

GIBRALTAR

HOUSE OF ASSEMBLY



QUESTIONS AND ANSWERS

26TH APRIL 1994
(Volume I)

No. 1 TO No. 64

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QUESTIONS & ANSWERS

26th April 1994

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NO. 1 OF 1994

THE HON F VASQUEZ

DUTY FREE SALES

Will Government explain the terms upon which duty free sales are permitted to visitors arriving in Gibraltar by coach?

ANSWER

THE HON THE FINANCIAL AND DEVELOPMENT SECRETARY

Following representations by the operators of the Duty Free Shop at Waterport, permission was given for them to sell duty free goods to departing passengers on coaches belong to a particular company (Tourafrica) for a trial period only. This arrangement was discontinued in February and no such sales to visitors arriving by coach are now being made.

SUPPLEMENTARY TO QUESTION NO. 1 OF 1994

HON F VASQUEZ:

Mr Speaker, will the Financial and Development Secretary confirm then that the duty free shop situated by the coach park is now only allowed to sell duty free goods to visitors who are leaving Gibraltar presumably on the ferry?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

That is correct, Mr Speaker.

HON F VASQUEZ:

Does the Government at any time intend to review the arrangement and to reallow the operator established by the coach park to sell duty free goods to coach passengers? Is this a matter which is under consideration or is the answer now definitively no, that no duty free sales will be allowed to coach passengers?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I am not going to say the answer is definitively no ad infinitum, Mr Speaker, but there are no proposals to reinstate those arrangements at present.

HON P R CARUANA:

Mr Speaker, one final supplementary. Would the Financial and Development Secretary confirm that one of the problems, presumably, that has resulted in the discontinuance of the experiment is the impossibility of guaranteeing the fiscal integrity of duty free sales that take place from within Gibraltar for people who then have to cross the Gibraltar land mass before exiting and that is unusual in relation to duty free sales as those normally take place? In other words, the problem with duty free sales at coach parks is that the coach then has to leave Gibraltar overland not like at airports and seaports where the passenger buys duty free once he is already airside or seaside of local customs.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I think the hon Gentleman has described the problem very well, Mr Speaker.

26.4.94

ORAL

NO. 2 OF 1994

THE HON P R CARUANA

INLAND REVENUE OFFICER

Will Government say what is the status in Gibraltar of the Inland Revenue Officer currently attached to the Income Tax Office?

ANSWER

THE HON THE FINANCIAL AND DEVELOPMENT SECRETARY

Mr White was seconded from the United Kingdom, initially for a period of three months, and by arrangement between the Governments of Gibraltar and the United Kingdom, to advise and assist the Commissioner of Income Tax and his staff on tax matters generally, but with particular reference to the assessment of tax on companies and self-employed persons. Arrangements are being made for his secondment to be extended for a period of 18 months. He will also be advising and assisting with training and improving the professionalism of local tax officers.

SUPPLEMENTARY TO QUESTION NO. 2 OF 1994

HON P R CARUANA:

Mr Speaker, whilst recognising the desirability and advantage to the public treasury of maximising the collection of tax, would the Financial and Development Secretary recognise that that gentleman's exact status is very important, which I do not think his answer has addressed itself? In other words, is he here as a United Kingdom civil servant or is he here as a local civil servant, albeit on secondment from the UK civil service and is he subject to local civil service rules and disciplines and should he not be signing his letters as do all local civil servants by reference to the local position, if any, that they hold? Let me hasten to add what my concern is to the Financial and Development Secretary. The gentleman in question has been signing letters as 'Her Majesty's Inspector of Taxes'. That is not a position known within the local income tax establishment and hierarchy. Whilst it causes me personally no offence that he is one of Her Majesty's Inspector of Taxes, that is precisely the sort of false signal that is - I would ask the Financial and Development Secretary to agree - dangerous to send in terms of our finance centre aspirations and in terms of confidentiality. In other

words, if users of the local finance centre believe that there is a representative of Her Majesty's Inspector of Taxes of the Inland Revenue sitting in the Income Tax Office of Gibraltar, it will not improve the confidentiality that they attach to this jurisdiction. Will the Financial and Development Secretary agree that that gentleman can just as easily serve the intended and desirable purposes if he signs his letters 'for Commissioner of Income Tax' as do all the other senior members of management of the Income Tax Office?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

It was a long question yes, I agree. The answer is, in fact, if I may take the concluding part of the hon Member's speech, the answer is yes, I agree; it is true that Mr White did, at an earlier stage, sign himself 'HMIT' and I agree, to use another phrase which the hon Gentleman will recognise, it was both wrong and inappropriate for him to sign himself in that way and I eventually drew it to Mr White's attention that in future he would sign himself 'for Commissioner of Income Tax' and that is, in fact, his status. His status is not as an inspector of taxes from the UK, he is on secondment from the UK, as I was myself as Financial and Development Secretary in my earlier tour, and his loyalties are entirely to the Gibraltar Government. I may say, Mr Speaker, that he is doing a very good job.

HON P R CARUANA:

Mr Speaker, it is with great interest that I note the self-imposed constitutional development to which the Financial and Development Secretary subjected his own office which appears to be implicit in the distinction that he has drawn between his loyalties now and his loyalties during his first tour of office in Gibraltar. I am not aware of any constitutional reform that would justify that view, however salutary I might think that it is. Having said that, Mr Speaker, as a supplementary to my first supplementary, I think that the gentleman in question has only gone part of the way in satisfying me because whilst it is true that originally he would sign his name and then in full 'Her Majesty's Inspector of Taxes', the latest letter that I have seen which was only a few days ago, says 'HMIT' in initials which still means 'Her Majesty's Inspector of Taxes' except that now instead of printing out the four words in full he puts the initials. It is unnecessary, everyone knows what HMIT means, why cannot he just sign 'for Commissioner of Income Tax'? Why should he have a status or a facility beyond that enjoyed by the other senior members of the Income Tax Office?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I am glad the hon Member has given me another opportunity to put in the occasional word because I obviously failed to convey, in my reply to his earlier supplementary, Mr Speaker, that I have asked Mr White to sign himself 'for Commissioner of Income Tax'. That is to say, to leave the 'HMIT'. As to the earlier point he made and this gives quite the wrong signal to clients of the hon Gentleman's chambers, perhaps other people whose wealth we wish to attract to Gibraltar on a non-resident basis, namely, the wrong sort of signals through the finance centre; certainly that point has been made to me. I do not know whether I would agree with it entirely, I think there may have been a little bit of special pleading but nevertheless the point has been taken and I can confirm that Mr White will sign himself 'for Commissioner of Income Tax' like the other members of that department.

HON P R CARUANA:

Finally, Mr Speaker, it is the same point, of course, as the Chief Minister made in connection with who controls the finance centre, one of his concerns was the link that people would make between UK control and confidentiality and really the same point arises here, does it not?

26.4.94

ORAL

NO. 3 OF 1994

THE HON F VASQUEZ

INCOME TAX INVESTIGATION SECTION

Is it the Government's intention to reinstate the Investigation Section of the Income Tax Department?

ANSWER

THE HON THE FINANCIAL AND DEVELOPMENT SECRETARY

There is no intention to reinstate the Investigation Section in its previous form as it was before it was disbanded, but the Government will give consideration to any structural changes to the Department which may be necessary in the light of the advice given by Mr White and, of course, the Commissioner of Income Tax in due course.

SUPPLEMENTARY TO QUESTION NO. 3 OF 1994

HON F VASQUEZ:

Mr Speaker, do the Government not accept that the existence of the Investigation Section over the last three or four years might have resulted in a more complete recovery of income tax and would have obviated the need for the presence of Mr White who has obviously been called in to completely shake up and overhaul the practices of the Income Tax Department?

HON CHIEF MINISTER:

No, Mr Speaker, the decision that was taken at the time was based on the work that the section was successfully producing and, in fact, Mr White has been instrumental in unearthing accounts where people had not made any return at all as far back as 1984 which was four years before we were elected and six years before the section stopped working. The answer is no, we think that the methodology that was there was not sufficient to produce the results for the resources that were devoted. We hope that the methodology that Mr White will pass on while he is with us and which will stay behind will mean that in many respects the investigation will concentrate on the areas it needs to concentrate. For example, in the past there was no real exercise done on where it was worth chasing up and where it was not worth chasing up. I think one

of the things that we have found from Mr White is that apart from his knowledge of the United Kingdom, he is quite pragmatic in the sense that sometimes if one talks about minuscule sums one can spend many years chasing people, maybe even through the court and at the end of the day the cost is far in excess of anything that is recoverable; whereas there are other cases where manifestly there seems to be a discrepancy between the volume of business a particular entity is visibly doing and the nature of the accounts that were presented. There was nobody in the Tax Office that could do anything other than look at the accounts, if they got them. In some cases some taxpayers have argued that the Tax Office, as it was operating previous in this area, was arguing about some minor detail and until that argument was resolved there were vast sums unpaid which could not be paid because there was no agreement as to what was due. This kind of thing, for example, is already being put right, I believe.

HON F VASQUEZ:

Mr Speaker, just to press the point. I think the Chief Minister has confirmed the point that I was seeking to make. Does the Government not accept that the real problem of tax collecting in Gibraltar is not faulty tax returns but complete non-declaration of taxes and that it is precisely a unit with a function that the Chief Minister has identified which is required, ie a unit which will not minutely examine accounts, which is something Mr White is doing very effectively now, but actually will examine the operations on the ground, to investigate operations, that is what an investigation section is for. Does the Chief Minister not accept that the Income Tax Department, having now the muscle of Mr White's experience to be part of the Department, needs the teeth of an Investigation Section to make the Department work as effectively as it might?

HON CHIEF MINISTER:

I think, Mr Speaker, what the Financial and Development Secretary has said is the answer to that. I am not in a position to judge really what is required in terms of giving the muscle or the teeth or whatever, until we have recommendations on which a policy decision will be taken. We have certainly been satisfied that the time that he has spent here has shown because, as I have said already, having unearthed cases where nothing had been produced for 10 years, it was clearly something that was amiss. Until now the emphasis over the last two years has been on collecting PAYE arrears and I think that is reflected in the answers that I have given before in the House. I think the House will recall that last year when the

Hon Mr Cumming brought a motion on the Principal Auditor's Report and he urged us to do something, particularly in this area, I mentioned that something was already in hand which was, in fact, the reference to the offer that the United Kingdom had made to pay for a visit by one of their officials and then after a limited period of two months we would decide, based on the contribution that he had made, whether it was worth retaining him here at our expense, which we have decided to do.

HON P CUMMING:

May I ask if it is the Government's intention in having Mr White here to spread more equally the burden of taxation across the rich and the poor in this community and, if it is, may I congratulate the Government on taking that step?

HON CHIEF MINISTER:

I think the hon Member made a very valid argument in the debate that we had on the Principal Auditor's Report last year in that it was unfair that some people should apparently be able to get away with impunity with not even making tax returns and we hope that that will be put right as a result of his expertise.

NO. 4 OF 1994THE HON F VASQUEZ

EMPLOYMENT INSURANCE CONTRIBUTIONS

Following the increases in employment insurance and other contributions announced by the Government at the beginning of the year, can Government confirm that it intends to amend the pertinent regulations under the Income Tax Ordinance so that taxpayers enjoy the same levels of allowances as before these latest increases?

ANSWERTHE HON THE FINANCIAL AND DEVELOPMENT SECRETARY

Yes, Mr Speaker. This was made clear in the Government's Press Release on 21st January this year.

SUPPLEMENTARY TO QUESTION NO. 4 OF 1994

HON F VASQUEZ:

The question now is, we are now more than four months into the new regime established by the new contributions, what are Government waiting for to implement the necessary amendments? The fact is that until the amendments are made all those paying PAYE are supposed to have had their tax codes amended to take into account the reduced element of tax allowance which they are going to enjoy but which, in fact, in law they do not yet enjoy.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, if I recall the explanation which was given at the time of the press release and certainly which I will give now is that while the tax codes may not have been amended, it is still possible to deal with the matter at the assessment stage and there is no question but that, there will be an amendment to the legislation so that an assessment will not have to be issued on the basis of an unamended law. So the matter will be put right by legislation before assessments are issued.

HON F VASQUEZ:

Is it Government's intention then to top up the allowances so that taxpayers enjoy exactly the same amount of benefit that they enjoyed last year?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Yes, Mr Speaker.

26.4.94

ORAL

NO. 5 OF 1994

THE HON F VASQUEZ

RATES ARREARS

What is the current amount of rates arrears owed to the Government in respect of commercial premises in Gibraltar?

ANSWER

THE HON THE FINANCIAL AND DEVELOPMENT SECRETARY

Mr Speaker, at 31st March 1994 the estimated amount of rates arrears owed to Government in respect of commercial premises was just under £5 million.

SUPPLEMENTARY TO QUESTION NO. 5 OF 1994

HON F VASQUEZ:

Mr Speaker, can the Financial and Development Secretary confirm that in fact there has been an enormous increase in these arrears over the last year or two?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

There has, in fact, been an increase in the arrears over recent years.

26.4.94

ORAL

NO. 6 OF 1994

THE HON F VASQUEZ

PENALTIES ON RATES ARREARS

Do the Government intend to hold private landlords liable for penalty rates as well as rates arrears accumulated by their tenants over the last six years?

ANSWER

THE HON THE FINANCIAL AND DEVELOPMENT SECRETARY

Yes, Sir. That is the position in law.

SUPPLEMENTARY TO QUESTION NO. 6 OF 1994

HON F VASQUEZ:

Mr Speaker, I am grateful for that indication as to the position in law. The question was intended to elicit this information. As the Financial and Development Secretary is clear, the law was amended in November of last year to include penalty rates within those category of rates which landlords are responsible in the event that their tenants fail to pay the rates. Is it the Government's intention to apply this law retrospectively, prior to November 1993, to make landlords liable for penalties incurred by their tenants prior to the passage of that law in November 1993? That is why the question refers to the last six years.

HON CHIEF MINISTER:

Mr Speaker, it is not six years since November 1993 so I do not see now he says that the question deals with six years. It was six years ago that the law was amended placing the responsibility on the landlord and it was made clear at the time that the law was saying six years ago that it was not retrospective and therefore it is from the time that the law was changed in 1988. I think the amendment that the hon Member is referring to was where there was some issue that had been raised as to whether brackish water rates were covered by the amendment.

HON F VASQUEZ:

And penalty rates, Mr Speaker?

HON CHIEF MINISTER:

Certainly I will have the matter checked but as far as I am concerned, Mr Speaker, the answer that the Financial and Development Secretary has given is that it is in line with the law and any change in November 1993 which altered the situation that had been introduced in 1988, applies from 1993 and not from 1988.

HON F VASQUEZ:

So in fact, Mr Speaker, the answer that the Financial and Development Secretary, having said yes to my initial answer, surely is no, the Government does not intend to turn to landlords for penalty rates for the period over the last six years because the law was only changed in November 1993.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I have actually the legislation in 1993 and that was, in fact, as I explained in the debate which we had on the Second Reading and, indeed, the very first sentence is "For the avoidance of doubt". I think the position is quite clear since 1988 as the Chief Minister has said.

HON F VASQUEZ:

Mr Speaker, the question is, since the Financial and Development Secretary has ventured, as it were, to give us the position in law. Let me give the Financial and Development Secretary my understanding of the position in law. The fact is laws are not enacted to avoid doubt, laws are enacted and either they say something or they do not. So either the 1988 law said that landlords are responsible for penalties or it did not. If it did not say that in 1988 then the law of 1993 cannot make them liable retrospectively. If it did say that in 1988 then the law in 1993 was unnecessary. So it is either one or the other. Really the question that I have been seeking to clarify is whether, in fact, the 1993 law was passed because the 1988 was defective or not? If it was defective then the 1993 law, surely, the Government will agree, cannot be applied retrospectively to make landlords liable for penalties incurred before November 1993?

HON CHIEF MINISTER:

Mr Speaker, I believe, I may be wrong because I am not in fact technically qualified in this area, but I believe that it is not possible to pass retrospective legislation on taxation and therefore if what the hon Member says we did in November 1993 was introduce retrospective

taxation going back to 1988 then that is challengeable in law. Certainly the hon Member must know that his practice is challenging some of the bills in this area and it is not something that I can resolve in the House because it is a matter where if there is a dispute I can tell the hon Member that certainly when we brought the law in November 1993, it was because there had been one particular instance where one particular person had questioned whether the law was clear. There had been many other people who had not questioned whether the law was clear and had paid. Given the fact that a question is raised then logically what the Government did was to say to the law draftsman, "If the law is not 100 per cent clear" as we were, I believe, at the time having to correct the question of whether the law covered or did not cover brackish water rates, we also put in the reference "For the avoidance of doubt". But the original legislation brought to the House, as the record in the Hansard of the time will show, made it explicitly clear then in 1988 what was being done and the penalties which were reintroduced, Mr Speaker, were reintroduced because they had originally been brought in for people who were not keeping up with their rates. The previous Government took a decision, I believe it was in 1987, that, since those who were not paying rates were not paying the rates and were not paying the penalty and the penalty was not having the effect that it was intended, because the effect of the penalty was not intended simply to increase the cost of the rates but to encourage people to pay the rates, it was not working and discontinued it. We came in and we decided it should be restored and we restored it in 1988. Therefore it started from the date the Bill was brought to the House and passed and became law. As I have said, I will go back and ask people to give me an opinion on the point the hon Member has made.

HON P R CARUANA:

Could I just ask a supplementary because really, as the Chief Minister correctly identifies he is not technically competent in this field. The point really is this, Government bring legislation to this House as it is entitled to do and then presumably is willing to defend the fairness of those laws, regardless of the technicalities. Does it not strike the Government as unfair that legislation that they bring to the House and therefore put on the statute book, has the effect of making other people pay the fines and the penalties which were incurred, not by them for their default, but by other people for their default? This is really the issue and if to boot those penalties go back beyond the date which I think the Chief Minister is now indicating he proposes to make his business to make sure it does not happen, but if to boot that third party, in other words, the property owner is saddled with the fines from before the

date that the law made him responsible for the fines at all. That smacks of unfairness. As regards to what the laws says or does not say, in the application of the law, do the Government recognise that that situation, if applied in that way, would be unfair?

HON CHIEF MINISTER:

Mr Speaker, when the law was brought to the House in 1988 making the owner of the property responsible for ensuring that the tenant was complying with the rates, it was publicly debated and when the penalty was introduced it was publicly debated. The fact that because of the way the system works at such a slow pace it was not effectively being implemented in the sense that people who disregarded the law that had come in in 1988 were not chased in 1988 or in 1989 or in 1990, that does not mean that it is unfair because the essence of what the hon Member is saying is that it would now be unfair, presumably, to go and collect the tax from all the people who have not made their return on their tax since 1984 notwithstanding the fact that the law has been there requiring them to make a tax return but nobody has chased them. The truth is that if in 1988, when the law was brought in, there had been a machinery to enforce it then we would not have £5 million of arrears because people would have paid at the time and there would not be penalties because the penalties only arise because people do not pay when the rates are due. It is not a penalty or a fine for no reason; it is a fine because all of us are rate payers and all of us are required by law to pay rates. Those of us who rent property pay the rates through our rents; those who are either in commercial premises or in dwellings where there are different arrangements get quarterly rates requirements which they ignore. When they ignore there is a penalty put on it. We introduced a law to ensure that the landlord was on top of the tenant and it was done from a current date and not retrospectively. The truth is that there have been many cases where nothing happened after that. It is as a result of the increase in the arrears of rates to which a previous question referred, that action has been taken to engage Land Property Services to pursue this particular area of arrears like we have got Mr White pursuing the other area of arrears and it is because people are being chased that they are now reacting. But they are not reacting because it is a new law that has just been introduced, they are reacting because it is being brought to their notice that the law has been there all the time and that nothing was being done. If it is anything different from that, Mr Speaker, and if what the hon Member is saying in the course of his question is that that is not, in fact, what has happened, then what I have told him, which is the only thing I can tell him, is that I will go back and get somebody to produce for me the necessary advice to see whether, in fact, there is any substance in what he is saying. I cannot do anything else.

MR SPEAKER:

We have drifted away from the original question to the fairness of the law and that is too complicated a subject for the Chief Minister to deal with. I think he has given you a good answer which means that he will look into the matter and see if this unfairness will be tackled in a way that the Government think fit. Next question.

NO. 7 OF 1994

THE HON F VASQUEZ

COLLECTION OF RATES ARREARS

Did the Government make any attempt to collect rates arrears owed for commercial premises between 1989 and July 1993 when rates collection was passed to Land Property Services Limited?

ANSWER

THE HON THE FINANCIAL AND DEVELOPMENT SECRETARY

Yes, Mr Speaker.

SUPPLEMENTARY TO QUESTION NO. 7 OF 1994

HON F VASQUEZ:

There are going to be various supplementaries, Mr Speaker. My first question is this, is the Financial and Development Secretary not aware that, in fact, the arrears section of the Rates Department was discontinued in this period? My question is, what steps were being taken by the Government to, as it were, keep on top of this mountain of arrears that was accumulating very rapidly?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I rather feel that I am in the position that Winston Churchill was, Mr Speaker. Opposition Members obviously do not know which particular situation I am referring to so I should tell them because I do not think any of them were born at the time. Yes, well in that case the hon Member will know that I am referring to the disastrous Norwegian campaign in 1940 when Winston Churchill, although he had only just been moved to the Admiralty, offered his resignation. I should add very quickly, after that he became Prime Minister so any further resemblance to that situation.....

