

**LEGISLATIVE ASSEMBLY
OF THE
FALKLAND ISLANDS**



His Honour the Acting Governor's Address to the
Nation

The Honourable Financial Secretary's Budgetary
Speeches

30 May 2017

His Honour the Acting Governor's Address to the Nation

His Excellency the Governor

Mr Speaker, Honourable Members,

I am pleased to stand today to provide the Governor's Annual Address, as the Government presents its Budget bill for deliberation, on behalf of the people of the Falkland Islands. This is the final budget to be delivered by this Assembly, and marks four years of improved performance and growth in the Falkland Islands. This Assembly has accomplished much even in the face of challenging geopolitical and global economic conditions. Today, I have the honour of highlighting some of the important achievements of the last year, as well as setting out the Government's agenda for investing in the future of the country.

Fiscal Context

The Falkland Islands economy has performed well in recent years, outstripping OECD averages, and driven largely by revenues from our fisheries and offshore oil exploration. However, the last two years have also seen some limiting factors, including lower than average Illex catches. The oil industry has been adjusting to a prolonged era of lower global oil prices, which has delayed industry investment plans. Nonetheless, our economy continues to generate new economic activity, jobs and growth as government and businesses invest in capacity to take advantage of future opportunities.

Government finances are currently in a healthy position, underpinned by strong reserves. This has allowed Government to propose a forward-looking agenda of investment in critical economic and social infrastructure, as well as in capacity to deliver its programme. The investments outlined in this budget will ensure that Falkland Islanders have a future of economic opportunity, as well as improving quality of life.

At the same time, this Government continues its longstanding tradition of prudent economic management. It is clear that with investment comes risk. However, continued focus on investment for growth, maintaining a stable tax regime, improving programme management and efficient delivery of services, will help to ensure that we maintain our enviable fiscal record.

Political Context

In November 2017, Falkland Islanders will have the chance to elect a new Legislative Assembly. These new representatives will continue to be confronted by political and economic challenges that will directly affect the future of the Falkland Islands. They will have the opportunity to build on the advances made by this and previous Governments to enhance the sovereignty and wealth of our country, while maintaining our strong relationship with the United Kingdom, as a proud Overseas Territory.

This past year has seen many milestones. In June 2016, Britain voted to leave the European Union, triggering the “Brexit” process. Our Government has worked with businesses and the community to understand the potential consequences for the Falkland Islands; this work is ongoing and will continue to evolve as the UK Government develops its negotiating positions and potential impacts become clearer. The possible negotiation of bilateral trade deals between the UK and its key trading partners could also present new opportunities for both imports and exports.

As negotiations unfold, the Government will continue to strongly advocate for the interests of the Falkland Islands both bilaterally and as a member of the UK Overseas Territories Association.

September 2016 saw the agreement of a UK-Argentina Joint Statement pledging closer cooperation on several key issues, including the removal of obstacles to a new commercial air link between the Falkland Islands and South America, the exchange of fisheries data to support healthy and sustainable fishing grounds in the region, as well as removal of threats to business investment and commercial activity in the Islands. This was followed by the UK-Argentina Summit in December 2016, which paved the way for the International Committee of the Red Cross to begin humanitarian work on the DNA identification of Argentine soldiers buried at Darwin Cemetery. Members took a full and active role as decisions were made.

Unfortunately, progress has been slow on the September 2016 agreement. Our Government still hopes that Argentina will honour its commitments. However the Government will not delay in identifying and implementing the best solutions to reach the Falkland Islands economic and social goals.

The unwavering support of the UK Government, reiterated by all main political parties in their election manifestos, provides the security and confidence to allow Government, business and families to plan for the long term.

The Falkland Islands is part of the international community, which is affected by increasing threats of global terrorism and political instability. In partnership with the Ministry of Defence at Mount Pleasant Complex, this Government has implemented new security measures at our national airport, installing new scanners and procedures to ensure the safety of passengers. In the coming months, this work will continue with the installation of electronic passport readers, to facilitate entry control of individuals that may threaten the security of the Falkland Islands.

