

BUDGET  
DOCUMENT  
2016



Ministry for Finance

# **Budget Document**

## **2016**

Ministry for Finance  
12th October, 2015

## Cataloguing in Publication Data

Budget Document 2016 : Ministry for Finance, 2015.

ISBN: 978-99932-94-99-3

The following symbols have been used throughout this document:

- . . . to indicate that data are not available;
- 0 to indicate that the figure is zero;
- to indicate that data are not applicable or cannot be determined;
- to indicate that the figure is negligible;

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This document is based on statistical information available up to September 2015.

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# **1. Economic Prospects**

## **Overview of the current situation and outlook for the coming years**

Following the robust growth registered in 2014, the Maltese economy continued to grow at an average rate of 5.1% in real terms in the first half of 2015. This growth rate is almost three times the average registered in the Euro Zone. During the same period, labour market developments strengthened significantly as gains in employment were coupled with a falling unemployment rate.

During the first half of this year, the Maltese economy expanded by 5.1 per cent in real terms. The Gross Value Added (GVA) increased by 7.0 per cent attributed to increases registered in all sectors of the economy with the exception of the manufacturing sector which decreased by 0.9 per cent. The latter was the result of a fall in the manufacture of computer, electronics, and optical products registered in the first quarter. However, in the second quarter of 2015, the manufacturing sector grew by 4.7 per cent. Considerable increases were registered in the professional, scientific and technical activities sector, real estate activities, in the public sector, in the arts, entertainment and recreation sector, in wholesale and retail trade, the transport and accommodation sector, in the financial services sector, and in the information and communication sector. During the same period of this year, both compensation of employees and gross operating surplus performed positively, expanding by 4.1 per cent and 10.4 per cent, respectively. Meanwhile, net taxes on production and imports increased by an average rate of 7.5 per cent.

The Maltese economy is expected to remain positive in the second half of 2015. Overall growth in 2015 is expected to reach 4.2 per

cent in real terms, sustained primarily by positive developments in the domestic sector of the economy, while the external side of the economy is expected to have a negative contribution on economic growth, reflecting the surge in imports of investment goods in the energy sector. Private consumption is expected to increase by 3.5 per cent in real terms, sustained by a moderate growth in employment, growth in disposable income which in turn reflects higher wages. Government expenditure is projected to rise by 1.0 per cent in 2015, as a result of increases in compensation of employees and Government consumption of goods and services. Investment is expected to remain strong in the second half of the year and increase by 21.4 per cent in 2015, mainly as a result of projects in the energy sector. Exports are expected to remain at the same level of 2014 while the strong domestic demand is expected to drive up imports by 1.4 per cent.

During 2016, economic growth is expected to retain a brisk momentum although it is expected to be slightly more moderate. Economic growth in 2016 is expected to be 3.6 per cent in real terms, with the external side of the economy largely accounting for all the expected growth. Domestic demand is expected to contribute positively by 0.3 percentage points. This is because the positive performances expected in both private and public consumption will be neutralized by a slowdown in investment. It is however worth noting that the drop in investment in 2016 is a result of the surge in 2015 and is related to the outlay of EU Structural Funds. However, investment as a ratio of Gross Domestic Product (GDP) is expected to remain at a healthy 19.6 per cent in real terms, 1.5% higher than the investment ratio characterizing the Maltese economy since 2009. Positive external developments are expected to remain strong reflecting the stronger performance of Malta's main trading partners. The depreciation of the Euro against other currencies also had a positive effect both directly and indirectly in that it strengthened

the economic performance of our main trading partners. Other export oriented sectors are expected to register moderate gains whilst the electronics is anticipated to recover in 2016, despite registering slower growth rates.

Table 1.1 represents the main macroeconomic indicators for the years 2012–2016. The figures for the 2012-2014 period are based on the latest data released by the National Statistics Office (NSO) under the new European System of National and Regional Accounts (ESA 2010) whereas the figures presented for 2015 and 2016 are based on the autumn forecasts.

## Main Macroeconomic Indicators

Table 1.1

	2012	2013	2014	2015 <sup>(1)</sup>	2016
<b>GDP growth at current market prices (% change)</b>	4.5	4.6	5.4	6.5	6.2
<b>GDP growth at chain linked volumes (2010) prices (% change)</b>	2 2.5	2.6	3.5	4.2	3.6
<b>Expenditure Components of GDP at chain linked volumes (2010) prices (% change)</b>					
<b>Private final consumption expenditure<sup>(2)</sup></b>	-0.2	1.9	2.9	3.5	2.9
<b>General final consumption expenditure</b>	6.3	0.2	7.5	1.0	1.9
<b>Gross fixed capital formation</b>	4.5	-0.7	9.1	21.4	-8.0
<b>Export of goods and services</b>	7.0	-0.2	-0.3	0.0	3.9
<b>Imports of goods and services</b>	5.2	-1.2	0.6	1.4	1.7
<b>Contribution to GDP growth (in percentage points):</b>					
<b>Domestic Demand</b>	1.9	1.0	4.7	6.1	0.3
<b>Inventories</b>	-2.4	0.0	0.1	0.0	0.0
<b>Net Exports</b>	3.0	1.7	-1.3	-1.9	3.3
<b>Inflation Rate (%)</b>					
	3.2	1.0	0.8	1.0	1.8

<b>Employment Growth (Resident population concept, LFS Definition)(%)</b>	2.2	3.3	3.1	1.9	2.0
<b>Unemployment rate (Harmonised Definition (%))</b>	6.3	6.4	5.9	5.8	5.6

(1) Forecasts from 2015 onwards

(2) Includes NPISH final consumption expenditure

## Assumptions for Projections

The macroeconomic forecasts presented in this Draft Budgetary Plan are based on the following assumptions:

- Economic activity in Malta's main trading partners is expected to increase by 1.5 % and 2.0 % in 2015 and 2016, respectively.
- Oil prices are expected to decrease to US\$57.1 per barrel in 2015 and to increase to US\$63.0 per barrel in 2016.
- Short-term interest rate is expected to average 0.05 % in 2015 and to remain the same thereafter. On the other hand, the long-term interest rate is expected to average at 1.6 % in 2015 and to remain the same in 2016.
- The nominal effective exchange rate is expected to fall to an average of 0.975 in 2015, reflecting the expected depreciation of the Euro exchange rate to both the Dollar and the Sterling, and to marginally decrease to 0.9502 in 2016. Specifically, the USD/EUR exchange rate is expected to average 1.0897 in 2015 and to 1.0718 in 2016, whilst the STG/ EUR exchange rate is expected to average 0.7103 and 0.7075 in 2015 and 2016, respectively.
- It is being assumed that, Government expenditure moderates in the second half of 2015
- Changes in inventory are assumed not to contribute materially to GDP growth.

## **Risks to Outlook**

The economic outlook in this Budgetary Plan is more positive than the one projected in Spring 2015. This is mainly due to the higher than expected economic growth rate registered in the first half of 2015 together with a more favourable outlook in the exchange rate. Nevertheless, there is still an element of prudence in this forecast. This means that the risk is primarily on the favourable side. Whilst the volatility of investment may be a risk factor, this risk is limited due to its concomitance on imports. This means that were this investment not to materialise it would have minimal impact on the Gross Domestic Product.

For 2016, the risk balance is related to external conditions which might be more moderate than forecasted whilst on the domestic front, it is very likely that performance will be more robust than projected. This is because the growth forecast for 2016 is based on a relatively moderate growth in employment which contrasts sharply with recent performance. A stronger element of growth in employment coupled by consumer confidence and a low interest rate could stimulate private consumption beyond these relatively prudent forecasts. Private investment could also be stronger than expected. It should be noted that these forecasts include the positive impact of lower energy costs on private investment which might therefore be more robust than projected.

## **Employment Prospects**

The Labour Force Survey (LFS) recorded an employment rate of 63.9% in the second quarter of 2015, an increase of 1.4% when compared to the corresponding quarter in 2014. Growth in employment is expected to remain strong and increase by 1.9% in 2015. On the other hand, employment growth is expected to remain at the same level in 2016 at 2.0%. Consequently, the unemployment rate (based on a Harmonised definition according

to the Eurostat) is expected to decrease by 0.1 percentage points to 5.8% in 2015 and to further decrease by 0.2 percentage points to 5.6% in 2016. This is far below the expected EU average rate and reflects efforts in ongoing active labour market policies.

In 2015, all sectors are expected to register positive growth rates in employment. This positive performance is expected to be largely due to a higher female employment rate, reflecting increased efforts by Government to increase female participation, and increased employment flexibility. In the second quarter of this year, female participation in the workforce increased by 3.0% when compared with the same quarter of 2014.

## **Inflation**

The HICP inflation rate (on a twelve month average) stood at 0.8% in 2014, mainly due to the negative growth rates registered in energy prices. Inflation is expected to marginally increase by 0.2 percentage points to 1.0 per cent in 2015. As oil prices are expected to increase relative to 2015 while the USD/Euro exchange rate is expected to remain largely the same, inflation is expected to increase to 1.8 per cent in 2016.

## **Comparison to Commission's Spring Forecast**

The Spring Forecast published by the European Commission project a growth rate for Malta of 3.6% in 2015 and 3.2% in 2016, with domestic demand being the main motor of growth in both years. Therefore, forecasts for real GDP growth presented in this Plan are 0.6 percentage points and 0.4 percentage points higher than the rate forecasted by the Commission. This is attributed to a higher than expected contribution from domestic demand for 2015, while for 2016 the composition of growth differs because the Commission is expecting growth to be primarily generated by the

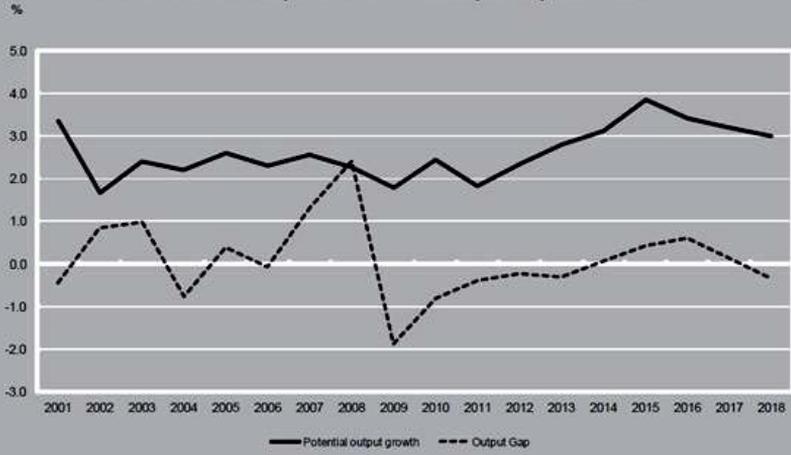
domestic side of the economy. On the other hand, the Ministry for Finance is expecting growth for 2016 to be generated mainly from the external side of the economy.

Nominal growth of the Gross Domestic Product presented in this Budgetary Plan is projected at 6.5% and 6.2% for 2015 and 2016, respectively. For 2015 and 2016, this represents a higher growth of 1.5 percentage points and 1.1 percentage points respectively over that presented by the Commission in its Spring Forecast. The European Commission will update its forecasts in the coming weeks in its Autumn Forecast.

### **Growth of Economic Potential**

The average growth of economic potential during the period 2006 to 2014 stood at 2.4%. Over the period 2015 to 2018, potential output growth is expected to gradually increase. In fact, this is expected to be 3.4%, mainly due to strong investment, positive employment growth, higher labour market participation rates and improvements in the total productivity factor.

Malta's Potential Output Growth and Output Gap Estimates



## Macroeconomic forecasts

(Basic assumptions)

Appendix Table 0.i

	2014	2015	2016
Short-term interest rate <sup>1</sup> (annual average)	0.18 ***	0.05	0.05
Long-term interest rate (annual average)	1.70	1.60	1.60
USD/€ exchange rate (annual average)	1.3043	1.0897	1.0718
STG/€ exchange rate (annual average)	0.7965	0.7103	0.7075
Nominal effective exchange rate	1.0552	0.9750	0.9502
Real Gross Domestic Product growth of main trading partners	1.20	1.50	2.00
Nominal Gross Domestic Product growth of main trading partners	3.20	3.30	3.10
Global World import volumes, excluding the European Union	...	...	...
Oli Prices (Brent, USD/barrel)	99.02	57.11	63

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<sup>1</sup> Purely technical assumptions

\* 0.25 with effect from 13/Nov/2013

\* 0.15 with effect from 11/June/2014

\* 0.05 with effect from 10/Sept/2014

Macroeconomic forecasts  
(Macroeconomic prospects)

Appendix Table 1.a	Kodici tal-ESA	€000s	Rate of		
		CLV 2010 Prices	2014	2015	2016
<b>1. Real GDP</b>	B1*g	7,343.0	3.5	4.2	3.6
<b>Of which</b>					
<b>2. Potential GDP</b>			3.1	3.8	3.4
<b>3. Nominal GDP</b>	B1*g	7,941.3	5.4	6.5	6.2
<b>Components of real GDP</b>					
<b>4. Private final consumption expenditure</b>	P.3	4,108.4	2.9	3.5	2.9
<b>5. Government final consumption expenditure</b>	P.3	1,530.3	7.5	1.0	1.9
<b>6. Gross fixed capital formation</b>	P.51	1,305.7	9.1	21.4	-8.0
<b>7. Changes in inventories and net acquisition of valuables (% of GDP)</b>	P.52+ P.53	-20.9	-0.3	-0.3	-0.3
<b>8. Exports of goods and services</b>	P.6	11,015.0	-0.3	0.0	3.9
<b>9. Imports of goods and services</b>	P.7	10,605.0	0.6	1.4	1.7
<b>Contributions of real GDP growth</b>					
<b>10. Final domestic demand</b>		6,944.6	4.7	6.1	0.3

<b>11. Changes in inventories and net acquisition of valuables</b>	P.52+ P.53	-20.9	0.1	0.0	0.0
<b>12. External balance of goods and services (% of Nominal GDP)</b>	B.11	410.0	-1.3	-1.9	3.3

**Macroeconomic forecasts**  
**(Labour Market developments)**

**Appendix Table 1c**

	ESA Code	€000s	Rate of change		
		2014	2014	2015	2016
<b>1. Employment, persons<sup>1</sup></b>		181.4	3.1	1.9	2.0
<b>2. Employment, hours worked<sup>2</sup></b>		390,129.1	4.5	1.9	2.0
<b>3. Unemployment rate<sup>3</sup></b>			5.9	5.8	5.6
<b>4. Labour productivity, persons<sup>4</sup></b>		40,479.6	0.4	2.3	1.6
<b>5. Labour productivity, hours worked<sup>5</sup></b>		18.8	-1.0	2.3	1.6
<b>6. Compensation of employees</b>	D.1	3,561.8	5.4	4.7	5.3
<b>7. Compensation per employee</b>		19,635.3	2.2	2.7	3.2

<sup>1</sup> Total employment, resident population concept, labour force survey definition

<sup>2</sup> National accounts definition.

<sup>3</sup> Harmonised definition, Eurostat; levels

<sup>4</sup> Real GDP per person employed

<sup>5</sup> Real GDP per hour worked

Macroeconomic forecasts

(Sectoral balances)

Appendix Table 1.d

% GDP

	ESA Code	2014	2015	2016
<b>1. Net lending/net borrowing vis-à-vis rest of the world</b>	B.9	...	...	...
<b>Of which:</b>				
- Balance on goods and services		6.4	4.4	8
- Balance of primary incomes and transfers		...	...	...
- Capital account		...	...	...
<b>2. Net lending/net borrowing of the private sector</b>	B.9	...	...	...
<b>3. Net lending/net borrowing of general government</b>	B.9	...	...	...
<b>4. Statistical discrepancy</b>		...	...	...

Macroeconomic forecasts

(Price Developments)

Appendix Table 1.b

	Index	Rate of change			
		2014	2014	2015	2016
	ESA Code				
1. GDP deflator	108.1	1.9	2.3	2.5	
2. Private consumption deflator	106.0	-0.1	0.8	2.0	
3. HICP	121.0	0.8	1.0	1.8	
4. Public consumption deflator	105.3	1.4	1.8	3.2	
5. Investment deflator	114.8	2.8	4.4	1.9	
6. Export price deflator (goods and services)	107.7	0.4	2.5	1.7	
7. Import price deflator (goods and services)	107.1	-0.3	2.4	1.3	

## **2. Public Finances**

### **2.1 Correcting Excessive deficit**

Malta took effective action to reduce the Government deficit below the 3.0% threshold by the end of 2013. Subsequently, Government continued on the path of growth-friendly fiscal consolidation which led to a further decline of the deficit from 2.6% in 2013 to 2.1% of GDP in 2014. This means an annual deficit-GDP improvement of 0.5%. This reduction was reflected in the debt as a percentage of the GDP declined from 69.2% in 2013 to 68.3% in 2014.

These positive results led the European Commission, in June of this year, to declare Malta had exited the Excessive Deficit Procedure which we had entered in 2013 when the deficit for 2012 had shot up to 3.6%.

Malta's exit from the Excessive Deficit Procedure is expected to boost Malta's credibility both within the European Union as well as with other international institutions such as the International Monetary Fund. This result will also help improve Malta's credit classification since sustainability in public finances, together with other indicators, is one of the main criteria on which credit rating agencies base their classification. Moreover, lower deficit ratios sustain declines in public debt, freeing up a larger part of government revenue for other priority sectors.

### **2.2 Deficit**

#### **2.21 Developments in the Consolidated Fund**

In line with Government's fiscal targets, in the first 8 months of this year, the deficit in the consolidated fund declined by €68.9 million, from €209.9 million in the period January to August 2014 to €141.0 million. This reduction was primarily the result of a

significant increase in revenue from direct and indirect taxation which reflected the more robust economic growth, higher profits for enterprises and salaries, as well as greater efficiency in revenue collection between January and August of this year.

**Table 2.1 - Central Government Finances, January-August 2014-2015**

	<b>Jan-Aug 2014 Actual € 000s</b>	<b>Jan-Aug 2015 Actual € 000s</b>	<b>Variance € 000s</b>
<b>Recurrent Revenue</b>	1,986,801	2,222,430	235,629
<b>Tax Revenue</b>	1,733,182	1,918,470	185,288
<b>Indirect Tax Revenue</b>	680,667	781,113	100,446
<b>Customs and Excise Duties</b>	96,905	160,222	63,317
<b>Licences, Taxes and Fines</b>	161,313	180,307	18,994
<b>Value Added Tax</b>	422,449	440,584	18,135
<b>Direct Tax Revenue</b>	1,052,515	1,137,357	84,842
<b>Income Tax</b>	629,051	693,976	64,925
<b>Social Security</b>	423,464	443,381	19,916
<b>Non-Tax Revenue</b>	253,619	303,960	50,341
<b>Fees of Office</b>	25,175	29,154	3,979
<b>Reimbursements</b>	14,738	15,413	675
<b>Public Corporations</b>	0	0	0
<b>Central Bank of Malta</b>	37,000	36,000	-1,000
<b>Rent</b>	20,145	21,515	1,370
<b>Dividends on investments</b>	4,306	9,273	4,967

<b>Repayment of interest on Loans</b>	1,031	132	-899
<b>Grants</b>	135,485	159,424	23,939
<b>Miscellaneous</b>	15,739	33,050	17,311
<b>Total Expenditure</b>	2,196,700	2,363,432	166,732
<b>Recurrent Expenditure</b>	1,790,803	1,939,290	148,487
<b>Personal Emoluments</b>	427,035	450,174	23,140
<b>Operations and Maintenance</b>	84,745	102,103	17,358
<b>Programmes and Initiatives</b>	1,106,197	1,189,199	83,002
<b>Contributions to Government Entities</b>	172,827	197,814	24,987
<b>Interest Payments</b>	151,788	152,739	951
<b>Capital Expenditure</b>	254,109	271,403	17,294
<b>Central Government Balance</b>	-209,899	-141,002	68,897

*Source: Government Finance Data, NSO*

## **2.22 Recurrent Revenue**

During the first eight months of 2015, recurrent revenue increased by €235.6 million to €2,222.4 million. This reflected the substantial increases registered in both tax and non-tax revenue.