HON P R CARUANA:

Could we have an answer, Mr Speaker?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

It would be wholly wrong and inappropriate. Frankly, the question of arrears I think was something I certainly became very knowledgeable about when I first arrived in Gibraltar 10 years ago and the causes are varied and complex, it is not a simple matter. Certainly the decentralisation of the various parts of the arrears element which has taken place in the last two years is a contributing factor as indeed is the fact that the reintroduction of the penalty rate has increased the arrears. The policy on write-offs is another matter. There are various ways in which one can analyse the situation and in the last resort one gets down to the fact that Gibraltarians do not like paying arrears to Government.

HON F VASQUEZ:

Mr Speaker, I am very grateful for that lengthy speech from the Financial and Development Secretary in which, in fact, he did not answer the question put which is, what steps in effect the Government have taken? We are none the wiser and neither are we better informed. That being the case the question is this, both the Financial and Development Secretary in the reply to this question and the Chief Minister in his reply to the previous question.....

MR SPEAKER:

We cannot go back.

HON F VASQUEZ:

..... have alluded to the fact.....

MR SPEAKER:

Order, order. You cannot revive an issue in this House.

HON F VASQUEZ:

I am reviving the issue that the Financial and Development Secretary.....

MR SPEAKER:

Well you are not going to revive the issue. The issue of the Financial and Development Secretary yes but not the one of the Chief Minister.

HON F VASQUEZ:

That is the issue I am referring to, Mr Speaker, and I am grateful for your intervention. The fact is that the Financial and Development Secretary has indicated that the problem is that Gibraltarians do not like paying arrears. Well let me ask him if he is aware that between 1988 and 1993 when landlords were, in fact, liable for the arrears which their tenants were incurring, the Rates Department was refusing to give information to landlords when they contacted the Rates Department to ask them what the situation was in relation to their tenants' arrears. The Rates Department had replied, "This has nothing to do with you. This is the tenants account and we are not authorised to give you the information in question". So it is not a question of the landlords being unwilling to chase their tenants; the fact is that under the system established by this administration, landlords although they were liable for their tenants arrears had no way of knowing what those arrears were and given those circumstances I put the question to the Government, is this a fair state of affairs?

HON CHIEF MINISTER:

Mr Speaker, it is not true. It may well be true that a particular landlord, who may well be a client of the hon Member and who may well be using that argument to contest the bill, may be in that situation but the hon Member is not qualified to talk about every single landlord in Gibraltar because he does not have the monopoly of the market and other landlords are not making the same complaint and other landlords in other instances pay. It is true to say that the landlords were not previously being chased with the same degree of energy that they have been recently, that is true. That is why, Mr Speaker, we have gone to get somebody to take on the responsibility for chasing up these arrears. But it is incredible to argue in this House that because there is a law which requires somebody to pay and because one is not threatening the person that has to pay with liquidation or with court action and therefore because all they get is the occasional reminder and they feel they can get away with it scot-free, it is unfair when the law catches up with them. Therefore as far as we are concerned, Mr Speaker, the point that has been made in the previous question which seems to me is the same point that is being made now - "Is the system operating fairly?" The matter will be looked into, I cannot do anything else than that. As far as we are concerned, all that people are being asked to pay is what they ought to have paid in the first instance.

HON P R CARUANA:

Mr Speaker, is the Chief Minister saying that he knows for a fact and is he asserting as a fact, that landlords had access through the Rates Office prior to July 1993 of details of the arrears of tenants? Forget the fact that as a master of the red herring he tries to deflect the issue by making reference to my hon Colleague's one client. Is he thereby trying to say that it is not true what my hon Friend is saying? Because if it is facts will be able to establish. Is he saying that he knows for a fact that landlords that went to the Rates Office and said, "Under this law I am liable for my tenants' rates if he has not paid them, has he paid them and, if not, how much does he owe?" Is he saying that those people were being shown the account as opposed to being told, "That is confidential and you cannot see it"? What exactly is he saying? Let him come unambiguously on the record as to what.....

HON CHIEF MINISTER:

I know what I am saying, Mr Speaker. I am saying that there probably is one client either of his colleague or of himself or of the practice Triay and Triay who has used that argument in the correspondence with Land Property Services in their defence but that that does not mean the assertion that they have made in this House is correct that that applies with every single landlord.

HON P R CARUANA:

Is he saying it is not correct?

HON CHIEF MINISTER:

No, Mr Speaker, I am not saying that it is correct that no landlord was given the information or that it is correct that every landlord was given the information. What I do know is.....

HON P R CARUANA:

He does not know then.

HON CHIEF MINISTER:

..... that there is, to my knowledge, a landlord represented by them.....

HON P R CARUANA:

What has that got to do with it?

HON CHIEF MINISTER:

Because no other landlord seems to have had a problem, only their client.

HON P R CARUANA:

The answer is that he does not know.

MR SPEAKER:

Order, order.

HON CHIEF MINISTER:

I know, Mr Speaker, that other landlords have not made the same excuse for not wanting to pay.

HON P R CARUANA:

Because they have

MR SPEAKER:

Order, order.

HON CHIEF MINISTER:

The answer is that if hon Members here make enough noise they can tout for business and then every landlord will go to them and they will use that excuse.

HON P R CARUANA:

On a point of order. There is a ruling made by Mr Speaker which he frequently reminds us of and I would now respectfully call upon him to remind the Chief Minister that he is not free to make allusions against Members of this House. What he has just stood and shamefully said is that.....

MR SPEAKER:

Order, order. The rule is make improper imputations.

HON P R CARUANA:

Well what does he think accusing us of touting for professional business from the floor of this House is? Do you not think that that is.....

MR SPEAKER:

I think it is fair and should be withdrawn. I will ask the Chief Minister to withdraw it.

HON P R CARUANA:

The hon Member must withdraw it, he has been ordered to withdraw it.

HON CHIEF MINISTER:

No, Mr Speaker, I will not withdraw it, I will explain it.

HON P R CARUANA:

What does he mean he will not withdraw it?

HON CHIEF MINISTER:

The Standing Orders of this House, Mr Speaker....

MR SPEAKER:

Order, order. I would like the Chief Minister to reflect. If what he said is what the Leader of the Opposition is saying then I think that the Chief Minister should withdraw it. I am sure he cannot mean that the Leader of the Opposition is making use of this House to gain clients, that would be an imputation.

HON CHIEF MINISTER:

Mr Speaker, what I do say is.....

HON P R CARUANA:

No, he has already said what he has said and it is clear.

MR SPEAKER:

Order, order.

HON CHIEF MINISTER:

I have not stood up, Mr Speaker. The Leader of the Opposition chooses to apply the rules to other people and not to himself. If hon Members have got a case in which they are representing a client on this particular issue then they use the fact that they are represented in this House to raise it as a matter of principle and say, "This is something that applies to everybody in Gibraltar". The point I am saying is if they are not doing that to tout for business I am glad to hear that they are not doing it for business.

HON P R CARUANA:

That is not what he said, Mr Speaker.

MR SPEAKER:

Order, order, order.

HON P R CARUANA:

You have ordered him to withdraw.

MR SPEAKER:

What I want the Chief Minister to say is that he did not mean in any way that hon Members were using their position in this House to gain clients. That is all.

HON CHIEF MINISTER:

No, Mr Speaker, I accept that. The hon Member is not using this to gain clients, the hon Member is using this to earn the fee of the client he has already got.

HON P R CARUANA:

I am sorry, Mr Speaker, the point is that the Chief Minister abuses the latitude that the Chair gives it. If Mr Speaker had done to him what he always does to us and that is to order us to withdraw without the possibility of argument, Mr Speaker would not now find himself in the position of.....

MR SPEAKER:

Order, order. If you feel that I am not doing my job properly you know what you should do.

HON P R CARUANA:

Absolutely, Mr Speaker.

MR SPEAKER:

You should put a substantive motion and then the House will decide. All I am asking the Chief Minister is that if he meant that he will withdraw it.

HON CHIEF MINISTER:

I withdraw it, Mr Speaker.

HON F VASQUEZ:

Mr Speaker, could I just have the answer to a supplementary?

MR SPEAKER:

I think we have now ventilated this matter sufficiently enough. The position is clear, the Chief Minister is going to look back to see if there is any flaw at all in the way that this is operating and he will put it right. Next question.

HON H CORBY:

Can I ask a supplementary, Mr Speaker. I have tried...

MR SPEAKER:

No, no more now. That is my ruling. Next question.

26.4.94

ORAL

NO. 8 OF 1994

THE HON P CARUANA

SOCIAL ASSISTANCE FUND

Mr Speaker, what expenses comprise the administration costs charged to the Social Assistance Fund?

ANSWER

THE HON THE FINANCIAL & DEVELOPMENT SECRETARY

Mr Speaker, administration costs shown in the Fund Account comprise the Personal Emoluments and Other Charges of the Customs Department.

SUPPLEMENTARY TO QUESTION NO. 8 OF 1994

HON P R CARUANA:

Mr Speaker, is the Financial and Development Secretary aware that the emoluments of the Customs Department appear to be shown under Head 17 - Finance and Revenue Collection Services in the Estimates, and that therefore they cannot also be shown under the account of the Social Assistance Fund as they are in the Public Accounts of Gibraltar to the year March 1992? There cannot be a debit to two separate accounts.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Mr Speaker, the hon Member is perhaps unaware that the reimbursement for the charges of the Personal Emoluments and Other Charges to the Customs Department which is referred is also shown in the Annual Accounts of Gibraltar. So that avoids the situation which he has just described namely a double debit.

HON P R CARUANA:

Mr Speaker, I am looking at the Social Assistance Fund account to March 1992, and it says 'Receipt' 'Import duty receipts £6 million' less, amongst other items administration costs leading to a net duty receipts £5.8 million and the Financial and Development Secretary says that that administration cost refers to the very same sum as already included in the Estimates under Finance and Revenue.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

No. I said, Mr Speaker, I think I am not absolutely clear of the point which the hon Gentleman is making because I think I understand him. He feels that there has been some double counting because in the accounts of the Social Assistance Fund, the entry of administration costs appears under 'Receipts'. That is to say, as an offset against the receipts and he has obviously studied the accounts and he has studied the Estimates and he will know that there are estimates of the expenditure of the Customs Department. It is shown in Head 17, if I remember rightly, and he has said that has been charged twice. That, I think, is his point and my point is that, as used to be the case formerly with the public utilities, the Special Funds which were set up as public utilities and is now the case for the expenses of the Customs Department, there is a reimbursement. That is to say, there is an entry in the Government's Revenue Account to, as it were, equalise the expenditure. So there is no double counting, if that is in fact the point that he was trying to make.

HON P R CARUANA:

I hear the answer that he has given. I doubt, therefore, that it is correct to include that information in the accounts of the Social Assistance Fund, but still, Mr Speaker, I accept the answer. I accept the answer that has been given. Does the Financial and Development Secretary know what the management charge of £152,000, therefore, is in the accounts of the Social Assistance Fund?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

Yes, Mr Speaker, that is a different matter. The management charge which he refers to under 'Payments' comprises the personal emoluments, the salaries, the costs, if you like, of the civil servants who are administering the social assistance services and also managing the Fund. It is an apportionment of their costs.

HON P R CARUANA:

I am sorry. I make the same admission as the Chief Minister. I am not an accountant by profession, but how can we have the salaries and costs deducted at the top end as an administration charge and then again a management charge of the same thing.

HON FINANCIAL AND DEVELOPMENT SECRETARY:

They are two separate matters, Mr Speaker. By virtue of a legal notice in 1992, which made these arrangements by which the revenues from import duty were brought to account in the Fund, the terms of the legal notice - which unfortunately, I do not have in front of me, because I was not aware that the hon Gentleman was going to ask this particular question, which he has in fact in his supplementary asked - it says that the import duties after deduction of the costs of administration and that is the reason for that. Now in the case of the management charges shown under 'Payments', this is what I can only call a customary arrangement. We do it for the Social Insurance Fund, we did it for the the Spanish sub-fund of the Social Insurance Fund. We show the management charges of the civil servants involved in the administration of the service and the cost of managing the Fund as legitimate expense, which it is. I am sorry if the hon Gentleman finds this rather ridiculous, but this has been customary in Gibraltar for quite some time and when 40 public service winters have besieged his brow as they have mine, he will doubtless become more familiar with it. At the moment I must compare him with a summers day..

HON P R CARUANA:

Will the Financial and Development Secretary then, ignoring his 'O' Level literature references, will the confirm that it is a charge payable to the Government, because I presume that the salaries of the civil servants in the Social Security Department are the ones referred to under 'Finance and Revenue Collection Service - Social Security' in the Estimates. So presumably, this is a call back from the Social Assistance Fund of salaries first paid by the Government out of the Estimates.

HON CHIEF MINISTER:

I have slightly more expertise in this area. Perhaps I can help the hon Member. Mr Speaker, the Public Finance (Control and Audit) Ordinance Notice to which the Financial and Development Secretary refers, which was published on the 19 March 1992, provides that the cost of collecting the revenue is deducted before the money is credited to the Fund.

HON P R CARUANA:

Absolutely.

HON CHIEF MINISTER:

Therefore, the point that he is making is only explainable in the sense that we could have chosen to show the net amount coming into the Fund. Instead there is more information provided because it shows the gross amount but really the income of the Fund is the amount of money after meeting the collection costs. The collection costs appear as a revenue head in the Estimates of Expenditure that have been tabled this year and are tabled every year. The management charges of the Fund per se, is the cost of the civil servants, who are employed in the Department of Social Security in actually making payments to beneficiaries. That is the management cost of operating the Fund as it were whereas the other is the cost of collecting the money before it enters the Fund. But it could, in fact, have equally been left out but it would have been less informative.

HON P R CARUANA:

So as I understand the Chief Minister's answer, one is the cost in effect of the Customs Department, as the revenue import duty and therefore should not have been there as I think he is recognising. The other is the cost of the administration of the Fund itself after it has been received by the Social Assistance Fund and the payment out. Will the Chief Minister confirm whether the civil servants to whom he is referring as the cost of paying out, are the civil servants who are included in the establishment of the Finance and Revenue Collection Services - Head 17 of the Estimates where it says under Social Security.....

MR SPEAKER:

What Estimates is the Leader of the Opposition referring to.

HON P R CARUANA:

The information has not changed.

MR SPEAKER:

We cannot anticipate.

HON P R CARUANA:

Under Head 17, of last year's Estimates, there is an establishment of social security civil servants. Are they the same ones as administer the Fund for the purposes of payment out?

HON CHIEF MINISTER:

Mr Speaker, first I want to answer the aside that the hon Member made in saying that I accepted that the information on the netting should not have been there. What I am saying is that in my view it was not strictly necessary to put that information in the Social Assistance Fund because the information is already available, if one is prepared to do the necessary work, by going into the body of the Estimates, by checking the reimbursements and by checking the expenditure. The information was put there as additional information and I would have thought the Opposition Member would not be worrying about us providing too much information. I can confirm that the administration charge is, in fact, the charge which is made up of the civil servants in the Treasury who are engaged under social security and also part of the cost of some of the civil servants who are engaged in the management of the Fund. That is to say, there is within the Treasury an allocation made, not just to the Social Assistance Fund, but to any other fund in the old Social Insurance Fund before it was dissolved in December, if the hon Member looks in that same set of audited accounts, he will find that there was a similar administration charge which is reflected as revenue in the Consolidated Fund.

26.4.94

ORAL

NO. 9 OF 1994

THE HON P R CARUANA

SOCIAL ASSISTANCE FUND

Mr Speaker, what was the Social Assistance Fund balance at each of 31 March 1993 and 31 March 1994?

ANSWER

THE HON THE FINANCIAL AND DEVELOPMENT SECRETARY

Mr Speaker, at 31 March 1993 the balance of the Fund stood at £5.4 million, and at 31 March 1994 an estimated £1.6 million.

26.4.94

ORAL

NO. 10 OF 1994

THE HON P R CARUANA

SOCIAL ASSISTANCE FUND

Mr Speaker, in respect of each of the years to 31 March 1993 and 31 March 1994 what were:-

- (1) The receipts of the Social Assistance Fund
- (2) The payments from the Social Assistance Fund in respect of:-
 - (a) Grant to Gibraltar Health Authority
 - (b) Contributions to Gibraltar Health Authority re: Social Assistance to unemployed persons
 - (c) Supplementary Benefits
 - (d) Family Support Benefits
 - (e) Elderly Persons Allowance
 - (f) Rent Relief
 - (g) Management Charges
 - (h) Retirement Allowance
 - (i) Community Care Trust (as an aside for the question I would recognise that this is probably the nature of the loan rather than payments) and,
 - (j) Other payments, in aggregate.

ANSWER

THE HON THE FINANCIAL AND DEVELOPMENT SECRETARY

In round figures, Mr Speaker, the actual or estimated receipts and payments for the years in question were:-

	<u>1992-93</u>	<u>1993-94</u>
<u>Receipts</u>	£26.7 million	£20.2 million
<u>Payments</u>		
(a) and (b)	£6 million	£6 million
(c)	£1.3 million	£1.4 million
(d)	£950,000	£934,000
(e)	£248,000	£238,000

(f)	£250,000	£236,000
(g)	£168,000	£168,000
(h)	£ 14,000	£ 12,000
(i)	£14 million	£15 million
(j)	£ 3,000	£ 30,000

SUPPLEMENTARY TO QUESTION NO. 10 OF 1994

HON P R CARUANA:

Can the Financial and Development Secretary say whether he can give me little (a) and little (b) separate from each other as indeed they are reported in the accounts. Can he break down the £6 million figure as between grants to Gibraltar Health Authority and Contributions to Gibraltar Health Authority in respect of social assistance for unemployed persons?

HON CHIEF MINISTER:

Mr Speaker, I can answer the hon Member on that point. The provision is £6 million a year in support of the Health Authority, which I announced in the Budget of 1992. The difference between one and the other takes some time to calculate and effectively what happens is that we put as a grant whatever is required to achieve the £6 million as compared to the figure made in respect of the eventual calculation on the numbers of people who are unemployed or retired. So effectively, if one is bigger the other one would be smaller but the total would remain at £6million.

HON P R CARUANA:

But, I understand from that that all of this is Health Authority funding in effect it is GPMS contributions of social assistance....

HON CHIEF MINISTER:

That is correct.

HON P R CARUANA:

Will the Chief Minister finally confirm to me from the information that he has in front of him that little (i), as was the case in the 1992 accounting period, is in the form of a loan or is that in the form of a payment to the Community Care Trust?

HON CHIEF MINISTER:

Mr Speaker, it is not in the form of a loan and I do not know why he says that in 1992/93 it was in the form of a loan.

HON P R CARUANA:

Only because I have the accounts here in front of me and it says 'Loan issued to Gibraltar Community Care Trust, £2.5 million.' The words seem quite clear to me.

HON CHIEF MINISTER:

Yes, but that was in 1991/92 not in 1992/93.

HON P R CARUANA:

Yes, that is what I have said. I asked the question because I assumed that it had the same treatment currently as it had in the last published accounts of Gibraltar. The answer is that it is not.

NO. 11 OF 1994

THE HON LT-COL E M BRITTO

GIBRALTAR COINS

Do the terms of its contract with the Gibraltar Government allow any mint company to sell Gibraltar coins other than in Gibraltar, and if so, what benefit does the Government derive from such sales?

ANSWER

THE HON THE FINANCIAL AND DEVELOPMENT SECRETARY

Mr Speaker, the Gibraltar Government have a contract with Pobjoy Mint Ltd, for the production and distribution of all Gibraltar coins. The benefit to the Government of coins sold by the mint outside Gibraltar is derived from royalties of these sales.

SUPPLEMENTARY TO QUESTION NO. 11 OF 1994

HON LT-COL E M BRITTO:

Mr Speaker, does the occasion arise where the mint produces coins which are subsequently sold outside Gibraltar alone and not available in Gibraltar?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

I think that may be so, Mr Speaker. There are sales by the mint of Gibraltar coins which are not circulated in Gibraltar.

HON LT-COL E M BRITTO:

Two points in supplementary. The Financial and Development Secretary said 'circulated' and my question is, are they available for purchase in Gibraltar and secondly, if they are not available for purchase and are available away from Gibraltar, does the Government still earn royalties from those sales?

HON FINANCIAL AND DEVELOPMENT SECRETARY:

As far as the latter of the hon and gallant Member's question, Mr Speaker, yes the Gibraltar Government does earn royalties from those sales. As far as the first part of his question, in effect why not, why are they

not available in Gibraltar? I think it is an assessment of the demand. I think the demand in Gibraltar for a silver coin or whatever in respect of the anniversary of the Crown Prince of Japan, which I believe was one of the coins circulated, would be minimal. However, if the hon and gallant Gentleman would like one, I could certainly make a buy on his behalf.

NO. 12 OF 1994THE HON P R CARUANA

PUBLIC DEBT

Mr Speaker, what was the gross public debt of Gibraltar as at the 31 March 1994, and what was the balance as at that date of:-

- (a) The General Sinking Fund
- (b) Other debt sinking funds, in aggregate?

ANSWERTHE HON THE FINANCIAL AND DEVELOPMENT SECRETARY

Mr Speaker, the estimated gross public debt at 31 March 1994 was £92.1 million. At that date the estimated amount of the General Sinking Fund was £15.8 million and the aggregate of other sinking funds was £1.8 million.

SUPPLEMENTARY TO QUESTION NO. 12 OF 1994

HON P R CARUANA:

Mr Speaker, are the Government any more willing now than it has been in the past, to inform this House and through it the people of Gibraltar, whether there is any other form of borrowing by wholly owned Government companies for which I know they are not bound to answer in this House, in accordance with Mr Speaker's ruling, but upon which they might voluntarily wish to give the information if only out of a natural desire to keep the people as informed as possible about their affairs?

