

BUDGET 2012



Fighting Exclusion

Our Firm

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The vision of this 2012 budget is to consolidate social integration by fighting exclusion.

The Honourable Xavier Luc Duval, Minister of Finance, laid down the four pillars of this budget as being:

***"Setting the basis for strong growth;
Riding out the crisis;
Improving social protection; and
Fiscal reform"***

The proposal to inject **Rs 21.2 billion** in the economy for key infrastructure projects is intended to boost the construction industry, maintain and create additional jobs.

Significant measures have been proposed in order to democratise entrepreneurship and to facilitate the conduct of business.

SME's have received added support and non-negligible incentives by way of overdraft and bank loan facilities at a significantly reduced rate, industrial space and lower costs, participation in Government contracts etc.

The Budget also made provision for a National Resilience Fund (NRF) to the amount of **Rs 7.3 billion**. This contingency fund will be used to strengthen the resilience of the economy and may also be used as a rainy day fund to shore up public finances.

The laudable objective of decent housing units for every family; greater access to private health care by contributing towards private health family insurance through contributions of employers to the National Savings Fund need to be highlighted.

Some of the well acclaimed measures which the Honourable

Minister was well inspired to introduce in his budget are the abolition of the capital gains tax from sale of immovable property, abolition of solidarity income tax on dividends and interest income as well as the abolition of municipal tenant's tax on commercial premises.

However, the objective of the Honourable Minister of creating "*Growth for the Greater Good*" can only be achieved if the private sector, that is, tourism, manufacturing, financial services can contribute significantly towards this aim. In the light of the bleak global economic outlook, one has to be realistically cautious whether the Minister's optimism is justified. Only time will tell...

**The Tax Team
04 November 2011**

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ECONOMIC OUTLOOK

Major economic highlights of the Budget are:-

- Increase in net international reserves to around 40 weeks of import cover.
- Broaden economic base with new sectors.
- Greater emphasis on export promotion and market development.
- Institutional reforms for greater efficiency and good governance.
- Need to facilitate the rising trend of women seeking employment.
- Set the base for a high-investment, high-productivity, high-efficiency, high-technology and high-wage economy.
- Empower Board of Investment (BOI) to actively promote Mauritius to further develop the financial sector, ICT/BPO and the education and medical hubs.
- BOI to also facilitate inward investment.
- Amend the law to enable Permanent Residence holders to purchase an apartment.
- Search for a specialized Private Financial Institution to undertake the transformation of the Development Bank of Mauritius (DBM) into a Micro, Small and Medium Enterprise Bank.
- Merging of cess-financed institutions to save planters **Rs 287 million** a year.
- Amend the Public Procurement Act to secure efficiency.

BUDGET ESTIMATES

The budget deficit for 2011 is estimated at 3.8 percent of GDP and for 2012 it is expected to stay at around 3.8 percent of GDP.

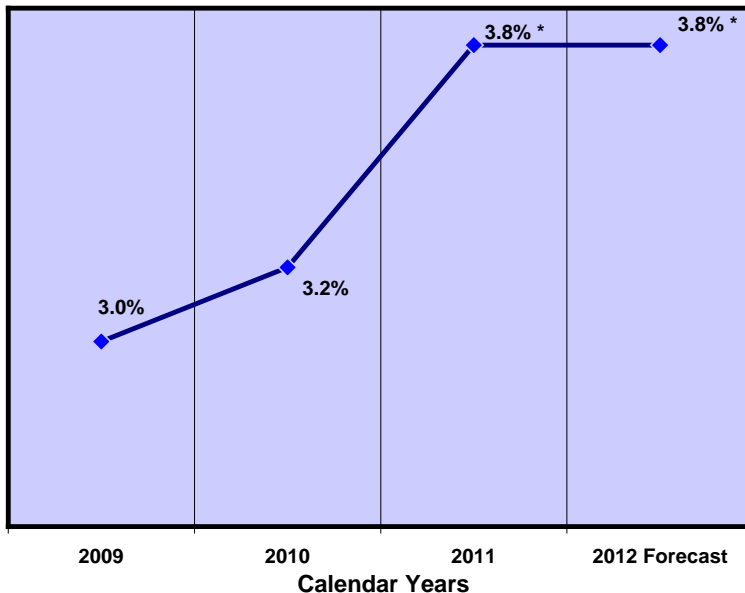
Inflation rate for 2011 is estimated at 6.5 percent.

