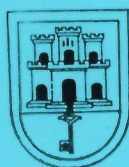


GIBRALTAR

HOUSE OF ASSEMBLY



QUESTIONS AND ANSWERS

15TH DECEMBER, 1987

NO. 338 TO NO. 393

15 12 87

NO. 338 OF 1987

ORAL

THE HON M A FEETHAM

On what conditions is it intended to grant a Casino and Gaming licence to the Queensway Project?

ANSWER

THE HON FINANCIAL AND DEVELOPMENT SECRETARY

With permission, Mr Speaker, I will answer Questions No 338 and 339 together.

Discussions with the developer in connection with the Casino operation which is to form part of the Queensway project have so far been of an exploratory nature. An indication has been given to the developer that the terms and conditions applying to the Casino operation would be, broadly speaking, the same as those now applying to the International Sporting Club of Gibraltar. It is not the Government's intention to license any other Casino apart from the International Sporting Club and the Queensway operator in Gibraltar, subject only to the possibility of a Casino being included at some future date in the East Coast Reclamation project.

SUPPLEMENTARY TO QUESTION NO 338 OF 1987

THE HON M A FEETHAM

Mr Speaker, will Government confirm that the lease will be conditional to a casino being built and operated?

HON FINANCIAL AND DEVELOPMENT SECRETARY

Yes Sir, I think the understanding on both sides as far as the Queensway project is concerned, is that the casino will form part of the development. Those are the conditions which have been agreed between the developer and the Government.

HON M A FEETHAM

The lease will be granted to the developer who will be responsible for the casino?

HON FINANCIAL AND DEVELOPMENT SECRETARY

Well, we may be getting into technicalities here over the head lease and such lessees, I am not an expert on the Queensway project itself but the developer will wish to choose a casino operator but that yet, as far as I am aware, has not been decided, the developer has not named a casino operator.

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I know that he has had discussions with one or two interested parties but, certainly, I have not been told formally of the name of the casino operator. It may be the same person or the same organisation which is to run the hotel, I do not yet know.

MR SPEAKER

Next question.

15 12 87

NO. 339 OF 1987

ORAL

THE HON M A FEETHAM

Does the Government intend to give any other Casino or Gaming licences for any site other than the existing Casino and the proposed Queensway Development?

ANSWER

THE HON FINANCIAL AND DEVELOPMENT SECRETARY

Answered together with question No. 338.

NO. 340 OF 1987

ORAL

THE HON J BOSSANO

Does Government still consider that the present trend is that Government revenues are rising faster than Government expenditures?

ANSWERTHE HON FINANCIAL AND DEVELOPMENT SECRETARY

In general terms, Mr Speaker, the answer to the Hon Member's question is yes; Government revenues have been rising faster than Government expenditure since 1983-84. The calculation is however complicated from the sale of debentures; and, on the expenditure side, by the inclusion of contributions to the Funded Services, contributions to the Improvement and Development Fund, earlier repayment of public debt and, during the current and previous financial year, Government assistance to GSL.

SUPPLEMENTARY TO QUESTION NO. 340 OF 1987

HON J BOSSANO

Mr Speaker would the Hon Member not agree with me that, in fact, in looking at the trend of Government revenues it makes a nonsense to include in it the level of Government borrowing since the level of borrowing is something that Government can control and therefore they can either create a trend or eliminate a trend on that basis by deciding to borrow more or borrow less.

HON FINANCIAL AND DEVELOPMENT SECRETARY

I would agree with the Hon Member. I would not agree that one does anything nonsensical in the Treasury but I would agree that it would be reasonable to exclude revenue from borrowing. We are, in fact, borrowing by sale of debentures however, we are only talking about £4m since 1983-84 and I am quite satisfied that even allowing for that it is still true to say that Government revenues are rising faster than expenditure. The crude figure, taking 1983-84 and 1986-87, the crude figures, according to our estimates, the revenue has increased by 45% and expenditure by only 28%. Admittedly, in that revenue figure there is a sum of £4m for borrowing but I think even without that the general answer I gave still holds true. Of course, we have reduced revenue artificially by reducing taxation to the sum of about £7m.

in two years.

HON J BOSSANO

But, Mr Speaker, how does the Hon Member explain that the forecast outturn for 1986-87 shows a deficit of revenue over expenditure excluding borrowing, whereas in fact in 1985-86 there is a surplus of revenue over expenditure excluding borrowing and that you know by simple arithmetic would indicate a deterioration in performance and, in fact, a higher growth in expenditure than in revenue in 1986-87 as opposed to 1985-86.

HON FINANCIAL AND DEVELOPMENT SECRETARY

In 1986-87, again according to my crude figures, there was an increase in revenue over the previous year of 15% and an increase in expenditure compared to the previous year of 16.4%. Those are my crude figures, that may be another way of making the point the Hon Member has made. He did ask me about the trend and I think I would go back to what I said and allowing for various distortions and the question of definition, what is Government's term 'expenditure', I still hold to my original answer.

HON J BOSSANO

But, Mr Speaker, hasn't the Hon Member just confirmed that the trend in 1986-87 was a higher growth in expenditure than in revenue and is he expecting what happened in 1986-87 to be reversed in 1987-88 or are we likely to get in 1987-88 a figure for a growth of expenditure higher than for revenue, excluding borrowing?

HON FINANCIAL AND DEVELOPMENT SECRETARY

We have a number of questions laid down later in the Order Paper, Mr Speaker, on revenue and expenditure. I prefer to answer questions about this year, 1987-88, in that context. But as I said, the Hon Member's original question was about trends and I have taken the years since 1983-84 as constituting a trend.

HON J BOSSANO

But, Mr Speaker, isn't the Hon Member aware that the frontier opened in February, 1985, and that 1985-86 was an unusual year and therefore the trend has to be looked at on the basis of the trend established since the opening of the frontier and not the difference between the situation that existed

prior to the opening of the frontier and post the opening of the frontier.

HON FINANCIAL AND DEVELOPMENT SECRETARY

Well, I think that was really the starting point, Mr Speaker.

HON J BOSSANO:

Can the Hon Member then say that using as a base the situation of the revenue and expenditure of the Government of Gibraltar post the opening of the frontier, the trend is that Government revenues are growing faster than Government expenditure since the opening of the frontier.

HON FINANCIAL AND DEVELOPMENT SECRETARY

I think that is broadly true, Mr Speaker. The Government has, of course, given away, if I can use that phrase rather loosely, have given away £7m in revenue terms, that is to say, by reducing taxation as an indication that revenue was rising to the extent that enabled them to do it. And of course since then we have had a doubling of the yield from import duty.

HON J BOSSANO

When the Hon Member says the Government is giving away he is in fact saying that the Government collected in 1986-87, £1.6 million more in income tax from people than they had collected the previous year. That is what he means by giving away money.

MR SPEAKER

Next question.

NO. 341 OF 1987

ORAL

THE HON M A FEETHAM

What is Government's latest estimate for expenditure for the current financial year from the Improvement and Development Fund?

ANSWERTHE HON FINANCIAL AND DEVELOPMENT SECRETARY

Mr Speaker, the latest indications are that expenditure in the Improvement and Development Fund will be about £2m less than the budgetted figure of £8.6 million.

SUPPLEMENTARY TO QUESTION NO. 341 OF 1987

HON M A FEETHAM

Can the Hon Member give a breakdown of expenditure to date?

HON FINANCIAL AND DEVELOPMENT SECRETARY

No, alas, I can't Mr Speaker. I would have to ask yet again for the breakdown. I think what I have given him is an estimate of the out-turn to the end of the year. That does not mean to say that the out-turn of spending at this particular juncture will be two million less but if he wants an account of the expenditure to date I will see if we can provide that for him.

HON M A FEETHAM:

Can he give us an indication why it was two million less?

HON FINANCIAL AND DEVELOPMENT SECRETARY

Why it is two million less? Yes, I think I can, about £1.7 million represents slippages in the approved programme and approximately £0.3 of a million represents projects cancelled. I should add that in giving that figure I have not allowed for additional commitments which include some of the supplementaries being sought at this meeting of about £200,000. The figure I have given of £2m is in round terms. The budgetted expenditure is £8.5m. We expect additional commitments of £200,000 offset as I have said by the £2m representing slippages and projects cancelled.

15 12 87

NO. 342 OF 1987

ORAL

THE HON J BOSSANO

Can Government state whether it still expects to transfer £2.5m to the I&D Fund?

ANSWER

THE HON FINANCIAL AND DEVELOPMENT SECRETARY

Yes, Mr Speaker.

SUPPLEMENTARY TO QUESTION NO. 342 OF 1987

HON J BOSSANO

Can the Hon Member then say whether he has now become converted to the view that he should transfer money to the I&D Fund even if he does not expect it all to be used up in the current financial year?

HON FINANCIAL AND DEVELOPMENT SECRETARY

Well, I always listen very attentively to the lectures which the Hon Leader of the Opposition gives me on that subject, Mr Speaker.

NO. 343 OF 1987

ORAL

THE HON J BOSSANO

Is Government now in a position to state whether it expects any change from the estimated figure of £14m total liquidity of March, 1987, by March, 1988?

ANSWERTHE HON FINANCIAL AND DEVELOPMENT SECRETARY

Yes, Mr Speaker. Compared with the figure of £14 million at the beginning of this financial year, I expect the comparable figure of liquidity at the end of the year to be about £9½m.

The main reason for this is that, compared with an opening balance of £1m in the I & D F at the beginning of the year, I am now expecting a deficit of £1m in that fund at the end of this year. Together with a contribution for the Consolidated Fund of £2.5m, that produces a total of £4.5m in terms of net cash outflow.

All the other changes in revenue and expenditure should, broadly speaking be mutually offsetting.

SUPPLEMENTARY TO QUESTION NO. 343 OF 1987

HON J BOSSANO

Can the Hon Member say, given the emphasis that was placed on this figure in the last budget, whether he thinks £9½m is an acceptable figure or whether he thinks it ought to be higher and is the Government concerned to achieve a certain target in terms of liquidity.

HON FINANCIAL AND DEVELOPMENT SECRETARY

No Mr Speaker, I don't think we have a target, I certainly regard £9½ million as acceptable. I think, as I have said on other occasions, one has to consider the general movement of the economy and the relationship between Government revenues and economic development. I think I have also said that what might cause alarm in circumstances of economic contraction, might be perfectly acceptable or even too much in circumstances where the economy is expanding and Government revenues are buoyant. In other words circumstances do alter cases.

HON J BOSSANO

Then we can take it that if it was not a great disaster for liquidity to decline by £4½ million, it is no longer considered a great achievement to increase it by that kind of order?

HON FINANCIAL AND DEVELOPMENT SECRETARY

Well, I would certainly accept that, Mr Speaker.

NO. 344 OF 1987

ORAL

THE HON J BOSSANO

Will Government state what is the latest estimate of revenue, other than borrowings, in the current financial year?

ANSWERTHE HON FINANCIAL AND DEVELOPMENT SECRETARY

Mr Speaker, it is currently estimated that revenue for 1987/88, excluding borrowings, will exceed £72 million.

SUPPLEMENTARY TO QUESTION NO. 344 OF 1987

HON J BOSSANO

Mr Speaker, can I ask the Hon Member whether that estimate of £72 million is on the basis of the answer he gave me in the last House of an estimates revenue yield from Income Tax of £24 million or in fact is the Income Tax component now considered to be likely to be higher than that?

HON FINANCIAL AND DEVELOPMENT SECRETARY

No, Mr Speaker, that still rests on the same assumption as the one underlying the answer I gave in the last meeting of the House. We are, of course, now about a month further down the road and there are signs that Income Tax is perhaps, more buoyant than we thought a month ago but I would not like to put a figure on it at this stage. The same is true, actually, of import duties.

HON J BOSSANO

So in fact, Mr Speaker, the difference between what would be accounted for by the previous figure provided by the Hon Member on Income Tax and the total would be mainly accounted for then by Import Duty?

HON FINANCIAL AND DEVELOPMENT SECRETARY

Yes, Sir.

NO. 345 OF 1987

ORAL

THE HON J BOSSANO

Can Government state whether they still expect a deficit of £340,000 for the current financial year?

ANSWERTHE HON FINANCIAL AND DEVELOPMENT SECRETARY

Mr Speaker, taking into account the supplementary appropriations included in the Bill to be taken later in this meeting, but allowing for some underspendings on these and continued buoyancy of Government revenues I would expect the deficit for the year to be between £0.5m and £1.0m.

SUPPLEMENTARY TO QUESTION NO. 345 OF 1987

HON J BOSSANO

Mr Speaker, is it Government's intention to continue with the policy of borrowing to cover deficits on recurrent revenue which was announced as an exceptional measure in November, 1984, or is that policy no longer going to be pursued.

HON FINANCIAL AND DEVELOPMENT SECRETARY

That policy is no longer, I would not say it was a policy even then but even if it were it is no longer being pursued.

HON J BOSSANO

So, in fact, the position is that the Government feels that they can afford at this stage to have a situation of expenditure in excess of revenue on the basis of running down the Consolidated Fund balance, is that correct?

HON FINANCIAL AND DEVELOPMENT SECRETARY

I don't think it would be fair to say running down the Consolidated Fund balance. What I have given the Hon Member are estimates. There is always a substantial underspending and indeed I am bound to say there is usually or there has been for the last three years, if not for longer, an underestimate of revenue. When I am giving him an estimate now with some implications for the Consolidated Fund reserves, the implications are not significant and it would not surprise me at all to find at the end of the year that there was no deficit and that there was a modest surplus.

NO. 346 OF 1987

ORAL

THE HON J BOSSANO

Can Government now give an estimated growth rate for National Income for 1986/87 and the up-to-date figure for 1985/86?

ANSWERTHE HON FINANCIAL AND DEVELOPMENT SECRETARY

Mr Speaker, the National Income of Gibraltar in 1985-86 was £99 million. The 1986-87 figure was a little over £110 million, showing an increase of about 11½ per cent nominal or 6½ per cent in real terms.

SUPPLEMENTARY TO QUESTION NO. 346 OF 1987

HON J BOSSANO

Mr Speaker, given the fact that in answer to a previous question the Hon Member has told me that Government expenditure rose by 16½%, if the economy as a whole grew by 11½% over the same period, is the Hon Member happy to see Government expenditure taking an increasing proportion of national income?

HON FINANCIAL AND DEVELOPMENT SECRETARY

I think one has to consider what the constituents of the Government expenditure are in economic terms as well as simply their status as Government expenditure. I think the obvious example would be a contribution from the Government to GSL, that, I think, has a different economic status from Government spending which is to increase numbers of civil servants. That is the sort of general answer I would give the Hon Member on that but certainly if he is asking me about my own personal philosophy, I do not like to see Government expenditure increasing relative to the private sector especially at this juncture in Gibraltar's economic development.

HON J BOSSANO

Mr Speaker, would the Hon Member say whether, in fact, he considers the annual rate of growth of 11½% for 1986-87 an indication of the rate of growth that the economy of Gibraltar can sustain or would he say that there were exceptional factors affecting the rate of growth that year.

HON FINANCIAL AND DEVELOPMENT SECRETARY

That is a very difficult one for me to answer. I think there

were certainly exceptional factors immediately following the opening of the frontier which of course coincided with the setting up of the GSL. As to what rate of growth the economy can sustain, I find it very difficult to answer that. There is no doubt that current rates of growth have caused strain in certain parts of the economy, employment construction delays in response of the services sector, including the Government services sector, I think this is well known. I think it was inevitable once it became apparent that the rate of growth immediately after the frontier was going to be substantial. Quite honestly, I don't see how Gibraltar could have escaped this experience. One can only hope that in due course the response of the economy to the demands made on it will improve.

HON J BOSSANO

Can the Hon Member say whether he has any indication if the proportions of what are considered by Government to be two major factors in the economy, tourism and shiprepairing, significantly altered in those two financial years.

HON FINANCIAL AND DEVELOPMENT SECRETARY

Not in those two financial years. I am not sure whether we are talking about their relative proportion. I think that in terms of relative proportion they were the same. All the answers I give I am bound to say, Mr Speaker, at this stage, are a little bit impressionistic because we have not yet had the advantage of the benefit of the results of the input-output study but the relative significance of the contributions of ship repair, tourism and financial services I do not think really changed until the latter half of the period we are talking about. What I mean is that ship repair and tourism, as we understand it, led the way immediately after the frontier opened but financial services increasingly taking over, especially from ship repair, as one of the main motive forces of the economy. That is what has happened recently.

HON J BOSSANO

Can the Hon Member say whether the input-output study will reflect what happened in this period or will the input output study limit itself to giving us a picture of the economy in 1987-88?

HON FINANCIAL AND DEVELOPMENT SECRETARY

I think it will shed light on what has happened. I hope that it will support with rather more accurate data what I have

been saying in this House. I hope also it will give the Government a basis for forecasting economic development and also as a tool of economic policy in the near future.

HON. J. BOSSANO

Can the Hon. Member say when that is likely to be ready. Has he got a target date for the completion of the input/output study?

HON. FINANCIAL AND DEVELOPMENT SECRETARY

Early next year, Mr. Speaker, is the best estimate I can give at the moment.

MR. SPEAKER

Next question.

NO. 347 OF 1987

ORAL

THE HON J BOSSANO

Can Government give an indication of whether imports have increased in 1987 as compared with 1986?

ANSWERTHE HON FINANCIAL AND DEVELOPMENT SECRETARY

Mr Speaker, figures for the first nine months of 1987 reveal a substantial increase in the level of imports compared with the corresponding period last year.

The value of imports (excluding petroleum products) for January to September 1986 was £57.3m and for January to September 1987 it reached £81.2m. This represents an increase of 42%.

SUPPLEMENTARY TO QUESTION NO. 347 OF 1987

HON J BOSSANO

Mr Speaker, can the Hon Member explain the increase of 42% given the estimates for import duty. Is it that there is a high content in that of things like building material, for example, which don't pay import duty?

HON FINANCIAL AND DEVELOPMENT SECRETARY

The increase in manufactured goods, mainly building and construction materials, although there are one or two other items, was about 200%. It is very heavily construction orientated. Foodstuffs about 13%. Machinery and transport equipment, mainly motor vehicles private and commercial, about 20%. I should think it is probably consistent with the increased yield from import duty, and miscellaneous manufactured articles, various, I mean, clothing, textiles, videos, clocks and watches etc, about 33%.