HON CHIEF MINISTER:

Mr Speaker, I do not believe the supplementary the hon Member has asked is relevant to the original question except that he can make his own deduction by the simple fact that commercial borrowing by a company is more expensive than borrowing by the Government and whenever he has made the point about company borrowing, he has made it on the assumption that having exhausted the ceiling of £100 million. [Interruption] Yes, in previous questions which are recorded in Hansard, Mr Speaker, the Opposition Member has argued in questions that having reached the £100 million, we would then have off-balance sheet borrowing which does not reflect.....

HON P R CARUANA:

The public debt has never reached £100 million?

HON CHIEF MINISTER:

No. Logically there would be no point in any company borrowing when in fact the £100 million has not been exhausted.

HON P R CARUANA:

Is the answer therefore, no?

HON CHIEF MINISTER:

The answer is he can draw his own conclusion from what I have said.

HON P R CARUANA:

And has not been recently?

HON CHIEF MINISTER:

Mr Speaker, I have told the hon Member that as far as I am concerned, if he wants to put a question about Government companies borrowing, he will get the answer that he has got before. The company is free to take decisions on borrowing in order to run its business in the normal course of its transactions with its bankers but, if the point that is being made is the people of Gibraltar ought to know whether we own more than £100 million, which is the point that has been made in the past in relation, then the answer is, if we have not reached £100 million which is what I have told him before, why should we be borrowing with a company when we do not need to, we have got spare capacity within the Government.

HON P R CARUANA:

I understand the answer to that ought to be no, Mr Speaker?

HON CHIEF MINISTER:

Well, I have told him, Mr Speaker, that he can draw his own conclusions.

26.4.94

ORAL

NO. 13 OF 1994

THE HON P R CARUANA

LIQUID RESERVES

Mr Speaker, what were the liquid reserves of the Government as at 31 March 1994?

ANSWER

THE HON THE FINANCIAL AND DEVELOPMENT SECRETARY

Mr Speaker, at 31 March 1994 the estimated liquid reserves of the Government were approximately £4.5 million.

NO. 14 OF 1994THE HON P R CARUANA

REVENUE COLLECTIONS

Mr Speaker, what is the forecast out-turn revenue for 1993/94 and the estimated revenue for 1994/95 for each of the following:

- (1) Import Duty
- (2) Company Tax
- (3) Exempt Company Tax
- (4) Stamp Duty
- (5) Ground and Sundry Rents
- (6) Premia on assignments
- (7) Workers' Hostel
- (8) Income from Lyonnaise des Eaux?

ANSWERTHE HON THE FINANCIAL AND DEVELOPMENT SECRETARY

Mr Speaker, the forecast outturn in 1993/94 for the first seven items is:-

Import Duty	£22.8 million
Company Tax	£ 9.1 million
Exempt Company Tax	£ 2.6 million
Stamp Duty	£ 1.9 million
Ground and Sundry Rents	£ 1 million
Premia on assignments	£ 10,000
Workers' Hostel Fees	£410,000

The Government did not receive any income from Lyonnaise des Eaux. As regards 1994/95, the Government have not yet produced any estimates for these items. However, no dramatic changes are expected at this point in time in the yield of the major items mentioned. As far as the small items are concerned it is impossible to predict the yield.

26.4.94

ORAL

NO. 15 OF 1994

THE HON P R CARUANA

GIBRALTAR PROCUREMENT LIMITED

Mr Speaker, how much did Government pay to Gibraltar Procurement Limited during each of the years ended 31 March 1992, 1993 and 1994 for the collection of arrears?

ANSWER

THE HON THE FINANCIAL AND DEVELOPMENT SECRETARY

Mr Speaker, no payment was made to Gibraltar Procurement Limited in connection with the collection of arrears in the financial year ending 31 March 1992. There was a payment of £257,000 in the financial year ending 31 March 1993, which was inclusive of payment for services provided in the previous year, and a further payment of £81,000 was made in the financial year ending 31 March 1994.

SUPPLEMENTARY TO QUESTION NO. 15 OF 1994

HON P R CARUANA:

Mr Speaker, will the Government confirm that they still owe that company directly or indirectly. It is a wholly owned Government company presumably to one of the funds holding company.

HON CHIEF MINISTER:

Yes. It is 100 per cent owned.

HON P R CARUANA:

And are the Government prepared, notwithstanding Mr Speaker's ruling, and purely voluntarily, to disclose the terms of employment of that company's employees as to remuneration? Do they collect a salary or a commission?

HON CHIEF MINISTER:

Mr Speaker, I can say that the employees of the company are on a fixed salary and therefore any difference between the cost of running the company and the revenue from the commission on collection is retained by the company and not by the employee.

HON P R CARUANA:

And the fixed salary, there is no relation to the amount of the arrears collected. It is not a fixed salary computed by reference to some formula, it is a sum of money which is their salary?

HON CHIEF MINISTER:

That is right. It is a fixed salary which has nothing to do with payment by results.

HON F VASQUEZ:

Is there anything, Mr Speaker, in the relationship between Government and Gibraltar Procurement Limited that in any way involves the payment of commission on the amounts of arrears of tax as collected by that company?

HON CHIEF MINISTER:

None whatsoever.

NO. 16 OF 1994

THE HON H CORBY

ALAMEDA ESTATE RENTS

Mr Speaker, will Government say into which funds the rents collected from the Alameda Estate are credited?

ANSWER

THE HON THE FINANCIAL AND DEVELOPMENT SECRETARY

Yes, Mr Speaker. The Consolidated Fund.

SUPPLEMENTARY TO QUESTION NO. 16 OF 1994

HON H CORBY:

Mr Speaker, can the Financial and Development Secretary confirm that these rents are not funding any loans arising of this to this estate?

HON CHIEF MINISTER:

Mr Speaker, I think the hon Member may be slightly confused because, strictly speaking, the Consolidated Fund, if he looks at the Estimates, funds all the loans. So, to the extent that all the Government revenue goes into the Consolidated Fund and all the interest in the public debt comes from the Consolidated Fund, the answer is, yes, the public debt of £92 million has interest. That interest is paid from the Consolidated Fund as the Estimates show. But you cannot really say that is coming from the rents as such. It is coming from the total revenue of the Government of £70 million.

26.4.94

ORAL

NO. 17 OF 1994

THE HON P R CARUANA

PRINCIPAL AUDITOR REPORT

Mr Speaker, whose responsibility is it to ensure that allegations and observations of the Principal Auditor in his Report on the Public Accounts of Gibraltar are addressed and corrected?

ANSWER

THE HON THE FINANCIAL AND DEVELOPMENT SECRETARY

Mr Speaker, it is the responsibility of the department concerned to take whatever remedial action is necessary in the light of observations made by the Principal Auditor in his Annual Report.

SUPPLEMENTARY TO QUESTION NO. 17 OF 1994

HON P R CARUANA:

Is the Financial and Development Secretary aware of the Principal Auditor's Report attached to the Accounts of Gibraltar for the year ended 31 March at page 27? The Principal Auditor laments the use by the Department of Education of deposit accounts outside the Government's usual accounting structure into which they pay fees collected for courses and out of which the Director of Education pays expenses relating to those courses and is he further aware, that the Principal Auditor having complained about this to the Director of Education, amongst the answers that he got was that this was being done under Government instructions and is he aware that notwithstanding the explanation of the Director of Education, the Principal Auditor in his report has said, "I still consider that improper use has been made of the deposit account?" Can he tell this House, as the officer with constitutional responsibility for the administration of Gibraltar's public finance, what steps he has taken to address what the Principal Auditor - who after all exists precisely to bring points like this to the attention of the House - has described as improper use of accounts?

HON CHIEF MINISTER:

Mr Speaker, I know I cannot ask the Opposition Member a question, but I am tempted to ask him, is he aware that this point was raised when the motion was brought to the House on the 1992 audited accounts and was answered then? And if it was answered then, why does he not go back and read the Hansard of the answer that he got then and he would then be aware, because the reality of it is that we said at the time, once this had been brought to our notice as a Government, the matter was put right and that is what we said when the motion was brought on this audited accounts last year. So what is it that he expects to be told now that he has not already been told?

HON P R CARUANA:

I want to be told what has been done about it?

HON CHIEF MINISTER:

Mr Speaker, if the hon Member is saying, "Did the Financial and Development Secretary discipline somebody in the civil service?" Well frankly that is neither here nor there. Let me say that one ought to clarify that the context in which improper use of the deposit account is referred to in the report is not any suggestion that anybody in the Education Department was pocketing any public money, but that the proper rules of accountability, which ought to be followed, which we believe should be followed, which is that if we have got somebody paying money to go to the college, then the cost of the course should be shown as an expenditure of the college and in the income from the fee should be shown as income in the Consolidated Fund. And that apparently was not being done because the fees were being put on a deposit account, which obviously are still under control of the Accountant General and still available to the Principal Auditor, otherwise he would not have discovered it was there, and part-time lecturers were being paid directly from that deposit account. The matter was identified by the Principal Auditor. It was referred to in the motion last year and I answered that action had been taken to correct it and the question is "What did the Financial Secretary do?" Well without the necessity for involving the Financial and Development Secretary, once this was brought to the notice of the Government, people were told to stop doing this because we agreed with the Principal Auditor and that is what happens with the Principal Auditor's comments that to the extent that we are able to put right what he considers to be wrong, heads of department take the necessary action. Sometimes, as we know, from the comments on arrears, the necessary action does not produce the results.

HON P R CARUANA:

Mr Speaker, just on a point of clarification, I think the Chief Minister is mistaken when he suggests the debate relating to these accounts. These accounts, I do not think, were available to us at the time of the last debate. I think the hon Member's motion was based on the accounts to March 1991. I am almost certain that that is true, although I stand to be corrected. These are the accounts to March 1992 which were not available to us at the time. I say I am not 150 per cent certain, but I am sure that that is so. The debate was on the accounts to March 1991, does anybody want to correct that?

HON CHIEF MINISTER:

Mr Speaker, I am sure the House can clarify that, but my recollection is that we tabled in October last year the 1991/92 accounts, not the 1990/91 accounts. Perhaps the mover of the motion at the time can ask me a question to clarify the position.

HON P CUMMING:

I think, Mr Speaker, that these accounts were the ones that we used in that debate. As far as I can remember the use of the deposit account was not going to be stopped but it was going to be regulated, so that the Principal Auditor's objections would be at least on the major part corrected. I think that is so.

HON CHIEF MINISTER:

The point, Mr Speaker, in answer to the question is that that particular issue was, in fact, raised by the Opposition Member in that debate and the debate was about these accounts.

HON P R CARUANA:

Well, Mr Speaker, the fact that the matter has been debated, if it has been debated on these accounts, is really neither here nor there. The fact is that I am still entitled to ask what has been done about it since it was debated. For example, and that is my final supplementary, Mr Speaker, with your leave, what steps have been taken since the matter was debated, if these accounts were debated, to address the Principal Auditor's concern, that his department was understaffed, where he said on page 53 paragraph 8.1.3 of his report, "At the end of the day the position remains, in my view, less than satisfactory"? Has his position improved beyond what it was at the time that he said that?

HON CHIEF MINISTER:

The answer is no. In fact, that was the answer that was given when the accounts were debated. He can ask all the questions that were asked last October and he will get the same answers. The point that I am making, Mr Speaker, in relation to his previous question, is that it is not that action was taken post the October debate. Action was taken post the matter being raised with the Government even before it appeared in the published audited accounts. On the question of the staffing level, the answer is that the staffing levels, the hon Member knows, have not been increased because he has got estimates for 1992/93 tabled last year and estimates for 1993/94 which show the same staffing levels. He can ask questions. We can actually simply say, he should look at the published figures and he will know the answer. Instead I am giving him the answer.

HON P R CARUANA:

With the greatest of respect to the Chief Minister, I cannot be expected to accept his answer once and for all. I am entitled to keep the situation under review by asking questions, without infringing the six month rule of the House, from time to time to see whether the Government have yet changed their mind or have yet taken any of the steps that were being requested at the time. So, therefore, Mr Speaker, does the Chief Minister recognise that the policy of his Government is to continue to deny to the Principal Auditor, whose job it is to audit the public accounts of Gibraltar, that level of staff that he considers is necessary for him to perform his statutory functions?

HON CHIEF MINISTER:

Mr Speaker, with all due respect to the Opposition Member, the truth is that he was not asking this question because he is entitled to ask the same question twice, but because he had forgotten that the accounts had been debated last October and he thought that the ones that had been debated last October were of 1991 and five minutes ago, he said he was almost 150 per cent certain that these accounts had not been discussed before, so that is the reason why he is asking the question. He has forgotten the answer that he got last October. Now he does not want to admit it. As regards the composition and the budget of the Audit Department, he knows from the Estimates that the resources available are the same. The Principal Auditor may feel that he requires more resources. As far as we are concerned certain action was taken in increasing from the previous position of one HEO to two HEO's, we keep

the situation under review, but applying more resources in that area can only be at the expense of reducing them in some other area. It is a matter of judgement and therefore, that is the judgement which we will defend when we debate the Estimates this year, where the Opposition Member will have to vote on the resources for the Principal Auditor and he can then make as many points as he wants.

NO. 18 OF 1994THE HON LT-COL E M BRITTO

MOTORCYCLIST CRASH HELMETS

Mr Speaker, do Government now consider that it would be in the best interests of all road users and especially motor cyclists if it were obligatory for all motorcycle and moped riders and passengers to wear crash helmets?

ANSWERTHE HON THE ATTORNEY-GENERAL

Mr Speaker, the position now is the same as it was in 1992 when the matter was last raised.

SUPPLEMENTARY TO QUESTION NO. 18 OF 1994

HON LT-COL E M BRITTO:

Mr Speaker, may I first of all say, that I am surprised that I am getting an answer from the Attorney-General as opposed to the Minister concerned. It is a well published policy of this Government to answer politically and it seems that they are not doing so on this occasion. Having said that and in reference to the answer that I have been given, the answer at the time did say, Mr Speaker, that the matter would be kept under review and that statistics would be studied of accidents which involved and did not involve crash helmets and that the situation might change in the future. Can the Attorney-General tell me whether the statistics, in fact, give any indications that changes would be foreseeable in the future?

HON J C PEREZ:

Mr Speaker, the hon Member is wrong in thinking that it is a new policy of the Government for the Attorney-General to reply. If he looks at Question No. 148 of 1992, he will see that it was the then Attorney-General that replied to him on the issue. As far as the question of the matter being kept under review, which I gave to the hon Member as a supplementary, to the question that he put, frankly, as the hon Member well knows, I have been, for personal reasons, away from Gibraltar for the last three or four months and I do not really have the latest statistics with me to be able to give him a clear picture on the matter. What I can do is promise to the hon Member that I shall call the Chairman of the Traffic Commission when I am available again and review the matter as I promised to do and look at the latest statistics.

26.4.94

ORAL

NO. 19 OF 1994

THE HON LT-COL E M BRITTO

SPEED RESTRICTIONS : EUROPA ROAD

Will Government introduce speed restrictions along Europa Road between Europa Pass Battery and the Refuse Incinerator to minimise the risk of possible accidents caused by the many incidents of speeding which occur daily along this road?

ANSWER

THE HON THE ATTORNEY-GENERAL

Mr Speaker, a speed limit of 30 miles per hour already exists along Europa Road towards Europa Pass Battery and the Refuse Incinerator.

SUPPLEMENTARY TO QUESTION NO. 19 OF 1994

HON LT-COL E M BRITTO:

Mr Speaker, with respect, I find the answer totally inadequate and it does not address the point on the thrust of the question. I am well aware that there is a speed limit of 30 miles per hour along this particular road, as indeed there is throughout most of Gibraltar. The question does not ask what the speed limit is. The question asks whether Government foresee, as I do, that there is a fatal accident waiting to happen at any moment along that particular stretch of road. Firstly, because the speeds along it are exceeded, the 30 mile per hour limit is a joke. The speeds along that road are exceeded by cars and by motorcycles continuously and at all times of day and, dare I say, night. Secondly, that there are particular portions of this road which certainly at least two Government Members, one of which like me lives in that area and another one who I know visits that area at certain times of the week, and I am speaking particularly about the exit from the housing estate of Elliotts Battery and the military estate of that area, the exit on to Europa Road and also the exit from St Bernard's Church itself, which is only metres away. Motorcycles and cars coming round that bend are totally blind to the cars or pedestrians even coming out from the estate or out of the church and there are continuously very near misses of possible accidents at those two points. The main cause is because it is a blind corner and the second main cause is because of the excess of speeds.

I thank Mr Speaker for his latitude that he is allowing me. Will Government make a closer study of this particular piece of road and will they give fairly urgent consideration to ways of slowing cars down either by imposing lower limits by putting in sleeping policemen along certain points or even by regulatory traffic lights at the exits to the estates? I repeat the point that I have said before, that there is a fatal accident waiting to happen at that particular point.

HON ATTORNEY-GENERAL:

Mr Speaker, obviously, the Government take very seriously any remarks about road safety. It is imperative, of course, that everything should be done to minimise the possibility of any person on a road in Gibraltar being hurt. What I will undertake to the hon and gallant Gentleman is that I will personally see the Commissioner of Police and I will take on board all that he has said today and see what can be done.

HON LT-COL E M BRITTO:

I thank the Attorney-General and I would just further request, will he undertake to keep me in the picture in general terms of what the situations is?

HON ATTORNEY-GENERAL:

Yes. Of course I will.

NO. 20 OF 1994

THE HON P CUMMING

HEALTH AUTHORITY DISCIPLINARY PROCEDURE

Would the Government explain the disciplinary procedure in the Health Authority; how long would it be expected that a disciplinary case be left pending?

ANSWER

THE HON THE ATTORNEY-GENERAL

Mr Speaker, Health Authority employees are civil servants and as such are subject to the same procedures as all other Government employees. Disciplinary cases are referred to the Personnel Department and they process those in accordance with General Orders. Cases are dealt with as expeditiously as possible and the duration of each would depend on the charges which have been made against the officer concerned and the complexity of the charge.

SUPPLEMENTARY TO QUESTION NO. 20 OF 1994

HON P CUMMING:

Mr Speaker, the Government must be aware that I asked on behalf of a constituent who has been left suspended without pay for four months without any progress in his case and I would like to ask whether the Minister is aware that to make this situation worse he has been summoned to be warned that as a Government employee he cannot work. So how do the Government expect him to be able to eat without salary? He is disallowed from scratching around to see what income he can find elsewhere. It seems to me a gross injustice. This is different, if we were talking about courts of law where there is so much back pressure of other cases, but surely there are not that many Government employees at this moment under suspension. One would have thought that it is totally unjust to let the matter be pending for so many months.

HON ATTORNEY-GENERAL:

Mr Speaker, I know about the case that the hon Member has referred to and I want him to know that, in fact, within the last 24 hours it has been urgently brought to my attention that this is a matter which is outstanding. We know about it. It is in hand and we are going as fast as we possibly can. I should say that, in fact, the constituent of the hon Member has the advantage of expert legal advice and his lawyer is in touch with me as well.

NO. 21 OF 1994

THE HON F VASQUEZ

DRUG SMUGGLING ON FAST LAUNCHES

Mr Speaker, what steps is Government taking to ensure that fast launches based in Gibraltar are not being used for drug smuggling?

ANSWER

THE HON THE ATTORNEY-GENERAL

Mr Speaker, the Royal Gibraltar Police and the Customs Department continue to be actively involved in the fight against drug trafficking by sea. The Customs Department and the Royal Gibraltar Police patrol the sea front by day and night and surveillance is constantly kept on all those speedboats which are known or suspected of being involved in drug trafficking. There is constant liaison with the Spanish law enforcement agencies and in order to stop these activities contact is also maintained with the Moroccan Authorities. The arrests, seizures of large quantities of cannabis and the finding also of large quantities of cannabis disposed of or hidden by the traffickers when being chased reflects the involvement and dedication of the Royal Gibraltar Police and the Customs Department in their continual fight against drug importation. Recently the Customs Department has acquired a patrol boat which is in operation and that boat has recently been engaged in a number of pursuits of suspected fast launches which have resulted in the fast launches being intercepted and the craft searched. Both the Royal Gibraltar Police and the Customs Department regard their work in this area as work of the highest priority.

SUPPLEMENTARY TO QUESTION NO. 21 OF 1994

HON F VASQUEZ:

Mr Speaker, I do not for a second doubt that they do consider their work of the highest priority. The question is whether they are getting the political support that they require to discharge their functions properly. There are a couple of things that I would like to take up with the Attorney-General, Mr Speaker. The first is this. He said that both the security police and the Gibraltar police patrol the seafront vigilantly. Is the Attorney-General seriously putting it to this House that the Gibraltar police as a matter of course or the Gibraltar

police and the security police, as a matter of course, vigilantly patrol Gibraltar sea front regularly, because I can put it to him that there are significant areas of Gibraltar's sea front which to any innocent observer would appear police no go area.

HON ATTORNEY-GENERAL:

No. That is not accepted at all. The Gibraltar police and the Customs Department have absolutely no complaints about the support they get from the Government. Anything that they reasonably request they get. Obviously, they cannot have 100 ships because we cannot afford 100 ships. But, in fact, within reason, and we are aware of the priority, as I have said, to try and stand out or to control or to make less the importation of drugs. They can have as much as can reasonably be provided for them. The Royal Gibraltar Police and I am not there day and night and the customs officers stand by the reply that I have made and it is a reply that I give seriously that they are doing what I have said they are doing.