Tax revenue increased by €185.3 million in the period January to August of this year, reaching €1,918.5 million. This increase was mainly characterised by the robust performance of indirect tax revenue, which during this period increased by €100.4 million. This reflected an increase of €63.3 million in revenue from customs and excise duties which was the result in the increment of revenue

from excise duty on petroleum as Enemalta continues to pay its arrears, as well as excise duty on tobacco products and cement.

There was also an increase of €19.0 million from licences, taxes and fines, as well as an increase of €18.1 million in value added tax, where the increase in the latter reflected both higher domestic consumption as well as increased tourist spending in Malta.

Another principal contributor underpinning this positive revenue performance was the revenue from direct taxes. Indeed, in the first eight months of this year, revenue from direct taxes rose by €84.8 million to reach a total of €1,137.4 million. This increase was supported both by a rise of €64.9 million from income tax revenues, while social security contributions increased by €19.9 million in the same period. This revenue growth reflects higher profits registered by both foreign and local companies in Malta. It also resulted from the substantial increase in jobs on the domestic labour market, particularly the increase in the rate of female participation supported by measures to encourage and incentivise female labour market participation.

Non-tax revenue increased by €50.3 million in the first eight months of this year, when compared with the same period last year, to reach €340.0 million. The biggest increase was registered in the level of European Union funding, and the effect of this increase was somewhat neutral for deficit purposes since capital expenditure then goes up by the same amount. A substantial increase in income from non-tax revenue, dividends on investment, and fees of office was also registered.

## **2.23 Recurrent and Capital Expenditure**

During the first eight months of 2015, total Government expenditure, including recurrent and capital expenditure as well as interest on debt, increased by €166.7 million to €2,363.4 million.

This was primarily due to higher recurrent expenditure and also increases in capital expenditure.

Recurrent expenditure increased by €148.5 million over the same period of last year, with the largest increase registered in programmes and Initiatives amounting to €83.0 million. These reflected higher outlays on various measures and initiatives in priority sectors such as social security, education, health, tourism and payments of EU own resources. Indeed, in social security the variance reflected an increase in expenditure on retirement pensions, the one-time additional bonus announced in the Budget for 2015 and an increase in State social security contribution. In the health sector, the increase related to higher expenditure on medicines and surgical material. As regards the education sector, higher outlays were recorded in support of Church schools and towards the provision of free childcare services.

During the same period, an increase of €25.0 million was registered in Contributions to Government Entities which reflects, amongst others, higher allocations for post-secondary and tertiary education and allocations towards the creative economy and some hospitals. During the same period there was also an increase of €23.1 million in Personal Emoluments reflecting increases registered in respect of employment and salaries and wages primarily in the health and education sectors. Meanwhile, Operational and Maintenance Expenditure increased by €17.4 million primarily due to higher allocations for contractual services in health and elderly care as well as increases in rents and transport services in the education sector.

Capital expenditure increased by €17.3 million to reach €271.4 million by August of this year. The increase in capital expenditure reflected higher infrastructural and social capital outlays over the same period in 2014.

Over the same period, interest on public debt increased marginally by €0.9 million to €152.7 million.

## **2.24 Deficit in the coming years**

Government is committed to continue reducing the deficit in a sustainable manner in the coming years. Government's budgetary targets are displayed in Table 2.2. As shown in the Table, the deficit is targeted to decline by an average of 0.5 percentage points per year. This means that this year the deficit is targeted to decline to 1.6% of GDP, further going down to 1.1% in 2016. While in 2015, the anticipated narrowing of the deficit is expected to be mainly revenue-based, supported by buoyant economic growth, fiscal consolidation in 2016 is anticipated to be primarily expenditure-based. In this manner, the deficit is expected to decline to a marginal amount of 0.2% by 2018 and disappear in the following years. In structural terms the deficit is anticipated to decline by an average of 0.5% of GDP both this year and in 2016.

Table

FISCAL POSITION 2014 - 2018										
	2014 Actual € '000		2015 Revised € '000		2016 Estimates € '000		2017 Estimates € '000		2018 Estimates € '000	
<b>Consolidated Fund</b>										
Tax Revenue	2,953,689		3,126,520		3,279,838		3,458,650		3,608,682	
Non-Tax Revenue	433,520		503,618		333,406		403,986		406,415	
Total Revenue	3,387,209		3,630,138		3,613,244		3,862,636		4,015,097	
Recurrent Expenditure	2,857,050		3,054,039		3,205,598		3,306,598		3,416,898	
Capital Expenditure	420,369		501,004		376,756		440,938		441,549	
Primary Balance	109,790		75,065		30,890		115,140		156,650	
Interest Payments		231,096		232,375		226,890		230,340		234,850
Recurrent Surplus / (Deficit)	299,063		343,724		180,756		325,738		363,349	
<b>Consolidated Fund (Deficit)</b>		<b>(121,306)</b>		<b>(157,310)</b>		<b>(196,000)</b>		<b>(115,200)</b>		<b>(78,200)</b>
<b>Financing</b>										
Direct Loan Repayments	(367,504)		(349,377)		(474,489)		(372,956)		(391,694)	
Contributions to Sinking Funds- Local	(3,261)		(3,261)		(3,261)		(3,261)		(1,631)	
Contributions to Sinking Funds- Foreign	(6,465)		(6,465)		(6,465)		(6,665)		(9)	
Contributions to Special MGS Sinking Fund	(50,000)		(50,000)		(50,000)		(50,000)		(50,000)	
Equity Acquisition	(28,735)		(44,159)		(14,584)		(2,600)		(2,600)	
EFSS / ESM Credit Line Facility	0		(4,480)		(4,500)		(4,500)		(4,500)	
Repayment of Loans of Converted Loans	0		40,002		11,986		2		2	
Sinking Funds of Converted Loans	-		-		-		-		82,897	
Sale of Shares / Assets	-		700		889		889		889	
Public Sector Borrowing Requirements	(455,965)		(417,040)		(540,424)		(437,061)		(366,696)	
Foreign Loans	(577,271)		(574,350)		(736,424)		(552,261)		(444,896)	
Consolidated Fund balance as on 1 January	(95,106)		(23,536)		(97,886)		(234,310)		(186,571)	
Local Loans	648,841		500,000		600,000		600,000		500,000	
Consolidated Fund balance as on 31 December		553,735		476,464		502,114		365,690		313,429
		(23,536)		(97,886)		(234,310)		(186,571)		(131,467)
<b>Consolidated Fund (Deficit)</b>		<b>(121,306)</b>		<b>(157,310)</b>		<b>(196,000)</b>		<b>(115,200)</b>		<b>(78,200)</b>
General Government Adjustments		47,304		23,310		94,000		58,200		58,200
General Government (Deficit)		<b>(168,610)</b>		<b>(134,000)</b>		<b>(102,000)</b>		<b>(57,000)</b>		<b>(20,000)</b>
Gross Domestic Product	7,941,342		8,488,759		8,983,418		9,438,144		9,896,536	
General Government (Deficit) as a % of Gross Domestic Product		<b>-2.1%</b>		<b>-1.6%</b>		<b>-1.1%</b>		<b>-0.6%</b>		<b>-0.2%</b>

## **2.25 Debt**

As a percentage of GDP the debt has declined from 69.6% in 2013 to 68.3% in 2014. In the coming years the general Government gross debt ratio is expected to decrease by a further 1.7 percentage points of GDP in 2015 and by a further 1.3 percentage points in 2016, reaching 65.2 per cent of GDP. The positive impact of the anticipated nominal growth and the projected primary surplus will more than offset the negative impact of the interest burden and the stock-flow adjustment. More details are displayed in Table 2.3.

**Table 2.3 - Government Debt Balance**

	€ '000				
	2014	2015	2016	2017	2018
<b>Malta Government Stocks</b>	4,828,017	4,945,475	5,094,497	5,289,472	5,416,342
<b>Treasury Bills</b>	140,440	250,000	387,424	339,685	284,581
<b>Domestic Loans with Commercial Banks</b>	56,379	56,379	-	-	-
<b>Foreign Loans</b>	40,389	29,759	19,350	8,938	1,073
<b>EBU's / Local Councils</b>	114,043	110,968	110,968	110,968	110,968
<b>Currency</b>	59,629	66,685	75,346	84,562	95,515
<b>EFSF (Debt Re-Routing)</b>	181,794	171,189	171,189	171,189	171,189
<b>General Government Public Debt</b>	5,420,691	5,630,455	5,858,774	6,004,814	6,079,668
<b>GDP</b>	7,941,342	8,458,759	8,983,418	9,438,144	9,896,536
<b>Debt as a % of GDP</b>	68.26%	66.56%	65.22%	63.62%	61.43%

## **2.4 Conclusion**

In 2014, the deficit declined to 2.1% of GDP whilst the debt went down to 68.3% of GDP. For this year, the figures of the consolidated fund for the first eight months show that Government is on the right path to reach its fiscal targets. Nevertheless, Government is committed to continue monitoring public finances to make sure the deficit and public debt keep to their downward trajectory in the coming years.

### 3. Budgetary Measures 2016

#### A. Fiscal Policy

##### 3.1 Adjustment of Income Tax Rates

For the second year running, Government will be reducing Income Tax. As in the previous Budget, persons with an income from employment or pension not exceeding the minimum wage will once again not be liable to tax.

Moreover, all who did not benefit from the reductions of income tax effected during this administration will start doing so now.

The table displays the new tax computation which will be applicable to declarations as single, as well as married and parent declarations.

##### Single Rates

From (€)	To (€)	Rate	Reduction (€)
0	9,100	0.00%	0
9,101	14,500	15.00%	1,365
14,501	19,500	25.00%	2,815
19,501	60,000	25.00%	2,725
	and		
60,001	over	35.00%	8,725

**Married Rates**

<b>From(€)</b>	<b>To (€)</b>	<b>Rate</b>	<b>Reduction (€)</b>
0	12,700	0.00%	0
12,701	21,200	15.00%	1,905
21,201	28,700	25.00%	4,025
28,701	60,000	25.00%	3,905
60,001	and over	35.00%	9,905

**Parent Rates**

<b>From(€)</b>	<b>To (€)</b>	<b>Rate</b>	<b>Reduction (€)</b>
0	10,500	0.00%	0
10,501	15,800	15.00%	1,575
15,801	21,200	25.00%	3,155
21,201	60,000	25.00%	3,050
60,001	and over	35.00%	9,050

<p>The two tables below display the tax savings and the number of beneficiaries.</p>				
<b>Tax Reduction in €</b>	<b>Single Rates</b>	<b>Parent Rates</b>	<b>Married Rates</b>	
<b>Persons in (Maximum) 0%</b>	90	105	120	
<b>Persons in 15%</b>	90	105	120	
<b>Persons in 25%</b>	90	105	120	
<b>Persons in previous system in 25% (limit) to (in €)</b>	19,500	21,200	28,700	
<b>Number of Beneficiaries</b>	<b>Single Rates</b>	<b>Parent Rates</b>	<b>Married Rates</b>	
<b>Persons in 0%</b>	2,930	686	3,869	
<b>Persons in 15%</b>	44,871	6,752	19,914	
<b>Persons in 25%</b>	23,698	6,594	7,739	
<b>Total number of Beneficiaries</b>	71,499	14,032	31,522	
<b>3.2</b>	<b>Cost of Living Adjustment</b>			
	<p>The cost of living adjustment for next year will be €1.75 per week.</p>			

<p><b>3.3</b></p>	<p><b>Income Tax Rate reduced to 7.5% for athletes and players in all sport</b></p> <p>In the budget for 2014 we had introduced a reduced rate of income tax of 7.5% for football players. Last year we extended this benefit to waterpolo players. As of this year we are further extending this favourable rate of 7.5% to athletes and players in all sport. This favourable rate of income tax will also be applicable to coaches.</p>
<p><b>3.4</b></p>	<p><b>Reduced rate of VAT (7%) on all sport facilities</b></p> <p>VAT on all sporting facilities, including gym memberships, fitness centres, football nurseries and other activities from 18% to 7% in a drive to promote sport and a healthy lifestyle.</p>
<p><b>3.5</b></p>	<p><b>15% Tax Rate on Police Extra Duty</b></p> <p>As promised, we are continuing our policy of improving working conditons for members of the Police Force. Effective 1st January 2016, payments made to members of the Police Force for extra duty which is carried out for the benefit of organizations, individuals and companies, will be taxed separately at the rate of 15%.</p>
<p><b>3.6</b></p>	<p><b>Extension of the In-Work Benefit</b></p> <p>In this Budget, Government wants to acknowledge those families made up of couples where only one person is employed in a low paid job and where there are dependent children under the age of 23. Thus the In-Work benefit will</p>

	<p>be extended to those families who are dependent on a single earner, declaring an income in the range between €6,600 and €12,700. The maximum benefit will be of €150 for every child.</p> <p>Around 3,700 families and almost 5,000 boys and girls, many of whom are at risk of poverty, will be benefitting from this measure.</p> <p>The incentive for the second parent to enter the labour force will be kept in place. In fact, where both parents are gainfully employed, the benefit goes up to a maximum of €1,000 for every child.</p>
<p><b>3.7</b></p>	<p><b>Guaranteed National Minimum Pension</b></p> <p>The commitment for a Guaranteed National Minimum Pension will continue as of 1st January 2016 when 12,000 elderly persons will benefit from an increment in their pension. Next year the minimum amount payable for a contributory pension, including the bonus, for those with sufficient contributions will be €7,280 per annum or €140 per week. Pensioners with insufficient contributions will receive payments <i>pro rata</i>.</p> <p>The increase in pensions for those who will be benefitting from this measure will be of €8.92 weekly for those aged 75 and over and of €8 weekly for those below 75 years.</p> <p>Married couples who currently receive the minimum pension for married persons and who will not benefit from the above measure will also be given increased payments beyond the COLA to a total amount of €4.15 per week.</p> <p>More than 12,000 persons will benefit from this provision.</p>

<p><b>3.8</b></p>	<p><b>Widows' Pension</b></p> <p>Another measure coming into force concerns surviving spouses who were gainfully occupied and were entitled to a retirement pension but lost this entitlement when they were widowed and started receiving the widow/ers' pension. As of next year they will start receiving the full married couples pension and not merely the 5/6 they are receiving to date. Government believes this measure will go some way to compensate those surviving spouses who had paid social security contributions during their working lives which are not being reflected in their current pension. This measure will cost €1.7 million in 2016.</p>
<p><b>3.9</b></p>	<p><b>Carers Pension</b></p> <p>The two schemes currently in effect, that is the Carers Pension and the Social Assistance for Carers, will be revised and amalgamated within one framework. Eligibility for the new scheme will also be revised and widened allowing more people who care for the elderly in their own homes to benefit from the revised scheme, thus helping more elderly persons to continue living in their own homes.</p>

**3.10****Credit for child rearing and family growth**

Another two proposals in the pension reform which will come into force relate to credit for contributions made by parents who stopped working to rear their children. The credits for those persons born from 1952 onwards will be practically doubled and this will benefit numerous mothers who will benefit from better pensions in future.

Parents born between 1952 and 1961 will be given two years' credit for each child and parents born after the latter date will be given 4 years' credit for each child up to a maximum of 12 years. The current link with the number of years a parent needs to have worked following the birth of offspring will no longer apply.

Nevertheless, parents born from 1962 onwards will receive a further credit of an additional two years from each child beyond the third, provided that they would have returned to work for a period equivalent to that for which credit is given.

### 3.11 Study, Training and Pensions

The concept of credit for years spent in study and specialization as well as years spent in training and life long learning will be introduced for the first time ever. This should help in promoting human capital development. Credits will be given and can be accumulated for each MQF level reached and will be given during the study period.

These credits will be given as shown in the table below:

	Born between 1952-1961	Born in 1962 or later
MQF Level	Contribution Credits	Contribution Credits
<b>Lifelong Learning</b>	5 contributions for each study year	5 contributions for each study year
<b>Level 5</b>	9 contributions for each study year	9 contributions for each study year
<b>Level 6</b>	13 contributions for each study year	26 contributions for each study year
<b>Level 7</b>	13 contributions for each study year	26 contributions for each study year
<b>Level 8</b>	26 contributions for each study year	52 contributions for each study year

<p><b>3.12</b></p>	<p><b>Pensions Sustainability</b></p> <p>For the pensions system in our country to remain sustainable we need to balance entitlements with obligations. Government remains committed to neither raising the age of retirement nor increasing the rate of social security contributions. However Government believes there should be a fair and just balance between the number of years one spends paying contributions and the number of years one is expected to be on a pension, which principle should help in guaranteeing the sustainability of the pensions system.</p> <p>At the same time we want to incentivise more people who, strictly on a voluntary basis and in agreement with their employer, choose to remain in the labour force. Those who stay in employment and do not apply for a pension when they are entitled to will be given an incentive for every year.</p>
<p><b>3.13</b></p>	<p><b>Encouraging investment in Third Pillar Pensions</b></p> <p>A gainfully occupied person who utilises these incentives for his/herself may also contribute up to one thousand Euros for the benefit of their partner and receive another €150 in income tax incentive. These may also be given for schemes undertaken in the name of offspring below the age of 16.</p> <p>Employers may make a voluntary contribution in scheme on behalf of their employees and receive a tax credit for such contribution. (This means that for thousand Euros invested the company would be saving around €350 in tax the following year.)</p>

<p><b>3.14</b></p>	<p><b>Other measures relating to Pensioners</b></p> <p>We shall be introducing a measure intended to raise the rate of pension payable to those persons who started their working life in well paying jobs and who therefore paid contributions at a high rate but who, because of circumstances beyond their control, eventually ventured into a business as self-employed, which business did not do well. These circumstances constrained such persons to pay low contributions and consequently they are now receiving a low rate of pension.</p>
<p><b>3.15</b></p>	<p><b>A pension as of first day</b></p> <p>Pensioners and their surviving spouses will henceforth receive their pension from the day after which their employment comes to an end or from the date of the death of their partner. In any one year this measure benefits around 2,800 persons.</p>
<p><b>3.16</b></p>	<p><b>Services Pensions</b></p> <p>We shall continue allocating an additional €200 from the estimated services pension for the purposes of of the social security pension. This measure will cost around €1.6 million and will effect 5,000 pensioners.</p>
<p><b>3.17</b></p>	<p><b>Disability Pension</b></p> <p>On reaching pensionable age, persons with disability will be entitled to a pension equivalent to the non contributory retirement pension.</p>

<p><b>3.18</b></p>	<p><b>Pension Anomalies</b></p> <p>Over the years a number of anomalies developed in the pensions system which effected various categories of workers, among them former members of the labour corps, former employees of the Electricity Board and others. Government has already addressed several of these anomalies but more remains to be done. These anomalies are being considered with a view to finding solutions that are just and sustainable. Government is therefore reiterating its committment to take the necessary measures to resolve these anomalies over a reasonable period of time.</p>
<p><b>3.19</b></p>	<p><b>Grants to persons over 75</b></p> <p>Elderly persons aged 75 and over will continue to receive the grant of €300 per year.</p>
<p><b>3.20</b></p>	<p><b>Former SeaMalta seamen</b></p> <p>Talks are at an advanced stage between Government and ex-SeaMalta seamen with a view to concluding once and for all, the claim they still have pending before the law courts.</p>

