impact on front line services. We have heard from Her Majesty's Government that all UK departmental budgets are under pressure. With COVID 19 impacting on the UK's Gross National Income (GNI) and likely to do so for some time to come, there will be a direct impact on the UK Government's international aid budget and DFID spending which is based on 0.7% of Gross National Income. We have to expect that this will mean challenging times ahead for financial aid. Whilst the 2012 White Paper says overseas territories should have first call on the aid budget, we will need to wait and see what this could mean for both the OT's in general and St Helena specifically. This is high on the political agenda and SHG will continue discussions with Her Majesty's Government on this key issue, which will need to be factored into planning and budgeting going forward.

Turning now, Mr Speaker, to the Economic Environment. Last year we highlighted the implications of the winding up of the airport construction project and a surge in visitor numbers thanks to the commercial air service. Despite the average 12% growth in tourists seen in 2018 to 2019, the reduction in construction activity led to an economic downturn, which was compounded by the lack of a government capital programme and a relatively weak Pound. At the time, we said we needed to focus on growing other parts of our economy, not just focusing on tourism as the solution for our growth. Our Sustainable Economic Development Plan (SEDP) remains the road map for doing just that. This year we have been committed to regulatory reform, setting up political and legal frameworks for a modern future for St Helena. We have set up new institutions, new work streams and have been working with strategic partners to reform a number of industries and sectors. The draft Company Registry Policy is out for consultation. St Helena already administers a Company Registry but we intend to modernise the registry, bringing it in line with international obligations and promoting St Helena as a fair tax destination. The Investment Strategy was agreed and new tax incentives for export and import substitution businesses came into force alongside the Approved Investment Scheme in April 2019. The Investment Prospectus was endorsed and launched in October 2019. Not only does this outline opportunities for investment in St Helena, it also advertises strategic assets for sale, and provides information on financial incentives for investing in St Helena. We have had uptake from many local investors as well as inward investors and have granted Approved Investment Status to three local investors and one inward investor to date. Also, in 2019, SHG endorsed a new Labour Market Strategy that is intended to meet the needs of St Helena today whilst also providing a strong foundation on which to build the economy of tomorrow. In the first six months of implementation, we have already achieved important programmatic targets, including the development of a data-driven Shortage

Occupation List and guidance to assist employers in meeting their staffing needs while also protecting local workers. Alignment of customs duty exemptions effective from 1 April 2020 are ensuring that both returning Saints and internationally recruited workers are eligible for the same benefits, regardless of whether they work for SHG or they are a private sector employee. In terms of the environment, a new marine lab in Jamestown is progressing and SHG's Waste Management Service (WMS) have implemented aluminium drink cans recycling on site at the Horse Point Landfill Site with the intention of exporting this valuable waste stream. Plastics recycling is now being undertaken by SHAPE. We also see two new earth station antennas at the Met Office, these are contributing to global monitoring of climate and sea level rise.

There were 4,264 arrivals and 4,305 departures by air in 2019. Arrivals by air grew by 12% in 2019 compared to the previous year, with arrivals for leisure purposes, including tourists and St Helenians visiting family and friends, increasing by 19%. Arrivals in 2020 were also showing strong growth in January and February before the impact of the global COVID-19 pandemic on international travel in March and April. February was a record-breaking month for arrivals; the number of tourist arrivals by air in February 2020 was 247 people, which is 30% more than February 2019. This is continued PR for the island with articles about St Helena featuring in The Guardian, the National Geographic, BBC History Magazine, CNN and more.