MR SPEAKER

Next question.

NO. 348 OF 1987ORALTHE HON J E PILCHER

Can Government state how they estimate the expenditure of excursionists from Spain?

ANSWERTHE HON THE MINISTER FOR TOURISM

Mr Speaker, the expenditure of excursionists from Spain is calculated on an estimated per capita spend based on the results of the Tourist Survey. For 1986 it was estimated that the 2.6 million excursionists spent an average of £6.00 per capita.

SUPPLEMENTARY TO QUESTION NO. 348 OF 1987

HON J E PILCHER

According to the Tourist Survey Report 1986, I estimate, Mr Speaker, that for 1985 the per capita expenditure was £3 per head. Can the Minister explain why in 1986 the per capita expenditure was put up to £6? Is it a guesstimate of what tourists spend in Gibraltar or is there a reason behind the increase from £3 in 1985 to £6 in 1986?

HON H J ZAMMITT

Mr Speaker, I do not know the reason. This, of course, is based as a result of the tourist survey carried out and therefore I do not know the reason why it has gone up. Nevertheless, Mr Speaker, I can say that a figure for 1987 is not yet available as the tourist survey for that year has not been completed. However, the trend indicates that the figure will be higher than £6 per capita so there seems to be an indication of a greater spend as the years go on.

HON J E PILCHER

Mr Speaker, the Minister has missed the point. We are asking can Government state how they estimate the expenditure of excursionists from Spain. If the Government has laid before the House a paper that says in 1985 the excursionists from Spain element was £7.8m and in 1986 the element was £15.6m, which is a doubling of that figure, can the Minister explain how that comes about when there hasn't been a doubling of the arrivals by land from 1985 to 1986. We want to know what is the reason behind the figure, whether it's £3 or £6 or £7. How do they calculate that amount? Because these statistics, Mr Speaker, will be used by the Government to say what a tremendous amount of money is coming into Gibraltar from excursionists from Spain. How can they argue that if they don't know how they arrive at this figure.

HON H J ZAMMITT

Mr Speaker, as I have explained, the expenditure is based as a result of a survey carried out and therefore the Statistics Office has come out with the formula that they estimate that £6 is spent per capita of excursionists coming into Gibraltar. I do not take part in the survey. I do not ask the questions. They are questions listed from a cross section of excursionists coming through. How they come to that conclusion, of course, is not for me to say. The Statistics Office carry out the survey and that is what they have concluded.

HON J E PILCHER

Mr Speaker, am I to understand that the Minister for Tourism who has laid this document on the table does not understand or wants to understand?

MR SPEAKER

With respect, the Minister has not got to justify the figures. What he is saying is that he has to rely on the statistics that he is given by the Department. If the statistics are wrong perhaps he can say that he will enquire, but he hasn't got to justify the statistics.

HON J E PILCHER

Can the Minister then say whether he is happy about the formula as used in 1986 or 1985 or 1987 or doesn't he know the formula used?

HON H J ZAMMITT

I do not know the formula used, Mr Speaker. The formula is not for me to implement. It's not a matter of policy. The formula is a matter for the Statistics Office. If they come up with £10 per capita that is their prerogative, that is their working and reasoning. They are economists and they are qualified people to come to that conclusion. I cannot, Mr Speaker, Sir, say more than the information afforded to my Department by the Statistics Office, which I have no reason to doubt.

HON J E PILCHER

Is the Statistics Office, Mr Speaker, a part of the Government machinery or is it not?

MR SPEAKER

It is part of the administration.

HON J E PILCHER

Right. Therefore, when I put this question I did not ask for the question to be answered by the Minister for Tourism, I asked it of the Government. Can somebody in the Government explain how they estimate the expenditure of excursionists from Spain?

MR SPEAKER

With respect, I am telling you it is not for the Government to answer that question. It is for you to ask the Government whether they are satisfied with the figures, whether the figures are wrong and whether they will enquire from the people who prepared it.

HON J E PILCHER

Mr Speaker, the question asked: 'Can Government state how they estimate the expenditure of excursionists from Spain?' Obviously, Mr Speaker, the question is aimed at the fact that there has been a doubling of the expenditure from one year to the other. I think it is a responsible question to ask why in 1985 the per capita expenditure was £3 and in 1986 it is £6. If the answer is that they don't know how the statistics office come up with that figure, then, Mr Speaker, we are not satisfied. If the Government is satisfied with that then it is up to them but we certainly are not satisfied.

HON H J ZAMMITT

Mr Speaker, may I say I have just received information that the £3 mentioned in 1985 was a guesstimate whereas the £6 is, in fact, the true reflection of the actual spend.

HON J E PILCHER

Right. At least, Mr Speaker, we have now established that the £3 was a guesstimate. Can we find out how it is that the £6 for 1986 is not a guesstimate. How is it worked out? What calculations are made in order to find out how it is £6 per capita expenditure taking into account that there has only been a 28% increase in coaches coming for 1986 and there is 105% increase in the expenditure.

HON H J ZAMMITT

Mr Speaker, what I am saying, and I think the Hon Member is refusing to accept what I am saying or not understanding what I am saying, is that the 1986 figures do indicate that there is a £6 spend as a result of a survey carried out. If there is a doubling up of the £3 mentioned earlier as I have said I have just been informed that the £3 was a guesstimate whereas in 1986 there was an actual survey carried out which concludes and is quite emphatic that it is, in fact, £6 per capita.

HON J BOSSANO

What the Hon Member is saying is that he has just discovered as a result of our question that there was never before 1986 a survey of tourist expenditure made on pedestrians. Is that correct?

HON H J ZAMMITT

I think, Mr Speaker, that there was some problem regarding who

was doing the survey at the time and we employed enumerators to carry out the survey but as I said that information has come to me two minutes ago. The Minister for Tourism is not responsible nor is his Department responsible for carrying out surveys of this nature. One relies on information afforded by the Statistics Office.

HON J BOSSANO

But, Mr Speaker, surely the Hon Member remembers that in September 1986, a year ago, he tabled a tourist expenditure survey report for 1985 in this House. He must have read it before he tabled it and if he read it before he tabled it he must remember that what he read there was that there were 614 interviews carried out at Gibraltar Airport, North and South Moles and Waterport Wharf but that no interviews were conducted of people coming across the land frontier. If he read the report before he brought it to the House he would know that the Statistics Office told him that there had been no survey done.

HON H J ZAMMITT

Mr Speaker, absolutely. He is reminding me of what happened in September, 1985. When this question was asked I did not remember what the 1985 survey had mentioned. What I do know and it is clear from what the Hon Leader of the Opposition has read out, that there was not a pedestrian or land frontier exercise carried out and therefore there was a guesstimate put down at £3. Therefore, it is coincidental that the spend today happens to be £6 and therefore there is 100% increase but those are the figures that are there, one cannot argue with them.

HON J BOSSANO

Well, Mr Speaker, we can argue with him, actually because can the Hon Member say what was the size of the sample carried out to arrive at this figure?

HON H J ZAMMITT

I could probably find out, I don't know. Again, I repeat, it is not my Department that carries it out, it is the Statistics Office that does that. All I can do is ask the Statistics Office as to what number of surveys they carried out to come to this conclusion.

HON J BOSSANO

Has the Hon Member read the report that he has tabled this year, never mind if he can't remember whether he read the one last year.

HON H J ZAMMITT

Mr Speaker, unfortunately the Hon Member hasn't been in Government or fortunately he hasn't been in Government. Ministers

have to read many more documents than just the one that one lays on the table.

HON J BOSSANO

Presumably, Mr Speaker, he lays it on the table so that we read it and we read it when we get it and when we look at it we come here expecting him to have read it. Does he know that he has just tabled the document on the table of this House that says how many interviews have been carried out?

HON H J ZAMMITT

On this particular incident.

HON J BOSSANO

Yes.

HON H J ZAMMITT

Yes, Mr Speaker but I can't remember. Unless I read it now I can't remember. I am not prepared to come here saying there were 364 because I can't remember that kind of thing. He is looking at it now and obviously, with hindsight, he can say how many but if he wants me to do it I can find out.

HON J BOSSANO

Can I ask the Hon Member whether he can tell the House, of the 994 interviews that were satisfactorily completed, how many were in respect of excursionists from Spain.

HON H J ZAMMITT

Mr Speaker, I don't know. I didn't carry out the survey, the Statistics Office did.

HON J BOSSANO

Is there anybody that knows?

HON H J ZAMMITT

Yes, Mr Speaker, I am sure there is, I will find out and tell him.

HON J BOSSANO

Well can the Hon Member tell me then, even if he doesn't know, that if there were 614 interviews last year and they didn't interview anybody from the land frontier, it is not unreasonable to deduce that the increase of 300 interviews this year have been the new interviews of people that came across the land frontier and, if so, that it is a totally unrepresentative sample of 2½m people.

HON H J ZAMMITT

Well, Mr Speaker, I don't know. The Hon Leader of the Opposition is saying he is assuming.

MR SPEAKER

Order. We are now questioning the validity of the survey and we are not going to do that at question time.

HON J BOSSANO

The methodology.

HON J E PILCHER

Mr Speaker, the Minister said that the amount shown as the expenditure of tourists was evaluated at £6 per capita. I would like to take him to table 12 and I would like him to explain to me why it is that expenditure, excluding hotel and travel costs, average amounts spent per person per day in 1986 and at the bottom of the table it's got coach park excursionists £7.50. Does that tally with the £6 per capita that he mentioned for 1986, Mr Speaker.

HON H J ZAMMITT

Again, Mr Speaker, the mathematical workings, of course I am not going to say I agree or disagree with it. What I can say is that there may be a difference in spend between a coach arrival and a pedestrian crossing. One could come with an organised tour and have a greater spend than the other. I just don't know, Mr Speaker.

HON J BOSSANO

Can I ask the Hon Member whether the contribution to national income of tourist expenditure which have been given in this House previously both by him and by the Financial and Development Secretary, are based on the figures in the tourist survey report?

HON H J ZAMMITT

I am sure, Mr Speaker, that they certainly must have a reflection on the national income. Whether they are based on the figures in the Tourist Survey Report, again, that is a question for the Financial Secretary to work out. It is not for the Minister for Tourism to work out and to come to that conclusion. I am sure that the Tourist Survey Report does give the Hon Financial Secretary the input to be able to evaluate the value of tourism and what tourism contributes to the national economy.

HON J BOSSANO

Would the Hon Member not agree, as Minister for Tourism,

that if the accuracy of the expenditure survey results is questionable then the Hon Member's predictions about the increasing importance of tourism in the national economy could, in fact, be incorrect, if these results are questionable, would he not agree with me?

MR SPEAKER

That would be hypothetical but, anyway, if he wants to answer he can do so.

HON H J ZAMMITT

Mr Speaker, if these figures are wrong then, of course, it does upset the whole belief that one has in the industry of tourism. I very much doubt that they are wrong.

HON J BOSSANO

Would the Hon Member not agree, in the light of the discrepancies that we have brought to his attention, that it would be useful for him to go back and investigate the matter further so that he will be able to answer some of the points we have raised.

HON H J ZAMMITT

Mr Speaker, I am prepared to go back and question but I will not accept the fact that there are discrepancies.

HON J BOSSANO

Mr Speaker, will the Hon Member not agree that we have raised questions of discrepancy which he is not able to answer at this stage.

HON H J ZAMMITT

No, Mr Speaker, I cannot accept the fact that they base their argument because there was £3 spent in 1985 and there is £6 spent in 1986 that that is a discrepancy.

HON J BOSSANO

Would the Hon Member not agree with me that if, in fact, the Government assumed that people were spending £3 in 1985 and also assumed a figure of that order in 1984 and also assumed a figure of that order in 1983, and I will tell him what the figures were - £3.11 in 1983, £3.29 in 1984, £3.45 in 1985 and suddenly £5.92 in 1986 - it is reasonable to ask why has the Government in 1986 suddenly assumed almost 100% increase in per capita expenditure whereas in the preceding three years they assumed an annual rate of growth of per capita expenditure of the order of five or six or seven per cent.

HON H J ZAMMITT

Mr Speaker, I cannot agree with the Hon Member's theory on

that. I think that for the first time there has been a survey into the excursionists coming in and what I must say, Mr Speaker, is that it appears that the sample was low and of course a more ideal sample would be something between 10,000 and 15,000 which has obviously not taken place and it is however for the first time in 1986 that at least we had some accurate information

MR SPEAKER

I am being very lenient because we are now talking about hypothetical questions.

HON J BOSSANO

The Hon Member has just said that in 1986 is the firsttime we have accurate information coming in. Then I am entitled to ask as a supplementary, on what advice does the Hon Member consider that a sample of 300 instead of a sample of 15,000 provides accurate information. It is a complete negation of all statistical systems.

HON H J ZAMMITT

Mr Speaker, I am not a statistician, I am not an economist. All I can say is that if the survey has been carried out over 400 people and we are getting something like 3 million excursionists in, then the percentage of those taken is rather low on the number of people coming in. I suppose it will increase and we will get better information.

MR SPEAKER

Next question.

15 12 87

NO. 349 OF 1987

ORAL

THE HON J E PILCHER

Can Government state the fee being paid to Mr Michael Casey to study the re-negotiation of the Management Contract with A & P Appledore?

ANSWER

THE HON FINANCIAL AND DEVELOPMENT SECRETARY

No, Mr Speaker. The decision to employ Mr Casey as a consultant in connection with the re-negotiation of the Management Contract with A & P Appledore was taken by the GSL Board. It is not a matter for the Government.

SUPPLEMENTARY TO QUESTION NO 349 OF 1987

HON J E PILCHER

Whether it is a matter for the Government or not I am sure that certainly both sides of the House would have a different interpretation like we have always had. Is there any expectation on the part of the Government on when this study will be ready?

HON FINANCIAL AND DEVELOPMENT SECRETARY

As I have said, Mr Casey provides assistance to GSL but their solicitors, GSL solicitors, have in fact prepared a new draft Management Agreement and a copy of this has been passed to the Government for their consideration because, obviously, the Government have an interest.

HON J E PILCHER

Obviously, the Government have an interest. What then is the intervention of Mr Michael Casey because if you remember, Mr Speaker, that I am quoting from a piece of information released to us by the Chief Minister in the last House of Assembly when he said that Mr Michael Casey was being brought to Gibraltar to look at the renegotiation of the contract. Could I therefore find out what exactly is the intervention of Mr Michael Casey in this area since I have now been told that it is the lawyers of GSL that are preparing the draft documents?

HON FINANCIAL AND DEVELOPMENT SECRETARY

As I have said, Mr Speaker, my understanding is that Mr Casey has been employed as a consultant to give advice to GSL as to the changes which might be desirable. He has a knowledge of the background in such matters as I think the House will know but the responsibility of preparing a Management Agreement and actually drafting it rests with the Board. It is up to them to say what particular changes they need and that may go beyond Mr Casey's advice. I really can't

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say any more than that. I don't think there is anything unusual about the operation.

HON J E PILCHER

I think, Mr Speaker, that there is something unusual when the question of Mr Casey being brought to Gibraltar is told to the public by the Hon the then Leader of the AACR, Sir Joshua Hassan, and now we are told in this House that he is only brought by GSL in an advisory capacity, it can't be both. Is the report going to be made available to this House whether it is by Mr Michael Casey or by the lawyers or whoever, is it going to be made available to this House.

HON FINANCIAL AND DEVELOPMENT SECRETARY

If the Hon Member is referring to any new Management Agreement, then I think if I remember correctly the Government did offer to Hon Members at an earlier stage, going back a period of three years or so, to make copies of the Management Agreement then and, indeed, still in existence, available to Hon Members on a confidential basis and I will expect that the Government will do the same once the present discussions have come to fruition.

HON J E PILCHER

Mr Speaker, am I to understand that although the Government of Gibraltar have quite clearly intimated that part of the problems related to GSL are, in fact, the Management Agreement which has always been kept confidential and I saw a copy sitting down in the Secretariat with Mr Joe Pitaluga, the then Administrative Secretary, looking over my shoulder. Am I to understand that although that has been the cause of GSL's failure we are now going to get a new Management Agreement and it is going to be confidential and nobody is going to know anything about it.

HON FINANCIAL AND DEVELOPMENT SECRETARY

I think all I am saying, Mr Speaker, is that if the Hon Member wishes to see it in much the same way as he had seen the last one, then I am quite sure that the Government would make available to him the same facilities as had been made available in the past although it won't be with the Leader of the Independent Democratic Party on this occasion. That is really all I have to say on this subject, Mr Speaker. As I understand it the Management Agreement is still a draft which naturally the Board wish to show the Government and that is what they have done.

HON J C PEREZ

Have I understood the Hon Member when he said the draft agreement is going to be seen by the Government?

HON FINANCIAL AND DEVELOPMENT SECRETARY.

Yes, Sir.

HON J C PEREZ

Could the Hon Member state whether the final decision on the agreement has to be approved by the Government as well?

HON FINANCIAL AND DEVELOPMENT SECRETARY

I think the final decision must rest with the GSL Board but, naturally, they wish to consult the Government as the major shareholders, obviously.

HON J C PEREZ

So you could have a situation where the Government was completely against the draft agreement being negotiated but the GSL Board took the view that that was the management agreement that was needed to replace the old one and you could have a situation where the Board of GSL actually took a decision against the wishes of the Government on this one notwithstanding that the company is 100% owned by the Government.

HON FINANCIAL AND DEVELOPMENT SECRETARY

That is one of those hypothetical situations, Mr Speaker, which even I with my limited experience of politics can recognise.

HON J C PEREZ

With the information available from the Hon Member, the Hon Member must admit that according to what he said this morning that is a possibility, not a very remote one.

HON J E PILCHER

Mr Speaker, I am glad for the intervention of my colleague if nothing else because I have just been able to find from the Hansard of the last House when the Leader of my party asked: 'did the Government approve the appointment of Mr Casey', the then Leader and Hon Chief Minister said: "Yes, Mr Speaker",

MR SPEAKER

How is that relevant?