[35 Years of Progress](#)

2017 is the 35th anniversary of the Falklands conflict. It provides the opportunity to not only reflect on the sacrifices made to protect our home and sovereignty, but also to celebrate the 35 years of progress we have seen since 1982. The Falkland Islands is a leader amongst the UK Overseas Territories in governance, democracy, accountability and social development - and has an ever-increasing profile in the international community, attracting tourists to our world-class natural environment, competing in international sporting events and developing relationships with our international neighbours both near and far.

Nowhere is this progress more tangible than in the 2016 census results, which showed a growth in population to 3,200 residents, as compared to 1,800 in 1982. This is a 16% increase since 2012, and reflects a multi-cultural, predominantly working age population with almost 90% participation in the workplace. Unique amongst developed economies, the Falkland Islands has full employment, with a nominal 1% unemployment rate. And while we do see evidence of an aging population, our continued attraction of younger workers to supplement our own labour force is helping to maintain a ratio of pensioners that is well below that of the UK and other developed countries.

The 2016 Census also confirmed growth in Camp population, reversing a decades-long trend and signalling good prospects for our agriculture and tourism sectors. I applaud the young families and others who have embraced the challenges and rewards of Camp life and am pleased to highlight within this speech, some of the commitments our Government continues to make to support a vibrant Camp economy.

In the 35 years since 1982, our economy has also grown dramatically, with GDP rising from £3m to £150m. Since 2012, average incomes have also grown and we have seen the results of the implementation of minimum wage laws to improve incomes for our lowest earners. I am pleased to report that Budget 2017/18 continues to support living standards, with the continued move towards alignment of the minimum wage to the living wage.

Investment for Growth

Mr. Speaker, in this past year, this Government has focused on setting the foundations for economic growth and development. We will soon be presenting our economic development plan for the next few years, building on the 15-year Economic Development Strategy adopted in 2010. It has involved wide-ranging consultations and identified new opportunities, as well as confirming areas of focus and critical investments required in infrastructure, programmes and resources to support our prosperity objectives. While Government investment will support and enable growth, we will look more and more to the private sector to partner with us in maximizing the economic benefits.

The 2017/18 budget reflects many of the priorities identified in the Economic Development Strategy review, with proposed capital investments in a new and modern Training Centre to improve the skills of our workforce, road infrastructure to open up west Stanley for residential development, enhancements to tourism infrastructure, and development work on a new Port facility, power station and air terminal. The budget also confirms support for our partners in economic development, including the Rural Business Association, FIDC and the Tourism Board so that they can continue to deliver improved services and support to the Falkland Islands business community.

Government intends to roll out a number of focused initiatives to expand and develop our labour force, support business and sector growth, reduce barriers and position the Falkland Islands for a bright economic future. These will be supported, in part, by the recently introduced amendments to the Immigration Ordinance, which are intended to help us recruit and retain individuals with the necessary skills to build our community. And as our

labour force expands, we must ensure that we provide safe, fair and equitable working conditions for all.

The Government and Ministry of Defence have worked hard over the last year to identify areas where we can collaborate, and where joint working can improve efficiencies and quality of services. We will also work closely together to increase our efforts to localise procurement and provide more opportunities for the private sector. We have already identified potential to collaborate on waste management and air terminal improvements, and are confident that many other synergies remain to be captured.

But, Mr. Speaker, while bold, these planned investments and support for economic development do not represent a change in direction for Government. Rather, they are a continuation and intensification of the work that has been ongoing.

For example, an ongoing, multi-year programme of repairs to the FIPASS port facility extends its life and serviceability in the short term, even while work proceeds on new port options. Our Customs & Immigration service is trialling a new electronic clearance system to streamline the movement of vessels, goods and persons through our seaports that should both enhance security and save time for businesses.

And with regard to our meat and wool industries, the Agriculture Department has continued work to improve livestock genetics, support crop trials and identify management and efficiency measures to help our farmers realise more value from their efforts. In addition, we reiterate our longstanding commitment to FIMCO, as they identify new markets for Falkland Islands meat.