DFID funded infrastructure spending was a significant fiscal stimulus to the economy between 2012 and 2014, producing a buoyant construction industry, increasing the working age population and allowing for a multiplier effect across the economy, causing increases in incomes and wealth. However, last year we noted in the budget that there was a significant downturn. In 2019 that downturn flattened, creating the new 'business as usual', that was until the COVID-19 pandemic struck. The Covid-19 caused the recent curtailing of visiting tourists and a slowdown in sales, the true impact of which we will be able to analyse over the first quarter of this financial year. The 2019 annual price inflation rate was 2.9%, measured using the Retail Price Index (RPI) which was lower than last year's prediction of 4.2%. The rate of Inflation has fallen since the COVID-19 pandemic; the Retail Price Index stayed constant at 105.9 in Quarter 4 of 2019 and Quarter 1 of 2020. Inflation in St Helena is linked to South African and UK Inflation. As prices in the UK increase as a result of the weak pound, and prices in South Africa increase as a result of political and environmental shocks, St Helena's prices also increase. The Government continues to increase the Minimum Wage and income related benefits to ensure the lowest paid do not struggle with inflationary pressures. The adult Minimum Wage increased to £3.18 per hour from £3.13 per hour in April 2020. The Minimum wage for 16 and 17-year olds increased to £2.23 from £2.18 per hour also in April 2020. St Helena's Minimum Wage first came into place in June 2013 and at that time was £2.30 per hour for adults, so the Minimum Wage has increased by 38% since its inception, which is larger than inflation which had increased over the same period by 21%. There are aspirations to continue increasing the Minimum Wage above inflation to help improve the wealth of our working age population, however it is appreciated that increases must be done gradually to ensure that the private sector does not materially suffer from these increased costs. The poverty level (as measured using the Minimum Income Standard, MIS, in February 2020) is £91.80 a week for an adult (including housing rent) or £4,774 per year. The MIS sets both the Income Related Benefit, which is means tested, and the Basic Island Pension, which is based upon criteria pertaining to the number of years worked in St Helena. The number of recipients of the Basic Island Pension increased by 4% (one result of St Helena's ageing population) from 757 in March 2019 to 785 in March 2020. A review undertaken in 2019 considered whether pensions need to be reformed to reflect the difference between SHG paying to protect people over the age of retirement from poverty and SHG paying a reward for working. Considering an ageing population, we intend to work on drafting these Policies as a priority over the coming

months and possibly into next year. The number of recipients on Income Related Benefits increased by 30% from 150 in March 2019 to 194 in March 2020. The number of recipients of the Unemployment Allowance increased from 22 in March 2019 to 39 in March 2020. Income Related Benefits had also been reviewed in 2019 and understanding that there are difficulties for people claiming in larger households, we shall also be drafting a Social Security Policy to address this issue over the coming year as a priority, and I think my Honourable Friend mentioned it in his response before to a question from Councillor Scipio. There were an estimated 4,265 people resident on St Helena (excluding residents temporarily abroad) at the end of January 2020, compared with 4,487 at the same point in the previous year - a drop of 222 people (there were 33 deaths and 28 births in the same period, which is a small part of this change). Population totals can vary widely from month to month on a small island, but the average 12-month net change for the last year (February 2019 to January 2020) after the outward migration, was a decrease in the number of people of 140, likely indicating a net outward migration of residents of just under 135 on average, accounting for births and deaths. The picture is similar among St Helenian residents, over the last year the average 12-month drop in the population of St Helenians living on St Helena was 87. When combined with a declining birth rate, this outward migration puts St Helena on the brink of a population crisis. This has been discussed in some length in the Labour Market Strategy, which also includes policy options to help retain workers on-Island and drive much needed population growth in the future. Median income from full-time employment in 2018/19 was £8,410 per year. This equates to less than 30% of the UK median wage equivalent, which was calculated by the Office for National Statistics as £30,350 in 2019. The median income was a drop in real terms of 0.7% compared to the previous year. The lowest earners and female workers experienced a small average increase in income, largely as a result of the Minimum Wage being increased. Highest income earners and male workers experienced a small average decrease in income, largely as a result of the construction industry experiencing downturn. Number of full-time employees eligible for income tax (i.e. paying for £7,000 above) has increased from 943 in 2012/13 to 1,597 in 2017/18, largely as a result of the Minimum Wage pushing up low incomes. Number of employees earning above the minimum wage has been steady for the last three years, at about 2,000. The most critical statistic for St Helena's development at present is its trade balance. In 2018/19 St Helena imported £19.3m of goods, mostly from South Africa (47%) and United Kingdom (41%); £1.4m of these goods was for a small amount of airport-related construction. In the last year before the airport project began, 2011/12, total imports at that stage were £13.0m. Tourism services is St Helena's biggest export: expenditure of holiday visitors (Saint and non-Saint) in 2019 is estimated to be around £5.5m - 6.0m, based on expenditure data collected from a small sample of visitors departing from the airport. Tourists were estimated to spend around £190 per day, and St Helenians abroad visiting family and friends were estimated to spend about £110 per day and St Helenians abroad visiting family and friends were estimated to spend about £110 per day. Exports of goods totalled £0.42m in 2018/19, mostly from fish (£0.32m) and coffee (£0.10m). In 2020/21, the inflation expectation is 2.2%. There are a number of issues which will affect the inflation rate in the 2020-21 year. Predominately, these are: the longer-term effects of the COVID-19 virus and its impact on global production, international travel, demand and prices. 2. Changes in the exchange rate of the Pound against the Rand and the Dollar; this affects the price of goods and services imported from South Africa and the price of oil respectively. 3. Price inflation in South Africa, which fell from an annual rate of 3.7% in Quarter 1 of 2019 to 3.6% in Quarter 1 of 2020. This affects the price of goods and services imported from South Africa. In previous years, drought and the political environment has affected inflation in South Africa well. 4. Price inflation in the UK, which fell from an annual rate of 2.2% in Quarter 4 of 2018 to 1.5% in Quarter 4 of 2019. This affects the price of goods and services imported from the UK. Brexit and other shocks like