<p><b>3.21</b></p>	<p><b>Malta Community Chest Fund</b></p> <p>Companies making donations of not less than 2,000 Euros to the Community Chest Fund during the year 2015 will be given a rebate on their income tax return equivalent to 100 per cent of their donation. We would thus be incentivising and acknowledging the philanthropic assistance accorded by these companies.</p>
<p><b>3.22</b></p>	<p><b>Pilot Fund for Live-in Carers</b></p> <p>A one million Euro fund will be set to help families who care for an elderly dependent who needs constant supervision. Government intends to subsidise the wages payable to qualified carers employed on a full-time or part-time basis. Part-time engagements would be subsidised <i>pro-rata</i>.</p> <p>It is estimated that around 160 elderly persons will benefit from this fund.</p>
<p><b>3.23</b></p>	<p><b>Abbreviation of time for sale of inherited property</b></p> <p>One of the major causes of vacant properties is litigation between heirs. The current position is that if 51 per cent of heirs agree on a sale price of immovable property and the other heirs disagree, the property can only be sold after ten or five years from the opening of succession, depending on the date of such succession. Therefore, in order to minimise this phenomenon of vacant properties, this period of ten or five years will be reduced to three years with respect to all immovable property already inherited or yet to be inherited.</p>

<p><b>3.24</b></p>	<p><b>Reduction of stamp duty on purchase of property in Urban Conservation Areas</b></p> <p>In the coming year, the stamp duty payable on the purchase of property within Urban Conservations Areas will be reduced from 5% to 2.5%. 2016 will also see the reduction of the property sales tax from 8% cent to 5% for owners selling refurbished property. This is intended to encourage the refurbishment and purchase of old, vacant premises. Thus we would be conserving the heritage of historic buildings. This measure would be only applicable in 2016.</p>
<p><b>3.25</b></p>	<p><b>Exemption for First Time Buyers</b></p> <p>The exemption from stamp duty for first time buyers will be extended.</p> <p>This government has worked and will continue to work for a strong economy and we want our young people to benefit from it. We are therefore renewing the exemption up till the end of next year so that young couple can save up to €5,000 on their first property. This will be back dated to the date of <i>convenia</i> entered into since 1st July, 2015, corresponding to the closing date of the last scheme.</p> <p>Those first time buyers who entered <i>convenia</i> or contracts of sale after the 1st July will be refunded the stamp duty they may have paid.</p>

<p><b>3.26</b></p>	<p><b>Revision of Depreciation Calculation</b></p> <p>Service industries, such as financial services and iGaming, have gained prominence in the Maltese economy over the years giving rise to a number of ancillary services such as the leasing of office space. With a view to boosting this industry as well as the operators of these ancillary services, as of 2016, entrepreneurs investing in premises intended for use as office space will be able to benefit from existing legislation which offers the possibility of claiming depreciation on capital expenditure and which currently applies only to industrial buildings, hotels and car parks.</p>
<p><b>3.27</b></p>	<p><b>Fiscal Consolidation in Income Tax Legislation</b></p> <p>We are working on the introduction of the concept of fiscal consolidation in income tax legislation which will permit companies belonging to the same proprietors to declare their income as an aggregate, as if they were one company. This would further simplify the computation of income both for themselves as well as for the Department of Inland Revenue.</p>

<p><b>3.28</b></p>	<p><b>Reduced Tax on Commercial Leases</b></p> <p>In the Budget for 2014 we introduced the option for property owners of paying a withholding tax of 15 per cent on leases of residential properties. This was a very favourable measure since it meant a reduction of tax on residential property leases in place of the normal rates of tax which could go up to 25%.</p> <p>This concession is now being extended to commercial leases and therefore, as of next year, all income deriving from the lease of property will be subject to a final withholding tax of 15%.</p> <p>Companies that for part of the same group of companies and who lease properties to each other will be excluded.</p>
<p><b>3.29</b></p>	<p><b>Fines on Abandoned Commercial Property</b></p> <p>Government wishes to improve the environment in which we live. Abandoned property is a major eyesore in numerous localities. For this purpose Government will launch a process of public consultation with the aim of drawing up a plan to establish legal obligations making it mandatory for commercial property be properly maintained and to set out the sanctions applicable in default. The focus will initially be on commercial properties - such as showrooms - which are left derelict and open to easy access and which, in certain cases, pose a clear danger to health and safety.</p>

**3.30****Refund of VAT paid on Car Registration Tax**

As promised, we continued to make *ex-gratia* payments related to registration tax paid in excess by persons registering vehicles between 1st May 2004 and 31st December 2008. So far we have paid out €5.4 million in refunds on excess tax where this year we refunded the whole amount of excess tax paid by those who registered their vehicles between 1st May and 31st December 2004. This year this *ex-gratia* refund will be made to all those who registered their vehicles during 2005. Therefore another scheme will come into force next year for vehicle registrations made between 1st January and 31st December 2005, applicable to all cases that were eligible when the scheme was first launched in 2014. This means that by the end of next year we would have refunded a total of €9.7 million in tax levied in excess.

<p><b>3.31</b></p>	<p><b>Revenue Measures</b></p> <p>Excise duty on fuel will go up by 3c on petrol and 3c of diesel, for every litre.</p> <p>Although excise duty will be revised up, the prices of fuel will still be reduced as of January 2016 because Enemed has finalised an agreement through which the price of petrol can be reduced by 3 Euro cents whilst the price of diesel will be reduced by 4 Euro cents per litre.</p> <p>Also revised up will be the excise duty on tobacco products, lubricating oil and cement. The Eco-contribution applicable to plastic carrier bags, containers for beer, wine and fermented drinks, intermediate products, alcoholic and non-alcoholic beverages as well as chewing gum will be removed. Therefore, in order to hold firm our message for a clean environment as well as to facilitate enforcement and eliminate abuse, this will be replaced by excise duties. The applicable rates are displayed in the Annex to the Budget Speech.</p>
<p><b>3.32</b></p>	<p><b>Individual Investment Programme</b></p> <p>To date the Individual Investment Programme has yielded €75 million. 70% of these funds will be allocated to the National Fund for Social Development set up in the past weeks. This is the first time that Malta will have a Fund of this nature whose aim is to be forward looking and investing for the general good of the country.</p>

<p><b>3.33</b></p>	<p><b>Environmental Contribution</b></p> <p>Our country is well on its way to hosting around 2 million tourists a year and this at greater profit for the private sector. Whilst the growth of tourism is generating wealth in the economy, we must ensure that the country has the necessary quality infrastructure to sustain this development. Government has decided that an environmental contribution be levied as of 1st April 2016, payable by all tourists above the age of 18 who visit our country. This will be a low rate of 50 Euro cents for each night spent in Malta but capped at a maximum for 5 Euros for each continuous stay. For this purpose discussions will be held with all stake holders regarding the best implementation of this measure.</p> <p>The revenue from this measure, which is estimated to be around 6 million Euros, will be administered by the Foundation for the Development of Tourist Zones for the purpose of upgrading, improving and maintaining the major public zones in the country.</p>
<p><b>3.34</b></p>	<p><b>Reform of the Eco-Contribution</b></p> <p>This year saw the implementation of the first phase of the reform of the Eco-contribution. The judicious implementation of this reform allowed the seamless application of the Waste Electrical and Electronic Equipment Directive for the safeguard of the environment.</p> <p>Through this Budget we are removing the Eco-Contribution of drink containers, chewing gum and plastic carrier bags. This will be replaced by excise duties.</p> <p>We feel that the time has come to implement the final</p>

<p>phase of this reform. Therefore, after the necessary consultation with the stakeholders concerned, Government intends to roll out the process of the total elimination of this contribution, which process is expected to be finalised but 1st September 2016.</p>
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## B. Encouraging more Participation in the Labour Force

<b>4.1</b>	<b>Childcare</b> This year we shall continue with the free Childcare programme. Malta is the only European country to offer this type of incentive. Through this bold investment, numerous women are joining the work force for the first time, and families are benefitting from Government support apart from saving around €5,000 for each child. This is money that remains in the pockets of families in Malta and Gozo.
<b>4.2</b>	<b>New Childcare Centres</b> New Childcare Centres will be opened for the uptake of infants in Haż-Zebbuġ, St Julians and Marsascala.
<b>4.3</b>	<b>Paid Study Leave Scheme for Teachers</b> The Paid Study Leave Scheme (Sabbatical) for teachers announced last year will and extended and expanded. The scheme offers paid leave for education officers to invest in their professional development through the improvement of their professional or academic qualifications.

<p><b>4.4</b></p>	<p><b>Immigration Work Office</b></p> <p>We are exploring the concept of an Immigration Work Office with a view to minimising illegal job seeking by immigrants. This will take the shape of Job Brokerage Offices in the open centres in Marsa and Ħal Far where the idea revolves round the concept of Public Private Partnerships providing a system of work vouchers involving both workers and employers.</p>
<p><b>4.5</b></p>	<p><b>Leave for IVF Treatment</b></p> <p>Following the introduction of parental leave for adopting parents, now we shall be extending this benefit to couples who need to undergo IVF treatment.</p>
<p><b>4.6</b></p>	<p><b><i>Aġenzija Żgħażaġh</i></b></p> <p><i>Aġenzija Żgħażaġh</i> will be drawing up a work programme for the Youth Village and will embark on the second phase of the programme which envisages a residential centre facilitation young people in organizing youth exchanges and other mobility projects. The Youth Help pilot project will be followed up by the Outreach and Detached Youth Help projects involving interaction with youths on the streets of Valletta, Birżebbuġa, Marsascula, Żurrieq and Cottonera. Special care will be taken to ensure schools provide a safe environment for young LGBTIQ students with adequate procedures in place to tackle cases of bullying on LGBTIQ students.</p>

<p><b>4.7</b></p>	<p><b>ETC to become Job Centre Plus</b></p> <p>As already announced, once the new Legal Notice is approved, the Employment and Training Corporation (ETC) will be known as Job Centre Plus. It is expected that the training of job seekers and employees will commence in the coming weeks. The system will be made available to all by the beginning of the new year.</p>
<p><b>4.8</b></p>	<p><b>Youth Guarantee</b></p> <p>In the first two years since the implementation of the Youth Guarantee, youth unemployment went down from 14.0% to 8.7%. This is among the best performances registered in member countries of the European Union. The success achieved fills us with courage and therefore this guarantee will continue to be offered in the coming years.</p>
<p><b>4.9</b></p>	<p><b>Job Practice Scheme</b></p> <p>Through the Job Practice initiative, MCAST students will be offered an opportunity to widen their skills portfolio. This will ensure that, as far as is possible, these students find the employment that matches their qualifications.</p>

**4.10 Access to Employment**

Various will be launched during the coming months to attract more people into the labour force.

The ETC has activated the Work Programme, whereby three private operators will be assisting in finding work placements for those registering for work. As of this November Government will be launching the Access to Employment initiative (A2E). This scheme will be giving assistance to enterprises to promote job opportunities for those unemployed persons who are the most disadvantaged and who are seeking employment. The scheme is co-financed by the European Social Fund. The ETC will be issuing payments every six months and is committed to do this within a few weeks after the payments fall due.

#### **4.11 Precarious Work**

The pegging of salaries is now being implemented whereby, for the first time, workers employed by contractors to the public sector whose contract expired or was due to expire during this year, would benefit from the basic wage payable to state workers for identical work, upon renewal of the contract. This pegging will now be extended to contracts of service with government departments and other entities in the public sector relative to contracts expiring during 2016.

With a view to ensuring that working conditions legislation is enforced, in the coming weeks Government will be engaging seven work inspectors and other staff who will also enforce Government regulations against precarious work.

The Department Of Industrial and Employment Relations will be publishing a Charter to be distributed to all households in Malta and Gozo so that all concerned, including workers in vulnerable sectors, would be made aware of the basic conditions they are entitled to in their respective work place.

<p><b>4.12</b></p>	<p><b>Online registration of Employment Contracts</b></p> <p>In agreement with the social partners represented on the MCESD, Government is exploring ways to ensure that basic rights would be automatically incorporated in employment contracts. The idea is to make templates of various contracts available online and made accessible for download by everyone. Thus we will be ensuring that all workers would have an employment contract that reflects the conditions stipulated by law.</p>
<p><b>4.13</b></p>	<p><b>Co-operatives</b></p> <p>The consultation regarding a holistic reform of co-operatives is still ongoing. This reform includes a revision of the rules regulating the Co-operatives Central Fund and amendments to co-operatives legislation, including the minimum number of worker members required for the formation of a co-operative.</p>
<p><b>4.14</b></p>	<p><b>Labour Market Research</b></p> <p>A unit of labour market analysts will be set up to carry out research in this field. The aim is to have a continuing analysis of the labour market to identify trends and shortcomings in a timely manner and for these to be addressed scientifically.</p>

<p><b>4.15</b></p>	<p><b>Health and Safety in the Workplace.</b></p> <p>The Occupational Health and Safety Authority (OHSA) will continue its commitment to facilitate the process of compliance with the requirements of the law by all concerned.</p> <p>In this regard it will continue with its process of simplification of regulation, and the development of more accessible tools for those with the greater number of legal obligations but who do not have the necessary resources. In this way the OHSA would be facilitating the process of legal compliance at the least possible expense.</p>
<p><b>4.16</b></p>	<p><b>Work and Family Balance</b></p> <p>All government departments will be determining their core business hours so that all resources are present and accessible during those hours. In this way we would not only be guaranteeing a good service but also catering for the flexibility necessary for a work/family balance, as well as helping to reduce traffic congestion.</p>

## C. Investing in Education and Training

<b>5.1</b>	<b>One Tablet per Child</b> The study of the pilot project, launched in March 2014, made 147 recommendations relative to the implementation of this initiative on a national level and the supply of tablets to all pupils of Year Four Primary as of October 2016, as pledged. The next step is to implement the recommendations put forward by the research group, amongst which are a call for tenders for the supply of tablets, teacher training, the strengthening of the technical Internet infrastructure in schools and other administrative groundwork for the national project that takes off in October 2016.
<b>5.2</b>	<b>Increasing Stipends</b> Student stipends will be increased <i>pro rata</i> to reflect the COLA.
<b>5.3</b>	<b>Stipends for Maturity Clause Students</b> Students admitted to read courses under the maturity clause will be deemed to be students with full requirements when applying for a stipend. This applies to students of both MCAST and the University.

<p><b>5.4</b></p>	<p><b>A new ITS</b></p> <p>we shall be embarking on one of the most ambitious projects ever undertaken for human resources in tourism through the investment of €56 million in the building of a new Institute of Tourism Studies in Smart City.</p> <p>The new ITS will be catering for the needs of Maltese students and workers in the industry, as well as attracting foreign students to follow courses in tourism and hospitality in Malta. The relocation of the institutes will afford a better product for the students and create more opportunities.</p> <p>A call for tenders will be issued relating to the premises currently occupied by the Institute for its development into a new project that compliments the surrounding area.</p> <p>The possibility of strategic partnerships is already being explored with international schools, renowned in hospitality management.</p>
<p><b>5.5</b></p>	<p><b>A new Grant for ITS Students</b></p> <p>As of the next academic year and for the first time ever Government will be offering a grant of €233 to every student attending the ITS to partially cover the cost of the relative educational material.</p>
<p><b>5.6</b></p>	<p><b>Barts and the London School of Medicine and Dentistry in Gozo</b></p> <p>The English Queen Mary University will be establishing its first ever overseas campus in Gozo. The Barts campus in Gozo will be opening its doors in September 2016 and will be teaching around 300 students over a period of five years.</p>

<p><b>5.7</b></p>	<p><b>American University of Malta</b></p> <p>Next year will see the submission of the relative applications and consequently the commencement of works on the American University of Malta, with its two campuses in Cospicua and Marsascala. This project will give a new boost to the south of the country.</p>
<p><b>5.8</b></p>	<p><b>Training Funds</b></p> <p>Training funds will once again be available through the European Social Fund. Following the success of the Training Aid Framework we shall now be launching the Investing in Skills initiative. As was the case in the past year, all payments due to employers will be made within a few months not years.</p> <p>As of next year we will be launching 'Training Pays', a scheme intended to encourage more people to train or re-train and where part of the training will be subsidised.</p>
<p><b>5.9</b></p>	<p><b>Work Exposure and Traineeships</b></p> <p>For the next seven years the Employment and Training Corporation will be offering 500 work exposure and traineeship placements every year. This will help to further reduce unemployment to record levels in our country.</p>
<p><b>5.10</b></p>	<p><b>Mariam Al Batool School</b></p> <p>In the coming year a financial allocation will be made to the Mariam Al Batool School for the building of another floor to accommodate a larger number of students.</p>

<p><b>5.11</b></p>	<p><b>New Monitoring Entity for University Services</b></p> <p>The University of Malta will be setting up a new entity to monitor the quality of services it offers through each department, and another entity to provide a comprehensive service to academics as support for research. New facilities will be built for Post Doc as well as the extension of the Mathematics and Physics buildings.</p>
<p><b>5.12</b></p>	<p><b>Screening Programme</b></p> <p>A new screening programme will be launched with the title of "A Lens on our Children's Development". The programme will monitor children from an early age to identify their special needs in good time for them to be given the support they require.</p>
<p><b>5.13</b></p>	<p><b>Literacy Programmes</b></p> <p>Government will be strengthening the bilingual programme "Aqra Miegħi/Read with Me", aimed at infants and children under three year and their parents/guardians. Government will also continue with the programme "Aqra Kemm Tiflaħ" (Read as Much As You Can) to further emphasize a love of reading among primary and middle school children. Each school will be given 100 books, 50 in Maltese and 50 in English for every class.</p> <p>Also to be strengthen and widened in scope is the programme "Nwar". Through this literacy programme it is intended to cut down on the waiting list of children requesting this service.</p>

<p><b>5.14</b></p>	<p><b>Arrangement with the Cambridge University</b></p> <p>Government will be sustaining the arrangement it has reached with Cambridge University to strengthening the use of English and will live up to its commitment to encourage more children to choose to study languages through more attractive packages as was the case with the SPA programme for Italian which it intends to widen out to include French and German.</p>
<p><b>5.15</b></p>	<p><b>Prince's Trust</b></p> <p>In an effort to offer value added alternatives for students who for various reasons fall behind in their studies we shall be introducing, in collaboration with HSBC Malta, the Prince's Trust aimed at helping these students make progress and acquire skills that help them integrate in society. It will be the first time this programme is run outside of the United Kingdom and will initially be offered in seven state schools.</p>
<p><b>5.16</b></p>	<p><b>ESPLORA</b></p> <p>As part of Government's plan to promote and popularize science studies, the ESPLORA Science Centre will be set up which will include a programme co-ordinated with schools.</p>
<p><b>5.17</b></p>	<p><b>Tools for Teachers</b></p> <p>All teachers of Year Four Primary in all schools (State, Church and Independent) will be given a tablet and will</p>

	<p>continue to receive training in its use. An Authoring Tool will also be developed for teachers and three digital books will be launched.</p> <p>More interactive whiteboards will be acquired so that each class will have one available and a computer will be acquired for each interactiveboard. All teacher laptops will be replaced and for the first time, laptops will be made available to kindergarten assistants and learning support assistants. Also to be purchased are 3D scanners and printers for Design and Technology laboratories in middle and secondary schools.</p>
<p><b>5.18</b></p>	<p><b>New Educational Routes</b></p> <p>The Klabb 3-16 after school programmes will be revised to include support in HW and languages, and drama, sports and IT programmes.</p> <p>A new school will also open in Gzira for 16-year-old students who only obtain one SEC certificate at the end of their regular schooling. The new school will offer these students a second chance to complete their education and eventually receive more training or find a job. These students will be given a stipend.</p> <p>Government is also committing itself to increase its recurrent expenditure to assist church schools in providing vocational courses whilst their teaching staff would benefit from conditions of work that are on a par with state school staff.</p>
<p><b>5.19</b></p>	<p><b>National Book Council</b></p> <p>The National Book Council is raising the quality of the</p>

	<p>National Book Prize to give more prestige and acknowledgement to Maltese authors and publishers. The allocation for the National Book Fund has also been increased.</p>
<b>5.20</b>	<p><b>Higher Education Regulator</b></p> <p>The allocation for the National Council for Advanced and High Education is being increased for it to better fulfil its regulatory function in education.</p>
<b>5.21</b>	<p><b>MCAST</b></p> <p>The MCAST is continuing its structural transformation into a Foundation College, a Technical College and a University College. The college will further strengthen and widen the scope of the apprenticeship scheme whilst introducing new forms of work based learning at different levels. Now that the first phase of the new campus is finalised, work will continue on the second phase of the campus which includes the new blocks for the Institute of Engineering and Transport, the Library and the Learning Support Unit.</p>
<b>5.22</b>	<p><b>Building of Schools and Educational Facilities</b></p> <p>A number of new buildings and infrastructural maintenance works are in the pipeline, which include the extension of the Wardija centre, the Marsascala football pitch, the upper secondary schools in Ħal-Kirkop and Ħad-Dingli and the conversion of what was formerly the Treasury Building for use by the Examinations Department. Next year will also see the start of phase one of the new school in St Paul's Bay and works on the track</p>

	at the National School for Sport.
<b>5.23</b>	<b>National Skills Council</b> A National Skills Council will be set up to study the needs of industry and the role of education.