HON J E PILCHER

Question 258. It is relevant because if the Government approved the appointment, did they not approve the fee?

MR SPEAKER

Are we prepared to disclose or quantify the fee which is going to be paid to Mr Casey?

HON FINANCIAL AND DEVELOPMENT SECRETARY

Mr Speaker, I have taken the precaution of coming to this House without the information. This is something which my predecessor, Reg Wallace, used and I think it is a very useful principle. If you don't know you can't give the information provided of course that you say that you are not responsible for giving the information which I already have done.

HON JE PILCHER

Mr Speaker, the Hon Financial Secretary did not forget to bring the Supplementary Appropriation Bill where we are voting £2m for GSL. The question is, although the Government approve the appointment of Mr Casey, the Government did not approve the fee, that was left up to GSL, is that the answer?

MR SPEAKER

The responsibility lies fairly and squarely on GSL. He has said that he has not got the information and it is not a responsibility of Government.

HON J E PILCHER

Mr Speaker, we are asking a question. Did the Government approve the fee for Mr Michael Casey?

HON FINANCIAL AND DEVELOPMENT SECRETARY

No Sir.

HON J BOSSANO

So does the Government then tell us, as the Hon and Learned Chief Minister of the time told us last month, that they took the decision of approving, and presumably the GSL Board could not proceed with Mr Casey's appointment without Government approval, otherwise there would have been no need for them to approve it, they took the decision of approving his appointment and then gave GSL Board total freedom to pay him whatever they like. That is the situation?

HON FINANCIAL AND DEVELOPMENT SECRETARY

I think that is stretching the credibility a little bit, Mr Speaker. If it came to light that Mr Casey was being paid an extortionate amount then, naturally, this would be a matter of public interest in much the same way as there were at the last meeting of the House various questions about expatriate remuneration which were a matter of public interest. I think one must judge each particular question on its merits but as far as I am aware this is the normal fee paid to a consultant for his services. I don't think it is a matter for the Government to investigate.

HON J BOSSANO

But then, Mr Speaker, if it is a normal fee for a consultant and this particular consultant, the Hon Member will no doubt recall, has been previously paid fees which were considered by members of this House exorbitant and which were very controversial, this particular individual. Would the Hon Member say why it was that the Board of GSL considered itself incapable of negotiating the agreement without the need to engage a consultant?

MR SPEAKER

We are now going beyond the orbit of the question. We did that at the last meeting of the House.

HON J BOSSANO

Well, then, Mr Speaker, can the Hon Member say whether the decision to produce a draft agreement after consultation with Mr Casey is one which the Government can overrule?

HON FINANCIAL AND DEVELOPMENT SECRETARY

I am not quite sure what the Hon Leader of the Opposition is asking me to say what the Government can overrule, Mr Speaker.

HON J BOSSANO

What I am saying, Mr Speaker, in fact is, is the Board of GSL a free agent in terms of a management contract which we have been told it has to go to the Government for approval, is that not an inconsistency?

HON FINANCIAL AND DEVELOPMENT SECRETARY

I think the GSL Board would wish to carry the Government with them in any changes but I think they are the motive force. I mean they are as a Board, I think, the body which has been most concerned about the limitation on their powers contained in the previous Management Agreement. In that sense I think the Board is mainly concerned and the Government naturally is concerned because it is the shareholder and takes a close interest in the affairs of the Board.

HON J BOSSANO

Can I ask one question, Mr Speaker. Does the draft Management Agreement mean that the Management Contract by A and P Appledore could be extended or does it mean that their original contract is changed in terms of the powers that they have but that it will not be beyond the original date?

HON FINANCIAL AND DEVELOPMENT SECRETARY

I think that there will be some changes in what I might

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call the ambiance and the period to which the agreement relates, yes.

HON J BOSSANO

And would the Hon Member not agree that that is in itself a highly polemical decision where there are clear political positions and not a matter for the Board of GSL to decide for themselves.

HON FINANCIAL AND DEVELOPMENT SECRETARY

Certainly. I think that is something the Government would take a very close interest in, yes.

MR SPEAKER

Next question.

NO. 350 OF 1987ORALTHE HON J E PILCHER

When is Government taking a decision on the redundancy proposals by the GSL Board?

ANSWERTHE HON FINANCIAL AND DEVELOPMENT SECRETARY

With permission, Mr Speaker I will answer Questions No.350 and 351 together.

The Government is considering a submission by the GSL Board outlining proposals for the future of the Company, including redundancy measures. The Government has agreed, in principle, to the restructuring of the yard, but has sought clarification on a number of points. The Government will take a final decision in the light of the Board's response and after further discussion of the details of the proposals between management and the Unions. Implicit in the Government's agreement is an assurance, which has been sought by the Board, that further funds will be made available to enable the company to continue operations while the restructuring takes effect and as a contribution towards the costs of redundancies. As the House will be aware, the Government has so far provided £2m in 1987 by way of subscription for shares in GSL. The Appropriation Bill to be taken later in this meeting of the House provides for an additional £2m by way of a Government cash subvention for the purposes I have just described.

SUPPLEMENTARY TO QUESTION NOS. 350 AND 351 OF 1987

HON J BOSANO

Mr Speaker, can the Hon Member confirm that the cash subvention is the total subsidy for 1987?

HON FINANCIAL AND DEVELOPMENT SECRETARY

Yes, Mr Speaker, plus the earlier bits and pieces which I have mentioned.

HON J BOSSANO

We know about the earlier bits and pieces which are not called subventions, Mr Speaker. Is the Hon Member then saying that on the basis of the estimated loss for 1987 which the company must now have because we are in the last month of the year, it is not expected that the Company will require any further funds to close the 1987 accounts?

HON FINANCIAL AND DEVELOPMENT SECRETARY

I think there are several questions implicit in the Hon Member's question. Certainly, at this stage the Company

has a clear idea of what its loss will be in 1987 and I would remind the Hon Member that we also had a discussion about this very recently and I don't think the position as far as 1987 is concerned has changed a great deal in the intervening period. What we are now, in fact, confronting and what the purpose of the Government's agreement about the further £2m is intended to meet is the on going situation after the end of this current year into the early year of 1988, which is what the £2m is being provided for.

HON J BOSSANO

Mr Speaker, I wish to.....

MR SPEAKER

What you musn't do is pre-empt.

HON J BOSSANO

I am not trying to pre-empt.

MR SPEAKER

Or anticipate the debate on the Appropriation Bill.

HON J BOSSANO

No, Mr Speaker. But question 351 and 350 by my colleague, Mr Pilcher, ask two different things which the Hon Member has chosen to take together and we are seeking to disengage the information so that we can get back to what the original questions were. Is the Hon Member saying that the total subsidy for 1987 is £2m or that, in fact, £2m includes the subsidy for 1987 and money for 1988 because of restructuring. Which of the two is he saying?

HON FINANCIAL AND DEVELOPMENT SECRETARY

I am saying that one cannot, in fact, separate them arithmetically, £2m 1987, £2m now being sought as appropriation for 1988. I think there is as inevitably one would expect, some relationship but most of the £2m which the Government will be asking the House to approve in the Appropriation Bill will be for 1988. That is to say, we are assuming that the £2m or rather the funds which the Government has already provided by way of subscription for share capital in 1987 will be broadly sufficient but I would remind the House that at the last meeting of the House we approved an overdraft facility, we gave a guarantee, we asked the House to approve the giving of the guarantee and of course that overdraft facility was for £ $\frac{1}{2}$ m. There is obviously some fluctuation in that, that is to last until the end of the financial year but further funds will replace that particular overdraft facility. There is another aspect in which the fund has already provided and the funds now being sought are interrelated.

HON J BOSSANO

But, Mr Speaker, if the Hon Member when he came to this House originally to seek money for subscription for shares in GSL sought it on the basis that it was for working capital on the recommendations of the Price Waterhouse Report and now we are talking about a subvention to cover 1987 losses, then in fact is he saying that the 1987 losses are not expected to be anywhere the £2m?

HON FINANCIAL AND DEVELOPMENT SECRETARY

No, I am not saying that. I am saying that as far as I am aware the 1987 losses will be much as forecast when I last came to the House. I don't actually have the figure of the loss in my mind but not a great deal has changed in the situation as far as 1987 is concerned. Hence what I am also saying is that we don't foresee a need for further funds beyond the needs I have already acquainted the House with in the last debate, namely, that we have an overdraft facility of £500,000 and it may be that come the end of the year the company's cash flow position will point to a need to replace some of that £500,000 with actual money, in other words, the company will have to pay back Barclays Bank. I am saying that it is of the order of £½m, it may be less, I can't say precisely, but most of the money which is the subject of my answer to this question namely the £2m for which approval has been sought in the Appropriation Bill, that belongs to, if I might use that phrase 1988 and the restructuring and also contribution to the cost of redundancies.

HON J BOSSANO

Mr Speaker, but we are not asking the Hon Member of the £2m that is in the Appropriation Bill, that we will be asking when we get there. We are asking the Hon Member to explain what is the subsidy required for GSL for 1987, that is the question on the paper. Can he tell us that?

HON FINANCIAL AND DEVELOPMENT SECRETARY

Well, as far as I am aware I think I have in fact answered the question, Mr Speaker. Perhaps not in the precise terms which the Hon Member would have wished but then I have to answer the question in terms of the situation as I understand it.

MR SPEAKER

From what I have heard what you are saying is that the subsidy amounts to whatever has already been voted either by subscription for shares or otherwise and a little of what is going to be voted in the Appropriation Bill. Is that correct?

HON FINANCIAL AND DEVELOPMENT SECRETARY

Yes, Sir.

MR SPEAKER

Then from what I have understood, I think it is clear.

HON J BOSSANO

I am grateful to you, Mr Speaker. Then, Mr Speaker, if that is the case how does the Hon Member explain that when he came to this House to ask for the subscription for shares he told the House that that was not to meet a subsidy for losses in GSL, that that was for working capital and at the time there was an estimate of a loss in 1987 of £200,000 and on the last occasion that we discussed the matter the Hon Member gave us an estimate of £3m. I would like him to explain to me how he estimated GSL needed the money that was voted before with anticipated losses of £200,000 and he tells us that it still needs that and no more with anticipated losses of £3m.

HON FINANCIAL AND DEVELOPMENT SECRETARY

I think I understand that, Mr Speaker, but I would remind the Hon Member that when I came to the House to ask the House if they would vote an additional £2m, it was in the early part of this year, in March. Well, on the prospects then, as they were understood by the Government in the light of the advice from the Company, it was a need for £2m for working capital to help finance the operation for that year. The situation has since changed, quite a lot has happened in GSL since then.

HON J BOSSANO

Is it then, Mr Speaker, that the Hon Member is telling the House that when the accounts for GSL are brought to the House it will be found that the loss for the year is not of the order of £3m as he gave us to understand recently but of the order of £200,000 as he gave us to understand six months ago?

HON FINANCIAL AND DEVELOPMENT SECRETARY

No, Mr Speaker, not at all. It will be of the order of £3m.

HON J BOSSANO

Can the Hon Member then say that of that £3m loss for 1987 only a small part of it will be met by the £2m to which he keeps referring which he says is primarily for 1988?

HON FINANCIAL AND DEVELOPMENT SECRETARY

I think there are two different calculations and situations envisaged in the Hon. Member's question.

MR SPEAKER

What you are being asked is are you going to meet the balance of the deficit for the year?

HON FINANCIAL AND DEVELOPMENT SECRETARY

I am aware of that, Mr Speaker, but I can't answer the question as it is put because, really, the answer which he is seeking relates to an entirely different question which he hasn't asked. There are three different questions, if you like. At the beginning of the year we sought the approval of the House for Government funds for sufficient additional share capital to subscribe to working capital. The company's needs have changed, the situation of the company has changed, it is now going to make a loss of £3m. I don't think there is any argument about that, there may be argument about the size of what it is. The whole financial situation of the company has changed.

MR SPEAKER

Next question. We are having a debate and we are going to have a further bite at the cherry later on.

HON J BOSSANO

We are seeking information.

MR SPEAKER

No, with respect you are seeking confirmation, not information and you are not going to get it. We have got to a stage when a question passes its usefulness.

HON J E PILCHER

Even if I do accept that I must remind the Hon Speaker that they are answering Question 350 and 351 together. I want to ask supplementaries on question 350.

MR SPEAKER

Well, ask the question.

HON J E PILCHER

Mr Speaker, the Hon Financial and Development Secretary said that the Government had agreed, in principle, to the restructuring. The Government has therefore already taken a decision to go ahead with the redundancies.

HON FINANCIAL AND DEVELOPMENT SECRETARY

The Government has agreed in principle, Mr Speaker, that is all I can say but there are still a number of points requiring clarification.

HON J E PILCHER

When does Government intend to implement this decision, in principle, seeing that we are now getting to the end of the

year and we are two months, three at the most, away from an election, Mr Speaker.

HON FINANCIAL AND DEVELOPMENT SECRETARY

As I have said, the Government will take a final decision in the light of the Board's response to the various points which have been put to the Board by the Government seeking further information and clarification and also after further discussion of the details of the proposals between Management and the Unions which so far as I am aware has not yet taken place.

HON J E PILCHER

When is this likely to take place?

HON FINANCIAL AND DEVELOPMENT SECRETARY

In the near future, I would imagine, Mr Speaker. I really can't say any more and I can't predict the outcome of the discussions or the pace at which events will take place.

HON J E PILCHER

Do I understand that the Board who we know are keen to get the restructuring from the Government are being held up by Government decision making?

HON FINANCIAL AND DEVELOPMENT SECRETARY

I am sure the Hon Member wouldn't expect me to answer that sort of question.

HON J BOSSANO

Can the Hon Member say whether, in fact, delay on proceeding with the restructuring is itself adversely affecting the financial position of the company?

HON FINANCIAL AND DEVELOPMENT SECRETARY

I think I would say that if there were to be delay on proceeding with the restructuring it would adversely affect the financial position of the company.

HON J BOSSANO

And would the Hon Member agree that if that is the case and the Board cannot proceed because it has not been given the green light by the Government, the Board is expecting the Government to foot the Bill? Is, in fact, the Board of GSL waiting for the green light from the Government to proceed with the restructuring?

HON FINANCIAL AND DEVELOPMENT SECRETARY

There are other parties involved in the restructuring,

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Mr Speaker, there is discussion between Management and Union.

MR SPEAKER

We will now call the next question.

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NO. 351 OF 1987

ORAL

THE HON J E PILCHER

What does Government expect the total subsidy to GSL for 1987 to amount to?

ANSWER

THE HON FINANCIAL AND DEVELOPMENT SECRETARY

Answered together with question No. 350.

NO. 352 OF 1987

ORAL

THE HON J E PILCHER

Can Government state what is the transfer payment being made by GSL to the Gibraltar Government to cover pension rights for the past service of the staff at the Training Centre?

ANSWERTHE HON FINANCIAL AND DEVELOPMENT SECRETARY

Mr Speaker, the transfer payment being made by GSL to the Gibraltar Government to cover pension rights for the staff at the Training Centre is £20,245.

SUPPLEMENTARY TO QUESTION NO. 352 OF 1987

HON J E PILCHER

Mr Speaker, has this transfer payment been based on the GSL pension scheme or the civil service pension scheme. How has the Government come up with this transfer payment?

HON FINANCIAL AND DEVELOPMENT SECRETARY

It is a very difficult calculation, Mr Speaker. I really haven't the faintest idea but if the Hon Member wishes to have further details, I will see that those who are more knowledgeable about this matter write to him about it.

HON J E PILCHER

Can I also ask, Mr Speaker, where that £20,245 is going to come from. Is this going to come from the pension fund as such at GSL or is it going to come from general revenue, perhaps from the £2m we are just going to vote.

HON FINANCIAL AND DEVELOPMENT SECRETARY

Well, as far as that is concerned my understanding is that it would be at least partly met by the employer's share of the fund which the company has already undertaken to contribute towards the pension fund.

HON J BOSSANO

How much?

HON FINANCIAL AND DEVELOPMENT SECRETARY

I can't say precisely. If that question is of interest to Hon Members I will see if the information can be furnished to them.

HON J BOSSANO

Right.

NO. 353 OF 1987

ORAL

THE HON J E PILCHER

What is the estimated sales of GSL for 1987 giving the breakdown of this figure between RFA work and commercial work?

ANSWERTHE HON FINANCIAL AND DEVELOPMENT SECRETARY

Mr Speaker, estimates sales of GSL for 1987 are expected to be £15 million of which £10 million is in respect of naval work, including £1.0 million on RMAS work and £5 million commercial work.

SUPPLEMENTARY TO QUESTION NO. 353 OF 1987

HON J E PILCHER

Does the Hon Member know, of the £5m commercial work, how much does the Gun Wharf play in that £5m. The Gun Wharf element of GSL?

HON FINANCIAL AND DEVELOPMENT SECRETARY

The Gun Wharf element is, approximately, £ $\frac{3}{4}$ m thereabouts.

NO. 354 OF 1987

ORAL

THE HON J E PILCHER

Has Government now made a submission to Her Majesty's Government to obtain more RFA work for GSL?

ANSWERTHE HON FINANCIAL AND DEVELOPMENT SECRETARY

Mr Speaker, the Government will be considering this matter in the context of the Company's proposals for a restructuring of the yard.

SUPPLEMENTARY TO QUESTION NO. 354 OF 1987

HON J E PILCHER

Mr Speaker, I dare say the Government must be aware that RFA refit programming takes place years before the actual RFA vessel materialises in a naval base dockyard refit yard. The Government must therefore realise that their failure to have done up to now would mean that there is no RFA work for the GSL for at least the next two years.

HON FINANCIAL AND DEVELOPMENT SECRETARY

Naturally, I am familiar with the programming the Hon Member has said. It is not really for me to say much more on this because I think it is a political matter but one would hope that any political approach might, if it were judged appropriate by the Government, overcome the sort of difficulties which the Hon Member has mentioned.

HON J E PILCHER

Irrespective of political difficulties, Mr Speaker, there is a physical reality which is that you need to programme the thing before. Is the Government therefore saying that they will approach Her Majesty's Government the moment we have restructured the yard. Is that what they are saying?