The public sector debt for 2011 is estimated at 54.2 percent of GDP and for 2012 it is expected at around 54.1 percent of GDP.

The real GDP growth rate for 2011 is estimated at around 4.2 percent and the forecast for 2012 is around 4 percent.

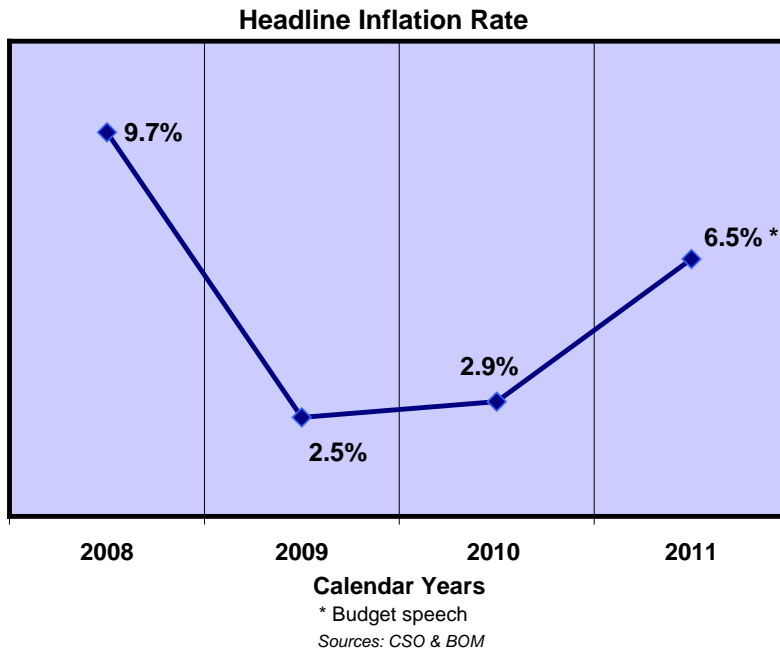
Unemployment rate for 2011 is estimated at 7.8 percent.

Budget deficit as % of GDP



*Budget speech
Sources: MOF & BOM

BUDGET ESTIMATES (CONTINUED)



FISCAL MEASURES

1. INCOME TAX

(a) Increase in Income Exemption Thresholds

	FROM	TO
Individual with no dependent	Rs 255,000	Rs 270,000
Individual with one dependent	Rs 365,000	Rs 380,000
Individual with two dependents	Rs 425,000	Rs 440,000
Individual with three or more dependents	Rs 465,000	Rs 480,000
Retired person with no dependent	Rs 305,000	Rs 320,000
Retired person with one or more dependents	Rs 415,000	Rs 430,000

(b) Abolition of Solidarity Income Tax on dividends and interest income

	FROM	TO
Individual having taxable Income, interest and dividends income above Rs 2 million	10 percent of dividends and interest income as from income year 2011	Nil as from income year 2012
Tax deduction at source on bank deposits exceeding Rs 5 million	10 percent	Nil as from January 2012

(c) Abolition of tax on gains from sale of immovable property

Tax on gains derived from sale of immovable property introduced last year at the rate of 10 percent for individuals not engaged in the business of property dealings and 15 percent in other cases is being removed on transactions effected as from 5 November 2011.

FISCAL MEASURES

1. INCOME TAX (CONTINUED)

(d) New taxation regime of fringe benefits

(Monthly taxable amount)

	FROM	TO
(i) Car Benefit		
A. Car is used for official or business and private purposes		
Up to 1600cc	Rs 4,000	(50% increase) Rs 6,000
1601 to 2000cc	Rs 4,500	Rs 6,750
Above 2000cc	Rs 5,000	Rs 7,500
B. Car is used exclusively for private purposes		
Up to 1600cc	Rs 12,000	Rs 18,000
1601 to 2000cc	Rs 13,500	Rs 20,250
Above 2000cc	Rs 15,000	Rs 22,500
(ii) Accommodation Benefit provided by hotels		
A. Full Board and lodging		(100% increase)
Single	Rs 5,000	Rs 10,000
Married	Rs 7,000	Rs 14,000
B. Accommodation for:		
Managing and supervisory staff	Rs 2,000	Rs 4,000
Other staff	Rs 1,000	Rs 2,000
(iii) Housing Benefit		
Where property is rented by the employer		
Unfurnished	15% of employee's total emoluments or actual rent paid whichever is the lower	Actual rent paid
Furnished	20% of employee's total emoluments or actual rent paid whichever is the lower	Actual rent paid