HON F VASQUEZ:

Mr Speaker, can the Attorney-General confirm that he is as concerned about the importation of drugs into Gibraltar as by the fact that locally based smugglers may be using Gibraltar as a base for the smuggling of drugs between other jurisdictions? Is that a matter which concerns him as greatly or does it concern him at all as the importation of drugs into Gibraltar?

HON ATTORNEY-GENERAL:

I am sure the hon Member does not mean to be offensive and to ask me if I am not concerned seriously about the importation of drugs. I am a human being like him and everybody is involved or should be involved in trying to stamp out this totally pernicious trade. Of course, I am seriously involved. I am seriously concerned.

HON F VASQUEZ:

The question is, does he accept that all the indications would appear to be that Gibraltar increasingly is being used by these operators as a base for the ferrying of drugs between other jurisdictions and is that something that concerns him. That is the point that I was seeking.

HON ATTORNEY-GENERAL:

The answer is yes. One could go on about this but, of course, we know what is going on and the answer is that I am very concerned and I give it as much purport as far as action is concerned as any other form of illegal activity. We all do.

HON F VASQUEZ:

One final question, Mr Speaker. Do the Government not accept that whilst the tobacco smuggling activity, which apparently the Government condone, continues, this will always provide cover for the criminal element who wants to use that as a cover for the conduct of the pernicious trade of smuggling drugs to and from Gibraltar.

HON CHIEF MINISTER:

Mr Speaker, as far as the Government are concerned it is not condoning smuggling of tobacco into Gibraltar. If anybody buys tobacco in Gibraltar which is paid legally, and smuggles it in Spain, no doubt the Government of Spain are concerned about smuggling into their country. I would suggest the Opposition Member should stand for the Cortes and fight the case of the Spaniards there.

NO. 22 OF 1994THE HON LT-COL E M BRITTO

UNEMPLOYMENT FIGURES

What was the level of unemployment in Gibraltar of:

- (a) Gibraltarians
- (b) non-Gibraltarians

as at 31 December 1993 and 31 March 1994 divided into under and over 25 years old age groups?

ANSWER

THE HON THE MINISTER FOR EDUCATION, EMPLOYMENT
AND YOUTH AFFAIRS

Mr Speaker, the unemployment figures as at 31 December 1993 and 31 March 1994 are as follows:-

	<u>GIBALTARIAN</u>		<u>NON-GIBALTARIAN</u>	
	<u>Under 25</u>	<u>Over 25</u>	<u>Under 25</u>	<u>Over 25</u>
31.12.93	302	368	5	436
31.03.94	298	356	2	443

SUPPLEMENTARY TO QUESTION NO. 22 OF 1994

HON LT-COL E M BRITTO:

Mr Speaker, has there been any changes in the methods of calculation and compilation of the figures since this question was last fought in the House?

HON J L MOSS:

No, Mr Speaker.

HON LT-COL E M BRITTO:

Mr Speaker, can the Minister tell us how the figure for Gibraltarians is calculated?

HON J L MOSS:

Just checking, Mr Speaker, because I am almost certain that this was actually answered at the last meeting of the House of Assembly. Basically people are expected to register at the Job Centre at least once a month and based on the number of people who are registered, those who have continued in attendance and taking away those who may have obtained employment or who are no longer attending the job centre, the figure is arrived at in that way.

HON LT-COL E M BRITTO:

Yes, Mr Speaker, I think I remember the gist of that answer on those lines. What really worries me, in the accuracy of the figures is when the Minister says at least once a month because the figures are given to us whenever there is a meeting of the House and there is question time effectively twice a year, and it questions invariably in terms of three monthly period, is the Minister saying that unless an individual has actually registered three times during that three monthly period, that he does not appear?

HON CHIEF MINISTER:

Mr Speaker, I think we have dealt with this point also previously and we said, in fact, that the figures would fluctuate more, so, if somebody, for example, does not register in January but comes back in February and we produce monthly figures, first of all there would be wider fluctuations which would be less indicative of a trend. Secondly, on a month to month basis, the figure is more difficult to correct. For example, if somebody has already started work in April, we may actually be showing him as unemployed in March because the information of the registration of the employee has not yet got back. So effectively, what happens is that if within the three month period, a Gibraltarian has turned up a couple of times, we tend to consider him to be still in the labour market seeking employment. As regards the non-Gibraltarians, other than the Moroccans, it is limited, as we have said before, to people who are actually entitled to benefits.

HON P R CARUANA:

Mr Speaker, would the Chief Minister permit one supplementary? Recognising, as I do that, of course, the Minister cannot count the people of whom he is not aware and therefore that is presumably why he oversees people that go to his office looking for work, does he

believe that, in fact, that people that go to his office seeking employment is not necessarily the totality of the number of Gibraltarians who would like the job if there was one available. In other words, it is not actually a measure of the unemployment problem in Gibraltar. It is really a measure of people who voluntarily go down for work which I agree should be everyone who really wants a job, but it does not include people who in despair no longer voluntarily go down.

HON J L MOSS:

Mr Speaker, quite frankly there are far too many hypothesis in that question for me to be able to answer with any kind of satisfaction. I can only go with statistics and I think perhaps the Leader of the Opposition will agree with me that it is a reasonable assumption that somebody who is interested in getting a job will at least bother to go to the Job Centre once a month. I am not responsible for knowing whether there are people sitting quietly in their flats at home who might want to work if there was a vacancy available but who cannot be bothered to go to the Job Centre and check whether such vacancies are available or not. Quite frankly, I have no information to back up his remarks.

26.4.94

ORAL

NO. 23 OF 1994

THE HON LT-COL E M BRITTO

UNEMPLOYMENT

What steps are Government taking to counteract the high level of unemployment of Gibraltarians under the age of 25?

ANSWER

THE HON THE MINISTER FOR EDUCATION, EMPLOYMENT
AND YOUTH AFFAIRS

Mr Speaker, the steps that are being taken are that the Government are concentrating their submission for ESF funding for 1994 on training for under 25's and we expect this to be reflected in a reduction in the level of unemployment in this group during the course of the next twelve months.

SUPPLEMENTARY TO QUESTION NO.23 OF 1994

HON LT-COL E M BRITTO:

Mr Speaker, is it right that what the Minister is then telling us is that as long as he can get funding and he can provide training schemes, it in effect reduces the figure? The people are in training but not working long-term, is the total of what the Government are doing to try and reduce unemployment in the under 25's age group?

HON J L MOSS:

No, Mr Speaker. It is not true to say that that is the net effect. The hon Member will accept that there has traditionally been complaints in Gibraltar about the fact that even though vacancies become available in certain fields, these vacancies are not filled by Gibraltarians because there is a lack of training or experience or tradition in a particular industry. What we hope to do is to actually ensure that with the help of the ESF funding, we can be able to put local people into jobs as and when they arise. We are not saying, if that is what the hon Member is suggesting, that the only thing that we have got to do is to be using ESF fund to keep people off the unemployment register. No, what we are saying is that we are going to be using these ESF funds to try and ensure that local people acquire the necessary skills to be able to get a gainful job in the job market.

HON LT-COL E M BRITTO:

Mr Speaker, that in fact is in general terms again a similar answer to what I have had to previous questions in other meetings of the House. Has in fact this sort of training in basic trends already started or is it still pending the supply of new funding in the future?

HON J L MOSS:

The extent of what we have been doing in the last few months has been that because we now have far more accurate feel of what is happening in the job market into the registration of vacancies, that we now have a clearer picture of where we are likely to be able to employ Gibraltarians and based on that kind of analysis, we will be able to set up the proper training to ensure that people can move into these areas.

HON P R CARUANA:

Mr Speaker, does the Minister recognise, that European Community funds can be used for quite two distinct purposes? One is to pay unemployed persons an inadequate wage in a temporary job for as long as the funds last or they can be applied in traditional forms of training to enable individuals to acquire skills which will permit them to better defend themselves and fend for themselves in the labour market. Is the Minister proposing to use whatever funds he can get from that source in order to provide training facilities so that people can become electricians and carpenters and whatever and then go into the private sector if necessary on their own account or are the Government proposing to use it as in the case of SOS, for example, simply to keep people in employment for so long as the funds last without necessarily there being any element of durable training going on at the same time?

HON J L MOSS:

I think that if the Leader of the Opposition actually listened to the gist of my previous answer to his hon Colleague, he will accept that the intention is certainly not to keep people in low paid jobs as long as the funds last. The intention is to provide the right type of training for the jobs that are available on the job market whether those are traditional jobs, non-traditional jobs or whatever.

HON P R CARUANA:

Mr Speaker, in connection with the SOS controversy that erupted some weeks ago - I do not know whether there is a difference between EC funds for training and EC funds for the assistance of the long-term unemployed - one of the explanations that was given for these supposed redundancy of 30 or 40 employees just before or just after Easter, from SOS or one of these companies, was simply that the European Community funds had ran out. If the Government were trying to seek new funds and when the Government were successful in obtaining further funds, similar schemes should be put in place. This is what has led me to ask the question.

HON CHIEF MINISTER:

Mr Speaker, there is a question on the Order Paper later on dealing with the employment of others. The difference, which the hon Member may not be aware of, is that the people that have been in the scheme had to be over 25 and this question is about the under 25's and therefore, the answer given by my hon Colleague is that we are putting the emphasis on the under 25's in the new submission for EC funding, which is not what was going on before.

HON P R CARUANA:

Which would be for training rather than for jobs.

HON CHIEF MINISTER:

Which will be for training but let me say, so that we are clear, that in fact we are not talking about three year or four year apprenticeships. That is not eligible for EC funding. EC funding, by definition, can only take place for the under 25's either on the basis of a wage subsidy to an employer in the private sector of whom there are something like 170 under 25's currently employed in the private sector with the wage subsidy. I believe the hon Member has in fact made use of the scheme in his own practice and taken some trainees, so he is aware of it. [Interruption] Well he can claim the EC funding and that will deduct on the tax that he will have to pay at the end of the year because of the money that he will save. The other side is - which we have not tempted to do until now - the initiative that my hon Colleague was referring to, which is training without a job guarantee, but with a piece of paper at the end of the training.

HON P R CARUANA:

That is precisely what we in the Opposition had been trying to recommend in the last year. That is what is necessary, Mr Speaker. I am very glad to hear that that is what the Government now intends to do, although I do not suggest that they now intend to do it because we have recommended it.

HON LT-COL E M BRITTO:

Mr Speaker, if you will allow me one final question. Do I take it that the Minister has told us that at the moment there is no training what I would call the basic trades of plumbing, carpentry, masonry, that sort of thing, and if so, what has happened to the Construction Training Scheme that he referred to in answer to previous questions during previous meetings of the House?

HON J L MOSS:

Mr Speaker, two things. There is nothing different now as there was three or four months ago, in the sense that the vocational cadets scheme continues to exist and operate in a normal way. The construction schemes that I referred to in an earlier answer at an earlier meeting of the House, will be closely tied up to this new funding that will be coming in hopefully very soon.

26.4.94

ORAL

NO. 24 OF 1994

THE HON L H FRANCIS

COLLEGE OF FURTHER EDUCATION

Mr Speaker, can Government say exactly how many students are now attending the College of Further Education broken down into those attending full time and those attending part time courses?

ANSWER

THE HON THE MINISTER FOR EDUCATION, EMPLOYMENT
AND YOUTH AFFAIRS

Mr Speaker, the figures of students at the Gibraltar College of Further Education as at 20 April 1994 were as follows:-

Full-time students - 215

Part-time students - 37

The full-time figure is a drop from 251 on September 1993. The part-time figure has remained static.

26.4.94

ORAL

NO. 25 OF 1994

THE HON L H FRANCIS

NOTRE DAME SCHOOL

Mr Speaker, do Government consider the arrangements at Notre Dame School for the pick-up and drop-off of children satisfactory?

ANSWER

THE HON THE MINISTER FOR EDUCATION, EMPLOYMENT
AND YOUTH AFFAIRS

Yes Sir.

SUPPLEMENTARY TO QUESTION NO. 25 OF 1994

HON L H FRANCIS:

Mr Speaker, is the Minister aware that recently the side gate was closed in the school and now parents have to pick children up from the front of the school on Winston Churchill Avenue and that this causes not only the block up of the bus stop there but also cars have to park on the pavement partly obstructing Winston Churchill Avenue and is likely to cause, at some stage in the future, an accident if not involving the cars maybe involving the children? Would it not be prudent to re-open the side gate and leave the arrangements as they were?

HON J L MOSS:

Mr Speaker, the last point is obviously a matter of opinion. I can assure the hon Member that the result that the side gate was closed was not as the result of a political decision and that it is not for the Government to take a political decision on whether this gate should be opened or closed or re-opened. Frankly, the school administration and the police are satisfied with the pick-up and drop-off arrangements. I think it would be unnecessary interference on my behalf if I were to try and overrule them.

HON L H FRANCIS:

Mr Speaker, I do not know whether the police or the teachers or the administration of the school are satisfied with the arrangements but the parents are certainly not, because I have had a lot of calls from parents who are very worried about the pick-up and drop-off of the children. I can tell the Minister that I have passed by at that time of day when parents are bringing their children and certainly it is likely to cause an accident because of the number of cars parked on Winston Churchill Avenue.

HON J L MOSS:

Yes, Mr Speaker. I have also had representations from a number of parents, but I am afraid, we do have professionals who are paid to give us their recommendations and the recommendations are that it is actually safer to have the present pick-up and drop-off arrangements than it was in the past.

HON P R CARUANA:

Mr Speaker, does the Minister consider that it might be helpful to erect some sort of barriers all along the pavement to avoid the interruptions of space? They are not continuous.

HON J L MOSS:

I have not had a recommendation as to whether there should be any changes in the barriers that may be available or may not be available. But, obviously, if there is at any point a feeling by either the police or the school administration that the arrangements are unsatisfactory, I am quite happy to look at any changes which may need to be made because quite frankly as I indicated in my earlier answer, I am not responsible for the decision of either to open or close the gate in the first place.

26.4.94

ORAL

NO. 26 OF 1994

THE HON L H FRANCIS

TEACHER COMPLEMENT

Mr Speaker, what plans do Government have to increase the teacher complement at Government schools to adequate levels?

ANSWER

THE HON THE MINISTER FOR EDUCATION, EMPLOYMENT
AND YOUTH AFFAIRS

Mr Speaker, the teacher complement at Government schools is already at adequate levels.

SUPPLEMENTARY TO QUESTION NO. 26 OF 1994

HON P R CARUANA:

Mr Speaker, is the Minister aware that the last time that he gave that answer in this House he provoked a response in public from the Gibraltar Teachers' Association, in terms that it was disappointed at the statement by the Hon Joe Moss, Minister for Education, who "informed the House of Assembly that there are no plans at present to increase the teaching complement. Whilst welcoming the Minister's assurance, the complement will be respected at present levels, the Gibraltar Teachers' Association is of the view that the ability of the service to provide adequate provision of the national curriculum and special needs at all levels requires an increase in staffing levels to be given consideration by the Government."? So will he at least recognise that his opinion is at variance with the very professionals which he has just referred to in relation to fences? He pays to advise him on matters of education. Why does he take responsibility for this and not for the gates?

HON J L MOSS:

Mr Speaker, I am very sorry to have caused disappointment to the Gibraltar Teachers' Association, but the facts speak for themselves and the teacher/pupil ratios at all our schools are extremely satisfactory and stand up very well to comparison with figures elsewhere in European countries, notably the United Kingdom, where... [Interruption] If I may speak without being interrupted, Mr Speaker,where the colleagues of our local school teachers are actually fighting to try and bring down the classroom ratios to

figures such as 30/35 in a classroom. In Gibraltar we are very happy to be able to say that our classrooms actually have a norm of 20 and 25 children in first and middle schools. So I mean, I really do not see what he is getting at.

HON P R CARUANA:

But, Mr Speaker, all that he has done is to state his opinion that they are adequate. My supplementary was, does he recognise that his opinion is at variance with the professional opinion of the teachers, whom he pays, presumably to deliver an educational product.

HON J L MOSS:

No, Mr Speaker. The Gibraltar Teachers' Association is a staff association, it is a trade union, it is not paid for by the Gibraltar Government in any way and they are entitled to have a different opinion to me. I do not know what their opinion is at the moment. What I am restating is the answer to my question in the same way as he has restated the original question.

26.4.94

ORAL

NO. 27 OF 1994

THE HON L H FRANCIS

SCHOOL LEAVING AGE

Mr Speaker, is there any intention to change the school leaving age?

ANSWER

THE HON THE MINISTER FOR EDUCATION, EMPLOYMENT
AND YOUTH AFFAIRS

No, Sir.

26.4.94

ORAL

NO. 28 OF 1994

THE HON L H FRANCIS

CO-EDUCATION

Mr Speaker, have Government reconsidered the desirability of co-education at secondary school level?

ANSWER

THE HON THE MINISTER FOR EDUCATION, EMPLOYMENT
AND YOUTH AFFAIRS

Mr Speaker, the position has not changed since my reply to Question No. 59 of 1991.

26.4.94

ORAL

NO. 29 OF 1994

THE HON P R CARUANA

JOB IN THE ECONOMY

Mr Speaker, how many jobs are there presently in the economy as far as Government records show?

ANSWER

THE HON THE MINISTER FOR EDUCATION, EMPLOYMENT
AND YOUTH AFFAIRS

Mr Speaker, it is not possible to give an accurate figure of the number of jobs in the economy based on Government records because of the time-lag involved in the compilation of figures. The three sources are income tax which depends on returns being made, social insurance records which depends on the exchange of insurance cards and ETB records which depend on employers notifying terminations. A reasonable guesstimate would be in the region of 13,800 jobs on the basis of past trends and registrations at the Job Centre.

SUPPLEMENTARY TO QUESTION NO. 29 OF 1994

HON P R CARUANA:

So should we assume that whenever a Minister mentions the figure, it is a guesstimate, because presumably if he cannot compile an accurate answer for me, he cannot compile an accurate answer for themselves.

HON CHIEF MINISTER:

This particular subject yes. The figure, Mr Speaker, that has been given is the figure on which we are working at the moment.

HON P R CARUANA:

Mr Speaker, can the Government give their estimation, ignoring, obviously, such things as MOD redundancies which have not yet been announced, of the shrinkage that it expects the economy will suffer in terms of jobs in it over the next 12 months. Have they made any projections, are their calculations on such things as tax collection, PAYE receipts etc, based on some model that they have guesstimated, as to what shrinkage in the labour market there will be?

HON CHIEF MINISTER:

The estimates that have been produced for the House, and I think the most relevant is the yield from PAYE, assumes that the number of jobs in the next 12 months will stay within the range of 13,500 to the 13,800 that has been given. How many we have got now is a guesstimate, how many we are going to have in a year's time is really pure guess work.

26.4.94

ORAL

NO. 30 OF 1994

THE HON H CORBY

DISABLED PERSONS ORDINANCE

When will Government introduce the regulations envisaged in the Disabled Persons Ordinance so as to make provision for the adult and children members of our disabled community?

ANSWER

THE HON THE MINISTER FOR SOCIAL SERVICES

Mr Speaker, the Government will shortly be setting up the appropriate consultative machinery to deal with such regulations in consultation with the professionals in this field. At this point in time priority is being concentrated in the light of recent developments in connection with home care facilities for the mentally and physically disabled.

SUPPLEMENTARY TO QUESTION NO. 30 OF 1994

HON H CORBY:

Mr Speaker, this question brings out the tragic death of Mr Cosquieri who due to not monitoring children because there is no provision for them after they leave school. Social services before used to do this work and they were prepared, it came out publicly, saying that they were prepared to take on the task again. The elderly children in the community are taken care of by parents who are now in the 50's and 60's and there is no provision for social services to undertake a monitoring sort of role inasfar as that is concerned. The children I am talking about are people who are retarded inasfar as learning abilities. Until they go to school there is no provision for them at all. So what I am asking is that in conjunction with the Society for the Handicapped, there is a monitoring service where accidents like this like the Cosquieri case, do not form part and parcel of every day life.

HON R MOR:

Mr Speaker, let me assure the hon Member that we are trying to correct whatever went wrong in the Cosquieri case. The social services are paying more attention now to such cases and I take the point that there are elderly persons

looking after disabled or handicapped, they are regularly monitored by the social workers. I think the hon Member raised also in October last the pre-schooling of the handicapped. My information is that the Education Department gives them priority as much as possible when they are trying to attend schooling.

HON H CORBY:

Mr Speaker, on the part of the children concerned, I know for a fact that if there are three children asking for a place at pre-school for training because it takes quite an amount of time for them to learn. There is a choice made by the teachers concerned and is the availability of places for the children that take priority here. So we might have four children in need of learning facilities but there is only place for two. So, what I am saying is that we should have a facility where the children are not made scapegoats or they are discriminated upon because they have got to take two and there is four. So the teacher then must make a choice to the detriment of the parents etc. So, what I am saying is, have the facility, if the learning abilities are there and they are handicapped, then have a place for the four of them instead of having to choose two of them. This is point that I made before inasfar as disabled persons are concerned.

HON R MOR:

Mr Speaker, all I can do is take it up again with the Education authorities and see what is the best we can do on that issue, but, it is definitely not a question of discrimination on the basis of the child being handicapped.

HON H CORBY:

Mr Speaker, when there are four children and let us say that I was a teacher and I had to make a choice, imagine what it does to the other two parents with the same needs as the two which I have put into my school because there are spaces for two. Imagine what that means to the other two parents who have been rejected because of the fact that there are no places available.

HON R MOR:

Mr Speaker, all these are issues which can be taken up by the consultative machinery which the Government are setting up and I am sure all the points which the hon Member have raised here will be taken into consideration.