## D. Investing to boost Productivity and Competitiveness

6.1	<p><b>Shop Opening Hours</b></p> <p>Now that the public consultation on the White Paper relative to shop opening times has come to an end, Government will be announcing new regulations by the end of this year. In reaching a final decision due weight is being given to both workers rights and flexibility.</p>
6.2	<p><b>Incentives for the Film Industry</b></p> <p>The Film Commission is exploring the possibility of investing, jointly with the private sector, in a sound stage and related equipment. A call for expressions of interest is therefore being made for a PPP at the film studios in Kalkara.</p> <p>Through a fund set up for this specific purpose, local companies are being given new opportunities to operate on the international market. The Film Commission will continue to promote Malta around the world and for this purpose we are increasing the allocation for marketing and PR.</p> <p>More incentives will target the international film industry to further attract them to operating in Malta, to generate more jobs in and around this industry, as well as to make this industry a regular and sustainable source of income.</p>

<p><b>6.3</b></p>	<p><b>Aviation Sector</b></p> <p>The Malta Air Traffic Services (MATS) has proceeded with its Air Traffic Management (ATM) System Upgrade. This development, the largest and most complex project embarked upon by MATS, is expected to be fully commissioned next year. Other projects include a new Air Traffic Control Centre (ATCC); a new radar to replace the one in Dingli as well as a Aeronautical Message Handling System which will enable the company to modernise its tools and fulfill it's role more securely and efficiently.</p>
<p><b>6.4</b></p>	<p><b>Financial Services</b></p> <p>The financial services sector in our country has continued to expand and strengthen. Now the Financial Services Authority is part of the European Single Supervisory Mechanism. This will continue to give more credibility and further boost our financial sector.</p>
<p><b>6.5</b></p>	<p><b>Electronic Company Registration</b></p> <p>As of next year the fee payable for company registration for companies with a capital not exceeding 1,500 Euros, when such redgistration is made electronically, will be reduced from 250 Euros to 100 Euros. Through this measure Government will be further reducing costs for small companies</p>

**6.6****Malta Stock Exchange**

Over the past two years, the Malta Stock Exchange was engaged in an initiative intended to establish a new capital market that addresses the needs of Small and Medium Enterprises (SMEs) in terms of financing for their expansion and development. This new market will have the structure of a Multilateral trading facility intended to provide SMEs with opportunities of direct financing by investors in the market, in an efficient and regulated manner and above all without undue expense. This capital market will also provide the necessary infrastructure for these small companies to start considering Succession Planning.

As an operator on the local market, The Malta Stock Exchange, together with the Ministry of Finance, is engaged in talks through an specifically established Committee of Experts, to draw up a Road Map for the development of Malta's capital market in the coming years, particularly in the context of new European regulations and directives as well as in the context of the discussions relating to a Capital Market Union taking place in the European Union at the current time.

Recently, the Malta Stock Exchange, in collaboration with the Ministry of Education, took on an initiative to promote financial education in Malta. A committee was set up with members from the Malta Stock Exchange and the Minister of

<p>Education, together with other experts, to evaluate not only the current state of financial education in the context of the national curriculum but also to organize a series of events aimed at actual and potential investors. The first conference for investors will be held in the coming days.</p>
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<p><b>6.7</b></p>	<p><b>National Development Bank</b></p> <p>Work on this project is at an advanced stage. The Bill for the setting up of this bank will be moved in Parliament next year. Talks were held with the European institutions concerned, including the European Commission, to ensure that the National Development Bank will be in line with European Union directives. Close consultation was also held with the European Investment Bank and other foreign institutions which offered technical assistance in the setting up of this important institution.</p>
<p><b>6.8</b></p>	<p><b>Education Malta</b></p> <p>In the light of the internationalisation of education, Education Malta will be set up, on the same lines as Malta Enterprise, to promote Malta as an educational centre with investors both locally and on a European and international level.</p>
<p><b>6.9</b></p>	<p><b>Trade Malta Ltd.</b></p> <p>During 2015, Trade Malta was successfully engaged in the Trade Mission at the Milan Expo. Local enterprises responded to the public call made by Trade Malta and these had the opportunity to build a network of new contacts with well established Italian companies. At the time of writing this budget, preparations were in hand for another two missions in important international markets - Algeria and Turkey. Scores of companies have responded to these two calls.</p>

<p><b>6.10</b></p>	<p><b>Yachting Malta Ltd.</b></p> <p>This PPP was set up this year in conjunctions with the Royal Malta Yacht Club and Projects Malta Ltd. The process of consultation between the principle stakeholders In the past weeks</p>
<p><b>6.11</b></p>	<p><b>Projects Malta</b></p> <p>In 2016 Projects Malta will continue the work of establishing a PPP for the digging of new graves at the Addolorata Cemetery.</p>
<p><b>6.12</b></p>	<p><b>Infrastructure (Ports) and Merchant Shipping</b></p> <p>During the coming year, Government will continue to invest in our ports.</p> <p>One could mention the breakwater project at Marsamcetto which is currently in the study phase but which, once accomplished, would attract more investment and economic growth. Government's commitment in this sphere is persistent.</p> <p>The European Fund for Strategic Investments (EFSI), proposed by the Commission as a part of the Juncker Investment Plan for Europe, could be a source of more sustainable projects which would have a positive impact on the economy, the environment and society in general.</p> <p>The ever rising standards in maritime security and</p>

the new methods employed in the management of the Maltese flag are giving good results not only in the number of vessels registered, but also as regards the standing of the companies seeking to register their fleets in Malta. This will continue to characterise Government's commitment to attract renowned and better quality clients.

Government will also be engaged in ensuring a higher level of security in our ports and coastline and the protection of the seas and critical infrastructure.

<p><b>6.13</b></p>	<p><b>Oil and Gas and Mineral Exploration</b></p> <p>In the field of oil exploration, Government is in the process of gathering new geophysical data and the analysis of seismic data gathered in the past. At the same time Government will continue amending legislation regulating this sphere and will proceed with the initiatives for the digitisation of data collected in the past.</p>
<p><b>6.14</b></p>	<p><b>Foreign Policy: CHOGM, the Valletta Summit and the Presidency of the EU Council 2017</b></p> <p>Works are in hand for the restoration and adaptation of the hall, which until recently was the chamber of the House of Representatives, to be equipped to serve as a venue for informal Ministerial talks during the EU Presidency. MCAST Arts students have been commissioned to design a logo for the Presidency. The logo will be revealed towards the end of 2016.</p> <p>Apart from this, Malta will be hosting two other very important meetings in 2015, namely the Valletta Summit of European and African heads of state and the Commonwealth Heads of Government Meeting, two events which will place Malta under the lens of international media.</p>

<p><b>6.15</b></p>	<p><b>Assistance Schemes for Businesses</b></p> <p>With a view to meeting the expectations of a wider spectrum of businesses and companies, Malta Enterprise will introduce, by the end of the year, a number of schemes to assist businesses. These schemes will add up to already launched initiatives such as the B-Start, the scheme for the development of a Crafts Village in Ta' Qali and Ta' Dbiegi in Gozo, as well as the extension of the Microinvest, Investment Aid, Get Qualified, Research &amp; Development, Certify and Gozo Transport schemes.</p>
<p><b>6.16</b></p>	<p><b>Assistance for the Promotion of Female Participation in Entrepreneurship</b></p> <p>With the aim of encouraging more female participation in entrepreneurship, the Micro Invest scheme will be modified so that self-employed women and enterprises where the majority equity is controlled by females will be given a maximum tax credit of €50,000 instead of €30,000.</p>

<p><b>6.17</b></p>	<p><b>Assistance for knowledge transfer</b></p> <p>Malta Enterprise will be putting into effect an assistance scheme to subsidise knowledge transfer within enterprises. This is intended to help with the transfer of skills from present to new employees and for Maltese workers to acquire new skills essential in attracting new business to Malta. The assistance will be given in the form of a tax credit, however it will also take the shape of a financial grant where the project is of significant importance in the development of the company. A fund of one million Euros will be allocated to cover the financial assistance involved in this scheme.</p>
<p><b>6.18</b></p>	<p><b>Assistance for small enterprises in manufacturing</b></p> <p>Malta Enterprise will be activating incentives for small enterprises leasing additional space from the private sector for the purposes of manufacturing, through which they will be compensated for relocation. The aid will be given for a period not exceeding two years and to a maximum of €10,000 <i>per annum</i>.</p>
<p><b>6.19</b></p>	<p><b>Assistance to Artisans</b></p> <p>The Malta Crafts Council and Malta Enterprise will be launching a pilot project intended to train new artisans in developing sectors of traditional crafts that are in danger of disappearing. This project is</p>

	<p>estimated to cost one million Euros and will provide assistance to craftsmen who are willing to pass on their skills to others in a bid to develop a training programme within an educational institution. Aid will also be given to those who put the training given to practice and invest in a start-up in the craft for which training was received.</p>
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<p><b>6.20</b></p>	<p><b>Encouraging Businesses to Invest more</b></p> <p>In conformity with Government's programme, Malta Industrial Parks (MIP) has approved a policy whereby businesses leasing property from the MIP may apply for a stronger title on the property this leased to be in a better position to invest further and create more jobs.</p>
<p><b>6.21</b></p>	<p><b>Maritime Hub</b></p> <p>Following the signing of a Memorandum of Understanding between the Privatisation Unit and the preferred bidder, the concession agreement is now being finalised. This project is aimed specifically at servicing the oil industry through the supply of services related to maintenance and logistics amongst many other services. This industrial development offers vast opportunities for skilled tradesmen and for apprenticeships related to engineering.</p>
<p><b>6.22</b></p>	<p><b>White Rocks Malta</b></p> <p>The White Rock Malta project yielded eleven bidders who made it through from the Expression of Interest phase to the Request for Proposals stage. These same bidders will now be invited by the Privatisation Unit to collect the document relating to the Request for Proposals and eventually submit their final proposals which must include the building of a Five Star hotel or higher, apart from other facilities and amenities capable of</p>

attracting quality tourists.

The Faculty of Architecture of the University of Malta has been assigned the role of advising about the various environmental aspects of this project, including a recommendation regarding the best use of the land allocated for this project. Only 30% of the land allocated for the project will be developed, which development must abide by the principles of Natura 2000; the rest of the land will be dedicated to gardens and various types of landscaping. These open spaces must be accessible to the general public.

<p><b>6.23</b></p>	<p><b>Crafts Village in Ta' Qali</b></p> <p>After more than 20 years, works will finally start on the project of a Crafts Village in Ta' Qali. This follows the submission by Malta Industrial Parks of the application for European funding for this project.</p>
<p><b>6.24</b></p>	<p><b>Three new Hangars at the Safi Aviation Park</b></p> <p>The infrastructure for the aviation industry will be enhanced with the building of 3 new hangars in the Safi Aviation Park and works will also be carried out by a foreign company on the building of another hangar to be used for aircraft spray painting.</p>
<p><b>6.25</b></p>	<p><b>Upgrading of Industrial Estates</b></p> <p>Whilst continuing to render Malta Industrial Parks more sustainable, maintenance work and other investments will be carried out in the various industrial estates. By July of this year the MIP had already invested more than €2 million in the industrial estates, which amount will have reached €3.5 million by the end of this year. Works will be carried out on roads leading to industrial zones, including the one leading to the Mosta Industrial Estate which is in a state of total neglect and has become a rubbish dump.</p>

<p><b>6.26</b></p>	<p><b>Family Business Legislation</b></p> <p>In conformity with Government's programme, the studies and proposals for the introduction of legislation regulating Family businesses were finalised this year. These legal proposals together with incentives for improved business governance, as well as fiscal incentives rendering the transfer of business between family members more sustainable, were approved by Cabinet and in the coming weeks a White Paper will be published for public consultation prior to the formulation of a Bill to be presented in Parliament.</p>
<p><b>6.27</b></p>	<p><b>Social Entrepreneurship Act</b></p> <p>In pursuance of Government's programme to address the needs of our society and at the same time contribute to more economic growth, a social entrepreneurship Bill was finalised this year. Following the publication of a White Paper for public consultation, the Bill will now be revised on the basis of the submissions made by the public, and in the coming months the Bill will be moved in the House of Representatives.</p>
<p><b>6.28</b></p>	<p><b>Life Sciences Park</b></p> <p>The Life Sciences Park in San Ġwann will be hosting its first enterprises by the end of this year. At the same time, whilst infrastructural works were going on in this project, these facilities were also being promoted with local and foreign</p>

	investors in this field. As a result of this campaign, Malta Enterprise is in the process of signing a number of contracts with companies to start operating from this complex.
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<p><b>6.29</b></p>	<p><b>Digital Hub</b></p> <p>Similarly, a promotional campaign was conducted with companies operating in the field of IT, particularly with companies whose products relate to Life Sciences and the facilities offered by the Digital Hub. A number of projects with foreign financing were attracted, which enterprises are now negotiating the final contract for them to start operating from the Digital Hub.</p>
<p><b>6.30</b></p>	<p><b>Logistics policy</b></p> <p>Malta Enterprise is finalising the drafting of a holistic logistics policy intended to transform Malta into a logistic hub in the centre of the Mediterranean. Meantime, a number of amendments to the legislation regulating the promotion of enterprise have already been presented so that companies operating in this field could benefit from various incentives.</p>
<p><b>6.31</b></p>	<p><b>Renewal of Insolvency Legislation</b></p> <p>A group was set up to revise insolvency legislation with the aim of rendering procedures relating to bankruptcy more efficient and transparent. Proposals by this group are expected in the coming month, when the process of legislation reform could start and the institutions concerned be equipped with the necessary resources.</p>

<p><b>6.32</b></p>	<p><b>Assistance for Start-Ups</b></p> <p>Following the launch this year of the B-Start scheme, aimed at offering assistance to start-ups, in the coming days Malta Enterprise will be launching another assistance scheme for new start-up companies. The scheme will take the shape of grants to be paid back to the corporation over a period of 10 years.</p> <p>This programme will be offering financial assistance of up to €200,000, <i>pari passu</i> with private equity. In the case of innovative enterprises developing new products, processes or services of a level higher than what already obtains in the industry, the assistance given could reach €500,000 and will be earmarked for the purchase of equipment. Assistance could also be given to companies attempting to generate capital through crowd funding.</p>
<p><b>6.33</b></p>	<p><b>Export Credit Guarantee Scheme</b></p> <p>Government will be engaged in establishing a structure guaranteeing export credit for non commercial risk. This is necessary to assist exports to less developed zones where the risk is much more pronounced.</p>
<p><b>6.34</b></p>	<p><b>Maritime Malta</b></p> <p>The promotional work carried out by Maritime Malta for the local sector will be further enhanced with a larger Government allocation for this year amounting to €350,000.</p>

<p><b>6.35</b></p>	<p><b>Mrieħel Masterplan</b></p> <p>A Foundation will be set up between Government and the private sector with the aim of improving the environment in which businesses at Mrieħel operate. This will take the shape of a Masterplan intended to give a new appearance to what is today known as the Imrieħel Industrial Zone, from one of neglect to that of an organized business and commercial hub capable of attracting new investment in the area.</p>
<p><b>6.36</b></p>	<p><b>Incentives for Research and Innovation</b></p> <p>To better facilitate research and innovation, enterprises that employ persons in possession of a doctorate or are in the course of reading for a doctorate in science, information technology or engineering will be given a fiscal credit of up to a maximum of €10,000 when such employment is held for more than 12 months.</p> <p>Through the programmes run by MCST we will continue to give incentives for research and innovation with programmes such as Fusion which complements EU funds under the Horizon 2020 programme and which the research community is succeeding in attracting despite harsh competition in this field.</p>

<p><b>6.37</b></p>	<p><b>European funds for Start-ups and Family Businesses</b></p> <p>Through a number of schemes to be launched in the coming months we shall be investing around €50 million that will serve as an injection for all those wishing to invest or expand their industry. These €50 million will take the shape of grants. Apart from these grants there are also over €300 billion available as loans obtainable under the European Investment Plan.</p> <p>These funds will be spread out over a number of initiatives and will help various bands of Maltese industry. Featuring also among potential beneficiaries are family-owned businesses as well as start-ups. Innovative initiatives will also benefit from specific schemes. General investments - including purchase of equipment and machinery - are also expected to benefit from the schemes to be announced in the coming months.</p>
<p><b>6.38</b></p>	<p><b>Reform of the Farmers' Wholesale Market</b></p> <p>In the coming year we shall be investing heavily in the acquisition of produce crates with an electronic chip, capable of providing clear tracing of any particular crate. A public call will also be made leading to the modernization of structures and equipment with the involvement of the private sector. It is envisaged that this process would be rolled out over a number of years.</p>

<p><b>6.39</b></p>	<p><b>Public Abattoir</b></p> <p>Without hindering production at the Abattoir, the renovation programme will continue with the restoration of the old structures that form part of the abattoir complex, including the replacement of asbestos ceilings and other insulation work. During the coming year works will also be carried out on temperature control systems to ensure adequate temperatures in line with slaughtering regulations, as well as the completion of the extensive renovation on the slaughter lines themselves.</p>
<p><b>6.40</b></p>	<p><b>Fisheries and Aquaculture</b></p> <p>To bring all fisheries related operations in line with European Union directives new systems are being installed for the weighing of fish immediately upon landing. This new system will also be used in the new wholesale fish market which is expected to be fully operational by the end of the lampuki season. On the other hand, works on the upper floor of the new fish market will continue during 2016, and these will include a fish processing plant.</p> <p>In the field of aquaculture, preliminary studies are in hand for the development of an offshore aquaculture that would be sustainable in the future.</p> <p>Other positive developments in the fishing sector include the successful negotiation of a new agreement regarding quotas for tuna landing whereby Malta's quota was increased. Other negotiations aim for a standardization of</p>

	<p>regulations equally applicable to both European and North African fishermen.</p> <p>Work will also continue in the coming year on a marine hatchery with the participation of the private sector.</p>
<p><b>6.41</b></p>	<p><b>A Breakwater for Marsaxlokk Fishermen</b></p> <p>As pledged in the Electoral Programme, Government has once again revived the process, that had been almost completely abandoned, for the acquisition of the necessary permits for the development of a new breakwater for Marsaxlokk fishermen, as well as the repair and improvement of the already existing one.</p> <p>In relation to this project long discussions were held with the European Union Commission which led to the acknowledgement by the same Commission of the necessity of the project. As a result of these talks the Commission agreed to allocate around €8 million under the European Maritime and Fisheries Fund of the global sum needed for this whole project.</p>

## **E. Investing in the Environment and in Health**

<b>7.1</b>	<p><b>Environment</b></p> <p>In 2016 we shall continue with specific initiatives in this field, including the conservation of a number of sites of natural importance through special agreements with various environmental NGOs. We also intend to roll out a series of management plans on Natura 2000 sites. The updating and strengthening of a new environmental policy will also be taken in hand.</p> <p>During 2016, the development of a strategy and plan of action for a Green Economy will be finalised and approved by Cabinet for its implementation over a number of years. This includes a list of actions to promote investment and economic growth; education; job creation and the sustainability of resources in various other aspects of the economy including waste, water, energy, transport, tourism, agriculture, the construction industry and manufacturing.</p> <p>Meanwhile, in an effort to improve the environment, we shall be embarking on a programme of seawater monitoring with the aim of better protecting the environment of the sea</p>
<b>7.2</b>	<p><b>Rural Infrastructure: Cleaning and Embellishment</b></p> <p>Various initiatives and projects are concentrating on historic villages and towns like the City of Valletta, Mdina, and the Three Cities (Cottonera) to complement Government's rehabilitation plan. These works will be intensified, and extensive projects are planned for</p>

Floriana and the open spaces surrounding Valletta which include the restoration of the Tritons Fountain, and the Argotti Botanical Garden.