HON FINANCIAL AND DEVELOPMENT SECRETARY

I don't think I am saying that the Government would wait until the restructuring has taken place but it is considering the matter in the context of those proposals. When the Hon Member asked a similar question in the House of the last meeting, I gave the answer then that again without wanting to

trespass on political grounds, the Government didn't feel that it could make representations at that juncture because of the difficulties. Though the situation has moved on the Government now sees more of a prospect of making representations. That is really all I have to say.

HON J E PILCHER

I accept that, Mr Speaker, but it is only that, particularly given the figures that we've just had as answer to question 353, if there's only 4.25 of commercial work, if there is no MOD element next year then they are not talking about restructuring.

HON J BOSSANO

Could I ask the Hon Member if the company has issued a statement to its workforce telling them that the restructuring is due to the fact that there is no more RFA work, does it not mean that the yard will not be in a position to undertake RFA work after the restructuring and therefore a decision on RFA work has to precede a decision on restructuring. Is that not the case?

MR SPEAKER

With respect, it is the case, it is a natural consequence but it is not seeking information, it is seeking confirmation of what is going to happen.

HON J BOSSANO

The information I am seeking from the Hon Member is how does he expect to be in a position to approach the British Government to seek RFA work when he has removed the capability of doing it? That is the information I want.

MR SPEAKER

Yes, that is the consequence.

HON J BOSSANO

I would like an answer, Mr Speaker.

MR SPEAKER

Well, can you give an answer?

HON J BOSSANO

The Hon Member has said, Mr Speaker, that the Government has

not ruled out the possibility of doing this in the future. I am saying to the Hon Member, how does he expect the Government to be in a position to make submissions to Her Majesty's Government to send RFA work to Gibraltar in the knowledge that Gibraltar would not be able to undertake it after the restructuring.

HON FINANCIAL AND DEVELOPMENT SECRETARY

Although it is not a question for me to deny, I don't think that the latter half of the Hon Gentleman's sentence has any reply, that Gibraltar or the yard would not be able to take on RFA work after the restructuring. When we are talking about RFA work, it may be that the British Government will say 'yes, you can have another £14m or £20 or as many RFA's as you like'. But I don't think anybody is anticipating manna dropping from heaven to quite that extent. What we are talking about is an additional ship or two. We have, as I think I have mentioned in the past in the House, we have been told quite clearly by the MOD that when the guarantee element comes to an end Gibraltar must compete on cost grounds and they have also told us that our costs are about 40% higher than they were in 1984 which presented difficulties for them and, indeed, for the yard. What I am really talking about in terms of an approach to Her Majesty's Government is whether it may be possible to extend the guarantee, if you like, by a further ship or so. Not a long term programme. If it were a long term programme, then I think everyone would be delighted.

HON J BOSSANO

Mr Speaker, have I understood the Hon Member correctly in saying that our costs were 40% higher than they were under the naval dockyard. In 1984 it was a naval dockyard.

HON FINANCIAL AND DEVELOPMENT SECRETARY

No I think 40% higher than they were in GSL when they began.

MR SPEAKER

We will not call the next question because the Attorney General has been detained for urgent business.

15 12 87

NO. 355 OF 1987

ORAL

THE HON J C PEREZ

Can the Attorney-General state whether the Police investigation into the Public Works Department has now been completed?

ANSWER

THE HON THE ATTORNEY GENERAL

Sir, the investigation is still ongoing and at this juncture it is not possible for me to give an indication of an anticipated date of completion.

SUPPLEMENTARY TO QUESTION NO 355 OF 1987

HON J C PEREZ

Could the Hon Member clarify whether the investigation going on is the same one or whether there has been a new investigation asked for by his department which is what some workers in the Public Works believe?

HON ATTORNEY GENERAL

Mr Speaker, the investigation is the same investigation which is going on. I received preliminary reports from the police and as a result of those reports I asked for further investigations to be carried out to clarify certain issues and it is that that the police are doing now.

NO. 356 OF 1987

ORAL

THE HON J C PEREZ

Can Government state whether it has now taken a policy decision in respect of satellite television?

ANSWERTHE HON THE MINISTER FOR EDUCATION SPORT AND POSTAL SERVICES

Sir, since your last question, Ministers have considered this matter and a preliminary report has been prepared on the technical and planning problems involved.

2. As I mentioned last time this is a matter which requires careful study and the various departments involved ie Crown Lands, Director of Postal Services (Wireless Officer), Superintendent of Telephones and Law Officers Department will shortly be considering the preliminary report.

SUPPLEMENTARY TO QUESTION NO. 356 OF 1987

HON J C PEREZ

Can the Hon Member clarify whether that report and that study has anything to do at all with the Bill before the House to allow the Gibraltar Broadcasting Corporation to relay satellite.

HON G MASCARENHAS

Not at all, Sir.

HON J C PEREZ

Can the Hon Member state when he thinks his Government will be in a position to take a final decision on this matter which in July he described as imminent.

HON G MASCARENHAS

Mr Speaker, having regard to what I described as imminent in July, I would be very careful to actually give a target date at this stage seeing that the matter is very, very complex.

HON J C PEREZ

Seeing, Mr Speaker, that a preliminary start has already been made and that it is with the Heads of Department, couldn't the Hon Member give what is described on that side of the House as a guesstimate so that we might be able to know more or less when we are going to have a final decision on this matter?

HON G MASCARENHAS

Mr Speaker, it is very difficult to give a guesstimate at

this stage. If the Hon Member wants my opinion I would say in a matter of three months.

HON J C PEREZ

Can the Hon Member state whether having seen the progress report he is satisfied that all the points have now been covered and that what he is actually waiting for is comments by the Heads of the Departments that he has mentioned on the report itself?

HON G MASCARENHAS

Yes, absolutely, Mr Speaker.

HON J C PEREZ

And with that knowledge in mind, Mr Speaker, isn't the Hon Member able to give a guesstimate of when, more or less, a final decision on this matter will be taken?

HON G MASCARENHAS

Mr Speaker I have given my opinion. I think a matter of three months.

HON J E PILCHER

Certainly not with the technical knowledge that my colleague seems to have, but can I ask is it therefore subject to the implementation of new regulations or legislation. Is it at the moment illegal to have satellite receiving equipment ie the dish as it's called. Is it illegal for somebody to have this equipment?

HON G MASCARENHAS

Mr Speaker, I think the Attorney General I think is better equipped to answer that question than I am.

HON J E PILCHER

Well, perhaps, when the Attorney General comes, Mr Speaker, you will be so kind as to allow me to put these questions to him.

MR SPEAKER

Most certainly.

HON J L BALDACHINO

Is it correct that the only thing that can stop somebody putting up a dish, as such, is that he needs planning permission?

HON G MASCARENHAS.

No, Sir, I cannot say that.

HON J BOSSANO

Getting back to the point about the legislation providing for GBC to undertake satellite permission, is the Government saying that they are going to allow GBC to have a monopoly of satellite transmission between now and the time they decide whether other people can or cannot do it?

HON G MASCARENHAS

At the moment that is the position, yes.

HON J L BALDACHINO

Shouldn't Government then reach a decision as quickly as possible because there are people who are putting up dishes and if it is decided that GBC should have the monopoly what is going to happen with the money that is spent by those people who have been putting up the dishes?

HON G MASCARENHAS

Mr Speaker, there is nobody more aware of the urgency of the matter than I am. I said in July that the matter was imminent because I was under pressure and therefore I wanted to hurry it. It is a complex matter and I think Members will have to bear with us.

MR SPEAKER

Next question.

HON J E PILCHER

There was a question I wanted to ask the Attorney General and that is, at the moment is it illegal to have satellite receiving equipment given that the Government has not yet passed regulations or legislation that caters for that. Is it at the moment illegal to have what they term the 'dish' put up for receiving satellite?

HON ATTORNEY GENERAL

Satellite receiving equipment is illegal at the moment because it is contrary to the endorsement on the wireless telegraphy licence which has been inserted in those licences, I believe, since the 1st October, 1986, and it is the term and condition of those licences issued that this licence does not allow the licence holder to instal or operate equipment for the receipt of television or sound radio programmes which are transmitted by means of satellite to an antenna and associated receiving apparatus which operated together are designed to receive and process such programmes for ultimate presentation on the television or screen or through a radio loudspeaker. There-

fore satellite receivers are television sets, as the Hon Mr Baldachino has said, these sets are already geared for the receipt of satellite television and indeed television sets or screens which have the black box which I call this piece of equipment between the television screen and the antenna, that of course again is contrary to the terms of the endorsement on the licence, on all wireless telegraphy licences issued by the Wireless Officer, my instructions are, since the 1st October, 1986.

HON J C PEREZ

Mr Speaker, if the equipment referred to was installed prior to this date does that continue to be illegal or would it be denying a right to the individual which he previously enjoyed?

HON ATTORNEY GENERAL

The position as I understand it is that you have to have a new licence every year. If you had equipment for receiving satellite television prior to the 1st October, 1986, you don't have a licence after the 30th September but on the 30th September we imposed new conditions, if you like, by way of endorsement on the licence and therefore strictly speaking the television set should not be used for the purposes of receipt of satellite television. But I realise now the difficulty, the trench I have dug myself, as to whether or not the people who were receiving satellite television before the 1st October, 1986, have a right to continue receiving despite the terms of the licence and whether or not they should be exempted because of the same reasons I gave this House on the last occasion as to radio receivers in taxis. I have to consider that. Quite honestly at this moment I don't know but certainly I am quite clear that any set that was adapted to receive satellite television after the 1st October, 1986, should not do so because it is contrary to the conditions endorsed on the licence.

HON J E PILCHER

And has the dish also got acquired rights, Mr Speaker?

HON ATTORNEY GENERAL

I am told it is most unlikely that there will be any dishes because these are quite expensive and they are quite large, any dishes would be acquired without the necessary connection to the television set whether it is the Hon Mr Baldachino's television set that works automatically or whether it be a normal television set which needs the black box in between. I can't imagine anybody would have a dish without having a satellite receiver because of the expense. It is not like in the old days when you put a television antenna to let the neighbours know that you've got a television which you really don't have.

HON J E PILCHER

The answer to my initial question was, yes, it is illegal to have a dish. Is it the same as you were saying, Mr Speaker, as regards the television with the black boxes if the dish was put up before the 30th September it is legal, if it is put after the 30 September it is illegal and, if so, will the Government check it or is the Government in a position to want to check into dishes which are being erected pending the decision being taken by the Government as regards new regulations or legislation on satellite television?

HON ATTORNEY GENERAL

Well, the dish is a fair sized piece of equipment but the dish itself is not wireless telegraphy receiving, it is what goes after the dish.

HON J L BALDACHINO

What needs a licence is not the dish but the receiver, in this case the television. Therefore it is not illegal, let's put it that way, to put a dish up, it becomes illegal when the dish is connected to the television, am I correct?

HON ATTORNEY GENERAL

Yes. I think the dish itself, per se, is not a piece of wireless receiving equipment but I can't imagine any dishes being put up without the necessary connection to the receiver. But the dish itself, no, it is what happens after the dish.

HON J BOSSANO

Then, Mr Speaker, the previous answer we were given that the only grounds on which it is illegal to have this is on planning grounds because they need planning permission and nobody has been given planning permission, how does one thing tie up with the other. I know the Hon Member wasn't here but when the Minister was answering previously, he said it was not admissible on planning grounds and nobody had been given planning permission. Is that still true?

HON A J CANEPA

It isn't so much that they are not admissible on planning grounds, the problem is that it is very difficult for the Development and Planning Commission to take a view to adopt a policy on planning grounds in the absence of other information. For instance, would it be possible to designate a number of blocks of flats as being suitable for having one dish appertaining to them for their use. Should dishes be used on the basis of zoning areas and, if so, what about individual households where they are detached. It has not been possible for the DPC to take such a decision in the absence of other information of a highly technical nature which the other departments need to provide for the Commission and this is what is really holding matters up.

NO. 357 OF 1987

ORAL

THE HON J C PEREZ

Does Government intend to intervene in the dispute between Cable and Wireless and its workforce to ensure that Gibraltar will not be left without communications with the outside world come 1st January 1988?

ANSWERTHE HON THE MINISTER FOR MUNICIPAL SERVICES

Yes Sir.

SUPPLEMENTARY TO QUESTION NO 357 OF 1987

HON J C PEREZ

Can the Hon Member state what it intends to do?

HON J B PEREZ

Mr Speaker, let me say first of all that there is no reason why Gibraltar should be left without international communications come the 1st of January, 1988, as I see it. The Government has already made its position well known to Cable and Wireless which I will reiterate in this House of Assembly and that is that Cable and Wireless should discharge all its moral and legal obligations that it has with its staff. If there is a dispute as everybody knows that there is particularly in connection with the payment of redundancies, this should be sorted out either by arbitration or by litigation and today I read in the Gibraltar Chronicle that the Union has, in fact, taken a writ against Cable and Wireless. The third alternative was by possible negotiation but I believe that the time which has been spent in negotiation has not really been fruitful at all. As far as the Government is concerned, Gibtel is ready to offer employment to all present members of staff who will become redundant on 1st January of next year on terms as I have already committed myself to do so, on terms no less favourable than those which they have enjoyed in the past. Again, I would reiterate, Mr Speaker, primarily it is a matter between Cable and Wireless at its start but the Government or I have put my points very clearly to both sides. There is very little that one can do at this moment in time particularly more so that I got to know today that a writ has been taken out against Cable and Wireless.

HON JC PEREZ

Would the Government not consider that refusing to finalise the Agreement with Cable and Wireless over the purchase of equipment is another thing that the Government can do to put pressure on Cable and Wireless to do what the Hon Member has asked the Company to do?

HON J B PEREZ

Let me again reiterate what I have said because I don't think the Hon Member has got it clear. I am not prepared to sit as a judge of whether the men are entitled to x or x plus y. I am not capable of doing that and I don't think it is my function as a Minister to say yes or no. What I do say is, on a personal basis that C&W have to discharge both commitments. I think they have a moral one and they have a legal one. I cannot be the judge that is for the Courts to decide. If I was appointed as an arbitrator then I would give a judgment but I don't think I should give a judgment on this matter. What I will reiterate is that as far as I am concerned I will do everything I can to try and ensure that Gibraltar does not suffer as from 1st January but, again, there is no reason why a Court action cannot continue with Cable and Wireless and those men who are made redundant come the 1st January are offered employment after 1st January by the new company. If they have a grievance, which undoubtedly they have, and if they have a good case let the matter go to court but start work on 1st January and don't let Gibraltar suffer. That is my opinion.

MR SPEAKER

Next question.

15 12 87

NO. 358 OF 1987

THE HON J C PEREZ

ORAL

Can Government state whether they are satisfied that there are sufficient international telephone lines to meet present day demands?

ANSWER

THE HON THE MINISTER FOR MUNICIPAL SERVICES

Government is aware that at present the number of international telephone lines is not sufficient to adequately carry the peak telephone traffic. Steps to rectify this has already been taken by the newly formed Gibtel and a vast improvement should be noticeable in the New Year.

SUPPLEMENTARY TO QUESTION NO. 358 OF 1987

HON JC PEREZ

Could the Hon Members specify what he means by a vast improvement? Has, for example, the demand been monitored and is the new capacity going to be in line with present demands?

HON J B PEREZ

What the new company has already done is purchased equipment, it is proposed to increase the number of lines to cater well over the demand at peak times so it is not a question of catering just for the first six months, we have gone into it longer term.

MR SPEAKER

Next question.

15 12 87

NO. 359 OF 1987

ORAL

THE HON M A FEETHAM

Can Government confirm that the site at Poca Roca will house the new Prison?

ANSWER

THE HON THE MINISTER FOR MUNICIPAL SERVICES

A final decision on the matter has yet not been taken, although it has been identified as the most suitable site.

SUPPLEMENTARY TO QUESTION NO. 359 OF 1987

HON M A FEETHAM

Mr Speaker, can the Hon Member say whether having identified it that means that subject to funds that is likely to be the site?

HON J B PEREZ

As I have said no final decision has been taken, of course the question of finance is of paramount importance but, yes, having gone through a number of sites in Gibraltar the Government has come to a decision that that appears to be the most suitable site for the new Prison.

HON M A FEETHAM

So can the Minister give some indication on when it is expected that a start will be made?

HON J B PEREZ

In view of the term left to this Government I don't really think that there is going to be a decision taken.

MR SPEAKER

Next question.

15 12 87

NO. 360 OF 1987

ORAL

THE HON J E PILCHER

Can Government confirm that they have taken over the Apprentices Training Centre at the commercial yard?

ANSWER

THE HON THE MINISTER FOR LABOUR AND SOCIAL SECURITY

Yes Sir. Government took over on the 1 December 1987.

SUPPLEMENTARY TO QUESTION NO 360 OF 1987

HON J E PILCHER

I therefore assume, Mr Speaker, that GSL has ceased to train apprentices and Government are now assuming the full responsibility for doing this.

HON DR R G VALARINO

That's right, Mr Speaker.

HON J E PILCHER

Can the Minister therefore give us, Mr Speaker, the cost of running the Apprentices Training Centre to the Government in a year?

MR SPEAKER

No, I think that should have been the subject matter of a direct question because Ministers are not expected to carry a completion set of information.

HON J BOSSANO

He may be able to answer it, Mr Speaker.

MR SPEAKER

Are you able to answer it?

HON DR R G VALARINO

Mr Speaker. I can answer it and I will be pleased to answer the question that the Hon Member has asked. Based on current figures the cost would come to between £119,000 and £130,000. GSL will continue to pay the salary of the apprentices although the Government will continue to make a contribution of £15 a week in respect of each of the first year apprentices.

HON J BOSSANO

Mr Speaker, could I ask the Hon Member, are they going to be using the training centre for any other apprentices or just GSL?

HON DR R G VALARINO

Mr Speaker, as far as I know it will only be used for GSL apprentices.

HON J BOSSANO

Wouldn't the Hon Member agree that without the restructuring having gone through, he is not in a very good position to judge what is the demand and the requirement that is going to be made at the training centre.