FISCAL MEASURES (CONTINUED)

1. INCOME TAX (CONTINUED)

(e) Current Payment System (CPS)

Self-employed taxpayers having a turnover or deriving income from profession, vocation or occupation, not exceeding a threshold of **Rs 2 million** per annum, will no longer be required to file CPS returns and pay tax on a quarterly basis. They will pay tax annually at time of filing of their income tax return. This facility will apply equally to rental income not exceeding the annual threshold of **Rs 2 million**.

Moreover, self-employed taxpayers who did not have any tax to pay in their preceding income tax return will not be required to submit CPS returns. If the tax due in a CPS quarter, using the preceding income year as a basis, is less than Rs 500, no CPS return will be required and the tax will become payable at time of submission of the income tax return.

(f) Advance Payment System (APS)

Companies with turnover below the threshold of **Rs 2 million** per annum will be exempted from the requirement to file quarterly returns and pay tax under the Advance Payment System.

(g) Tax Deduction at Source (TDS)

Tax deduction at source will be extended as follows:

- in respect of contractors and sub-contractors, to cover other works apart from civil construction such as mechanical and electrical works;
- to services provided by doctors, dentists, attorneys, solicitors, barristers and legal consultants;
- to all payments made to non-residents for services performed in Mauritius except where such persons are exempted from tax under a double taxation avoidance agreement;
- to interest paid by persons other than financial institutions and companies in the Global Business sector to non-residents; and
- to cover rent collected by a tour operator or other intermediary on behalf of property owners.

Ministries, Departments, Local Authorities, the Rodrigues Regional Assembly and Parastatals apart from the normal TDS will also be required to effect deduction at source in respect of high-value contracts relating to implementation of projects and procurement of goods and services.

FISCAL MEASURES (CONTINUED)

1. INCOME TAX (CONTINUED)

(h) Solidarity Levy on management companies in the Global Business Sector

The solidarity levy is being extended to cover, apart from banks and telecommunication companies, management companies in the Global Business Sector (Offshore Management Companies).

The levy will be 10 percent of chargeable income and will be applicable for 2 years in 2012 and 2013.

(i) Extension of the Solidarity Levy on telecommunication companies

The solidarity levy on telecommunication companies is being extended for one additional year to end in 2013.

(j) Freeport

The income tax exemption to Freeport operators which will end in 2013 will continue to be granted indefinitely.

(k) SMEs

Banks will be allowed to claim the deduction from tax in respect of SME bad debts;

2. VALUE ADDED TAX

The following measures have been announced:

- Operation of a VAT Refund Scheme for the agro-industrial and fisheries sector in 2012 under which VAT paid on equipment purchased in 2012 by registered producers will be refunded by the MRA.
- Construction of social housing by Housing Development Trusts is exempted from VAT.

FISCAL MEASURES (CONTINUED)

3. TAX AMNESTY

A last opportunity is being granted during the period January to June 2012 for regularisation of undeclared or under declared income in whatever form it has been kept or invested, including overseas assets.

A **Voluntary Disclosure of Income Arrangement (VDIA)** will thus be operated by MRA from January to June 2012 and no penalties will be payable on income declared under the scheme. In addition, no interest will apply if the tax is paid before 30 June 2012.

An **Incentive Scheme for VAT registration** will be introduced running for the same period and targeting persons in business, service providers and professionals who have not registered themselves for VAT. They will have to pay VAT due only for the last 2 years from the date of registration after deduction of input tax thereon and no penalty will apply. Also, no interest will apply if the VAT is paid before 30 June 2012.

The MRA will also run two additional schemes to recover tax arrears:

- (i) The **Tax Arrears Settlement Scheme (TASS)** will operate until end of June 2012 and will target recovery of long outstanding arrears, prior to 1 July 2006, through full waiver of collecting penalties and 75 percent waiver of assessing penalties.
- (ii) The **Expeditious Dispute Resolution of Tax (EDRT)** will target settlement of tax debts by a special unit set up within MRA to review the amount of tax assessed where a taxpayer was unable to dispute the tax claim due to failure to pay the 30 percent of tax assessed on objection, non-production of full records or non-attendance. Penalties will be waived.