HON H CORBY:

Mr Speaker, when can we see the legislation coming to this House inasfar as that is concerned? Does the Minister know how long it would take?

HON R MOR:

The intention of the Government, Mr Speaker, is to try and introduce all the machinery as soon as possible. As I say, our main concern at the moment is providing home care facilities which did not exist before. And in that respect I am concerned that we need regulations to put in place as soon as possible.

26.4.94

ORAL

NO. 31 OF 1994

THE HON H CORBY

DR GIRALDI HOME

Mr Speaker, what progress has been made regarding the proposals put forward by the Catholic Church and the Committee of the Gibraltar Society for the Handicapped in relation to the running of the Dr Giraldi Home and what proposals have Government accepted (if any)?

ANSWER

THE HON THE MINISTER FOR SOCIAL SERVICES

Mr Speaker, the Government are still involved in discussions with the relevant parties concerned on this matter. In the Government's view the running of Dr Giraldi Home has to be seen within an organisation and management structure set up for this purpose and in this context, the Government are attempting to encourage all sides to work together in a spirit of co-operation and understanding with the common aim of acting in the best interests of those mentally and physically handicapped persons who will be making use of the Home.

SUPPLEMENTARY TO QUESTION NO. 31 OF 1994

HON H CORBY:

Mr Speaker, I asked the Minister and he will not agree with me that there seems to be a rift between the Society for the Handicapped and the Church running the home. Would it not be a better idea to get the two together. The expertise from the Society for the Handicapped who were instrumental insofar as the home is there today. They were the people who worked for it and pressed Government to have this site and this building erected today. Certainly, to me, there seems to be a rift between one and the other; the joint efforts of both, I think, would be very welcomed by the people of Gibraltar and we, the GSD think that they should have a say in the running of the home which at the moment has not sort of materialised.

HON R MOR:

In fact, Mr Speaker, as the original answer indicates, this is precisely and exactly what the Government is trying to do, to bring all sides together and get them to work together for the best interests of those who would be using the home. That is exactly the intention of the Government.

26.4.94

ORAL

NO. 32 OF 1994

THE HON P CUMMING

HEALTH AUTHORITY MEETINGS

When was the meeting of the full Health Authority last held and what was its agenda?

ANSWER

THE HON THE MINISTER FOR MEDICAL SERVICES AND SPORT

The last meeting of the Health Authority was held on the 9 December 1993, approximately four months ago. The Agenda was the following:

1. Notes of the last meeting
2. Matters arising
3. Reports
4. Any other business

SUPPLEMENTARY TO QUESTION NO. 32 OF 1994

HON P CUMMING:

A totally uninformative agenda, Mr Speaker. What I am trying to discover in this question is, whether or not the Health Authority has ever taken a policy decision or whether it is simply a rubber stamp for the Minister's personal rule in the hospital. I am trying to discover whether or not the purposes of the Ordinance setting up the Health Authority are being achieved in separating a little of the health services from a direct meddling from politicians and putting its very high premium on professional input of the highest levels and really separating a little. The Minister of course has always refused to give any insight into how the Health Authority is in fact functioning and I suspect, Mr Speaker, unless she can give a more meaty answer to the subjects on the agenda, that in fact, the Health Authority is her rubber stamp and that she organises the Health Authority with her personal rule, with a few personal assistants.

MR SPEAKER:

Will you put a question.

HON P CUMMING:

Will the Minister give more substantial answers to the question of the agenda?

HON MISS M I MONTEGRIFFO:

Mr Speaker, I think that I would want to refer the hon Member to the comprehensive answer that I gave to him on the 28 October 1993, and I would like to refer him to the answer No.133, where there, Mr Speaker, I gave all the information and I gave also a meaty reply, Mr Speaker.

HON P CUMMING:

Perhaps I could have read in the Ordinance myself. Would the Minister tell me whether, in fact, the Health Authority has ever taken a policy decision.

HON MISS M I MONTEGRIFFO:

Mr Speaker, yes.

NO. 33 OF 1994THE HON P R CARUANA

GIBRALTAR HEALTH AUTHORITY'S REVENUE

Mr Speaker, what is the Gibraltar Health Authority's estimated revenue for 1994/95 and forecast outturn revenue for 1993/94 in respect of each of:

- (a) Prescription charges
- (b) Group Practice Medical Scheme contributions and fees.
- (c) Subvention from the Social Assistance Fund
- (d) Any other source (identifying each such source)

and what is the estimated expenditure for the Gibraltar Health Authority for 1994/95 and its forecast outturn expenditure for 1993/94?

ANSWERTHE HON THE MINISTER FOR MEDICAL SERVICES AND SPORT

Mr Speaker, the Gibraltar Health Authority's estimate forecast outturn in revenue and expenditure in 1993/94 are as follows:

REVENUE

SAF Fees	£ 6.00 million
GPMS (inclusive of prescription charges)	10.55 million
Other receipts	0.22 million
	<hr/>
	£16.77 million

EXPENDITURE

£18.1 million

The Gibraltar Health Authority's estimates for revenue and expenditure for 1994/95 are as follows:

REVENUE

SAF Fees	£ 6.00 million
GPMS (inclusive of prescription charges)	12.00 million
Other receipts	0.21 million
	<hr/>
	£18.21 million

EXPENDITURE

£18.3 million

SUPPLEMENTARY TO QUESTION NO. 33 OF 1994

HON P R CARUANA:

Mr Speaker, the Minister is not quite as considerate as was the Financial and Development Secretary. She did not give me the information at dictation speed. She has given me the Social Assistance Fund. She was excluding one item from item (a), can she just repeat what item she was excluding. Her answer is "Prescription charges excluding".

HON MISS M I MONTEGRIFFO:

No, inclusive of prescription charges.

HON P R CARUANA:

The Minister does not have the information to separate (a) and (b)?

HON MISS M I MONTEGRIFFO:

Not at this moment, but I could provide it to the hon Member during the meeting of the House, Mr Speaker.

HON F VASQUEZ:

Mr Speaker, I notice that the projected expenditure of the Gibraltar Health Authority is going up only from £18.1 million in 1993/94 to £18.3 million in 1994/95. The Minister will recall that when the increases in the Group Practice Medical Scheme contributions were announced in January of this year, in which those were increased by 100 per cent, one of the explanations and justifications given by the Government, was that, of course, this was all meant for increased expenditure in the Gibraltar Health Authority. Can the Government please explain, Mr Speaker, how they equate that statement where we have seen 100 per cent increase in the GPMS contributions paid by employees automatically, by only a tiny increase in the expenditure of the Gibraltar Health Authority? Do they conceive that in fact they were misleading the electorate when they told them that the reasons for the increases in the GPMS contributions was to subsidise the increased expenditure of the GHA?

HON MISS M I MONTEGRIFFO:

No, Mr Speaker. I think the situation we are talking about is the revenue and the expenditure side and the forecast that the hon Member is referring to is for 1994/95. In relation to the revenue, Mr Speaker, we are projecting that because of lower level of employment, the Gibraltar Health Authority will be receiving less revenue.

HON F VASQUEZ:

No. The point is, Mr Speaker, that we have seen a significant increase in the GPMS contributions but we have not seen a commensurate significant increase on the expenditure of the GHA, which only goes to, as it were, underline the point that my party was making at the time, that in fact, all the increases in the GPMS were hidden increases in taxation.

HON CHIEF MINISTER:

Mr Speaker, what it does demonstrate is that the point made by the hon Member at the time was total rubbish because, in fact, there was not 100 per cent increase. It was explained at the time that the contribution of employers was going up to the transitional interim payments fund and the contribution of employees was going up to the Health Authority and there was a switch of £5 in either direction, which is what led to the miscalculation of the hon Member of 100 per cent increase. Notwithstanding the fact that he got that explanation at the time, in public, he still makes the point here. If he cares to look at the figures that have been provided, Mr Speaker, he will see that the estimated revenue and the estimated expenditure, in fact, show that the contribution of the GPMS is not more than barely sufficient to meet the estimated expenditure over the next 12 months. The reason why the estimate at this time, and it is of course an estimate, appears to marginally be only £200,000 up on the outturn is because of course at the beginning of the year, the estimate is based on the outturn - in every estimate head. If the hon Member cares to look at the estimate of the previous year, he will find that the previous year the Health Authority was not expecting to spend £18 million, but during the course of the year, one finds out how many patients one is going to have. One finds out how many prescriptions are going to be written and this is not possible to calculate at the beginning of the year other than on the assumption that the cost in the next 12 months will be the same as the cost in the last 12 months. But that is £1 million more than the estimate made 12 months ago and if he cares to look at the number of successive years, he will find that the increase every year of £1.70 by employees has been designed in order to balance the budget of the Health Authority of what is required above the £6 million that is provided. That was announced as a policy in the budget of 1992, when I informed the House, "The Health Authority will be getting £6 million from the SAF and the balance from its own resources. It is to meet the balance of its own resources that the amount that is calculated of the increase in January is arrived at" and it is certainly not 100 per cent.

HON F VASQUEZ:

Mr Speaker, what the Chief Minister's answer demonstrates, in fact, is that the Opposition was not talking rubbish and he has only confirmed the very point that the Opposition was making. What the Chief Minister cannot get right, Mr Speaker, is the fact that as of the 1 January 1993, every employee was contributing £7.70 to the GPMS and as of the 1 January 1994, each employee was contributing £14.40, which is 100 per cent in the GPMS contribution paid by every employee. Now at the time that he pointed this out and the Government justified this increase in the contribution and I accept that the overall social insurance contributions made by employees has not increased, but certainly the element to the GPMS of each employee has increased two-fold and at the time the Government have tried to justify that increase by saying that this reflected increase GHA expenditure. This is nothing of the sort because GHA expenditure has not increased by anything like the 100 per cent by which the employees are having to pay increased contributions.

HON CHIEF MINISTER:

No, Mr Speaker. The Government did not say the employees are going to pay £14 instead of £7 because the expenditure has gone up by 100 per cent. The Government said the employer is paying £5 less, the employee is paying £5 more and the Health Authority is getting the same £10. And if we have £10 coming into the Health Authority from two sources, or £10 coming from one source, that is not 100 per cent. That is zero increase, in that element. It was explained that the reason was the fact that the Social Insurance Fund had been dissolved in December, that in the new provisions that were being made in January, what was happening was that instead of the employer paying £5 to the Health Authority and £5 to the Pension Fund, and the employee paying £5 to the Health Authority and £5 to the Pension Fund, the employer would now give the £10 for pensions and the employee would give the £10 for the Health Authority. They are still paying £20 between them. Now the hon Member can, if he chooses, try and make people believe in Gibraltar, that the employer is now paying 100 per cent more for pensions and presumably 100 per cent less for Health Authority and the employee is now paying 100 per cent less for pensions and 100 per cent more for Health Authority. But it is a complete nonsense because he is trying to make out that there has been 100 per cent increase in the resources for the Health Authority, justified by the cost of the Health Authority and what we told him was the new element is due to the need to meet the requirements of the Health Authority which they have constantly in this House questioned us as to whether it is sufficient. Well, there is only one way, Mr Speaker, of spending more money on health care and that is by providing more money for health care. There is no other way. There is no secret formula.

HON F VASQUEZ:

I just want to put one point to the Chief Minister, Mr Speaker, and that is, the only point the Opposition was seeking to make in January, is that what in effect has happened is that there has been a hidden increase in taxation of employees in Gibraltar. Namely, that as of the 1 January 1994, they are contributing twice as much to the Group Practice Medical Scheme and therefore underwriting the cost of the Gibraltar Health Authority, whereas before they were contributing to the pension scheme. That is nothing more and nothing less than a disguised increase in taxation. That is the point.

HON CHIEF MINISTER:

No, Mr Speaker. That is no more and no less than the constant tactic of the Opposition Member to mislead people in Gibraltar because is he saying that we have increased taxation because of the £10 that people were paying in December, the whole of it is going to the Health Authority? Is he then saying that we now decreased taxation because they are no longer giving £5 to the Pension Fund? It is a complete nonsense to say to somebody that was already paying £10, "Because your £10 are going to go into one fund as opposed to being split between the two, and because the employer is going to have his £10 going into another fund, instead of being split between two, everybody has had 100 per cent increase," even though everybody is paying the same. That is complete nonsense.

HON P R CARUANA:

If Mr Speaker will allow me one supplementary on this, I think the Chief Minister can agree with me that the contribution by both employees and employers together for the Group Practice Medical Scheme increased in January by about £3.50. The total stamp, all the increase of which was attributable to Group Practice Medical Scheme, increased from £32.14 to £35.74, which is about £3.50. Therefore the employer and the employee between them have contributed an additional £3.50 per week to the cost of running the health service. It appears to be Government policy to freeze the sort of general body of taxpayers contribution to the health service, which previously used to come as a subvention from the Consolidated Fund and now comes as a grant from the Social Assistance Fund. That is frozen. The result is that the taxpayer in the street who before used to get health service out of his paying a higher proportion of the health cost out of his general taxes, now has to pay general taxes at the same high level and annually, separately, through the social insurance stamp, a higher proportion of the cost of providing him with help.

The result is that the cost of providing public health is gradually shifting to the stamp more and more each year by about £3.00 per week per annum. The result is it not crystal clear and as clear as night follows day, that it is in effect a form of a hidden tax increase, to a greater extent? It is in effect a health tax. People are more and more having to pay a little stamp which is tantamount to a health stamp which is now a higher proportion of the cost of providing the health service to them. Therefore, presumably the money that the Consolidated Fund and now the Social Assistance Fund is saving, is being redeployed for other Government expenditure. Fine, the result is that taxation in general, as it affects all the taxpayers, has risen in that measure by at least £3.50 per week between employees and employers.

HON CHIEF MINISTER:

Mr Speaker, I welcome the fact that the hon Member has corrected his hon Colleague's arithmetic. Let me say that there is nothing hidden about it, since it has gone up every January, published, known and debated in this House. I do not know why the hon Member says that it is hidden. Secondly, if the Opposition Member wants to call it a tax and Opposition Members have brought here motions previously on this subject calling it a tax, they choose to call it a tax, presumably they choose to call it a tax because it suits them politically to call it a tax. It has never been called a tax before they were elected to this House and it went up every year in January before they arrived in this House. The policy open, declared, voted on, by the people of Gibraltar in 1992, on which we stood for election, when we came to this House we announced the contribution from general revenue to the health services, is £6 million. Any requirement over and above that will be introduced in January. It was done in January 1993. It was done in January 1992. It has been done in January 1994 and I am now predicting it will happen in January 1995, so the hon Member has now got nine months on which to start preparing his next press release.

26.4.94

ORAL

NO. 34 OF 1994

THE HON P R CARUANA

HEALTH CARE FOR MOD PERSONNEL

Mr Speaker, are Government negotiating with Ministry of Defence for the provision to MOD personnel and their families of secondary health care at St Bernard's Hospital, following the closure of the Naval Hospital?

ANSWER

THE HON THE MINISTER FOR MEDICAL SERVICES AND SPORT

Mr Speaker, I have nothing further to report since my answer to Question No. 132 of 1993.

SUPPLEMENTARY TO QUESTION NO. 34 OF 1994

HON P R CARUANA:

Will the Minister say whether negotiations have nevertheless continued since the answer to that question.

HON MISS M I MONTEGRIFFO:

Mr Speaker, we have had ongoing negotiations with MOD but recently the Government have taken a policy decision to freeze the negotiations for the time being until we look at the situation of the run-down of the MOD target looking at the year 1997.

HON P R CARUANA:

Can the Minister say whether the MOD has made an offer or what is the latest offer, if indeed they have made an offer, as to what their position and approach is. In other words, what are they offering the Government? Can she say if there is any such offer from the MOD why the Government has rejected it?

HON MISS M I MONTEGRIFFO:

No. Mr Speaker, as far as the Government are concerned, there have been negotiations with MOD and obviously, as a Government looking as far as the Health Authority is concerned, we wanted to protect the interest of the Health Authority. The Government, in consultation with the Health

Authority, have not wanted to enter into a situation where the Health Authority would have ended up with a liability, but looking at the situation now as far as the rundown of the MOD is concerned, that is the reason why the Government have decided not to proceed for the moment with the negotiations.

HON P R CARUANA:

But is there an offer?

HON MISS M I MONTEGRIFFO:

There is an offer from the MOD, yes, Mr Speaker.

HON P R CARUANA:

And is the Minister at liberty to tell the House what the offer is, although it is implicit from what she has said that the Government have not accepted the offer?

HON MISS M I MONTEGRIFFO:

If the hon Member were to look back at questions in the House, the Government's position has always been that we will not divulge any of the negotiations until the Government have reached a decision on the matter, Mr Speaker. Then the Opposition will be able to consider whether the decision taken by the Government is the correct one or not.

26.4.94

ORAL

NO. 35 OF 1994

THE HON H CORBY

MEDICAL CATEGORY LIST

Mr Speaker, what are the current criteria being used to place people on the medical category list in as far as housing is concerned?

ANSWER

THE HON THE MINISTER FOR THE ENVIRONMENT AND TOURISM

Mr Speaker, the criteria being used to place people on the medical category list is the same as has been used since the introduction of the scheme in 1987.

SUPPLEMENTARY TO QUESTION NO. 35 OF 1994

HON H CORBY:

Mr Speaker, from what I gather inasfar as the medical category list is concerned, it is on the advice of a doctor that a certain sort of criteria is taken on various people inasfar as the severity of their injuries or whatever. Does not the Minister think that it would be another added incentive once the committee meets to discuss the medical report, that also a person goes to the tenant's flat in order to have a more complete picture of those person's needs? I am just quoting this as an example that a person who has serious injuries or medical deformity in the legs might live at the top of Tank Ramp. I know that nobody goes to visit the flats or to visit the person concerned, to take an overall picture. She might live up Wilson's Ramp, 180 steps and she cannot come down. This is what I am getting at inasfar as the medical category is concerned. It is taken on the basis of the medical report but nobody goes to the actual place where the person lives to ascertain the needs of that person, maybe she had not come down those steps or gone up those steps, and she is a prisoner in her own home.

HON J E PILCHER:

Mr Speaker, obviously I answered the question the way I did, because I was not knowledgeable of what it was that the Opposition Member wanted. Having heard what he has just said, let me advise him that some two months ago, the Department has already instigated the system that the hon Member is recommending, ie, a medical certificate is provided, once a case file is opened at

the Housing Allocation Unit, but before that case file is put in front of the Medical Advisory Board, an investigation is done before the report is produced. So when the report now goes to the Medical Advisory Committee, it would contain all the information requested, short sometime of going to the house itself, because in the majority of cases, the person is asked to come to the Housing Allocation Unit and interviewed. If the person is unable to attend, then they are asked to nominate somebody who can come to the Housing Unit to speak on behalf of that person and it is only at that stage that the case is put in front of the medical board and a decision is taken.

HON H CORBY:

Does anybody from the Housing Department or anybody from Social services not go to the house themselves? It is up to the person to nominate somebody to come in?

HON J E PILCHER:

Mr Speaker, I do not think the hon Member has understood. What I am saying is that it is already happening. In 99 per cent of the cases, the persons themselves hand in the medical certificates, they are interviewed and the information that the Opposition Member feels should be provided, is provided. In the 1 per cent or 5 per cent of the cases where that is not possible, the Housing Allocation Unit, will contact a person, the family, a doctor, whoever, in order to get the information necessary. It does not require a physical visit to the house to identify what the medical condition is. Unfortunately, Mr Speaker, having said that and utilising the opportunity, the Medical Advisory Committee, look at medical cases in relation to the housing problem, not in relation to the medical problem and it is quite common for people to say, "I am seriously ill and I have only been categorised (b) or (c)." That is not because the Medical Advisory Committee is saying that the person is not ill. What the Medical Advisory Committee is saying is that the change of address or a change of dwelling is not going to better that illness. Therefore, it is up to the medical board, which is made up of two practitioners and another appointee, who look at the case as it affects the dwelling and the person's illness.

HON P CUMMING:

Mr Speaker, is it not true that there has been a hardening of attitude in the Housing Department with regard to requests for changes? There were photographs in the paper some months ago of an elderly couple, into their eighties, who lived on the fifth floor and were asking to move to

an empty flat downstairs and told no by the medical committee. Is it not true that sometimes the Department would not lose if somebody wants to change and if there is no loss in it, why should they not be allowed to change even without a medical condition?

HON J E PILCHER:

Mr Speaker, it was made quite clear some six months ago, when the question of exchanges was publicly aired, that medical exchanges are still allowed. In the circumstances of a particular case, since I do not know which particular case the hon Member is referring to, I am not knowledgeable, I cannot answer because obviously what the hon Member is referring to is a specific case and not the global case. Hardening of attitudes? No Mr Speaker, what there has been is the Housing Allocation Unit trying to work within the framework of a structure which allows for compassion in medical cases, in the case of social cases, but, always working within a framework not to allow people who are not under these categories to try and get through the system in that way.

HON P CUMMING:

Mr Speaker, but somebody who is over 80 is not necessarily sick. They may be perfectly fit for an 80 year old but obviously living on the top floor.

HON J E PILCHER:

Mr Speaker, if the hon Member wants to table a question related to any other social category, I will answer, but this is related to medical. This is what the question says medical category list.

26.4.94

ORAL

NO. 36 OF 1994

THE HON P CUMMING

APPOINTMENTS FOR CONSULTANTS

Mr Speaker, would the Government give a breakdown of waiting times for appointments to see consultants and waiting times for surgery?

ANSWER

THE HON THE MINISTER FOR MEDICAL SERVICES AND SPORT

Answered together with Question No. 37 of 1994.