COVID-19 affect UK prices, which would be passed on to St Helena with an approximate three-month lag. In 2021/22 the inflation expectation in St Helena is 2.6% and for 2022/23 it is expected to be 3.1%. The prediction is quantified considering the lagged relationship between prices in St Helena, the UK and South Africa and the inflation expectations of both the UK and South Africa. Revenue forecasts for the next three years have largely been based on inflation expectations, the impact of reduced tourism as a result of COVID-19 related travel restrictions and changes in behaviour with regards to smoking. The Revenue Forecast for 2020/21 cautiously assumes that the majority of these revenues are not generated this financial year as a result of travel restrictions, and therefore tax revenues are impacted. Realistically, we don't know how long travel restrictions will go on for, and therefore revenues are hard to predict, but our lower and higher revenue forecasts have taken these uncertainties into account for planning purposes. The 2019 tax reforms also provide some uncertainty to revenue streams this year. In particular, the take up of income tax reductions for exporters and a number of import substitution sectors may lower tax take in the short term, but the revocation of the Investment Tax Credit, and the earning of more wealth for St Helena through exportation will have multiplier effects and help boost taxes. Mr Speaker in last year's budget I talked about the requirement to turn a corner in St Helena's fortunes. We have made good progress this financial year in developing the enabling environment to do that, and we are starting to move away from putting all of St Helena's economic prospects into the Tourism basket. Prior to the pandemic, the data showed a flattening of the downturn St Helena was experiencing. We intend to keep working through the adversity including the implications of COVID 19, to ensure that the Island makes the most of its comparative advantages and develop into a prosperous place to live and work both now and in the future.

Turning now, Mr Speaker, to the Outturn for 2019/20. The projected year-end position is an overall small surplus of £170K. This is largely because of an over collection of fuel duties as a result of the tanker arriving at the very end of March rather than very early in April as was originally forecasted. There have been overspends in Health and Social Care which are both demand led services and these overspends will follow the expenditure in excess process as outlined in the Constitution. The closing balance on the General Reserve of the Consolidated Fund as at the 31 March 2019 is £6.2 million. This coupled with the projected surplus, would result in a year-end balance on the General Reserve of around £6.4 million. These are very provisional figures for the year-end balance and as we complete the annual financial statements for 2019/20, we will be able provide greater certainty over the level of funds available in the General Reserve. Mr Speaker, this Budget will see a direct call on the General Reserve of the Consolidated Fund of £0.75 million, £750K to support capital requirements for ICT and the fishing sector, I will elaborate a bit more on this later. There are also a number of commitments against the balance on the reserve, particularly in regards to provisions made for litigation cases that have been identified, however after these commitments the General Reserve will still have funds in excess of £3.0 million, the agreed minimum balance which will be particularly important during these uncertain times.

Turning to the Economic Development Investment Programme, Mr Speaker, the 2019/20 financial year also marked the beginning of the Economic Development Investment Programme, or better known as EDIP, St Helena's first capital programme in three years. In the first year of the programme, we have approved projects totalling £4.6 million. The most significant portion of this investment has been in to critical and crucial rock fall protection for our ports and residents living in Jamestown and Rupert's valley. This work is a vital step toward relocating cargo operations from Jamestown to Rupert's and facilitating future development of the Jamestown Waterfront. In the near-term, the project has created positive economic spin offs associated with rental accommodation, car hire, food and beverage purchases and, most importantly, employment of local workers alongside the team completing the project. This

project is scheduled to be completed next month. Mr Speaker in 2020/21 we expect to approve a number of key projects to support the development of St Helena, the largest component of the programme is expected to be starting the works in Rupert's to develop the infrastructure needed for cargo operations to transfer from Jamestown into Rupert's which we anticipate will take place in the 2021/22 financial year. A number of other projects are expected to go through the approval process during this year including: projects to support water security, the R2 Project, which is the Rupert's and Side Path roads, Increased Agriculture production, Jamestown enhancements, Sewerage solutions and another round of the micro projects. In total, we anticipate spending around £6 million in this financial year which will be a significant fiscal stimulus, particularly within the construction sector.