4. REGISTRATION DUTY AND LAND TRANSFER TAX

(a) Reduction in cost of borrowing

Registration duty ranging from **Rs 1,000** to **Rs 10,000** is being removed on registration of secured loans where the amount borrowed does not exceed **Rs 1 million**.

(b) Exemption from land transfer tax

Financial institutions will be exempted from payment of land transfer tax on the sale of immovable property in connection with debt realisation provided that the property is being sold within a period of 12 months from its acquisition date.

FISCAL MEASURES (CONTINUED)

(c) Incentives for construction of residences for the middle income group

Construction projects of housing estates of at least 5 units where the selling price of a unit does not exceed **Rs 2.5 million** will benefit from the following incentives:

On purchase of land for the project:

- Seller exempted from land transfer tax (5 percent/10 percent); and
- Buyer exempted from registration duty (5 percent).

On sale of residential unit:

- Seller exempted from land transfer tax (5 percent/10 percent); and
- First time buyers exempted from registration duty (5 percent).

The scheme will run from 1 January 2012 to 31 December 2013 for registration of projects under the scheme.

5. CUSTOMS AND EXCISE DUTIES

Customs duties have been removed from beauty care products, footwear, checkout counters and tyres.

Excise duties on mopeds and motorcycles up to 125 cc and refrigerated lorries have been removed.

6. OTHER TAX AND REVENUE MEASURES

(a) Abolition of Tenant's Tax

Tenant's tax is being abolished with effect from 1 January 2012.

(b) Environment Protection Fee

The Environment Protection Act will be amended to provide for the payment of the Environment Protection Fee (EPF), in respect of the period 1 January 2012 to 31 December 2012, by a hotel, guest house or tourist residence within 4 months after the end of its accounting period, instead of monthly as it is at present. The EPF will be payable only by profitable hotel, guest house or tourist residence.

(c) Levy on Messaging Services

A levy of **10 cents** on each SMS, MMS and ZMS is being introduced as from 1 January 2012.

FISCAL MEASURES (CONTINUED)

6. OTHER TAX AND REVENUE MEASURES

(d) Advertising Structure (Billboard) Fee

The Advertising Structure Fee will be collected by the MRA instead of Local Authorities and a “vignette” will be affixed to each billboard to ensure compliance control. The new fee amounts will become effective as from 1 January 2012.

(e) Tourism Fund

The Tourism Fund will be wound up. The surplus balance of the Fund and future contributions made by promoters of tourism development projects on State lands will be credited to the Consolidated Fund.

(f) Corporate Social Responsibility (CSR)

The basis for computation of the CSR amount will be changed from ‘adjusted book profits’ to ‘chargeable income’.

The composition of the CSR committee will be broadened to include one additional member from (i) Civil Society, (ii) Private Sector and (iii) the Ministry of Housing and Lands.

7. TAX ADMINISTRATION

The Minister has announced the following measures:

- The rate of donation duty is being aligned with that of registration duty at 5 percent;
- A Protected Cell Company will be required to file financial statements with the Registrar of Companies for each cell and pay tax on a cell basis;
- Apart from US dollar, Euro and GB pound sterling, companies in the Global Business sector will be allowed to pay income tax in Singapore dollar, South African rand, Swiss franc, and any other approved convertible foreign currency. This facility will also be extended to other companies;
- Imposition of administrative penalties in addition to fines for non submission of the annual tax returns to MRA;
- Allow MRA to raise assessments on persons not withholding/remitting tax deduction at source;
- Individuals whose annual total income exceeds **Rs 2 million** will be required to file their income tax return electronically;
- Excess corporate tax paid will be allowed to be set off against future tax liability under the Advance Payment System;
- Executive directors in a private company will become accountable and liable for non-payment of VAT to MRA as in the case of Income Tax;
- To extend the power of MRA for temporary closure of a business in case of non payment of VAT/income tax to cases where claims have remained unpaid; and
- Companies submitting electronic VAT returns will be required to submit particulars of sales to traders.

