# ASCENSION ISLAND GOVERNMENT

Clerk of Council's Office Ascension Island South Atlantic Ocean ASCN 1ZZ



siobhan.stewart@ascension.gov.ac

+ (247) 67000 ext 100

www.ascension.gov.ac

# Informal meeting of the Ascension Island Council

15:00 on Wednesday 15 February 2023 at the Courthouse

# **MEETING SUMMARY**

Present: HH Simon Minshull, Administrator

Matthew James, Crown Counsel

Catherine Leo, Deputy Director of Resources

Councillor Kerry Benjamin Councillor Kyla Benjamin Councillor Alan Nicholls Councillor Douglas Miller

In attendance: Carl Mackerras, Head of the Administrator's Office

Siobhan Stewart, Clerk to Council

Apologies: Councillor Laura Shearer

The Administrator welcomed all parties and thanked everyone for attending to discuss the specific topic of the interim cargo shipping arrangement between St Helena and Ascension.

The Acting Director of Resources explained that the AIG are currently in discussion with Meihuizen International to provide an interim shipping service between St Helena and Ascension and were now in a position to propose three options for Councillors to consider. The ADoR highlighted the importance of maintaining shipping links between South Africa, St Helena and Ascension Island, noting that 51% of Ascension's population are St Helenian with a proportion of South African Nationals also.

#### Option 1

Accept that there will be no freight shipping service between St Helena and Ascension until such time as a self-funding or subsidised longer-term shipping service can be procured (which will not be until at least 2024).

## Option 2

Enter into an agreement with Meihuizen International to provide a cargo shipping service for the calendar year 2023 between St Helena and Ascension with all costs recouped in full via an increased freight charge. This would result in an average of a 200% increase in freight charges, which would increase further if there are delays in off-loading/loading at Ascension.

# Option 3

Enter into an agreement with Meihuizen International to provide a cargo shipping service for the calendar year 2023 between St Helena and Ascension based on three voyages (given the AIG's assessment that this offers the most practical and value for money service for the public and employing organisations).

The ADoR explained that the AIG recommends applying a 30% increase in freight costs, with the government then providing up to £114k (\*) subsidy for 2023. By comparison, the AIG assesses that leaving freight rates at their current level, will require a government subsidy up to £132k (\*) in 2023.

(\*) The AIG notes these figures may increase if there are delays in off-loading/loading at Ascension.

Discussion was had regarding the expected amount of freight in and out of Ascension Island with the ADOR highlighting that most of the freight is small dry and frozen packages with the occasional vehicles. Councillor Kerry Benjamin asked why the increase on vehicles is significantly less than other cargo such as breakbulk and containers,

the ADoR explained that other categories are calculated in Cubic Meters, whilst vehicles are calculated at a standard rate per vehicle. Councillor Nicholls asked whether the AIG will be contributing to the leg from South Africa to St Helena, The Administrator confirmed that the AIG are not.

The Administrator explained that the more people use the Ascension/St Helena/south Africa route the more cost efficient the service will become. Councillor Kerry Benjamin noted that since there are larger periods of time between each ship it is hope that shops will be ordering more goods to compensate for less voyages whilst maintaining availability to consumers. The Administrator reported that due to the frequency of the FIRS reducing from eight voyages per year to six, consideration has been given to fit the Meihuizen vessel between these gaps.

The Administrator confirmed that the five year tender request has gone out in recent weeks from St Helena Government, where the AIG will be represented on the tender board by an AIG Official. Discussion was had regarding the additional airfreight options that may become available following the return of the Voyager.

## **Councillors Recommendations**

Councillor Nicholls recommended that the AIG fully subsidise the costs of £132k, ensuring no rise in current freight rates for persons wishing to send and receive freight to and from Ascension. Councillor Nicholls highlighted that as the cost would only be for a one year period and that the AIG have adequate resources in reserves to fund the subsidy, it would be helpful to customers and offer some respite in times when the cost of living is significantly increasing. Councillor Miller also recommended that the AIG fully subsidise the costs of £132k for the year of 2023 only.

Councillor Kerry Benjamin and Councillor Kyla Benjamin recommended the AIG subsidise the first voyage between St Helena and Ascension Island, whilst suggesting a small increase of around 10-20% to be considered for the second and third voyages in 2023.

It was agreed that the AIG will fully subsidise the costs of £132k in principle, with a review to be conducted following the first voyage.

The meeting closed at 15:40

Siobhan Stewart Clerk of Council