Turning now to Revenues, Mr Speaker. Local revenues are expected to be similar to last year at around £14.0 million, however there has been some shift in the different components that make up the £14.0 million. Income Tax has increased by just over £320K compared to 2019/20 with expected growth in PAYE, Self-employed, Corporation and Service Taxes. Customs duty is expected to see an overall reduction compared to 2019/20 budget of just over £450K. This is made up of reductions in Ad Valorem, Alcohol and Tobacco of £875K offset by increases in Fuel duties of just under £400K. The total revenue from Taxes and Customs duties amount to £10.9 million, other fees and charges total £1.5 million (which is an increase on last year of just under £300K) and recharges amounting to £1.6 million.

Mr Speaker, I have already talked about the uncertainties for local revenues streams and specifically Customs duties for this financial year, particularly on the back of the implications of COVID 19 and we will need to monitor the impacts closely to determine whether budgets need to be amendment later in the year.

Turning now to Expenditure Highlights, Mr Speaker. Mr Speaker, with a flat line financial aid settlement, expenditure for 2020/21 will be similar to last year. However, I would like to highlight a few specific areas of spending for this financial year.

- An Additional funding of £2.5 million has been made available by HMG for COVID 19 preparedness. To date just over £1.5 million has been spent on maintaining limited access to the Island, deploying an initiative supporting businesses within the tourism and hospitality sectors, constructing and operating the Bradley's quarantine and isolation facilities, and acquiring essential medical equipment, supplies and PPE.
- An additional £250K for the upgrade and replacement of essential IT equipment, and up to £500K has been included to upgrade the fish processing plant and the purchase of associated equipment.

SHG have drafted a subsidies policy which will be brought to Executive Council next week for endorsement. The new policy will focus on the achievement of outcomes within sectors and sets out the rationale for agreeing an intervention and also ensuring there is an exit strategy for any subsidy with a continuous review and ensure subsidies limit the impact on the public purse. With this in mind all subsidies are currently being reviewed by the appropriate council committee and as a result you will see within the budget book all grants and subsidies have been included under the miscellaneous grants line and will be allocated to each organisation once the work has been completed.

Pensions and Benefits. One of the biggest challenges this year has been the implications of inflation on the Basic Island Pension and Income Related Benefits. This budget, which has increased by some £335K to accommodate this. Members are keen to implement some of the recommendations from the recent review of the social security system, and have requested to make a provision of £200K to support the implementation of the recommendations following work on the underlying policies which could take effect from later in this financial year. In an ideal world, members would like to implement all of the recommendations, however it is

recognised that with a finite level of funding this is not possible at this time but will be kept under constant review.

Shipping. Mr Speaker, members are also keen to limit the impacts of the 2020 global sulphur regulations and what that might have on essential goods and services. Members will be aware that earlier this year up until March, the St Helena Government did provide a limited subsidy to reduce the impacts of the sulphur charge on food stuff, raw building materials and also animal feed. Since then COVID 19 has meant that the world price of oil has reduced significantly and there has been no need to provide any form of subsidy since, however an additional £132K has been earmarked for any future subsidy the details of which needs to be developed through the policy process and agreed by Council.

Turning now to Access, Mr Speaker. Mr Speaker, whilst it appears Access has seen a significant increase, it is really an increase in the Shipping budget. I have just described that there has been a transfer and also a transfer of the Met Office contract for the Airport from the Environment and Natural Resources and Planning budget to the Access Office which is the most appropriate fit for the management of this contract going forward.

Health. Mr Speaker, whilst it would appear from the budget book that spending on Health has remained static, there have been significant additional resources made available to the Health service via additional COVID 19 support funded separately by the Foreign and Commonwealth Office over and above the £2.5 million made available by the Department for International Development. To date we have received testing equipment, medical supplies, PPE and additional essential staffing which includes, a GP, an anaesthetist, a physiotherapist, a bio-medical scientist, an ICU nurse and 5 additional general nurses. Whilst not shown in the SHG budget this is a significant additional resource for which we are grateful to HMG.