Our farmers have benefited in recent years from strong wool prices, and the value-adding work we support through FIDC helps to ensure that Falklands wool is of consistently high quality and can be sold for a premium price.

The private sector has also shown confidence in the future of the Falkland Islands. I note that the longliner CFL Hunter has arrived in Stanley and congratulate Consolidated Fisheries Limited for their very significant investment in the Falkland Islands fishery. This splendid new vessel will shortly enter the Falkland's Marine Stewardship-certified toothfish fishery. And this is only one example of completed or planned investment by our fishing companies.

[Sector Performance: Fisheries](#)

Mr Speaker, as you know, the Falkland Islands economy depends on the performance of a few key sectors, all related to our abundant natural resources.

This year we celebrated the 30th anniversary of the Falklands fisheries, a milestone achievement that has transformed our economy. It is with some pleasure, therefore, that I can confirm that its economic fortunes rebounded this year. The Falkland calamari fishery has performed well and, while Illex catches are still modest, government revenues from Illex licenses are positive for the 2016/17 year. Our updated legislation, introduced in this last

year, ensures that our fish products continue to be fully compliant with EU export requirements.

The Illex fishery would benefit from greater regional cooperation and data sharing with Argentina, and the Falkland Islands Government hopes that Argentina will work with us to support the ongoing conservation and management of this important fishery region.

In recent weeks, we have been preparing modern and robust Maritime and Harbours Legislation. This important legislation will reflect the unique Falkland Islands context while being consistent with international laws and conventions, and will provide the foundation for balancing the increasing range of activities we manage in our waters.

Sector Performance: Oil

Mr. Speaker, while development of the Sea Lion field has been affected by continuing low global oil prices, there is still considerable momentum towards a near-term sanction of this project. Over the last year, we have been working closely with Premier Oil to review their design, development and management plans for the Sea Lion Field. Government remains focused on ensuring that development of hydrocarbons is sustainable and to the highest international standards, and that we achieve the best possible value for our resources.

Assessing and mitigating possible impacts of oil development on the environment is a priority, and the Government will introduce new environmental legislation in the coming months to ensure that oil development is consistently and effectively regulated to high standards.

Tourism and the Environment

Mr. Speaker, I was happy to see confirmation from the tourism industry that the number of land-based visitors to the Falkland Islands increased by 4.4% in 2016 and that we also received more than 55,600 cruise passengers, with strong increases in expedition cruises. Government intends to collaborate closely with the industry over the next year to develop a comprehensive tourism vision and strategy, to enhance the profile of the Falkland Islands as a “must-see” destination, and to improve both transportation links and infrastructure.

It is important to note that the Government recognises the value of our natural environment and its contribution to the prosperity and well-being of the Falkland Islands. We are renowned for our access to marine mammals and sea birds, our unspoiled landscapes and our clean air. Our farmers, fisheries and tourism operators depend on it, and importantly, our islands and waters are home to several protected species.

We should strive to preserve and protect our natural environment by minimising our impact wherever possible, and I am pleased to report that Government will develop a joint waste management strategy with our neighbours at Mount Pleasant Complex to implement recycling and to explore long term solutions for waste that cannot be reduced, reused or recycled. Government will also move forward in implementing its Biodiversity Strategy, focusing particularly on biosecurity and the eradication of invasive species.

Social Development and Quality of Life

Mr. Speaker, while economic growth is vital to the survival of any country, governments and societies are rightly judged by how they treat their most vulnerable members and by the quality of life enjoyed by their citizens and residents. In this respect, the Falkland Islands stands tall.

The 2017/18 budget includes significant resources for improved social services. This includes investment in a new Extra Care Facility for older and vulnerable adults, which will build on the considerable work done this year to improve home care. We also plan to invest in the expansion of our hospital, which should eventually allow us to provide more medical procedures within our own facilities.

To provide our youngest residents with safe and appropriate care, we will be developing a childcare ordinance for the regulation of the nursery sector, and will make funding available to nursery operators for improvements to their facilities.