NO. 37 OF 1994

THE HON P CUMMING

OPERATING THEATRES

Mr Speaker, are there now concrete plans for extension of the operating theatres, to enable surgical waiting lists to be cut down?

ANSWER

THE HON THE MINISTER FOR MEDICAL SERVICES AND SPORT

Mr Speaker, I need to refer the hon Member to Question No. 185 of 1992, when I explained that it is not possible to provide global average waiting times for non-emergency surgery as this is very much dependent on the type of surgery that needs to be performed and also when each of these have various factors which need to be taken into consideration. All emergency operations are carried out immediately. In all surgical cases the use of operating theatres is sometimes determined by the number of trauma cases that present themselves in any given time. Therefore, as a consequence the following figures can only be rough estimates and they exclude operations which are age-related.

ROUTINE OPERATIONS

General Surgery	3 months
Orthopaedics Minor	3-4 weeks
Intermediate	6-8 weeks
Extra Major	1 year
Ophthalmology	5 months
ENT	7 months
Gynaecology Minor/Intermediate	4 weeks
Major	6 months

Waiting times for out-patient appointments to see consultants are as follows:

General Surgery	6-7 weeks
Orthopaedics	12 weeks
Ophthalmology	5 weeks
ENT	5 weeks
Gynaecology	6-7 weeks
Paediatrics	6 weeks

All emergency cases referred by general practitioners are seen immediately.

The Gibraltar Health Authority has no plans in the foreseeable future to fund an extra theatre.

SUPPLEMENTARY TO QUESTION NO. 37 OF 1994

HON P CUMMING:

Is it true, Mr Speaker, that the operating theatre is running at full capacity and very often operations have to be cancelled just because it is impossible to have two operations going on at the same time and other priorities push people on to the waiting list who have been already admitted to hospital and ready for surgery? Are they not sufficient indications to be thinking and planning for extending the operating theatre?

HON MISS M I MONTEGRIFFO:

No, Mr Speaker. The hon Member has just said that the operating theatre sometimes needs to cancel. This is consistent in all hospitals, even if we had two theatres, three theatres. When we have trauma cases, operations have to be cancelled if they are routine ones, but I think, Mr Speaker, that with the comprehensive question that the hon Member has asked and the answer that I have given, I think that the Health Authority is satisfied that the appointments as far as the outpatients are concerned and the routine operations are acceptable.

HON P CUMMING:

Mr Speaker, does the Minister see any link between the waiting time to see consultants and the amount of private practice being carried out there?

HON MISS M I MONTEGRIFFO:

No, Mr Speaker, because as far as the Health Authority is concerned, the private practice has been phased out and at the moment we are talking about a couple of consultants that are only allowed private practice.

HON P CUMMING:

Does the Minister then still stick to the belief that consultants whose contracts do not permit them to do private practice are, in fact, refraining from doing so?

HON MISS M I MONTEGRIFFO:

Yes, Mr Speaker. Not only that, I think that we are talking about another question that the hon Member has about private practice that I will answer in due course.

NO. 38 OF 1994THE HON P CUMMING

ENGAGEMENT OF CONSULTANTS

Would Government explain the procedure for the employment of a new consultant, and state how long it expects to take to appoint a new ophthalmologist?

ANSWERTHE HON THE MINISTER FOR MEDICAL SERVICES AND SPORT

Mr Speaker, the procedure is one which is used throughout the civil service. Recruitments are dealt with by the Personnel Department and the employees are appointed by the Public Services Commission. The incumbent ophthalmologist is on annual leave and a new appointment will take place once his contract expires. It is expected that the new ophthalmologist will be in post shortly thereafter.

SUPPLEMENTARY TO QUESTION NO. 38 OF 1994

HON P CUMMING:

So from the moment that a consultant hands in his resignation, to the time that the new one is appointed, more or less how long could we expect to pass?

HON MISS M I MONTEGRIFFO:

Mr Speaker, it is impossible to pin a date on it. What I am telling the hon Member is that when a contract expires, the Personnel Department, in liaison with the Gibraltar Health Authority, will always want to minimise the actual time between the incoming permanent ophthalmologist and the outgoing one. That is the answer to the question.

HON P CUMMING:

So in fact with a bit of forward planning it should be possible for one to go and the other one to start the next day. He has got to give three months notice of resignation. It should be enough to advertise in the UK and to select a new candidate.

HON MISS M I MONTEGRIFFO:

Mr Speaker, the procedure is one which is, as I have said, common throughout the civil service and I said in answer to the question that it is expected that once the ophthalmologist's contract expires, a new one will be in post very shortly thereafter.

26.4.94

ORAL

NO. 39 OF 1994

THE HON P CUMMING

CONSULTANTS' PRIVATE PRACTICES

Do Government persist in prohibiting new consultants from undertaking private practice even though this may limit the number and quality of the applicants?

ANSWER

THE HON THE MINISTER FOR MEDICAL SERVICES AND SPORT

Mr Speaker, the policy of the Government has not changed on this issue.

SUPPLEMENTARY TO QUESTION NO. 39 OF 1994

HON P CUMMING:

In spite of its obvious failure. In spite of the fact that everybody knows that consultants are doing private practice ad lib.

HON MISS M I MONTEGRIFFO:

Mr Speaker, again we have an issue here, in the House of Assembly, where the hon Member has alleged that there are consultants doing private practice. I would ask the hon Member to provide the information because as far as we are concerned if there is a consultant who is doing private practice, who should not do it, the information should be there. We cannot take action unless the information is there.

HON P CUMMING:

It seems that the hon Minister is the only person not having that information to hand.

HON MISS M I MONTEGRIFFO:

Well if the Minister is in possession of the information, as he is alleging in the House, let him inform the Minister.

HON P CUMMING:

Did I not attempt to inform the Minister last week of a case in point?

HON MISS M I MONTEGRIFFO:

No, Mr Speaker. As far as I am concerned, he left a message that he would be ringing me and he has not rang me since and now he brings the question to the House.

HON P CUMMING:

With full information already available for the Minister of the case.

HON MISS M I MONTEGRIFFO:

Mr Speaker, this is not the information that I received from the management of the Health Authority. As far as the hon Member is concerned, he puts a question in the House, before the question comes to the House, he makes a telephone call to the Health Authority saying that he has a case in question. All I need is information from him.

HON P CUMMING:

Mr Speaker, St Bernard's becomes a fortress when one tries to get hold of the Minister.

HON MISS M I MONTEGRIFFO:

Mr Speaker, he can write a letter to the Minister and I will look into the case and he is free to do it whenever he wants.

26.4.94

ORAL

NO. 40 OF 1994

THE HON P CUMMING

PRIVATE CORRIDOR

Have doctors been consulted about the financial arrangements for running private corridor?

ANSWER

THE HON THE MINISTER FOR MEDICAL SERVICES AND SPORT

Answered together with Question No. 41 of 1994.

26.4.94

ORAL

NO. 41 OF 1994

THE HON P CUMMING

PRIVATE CORRIDOR

When is private corridor likely to be reopened?

ANSWER

THE HON THE MINISTER FOR MEDICAL SERVICES AND SPORT

Mr Speaker, private corridor will re-open once the Gibraltar Health Authority no longer requires it for decanting purposes for its major refurbishment works and therefore the question of consulting the doctors about the financial arrangements does not arise as there is presently no private corridor.

SUPPLEMENTARY TO QUESTION NO. 41 OF 1994

HON P CUMMING:

Mr Speaker, nonetheless the Minister announced here in the last meeting of the House that private corridor would run in a sort of hotel basis where patients will pay for the use in private rooms but no other facilities. So presumably the Health Authority has already decided what the policy is going to be. They have also made some kind of a forecast of when the Maternity Ward would finally be finished, which if I remember rightly, should be within the next couple of months. Presumably now we are on count down for getting the private corridor running again and it seems that this is a delicate issue where there is a lot of bad feeling amongst the consultants which one would have thought that the time would have been to consult them long ahead.

HON MISS M I MONTEGRIFFO:

Mr Speaker, the policy has not changed. As far as the hon Member is concerned when he makes allegations about the Health Authority taking a policy decision which is different to what was in place. No, Mr Speaker. The question of private corridor, as I have explained in the House, remains exactly the same as before and I have answered questions in the House where I have said that, when private corridor re-opens, it will re-open on the same conditions and the same rules that apply to the fees

in relation to private corridor. When we are looking at the hospital there is no way that we can refurbish departments and wards without using private corridor for decanting purposes. Once private corridor is no longer required for decanting purposes, then the Health Authority will review the matter and I give this commitment to the House.

HON P CUMMING:

So we can take it then that there will not be any forward planning about how private corridor will be run. May I ask, Mr Speaker, whether the Minister agrees with me that Gibraltar for a consultant, it tends to be a bit of a professional back water and that therefore some extra motivation to bring high quality doctors to Gibraltar is required. For example, controlled amount of private practice that will put their income up to a level that will attract high quality consultants to Gibraltar.

HON MISS M I MONTEGRIFFO:

No, Mr Speaker, the hon Member is contradicting himself. On the one hand he is saying about the private practice issue and on the other hand, he is talking about income for the doctors with private corridor and I have told him that the policy of the Government on private practice has not changed. We believe very strongly and I have said it in this House on many, many occasions, that the Government's policy on private practice is clear-cut. We believe that people should be seen by their medical condition and not by the income and by the money that they are willing to pay to the doctors.

HON P CUMMING:

It seems to me, Mr Speaker, that the Minister does not understand the problem at all. The theory is very good socialist theory, but in practice, it simply is not working and it seems that the Minister is the only one that does not understand.

HON MISS M I MONTEGRIFFO:

Mr Speaker, that is his prerogative. As far as the Government is concerned, we have a policy and we are adhering to that policy.

26.4.94

ORAL

NO. 42 OF 1994

THE HON P CUMMING

HEALTH CENTRE EXTENSION

When will the extension to the Health Centre be operational?

ANSWER

THE HON THE MINISTER FOR MEDICAL SERVICES AND SPORT

Answered together with Question No. 43 of 1994.

26.4.94

ORAL

NO. 43 OF 1994

THE HON P CUMMING

HEALTH CENTRE APPOINTMENTS

Have any improvements been made to the appointments system at the Health Centre?

ANSWER

THE HON THE MINISTER FOR MEDICAL SERVICES AND SPORT

Mr Speaker, the planned changes to the appointments system at the Health Centre will be implemented once the top floor taken over by the Gibraltar Health Authority is operational. This is expected to take place in about four weeks time.

26.4.94

ORAL

NO. 44 OF 1994

THE HON L H FRANCIS

EUROPA FLATS

Mr Speaker, can the Minister for Sport say whether Government have received any indications as to whether the Europa sports fields are to be handed over by MOD?

ANSWER

THE HON THE MINISTER FOR MEDICAL SERVICES AND SPORT

Mr Speaker, no.

SUPPLEMENTARY TO QUESTION NO. 44 OF 1994

HON L H FRANCIS:

Mr Speaker, can the Minister say whether the Government, if given these facilities, are committed to keep the area as a recreational area?

HON MISS M I MONTEGRIFFO:

I cannot commit myself to saying that, Mr Speaker. We would like to but we would have to look at it in the light of other priorities.

26.4.94

ORAL

NO. 45 OF 1994

THE HON L H FRANCIS

VICTORIA STADIUM SPORTS HALL

Mr Speaker, will Government explain the nature of the water penetration problems of the roof of the Victoria Stadium sports hall?

ANSWER

THE HON THE MINISTER FOR MEDICAL SERVICES AND SPORT

Mr Speaker, as part of an ongoing maintenance programme the roof of the sports hall at the Victoria Stadium was repaired during the previous financial year. Although the problems were solved the recent heavy rains, which have followed a long dry period, have enabled us to establish some areas which now need tackling. The matter is in hand and work will be carried out when it is technically advisable.

SUPPLEMENTARY TO QUESTION NO. 45 OF 1994

HON LT-COL E M BRITTO:

Mr Speaker, is the Minister telling us that repairs were carried out in the last financial year, meaning the year ended March 1994 or the year ended March 1993?

HON MISS M I MONTEGRIFFO:

1993, Mr Speaker.

HON LT-COL E M BRITTO:

And is she saying that since 1st April 1993 until the heavy rains a month ago, there has been no water penetration?

HON MISS M I MONTEGRIFFO:

That is right, Mr Speaker.

HON LT-COL E M BRITTO:

Mr Speaker, I put it to the Minister that she is either misinformed or completely wrong. My information is that there has been continuous water penetration from that roof, that the new floor that was put in has been damaged and that there has been considerable risk to the users of the hall in ball team games when playing on wet surfaces by danger of accidents and danger of falling. So much so that the staff at the hall put down some sort of tarpaulin on the floor whenever there is any rain to try to catch the water to prevent it spreading. Is the Minister not aware of that?

HON MISS M I MONTEGRIFFO:

Mr Speaker, I am fully aware of it because I happen to be a user of the facilities myself and I can tell the hon Member that when the problems occurred, they occurred a couple of months ago as a result of very heavy rains that we had and the problems are not as acute as the hon Member is saying. What we have been told by the contractors that have tackled the roof is that we need to have dry periods in order to be able to tackle the problems, but the problems the hon Member is referring to, are not as dangerous as he is inferring in this House of Assembly today.

HON LT-COL E M BRITTO:

Can the Minister confirm that there has been no damage to the new floor?

HON MISS M I MONTEGRIFFO:

There has been no damage at all, Mr Speaker, on account of the water penetration to the sports hall floor.

HON LT-COL E M BRITTO:

And is the Minister saying that the tarpaulins on the floor have not been put down for the past year and two years?

HON MISS M I MONTEGRIFFO:

No, Mr Speaker. I have seen no tarpaulin there at all.

HON LT-COL E M BRITTO:

That is the point, Mr Speaker. The answer has been that she has not seen it.

HON MISS M I MONTEGRIFFO:

And I have been informed by the management that they have not been put in place.

NO. 46 OF 1994THE HON L H FRANCIS

GASA SWIMMING POOL

Mr Speaker, will Government give details of the swimming pool to be built for GASA?

ANSWERTHE HON THE MINISTER FOR MEDICAL SERVICES AND SPORT

Mr Speaker, the details, as provided by the developers, of the swimming pool to be built for GASA are as follows:

General specifications are in accordance with FINA the international governing body of swimming.

GENERAL SPECIFICATIONS

1. Covered 25 metre indoor pool : 25m x 6m lane x 1.8m deep.
Fully tiled, with starting blocks, water filtration, treatment and heating.
2. Pool surround : Non-slip tiles.
3. Male/female changing rooms with toilet facilities and showers : Non-slip tiles to floors.
Glazed tiles to shower cubicles.
Tiled splash back to wash basins.
4. Plant room : Painted concrete finishes throughout.
5. External walls : 200mm single skin solid blockwork, with insulated metal roofing above.
6. Roofing : Insulated metal decking on steel frame structure.
7. Glazing : Laminated glass in patio door units.
8. Ventilation : Natural ventilation through patio door units and roof louvres.
9. Toilets : Public male/female.

The building will include an area for spectator gallery/clubroom/office and cafeteria.

All the abovementioned have been agreed between the developers and the Gibraltar Amateur Swimming Association.

SUPPLEMENTARY TO QUESTION NO. 46 OF 1994

HON L H FRANCIS:

Mr Speaker, does the Minister have any information as to when works will actually commence?

HON MISS M I MONTEGRIFFO:

Mr Speaker, I have been told by the developers that they expect to commence work next month and that they estimate to complete works by the end of this year.

HON L H FRANCIS:

Does that mean, Mr Speaker, that the problems with the reallocation of GASA has been solved?

HON MISS M I MONTEGRIFFO:

Mr Speaker, as I have said in my original question, everything that I have mentioned in this House has been agreed between the developers and the Gibraltar Amateur Swimming Association.

HON P R CARUANA:

Mr Speaker, will the Minister say whether this facility will be leased directly by the developers to GASA or whether it will become a Government property made available by Government to GASA?

HON MISS M I MONTEGRIFFO:

No, it will be leased to GASA, Mr Speaker.

HON P R CARUANA:

By whom?

HON MISS M I MONTEGRIFFO:

By the Gibraltar Government.

HON LT-COL E M BRITTO:

Mr Speaker, I did not hear the Minister make any mention of electronic equipment for timing. Did I miss it or will it not be provided?

3.

HON MISS M I MONTEGRIFFO:

I think that the timing that we are talking about, Mr Speaker, is the question of the starting blocks. That is in the specifications.

HON LT-COL E M BRITTO:

And touch pads for turnarounds?

HON MISS M I MONTEGRIFFO:

That is right.

26.4.94

ORAL

NO. 47 OF 1994

THE HON L H FRANCIS

1995 ISLAND GAMES

Will the Minister for Sport say if Gibraltar will be ready for the 1995 Island Games?

ANSWER

THE HON THE MINISTER FOR MEDICAL SERVICES AND SPORT

Answered together with Question No. 48 of 1994.

26.4.94

ORAL

NO. 48 OF 1994

THE HON L H FRANCIS

1995 ISLAND GAMES

How much funding will Government make available to the Island Games to be held in Gibraltar?

ANSWER

THE HON THE MINISTER FOR MEDICAL SERVICES AND SPORT

Mr Speaker, pending unforeseen extenuating circumstances, I am informed by the Gibraltar Island Games Association that Gibraltar will be ready. After having held quite a number of meetings with them and also with members of the International Technical Committee, I agree with their opinion.

The funding is made available by the Gibraltar Sports Advisory Body through the normal established procedures, based on specific details forwarded by the Gibraltar Island Games Association. Until these are forwarded it is impossible to state what the actual amount will be.

SUPPLEMENTARY TO QUESTION NOS. 47 AND 48 OF 1994

HON L H FRANCIS:

I take it that the Government will produce financing for the Island Games.

HON MISS M I MONTEGRIFFO:

That is correct, Mr Speaker.

HON L H FRANCIS:

Is the Minister in a position to say whether the problems of accommodation have been sorted? I know that she was negotiating with MOD, for example, on behalf of the Committee, for the accommodation. Is she in a position to make a statement on that?

HON MISS M I MONTEGRIFFO:

The Government are in the process of speaking to the MOD about the accommodation side, Mr Speaker, and also we are in close liaison with the Gibraltar Island Games on the question of the accommodation but we feel that that problem will be solved.

HON H CORBY:

Can I ask if any association needs funds to update their facilities? Will that be available to them or not?

HON MISS M I MONTEGRIFFO:

Mr Speaker, we are talking about, I think, a couple of associations but the Government intervention in this matter is to actually hand over the land free of charge for them to have the facilities that they require.

HON H CORBY:

What I am talking about is existing facilities which are not up-to-date.

HON MISS M I MONTEGRIFFO:

Yes, and I am replying to those facilities, Mr Speaker.

26.4.94

ORAL

NO. 49 OF 1994

THE HON LT-COL E M BRITTO

GIBRALTAR LOTTERY

Do Government intend to make any further changes to the frequency, prize structure or ticket price of the Gibraltar Lottery?

ANSWER

THE HON THE MINISTER FOR GOVERNMENT SERVICES

Answered together with Question No. 50 of 1994.

26.4.94

ORAL

NO. 50 OF 1994

THE HON LT-COL E M BRITTO

GIBRALTAR LOTTERY

Do Government intend to bring back the £1 million first prize in the Lottery?

ANSWER

THE HON THE MINISTER FOR GOVERNMENT SERVICES

Mr Speaker, the answer to both questions is no.

SUPPLEMENTARY TO QUESTION NOS. 49 AND 50 OF 1994

HON LT-COL E M BRITTO:

Mr Speaker, I presume that that includes the changes that are about to be made doing away with the half prize number.

HON J C PEREZ:

The changes have already taken place. The first week was the last draw.

HON LT-COL E M BRITTO:

Are Government aware of the general dissatisfaction with the frequency of the draw on a fortnightly basis and what appears to be a general desire, not just from the public but even from some lottery vendors, to somehow return to a weekly draw?

HON J C PEREZ:

Mr Speaker, I have continuous contacts with the lottery vendors and continuous advice from the Lottery Advisory Committee and both are unanimous that the best situation for the lottery is that it should remain on a fortnightly basis. I accept that there are people that would prefer it weekly and that the prize should be reduced to what it was before, but there are people that would not play the lottery for a first prize of £50,000 and that are encouraged to invest their money for a first prize of £100,000. That is the view that all the lottery vendors as expressed to me and that is the view of the Lottery

Advisory Committee and we all concur that the best for the lottery at this stage is to continue on a fortnightly basis. I do not accept that it is the general view that they would like it weekly. There are some people that would like it weekly. There have been calls for the lottery to be fortnightly, certainly from the lottery vendors side, for the last five years at least.

HON LT-COL E M BRITTO:

Mr Speaker, does the level of returns of unsold tickets bear out what the Minister is saying? He will agree with me that when the lottery was first restructured in its present form of fortnightly and larger prize and increase in the price, the volume of tickets being returned unsold shot up considerably. Has that been maintained at that level or has there been a decline?

HON J C PEREZ:

Mr Speaker, the volume of returned tickets has generally been maintained at the same level as was previously the case before it was changed to fortnightly. It has not gone down further. It has been maintained like that. The view that there would be more people buying into the lottery to a degree has been proved right in the full tickets. There are people that buy full tickets. There has been a small decline in the number of fixed numbers and the sale of full tickets has compensated for that. We are not worse off than what we were but the view is that if we change further or we change back to the old system we would be worse off than what we are now and therefore than what we were before we started this change.

HON LT-COL E M BRITTO:

Mr Speaker, can the Minister tell us why only one £1 million draw was possible and was it that sufficient market research was not done and therefore the sales did not reach their projected targets and were the reasons any different?

