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Budget 2024 Reaction

Following the publication of the Government's Budget set for 2024, KSU and the Education and Social Policy Commission are disappointed and left longing for more. KSU believes that students and youth have been once more overlooked and ignored. It is important to point out that students and youth form part of a demographic in which 72% of Gen-Z and 77% of' Millennials would rather go live abroad than to stay in Malta.[1] Whilst KSU understands that the 2024 Budget was a specialised one, honing in on particular demographics, KSU cannot understand why Malta's future has been set aside. The above statistics are alarming and if not acted upon will have devastating e1ects upon Malta's workforce, culture and economy.

Preliminarily, KSU would like to show its disappointment towards the Finance Minister's reliance on antagonising comparisons throughout his Budget speech. Whilst KSU understands and believes that drawing comparative parallels is key to setting the tone of discussion and understanding the underlying socio-economic backdrop of the Budget, approach is key. Comparatives should be used constructively and not in a way that incites polarisation and fragmentation of the viewer's opinions. KSU believes that what was discussed 10 years ago under a different administration's Budget or a highly critical analysis of the economic state of Germany has no place in a Budget speech. KSU understands that this mentality and approach is part of a bigger problem of an overly polarised and contentious approach to debate and discussion within Parliament. Unfortunately, this behaviour trickles down and is more often than not replicated within civic participation, leading to antagonised opinions and overly-polarised views. Therefore, KSU highly encourages Members of Parliament and Policymakers to set an example by rethinking their approach of using opportunities such as the Budget to strategically antagonise and polarise societal views.

[1] Ernst and Young, EY Generate Youth Survey: The Pulse of Malta's Future Generations (2022) <https://www.ey.com/en_mt/articles/generate-survey-2022> accessed 10th October 2023.

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Proposals and Points of Note

Education

The 2024 Budget mentions only three proposed items related to the education sector, and regrettably, these are of no news since they form part of The National Education Strategy. This glaring omission, which extends to all levels of education, including the University of Malta, tertiary institutions such as MCAST and ITS, deeply disappoints and disheartens KSU, as it signifies a lack of investment in Malta's future: the student.

The persistent absence of funding for initiating and maintaining multiple projects and initiatives within University, such as the long-awaited Medical School, the neglected state of buildings including the Students' House and the under budgeted facilities and services at University, amongst others, underscores the dire situation students find themselves in. When KSU raises such concerns, we consistently encounter the same phrase: "there is no funding." And so, this constant response paired with the lack of funding for the education sector in this year's Budget, leaves us frustrated about how the student body has been disregarded.

Stipend Increase

KSU welcomes the stipend increase at an additional €64 per year, an increase equivalent to the cost of living adjustment (COLA) increase. We are also pleased to see the reform in the classification of the Prescribed Courses - something that KSU has been pushing for these past years. KSU will continue to gather student feedback and push for fair compensation for all students.

COLA/Minimum Wage

The decision to increase the minimum wage to €213.54 from the current €192.73 per week, is a step in the right direction. However, to achieve a minimum wage that is liveable, KSU echoes its position that the minimum wage should increase to 60% of the median wage, in line with the EU Directive on Adequate Minimum Wages. This should also be provided to students during practical work and placements which are mandatory for their studies, qualifications, and warrant requirements. However, KSU believes that the minimum wage increase brings to light an ongoing concern in relation to the

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special parent rate of tax. For a parent to qualify for such a tax rate, amongst other criteria, their child must not exceed an income threshold of €3,400 per year. When one considers the increase in minimum wage and the COLA increase alongside the fact that students are now allowed to work 30 hours a week, KSU highly encourages the government to consider increasing this maximum threshold to proportionately reflect such increases.

Healthcare

KSU welcomes the idea of further investing into our healthcare sector and improving healthcare access to all, with the plans to refurbish a number of health clinics, the introduction of various free medication and the investment to provide free menstrual products in schools. The government however, fails to address the reduction of the VAT rate on menstrual products, a pledge made by the government. This, despite the prevalent issue of period poverty particularly amongst the University community. KSU urges all students to make use of our period locker, found in front of our offce in Student House.

However, KSU does note a significant exclusion from this year's budget – the Government has not presented a clear plan for the recovery of the €400 million lost in the Steward Health Care Malta deal. KSU reminds the Government the importance of transparency in democracy and highly encourages the Government to provide clarity on any action plans it may have in this regard.