HON DR R G VALARINO

Mr Speaker, as far as the training centre is concerned we think that there are certain facets there which could be of use and there will be consultations between different bodies to see whether in the future the equipment and the personnel involved could be used for other methods of training apart from just GSL employees.

HON J E PILCHER

Mr Speaker, can I ask the Government what was the thinking when they decided to take over the Apprentices Training Centre of GSL.

HON A J CANEPA

The immediate thinking behind the Government was to relieve GSL of certain overheads, naturally. That was the immediate cause. But since having taken over the centre unaware as we are of the quality of the equipment there, the education department through the College of Further Education would like to consider the potential of the training centre and see whether those training facilities can be used for other forms of training including apprenticeships.

HON J E PILCHER

But the potential has not been quantified now, it is going to be quantified in the future. Can I therefore not assume, Mr Speaker, following the answer given by the Hon Chief Minister, that it is another hidden subsidy for GSL in the region of £119,000 to £130,000 a year?

HON A J CANEPA

I think that was made clear at the time when the Government took the decision of taking it over. If we were going to take it over we were paying for the expenses of the training centre. It is a form of indirect subsidy, if you like.

3.

MR SPEAKER

Next question.

NO. 361 OF 1987

ORAL

THE HON R MOR

When does Government anticipate that the Spanish Sub-fund of the Social Insurance Fund will be exhausted?

ANSWERTHE HON FINANCIAL AND DEVELOPMENT SECRETARY

As Hon Members know, the agreement between the Government and HMG provided for an ODA contribution to be made in two half-yearly instalments, to be paid in April and October of each of the three years, 1986, 1987 and 1988. In the first year the two instalments were of £3m, in the second year £2.75m, and, in 1988 £2.5m making a total of £16½ million. The incidence of those payments affects the balances deemed to be in the Spanish sub-fund. Hence the sub fund, which at present is in surplus, will move into apparent deficit early in 1988. It will be restored to credit by the payment by HMG due to in April 1988, but will return to deficit during the middle of 1988. On present prospects, the payment due in October 1988 will be insufficient to cover fully the deficit in the Spanish sub-fund at that date.

SUPPLEMENTARY TO QUESTION NO 361 OF 1987

HON R MOR

Mr Speaker, could the Hon Member say what is the estimated amount projected for the end of this year of the Spanish sub fund?

MR SPEAKER

The next question is coming up and you will be getting that information. You want to know the amount which has already been paid?

HON R MOR

What I have asked for what is the amount of the Spanish sub-fund at the end of this year?

MR SPEAKER

You are being asked for the balance in the sub fund at the 31st December 1987 or at the 1st November.

HON FINANCIAL AND DEVELOPMENT SECRETARY

On the 1st November. Well, I can't give it on the 1st November, I can only give monthly figures but the balance in November is just over £2m.

HON J BOSSANO

The Hon Member has mentioned payment in October, 1988, from the UK which I assume will be £1.25m.

HON FINANCIAL AND DEVELOPMENT SECRETARY

No, £2.5m.

HON J BOSSANO

Is it £2.5m every six months then?

HON FINANCIAL AND DEVELOPMENT SECRETARY

Correct. In 1988 it will be.

HON J BOSSANO

He said the £2.5m of October, 1988, will be insufficient to cover the deficit then in the sub fund. Am I correct?

HON FINANCIAL AND DEVELOPMENT SECRETARY

That is correct.

HON J BOSSANO

Therefore, Mr Speaker, could I ask him what is expected to be the remaining deficit after that £2.5m is received.

HON FINANCIAL AND DEVELOPMENT SECRETARY

In effect the Hon Member is asking me what will be the position at the end of 1988, as I understand it. It is difficult to be precise but the deficit would be in excess of £2m.

HON J BOSSANO

I see. And, in fact, has the Government taken a policy decision to continue with the payment of the pensions once the sub fund is exhausted?

HON FINANCIAL AND DEVELOPMENT SECRETARY

I don't think that question is for me to answer, Mr Speaker?

HON A J CANEPA

We haven't taken such a decision, it will be a decision for the next Government to take.

HON R MOR

Thank you very much.

3.

HON J BOSSANO

Are there any more ghastly decisions for the next Government to take, Mr Speaker?

MR SPEAKER

Next question.

15 12 87

NO. 362 OF 1987

ORAL

THE HON R MOR

What is the total amount paid to Spanish pensioners up to 30th November, 1987?

ANSWER

THE HON THE MINISTER FOR LABOUR AND SOCIAL SECURITY

The total amount paid to Spanish pensioners from February 1986 to November 1987 is £14,465,747.98.

SUPPLEMENTARY TO QUESTION NO. 362 OF 1987

HON R MOR

Mr Speaker, could the Hon Member say out of this amount, how much is paid by way of full pensions?

HON DR R G VALARINO

Mr Speaker, I haven't got the full information that the Hon Member requests.

HON A J CANEPA

Do I understand the question. How much is paid by way of full pension? At the end of 1985 when the agreement was concluded, I remember that we were being told by the Department of Labour and Social Security that there were then about 700 Spanish pensioners entitled to full pension. I don't think that it can have gone up because the only people that were entitled to full pension were those in receipt of pension prior to 1969. It must have decreased slightly in the last few years by wastage by natural death. I think the computation can be made from there, 700 pensioners at the full pension and a reasonable accurate estimate can be worked out.

MR SPEAKER

Next question.

NO. 363 OF 1987

ORAL

THE HON R MOR

Have Government now considered reducing male pensionable age to 60?

ANSWERTHE HON THE MINISTER FOR LABOUR AND SOCIAL SECURITY

The Government has stated on more than one occasion, and as recently as July 1987 in reply to Question No. 188 of 1987, that it is their aim of policy to reduce the age of entitlement for male social security pensions.

The matter is kept constantly under review with a view to implementing this aim of policy at the earliest possible date.

SUPPLEMENTARY TO QUESTION NO 363 OF 1987

HON R MOR

Is the Government intending to introduce this policy early in the new year?

HON DR R G VALARINO

Mr Speaker, could I please repeat what I said in the last paragraph. 'To implementing this aim of policy at the earliest possible date'. I mentioned nothing about the cost. I have said nothing as yet about whether we could consider it at the end of this year or in the forthcoming year, Sir.

HON R MOR

When, Mr Speaker, does the Government understand is as early as possible?

HON DR R G VALARINO

It really depends on a policy decision of the Government to bring down the pensionable age to 64. I have got some figures in front of me which gives us the cost, in fact, I think at the last meeting of the House you wanted to know the cost and I have got the costings here. Once we analyse the costing of the figure it may be easier.

MR SPEAKER

You are being asked if it is going to be in the immediate future?

HON DR R G VALARINO

I am trying to give the figure to the Hon Member. If one were to reduce the pensionable age to 64, the total cost

2.

involved would be £2,648,250; to 63, £6,246,660; to 62, £10,820,910; to 61, £16,345,320 and to 60, £22,819,890. I believe these were the figures you asked for.

HON J BOSSANO

Mr Speaker, could I ask the Hon Member whether in the computation of these figures it has been assumed that there will be a liability to pay to a greater number of Spanish pensioners than exist at the moment?

HON DR R G VALARINO

Yes, Sir.

HON J BOSSANO

I see. So therefore is the Hon Member saying that because of the fact that the Government now has to pay Spanish pensioners they are less able to do it than they were in the past?

HON DR R G VALARINO

No, I am not saying that. This is the total cost. If you would like a breakdown between British and others and Spanish I will be prepared to give you a breakdown.

HON J BOSSANO

We would be grateful to have information as it will help us to assess the position, Mr Speaker. Is he going to provide it now or subsequently.

HON DR R G VALARINO

If the Hon Member doesn't mind I can give it to him subsequently.

HON J BOSSANO

Is the Hon Member saying that the Government does not consider in the light of the figures that he has provided that they can move by even one year, or has no decision at all yet been taken?

HON DR R G VALARINO

Mr Speaker, no decision has yet been taken.

HON J BOSSANO

Does the Hon Member or his Government concur with the view of the General Secretary of the party in power that in the present economic situation the Government can afford to bring the pensionable age down now?

HON A J CANEPA

The Government is not answerable for what the General Secretary of the AACR may say, I think he was speaking for himself. I

just want to add one thing that, obviously, the timing of a decision amongst many other factors hinges, I think, also on the renegotiation of the agreement with the British Government, the Agreement which expires at the end of 1988 and what the result of that agreement may be. If, hypothetically speaking, somebody else were to pick up the Bill for the next twenty something years of the Government's, its ability to finance a move in the direction which the Hon Minister has explained having regard to the cost, the ability of the Government to move in that direction would be considerably enhanced. I think we really have to wait to see what the result of the negotiations with Her Majesty's Government is on the question of Spanish pensioners.

NO. 364 OF 1987

ORAL

THE HON J L BALDACHINO

Can Government state how many Varyl Begg Estate flats still suffer water penetration?

ANSWERTHE HON THE MINISTER FOR PUBLIC WORKS

There are 28 flats still suffering from water penetration.

SUPPLEMENTARY TO QUESTION NO. 364 OF 1987

HON J L BALDACHINO

Can the Hon Member say if this is due to the faults in the roof?

HON MAJOR F J DELLIPIANI

Mr Speaker, I have tried to guess what the supplementaries would be and looking at the information that I had at the time I noticed that there were flats which were on top floors and some which were on middle floors so I required quite a lot of time to be able to investigate all the faults and I haven't had that time. I promise the Hon Member that I will ask the Department to send a written reply specifying the faults in the twenty eight flats which are suffering water penetration.

HON J E PILCHER

If I can ask one further question Mr Speaker. Is his Department working on these 28 flats, have the works been stopped or perhaps they haven't yet started. Can the Hon Member enlighten me on that?

HON MAJOR F J DELLIPIANI

Mr Speaker, I cannot honestly say what the position of each flat is. I tried very hard to get this information for the Hon Member but I haven't been able to do so. I will certainly make it a point of informing the member as soon as possible.

NO. 365 OF 1987

ORAL

THE HON R MOR

What is the present situation as regards repairs to Bayside Comprehensive School?

ANSWERTHE HON THE MINISTER FOR PUBLIC WORKS

Sir, .

LONG TERM REPAIRS

It has been agreed by Public Works Department and the Education Department that the optimal commencement date for the long-term full-scale repair and refurbishment work should be the 1st week of July 1988. The Public Works Department have therefore prepared a detailed programme of preparatory work which will include drawings, specification, schedules of work and bills of quantities in order to meet a target tender date for the end of March 1988.

The period of time between invitation of tenders and contract commencement is necessary to ensure that all the specified materials are available on the 8 July 1988. At this stage, investigation work and drawings are being prepared by the Department.

The Contract for the cladding to the South Wall of Rooms 35 and 36 was signed on the 3 December 1987. It is envisaged that the works will start during January 1988.

SHORT TERM REPAIRS

The present situation as regards short term repairs to Bayside Comprehensive School is that during the period 1 January 1987 to date, 158 requisitions have been received and to these 6 are outstanding at present.

SUPPLEMENTARY TO QUESTION NO. 365 OF 1987

HON R MOR

Mr Speaker, at a meeting which was held by the Bayside Parent's Association and the Minister for Education, the Minister for Education gave a guarantee that the minor repairs which had been carried out at Bayside would hold during this winter but we all know, Mr Speaker, very recently there was a problem of water getting into the school and electricity having to be switched off, and flooding. Is the Government still abiding by its guarantee in these circumstances.

HON MAJOR F J DELLIPANI

The Hon Member, Mr Speaker, has omitted to say that the cause of the last ingress of water in the new part of the school

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was caused by a tennis ball getting into one of the gutters.

HON R MOR

Well, Mr Speaker, is the Government taking any action to prevent tennis balls blocking the drainage system.

HON MAJOR F J DELLIPIANI

I think we could consider employing a ball boy.

HON R MOR

Mr Speaker, during the very heavy storm which we had where lots of flooding took place in Gibraltar, I noticed that there was about two feet of water throughout the whole playground. Is that another problem with the drainage system there? Another tennis ball?

HON MAJOR F J DELLIPIANI

Mr Speaker, the problem that the Hon Member refers to was caused by the staff of the school, and I mean the maintenance and cleaning staff, not cleaning the patios.

HON J C PEREZ

Mr Speaker, can the Hon Member state whether the contract for the cladding of the south wall was granted on a direct allocation basis or did that go out to tender?

HON MAJOR F J DELLIPIANI

Sir, the contract for cladding was a tender invitation to contractors on the list of the Public Works Department.

HON J C PEREZ

Could the Hon Member state, if he's got the information, what company was granted this tender and for what amount.

HON MAJOR F J DELLIPIANI

No, Mr Speaker, I have no idea who the contractor is nor the price.

HON J C PEREZ

Could the Hon Member state, Mr Speaker, what is the estimated time that the major repairs that are scheduled to commence on 8th July, 1988, will take for the works to be completed?

HON MAJOR F J DELLIPIANI

Mr Speaker, I have no idea because one cannot, really, give an estimate of time until one sees the full documentation of the contract, such as what the specifications are, the drawings

and the Bills of Quantities. It is a fairly big job, I will not hide that from the Hon Member. We are also limited as to the amount of time and work because one doesn't want to interfere with the school programme. This is why we hope to start in the first week in July so that we will be able to take advantage of the summer holidays. I can't give you a time but it is a fairly long job which is constrained by having to work within the school and not causing the school undue problems.

HON R MOR

So what the Hon Member is saying really is that it could be that by the time school resumes after the summer recess of 1988 the works would still be continuing.

HON MAJOR F J DELLIPIANI

Mr Speaker, I have no doubt that this might be the case. I think, with due respect to Hon Members and to the teaching staff at Bayside, the school is not a bad school. The last flooding that was caused by a tennis ball only affected two classes. The way many people reacted one would have thought the whole school had been closed down. The school, as schools go, is a good school. It's not as good as Westside because Westside is a very new school but we are over dramatising the whole situation at Bayside.

HON J C PEREZ

Mr Speaker, without wanting to dramatise anything and I am certainly not on record as saying that it is a bad school at all. But I think that given the situation one has the right to ask these questions and the last question which I asked the Minister was whether he thought that the works could be finished by the end of the summer, 1988, and he said no. Fine. Given that situation, Mr Speaker, does he foresee any problems with the major works continuing whilst the school is in session, whilst the pupils are attending the school and whilst the school is open, does he foresee any problem and would that mean that the work would have to be done in stages when the school is closed for holidays?

HON MAJOR F J DELLIPIANI

Mr Speaker, as I have previously informed this House, there is a working party from the Public Works Department and the Department of Education in order to liaise works at the school so that it causes minimum problems to school life. In that sense, Mr Speaker, it is hoped that by proper liaison between the two Departments and the contractor, whoever that might be, that the minimum bother is caused to the pupils and staff and we hope that it is programmed in such a way that full use of all the hours available to work at the school is taken care of.

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HON J C PEREZ

Mr Speaker, could it be said that barring any irregular tennis balls in the drainage system that there shouldn't be any extraordinary problems this winter with the school in terms of electricity and flooding and the problems that have affected the school in the past year?

HON MAJOR F J DELLIPIANI

Mr Speaker, I would be able to give the guarantee if I was the contractor who got the tender.

MR SPEAKER

Next question.

15 12 87

NO. 366 OF 1987

ORAL

THE HON J C PEREZ

Can Government state what is the exact number of extra posts filled at the Cleansing Department in the last 12 months?

ANSWER

THE HON THE MINISTER FOR PUBLIC WORKS

In reply to Question No. 291 of 1987 it was statd that the 1987/88 Estimates included funds for 6 extra additional sweeper/flushers for the Cleansing Section. These men were additional to the extra 6 men approved in 1986/87. During the last 12 months these men have been employed. In fact, because of personnel leaving this grade, 3 other sweeper/flushers were employed, a total of 15. However, during this period of time 8 men have left the Service and though some have been recruited the Department still has 5 vacancies to be filled. These vacancies have been re-advertised outside the Service and the closing date for the applications is Friday 11 December 1987.

MR SPEAKER

Next question.

NO. 367 OF 1987

ORAL

THE HON J L BALDACHINO

Can Government state if the Public Health Department has made a report on 4 Rodger's Road Building after the last House of Assembly meeting?

ANSWERTHE HON THE MINISTER FOR HEALTH AND HOUSING

The premises have been inspected by the Environmental Health Department since this House last met. No further deterioration was noted and no report was, therefore, submitted although the pertinent record is kept in that department's file on the matter.

The said inspection is over and above those regularly undertaken by the Public Works Department's own engineers.

SUPPLEMENTARY TO QUESTION NO. 367 OF 1987

HON J L BALDACHINO

Can the Hon Member then state, Mr Speaker, if the building in question is a condemned building in the opinion of the Environmental Health Officer, if it was taken to a court of summary jurisdiction?

HON M K FEATHERSTONE

Yes Sir.

MR SPEAKER

Next question.

NO. 368 OF 1987

ORAL

THE HON J C PEREZ

Can Government confirm it now has in its possession the report of the consultants engaged to look into the future needs of refuse disposal?

ANSWERTHE HON THE MINISTER FOR PUBLIC WORKS

No Sir, the report by the consultants has not yet been received.

SUPPLEMENTARY TO QUESTION NO. 368 OF 1987

HON J C PEREZ

Mr Speaker, has the Hon Member got any indication on when the report will be ready?

HON MAJOR F J DELLIPIANI

Sir, it is expected that the report will be received in early January, 1988.

HON J C PEREZ

Mr Speaker, at the last meeting of the House the Hon Member said he would have no objection to me going to his office to see the report in his office. Would he mind very much if a copy of the report was given to the Opposition for consideration when it is ready?

HON MAJOR F J DELLIPIANI

I would be delighted, Mr Speaker, to show the report to the Hon Member.

HON J C PEREZ

No, Mr Speaker, the difference being that one thing is to show it to me in his office and another thing is to give us a copy for us to study in our own time. That is the difference which I have spelt out and what I am asking the Hon Member.

HON MAJOR F J DELLIPIANI

I have no objection, Mr Speaker.

NO. 369 OF 1987

ORAL

THE HON J E PILCHER

Can Government state whether they have now considered the study by local specialists on the Nature Reserve?

