**EXCO meeting of 28 February and 6 March 2012**

Good afternoon. Before I report on our EXCO meeting held today, I should mention a short meeting of EXCO held on Tuesday of last week which I was unable to report in the usual way. That was because I hosted a lunch at Plantation House for some visiting journalists immediately following EXCO last week. Directly after lunch I then spent much of that afternoon at the excellent SHAPE organisation. I chatted with those working there and with some of the committed volunteers and supporters, including Ivy Ellick and Ethel Yon, who work hard to keep SHAPE in good shape.

So, turning to EXCO last Tuesday, we had three papers to consider. The first sought approval for the St Helena News Media (Amendment) Bill to be presented to Legislative Council. The Bill provides for Radio St Helena to continue operating after the St Helena Herald ceases publication in March, when a new newspaper will be published by the new, community owned media organisation headed by CEO Darrin Henry.

The point here is that under the current law St Helena Media Board (SHMB) which supervises the Herald and Radio St Helena, has a duty as long as it exists, to publish a newspaper. As we need to keep the SHMB active until the new FM radio service starts transmitting in June/July, we must adjust the law to allow it do so without being compelled to produce the Herald when the new newspaper is published.  The paper also proposed a few other small adjustments to help with the operation of SHMB until June/July and with its eventual winding up thereafter.

The next paper sought Council approval on three matters:  to approve the Income Tax Bill containing investment incentives under the Phase 2 tax reforms; the abolition of the Approved Investor Scheme; and to approve amended regulations which support Phase 2 of the tax reform.  The Income Tax Bill provides all businesses, both local and overseas, with investment incentives, including an investment tax credit and accelerated depreciation arrangements. The incentives are designed to encourage businesses to invest in the improved economic climate driven by the airport development project. The old Approved Investor Scheme is repealed as the new incentives make it redundant.

The third and last paper on Tuesday requested approval for the Pensions Bill to be introduced to the March sitting of formal Legislative Council.  Amongst other things, the Bill, on which there was careful consultation within the public service, is designed to ensure the sustainability of SHG’s pension schemeand to allow greater mobility between the public and private sectors. The main provisions include a gradual increase in the retirement age to 65 by 2023, a small reduction in the rate at which pension rights are earned, and for those with 10 years or more service that leave the public service, the protection of their pensions through cost of living adjustments.

Our first paper today, 6 March, was just an information paper to explain to members the structure of the recently revised petrol and diesel fuel prices. We then considered the Appropriation Bill 2012 and agreed that it should be presented at the next meeting of Legislative Council on 22 March 2012. The Bill contains the Consolidated Fund recurrent and capital expenditure budgets for each government Directorate for 2012/13.

Under ‘Any Other Business’ we agreed that, ‘Civil Society’ should be added to the name of the ‘Home and International Committee’ in order to properly recognise the important role played by civil society organisations.  A proposal that SHG should create a ‘Community Grant Fund’ received broad support and it was agreed that work should be done to develop this idea.  Under this proposal, the Community Grant Fund would be a source of grant aid for worthwhile community or sporting projects which met agreed criteria.  An update and discussion on the progress of the SHELCO project application brought our meeting to a close at around 1pm.

The next meeting of EXCO is scheduled for Tuesday 20 March.

Thank you for listening,

**Mark Capes**

**Governor**

**6 March 2012**