AGRICULTURE

Consolidating Agriculture

The budget for the Ministry of Agro-Industry and Food Security will increase by **Rs 700 million** to **Rs 2.6 billion**.

The Sugar Insurance Fund Board (SIFB) will grant a 70 percent discount on premiums due for 2011 to reduce cost by around **Rs 3,000** per arpent and offer new policies to further reduce the premiums.

Small planters and breeders will obtain full VAT refund on agricultural equipment that they purchase in 2012.

The payment of 80 percent advance to sugar planters will be maintained.

Rs 310 million will be committed for continuing the programme of re-grouping small planters, de-rocking their lands and providing irrigation wherever needed.

Ushering in a New Era of Agri-Technology and Bio Fuel

A framework to enable production of sugar cane ethanol for blending with gasoline will be implemented.

The stakeholders of the sugar industry will hold 35 percent of the equity of the ethanol company, the acquisition of which will be facilitated through the Cane Democratisation Fund.

Non-Sugar Agriculture: at the Service of Consumers

The Agricultural Marketing Board will finance seed purchases to enhance the supply of potatoes, onions and garlic.

Resources will be committed to improve market intelligence for farmers to avoid under and over-production.

The budget for food security will be increased by about 50 percent to **Rs 150 million**. Of this amount, **Rs 22 million** will be direct allocations to Rodrigues.

Non-Sugar Agriculture: Stimulating the Export Drive

A new freight rebate scheme will be introduced that will involve a 25 percent cost-subsidy element to be shared equally between producers and exporters.

The Fair Trade certification facilities will be extended to all sectors of the economy and will benefit cooperatives and other federations only.

Harnessing the Multiple Benefits of our Seas

Rs 10 million will be spent to replenish our lagoons with fish fingerlings and sea cucumbers and to create coral farms and reef sanctuaries.

An exchange programme will be put into place with Rodrigues Fisheries Protection Service to share knowledge and skills.

SME'S

SUPPORTING THE SME's

In its effort to set the base for a high-investment, high productivity, high-efficiency, high-technology and high-wage economy, the government has provided strong support to the SME sector through the following measures:

1. Agreement with the banks to provide loans of **Rs 3 billion** over the next three years at interest rate of 3 percent above Repo rate, i.e at 8.5 percent. Other features of that scheme are as follows:
 - New overdrafts and bank loans as well as renewal of existing facilities will be made at the rate of 8.5 percent;
 - All processing costs and charges will be waived;
 - The Equity Fund will provide a guarantee instrument to offer risk cover amounting to 35 percent of every loan and overdraft;
 - The loans cover both investment and working capital;
 - New loans to SME's at DBM will be capped at 8.5 percent;
 - Abolition of inscription fee leviable on registered loans; and
2. Construction of 175 units of 500 sq ft each in industrial estates at five sites to be made available to mechanics, carpenters, metal workers, and other SME's. The Government will also give a discount of 50 percent on the rental for the first 3 years.
3. To encourage entrepreneurship, the Government is granting up to **Rs 20,000** pm to cover living expenses in the first year of operation provided they have an approved proposal.
4. Setting up of the Resilience Plan for the next 3 years covering all enterprises but with special focus on SME's. The Resilience Plan is made up of 4 strategies:

EMERGING SECTORS

Over the past few years, the Government has broadened the economic base with new emerging sectors to support the democratisation of the economy. In order to sustain the “Growth For The Greater Good” motto, the Government plans to reiterate and introduce the following measures:

Enhancing Promotion capacity

The Government will give additional Funding to promotional agencies via committing a National Resilience Fund (NRF). The Government has committed **Rs 7.3 billion** to the NRF, which will be used to support enterprises in different domains at micro-economic level

Investment Facilitation

- The focus of the Joint Public-Private Sector Business Facilitation Task Force in 2012 will be to report on policies and actions to:
 1. remove remaining bottlenecks to investment and exports;
 2. simplify regulations; and
 3. save time for applicants.
- The new system for registering property from 15 days to 2 days will be operational next week.
- Abolishing numerous import permits except where they are absolutely necessary.

Financial Services

- The Government of Mauritius will continue to protect our country's best interest with regards to the India/Mauritius Double Taxation Avoidance Agreement.