Government is committed to support the "Għalfejn Thammeġ Pajjżek? (Why litter your country?) campaign which continues to attract much interest, as well as to address the cleansing of beaches, tourist zones, recreational areas, and rural and urban landscapes. The nationwide refurbishment programme will continue with the embellishment of streets, central strips, roundabouts and public plazas.

Government is in the process of drafting an Integrated National Plan for the Embellishment and Protection of Valleys. The next step is for Government to invest in a serious and well-planned programme with the help of a team of experts. Our valleys have an important hydrological function and thus funds will be requested under the Operative Programme 2014-2020.

The Carnival Village project is soon to commence in Marsa which will mean that the operations of the Department for Manufacture and Services will be moved to Corradino.

<p><b>7.3</b></p>	<p><b>The Role of tourism in nature and biodiversity</b></p> <p>We are actively exploring the possibility of networks to attract quality tourism to Malta. In this context, the natural capital of Malta is abundant and therefore there exist opportunities to increase the economic value added through infrastructure in the eco-tourism market.</p>
<p><b>7.4</b></p>	<p><b>A National Park in the South of Malta</b></p> <p>Works will soon start on the development of a new park in the south of Malta. This will stretch along the coast between Żonqor Point in Marsascalea and Blata l-Bajda in Xgħajra. For this purpose, the Office of the Prime Minister has set up a committee in collaboration with the Ministry for the Environment and the participation of other experts to draft a plan of implementation. This project is expected to commence in the course of next year.</p>
<p><b>7.5</b></p>	<p><b>Consultation about Food Wastage</b></p> <p>The debate is ongoing throughout Europe regarding the amount of food that is thrown away, particularly by large establishments like supermarkets. A number of countries are introducing legislation in this context for such food to be put to better use. Government will be examining best practices and will organize a process of public consultation to establish whether the need exists for such legislation and if in the affirmative, what form it should take.</p>

<p><b>7.6</b></p>	<p><b>Creation of the Environment and Resources Authority</b></p> <p>The strategic demerger within MEPA will take effect with the creation of the Environment and Resources Authority as soon as the legislation moved in the course of 2015 is approved by Parliament. Government is committed to see that this new Authority would have all the necessary human and financial resources to truly be in a position to safeguard the Maltese environment in the best possible way. For the first year the Authority will have a budget of €8 million.</p>
<p><b>7.7</b></p>	<p><b>Climate Change</b></p> <p>Following the introduction in 2015 of legislation for action against climate change, 2016 must see the building of the structures contemplated in the same legislation, namely the Climate Action Board and the Climate Fund, to make sure that our country meets the challenges of climate change, including international obligations in this regard. Meanwhile, it is anticipated that the first Low Carbon Development Strategy will be in place and national guidelines established relating to the reduction of greenhouse gas emissions. At the same time and in this same context the necessary funds will be allocated for our country to fulfil its international climate finance obligations. These include direct grants and scholarships.</p> <p>It is also anticipated that a final decision regarding legislation relating to noise pollution will be taken during 2016.</p>

<p><b>7.8</b></p>	<p><b>Dual Fuel</b></p> <p>We are allocating €100,000 for the introduction of a new scheme for commercial and passenger transport vehicles of types N2, N3, M2 and M3, where a grant of €700 will be given for conversion to Euro5 and Euro6a. This conversion incorporates a system known as Dual Diesel Fuel, which uses diesel and LPG simultaneously. The expense involved in the conversion of each vehicle amounts to approximately €3,000. This scheme will come into force on 1st January 2016.</p>
<p><b>7.9</b></p>	<p><b>Scrappage Scheme</b></p> <p>Government will once again allocate funds for the scrapping of old cars and cars with high emissions. Through this scheme, Government will give grants whenever a car of over 10 years is scrapped and replaced by a new car. To encourage the use of small and less polluting vehicles a grant of €7,000 will be given towards the purchase of a new electric vehicle when the old vehicle is scrapped; a grant of €4,000 on the purchase of an electric vehicle when no old vehicle is scrapped and €2,000 towards the purchase of an electric quadricycle. In the case of passenger vehicles, a grant of €2,000 will be given for hybrid vehicles with carbon dioxide emissions of between 50 and 65g/km; €3,000 for each plug-in hybrid electric vehicle with carbon dioxide emissions of between 1 and 50g/km; €900 towards the purchase of vehicles with carbon dioxide emissions not exceeding 100g/km and €700 in the case of new vehicles with carbon dioxide emissions of between 101g/km and 130g/km. These schemes will come into effect as of 1st January 2016.</p>

<p><b>7.10</b></p>	<p><b>Measures relating to electric vehicles for businesses</b></p> <p>In addition to the schemes for the scrapping of old cars and their replacement with less polluting electric vehicles, we shall also be assisting importers of new cars in investing in the necessary equipment and training for the maintenance of electric vehicles. This scheme will be limited and will only be made available on a first come first serve basis. Together with this scheme we shall be assisting businesses in the installation of charging points for electric vehicles. The allocation for these schemes will be of €100,000. These schemes are effective 1st January 2016.</p>
<p><b>7.11</b></p>	<p><b>Autogas</b></p> <p>The autogas scheme whereby a grant of €200 was given for conversion of vehicles of types M1 and N1 is being extended for the year 2016. The allocation for this scheme, which comes into effect on 1st January 2016, is of €50,000.</p>
<p><b>7.12</b></p>	<p><b>Installation of Cameras</b></p> <p>ANPR cameras (a system of number plate recognition) will be installed in strategic places for the better control of vehicles in arrears on annual road licences and well as vehicles with foreign number plates. This project has an allocation of €100,000.</p>

<p><b>7.13</b></p>	<p><b>VRT</b></p> <p>In order to encourage the use of newer, less polluting cars, type M1 and N1 vehicles with a mileage of over 160,000 kilometers will be submitted to VRT testing every year instead of every two years. This measure corresponds to the VRT Directive.</p>
<p><b>7.14</b></p>	<p><b>Measures related to small motorcycles</b></p> <p>In 2016 we will be encouraging more people to choose small motorcycles in place of cars, with a view to easing the pressure of congestion on the roads whilst going some way in alleviating the parking problem. For this purpose, and for this year (2016) only, road licences for small motorcycles of 125cc will be drastically reduced to a nominal €10 <i>per annum</i>. We are also removing all registration tax on electric motorcycles. This measure is effective 1st January 2016.</p> <p>In addition, and to further discourage the use of cars, motorcycles of 125cc or less may be driven by any person over 18 years who is in possession of a category B driving licence. Whilst doing this we shall be emphasising more discipline and attention on the roads. This is because if these measures are successful, whilst easing the traffic problem, it will also give rise to a new phenomenon on our roads that drivers and pedestrians alike need to be made aware of. For this purpose Transport Malta will be launching a campaign which focuses on road safety.</p>

<p><b>7.15</b></p>	<p><b>Tax rebates for Companies investing in Electric Vehicles</b></p> <p>To date, companies investing in electric vehicles benefitted from a tax rebate equivalent to 125% of outlay, taken against income for year of purchase. We are proposing to raise this tax rebate to 150% of the cost of vehicles with no carbon dioxide emissions, that is 0g/Km. Hybrid vehicles with emissions of up to 70g/Km will benefit from a tax rebate of 125%. This measure comes into effect on 1st January 2016.</p>
<p><b>7.16</b></p>	<p><b>Green Public Procurement</b></p> <p>Government will maintain its policy of green public procurement in public administration so that products and services purchased would be of a higher environmental standard. For this reason the procedure of green public procurement is being simplified. Furthermore groundwork will continue next year on the formulation of the second national plan in this sector.</p>
<p><b>7.17</b></p>	<p><b>Waste Management</b></p> <p>Work will continue in 2016 on the implementation of a waste management plan. Following the call for tenders during 2015, a waste management education campaign spanning three years will be launched in 2016.</p> <p>By the end of this year we shall have activated a pilot project in five localities for the use of a third refuse bag - the white bag for organic waste. The plan is for this initiative to be spread wider during 2016. In the same way, in full consultation with constituted bodies and</p>

stakeholders in the field, other initiatives are being considered for a more effective regulation of commercial waste. WastServe will also launch the reform in battery and accumulator collection as provided in the National Waste Management Plan.

In the coming weeks we will be issuing a call for proposals for the collection of waste plastic bottles and metal cans used for beverages with a view to indentifying the best procedure for the collection of this type of waste by the first half of the coming year.

Meanwhile the study regarding waste-to-energy is expected to be completed during the final months of this year. Next year preliminary work for the implementation of this plan will commence after Government decides whether we should proceed with the construction of a waste-to-energy plant or whether to export this waste, or a combination of both.

<p><b>7.18</b></p>	<p><b>WasteServ</b></p> <p>In the coming year WasteServ will continue with its intensive commitment to enhance the efficiency of the plants it operates. Another challenge in the coming year would be the scheme for the collection of spent car batteries by private entities. WasteServ will also continue working on the fulfilment of the national waste management plan which includes, amongst other things, the restructuring of Civic Amenities with a view to identifying the best way to involve private interests in the running of these sites.</p>
<p><b>7.19</b></p>	<p><b>Parks and Afforestation</b></p> <p>Works were started in 2015 on the embellishment of Kennedy Grove and these are expected to be completed by the end of the year. Works were also started on the new park in Żabbar Ditch where the cleaning and pruning has been completed. These works will continue through 2016 and in connection with this development the financial support of a commercial bank has been secured.</p> <p>In addition to this, the programme of afforestation was extended to another five localities: four in Malta and one in Gozo, in 2015. Thus, over the period of two years, the number of localities benefitting from this project went up to nine. We plan to transform this initiative into a national plan to be implemented over a number of years and to reach all towns and villages in Malta and Gozo.</p> <p>Against this background, the Parks Directorate will be completing its operational review so that apart from formulating a new vision, it would also secure adequate</p>

resources and new investments for its operations.

2016 will also see the start of a project, headed by the Ministry for Infrastructure, which will involve the renovation and conversion of the Floriana botanical garden, as well as other neighbouring gardens, into an open recreational and environmental centre.

Once this same Ministry completes the Salini saltpans restoration project, it is planned to hand over the saltpans and surrounding marshlands to one of the environmental NGOs for their conversion into one of Malta's largest bird sanctuaries.

<p><b>7.20</b></p>	<p><b>Public Domain</b></p> <p>Government is currently examining the bill, moved but the Opposition, regarding public domain, about which a study had been commissioned but not acted upon. Government intends to present its own amendments and then move the bill for debate.</p>
<p><b>7.21</b></p>	<p><b>Veterinary and Phytosanitary Services</b></p> <p>As part of the process of simplification, certain parts of the National Livestock Database will be made accessible to officers in other Ministries whilst there will be a point of reference so that all requests made would be referred directly to the persons concerned. A similar co-ordination between respective entities is being formulated also on a European level where better integration is planned through a common IT system.</p> <p>The Plant Health Directorate this year launched its research programme about plant pests and diseases, a programme that is co-financed by the European Union. The total cost of this project amounts to €170,267. The aim of this research programme is the timely identification of pests permitting immediate action for their eradication. This project will continue during 2016.</p>

<p><b>7.22</b></p>	<p><b>Animal Welfare</b></p> <p>The office of the Commissioner for Animal Welfare will be reinforced in the coming years with the provision of adequate resources placing this office in a position to operate autonomously.</p> <p>During the coming year work will continue on the project for the setting up of an animal cemetery with the participation of the private sector.</p>
<p><b>7.23</b></p>	<p><b>Marsaxlokk Regeneration Project</b></p> <p>The holistic plan governing this project will be sectioned into various phases. The first phase will focus on the village centre, with the aim of transforming Xatt is-Sajjieda (Fishermen's Wharf) and the surrounding areas into a pedestrian zone. This will make the area more attractive and secure.</p> <p>In addition, there will be more investment in the areas surrounding Marsaxlokk with works on road networks connected various parts of the village to improve traffic flow.</p>
<p><b>7.24</b></p>	<p><b>Rehabilitation of Qajjenza</b></p> <p>Once Enemalta took over this site, a surveillance exercise was immediately carried out to ensure the site was safe and totally secured. Since then this same site has been rendered safe and free of any danger for anyone attempting to access it.</p> <p>At the current time, Enemalta is evaluating various options regarding this site.</p>

<p><b>7.25</b></p>	<p><b>The Pace Grasso Regeneration Project</b></p> <p>Government is in the process of planning and laying the groundwork for the regeneration of the site currently occupied by the Pace Grasso football ground in Paola. Following MEPA's completion of the master plan for this region, an application was filed by the Ministry of Health for the building of a regional Health Hub. The Ministry for the Family and Social Solidarity is drafting plans for a family resource centre in another part of the site as well as a residential centre in the community for persons with disability (priority centre). Half of the site currently occupied by the Pace Grasso football ground will be converted into open and recreational spaces with commercial and car parking facilities.</p>
<p><b>7.26</b></p>	<p><b>Embellishment Projects</b></p> <p>The Foundation for Tourism Zone Development will be embarking on two projects for the upgrade of squares and plazas in the north and south of Malta. This will involve aesthetic improvement with paving refurbishment, additional street furniture as well as the installation of environmentally sustainable lighting in squares in Bugibba and Marsascala. The Foundation for Tourism Zone Development has identified the old Railway Station garden in Birkirkara, which is part of Maltese heritage, for the implementation of embellishment projects for a more pleasant experience for visitors to our islands. This includes infrastructural and maintenance works, improved access and facilities such as benches, and a modern lighting system. The project also includes a permanent exhibition about the history of the railway in Malta.</p>

<p><b>7.27</b></p>	<p><b>Coastal Development</b></p> <p>Project works are currently under way on a new perched beach in Xemxija. Once the Environmental Impact Assessment is completed it is expected that MEPA will finalise its evaluation process as well as indentify the best source of sand for the beach.</p>
<p><b>7.28</b></p>	<p><b>Beach Management and Accessibility</b></p> <p>As of next year, the Malta Tourism Authority will be looking to expanding its management mandate to more beaches and to extend the Blue Flag season by another month from 1st June to 31st September. Security services in Comino will start even earlier , on 15 May. The Malta Tourism Authority is also planning to improve access and facilities for persons with disability and the elderly in a number of beaches.</p>
<p><b>7.29</b></p>	<p><b>Comino</b></p> <p>The Malta Tourism Authority, together with other agencies like the Gozo Ministry, Transport Malta, the Lands Department, MEPA and others, will continue to tend the Blue Lagoon and Santa Maria beaches, where the lifeguards season will be extended to ensure the safety of visitors even in those days and weeks not considered peak season. The Authority's intention is to go beyond beaches and to draft a holistic vision for Comino as a Park not just a set of beaches.</p>

<p><b>7.30</b></p>	<p><b>Task Force for Valletta</b></p> <p>A task force has been set up to address the neglect in certain parts of Valletta and to carry out maintenance works of a higher level. These include infrastructural works as well as the replacement of various road signs. After several meetings an area of Marsamcetto has been identified where street benches, paving and road signs will be upgraded.</p>
<p><b>7.31</b></p>	<p><b>Balconies at City Gate</b></p> <p>A scheme will be launched for the upkeep and repair of balconies and apertures overlooking St John's Cavalier and Ordinance Street.</p>
<p><b>7.32</b></p>	<p><b>Building Regulation and Sustainable Infrastructure</b></p> <p>The Building Regulation Office in 2015 undertook the reinforcement, among other things, of the Construction Site Management Regulations with the implementation of Legal Notice 295/2007 which saw a greater degree of discipline on construction sites.</p> <p>The target for 2016 is for this Office to see the publication of a new Legal Notice enabling it to be more effective in the enforcement of obligations concerning third party rights.</p> <p>Government is committed to see not only that such regulation becomes an intrinsic part of our infrastructural system but also to effect more enforcement so that our buildings and constructions reach the highest standards</p>

	<p>of efficiency.</p> <p>Government is also committed to seek adequate control of construction works in tourist zones during peak periods.</p>
<p><b>7.33</b></p>	<p><b>The Valletta Monti</b></p> <p>Whilst in the process of relocating the Valletta Monti we heeded all the views publically expressed. We also listened to the Monti hawkers themselves. Note was taken of what was said by Renzo Piano, who favoured a market on Ordinance Street. However, it was not possible to relocate the whole of the Monti market in half the space originally planned and we are considering other solutions. Whatever these solutions may be, we are determined to introduce an new management system enforcing discipline and cleanliness.</p>
<p><b>7.34</b></p>	<p><b>Relocation of the Marsaxlokk Open Market</b></p> <p>Government is assisting in the finding of a just and effective solution in this regard so that the project for the regeneration of Marsaxlokk might reach its intended purpose in the interest of residents and the commercial community which includes a large number of hawkers who make their living from the Sunday open market which has operated there for scores of years and which is now synonymous with the locality.</p>

## Health

<b>7.35</b>	<b>Medicines Authority</b> In the coming year a programme of more training, study support opportunities as well as an extension of the traineeship programme is envisaged for the further development of this sector. We shall continue to build on the good results of the past two years and increase study support opportunities from the 10% registered in 2013 to 70% in 2015. Information technology systems will be upgraded for a better service to the Authority's clients.
<b>7.36</b>	<b>Laboratories</b> The project for the upgrade of national laboratories will continue. This should lead not only to these laboratories to acquiring the necessary accreditation but also to better quality control in line with European standards. For this purpose a network of laboratories in Malta will be set up next year for a better co-ordination between the various laboratories and the elimination of duplication of services where these are not justified. Several rounds of talks have already been held successfully between the various entities in this sector and there is strong interest in this modern and innovative concept of a laboratory network.

We plan to set up state of the art science laboratories with the opening of sophisticated laboratories in the DNA and toxicology divisions of forensics and other related sectors.

It is anticipated that during the course of 2016 these laboratories would be run on sustainable business lines.

<p><b>7.37</b></p>	<p><b>National Health Systems Strategy</b></p> <p>The activity in the health sector in 2016 will focus on matters that effect the daily lives of many persons and patients and all those engaged in the health sector.</p>
<p><b>7.38</b></p>	<p><b>Listi ta' stennijja għall-Operazzjonijiet</b></p> <p>Waiting lists for various kinds of surgeries and interventions have grown considerably shorter and in 2016 we shall be focusing on making them even short. As an example, waiting times for MRIs were reduced from one and a half years as they were in 2013 to three months. In the case of cataract operations, the waiting time of three years obtaining in 2013 was reduced to six months. Substantial reductions were also achieved in the waiting lists for sleep studies, EMG, Echocardiograms, bone density scans and angiograms. Through agreements with private clinics we are also reducing waiting times for ENT operations as well as vein interventions and other day case surgeries.</p> <p>This year we will consolidate these initiatives and we shall be pushing for a major reduction in waiting times for hip and knee replacements. This will ensure better quality of life for a large number of people and will be implemented through PPP agreements.</p>
<p><b>7.39</b></p>	<p><b>Beds</b></p> <p>The new block at Mater Dei will accommodate 68 new beds. This is an important achievement but it is still not enough. Government is therefore committed to</p>

launch a new project to build more floors so that this new block would offer 300 beds. Plans for this are at advanced stage. In 2016 we shall continue to introduce new systems of bed management at Mater Dei to make the most efficient use of the space available in this hospital.

