

## Alternattiva Demokratika – The Green Party

### Proposals for Budget 2012 – Malta

#### ECONOMIC AND FISCAL POLICY

In a global context of economic crisis, AD believes in fiscal discipline, meaning that budgetary deficits and public debt should be manageable. Government's expenditure programmes should be sustainable whilst aiming to improve environmental, social and economic targets. The utilities and public service providers (WSC/Enemalta/University/Health/wasteserv) should provide a 'shadow price' for all services, even if the consumers essentially do not pay it. That is, the water/electricity tariffs should describe the real cost of sewerage services, the cost of CO2 emissions (from power stations), the cost of WSC being allowed to extract groundwater for free, the cost of a medical operation, the cost of waste collection and treatment/disposal, the cost of free medicine etc.) so that the population starts to become educated on the REAL cost of things

1. Green jobs should be generated in areas such as education, IT, transport, tourism, waste management, agriculture and so forth. Measures such as tax breaks, venture capital initiatives and soft-loans would surely be beneficial in this regard. Local councils should also have more authority and resources for the creation of such opportunities.
2. AD believes in a progressive income tax system, based on the ethical consideration that those who can contribute proportionally more do so. In this regard, we believe that ceilings for low-income earners should be raised, in order that tax-free income for such persons is increased.
3. Property speculation should be taxed from third vacant property onwards, particularly when Malta is a perpetual building site and when a quarter of properties are vacant. This would also encourage the renting and selling of properties, which are kept vacant for speculation purposes and the use of existing buildings rather than building more areas
4. Water – which is a strategic resource of national importance – should be priced in a realistic way. In the short run, all unregistered boreholes should be banned. In the longer run, save for some strategic exceptions such as agriculture, the true price of water should be reflected in its consumption. Utility tariffs should penalise wasteful practices and not basic consumption.
5. AD suggests a realistic assessment of the cost of living adjustment is carried out in order that the yearly compensation truly reflects the rise in inflation. Hence, an updated methodology should replace the current one on which COLA is based.

6. The minimum wage in Malta should increase and should be extended to part time and contractual workers as well as those who are being forced to register as self-employed by their employers

7. The public sector should move closer towards the concept of a 'one-stop show' to ease bureaucratic hurdles for prospective investors

8. FORUM should be represented in MCESD together with other trade unions.

## SOCIAL POLICY AND HEALTH

AD acknowledges that the government has offered a number of incentives to attract more workers to the labour market. However, despite some growth in employment rates, the problem of inactivity persists. More efforts need to be made to make the labour market more accessible to vulnerable groups such as women, persons with disability and immigrants.

9. Family-friendly measures need to be stepped up. Affordable childcare, flexible working hours, extended maternity and paternity leave, after school programmes all facilitate the full-time contribution of both mothers and fathers in the labour market while ensuring that a healthy work-life balance is achieved.

10. Such measures need to be extended also to workers in the private sector. The state should shoulder part or all of the financial costs to enable small employers to be able to offer family-friendly measures to their employees.

11. Vulnerable groups who depend on social benefits for their livelihood should be encouraged to seek employment, where possible. The maximum income capping should be increased to reflect today's realities. Vulnerable groups such as lone parents and persons with disability are discouraged from earning more since otherwise their social benefits/disability pension will be deducted accordingly. Consequently it is more difficult for such persons to avoid being trapped into a life of state dependency.

12. Pensions to current pensioners, and the current disability pension, which amounts to 55 per cent of the minimum wage, should be increased.

13. Discrimination on various social levels should be confronted not only at work but also in other social spheres. Fully paid maternity leave, which is currently the lowest in the EU, should be increased to twenty weeks, with additional paternity leave (also at full pay) of at least 2 weeks.

14. Pension reform that matches fiscal sustainability with social justice, which, whilst introducing a second pillar, reduces the 40-year mandatory working period to be eligible for a full pension. Such a system would be rigid and inflexible, resulting in further inequalities for workers such as carers and part-time workers. Women, in particular, find

it difficult to balance contributory requirements with the competing demands of family life, child-bearing and insecure work.

15. Inclusion of Myalgic Encephalomyelitis (M.E.) and Fibromyalgia (FM) in the list of disabilities covered by the Maltese Social Security Legislation Act. For example, ME and FM patients should be given the same support and access in cross-border care as is given to sufferers of other conditions for which treatment is not available locally. Funds should also be allocated for appropriate education and training of doctors and other health care professionals that would enable them to diagnose ME and FM patients at an early stage and advise them on appropriate forms of health management.

16. Increased investment in the provision of facilities and services to disabled persons, including for residential homes, which currently cannot cope with demand.

17. Increased efforts should be made to ensure that whilst public health services are universally accessible, the system remains financially sustainable. A specific public health insurance scheme should be established so as to ensure that public funds are specifically used for this purpose. The practice through which private insurance companies pay clients who use public services instead of private ones should be stopped.

## ENERGY

18. A serious and extensive programme to utilise available roof space to generate clean energy should be embarked on.

19. Sites for a wind farm, onshore or in suitable offshore locations, for which experimental data by experts already exists, should be identified as soon as possible.

20. Given the downward trend in prices for solar water heaters, these should replace electrical water heaters in all buildings. A phase out plan for electrical water heaters should be considered, with corresponding fiscal incentives.

21. A national programme for the replacement of street lighting with low energy lighting

## TRANSPORT

22. Public transport should be adequately subsidised to guarantee a good service. Other revenue streams for public transport, such as the incoming tax payable on all air travel, from tourists should be sought rather than the unwieldy system of charging different fees at point of use, which is bogging down the system.

23. Programmes to incentivise electric and low powered scooters should be considered.

24. Mixed-use streets – which are safer for pedestrians and bicycles in residential and commercial areas should be considered.

25. An absolute priority for public transport should be connections to and from areas which attract a high number of people during the day such as the Gzira-Sliema-St Julian's area, the Valletta area, the University-Mater Dei area and other office and commercial centres. Reducing traffic to these areas should be a priority.

## FOREIGN POLICY

26. Increased investment for more Maltese participation in UN and EU peace keeping, civil protection and natural disasters and humanitarian missions abroad. All Maltese participation in missions abroad should be mandated and approved by Maltese parliament.

27. Reassessing and increasing Malta's contribution to development fund. The building and upkeep of detention centres is not to be considered part of this aid.

28. The Maltese parliament should open a permanent office at the European Parliament to liaise with Maltese parliament. Given the increased functions and roles of national parliaments in influencing directives to be issued by the EU, the EU and Foreign Policy Committee in parliament should be established on a full time basis.

## ENVIRONMENT

29. Full Implementation of WEEE Directive (Waste from Electric and Electronic Equipment): producer representatives should commence taking back of used equipment thus implementing producer responsibility principle.

30. The formulation of a strategy on how economic instruments can be used for environmental improvements, as proposed by the National Strategy for Sustainable Development.