Over the last few years, Government has also put in place several measures to improve the health of Falkland Islanders, and these are showing results. In 2011, a ban on smoking in public places came into effect and we now see from the 2016 Census that cigarette consumption has dropped since 2012. We encourage all Falkland Islanders to remain active and strong turnouts at events such as the Stanley Marathon and numerous charity walks and runs is testimony to our hardiness. Government continues to support and promote sport and fitness and will invest in a new indoor sports facility in the coming year, as well as in new public health awareness campaigns.

We have instituted strong child safeguarding legislation and supported this with public awareness programmes with respect to both child abuse and cyber bullying. To support Falkland Islanders in distress, a 24/7 Community Support service was implemented this year.

We continue to focus on improving student achievement in both our primary and secondary school. In particular, it is a measure of the hard work of both teachers and students that our GCSE results have been continuously improving over the last few years. With peer-reviewed procedures, strategies and developmental plans in place, both the Infant & Junior School and Falkland Islands Community School (FICS) strive for excellence in teaching. Many of our students go on to further and higher education in the UK and beyond, and I congratulate our nine Falkland Islanders who have gained their university degrees this year.

It is important that young Falkland Islanders are aware of the many career opportunities available to them as they start out in life. The new Careers Officer at FICS is now available to help them make sense of all their options, including apprenticeships and trades training and I encourage all employers to engage with students as well. The Government also supports continuing education and lifelong learning through the Training Centre, which saw a 240% increase in qualifications over the past year, from an extended range of more than 250 courses.

I also want to briefly note the progressive changes to our Marriage and Families legislation which make both marriage and civil partnerships legal in the Falkland Islands for all couples, whether heterosexual or same-sex.

Public Works and public infrastructure

Mr. Speaker, the Government knows that residents rely on safe, dependable and adequate roads, power supply and water treatment. Therefore, an ongoing programme of repairs, upgrades and maintenance is a key responsibility of our Public Works department. This year, we completed a number of important roads projects, including the surfacing of 3 additional kilometres of the Mount Pleasant road and improvements to the Ross Road. An interim high speed generator is to be commissioned for the power station at the end of 2017; to ensure an adequate power supply to Stanley while a new power station is being developed.

It is equally important that Government provides appropriate infrastructure and services in Camp. This year saw the refurbishment of the fuel depot at Fox Bay and the completion of improvement, capping and grading works on several Camp roads. Planned investments for the next year include improvements to the FM Radio system in Camp and continuation of government programmes to help fund the building of ramps and jetties.

The Government continues to support the operations of its national domestic air service, FIGAS, and the Concordia Bay ferry. These transportation services provide crucial links to the mainland for Camp residents and without them, our prospects for tourism and agriculture would be diminished. FIGAS alone carried almost 7,800 passengers in the last year.

In 2017, the Falkland Islands Government implemented its new Telecoms regulations and finalised a contract with the monopoly provider that is expected to deliver significant service improvements for internet and mobile phone users. The regulations set out transparent and clear expectations and penalties with respect to this vital service.

Safety and Security

Mr. Speaker, Falkland Islanders trust their government to provide public safety and security and there are a number of departments and services that carry out this vital function. Over the last year, the Government has invested considerable resources to strengthen our police services and will be implementing several changes over the coming months. It has been a challenging time for the Royal Falkland Islands Police, and I recognise the dedication and hard work of its members in upholding the law and keeping our community safe.

Falkland Islanders will be aware of the importance of both our fire service, which welcomed its first fulltime female firefighter this year, and the Falkland Islands Defence Force, which provides essential search and rescue and civilian defence services.

But we should not forget the many other services that exist to keep us safe. In the last year, our Civil Aviation authority has responded to the increasing prevalence of drones by

launching a safety awareness campaign emphasizing the responsibility of users to obey regulations and keep our aircraft safe from drone interference.