HON J C PEREZ:

The £1 million draw was held with certainly the Government and the lottery vendors in the full knowledge that a percentage of the tickets for that draw had already been away from Gibraltar sold before the issue was printed abroad. The practice of selling those lottery tickets away from Gibraltar was discontinued as a result of a case being put to the European Court of Justice about another lottery and the results of which have become known very recently.

In fact, there could still be a dispute whether even once the United Kingdom starts its own lottery, tickets of another national lottery could enter or could be stopped by the United Kingdom Government, for example, in the case of the United Kingdom. It has been looked at legally very closely. We are not only looking at the United Kingdom, but we do not envisage that certainly in the foreseeable future we would go along with the £1 million draw and in any case if that market were to materialise, we would now possibly look at encouraging someone to invest in lottery independent of the Gibraltar Government for that market. We would not mix one with the other. So it is not intended to proceed with another £1 million draw and the reason why it was discontinued because the first one we had a guaranteed number of tickets sold abroad and that guarantee was no longer there after the 1st draw so the risk was too high to go ahead with another draw of the same nature.

26.4 94

ORAL

NO. 51 OF 1994

THE HON M RAMAGGE

PHILATELIC SECTION'S PRIVATISATION

Mr Speaker, in whose favour and on what terms has Government privatised or contractorised the Philatelic Section of the Post Office?

ANSWER

THE HON THE MINISTER FOR GOVERNMENT SERVICES

Mr Speaker, Government have still not completed negotiations on the granting of a franchise for carrying out the business of philately. Once the negotiations are completed a public statement will be made. What I can say is that the proposed contractor already handles the bulk of the philatelic sales in Europe as the agent of the Government and the proposed terms are that he would operate from Gibraltar and take on his existing sales plus those done directly to collectors by the Philatelic Section of the Post Office. Obviously as in all cases when commercialization has been considered the objective is that better use of resources should be made and that this should be reflected in the terms that are negotiated.

26.4.94

ORAL

NO. 52 OF 1994

THE HON LT-COL E M BRITTO

POWER CUTS

How many cuts have there been in the public supply of electricity since 1 January 1994 and what are the reasons for these continuing power cuts?

ANSWER

THE HON THE MINISTER FOR GOVERNMENT SERVICES

Mr Speaker, there have been a total of five power cuts since the beginning of the year each lasting between three and 10 minutes. There have also been two faults in the High Voltage System which have resulted in parts of the South District having its electricity cut off for some one and a half hours whilst repairs to the network were taking place.

The reasons for the power cuts are as follows:

- (a) Operator error
- (b) Mechanical failure in Engine W03
- (c) Broken fuel pipe on Engine W01
- (d) OESCO set 5 tripped
- (e) Mechanical fault on Engine No.1

SUPPLEMENTARY TO QUESTION NO. 52 OF 1994

HON LT-COL E M BRITTO:

Mr Speaker, since the electrical supply system was modernised, it seems to me that we have been getting more frequent power cuts than we had under the old system when the power cuts that we had were for non-technical reasons. Is it beyond the limits of the electrical department with such modern equipment to prevent these power cuts?

HON J C PEREZ:

Mr Speaker, the hon Member is totally wrong in thinking that the previous power cuts were less. For previous years and I am talking about 1987/88, the returns of power cuts were that much greater about something like 50/52 power cuts in any year and the length of the power cuts was much greater as well. So the improvements have been very great. The problem is that the generating capacity that Gibraltar needs is too small and there is no great system and no fall back position like there is in any other nation state or any other small state which tends to back itself up with an electricity supply from another country. We do not intend in any way to connect into the grid of the Sevillana as has been suggested in the past. We have got our own generating capacity, we intend to maintain our independent generating capacity, but the price we must pay is that because the households, the offices and the buildings are to a degree directly connected to the generating power without any grid in the middle, when there is a power cut, because an engine trips or there is a mechanical fault, and this cannot be previewed in time, then that specific area, is cut off for two or three minutes until another engine is set up. There is no known equipment to be able to diminish further the amount of power cuts or to act as a grid in such a small area of generating capacity.

26.4.94

ORAL

NO. 53 OF 1994

THE HON LT-COL E M BRITTO

UNIT OF ELECTRICITY

Has there been, since March 1988, any change in the extent or method of measuring a unit of electricity?

ANSWER

THE HON THE MINISTER FOR GOVERNMENT SERVICES

Answered together with Question No. 54 of 1994.

NO. 54 OF 1994THE HON LT-COL E M BRITTO

FLEXIBLE COST ADJUSTMENT

What was the method used to calculate the fuel cost adjustment and what changes have been made to the method of calculation since when it was renamed the Flexible Cost Adjustment?

ANSWERTHE HON THE MINISTER FOR GOVERNMENT SERVICES

Mr Speaker, there has been no change whatsoever in the "extent or method" of measuring a unit of electricity.

The unit of electricity continues to be a kilowatt hour. The name "unit" is an abbreviation of the term "Board of Trade Unit" which began to be used in Britain in the 1890s when the supply of electricity began to be regulated by the Board of Trade. Gibraltar similarly, has been using this term and method since supplies of electricity began to be regulated in Gibraltar.

The main difference between the Flexible Adjustment Cost formula and the previous Fuel Cost Adjustment formula is that under the present formula there is the possibility of reflecting costs which increase in the generation of electricity besides fuel costs provided that in the event of such costs being reflected there is a maximum from which the increase cost fuel has to be deducted.

SUPPLEMENTARY TO QUESTION NOS. 53 AND 54 OF 1994

HON LT-COL E M BRITTO:

Following that explanation on the Flexible Cost Adjustment, will the Minister confirm that these additional costs in generation have been taken into account in the last few years since the level of the original Fuel Cost Adjustment has not come down as one would have expected to have done as oil price levels have come down?

HON J C PEREZ:

No, Sir. Powers have been given to include other issues apart from fuel, but these powers have not been used and therefore the only thing that continues to be reflected in the Flexible Cost Adjustment is the increase in fuel.

HON LT-COL E M BRITTO:

Is the Minister telling us that there has been no decrease in the cost of fuel in the last five years?

HON J C PEREZ:

Mr Speaker, there has been no use in the Cost Adjustment Formula made since 1991. That is to say, the formula gives us the opportunity of deferring indefinitely the passing of the increases and we have not increased the Flexible Cost Adjustment formula since 1991 and therefore have not passed the full extent of increases since 1991.

HON LT-COL E M BRITTO:

Yes, by implication, Mr Speaker, of the word adjustment and word flexible in both terms, the intention as I understood it in the past was that prices went up and went down reflecting the changes in the cost of fuel. What I am asking the Minister is if there have been decreases in the cost of fuel since that last change in 1991, and if so, why have they not been reflected in the price of electricity by lowering the Flexible Cost Adjustment?

HON CHIEF MINISTER:

Mr Speaker, this has already been explained and the hon Member may not remember it, but the explanation was given to him and I explained at the time that under the automatic system, every time there was a movement, the movement was immediately reflected. We have replaced that with a system where the cost of fuel was average over a longer period of time. The hon Member may remember that we came up with a press release answering another press release from his former party the AACR showing how many times.... [Interruption] It is there, it is in Hansard, it has been explained once. He has forgotten the explanation and we explained then that in fact what we did was we averaged the cost over a period and it was only when the cost of fuel over a certain period went up or down that it was reflected in any change. So, the last time it went up, was in March 1991. Since March 1991, there have been times when an increase would have been required which has not happened and there would have been times when a decrease would have been required which has not happened. In 1992 the flexibility came in. The flexibility came in and it was that it was not mandatory. It left the possibility of either implementing or not implementing a change rather than having it going up and down all the time. Then what was brought in in 1992, which was the second amendment

which is really the main difference between the two is that apart from the cost of fuel, other changes in the cost of generation could be reflected in the formula, but in fact, use has not been made of that because the last time it was increased was in March 1991. I think, as I also explained at the time, in 1990, one of the alterations that took place was in the triggering mechanism of the formula because the original formula had been based on a ratio of fuel between Waterport and King's Bastion, where the old engines that were scrapped when King's Bastion was closed, were using oil which was different from the oil in Waterport. We had a situation where the old formula was linked to a proportion of the use of fuel which was no longer true. So the old formula needed in any case to be altered at the time because it assumed, for example - I cannot remember the exact level because I am talking about 1989/90 - if 70 per cent of the oil out of the oil that was consumed in a year went to KB and 30 per cent went to Waterport and there were different prices for the oil in the triggering mechanism. The fact that some of the oil went up and others went down, because it does not really affect the price of oil that we pay for the supplies to the station is not based on what the barrel of oil is being sold in the raw market in Rotterdam but whether a grade of oil which may be short of supply may become more expensive whereas cruder oil which needs filtering may be cheaper. We actually had a situation at the time which I explained in the House. In fact, I remember giving an explanation where on a particular occasion the application of the formula would have produced an increase of £200,000 more than the actual price of oil alone so the formula additionally reflected the balance of the use of oil which eventually became 100 per cent because we have got now the three engines in Waterport. Those were the different changes that took place in the formula up to 1991. As it is, it is still operating on that basis.

HON LT-COL E M BRITTO:

Mr Speaker, I thank the Chief Minister for that long and detailed explanation, but there is one gaping mathematical flaw on what he has told us. That is that he has not specified the period of time over which the Flexible Cost Adjustment is expected to balance because if he is telling us that it was not adjusted in 1991 and he is taking into account increases and decreases, well if he waits long enough he can wait for 100 years and then in 100 years time, he can then adjust the formula again. But if in the meantime, as I understand the situation to be from 1991 to date, the underlined price of oil has been coming down, then if that is correct, the automatic triggering we would have had before would have lowered the FCA. In the absence of the automatic triggering, if we have an unspecified period, how long before the triggering is brought into effect? Can he specify what period the Government is taking into account whether it is a fixed period at any given period in our history or whether it is an indefinite period depending on other factors?

HON CHIEF MINISTER:

Mr Speaker, the hon Member is wrong in thinking that the cost of fuel has gone down. If he reads the estimates, he will find that it has not gone down. We vote the fuel in this House. So he can see that it has not gone down. The cost of fuel in a year, is not going down. It is affected by the exchange rate between sterling and dollars. It is affected by the cost of the refined product from crude oil. The mechanism was that there was an immediate automatic increase every time and then there could be movements downwards at different points in time. We introduced two things a time lag where nothing was triggered in less than three months in order to remove short term fluctuations and we averaged out over the formula the actual consumption. The formula originally if it had not been changed might have been producing still increases based on oil that was not being used. That is the point that I am making. We then moved into a situation where taking into account the cost of the operation in the new station, we introduced the ability to reflect as part of operating costs additional costs in things other than fuel. Although that provision was legislated for, it has not actually been implemented. The cost of fuel in the estimates has gone up. I can tell the hon Member that we are, in fact, generating electricity at a loss of something like £1.5 million a year.

HON LT-COL E M BRITTO:

So, in fact, as a final question, Mr Speaker, then the Chief Minister can confirm that when people talk about their electricity bills being higher they are wrong. They are paying exactly the same as they were paying in 1991.

HON J C PEREZ:

Exactly, Mr Speaker. There has been no movement whatsoever. In the charge of electricity either in the unit or in the Flexible Cost Adjustment from March 1991.

26.4.94

ORAL

NO. 55 OF 1994

THE HON F VASQUEZ

TELEPHONE CHARGES

Are Government satisfied that the telephone charges being paid by local consumers are fair and reasonable?

ANSWER

THE HON THE MINISTER FOR GOVERNMENT SERVICES

Answered together with Question No. 56 of 1994.

NO. 56 OF 1994THE HON LT-COL E M BRITTO

TELEPHONE USAGE CHARGES

How is the unit of telephone usage calculated and have any changes been made to the method of calculation since 1988?

ANSWERTHE HON THE MINISTER FOR GOVERNMENT SERVICES

Mr Speaker, the unit of telephone usage is calculated by applying a different duration period to each category of rate. Local calls, for example, are all charged at the rate of 5p per unit but the peak rate (Monday to Friday 9am to 1pm) has a duration of two minutes; the standard rate (Monday to Friday 8 am to 9am and 1pm to 6pm) has a duration of three minutes; and the cheap rate (6pm on Friday to 8am Sunday) has a duration of nine minutes.

This method and duration rate have been in existence since international direct dialling was introduced in 1982.

Government, as everyone else, prefer to pay less for the services it receives. However, based on a judgement which takes into account the capital investments recently made, the level of employment of these companies, the recent innovations in technology, the modifications on infrastructure and the very great improvements generally in the services being provided by both Gibraltar Nynex and Gibtel, Government is of the opinion that the telephone charges are those required to operate these companies and pay those employed in them.

SUPPLEMENTARY TO QUESTION NOS. 55 AND 56 OF 1994

HON F VASQUEZ:

Mr Speaker, I wonder if the Minister can confirm the information that we have received, that in fact, telephone rates from Gibraltar to London are almost exactly double the rates of a call from London to Gibraltar. I will give him the figures that I have in front of me. In fact, he can confirm if they are right or not. At peak times a call from Gibraltar to London costs 70p a minute and off peak 60p a minute. The commensurate charges from British Telecom calling the other way are 40p a minute peak time as opposed to 70p and 30p off peak instead of 60p and when we compare them to Mercury, which are even cheaper, peak time calls from London to Gibraltar on the Mercury Network are 31.55p per minute, off peak 26.5p per minute, which are less than 50 per cent of the charges here. Can he confirm that, and if he can....

HON J C PEREZ:

I cannot confirm the hon Member's figures. I can confirm that the company in question, which is Gibtel, knows that there is an imbalance in the rates, not only from the UK, but from other countries and that that is being looked at. The prevailing reason for the charges is the cost of providing a service from a base in Gibraltar and I explained in answer to a question from the hon and gallant Col Britto some time ago, that the charges are based on the expenditure that we need to have to provide a similar service for a small community, to produce the same equipment and the same capital expenditure in providing that same service to 200,000 customers as to 25,000 customers and therefore, the 25,000 customers have to bear the cost of that capital expenditure over a period of time rather than the other way round. I think that the disparity certainly is not, to our information, as great as the hon Member says. I cannot verify his figures but certainly the 50 per cent mark is not the information that I have got available on the difference of charges and that is something that the company is looking at at this stage.

HON F VASQUEZ:

In fact, it is more than 50 per cent. The information that we have is 100 per cent more.

HON J C PEREZ:

Then it is certainly wrong.

HON F VASQUEZ:

But I will be grateful if perhaps he can confirm that. I am asking him to confirm it. That is the information we have.

HON J C PEREZ:

What I am saying is that if he says that it is 100 per cent, it is definite wrong. It depends whether one is calling from a hotel, what service one receives, not only Mercury...

HON F VASQUEZ:

No, the question is this. Government are in partnership with British Telecom, which is a commercial enterprise and clearly British Telecom has no vested interest in the finances of the consumer in Gibraltar. They are here to get as much money as they can out of us.

HON J C PEREZ:

I would not say that.

HON F VASQUEZ:

I think the Minister will have to accept that it is the premise of any business venture that they are in it for the money. Clearly that is their prime consideration. My question then is, within this joint venture, what independent advice do Government obtain to make sure that the consumer is not getting ripped off. I put this bona fide. We have Ministers sitting on the board of this joint venture company, obviously with every respect, I do not think the Hon Mr Perez actually has very much knowledge of the telephone industry and is possible that he is getting fobbed off with explanations which, in fact, do not have any credence. Do the Government retain any sort of independent adviser on the board of Gibtel which advises it objectively and professionally on the charges that are being passed on to the local consumer?

HON J C PEREZ:

Mr Speaker, first of all, I do not accept that the situation is any different to what it has always been. First with Cable and Wireless and then when the joint venture was set up. In fact, there is more control today in the international charges than there was before precisely because of the shareholding of the Government in the company and the representation of the Financial and Development Secretary and my goodself on the board of Gibtel, which there was not in the days of Cable and Wireless when they were free to increase charges and only needed to inform the Government. They did not need to get permission from the Government. But let me tell the hon Member that I reject totally the view that he says that British Telecom is here for the sole purpose of making money and taking the money away with no consideration to the client, because it is counter productive for the people that are running a business to think in that manner because there are ways where clients can beat them if that is the view that people take. British Telecom, in the same way as the Opposition Member knows that people can beat them so that is not the philosophy behind it. The philosophy behind it is that there are certain costs in Gibraltar which need to be met and that the cost of providing a service in Gibraltar for such a small community independent of any other telephone jurisdiction, is an expensive exercise as it is in electricity, as it is in water. If we want to be self sufficient, it is expensive, notwithstanding that, Mr Speaker, British Telecom is aware of the disparity. Gibtel is aware of the disparity and it is something that is being looked at and they are in

the process of looking at ways of being able to address but I do not take the view that the hon Member has expressed that people that come into Gibraltar to make business are only interested in making money and going away with the money with no regard for the customers or for the population of Gibraltar. The good running of a business has total regard for the customer and for the continuous of keeping that customer as a client of the company so that the business continues to run.

HON F VASQUEZ:

Mr Speaker, frankly, the Minister's view as to the motivation of business, certainly the experience in the United Kingdom was that when the door to competition was opened in the form of Mercury, British Telecom very quickly started whittling its prices down. Something that it has not done in living memory. So I think those little justifications and little bases upon which the Minister can claim, that in fact, British Telecom has had this overriding concern for the interests of the consumer. Nevertheless I move on. Is the Minister aware that in fact, Gibraltar Nynex is offering discounts for members of the Armed Forces which are not available to local consumers and does the Minister agree that these sort of discounts are acceptable for local consumers?

HON J C PEREZ:

Mr Speaker, Gibraltar Nynex is not offering discounts for members of the Armed Forces. The arrangements with the Ministry of Defence do not take into account individual things with contractors. The information that I have got from the company is that there is an arrangement with the Ministry of Defence to take the consumers that are presently on the MOD system and that that arrangement foresee certain relationship between the MOD and the company, which is not directly charged to the consumer but charged to the Ministry of Defence.

HON F VASQUEZ:

Well, Mr Speaker, I am frankly surprised to hear the Minister say that because I have in front of me an information sheet prepared by Gibraltar Nynex Communications which says "Gibraltar Nynex is pleased to extend the following special offer to MOD personnel transferred from the MOD network to the Gibraltar Nynex network", for example it says, "Whereas the local consumer has to pay £50 for an installation, the MOD customer will pay nothing. Whereas the local consumer has to pay £5 for a casting calling feature, the MOD customer pays nothing. Whereas the local consumer pays £30 for a standard touch tone phone, the MOD customer will only pay £15". Those to me look like discounts for MOD consumers which are not available to local consumers. I find that objectionable.

HON J C PEREZ:

Mr Speaker, I have not seen the paper the hon Member is referring to, but I can tell him that it is a misinterpretation of the facts, because the company is remunerated by the Ministry of Defence on what it is not remunerated directly by the consumer. That is why it is given to MOD personnel because this is subsidised by the Ministry of Defence, not by the company. But I have not seen the paper that the hon Member is mentioning, if the hon Member would like to give me a copy, I shall verify that the view that I am expressing in the House is the same one and I shall write to the hon Member on the matter telling him so.

HON F VASQUEZ:

I would be very grateful and I am grateful for that undertaking, Mr Speaker.

HON LT-COL E M BRITTO:

Mr Speaker, a while back in this interchange there was a disparity of views between my colleague and the Minister on the percentage difference between calls from UK to Gibraltar and Gibraltar to UK. I come down firmly on the colleagues side because I have been in London recently and I have had a Mercury phone bill in my hand specifying minutes and pounds and pennies and although I am not prepared to argue whether it was 90 per cent or 100 per cent, the difference is about double what we pay that way towards an English caller pays this way. But having said that, Mr Speaker, since the Minister appeared not to agree, and since he has already offered to write to the Opposition giving details on this offer, can he also undertake to investigate the level of phone calls by British Telecom and Mercury charges from UK to Gibraltar and to tell us officially what these charges are in comparison to charges going that way.

HON J C PEREZ:

No, Mr Speaker, with respect, I do not represent Mercury or British Telecom from UK here. I have told the hon Members that Gibtel already understands that the charges are different and is looking at the matter and I would not be coming to this House informing them of what the charges are from the PTT Holland, from Canada, from the US, Mercury or from BT in UK because it is not my duty or the company's duty in Gibraltar. What the company's duty is is to look at the business and look at how best it can serve its customers in relation to the money it has to spend to provide that service and I have already

told hon Members that the company is aware that there is a difference and that they are looking at it. But I am not responsible here for charges being put by other administrations on incoming to Gibraltar or vice versa. The responsibility of the charges in Gibraltar lies with Gibtel and I am prepared to inform the hon Members that the matter is being looked into and that it might be very difficult to redress and there might not be the possibility of redressing it. But if there is, the company is already, for the last couple of months, looking into the matter. Frankly giving information or verifying whether the incoming charge from other administrations outside Gibraltar is this, that or the other, is not my responsibility to this House or indeed to the company.

HON P R CARUANA:

Mr Speaker, is the reality not that the Government benefit from these high charges by collecting its shares on royalties and/or on dividends that it receives from Gibraltar Nynex and from Gibtel? So in effect, whilst the pretext is the need for the other joint venture partner to recover a return on capital, it is very convenient that the Government's 50 per cent shareholding and royalty rights enable it to extract what is in effect an unnecessarily high usage fee from consumers. It is another form of, dare I say it again, hidden taxation.