In addition to this, Karen Grech hospital at St Luke's will be redeveloped into a 320 bed hospital for the elderly. A new rehabilitation hospital will also be developed, offering facilities that currently do not exist in Malta. 80 rehabilitation beds will be allocated to the Maltese Government. We shall also be developing a new dermatology centre with 12 inpatient beds. In addition, St Luke's Hospital will be also house facilities for medical tourism. This project will be creating 1,000 new jobs. In the coming months there will be further consultations with all the stakeholders regarding this important transition.

<p><b>7.40</b></p>	<p><b>Out of Stock Medicines</b></p> <p>We have successfully tackled the problem of out of stock medicines and will continue with our endeavours to make sure that the 138,00 persons eligible for the Pharmacy Of Your Choice scheme always find what they require when they go to their pharmacy.</p> <p>We shall continue working with the operators of the POYC scheme and their representatives to introduce service level agreements regarding the services offered and to launch a pilot project for the home delivery of medicines.</p>
<p><b>7.41</b></p>	<p><b>A&amp;E Department</b></p> <p>We have already achieved a dramatic reduction of waiting times at the Accident and Emergency Department from 13 to 4 hours in 90% of cases. in 2016 we shall also be offering a dedicated Paediatric Emergency service which will offer a more congenial environment for children.</p>
<p><b>7.42</b></p>	<p><b>Distribution of Medicines in Hospital</b></p> <p>We are working on an overhaul of the system of distribution of medicines in hospital. This should result in considerable financial savings with the minimisation of waste and greater efficiency. This would also lead to a better use of human resources from what obtains today.</p>

<p><b>7.43</b></p>	<p><b>Primary Care</b></p> <p>Throughout this year more primary care services were introduced, such as specialised clinics.</p> <p>Moreover, the age of persons eligible for breast screening was extended and this service is now available to all women aged fifty years and over.</p>
<p><b>7.44</b></p>	<p><b>Kirkop Health Centre</b></p> <p>With the participation of private interests, Government will be transforming the building now used as a local health clinic in Kirkop into a modern health centre offering a wide variety of services to out-patients.</p> <p>Mental Health Services</p> <p>A Board for Directors, dedicated to Mental Health Services, will be appointed. In addition, a whole plan will be implemented at Mount Carmel Hospital for the upgrade of services.</p>
<p><b>7.45</b></p>	<p><b>Quality</b></p> <p>This year we saw the completion of one of the biggest investments in the health sector in recent years. The Sir Anthony Mamo Oncology Centre, financed by the European Regional Development Fund, has just received its first patients who are finally making use of the beds in this Centre which offers more comfortable surroundings and the latest advanced equipment for the best cancer treatment possible. Government also intends to add to the legislative instruments for the protection of the citizen. These include a Charter of Patients Rights and legislation governing Organ Donation.</p>

<p><b>7.46</b></p>	<p><b>Access</b></p> <p>Talks are in progress with private family doctors with a view to enhancing their role in the health service and with local councils for the latter to take over the administration of local health clinics. An application was filed with the European Regional Development Fund for the building of a Regional Health Centre in Paola which will offer services normally only found in the general hospital or the Outpatients Department, making such services more accessible to communities in the Grand Harbour area.</p>
<p><b>7.47</b></p>	<p><b>IVF</b></p> <p>We shall continue the public debate regarding the amendment of IVF legislation, a topic which we notice is attracting a wide interest. In addition, IVF treatment will be made accessible to other categories of persons apart from couples.</p>
<p><b>7.48</b></p>	<p><b>Diabetes</b></p> <p>By the end of this year we would have added new medications to the government list of free medicines, including new medications for diabetes, a disease that kills 10% of our population.</p>
<p><b>7.49</b></p>	<p><b>Cervical Cancer</b></p> <p>Having this year completed the logistic groundwork, invitations are being sent out for cervical screening in an effort to minimise the risk of cervical cancer for women in Malta and Gozo</p>

<p><b>7.50</b></p>	<p><b>Rare Diseases</b></p> <p>We are committed to implement a system which will provide patients with rare diseases with the medication they need for their treatment, which medication tends to be very expensive. We shall endeavour to do this in collaboration with our partners in the industry both in Malta and in Europe.</p>
<p><b>7.51</b></p>	<p><b>Other Measures</b></p> <p>Other new initiatives to be introduced next year will include a Mobile Sexual Health Unit, a Diabetes policy, A National Cancer Plan, research into Obesity, the drafting of a Charter of Patients Rights and legislation governing Organ Donation.</p> <p>As pledged in our electoral programme, we are also working on the introduction of services for transgender persons who feel the need of a surgical sex change for this to be compatible with their gender identity.</p>

## **F: Reforming and Investing in Priority Sectors**

<b>8.1</b>	<b>Traffic</b> <p>The issue of traffic is on Government's Agenda. Since the year 2000 to date, traffic in the country has practically doubled. In the past two and a half years, an average of 40 new vehicles were registered every day, and these vehicles are using our roads.</p> <p>Although traffic had been on the increase for some time, the past years witnessed a number of factors that accelerated the rhythm, amongst which, the larger number of gainfully occupied, new private projects and new road works.</p>
<b>8.2</b>	<b>Infrastructural Projects</b> <p>Government is working on a plan to prioritise infrastructural projects. The Coast Road project was the one to keep closest to the projected schedule. There is still a lot more to be done to improve project management, which formerly was next to non-existent. In the same way, there is need for more co-ordination between various entities like Transport Malta, Enemalta and the Water Services Corporation.</p> <p>Government has consciously decided not to give the go ahead to more than one major project at any one time, in order to minimise inconvenience to commuters. The next project to be taken in hand</p>

during the coming year when all preparatory work is finalised will be the Kappara Junction. This will be followed by Marsa Road. Obviously, the works at Kappara will create inconvenience and extensive works will need to be carried out to provide alternative routes. But we know that at the end of the day this project will be beneficial and will improve traffic circulation, although during the 24 months it will take to finish the project there will be some problems. Transport Malta will try to reach a balance between speeding up work by requiring contractors to carry out works even during the night and not creating too much inconvenience for residents of the surrounding areas.

<p><b>8.3</b></p>	<p><b>New Roads</b></p> <p>Transport Malta will be spending €13 million on road building and repair. This will include work on Vjal ix-Xarolla in Żurrieq, and works in Triq Patri Pelagju and Triq Anthony Aquilina in Haż-Zebbuġ.</p>
<p><b>8.4</b></p>	<p><b>Public Private Partnership in Roads Sector</b></p> <p>We believe the private sector, with its enormous potential, could contribute more in the development of road infrastructure. Transport Malta is collaborating with Projects Malta on the planning of various Public-Private Partnerships as well as the launching of an ambitious programme in this sector. This model, which will not place any new burdens on commuters, will be launched in the coming months.</p>
<p><b>8.5</b></p>	<p><b>Tidal System and Smart Traffic Management System</b></p> <p>On a number of roads we will be testing out the introduction of the tidal system, meaning that three out of every four lanes will be used for the direction with heaviest traffic according to the time of day.</p> <p>We are in the final phase of adjudication of the Smart Traffic Management System, which will monitor traffic through strategically placed cameras, send text messages to commuters and help to control the situation at any given time.</p>

<p><b>8.6</b></p>	<p><b>Horses and Trucks on the Road</b></p> <p>The consultation regardnig the use of trucks and horses on our roads has been concluded and decisions will be made public shortly.</p>
<p><b>8.7</b></p>	<p><b>Public Transport</b></p> <p>The Public Transport System is a work in progress. Undoubtedly there has been an improvement over what obtained previously, but we are not yet satisfied. We will be waiting till the new network is fully operational and we will be requiring the service provider to improve frequency and punctuality.</p>
<p><b>8.8</b></p>	<p><b>Tax Rebate for Parents using School Transport</b></p> <p>The tax rebate given to parents whose children made use of school transport to commute to and from Church and independent schools will remain in force. We shall be exploring more options to encourage this means of transportation.</p>
<p><b>8.9</b></p>	<p><b>Tax Credits for Enterprises offering Transport for their Personnel</b></p> <p>Transport Malta, in conjunction with Malta Enterprise, will start talks with constituted bodies, trade unions and the industrial zone associations, for the introduction of incentives for those enterprises offering transport for their personnel, encouraging them to join forces in the provision of such transport, or to give incentives to their employees to use public transport.</p>

<p><b>8.10</b></p>	<p><b>New Means of Transport in the Ports</b></p> <p>Through the Connections project, for which a call of expressions of interest has already been issued, we expect sea transport to and from Valletta from Sliema and the south of the country to become more accessible. We are also exploring ways of making it more convenient for commuters reaching the shores of Valletta to access Valletta centre. For the longer term, Government is also exploring alternative methods of transport, including underground tunnels as well as people movers above ground.</p> <p>Transport Malta will embark on a wide consultation process with car drivers and all those who use roads on a regular basis, to listen to suggestions about how traffic problems may be alleviated, as well as to better identify problem spots on roads and various circumstances which are creating more congestion.</p>
<p><b>8.11</b></p>	<p><b>Discipline on the Road</b></p> <p>We need greater discipline on the road. Behaviour such as driving under the influence with the accompanying hazard of accidents that could be fatal for drivers, passengers and third parties, cannot be tolerated. The Police Force is currently in negotiations for the acquisition of new breathalysing equipment which can give an instantaneous reading and printout. This will cut down on the bureaucracy that plagued the past years when the current equipment was too cumbersome to use. The law will be amended to</p>

	<p>cater for the new system, whilst fines for driving under the influence will be made more onerous.</p> <p>The use of mobile phones whilst driving is one of the leading causes of accidents. Fines will be increased in cases of drivers using handsets or texting whilst driving. We shall also be introducing new regulations regarding the illegal use in Malta of imported cars with foreign number plates which are not locally registered.</p>
<p><b>8.12</b></p>	<p><b>Car Parks</b></p> <p>Government will undertake two new pilot PPPs so that, together with local councils, sites could be identified for the building of car parks, preferably below ground. Mosta and Marsascala are two localities where lack of parking space is particularly marked.</p>
<p><b>8.13</b></p>	<p><b>Car Sharing and a National Cycling Plan</b></p> <p>We are currently working on a policy regarding car sharing and car pooling, intended to spell out the advantages for persons travelling to the same destination when using one car. In this regard, Transport Malta has helped in the development of an application to be released shortly. Meanwhile we shall shortly be working on a National Cycling Plan</p>

# Tourism

<b>8.14</b>	<b>Airmalta</b> <p>We shall continue with our efforts to reach the objectives of the restructuring plan.</p> <p>This year we completed a number of initiatives our predecessors left on the shelf because they did not have the courage to take action. Amongst others, we revised the catering and IT contracts.</p> <p>We want to ensure that by the end of this period, the national airline will have a medium and longer term growth plan that is sustainable and assures opportunities for the airline's employees within the reality of a company that is operating in the most competitive market of all time.</p>
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<p><b>8.15</b></p>	<p><b>Tourism Legislation Reform</b></p> <p>We fully intend to carry out legislative reform to ease the bureaucratic obstacles faced by operators in tourism and for legislation in this field to be better organized. This would lead to a simplification of licensing, better enforcement and a more varied typology of establishments with the introduction of new categories such as Boutique Hotels. Around 6,000 operators in the tourism industry will benefit from this reform. At the same time we shall continue to co-operate with agencies such as MEPA and the Property Division for the introduction of other policies of mutual interest such as that governing the setting of tables and chairs by establishments on public land.</p>
<p><b>8.16</b></p>	<p><b>Corporation for the Regeneration of St George's Bay</b></p> <p>It is evident that in the coming years there will be a concentration of quality projects in the region of St George's Bay in St Julians. Whilst favouring such projects we cannot allow this highly important area to be turned into an open construction site for an extended period of time.</p> <p>There is therefore a need for total co-ordination in this project to create synergies and minimise inconvenience. There is also the need of a single point of contact with government authorities and agencies to limit bureaucracy and hasten the works in hand. A comprehensive plan for the area is clearly essential, both in order to improve</p>

infrastructure and to minimise the inconvenience caused to existing businesses and residents.

With this in mind we will be setting up the St George's Bay Regeneration Corporation, in partnership with private interests, to take in hand the necessary co-ordination. For its initial phase this corporation will operate under the GHRC.

<p><b>8.17</b></p>	<p><b>Calendar of Events</b></p> <p>We are co-operating with various entities with the aim of bringing together and consolidating the calendar of cultural events thus enabling the Malta Tourism Authority to promote it abroad at international fairs together with operators in the sector.</p>
<p><b>8.18</b></p>	<p><b>Mediterranean Conference Centre</b></p> <p>In the current year and the following three years, Government will be working on a capital project with a view to preserving the edifice, upgrading the services and generating new business for the Mediterranean Conference Centre.</p> <p>Amongst other things, we plan to improve accessibility with the installation of two lifts for use by the public; unused spaces like the roof of the Sacra Infermeria will be converted and utilized; Republic Hall will be upgraded; Perellos Chapel will be restored. It is intended to modernize all facilities and undertake an ambitious project for the soundproofing of the various halls. We are also working on a shuttle bus service to transport visitors from the car parks surrounding Valletta to the MCC. For some of these projects we shall be applying for funding from the European Union.</p>

## Energy

<b>8.19</b>	<b>Reduced Utility Bills</b> We intend to continue working on a plan that is not only helping with the recovery of Enemalta but has allowed us to reduce utility bills in a responsible and sustainable manner. We are also in talks with the social partners regarding various initiatives, some of which they themselves proposed, such as incentives for a more efficient use of energy. to further assist businesses.
<b>8.20</b>	<b>Improving the financial situation of Enemalta</b> Under this administration Enemalta financial outlook has improved significantly. Through continuous commitment, Enemalta is becoming sustainable and no longer depends on high tariffs or the support of the Central Government for its operation, as was the case previously. The target is for Enemalta to start registering a profit by 2017.
<b>8.21</b>	<b>Partnership with Shanghai Electric Power</b> Enemalta is working with its strategic partner Shanghai Electric Power to commence operations in two joint companies leading to Enemalta investing in new international projects in the field of renewable energy and the provision of an energy service centre. These investments will strengthen the company's financial situation and offer new job opportunities .

<p><b>8.22</b></p>	<p><b>Changeover to gas at Delimara</b></p> <p>Next year, the country will have a new gas power station. It will be a power station of the highest level in terms of efficiency and emission reduction. This is a project which is being consistently praised by credit rating agencies and even by the European Commission as being crucial in this field after many years during which nothing was ever done to address the country-specific recommendation served on Malta every year by the European Commission for this purpose. The Delimara project, financed by ElectroGas, is progressing at a fast pace. SEP is also working on the conversion to gas at Delimara 3.</p>
<p><b>8.23</b></p>	<p><b>Combatting Energy Theft</b></p> <p>During next year Enemalta will maintain the campaign it started in 2104 to send out that message that EneMalta plc will not tolerate electricity theft. Trends indicate that there was a record decrease of 33% in non-technical losses in 2014 and 2015 will be another year with very good results with respect of non-technical losses due to theft or other illegalities.</p>
<p><b>8.24</b></p>	<p><b>Closedown of Marsa Power Station</b></p> <p>After 62 years, we have finally closed down the power station at Marsa. This is having a positive</p>

<p>impact on air quality and a cleaner environment for the residents in the neighbourhood. The demolition of the power station will continue during 2016. Plans will also be finalised for the removal of the old power plant at Delimara and the necessary works will commence, starting with the removal of the large chimney.</p>
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<p><b>8.25</b></p>	<p><b>Investing in the Distribution System</b></p> <p>Enemalta is focusing the greater part of its operations on strengthening its power distribution network through the building or extension of various distribution centres, among them the ones in Marsa, Manoel Island, St Andrew's Santa Venera, Xewkija and Mellieha. This investment is essential for a reliable distribution of electricity from Enemalta to households and businesses, to ensure fewer power cuts and shorter down times. This aspect of operations grows in importance in view of the economic growth of the Maltese economy characterised by large scale investments.</p> <p>Next year, Enemalta will be adding to the connections between various parts of the network and will also acquire new equipment permitting the main substations in all localities in Malta and Gozo to be operated from the Company's central control room. This will allow a better control of these important nodes in the distribution system and a more immediate intervention in emergency situations.</p>
<p><b>8.26</b></p>	<p><b>Finalisation of the Interconnector</b></p> <p>Enemalta has started the process that will allow additional capacity in the fibre optic link of the interconnector between Malta and Sicili to be used by the private sector.</p>

<p><b>8.27</b></p>	<p><b>Price Stability</b></p> <p>We will continue to strive for stability in the price of gas. The current price will be retained up to the end of next April. This is the lowest price in the past four years. It also means that the price of gas would have been stable for 9 whole months including the cold winter months.</p> <p>This same policy of stability will apply to fuel prices. Although the rate of excise duty will go up, fuel prices will go down as of next January. This Government is looking for price stability as against fluctuations in pricing from month to month with consumers having to carry the burden whenever the price went up.</p>
<p><b>8.28</b></p>	<p><b>ARMS Ltd</b></p> <p>In the coming year a collective effort is planned for more efficient methods of payment collection from the public. These include online payments - through banks or the company's portal, at Maltapost branches, Local Councils, by cheque or direct debits where the amount due is reduced by 2% or €3.</p>
<p><b>8.29</b></p>	<p><b>Incentives</b></p> <p>Various incentives were launched during 2015 in favour of the installation of solar panel systems. This scheme will remain in force up till the end of January 2016. It is anticipated that 20 megawatts of solar panels would have been allocated this year.</p>

<p><b>8.30</b></p>	<p><b>Feed-In Tariffs</b></p> <p>In the coming months, attractive albeit sustainable feed-in-tariffs will continue to be offered. We shall be extending the feed-in-tariffs to apply also to panels that are integrated in building structures.</p>
<p><b>8.31</b></p>	<p><b>Solar Farms</b></p> <p>Talks are currently in progress between Government and business associations for the joint development of solar farms.</p> <p>A new scheme is being considered for panels larger than 1 megawatt to be given incentives within the regulatory framework of the European Union which came into force in 2014 and through which tariffs would be awarded on the basis of best bid.</p>
<p><b>8.32</b></p>	<p><b>Renewable Energy targets.</b></p> <p>Malta kept the rhythm picked up in 2013 to reach the target of 10% in renewable energy by 2020, and indeed it is anticipated that by the end of 2015 we would have approached 5%.</p> <p>The energy auditors who were given specific training are now prepared to carry out high level energy audits in all sectors. The next step is to pass on the knowledge acquired from the audits of large enterprises to small and medium enterprises and this will proceed according to plan throughout the coming year.</p>

<p><b>8.33</b></p>	<p><b>Community Solar Farms</b></p> <p>Government is committed to fulfil its electoral pledge and to offer families, who have no access to a roof where panels could be installed, the opportunity to have such access in other ways. This will come about through a project which will identify sites where a substantial number of photovoltaic panels could be installed and subsequently bought by these families. Thus the energy generated could be reflected in the individual utility bills of these families, giving them the opportunity to benefit from further reductions in their energy cost.</p>
<p><b>8.34</b></p>	<p><b>Campaign in favour of Energy Efficiency and Water Conservation.</b></p> <p>As promised, we also launched a campaign through a pilot project to raise awareness of the need of energy efficiency and water conservation among residents. 15 thousand invitations were sent out to households in Mosta, Qormi, Paola, and Tarxien so that, on a voluntary basis and free of charge, specially trained officers could carry out house inspections and advise on more efficient use of electricity and water and to make residents aware of other sources of renewable energy. in the coming year it is planned to extend this project nationwide.</p>
<p><b>8.35</b></p>	<p><b>Funds and Initiatives</b></p> <p>This year we also successfully finalised an agreement with the European Union for the</p>

	<p>allocation of no less than €58 million in funds for the period 2014 to 2020, earmarked for renewable energy schemes and other incentives for a more efficient use of energy. At the current time, together with Malta Enterprise, we are devising programmes wherein SMEs could benefit from financial incentives when investing in equipment and implementing measures to render their use of energy more efficient.</p>
<p><b>8.36</b></p>	<p><b>EU Projects for a better understanding of energy use to minimise consumption</b></p> <p>During this year several projects were launched intended to improve efficiency in energy consumption. These projects cost over €4.5 million and are being co-financed through European Union funds. They were all initiated by this Government in 2013 as part of a collective effort to avoid the unnecessary loss of funds under the operative programme 2007-2013. These projects are now in the final stages of their implementation and are nearing completion.</p> <p>During 2016 new applications will be co-ordinate by this division for new projects in this sector, also financed by the European Union.</p>

**8.37 Studies for a Gas Pipeline**

The study on the implementation of the gas pipeline project has now entered another phase and work has already started on identifying an 1.2 kilometre corridor on the sea bed where the pipeline could be laid and to assess the environmental impact, both on the Maltese side as well as the Italian side. For this project we successfully acquired €400,000 in EU funds under the Connecting Europe Facility, following an application submitted in April. We shall be working on this study during the coming year.