KSU is pleased with the concept of granting contribution credits to individuals who miss work due to mental health-related reasons. Nevertheless, our disappointment arises from the delays in works for the proposed psychiatric hospital in Swatar. KSU is also discontent at the ongoing absence of efforts to enhance the existing conditions at Mount Carmel Hospital, despite the ongoing appeals to improve the facility from both patients and staff. The Budget also failed to address the pressing crisis in public mental health services, even as the number of cases continue to rise. Whilst we believe that awareness is important we also urge the allocation of adequate budgeting to ensure sufficient mental health services for all.

Housing

KSU was happy to see a focus on measures aimed at alleviating Malta's current affordable housing crisis. Many youths and University students are extremely fearful of having to navigate the housing market in its current inflated state. KSU is delighted to see the extension of certain schemes such as lower rates of duty for first and second-time property buyers and the first-time buyer scheme giving buyers €1,000 each year for ten years. KSU believes that it is essential to focus on first-time property buyers and highly encourages the government to keep taking measures which aim to ensure that students have the means necessary to eventually own property in Malta. KSU is also content with social housing benefits rising by €4,200 for single persons and €6,000 for families with at least two children. KSU also welcomes additional measures in relation to the acquisition of property in Gozo, mainly the €10,000 increase to first-time buyers buying property in Urban Conservation Areas. However, KSU must emphasise that whilst these measures are a step in the right direction, they are not enough to resolve Malta's steep property pricing both for rent and purchase, which remains a core issue and concern for most youths. Furthermore, KSU would like to see the introduction of a long-term planning strategy for housing infrastructure and landscape architecture which properly addresses the regulation of commercial and industrial activities within residential areas.

Gozo

Whilst there are commendable aspects to the budget in relation to the well-being of Gozitan students, patients, and workers in Malta, there are also areas of concern. KSU welcomes the introduction of the new fast ferry service but must highlight its shortcomings, particularly the disruptions in schedule between 10 AM and 2 PM. KSU urges the government to revise the ferry timetable to better serve individuals who rely on timely and consistent transportation to and from the islands. In relation to housing, KSU wishes to praise the provision of accommodation for Gozitan students and patients' family members in Villa Lauri and Dar Fatima. This reflects a dedication to enhancing the quality of life for those who must temporarily reside in Malta due to medical treatment or educational pursuits. However, KSU must emphasise the need for increased financial support due to the rising cost of living in Malta by increasing the stipend of Gozitan students and increasing

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the maximum amount of individuals who may reside together under the Grant for Accommodation, thus making housing more a5ordable and accessible.

Transport & Green Schemes

KSU supports the idea of extending grants and schemes that promote alternative greener modes of transport, including the purchase of e-scooters, electric bicycles and vehicles amongst others. KSU hopes that the financial push for a greener transport system will lead to a change in infrastructural plans and developments that better accommodate the use of these alternative vehicles. Additionally, KSU will continue to advocate for enhanced public transportation, including the implementation of shuttle buses for university students, as was proposed by the Ministry of Education and the Ministry of Transport and Infrastructure months ago.

Subsidies for Disabled Children

KSU believes that inclusion and accessibility needs to be at the heart of all discussions. It is important that adequate tools are provided to families who make immense sacrifices to support their child with a disability. KSU thus congratulates the introduction of an extra €487 a year for parents who quit their work to care for a child with a disability. KSU further supports the fact that disability benefits are to increase by €8.54 per week and severe disability benefits are to increase by €12.81 per week. KSU believes that this is a step in the right direction but hopes that it will be coupled with an emphasis on granting greater support towards those with disabilities, so that they have the necessary toolset and confidence to carry out their tertiary education.

Keeping Children at School

KSU is very happy to see measures being included in the Budget which aim to ensure that youths and their families have the means necessary to continue advancing their education. KSU thus welcomes the €500 yearly payment for three years for children over the age of 16 who live at home and stay in school. This measure offers much needed continued financial support to families even when their children are at a tertiary stage of education.

Sports & Culture

KSU applauds any initiative that continues to embrace Malta's culture and heritage. Although no new projects were announced, funding has been allocated for multiple projects that are currently being worked upon. Additionally, we acknowledge the recent accomplishments of the sports industry, particularly in the Small Nations Games, and we look forward to continued success in the future. KSU looks forward to seeing more initiatives to promote physical well-being and a healthy lifestyle among the youth. Additionally, KSU hopes to see a push for increased recognition and fair remuneration for those employed in both the sport and culture industries, and to stray away from the mindset that such sectors are inferior to others.

Tax Refund Scheme

KSU welcomes the extension of the tax refund scheme, which aims to reward those in employment based on their status and income. However, KSU is wary of the fact that the deployment of the cheques associated with this scheme may be withheld and consequently strategically handed out when it best suits the Government, as done in previous years. KSU contends that if employed, this practice is perverse and may run counter to the democratic process.