HON J C PEREZ:

Mr Speaker, the Opposition Members do not seem to realise that they are basing their arguments on international charges which have not increased in Gibraltar. They are complaining because they have decreased elsewhere and the decrease has not happened in Gibraltar as well. Let me say that within the European Community, there are even higher charges than there are in Gibraltar still in effect. I am telling the hon Members that because the business could be affected by the disparity particularly in the United Kingdom that the company is looking at it, but there have been no increases in charges by Gibtel on international calls ever since the company started operating. Let me tell the hon Member that any dividend payment that any of the companies might make on behalf of the people of Gibraltar are for the people of Gibraltar and therefore it comes back to the coffers of the Government for which it provides services to the general public. It is not that any particular money goes to any other place other than to the public coffers of Gibraltar for which there is responsibility in this House.

Therefore, any dividend payment that there might or might not be comes directly to the coffers of the people who are at the end of the day the shareholders of the company not individual members of the Government. Therefore, Mr Speaker, I think that hon Members should consider that the company in looking at the question is looking at the best interests of continuing to run that company for the good of Gibraltar and for the good of its customers as well as for the shareholders in the company.

HON P R CARUANA:

Mr Speaker, I entirely agree with that and I can see that if we were to have a decent telecommunications network in Gibraltar, this requires capital. But if the Government used their share of that fattened calf in the form of dividends to in effect subsidise the usage, then we would all be killing two birds with one stone. The joint venture partner would get his return but the user would get the cheapest possible tariff as opposed to what is now happening that Nynex and British Telecom are getting their returns - good for them, that is what there in it for - but the Government are getting their dividend which they are deploying as general government resources and not using it to keep down tariffs as much as possible.

HON J C PEREZ:

The hon Member is right. If the Government were to use any of their funds to subsidise anything the services would be cheaper to the general public. That is a value judgement that one takes particularly at the budget session, the hon Member can say that it will be the policy of the party if it ever gets elected into Government to subsidise telephone rates to people. Fine, it is not the policy of this Government.

NO. 57 OF 1994THE HON P CUMMING

PRIVACY OF TELEPHONE LINES

Will Government take steps to ensure privacy of telephone lines?

ANSWERTHE HON THE MINISTER FOR GOVERNMENT SERVICES

Mr Speaker, there is no need whatsoever for Government, Gibraltar Nynex Communications Limited or Gibraltar International Telecommunications Limited to take any steps to ensure privacy in the telephone network. This already exists.

SUPPLEMENTARY TO QUESTION NO. 57 OF 1994

HON P CUMMING:

Mr Speaker, I would like to inform the Minister that during these last weeks of a lot of political activity on my behalf, where my telephone has been in constant action, I received a semi-anonymous telephone call from someone close to the GSLP, semi-anonymous because they did not identify themselves but their voice was identifiable, telling me that my phone was tabbed and remembering back to Trade Union days when many of the Government Members were active against the then Government of the day, this was common practice; to listen in where they might be hot news. Therefore it seems to me, that we cannot just assume, as the Government is so prone to do, that everything is hanky dory when in fact it is not. In UK this also occasionally brings problems where the security services for the security of the nation intervene and they need very special precautions but they only do so in certain circumstances.

HON J C PEREZ:

Mr Speaker, I am baffled. Is the hon Member suggesting that his telephone is tabbed? Is that what the hon Member is suggesting? And is he asking the Government to stop tabbing his telephone? Is that what he is saying? Because this is incredible. He is saying that someone called him, who supposedly, according to him, is close to this party and told him that his telephone was tabbed. And he comes up and asks what are we going to do about the privacy of the line. Well, Mr Speaker, let him not pick up his telephone.

HON P CUMMING:

The hon Minister can listen into my telephone without any problem, he will probably hear on television anyway sooner or later. So there will be no problem with that. I have no personal objection to the Minister listening to my telephone, but the assumption on his part that this does not happen astounds me frankly. In view of the certain knowledge that I have of this going on before when people close to the Trade Union obviously were employees working there. It only takes a board technician who knows how to do it to listen in here and there on areas that might be of specific interest at any particular time. This is human nature. If the Government do nothing to protect the privacy of telephone lines, then they will not be private.

HON J C PEREZ:

Mr Speaker, the only thing that I can tell the hon Member is that if he has got any indication or any proof whatsoever that there is anybody or anything tampering with his private telephone line, he is open to report it to the police, he is open for the police to investigate it and he is open to make complaints to the relevant company that provides the service to him. But to come here and suggest that because someone calls him and tells him that his telephone is tapped, that it is tapped and that we should do something about it, is totally ridiculous, Mr Speaker. If he has got any proof whatsoever or any indication whatsoever that his telephone is being interfered with, by all means, please I would ask the Attorney-General to ask the hon Member to make a report to him or to the Commissioner of Police and we shall investigate it.

HON P CUMMING:

The Minister's attitude is as per normal. The GSLP attitude is that everything is alright when in fact it is not.

HON J C PEREZ:

No, Mr Speaker, we cannot leave the situation to go like that. There is nothing wrong unless the hon Member can prove that there is something wrong. He comes to this House and gives the impression that we are living in a banana republic like he often says, where people go around listening to other peoples' telephone private conversations as if this were the normal practice of everybody and he expects people to listen and he has the audacity to ask

the Government to do something about it to stop this when he brings no shred of evidence whatsoever that this is the state of affairs either with his telephone or with anybody else's telephone in Gibraltar. This is totally outrageous, Mr Speaker. The hon Member should withdraw the insinuation that this is happening in Gibraltar or prove that something of that nature is happening and the way to do it is to report it to the authorities and they can investigate it.

HON P CUMMING:

Mr Speaker, the question has been, "Will Government take steps to ensure privacy of telephone lines?". The Minister has given the answer. He will not take steps to ensure the privacy of telephone lines.

HON J C PEREZ:

I will not take steps, no. I do not need to take steps because they are already private. That is my reply and the hon Member has not accepted it.

26.4.94

ORAL

NO. 58 OF 1994

THE HON LT-COL E M BRITTO

CAMPO AREA TELECOMMUNICATIONS

Were there any contacts or communications on a commercial or any other basis between the Government of Gibraltar or Gibraltar Nynex or Gibtel and the Spanish National Telephone Company, Telefonica, in respect of the major agreement signed by Telefonica on 7 February 1994 to modernise telecommunications in the Campo Area?

ANSWER

THE HON THE MINISTER FOR GOVERNMENT SERVICES

Mr Speaker, none whatsoever.

SUPPLEMENTARY TO QUESTION NO. 58 OF 1994

HON LT-COL E M BRITTO:

Mr Speaker, at the time, it was reported in the press that the Minister had said that there had been no cross frontier political negotiations. I take that answer to mean that there have not been commercial communications either. But will the Minister say whether it will have been desirable from Gibraltar's point of view, from a purely telecommunication point of view, to have been included or whether it was a matter of policy not to have the contacts or the negotiations?

HON J C PEREZ:

Mr Speaker, it was not raised. The issue has not even come to our minds. It was a total surprise that the Spaniards should claim that we had been included either in their minds or in any other way. If he reads well the statement that I made to the press, I said that it was totally ridiculous that this matter had not come under discussion or had not even been aired by either side or by the companies concerned with their independent commercial relationship with Telefonica. It has not arisen at all.

NO. 59 OF 1994THE HON LT-COL E M BRITTO

WATER AND ELECTRICITY BILLS

Are Government aware that consumers are not billed on a regular monthly basis for their usage of electricity and water and what steps will Government take to correct this?

ANSWERTHE HON THE MINISTER FOR GOVERNMENT SERVICES

Mr Speaker, I have put the question of the hon Member to the management of Lyonnaise des Eaux who tell me that all of their customers get billed on a monthly basis.

They do however, inform me that there are a small number of consumers who have their meters installed within the premises, instead of outside it which is now standard, and that access to these premises needs to be negotiated regularly. Steps are already being taken, where possible, to try and resite these meters.

As far as electricity is concerned, there are some consumers in the private sector who have not had their meters read regularly because HIV meters, as they are called, are serviced by the Electricity Department and there existed an industrial problem which has now been resolved. There should not have been a problem with any of these cases since December.

SUPPLEMENTARY TO QUESTION NO. 59 OF 1994

HON LT-COL E M BRITTO:

Mr Speaker, I am reassured by the Minister's answer if it proves in practice from now on to be correct. All I can say is we shall have to wait and see. My information at the moment is that problems are still being experienced. I can say from personal experience as a consumer who has a meter in a position that needs the access to be negotiated, that the company are not exactly falling over themselves to take up the offer once they are told how to get access to the meter. [Interruption] But the problem remains the same. They tell me that they have not billed me because they have not had access to the meter. I tell them exact time and date and time span of four or five hours, five days a week on which they can have access to the meter and they still do not come and do not get access to the meter.

HON J C PEREZ:

Mr Speaker, I shall inform Lyonnaise des Eaux this very afternoon that the hon Member's meter should be read and he should be billed. This is not on. He should be billed and he should pay his bills.

26.4.94

ORAL

NO. 60 OF 1994

THE HON LT-COL E M BRITTO

UPPER ROCK FIRE BREAKS

Are Government satisfied that the present condition of the fire breaks along the Upper Rock will make them an effective barrier in case of fire in this area?

ANSWER

THE HON THE MINISTER FOR GOVERNMENT SERVICES

Mr Speaker, I am informed by the City Fire Brigade that the five existing fire breaks on the Upper Rock, two of which are the responsibility of the Ministry of Defence, are expected to be cleared towards the end of June.

Experience has shown, explains the Brigade, that early clearing of fire breaks during periods when there is still some rainfall are not practicable or effective because of the very rapid growth of vegetation.

SUPPLEMENTARY TO QUESTION NO.60 OF 1994

HON LT-COL E M BRITTO:

Mr Speaker, the Minister has said that two are the responsibility of MOD. How many are there exactly and who is responsible for the others?

HON J C PEREZ:

There are five, three of which are the responsibility of the Government and two of which are the responsibility of MOD, but the five of them are to be done in June.

HON LT-COL E M BRITTO:

Who are they done by, Mr Speaker?

HON J C PEREZ:

Mr Speaker, the Ministry of Defence may have independent ways of doing it. I am not sure how we do ours. I can check for the hon Member but that was not part of the question.

26.4.94

ORAL

NO. 61 OF 1994

THE HON LT-COL E M BRITTO

FRONTIER GATES

When will the Government take steps to refurbish the vehicular exit gates at the frontier?

ANSWER

THE HON THE MINISTER FOR GOVERNMENT SERVICES

Mr Speaker, there are no plans to refurbish the vehicular exit gates in the immediate future.

SUPPLEMENTARY TO QUESTION NO. 61 OF 1994

LT-COL E M BRITTO:

Mr Speaker, is the Minister satisfied with the present conditions of the gates?

HON J C PEREZ:

Mr Speaker, I have not had the opportunity of having visited the gates very recently, but that gate has been opened and continues open ever since I can remember. The gates on our side never closed when the frontier closed. They have always remained opened. I fear that if we were to touch them, they might collapse and we might bring the wrath of the heritage society upon us. I have not looked at the state of the gate, what I can tell him is that no one within the Government service or the police or the customs, has actually put up a requisition for the gates to be repaired. There is no notification that there is any urgent desire to have the gates repainted. I presume that the hon Member is concerned about the look of it rather than the function of it given that it is not expected that the gates would be closed in the foreseeable future.

HON LT-COL E M BRITTO:

No, Mr Speaker. Will the Minister accept that I am not the slightest bit interested about the workings of the gate or whether they swing on their hinges or whether they do not. I am concerned and I think he probably ought to be as well about reports in the press about the outward conditions of the gate. I saw them as recently as

yesterday, if nothing else they could do with a thorough cleaning. They also need to be repainted and if one extends - maybe I should have done in wording the question - the meaning of gate to include the overhead canopy as far as the gate meaning the gateway, there certainly, Mr Speaker, is where some urgent maintenance work needs to be done because the frame seems to me even if the gates do not work, there is pretty strong risk that the canopy will collapse on them and then they will not work at all.

26.4.94

ORAL

NO. 62 OF 1994

THE HON LT-COL E M BRITTO

MOTOR VEHICLE TESTING

What plans do Government have to introduce the compulsory testing of motor vehicles which are over four years old?

ANSWER

THE HON THE MINISTER FOR GOVERNMENT SERVICES

Mr Speaker, Government are still in the process of considering how best to comply with the European Community directive which makes necessary the compulsory testing of motor vehicles of four years of age or over from the date of registration.

Government are looking at the most efficient way of applying EC Law in a manner which will affect motorists the least. A final decision has not yet been taken.

SUPPLEMENTARY TO QUESTION NO. 62 OF 1994

HON LT-COL E M BRITTO:

Mr Speaker, have Government accepted in principle, the objections that the Opposition made at the time when some intimation was given of Government plans, in principle to a monopoly situation being created where only one test centre is available. Have they followed reports in the press of action of contacting the staff at the Government's MOT test centre to provide that as an alternative testing site and if so, can they give us any indications that there is?

HON J C PEREZ:

No Sir. Government had a series of proposals including the proposal which is all that it was which attracted the wrath of Opposition Members at the time and it is still considering that one and others.

HON LT-COL E M BRITTO:

But have they accepted, Mr Speaker, the principle of not having a monopoly situation?

HON J C PEREZ:

Mr Speaker, the Government have not accepted the principle of not having a monopoly situation because it presently holds the monopoly for MOT test centre. Obviously if the Government holds the monopoly for MOT test centre, it cannot at the same time agree that there should not be a monopoly because it holds it at the moment. What I am telling the hon Member is that there are several proposals that the Government have. They shall be considered and the Government will look at the best way to introduce EC legislation affecting motorists the least, whether it is that way or another, the hon Member will have to wait and see until the decision making process of the Government is completed.

HON LT-COL E M BRITTO:

Mr Speaker, will the Minister accept that whereas I find the second half of the answer totally reasonable, I cannot say the same for the first part of it. The Government do not have a monopoly situation. The Government have a monopoly situation only inasmuch as it affects commercial vehicles and vehicles which are over 10 years old, which are either commercial vehicles which are something on their own.....

HON J C PEREZ:

Which are the only vehicles that are tested. So it has got the monopoly.

HON LT-COL E M BRITTO:

But we are talking about the situation that arises out of the EC Directive that affects vehicles which are four years old and there there is no monopoly situation at the moment because there is no requirement for testing.

HON J C PEREZ:

The hon Member is asking me whether as a matter of policy the Government agree with the Opposition that there should not be a monopoly on MOT testing. The MOT testing that exists today, which is cars over ten years and commercial vehicles, is done through a monopoly which is owned by the Government. It is a Government service. I can therefore not agree with the hon Member that we do not agree with the monopoly because we hold the monopoly today. How can I agree with that?

HON LT-COL E M BRITTO:

Mr Speaker, let me rephrase the question. Will the Government accept the Opposition's recommendations and representations that as and when they create a means of testing vehicles which are four years old, arising out of the EC Directive, as and when they do that, that they will do it in such a way that they do not create a monopoly situation where a very large number of road users are put into the hands of just one test centre and they have no option of going to somebody else for either re-testing or a second opinion.

HON J C PEREZ:

Mr Speaker, as I said in my original reply, the Government will be looking at the most efficient way of applying EC law in a manner which will affect motorists the least. Whether that coincides or does not coincide with the views of the Opposition, is neither here nor there. The decision making process of the Government has not been completed and when it is, the hon Member will be informed what it is and he can then decide to bring the matter again to the House or not.

HON LT-COL E M BRITTO:

Fair enough, Mr Speaker. The point obviously is that they will not accept the policy. One final question if I may, Mr Speaker, something suggested to me recently. Once this EC Directive is applied in Gibraltar and the legislation is passed or brought by regulation, will a certificate produced by a testing entity in another European Community country, be valid in Gibraltar?

HON J C PEREZ:

Mr Speaker, for a Gibraltar registered car no. If it were it would have already been functioning and we would have already been doing business besides the many petrol stations that there are. But no, we have not been given a licence to print money as the hon Member would like.

HON LT-COL E M BRITTO:

I am not sure whether the Minister has understood my question. I am saying a test certificate produced as a result of a test in Portugal, France, Spain or England.

HON J C PEREZ:

Not for a registered car of another country. Therefore, the MOT test centre of Portugal can only test Portuguese registered cars. The MOT test centre of Spain can only test Spanish registered cars and the MOT test centre of Gibraltar can only test Gibraltar registered cars. If it were the situation where Spanish cars would be MOT tested in Gibraltar, we might then be able to create the facilities of having a competitive structure here so that we have all the Spanish vehicles coming to have their MOT test here and therefore my remarks about a licence to print money. But then of course, the result of the further queues in the frontier would have to be ameliorated in some way.

NO. 63 OF 1994THE HON LT-COL E M BRITTO

PUBLIC HIGHWAY SALE OF VEHICLES

Is it Government policy to allow the public highway to be used for the sale of motor vehicles on a commercial basis?

ANSWERTHE HON THE MINISTER FOR GOVERNMENT SERVICES

Mr Speaker, Government are aware that motor vehicles are being put, on show, for sale, in the public highway. The actual sale, we understand, is being carried out elsewhere.

Government are not encouraging this practice as a matter of policy. It is however, looking to see whether there exists appropriate legislation in the statute to stop this or whether it needs to take other legislative measures.

SUPPLEMENTARY TO QUESTION NO.63 OF 1994

HON LT-COL E M BRITTO:

Is the Minister aware that the practice appears to have now extended to areas in the centre of town, like Engineer Lane and Queensway in the area of Regal House?

HON J C PEREZ:

And Cathedral Square, Mr Speaker, and in other areas. All that one sees is a vehicle with a sign for sale and a number of a person or an address to get in touch with. We are looking as to whether the present legislation provides for us to stop that or we need new legislation to stop it. My own personal opinion is that the existing legislation does not cater for us to be able to stop that. But the enforcement agencies are looking at it and will recommend to the Government whether we need to provide legislation to stop it. Certainly, I am concerned that vehicles which do not belong to anyone and are there for sale should be taking up very valuable parking spaces in the public highway.

26.4.94

ORAL

NO. 64 OF 1994

THE HON H CORBY

NAVAL GROUND CAR PARK

Will Government state what arrangements they have made in relation to the ownership and operation of the car park at the Naval Ground?

ANSWER

THE HON THE MINISTER FOR GOVERNMENT SERVICES

Mr Speaker, Government are not directly involved in either the ownership, financing or operation of the car park at the Naval Ground. As has already been stated in this House all of these matters are the sole responsibility of Gibraltar Security Services Limited which continues to be a fully owned Government company.

SUPPLEMENTARY TO QUESTION NO. 64 OF 1994

HON H CORBY:

Is the Minister aware that people have been refused entry to the car park because the ground floor is completely full, yet there are three floors that are also restricted and there are parking spaces there at times and people cannot get either to the first, second or third floors. This was a development in the middle of town for the flow of traffic and for people to park in that area, which is very near offices in Gibraltar and very near the shopping centre. So a car park which is there for the benefit of the people of Gibraltar is now practically neglected. It has happened to me twice, it has happened to a lot of people in Gibraltar and that car park is not available to the public anymore.

HON J C PEREZ:

No, Mr Speaker. The hon Member is completely wrong. About 90 per cent of the time there is empty capacity in the car park. There are occasions when the car park is full and one might say that there are car parking spaces available on the top floor, but those top floors are already hired out permanently for people that pay a monthly or an annual fee for the hire of the whole space which provides a permanent and guaranteed income to the company

to allow it to finance the project. The car park has different categories of services. It provides fixed car parking for people that want to rent the space and have it on a permanent basis and it provides hourly car parking for people that want it whenever they come to the centre of town. The hourly car parking sometimes fills up and even though the hon Member might see that there are empty car parking spaces above that, that does not mean that it is not paid for and unoccupied. It is just that the occupant is away but he has hired that space. That permanent hire of that space is what is getting the income in to guarantee the financing of the project.

HON H CORBY:

Mr Speaker, in as far as the long term parking of Gibraltarians is concerned, there is one floor for it. The other are used for brand new cars which are left there for quite a number of months. It is still a car park which should be used for the people of Gibraltar which is being neglected to the taxpayer in as far as that car park is concerned.

HON J C PEREZ:

Mr Speaker, those brand new cars that hire the top floors are the guaranteed income that the company has to be able to finance the project. The company is financing and paying the setting of the car park with a guaranteed income. If it were to be left opened in case the Hon Mr Corby, with respect, or someone else, came to park their car there and to guarantee that they would always have a parking space, they might guarantee that they would always have the parking space, but that does not guarantee the same kind of income to the company to be able to finance the project. Once the project is financed, we might review the situation and say there should be more spaces open for temporary parking rather than of a permanent nature and that might release more space. But my information is that there is only a 10 per cent on a weekly basis monitoring where the car park is totally full and there is no space. Ninety per cent of the time there is more than ample space for people to park their vehicles there for a short spell like one, two or five hours.

HON H CORBY:

Mr Speaker, in as far as the ground floor is concerned, part of it is taken by the GSSL; what used to be available to the public on the ground floor. It is about half of the space now being taken by the parking area. It is still being restricted.

HON J C PEREZ:

Mr Speaker, there is still 90 per cent of the time capacity for vehicles. There is only a small 10 per cent of the time when there are people turned away. In every car park, even up the Costa one might find a car park where it says "Full". That is what is happening down there.

HON H CORBY:

I beg to differ in as far as there is a small percentage because it has happened quite a number of times to me and to other people who use that car park bang in the middle of town.

HON J C PEREZ:

We will have to increase the floor space.

HON H CORBY:

What has to be increased is the car parking facilities for the people of Gibraltar.

HON J C PEREZ:

That is what we have done.