Turning now to Tax Policy changes. Mr Speaker, there have been limited changes in Tax policy over the past year, following a significant number of changes that came into effect from 1 April 2019 including the approved investment scheme and the changes in the rate of tax to support many of the sectors outlined in the SEDP. Limited changes this year allows the previous year's changes to be embedded and gives time to assess whether the policy changes are achieving the intended outcomes. Mr Speaker there have been some changes to the Customs and Excise regulations, these include the changes in specific duty on alcohol and tobacco to account of inflation. As is customary the duty on alcohol have increased by inflation in line with the current policy, this means an increase of 2.9%. As a result, the duty on a bottle of 750ml of Captain Morgan has increased by 41p, a 750ml bottle of wine has increased by 14p and the duty on a 330ml bottle of Castle Light has increased by 2p. Tobacco and Tobacco Products have increased in line with the existing policy of inflation plus 1% or a 3.9% increase. That means that on a packet of 20 cigarettes the duty has increased by 9p, and will complement the proposed Tobacco Bill which will be debated in this House at this sitting. Mr Speaker, These changes came into effect from 1 April 2020. There were further changes to the Customs & Excise regulations that also came into effect from 1 April 2020. To address concerns expressed over fairness during the Labour Market Strategy consultation, employees within the private sector who are coming back to work in St Helena will be treated the same as Government employees. Anyone who can show they will be returning to St Helena or moving to St Helena to work is eligible to bring in all their goods for personal use duty free within the first 6 months of arrival. This includes any new items as well as any used items but does not include consumables or any items that attract a specific duty. The duty on a vehicle is now payable on arrival for all entering St Helena, including Government employees. I can also confirm Mr Speaker that there are no changes to the tax rates for this financial year, Corporation Tax rates will remain at 25% or 15% for those businesses who are supporting the delivery of the Sustainable Economic Development Plan as outlined last year. The personal allowance will remain at £7,000 and the first £18,000 of taxable income taxed at 26% and 21% for those

businesses supporting the SEDP and for income over £25,000 this will be taxed at 31% or 26% of those businesses supporting the SEDP. We agree that no changes helps to foster stability, which is certainly what is needed in light of COVID 19 and these uncertain times. Looking ahead now, Mr Speaker. Mr Speaker, the COVID 19 pandemic has and continues to be an international disruptor to most economies and societies across the world. At this moment it is difficult to predict when things will ease. The impacts however have reinforced what many have said over the years, which is that we cannot put all our eggs into the tourism basket, under pinned by digital development, registry services, and fishing and farming going forward. We must and will do more to explore other areas identified in the Sustainable Economic Development Plan and diversify 12 even further given the changing environment. I would like to focus on what we are doing to look ahead. The St Helena Government must diversify our revenue streams and focus our limited resources on achieving the greatest returns for the Island. Good work has already been done on the draft policy for a modern and internationally compliant companies' registry - currently out for public consultation - which will encourage overseas businesses to register and relocate their head office here. This will be achieved by taxing these companies on their world-wide income which will generate additional tax revenues for the Island. There is no doubt this will be a slow burner initially, however, this policy will establish the building blocks for the development of a future financial services industry on the Island, creating jobs and opportunities for those aspiring to excel in this field and for those providing supporting services. With regular flights and super-fast broadband from 2022, we will be in a position to be a more attractive location for businesses. The signing of the contract with Google in December 2019 was a significant moment for St Helena. This, coupled with a review of the electronic communications networks and services policy and the public telecommunications license that is ongoing, should see significant improvements in the community's digital experience. We continue to explore options for ground satellite station providers establishing a presence on Island and contributing to the use of the significant level of bandwidth that the cable will bring. As we get closer to the landing of the cable, we expect this area of work will gather some steam, and the draft communications policy will help to establish the regulatory framework for this important sector.

The signing of the agreement earlier in May with PASH global is also a significant step forward for St Helena and will secure the foundations on which to improve the economic and social prospects for affordable energy usage. This is a great example of a successful private sector investment into public infrastructure and we welcome this approach in other areas. The agreement will not only eliminate the volatility in the price of fuel for the Power Station, it should also see the long-term reduction in the cost of electricity to users. Work is happening in the background to review the tariff structure that will complement the increased sources of renewable energy. This project will only increase the Island's credentials as a Blue and Green exemplar on the international stage. Not many countries will be able to boast 100% energy from renewable sources and also have a category six marine protected area (MPA). We must maximise the potential of this great story.

Mr Speaker, along with the longer-term benefits of these two key projects, which will see much needed stimulus into the local economy, and in particular, the construction sector. The construction of cable landing station and the installation of the solar, wind and battery solutions will be done by the local private sector where possible and where not possible we would expect a skills transfer for ongoing maintenance purposes.