## Water

<b>8.38</b>	<p><b>Water Services Corporation - Infrastructural Projects</b></p> <p>Next year the Water Services Corporation plans to apply for the necessary European Union funds to improve its infrastructure, both in water distribution and drainage. A number of capital projects have already been identified in this regard. These include the construction of an underground gallery from the Reverse Osmosis plant in Pembroke through to the reservoir in Ta' Qali, as well as the construction of a reservoir which guarantees an adequate supply of drinking water.</p> <p>Through EU funds under the 2014-2020 programme, the Corporation will continue to invest in Gozo and plans to apply for the building of a Reverse Osmosis plant to reduce dependence on the Cirkewwa plant whilst improving water quality.</p>
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<p><b>8.39</b></p>	<p><b>New Water</b></p> <p>Amongst the projects successfully completed by the Corporation during the current year, was that of the purification of treated drainage water, to be supplied as an alternative source of water for agriculture and industry. This new resource of alternative water will significantly reduce the deficit between the national water demand and supply and will permit Malta to achieve the good status objectives demanded by the Water Framework Directive. The capital expenditure for this project totalled just under €19 million.</p>
<p><b>8.40</b></p>	<p><b>Reverse Osmosis Upgrading</b></p> <p>It is anticipated that during 2016, the Corporation will continue to invest more than €2 million in upgrades in its Reverse Osmosis plants. Through this investment, which is expected to yield a return on investment over a period of four years, the Corporation would be significantly reducing its dependence on electricity, thus reaching its targets, both financial and environmental.</p>

<p><b>8.41</b></p>	<p><b>Leakage detection</b></p> <p>In the coming year, the Corporation will be carrying out field studies in Morocco and Tunisia, financed by the World Bank.</p> <p>During the current year, the Corporation invested in human resources so that now it has a team of dedicated workers to carry out inspections for water theft.</p>
<p><b>8.42</b></p>	<p><b>Water Management National Plan</b></p> <p>The Water Management National Plan was reviewed by Global Water Partnership - Mediterranean (an international management organization in the water sector), to ensure that the proposed plan follows the principles of Integrated Water Resource Management.</p>
<p><b>8.43</b></p>	<p><b>Valley Conservation Integrated Plan</b></p> <p>In collaboration with the Ministry For Transport and Infrastructure, a plan is being drafted for the conservation and development of valleys in the country. There are plans for the first conservation works to be carried out in Wied il-Qlejgha and Wied Ghajn Rihana, under a programme co-financed by the European Union Structural Funds 2014-2020. This plan envisages not only the cleaning of the valleys but also the development of recreational centres providing information about the characteristics of our rural environment.</p>

<p><b>8.44</b></p>	<p><b>Rehabilitation of Public Water Reservoirs</b></p> <p>Another important aspect to be address during the coming year involves the rehabilitation of public water reservoirs - a public infrastructure that for the greater part is sadly not utilized. For this purpose, the SEWCU is collaborating with the Ministry For Transport and Infrastructure for the eventual launch of a programme of rehabilitation with co-financing by the European Union Structural Funds 2014-2020. The full utilization of these public water reservoirs should lead to better use of storm water, less dependence on the water table and a reduction of the dangers caused by flooding.</p>
<p><b>8.45</b></p>	<p><b>National Centre for Water Conservation</b></p> <p>It is planned to set up a National Centre for Water Conservation in Rabat (Malta). This centre will offer a multimedia experience about the importance of water and the need for a better use of this resource. In addition, the Centre will also include open spaces with facilities such as a hands-on science area with a view to offering family recreation. The development of this centre is co-financed but the European Economic Area fund.</p>

## **G. Gozo: Creating More Prosperity**

<b>9.1</b>	<b>Gozitan Students in Malta</b> The allowance paid to Gozitan Students in Malta will be increased by €300 per annum for each student. This measure will come into effect as of next year.
<b>9.2</b>	<b>Extension of the University Campus in Gozo</b> Works will start on the University campus in Gozo for the construction of a new wing to house students reading specialised doctorates and carrying out research.
<b>9.3</b>	<b>Studies for the Construction of the Rural Airfield in Gozo</b> Significant progress was registered in the studies relative to this potential investment which offers an alternative connection to Malta.
<b>9.4</b>	<b>Tender for a Cruise Liner Terminal and Yacht Marina in Gozo</b> Discussions are underway with a consortium that submitted its proposals.

<p><b>9.5</b></p>	<p><b>Malta-Gozo Tunnel</b></p> <p>An important step forward was made this year with regards to the options for a permanent link between Malta and Gozo.</p> <p>Transport Malta and the Gozo Business Chamber jointly commissioned a study which analysed various scenarios and methods. The study concluded that, if this project eventually materialised, the option that made the most economic and financial sense would be a sub-seabed tunnel. It also concluded that the project could also rope in the direct participation of the private sector. The next step is to carry out the necessary geological studies that should throw light on the technical viability of the selected option. It is planned to hasten this process in the coming year so that a final decision may be reached.</p>
<p><b>9.6</b></p>	<p><b>A cruise liner buoy in Xlendi</b></p> <p>Studies are being carried out jointly by the Ministry for Transport and Infrastructure and the Ministry for Gozo regarding a new buoy which is needed to replace the existing one in Xlendi. These studies are at an advanced stage and include careful consideration of the preservation of the natural habitat and archaeological remains on the sea bed.</p>

<p><b>9.7</b></p>	<p><b>Tourism in Gozo</b></p> <p>For the first time a robust advertising campaign was undertaken on digital sites, such as Trip Advisor and Travel Zoo, to attract more niche tourism such as diving, weddings, religious activities and a deeper appreciation of the natural habitat of the island.</p>
<p><b>9.8</b></p>	<p><b>Employment and Training Schemes in Gozo</b></p> <p>Various schemes were set in motion together with ETC for the training of those registering for work or who are inactive. These include on-the-job training as well as two other schemes in the hospitality sector for training during the winter months. Various courses were held, including computer training for the general public.</p> <p>Other schemes are planned to encourage more jobs in Gozo.</p>
<p><b>9.9</b></p>	<p><b>Digital Hub in Gozo</b></p> <p>A study has just been concluded regarding the technical and financial feasibility of the implementation of a digital hub in Gozo. Together with Malta Enterprise, we are working to attract more investment in this sector.</p>

<p><b>9.10</b></p>	<p><b>Creativity Hub in Gozo</b></p> <p>The application for European funds for the development of the site formerly occupied by Malta Dairy Products was submitted in September 2015. The aim is to transform this site into a centre for new companies offering innovative and creative services, such as the film industry.</p>
<p><b>9.11</b></p>	<p><b>SME park in Gozo</b></p> <p>The industrial estate in Xewkija has potential for extension. An application has been submitted for European funds to build a park for small enterprises for these to operate in a congenial environment.</p>
<p><b>9.12</b></p>	<p><b>Offices to provide new services for Gozitans</b></p> <p>During the course of this last year various offices were opened to provide new services for Gozo residents. These included the re-opening of the MEUSAC representative office, new Probation and Parole offices, and offices for the Simplification of Bureaucracy Division, e-residence and regional statistics. The Social Work Division was transferred to the new Gozo Childcare Development Centre. The Gozo Sports Board and the Gozo Youth Council were also set up to service these two sectors.</p>
<p><b>9.13</b></p>	<p><b>Public Works around Gozo</b></p> <p>Works were carried out on the upgrading of the tal-Qbajjar promenade and more works are in</p>

progress in Marsalforn and Xlendi; necessary works for the benefit of fisherman were taken in hand on the Marsalforn inlet and other sites for the benefit of divers such as Xatt l-Aħmar and Blata tal-Fessej; upgrading works were carried out in major squares and streets in various parts of Rabat, Nadur, Xewkija, Għajnsielem and Xagħra, including 10km of roads from Hondoq ir-Rummien to Ta' Ċenċ. Restoration works were carried out on the facade of the Banca Giuratale on Independence Square in Victoria, Gozo. Several photovoltaic panels were installed at the Taċ-Ċawla Housing Estate. A new parquet will be laid at the Gozo Gymnasium and works will continue on the extension of the Rabat Cemetery. Plans are in hand for the upgrading of more streets and squares as well as the tarmac surfacing of a number of roads around Gozo.

<p><b>9.14</b></p>	<p><b>Ċittadella restoration</b></p> <p>The restoration of the Ċittadella, which cost €14 million, is nearing completion and it is anticipated that the works will be concluded by the end of the year. Apart from the restoration of this jewel in the centre of the island, access to the site will also be upgraded and more services, such as an interpretation centre, will be made available.</p>
<p><b>9.15</b></p>	<p><b>New premises for the Gozo Law Courts</b></p> <p>Following consultation with MEPA, new plans were drafted to better accommodate this development.</p>
<p><b>9.16</b></p>	<p><b>Medical Hub in Gozo</b></p> <p>The investment which is anticipated for 2016 in this field will introduce new medical services leading to the creation of a medical hub in Gozo.</p>
<p><b>9.17</b></p>	<p><b>Homes for the elderly in Gozo</b></p> <p>In the course of this year excavation works were undertaken and the contraction of the home will start in 2016. The premises are expected to also accommodate couples and will contain 70 rooms to house 140 elderly persons. In addition there will be a special extension for those suffering from dementia.</p>

<p><b>9.18</b></p>	<p><b>Refund of salaries for new employment in Gozo</b></p> <p>We are rolling out more incentives for new jobs in the private sector in Gozo. For each employee offered a contract of three years or more, 20% of the salary would be refunded up to a maximum of €5,000.</p>
<p><b>9.19</b></p>	<p><b>Other Projects</b></p> <p>Other projects to improve quality of life in Gozo in the coming years are the building of a swimming pool and the regeneration of St Francis Square which will include new access to the main car parks in Victoria. The Ministry for Gozo will continue its intensive programme of cleaning and upgrading valleys and the rebuilding of rubble walls in various localities.</p> <p>We shall continue with our endeavours to create more jobs in Gozo through the transfer of more back-office work from Malta. Amongst these is the salary section of the Police Department. More incentives will be given for the creation of new jobs in Gozo and for foreign investment to boost and diversify the economy of Gozo.</p> <p>Applications have been submitted for the restoration of historical sites in Gozo, including the aqueduct through which water used to flow from Santa Lucia to Rabat, the Xewkija mill and Calypso's cave. We also have plans for a Gozo museum and for the first time there will be line item to acquire objects of art for this museum.</p>

## H: Promoting Sports and Culture

<b>10.1</b>	<b>National Swimming Pool</b> Following the extensive works carried out this year, the national swimming pool in Tal-Qroqq will be further modernised with the replacement of the deck, as well as the retrofitting of equipment to make the pool more energy friendly and to cut down heating costs. The water reservoir will be rehabilitated to capture rain water for use in the same pool.
<b>10.2</b>	<b>Capital Projects for Sports</b> Plans will be drafter for other works on swimming pools in Marsascula, Cottonera, Had-Dingli and Pembroke. The flooring in the Cottonera gym complex will be replaced and the gymnastics hall will be extended. A shallow pool will be built in the Hal-Kirkop complex and more works will be carried out in the Marsa sports complex.  Also during next year the racecourse in Marsa will undergo all the necessary works to upgrade it to international standards.
<b>10.3</b>	<b>New Sports Initiatives</b> With a view to bringing the Malta Sports Council closer to sports federations and provide children with more opportunitites for sports education, Government will launch new academies for basketball, volleyball and gymnastics.  Government is also seeking to provide a facility

	<p>for judo and to develop more jogging tracks around Malta.</p> <p>The possibility of building a shooting range of international standards will be further explored.</p>
<b>10.4</b>	<p><b>Sports Facilities at the Youth Village</b></p> <p>Together with the Youth Agency we shall be seeking to build sports facilities at the Youth Village for the use of ALP students and Youth Inc as well as other young people from sports associations.</p>
<b>10.5</b>	<p><b>White Paper about Professionalism in Sport</b></p> <p>In the coming months a White Paper will be published for discussion with sport associations regarding how these clubs and associations could attract investment in their facilities so that sport in Malta could be managed more sustainably and on a more solid base.</p>

## Culture

<b>10.6</b>	<b>European Funds for Investment in Cultural Capital Projects</b> In the coming year we will be concentrating on the conclusion of the Hypogeum project and we will be working on new initiatives under the ERDF 2014-2020 fund programme. The central initiative will be the application for the rehabilitation and modernisation of the Notarial Archives in Valletta as of 2016.
<b>10.7</b>	<b>Valletta 2018 - European Cultural Capital</b> Preparations are under way for a suitable plan to usher in the City of Valletta as the European Cultural Capital for the year 2018. In addition, a number of applications have been submitted for European funds to subsidise Government's capital expenditure on several important projects which will leave their mark on the cultural scene of our country well beyond 2018. Amongst the applications submitted are the Valletta Design Cluster, The MUŻA project, the Grand Salon for Costume, Fashion and Film and the Malta International Contemporary Art Space. We shall also be actively seeking private investment for the regeneration of the Valletta closed market.

<p><b>10.8</b></p>	<p><b>Fortifications</b></p> <p>We shall continue with the extensive restoration of the various fortifications around Malta. By 2016 we shall have given back to the people of Malta and Gozo two priceless forts, Fort St Elmo and Fort St Angelo. By the end of this year we would also have added new facilities at St Paul's Catacombs in addition to the building a protective canopy over the Tarxien Temples and other significant restoration works.</p>
<p><b>10.9</b></p>	<p><b>The South Side of St Elmo</b></p> <p>Following the completion of the restoration and regeneration of upper St Elmo, it became even more evident that the lower part of the fort sorely needed to be likewise rehabilitated. We believe this is an opportunity for the private sector to make a high quality investment which respects the historical value of the site and transforms this part of the fort into a live attraction. Government is therefore issuing a request for proposals for the regeneration of the lower part of Fort St Elmo. This process should lead to the restoration of the majestic edifices of this part of the fort as well as all the open spaces within it and to breathe life into the fort through new activities undertaken by the private sector.</p>
<p><b>10.10</b></p>	<p><b>World Art and Culture Summit</b></p> <p>In the coming year, the Malta Arts Council will be hosting the seventh World Summit for Art and Culture with 400 delegates from 80 countries</p>

	<p>round the world. This will be done in partnership with the International Federation of Arts Councils and Cultural Agency (IFACCA)</p>
<b>10.11</b>	<p><b>Malta's Participation in the Venice Biennale</b></p> <p>As also pledged in the electoral programme, we shall endeavour to reactivate Malta's participation in the Venice Biennale of 2017. A new vote will therefore be allocated for the initial investment which for this year will amount to €100,000 for a total expenditure of €350,000 over two years.</p>
<b>10.12</b>	<p><b>New Partnerships with Cultural Organisations</b></p> <p>Through restructuring and the allocation of additional funds for the Malta Arts Council, a competitive fund of €500,000 will be set up to provide co-financing to the principal partners in this plan over a period of three years.</p>
<b>10.13</b>	<p><b>Establishment of Teatru Malta</b></p> <p>Two years ago we announced the setting up of DanceMalta, and in the same way we are now making the initial investment to set up a professional structure for the theatre with a view to promoting theatrical works which are relevant to contemporary society and of artistic excellence which includes experimentation in style, dramatology, technology and scripting, amongst other things. This will come about through productions and co-productions with artists and theatrical companies, both Maltese and foreign.</p>

## I: National Security

<b>11.1</b>	<b>Detention Service</b> <p>The first ever sectional agreement between Government and the General Workers' Union (GWU) was signed this year. For 2016 it is envisaged to strengthen security through the use of CCTV as well as the installation of a complete system of radio communication.</p>
<b>11.2</b>	<b>Civil Protection Department</b> <p>The department will soon start using another three new all-terrain vehicles purchased for €130,000. The operation of the department was also strengthened with the acquisition of numerous pieces of new equipment including digital radios (€23,000), three USAR rigs (€69,000), a digital telephone system, 125 fire-fighting suits (€51,000) and another 65 are in the process of being purchased, six rescue dogs, a drone for use in cases of firework factory explosions and similar situations, 250 helmets (€43,000) new apparatus for use by Hazmat as well as the installation of photovoltaic panels at the Xemxija station.</p> <p>For 2016 the department's fleet will be enlarged. 6 light fire engines and a high capacity foam carrier have already been ordered and are expected to be delivered at the beginning of next year. The value of these new trucks is €1.2 million. Agreement was also reached with the Ministry for Finance for the acquisition of another 12 vehicles with an</p>

<p>expenditure of €2.5 million. The tender specifications are currently being formulated. It is also anticipated that during 2016 the CPD will start working on larger and more modern quarters in Hal Far, close to the fire fighting station. The CPD has also applied for EU funds under the ISF programme where a project is being proposed for the reinforcement of the Hazmat division. The value is estimated at €700,00. It is also anticipated that the voluntary service would be strengthened during 2016.</p>
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### **11.3 Investment in the Malta Armed Forces (Equipment and Human Resources)**

In the pipeline for 216 are a large number of projects and initiatives which include the acquisition of three new helicopters to the value of €13.9 million, which contract has already been signed (30th June 2015); the purchase of a third new aeroplane costing €15 million and the commencement of structural works on the Army Base at Pembroke to accommodate a military training school. We have also earmarked an investment of €2.5 million for new military equipment as part of the modernisation of the Force.

In addition, there are also a number of capital projects co-sponsored by ISF for the period 2014-2020, the processing of which will start in 2016 and which are estimated to cost €75 million over five years. These include the acquisition of an offshore patrol vessel for the sum of around €38 million and the purchase of a robot and van for the EOD estimated to cost around one and half million Euros.

To limit bureaucracy, the AFM is holding talks with the Management Efficiency Unit within the OPM for a computerised system of inventory of ammunition and uniforms as well as another programme for a more precise and efficient audit of AFM vehicle repairs.

Finally, €500,000 are budgeted for training of officers and soldiers in 2016, both in Malta and

abroad as well as €400,000 earmarked for the participation of AFM officers and men in missions outside the country.

2016 will see an increase in the allowance paid to members of the Armed Forces Malta. This increase will double the allowance given at present.

Once the relative legislation, already on the Parliamentary agenda, is approved, there will be a call for more Reservists.

In 2016 the AFM also intend to engage 100 new recruits and 10 new cadet officers.

<p><b>11.4</b></p>	<p><b>Police Force Economic Crimes Unit</b></p> <p>The Economic Crimes Unit of the Police Force is being strengthened in terms of human resources, and the Squad has gone up from six Inspectors to ten. More personnel is also being added to their Investigation Teams. For 2016 it is envisaged that this Squad will be strengthened with the addition of more professional members such as accountants and other professionals. If these professional resources are not found within the Police Corps they will be engaged from outside the Corps. The Squad will be further bolstered with the acquisition of new tools required for analysis.</p>
<p><b>11.5</b></p>	<p><b>Strengthening the Probation and Parole Department</b></p> <p>There are plans for the launch in 2016 of an IT project, to be known as Offender Management System, enabling users of this system (prisons, law courts, probation and parole) to have more efficient networking. All personnel underwent extended training to improve the service given to the public. A pilot project, known as Anger Management aimed at clients making use of the DPP, was also rolled out this year. The Victim Offender Meditation service will also be expanded and the mediation process will be launched in 2016. Also in the pipeline is more training for psychologists in collaboration with the National Offenders Management System of the United Kingdom in programmes aimed at rehabilitation.</p>

## **11.6 The Police Force**

The Forensic Laboratory will acquire accreditation this year. In addition, the IT division was strengthened to be better able to enforce the programme of border control with the acquisition of finger print scanners, passport scanners and webcams, and this in view of the control necessitated by Schengen. EU funds were invested in an Advanced Passenger Information (API) system for the checking of arrivals from outside the Schengen Area.