Giving a Push to Emerging Sectors

- To facilitate further the development of ICT/BPO.
- To develop human resources, government will give occupation permits to workers in the ICT/BPO sector earning more than **Rs 30,000**.
- A second undersea fibre optic cable, LION 2 will be operational by mid-2012, thus ensuring continuity of service at all times.
- Further open connectivity to give long distance telecom operators the right of access to connect to international gateways via our two landing stations thus allowing more competition and business connection to multiple service providers.

EMERGING SECTORS (CONTINUED)

Setting the Framework for New High Value Added Industries

- To add Commercial Marinas as a new sector of the economy, which will create jobs for the youth, generate more wealth and further promote the tourism industry. BOI will actively promote investment in this new sector.
- Attract foreign Film Makers by contributing 25 percent of agreed expenses incurred in Mauritius with respect to the film production and to give BOI the necessary mandate to accompany investors in this venture.
- BOI will also promote the facilitation of a film industry.

Legal Initiatives for Emerging Sectors

- The government will shortly set out the legal framework to promote:
 1. Foundations;
 2. Private Occupational Pensions; and
 3. New concepts of Trusts.
- The ICT Act will be amended to allow the ICT Authority to intervene more effectively to ensure competition and competitive pricing of services;
- Commercial Marinas - Government will set the regulatory framework to ensure international standards and environmental norms are met;
- Film Producing - Government is also introducing the legal framework to encourage the setting up of a film industry to attract international film producers of repute;
- Regulations under the Mauritius Film Development Corporation Act will be repealed;
- The 'Code Civil Mauricien' will be amended to provide for an appropriate legal framework which would govern leasing of both immovable and movable property, especially finance leasing;
- As regards the insurance sector, legislation will be abrogated to allow local assets to be insured with an insurance company based in a foreign country in 2013; and
- The Limited Partnerships Act will be amended to clarify that a limited partnership can operate in or outside Mauritius or both.

HOUSING

Budgetary Measures for Social Housing

In the budget, several measures have been introduced to fight poverty and social exclusion. These measures mainly target the poor housing conditions for the low income families. The main aim is to provide them with a clean, safe and healthy living environment. The Minister of Finance introduced the following measures:

- Government contributions of **Rs 200** per month per housing unit to set up a Syndic in the NHDC estates to maintain common areas and coordinate discipline and security in the Estates;
- Government to commit resources to rehabilitate wastewater disposal system and water supply and carry out waterproofing works in some Estates;
- Construction of more housing units by mobilising financing through a not-for-profit Housing Development Trust. The cost of the units will be financed equally by the CSR fund of Companies, the Government and the beneficiary. They will benefit from VAT, land conversion tax, registration duty and land transfer tax exemption;
- The NHDC to construct 1000 housing units on 160 Arpents under the Prime Minister's deal with the sugar industry;
- Government to commit **Rs 1.5 billion** to a Social Housing Development Fund; and
- The NEF to create a shelter for the "Sans Domicile Fixe" at Abbatoir Road, Port Louis.

Finally, the Government will grant the land free of charge to the 2,000 families living in the ex-CHA housing estates.

OTHER MEASURES

Financial Services

- Setting out the legal framework to promote Foundations, Private Occupational Pensions; and New concepts of Trusts.
- Amendment of the 'Code Civil Mauricien' to provide for an appropriate legal framework to govern leasing of both immovable and movable property.

Tourism

The Tourism Authority will take action by:

- Developing an official rating system to remedy against exaggerated claims made by some hotel operators on the internet.
- Introducing a voluntary Green certification to be used as a marketing tool.
- Allocating **Rs 25 million** to resume its embellishment programme and **Rs 13.5 million** has been allocated to the MSPCA to better control the population of stray dogs.