Our Customs & Immigration service also works diligently to ensure the security of the Falkland Islands, reviewing more than 1500 work permit and visa applications in the last year, preventing biological contamination from imported goods and working jointly with the Joint Provost Security Unit to control our borders and keep out illegal drugs and other contraband.

This year has seen the commencement of the Crimes Ordinance and the Criminal Procedure and Evidence Ordinance, which modernises and strengthens our justice system. An updated Prisons Ordinance became law in April, reflecting our adherence to international human rights standards for the treatment of prisoners and making the Falkland Islands a leader amongst overseas territories. Also in this past year, the new prison extension was completed, offering both improved security and a more appropriate environment for the rehabilitation of offenders.

Wrap up

Mr. Speaker, my words today can only reflect some of the highlights of the Government's past activities and agenda for the next year. I should also note that Members of the Legislative Assembly have passed 137 pieces of legislation since 2013, each one a reflection of hundreds of hours of research, consultation and effort to ensure that our laws serve Falkland Islanders well. In just the past year, 17 bills were completed and I am pleased to report that, in June, we will see the culmination of a multi-year effort by the Law Commissioner to provide online access to all our legislation, a fundamental pillar of democracy and government transparency.

Once again, this Government embarks on its new financial year with ambitious legislative, policy and investment priorities that reflect its commitment to the prosperity of this and future generations. Our eight current Members leave a strong foundation for the new Legislative Assembly that will replace them.

The Falkland Islands' principles of democracy, fairness, transparency and generosity guide this Government in its work and it is proud to reflect the values of its people. I know we all look forward to the year ahead with confidence, as the Falkland Islands rises to meet every challenge and continues on its path of growth and prosperity; a proud British Overseas Territory and a proud member of the global community.

Thank you.

The Honourable Financial Secretary's Budgetary Speeches

The Supplementary Appropriation (2016/17) Bill 2017

Mr Speaker, Honourable Members

This is the first Supplementary Appropriation Bill to be presented for the current year. Its purpose is to authorise the withdrawal of the additional sum of £1 million 425 thousand and 835 pounds from the Consolidated Fund to meet supplementary expenditure approved by the Standing Finance Committee up to the 17th May 2017.

The Bill provides for additional funding for a number of departments in particular 770 thousand 750 pounds to cover increased in pharmaceutical and medical evacuation costs, £209,790 for additional legal aid support, and an £11,000 donation to the Falkland Islands Memorial Chapel in Pangbourne.

A full departmental breakdown is included in the Schedule to the Bill.

Appropriation Bill 2017

The purpose of the Bill before you today is to authorise the appropriation of monies from the Consolidated Fund for the next financial year.

As you have already heard from the Governor earlier the economy continues to be strong. I would like to touch briefly on a couple of our industries. The largest of the traditional industries, the fishing sector has experienced a second challenging year demonstrating once again the risks inherent in the industry. Following several 'boom' years for squid there is always a risk of a 'bust' year and that has been the case with Illex with a second year of modest catches however they have been better than last year compensated by the current high market prices for Illex FIG are not expecting to have to make licence fee refunds this year.

Agriculture continues to employ the largest proportion of the workforce outside the public sector. The current high wool prices have again provided a better than anticipated return to farmers and to Falkland Land Holdings. The meat industry continues to be impacted by the global market, however this year has seen an overall uplift in prices achieved for export meat and related exports. FIMCO are currently reviewing their operations with a view to becoming a more commercial organisation. Finding the balance between supply and demand of livestock continues to prove difficult to achieve.

As I said earlier, the economy remains strong but the challenges presented last year remain today.

The Budget Strategy re-affirmed in November the nine principles and supporting policies which this Assembly adopted in the Budget Select Committee have spent the last four months working to meeting these within this year's budget. These principles ensure that FIG can deliver efficient and effective public services whilst encouraging economic development, strengthening infrastructure, safeguarding sustainable pension arrangements and improving the quality of life in the Islands. This is all based on the principles of maintaining a reasonable level of uncommitted reserves and not borrowing for operating purposes so that we only spend within FIG's means.