More substantial investment will be made in the acquisition of new computers as well as other equipment for the police force, such as bullet proof vests. To reinforce human resources it is hoped that new recruits will be taken in during 2016. In the coming year the Immigration Division together with the National Schengen Information Systems Unit, will launch a project leading to the utilisation of new machinery for an automated border control as part of the EU Smart Borders project. This project is estimated to cost one million Euros.

The Police Force has applied for various projects to be co-financed by the EU for the period 2014-2020 under the ISF and AMIF programmes. These include €1 million for expenses related to repatriation of immigrants not eligible for refugee status, a quarter of a million Euros for training with other countries, €400,000 for the purchase of equipment for the Force, half a million Euros for law enforcement entities to have access to the Europol and Interpol databases, the strengthening

<p>of the Cyber Crime Unit amounting to €1.4 million, the extension of the Operations Room in the NS-SIS premises amounting to around €200,00, the purchase of a surveillance van for costing €90,000, the setting up of a command and control room estimated to cost €2.25 million and another €800,000 for the extension of the automated case management system.</p>
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<p><b>11.7</b></p>	<p><b>Police Academy</b></p> <p>2016 will see the introduction of another proposal to improve police presence in tourist areas. This will come about following special training of a number of members of the force.</p> <p>In another programme, various police stations in Malta and Gozo will be given a facelift for members of the force to be better able to extend good service to the public.</p>
<p><b>11.8</b></p>	<p><b>Identity Malta</b></p> <p>This agency has several projects for 2016 including the joint project with MEPA for the online acquisition of site plans from the Department of Land Registration. This will lead to the finalisation of a new system of researches regarding land, contracts and other legal instruments within the department of Public and Land Registration. The first phase is expected to be completed towards the end of 2016. The main software will be updated with more participation by the Police Force and the ETC as the principle stakeholders in the process. Another investment will be made by Identity Malta with regards to the process of the Single Permit, whereby the residence and work permits will be embodied in a single document in accordance with EU directives. More investment is envisaged in passport issue with the acquisition of new equipment for the personalisation of passports, namely the inclusion of the person's particulars and well as the programming of biometric details in the passport chip.</p>

**11.9 Corradino Correctional Facility**

The Ministry is committed to financially assist various NGOs including the Prison Fellowship and the RISE Foundation. A call for tenders has been issued for the extension of the youth Correctional Facility in Imtaħleb, which project is financed jointly with Norwegian funding to the amount of one million Euros. This extension is expected to be completed by the third quarter of next year. Related to this funding is a training programme for Maltese personnel by officers of Norwegian Correctional Facilities engaged in the running of youth facilities.

Various capital projects for the modernisation of the Corradino Facility are anticipated for 2016.

## J. Creating a Just, Equal and Inclusive Society

### 12.1 Justice System Reform

Government promised a holistic reform in the Justice system and the law courts and this is being carried out. Much has already been done, including the introduction of new procedures and rights which have already brought about tangible improvements. At the same time numerous new systems, both technical and procedural, were introduced, and will continue to be introduced, in the civil courts to eradicate bureaucracy and time wasting.

The physical space of the Law Courts was expanded with the opening of the Judiciary Building. This was a decision that caters not only for the present but also for future exigencies and allows for the expansion of human resources in our Courts.

Further efforts will be made to fulfil the recommendations made by the Holistic Justice Reform Commission in its final report.

During the coming year we shall be focusing on four main areas:

Firstly, we need to entrench new rights in the field of criminal justice to further boost personal guarantees and safeguards. For this purpose the right to the presence of an advocate during arrest will be further fine tuned and improved. In addition, a pilot project will be launched whereby court prosecutions will be conducted by a lawyer instead of a member of the Police Force, who in

most cases would also have been the investigating officer.

Secondly, in the civil camp we shall undertake an unprecedented initiative to introduce in Malta the culture which predominates on a European level, namely the culture of recourse to mediation prior to court litigation. We believe that mediation is a powerful tool which, if employed well, gives good results, more speedily and in many cases, at a lesser cost for the citizen. During the coming year we shall be pushing a number of amendments to improve and modernise this legal field and we shall endeavour to raise awareness about the benefits of mediation on a national level.

Thirdly, in the field of commerce we shall be giving priority to two legal institutes which in recent generations have been neglected, namely bankruptcy proceedings and the enforcement of contracts.

Fourthly, we shall be investing in the expansion of human resources in our Courts, including the assigning of full time lawyers to assist judges in the Civil Courts. These lawyers would be chosen by the judges themselves, as is currently the practice in the selection of other officers of the Court such as Children's advocates, and will assist judges in research and the preparation of judgements on the model of continental jurists. Concurrently, we shall improve the training programme for judges and law courts staff, even with the use of EU funds.

	<p>Special attention will be given to those Courts where Government feels the need of shorter times in the handing down of judgements.</p>
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	<p>At the same time the Department of Justice will continue the task, begun this year, of upgrading the legal aid services provided by Government with a view to extending this service to more beneficiaries.</p>
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<p><b>12.2</b></p>	<p><b>The Whistleblowers' Act and Party Financing Legislation</b></p> <p>Earlier this year, Government implemented two pieces of legislation that are crucial to good governance - the Whistleblowers' Act and the Financing of Political Parties Act.</p> <p>The Whistleblowers' Unit, which offers assistance to persons wishing to reveal information within the scope of the Act, will be reinforced even with the relocation of services to one adequate, central and easily accessible site from where this unit could operate with trained staff instructed to give the best possible guidance to whoever comes forward with information.</p> <p>The Financing of Political Parties Act will come into force on 1st January 2016. This will render the operation of parties and election candidates more transparent. Government will ensure that in the coming months, and after consultation, the necessary regulations for the best enforcement of this legislation are implemented.</p>
<p><b>12.3</b></p>	<p><b>Local Government</b></p> <p>The Local Enforcement System Agency (LESA) was formally set up this year to regulate local enforcement. By the end of this year this Agency will gradually assume all regulatory functions in this field.</p> <p>We believe the Agency will make a difference in the lives of citizens who, for many years, were subjected to practices that severely dented the</p>

credibility of this facet of local enforcement. These excesses will be curtailed whilst ensuring the sustainability of the system with more emphasis on education, training and the community aspect.

We shall launch a consultation process to hand over new co-ordination responsibilities to Regional Committees to assist Local Councils in offering a better quality service to their respective residents, thus strengthening the councils themselves.

The task in the field of local government does not end with enforcement. The project whereby Local Councils effect live transmissions of their meetings will now become part of the Local Councils' obligations according to law. We will be launching another pilot project for members of the public to be included to form part of adjudicating boards for major projects to enhance transparency, particularly with regards to the councils' expenditure.

We will intensify our commitment in favour of art and culture by giving local artists more opportunities and will push for local councils to make available projects aimed at the training of all those wishing to enhance their skills.

The *Ghaqal id-Dar* Project will be extended to more local councils in both Malta and Gozo and refuse separation and collection will remain a priority. In collaboration with the Ministry concerned we shall further extend the pilot project of organic waste collection.

<p><b>12.4</b></p>	<p><b>Valletta Local Council</b></p> <p>Around the world, town councils of capital cities are normally housed in prominent buildings. The City of Valletta is an exception with a local council sited in an isolated location and a building that falls short of the prestige which such an institution deserves. This despite the fact that for a number of years the Valletta Local Council has been requesting relocation.</p> <p>Government has therefore decided to relocate the Valletta Local Council to Queen Victoria Square in the premises formerly occupied by Café Premiere. This building will now be of service to all residents of Valletta and accord the Council the prestige it deserves as our capital city prepares to be the European Capital City for 2018.</p>
<p><b>12.5</b></p>	<p><b>Social Security</b></p> <p>We understand that there are many who are in genuine need and are unable to work due to illness, disability and mental health problems. It is our duty to see that these persons and their families do not fall into the poverty trap.</p> <p>With this in mind, and as of the coming year, the income of working children of such families will no longer be considered for the purposes of means testing of the head of the household. This means that the amount of €16.30 for each working</p>

	<p>child still residing in the family home will no longer be deducted from the social assistance payable. As an example, a family of 4 persons will be receiving €125.32c per week instead of the current €92.72c. This measure will cost €1.5 million and will benefit more than 2,000 families.</p>
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<p><b>12.6</b></p>	<p><b><i>Socjeta Ġusta</i> Project</b></p> <p>We shall be continue with Project <i>Socjeta Ġusta</i>- a very ambitious commitment taken on by Government - to provide ten small homes within the community, thus giving peace of mind to parents of persons with disability who worry about their children's future once they themselves pass away.</p> <p>The first of these homes in Siggiewi is completed and is already hosting the first group of residents. Another such home, in Gozo, is nearing completion, whilst applications for those in Ħaz-Zabbar and Pembroke are being considered by MEPA. The process relating to other homes, including the one in Pace Grasso, are at advanced stage.</p>
<p><b>12.7</b></p>	<p><b>Extension of Medical Assistance</b></p> <p>Among single persons living with their parents, there could be some who cannot work because of mental illness or terminal disease. To prevent such persons becoming a burden on their parents, where either one of the parents receives a pension, such persons will be given the right to benefit from Medical Assistance.</p>

<p><b>12.8</b></p>	<p><b>A Raise in the Drug Addicts Allowance</b></p> <p>Another measure concerns persons who undergo drug rehabilitation programmes. These persons will receive a benefit, known as Drug Addict Allowance, irrespective of their income or the income of their families. In addition, this benefit will be raised from €23.29 to €30.00 per week.</p>
<p><b>12.9</b></p>	<p><b>Travel Restrictions on Social Benefit Recipients</b></p> <p>We shall be removing travel restrictions imposed to date on recipients of social benefits. Thus, persons receiving social benefits will have the right to travel to any European Union country for a period not exceeding eight days in any calendar year without losing their social benefit. Persons receiving Non-Contributory Old Age pensions who have relatives residing in Australia, New Zealand and Canada, will be able to visit their relatives for a period not exceeding three months without losing their pension. In the case of persons wishing to travel to non-EU countries, the visit should be no longer than one month.</p>
<p><b>12.10</b></p>	<p><b>Persons with Disability</b></p> <p>Government will continue with its efforts to improve the quality of life of persons with disability.</p> <p>The National Commission for Persons with</p>

<p>Disability (NCPD) will be setting up a call centre to improve the services it provides to persons with disability and their families. Families wanting to care for young people and adults with disability will be given support through the Sharing Lives scheme. Above all, the support given to persons with disability will be enhanced through the Empowerment Programme intended for disabled persons wishing to live independent lives as well as to provide improved respite services.</p>
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**12.11****Hub for person's with disability**

Government has for long been working on the creation of a well equipped hub for persons with disabilities, a place where persons of different abilities could meet and integrate with other persons having other forms of disability in order to promote inclusion and have access to the various services and facilities available in one location to make their life easier.

The hub will not be an institution, but a means of promoting inclusion and participation in a community.

The complex will be composed of various facilities and services and will be specifically designed for persons with disability. Apart from residential services to be offered from a part of the complex, the hub will include a hostel, a respite centre, commercial outlets, gym facilities including a pool for hydro therapy, a day centre and underground parking. These services will be partially administered by persons with disability themselves and will be managed on the concept of social enterprise and thus we would be promoting an empowerment programme for the disabled through which they could acquire various skills, including entrepreneurial skills, to encourage them to enter the work force and acquire more independence.

Part of this project will be managed together with the Malta Guide Dogs Foundation and will include programmes for persons affected by

blindness and loss of hearing, autistic persons as well as people with diabetes. The range of persons who can benefit from the services is therefore very significant.

Apart from adding to the accommodation available for this stratum of society, this project should be the most clear example of accessibility, inclusion, training and development for persons with different levels of disability as well as offering other services to address the needs created by various levels of disability. This project will serve as a prototype of the concept for holistic and integrated services on the model of a one stop shop.

<p><b>12.12</b></p>	<p><b>Home for the Elderly in Birkirkara</b></p> <p>Government will be issuing a call for proposals for the building of a home for the elderly in Birkirkara. This project will be financed on a PPP basis. Once completed, it is anticipated that some offices of the Health Department would be relocated to this building.</p>
<p><b>12.13</b></p>	<p><b>Consultative Council for the South</b></p> <p>The projected American University of Malta with campuses in Dock Number 1 in Cospicua and at Zonqor Point in Marsascala will give a strong boost to the economy of this region and will provide a big push to its regeneration.</p> <p>Government's environmental strategy was also reflected in the South of Malta where environmental studies will be undertaken in Wied Blandun. Thus projects and initiatives for the coming year will also be geared to the economic growth of the south region in full respect for the environment.</p>
<p><b>12.14</b></p>	<p><b>A bigger Fund for NGOs</b></p> <p>The Funds allocated for non-government organisations working in the field of social welfare will be better structured. As of next year, these organisations will be requested to enter into Public Social Partnerships with the Ministry for Social Solidarity, as some have already done, with</p>

a view to arriving at a prior agreement as to the aims and objectives to be reached. In this way, these organisations would face less bureaucracy in acquiring funds since they would not need to apply for funds every year. At the same time they would have the assurance of guaranteed funds for the whole length of the agreement reached with the ministry.

At the same time, smaller non-government organisations, not necessarily engaged in social work, will have more opportunities to benefit from funds under the Voluntary Organisations Fund of the Ministry for Social Dialogue.

<p><b>12.15</b></p>	<p><b>Increased Assistance to Coeliacs</b></p> <p>In light of Government's commitment to minimising bureaucracy whilst at the same time improving the quality of and access to free health services, the Ministry for Energy and Health launched a scheme whereby vouchers of a monetary value of €30 were given to sufferers of Coeliac Disease. Under the current system coeliac patients aged 60 and over and those in low income groups according the Social Services Register received a €50 voucher.</p> <p>As a Government that listens and that is always close to the people, it has been decided to raise the value of the €30 voucher to €45.</p> <p>The value of the vouchers is a financial supplement to compensate for the difference in price of food products containing gluten and gluten-free products - that is products not containing wheat, barley or rye. This scheme shows Government is sensitive to the needs of these patients as now their choice of products and brands is much wider.</p>
<p><b>12.16</b></p>	<p><b>Upgrading and Maintenance of Housing Estates</b></p> <p>In addition to the programme of repairs of leased residences, the Housing Authority intends to continue its programme of even more extensive repair and maintenance projects, as well as the refurbishment and embellishment of various</p>

housing estates.

The programme for next year includes projects in three localities, amongst which are a block of 48 units in Hamrun, where it is planned to carry out maintenance works, replacement of ceilings and roofs as well as a thorough upgrading of the extensive common parts of the block. This includes the installation of new systems for electricity, water and drainage, replacement of apertures as well as the cleaning and painting of all the common parts.

The second project covers maintenance works on the facades and roofs of various blocks at the Ta' Giorni Housing Estate.

In Pembroke, following the replacement of the lighting system in the landscaping surrounding 7 blocks in Peitro Darmanin Street last year at the cost of €40,000, this year it is planned to carry out maintenance works on the facades as well as repairs and maintenance of the paving and the rain water culverts system to overcome the problem of flooding.

The cost of this upgrading and maintenance project will amount to €800,000.

<p><b>12.17</b></p>	<p><b>Building of new Housing Estates</b></p> <p>The Housing Authority is working on a plan calculated to meet the ever growing demand for social housing. Around 2900 applications are still pending before the Authority, many of them several years old. The Housing Authority will be embarking on a €50million project of new social housing in order to increase its stock. The project includes the restructuring of existing premises and the building of new premises already covered but MEPA permits as well as the acquisition of neglected private properties.</p>
<p><b>12.18</b></p>	<p><b>Community Work Scheme and Document Management</b></p> <p>As promised last year, all persons engaged in the Community Work Scheme will be transferred to a private company so as to receive the dignity they deserve. Now that the operator has been selected, all persons on this scheme are in the process of being employed. In the coming months we will be fulfilling our pledge to scores of persons currently in precarious employment.</p> <p>In Gozo, the private sector was encouraged to employ people with disability. Now that the operator has been selected, a gradual process will be rolled out for the interviewing of persons with disability to be employed in appropriate jobs.</p>

**12.19**

**Persons with Disability in the Labour Force**

This year we set in motion one of the biggest social reforms of all time in the field of labour and persons with disabilities, namely the enforcement of the legislation that requires all medium and large enterprises to employ a percentage of persons with disability.

The results are already evident. Previously, the ETC was only able to find work placements for less than a 100 special needs persons per year. Employment is now found for 24 persons per month. This is the result of a strong economy, and Government is determined to operate with a social conscience. This year, the contribution due by companies employing more than 20 workers and who do not observe the law is of €800 for each person with disability not employed. As already announced this will now be raised to €1,600 as of next year.

These funds will be utilized by the Lino Spiteri Foundation for the training and eventual employment of persons with disability, as well as the employment of more job coaches to assist both persons with disabilities and their employers.

To further encourage employers to engage persons with disability we shall be renewing the incentive whereby Government pays the national insurance contribution for these employees whilst employers are refunded 25% of the wage paid, together with a subsidy of €125 a week for three years.

**12.20**

**The Malta Council for Economic and Social Development**

Government believes that the MCESD should be an effective catalyst between the social partners and Government. Consultation within the Council leads to concrete recommendations on socio-economic issues which then pass on to Government for its consideration before taking far-reaching decisions or announcing any reforms.

As pledged in its electoral programme, Government is committed to strengthening the Council. At the beginning of the year, the Ministry for Social Dialogue, Consumer Affairs and Civil Liberties appointed a working group to make proposals and recommendations for the restructuring of the MCESD and its improved operation. Once Government concludes its assessment of these proposals, it is planned to announce a reform of the MCESD early next year. This should lead to better communication between the social partners in the whole of Maltese society and the structures within the Council itself, whilst providing a platform for each entity in Maltese society to make its voice truly heard.

**12.21**

**Setting up of a Human Rights and Equality Commission**

In 2014, Government commissioned the drafting of two legislative bills. One was to amend the current legislation on equality with a view to extending this principle to all spheres of life and the other concerned the setting up of a National Commission for the Promotion of Equality within the framework of a National Institute for Human Rights, which would be totally autonomous of Government and would answer directly to Parliament. These Bills will be moved in the coming weeks so that this National Institute could be set up next year.

Concurrently, Government is working on a new structure that safeguards equality and human rights in its own operations. Final arrangements are in hand for the setting up of a Directorate for Human Rights and Integration within the Ministry for Social Dialogue, Consumer Affairs and Civil Liberties.

<p><b>12.22</b></p>	<p><b>Voluntary Service</b></p> <p>Next year, Government will proceed with the initiatives launched during the past two years, including a scheme for stipends to young persons who perform voluntary work, and the opening of two Voluntary Work Centres, as well as a scheme for funding and training programmes.</p> <p>Next year a third Centre for Voluntary Work will be opened in the South region in fulfilment of our electoral promise in this field.</p> <p>For 2016 the budget allocation for the voluntary sector will about to €335,000.</p>
<p><b>12.23</b></p>	<p><b>Domestic Violence Commission</b></p> <p>The need has long been felt for the operative strengthening of the Domestic Violence Commission. For this purpose, Government will next year increase the allocation for this Commission to €70,000, almost double what it was in 2014.</p> <p>This will help this Commission to truly boost its endeavours in this field and make sure that Maltese obligations under the Istanbul Convention are respected.</p>