Sharing Prosperity with all

- Wage compensation between 6.6 percent and 11.5 percent to workers in the low wage bracket;
- Monthly Basic Retirement Pension (BRP) increase to **Rs 3,350** for pensioners aged 60 to 89 years, **Rs 9,975** for those aged 90 to 99 years and to **Rs 11,320** for centenarians;
- The benefits of the National Pension Fund will be extended to those employed in the informal sector such as household workers, gardeners, drivers etc. For all those earning up to **Rs 3,000** a month, Government will now pay their share of the contribution to the National Pension Fund as well as pay their share of the Transitional Unemployment Benefit;
- Also the National Empowerment Fund (NEF) will train some 500 domestic workers next year, and provide them with a certificate;

OTHER MEASURES (CONTINUED)

Health

- Increase in the Overseas Treatment Scheme from **Rs 200,000** to **Rs 500,000** for patients who need to go overseas for treatment but cannot meet the cost;
- The amount allocated to the rehabilitation of alcoholics and drug addicts increased by 70 percent to **Rs 51 million**;
- Increased expenditure on prevention of Non-Communicable Diseases;
- Recruitment of 300 nurses to improve care; and

Shaping the Education, Training and Skilling for the 21st Century

- The grant in aid to Special Education Needs schools has been increased by 25 percent for the 3,000 children in need;
- The pre-primary education grant has also been extended from 4 years old to cover 3 years old, benefiting some 16,000 more children;
- Companies will now be able to use their CSR fund, to provide free of charge, crèche and kindergarten facilities for their employees earning less than **Rs 12,000** per month;
- NEF will continue to assist NGOs to set up children nurseries. In addition child-minding services will now be made available after school hours, in public preprimary and primary schools, against a reasonable fee;
- Implementation of a Summer School Programme for children with poor performance in schools where less than half the students have passed the CPE:
 1. It will provide targeted supplementary education in reading, writing and arithmetic.
 2. The children will be taught up to 3 days a week and provided with a hot meal.
 3. Children may choose to attend a different school than their own and will be taught by different teachers.
- The extension of the pre-vocational education programme from 3 years to 4 years that is up to the age of 16; and
- Allocation of **Rs 500,000** to Government school in Mauritius and Rodrigues, apart from the very smallest, for renovation and upgrading.

OTHER MEASURES (CONTINUED)

Sports and Leisure

- The Trust Fund for Excellence in Sports extended to 250 athletes and disciplines covered will increase from 8 to 12 and an additional allocation of **Rs 12.5 million** in 2012. Also, the fund will award six scholarships costing **Rs 4.5 million** annually to our promising youth to train;
- Setting up of the Mauritius Schools Football League to organise Saturday inter-school tournaments among secondary schools; and
- Companies employing high level athletes approved by the Ministry will be allowed to pay 50 percent of their wages through their CSR fund.

Bolstering the Justice System

- Maximum monthly income limit for entitlement to legal aid raised from **Rs 5,000** to **Rs 10,000**;
- Amendment of Bail Act for the use of 1,800 electronic bracelets to be purchased along with the accompanying ICT network;
- A Victims Assistance scheme will be set up for child victims and victims of sexual offences;
- Consolidation of twelve Appeal Tribunals into three, namely an Environment and Land Use Appeal Tribunal, a Revenue and Valuation Appeal Tribunal and a Regulatory Authority Appeal Tribunal;
- Creation of a Court of Appeal and a High Court section of the Supreme Court. State Law Office and the Office of the Director of Public Prosecution to recruit an additional 40 law officers; and
- 800 additional police officers will be recruited and acquisition of new equipment (a new Dornier aircraft, fast attack boats, vehicles and 300 more CCTV cameras among others) over three years, at a cost of **Rs 1.4 billion**.

Rodrigues

- Linkage of Rodrigues to Mauritius via a submarine fibre cable costing **Rs 600 million** to be reimbursed over twenty years.
- Grant of **Rs 1.649 billion** to the Rodrigues Regional Assembly for airport development and dredge access to the port.
- Subsidising airfares to Rodrigues extended to December 2012.
- Rodriguan patients coming to Mauritius for treatment will be provided with residential accommodation for families

OTHER MEASURES (CONTINUED)

Sustainable Development:

- Allocation of **Rs 318 million** to the Maurice Ile Durable initiative (MID), with **Rs 118 million** for renewable energy, **Rs 100 million** for solar water heaters and **Rs 100 million** for the MID Fund;
- Extension from 2 megawatts to 3 megawatts under the scheme for purchase of electricity from Small Independent Power Producers;
- Composting of solid waste from 90,000 to 190,000 tonnes a year;
- Replacement 145 kilometers of water pipes costing **Rs 468 million**;
- **Rs 1.4 billion** allocated to the public sewer system for some 5,000 additional houses; and
- **Rs 95 million** to address environmental degradation in nine vulnerable coastal areas.