ANSWERTHE HON MINISTER FOR TOURISM

Government has approved in principle a local consultancy for the study of the future utilisation of the Upper Rock on the lines of a nature reserve.

SUPPLEMENTARY TO QUESTION NO. 369 OF 1987

HON J E PILCHER

Mr Speaker, I am not sure that I have understood that. Government have got in their possession the study undertaken on the Nature Reserve or have commissioned the report on the Nature Reserve?

HON H J ZAMMITT

Sir, we have approved in principle that a study by local experts should be conducted in the near future.

HON J E PILCHER

Surely, Mr Speaker, I've got to check back on this, I was told this about six months ago, that the study into the Nature Reserve that was going to be done by local specialists had been commissioned about six months ago.

MR SPEAKER

Yes and they have now approved in principle the local consultancy report.

HON J E PILCHER

So practically nothing has happened at all.

HON J BOSSANO

Has the report already been conducted and is complete?

HON H J ZAMMITT

No, Mr Speaker, it is not being conducted. As I said we have agreed in principle, Government has now agreed in principle that the report should be undertaken by the local experts within Gibraltar and not, I would remind the Hon Mr Pilcher, not as was envisaged earlier on that we had to have outside experts. We have now agreed that it should be done by the local experts at a much lower cost, may I say, than was envisaged.

HON J E PILCHER

When, Mr Speaker, does the Government believe that the report will be ready for them to be able to study?

HON H J ZAMMITT

Mr Speaker, I can assure Members opposite that a paper outlining the whole Upper Rock area is circulating within Government at the moment and it should be coming to Council of Ministers, I expect, within the next two or three weeks.

HON J E PILCHER

And can the Hon Member state whether this was one of the recommendations of the famous committee that was set up after the Pitaluga Report in 1984?

HON H J ZAMMITT

Mr Speaker, there was talk even before the committee was set up in 1984 of looking at the Upper Rock area as a Nature Reserve with very many other branches of the whole of the upper area ie including traffic and circulation of persons and movement of people and the resiting of Apes Den, all that enshrined within this study.

HON J E PILCHER

So all that will be incorporated in the study but nothing at all has been done on any of those points to date.

HON H J ZAMMITT

Yes Sir, nothing has been done.

MR SPEAKER

Next question.

15 12 87

NO. 370 OF 1987

ORAL

THE HON J E PILCHER

How does Government explain the difference between the 1986 and 1985 expenditure of visitor arrivals at hotels?

ANSWER

THE HON THE MINISTER FOR TOURISM

Mr Speaker, the difference in expenditure by visitor arrivals at hotels between 1986 and 1985 has been mainly a fall in the average length of stay with a consequent drop in guest nights sold at hotels and an overall decrease in the average spend per capita linked to stability of hotel prices.

SUPPLEMENTARY TO QUESTION NO. 370 OF 1987

HON J E PILCHER

Mr Speaker, does the Minister not accept that this confirms that certainly in 1986 there was a decline in tourism, certainly the tourism that both the Minister and I referred to as tourists and not the excursionists. Would he not confirm that that is the case?

HON H J ZAMMITT

No, Mr Speaker. I hope the answer is understood. There is a drop of the stay in Gibraltar. It is not that there is a drop in tourists. People are staying for a shorter time in Gibraltar but that does not necessarily mean there are less tourists, quite the contrary.

HON J E PILCHER

Mr Speaker it's a question of semantics. The reality is in 1985 the expenditure was £8.66m. In 1986 the expenditure is £7.37m. Whether it is less guest nights or less tourists there is a decrease of £1.3m related to visitor arrivals at hotels. Does that not imply a decline in that area of tourism, Mr Speaker?

HON H J ZAMMITT

No, Sir, it does not imply a decline in tourism in that area. It implies that people are staying here for a shorter time than previously and therefore they are not able to spend as much as when somebody spends fourteen days here.

HON J E PILCHER

Mr Speaker, is that not a decline in tourist expenditure?

HON H J ZAMMITT

That is different, Mr Speaker, it is not day tourist

expenditure, he said tourists.

HON J E PILCHER

Tourism

HON H J ZAMMITT

Well, it isn't a decline in tourism. It is a decline in tourism yield, if one wants to put it that way, because people are staying for a shorter time but there are more people coming.

HON J E PILCHER

Mr Speaker, there are various questions, one is, since we have now been able to establish that there is a decrease in tourism, ie tourism expenditure, which is what the question said, what is the Minister going to do about this or what is he, in fact, doing already throughout 1987 about this?

HON H J ZAMMITT

Mr Speaker, we are trying and I said at the last meeting of the House that I was in the process then of being able to announce the arrival of a new tour operator who are the people that we really want to encourage. In fact, I am now able to say Saga Holidays will be coming to Gibraltar as from next winter and they have been able to contract with some local hotels. That is the only thing we can do to keep our beds occupied. The other very important fact which I have mentioned here also in the past is the fact that the guest nights sold drop dramatically on account of very many people coming to Gibraltar just for one night and therefore when the average is absorbed then, of course, there is a decline in average length of stay. Mr Speaker, if the average length of stay in 1985 was 5.5 nights, in 1986 it's 4.6 so one sees that there is a greater shortage of long stays. The two-centre holiday accounts for an awful lot of that.

HON J E PILCHER

Mr Speaker, since we are now near the end of 1987, can the Minister say what is likely to be the estimated expenditure of visitor arrivals at hotels for 1987?

HON H J ZAMMITT

Mr Speaker, I cannot with accuracy say it but I can tell the Hon Member and, indeed, the House that every indication is that it will be far in excess of 1986.

HON J BOSSANO

What was in fact the decline in guest nights sold?

HON H J ZAMMITT

There is no decline in guest nights sold, Mr Speaker. There

is a shortage of guest nights sold between the 4.6 and the 5.5 between 1985 and 1986.

HON J BOSSANO

I mean were less guest nights sold in 1986 than 1985. Yes or no?

HON H J ZAMMITT

Yes, Mr Speaker.

HON J BOSSANO

So that is a decline if there are less guest nights sold. Can he say how much the decline was?

HON H J ZAMMITT

Mr Speaker, I am afraid I don't know if I have made myself clear or if members opposite do not want to understand what I have been saying here for some time now. What is occurring now is that people are coming here on shorter holidays and they are staying in Spain as a two-centre holiday whereas in the past people would come and spend ten days or fourteen days in Gibraltar, now we know they are coming for four and a half days and the remainder in Spain or in Morocco, but it is not that we are receiving less tourists.

HON J BOSSANO

I accept the point the Honourable Member has made, there are more tourists but they are staying a shorter time, therefore, the point of nights multiplied by tourists gives you a result which is the guest nights sold. Can the Honourable Member tell us by how much did the total amount of guest nights sold drop between 1985 and 1986?

HON H J ZAMMITT

I haven't got that information with me here but I can certainly get it before the end of this meeting, Mr Speaker, and pass it over to the Honourable Member.

HON J BOSSANO

Does the Honourable Member not consider that given that the average expenditure per person per day is shown as having increased from £11.26 to £14.67, the fact that the total expenditure is down, notwithstanding that the individual expenditure is up, indicates a fairly substantial decline?

HON H J ZAMMITT

Mr Speaker, yes, to a degree, but of course it must be remembered that the hotels have maintained their prices at the same rate for the last two years.

HON J BOSSANO

Mr Speaker, the figures that I have just quoted to the Honourable Member have absolutely nothing to do with prices of hotels since I am quoting the figures from the Tourist Survey Report he has tabled in this meeting of the House which says average expenditure, excluding hotels, so whether the hotel has gone up or down is totally indifferent, the £11.26 and the £14.67 has absolutely nothing to do with the cost of hotels, according to his figures presented in this House in this Meeting.

HON H J ZAMMITT

I am afraid I will have to look at that, Mr Speaker.

MR SPEAKER

Next question.

15 12 87

NO. 371 OF 1987

ORAL

THE HON J C PEREZ

Can Government explain why bus route NO.2 is not being serviced?

ANSWER

THE HON THE MINISTER FOR HEALTH AND HOUSING

On January this year, the present licence holder made a transaction with another party for the servicing of bus route No.2. A disruption of the service ensued when the latter realized that only the buses and not the actual licence had been transferred to him.

Legal proceedings are presently being taken up by the Police against both the owner and user of the route for the discontinuation of the service.

An application for a transfer of the route has been lodged with the Traffic Commission and will be considered once the outcome of the legal proceedings are known.

SUPPLEMENTARY TO QUESTION NO. 371 OF 1987

HON J C PEREZ

Mr Speaker, what has the legal proceedings to do with the outcome of the transactions? If there is an application for the transaction of the licence, the Traffic Commission has to look at that in isolation to anything that might have happened, and in any case can the Honourable Member explain why they have taken so long to take any action since the licence holder has been the same one and is still the same one and he has the responsibility to service the route?

HON M K FEATHERSTONE

He has got the licence but he hasn't got the vehicles, he has transferred the vehicles to a third party.

HON J C PEREZ

Mr Speaker, that is not the Traffic Commission's problem. He has got an obligation under the licence to service that route, if he hasn't got vehicles, either you insist that he gets new vehicles for the route or you withdraw the licence because he is not complying with the terms of the licence.

HON M K FEATHERSTONE

That is why the Police are taking legal proceedings against him.

HON J C PEREZ

Taking legal proceedings about what, Mr Speaker?

HON M K FEATHERSTONE

About his non compliance with the terms of his licence.

HON J C PEREZ

Surely, you do not have to take legal proceedings, there is a clause in the licence which permits you to withdraw that licence and to put it out to tender to someone else.

HON M K FEATHERSTONE

We can look into that as a possibility for the future.

HON J C PEREZ

Mr Speaker, another aspect of it is that there is under consideration at the moment the possible transfer of that particular licence, am I right or not? Mr Speaker, is it not the case that at the time that the licences for the frontier were given that each licence holder already in operation was given the advantage of getting a route for the frontier because they were already in operation, is that not the case?

HON M K FEATHERSTONE

I am not aware of the situation at the time when the frontier was opened, I was not doing the transport at the time.

HON J C PEREZ

If the Honourable Member can find out and confirm that the licences of the routes for the frontier were given to existing licence holders, if one route is transferred does the Honourable Member not think that the route that was given because the man was operating a route already which is the frontier one, should be transferred jointly or would we have a situation where different operators run the different routes?

HON M K FEATHERSTONE

The situation is that different operators run the different routes.

HON J C PEREZ

Notwithstanding the fact that they were given that route because they had been in the market with very bad routes for many years.

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HON M K FEATHERSTONE

Yes Sir.

MR SPEAKER

Next question.

15 12 87

NO. 372 OF 1987

ORAL

THE HON J C PEREZ

Can Government state whether the Traffic Commission has given due consideration to objections raised in relation to the pedestrianisation of Irish Town?

ANSWER

THE HON THE MINISTER FOR HEALTH AND HOUSING

Yes Sir, both the Traffic Commission, and the Traffic Committee, have given due consideration to all representations forwarded in respect of the pedestrianisation of Irish Town.

SUPPLEMENTARY TO QUESTION NO. 372 OF 1987

HON J C PEREZ

Did the Traffic Committee actually meet those involved?

HON M K FEATHERSTONE

The Traffic Committee met on it a number of times. In fact, they gave it initially for six months, they then extended it for a second six months and now it has been made official. They have had three bites of the cherry.

HON J C PEREZ

But did they receive the people in a hearing as requested by those complaining?

HON M KFEATHERSTONE

We had representations for and against but the majority of the representations favoured pedestrianisation.

HON J C PEREZ

Mr Speaker, that is not the point. I am asking the Honourable Member whether those that objected who asked to meet the Traffic Committee before the matter was considered, whether those were met by the Traffic Committee before a final decision was taken. I am not saying that I am against pedestrianisation, I am just looking at the aspect whether these people's objections have been proceeded with adequately or not.

HON M K FEATHERSTONE

They have not been heard specifically but their objections were taken into consideration and it was considered that by giving a certain number of exemptions for vehicles to pass through their objections could be met.

HON J C PEREZ

And is the Honourable Member not aware that in the first six month period of pedestrianisation, this same policy of exemption discs was adopted and that this was insufficient to cure the problems of those objecting and could he not confirm that they did ask the Traffic Committee for a hearing on the matter?

HON M K FEATHERSTONE

I don't think they asked the Traffic Committee for an actual hearing but a number of people said that the permission given to them was not sufficient and increased permission was actually given. In fact, one firm who was allowed to have one vehicle a day has now got two vehicles a day.

HON J C PEREZ

I am not sure whether they actually wrote direct to the Traffic Committee, I don't understand they wrote to the Minister, in fact, I wrote to the Minister on the 3 August and I still have no reply to that letter.

HON M K FEATHERSTONE

They did come to see me and I told them that their point would be put before the Traffic Commission and they were.

HON J BOSSANO

Can the Hon Member clarify something for me. He keeps on using Traffic Commission and Traffic Committee as if they were synonymous. Who in fact takes a decision, the Traffic Commission or the Traffic Committee.

HON M K FEATHERSTONE

The Traffic Committee.

HON J BOSSANO

Has that got statutory powers under the Traffic Ordinance to decide on pedestrianisation?

HON M K FEATHERSTONE

No, they are an ad hoc Committee set up under my chairmanship and when we make decisions then they are ratified by Council of Ministers.

HON J BOSSANO

So, in fact, where does the Traffic Commission come into it. If people are asked to make representations to the Traffic Commission and the Traffic Commission does not take a decision, it is the Traffic Committee, are they directing their representations to the wrong body?

HON M KFEATHERSTONE

The Traffic Commission deals with licensing.

HON J BOSSANO

But the Honourable Member in his previous answers has been interchanging with each other the Traffic Commission and the Traffic Committee. Have all the representations in this case gone to the Traffic Committee?

HON M K FEATHERSTONE

To the Traffic Committee, yes.

NO. 373 OF 1987

ORAL

THE HON MISS M I MONTEGRIFFO

Can the Government state how much money is required for the setting up of the Gibraltar Health Authority?

ANSWERTHE HON THE MINISTER FOR HEALTH AND HOUSING

For the setting up, per se, of the Gibraltar Health Authority the only funds required are the salaries of the General Manager and two senior colleagues from February to March 1988, which amounts to £12,000.

SUPPLEMENTARY TO QUESTION NO. 373 OF 1987

HON MISS M I MONTEGRIFFO

Mr Speaker, when the 1988 Budget comes along, can the Minister confirm what they intend to do in practice. Will the Health Authority be given a block vote, for example?

HON M K FEATHERSTONE

I think the question was somewhat wrongly framed. I believe the Honourable questioner wants to know what is going to be the cost of the Gibraltar Health Authority in the first year. As far as I understand, they will be given a subvention by this House towards meeting their costs. They will also receive the monies paid in from the Insurance Fund and they will also receive any monies that accrue for hospitalisation in the private corridor and laboratory fees etc. That will go to their credit and that will be the amount they will work with.

HON MISS M I MONTEGRIFFO

Mr Speaker, can the Minister actually say what will happen in the Budget, presuming the Government is still in power, as regards the Health Authority, when it comes to the Estimates?

HON M K FEATHERSTONE

The figure hasn't been worked out yet, it will be somewhat greater than the present amount because there will be certain extra expenses which are at the moment hidden in Government's own financing. For example, the Health Authority will have to pay the National Insurance contributions of its members and this will be an extra expense which will have to be added on to the Health vote, etc. The total figure we have estimated will be between 1/4 and 1/2 million more than the present Health funds.

HON MISS M I MONTEGRIFFO

Mr Speaker, can the Minister say whether funds will be provided for the extra posts required for the nurses as recommended in the Hill Report?

HON M K FEATHERSTONE

Yes, the Government has accepted the Hill Report to be implemented over a period of five to seven years and extra funds will be put in each year to allow for the Hill Report to become implemented.

HON MISS M I MONTEGRIFFO

And this will be included in the £1/4m that the Minister has just stated.

HON M K FEATHERSTONE

Yes.

HON J BOSSANO

When does he expect the process of the implementation of the recommendations of this Report to actually start taking effect? Is it going to start fairly soon or is there any further decision awaited from the Government, has the Government now given the green light for its implementation?

HON M K FEATHERSTONE

We hope to start straight away.

MR SPEAKER

Next question.

NO. 374 OF 1987

ORAL

THE HON MISS M I MONTEGRIFFO

Can Government say whether they have bought the equipment for the Medical Services contained in the Estimates under the Improvement and Development Fund, Head 112?

ANSWERTHE HON THE MINISTER FOR HEALTH AND HOUSING

Sir, the funds provided under I&DF Head 112 for the purchase of equipment for the Medical Services have been committed. Some payments in respect of items received have been made; further payments will be made as other items on order are received.

SUPPLEMENTARY TO QUESTION NO. 374 OF 1987

HON MISS M I MONTEGRIFFO

Mr Speaker, can the Minister give examples of the sort of equipment that we are talking about?

HON M K FEATHERSTONE

Yes, Sir, the ward furniture and equipment which has been put into Godley Ward cost £32,000. Various medical equipment for the theatres, etc, is costing £100,000. The purchase of electric cookers is £10,000, a new hearse £17,000. Quotations have been sought and these are at the moment being received and the electrical installation at St Bernard's Hospital, PWD has not been able to carry it out yet due to staff difficulties.

MR SPEAKER

Next question.

NO. 375 OF 1987

ORAL

THE HON MISS M I MONTEGRIFFO

Can the Government confirm whether the post of Dietician has now been filled?

ANSWER

THE HON THE MINISTER FOR HEALTH AND HOUSING

No Sir, it is hoped to advertise this post shortly.

SUPPLEMENTARY TO QUESTION NO. 375 OF 1987

HON MISS M I MONTEGRIFFO

Mr Speaker, the Minister in the last House of Assembly Meeting said that the Public Service Commission were considering applications.

HON M K FEATHERSTONE

Well, apparently they had to get their terms of reference right to get the job profiled which has taken them longer than we had anticipated they were going to do. They have actually now done so and the job will be advertised.

HON MISS M I MONTEGRIFFO

Where is the job going to be advertised, Mr Speaker?

HON M K FEATHERSTONE

Both in Gibraltar and England.

MR SPEAKER

Next question.