Mr Speaker, three other key pieces of work will need to be progressed during this financial year, these include the conclusion of the work that has been done on immigration and land reforms. We expect the draft immigration policy will soon be out for public consultation followed later in the year by a policy on land use. These are essential pieces of policy if we want to grow our resident population. The other work that elected members are keen to progress

is the exploring the option for some form of National Contribution Scheme that will allow contributions to be made to cover the cost of future health services. This is a complex piece of work and will need to be looked at in the round with the need to also consider reform pensions, it is hoped that consultation can take place towards the end of this financial year.

The St Helena Government, along with Enterprise St Helena, are continuing to explore options for further support to those businesses significantly impacted by COVID 19 beyond this month. We will do all we can to support businesses within the funding available, however this will need to be looked at along with the other factors such as when do we open our borders to the rest of the world which will be largely dictated to us by how South Africa eases its travel restrictions. One of the key pieces of work for SHG and elected members will be to determine when should St Helena lift its travel restrictions and in particular when to lift the requirement for the fourteen-day quarantine on arrival. A recent international travel survey shows that 96% of those who participated said they will not travel to a destination if there is a requirement for a 14-day quarantine period. This is going to be a difficult decision, having to balance the need for economic activity against the need to protect the Island from the virus arriving. Options are being developed on the possible mitigation measures to allow a gradual opening up of our borders in order to re-engage with the outside world. This builds on the recent announcement to ease restrictions on immigration, allowing vessels to call at St Helena subject to quarantine measures and to create a sterile corridor with other Islands such as Ascension, the Falklands and Tristan da Cunha who are known to be COVID 19 free.

Mr Speaker, I would like to thank all those who have contributed to this budget process including all of the Elected Members, Directors and their staff, senior SHG officials and my team in Corporate Finance. I would like to make special mention of the Deputy Financial Secretary Mr Nicholas Yon, Chief Secretary Mrs Susan O'Bey, our Economists Mrs Nicole Shamier and Mrs Amanda Curry Brown, Head of Finance Services Miss Connie Stevens and Budget Manager Miss Sara Benjamin, who have been instrumental in presenting this budget today. In conclusion, Mr Speaker, there is no doubt that these are challenging times for St Helena and its community. The impacts of COVID 19 have already been felt on the Island's economy and, alongside the rest of the world, we will continue to face significant uncertainty likely to be for the remainder of this financial year. However, Mr Speaker, with challenging times comes opportunity. It has been said that "If you learn to use it right, the adversity, it will buy you a ticket to a place you couldn't have gone any other way." This moment of global adversity highlights how critical it is that we diversify, innovate and look beyond the way things have always been done on our journey to a sustainable future for St Helena. Through this budget this Government has demonstrated its commitment to providing essential services, protecting the most vulnerable members of society and creating an environment to foster future economic growth. Much progress has been made but much work remains. I am confident, Mr Speaker, that working together, alongside of our partners in Her Majesty's Government, St Helena will reach the destination to which it aspires. Mr Speaker I beg to move.

The Speaker –

Thank you very much indeed, Financial Secretary. Honourable Members, I will now adjourn this item of business until Monday to give you all the opportunity to prepare your responses to the Financial Secretary's budget speech and I think this would be an opportune time now, Honourable Members, to adjourn the meeting for lunch and we will resume debate again at 1.30. Thank you.

Council Adjourned.

Recording Ends.**Remainder of Order Paper for the day –****2. The Hon Russell Yon**

That the Road Traffic (Amendment) Bill, 2020, be approved in principle and referred to a Committee of the Whole Council.

3. The Hon Anthony Green

That the Magistrates' Court (Amendment) Bill, 2020, be approved in principle and referred to a Committee of the Whole Council.

4. The Hon Derek Thomas

That the Public Health (Amendment) Bill, 2020, be approved in principle and referred to a Committee of the Whole Council.

5. The Hon Derek Thomas

That the Control of Tobacco and Related Products Bill, 2020, be approved in principle and referred to a Committee of the Whole Council.

6. The Hon Dr Corinda Essex

That this Honourable House resolves that in order to support and encourage private sector growth on St Helena, St Helena Government should actively pursue development of a policy to provide a framework specifying its intentions and those of the state-owned entities regarding competition between the public and private sectors.

1. Elections

- Elections for Executive Council
- Elections for Chairpersons of Council Committees
- Any other Elections

2. Adjournment Debate

Honourable Speaker

Date