These principles and policies have been met in the Bills I present to you this morning. The appropriation of £65.9M is predominantly funded from revenues anticipated in the year of £60.5M with the remainder coming from the reserves built up from wind-falls in Illex s and oil and gas exploration in recent years.

However, whilst windfalls have allowed FIG to improve services in recent years our recurring revenue streams have only increased marginally. Therefore whilst considering proposals during this budget, the Select Committee were conscious of the need to maintain spending at a level that does not make excessive use of reserves or increase operating deficits to a level that is unsustainable into the longer term. By limiting the deficits Budget Select Committee were able to set a budget that is sustainable in the medium term, whilst still

redirecting previous year's surpluses towards the capital programme and operational budget.

When reviewing the Pay and Reward policy this year Budget Select Committee were keen to recognise the hard work of FIG employees with an increase in pay, despite the cost of living actually decreasing since the previous review. Therefore an increase in pay was approved of 2% with a continued commitment to the incremental pay progression structure.

Employment programme rates were also increased by 1%. Grants for students studying in the UK will increase by 1.7% in line with UK inflation.

The Assembly continues to want to ensure that the state pension offers a basic income in retirement, therefore Members have approved a 2% increase to the weekly state pension rate (and a corresponding 2% increase to FIG and FLH pensions). The five yearly Actuarial review of the Retirement Pension Fund was completed in April and the results including a number of recommendations were considered by Budget Select Committee. After much debate Budget Select Committee have recommended that pension contribution increase to £15.75 for employees and employers. The Self-employed and Voluntary rate for residents will increase to £31.50 with the full Actuarial rate of £58.25 paid by those making voluntary payments from overseas. The Government will continue to make the £1.5M top up payments to the Retirement Pension Fund for the period of the MTFP.

Due primarily to lower fuel prices, there is no inflation at present. Therefore I do not have that many changes in fees or charges to announce today, with these being maintained at current rates. There are a couple of exceptions to this, and these include fees that are driven by salary costs which will be increased by 2% to account for the Civil Service pay award, such as customs service fees.

FIG has also reviewed those fees which are set at cost recovery to ensure the user is paying for services received. In this review there were a number that were identified as not contributing sufficiently towards the cost of service delivery and therefore the following increases were agreed, 10% increase in Stanley House fees, various increases to FIG legal, registry and court services fees, septic tank cleaning will increase by 4%, government housing rents to increase by 1%, a £1,000 increase to the banking licence, the embarkation fees will rise to £25 and there has been an update to the Civil Aviation Fees to ensure cost recovery. Landing fees for Stanley will rise to £25 per passenger from 1st July 2018.

However, this year's review also highlighted that some services were collecting sufficient revenue to cover costs and therefore the following rates will be maintained at the existing level; service charges, refuse collection charges, water rates, funeral charges, postal charges, FIGAS rates and charges, non-entitled medical fees and dental fees.

In a similar vein, recognising that there's been no increase in the cost of living this year welfare assistance, fostering, attendance, winter fuel, and family allowances were agreed to be maintained at their current rates.

The Minimum Wage was reviewed and will be increased to £6.58 an hour from 1st January 2018. This is to recognise the principle agreed two years ago to progressively close the gap between the statutory Minimum Wage and the Living Wage. The Living Wage was also reviewed and is now considered to be £7.31 per hour. The revised Minimum Wage has therefore been set at 90% of the Living Wage. FIG is pleased to announce that it continues to pay all employees (including apprentices) at least the Living Wage. The pension contribution threshold will be increased from the same date to £263 a week to reflect this change.

Conscious that demand for government services continue to increase and that recurring revenues remain relatively static, Budget Select Committee undertook their annual review of tax policies. The need to raise additional revenues to reduce reliance on reserves was considered by the Committee there was no appetite at this time for reducing the personal tax allowance to collect additional revenue as the Committee wished to continue to find a balance between raising revenue and improving the quality of life of individuals. As a result, no changes will be made at this time to the personal tax bands, rates or structure.