NO. 376 OF 1987

ORAL

THE HON J L BALDACHINO

Can Government state whether any special conditions are being attached to the allocation of units that become vacant in Estates that have been earmarked for sale to sitting tenants?

ANSWERTHE HON THE MINISTER FOR HEALTH AND HOUSING

Under the Home Ownership Scheme it is proposed to invite applications from tenants in Government rented premises and private sector tenants - the latter if they can provide the necessary landlord's certification that he will accept an applicant from the housing waiting list, at an acceptable rental level - to tender for any unit which may become vacant in an Estate earmarked for sale.

Tenders will be invited on the basis of a fixed selling price with competitions based on the most suitable alternative accommodation released and having regard to Government's requirements for same.

SUPPLEMENTARY TO QUESTION NO. 376 OF 1987

HON J L BALDACHINO

Are there any vacant flats at present in these Estates?

HON M K FEATHERSTONE

Yes, there are two units at present vacant, they will be put out to tender as soon as all the necessary documentation has been prepared.

HON J L BALDACHINO

Mr Speaker, can the Honourable Member clarify one point. If they do not go out to tender does it depend on who offers more money?

HON M K FEATHERSTONE

No, it is basically, as I said, on the available accommodation that they can release. All that he will have to do is to accept the selling price that the Crown Lands have adjudged the property to be worth.

HON J L BALDACHINO

But how can that be so, Mr Speaker, if the Crown Lands have not reached an agreement with the sitting tenants there, how can they, before they reach an agreement with the sitting tenants, put out a property to tender if they don't know what the price is going to be because they haven't negotiated

with the sitting tenants?

HON M K FEATHERSTONE

There are no sitting tenants at the moment in these two properties.

HON J L BALDACHINO

I understand, Mr Speaker, but there are sitting tenants in other flats in that building.

HON M K FEATHERSTONE

They will be offered the premises at the figure that has been the current figure for the type of accommodation in which they are living. We will determine the figure.

HON J L BALDACHINO

I understand that, you will determine the figure, but if these two flats, for example, are put out to tender and people offer a certain amount of money before the Government has set a price how can it go out to tender? This is what I am asking.

HON M K FEATHERSTONE

The award would be basically on factors other than the money, for example, if somebody tenders for one of these flats and he can offer two Government flats to be released, and another person only offers one government flat, then it would appear that the person offering two government flats to be released would have the advantage.

HON A J CANEPA

This has happened on previous occasions, that the Government goes out to tender on the basis of a reserved lowest price. Here it is the price, the assessment that the Government has made, and it is the price for which it has been offered for sale to other tenants in that Estate.

HON J BOSSANO

This is a new policy that the Government is announcing in answer to this question of which they have given no previous indication, am I correct?

HON M K FEATHERSTONE

This has never happened before.

HON J BOSSANO

But even when something happens for the first time, Mr Speaker, is it the Government policy that one should discover

a new policy of housing by accident. Is it the case that the units have become vacant and no longer covered by the Housing Allocation Scheme and awarded by the Housing Allocation Committee on pointage.

HON M K FEATHERSTONE

If the units that become vacant are in an area which is designated as a housing purchase area, then they are separate, yes.

HON J BOSSANO

And isn't that in conflict with the terms of the Housing Allocation Scheme which the Honourable Member tabled in this House at the last meeting when he gave absolutely no indication of any other change envisaged other than the change in the construction of the pointage system.

HON M K FEATHERSTONE

No, because you will be getting something back in as an equivalent which you will be able to give to the Housing Allocation Committee.

HON J BOSSANO

Mr Speaker, that is a hypothetical situation because it assumes that the person with the highest priority on the waiting list will be given a house on another estate equivalent to the one that has become vacant, and it is very difficult to understand why somebody who is in a house in one estate, perhaps the Honourable Member can explain to me how he expects that to happen, but somebody with a house in one estate will hand that one in to get an identical one in another estate which he has to pay for. Why does he think this is going to happen. Is not the waiting list based on need for a certain size of accommodation, so if a certain size of accommodation becomes available can the Honourable Member say how he will be able to guarantee that the person with the highest priority on the waiting list will still get allocated a house after he does what he proposes to do?

HON M K FEATHERSTONE

There are certain areas where housing is not for sale, for example, Laguna Estate. There are certain other areas, for example, Rosia Dale, where the housing is available. If a house became vacant at Rosia Dale, then somebody at Laguna could say he would be willing to purchase that house at Rosia Dale and leave the flat at Laguna which would then be offered to the next person on the housing list.

HON J BOSSANO

I see, Mr Speaker, isn't the Government making available houses

on these estates on the basis that they are being sold at vastly reduced prices according to them because they are sitting tenants, and how then does the Government propose to overcome a situation or is it the Government's intention to finish up with people of a particular income group living in one area of Gibraltar and people with lower income groups living in different areas of Gibraltar, is that the purpose of the exercise?

HON M K FEATHERSTONE

The purpose of the exercise is to get certain specific areas of Gibraltar to be privately owned from ex Government stock and if anybody is a sitting tenant in a Government stock in Laguna and he tenders for the vacant flat in Rosia Dale, he will move to Rosia Dale, he will vacate his flat in Laguna which will then be available to somebody on the Housing List who is not able to afford the purchase of the flat.

HON J BOSSANO

But, then, Mr Speaker, isn't that a fundamental departure of Government housing policy up to date where people are living in Government housing estates independent of means. Does the Honourable Member not think that this is a total radical change of Government housing policy which ought to be debated in this House?

HON M K FEATHERSTONE

It has not been a total radical change insofar that this has been the policy for some considerable time. I think it has been well known in this House that the Government intends to put out certain estates, Laguna, St Joseph's, St Jago's for the purchase by the sitting tenants and by other persons should a flat become vacant.

HON J L BALDACHINO

Mr Speaker, can the Honourable Member say when this matter has been raised in the House before?

HON M K FEATHERSTONE

I think it has been common knowledge that we have been negotiating with the tenants at Rosia Dale for the purchase of their flats for at least one year, to my knowledge.

HON J L BALDACHINO

Yes, Mr Speaker, I am not referring to that, we know that the Government has been negotiating with sitting tenants, in particular the ones at Rosia Dale but can the Honourable Member tell us on what occasion this matter has been raised before in this House?

HON M K FEATHERSTONE

Well, in actual fact, never before have we had the opportunity of two vacant flats in one of the estates that we have put out for sale.

HON J L BALDACHINO

Then can the Honourable Member tell this House how long have those flats been vacant, especially the one in Irish Town.

HON A J CANEPA

They have now been vacant for a number of months and what I think Honourable Members opposite have got to understand is this. If you are dealing with six maisonettes or so at Town Range and the Government offered these for sale three or four years ago and there have been delays progressive with the matter, if the majority of those tenants had indicated to the Government that they were interested in purchasing that accommodation, let us say that four out of the six indicated to the Government that they wanted to purchase those flats, then the Government would go ahead with the sale of those maisonettes. In the intervening period they have become vacant because the tenants have died and now you have a situation where of the original four who wanted to purchase only two remain. If you allocate those maisonettes to people on the waiting list who are not prepared to buy, then these other two tenants have lost the opportunity of purchasing the maisonettes and the Government has lost the opportunity of selling those particular maisonettes, so that is why we have decided to invite tenders from people who will commit themselves to buy to go in first. We will certainly not recoup accommodation inferior in size to the one there.

HON J L BALDACHINO

The Honourable Minister for Housing answered when the question was originally put, Mr Speaker and what he said appears to be in conflict with what is being said now because originally what he said was that this will be going out to tender to people who leave Government accommodation and to people who live in the private sector.

HON A J CANEPA

No, there is no conflict because the Honourable Questioner does not seem to remember the answer which my friend gave that applications received from Private Sector tenants would be conditional on their providing a landlord's certification that they will accept an applicant from the Housing Waiting List. You are achieving the same objective.

HON J L BALDACHINO

Can I then ask, Mr Speaker, would this be only on pre-war accommodation in the private sector because on post-war

accommodation in the private sector there is no rent control and therefore there are no conditions attached.

HON A J CANEPA

I can see the point the Honourable Member is making, that there is a question of rent control. Obviously, you can control the rent in the case of pre-war accommodation but not in the case of post war accommodation but there is nothing to stop a landlord from entering by contract into an agreement regarding the rent and the rent could be a reasonable one.

HON J L BALDACHINO

Mr Speaker, it is not the rent.

MR SPEAKER

We are beginning to debate.

HON J L BALDACHINO

Mr Speaker, there is no contract on post war buildings, in other words, the landlord can ask the tenant to leave at any time and what is the position then?

HON A J CANEPA

There is nothing to stop a landlord from entering into a legal contract, I hope I am correct in saying so, with the tenant. There is nothing to stop the landlord. It is not a statutory duty but he can do so and I imagine that the contract would be binding.

HON J BOSSANO

Mr Speaker, the Honourable Member is not saying, is he, that part of the requirement is that the person that vacates a private sector post-war dwelling with an undertaking from the landlord that would be made available, I mean, let me give the Honourable Member an example. If there is somebody that is renting a property in the private sector for £50 per week and he puts in a tender for one of these properties, the fact that the landlord may be willing to rent it for £50 per week to the person at the top of the housing list is hardly the kind of guarantee the Honourable Member is offering, how does he overcome that problem?

HON A J CANEPA

We don't, if the rent is £50 per week and that is considered to be rather high, then his chances of being successful are not very good, but if a more reasonable level of rent were to be the case, let us say £20 per week, and that is considered by the Land Board to be a reasonable rent, then we have a different situation.

HON J BOSSANO

Could I have just one final question?

MR SPEAKER

Yes.

HON J BOSSANO

In terms of the Housing Allocation Scheme which is recently in the process of being revised by the Government, in fact, is it not the case that until the answer to this question in this House, the position has been that all post war vacant Government property have been passed over to the Housing Department for allocation by the Housing Allocation Committee?

HON M K FEATHERSTONE

No, they have been required for decanting and for various other purposes and it has not all been passed over to the Housing Allocation Committee.

HON J BOSSANO

But whenever that has happened hasn't the Government made a case for saying "We are departing from the normal rules", is the Honourable Member now saying that the normal rules in an important proportion of the Government housing stock is that they will be put out to tender rather than provided for allocation to people on the waiting list, is that what he is telling us?

HON M K FEATHERSTONE

Yes Sir.

HON J BOSSANO

Doesn't the Honourable Member then think that that requires a change in the procedures laid down for housing allocation which is the setting up of a Housing Allocation Committee with powers under the Housing (Special Powers) Ordinance?

HON M K FEATHERSTONE

The Housing Allocation Committee is well aware that there are certain areas which the Government wishes to sell off to the sitting tenants as has now occurred where there is some vacant accommodation, to other persons who can give other accommodation back to Government.

MR SPEAKER

Next question.

15 12 87

NO. 377 OF 1987

ORAL

THE HON J L BALDACHINO

Can Government state how many flats from its housing stock are situated in problem buildings?

ANSWER

THE HON THE MINISTER FOR HEALTH AND HOUSING

There are 66 flats in problem buildings as follows.

30 Castle Road	39 flats
4 Rodger's Road	12 flats
2 Richardson's Passage	15 flats
	<u> </u>
	66 flats

SUPPLEMENTARY TO QUESTION NO. 377 OF 1987

HON J L BALDACHINO

How many of those, Mr Speaker, have still got tenants?

HON M K FEATHERSTONE

I think there are still about 10 tenants in 30 Castle Road, 4 Rodger's Road still has the full 12 tenants and 3 Richardsons Passage has 15.

MR SPEAKER

Next question.

15 12 87

NO. 378 OF 1987

ORAL

THE HON J L BALDACHINO

How many Government flats will become available as a result of the allocation of Government quarters at North Pavilion?

ANSWER

THE HON THE ATTORNEY GENERAL

Sir, four Government post-war flats and one Government quarter should become available as a result of the allocation of quarters at North Pavilion.

SUPPLEMENTARY TO QUESTION NO. 378 OF 1987

HON J L BALDACHINO

Can Government state, Mr Speaker, if these flats, when they become available, will be allocated by the Housing Allocation Committee?

HON A J CANEPA

They could be allocated for decanting tenants at Rodgers Road, if they are suitable, if they meet their housing needs.

MR SPEAKER

Next question.

NO. 379 OF 1987

ORAL

THE HON J L BALDACHINO

What is the main criteria used by Government in selecting successful tenders in the sale of small plots for home ownership occupation?

ANSWER

THE HON THE CHIEF MINISTER

The main criteria applied in shortlisting tenders received in the sale of small plots under the 'Approach on Housing' is as follows:-

- a. the total number of residential units released;
- b. the total number of rooms contained by the released area;
- c. the total number of people who would reside in the proposed development; and
- d. the number of units proposed in the development.

15 12 87

NO. 380 OF 1987

ORAL

THE HON J E PILCHER

Has the Government now officially passed the Northern Defences to the Gibraltar Heritage Trust?

ANSWER

THE HON THE CHIEF MINISTER

No Sir. The matter, as I understand it, is under active consideration by the Trust and no request for the acquisition of the land has yet been received.

SUPPLEMENTARY TO QUESTION NO. 380 OF 1987

HON J E PILCHER

Mr Speaker, I think this is the third or fourth time that I have asked this question. The answer is 'No, Sir', but are there any specific problems associated with the Heritage Trust which prohibit them from taking on land. I think that when we passed the legislation to make this possible it was seen as a way forward to move quickly with areas like the Northern Defences etc. It seems to me that it has produced another major obstacle and it wasn't what we assumed it would be when we legislated accordingly.

HON A J CANEPA

I understand that there is a specially appointed sub-committee working on this project. It is a complex project and a very sizeable one, I can grant him that, but I do agree with the Honourable Member that it has taken some time now. Perhaps people who are outside Government might now be more appreciative of the fact that unless Committees meet regularly, like for instance the Development and Planning Commission meets every fortnight, the workload entailed, particularly for people who are doing this on a voluntary basis, is a very serious commitment indeed and they should think seriously about it before they venture forth.

HON J E PILCHER

Does the Honourable Chief Minister have any idea when we are likely to get some kind of intimation from this special sub committee as regards their ability to take that on?

HON A J CANEPA

Not on this one. I do know that I have been urging the Trust in respect of their clearing building applications for the need not to delay matters beyond what the five Government departments to which building applications are circulated normally delay them because otherwise developers, naturally, complain. I am a bit more relaxed about this because it is at the moment Government land and it is not delaying anybody in the private sector who would like to bid for the job but it is a matter for concern and I will take the opportunity when I see the Chairman of the Trust to express to him the views that are being expressed in the House today, the concern in the House about delay in moving on this important project.

HON J E PILCHER

Mr Speaker, have many of the plots of lands or situations that come up have to go to the Heritage Trust or only those that have got a direct repercussion on the Heritage angle?

HON A J CANEPA

I think there are two at the moment. There is this one and the question of the takeover of the Garrison Library and the tunnels, what we term the World War 2 tunnels, as well.

HON J E PILCHER

Mr Speaker, really it is not a supplementary, but I do beg your leave to ask. The Secretary of the Heritage Trust, if I am not mistaken, was Mr Joe Pitaluga. Has he resigned from the Trust since this was supposedly an unpolitical body totally?

HON A J CANEPA

Apparently yes, he has resigned.

MR SPEAKER

Next question.

15 12 87

NO. 381 OF 1987

ORAL

THE HON M A FEETHAM

What is the position of any development project not included in the published Draft City Plan?

ANSWER

THE HON THE CHIEF MINISTER

The position is that any such proposal for a development project would be considered in the normal way. The application would be considered by the Development and Planning Commission in relation to the planning policies as stated in the City Plan and the merits of the scheme itself.

MR SPEAKER

Next question.

NO. 382 OF 1987

ORAL

THE HON J L BALDACHINO

Can Government confirm the accuracy of the quote in the Draft City Plan that 800 to 1000 houses are required to meet the demand for Government housing from the Housing Department Waiting List?

ANSWERTHE HON THE CHIEF MINISTER

The figure quoted in the Gibraltar City Plan is an estimate extrapolated from the initial projections in the 1976 Housing Needs Survey, the information contained in the 1981 Census and the pattern of demand shown by the number of applications in the Housing Waiting List. The figure is therefore an approximation of the crude gap between demand and supply. It could only be refined if a new Housing Needs Survey were to be undertaken.

MR SPEAKER

Next question.

15 12 87

NO. 383 OF 1987

ORAL

THE HON M A FEETHAM

Can Government state how and when the figures referred to in the Draft City Plan were arrived at that;

- (a) 60% of the economy was MOD spending, and
- (b) that it had now fallen to 35% or 40%?

ANSWER

THE HON THE FINANCIAL AND DEVELOPMENT SECRETARY

Mr Speaker, the figure of 60 per cent was based on the 1981 Input/Output study of the Gibraltar economy. I understand that it included the contribution of HMG through development aid as well as MOD direct spending, spending by service families and visiting servicemen. That contribution is now much less as a result of reductions in defence spending, the transfer of the dockyard to the private sector and the rapid expansion of the rest of the economy during the last two or three years. There is of course an element of approximation in the calculation of the current contribution as being of the order of 35 to 40 per cent.

SUPPLEMENTARY TO QUESTION NO. 383 OF 1987

HON J BOSSANO

When was the last year in which it was 60%?

HON FINANCIAL AND DEVELOPMENT SECRETARY

That I cannot say. If we are looking historically this would have been 79 or 80, but I cannot say for certain.

HON J BOSSANO

And given that in 1985/86, Mr Speaker, Gibraltar received £28m of development aid and the fact that the Honourable Member has said that the development aid is included in the 60 per cent, how could it have been considered to have fallen? And also in that context, where does the money provided by ODA for the payment of Spanish pensions come into the equation?

HON FINANCIAL AND DEVELOPMENT SECRETARY

It does not, really, come into the equation. I think it is a fair point for the Honourable Leader of the Opposition to make, how do you classify the £30m contribution which HMG made to the dockyard, bearing in mind that that was a once and for all figure and it is no longer there now and it would not be regarded as being a continuing contribution in the way in which development aid was for the purposes of the

2.

previous analysis. I should make the point that the new input/output model, which is now in the course of construction, will shed more light on this in due course. I think 35 to 40 per cent as a figure of the current contribution may be on the high side, my guess should be nearer 30, in terms of the current contribution.

MR SPEAKER

Next question.

15 12 87

NO. 384 OF 1987

ORAL

THE HON M A FEETHAM

Can Government confirm that the MOD has agreed to the reclamations shown in the Draft City Plan?

ANSWER

THE HON THE CHIEF MINISTER

A joint working party of MOD and Government of Gibraltar officials agreed the extent of reclamation within the Port Area and North of the North Mole.

The MOD are aware of the proposals for the reclamation of the airfield and it is anticipated that this will become the subject of a joint working group discussion.

SUPPLEMENTARY TO QUESTION NO. 384 OF 1987

HON M A FEETHAM

Could the Honourable Chief Minister say whether MOD has agreed.

HON A J CANEPA

Yes, because they have been involved in drawing up the proposals and because they are fully represented on the Development and Planning Commission and the Draft City Plan, naturally, emanates and comes from the Development and Planning Commission.

HON M A FEETHAM

Could the Honourable Chief Minister make available to me a copy of the report which was drawn up by the joint party of MOD and the Government?

HON A J CANEPA

I think it is an internal Government document, Mr Speaker. I don't have it at hand myself, I don't even have it in my office, it is in the Crown Lands department. If the Honourable Member would like to send me a note about it to remind me, I will look at it and if it is possible, because there are no implications and there is no reason why he shouldn't know, I will try to make it available.

HON J BOSSANO

The City Plan makes no specific reference to the reclamation on the East Side, does it?

HON A J CANEPA

It is not one of the actual areas, no.

HON J BOSSANO

What then is the state of play with regard to that reclamation?

HON A J CANEPA

The state of play is that interest by developers just isn't there and therefore it is not an area in which we expect anything very dramatic to happen over the next five years.

HON J BOSSANO

Is there any specific reason in terms of the possibilities for reclamation related to the geology around the area or the depth of the water or anything that puts a limit to how much is possible, is that something that the Joint Committee has looked at?

HON A J CANEPA

Yes, within the harbour I think they do certainly have to have consideration to those effects. Weight patterns, silting, all that has got to be taken into account.

MR SPEAKER

Next question.

NO. 385 OF 1987

ORAL

THE HON M A FEETHAM

Can Government state why the Draft City Plan makes no mention of sewage treatment waste disposal?

ANSWERTHE HON THE CHIEF MINISTER

Gibraltar's sewer network was designed and built to discharge at Europa Point. The discharge of untreated sewage via sea outflows is an accepted means of disposing of sewage. There is therefore no need in the City Plan to deal with a matter which does not present problems.

SUPPLEMENTARY TO QUESTION NO. 385 OF 1987

HON M A FEETHAM

What the Honourable Chief Minister is saying is that there is no requirement at all for treatment plans at this point in time?

HON A J CANEPA

That is right.

HON M A FEETHAM

Can the Honourable Chief Minister then say what is being discussed in the technical talks between Spanish and Gibraltarian representatives regarding sewage disposal?

HON A J CANEPA

What is being discussed is refuse disposal, not sewage.

MR SPEAKER

Next question.

15 12 87

NO. 386 OF 1987

ORAL

THE HON M A FEETHAM

Is it Government's policy to introduce further incentives to encourage more private sector development?

ANSWER

THE HON THE CHIEF MINISTER

No, Sir. As the Hon Member will recall, at the last Budget Session of the House, the Government, satisfied with the level of private sector investment in development, considered that there was no need for further incentives and therefore introduced measures to limit the type of project which would qualify for Development Aid.

SUPPLEMENTARY TO QUESTION NO. 386 OF 1987

HON M A FEETHAM

What the Honourable Chief Minister is saying is that the reference in the Draft City Plan to the effect that the Government may need to look at further incentives is no longer the case.

HON A J CANEPA

No, it is in the Draft City Plan. I think the Government has always got to leave itself that option open, moreso, as the Draft City Plan covers a rather long period. It could well be that in four or five years time the present pace of development may slacken and the Government of the day might identify the need to give incentives to the private sector in order to encourage a certain type of development. I think that that option has got to be kept open when you are planning over a period of between five to ten years.

HON M A FEETHAM

I can understand what the Honourable Chief Minister says, that one leaves it open. What the policy that the Draft City Plan was portraying for everybody to see was clearly that there was a lot of development going on and that there was a statement saying that further incentives may have to be considered by Government. Is that not policy of the Government?

HON A J CANEPA

No, it is the policy of the Development and Planning Commission and even though I am the Chairman I am in a minority, that is the policy and it would be for the Government to decide.

15 12 87

NO. 387 OF 1987

ORAL

THE HON M A FEETHAM

Has Government studied the possible implications of reclaiming Montagu Basin in relation to the effects in the change of tide to the surrounding areas?

ANSWER

THE HON THE CHIEF MINISTER

Whilst the Government has not made such a study, it is aware of the possible effects of such reclamation on wave patterns, tidal movements and silting. The developers will therefore be required to carry out such a survey prior to commencement of reclamation.

SUPPLEMENTARY TO QUESTION NO. 387 OF 1987

HON M A FEETHAM

Do I take that the developers have in fact been told that this is a necessary requirement?

HON A J CANEPA

Yes, I am sure they must know about this.

MR SPEAKER

Next question.

NO. 388 OF 1987

ORAL

THE HON M A FEETHAM

Has Government approved the grant of a sub-lease to a third party by Taylor Woodrow on the part of the Queensway Site that is intended for a Hotel and Casino?

ANSWERTHE HON THE CHIEF MINISTER

No Sir. No such approval has been sought, let alone given.

SUPPLEMENTARY TO QUESTION NO.388 OF 1987

HON M A FEETHAM

So I take it the Honourable Chief Minister is saying that no such approval would be given?

HON A J CANEPA

No, I am not saying that. If there is an application we will consider it but if we haven't had an application and therefore the matter is hypothetical, it doesn't arise. We may not get such an application so why bother about it at the moment.

HON J BOSSANO

Do the conditions of the lease allow the developer to, for example, sublease bits of it at a profit without actually undertaking the work.

HON A J CANEPA

What the Crown Lands department has done is to produce and send to Taylor Woodrow a licence agreement and the terms in that licence agreement are those put down by the Crown Lands department. There has to be a come back from the developers. It could be in connection with that licence agreement, it is possible that they may come back in line with the terms that the Honourable Questioner has put but that is not the case as yet. I cannot remember off the top of my hat whether the tender conditions provided for a sub-lease to a third party. I would think not. Subject to confirmation, I am pretty certain that they didn't but I am not 100% certain because I haven't seen the tender documents recently but it was never the intention at the time that there should be provision for a sub-lease to a third party but I stand to be corrected.

HON J BOSSANO

If there should be such a proviso enabling it to happen, would the Government have any say in the price or the premium that the main leaseholder would be able to charge for a sub-lease? Would the Government have any say in the premium, I mean, is there anything to stop the main leaseholder selling sub-leases at a profit without laying a brick.

HON A J CANEPA

Yes, I think so. From time to time, when the Crown Lands department approves sub-leases, one of the conditions in the terms of the sub-lease is that the Government must be consulted in respect of rent increases, for instance. That is common practice so I am sure we do have a say in that respect.

HON M A FEETHAM

Would the Honourable Chief Minister not agree that if the Queensway site was put out to tender and was awarded to Taylor Woodrow, based primarily on the project and the amount of finance or premium that was paid by Taylor Woodrow to Government, that the responsibility for that development is with Taylor Woodrow. Can he answer that?

HON A J CANEPA

Of course, yes.

HON M A FEETHAM

And that therefore, having obtained the right to develop for Taylor Woodrow to say that they are not interested in building the hotel and the casino and the conference centre and then sub-leasing that to a third party, is in principle against the tender conditions that were originally put out and people were asked to tender for.

HON A J CANEPA

It may not be possible for a developer to take on the whole of the burden but I do get the drift of the Honourable Member's argument. I know what he is trying to say, what he is trying to say is: 'Well, look, if there is an area set aside there for a hotel and for a casino, why should that have gone to Taylor Woodrow, if now they intend to sub-lease it to a third party, why shouldn't the Government have retained that area and invited tenders itself'. It is a point that has got

to be kept very much in mind but, as I say, not being aware of such a request we are really discussing the matter hypothetically. If it does materialise, if they were to seek approval for the granting of a sub-lease, the points that have been made here are the sort of considerations that would very much have to be taken into account.

HON M A FEETHAM

Would the Honourable Chief Minister also take into account that the developer having decided to seek a third party to do part of that development, that it would be completely immoral, because I cannot find a stronger word, that that developer, Taylor Woodrow, should obtain a considerable premium for having given that sub-lease to a third party to build upon when it is their responsibility to develop in the first place. I want you to take note of that.

HON A J CANEPA

Yes, whilst also taking note of that point, Mr Speaker, I hope that we are not confusing the possibility of a third party being granted a sub-lease as developer or as a partner in the development as against an operator, that is clear, they are quite clear that Taylor Woodrow can do the development and get a hotel operator and get a casino operator.

HON M A FEETHAM

I am quite clear on that, what I am saying^{is} that if Taylor Woodrow have got this development and they sub-lease that part of the site where the hotel is going to be built and the casino to a third party in return for a premium which is being paid to them for granting them that right to a sub-lease that is, for lack of a stronger word, immoral and it is your responsibility to ensure that it doesn't happen.

HON A J CANEPA

Well, they are depriving the Government from getting the premium itself.

MR SPEAKER

Next question.

15 12 87

NO. 389 OF 1987

ORAL

THE HON M A FEETHAM

Is Government obliged to provide at its own expense water supply, sewage, electricity and other services connections to the Queensway Development?

ANSWER

THE HON. THE CHIEF MINISTER

Yes Sir. The tender offer for the development of the site was £1.5m inclusive of infrastructure cost estimated at £500,000. This has been accepted and Government now has to meet the cost out of the £1.5m tendered.

SUPPLEMENTARY TO QUESTION NO. 389 OF 1987

HON M A FEETHAM

Mr Speaker, I hope that the Honourable Chief Minister is aware of what I am trying to imply and their commitment to provide £½m on top is a bit too much.

HON A J CANEPA

Point taken, Mr Speaker.

NO. 390 OF 1987

ORAL

THE HON MISS M I MONTEGRIFFO

Can Government confirm whether they have received proposals for the construction of a private hospital in Maida Vale?

ANSWERTHE HON THE CHIEF MINISTER

Yes Sir. Proposals for a 60 bed private hospital, with a possible increase to 120, have been received and are currently being considered.

SUPPLEMENTARY TO QUESTION NO. 390 OF 1987

HON MISS M I MONTEGRIFFO

Mr Speaker, can the Chief Minister say what the Government's position is on the matter, are they in agreement?

HON A J CANEPA

No, because it hasn't yet gone to the Government, it has been considered by the Development and Planning Commission on planning grounds, it has been considered by the Land Board and the matter still has to go to the Government.

HON MISS M I MONTEGRIFFO

Mr Speaker, what are the present conditions on the actual site?

HON A J CANEPA

Mr Speaker, I remember the last time that a question was asked on Maida Vale, on the terms of which that is held, and the answer was a very very lengthy one. I remember you remarking on the length of it, Mr Speaker. I wouldn't hazard at the moment, Mr Speaker, for one moment to be able to go into details on the conditions. I can say that Maida Vale was allocated for a hotel development and therefore alternative use would have to be considered. I don't think the Development and Planning Commission, as a planning authority, has got any strong objections to an alternative use. A hotel, a private hospital that doesn't create any difficulties, but it is another matter, the Land Board could on behalf of the landlord take a different view. This went out to tender for a hotel and now we are talking of a private hospital, is a consideration for Government as landlord to take into account amongst other considerations.

HON J E PILCHER

I am clear up to the moment when the Honourable Chief Minister said that it is up to the Government to take that into consideration, plus other things. Have the Government taken a policy decision?

HON A J CANEPA

Not yet because the Land Board met last week. There was a meeting of the Land Board last week, the question of a private hospital came up and now the matter has got to be taken to Council of Ministers.

HON J C PEREZ

Surely, Mr Speaker, in principle the Government cannot be against a private hospital if the matter is being considered at a planning level before going to the Council of Ministers so at least we know in principle the Government has no great objection to the establishment of a private hospital and that it is going to look at it once the full details of the matter are known.

HON A J CANEPA

The Development and Planning Commission only have authority to approve the project on planning grounds and no other policy considerations come into it. The Government has got a much wider area of responsibility, it has got to take into account many other factors, not the least is the fact that the Government is the public authority responsible for the medical services. One thing has got to be weighed up against another, that must come into the equation.

HON J E PILCHER

Is it not also true that the Planning Commission have a lot of pressing matters to look at and investigate and therefore could we not take it that if the matter has gone in front of the Planning Commission, it is tantamount to an acceptance.

HON A J CANEPA

No, what the Planning Commission gets is a direct, straightforward application for a change of use and that is very much part and parcel of the work of the Development and Planning Commission and it is entitled to exercise its statutory duties without any interference from the Government and without any regard from the view that the Government might take and then the Government has got to look at other matters.

NO. 391 OF 1987

ORAL

THE HON M A FEEHTAM

Can Government state what proposals it has received for the redevelopment of the Regal Cinema site?

ANSWERTHE HON THE CHIEF MINISTER

Mr Speaker, the owners of the Regal Cinema site, a Freehold Property, have planning consent for the construction of 8015 square metres of offices with 60 car parking bays at basement level.

SUPPLEMENTARY TO QUESTION NO. 391 OF 1987

HON J C PEREZ

Is the Honourable Member aware that the figure of 60 car parking spaces is only due to the fact that the developer himself is in negotiation with the MOD for the reprovisioning of No.2 Naval Ground to be developed as a car park?

HON A J CANEPA

I think, from the answer that I have given, that he has got planning consent for the construction of so much of office space with 60 car parking bays at basement level, that cannot have anything to do with No.2 Naval Ground. If you provide so much office space in a development, there is a car parking requirement based on a certain formula. What we have approved does not include the Naval Ground No.2.

HON J C PEREZ

No, Mr Speaker, what I am saying is that that developer was intending to have many more car parking spaces and withdrew from that project on the understanding that the Naval Ground No.2 was negotiable and that since he has produced two sites to the MOD which the MOD have turned down and they refuse to release Naval Ground No.2. In that event does the Honourable Member foresee any alteration to the project to include more car parking spaces in the event of the refusal of the MOD to release Naval Ground No.2?

HON A J CANEPA

If Naval Ground No.2 were to be released to the Gibraltar Government, I think that the Gibraltar Government would use that area separately from the Regal Cinema site.

HON J C PEREZ

We are not talking about the Government getting Naval Ground No.2, which is even more serious. As I understood it some months ago, in an article in the Chronicle, and this was confirmed to me by the developer himself, the developer individually is negotiating with the MOD for the release for him to develop once he had found an alternative site which is the same as the Laser Experience.

HON A J CANEPA

That is contrary to the Lands Memorandum. The Naval Ground No.2 cannot be made available to any private business concern without the Gibraltar Government acquiring the transfer of that.

MR SPEAKER

Next question.

15 12 87

NO. 392 OF 1987

ORAL

THE HON R MOR

Can Government now say who will meet the cost of Spanish pensions after 1988?

ANSWER

THE HON THE CHIEF MINISTER

Mr Speaker, the matter is still under discussion by a Joint Study Group of officials from the British and Gibraltar Governments. A meeting was held last week in London and a report should be finalised shortly.

SUPPLEMENTARY TO QUESTION NO. 392 OF 1987

HON J BOSSANO

This report, is it something that the Government will make available to us, obviously, it is a matter which is very important.

HON A J CANEPA

I will keep the point the Honourable Member is making in mind. It may depend on the timing of it. I say it is to be finalized but I don't have any indication as to when the report may actually be received.

HON R MOR

Mr Speaker, is it still the Government's intention to resolve this matter before the next elections?

HON A J CANEPA

No, I don't think that it will be possible to deal with this matter before the next elections. The present arrangements continues until the end of 1988. Obviously, it will be a matter for the incoming Government to have to negotiate with the British Government what is going to happen after 1988.

HON J BOSSANO

Can I ask the Honourable Chief Minister, in fact, the report is as to what happens after the end of 1988.

MR SPEAKER

October, 1988.

HON J BOSSANO

Am I correct in thinking that the present agreement with HMG runs to December, 1988, and therefore if there is a shortfall.....

MR SPEAKER

As I said before it is October, 1988.

HON J BOSSANO

But the negotiations to which the Honourable Member refers are from 1989 on, am I right?

HON A J CANEPA

Yes, very much so.

HON J BOSSANO

So that the shortfall from September to December is a totally separate issue?

HON A J CANEPA

It would be, yes. But, inevitably, it is likely to be caught up in the same negotiations.

HON J BOSSANO

Has any work been done so far. Didn't we get told before, Mr Speaker, that in fact, a report would be ready by December?

HON A J CANEPA

By this December. Well, that could well be the case. This is the first time that I answer the question on this subject and obviously I haven't been able to read back over the correspondence or even previous questions. I said that a meeting was held in London last week and the report should be finalised shortly. That is indicative of the fact that their deliberations must be coming to an end.

HON J BOSSANO

Was a report already prepared for that meeting that took place in London and did that meeting in London not have submitted to it an analysis of the cost and the implications and so forth?

HON A J CANEPA

The answer is that I don't really know. They may have had a draft report for consideration but I am not certain.

MR SPEAKER

Next question.

15 12 87

NO. 393 OF 1987

ORAL

THE HON J BOSSANO

Can Government state whether it is continuing with the position of Private Foreign Affairs Adviser to the Chief Minister?

ANSWER

THE HON THE CHIEF MINISTER

No Sir, the arrangement was terminated on the 9th December by mutual agreement when Sir Joshua announced his intention of retiring from public life.

SUPPLEMENTARY TO QUESTION NO. 393 OF 1987

HON J BOSSANO

Can I take it, Mr Speaker, that the present Chief Minister feels quite capable of dealing with foreign affairs without the post having to be filled by anybody else?