However, Budget Select Committee approved the reduction in the MST rate to 0% for employees, employers and the self-employed from 1st January 2018. It is hoped that this will help to support economic growth in particular for small businesses in the Islands.

It only remains for me to thank all those who have been involved in preparing the Budget this year and to those who have kept the Treasury running whilst we've been in meetings.

Mr Speaker, Honourable Members, this concludes my presentation of the Appropriation Bill to this House and I beg to move that the Bill be read a second time.

Capital Appropriation Bill

Mr Speaker, Honourable Members,

The purpose of the Bill put before you today is to authorise the appropriation of monies from the Capital Equalisation Fund for the next financial year.

The Bill requests approval of £15.9M from the Capital Equalisation Fund.

This appropriation only represents a small amount of the capital programme with the total five year programme amounting to a net £61M or £80M including the current year's programme. In order to ensure the Fund has a level of reserves to support these investments an additional transfer of £4M per annum for the period of the MTFP has been agreed by Budget Select Committee to bolster the fund, though Budget Select Committee recognised that additional funding will be needed from the Consolidated Fund to fund the full programme.

The schedule contains a breakdown down by category but it is worth considering a few of the highlight from the programme. Over the next five years the following investments will be made; £47.9M in Infrastructure and Maintenance within which there is £21.3M for roads, including £6M for the MPA road and £2.5M to continue the governments significant maintenance programme, there is £17.8M for Health and Social Care, including £10M for the Vulnerable Peoples Unit and £5.2M for improvements at KEMH, £15.3m for economic development related projects and £2.7M for the provision of new Sports facilities and Training Centre.

The programme also includes an additional £1.6M for further work to be completed on a number of future capital project in recognition that more detail is needed on them before they can be fully approved and added to the main programme, these projects include new deep water port facilities, improvements to the Air Terminal at MPA and a replacement power station.

Mr Speaker, Honourable Members, after the Bill has been referred to the Select Committee I will provide more details of the schemes contained in the Capital Programme however at present this concludes my presentation of the Capital Appropriation Bill to this House and I beg to move that the bill be read a second time.

Finance Bill 2017

Mr Speaker, Honourable Members,

The purpose of this Bill is to give effect to the changes in various allowances, charges, fees and penalties provided for under the laws of the Falkland Islands. It also makes new provisions in relation to certain fees and charges. These changes relate to the proposals in my budget speech and can be summarised as follows:

- Clause 3 amends the Air Navigation fees
- Clause 4 increases the banking licence fee
- Clause 5 increases the British Nationality application fees in line with the on-charge from the UK;
- Clause 6 introduces new filing fees for Public Company's
- Clause 7 increases landing fees for Stanley
- Clause 8 increases customs service fees and entry/clearance fees
- Clause 9 increases embarkation fee for a passenger leaving the Falklands Islands
- Clause 10 decreases land charge fees
- Clause 11 reduces the Medical Services Tax to zero % for employees, employers and the self-employed
- Clause 12 increase the amount payable to Members
- Clause 13 increases the Minimum Wage
- Clause 14 increases charges for the registration of civil partnerships
- Clause 15 increases charges for the registration of marriages'
- Clause 16 increases the charges for the registration patents
- Clause 17 increases the rate of pensions and voluntary contributions;

All the aforementioned increases take effect from the 1st July 2017 apart from Clauses 4, 11, 13, and 17 relating to banking regulations, Minimum Wage, pension threshold and taxation, which take effect from the 1st January 2018. Clause 7 relating to amendments under the Cruise Ships Ordinance for landing fee will take effect on the 1st July 2018. Clause 12 will take effect in November 2017 following the election of Members to the new Assembly.

The 'Objects and Reasons' section of the Bill seeks to explain the increases and shows the old and new figures for ease of comparison.

I believe that covers all the changes to legislation required for the items that were included in my budget presentation.

I would like to express my gratitude to the Law and Regulation Directorate for the advice, assistance and drafting skills in preparing this Bill. Once again it is a long and complex piece of legislation.

Mr Speaker, I beg to move that the Bill be read a second time.